

# **Electricity Networks Corporation trading as Western Power**

**Electricity Distribution (EDL1) and  
Transmission (ETL2) Licences**

**2017 Performance Audit Report**

November 2017

Mr Rudi James  
Regulatory Compliance Manager  
Electricity Networks Corporation trading as Western Power  
363 Wellington Street  
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10 November 2017

Dear Rudi

**Electricity Networks Corporation t/a Western Power (Western Power) - Electricity Distribution (EDL1) and Transmission (ETL2) Licence – 2017 Performance audit report**

We have completed the performance audit of Western Power's EDL1 and ETL2 licences for the period 1 July 2014 to 30 June 2017 and are pleased to submit our report to you.

I 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 Andrew Baldwin on 0414 924 346 or me on 0411 603 644.

Yours sincerely

**Richard Thomas**  
Partner  
Deloitte Risk Advisory Pty Ltd

# Contents

1	Independent Auditor’s report	4
2	Executive summary	12
3	Summary of findings	24
4	Detailed findings, recommendations and action plans	31
5	Follow-up of previous audit non-compliances and recommendations	121
	Appendix A - Audit plan	131
	Appendix B - References	132
	Appendix C – Post audit implementation plan	135

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# 1 Independent Auditor's report

With the approval of the Economic Regulation Authority (the **ERA**), Electricity Networks Corporation T/A Western Power (**Western Power**) engaged Deloitte Risk Advisory Pty Ltd (**Deloitte**) to conduct a performance audit of Western Power's compliance with the conditions of its Electricity Distribution (EDL1) and Transmission (ETL2) licences (the **Licences**), for the period 1 July 2014 to 30 June 2017 (**audit period**).

This single report has been prepared to represent our findings and conclusions in relation to both performance audits (i.e. for the EDL1 and ETL2 Licences), reflecting Western Power's obligations as the network operator of its transmission and distribution networks. The report highlights any instances where the obligation relates to only one of the Licences.

Deloitte conducted the performance audit as a reasonable assurance engagement and in accordance with the specific requirements of the Licences and the April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* issued by the ERA (**Audit Guidelines**).

## **Western Power's responsibility for compliance with the conditions of the Licences**

Western Power is responsible for:

- Ensuring that it has complied in all material respects with the requirements of the Licences
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA
- Implementing corrective actions for instances of non-compliance (if any).

## **Deloitte's responsibility**

Our responsibility is to express a conclusion in respect of Western Power's compliance with the conditions of the Licences based on our procedures. The reasonable assurance engagement has been conducted in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3100 *Compliance Engagements* issued by the Australian Auditing and Assurance Standards Board, to state whether, in our opinion, based on the procedures performed, Western Power has complied, in all material respects, with its Licence conditions as outlined in the approved Audit Plan (dated May 2017) for the audit period.

ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures consisted primarily of:

- Utilising the Audit Guidelines and the October 2016 Electricity Compliance Reporting Manual (the **Reporting Manual**) as a guide for development of a risk assessment and document review to assess controls
- Development of an Audit Plan for approval by the ERA and an associated work program, set out in Appendix A
- Interviews with and representations from relevant Western Power staff to gain an understanding of process controls
- Review of documents and walkthrough of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with Licence obligations
- Sample testing where relevant for obligations rated as an audit priority 3 and above in the approved Audit Plan.

## **Limitations of use**

This report is intended solely for the information and internal use of Western 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 ERA for the purpose of reporting on the performance audit for the Licences. We agree that a copy of this report may be provided to the ERA in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report. We accept no duty, liability or responsibility to any party, other than Western Power, in connection with the report or this engagement.

### Inherent limitations

Our engagement will provide reasonable assurance as defined in ASAE 3100. Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable due to factors such as the:

- Use of selective testing and testing as at a point of time
- Inherent limitations of internal controls
- Fact that much of the evidence available to us is persuasive rather than conclusive
- Use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

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

The conclusion expressed in this report has been formed on the above basis. Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

### Independence

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Conclusion

In our opinion, based on the procedures performed, except for the effect of the issues set out in the Basis for modified conclusion section below, Western Power has complied, in all material respects, with the conditions of the Licences as outlined in the approved Audit Plan (dated May 2017) for the period 1 July 2014 to 30 June 2017.

### Basis for modified conclusion

The following Licence obligations were assessed as non-compliant (rating 2 or 3). Western Power had identified and disclosed these matters (other than where indicated as \*) in its relevant Annual Compliance reports to the ERA (for 2014/15, 2015/16 and/or 2016/17):

Reporting Manual number and Licence obligation	Issue
<p>35 <b>Electricity Industry Customer Transfer Code clause 4.10(1)</b>  <i>A network operator must take certain action in accordance with a defined timetable following the receipt of a valid customer transfer request, subject to clauses 4.10(2) and 4.10(3) of the Electricity Industry Customer Transfer Code and using all reasonable endeavours to affect the transfer.</i></p>	<p>Of a sample of 20 instances where amendments were made to nominated transfer dates during the audit period:</p> <ul style="list-style-type: none"> <li>• In eight instances, Western Power did not perform the transfer on the nominated transfer date</li> </ul>

Reporting Manual number and Licence obligation		Issue
39	<p><b>Electricity Industry Customer Transfer Code 4.11(3)</b></p> <p><i>A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.</i></p>	<ul style="list-style-type: none"> <li>In 18 instances, there was a lack of evidence to support Western Power's communication with the incoming retailer in relation to "working together".</li> </ul>
41	<p><b>Electricity Industry Customer Transfer Code 4.13</b></p> <p><i>A network operator must within two business days after the transfer date give an electronic notice of the transfer and the transfer date to the incoming retailer, the previous retailer and, if applicable AEMO.</i></p>	In 27 instances during the audit period, Western Power did not provide the prescribed notification to affected parties within two business days.
77	<p><b>Electricity Industry (Obligation to Connect) Regulations regulation 8</b></p> <p><i>A distributor that is obliged to energise premises must do so within a defined timetable.</i></p>	During the audit period, Western Power did not comply with the obligation to connect customers within the prescribed timeframe for between 0.36% and 0.56% of requests on a monthly basis.
105	<p><b>Electricity Industry Act section 17(1)</b></p> <p><i>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.</i></p>	In one instance during the audit period, Western Power did not pay the prescribed quarterly licence charge within the prescribed timeframe.
234	<p><b>Code of Conduct clause 7.6</b></p> <p><i>Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.</i></p>	In one instance during the audit period, Western Power wrongfully disconnected a business customer who had an active complaint.
238	<p><b>Code of Conduct clause 7.7(4)</b></p> <p><i>If life support equipment is registered at a customer's supply address under subclause 7.7(3)(a), a distributor must comply with subclauses 7.7(4)(a) and (b).</i></p>	In three instances during the audit period, Western Power did not notify Life Support Equipment (LSE) customers of an outage in accordance with the requirements of the Code.
244	<p><b>Code of Conduct clause 8.2</b></p> <p><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).</i></p>	During the audit period, Western Power did not comply with the obligation to reconnect customers within the prescribed timeframe for between approximately 1% and 2% of applications on a monthly basis.
300	<p><b>Code of Conduct clause 12.1(3)</b></p> <p><i>A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).</i></p>	Western Power addressed an issue relating to classification of complaints, which was raised during the 2014 Performance Audit, part way through the current audit period. As a result, Western Power is assessed as non-compliant during the current audit period.
301	<p><b>Code of Conduct clause 12.1(4)</b></p> <p><i>Upon 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.</i></p>	In three instances (one in each year) during the audit period, Western Power did not respond to a complaint within 20 business days.

Reporting Manual number and Licence obligation		Issue
313	<p><b>Code of Conduct clause 14.4(1)</b></p> <p><i>Subject to clause 14.6, a distributor must pay the customer \$20 where the distributor has failed to acknowledge or respond to a written query or complaint within the timeframes prescribed in subclause 12.1(4).</i></p>	In one instance during the audit period in which Western Power did not respond to a complaint within 20 business days, Western Power did not pay for a claim submitted in relation to the service standard breach within the prescribed timeframes.
326	<p><b>Electricity Industry (Metering) Code clause 3.5(1) and (2)</b></p> <p><i>A network operator must ensure that there is a metering installation at every connection point on its network, which is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.</i></p>	In one instance during the audit period, Western Power did not comply with the requirement to maintain a metering installation for a relevant connection point.
333	<p><b>Electricity Industry Metering Code clause 3.9(3)</b></p> <p><i>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 specified in Table 3 in Appendix 1 of the Code.</i></p>	In one instance during the audit period, a metering installation did not comply with the prescribed accuracy requirements.
338	<p><b>Electricity Industry Metering Code clause 3.11(2)</b></p> <p><i>If an outage or malfunction occurs to a metering installation, the network operator must make repairs to the metering installation in accordance with the applicable service level agreement.</i></p>	In multiple instances during the audit period, Western Power did not make repairs to meters within the prescribed requirements of its Model Service Level Agreement ( <b>SLA</b> ).
341	<p><b>Electricity Industry Metering Code clause 3.11A(2)</b></p> <p><i>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 the meters that make up the population are removed and replaced with new meters within 3 years of the testing of the population.</i></p>	As at 30 June 2017, Western Power had 1,813 non-compliant direct connect meters remaining on its network.
342	<p><b>Electricity Industry Metering Code clause 3.12(1)</b></p> <p><i>A network operator must ensure that each metering installation complies with, at least, the prescribed design requirements.</i></p>	In one instance during the audit period, Western Power connected a power quality testing apparatus to the wiring on the voltage transformer ( <b>VT</b> ) secondary core, which did not meet the design requirements for a metering installation.
357	<p><b>Electricity Industry Metering Code clause 3.21(1)</b></p> <p><i>Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.</i></p>	Western Power reported an average annual non-compliance of 1.19% during the audit period, where meters containing an internal real time clock did not maintain the prescribed accuracy requirements.

Reporting Manual number and Licence obligation		Issue
368	<p><b>Electricity Industry Metering Code clause 4.1(3)</b></p> <p><i>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 2 business days after the day of any disaster.</i></p>	Western Power addressed an issue relating to operation of a Disaster Recovery Plan ( <b>DRP</b> ) that allows for full rebuild of its metering database, which was raised during the 2014 Performance Audit, part way through the current audit period. As a result, Western Power is assessed as non-compliant during the current audit period.
375	<p><b>Electricity Industry Metering Code clause 4.6(2)</b></p> <p><i>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.</i></p>	In one instance during the audit period, Western Power was notified of a change in standing data and did not immediately update the change in the registry.
376	<p><b>Electricity Industry Metering Code clause 4.7</b></p> <p><i>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.</i></p>	During the audit period, Western Power consistently reported a monthly compliance level of approximately 99.99% (for approximately 100,000 sets of standing data provided), relating to notification of updates to standing data.
385	<p><b>Electricity Industry Metering Code clause 5.3</b></p> <p><i>A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database by no later than 2 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).</i></p>	During the audit period, Western Power consistently reported an annual compliance level of between approximately 93.5% and 98.5%, relating to transfer of energy data into its metering database within the timeframes prescribed.
386	<p><b>Electricity Industry Metering Code clause 5.4(1)</b></p> <p><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.</i></p>	During the audit period, Western Power consistently reported an annual compliance level of approximately 99.5%, relating to undertaking an actual read at least once every 12 months.



Reporting Manual number and Licence obligation		Issue
391	<p><b>Electricity Industry Metering Code clause 5.6(1)</b></p> <p><i>Subject to subclause 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 within the timeframes prescribed in subclause 5.6(1)(2).</i></p>	During the audit period, Western Power consistently reported an annual compliance level of approximately 99.95%, relating to the provision of validated, substituted or estimated energy data within the prescribed timeframes.
397	<p><b>Electricity Industry Metering Code clause 5.12(1)</b></p> <p><i>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 a network operator must provide a user with a complete set of energy data for the a metering point within the timeframes prescribed.</i></p>	During the audit period, Western Power disclosed a small number of instances where it did not comply with the requirements of clause 5.12(1) for providing energy data within two business days. Over the audit period, Western Power's reported compliance exceeded 99.8%.
399*	<p><b>Electricity Industry Metering Code clause 5.14(3)</b></p> <p><i>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.</i></p>	In one instance during the audit period, Western Power did not provide the requested data within the two-business day service standard specified in its Model SLA.
404	<p><b>Electricity Industry Metering Code clause 5.17A(3)</b></p> <p><i>A network operator must comply with a direction under subclause 5.17A(1) within the timeframes prescribed.</i></p>	In multiple instances during the audit period, Western Power did not provide data within the 10 business day timeframe.
413	<p><b>Electricity Industry Metering Code clause 5.20(4)</b></p> <p><i>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.</i></p>	In one instance during the audit period, Western Power did not provide verified energy data within the two-business day timeframe.
415	<p><b>Electricity Industry Metering Code clause 5.21(4)</b></p> <p><i>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.</i></p>	In multiple instances during the audit period, Western Power did not perform tests within the seven-day timeframe prescribed by its Model SLA.

Reporting Manual number and Licence obligation		Issue
423*	<p><b>Electricity Industry Metering Code clause 5.22(2)</b></p> <p><i>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.</i></p>	During the audit period, Western Power's processes, were designed to publish energy data to the market prior to it being validated against check metering data, which does not meet the requirement of the Metering Code.
434*	<p><b>Electricity Industry Metering Code clause 5.25</b></p> <p><i>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.</i></p>	In multiple instances during the audit period, Western Power incorrectly published substituted data, used to correct actual data that failed validation (therefore becoming estimated data), as actual data, which does not comply with the requirements of the Metering Code.
447	<p><b>Electricity Industry Metering Code clause 6.1(1)</b></p> <p><i>A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.</i></p>	As a result of Western Power's failure to meet a number of the requirements of its Metrology Procedure and its Model SLA, as described above at obligations 338, 399, 415 and 434, Western Power was unable to demonstrate compliance with clause 6.1(1) of the Metering Code.
455*	<p><b>Electricity Industry Metering Code clause 7.5</b></p> <p><i>A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.</i></p>	In one instance during the audit period, Western Power disclosed confidential information to the incorrect Code participant.
464	<p><b>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 section 9</b></p> <p><i>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.</i></p>	During the audit period, Western Power consistently reported an annual compliance level of approximately 95%, relating to the prescribed number of outages permitted by the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 ( <b>NQRS Code</b> ).
467	<p><b>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 section 12(3)</b></p> <p><i>A distributor must take prescribed action in the event of a significant interruption to a small use customer.</i></p>	<i>Obligations 467 and 468</i> During the audit period, Western Power's small use customers continued to have interruptions, which breached the requirements of the NQRS Code owing to adverse climatic events.

Reporting Manual number and Licence obligation		Issue
468	<p><b>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 13(2)</b></p> <p><i>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.</i></p>	
472	<p><b>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 section 18</b></p> <p><i>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.</i></p>	In one instance during the audit period, Western Power did not notify a customer of a planned outage and did not make the required service standard payment within the prescribed timeframe.
473	<p><b>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 section 19</b></p> <p><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.</i></p>	In two instances during the audit period, Western Power did not pay a customer the required service standard within the timeframes prescribed by the NQRS Code.

DELOITTE RISK ADVISORY PTY LTD

**Richard Thomas** \_\_\_\_\_  
Partner  
Perth, 10 November 2017

# 2 Executive summary

## 2.1 Introduction and background

The Economic Regulation Authority (the **ERA**) has under the provisions of the Electricity Industry Act 2004 (**Electricity Act**), issued to Electricity Networks Corporation T/A Western Power (**Western Power**) the Electricity Distribution (EDL1) and Transmission (ETL2) Licence (the **Licences**).

Section 13 of the Act requires Western Power to provide the ERA with a performance audit (the **audit**) conducted by an independent expert acceptable to the ERA not less than once in every 24-month period (or any longer period that the ERA allows). The ERA set the period to be covered by the audit as 1 July 2014 to 30 June 2017.

At the request of Western Power, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has undertaken a reasonable assurance audit of Western Power's compliance with its Licence obligations. This single report has been prepared to represent our findings and conclusions in relation to both performance audits (i.e. for the EDL1 and ETL2 Licences), reflecting Western Power's obligations as the network operator of its transmission and distribution networks. The report highlights any instances where the obligation relates to only one of the Licences.

Western Power has been granted its licences to maintain, operate and expand activities throughout the South West Interconnected System (**SWIS**). Western Power is the main licensed distributor and transmitter in the SWIS and had, for the duration of the audit period, responsibility for providing default balancing and ancillary services, which underpin the reliability of the SWIS.

The audit has been conducted in accordance with the April 2014 issue of the Audit and Review Guidelines: Electricity and Gas Licences (the **Guidelines**).

## 2.2 Observations

In considering Western Power's internal control procedures, structure and environment, its compliance culture and its information systems specifically relevant to those licence obligations subject to audit, we observed that Western Power has:

- Maintained a mature, internal compliance reporting process, which enables it to proactively identify and self-report non-compliances in a timely manner
- Committed to implementing various projects to assist in improving its level of compliance
- Maintained a compliance culture across the organisation, which enables staff to recognise Licence obligations. Examples of strong compliance culture include:
  - Key staff have a good understanding of the obligations, for which they take ownership
  - Non-compliances are self-reported by staff throughout the organisation, including instances where staff have reported a matter that is subsequently found not to be a non-compliance
  - High percentage completion of compliance-related training
- Implemented all 27 action plans in response to recommendations raised during the 2014 Performance Audit, which has served to further improve its controls over its Licence compliance obligations
- The potential to further define its approach to managing obligations that are continually non-compliant (refer to issue, recommendation and action plan 1/2017 below)
- A number of opportunities to further improve its controls over its Licence compliance obligations.

## 2.3 Findings

The following tables summarise the assessments made during the audit on Western Power's compliance and the adequacy of controls in place for Western Power to manage its compliance with the relevant obligations or conditions of the Licences.

**Table 1** sets out the rating scale defined by the ERA in the Guidelines for the assessment of the level of compliance with the conditions of its Licences. For the highest possible compliance rating to be achieved, Western Power was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

Table 1: Control adequacy and compliance rating scale

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
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

**Table 4** at section 3 of this report provides further detail on the control adequacy and compliance rating scales. The above rating scale is defined by the Guidelines.

Table 2: Summary of findings, by audit priority and control adequacy

Audit Priority	Control adequacy rating				NP <sup>1</sup>	Total
	A	B	C	D		
Priority 1	1	-	-	-	-	<b>1</b>
Priority 2	3	1	-	-	2	<b>6</b>
Priority 3	15	11	-	-	-	<b>26</b>
Priority 4	6	4	-	-	195	<b>205</b>
Priority 5	1	1	-	-	39	<b>41</b>
<b>Total:</b>	<b>26</b>	<b>17</b>	<b>-</b>	<b>-</b>	<b>236</b>	<b>279</b>

Table 3: Summary of findings, by audit priority and compliance rating

Audit Priority	Compliance rating				NR	Total
	1	2	3	4		
Priority 1	-	-	1	-	-	<b>1</b>
Priority 2	2	2	-	-	2	<b>6</b>
Priority 3	3	23	-	-	-	<b>26</b>
Priority 4	159	9	-	-	37	<b>205</b>
Priority 5	24	2	-	-	15	<b>41</b>
<b>Total:</b>	<b>188</b>	<b>36</b>	<b>1</b>	<b>-</b>	<b>54</b>	<b>279</b>

Note that, in accordance with the current Guidelines, obligations assessed as being “not applicable” to Western Power’s operations have not been included within this report.

Specific assessments for each Licence obligation are summarised at **Table 4** in the “Summary of findings” section of this report.

Detailed findings, including relevant observations, recommendations and action plans are located in section 4 “Detailed findings, recommendations and action plans”.

## 2.4 Western Power’s response to previous audit recommendations

This audit considered Western Power’s progress in completing the action plans detailed in the 2014 performance audit report.

<sup>1</sup> Refers to the obligations for which a control assessment was not required to be performed (obligations with an audit priority of 4 or 5 and a compliance rating of 1, or which were not rateable).

Based on our examination of relevant documents, discussion with staff and consideration of the results of our testing against the associated licence obligations, we determined that Western Power has completed and closed out all 27 action plans detailed in the 2014 performance audit report. Refer to section 5 "Previous audit non-compliances and recommendations" for further detail.

## 2.5 Current audit non-compliances, recommendations and action plans

### A. Resolved during current audit period

Reporting manual no. and Licence obligation reference	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and management action taken	Auditor's comments
<b>Obligation 105</b> <i>Electricity Industry Act section 17(1)</i>	<b>A2</b> In one instance during the audit period, Western Power did not pay the prescribed quarterly licence charge within the prescribed timeframe.	<b>Resolved October 2016</b> To address the cause of the non-compliance, Western Power developed multiple alert points within its internal calendar to remind the business of key payment dates and to closely monitor payments.	No further action required.
<b>Obligation 234</b> <i>Code of Conduct clause 7.6</i>	<b>A2</b> In one instance during the audit period, Western Power wrongfully disconnected a business customer who had an active complaint.	<b>Resolved August 2014</b> Western Power rectified the breach in a timely manner, determined that the breach was due to human error for not appropriately recording the complaint, held refresher training for relevant staff and extended the timeframe for maintaining a complaint within the Network Customer Information System ( <b>NetCiS</b> ) to two months.	No further action required.
<b>Obligation 238</b> <i>Code of Conduct clause 7.7(4)</i>	<b>A3</b> In three instances during the audit period, Western Power did not notify LSE customers of an outage in accordance with the requirements of the Code.	<b>Resolved June 2015</b> To address the root cause of these instances, Western Power: <ul style="list-style-type: none"> <li>Reviewed its processes for managing Type 1 customers</li> <li>Reviewed the location of all LSE customers in Western Power's systems</li> <li>Corrected any errors identified through the review</li> <li>Improved the manual check process performed when a new LSE customer is registered</li> <li>Implemented a review of all manual entries to confirm accuracy.</li> </ul>	No further action required.
<b>Obligation 300</b> <i>Code of Conduct clause 12.1(3)</i>	<b>A2</b> Western Power addressed an issue relating to classification of complaints, which was raised during the 2014 Performance Audit, part way through the current audit period. As a result, Western Power is assessed as non-compliant during the current audit period.	<b>Resolved November 2014</b> Western Power applied a more focussed training program and improved its monitoring process around first contact processes to ensure Customer Service Centre ( <b>CSC</b> ) staff correctly classify complaints, for all complaints to be escalated to the Complaints and Resolution Team and for customers who articulate dissatisfaction to be advised of their right of escalation under subclause 12.1(3)(a).	No further action required.

Reporting manual no. and Licence obligation reference	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and management action taken	Auditor's comments
<b>Obligation 313</b> <i>Code of Conduct clause 14.4(1)</i>	<b>A2</b> In one instance during the audit period in which Western Power did not respond to a complaint within 20 business days, Western Power did not pay for a claim submitted in relation to the service standard breach within the prescribed timeframes.	<b>Resolved September 2014</b> This instance was resolved through the payment to the customer and appears to be an isolated occasion, with no further non-compliance identified during the audit period	No further action required.
<b>Obligation 333</b> <i>Metering Code clause 3.9(3)</i>	<b>A2</b> In one instance during the audit period, a metering installation did not comply with the prescribed accuracy requirements.	<b>Resolved April 2017</b> Following approval from the Australian Energy Market Operator ( <b>AEMO</b> ), a correction factor of 1.5 was introduced on all related meter interval data and readings until the metering installation was normalised through the commissioning of a replacement transformer.	No further action required.
<b>Obligation 342</b> <i>Metering Code clause 3.12(1)</i>	<b>A2</b> In one instance during the audit period, Western Power connected a power quality testing apparatus to the wiring on the VT secondary core, which did not meet the design requirements for a metering installation.	<b>Resolved August 2014</b> The breach was remedied within three days and is considered to be an isolated occurrence of non-compliance with clause 3.12(1) of the Code.	No further action required.
<b>Obligation 368</b> <i>Metering Code clause 4.1(3)</i>	<b>A2</b> Western Power addressed an issue relating to operation of a DRP that allows for full rebuild of its metering database, which was raised during the 2014 Performance Audit, part way through the current audit period. As a result, Western Power is assessed as non-compliant during the current audit period.	<b>Resolved November 2014</b> The DRP was amended (and successfully tested) to address the potential failure of the Metering Business System ( <b>MBS</b> ) in the event of a disaster.	No further action required.
<b>Obligation 375</b> <i>Metering Code clause 4.6(2)</i>	<b>A2</b> In one instance during the audit period, Western Power was notified of a change in standing data and did not immediately update the change in the registry.	<b>Resolved May 2015</b> Western Power manually advised the affected retailers of the correct data. This matter is considered to be an isolated occurrence.	No further action required.

Reporting manual no. and Licence obligation reference	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and management action taken	Auditor's comments
<b>Obligation 397</b> <i>Metering Code clause 5.12(1)</i>	<b>A2</b> During the audit period, Western Power disclosed a small number of instances where it did not comply with the requirements of clause 5.12(1) for providing energy data within two business days. Over the audit period, Western Power's reported compliance exceeded 99.8%.	<b>Resolved March 2017</b> Throughout the audit period, Western Power implemented process improvements and technology solutions to help manage its obligation for providing energy data within two business days, including: <ul style="list-style-type: none"> <li>• Extending the automated process for providing energy data for requests relating to all periods (previously limited to requests relating to periods of 0-12 months)</li> <li>• Restricting the number of bulk requests to 100</li> <li>• Scheduling Independent Market Operator (<b>IMO</b>) requests for non-business days.</li> </ul>	No further action required.
<b>Obligation 413</b> <i>Metering Code clause 5.20(4)</i>	<b>A2</b> In one instance during the audit period, Western Power did not provide verified energy data within the two-business day timeframe.	<b>Resolved March 2015</b> The non-compliance was attributed to a combination of high volume of requests in country areas where a field visit is required, plus delays in returning a meter for verifying data subsequent to a meter exchange. Western Power has consistently monitored its performance with the requirement to provide verified energy data within two business days, with no further non-compliances observed.	No further action required.
<b>Obligation 455</b> <i>Metering Code clause 7.5</i>	<b>A2</b> In one instance during the audit period, Western Power disclosed confidential information to the incorrect Code participant.	<b>Resolved May 2015</b> Western Power determined the cause of the error to be a transposition error on the service order, resulting in an incorrect Network Meter Identifier ( <b>NMI</b> ) being allocated to the meter. Western Power has strengthened its controls by reviewing the end-to-end connection process and through the provision of compliance training for its energisation teams, making use of this instance as a learning example.	No further action required.
<b>Obligation 472</b> <i>NQRS Code section 18</i>	<b>A2</b> In one instance during the audit period, where Western Power did not notify a customer of a planned outage, it did not make the required service standard payment within the prescribed timeframe.	<b>Resolved October 2016</b> Western Power determined the cause of the error to be a system mapping error and subsequently made the required service standard payment (32 days after the customer's application).	No further action required.
<b>Obligation 473</b> <i>NQRS Code section 19</i>	<b>A2</b> In two instances during the audit period, Western Power did not pay a customer the required service standard payment within the timeframes prescribed by the NQRS Code.	<b>Resolved December 2015</b> Western Power has updated its Extended Outage Payment Scheme ( <b>EOPS</b> ) process staff training to address the importance of the timeframes in the payment authorisation process and the required payment reconciliation process.	No further action required.



## B. Unresolved at end of current audit period

Reporting manual no. and Licence obligation reference	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and management action taken	Auditor's comments
<b>Obligation 326</b> <i>Metering Code clause 3.5(1) and (2)</i>	<b>A2</b> In one instance during the audit period, Western Power did not comply with the requirement to maintain a metering installation for a relevant connection point.	<b>Resolved August 2017</b> The breach related to a single instance where Western Power disconnected a switchboard (which included the meter) to address risks around the integrity of the switchboard. Western Power supplied the customer via an unmetered bypass arrangement. On 30 August 2017, Western Power installed the replacement switchboard containing the compliant meter.	No further action required.

Reporting manual no. and Licence obligation reference	Issue 1/2017
<b>Obligation 41</b> <i>Electricity Industry Customer Transfer Code clause 4.13</i> <b>Obligation 77</b> <i>Electricity Industry (Obligation to Connect) Regulation 8</i> <b>Obligations 244 and 301</b> <i>Code of Conduct clauses 8.2 and 12.1(4)</i> <b>Obligations 338, 357, 376, 385, 386, 391, 404, 415 and 447</b> <i>Electricity Industry Metering Code clauses 3.11(2), 3.21(1), 4.7, 5.3, 5.4(1), 5.6(1), 5.17A(1), 5.21(4) and 6(1)</i> <b>Obligations 464, 467 and 468</b> <i>Network Quality &amp; Reliability of Supply Code sections 9, 12(3) and 13(2)</i>	Western Power has a number of obligations under the relevant Codes, which have associated timeframes and require specified actions to be conducted. For these obligations, the nature, extent and volume of activity makes it difficult for Western Power to maintain compliance throughout the full audit period. Western Power continues to monitor its level of compliance (sometimes on a monthly basis) and self-reports relevant breaches every year, however no formal strategy has been developed to document Western Power's position in relation to each obligation.  <i>Refer to detailed findings for individual control and compliance ratings.</i>
<b>Recommendation 1/2017</b> Western Power consider: (a) Developing a strategy for managing and, where possible addressing, recurrent non-compliant obligations. The strategy could include consideration of: <ul style="list-style-type: none"> <li>• Business cases for technology solutions to address the root cause of the non-compliance (e.g. automating certain activities that require manual effort)</li> <li>• Alternative approaches to addressing the root cause of the non-compliance (e.g. outsourcing of certain processes whereby capacity issues can be addressed)</li> <li>• Western Power's position for electing to monitor and report on compliance levels, without further change in processes or additional investment in resources.</li> </ul> (b) Where business cases have been approved, implementing and monitoring the effectiveness of the solution at addressing the root cause of the non-compliance	<b>Action Plan 1/2017</b> Western Power seeks to comply with all of its operating licences' obligations. The auditor has identified a suite of recurrent non-compliances that are primarily associated with firm performance targets, which at times are difficult to achieve for the reasons outlined in the audit report. Western Power will continue to work towards achieving compliance and: <ol style="list-style-type: none"> <li>1. Review each recurrent non-compliance to facilitate identification of the most appropriate treatment activity. Where practicable, a compliance plan will be developed to implement the remedial actions.</li> <li>2. Engage with the regulators and other external stakeholders to seek changes to those instruments which, in Western Power's opinion, require amendments to reflect the nature and volume of transactions impacting Western Power's compliance with these obligations.</li> </ol> <b>Responsible person</b> Regulatory Compliance Manager

<b>Reporting manual no. and Licence obligation reference</b>	<b>Issue 1/2017</b>	
(c) Setting triggers and timeframes for review of the strategy.	<b>Target date</b> 1. 31 December 2017 2. 31 December 2018	
<b>Reporting manual no. and Licence obligation reference</b>	<b>Control adequacy</b>	<b>Issue 2/2017</b>
<p><b>Obligation 35</b> <i>Electricity Industry Customer Transfer Code clause 4.10(1)</i> A network operator must take certain action in accordance with a defined timetable following the receipt of a valid customer transfer request, subject to clauses 4.10(2) and 4.10(3) of the Electricity Industry Customer Transfer Code and using all reasonable endeavours to affect the transfer.</p> <p><b>Obligation 39</b> <i>Electricity Industry Customer Transfer Code clause 4.11(2)</i> A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.</p>	<p>Generally adequate controls – improvement needed (B)</p> <p><b>Compliance rating</b></p> <p>Non-compliant – minor impact on customers or third parties (2)</p>	<p>In response to recommendation 1/2014 of the 2014 Performance Audit relating to <i>obligation 39</i> (Customer Transfer Code clause 4.11(3)), Western Power improved its processes for ensuring Type 5 meters are read on the original nominated transfer date. However, of our sample of 20 instances (out of a population of 135 over the audit period) where Western Power amended a nominated customer transfer date, eight customer transfer requests were not performed on the nominated transfer date (because the meter had not been read on that day). As a result, Western Power did not comply with the requirements of Customer Transfer Code clause 4.10(1)(c) for the meter read to be conducted on the nominated transfer date (<i>obligation 35</i>).</p> <p>In addition, in relation to <i>obligation 39</i>, of the 20 customer transfer requests tested:</p> <ul style="list-style-type: none"> <li>In 18 instances, no evidence could be provided of Western Power's communication with the incoming retailer in relation to "working together" to set a new date in accordance with the requirement of Customer Transfer Code clause 4.11(3)(a)</li> <li>Western Power was unable to demonstrate that it had notified the current retailer of the meter not being read and of the new transfer date, within one business day in accordance with the requirements of Customer Transfer Code clause 4.11(3)(b).</li> </ul>
<p><b>Recommendation 2/2017</b></p> <p>Western Power consider reviewing its processes for enabling compliance with the requirements of Customer Transfer Code clauses 4.10(1) and 4.11(3), specifically in relation to:</p> <ul style="list-style-type: none"> <li>Capturing and reporting flow-on non-compliances resulting from the meter not being read on a nominated transfer date</li> <li>Working together with the incoming retailer to set a new transfer date, and maintaining appropriate evidence of associated communications.</li> </ul>	<p><b>Action Plan 2/2017</b></p> <ol style="list-style-type: none"> <li>Western Power will review its internal processes to ensure compliance obligations, which have an interdependency with other obligations, are linked to enable appropriate monitoring and reporting of non-compliances. <b>Responsible person</b> Revenue Manager <b>Target date</b> 31 December 2017</li> <li>Where meters cannot be read on the nominated appointment date, implement process changes to work with incoming retailers to set a new transfer date, and maintain appropriate supporting evidence of associated communications for rescheduling the appointment. <b>Responsible person</b> Revenue Manager <b>Target date</b> 31 March 2018</li> </ol>	

Reporting manual no. and Licence obligation reference	Control adequacy	Issue 3/2017
<p><b>Obligation 341</b></p> <p><i>Electricity Industry Metering Code clause 3.11A(2)</i></p> <p>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.</p>	<p>Adequate controls – no improvement needed (A)</p> <p><b>Compliance rating</b></p> <p>Non-compliant – minor impact on customers or third parties (2)</p>	<p>As disclosed in the 2009 and 2014 Performance Audit Reports, Western Power recognised that there were approximately 320,000 non-compliant direct connect meters on its network. Western Power developed an action plan (approved by the EnergySafety division of the Department of Commerce) to replace the non-compliant meters by 1 December 2015 and subsequently addressed approximately 85,000 of those meters.</p> <p>An amendment to the Code confirmed that only approximately 54,000 of the 320,000 meters were non-compliant, resulting in a total of 1,813 meters remaining non-compliant as at 30 June 2017. Of the non-compliant meters as at 30 June 2017:</p> <ul style="list-style-type: none"> <li>750 meters were prioritised to be replaced between 1 July and 31 August 2017</li> <li>Western Power determined that it is currently unable to replace 1,063 meters due to safety concerns or access constraints. A Management Plan to address these meters has been prepared.</li> </ul>
<p><b>Recommendation 3/2017</b></p> <p>Western Power close out the Management Plan prepared to address the remaining 1,063 non-compliant meters.</p>		<p><b>Action Plan 3/2017</b></p> <p>Western Power will undertake the activities detailed within the Management Plan and annually report its progress to the ERA.</p> <p><b>Responsible person</b></p> <p>Metering Services Manager</p> <p><b>Target date</b></p> <p>Ongoing.</p>

Reporting manual no. and Licence obligation reference	Control adequacy	Issue 4/2017
<p><b>Obligation 399</b></p> <p><i>Electricity Industry Metering Code clause 5.14(3)</i></p> <p>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.</p>	<p>Adequate controls – no improvement needed (A)</p> <p><b>Compliance rating</b></p> <p>Non-compliant – minor impact on customers or third parties (2)</p>	<p>Testing of the eight requests for bulk standing data made in the 2016/17 financial year determined that in one instance, Western Power provided the data three business days after the request, which did not meet the two business day service standard specified in Western Power’s Metering Code Model Service Level Agreement (<b>SLA</b>) and therefore, the requirement of clause 5.14(3) of the Metering Code. Although Western Power had reached agreement with the user for the data to be provided after the two business day timeframe, the SLA does not provide for an extension of time for provision of the requested data.</p>
<p><b>Recommendation 4/2017</b></p> <p>Western Power:</p> <p>(a) Consider amending the Metering Code Model SLA to enable another date for the provision of the requested data to be otherwise agreed with the user</p> <p>(b) Further strengthen its processes for ensuring staff awareness of their compliance obligations (including reporting of breaches),</p>		<p><b>Action Plan 4/2017</b></p> <p>As identified by the auditor, this was an exception as the requested data was large. Western Power engaged the user and agreed a method for providing the requested data, however this data was provided outside of the prescribed two business days. As this instance was an exception, Western Power does not consider a need to amend the Model SLA.</p>

particularly at times where responsibilities are re-allocated.	The Model SLA provision of bulk standing data timing requirements have been reinforced with the relevant teams (Metering Applications Support, Metering Functional Support and Billing Networks). <b>Responsible person</b> Business Relationship Manager - IT <b>Target date</b> Completed.
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Reporting manual no. and Licence obligation reference	Control adequacy	Issue 5/2017
<p><b>Obligation 423</b> <i>Electricity Industry Metering Code clause 5.22(2)</i></p> <p>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>Generally adequate controls – improvement needed (B)</p> <p><b>Compliance rating</b></p> <p>Non-compliant – minor impact on customers or third parties (2)</p>	<p>Western Power:</p> <ul style="list-style-type: none"> <li>Currently publishes energy data to the market via MBS, prior to being validated against “check metering data”, which does not meet the requirement of the Metering Code</li> <li>Has identified a solution, which requires an MBS upgrade to enable energy data to be validated against “check metering data” prior to it being published to the market.</li> </ul>
<p><b>Recommendation 5/2017</b></p> <p>Western Power implement the intended MBS upgrade, which will enable data to be adequately validated prior to being published.</p>		<p><b>Action Plan 5/2017</b></p> <p>Western Power has further explored the proposed MBS functionality upgrade required to perform the validation process. The required upgrade is complex and the initial solution has since been de-scoped from the suite of items to be upgraded within MBS. However:</p> <ol style="list-style-type: none"> <li>Western Power will explore opportunities with ICT for a cost-effective, compliant process. This could include a process to withhold failed energy data and check meter readings for review before the publication of the meter data from MBS. If the ICT solution is practicable, Western Power will define a plan and work schedule for the solution to be implemented.</li> <li>Until a system solution has been identified and implemented, Western Power will, where practicable, develop and implement a manual process to validate meter readings before they are published to the market.</li> </ol> <p><b>Responsible person</b> Revenue Manager <b>Target date</b></p> <ol style="list-style-type: none"> <li>30 June 2018</li> <li>31 March 2018.</li> </ol>

Reporting manual no. and Licence obligation reference	Control adequacy	Issue 6/2017
<p><b>Obligation 434</b> <i>Electricity Industry Metering Code clause 5.25</i></p> <p>A network operator must ensure the accuracy of</p>	<p>Generally adequate controls – improvement needed (B)</p> <p><b>Compliance rating</b></p>	<p>In 2014/15, Western Power self-reported its non-compliance with clause 5.25, relating to a small number of instances where substituted data, used to correct actual data that failed validation (therefore becoming estimated data), was incorrectly published as actual data. In these</p>

<p>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.</p>	<p><b>Non-compliant – minor impact on customers or third parties (2)</b></p>	<p>instances, Western Power failed to preserve the accuracy of data in accordance with section 8.3.2 of its Metrology procedure, which requires Western Power to accurately advise all Code participants of the source of data published to the market.</p> <p>In its 2014/15 Annual Compliance report, Western Power reported that it had initiated an investigation into the MBS error and that it had implemented an exception report to monitor and manually correct substitute readings in MBS. In 2015, the MBS error was corrected, however a subsequent upgrade to MBS resulted in the default settings causing the error to revert. As a result, Western Power continued to breach the requirements of section 8.3.2 of its Metrology procedure and clause 5.25 of the Metering Code.</p> <p>We understand Western Power has recognised the need to implement an MBS solution to address the issue relating to substitute energy data being published to the market as actual energy data.</p>
<p><b>Recommendation 6/2017</b></p> <p>Western Power implement the MBS solution required to address the issue relating to substitute energy data being published to the market as actual energy data.</p>	<p><b>Action Plan 6/2017</b></p> <ol style="list-style-type: none"> <li>1. The cause for the MBS defect has been identified and is currently being worked through. Once completed, when a user substitutes energy data via the user interface of MBS, the data quality will be labelled as a “substitute” reading.</li> <li>2. Until the MBS solution is implemented, Western Power will, where practicable, develop and implement a manual process to preserve the accuracy of data that is published to the market.</li> </ol> <p><b>Responsible person</b> Revenue Manager</p> <p><b>Target date</b></p> <ol style="list-style-type: none"> <li>1. 31 July 2018</li> <li>2. 31 March 2018.</li> </ol>	
<p><b>Reporting manual no. and Licence obligation reference</b></p> <p><b>Obligation 479</b> <i>Network Quality &amp; Reliability of Supply Code section 24(3)</i></p> <p>A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements.</p>	<p><b>Control adequacy</b></p> <p>Generally adequate controls – improvement needed (B)</p> <p><b>Compliance rating</b></p> <p>Not rateable</p>	<p><b>Issue 7/2017</b></p> <p>Section 24(3) of the NQRS Code requires Western Power to complete power quality investigations within 20 working days for qualifying requests by customers who consider that their supply of electricity did not comply with the voltage fluctuation and harmonic standards specified by the NQRS Code. Section 24 of the NQRS Code states that a customer “may in writing request the transmitter or distributor to investigate whether the supply of electricity complies with...” those standards and Western Power has applied the NQRS Code’s 20 working day requirement to requests made by a customer in writing.</p> <p>Examination of the one request made via email that Western Power had recorded as not meeting the 20 working day timeframe concluded that the customer’s request related to high voltage and therefore was not specifically covered by the NQRS Code’s requirement for power quality investigations, which refers to voltage fluctuations.</p>

		<p>Further investigation by Western Power concluded that there were no written requests made by customers during the audit period, which related to the NQRS Code's requirement for power quality investigations.</p> <p>Although Western Power effectively manages its power quality investigations in accordance with its internal service standards, further clarity is required to ensure it adequately distinguishes between investigations per the NQRS Code requirements and service standard targets.</p>
<p><b>Recommendation 7/2017</b></p> <p>Western Power review and where appropriate amend its processes for managing and monitoring the completion of its power quality investigations to ensure it adequately distinguishes between investigations per the NQRS Code requirements and service standard targets.</p>		<p><b>Action Plan 7/2017</b></p> <p>Western Power acknowledges the opportunity to improve its approach for the management of investigations required under the NQRS Code. With this, Western Power will:</p> <ol style="list-style-type: none"> <li>1. Amend its Power Quality flowchart to ensure that staff are able to draw the connection between investigations, which are subject to the NQRS Code, and the corresponding prescribed timeframe.</li> <li>2. Improve its power quality investigation and monitoring processes to ensure that, where a customer makes a written request for an investigation under the NQRS Code, the request is readily identifiable.</li> </ol> <p><b>Responsible person</b> Engineering Team Leader</p> <p><b>Target date</b> 31 December 2017.</p>

## 2.6 Scope and objectives

As described in our contract with Western Power, dated 26 April 2017, we have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures, Western Power has complied, in all material respects, with the conditions of its Licences as outlined in the approved Audit Plan (dated May 2017) during the period 1 July 2014 to 30 June 2017.

Our engagement was conducted in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board and provides reasonable assurance as defined in ASAE 3100. The procedures we performed are described in more detail in section 2.7 below.

A reasonable assurance engagement in accordance with ASAE 3100 involves performing procedures to obtain evidence about the compliance with the conditions of the Licences. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in compliance with the conditions of the Licences. In making those risk assessments, we considered internal controls in relation to compliance with the conditions of the Licences.

ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

The ERA has summarised the requirements of the applicable legislation that it expects to be reported upon and included in the scope of this audit in its October 2016 Electricity Compliance Reporting Manual (**Reporting Manual**).

The Audit Plan approved by the ERA for this audit sets out Western Power's Licence obligations confirmed to be included in the scope of the audit, along with the risk assessments and audit priority assigned to each licence obligation.

### Revision to audit scope

In consultation with the ERA's Secretariat, the audit scope was revised to remove obligation 339 (*Electricity Industry Metering Code clause 3.11(3)*), which does not relate to an obligation of Western Power as a network operator.

## 2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period June to early August 2017:

- Utilising the Guidelines and Reporting Manuals (February 2013, January 2013, May 2014, July 2014, September 2014, July 2016, October 2016) as a guide, developed a risk assessment, which involved discussions with key staff and document review to assess controls
- Developed an Audit Plan (see **Appendix A**) for approval by the ERA and an associated work program (one plan for both Licences)
- Interviewed relevant Western Power staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Reviewed relevant documentation and walked through processes and controls to assess overall compliance and effectiveness in accordance with Licence obligations (see **Appendix B** for reference listing)
- Sample tested relevant obligations (assessed as an audit priority 3, 2 or 1) and where there was relevant activity, determine whether transactions complied with the requirements of the obligation
- Reported findings to Western Power for review and response.

# 3 Summary of findings

Table 1 in section 2 above sets out the rating scale defined by the ERA in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licences. For the highest possible compliance rating to be achieved, Western Power was required to demonstrate it has maintained effective processes and controls, which facilitate compliance with relevant obligations.

The remainder of this report provides:

- A summary of the findings for the compliance obligations (at **Table 4** below)
- Detailed findings, including relevant observations, recommendations and action plans (at **Section 4**).

## Table 4: Compliance Ratings

Refer to Detailed Findings at section 4 and Audit Plan at Appendix A for descriptions of the obligations. Note that detailed findings are not presented for those obligations assessed to be not applicable to Western Power's operations for the period subject to audit - refer to the Audit Plan at Appendix A for further explanation.

### Legend:

	Distribution only		Transmission only		Both Distribution and Transmission
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#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
<b>9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations</b>												
1	Clause 2.2(1)(a)					✓	Priority 5					✓
2	Clause 2.2(1)(b)					✓	Priority 4					✓
2A	Clause 2.3					✓	Priority 4					✓
3	Clause 3.1(1)(a)					✓	Priority 4	✓				
4	Clause 3.1(1)(b)					✓	Priority 4	✓				
5	Clause 3.1(2)					✓	Priority 4					✓
10	Clause 3.7(1)					✓	Priority 4	✓				
11	Clause 3.7(2)					✓	Priority 4	✓				
12	Clause 3.8(1)					✓	Priority 5	✓				
13	Clause 3.8(2)(a)					✓	Priority 4	✓				
15	Clause 3.8(3)					✓	Priority 4	✓				
20	Clause 3.10(1)					✓	Priority 4	✓				
21	Clause 3.10(2)					✓	Priority 4	✓				
22	Clause 4.1					✓	Priority 4	✓				
31	Clause 4.9(1)					✓	Priority 4	✓				
32	Clause 4.9(2)					✓	Priority 4	✓				
33	Clause 4.9(3)					✓	Priority 4	✓				
34	Clause 4.9(6)					✓	Priority 4	✓				
35	Clause 4.10(1)		✓				Priority 4		✓			
36	Clause 4.10(2)					✓	Priority 4	✓				
37	Clause 4.10(3)					✓	Priority 4	✓				
38	Clause 4.11(1)					✓	Priority 4	✓				
39	Clause 4.11(3)		✓				Priority 3		✓			
40	Clause 4.12(3)					✓	Priority 5					✓
41	Clause 4.13		✓				Priority 3		✓			
42	Clause 4.14					✓	Priority 4	✓				
43	Clause 4.15					✓	Priority 5	✓				
48	Clause 5					✓	Priority 4	✓				
48A	Clause 6.1					✓	Priority 4	✓				
49	Clause 6.2					✓	Priority 4	✓				
50	Clause 6.3(1)					✓	Priority 5	✓				



#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
51	Clause 6.3(2)					✓	Priority 4						✓
54	Clause 6.6					✓	Priority 4	✓					
55	Clause 7.1(1)					✓	Priority 5						✓
56	Clause 7.1(2)					✓	Priority 5						✓
57	Clause 7.1(3)					✓	Priority 4						✓
58	Clause 7.2(4)					✓	Priority 5						✓
59	Clause 7.3(2)					✓	Priority 5						✓
60	Annex 1					✓	Priority 4	✓					
61	Annex 2					✓	Priority 4	✓					
62	Annex 3					✓	Priority 4	✓					
63	Annex 4 cl. A4.1					✓	Priority 4	✓					
64	Annex 4 cl. A4.2					✓	Priority 4	✓					
65	Annex 5 cl. A5.1(5)					✓	Priority 4	✓					
66	Annex 5 cl. A5.1(6)					✓	Priority 4	✓					
67	Annex 5 cl. A5.1(7)					✓	Priority 4	✓					
<b>10 Electricity Industry (Obligation to Connect) Regulations – Licence Conditions and Obligations</b>													
72	Regulation 4					✓	Priority 4	✓					
73	Regulation 5(5)					✓	Priority 4	✓					
74	Regulation 5(6)					✓	Priority 4	✓					
75	Regulation 6					✓	Priority 4	✓					
76	Regulation 7(1)					✓	Priority 4	✓					
77	Regulation 8	✓					Priority 3		✓				
<b>Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations</b>													
99	Regulation 36					✓	Priority 4	✓					
<b>11 Electricity Industry Act – Licence Conditions and Obligations</b>													
101	Section 13(1)					✓	Priority 5	✓					
102	Section 14(1)(a)					✓	Priority 5	✓					
103	Section 14(1)(b)					✓	Priority 4						✓
104	Section 14(1)(c)					✓	Priority 5	✓					
105	Section 17(1)	✓					Priority 3		✓				
106	Section 31(3)					✓	Priority 5	✓					
107	Section 41(6)					✓	Priority 4	✓					
111	Section 101					✓	Priority 4	✓					
112	Section 115(1)					✓	Priority 4	✓					
113	Section 115(2)					✓	Priority 4						✓
<b>12 Electricity Licences – Licence Conditions and Obligations</b>													
119	Condition 12.1					✓	Priority 4	✓					
120	Condition 13.4					✓	Priority 4						✓
121	Condition 14.2					✓	Priority 4	✓					
122	Condition 20.5					✓	Priority 4	✓					
123	Condition 15.1					✓	Priority 4						✓
124	Condition 16.1					✓	Priority 4	✓					
125	Condition 17.1 & 17.2					✓	Priority 4						✓
126	Condition 18.1					✓	Priority 4	✓					
127	Condition 29.1	✓					Priority 2	✓					
128	Condition 29.3					✓	Priority 2						✓
<b>3 Code of Conduct – Licence Conditions and Obligations</b>													
<b>Part 7 Disconnection</b>													
233	Clause 7.5					✓	Priority 4	✓					
234	Clause 7.6	✓					Priority 2		✓				
237	Clause 7.7(3)	✓					Priority 2	✓					
238	Clause 7.7(4)	✓					Priority 1			✓			
238A	Clause 7.7(4A)					✓	Priority 5	✓					

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
239	Clause 7.7(5)					✓	Priority 5	✓					
241	Clause 7.7(7)					✓	Priority 4	✓					
<b>Part 8 Reconnection</b>													
244	Clause 8.2	✓					Priority 3		✓				
<b>Part 9 Pre-Payment Meters</b>													
245	Clause 9.1(2)					✓	Priority 4	✓					
258	Clause 9.5(2)					✓	Priority 2						✓
263	Clause 9.9(2)					✓	Priority 4						✓
<b>Part 10 Information &amp; Communication</b>													
283	Clause 10.6					✓	Priority 4	✓					
284	Clause 10.7(1)					✓	Priority 4	✓					
285	Clause 10.7(2)					✓	Priority 4	✓					
286	Clause 10.7(3)					✓	Priority 4	✓					
287	Clause 10.7(4)					✓	Priority 4	✓					
288	Clause 10.8(1)					✓	Priority 4	✓					
289	Clause 10.8(2)					✓	Priority 4	✓					
290	Clause 10.9					✓	Priority 5	✓					
291	Clause 10.10(1)					✓	Priority 4	✓					
292	Clause 10.10(2)					✓	Priority 4	✓					
294	Clause 10.11(1)					✓	Priority 4	✓					
295	Clause 10.11(2)					✓	Priority 4	✓					
296	Clause 10.12(1)					✓	Priority 4	✓					
<b>Part 12 Complaints &amp; Dispute Resolution</b>													
298	Clause 12.1(1)	✓					Priority 3	✓					
299	Clause 12.1(2)					✓	Priority 4	✓					
300	Clause 12.1(3)	✓					Priority 3		✓				
301	Clause 12.1(4)	✓					Priority 3		✓				
303	Clause 12.3					✓	Priority 4	✓					
304	Clause 12.4					✓	Priority 4	✓					
<b>Part 13 Reporting</b>													
305	Clause 13.1					✓	Priority 4	✓					
306	Clause 13.2					✓	Priority 4	✓					
307	Clause 13.3					✓	Priority 4	✓					
<b>Part 14 Service Standard Payments</b>													
309	Clause 14.1(2)					✓	Priority 4						✓
313	Clause 14.4(1)	✓					Priority 4		✓				
314	Clause 14.5					✓	Priority 4	✓					
316	Clause 14.7(2)					✓	Priority 4	✓					
<b>14 Electricity Industry Metering Code – Licence Conditions and Obligations</b>													
<b>Part 2 Code objectives and arms-length treatment</b>													
317	Clause 2.2(1)(a)					✓	Priority 5						✓
318	Clause 2.2(1)(b)					✓	Priority 4						✓
<b>Part 3 Meters and metering installations</b>													
319	Clause 3.1					✓	Priority 4	✓					
320	Clause 3.2(1)					✓	Priority 4	✓					
321	Clause 3.3(1)					✓	Priority 4	✓					
322	Clause 3.3(3)					✓	Priority 4	✓					
323	Clause 3.3A(1)					✓	Priority 4	✓					
324	Clause 3.3B					✓	Priority 4						✓
325	Clause 3.3C					✓	Priority 4	✓					
326	Clause 3.5(1) and (2)	✓					Priority 4		✓				
327	Clause 3.5(3)					✓	Priority 4	✓					
328	Clause 3.5(4)	✓					Priority 3	✓					
329	Clause 3.5(6)					✓	Priority 4	✓					

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
330	Clause 3.5(9)					✓	Priority 4	✓				
331	Clause 3.7					✓	Priority 4	✓				
332	Clause 3.8					✓	Priority 4	✓				
333	Clause 3.9(3)	✓					Priority 4		✓			
334	Clause 3.9(7)					✓	Priority 4					✓
335	Clause 3.9(9)					✓	Priority 4					✓
336	Clause 3.10					✓	Priority 4	✓				
337	Clause 3.11(1)					✓	Priority 4	✓				
338	Clause 3.11(2)		✓				Priority 3		✓			
340	Clause 3.11A(1)					✓	Priority 4	✓				
341	Clause 3.11A(2)	✓					Priority 4		✓			
342	Clause 3.12(1)	✓					Priority 4		✓			
343	Clause 3.12(2)					✓	Priority 4	✓				
344	Clause 3.12(3)					✓	Priority 4	✓				
345	Clause 3.12(4)					✓	Priority 4	✓				
346	Clause 3.13(1)					✓	Priority 4	✓				
347	Clause 3.13(3)(c)					✓	Priority 4	✓				
348	Clause 3.13(4)					✓	Priority 4	✓				
349	Clause 3.14(3)					✓	Priority 4					✓
350	Clause 3.16(1)					✓	Priority 4	✓				
351	Clause 3.16(2)					✓	Priority 4	✓				
352	Clause 3.16(3)					✓	Priority 4	✓				
353	Clause 3.16(3A)					✓	Priority 4	✓				
354	Clause 3.18(1)					✓	Priority 4	✓				
355	Clause 3.20(1)					✓	Priority 4	✓				
356	Clause 3.20(3)					✓	Priority 4					✓
357	Clause 3.21(1)		✓				Priority 3		✓			
358	Clause 3.21(2)					✓	Priority 4	✓				
359	Clause 3.22					✓	Priority 4	✓				
360	Clause 3.23(a)					✓	Priority 4	✓				
361	Clause 3.23(b)					✓	Priority 4	✓				
362	Clause 3.24A(1)					✓	Priority 4					✓
363	Clause 3.24B(1)					✓	Priority 4	✓				
365	Clause 3.29	✓					Priority 3	✓				
<b>Part 4 The metering database</b>												
366	Clause 4.1(1)					✓	Priority 4	✓				
367	Clause 4.1(2)					✓	Priority 4	✓				
368	Clause 4.1(3)	✓					Priority 3		✓			
369	Clause 4.2(1)					✓	Priority 4	✓				
370	Clause 4.3(1)					✓	Priority 4	✓				
371	Clause 4.4(1)					✓	Priority 5	✓				
372	Clause 4.5(1)					✓	Priority 5	✓				
374	Clause 4.6(1)					✓	Priority 4	✓				
375	Clause 4.6(2)	✓					Priority 4		✓			
376	Clause 4.7		✓				Priority 3		✓			
377	Clause 4.8(3)					✓	Priority 4	✓				
378	Clause 4.8(3A)					✓	Priority 4	✓				
379	Clause 4.8(4)(a)					✓	Priority 4	✓				
380	Clause 4.8(4)(a)					✓	Priority 4	✓				
381	Clause 4.8(5)					✓	Priority 4	✓				
382	Clause 4.9					✓	Priority 4	✓				
<b>Part 5 Metering services</b>												
383	Clause 5.1 (1)					✓	Priority 5	✓				
384	Clause 5.1(2)					✓	Priority 5	✓				

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
385	Clause 5.3		✓				Priority 3		✓			
386	Clause 5.4(1)		✓				Priority 3		✓			
387	Clause 5.4(1A)					✓	Priority 4	✓				
389	Clause 5.5(2)					✓	Priority 5	✓				
390	Clause 5.5(2A)					✓	Priority 4	✓				
391	Clause 5.6(1)		✓				Priority 3		✓			
392	Clause 5.7					✓	Priority 4	✓				
393	Clause 5.8					✓	Priority 4	✓				
394	Clause 5.9					✓	Priority 4	✓				
395	Clause 5.10					✓	Priority 4	✓				
396	Clause 5.11					✓	Priority 4	✓				
397	Clause 5.12(1)	✓					Priority 3		✓			
398	Clause 5.13					✓	Priority 4	✓				
399	Clause 5.14(3)		✓				Priority 4		✓			
400	Clause 5.15					✓	Priority 4	✓				
403	Clause 5.17A(1)					✓	Priority 4	✓				
404	Clause 5.17A(3)		✓				Priority 3		✓			
409	Clause 5.19(5)					✓	Priority 4	✓				
411	Clause 5.20(1)					✓	Priority 4					✓
412	Clause 5.20(2)					✓	Priority 4	✓				
413	Clause 5.20(4)	✓					Priority 3		✓			
414	Clause 5.21(2)					✓	Priority 4	✓				
415	Clause 5.21(4)		✓				Priority 3		✓			
418	Clause 5.21(8)					✓	Priority 4	✓				
419	Clause 5.21(9)					✓	Priority 4	✓				
420	Clause 5.21(11)					✓	Priority 4	✓				
421	Clause 5.21(12)					✓	Priority 4	✓				
422	Clause 5.22(1)					✓	Priority 4	✓				
423	Clause 5.22(2)		✓				Priority 4		✓			
424	Clause 5.22(3)					✓	Priority 4	✓				
425	Clause 5.22(4)					✓	Priority 4	✓				
426	Clause 5.22(5)					✓	Priority 4	✓				
427	Clause 5.22(6)					✓	Priority 4	✓				
428	Clause 5.23(1)					✓	Priority 4	✓				
429	Clause 5.23(3)					✓	Priority 4	✓				
430	Clause 5.24(1)					✓	Priority 4	✓				
431	Clause 5.24(2)					✓	Priority 4	✓				
432	Clause 5.24(3)					✓	Priority 4	✓				
433	Clause 5.24(4)					✓	Priority 4	✓				
434	Clause 5.25		✓				Priority 3		✓			
436	Clause 5.29					✓	Priority 4					✓
437	Clause 5.30(1)					✓	Priority 4					✓
438	Clause 5.31(1)					✓	Priority 4					✓
439	Clause 5.31(2)					✓	Priority 4					✓
440	Clause 5.34(2)					✓	Priority 4					✓
441	Clause 5.37(1)(a)					✓	Priority 4	✓				
442	Clause 5.37(1)(b)					✓	Priority 4	✓				
443	Clause 5.37(1)(b)					✓	Priority 4	✓				
444	Clause 5.37(2)					✓	Priority 4	✓				
445	Clause 5.37(3)					✓	Priority 4	✓				
446	Clause 5.38					✓	Priority 4	✓				
<b>Part 6 Documentation</b>												
447	Clause 6.1(1)		✓				Priority 2		✓			
448A	Clause 6.2					✓	Priority 5					✓

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
448B	Clause 6.18					✓	Priority 5						✓
448C	Clause 6.19A(1)					✓	Priority 5						✓
448D	Clause 6.19B(1)					✓	Priority 5						✓
449	Clause 6.20(4)					✓	Priority 5	✓					
450	Clause 6.20(5)					✓	Priority 4	✓					
<b>Part 7 Notes and confidential information</b>													
451	Clause 7.2(1)					✓	Priority 4	✓					
452	Clause 7.2(2)					✓	Priority 4						✓
453	Clause 7.2(4)					✓	Priority 4						✓
454	Clause 7.2(5)					✓	Priority 4						✓
455	Clause 7.5	✓					Priority 3		✓				
456	Clause 7.6(1)					✓	Priority 4	✓					
<b>Part 8 Dispute resolution</b>													
457	Clause 8.1(1)					✓	Priority 5						✓
458	Clause 8.1(2)					✓	Priority 5						✓
459	Clause 8.1(3)					✓	Priority 5						✓
460	Clause 8.1(4)					✓	Priority 4						✓
461	Clause 8.3(2)					✓	Priority 5						✓
<b>15 Electricity Industry (Network Quality and Reliability of Supply) Code – Licence Conditions and Obligations</b>													
462	Clause 5(1)					✓	Priority 5	✓					
463	Clause 8					✓	Priority 5	✓					
464	Clause 9		✓				Priority 5		✓				
465	Clause 10(1)					✓	Priority 5	✓					
466	Clause 10(2)					✓	Priority 5	✓					
467	Clause 12(3)	✓					Priority 3		✓				
468	Clause 13(2)	✓					Priority 5		✓				
469	Clause 13(3)					✓	Priority 4	✓					
470	Clause 14(8)					✓	Priority 4						✓
471	Clause 15(2)					✓	Priority 4						✓
472	Clause 18	✓					Priority 3		✓				
473	Clause 19	✓					Priority 3		✓				
474	Clause 21(1)					✓	Priority 4	✓					
475	Clause 21(2)					✓	Priority 4	✓					
476	Clause 21(3)					✓	Priority 4	✓					
477	Clause 23(1)					✓	Priority 5	✓					
478	Clause 23(2)					✓	Priority 4	✓					
479	Clause 24(3)		✓				Priority 4						✓
480	Clause 24(4)					✓	Priority 4						✓
481	Clause 25(2)					✓	Priority 4	✓					
482	Clause 25(3)					✓	Priority 4	✓					
483	Clause 26					✓	Priority 4	✓					
484	Clause 27(1)					✓	Priority 4	✓					
485	Clause 27(3)					✓	Priority 4	✓					
<b>16 Electricity Licences - Licensee Specific Conditions and Obligations</b>													
490	Electricity Industry Act section 61 and 65					✓	Priority 4						✓
491	Electricity Industry Act section 62, 64 and 65					✓	Priority 4						✓
492	Electricity Industry Act section 65					✓	Priority 4						✓
493	Electricity Industry Act, section 11					✓	Priority 4	✓					
494	Electricity Industry Act, section 11					✓	Priority 4						✓
<b>The following obligations were removed from the July 2016 Reporting Manual and are applicable only for the period 1 July 2014 to 30 June 2016</b>													
237A	Code of Conduct clause 7.7(3)					✓	Priority 4	✓					

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
293	Code of Conduct clause 10.10(3)					✓	Priority 4	✓					
<b>The following obligations were removed from the October 2016 Reporting Manual and are applicable only for the period 1 July 2014 to 30 September 2016</b>													
68	Customer Transfer Code, Annex 6, cl. A6.2(a)					✓	Priority 5	✓					
69	Customer Transfer Code, Annex 6, cl. A6.2(b)					✓	Priority 4	✓					
70	Customer Transfer Code, Annex 6, cl. A6.6					✓	Priority 5	✓					
71	Customer Transfer Code, Annex 6, cl. A6.7					✓	Priority 5	✓					

# 4 Detailed findings, recommendations and action plans

This section has been structured in subsections for the relevant Codes and Regulations against which we assessed Western Power's compliance. The sections are:

- 4.1 Electricity Industry Customer Transfer Code
- 4.2 Electricity Industry (Obligation to Connect) Regulations
- 4.3 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations
- 4.4 Electricity Industry Act – Licence Conditions and Obligations
- 4.5 Electricity Licences – Licence Conditions and Obligations
- 4.6 Code of Conduct
- 4.7 Electricity Industry Metering Code – Licence Conditions and Obligations
- 4.8 Electricity Industry (Network Quality and Reliability of Supply) Code
- 4.9 Licence specific obligations
- 4.10 Obligations removed during the audit period.

Each section contains:

- **Assessment of compliance and control adequacy** – the conclusions from our audit procedures and our assessment of Western Power's compliance with the applicable obligations
- **Findings** – the auditor's understanding of the process and any issues that have been identified during the audit
- **Recommendations** – for improvement or enhancement of the process or control
- **Action plans** – Western Power's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit, assignment of the actions to appropriate staff and corresponding completion dates for the actions.

The compliance and control adequacy ratings have been summarised below for each sub-section.

Controls adequacy rating						Compliance rating					
A	B	C	D	NP	Total	1	2	3	4	NR	Total
<b>4.1 Electricity Industry Customer Transfer Code</b>											
-	3	-	-	43	<b>46</b>	32	3	-	-	11	<b>46</b>
<b>4.2 Electricity Industry (Obligation to Connect) Regulations</b>											
1	-	-	-	5	<b>6</b>	5	1	-	-	-	<b>6</b>
<b>4.3 Electricity Industry (Customer Contracts) Regulations</b>											
-	-	-	-	1	<b>1</b>	1	-	-	-	-	<b>1</b>
<b>4.4 Electricity Industry Act</b>											
1	-	-	-	9	<b>10</b>	7	1	-	-	2	<b>10</b>
<b>4.5 Electricity Licences</b>											
1	-	-	-	9	<b>10</b>	6	-	-	-	4	<b>10</b>
<b>4.6 Code of Conduct</b>											
Part 7 Disconnection											

Controls adequacy rating						Compliance rating					
A	B	C	D	NP	Total	1	2	3	4	NR	Total
3	-	-	-	4	7	5	1	1	-	-	7
Part 8 Reconnection											
1	-	-	-	-	1	-	1	-	-	-	1
Part 9 Pre-Payment Meters											
-	-	-	-	3	3	1	-	-	-	2	3
Part 10 Information & Communication											
-	-	-	-	13	13	13	-	-	-	-	13
Part 12 Complaints & Dispute Resolution											
3	-	-	-	3	6	4	2	-	-	-	6
Part 13 Reporting											
-	-	-	-	3	3	3	-	-	-	-	3
Part 14 Service Standard Payments											
1	-	-	-	3	4	2	1	-	-	1	4
<b>4.7 Electricity Industry Metering Code</b>											
Part 2 Code objectives and arms-length treatment											
-	-	-	-	2	2	-	-	-	-	2	2
Part 3 Meters and metering installations											
6	2	-	-	37	45	33	6	-	-	6	45
Part 4 The metering database											
2	1	-	-	13	16	13	3	-	-	-	16
Part 5 Metering services											
2	8	-	-	43	53	37	10	-	-	6	53
Part 6 Documentation											
-	1	-	-	6	7	2	1	-	-	4	7
Part 7 Notes and confidential information											
1	-	-	-	5	6	2	1	-	-	3	6
Part 8 Dispute resolution											
-	-	-	-	5	5	-	-	-	-	5	5
<b>4.8 Electricity Industry (Network Quality &amp; Reliability of Supply) Code</b>											
4	2	-	-	18	24	15	5	-	-	4	24
<b>4.9 Electricity Licences - Licensee Specific Conditions and Obligations</b>											
-	-	-	-	5	5	1	-	-	-	4	5
<b>4.10 Obligations removed during the audit period</b>											
-	-	-	-	6	6	6	-	-	-	-	6
26	17	-	-	236	279	188	36	1	-	54	279



## 4.1 Electricity Industry Customer Transfer Code

No	Obligation Under Condition			Findings
1	A network operator must treat all retailers, which are its associates, on an arms-length basis. <i>Electricity Industry Customer Transfer Code Clause 2.2(1)(a)</i>			<i>Obligations 1 and 2</i> As Western Power did not have an associate as a retailer during the period 1 July 2014 to 30 June 2017, no assessment of compliance with this obligation was performed.
	Priority: 5	Controls rating: NP	Compliance Rating: NR	
2	A network operator must ensure that no retailer which is its associate receives a benefit in respect of the Electricity Industry Customer Transfer Code unless the benefit is either attributable to the arms-length application of the Electricity Industry Customer Transfer Code or the benefit is made available to all other retailers. <i>Electricity Industry Customer Transfer Code Clause 2.2(1)(b)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: NR	
2A	A network operator must prepare a report (for each year ending 30 June) as specified by the ERA; give a copy of the report to the Minister and the ERA at least 5 business days before it is published under clause 2.3(1)(c); and publish the report in accordance with clauses 1.6 and 2.3(2). <i>Electricity Industry Customer Transfer Code Clause 2.3</i>			The ERA did not specify any reporting requirements under the Customer Transfer Code during the audit period
	Priority 4	Controls rating: NP	Compliance Rating: NR	
3	A network operator must publish a request for standing data form, which must comply with Annex 1 of the Electricity Industry Customer Transfer Code. <i>Electricity Industry Customer Transfer Code 3.1(1)(a)</i>			<i>Obligations 3 and 60</i> Based on examination of Western Power's request for standing data form, we determined that the form is made available electronically via the Western Power Online Metering Portal (the <b>Portal</b> ) and complies with the requirements of Annex 1 of the Electricity Industry Customer Transfer Code.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
4	A network operator must publish a request for historical data form, which must comply with Annex 2 of the Electricity Industry Customer Transfer Code. <i>Electricity Industry Customer Transfer Code 3.1(1)(b)</i>			<i>Obligations 4 and 61</i> Based on examination of Western Power's request for historical data form, we determined that the form is made available electronically via the Portal and complies with the requirements of Annex 2 of the Electricity Industry Customer Transfer Code.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No	Obligation Under Condition			Findings
5	If a network operator publishes an amended data request form it must comply with Annex 1 or Annex 2 of the Electricity Industry Customer Transfer Code, as applicable. <i>Electricity Industry Customer Transfer Code 3.1(2)</i>			The Readings Management Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power did not amend its data request forms.
	Priority: 4	Controls rating: NP	Compliance Rating: NR	
10	A network operator, subject to clause 3.7(3) of the Electricity Industry Customer Transfer Code, must electronically notify a retailer if its data request is not valid. <i>Electricity Industry Customer Transfer Code 3.7(1)</i>			<p><i>Obligations 10 and 11</i></p> <p>Through discussion with the Readings Management Team Leader and walkthrough of the data request process, we determined that Western Power has the following mechanisms in place for handling invalid data requests:</p> <ul style="list-style-type: none"> <li>For requests made through the Portal, the online form has been configured to prevent invalid requests from being submitted</li> <li>For requests made through Business to Business (<b>B2B</b>), MBS automatically conducts a validation of the request and, if the request fails validation, automated notification is sent to the submitting retailer</li> <li>MBS validation is generally performed within five minutes of receiving the request.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
11	A network operator must comply with clause 3.7(1) of the Electricity Industry Customer Transfer Code within defined timeframes depending on the number of standing or historical data requests that the retailer submits. <i>Electricity Industry Customer Transfer Code 3.7(2)</i>			<ul style="list-style-type: none"> <li>MBS validation is generally performed within five minutes of receiving the request.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
12	A network operator must use all reasonable endeavours to provide to the retailer the requested data under a valid data request. <i>Electricity Industry Customer Transfer Code 3.8(1)</i>			<p><i>Obligations 12 and 13</i></p> <p>Through discussion with the Readings Management Team Leader and walkthrough of the data request process, we determined that Western Power's processes for managing data requests provide for:</p> <ul style="list-style-type: none"> <li>Requests to be actioned automatically through MBS via a daily batch job</li> <li>The daily batch job communicates the data in an electronic form (via an excel-based format), either via B2B or via email (if data is requested by a third party).</li> </ul>
	Priority: 5	Controls rating: NP	Compliance Rating: 1	
13	The network operator must (subject to clause 3.8(3)) provide the requested data under clause 3.8(1) electronically, in accordance with the communication rules. <i>Electricity Industry Customer Transfer Code 3.8(2)(a)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
15	A network operator must electronically notify the retailer of the most likely connection points, to which a data request relates, up to a maximum of 10, if a retailer submits a data request under clause 3.4 and the network operator has not allocated a NMI for the contestable customer's connection point and is unable to determine a single connection point related to the data request. <i>Electricity Industry Customer Transfer Code 3.8(3)</i>			<p>Through discussion with the Readings Management Team Leader and walkthrough of the data request process, we determined that, upon receipt of a data request without a NMI and where Western Power is unable to identify a single connection point relating to the request, MBS is configured to provide:</p> <ul style="list-style-type: none"> <li>Up to 10 likely connection points to the retailer</li> <li>The aforementioned points immediately following receipt of the request (performed automatically within MBS).</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No	Obligation Under Condition			Findings
20	A network operator must not charge for the provision of standing data. <i>Electricity Industry Customer Transfer Code 3.10(1)</i>			The Readings Management Team Leader confirmed that Western Power does not charge for the provision of standing data.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
21	A network operator must not charge more than the defined amount for the provision of historical consumption data. The charge is to be determined under the metering code, or, if the metering code does not provide means for determining the charge, by an agreement between the network operator and retailer. <i>Electricity Industry Customer Transfer Code 3.10(2)</i>			Through discussion with the Readings Management Team Leader and walkthrough of the historical consumption data request process, we determined that Western Power's processes provide for: <ul style="list-style-type: none"> <li>• Retailers to be charged for the data request, if: <ul style="list-style-type: none"> <li>○ The period for which data has been requested exceeds 12 months</li> <li>○ More than two requests have been made by the same customer within a 12 month period</li> </ul> </li> <li>• The fixed charge for the data to comply with the Model SLA</li> <li>• Access to raise bills for data requests to be segregated from the metering services team (restricted to revenue team)</li> <li>• Portal based requests to include mandatory fields for the data period, which is used by MBS to automatically calculate the period of the request</li> <li>• Retailers to be invoiced for data requests at the end of each month.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
22	A network operator must publish a customer transfer request form, which must comply with Annex 3 of the Electricity Industry Customer Transfer Code. <i>Electricity Industry Customer Transfer Code 4.1</i>			<i>Obligations 22 and 62</i> Through discussion with the Readings Management Team Leader and examination of the Customer Transfer Request ( <b>CTR</b> ) form, we determined that: <ul style="list-style-type: none"> <li>• Western Power's CTR form is available on Western Power's website and complies with Annex 3 of the <i>Electricity Industry Customer Transfer Code</i></li> <li>• B2B customers can access the CTR form through the portal</li> <li>• B2B fields comply with Annex 3 of the Electricity Industry Customer Transfer Code.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
31	A network operator must object to a customer transfer request in certain circumstances as set out in clause 4.9(1) of the Electricity Industry Customer Transfer Code. <i>Electricity Industry Customer Transfer Code 4.9(1)</i>			<i>Obligations 31 to 34</i> Through discussion with the Readings Management Team Leader and walkthrough of the CTR process, we determined that Western Power has the following mechanisms in place to object to CTRs: <ul style="list-style-type: none"> <li>• MBS and the Portal is configured to automatically accept or reject CTRs based on the requirements contained under <i>clause 4.9(1)</i></li> <li>• MBS and the Portal rejections can occur due to incorrectly completed CTRs</li> <li>• CTR rejections are reported within the Metering Services monthly compliance reports</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
32	A network operator must not object to a customer transfer request otherwise than in accordance with clause 4.9(1) of the Electricity Industry Customer Transfer Code. <i>Electricity Industry Customer Transfer Code 4.9(2)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No	Obligation Under Condition	Findings	
33	<p>A network operator that objects to a customer transfer request must give an electronic notice detailing specified information to a retailer within the timeframe prescribed.</p> <p><i>Electricity Industry Customer Transfer Code 4.9(3)</i></p>	<ul style="list-style-type: none"> <li>Upon rejection, MBS and the Portal automatically advise the retailer in accordance with <i>clause 4.9(3)</i> <ul style="list-style-type: none"> <li>A predefined script has been developed to provide the relevant advice (e.g. advice on how to enter into an access contract).</li> <li>Given the automated notification functionality, advice is provided within five minutes of rejection.</li> </ul> </li> </ul>	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>
34	<p>A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.</p> <p><i>Electricity Industry Customer Transfer Code 4.9(6)</i></p>	<ul style="list-style-type: none"> <li>In the instance where grounds for objection are unable to be resolved within two business days and the nominated transfer date would as a result be non-compliant with the timeframes specified by the <i>Electricity Industry Customer Transfer Code</i>, Western Power will liaise with the retailer to agree a revised transfer date.</li> </ul> <p>The Readings Management Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power has not objected to a CTR in circumstances other than those listed under <i>clause 4.9(1)</i>.</p>	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>
35	<p>A network operator must take certain action in accordance with a defined timetable following the receipt of a valid customer transfer request, subject to clauses 4.10(2) and 4.10(3) of the Electricity Industry Customer Transfer Code and using all reasonable endeavours to affect the transfer.</p> <p><i>Electricity Industry Customer Transfer Code 4.10(1)</i></p>	<p>Through discussion with the Readings Management Team Leader and walkthrough of Western Power's CTR process, we determined that:</p> <ul style="list-style-type: none"> <li>MBS and the Portal automatically notify the current retailer of the nominated transfer date and any changes thereafter</li> <li>Western Power uses reasonable endeavours to ensure the meter is read and the transfer is completed on the nominated transfer date</li> <li>Monthly compliance monitoring and reporting was applied throughout the audit period to identify CTRs not performed within the required timeframes and for any breaches to be prioritised and resolved.</li> </ul> <p>In response to recommendation 1/2014 of the 2014 Performance Audit relating to <i>obligation 39</i> (Customer Transfer Code clause 4.11(3)), Western Power improved its processes for ensuring Type 5 meters are read on the original nominated transfer date.</p> <p>However, of a sample of 20 instances (from a total of 135 over the audit period) where Western Power amended a nominated transfer date, eight CTRs were not performed on the nominated transfer date because the meter had not been read on that day. As a result, Western Power did not comply with the requirements of Customer Transfer Code clause 4.10(1)(c) for the meter read to be conducted on the nominated transfer date.</p>	<p>Priority: 4</p> <p>Controls rating: B</p> <p>Compliance Rating: 2</p>
	<p><b>Recommendation 2/2017</b></p> <p>Western Power consider reviewing its processes for enabling compliance with the requirements of Customer Transfer Code clauses 4.10(1) and 4.11(3), specifically in relation to:</p>	<p><b>Action Plan 2/2017</b></p> <p>1. Western Power will review its internal processes to ensure compliance obligations, which have an interdependency with other obligations, are linked to enable appropriate monitoring and reporting of non-compliances.</p>	

No	Obligation Under Condition	Findings	
	<ul style="list-style-type: none"> <li>Capturing and reporting flow-on non-compliances resulting from the meter not being read on a nominated transfer date</li> <li>Working together with the incoming retailer to set a new transfer date, and maintaining appropriate evidence of associated communications.</li> </ul>	<p>2. Where meters cannot be read on the nominated appointment date, implement process changes to work with incoming retailers to set a new transfer date, and maintain appropriate supporting evidence of associated communications for rescheduling the appointment.</p> <p><b>Responsible person</b> Revenue Manager</p> <p><b>Target date</b></p> <ol style="list-style-type: none"> <li>31 December 2017</li> <li>31 March 2018.</li> </ol>	
36	<p>A network operator must take certain action if it considers that it is unlikely to be able to meet its obligations under clause 4.10(1) of the Electricity Industry Customer Transfer Code within the defined timetable.</p> <p><i>Electricity Industry Customer Transfer Code 4.10(2)</i></p>	<p>Through discussion with the Readings Management Team Leader and walkthrough of the CTR process, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power endeavours to complete all CTRs on the nominated transfer date</li> <li>Should Western Power become aware of a CTR that is likely not to be completed on the nominated transfer date, Western Power: <ul style="list-style-type: none"> <li>Investigates the reasons for delay (majority of delays are due to readings required to be obtained physically for Type 5 meters, which make up less than 1% of meters)</li> <li>Immediately upon becoming aware of the delay, electronically notifies the retailer of the reasons for not being able to meet the nominated transfer date</li> <li>Liaises with the retailer to agree a revised transfer date. MBS automatically notifies the retailer of the agreed revised transfer date</li> </ul> </li> <li>Metering Services staff are trained on the requirements of the <i>Electricity Industry Customer Transfer Code</i>, specifically in relation to the timeframes for notification.</li> </ul>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
37	<p>In the specified circumstances, a network operator must within one business day of the receipt of the customer transfer request electronically notify the retailer of the most likely connection points that are related to the customer transfer request, up to a maximum of 10.</p> <p><i>Electricity Industry Customer Transfer Code 4.10(3)</i></p>	<p>Through discussion with the Readings Management Team Leader, we determined that Western Power uses the following process to notify the retailer of likely connection points:</p> <ul style="list-style-type: none"> <li>MBS has been configured to automatically notify retailers of up to 10 likely connection points</li> <li>Western Power will liaise with the requesting retailer via email should any changes be required to the request as a result.</li> </ul>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1

No	Obligation Under Condition			Findings
38	A transfer may only occur on a day the contestable customer's meter is actually read. <i>Electricity Industry Customer Transfer Code 4.11(1)</i>			<p>Through discussion with the Readings Management Team Leader and walkthrough of Western Power's CTR process, we determined that Western Power's processes and procedures provide for:</p> <ul style="list-style-type: none"> <li>Once a valid CTR has been received, a meter read to be automatically scheduled to occur on the nominated transfer date</li> <li>When the meter read has been performed, the transfer to be processed. Note that in response to recommendation 1/2014 of the 2014 Performance Audit, Western Power improved its processes for ensuring Type 5 meters are read on the original nominated transfer date</li> <li>If it is not possible for the meter to be read on the nominated transfer date, Western Power to liaise with the incoming retailer within one business day to arrange a new transfer date</li> <li>Compliance to be monitored through automated reporting.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
39	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date. <i>Electricity Industry Customer Transfer Code 4.11(3)</i>			<p>Through discussion with the Readings Management Team Leader and walkthrough of Western Power's CTR process, we determined that, in the instance where a contestable customer's meter is not read on the nominated transfer date, Western Power's processes and procedures provide for:</p> <ul style="list-style-type: none"> <li>A revised nominated transfer date to be proposed to the incoming retailer</li> <li>Acceptance of the proposal to be received from the incoming retailer</li> <li>Following acceptance, MBS to be updated with the revised nominated transfer date. MBS is configured to automatically notify the current retailer of the change.</li> </ul> <p>However, of a sample of 20 instances (from a total of 135 over the audit period) where Western Power amended a nominated transfer date:</p> <ul style="list-style-type: none"> <li>In 18 instances, no evidence could be provided of Western Power's communication with the incoming retailer in relation to "working together" to set a new date in accordance with the requirement of Customer Transfer Code clause 4.11(3)(a)</li> <li>In all 20 instances, Western Power was unable to demonstrate that it had notified the current retailer of the meter not being read and of the new transfer date, within one business day in accordance with the requirements of Customer Transfer Code clause 4.11(3)(b).</li> </ul> <p><i>Refer to obligation 35 for further details.</i></p>
		Priority: 3	Controls rating: B	Compliance Rating: 2
	<b>Recommendation</b> <i>Refer to Recommendation for obligation 35 above</i>			<b>Action Plan</b> <i>Refer to Action Plan for obligation 35 above</i>

No	Obligation Under Condition	Findings	
40	<p>The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.</p> <p><i>Electricity Industry Customer Transfer Code 4.12(3)</i></p>	<p>The Customer Relations Manager confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power had not made any amendments to its access contracts.</p>	
	<p>Priority: 5</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
41	<p>A network operator must within two business days after the transfer date give an electronic notice of the transfer and the transfer date to the incoming retailer, the previous retailer and, if applicable AEMO.</p> <p><i>Electricity Industry Customer Transfer Code 4.13</i></p>	<p>Through discussion with the Readings Management Team Leader and Revenue Compliance Officer, consideration of Western Power's CTR process and testing of Western Power's processes for reporting non-compliances, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power electronically notifies incoming retailers, previous retailers and, if applicable, the AEMO of the transfer date once the transfer has been completed</li> <li>Compliance monitoring and reporting was applied throughout the audit period to identify all instances of non-compliance with the requirements of clause 4.13</li> <li>Western Power uses COGNOS as its online portal, which shows live CTR reporting and provides an overall summary of compliance</li> <li>Compliance is summarised by retailer, with Western Power having visibility on total completed CTRs (total compliant and total non-compliant)</li> <li>Monthly compliance reports are provided to heads of functions.</li> </ul> <p>Western Power's 2014/15, 2015/16 and 2016/17 Annual Compliance reports to the ERA disclosed 27 instances during the audit period where Western Power did not provide notification to affected parties within two business days.</p> <p>Western Power has determined that the extent and volume of CTR activity poses a significant challenge for maintaining full compliance throughout the full audit period, and that it will continue to monitor its level of compliance and self-report relevant breaches.</p>	
	<p>Priority: 3</p>	<p>Controls rating: B</p>	<p>Compliance Rating: 2</p>
	<p><b>Recommendation</b></p> <p><i>Refer to recommendation 1/2017.</i></p>	<p><b>Action Plan</b></p> <p><i>Refer to Action Plan 1/2017.</i></p>	
42	<p>A network operator must, following a transfer, do all that is necessary to ensure that charges up to the transfer time are paid by or charged to the previous retailer and charges from the transfer time are paid by or charged to the incoming retailer.</p> <p><i>Electricity Industry Customer Transfer Code 4.14</i></p>	<p>Through discussion with the Readings Management Team Leader and walkthrough of MBS, we determined that:</p> <ul style="list-style-type: none"> <li>The transfer time within MBS is used as the basis for calculating charges</li> <li>MBS has been configured to allocate charges: <ul style="list-style-type: none"> <li>Up to the transfer time to the previous retailer</li> <li>From the transfer time to the incoming retailer.</li> </ul> </li> </ul>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

No	Obligation Under Condition	Findings	
43	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and, if applicable, AEMO) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred. <i>Electricity Industry Customer Transfer Code 4.15</i>	Through discussion with the Readings Management Team Leader, we determined that Western Power's processes for managing erroneous transfers provide for:	
	Priority: 5	Controls rating: NP	Compliance Rating: 1
48	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code. <i>Electricity Industry Customer Transfer Code 5</i>	Through discussion with the Readings Management Team Leader we determined that:	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
48A	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c). <i>Electricity Industry Customer Transfer Code 6.1</i>	The Readings Management Team Leader confirmed that Western Power's processes provide for all notices to be delivered in writing.	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
49	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates. <i>Electricity Industry Customer Transfer Code 6.2</i>	Through discussion with the Readings Management Team Leader and examination of a sample notice (relating to a data or transfer request within MBS), we determined that Western Power's notices identify the NMI (connection point) to which it relates.	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
50	A network operator must use its reasonable endeavours to ensure that a retailer can give it a notice by post, facsimile or electronic communication and notify the retailer of a telephone number for voice communication. <i>Electricity Industry Customer Transfer Code 6.3(1)</i>	Based on examination of Western Power's website, official letterhead and other forms of communication (e.g. email signature) with retailers, we determined that appropriate mechanisms are in place to comply with the requirements of clause 6.3(1).	
	Priority: 5	Controls rating: NP	Compliance Rating: 1
51	A network operator must notify each retailer of its initial contact details, and any amended contact details at least three business days before the change takes effect. <i>Electricity Industry Customer Transfer Code 6.3(2)</i>	The Regulatory Compliance Manager confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power had not amended its contact details.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR



No	Obligation Under Condition	Findings	
54	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules. <i>Electricity Industry Customer Transfer Code 6.6</i>	The Readings Management Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017:	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
55	For a dispute in respect of a matter under, or in connection with, the Electricity Industry Customer Transfer Code, the disputing parties must meet, within five business days of a request by one of those parties, and attempt to resolve the dispute through negotiations that are conducted in good faith. <i>Electricity Industry Customer Transfer Code 7.1(1)</i>	<i>Obligations 55 to 59</i> The Readings Management Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power did not enter into a dispute in connection with the <i>Electricity Industry Customer Transfer Code</i> .	
	Priority: 5	Controls rating: NP	Compliance Rating: NR
56	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute through negotiations that are conducted in good faith. <i>Electricity Industry Customer Transfer Code 7.1(2)</i>		
	Priority: 5	Controls rating: NP	Compliance Rating: NR
57	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution. <i>Electricity Industry Customer Transfer Code 7.1(3)</i>		
	Priority: 4	Controls rating: NP	Compliance Rating: NR
58	A disputing party that refers a dispute to the ERA arbitrator must provide the ERA arbitrator with prescribed details of the nature of the dispute. <i>Electricity Industry Customer Transfer Code 7.2(4)</i>		
	Priority: 5	Controls rating: NP	Compliance Rating: NR
59	A disputing party must at all times conduct itself in a manner, which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code. <i>Electricity Industry Customer Transfer Code 7.3(2)</i>		
	Priority: 5	Controls rating: NP	Compliance Rating: NR

No	Obligation Under Condition	Findings
60	A network operator's request for standing data form must require a retailer to provide certain information. <i>Electricity Industry Customer Transfer Code Annex 1</i>	<i>Refer to finding for obligation 3.</i>
	Priority: 4      Controls rating: NP      Compliance Rating: 1	
61	A network operator's request for historical consumption data must require a retailer to provide certain information. <i>Electricity Industry Customer Transfer Code Annex 2</i>	<i>Refer to finding for obligation 4.</i>
	Priority: 4      Controls rating: NP      Compliance Rating: 1	
62	A network operator's customer transfer request form must require a retailer to provide certain information. <i>Electricity Industry Customer Transfer Code Annex 3</i>	<i>Refer to finding for obligation 22.</i>
	Priority: 4      Controls rating: NP      Compliance Rating: 1	
63	A network operator must provide certain information, if available, to a retailer who submits a request for standing data. <i>Electricity Industry Customer Transfer Code Annex 4 clause A4.1</i>	Through discussion with the Readings Management Team Leader and examination of MBS, we determined that MBS has been configured to provide the relevant information under Annex 4 A4.1 of the <i>Electricity Industry Customer Transfer Code</i> .
	Priority: 4      Controls rating: NP      Compliance Rating: 1	
64	A network operator must provide certain metering data, if available, in a prescribed manner to a retailer who submits a request for historical consumption data. <i>Electricity Industry Customer Transfer Code Annex 4 clause A4.2</i>	Through discussion with the Readings Management Team Leader and walkthrough of Western Power's process for executing historical consumption data requests, we determined that those processes provide for: <ul style="list-style-type: none"> <li>Customers to be provided with interval data up to a minimum of 12 months</li> <li>If interval data is unavailable, MBS to provide accumulation data.</li> </ul>
	Priority: 4      Controls rating: NP      Compliance Rating: 1	
65	A network operator must respond to a request from a retailer for a NMI and checksum for a connection point within one business day of receiving a retailer's request. <i>Electricity Industry Customer Transfer Code Annex 5 clause A5.1(5)</i>	Through discussion with the Readings Management Team Leader and examination of MBS, we determined that NMI discoveries are performed automatically through MBS. Owing to the automated functionality within MBS, requests are performed within the prescribed timeframes.
	Priority: 4      Controls rating: NP      Compliance Rating: 1	
66	If a network operator, following a request from a retailer, cannot provide a single NMI and checksum for a connection point, it must provide the retailer with the most likely matches, up to a maximum of 99. <i>Electricity Industry Customer Transfer Code Annex 5 clause A5.1(6)</i>	Through discussion with the Readings Management Team Leader and examination of Western Power's Web Portal and B2B portals, we determined that requests, which do not have a single NMI, are automatically provided with up to 99 most likely connection points.
	Priority: 4      Controls rating: NP      Compliance Rating: 1	

No	Obligation Under Condition	Findings
67	<p>A network operator must, unless otherwise advised by the retailer, provide a single NMI and checksum for a connection point, it must do so unless otherwise advised by the retailer.</p> <p><i>Electricity Industry Customer Transfer Code Annex 5 clause A5.1(7)</i></p>	<p>Through discussion with the Readings Management Team Leader and examination of the Portal and B2B, we determined that valid requests with single NMIs for a connection point are executed as per the requirements of the Code.</p>
	<p>Priority: 4</p>	<p>Controls rating: NP</p> <p>Compliance Rating: 1</p>

## 4.2 Electricity Industry (Obligation to Connect) Regulations

No.	Obligation under Condition	Findings	
72	<p>A distributor must attach or connect premises to a distribution system if a retailer or customer takes certain action and the circumstances in regulation 5(1) of the Electricity Industry (Obligation to Connect) Regulations exist.</p> <p><i>Electricity Industry (Obligation to Connect) Regulations regulation 4</i></p>	<p>Through discussion with the Initiation and Scheduling Manager and examination of Western Power's website, we determined that Western Power has the following processes in place to manage customer connections:</p> <ul style="list-style-type: none"> <li>Western Power connects customers following receipt of a valid application, either via the Western Power website or Customer Service Centre (<b>CSC</b>)</li> <li>Western Power assesses applications for connection to its network through the Distribution Quotation Management System (<b>DQM</b>)</li> <li>Where Western Power is not required to extend the distribution system beyond the 100-metre boundary, the customer is connected.</li> </ul>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
73	<p>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.</p> <p><i>Electricity Industry (Obligation to Connect) Regulations regulation 5(5)</i></p>	<p>Through discussion with the Initiation and Scheduling Manager, we determined that, where the distribution system needs to be extended, Western Power has the following processes in place to manage customer connections:</p> <ul style="list-style-type: none"> <li>Where the distribution system is not required to be extended greater than 100 metres, Western Power will connect customers under the OTC Code</li> <li>Customers are not required to pay for the cost of the extension prior to commencement. The customer can pay in instalments as the work is completed</li> <li>Customers outside of the 100-metre zone are registered either as a standard or detailed connection. Western Power conducts point-to-point measurement within its GIS system, which validates the length of the required connection.</li> </ul>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
74	<p>The capacity and standard of an extension must be adequate for the supply required and in accordance with accepted good industry practice as it would be applied by a prudent distributor.</p> <p><i>Electricity Industry (Obligation to Connect) Regulations regulation 5(6)</i></p>	<p>Western Power's Initiation and Scheduling Manager confirmed that all connections and practices engaged by the business follow accepted good practices, including:</p> <ul style="list-style-type: none"> <li>Western Australian Electrical Requirements</li> <li>Western Australian Distributors Manual</li> <li>Electricity Distribution Regulations 1997</li> <li>Electricity Industry (Obligation to Connect) Regulations 2005</li> <li>Electricity Industry (Code of Conduct) Regulations 2005</li> <li>Electricity (Supply Standards and System Safety) Regulations 2001</li> <li>AS/NZS 61000.3.3:1998 Electromagnetic Compatibility</li> <li>AS/NZS 61000.3.2:1998.</li> </ul>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

No.	Obligation under Condition			Findings
75	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. <i>Electricity Industry (Obligation to Connect) Regulations regulation 6</i>			Through discussion with the Initiation and Scheduling Manager, examination of connection procedures and walkthrough of DQM, we determined that Western Power has the following process in place to facilitate new connections: <ul style="list-style-type: none"> <li>• Applications submitted online or via the CSC are registered within DQM immediately (if via the CSC, registration is done over the phone)</li> <li>• A checklist within DQM must be completed to confirm OTC job categorisation</li> <li>• If passed (i.e. the job is an OTC job), the job will be prioritised for completion and measured against the timeframes under Electricity Industry (Obligation to Connect) Regulation 4</li> <li>• Non-compliance reporting is generated to alert the Initiation and Scheduling Manager of any breaches to the prescribed timeframes.</li> </ul> <p>The Initiation and Scheduling Manager confirmed that, for the period 1 July 2014 to 30 June 2017, Western Power completed all OTC connections within the prescribed timeframes.</p>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
76	A distributor must energise premises in certain prescribed circumstances. <i>Electricity Industry (Obligation to Connect) Regulations regulation 7(1)</i>			Through discussion with the Initiation and Scheduling Manager, examination of connection procedures and walkthrough of DQM, we determined that Western Power only energises a premise following receipt of a completion advice from the electrical contractor.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
77	A distributor that is obliged to energise premises must do so within a defined timetable. <i>Electricity Industry (Obligation to Connect) Regulations regulation 8</i>			Through discussion with the Initiation and Scheduling Manager, examination of connection procedures and walkthrough of DQM, we determined that Western Power: <ul style="list-style-type: none"> <li>• Will connect customers if a request is made from a customer and: <ul style="list-style-type: none"> <li>○ The customer's connection point is within 100m of the distribution network</li> <li>○ The customer applies to have the distribution network extended</li> </ul> </li> <li>• Endeavours to complete all requests within the prescribed timeframes.</li> </ul> <p>Western Power's 2014/15, 2015/16 and 2016/17 Annual Compliance reports to the ERA disclosed that Western Power had not complied with the obligation to connect customers with the time limits imposed by sub-regulation (2) for metropolitan and country regions for between 0.36% and 0.56% of requests on a monthly basis.</p> <p>Western Power has determined that the extent and volume of energisation activity poses a significant challenge for maintaining full compliance throughout the full audit period, and that it will continue to monitor its level of compliance and self-report relevant breaches.</p>
	Priority: 3	Controls rating: A	Compliance Rating: 2	
	<b>Recommendation</b> <i>Refer to recommendation 1/2017.</i>			

### 4.3 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations

No.	Obligation under Condition	Findings
99	<p>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.</p> <p><i>Electricity Industry (Customer Contracts) Regulations 2005 regulation 36</i></p>	<p>Through discussion with the Readings Management Team Leader, we determined that Western Power's processes provide for:</p> <ul style="list-style-type: none"> <li>Records of default suppliers to be maintained for each connection point</li> <li>Details of the default suppliers for every NMI connected to the distribution system to be identified</li> <li>Reporting to be available to show the default suppliers related to any connection point.</li> </ul>
	<p>Priority: 4</p>	<p>Controls rating: NP</p> <p>Compliance Rating: 1</p>

## 4.4 Electricity Industry Act – Licence Conditions and Obligations

No.	Obligation under Condition	Findings			
101	<p>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.</p> <p><i>Electricity Industry Act section 13(1)</i></p>	Deloitte was appointed with the ERA's approval to undertake the performance audit for the period 1 July 2014 to 30 June 2017.			
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 5	Controls rating: NP	Compliance Rating: 1	
Priority: 5	Controls rating: NP	Compliance Rating: 1			
102	<p>A licensee must provide for an asset management system.</p> <p><i>Electricity Industry Act section 14(1)(a)</i></p>	<p>Through discussion with the Regulatory Compliance Manager and examination of relevant documentation, we determined that Western Power has:</p> <ul style="list-style-type: none"> <li>• Provided for a functioning asset management system applicable to all of its operations. The 2017 Asset Management System (AMS) Review reported on the effectiveness of Western Power's Asset Management System for the period 1 July 2014 to 30 June 2017</li> <li>• Depicted its Asset Management system on a one-page diagram, to illustrate the functions and elements of the AMS.</li> </ul>			
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 5	Controls rating: NP	Compliance Rating: 1	
Priority: 5	Controls rating: NP	Compliance Rating: 1			
103	<p>A licensee must notify details of the asset management system and any substantial changes to it to the ERA.</p> <p><i>Electricity Industry Act section 14(1)(b)</i></p>	Western Power has previously notified the ERA of the details of its asset management system in accordance with the requirements of section 14(1) of the Act. Western Power's asset management system has evolved during the period subject to this audit and since the ERA was last advised of the details of the system, however that evolution is not considered to constitute a "substantial change".			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
104	<p>A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.</p> <p><i>Electricity Industry Act section 14(1)(c)</i></p>	CutlerMerz was appointed with the ERA's approval to undertake the Asset Management System review for the period 1 July 2014 to 30 June 2017.			
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 5	Controls rating: NP	Compliance Rating: 1	
Priority: 5	Controls rating: NP	Compliance Rating: 1			
105	<p>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.</p> <p><i>Electricity Industry Act section 17(1)</i></p>	<p>Western Power's prescribed annual licence charge is due to be paid by 30 April each year, being one month after the 30 March anniversary date of its Transmission and Distribution Licences. Quarterly standing charges are also due within 30 days of an applicable notice (in the form of an invoice) being issued by the ERA.</p> <p>Through examination of Western Power's financial records of licence charge payments and the respective invoices issued by the ERA for licence charges payable, we determined that:</p> <ul style="list-style-type: none"> <li>• The annual licence charges due by 30 April each year were paid on time</li> </ul>			

No.	Obligation under Condition	Findings			
		<ul style="list-style-type: none"> <li>All except one of the quarterly licence charges were paid on time. The exception, which was disclosed by Western Power in its breach register, related to the quarterly charge, which was due by 27 September 2016. This failure was determined to be a result of a payment system error, causing the transaction to be suspended, pending approval.</li> </ul> <p>To address the cause of the non-compliance, Western Power developed multiple alert points within its internal calendar to remind the business of key payment dates and to closely monitor payments.</p>			
	<table border="1"> <tr> <td>Priority: 3</td> <td>Controls rating: A</td> <td>Compliance Rating: 2</td> </tr> </table>	Priority: 3	Controls rating: A	Compliance Rating: 2	
Priority: 3	Controls rating: A	Compliance Rating: 2			
	<p><b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i></p>	<p><b>Action Plan</b> <i>No further action required.</i></p>			
106	<p>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.</p> <p><i>Electricity Industry Act section 31(3)</i></p>	<p>Through discussion with the Quality and Compliance Officer and examination of relevant continuity and restoration procedures, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power has appropriate mechanisms in place to minimise disruption to customers</li> <li>Prioritisation is applied when restoring supply to customers</li> <li>Procedures are in place to describe actions to be taken in an emergency.</li> </ul>			
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 5	Controls rating: NP	Compliance Rating: 1	
Priority: 5	Controls rating: NP	Compliance Rating: 1			
107	<p>A licensee must pay the costs of taking an interest in land or an easement over land.</p> <p><i>Electricity Industry Act section 41(6)</i></p>	<p>The Property Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power:</p> <ul style="list-style-type: none"> <li>Continued to take ownership/easement in land to perform its functions as an Electricity Transmission and Distribution organisation</li> <li>Appropriately paid for the costs relating to such land.</li> </ul>			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
111	<p>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.</p> <p><i>Electricity Industry Act section 101</i></p>	<p>Through discussion with the Regulatory Compliance Manager and examination of an extract of the member list from the Energy and Water Ombudsman Scheme, we determined that for the period 1 July 2014 to 30 June 2017, Western Power:</p> <ul style="list-style-type: none"> <li>Was a member of an approved scheme</li> <li>Did not supply electricity to customers outside of that approved scheme.</li> </ul>			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
112	<p>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:</p> <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>	<p><i>Obligations 112 and 113</i></p> <p>The A/Head of Customer Service confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power did not:</p> <ul style="list-style-type: none"> <li>Engage in conduct for the purpose of hindering or prohibiting access</li> <li>Receive a complaint that related to Western Power hindering or prohibiting access.</li> </ul>			



No.	Obligation under Condition	Findings
	<i>Electricity Industry Act section 115(1)</i>	
	Priority: 4      Controls rating: NP      Compliance Rating: 1	
113	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. <i>Electricity Industry Act section 115(2)</i>	
	Priority: 4      Controls rating: NP      Compliance Rating: NR	

## 4.5 Electricity Licenses – Licence Conditions and Obligations

No.	Obligation under condition	Findings	
119	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards. <i>Distribution and Transmission Licence condition 12.1</i>	<p>The Financial Accounting Manager confirmed that:</p> <ul style="list-style-type: none"> <li>Western Power is compliant with Australian Accounting Standards</li> <li>The Office of the Auditor General (<b>OAG</b>) is responsible for auditing the annual statutory accounts of Western Power for compliance with Australian International Financial Reporting Standards (<b>A-IFRS</b>)</li> <li>For the years ended 30 June 2015 and 2016, RSM Bird Cameron conducted the audit on the OAG's behalf</li> <li>No significant accounting transactions or items that would currently jeopardise Western Power's compliance with A-IFRS exist.</li> </ul> <p>Western Power's financial statements and signed annual audit reports from the OAG were sighted for the years ending 30 June 2015 and 2016. The financial statements were not qualified.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
120	A licensee must comply with any individual performance standards prescribed by the ERA. <i>Distribution and Transmission Licence condition 13.4</i>	<p>The Regulatory Compliance Manager confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power was not prescribed individual performance standards by the ERA.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
121	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit. <i>Distribution and Transmission Licence condition 14.2</i>	<p>The 2017 performance audit plan makes specific reference to the 2014 issue of the <i>Audit Guidelines: Electricity, Gas and Water Licences</i> issued by the ERA. The audit plan was approved and accepted by the ERA. Deloitte's standard methodology has been designed using the Audit Guidelines and is updated when the guidelines are changed.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
122	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. <i>Distribution and Transmission Licence condition 20.5</i>	<p>The 2017 Asset Management System review plan makes specific reference to the 2014 issue of the <i>Audit Guidelines: Electricity, Gas and Water Licences</i> issued by the ERA. The review plan was approved and accepted by the ERA.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
123	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. <i>Distribution and Transmission Licence condition 15.1</i>	<p>The Regulatory Compliance Manager confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power was not under external administration and no significant changes affecting Western Power's ability to meet its obligations were identified.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: NR

No.	Obligation under condition			Findings
124	A licensee must provide the ERA, in the manner prescribed, any information that the ERA requires in connection with its functions under the Electricity Industry Act. <i>Distribution and Transmission Licence condition 16.1</i>			Through discussion with the Regulatory Compliance Manager, we determined that Western Power has processes in place to respond to requests for information from the ERA. We note that: <ul style="list-style-type: none"> <li>Western Power is required to submit compliance reports to the Authority by 31 August each year. The 2015 and 2016 compliance reports were submitted to the ERA on-time by the due date of 31 August</li> <li>Additional requests relate to: <ul style="list-style-type: none"> <li>The annual performance datasheets, which were submitted to the ERA by the due date of 30 September for 2015 and 2016</li> <li>Ad-hoc requests from the ERA relating to Western Power's distribution and transmission operations are monitored by the Head of Regulation and Investment Management. The Compliance Team is required to monitor these requests and provide, or support the provision of information.</li> </ul> </li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
125	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified. <i>Distribution and Transmission Licence condition 17.1</i>			The Regulatory Compliance Manager confirmed that, during the period 1 July 2014 to 30 June 2017, the ERA did not direct Western Power to publish any information under <i>Distribution and Transmission Licence condition 17.1</i> .
		Priority: 4	Controls rating: NP	Compliance Rating: NR
126	All notices must be in writing, unless otherwise specified. <i>Distribution and Transmission Licence condition 18.1</i>			Through discussion with the Regulatory Compliance Manager and examination of relevant communications, we determined that Western Power: <ul style="list-style-type: none"> <li>Has processes in place to formally respond in writing to all notices</li> <li>Maintains manual and scanned records to evidence formal communication with the ERA.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under condition	Findings	
127	A distributor must create and maintain a Priority Restoration Register. <i>Distribution and Transmission Licence condition 29.1</i>	<p>Through discussion with the Network Operations Development Manager and Quality and Compliance Officer, and examination of Western Power's crisis management procedures, we determined that Western Power has the following procedures and processes to deal with priority restoration:</p> <ul style="list-style-type: none"> <li>• G 245 Prioritising Network Restoration Guideline, which relates to Western Power's requirements for the prioritisation of restoration of the network, including during emergencies</li> <li>• Priorities assigned to customer NMIs have been designed to consider the Life Support Register, sensitive load sites and other customers that require priority restoration (e.g. shopping centres, train stations, etc.)</li> <li>• The life support register is updated on a daily basis, based on retailers' records</li> <li>• A full LSE customer audit is conducted on a monthly basis to confirm the accuracy of the register</li> <li>• Western Power's GIS system includes LSE customer flags, which are used during restoration.</li> </ul> <p>Of our sample of outages requiring priority restoration, we determined that the Prioritising Network Restoration Guideline had been appropriately applied.</p>	
	Priority: 2	Controls rating: A	Compliance Rating: 1
128	The Priority Restoration Register must comply with any criteria determined by the Minister. <i>Distribution and Transmission Licence condition 29.3</i>	<p>The Quality and Compliance Officer confirmed that, for the period 1 July 2014 to 30 June 2017, the Minister had not prescribed any specific criteria regarding the Priority Restoration Register.</p>	
	Priority: 2	Controls rating: NP	Compliance Rating: NR

## 4.6 Code of Conduct

No.	Obligation under condition			Findings
<b>Part 7 Disconnections</b>				
233	<p>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.</p> <p><i>Code of Conduct clause 7.5</i></p>			<p>Through discussion with the Customer Services Centre Manager and examination of Western Power's website, we determined that:</p> <ul style="list-style-type: none"> <li>A 24 hour emergency hotline has been made available for customers, where information relating to emergency outages and expected restoration times can be obtained</li> <li>The 24 hour emergency number appears on the Western Power website and has been included in the 'make the safe call' TV advertisements</li> <li>Western Power endeavours to restore supply to customers as soon as practicable, in accordance with its priority restoration register.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
234	<p>Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in clause 7.6(1)-(2) when arranging for disconnection or disconnecting a customer's supply address.</p> <p><i>Code of Conduct clause 7.6</i></p>			<p>Through discussion with the Readings Operations Team Leader and consideration of relevant policies and procedures, we determined that Western Power's processes are designed to be in compliance with clause 7.6 of the Code, by requiring:</p> <ul style="list-style-type: none"> <li>Disconnections not to be arranged if: <ul style="list-style-type: none"> <li>A customer has an active complaint registered within MBS – Western Power maintains an automated interface between MBS and the Network Customer Information System (<b>NetCiS</b>), which records customer complaints</li> <li>The disconnection is scheduled for a Friday, Saturday, Sunday, Public Holiday, the day before a Public Holiday, or after 2pm on a business day</li> </ul> </li> <li>Disconnections arranged that are in breach of the above criteria to be automatically cancelled in MBS.</li> </ul> <p>In its 2014/15 Annual Compliance report, Western Power disclosed an instance where a business customer was wrongfully disconnected in July 2014 on account of having an active complaint. Western Power rectified the breach in a timely manner, determined that the breach was due to human error for not appropriately recording the complaint, held refresher training for relevant staff and extended the timeframe for maintaining a complaint within NetCiS to two months.</p> <p>Our testing of 25 disconnection service orders raised during the period 1 July 2014 to 30 June 2017, indicated that all disconnections were performed in compliance with clause 7.6 of the Code where:</p> <ul style="list-style-type: none"> <li>None of the customers had an active complaint registered in MBS at the time of disconnection</li> </ul>

No.	Obligation under condition	Findings
	<p>Priority: 2      Controls rating: A      Compliance Rating: 2</p> <p><b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i></p>	<ul style="list-style-type: none"> <li>No disconnections were performed after 3pm Monday to Thursday, on a Friday or on a public holiday or the day before a public holiday</li> <li>No customers' supply addresses, when disconnected, were designated as LSE customers.</li> </ul> <p><b>Action Plan</b> <i>No further action required.</i></p>
237	<p>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). <i>Code of Conduct clause 7.7(3)</i></p> <p>Priority: 2      Controls rating: A      Compliance Rating: 1</p>	<p>Through discussion with the Network Operations Development Manager and consideration of Western Power's disconnection policies and procedures, we determined that:</p> <ul style="list-style-type: none"> <li>An automatic update process is in place with Synergy, whereby: <ul style="list-style-type: none"> <li>New LSE customers, or changes to LSE customer details, are registered in Western Power's system upon receipt of the update</li> <li>Updates are sent automatically by Synergy every day at 3pm</li> </ul> </li> <li>A monthly audit of the LSE customer register is performed to confirm accuracy and completeness of Western Power's records.</li> </ul> <p>Based on our walkthrough of the update process and examination of outputs from the monthly audits, we determined that Western Power's current processes are operating as described above.</p>

No.	Obligation under condition	Findings
238	<p>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).</p> <p><i>Code of Conduct clause 7.7(4)</i></p>	<p>Through discussion with the Reading Operations Team and the Planned Outage Notification Team Leader, consideration of Western Power's Type 1 licence obligation framework and related policies and procedures, and walkthrough of the disconnection process, we determined that Western Power's processes provide for:</p> <ul style="list-style-type: none"> <li>• Flags to be placed on LSE customer accounts within MBS, which will automatically cancel any scheduled disconnection work order placed on the account</li> <li>• Manual notification to the field officer, if a new LSE customer has been registered to a supply address with an active disconnection work order</li> <li>• At least three business days' written notice of a planned outage and best endeavours to be used to obtain written or verbal confirmation that the customer has received that notice (three forms of communication). Actions taken include: <ul style="list-style-type: none"> <li>• 10 days prior – letter to be sent to the relevant LSE customer</li> <li>• Six days prior – obtain verbal acknowledgement of receipt of the letter</li> <li>• Five days prior – review customers captured in outage zone to confirm no changes have been made</li> <li>• On the day – field officer to perform a door knock to attempt to obtain final acknowledgement</li> </ul> </li> <li>• Planned outages to be cancelled should acknowledgement not be obtained from an LSE customer, or a LSE customer contacts Western Power in relation to the outage</li> <li>• LSE customers and/or their carers to be visited or contacted by telephone and notified of the planned interruption</li> <li>• Hand cards to be placed at addresses where no contact was able to be made</li> <li>• Reasonable endeavours to be undertaken to notify any new LSE customers of an impending outage (where Western Power only became aware of the LSE status within three business days of the outage)</li> <li>• Internal audits to be performed by Network Operations at planned intervals to verify that where retailers have notified Western Power of new LSE customers, that the change notification is valid, accurate and complete and that the customer is flagged in the Trouble Call System (<b>TCS</b>)</li> <li>• Its Type 1 licence obligation framework to be regularly reviewed to ensure it remains adequate. The most recent review was conducted in December 2016.</li> </ul> <p>Of our sample testing of 25 planned outages where LSE customers were affected, all LSE customers were notified accordingly.</p>

No.	Obligation under condition	Findings
		In 2015, Western Power self-reported three instances where LSE customers were not notified in accordance with the requirements of the Code, resulting in a Type 1 breach. To address the root cause of these instances, Western Power: <ul style="list-style-type: none"> <li>Reviewed its processes for managing Type 1 customers</li> <li>Reviewed the location of all LSE customers in Western Power's systems</li> <li>Corrected any errors identified through the review</li> <li>Improved the manual check process performed when a new LSE customer is registered</li> <li>Implemented a review of all manual entries to confirm accuracy.</li> </ul>
	Priority: 1	Controls rating: A
		Compliance Rating: 3
	<b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i>	<b>Action Plan</b> <i>No further action required.</i>
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. <i>Code of Conduct clause 7.7(4A)</i>	Through discussion with the Reading Operations Team Leader and the Planned Outage Notification Team Leader, we determined that Western Power's processes provide for: <ul style="list-style-type: none"> <li>LSE customers to be notified prior to an interruption to restore supply</li> <li>Power to LSE customers to be restored as soon as practicable. If attempts to notify the LSE customer fail, Western Power will act in the customer's best interests to restore supply.</li> </ul>
	Priority: 5	Controls rating: NP
		Compliance Rating: 1
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. <i>Code of Conduct clause 7.7(5)</i>	Through discussion with the Reading Operations Team Leader and the Planned Outage Notification Team Leader, we determined that, for the instances during the audit period where new LSE customers were registered in planned interruption areas, Western Power's processes provided for the: <ul style="list-style-type: none"> <li>LSE customer register to be reviewed prior to performing the planned outage (to capture any new LSE customers registered)</li> <li>Outage to be delayed where Western Power was notified by the field officer of the new LSE customer with the potential to be affected by the outage.</li> </ul>
	Priority: 5	Controls rating: NP
		Compliance Rating: 1
241	A retailer or a distributor must remove the customer's details from the Life Support Equipment register in the circumstances and timeframes specified in subclause 7.7(7). <i>Code of Conduct clause 7.7(7)</i>	Through discussion with the Network Operations Development Manager and consideration of Western Power's LSE policies and procedures, we determined that Western Power's processes provide for: <ul style="list-style-type: none"> <li>Removal of the customer's details from the LSE Register when the customer vacates the supply address or no longer requires the life support equipment</li> <li>Additional measures to be applied to ensure that a customer is not inappropriately removed from the register: <ul style="list-style-type: none"> <li>Not to commence with removal until notification has been received from both MBS and the retailer</li> <li>Monthly reconciliation of the LSE register against the LSE customer information supplied by the retailer.</li> </ul> </li> </ul>
	Priority: 4	Controls rating: NP
		Compliance Rating: 1



No.	Obligation under condition	Findings
<b>Part 8 Reconnection</b>		
244	<p>A distributor must reconnect the customer's supply address upon the request of a retailer, within the timeframes specified in subclause 8.2(2). <i>Code of Conduct clause 8.2</i></p>	<p>Section 8.2(2) of the Code of Conduct defines the 'timeframe' for reconnecting the customer's supply address to be:</p> <ul style="list-style-type: none"> <li>• The next business day, if the request is received before 3pm, or within two business days, if received after 3pm, or on a Saturday, Sunday or Public Holiday for customers located in the metropolitan area</li> <li>• Within five business days, if the request is received prior to 3pm, or within six business days if received after 3pm or on a Saturday, Sunday or Public Holiday for customers located in regional areas.</li> </ul> <p>Through discussion with the Reading Operations Team Leader and consideration of Western Power's reconnection processes, we determined that Western Power has the following process in place to re-energise customers:</p> <ul style="list-style-type: none"> <li>• Requests for reconnections are received by Western Power from the retailer via a service order in MBS</li> <li>• Service orders are automatically scheduled to a field officer for completion</li> <li>• For instances where a service order cannot be completed (owing to safety or access issues), the Readings Operations Team is to follow-up with the Retailer to arrange for a revised date.</li> </ul> <p>We also determined that Western Power:</p> <ul style="list-style-type: none"> <li>• Had consistently maintained exception reporting throughout the audit period to identify all instances of non-compliance with the requirements of clause 8.2(2)</li> <li>• Reported that it achieved monthly compliance rates of between approximately 98% and 99% throughout the audit period</li> <li>• Disclosed its non-compliance in its Annual Compliance reports to the ERA</li> <li>• Has determined that the extent and volume of reconnection activity poses a significant challenge for maintaining full compliance throughout the full audit period, and that it will continue to monitor its level of compliance and self-report relevant breaches.</li> </ul>
<p>Priority: 3      Controls rating: A      Compliance Rating: 2</p>		
<p><b>Recommendation</b> <i>Refer to Recommendation 1/2017.</i></p>		<p><b>Action Plan</b> <i>Refer to Action Plan 1/2017.</i></p>

No.	Obligation under condition			Findings
<b>Part 9 Prepayment Meters</b>				
245	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. <i>Code of Conduct clause 9.1(2)</i>			Through discussion with the Meter Installation Team Leader and consideration of policies and procedures, we determined that Western Power has only operated pre-payment meter services in rural areas, which have been gazetted by the Minister.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
258	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). <i>Code of Conduct clause 9.5(2)</i>			The Meter Installation Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, no pre-payment meters relating to a LSE customer were reverted.
	Priority: 2	Controls rating: NP	Compliance Rating: NR	
263	If requested by a retailer, a distributor must check or test a pre-payment meter. <i>Code of Conduct clause 9.9(2)</i>			The Meter Installation Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, no request had been received by a retailer to check or test a pre-payment meter.
	Priority: 4	Controls rating: NP	Compliance Rating: NR	
<b>Part 10 Information and Communications</b>				
283	Upon request and at no charge, a distributor must provide the customer with the information specified in subclause 10.6. <i>Code of Conduct clause 10.6</i>			Through discussion with the Readings Management Team Leader and examination of Western Power's website, we determined that Western Power provides distribution-related information consistent with clause 10.6 of the Code of Conduct to customers on request/online and at no charge.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
284	Upon request, a distributor must, provide a customer with their consumption data. <i>Code of Conduct clause 10.7(1)</i>			<i>Obligations 284 to 287</i> Through discussion with the Readings Management Team Leader and consideration of Western Power's procedures and practices relating to the retention of and provision of consumption data to customers, we determined that:
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
285	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). <i>Code of Conduct clause 10.7(2)</i>			<ul style="list-style-type: none"> <li>For those instances where customers had contacted the CSC to request consumption data during the audit period: <ul style="list-style-type: none"> <li>Western Power's procedures provided for such requests for consumption data to be met through the immediate provision of the data, at no charge</li> <li>Where a customer had requested periodic notification of consumption data, the customer was registered within MBS to be provided data automatically</li> </ul> </li> <li>All data is archived for a minimum of seven years.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
286	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			

No.	Obligation under condition			Findings
	for providing the consumption data, if payment is required and requested by the distributor within 2 business days of the request. <i>Code of Conduct clause 10.7(3)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
287	A distributor must keep a customer's consumption data for seven (7) years. <i>Code of Conduct clause 10.7(4)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
288	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. <i>Code of Conduct clause 10.8(1)</i>			Through discussion with the Readings Management Team Leader and examination of Western Power's website, we determined that: <ul style="list-style-type: none"> <li>CSC staff are trained and authorised to, upon request from a customer: <ul style="list-style-type: none"> <li>Provide the customer with relevant information on distribution standards and metering arrangements, or</li> <li>Refer the customer to Western Power's website</li> </ul> </li> <li>There were regular occasions during the audit period where a customer had made a request for information on distribution standards or metering arrangements.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
289	A distributor must publish information on distribution standards and metering arrangements on the distributor's website. <i>Code of Conduct clause 10.8(2)</i>			Western Power's website contains current information on its: <ul style="list-style-type: none"> <li>Distribution standards, which are similar to what is prescribed under the Electricity Act 1945, on its website. The website covers details on voltage limits, frequency, voltage fluctuations and harmonics</li> <li>Metering arrangements, including responses to frequently asked questions.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
290	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, and concise language and is in a format that makes it easy to understand. <i>Code of Conduct clause 10.9</i>			Based on examination of the aforementioned documentation published on Western Power's website and provided to customers, we determined that the documents were expressed in clear, simple and concise language and were in a format that made it easy to understand.
	Priority: 5	Controls rating: NP	Compliance Rating: 1	
291	On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct. <i>Code of Conduct clause 10.10(1)</i>			<i>Obligations 291 and 292</i> Through discussion with the Readings Management Team Leader and examination of Western Power's website, we determined that: <ul style="list-style-type: none"> <li>CSC staff are trained and authorised to, upon request from a customer:</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under condition			Findings
292	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their web sites. <i>Code of Conduct clause 10.10(2)</i>			<ul style="list-style-type: none"> <li>○ Provide a copy of the Code on request to customers at no charge, or</li> <li>○ Inform the customer where a copy of the Code can be located</li> <li>• A link to the ERA website (where the Code is located) has been included in the regulation section of Western Power's website</li> <li>• A hard copy of the Code is available at Western Power's premises, to be physically collected</li> <li>• There were instances during the audit period where a customer had made a request for a copy of the Code of Conduct.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
294	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). <i>Code of Conduct clause 10.11(1)</i>			<p><i>Obligations 294 and 295</i></p> <p>Through discussion with the Readings Management Team Leader and examination of relevant documentation, we determined that during the audit period, Western Power had:</p> <ul style="list-style-type: none"> <li>• Received requests from customers to make services available to assist the customer to interpret information provided by Western Power</li> <li>• Regularly used (and paid for) the Translation and Interpreter (multilingual) Services (<b>TIS</b>)</li> <li>• Offered large print communications, however cannot readily confirm whether that offer had been taken up by a customer</li> <li>• The following mechanisms in place to address such requests: <ul style="list-style-type: none"> <li>○ Western Power subscribes to the National Relay Service (a 24/7 service run by the Commonwealth Government, which includes TTY services)</li> <li>○ The Western Power visual style guide for preparing communications and publications includes the: <ul style="list-style-type: none"> <li>▪ National Relay Service hotline number</li> <li>▪ National Interpreter Symbol and the associated TIS number</li> </ul> </li> <li>○ The Western Power website includes the National Interpreter Symbol and the National Relay Service hotline number.</li> </ul> </li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
295	For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings. <i>Code of Conduct clause 10.11(2)</i>			<ul style="list-style-type: none"> <li>• Offered large print communications, however cannot readily confirm whether that offer had been taken up by a customer</li> <li>• The following mechanisms in place to address such requests: <ul style="list-style-type: none"> <li>○ Western Power subscribes to the National Relay Service (a 24/7 service run by the Commonwealth Government, which includes TTY services)</li> <li>○ The Western Power visual style guide for preparing communications and publications includes the: <ul style="list-style-type: none"> <li>▪ National Relay Service hotline number</li> <li>▪ National Interpreter Symbol and the associated TIS number</li> </ul> </li> <li>○ The Western Power website includes the National Interpreter Symbol and the National Relay Service hotline number.</li> </ul> </li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
296	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 to the customer's supply address, purpose, costs, and installation, operation and maintenance procedures. <i>Code of Conduct clause 10.12(1)</i>			<p>Through discussion with the Metering Technical Services Team Leader and examination of relevant documentation, we determined that, in order to accommodate customer requests made during the audit period (including applications for automatic meter reading systems or load signals), the following information was made available either through the customer's retailer or via Western Power's website at no cost to the customer:</p> <ul style="list-style-type: none"> <li>• Availability of different types of meters</li> <li>• Suitability of meters to the customer's supply address</li> <li>• Purpose, costs and installation of meter types</li> <li>• Relevant operation and maintenance procedures for meters.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under condition	Findings
<b>Part 12 Complaints and Dispute Resolution</b>		
298	<p>A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes. <i>Code of Conduct clause 12.1(1)</i></p>	<p>Through discussion with the Complaints and Resolutions Team Leader, consideration of Western Power's complaints handling process, and walkthrough of a sample of customer calls, we determined that:</p> <ul style="list-style-type: none"> <li>• A complaints handling process has been developed to provide staff with information relating to receiving and resolving complaints</li> <li>• CSC staff are provided with relevant training on the requirements of the Code, including <ul style="list-style-type: none"> <li>○ Induction training to all new CSC staff</li> <li>○ Annual refresher training for all CSC staff for Type 1 breaches</li> </ul> </li> <li>• Performance review processes are in place to drive quality of process, which includes: <ul style="list-style-type: none"> <li>○ Peer reviews on responses to complaints</li> <li>○ Bi-annual performance reviews</li> <li>○ Periodic review of calls by Team Leaders</li> </ul> </li> <li>• Appropriate records are maintained within NetCiS to evidence receipt and resolution of complaints.</li> </ul> <p>Western Power has reviewed its complaints handling process in light of the previous non-compliance reported in the 2014 performance audit report. As a result, complaints are now managed centrally by the Complaints and Resolutions Team Leader, with appropriate monitoring tools (e.g. Key Performance Indicators (<b>KPIs</b>) for time taken to create NetCiS item, time for acknowledgement and time for closure) used to confirm complaints are closed out appropriately.</p>
	Priority: 3	Controls rating: A
299	<p>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. <i>Code of Conduct clause 12.1(2).</i></p>	<p>Through discussion with the Complaints and Resolutions Team Leader and examination of Western Power's Logging Customer Complaints and Customer Service Policy, we determined that Western Power's policies include:</p> <ul style="list-style-type: none"> <li>• Compliance with AS ISO 10002-2014</li> <li>• The process for lodging and escalation of complaints</li> <li>• Response times for complaints</li> <li>• Method of response, management and handling of complaints.</li> </ul> <p>The complaints handling process has been made available to customers at no cost on Western Power's website or via the CSC.</p>
	Priority: 4	Controls rating: NP
		Compliance Rating: 1

No.	Obligation under condition	Findings
300	<p>A retailer or a distributor must advise the customer in accordance with subclause 12.1(3). <i>Code of Conduct clause 12.1(3)</i></p>	<p>Through examination of Western Power’s complaints handling process and discussion with the Complaints and Resolutions Team Leader and CSC staff, we determined that Western Power’s complaints handling process provides for:</p> <ul style="list-style-type: none"> <li>• All complaints to be escalated to the Complaints and Resolution Team. The Complaints and Resolution Team will also offer further escalation to the Complaints and Resolution Team Leader</li> <li>• The Complaints and Resolution Team to notify customers of their right to refer their complaints to the Ombudsman, if the customer is still not satisfied.</li> </ul> <p>We note that the 2014 Performance Audit reported a non-compliance relating to classification of complaints, where call centre operators were not correctly distinguishing an enquiry from a complaint in accordance with the Complaints Handling Process. As a result, customers were not notified of their rights to have their complaint escalated in accordance with the Code of Conduct.</p> <p>In November 2014, Western Power applied a more focussed training program and improved its monitoring process around first contact processes to ensure CSC staff correctly classify complaints, for all complaints to be escalated to the Complaints and Resolution Team and for customers who articulate dissatisfaction to be advised of their right of escalation under subclause 12.1(3)(a). As these improvements were implemented part way through the current audit period, Western Power remained non-compliant with this obligation during the period July to November 2014.</p> <p>Our enquiries of CSC staff demonstrated their understanding of Western Power’s processes for correctly classifying complaints and for advising customers of their right of escalation.</p>
	<p>Priority: 3</p>	<p>Controls rating: A</p>
	<p>Compliance Rating: 2</p>	
	<p><b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i></p>	<p><b>Action Plan</b> <i>No further action required.</i></p>

No.	Obligation under condition	Findings			
301	<p>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.</p> <p><i>Code of Conduct clause 12.1(4)</i></p>	<p>Through discussion with the Complaints and Resolutions Team Leader and examination of Western Power's Customer Service Policy, we determined that Western Power's complaints handling process provides for:</p> <ul style="list-style-type: none"> <li>• Written complaints to be acknowledged in writing within 10 business days</li> <li>• Complaints to be responded to within 20 business days</li> <li>• Complaints lodged online through the Western Power website to be automatically acknowledged with a system generated message</li> <li>• Internal KPIs to be monitored to manage complaints at 15 days without resolution.</li> </ul> <p>Based on our sample testing of 20 complaints recorded during the period 1 July 2014 to 30 June 2017, we determined that in all 20 instances:</p> <ul style="list-style-type: none"> <li>• The complaint was acknowledged within the timeframes prescribed</li> <li>• Details of the complaint was logged within NetCiS</li> <li>• The complaint was resolved within the timeframes prescribed.</li> </ul> <p>However, in its Annual Compliance reports to the ERA, Western Power disclosed three instances (one in each year) where it did not respond to a complaint within 20 business days. Western Power has performed team refreshers on this requirement and has committed to achieving 100% compliance.</p>			
	<table border="1"> <tr> <td data-bbox="253 799 551 842">Priority: 3</td> <td data-bbox="551 799 857 842">Controls rating: A</td> <td data-bbox="857 799 1167 842">Compliance Rating: 2</td> </tr> </table>	Priority: 3	Controls rating: A	Compliance Rating: 2	
Priority: 3	Controls rating: A	Compliance Rating: 2			
	<p><b>Recommendation</b></p> <p><i>Refer to Recommendation 1/2017.</i></p>	<p><b>Action Plan</b></p> <p><i>Refer to Action Plan 1/2017.</i></p>			
303	<p>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.</p> <p><i>Code of Conduct clause 12.3</i></p>	<p>Through discussion with the Complaints and Resolutions Team Leader and examination of Western Power's website (via the 'Contact Us' page), we determined that, for requests received by customers, Western Power's complaints handling process was made available at no charge.</p>			
	<table border="1"> <tr> <td data-bbox="253 1075 551 1118">Priority: 4</td> <td data-bbox="551 1075 857 1118">Controls rating: NP</td> <td data-bbox="857 1075 1167 1118">Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
304	<p>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 the appropriate entity to deal with the complaint (if known).</p> <p><i>Code of Conduct clause 12.4</i></p>	<p>Due to the nature of Western Power's role within the WA electricity market, Western Power frequently receives enquiries and complaints from customers relating to functions performed by retailers.</p> <p>Through discussion with the Complaints and Resolutions Team Leader and consideration of Western Power's complaints handling process, we determined that, for complaints received from customers that do not relate to its functions, Western Power's process provides for:</p> <ul style="list-style-type: none"> <li>• Staff to recognise instances where a complaint does not relate to Western Power's functions</li> <li>• Boundaries of Western Power/Synergy and related protocols</li> </ul>			

No.	Obligation under condition			Findings	
		Priority: 4	Controls rating: NP	Compliance Rating: 1	<ul style="list-style-type: none"> <li>The matter to be referred to the relevant entity</li> <li>The customer to be made aware of the reason for the referral</li> <li>Retention of all third party related complaints.</li> </ul>
<b>Part 13 Reporting</b>					
305	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA. <i>Code of Conduct clause 13.1</i>	Priority: 4	Controls rating: NP	Compliance Rating: 1	<p><i>Obligations 305 to 307</i></p> <p>Through discussion with the Senior Compliance Specialist and Regulatory Compliance Manager, and examination of relevant documentation, we determined that Western Power:</p> <ul style="list-style-type: none"> <li>Prepared its annual datasheets for the 2014/15 and 2015/16 periods, in accordance with the relevant Electricity Distribution Licence Reporting Handbook</li> <li>Provided the datasheets to the ERA by the 30 September due date</li> <li>Published the 2016 datasheets on its website within seven days of notification (as prescribed by the ERA).</li> </ul> <p>The Senior Compliance Specialist confirmed that, for 2014 and 2015, the ERA did not specify a date for the datasheets to be published.</p>
306	The report specified in clause 13.1 must be provided to the ERA by the date, and in the matter and form, specified by the ERA. <i>Code of Conduct clause 13.2</i>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
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: <ul style="list-style-type: none"> <li>copies of it are available to the public without cost, at places where the retailer or distributor transacts business with the public; and</li> <li>a copy of it is posted on the retailer or distributor's website.</li> </ul> <i>Code of Conduct clause 13.3</i>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
<b>Part 14 Service Standard Payments</b>					
309	Subject to clause 14.6, if a retailer is liable to and makes a payment under subclause 14.1(1) due to an act or omission of a distributor, the distributor must compensate the payment to the retailer. <i>Code of Conduct clause 14.1(2)</i>	Priority: 4	Controls rating: NP	Compliance Rating: NR	<p>The Reading Operations Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power did not compensate any retailers for an act or omission on Western Power's behalf.</p> <p>For all acts or omissions, Western Power compensates customers directly through the wrongful disconnections process, in line with clause 14.5 of the Code.</p>



No.	Obligation under condition			Findings
313	Subject to clause 14.6, a distributor must pay the customer \$20 where the distributor has failed to acknowledge or respond to a written query or complaint within the timeframes prescribed in subclause 12.1(4). <i>Code of Conduct clause 14.4(1)</i>			Through discussion with the Reading Operations Team Leader and the Complaints and Resolution Team Leader, and consideration of Western Power's processes for managing service standard payments, we determined that the Complaints and Resolution Team is aware of the requirements prescribed under clause 14.6.  In its 2014/15 Compliance report to the ERA, Western Power disclosed one instance where a customer submitted a claim for a complaint that was not responded to within 20 business days and subsequently was not paid the prescribed \$20 in accordance with the Code. This instance was subsequently resolved and appears to be an isolated occasion, with no further non-compliance identified during the audit period.
	Priority: 4	Controls rating: A	Compliance Rating: 2	
	<b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i>			<b>Action Plan</b> <i>No further action required.</i>
314	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. <i>Code of Conduct clause 14.5</i>			Through discussion with the Reading Operations Team Leader and examination of the complaints register, we determined that, for wrongful disconnections performed during the audit period, Western Power: <ul style="list-style-type: none"> <li>Identified the wrongful disconnections either via customer complaints or as reported by Field Officers</li> <li>Applied its processes, which require: <ul style="list-style-type: none"> <li>All customer complaints in relation to wrongful disconnections to be verified with relevant field officers (to confirm validity of disconnection)</li> <li>Customers to be paid in accordance with the Code.</li> </ul> </li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
316	A distributor who 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). <i>Code of Conduct clause 14.7(2)</i>			Through discussion with the Reading Operations Team Leader and examination of the Service Standard Payments report, we determined that Western Power has processes in place to capture, manage and process payment for service standard breaches as per the requirements of clause 14.7 of the Code.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

## 4.7 Electricity Industry Metering Code – Licence Conditions and Obligations

No.	Obligation under Condition	Findings	
317	<p>A network operator must treat all Code participants that are its associates on an arms-length basis.</p> <p><i>Electricity Industry Metering Code clause 2.2(1)(a)</i></p>	<p><i>Obligations 317 and 318</i></p> <p>During the period 1 July 2014 to 30 June 2017, no code participants were considered as Western Power’s associates.</p>	
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
318	<p>A network operator must ensure that no Code participant that is its associate receives a benefit in respect of the Code unless the benefit is attributable to an arm's length application of the Code or is also made available to all other Code participants on the same terms and conditions.</p> <p><i>Electricity Industry Metering Code clause 2.2(1)(b)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of relevant metering documentation, we determined that Western Power has:</p> <ul style="list-style-type: none"> <li>Developed tender documents that contain technical specifications for the purchase of meters, which align with the Metrology Procedure, National Measurement Act and Tender Specification Guidelines</li> <li>Performed testing to confirm whether the meter meets specifications provided in the tender documentation</li> <li>Performed testing on each batch of meters received from the supplier prior to the tender evaluation stage. Sample testing is increased when failures are identified to determine the extent of the failure. All failures are raised with the supplier and recorded on the suppliers register</li> <li>Performed compliance auditing to confirm meters on the network comply with the relevant specifications.</li> </ul>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: NR</p>		
319	<p>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><i>Electricity Industry Metering Code clause 3.1</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of relevant metering documentation, we determined that Western Power has:</p> <ul style="list-style-type: none"> <li>Developed tender documents that contain technical specifications for the purchase of meters, which align with the Metrology Procedure, National Measurement Act and Tender Specification Guidelines</li> <li>Performed testing to confirm whether the meter meets specifications provided in the tender documentation</li> <li>Performed testing on each batch of meters received from the supplier prior to the tender evaluation stage. Sample testing is increased when failures are identified to determine the extent of the failure. All failures are raised with the supplier and recorded on the suppliers register</li> <li>Performed compliance auditing to confirm meters on the network comply with the relevant specifications.</li> </ul>	
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>		

No.	Obligation under Condition	Findings	
320	<p>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 specified in subclauses 3.2(1)(a)(b) using dials, a cyclometer, an illuminated display panel or some other visual means.</p> <p><i>Electricity Industry Metering Code clause 3.2(1)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader, examination of relevant metering documentation and observation of meters within the Western Power metering laboratory, we determined that:</p> <ul style="list-style-type: none"> <li>All tender documentation is prepared using the applicable Western Power Technical Specification Guidelines</li> <li>Meters obtained from the potential supplier are tested in the Western Power laboratory during the tender evaluation phase to ensure they comply with the Western Australia Electricity Market Metrology Procedure</li> <li>All meters installed by Western Power display, or permit access to a display of the measurements specified by in subclauses 3.2(1)(a)(b) through the use of dials, a cyclometer or an illuminated display panel.</li> </ul>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
321	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.3(1)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of meters in the Western Power metering laboratory, we determined that all of Western Power's interval meters have an 'infra-red' interface that allows interval data to be downloaded.</p> <p>The Metering Technical Services Team Leader confirmed that, during the audit period, all type 1-5 meters had an appropriate interface compatible with the requirements specified in the Metrology Procedure, which allows data to be downloaded remotely through MV90 via a communication link.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
322	<p>If a metering installation is required to include a communications link, the link must (where necessary), include a modem and isolation device approved under the relevant telecommunications regulations, to allow the interval energy data to be downloaded in the manner prescribed.</p> <p><i>Electricity Industry Metering Code clause 3.3(3)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of relevant documentation, we determined that:</p> <ul style="list-style-type: none"> <li>Type 1-5 meters have a corresponding modem device installed that allows data to be downloaded remotely through MV90</li> <li>Modem devices utilised by Western Power are provided by either Maxon or NetComm, for which the Certificates of Conformance held by Western Power indicates that the Maxon and NetComm brand of modems are compliant with relevant telecommunications regulations.</li> </ul>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
323	<p>A network operator must ensure that bidirectional 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.</p> <p><i>Electricity Industry Metering Code clause 3.3A(1)</i></p>	<p>Through discussion with the A/Meter Installations Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>All new meter installations are capable of measuring and recording electricity flows in each direction, if programmed accordingly (i.e. if a bidirectional flow recording is required)</li> <li>On request by a retailer, Western Power will endeavour to replace a meter, which is not capable of recording bidirectional flows, to allow for bi-directional flow to be recorded.</li> </ul>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition	Findings			
324	<p>If a user who is aware of bi-directional flows at a metering point which was not previously subject to a bi-directional electricity flows or any changes in a customer's or user's circumstances in a metering point which will result in bi-directional electricity flows must notify the network operator within 2 business days.</p> <p><i>Electricity Industry Metering Code clause 3.3B</i></p>	<p>There are currently no other users on Western Power's network that could be in a position to notify Western Power of such changes in a metering point, which will result in bi-directional electricity flows.</p>			
	<table border="1"> <tr> <td data-bbox="253 443 546 483">Priority: 4</td> <td data-bbox="557 443 846 483">Controls rating: NP</td> <td data-bbox="857 443 1167 483">Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
325	<p>An accumulation meter or an interval meter that separately measures and records bi-directional electricity flows at the metering point must record:</p> <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> <p><i>Electricity Industry Metering Code clause 3.3C</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of the Meter Fact Sheet provided on the Western Power website, we determined that:</p> <ul style="list-style-type: none"> <li>Currently there are both accumulation and interval meters installed on Western Power's network for small use customers, which separately measure and record bi-directional electricity flows and the net electricity production transferred into and out of the network</li> <li>All new meters installed by Western Power during the audit period have the capability of measuring bi-directional flows (once programmed)</li> <li>All meters unable to record bi-directional flows, which are required to record such flows, will be replaced with a new meter capable of complying with clause 3.3 of the <i>Electricity Industry Metering Code</i>.</li> </ul>			
	<table border="1"> <tr> <td data-bbox="253 850 546 896">Priority: 4</td> <td data-bbox="557 850 846 896">Controls rating: NP</td> <td data-bbox="857 850 1167 896">Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			

No.	Obligation under Condition	Findings
326	<p>A network operator must ensure that there is a metering installation at every connection point on its network which is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.</p> <p><i>Electricity Industry Metering Code clause 3.5(1) and (2)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader, consideration of Western Power's management of metering installations and its application of MBS, we determined that Western Power's established policies and procedures provide for the following:</p> <ul style="list-style-type: none"> <li>• Once Western Power is advised of a completed meter installation by an electrical contractor, a NMI to be generated in MBS and attached to the meter installation to facilitate identification of the connection point</li> <li>• MBS to allocate all metering points against a relevant type 1 – 6 connection point.</li> </ul> <p>We observed that data maintained in MBS includes records of metering installations located at each connection point on the network, apart from Type 7 connection points.</p> <p>However, Western Power disclosed within its breach register a single instance on 22 October 2016 where it disconnected an 11kV switchboard (which included the meter) installed at a hospital to address risks around the integrity of the switchboard. As a replacement switchboard was not available at the time, Western Power supplied the customer via an un-metered bypass arrangement and estimated consumption based on historical usage data. At the time of this audit, the new switchboard was under construction. Accordingly, Western Power did not comply with the requirement to maintain a metering installation for the relevant connection point for the period 22 October 2016 to 30 June 2017.</p> <p>We note that on 30 August 2017, Western Power subsequently addressed the issue by installing the replacement switchboard containing the compliant meter.</p>
	<p>Priority: 4</p>	<p>Controls rating: A</p>
		<p>Compliance Rating: 2</p>
	<p><b>Recommendation</b></p> <p><i>Not applicable – issue resolved upon installation of the new switchboard.</i></p>	<p><b>Action Plan</b></p> <p><i>No further action required.</i></p>
327	<p>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> <p><i>Electricity Industry Metering Code clause 3.5(3)</i></p>	<p>Through discussion with the A/Meter Installations Team Leader and examination of relevant documentation, we determined that Western Power utilises the processes and procedures outlined in:</p> <ul style="list-style-type: none"> <li>• The Western Australian Distribution Connections Manual</li> <li>• Model SLA</li> <li>• Work Practice Manual</li> <li>• Compliance Testing Plan.</li> </ul> <p>The above documents assist to confirm that metering installations are provided for, installed, operated and maintained in the manner prescribed in the Metering Code.</p>
	<p>Priority: 4</p>	<p>Controls rating: NP</p>
		<p>Compliance Rating: 1</p>

No.	Obligation under Condition			Findings
328	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.5(4)</i></p>			<p>Through discussion with the Metering Technical Services Team Leader and examination of Western Power's Metrology Procedure, we determined that:</p> <ul style="list-style-type: none"> <li>Submissions received for installing meters that do not meet the requirements of clause 3.5(4) are sent back to the customer for redesign</li> <li>No new meters were installed during the audit period that were not located as close as practicable to the connection point.</li> </ul> <p>The single non-compliance reported in the 2014 Performance Audit report was addressed through the relocation of the meter. No further non-compliance with clause 3.5(4) was identified during the audit period.</p>
		Priority: 3	Controls rating: A	Compliance Rating: 1
329	<p>A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.</p> <p><i>Electricity Industry Metering Code clause 3.5(6)</i></p>			<p>Through discussion with the Project Coordinator – Finance, Treasury &amp; Risk and consideration of Western Power's processes for charging customers for metering installations, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power imposes charges for applicable metering services, based on fixed charge codes</li> <li>Transactions are manually checked each month, to confirm that transactions requiring manual intervention to impose or not impose a charge are correct.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
330	<p>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><i>Electricity Industry Metering Code clause 3.5(9)</i></p>			<p>Through discussion with the Metering Technical Services Team Leader, examination of the Model SLA and consideration of instances where Western Power became aware of metering installation not complying with the Code, Western Power's procedures provide for:</p> <ul style="list-style-type: none"> <li>The retailer to be notified of the reason for the non-compliance and the relevant activities to address the issue. We observed the application of those procedures through Western Power's management of a non-compliant type 3 meter in 2016</li> <li>Meter installation repairs are required to be performed within a five-day period for metropolitan customers and 10 days for country customers.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
331	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.7</i></p>			<p>The Metering Technical Services Team Leader confirmed that:</p> <ul style="list-style-type: none"> <li>All Type 1-5 meters are required to be installed with a corresponding modem device that allows data to be downloaded remotely through MV90</li> <li>All modem devices utilised by Western Power are provided by Maxon or NetComm</li> <li>Certificates of Conformance held by Western Power indicate that the Maxon and NetComm brand of modems comply with applicable State and Commonwealth enactments.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition	Findings			
332	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.8</i></p>	<p>Through discussion with the A/Meter Installations Team Leader and examination of Western Power's Work Practice Manual, we determined that:</p> <ul style="list-style-type: none"> <li>All meters installed by Western Power are designed to be fitted with a security seal</li> <li>The security seal aims to hinder access to the meter and identify instances where unauthorised access has occurred</li> <li>Inspection processes provide for new seals to be fitted once work has been completed</li> <li>Coloured seals are used to distinguish the previous business function to work on the meter</li> <li>Should a customer, field officer, contractor or retailer believe a seal has been compromised, a 'suspected tamper' service order is raised through MBS for further investigation.</li> </ul>			
	<table border="1"> <tr> <td data-bbox="248 628 546 676">Priority: 4</td> <td data-bbox="546 628 846 676">Controls rating: NP</td> <td data-bbox="846 628 1167 676">Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
333	<p>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 specified in Table 3 in Appendix 1 of the Code.</p> <p><i>Electricity Industry Metering Code clause 3.9(3)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and consideration of Western Power's management of metering installations, we determined that Western Power's established policies and procedures provide for the following:</p> <ul style="list-style-type: none"> <li>All meters to be sourced through a tender process, with Western Power's Meter Technical Specification Guidelines to be used in the preparation of tender documentation. Potential suppliers are required to demonstrate that the proposed meters meet the required specifications and to provide a sample meter for Western Power to conduct quality testing to confirm its technical requirements will be met</li> <li>Each batch of meters received to be tested for compliance with the required specifications</li> <li>Once meters are installed, testing to be performed in accordance with Western Power's Compliance Testing Plan to ensure the accuracy of meters is maintained</li> <li>The Western Australian Distributions Connection Manual to be used as a reference to the Australian Standards and to ensure each meter complies with Table 3 of Appendix 1 of the Code.</li> </ul> <p>However, Western Power disclosed within its breach register an instance where on 3 August 2016, an ABB current transformer (<b>CT</b>) at a major customer's substation was taken out of service as it failed a safety test. The removal of the CT impacted on the configuration of the metering installation and its associated accuracy, rendering the meter non-compliant with Table 3 of Appendix 1 of the Code in relation to type 3 meters.</p>			

No.	Obligation under Condition	Findings
	<p>Priority: 4      Controls rating: A      Compliance Rating: 2</p> <p><b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i></p>	<p>Following approval from the AEMO, a correction factor of 1.5 was introduced on all related meter interval data and readings until the metering installation was normalised through the commissioning of a replacement transformer on 12 April 2017.</p> <p><b>Action Plan</b> <i>No further action required.</i></p>
334	<p>For a metering installation used to supply a customer with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, the metering installation must meet the relevant accuracy requirements of Type 3 metering installation for active energy only. <i>Electricity Industry Metering Code clause 3.9(7)</i></p> <p>Priority: 4      Controls rating: NP      Compliance Rating: NR</p>	<p>Through discussion with the Metering Technical Services Team Leader and consideration of Western Power's management of metering installations, we determined that all customers with requirements above 1000 volts that require a VT had consumption of <u>more than</u> 750MWh and had the appropriate meter type installed. Accordingly, there were no instances during the audit period where Western Power was required to meet this obligation.</p>
335	<p>If compensation is carried out within the meter then the resultant metering system error must be as close as practicable to zero. <i>Electricity Industry Metering Code clause 3.9(9)</i></p> <p>Priority: 4      Controls rating: NP      Compliance Rating: NR</p>	<p>Through discussion with the Metering Technical Services Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power relies on its Metrology Procedure and Metering Management Plan to ensure that its meters meet relevant accuracy requirements</li> <li>Should the need for compensation arise, Western Power's processes provide for the relevant accuracy requirements of the metering installation aimed at effectively reducing potential errors to zero.</li> </ul> <p>The Metering Technical Services Team Leader confirmed that no compensation was carried out by Western Power during the audit period.</p>
336	<p>A network operator must ensure that any programmable settings within any of its metering installations, data loggers or peripheral devices, that may affect the resolution of displayed or stored data, meet the relevant requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines specified by the National Measurement Institute under the National Measurement Act. <i>Electricity Industry Metering Code clause 3.10</i></p> <p>Priority: 4      Controls rating: NP      Compliance Rating: 1</p>	<p>Through discussion held with the Metering Technical Services Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>All meters installed by Western Power are approved in accordance with the National Measurement Act section M6 and Australian standards</li> <li>Meters are tested during the tender evaluation phase to ensure that all programmable functions in relation to the resolution of displayed or stored data are in accordance with the prescribed requirements under Western Power's Metrology Procedure.</li> </ul>



No.	Obligation under Condition	Findings		
337	<p>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 to permit collection of data within the time specified in the applicable service level agreement, for at least the percentages of the year specified.</p> <p><i>Electricity Industry Metering Code clause 3.11(1)</i></p>	<p>Clause 3.11(1) of the Metering Code specifies the requirement for Western Power to ensure that its meters permit the collection of data at a level of availability of at least:</p> <ul style="list-style-type: none"> <li>(a) If the metering installation does not have a communications link – 99% of the year; and</li> <li>(b) If the metering installation has a communications link: <ul style="list-style-type: none"> <li>(i) For the communications link – 95% of the year; and</li> <li>(ii) For the rest of the metering installation – 99% of the year.</li> </ul> </li> </ul> <p>Through discussion with the Project Coordinator – Finance, Treasury &amp; Risk and A/Meter Installations Team Leader, and walkthrough of Western Power’s compliance monitoring and reporting activities we determined that throughout the audit period, Western Power reported on a monthly basis that its fleet of meters continuously achieved the availability requirements of the Code to enable the measurement, record of and timely collection of data.</p>		
Priority: 4		Controls rating: NP	Compliance Rating: 1	
338	<p>If an outage or malfunction occurs to a metering installation, the network operator must make repairs to the metering installation in accordance with the applicable service level agreement.</p> <p><i>Electricity Industry Metering Code clause 3.11(2)</i></p>	<p>Through discussion with the Project Coordinator – Finance, Treasury &amp; Risk and the A/Meter Installations Team Leader, consideration of Western Power’s processes and practices for making repairs to meters in accordance with the Model SLA and walkthrough of its compliance monitoring and reporting activities, we determined that:</p> <ul style="list-style-type: none"> <li>• The Project Coordinator – Finance, Treasury and Risk uses a weekly MBS report and Access Database to generate a range of queries, which identify whether service orders for repairing meters are completed within required timeframes</li> <li>• Western Power has disclosed its non-compliance with this requirement in each of its Annual Compliance reports</li> <li>• Western Power has identified the cause of failures to complete the repairs within the required timeframe to be due to limited availability of specialist resources, site access restrictions or geographical location of the site</li> <li>• Western Power continues to monitor resource availability to ensure delivery of field technical services in accordance with the service standard timeframes defined in the Model SLA</li> <li>• Western Power has determined that, while it continues to aim for a higher compliance level, for the reasons outlined, 100% compliance may not always be achievable.</li> </ul>		
Priority: 3		Controls rating: B	Compliance Rating: 2	
<p><b>Recommendation</b></p> <p><i>Refer to Recommendation 1/2017.</i></p>		<p><b>Action Plan</b></p> <p><i>Refer to Action Plan 1/2017.</i></p>		

No.	Obligation under Condition	Findings	
340	<p>A network operator must ensure that the meters on its network are systematically sampled and tested for accuracy in accordance with AS 1284.13.</p> <p><i>Electricity Industry Metering Code clause 3.11A(1)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of Western Power's metering management documentation, we determined that:</p> <ul style="list-style-type: none"> <li>• Western Power's Meter Compliance Testing Plan is contained in the Metrology Procedure and has been approved by the ERA</li> <li>• The Plan is designed to systematically sample and test meters installed on Western Power's network for accuracy in accordance with AS 1284.13</li> <li>• Compliance programs are conducted over a four-year period and results are published in the 'In-Service Compliance' Report.</li> </ul> <p>To ensure that meters register within the margin of error referred to in section 41 (3) of the Electricity Act 1945, the Plan includes:</p> <ul style="list-style-type: none"> <li>○ Determination of populations</li> <li>○ Determination of sample size</li> <li>○ Sampling accuracy method</li> <li>○ Sample testing</li> <li>○ Performance characteristics</li> <li>○ Assessment of results</li> <li>○ Redefining populations</li> <li>○ On-going compliance testing</li> <li>○ Determining population failure.</li> </ul> <p>Based on examination of the In-Service Compliance Report for the four years ending December 2016, we determined that Western Power had sampled and tested meters on its network for accuracy in accordance with AS 1284.13.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition	Findings			
341	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.11A(2)</i></p>	<p>Through discussion with the Regulatory Compliance Team, examination of Western Power's Breach Register and previous Performance Audit reports and walkthrough of Western Power's compliance reporting process, we determined that:</p> <ul style="list-style-type: none"> <li>• As disclosed in the 2009 Performance Audit Report (and confirmed in the 2014 Performance Audit Report), Western Power recognised that there were approximately 320,000 non-compliant direct connect meters on its network. Western Power developed an action plan (approved by the EnergySafety division of the Department of Commerce) to replace the non-compliant meters by 1 December 2015 and subsequently addressed approximately 85,000 of those meters</li> <li>• An amendment to the Code confirmed that only approximately 54,000 of the 320,000 meters were non-compliant, resulting in a total of 1,813 meters remaining non-compliant as at 30 June 2017</li> <li>• Of the remaining 1,813 non-compliant meters as at 30 June 2017: <ul style="list-style-type: none"> <li>○ 750 meters were prioritised to be replaced between 1 July and 31 August 2017</li> <li>○ Western Power determined that it is currently unable to replace 1,063 meters because of safety concerns or access constraints. A Management Plan to address these meters has been prepared.</li> </ul> </li> </ul>			
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; text-align: center;">Priority: 4</td> <td style="width: 33%; text-align: center;">Controls rating: A</td> <td style="width: 33%; text-align: center;">Compliance Rating: 2</td> </tr> </table>	Priority: 4	Controls rating: A	Compliance Rating: 2	
Priority: 4	Controls rating: A	Compliance Rating: 2			
	<p><b>Recommendation 3/2017</b></p> <p>Western Power close out the Management Plan prepared to address the remaining 1,063 non-compliant meters.</p>	<p><b>Action Plan 3/2017</b></p> <p>Western Power will undertake the activities detailed within the Management Plan and annually report its progress to the ERA.</p> <p><b>Responsible person</b> Metering Services Manager</p> <p><b>Target date</b> Ongoing.</p>			

No.	Obligation under Condition	Findings
342	<p>A network operator must ensure that each metering installation complies with, at least, the prescribed design requirements.</p> <p><i>Electricity Industry Metering Code clause 3.12(1)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of documentation relating to the design and specification of meters used by Western Power, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power utilises the Western Australian Distribution Connection Manual as a guide for installing all high and low-voltage meters</li> <li>In respect of all high voltage metering installations, the High Voltage (<b>HV</b>) Design Technical Requirements document is to be completed and signed off by the Metering Technical Services Team Leader prior to installation.</li> </ul> <p>Western Power recorded a breach in August 2014, when a power quality testing apparatus, which did not meet the design requirements for a metering installation was connected to the wiring on the VT secondary core for testing purposes. The breach was remedied within three days and is considered to be an isolated occurrence of non-compliance with clause 3.12(1) of the Code.</p>
	<p>Priority: 4</p> <p>Controls rating: A</p> <p>Compliance Rating: 2</p>	
	<p><b>Recommendation</b></p> <p><i>Not applicable – issue resolved during audit period.</i></p>	<p><b>Action Plan</b></p> <p><i>No further action required.</i></p>
343	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.12(2)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of relevant documentation, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power utilises the following to ensure that all CT/VT instrument transformer installations are performed in accordance with the relevant requirements of the Metrology Procedure and Australian Standard: <ul style="list-style-type: none"> <li>Western Australian Distributions Connections Manual</li> <li>Western Australian Electricity Requirements</li> <li>HV Commissioning Sheet.</li> </ul> </li> <li>Prior to installation of an instrument transformer for a HV meter installation, Western Power's processes require: <ul style="list-style-type: none"> <li>A NATA accredited 'Report of Test' to be received to report on the accuracy of the metering equipment</li> <li>Testing to be performed to ensure that the metering equipment specifications remained compliant post-transportation.</li> </ul> </li> </ul>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	

No.	Obligation under Condition			Findings
344	A network operator must provide isolation facilities, to the standard of good electricity industry practice, to facilitate testing and calibration of the metering installation. <i>Electricity Industry Metering Code clause 3.12(3)</i>			Through discussion with the Metering Technical Services Team Leader and examination of Western Power's high and low voltage metering technical specifications, we determined that Western Power: <ul style="list-style-type: none"> <li>• Provides isolation facilities in the form of SPD and Fuse Isolation Switches</li> <li>• Utilises the following metering design considerations to ensure that isolation facilities are provided in accordance with the Australian Standard: <ul style="list-style-type: none"> <li>○ Western Australian Electrical Requirements Manual</li> <li>○ Western Australian Distribution Connections Manual</li> <li>○ HV Transmission and Generation Metering Guidelines.</li> </ul> </li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
345	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. <i>Electricity Industry Metering Code clause 3.12(4)</i>			Through discussion with the Metering Technical Services Team Leader and examination of relevant documentation, we determined that Western Power maintains drawings in relation to metering installation arrangements in hard copy files in the: <ul style="list-style-type: none"> <li>• Metering laboratory</li> <li>• Western Power corporate filing system (<b>EDM</b>).</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
346	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. <i>Electricity Industry Metering Code clause 3.13(1)</i>			<i>Obligations 346 to 348</i> Through discussion with the Metering Technical Services Team Leader and examination of relevant documentation, we determined that: <ul style="list-style-type: none"> <li>• Full check meters are installed, where a Type 1 or 2 meter is required for a HV user</li> <li>• Western Power does not utilise partial check meters</li> <li>• HV Transmission and Generation Metering Guidelines are utilised as a guide to ensure that check meters are installed in accordance with the Metrology Procedure and Australian Standard</li> <li>• All HV metering installations are required to be approved by the Metering Technical Services Team leader on a project basis</li> <li>• All meters utilised by Western Power are sourced through a tender process, with the tender documentation reflecting the relevant Meter Technical Specifications Guidelines</li> <li>• Meters are tested during the tender evaluation stage to ensure they meet the required specifications.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
347	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. <i>Electricity Industry Metering Code clause 3.13(3)(c)</i>			
		Priority: 4	Controls rating: NP	Compliance Rating: 1
348	A check metering installation for a metering point must comply with the prescribed requirements. <i>Electricity Industry Metering Code clause 3.13(4)</i>			
		Priority: 4	Controls rating: NP	Compliance Rating: 1
349	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			The Metering Technical Services Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power was not required to adjust a metering

No.	Obligation under Condition	Findings	
	<p>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><i>Electricity Industry Metering Code clause 3.14(3)</i></p>	<p>installation, with class CT and VT, to ensure achievement of accuracy requirements specified within Table 3 in Appendix 1 of the Metering Code.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
350	<p>The network operator must ensure that a Type 1 metering installation to Type 5 metering installation on the network has the facilities and functionality prescribed.</p> <p><i>Electricity Industry Metering Code clause 3.16(1)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>All type 1 to 5 meters are sourced through a tender process, with tender documentation reflecting the required meter technical specifications</li> <li>Meters are tested during the tender evaluation phase to ensure that they have the facilities and functionality requirements prescribed by the Metering Code</li> <li>Meters are checked in line with the Compliance Testing Plan to ensure they continue to comply with the requirements of the Metering Code.</li> </ul>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
351	<p>The network operator must ensure that a Type 1 metering installation to Type 4 metering installation on the network includes a communications link.</p> <p><i>Electricity Industry Metering Code clause 3.16(2)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>Prior to installing a Type 1-4 metering installation, a completion advice that includes the remote mobile phone number assigned to all communications link devices is forwarded to the Metering Services Team for upload into MBS</li> <li>Data is extracted using the communications link on a regular basis through the MV90 system, to monitor instances where communication links for such metering installations are not operational.</li> </ul> <p>Through inspection of data contained in MBS, we observed that mobile phone numbers were present for Type 1-4 meters, indicating that communication link devices had been installed.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
352	<p>If a device is used as a data logger, the energy data for a metering point on the network must be collated in trading intervals or sub-multiples of a trading interval within the metering installation.</p> <p><i>Electricity Industry Metering Code clause 3.16(3)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of the technical specifications of Type 1 – 5 meters, we determined that Western Power’s meters installed with data loggers are used to log and collate data in sub-multiples of a trading interval.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

No.	Obligation under Condition	Findings	
353	<p>If, under subclause 3.16(3), energy data for a metering point on the network is collated in sub-multiples of a trading interval, then the network operator must aggregate the energy data into trading intervals before providing it to a Code participant unless the Code participant agrees otherwise.</p> <p><i>Electricity Industry Metering Code clause 3.16(3A)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of Western Power's Meter Technical Specifications documentation, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power's metering installations collate data in sub-multiples of a trading interval</li> <li>Where the energy data is provided to a Code participant, Western Power aggregates it into trading intervals.</li> </ul>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
354	<p>The metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements if the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract and in circumstances when, immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract.</p> <p><i>Electricity Industry Metering Code clause 3.18(1)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of relevant documentation, we determined that meters installed by Western Power collate data in sub-multiples of a trading interval, which complies with the prescribed wholesale market metering installation requirements.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
355	<p>If reasonably requested by a Code participant, a network operator must provide enhanced technology features in a metering installation.</p> <p><i>Electricity Industry Metering Code clause 3.20(1)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>Requests for enhanced technology features (e.g. signal outputs, bi-directional recording facilities and communications links) are received from a retailer through MBS</li> <li>MBS creates a service order, which can only be closed off once a completion advice is received from a metering officer.</li> </ul> <p>The Metering Technical Services Team Leader confirmed that, during the audit period, all relevant service orders were closed to ensure the requested enhanced technology features were provided.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
356	<p>A network operator may only impose a charge for the provision of metering installations with enhanced technology features in accordance with the applicable service level agreement between it and the user.</p> <p><i>Electricity Industry Metering Code clause 3.20(3)</i></p>	<p>As Western Power does not charge (under the Model SLA) Code participants for the provision of metering installations with enhanced technology features, we were unable to assess compliance with this obligation for the period subject to audit.</p>	
	Priority: 4	Controls rating: NP	Compliance Rating: NR

No.	Obligation under Condition			Findings
357	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month. <i>Electricity Industry Metering Code clause 3.21(1)</i>			<p>Through discussion with the Readings Management Team Leader and examination of Western Power's Breach Register we determined that:</p> <ul style="list-style-type: none"> <li>Time drift is measured through Western Power's MV90 system, which is housed on dedicated servers and utilises the system clock to measure and report on time drift over a period of one month. The time accuracy for Type 1 to 5 meters is contingent on the MV90 and MVRS servers maintaining time within the timeframes prescribed</li> <li>Historically, Western Power has monitored compliance with time accuracy via a fit-for-purpose Time Drift Compliance Report. Western Power reported an average annual non-compliance of 1.19% during the audit period where meters containing an internal real time clock did not maintain the prescribed accuracy</li> <li>In November 2016, Western Power found the Time Drift Compliance Report to be incorrect, with data incorrectly carried forward from prior months. An ICT service request was made in November 2016 for the report to be corrected, however the request was not actioned until after 30 June 2017 (i.e. the end of the audit period)</li> <li>Accordingly, for the period November 2016 to June 2017, Western Power did not have a mechanism to measure time drift and was unable to accurately monitor its level of compliance with clause 3.21(1) of the Metering Code.</li> </ul>
	Priority: 3	Controls rating: B	Compliance Rating: 2	
	<b>Recommendation</b> <i>Refer to Recommendation 1/2017.</i>			<b>Action Plan</b> <i>Refer to Action Plan 1/2017.</i>
358	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. <i>Electricity Industry Metering Code clause 3.21(2)</i>			<p>Through discussion with the Metering Technical Services Team Leader and examination of Western Power's Revenue Meters Technical Specifications Guidelines, we determined that:</p> <ul style="list-style-type: none"> <li>For meters with data loggers installed, information is stored as per the timeframes prescribed by clause 3.21(2)</li> <li>For meters with communication links installed, information is stored for at least 35 days</li> <li>For meters with no communication links installed, information is stored for at least 200 days.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	



No.	Obligation under Condition	Findings	
359	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.22</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of relevant documentation, we determined that:</p> <ul style="list-style-type: none"> <li>All meters purchased are accompanied by the relevant software and licenses, which allows Western Power to program the devices and set parameters based on an individual user's needs</li> <li>Access to metering software is provided on a need-to-have basis, in line with the authorisation matrix</li> <li>Generally, read-only access is provided to staff, unless a technical staff member requires full access to program the device and set parameters.</li> </ul>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
360	<p>Where signals are provided from the meter for the user or the user's customer use, a network operator must ensure that signals are isolated by relays or electronic buffers to prevent accidental or malicious damage to the meter.</p> <p><i>Electricity Industry Metering Code clause 3.23(a)</i></p>	<p><i>Obligations 360 and 361</i></p> <p>Through discussion with the Metering Technical Services Team Leader and examination of relevant documentation, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power's meters are installed with electronic buffers and relays to ensure that signals are isolated to prevent any accidental or malicious damage to the meter</li> <li>The presence of effective electronic buffers and relays is verified through testing performed during the tender evaluation process.</li> </ul>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
361	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.23(b)</i></p>	<p>The Metering Technical Services Team Leader confirmed that, during the audit period, Western Power did not identify any instances where accidental or malicious damage (via tampering of the unit) had occurred to a meter.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
362	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.24A(1)</i></p>	<p>The A/Meter Installations Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power was not requested by a retailer to install a pre-payment meter.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: NR</p>
363	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.24B(1)</i></p>	<p>Through discussion with the A/Meter Installations Team Leader, we determined that during the audit period, Western Power had been requested, and subsequently actioned the request to replace a pre-payment meter with a standard meter, by deactivating the prepayment meter functionality.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

No.	Obligation under Condition	Findings	
365	<p>A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.</p> <p><i>Electricity Industry Metering Code clause 3.29</i></p>	<p>Through discussion with the A/Meter Installation Team Leader and examination of Western Power's website, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power maintains a list of registered metering installation providers, including the type of work each provider is authorised to carry out</li> <li>The list is live and updated at least once per annum, as required by the Metering Code.</li> </ul> <p>We note that, during the 2014 Performance Audit, Western Power's website did not include details on the type of work each provider is authorised to carry out. Western Power has since reviewed its list and updated the relevant details accordingly to comply with clause 3.29 of the Code.</p>	
	<p>Priority: 3</p>	<p>Controls rating: A</p>	<p>Compliance Rating: 1</p>
366	<p>A network operator must establish, maintain and administer a metering database containing, for each metering point on its network, standing data and energy data.</p> <p><i>Electricity Industry Metering Code clause 4.1(1)</i></p>	<p>Through discussion with the Metering Services Manager and examination of relevant data contained in MBS, we determined that Western Power maintains and administers standing data and energy data within MBS for each metering point on its network.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
367	<p>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.</p> <p><i>Electricity Industry Metering Code clause 4.1(2)</i></p>	<p>Through discussion with the Business Relationship Manager – Information &amp; Communication Technology and examination of relevant documentation, we determined that Western Power has the following processes in place to manage its metering database:</p> <ul style="list-style-type: none"> <li>Access request forms are required to be completed and approved by a relevant Team Leader prior to being granted access to MBS</li> <li>System access audits are performed by the ICT team every 60 days, which aims to reconcile terminated employees with current employees registered in MBS</li> <li>All employees are required to provide annual confirmation that they still require access to MBS</li> <li>A password authority level matrix has been developed and implemented, which includes a signature authority list for MBS access request approvals</li> <li>Passwords are required to be changed every three months and MBS locks a user out if an incorrect password is attempted three times</li> <li>ICT monitors failed login attempts as well as attempted logins by users who do not have access to the system.</li> </ul>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

No.	Obligation under Condition	Findings	
368	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 2 business days after the day of any disaster. <i>Electricity Industry Metering Code clause 4.1(3)</i>	Through discussion with the ICT Team and examination of Western Power's DRP and the 2014 Performance Audit Report, we determined that: <ul style="list-style-type: none"> <li>The 2014 Performance Audit Report outlined the DRP in operation at the time did not enable Western Power to rebuild MBS and provide energy data to Code participants within 2 business days after the day of any disaster</li> <li>In October 2014, the DRP was amended to address the potential failure of MBS in the event of a disaster. The DRP now references the following: <ul style="list-style-type: none"> <li>Western Power's use of a backup server, which is activated as soon as a failure of the primary server is identified. This backup server is updated simultaneously to ensure that the provision of data to Code participants is as accurate and up to date as possible</li> <li>Queuing applications are in place to record information whilst the primary metering database is undergoing repairs</li> </ul> </li> <li>In November 2016, Western Power undertook a test of the MBS portion of the DRP and concluded that the test was successful.</li> </ul>	
	Priority: 3	Controls rating: A	Compliance Rating: 2
	<b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i>	<b>Action Plan</b> <i>No further action required.</i>	
369	A network operator must ensure that its registry complies with the Code and the prescribed clause of the market rules. <i>Electricity Industry Metering Code clause 4.2(1)</i>	Through discussion with the Metering Services Manager and examination of relevant data maintained in MBS, we determined that the registry within MBS contains the minimum required information, as set out in 8.3.1 of the Market Rules.	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
370	The standing data for a metering point must comprise at least the items specified. <i>Electricity Industry Metering Code clause 4.3(1)</i>	Through discussion with the Metering Services Manager and examination of relevant data maintained in MBS, we determined that MBS contains the items specified under Table 2 of clause 4.3(1) of the Metering Code.	
	Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition	Findings	
371	<p>If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the network operator must liaise together to determine the most appropriate way to resolve a discrepancy.</p> <p><i>Electricity Industry Metering Code clause 4.4(1)</i></p>	<p>Through discussion with the Readings Management Team Leader and consideration of Western Power’s metering data management practices, we determined that:</p> <ul style="list-style-type: none"> <li>• For those instances during the audit period where retailers raised a query relating to a discrepancy between energy data held in the metering database and data held a metering installation: <ul style="list-style-type: none"> <li>○ Those queries were submitted through Western Power’s B2B system Meter Data Verifier, which allows Code Participants to dispute or query data</li> <li>○ Once the query is received, Metering Services investigates the discrepancy through field enquires and system interrogation, before relaying findings back to the retailer for consideration</li> <li>○ Where a retailer disputes the findings, Western Power will work together with the retailer to resolve the discrepancy.</li> </ul> </li> </ul>	
	Priority: 5	Controls rating: NP	Compliance Rating: 1
372	<p>A Code participant must not knowingly permit the registry to be materially inaccurate.</p> <p><i>Electricity Industry Metering Code clause 4.5(1)</i></p>	<p>Through discussion with the Readings Management Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>• Exception reporting is run within MBS on a daily basis to identify instances where data quality and accuracy parameters have not been met</li> <li>• Exceptions identified are followed up and investigated further</li> <li>• Audit logging functionality has been activated to identify any unauthorised changes to the registry.</li> </ul>	
	Priority: 5	Controls rating: NP	Compliance Rating: 1
374	<p>If the network operator is notified of a change to, or inaccuracy in, an item of standing data by a Code participant which is the designated source for the item of standing data 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.</p> <p><i>Electricity Industry Metering Code clause 4.6(1)</i></p>	<p><i>Obligations 374 and 375</i></p> <p>Through discussion with the Readings Management Team Leader, consideration of Western Power’s metering data management practices and examination of Western Power’s Breach Register, we determined that Western Power:</p> <ul style="list-style-type: none"> <li>• Is notified of a change to or inaccuracy in an item of standing data by a Code participant via a service order in MBS or through Market Data Verifier. Once notified, Western Power updates the information in MBS and immediately publishes that update to the Market</li> </ul>	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
375	<p>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.</p>	<ul style="list-style-type: none"> <li>• Reported an instance of non-compliance where, subsequent to being notified that details of the meter installation type contained within the standing data were incorrect for a number of meters, it was unable to immediately update standing data within MBS and therefore was required to manually advise the affected retailers of the correct data. This matter came to Western Power’s attention through a retailer billing enquiry, which was considered to be a notification from a Code participant which was not the designated source for the item of standing data (i.e. relates to Metering Code clause 4.6(2),</li> </ul>	

No.	Obligation under Condition	Findings
	<p><i>Electricity Industry Metering Code clause 4.6(2)</i></p> <p>Priority: 4      Controls rating: A      Compliance Rating: 2</p> <p><b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i></p>	<p>obligation 375). This matter was resolved in May 2015 and is considered to be an isolated occurrence.</p> <p><b>Action Plan</b> <i>No further action required.</i></p>
376	<p>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.</p> <p><i>Electricity Industry Metering Code clause 4.7</i></p> <p>Priority: 3      Controls rating: B      Compliance Rating: 2</p> <p><b>Recommendation</b> <i>Refer to Recommendation 1/2017.</i></p>	<p>Through discussion with the Readings Management Team Leader, consideration of Western Power’s metering data management practices and examination of Western Power’s Breach Register we determined that Western Power:</p> <ul style="list-style-type: none"> <li>• Utilises an automated process for updating standing data within MBS</li> <li>• On a monthly basis, monitors its level of compliance with its obligation to publish full sets of standing data</li> <li>• Throughout the audit period, has consistently reported a monthly compliance level of approximately 99.99% (for approximately 100,000 sets of standing data provided)</li> <li>• Has disclosed its non-compliance with this requirement in each of its Annual Compliance reports</li> <li>• Has identified the cause of failures to be attributed to IT errors within MBS, requiring reliance on manual monitoring controls</li> <li>• Has determined that, while it continues to aim for a higher compliance level, for the reasons outlined, 100% compliance may not always be achievable.</li> </ul> <p><b>Action Plan</b> <i>Refer to Action Plan 1/2017.</i></p>
377	<p>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 which provides ‘read only’ access.</p> <p><i>Electricity Industry Metering Code clause 4.8(3)</i></p> <p>Priority: 4      Controls rating: NP      Compliance Rating: 1</p>	<p><i>Obligations 377 and 378</i></p> <p>Through discussion with the Metering Technical Services Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>• Prior to processing requests for remote access to energy data, the metering administration team establishes whether the requesting party has the right to request the data</li> <li>• Third party authorisation letters are required to be approved, where a third party is requesting the energy data on a user’s behalf</li> </ul>

No.	Obligation under Condition	Findings			
378	<p>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.</p> <p><i>Electricity Industry Metering Code clause 4.8(3A)</i></p>	<ul style="list-style-type: none"> <li>The requesting party will be provided with a username and password, which allows them read-only access to the data</li> <li>Retailers and generators utilise the Metering Web Portal to access Western Power's metering database</li> <li>For large retailers, a B2B gateway is established to provide direct access to MBS via the portal)</li> <li>Access to the B2B gateway and Metering Web Portal for retailers and generators is provided on a read-only basis.</li> </ul>			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
379	<p>A network operator must have devices and methods in place that ensure that energy data held in its metering installation is secured from unauthorised local or remote access using the methods prescribed.</p> <p><i>Electricity Industry Metering Code clause 4.8(4)(a)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and examination of the Authorisation Matrix, we determined that:</p> <ul style="list-style-type: none"> <li>Energy data held in a metering installation is secure from unauthorised local access or remote access by electronic passwords and security controls</li> <li>Electronic passwords are required to access metering software and every time the meter is probed</li> <li>Each meter is secured with a seal that protects the meter from unauthorised access</li> <li>Each of these protection methods are sufficient to the standard of good electricity practice</li> <li>Energy data held in the metering database has been appropriately secured through access controls and passwords.</li> </ul>			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
380	<p>A network operator must have devices and methods in place that ensure and ensure that the data held in its metering database is secured from unauthorised local or remote access using the methods prescribed.</p> <p><i>Electricity Industry Metering Code clause 4.8(4)(b)</i></p>	<ul style="list-style-type: none"> <li>Each meter is secured with a seal that protects the meter from unauthorised access</li> <li>Each of these protection methods are sufficient to the standard of good electricity practice</li> <li>Energy data held in the metering database has been appropriately secured through access controls and passwords.</li> </ul>			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
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381	<p>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.</p> <p><i>Electricity Industry Metering Code clause 4.8(5)</i></p>	<p>Through discussion with the Metering Technical Services Team Leader and ICT personnel, we determined that:</p> <ul style="list-style-type: none"> <li>Where necessary, relevant Western Power personnel are provided with a network login by ICT, which allows them to access the metering database</li> <li>Network login records are securely maintained by ICT to prevent unauthorised access</li> <li>MBS requires passwords to be changed every three months and users are locked out after three failed login attempts.</li> </ul>			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
382	<p>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 subclause 5.24, for at least the periods, and with the level of accessibility, prescribed.</p> <p><i>Electricity Industry Metering Code clause 4.9</i></p>	<p>Through discussion with Readings Management Team Leader, we determined that energy data is recorded within MBS, retained for an infinite period and readily available.</p>			
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			

No.	Obligation under Condition			Findings
383	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. <i>Electricity Industry Metering Code clause 5.1 (1)</i>			<p><i>Obligations 383 and 384</i></p> <p>Through discussion with the Project Coordinator – Finance, Treasury &amp; Risk, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power holds monthly B2B meetings with Synergy (other retailers on request) to discuss issues in relation to services provided and identify any additional metering services required</li> <li>The Synergy Additional Services SLA was finalised in June 2016, which captures changes to the Model SLA and includes four additional metering services negotiated with Synergy (not included in the Model SLA).</li> </ul>
	Priority: 5	Controls rating: NP	Compliance Rating: 1	
384	Without limiting subclause 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. <i>Electricity Industry Metering Code clause 5.1(2)</i>			
	Priority: 5	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition	Findings
385	<p>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 2 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).</p> <p><i>Electricity Industry Metering Code clause 5.3</i></p>	<p>Through discussion with the Reading Operations Team, consideration of Western Power's meter reading processes, testing of Western Power's On-Cycle Compliance reporting process and examination of Western Power's Breach Register, we determined that Western Power:</p> <ul style="list-style-type: none"> <li>• Utilises a structured process for transferring energy data from meter reading devices into MBS</li> <li>• Has consistently maintained exception reporting throughout the audit period via its On-Cycle Compliance reporting process, which identifies instances of non-compliance with the requirements to transfer energy data into MBS within two business days of the scheduled meter read</li> <li>• Has recorded varying compliance levels between months and also between the type of meter read (basic scheduled meter reads, interval meters reads and self-reads)</li> <li>• Determined that delays in receiving and transferring energy data into the metering database are largely owing to meter reads not being carried out in accordance with the scheduled read plan because of technical faults and/or resource, access or safety constraints</li> <li>• Disclosed its non-compliance in its Annual Compliance reports to the ERA, including annual compliance rates of between approximately 93.5% and 98.5% for the 2014/15 and 2015/16 years</li> <li>• Has determined that the extent and volume of meter reading activity poses a significant challenge for maintaining full compliance throughout the full audit period, and that it will continue to monitor its level of compliance and self-report relevant breaches.</li> </ul>
	<p>Priority: 3</p> <p>Controls rating: B</p> <p>Compliance Rating: 2</p>	
	<p><b>Recommendation</b></p> <p><i>Refer to Recommendation 1/2017.</i></p>	<p><b>Action Plan</b></p> <p><i>Refer to Action Plan 1/2017.</i></p>



No.	Obligation under Condition	Findings			
386	<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> <p><i>Electricity Industry Metering Code clause 5.4(1)</i></p>	<p>Through discussion with the Reading Operations Team, consideration of Western Power's meter reading processes and examination of Western Power's exception reporting and Breach Register we determined that:</p> <ul style="list-style-type: none"> <li>• Western Power's Annual Read Obligation (<b>ARO</b>) process acts as a structured, preventative control for identifying meters that reach 300 days without being read and for directing communication with the customer to facilitate a meter read. An Access Database is utilised to program contact with the customer in a sequence of steps within a predetermined length of time, including: <ul style="list-style-type: none"> <li>○ An initial email and/or SMS requesting the customer to contact Western Power</li> <li>○ If the actual read has still not been obtained, the Reading Operations Team will attempt to phone the customer</li> <li>○ If this process is also unsuccessful, a first and second letter is mailed to the customer's address</li> </ul> </li> <li>• On a monthly basis, the Network Support Officer prepares an ARO Performance Report, which is presented to management. The report records the number of non-compliant meters for the month and provides a description of the cause of the meter not being read.</li> </ul> <p>We also determined that Western Power has:</p> <ul style="list-style-type: none"> <li>• Disclosed its non-compliance in its Annual Compliance reports to the ERA. For the 2014/15 and 2015/16 years, Western Power reported annual compliance rates of approximately 99.5% for its 1.09M meters</li> <li>• Determined that the primary cause of meters not being read at least once in every 12 month period is owing to restricted access to meters resulting from direct customer refusal, physical access issues and coordination with retailers</li> <li>• Determined that the extent and volume of its meter reading activity poses a significant challenge for maintaining full compliance throughout the full audit period, and that it will continue to monitor its level of compliance and self-report relevant breaches.</li> </ul>			
	<table border="1"> <tr> <td data-bbox="253 1129 546 1169">Priority: 3</td> <td data-bbox="557 1129 848 1169">Controls rating: B</td> <td data-bbox="860 1129 1167 1169">Compliance Rating: 2</td> </tr> </table>	Priority: 3	Controls rating: B	Compliance Rating: 2	
Priority: 3	Controls rating: B	Compliance Rating: 2			
	<p><b>Recommendation</b></p> <p><i>Refer to Recommendation 1/2017.</i></p>	<p><b>Action Plan</b></p> <p><i>Refer to Action Plan 1/2017.</i></p>			

No.	Obligation under Condition			Findings
387	<p>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><i>Electricity Industry Metering Code clause 5.4(1A)</i></p>			<p>Through discussion with Reading Operations Team and Network Support Officer, we determined that Western Power's processes provide for:</p> <ul style="list-style-type: none"> <li>• Registration of self-read customer prior to acceptance of self-reads (only customers who have met relevant registration requirements)</li> <li>• Self-reads not to be accepted to meet its obligations under clause 5.4(1)</li> <li>• All meter readers employed or appointed by Western Power to undergo training prior to independent fieldwork. Training includes: <ul style="list-style-type: none"> <li>○ One day supervised office and field-based work</li> <li>○ Review and approval of the meter reader on-cycle training checklist and field protocols acknowledgement form</li> </ul> </li> <li>• Meter reads to be uploaded from field officers' hand-held devices.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
389	<p>Subject to subclause 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 subclause 5.17A(1), in accordance with the prescribed conditions.</p> <p><i>Electricity Industry Metering Code clause 5.5(2)</i></p>			<p>Through discussion with Readings Management Team Leader, we determined that, for the instances where users requested energy data for a period greater than 12 months, Western Power imposed charges for data in line with the Model SLA:</p> <ul style="list-style-type: none"> <li>• For standing or historical consumption data that relates to a period of up to 12 months, no fee applies</li> <li>• For historical consumption data that relates to a period of more than 12 months, a fee is charged.</li> </ul>
	Priority: 5	Controls rating: NP	Compliance Rating: 1	
390	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.5(2A)</i></p>			<p>The Readings Management Team Leader confirmed that, for the period 1 July 2014 to 30 June 2017, Western Power had not imposed a charge for the provision of standing data or energy data if another enactment prohibits it.</p>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition	Findings
391	<p>Subject to subclause 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 within the timeframes prescribed in subclause 5.6(1)(2).</p> <p><i>Electricity Industry Metering Code clause 5.6(1)</i></p>	<p>Through discussion with the Readings Management Team Leader, testing of Western Power's energy data validation processes and examination of Western Power's Compliance Failures register, we determined that Western Power has established daily processes for:</p> <ul style="list-style-type: none"> <li>• Validating and where necessary, substituting or estimating energy data, using automated exception reports and MBS tasks</li> <li>• Manual intervention on any occasion where MBS is unable to perform the required validation process.</li> </ul> <p>We also determined that Western Power has:</p> <ul style="list-style-type: none"> <li>• Disclosed its non-compliance in its Annual Compliance reports to the ERA. For the 2015/16 year, Western Power reported an annual compliance rate of approximately 99.95% for more than 6M meter reads, which was an improvement from the 2014/15 year</li> <li>• Determined that the primary cause of validated, substituted or estimated meter reads not being provided within the required timeframe was owing to: <ul style="list-style-type: none"> <li>○ Minor IT systems issues</li> <li>○ Time taken to manually determine the substituted or estimated data for some metering points</li> <li>○ Changes to meter reading schedules</li> <li>○ Delays in uploading energy data collected by field service officers.</li> </ul> </li> <li>• Recognised that in instances where a significant volume of exceptions are raised, resource constraints may impact its ability to investigate exceptions and provide the required data</li> <li>• Engaged ASG Group to assist in improving the efficiency of the MBS system, related exception reporting and compliance with the Metering Code e.g. by detecting errors and 'pushing through' data which is suspended within the system. Because of ASG's duties, compliance with this licence obligation is expected to further increase</li> <li>• Determined that the extent and volume of its energy data validation processes poses a significant challenge for maintaining full compliance throughout the full audit period, and that it will continue to monitor its level of compliance and self-report relevant breaches.</li> </ul>
	Priority: 3	Controls rating: B
	Compliance Rating: 2	
	<p><b>Recommendation</b></p> <p><i>Refer to Recommendation 1/2017.</i></p>	<p><b>Action Plan</b></p> <p><i>Refer to Action Plan 1/2017.</i></p>

No.	Obligation under Condition			Findings
392	<p>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 within the timeframes prescribed.</p> <p><i>Electricity Industry Metering Code clause 5.7</i></p>			<p>Through discussion with Readings Management Team Leader, we determined that MBS is configured to automatically publish replacement energy data to the market following upload to MBS.</p>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
393	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.8</i></p>			<p>Through discussion with Readings Management Team Leader, we determined that Western Power has the following mechanisms in place to enable users to comply with their obligations under the Code of Conduct:</p> <ul style="list-style-type: none"> <li>• Regular B2B meetings, where code participants can raise issues or concerns</li> <li>• Provision of information relating to: <ul style="list-style-type: none"> <li>○ B2B transactions and the Portal</li> <li>○ Contact Call Centre Communications</li> <li>○ Direct responses via email and telephone.</li> </ul> </li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
394	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.9</i></p>			<p><i>Obligations 394 to 396</i></p> <p>Through discussion with the Readings Management Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>• MBS is configured to automatically provide standing data, at no charge, following update, or additional on request</li> <li>• Standing data fields in MBS have been designed in accordance with the provisions of Annex 4 of the Customer Transfer Code</li> <li>• Provision of standing data to incoming retailers is facilitated through MBS in accordance with the established Standing Data Procedure.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
395	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.10</i></p>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
396	<p>If a transfer occurs at a connection point, then within 2 business days after the transfer date, as defined in the Customer Transfer Code, the network operator must provide the incoming retailer with a copy of the standing data for each metering point associated with the connection point.</p> <p><i>Electricity Industry Metering Code clause 5.11</i></p>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition	Findings
397	<p>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 a network operator must provide a user with a complete set of energy data for the a metering point within the timeframes prescribed.</p> <p><i>Electricity Industry Metering Code clause 5.12(1)</i></p>	<p>Through discussion with Readings Management Team Leader, consideration of Western Power's management of energy data requests through MBS, examination of Western Power's Breach Register and testing of monthly 'Provide Data' reports, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power's management of energy data requests through MBS enables energy data to be automatically provided upon request</li> <li>Western Power has consistently monitored exceptions throughout the audit period via extraction of MBS data into monthly 'Provide Data' reports</li> <li>Western Power disclosed a small number of instances during the audit period where it did not comply with the requirements of clause 5.12(1) for providing energy data within two business days. Over the audit period, Western Power's reported compliance exceeded 99.8%. Those non-compliances were attributed to IT errors and isolated instances where a user (retailer or (IMO) submitted excessive and/or duplicate requests, impacting MBS's ability to process the request</li> <li>Throughout the audit period, Western Power implemented process improvements and technology solutions to help manage its obligation for providing energy data within two business days, including: <ul style="list-style-type: none"> <li>Extending the automated process for providing energy data for requests relating to all periods (previously limited to requests relating to periods of 0-12 months)</li> <li>Restricting the number of bulk requests to 100</li> <li>Scheduling IMO requests for non-business days.</li> </ul> </li> <li>Those improvements and solutions were fully implemented in March 2017 and no further non-compliances were evident during the audit period.</li> </ul>
	<p>Priority: 3</p> <p>Controls rating: A</p> <p>Compliance Rating: 2</p>	
	<p><b>Recommendation</b></p> <p><i>Not applicable – issue resolved during audit period.</i></p>	<p><b>Action Plan</b></p> <p><i>No further action required.</i></p>
398	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.13</i></p>	<p>Through discussion with the Readings Management Team Leader, we determined that Western Power provides users with a full set of standing data (including information on whether communications link for the metering point exists), within the timeframes prescribed by the Code.</p>
	<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	

No.	Obligation under Condition	Findings
399	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.14(3)</i></p>	<p>Through discussion with the Western Power Information &amp; Communication Technology Team, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power receives all requests for bulk standing data through MBS or directly through a web portal</li> <li>Once the request is submitted, the requesting party receives an automated email acknowledging the request</li> <li>Western Power's ICT team compiles the information requested and provides that information to the requesting party.</li> </ul> <p>Our testing of the eight bulk standing data requests made in the 2016/17 financial year determined that there was one instance where Western Power provided the data three business days after the request, which did not meet the two business day service standard specified in Western Power's Model SLA and therefore, the requirement of clause 5.14(3) of the Metering Code.</p> <p>Although Western Power had reached agreement with the user for the data to be provided after the two business day timeframe, the SLA does not provide for an extension of time for provision of the requested data.</p>
	<p>Priority: 4</p>	<p>Controls rating: B</p>
	<p><b>Compliance Rating: 2</b></p> <p><b>Recommendation 4/2017</b></p> <p>Western Power:</p> <p>(a) Consider amending the Metering Code Model SLA to enable another date for the provision of the requested data to be otherwise agreed with the user</p> <p>(b) Further strengthen its processes for ensuring staff awareness of their compliance obligations (including reporting of breaches), particularly at times where responsibilities are re-allocated.</p>	<p><b>Action Plan 4/2017</b></p> <p>As identified by the auditor, this was an exception as the requested data was large. Western Power engaged the user and agreed a method for providing the requested data, however this data was provided outside of the prescribed two business days. As this instance was an exception, Western Power does not consider a need to amend the Model SLA.</p> <p>The Model SLA provision of bulk standing data timing requirements have been reinforced with the relevant teams (Metering Applications Support, Metering Functional Support and Billing Networks).</p> <p><b>Responsible person</b> Business Relationship Manager - IT</p> <p><b>Target date</b> Completed.</p>
400	<p>If a network operator provides energy data to a user or the IMO it must also provide the date of the meter reading in accordance with the requirements specified.</p> <p><i>Electricity Industry Metering Code clause 5.15</i></p>	<p>Through discussion with Readings Management Team Leader and examination of relevant communications with the IMO (i.e. NEM12 and NEM13 files), we determined that all energy data files sent to a user or the IMO contain the date of the meter reading, whether it be derived from an actual read or an estimated, substituted or deemed actual value.</p>
	<p>Priority: 4</p>	<p>Controls rating: NP</p>
		<p>Compliance Rating: 1</p>

No.	Obligation under Condition			Findings
403	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 subclause 5.17A(2). <i>Electricity Industry Metering Code clause 5.17A(1)</i>			Through discussion with the Readings Management Team Leader and consideration of Western Power's metering data management practices, we determined that: <ul style="list-style-type: none"> <li>For those instances during the audit period where customers had directed Western Power to provide data to a third party, Western Power's processes provided for approval of a consent form by the customer</li> <li>The Energy Data Authorisation Access System (<b>EDAAS</b>) system was applied to prevent data from being sent to a person other than the customer where approval forms have not been received and uploaded to the system.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1
404	A network operator must comply with a direction under subclause 5.17A(1) within the timeframes prescribed. <i>Electricity Industry Metering Code clause 5.17A(3)</i>			Through discussion with the Readings Management Team Leader, examination of Western Powers Breach Register and sample testing of 15 compliance reports, we determined that there were multiple instances where Western Power did not provide data within the 10 business day timeframe prescribed in clause 5.17A(1) of the Metering Code.  The Readings Management Team Leader confirmed that continuous non-compliance with this obligation is due to: <ul style="list-style-type: none"> <li>Requests being made via the relevant retailer and as a result delaying receipt of the request</li> <li>Delays in the manual processing of consent forms</li> <li>Instances where a frequent feed of data is requested by a third party and replacement data (i.e. better quality data) is subsequently entered into MBS, so the data is initially sent to the retailer and not the requesting party.</li> </ul> Western Power has committed to reinforcing the importance of correct data entry to the staff involved and to monitoring resourcing issues that impact on the timeliness of manual processing. However, Western Power recognises that it will continue to be challenged to achieve full compliance, and will continue to monitor its level of compliance and self-report relevant breaches.
		Priority: 3	Controls rating: B	Compliance Rating: 2
	<b>Recommendation</b> <i>Refer to Recommendation 1/2017</i>			<b>Action Plan</b> <i>Refer to Action Plan 1/2017</i>
409	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. <i>Electricity Industry Metering Code clause 5.19(5)</i>			Through discussion with the Reading Operations Team Leader, we determined that notifications are automatically provided to users through MBS, in line with the requirements of clause 5.19(5) of the Code.
		Priority: 4	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition			Findings
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. <i>Metering Code clause 5.20(1)</i>			<p><i>Obligations 411 and 412</i></p> <p>Through discussion with the Readings Management Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power's Energy Data Verification Request form had been previously (prior to this audit period) developed in accordance with the Communication Rules. There was no further obligation on Western Power during the audit period</li> <li>Code participants have access to the Energy Data Verification Request form via the Metering Service Centre.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: NR	
412	An Energy Data Verification Request Form must require a Code participant to provide the information prescribed. <i>Electricity Industry Metering Code clause 5.20(2)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Metering Code clause 5.20(4)</i>			<p>Through discussion with the Readings Management Team Leader, consideration of Western Power's energy data verification processes, examination of Western Power's Breach Register and testing of monthly compliance reports, we determined that:</p> <ul style="list-style-type: none"> <li>Meter data verification requests are received from Code participants via the Metering Service Centre</li> <li>Requests are manually checked and, where necessary, a field officer is dispatched to the site to conduct a manual meter read.</li> <li>Western Power disclosed an isolated instance in March 2015, in which it did not comply with the requirement to provide verified energy data within two business days, in relation to one retailer and 158 customers. This instance was attributed to a combination of high volume of requests in country areas where a field visit is required, plus delays in returning a meter for verifying data subsequent to a meter exchange</li> <li>Western Power has consistently monitored its performance with the requirement to provide verified energy data within two business days. Our examination of 15 compliance reports over the audit period confirmed that there were no further instances where Western Power had not undertaken the required verification and notification to the Code participant.</li> </ul>
	Priority: 3	Controls rating: A	Compliance Rating: 2	
	<b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i>	<b>Action Plan</b> <i>No further action required.</i>		
414	A network operator must comply with any reasonable request under subclause 5.21(1) <i>Electricity Industry Metering Code clause 5.21(2)</i>			<p>Through discussion with the A/Meter Installations Team Leader, we determined that all requests received from retailers during the audit period for tests/audits of a metering installation were uploaded into MBS and appropriately considered (via creation of a service order).</p>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	



No.	Obligation under Condition			Findings
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. <i>Electricity Industry Metering Code clause 5.21(4)</i>			Through discussion with the Project Coordinator - Finance, Treasury & Risk, walkthrough of Western Power's non-compliance reporting processes and examination of test request forms and for testing carried out, we determined that Western Power undertakes test procedures in accordance with its Metrology Procedure.  However, based on review of Western Power's Breach Register, we determined that, for multiple instances, tests were not conducted within the seven day timeframe prescribed by its SLA. The Metering Technical Services Team Leader confirmed that reasons for the delay were mostly access/safety constraints or unavailability of specialist crews to perform the test.
	Priority: 3	Controls rating: B	Compliance Rating: 2	
	<b>Recommendation</b> <i>Refer to Recommendation 1/2017</i>			<b>Action Plan</b> <i>Refer to Action Plan 1/2017</i>
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. <i>Electricity Industry Metering Code clause 5.21(8)</i>			<i>Obligations 418 and 419</i> Through discussion with the Project Coordinator – Finance, Treasury & Risk and examination of relevant documentation, we determined that: <ul style="list-style-type: none"> <li>Western Power's systems are configured to only charge for investigations following completion</li> <li>If the meter is deemed to have failed, charges will not be applied</li> <li>If the meter is deemed to have passed, the system is configured to apply the charge in line with the SLA</li> <li>Clause 4.1(c) of Western Power's Model SLA states that no charge is to be imposed if a test or audit reveals a non-compliance with the Metering Code.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
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. <i>Electricity Industry Metering Code clause 5.21(9)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition			Findings
420	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.21(11)</i></p>			<p>Through discussion with the Metering Technical Services Team Leader, consideration of Western Power's metering processes and practices and examination of relevant meter testing documentation, we determined that during the audit period:</p> <ul style="list-style-type: none"> <li>Where tests revealed that the accuracy of the metering installation did not meet the requirements of the Metering Code, the relevant retailer was responsible for notifying the customer (via an approved letter provided by Western Power)</li> <li>The letter includes details of the: <ul style="list-style-type: none"> <li>Error detected</li> <li>Expected duration of the error</li> <li>Expected remediation of the error</li> </ul> </li> <li>Where meters were found to be non-compliant, Western Power replaced the meter in line with the SLA.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
421	<p>The original stored error correction data in a meter must not be altered except during accuracy testing and calibration of a metering installation.</p> <p><i>Electricity Industry Metering Code clause 5.21(12)</i></p>			<p>Through discussion with the Metering Technical Services Team Leader, we determined that Western Power:</p> <ul style="list-style-type: none"> <li>Does not make amendments to original stored error correction data within a meter</li> <li>In line with the Generic Meter Performance Test Sheet, does not calibrate meters during testing in order for a true test of the meter to be performed.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
422	<p>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><i>Electricity Industry Metering Code clause 5.22(1)</i></p>			<p>Through discussion with the Readings Management Team Leader and consideration of Western Power's metering processes and practices, we determined that energy data is:</p> <ul style="list-style-type: none"> <li>Validated in accordance with the prescribed rules and procedures as set out in Appendix 2 of the Metering Code</li> <li>Substituted or estimated in line with the rules and procedures set out in Appendix 3 of the Metering Code</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition	Findings
423	<p>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><i>Electricity Industry Metering Code clause 5.22(2)</i></p>	<p>Through discussion with the Readings Management Team Leader and consideration of Western Power's processes for validating energy data, we determined that "check metering data" within MBS is used to validate energy data.</p> <p>However, the Readings Management Team Leader advised that Western Power:</p> <ul style="list-style-type: none"> <li>• Publishes energy data to the market via MBS, prior to being validated against "check metering data", which does not meet the requirement of the Metering Code</li> <li>• Has identified a solution, which requires an MBS upgrade to enable energy data to be validated against "check metering data" prior to it being published to the market.</li> </ul>
	<p>Priority: 4</p>	<p>Controls rating: B</p>
	<p><b>Recommendation 5/2017</b></p> <p>Western Power implement the intended MBS upgrade, which will allow data to be adequately validated prior to being published.</p>	<p><b>Action Plan 5/2017</b></p> <p>Western Power has further explored the proposed MBS functionality upgrade required to perform the validation process. The required upgrade is complex and the initial solution has since been de-scoped from the suite of items to be upgraded within MBS.</p> <p>However:</p> <ol style="list-style-type: none"> <li>1. Western Power will explore opportunities with ICT for a cost-effective, compliant process. This could include a process to withhold failed energy data and check meter readings for review before the publication of the meter data from MBS. If the ICT solution is practicable, Western Power will define a plan and work schedule for the solution to be implemented.</li> <li>2. Until a system solution has been identified and implemented, Western Power will, where practicable, develop and implement a manual process to validate meter readings before they are published to the market.</li> </ol> <p><b>Responsible person</b> Revenue Manager</p> <p><b>Target date</b></p> <ol style="list-style-type: none"> <li>1. 30 June 2018</li> <li>2. 31 March 2018.</li> </ol>

No.	Obligation under Condition			Findings
424	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.22(3)</i></p>			<p>Through discussion with the Readings Management Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>All substitution methods outlined in Appendix 3 (except for substitution method 13) are built into MBS</li> <li>Where a check meter is not available or energy data cannot be recovered, MBS automatically prepares substitute values using the built in substitution methods</li> <li>Substitution methods built into MBS are ordered in terms of hierarchy, which allows for the most appropriate form of substitution data to be applied in the first instance.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
425	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.22(4)</i></p>			<p>Through discussion with the Readings Management Team Leader, we determined that, for the instances during the audit period where Western Power detected a loss of energy data or incorrect energy data from a metering installation, its processes provided for the affected Code participants to be notified within 24 hours after detection.</p> <p>A loss of energy data or incorrect energy data from a metering installation can be owing to:</p> <ul style="list-style-type: none"> <li>Actual energy data not being cleared in time, in which case MBS is configured to automatically apply a substitute value and data to be published to the Code participants</li> <li>A meter crashing, in which case the exception is identified in an exception report (through either MBS or MV90) and any affected Code participants will be notified via email.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
426	<p>Substitution or estimation of energy data is required when energy data is missing, unavailable or corrupted, including in the circumstances described in this subclause.</p> <p><i>Electricity Industry Metering Code clause 5.22(5)</i></p>			<p><i>Obligations 426 and 427</i></p> <p>Through discussion with the Readings Management Team Leader and consideration of Western Power's processes for managing data substitution, we determined that:</p> <ul style="list-style-type: none"> <li>MBS has built in functionality that allows it to automatically estimate or substitute energy data in the circumstances described in clause 5.22(5) of the Code</li> <li>Exception reports are run daily to identify instances where energy data is missing, unavailable or corrupt and has not been automatically substituted or estimated by MBS. A member of the Readings Management Team will manually intervene to ensure the exception is addressed in a timely manner</li> <li>MBS and MV90 have built in functionality that flags meter reads, which are above the desired tolerance levels</li> <li>All flagged meter reads are validated by the Readings Management Team prior to substitution.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
427	<p>A network operator must review all validation failures before undertaking any substitution.</p> <p><i>Electricity Industry Metering Code clause 5.22(6)</i></p>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition			Findings
428	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. <i>Electricity Industry Metering Code clause 5.23(1)</i>			<p>Through discussion with the Readings Management Team Leader, we determined that:</p> <ul style="list-style-type: none"> <li>Where there has been an issue with a meter and there is no possibility of determining an actual value for the metering point, Western Power designates an estimated or substituted value to be a deemed actual value for the metering point</li> <li>Where an actual value is obtained after an estimated or substituted value is applied, the estimated or substituted value will be replaced with the actual value.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
429	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 subclauses 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. <i>Electricity Industry Metering Code clause 5.23(3)</i>			<p>Through discussion with the Readings Management Team Leader, we determined that, for the instances during the audit period where a deemed actual value was designated for a metering point, Western Power's processes provided for:</p> <ul style="list-style-type: none"> <li>Repairs to be undertaken or replacement to be made to metering equipment where a deemed actual value has been designated for a metering point</li> <li>Deemed actual values assigned to be substituted for estimated values that comply with sub-clauses 5.24(3) and 5.24(4).</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
430	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. <i>Electricity Industry Metering Code clause 5.24(1)</i>			<p><i>Obligations 430 to 433</i></p> <p>Through discussion with the Readings Management Team Leader and consideration of Western Power's processes for replacement of energy data, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power substitutes, estimates or validates energy data in accordance with its Metrology Procedure, where: <ul style="list-style-type: none"> <li>An actual reading has not been obtained</li> <li>The actual reading has failed validation</li> <li>Better quality data is available (actual or deemed actual values)</li> </ul> </li> <li>MBS automatically detects errors in deemed actual reads through a daily exception report. Exceptions are investigated and, where relevant, replaced with a quality deemed actual value</li> <li>For the instances during the audit period where a retailer requested a replacement of a substituted read, Western Power actioned the request in accordance with its Metrology Procedure and the Code.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
431	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. <i>Electricity Industry Metering Code clause 5.24(2)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
432	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			

No.	Obligation under Condition	Findings	
	<p>doing so would be consistent with good electricity industry practice or the user and its customer jointly request it to do so.</p> <p><i>Electricity Industry Metering Code clause 5.24(3)</i></p>		
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
433	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.24(4)</i></p>		
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
434	<p>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.</p> <p><i>Electricity Industry Metering Code clause 5.25</i></p>	<p>Through discussion with the Readings Management Team Leader and walkthrough of Western Power's processes for ensuring the accuracy of energy data, we determined that Western Power:</p> <ul style="list-style-type: none"> <li>• Has implemented and maintained structured procedures for the management and maintenance of meters</li> <li>• Substitutes, estimates or validates energy data in accordance with its Metrology Procedure (section 3.5.2 and 5.3.2), where an actual reading has not been obtained, or the actual reading has failed validation</li> <li>• Undertakes exception reporting activities on a daily basis to confirm that when data is transformed or processed, the accuracy of that data is preserved in accordance with its Metrology Procedure.</li> </ul> <p>In 2014/15, Western Power self-reported its non-compliance with clause 5.25, relating to a small number of instances where substituted data, used to correct actual data that failed validation (therefore becoming estimated data) was incorrectly published as actual data. In these instances, Western Power failed to preserve the accuracy of data in accordance with section 8.3.2 of its Metrology procedure, which requires Western Power to accurately advise all Code participants of the source of data published to the market.</p> <p>In its 2014/15 Annual Compliance report, Western Power reported that it had initiated an investigation into the MBS error and that it had implemented an exception report to monitor and manually correct substitute readings in MBS. In 2015, the MBS error was corrected, however a subsequent upgrade to MBS resulted in the default settings causing the error to revert. As a result, Western Power continued to breach the requirements of section 8.3.2 of its Metrology procedure and clause 5.25 of the Metering Code.</p> <p>We understand Western Power has recognised the need to implement a MBS solution to address the issue relating to substitute energy data being published to the market as actual energy data.</p>	
	<p>Priority: 3</p>	<p>Controls rating: B</p>	<p>Compliance Rating: 2</p>

No.	Obligation under Condition	Findings			
	<p><b>Recommendation 6/2017</b></p> <p>Western Power implement the MBS solution required to address the issue relating to substitute energy data being published to the market as actual energy data.</p>	<p><b>Action Plan 6/2017</b></p> <ol style="list-style-type: none"> <li>1. The cause for the MBS defect has been identified and is currently being worked through. Once completed, when a user substitutes energy data via the user interface of MBS, the data quality will be labelled as a "substitute" reading.</li> <li>2. Until the MBS solution is implemented, Western Power will, where practicable, develop and implement a manual process to preserve the accuracy of data that is published to the market.</li> </ol> <p><b>Responsible person</b> Revenue Manager</p> <p><b>Target date</b></p> <ol style="list-style-type: none"> <li>1. 31 July 2018</li> <li>2. 31 March 2018.</li> </ol>			
436	<p>If a network operator makes an election under subclause 5.28 in respect of a network, then, (unless the election is terminated under the meter data agency agreement) the parties must undertake the activities prescribed, as applicable.</p> <p><i>Electricity Industry Metering Code clause 5.29</i></p> <table border="1" data-bbox="248 863 1167 911"> <tr> <td data-bbox="248 863 546 911">Priority: 4</td> <td data-bbox="546 863 846 911">Controls rating: NP</td> <td data-bbox="846 863 1167 911">Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	<p><i>Obligations 436 to 440</i></p> <p>The Metering Technical Services Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power had not:</p> <ul style="list-style-type: none"> <li>• Entered into a metering data agency agreement, therefore an election under clause 5.28 of the Metering Code had not been made</li> <li>• Acted as a metering data agent.</li> </ul>
Priority: 4	Controls rating: NP	Compliance Rating: NR			
437	<p>If a network operator makes an election under subclause 5.28 in relation to the network, then the parties must enter into an agreement in relation to the network, which must deal with at least the matters prescribed.</p> <p><i>Electricity Industry Metering Code clause 5.30(1)</i></p> <table border="1" data-bbox="248 1066 1167 1114"> <tr> <td data-bbox="248 1066 546 1114">Priority: 4</td> <td data-bbox="546 1066 846 1114">Controls rating: NP</td> <td data-bbox="846 1066 1167 1114">Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
Priority: 4	Controls rating: NP	Compliance Rating: NR			
438	<p>If a network operator makes an election under subclause 5.28 in relation to a network, the electricity networks corporation must assess the compliance of each metering installation in the network with this Code and notify the electing network operator of each non-compliant metering installation.</p> <p><i>Electricity Industry Metering Code clause 5.31(1)</i></p> <table border="1" data-bbox="248 1337 1167 1385"> <tr> <td data-bbox="248 1337 546 1385">Priority: 4</td> <td data-bbox="546 1337 846 1385">Controls rating: NP</td> <td data-bbox="846 1337 1167 1385">Compliance rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance rating: NR	
Priority: 4	Controls rating: NP	Compliance rating: NR			
439	<p>For each non-compliant metering installation notified under subclause 5.31(1)(b), the electing network operator may, by notice to the electricity</p>				

No.	Obligation under Condition	Findings		
	networks corporation, require the electricity networks corporation to upgrade a non-compliant metering installation, in which case the electricity networks corporation must undertake the upgrade in accordance with the metering data agency agreement and good electricity industry practice. <i>Electricity Industry Metering Code clause 5.31(2)</i>			
	Priority: 4	Controls rating: NP	Compliance rating: NR	
440	Except to the extent that the metering data agency agreement provides otherwise, the costs which may be recovered by the electricity networks corporation under subclause 5.34(1) must not exceed the amounts prescribed. <i>Electricity Industry Metering Code clause 5.34(2)</i>			
	Priority: 4	Controls rating: NP	Compliance rating: NR	
441	A network operator must for the year ending on each 30 June, prepare a report setting out the information listed in subclause 5.37(2) for each metering service it was requested during the year to provide or scheduled during the year to carry out. <i>Electricity Industry Metering Code clause 5.37(1)(a)</i>		<p><i>Obligations 441 to 445</i></p> <p>Through discussion with the Senior Compliance Specialist and examination of relevant documentation, we determined that Western Power:</p> <ul style="list-style-type: none"> <li>Prepared and provided the required report to the Minister and ERA in accordance with the timeframes specified under sub-clauses 5.37(1)(a) &amp; (b). Specifically, the reports were submitted as follows: <ul style="list-style-type: none"> <li>For the 2013-14 period – on 22 September 2014 (published on 30 September 2014)</li> <li>For the 2014-15 period – on 23 September 2015 (published on 30 September 2015)</li> <li>For the 2015-16 period – on 21 September 2016 (published on 30 September 2016)</li> </ul> </li> <li>Prepared the reports to include the information prescribed by Clause 5.37(2).</li> </ul>	
	Priority: 4	Controls rating: NP		Compliance Rating: 1
442	A network operator must provide a copy of the report described in subclause 5.37(1)(a) to the Minister and the ERA not less than 5 business days before it is published under subclause 5.37(3). <i>Electricity Industry Metering Code clause 5.37(1)(b)</i>			
	Priority: 4	Controls rating: NP		Compliance Rating: 1
443	A network operator must publish the report described in subclause 5.37(1) within 3 months after the year ends. <i>Electricity Industry Metering Code clause 5.37(1)(b)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
444	The report prepared by the network operator must include the information prescribed. <i>Electricity Industry Metering Code clause 5.37(2)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	



No.	Obligation under Condition	Findings	
445	For each relevant metering service, the information in subclause 5.37(2) must be reported separately for the specified classes of connection point. <i>Electricity Industry Metering Code clause 5.37(3)</i>		
	Priority: 4	Controls rating: NP	Compliance Rating: 1
446	A network operator must keep such records of information as are required for the purposes of subclause 5.37, and must retain the information (in a format that is accessible within a reasonable period of time) for at least 7 years after the day on which a report containing the information is published under subclause 5.37(1)(c). <i>Electricity Industry Metering Code clause 5.38</i>		The Metering Technical Services Team Leader confirmed that Western Power's MBS system retains data and information indefinitely.
	Priority: 4	Controls rating: NP	Compliance Rating: 1
447	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed. <i>Electricity Industry Metering Code clause 6.1(1)</i>		The Metering Code requires Western Power to comply with a number of key documents, which address the management and maintenance of its network and meters, including its Communication Rules, Metrology Procedure, Mandatory Link Criteria and Model SLA.  As a result of Western Power's failure to meet a number of the requirements of its Metrology Procedure and its Model SLA, as described above at obligations 77, 244, 338, 399, 415 and 434, Western Power was unable to demonstrate compliance with clause 6.1(1) of the Metering Code.
	Priority: 2	Controls rating: B	Compliance Rating: 2
	<b>Recommendation</b> <i>Refer to Recommendations 1/2017, 4/2017, 5/2017 and 7/2017</i>	<b>Action Plan</b> <i>Refer to Action Plans 1/2017, 2017, 5/2017 and 7/2017</i>	
448A	A network operator must, as soon as practicable and in any event no later than 6 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). <i>Electricity Industry Metering Code clause 6.2</i>		The Readings Management Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power was not required to submit any further documents to the ERA for approval or required to publish any documents (as the prescribed documents were submitted during previous periods).
	Priority: 5	Controls rating: NP	Compliance rating: NR
448B	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. <i>Electricity Industry Metering Code clause 6.18</i>		
	Priority: 5	Controls rating: NP	Compliance rating: NR

No.	Obligation under Condition			Findings
448C	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. <i>Electricity Industry Metering Code clause 6.19A(1)</i>			<p><i>Obligations 448C and 448D</i></p> <p>The Readings Management Team Leader confirmed that:</p> <ul style="list-style-type: none"> <li>Western Power originally submitted and published its communication rules in compliance with the Code</li> <li>During the period 1 July 2014 to 30 June 2017, Western Power had not amended its communication rules.</li> </ul>
	Priority: 5	Controls rating: NP	Compliance rating: NR	
448D	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. <i>Electricity Industry Metering Code clause 6.19B(1)</i>			
	Priority: 5	Controls rating: NP	Compliance rating: NR	
449	A network operator must amend any document in accordance with the ERA's final recommendation. <i>Electricity Industry Metering Code clause 6.20(4)</i>			<p>Through discussion with the Metering Services Manager and examination of Western Power's Metrology Procedure, we determined that:</p> <ul style="list-style-type: none"> <li>On 30 January 2015, Western Power submitted a proposed updated Metrology Procedure to the ERA for review</li> <li>On 5 March 2015, the ERA responded with comments on the draft Metrology Procedure</li> <li>On 1 May 2015, Western Power published the Metrology Procedure, following final approval from the ERA.</li> </ul>
	Priority: 5	Controls rating: NP	Compliance Rating: 1	
450	The network operator must publish any document that has been amended under subclause 6.20(4). <i>Electricity Industry Metering Code clause 6.20(5)</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
451	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code. <i>Electricity Industry Metering Code clause 7.2(1)</i>			<p>Based on examination of Western Power's website, official letterhead and other forms of communication (e.g. email signature) with Code participants, we determined that appropriate mechanisms are in place to comply with clause 7.2(1) of the Code.</p>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
452	A network operator must notify each Code participant of its initial contact details and of any change to its contact details at least 3 business days before the change takes effect. <i>Electricity Industry Metering Code clause 7.2(2)</i>			<p>The Regulatory Compliance Manager confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power had not amended its contact details.</p>
	Priority: 4	Controls rating: NP	Compliance Rating: NR	

No.	Obligation under Condition			Findings	
453	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request. <i>Electricity Industry Metering Code clause 7.2(4)</i>	Priority: 4	Controls rating: NP	Compliance Rating: NR	As Western Power is the sole Network Operator within the SWIS, Western Power (as a Code Participant) is not in a position to provide notification to a Network Operator.
454	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect. <i>Electricity Industry Metering Code clause 7.2(5)</i>	Priority: 4	Controls rating: NP	Compliance Rating: NR	
455	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code. <i>Electricity Industry Metering Code clause 7.5</i>				<p>Through discussion with the Metering Services Manager, consideration of Western Power's information security and privacy policies, procedures and practices, and examination of Western Power's Breach Register, we determined that:</p> <ul style="list-style-type: none"> <li>Western Power's Code of Conduct and Privacy Policy set out expectations in relation to staff handling of confidential information</li> <li>Compliance training, provided to all staff who manage customer information or market related data, specifically addresses requirements relating to handling of confidential information.</li> </ul> <p>In its 2014/15 Annual Compliance report, Western Power self-reported its non-compliance with clause 7.5 in relation to the provision of energy and standing data to the incorrect retailer. Western Power determined the cause of the error to be a transposition error on the service order, resulting in an incorrect NMI being allocated to the meter.</p> <p>We confirmed Western Power has since strengthened its controls through the provision of compliance training for its energisation teams, making use of this instance as a learning example.</p>
		Priority: 3	Controls rating: A	Compliance Rating: 2	
		<b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i>	<b>Action Plan</b> <i>No further action required.</i>		
456	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code. <i>Electricity Industry Metering Code clause 7.6(1))</i>				<p>Through discussions with the Metering Services Manager, we determined that:</p> <ul style="list-style-type: none"> <li>The only parties to whom Western Power has been required to disclose confidential information to are the Australian Energy Market Operator and Electricity Generation and Retail Corporation (Synergy)</li> <li>Western Power staff are trained in the confidentiality requirements as prescribed by the Code.</li> </ul>
		Priority: 4	Controls rating: NP	Compliance Rating: 1	

No.	Obligation under Condition	Findings			
457	If any dispute arises between any Code participants then (subject to subclause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith. <i>Electricity Industry Metering Code clause 8.1(1)</i>	<p><i>Obligations 457 to 461</i></p> <p>The Readings Management Team Leader confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power did not enter into a dispute in connection with the Metering Code.</p>			
	Priority: 5			Controls rating: NP	Compliance Rating: NR
458	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. <i>Electricity Industry Metering Code clause 8.1(2)</i>				
	Priority: 5			Controls rating: NP	Compliance Rating: NR
459	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. <i>Electricity Industry Metering Code clause 8.1(3)</i>				
	Priority: 5	Controls rating: NP	Compliance Rating: NR		
460	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. <i>Electricity Industry Metering Code clause 8.1(4)</i>				
	Priority: 4	Controls rating: NP	Compliance Rating: NR		
461	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1). <i>Electricity Industry Metering Code clause 8.3(2)</i>				
	Priority: 5	Controls rating: NP	Compliance Rating: NR		

## 4.8 Electricity Industry (Network Quality and Reliability of Supply) Code

No.	Obligation under Condition	Findings
	<p><i>Overall observations:</i></p> <p>Through discussions with the Network Operations Development Manager, Customer Experience Analyst, Customer Service, Quality and Compliance Officer, Manager Asset Management Support, Senior Technical Officer, Asset Operations and Senior Compliance Specialist, and examination of relevant documentation, we determined that Western Power implemented the following systems and processes to provide for compliance with the requirements of the NQRS Code, specifically relating to ensuring:</p>	<ul style="list-style-type: none"> <li>• Electricity supply complies with the following relevant standards: <ul style="list-style-type: none"> <li>○ Table 3 of the NQRS Code</li> <li>○ AS/NZS 61000.3.2:2007 for harmonic voltage and current distortion</li> <li>○ TR IEC 61000.3.6:2012 for connecting large distorting loads (producing harmonics and/or inter harmonics)</li> </ul> </li> <li>• Electricity supply is to be disconnected from a customer's premise if supply quality is not according to the prescribed standards, particularly if it presents a safety issue or a potential to damage assets</li> <li>• Actions are taken to identify, act and reduce the length of unplanned outages, in accordance with the Service Standard Benchmarks in Western Power's current Access Arrangement</li> <li>• Adequate monitoring and reporting mechanisms are in place to capture: <ul style="list-style-type: none"> <li>○ The number of outages and associated lengths of each outage</li> <li>○ Occasions where small use customers have experienced significant disruptions (as defined by the NQRS Code) and Western Power has not met the requirements of sections 12(3) or 13(2) of the NQRS Code for remedying the cause of the disruption or entering into alternative arrangements with the customer</li> <li>○ Causes for outages</li> <li>○ Investigation completion</li> <li>○ Achievement of power quality requirements</li> <li>○ Requests and associated processing of service standard payments</li> <li>○ Relevant KPIs for the prescribed timeframes under the NQRS Code</li> </ul> </li> <li>• Strategies have been established to mitigate the effect of interruption on customers</li> <li>• Appropriate investigation is performed to identify the cause(s) of interruptions. If investigations fail to identify the cause, Western Power will enter into an alternative arrangement with the customer</li> <li>• Mechanisms are in place for receiving and sending notices, in accordance with the requirements of the NQRS Code</li> <li>• Appropriate mechanisms are in place for communication of information in the manner and form prescribed by the NQRS Code</li> <li>• Mechanisms are in place to monitor the operation of the network for compliance with the provisions of Part 2 of the NQRS Code. For example, Western Power uses Power-On Fusion, Data Warehouse, Network Reliability Data Validator and other monitoring systems.</li> </ul>

No.	Obligation under Condition	Findings	
462	A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 5(1)</i>	As described in the overall observations, we determined that Western Power has implemented processes and systems, as far as reasonably practicable, to ensure that it complies with prescribed standards.	
	Priority: 5	Controls rating: NP	Compliance Rating: 1
463	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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 8</i>	As described in the overall observations, we determined that Western Power has implemented processes and systems, as far as reasonably practicable, to ensure that it disconnects the supply of electricity to customers in the specified circumstances, unless it is in the interest of the customer to maintain supply.	
	Priority: 5	Controls rating: NP	Compliance Rating: 1
464	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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 9</i>	Through discussion with the Network Operations Development Manager and consideration of Western Power's management of its network operations, we determined that Western Power has: <ul style="list-style-type: none"> <li>Set internal KPIs to ensure customers' power is restored within 12 hours. KPIs are set at 90% with current performance being 95%</li> <li>Made up to date outage information available to customers through its website</li> <li>Provided options for customers to contact its customer service centre for advice on estimated restoration time.</li> </ul> As the requirements of section 9 of the NQRS Code are driven by the specific requirements of sections 11 and 11A, based on examination of Western Power's Reliability and Power Quality reports, we note that Western Power self-reported non-compliance with the NQRS Code requirements for the 2014/15 and 2015/16 financial years.	
	Priority: 5	Controls rating: B	Compliance Rating: 2
	<b>Recommendation</b> <i>Refer to Recommendation 1/2017</i>	<b>Action Plan</b> <i>Refer to Action Plan 1/2017</i>	
465	A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 10(1)</i>	As described in the overall observations, we determined that Western Power has implemented processes and systems, as far as reasonably practicable, to reduce the effect of interruption to customers.	
	Priority: 5	Controls rating: NP	Compliance Rating: 1

No.	Obligation under Condition			Findings
466	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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 10(2)</i>			As described in the overall observations, we determined that Western Power has implemented processes and systems to provide consideration of the circumstances where a customer, affected by an outage, should be supplied by alternative means.
		Priority: 5	Controls rating: NP	Compliance Rating: 1
467	A distributor must take prescribed action in the event of a significant interruption to a small use customer. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 12(3)</i>			<i>Obligation 467 and 468</i> Through discussion with the Network Operations Development Manager and consideration of Western Power's processes for managing outages, we determined that Western Power:
		Priority: 3	Controls rating: A	Compliance Rating: 2
468	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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 13(2)</i>			<ul style="list-style-type: none"> <li>• Uses its best endeavours to identify, act and reduce the length of unplanned outages, in accordance with the Service Standard Benchmarks in its current Access Arrangement</li> <li>• Reports on the number of outages and associated lengths of each outage</li> <li>• Has established strategies to mitigate the effect of interruption on customers</li> <li>• Investigates and remedies the cause(s) of interruption, or otherwise enters into an alternative arrangement with the customer</li> <li>• Monitors and reports on occasions where small use customers have experienced significant disruptions (as defined by the NQRS Code) and Western Power has not met the requirements of sections 12(3) or 13(2) of the NQRS Code for remedying the cause of the disruption or entering into alternative arrangements with the customer.</li> </ul> <p>Western Power has recognised that the Service Standard Benchmarks in its current Access Arrangement, which permit the calculation of significant interruptions to be normalised to exclude adverse climatic events, does not align with the NQRS Code's requirements, which do not exclude such events. Accordingly, as Western Power considers a level of non-compliance to be unavoidable at times where customers experience adverse climatic events, it made a submission to the Public Utilities Office (PUO), for the NQRS Code to be amended to exclude severe weather-related events from the prescribed number of outages.</p> <p>At the time of this audit, the PUO had not approved such an amendment and as the NQRS Code requirements have remained unchanged, Western Power continues to be non-compliant with the requirements of sections 12(3) and 13(2) of the NQRS Code.</p>
		Priority: 5	Controls rating: A	Compliance Rating: 2
	<b>Recommendation</b> <i>Refer to Recommendation 1/2017</i>			<b>Action Plan</b> <i>Refer to Action Plan 1/2017</i>

No.	Obligation under Condition	Findings	
469	The average total length of interruptions of supply is to be calculated using the specified method. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 13(3)</i>	As described in the overall observations, we determined that Western Power has implemented processes and systems to provide for, as far as reasonably practicable, accurate calculation of the length of interruptions.	
	Priority: 4	Controls rating: NP	Compliance Rating: 1
470	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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 14(8)</i>	The Customer Experience Analyst, Customer Service confirmed that, during the period 1 July 2014 to 30 June 2017, no relevant instrument has been issued by the Minister.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
471	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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 15(2)</i>	The Customer Experience Analyst, Customer Service confirmed that, during the period 1 July 2014 to 30 June 2017, no provisions of the NQRS Code 2005 have been excluded or modified by Western Power.	
	Priority: 4	Controls rating: NP	Compliance Rating: NR
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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 18</i>	Through discussion with the Customer Experience Analyst, Customer Service and consideration of Western Power's <i>Service Standard Payment – Non Notification Planned Outage</i> procedure, we determined that Western Power's procedures include the following: <ul style="list-style-type: none"> <li>Customer claims for service standard payments are now made online</li> <li>A Service Standard Payment Investigation and Payment Spreadsheet is maintained to track claims and to ensure payments are made within 30 days of the application</li> <li>The status of service standard payments is monitored by the Planned Outage team leader twice each week.</li> </ul> During the 2016/17 year, Western Power disclosed an instance where it did not notify a customer of a planned outage because of a system mapping error and the subsequent service standard payment was made 32 days after the customer's application. Sample testing of service standard payments made during the audit period did not identify any additional non-compliances.	
	Priority: 3	Controls rating: A	Compliance Rating: 2
	<b>Recommendation</b> <i>Not applicable – issue resolved during audit period.</i>		<b>Action Plan</b> <i>No further action required.</i>



No.	Obligation under Condition	Findings			
473	<p>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><i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 19</i></p>	<p>Through discussion with the Customer Service Team Leader, consideration of Western Power's EOPS and examination of the Customer Service Centre – Payments Spreadsheet, we determined that Western Power's procedures include the following:</p> <ul style="list-style-type: none"> <li>• A spreadsheet of 'manual payments' is maintained to monitor payments made to customers</li> <li>• On a monthly basis, Ellipse system records of EOPS payments are reconciled to the actual payments made</li> <li>• Since March 2017, online claims initiate an automated process that checks the customer details, duplicated claims and outage details prior to a payment being scheduled for processing</li> <li>• The continued transition to electronic funds transfer further improves the timeliness of payments and therefore reduces the risk of payments being late.</li> </ul> <p>In its 2014/15 and 2015/16 Annual Compliance reports to the ERA, Western Power disclosed the two instances where a service standard payment was not made to customers within 30 days of the claim. Western Power attributed the failures to:</p> <ul style="list-style-type: none"> <li>• A new staff member not recognising the importance of the timeframes in the payment (via cheque) authorisation process</li> <li>• The required payment reconciliation process not being completed for one batch of payments to 13 customers.</li> </ul> <p>We observed that Western Power had updated its EOPS process training to staff. Sample testing of service standard payments made during the audit period did not indicate any additional non-compliances.</p>			
	<table border="1"> <tr> <td data-bbox="235 1045 533 1077">Priority: 3</td> <td data-bbox="544 1045 842 1077">Controls rating: A</td> <td data-bbox="853 1045 1153 1077">Compliance Rating: 2</td> </tr> </table>	Priority: 3	Controls rating: A	Compliance Rating: 2	
Priority: 3	Controls rating: A	Compliance Rating: 2			
474	<p>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.</p> <p><i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 21(1)</i></p>	<p><i>Obligations 474 to 476</i></p> <p>Through discussion with the Customer Experience Analyst, Customer Service and examination of information available on Western Power's website, we determined that:</p> <ul style="list-style-type: none"> <li>• Information is available on the Western Power website about applying for payments for failure to give required notice of planned interruption (section 18) and supply interruptions exceeding 12 hours (section 19)</li> <li>• Western Power provides Synergy with a Complaints Handling information pamphlet, which is mailed to the customers address annually</li> </ul>			
475	<p>A distributor operating a relevant distribution system must provide written notice to customers about payments for failure to meet the</p>				

No.	Obligation under Condition	Findings			
	<p>requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 21(2)</i></p> <table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	<ul style="list-style-type: none"> <li>The Customer Charter provides information about the complaints handling process.</li> </ul>
Priority: 4	Controls rating: NP	Compliance Rating: 1			
476	<p>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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 21(3)</i></p> <table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			
477	<p>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. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 23(1)</i></p> <table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 5	Controls rating: NP	Compliance Rating: 1	As described in the overall observations, we determined that Western Power has implemented processes and systems to monitor its network operations.
Priority: 5	Controls rating: NP	Compliance Rating: 1			
478	<p>A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 23(2)</i></p> <table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	The Manager Asset Management Support confirmed that, during the period 1 July 2014 to 30 June 2017, network quality data was stored on Western Power's internal storage. Data has been stored for more than the required five years.
Priority: 4	Controls rating: NP	Compliance Rating: 1			
479	<p>A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements. <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 24(3)</i></p>	<p>Section 24(3) of the NQRS Code requires Western Power to complete power quality investigations within 20 working days for qualifying requests by customers who consider that their supply of electricity did not comply with the voltage fluctuation and harmonic standards specified by the NQRS Code. Section 24 of the NQRS Code states that a customer "may in writing request the transmitter or distributor to investigate whether the supply of electricity complies with..." those standards and Western Power has applied the NQRS Code's 20 working day requirement to requests made by a customer in writing.</p> <p>Through discussion with Senior Technical Officer, Asset Operations - Operational Maintenance, consideration of Western Power's power quality investigation</p>			

No.	Obligation under Condition	Findings
	<p data-bbox="313 1273 448 1313">Priority: 4</p> <p data-bbox="571 1273 795 1313">Controls rating: B</p> <p data-bbox="851 1273 1142 1313">Compliance Rating: NR</p>	<p data-bbox="1164 220 2163 279">process and an examination of requests received by Western Power to perform power quality investigations, we determined that Western Power:</p> <ul data-bbox="1164 287 2163 1189" style="list-style-type: none"> <li data-bbox="1164 287 2163 343">• Initiates all requests for power quality investigations (first recorded in its TCS) within its DQM system</li> <li data-bbox="1164 351 2163 438">• Directs customers to report power quality issues via either Western Power's 24 hour emergency phone line or an on-line form through its website. Those reports are received by the CSC</li> <li data-bbox="1164 446 2163 534">• Recognises customer reports/complaints received via its website to have been submitted in writing and therefore captured by section 24 of the NQRS Code</li> <li data-bbox="1164 542 2163 630">• Categorises power quality investigations per its internal service standards for undertaking investigations within four or 20 working days, unless otherwise notified to the customer</li> <li data-bbox="1164 638 2163 758">• Uses COGNOS compliance reports to track the status of power quality investigations nearing the due date, including those with the 20 working day due date timeframe specified by its internal service standards and also referenced at section 24(3) of the NQRS Code</li> <li data-bbox="1164 766 2163 997">• Has established an internal service standard for performing investigations within 20 working days, and that Western Power recorded that all but 52 of those 3,226 investigations were performed within that internal service standard. Examination of the one request made via email that Western Power had recorded as not meeting the 20 working day timeframe concluded that the customer's request related to high voltage and therefore was not specifically covered by the NQRS Code's requirement for power quality investigations, which refers to voltage fluctuations</li> <li data-bbox="1164 1005 2163 1189">• Recorded a total of 3,226 customer reports/complaints about power quality that were recognised as requests for power quality investigations during the audit period. At the time of this audit, it was not clear which of those requests related to the specific requirements of the NQRS Code. Subsequent investigations by Western Power concluded that none of those requests were covered by the NQRS Code's requirement for power quality investigations.</li> </ul> <p data-bbox="1164 1197 2163 1313">Although Western Power effectively manages its power quality investigations in accordance with its internal service standards, further clarity is required to ensure it adequately distinguishes between investigations per the NQRS Code requirements and service standard targets.</p>

No.	Obligation under Condition	Findings			
	<p><b>Recommendation 7/2017</b></p> <p>Western Power review and where appropriate, amend its processes for managing and monitoring the completion of its power quality investigations to ensure it adequately distinguishes between investigations per the NQRS Code requirements and service standard targets.</p>	<p><b>Action Plan 7/2017</b></p> <p>Western Power acknowledges the opportunity to improve its approach for the management of investigations required under the NQRS Code. With this, Western Power will:</p> <ol style="list-style-type: none"> <li>1. Amend its Power Quality) flowchart to ensure that staff are able to draw the connection between investigations, which are subject to the NQRS Code, and the corresponding prescribed timeframe.</li> <li>2. Improve its power quality investigation and monitoring processes to ensure that, where a customer makes a written request for an investigation under the NQRS Code, the request is readily identifiable.</li> </ol> <p><b>Responsible person</b> Engineering Team Leader</p> <p><b>Target date</b> 31 December 2017.</p>			
480	<p>A distributor or transmitter must report the results of an investigation to the customer concerned.</p> <p><i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 24(4)</i></p> <table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: NR	<p>As described in the overall observations, we determined that Western Power has implemented processes and systems to report on power quality investigations. The Senior Planning Engineer and Customer Services Team Leader confirmed that during the audit period, there were no written requests made by customers, which related to the NQRS Code's requirement for power quality investigations.</p>
Priority: 4	Controls rating: NP	Compliance Rating: NR			
481	<p>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.</p> <p><i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 25(2)</i></p> <table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	<p><i>Obligations 481 and 482</i></p> <p>Based on examination of Western Power's website (via the 'Contact Us' page), we determined that Western Power's complaints handling process has been documented, containing the information prescribed, and made available to customers at no charge.</p>
Priority: 4	Controls rating: NP	Compliance Rating: 1			
482	<p>A document setting out a distributor's or transmitter's complaint handling process must contain the specified information.</p> <p><i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 25(3)</i></p> <table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance Rating: 1</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance Rating: 1	
Priority: 4	Controls rating: NP	Compliance Rating: 1			

No.	Obligation under Condition	Findings	
483	<p>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.</p> <p><i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 26</i></p>	<p>The Senior Compliance Specialist confirmed that, during the period 1 July 2014 to 30 June 2017, an independent audit was conducted annually on its systems for monitoring compliance with specified requirements.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
484	<p>A distributor or transmitter must prepare and publish a report about its performance in accordance with specified requirements.</p> <p><i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 27(1)</i></p>	<p><i>Obligations 484 and 485</i></p> <p>Based on examination of evidence relating to preparation, submission and publishing of the NQRS reports, we determined that Western Power met the requirements of the NQRS Code for the 2014, 2015 and 2016 calendar years.</p>	
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>
485	<p>A distributor or transmitter must give a copy of its report about its performance to the Minister and the ERA within the specified period.</p> <p><i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005 clause 27(3)</i></p>		
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance Rating: 1</p>

## 4.9 Licence specific obligations

No.	Obligation under Condition			Findings
490	The licensee must submit to the Coordinator a draft extension and expansion policy within the specified timeframe. <i>Electricity Industry Act Section 61 and 65</i>			Through discussion with Regulatory Compliance Manager, we determined that the extension and expansion policy has been repealed. There has been no requirement for Western Power to supply a draft extension and expansion policy.
	Priority: 4	Controls rating: NP	Compliance Rating: NR	
491	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. <i>Electricity Industry Act Section 62,64 and 65</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: NR	
492	The licensee must implement arrangements set out in an approved extension and expansion policy. <i>Electricity Industry Act Section 65</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: NR	
493	The licensee will operate and maintain a trouble call fault management system. <i>Electricity Industry Act Section 11</i>			Through discussion with the Network Operations Manager we determined that Western Power operates and maintains a trouble call fault management system.
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
494	The licensee must provide prior notification to the ERA if it intends to outsource its trouble call fault management system. <i>Electricity Industry Act Section 11</i>			The Network Operations Manager confirmed that, during the period 1 July 2014 to 30 June 2017, Western Power did not outsource its trouble call fault management system.
	Priority: 4	Controls rating: NP	Compliance Rating: NR	

## 4.10 Obligations removed during the audit period

The following obligations were removed from the July 2016 Reporting Manual and are applicable only for the period 1 July 2014 to 30 June 2016:

Obligation numbers are referenced from the September 2014 Reporting Manual.

No	Obligation Under Condition			Findings
237A	Where a distributor has been informed by a retailer of a change of the customer's life support equipment, or that the customer no longer requires registration as a life support customer under subclause 7.7(2), the distributor must comply with subclause 7.7(3). <i>Code of Conduct clause 7.7(3)</i>			<p>Through discussion with the Network Operations Development Manager and consideration of Western Power's disconnection policies and procedures, we determined that:</p> <ul style="list-style-type: none"> <li>An automatic update process is in place with Synergy, whereby: <ul style="list-style-type: none"> <li>Changes to LSE customer details are registered in Western Power's system upon receipt of the update</li> <li>Updates are sent automatically by Synergy every day at 3pm</li> </ul> </li> <li>A monthly audit of the LSE customer register is performed to confirm the accuracy and completeness of Western Power's records.</li> </ul>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	
293	A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices. <i>Code of Conduct clause 10.10(3)</i>			<p>Through discussion with the Customer Services Centre Manager, we determined that during the period 1 July 2014 to 30 June 2016, Western Power maintained a copy of the Code of Conduct at its Wellington Street office.</p>
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

The following obligations were removed from the October 2016 Reporting Manual and are applicable only for the period 1 July 2014 to 30 September 2016:

Obligation numbers are referenced from the September 2014 Reporting Manual.

No	Obligation Under Condition			Findings
68	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week. <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.2(a)</i>			<p><i>Obligations 68 to 71</i></p> <p>Through discussion with the Readings Management Team Leader and examination of MBS and Western Power's IT Disaster Recovery Plan, we determined that during the period 1 July 2014 to 30 September 2016:</p> <ul style="list-style-type: none"> <li>Western Power made all reasonable endeavours to ensure MBS was available 24 hours a day and 7 days a week</li> <li>MBS provided an automated response for all electronic communications</li> <li>Western Power was identified by its unique market code on all electronic communications</li> <li>A consistent data format was applied to all MBS transcripts and communications.</li> </ul>
	Priority: 5	Controls rating: NP	Compliance Rating: 1	
69	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address. <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.6</i>			
	Priority: 4	Controls rating: NP	Compliance Rating: 1	

No	Obligation Under Condition	Findings
70	<p>The originator of an electronic communication must identify itself be identified in the communication.</p> <p><i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.2(a)</i></p>	
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	
71	<p>The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.</p> <p><i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.7</i></p>	
	<p>Priority: 5</p> <p>Controls rating: NP</p> <p>Compliance Rating: 1</p>	



# 5 Follow-up of previous audit non-compliances and recommendations

Section 5 summarises the status of previous audit non-compliances and recommendations.

The ratings provided are defined in accordance with the ERA's April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences*, as reported in Table 1, 2.3 "Findings".

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue ( <i>taken from the 2014 Performance Audit Report</i> )	Auditors' recommendation or action taken	Date resolved	Further action required
<b>A. Resolved before end of previous audit period</b>						
63	Electricity Industry Customer Transfer Code Annex 4 clause A4.1	A2	Western Power did not provide the last accumulated read dates to the retailer as required under this obligation because its Web Portal System was not designed with the capability to do so	Western Power implemented an upgrade to its Metering Business System ("MBS") in July 2013. A review of the revised standing data request form and the information post the MBS upgrade did not reveal any exceptions.	July 2013	No
230	Code of Conduct clause 7.6	A3	Review of a notification made by Western Power to the Authority identified that Western Power wrongfully disconnected a customer's supply address in October 2012 when the customer had an unresolved complaint with the Ombudsman that Western Power was not aware of	A review of the Code of Conduct for the Supply of Electricity to Small Use Customers 2014 noted a revision with respect to clause 7.6 to clarify that where a distributor has been made aware of a complaint, then it must not perform a disconnection in the detailed circumstances.	2014	No
313	Code of Conduct clause 13.8(2)	A2	Discussions and review of Western Power's 2013 Compliance Report revealed that prior to 30 October 2012 Western Power was not accurately recording the total number of reconnections provided, and the total	Western Power remedied the cause of this non-compliance in October 2012 by developing an IT solution that bypassed any amendments made to the "required by" date in MBS. Further, in October 2013, the	October 2013	No

<sup>2</sup> As per the previous rating system detailed at the start of this section

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue (taken from the 2014 Performance Audit Report)	Auditors' recommendation or action taken	Date resolved	Further action required
			number of reconnections not provided, within the prescribed timeframe.	"required by" date was locked as part of an upgrade to MBS. Sample-based testing and reconciliation of the 2013 Record Keeping Report and raw data post the implementation of the IT solution and MBS upgrade did not reveal any exceptions.		
333	Code of Conduct clause 14.4(1)	A2	Discussions revealed an instance where Western Power failed to acknowledge a written complaint within the prescribed timeframe, as the complaint was sent to the "Poles in Paddocks" email address which did not have an automatic acknowledgement functionality.	Western Power implemented an automatic acknowledgement function on the "Poles in Paddocks" email address in October 2013. Sample based testing performed after October 2013 did not reveal any exceptions.	October 2013	No
344	Electricity Industry Metering Code clause 3.3A(1)	A3	Discussions revealed some instances during the audit period where bi-directional electricity flow occurred at metering points where the metering installation was not capable of separately measuring bi-directional flow.	Western Power was observed to have since replaced the non-compliant meters with meters that are capable of measuring bi-directional flow. Further, Western Power implemented a new process in July 2013 to ensure that locations identified as bi-directional flows will no longer be commissioned without evidence of a correct metering installation.	July 2013	No
358	Electricity Industry Metering Code clause 3.11(1)	A2	Discussions revealed that as at June 2013, 98.7% of Western Power's metering installations were operating consistently with good industry practice to measure, record and permit the timely collection of data, against the benchmark of 99% required under the Metering Code.	Western Power developed a COGNOS report in July 2013 which provides visibility over an interval meters' ability to function in accordance with requirements specified in the Metering Code. Review of the COGNOS report for July 2013 - 31 May 2014 revealed that Western Power exceeded the 99% benchmark for that period.	July 2013	No

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue (taken from the 2014 Performance Audit Report)	Auditors' recommendation or action taken	Date resolved	Further action required
373	Electricity Industry Metering Code clause 3.16(3)	A2	Meters installed by Western Power were manufactured to collate energy data in submultiples of a trading interval, which was not in accordance with clause 3.16(3) of the Metering Code	The Metering Code was amended in December 2012 to permit the collation of energy data in sub-multiples of a trading interval, which aligns with the technical specifications of the meters.	December 2012	No
361 & 362 (2012)	Electricity Industry Metering Code clause 3.16(5) Electricity Industry Metering Code clause 3.16(6)	A2	Discussions and review of the Model SLA and the Metrology Procedure revealed neither document addressed how Western Power is to produce the "Notional Wholesale Meter" value for the purposes of, and as defined in, the market rules	The Metering Code was amended in December 2012 and these two obligations were removed.	December 2012	No
375	Electricity Industry Metering Code clause 3.18(1)	A2	Meters installed by Western Power were manufactured to collate energy data in submultiples of a trading interval, which did not comply with the wholesale market metering installation requirements under 3.16 of the Code.	The Metering Code was amended in December 2012 to permit the installation of meters which collate energy data in sub-multiples of a trading interval, which aligns with the technical specifications of the meters installed by Western Power.	December 2012	No
416	Electricity Industry Metering Code clause 5.1	A2	Western Power's Web Portal system was not designed to provide the last accumulated read dates to the retailer as required under clause 5.10 of the Metering Code.	Western Power upgraded MBS in July 2013 to facilitate the provision of the required data. A review of a sample of data requests and the information post the MBS upgrade did not reveal any exceptions.	July 2013	No
443	Electricity Industry Metering Code clause 5.22(1)	A3	Discussions revealed instances where Western Power did not validate energy data in accordance with Appendix 2 of the Metering Code as it was unable to calculate the maximum value due to not having sufficient information	In July 2013 Western Power obtained archived metering installation files and re-performed calculations to obtain the maximum value for the affected metering installations in order to validate the energy data. Sample based testing performed post July 2013 did not reveal any exceptions.	July 2013	No
<b>B. Resolved during current audit period</b>						

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue ( <i>taken from the 2014 Performance Audit Report</i> )	Auditors' recommendation or action taken	Date resolved	Further action required
Issue 1/2014	<u>Obligation 39: Electricity Industry Customer Transfer Code clause 4.11(3)</u>	B2	Discussions and review of Western Power's 2014 Compliance Failures register revealed that Western Power had not negotiated a new transfer date with the incoming retailer, specifically, for those instances where Type 5 meters were not read on the nominated transfer date.	Implement a solution that facilitates the timely completion of service orders for manually read Type 5 meters on the nominated transfer date.	December 2014	No
Issue 2/2014	Electricity Distribution and Transmission Licences <u>Obligation 41: Electricity Industry Customer Transfer Code clause 4.13</u>	B3	Sample-based testing of 35 CTRs revealed three instances where Western Power did not give an electronic notice of the transfer and the transfer date to the incoming retailer and previous retailer within the prescribed timeframe. One instance was due to a faulty communications unit within the meter and the other two instances involved Type 5 meters that failed to read due to manual interrogation.	Where Western Power is unable to perform a transfer on the nominated transfer date, negotiate with the incoming retailer to determine a new nominated transfer date in accordance with 4.11(3) of the Transfer Code.	October 2014	No
Issue 3/2014	Electricity Distribution Licence only <u>Obligation 77: Electricity Industry (Obligation to Connect) Regulations regulation 8</u>	B3	Review of Western Power's new connections compliance report revealed that it did not energise premises within the prescribed timeframes on approximately 584 out of 53,527 occasions during the audit period due to technical issues, resourcing constraints and safety concerns.	Where technical and capacity issues are identified, negotiate with the customer a revised date and mutually agree to that date in accordance with regulation 8.2.	October 2014	No
Issue 4/2014	Electricity Distribution Licence only <u>Obligation 237: Code of Conduct clause 8.2</u>	B3	Review of Western Power's 2013 Annual Compliance Report and the 2014 Compliance Failures register revealed that it did not reconnect the customer's supply address within the specified timeframe due to site access restrictions and resourcing constraints.	Implement a solution that would enable Western Power to comply with the timeframes specified in sub clause 8.2(2) of the Code of Conduct.	December 2014	No
Issue 5/2014	Electricity Distribution Licence only	B3	Review of Western Power's 2014 Compliance Failures register revealed that on 30 June 2014, a Customer	Reinforce to Customer Service Centre staff the importance of recording complaints in	September 2014	No

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue ( <i>taken from the 2014 Performance Audit Report</i> )	Auditors' recommendation or action taken	Date resolved	Further action required
	<u>Obligation 294: Code of Conduct clause 12.1(1)</u>		Service Centre staff member failed to record a complaint in Western Power's customer management system in circumstances where the customer expressed dissatisfaction in relation to a complaint that had previously been closed by Western Power.	accordance with the complaints handling procedure.		
Issue 6/2014	Electricity Distribution Licence only <u>Obligation 296: Code of Conduct clause 12.1(3)</u>	B3	Discussions revealed instances where Western Power did not notify customers of their right to have their complaint escalated. This was a result of Western Power not recording customer complaints that were resolved at first instance and Customer Service Centre staff improperly classifying complaints.	<ol style="list-style-type: none"> <li>1. Provide a more focussed training program that would enable Western Power's Customer Service Centre staff to differentiate a complaint from an enquiry. Further, strengthen the monitoring process around first contacts to ensure that a correct classification of that contact is made.</li> <li>2. Reinforce the requirement to Customer Service Centre staff of Western Power's obligations to advise customers who articulate dissatisfaction of their right of escalation under subclause 12.1(3)(a).</li> </ol>	October 2014	No
Issue 7/2014	Electricity Distribution Licence only <u>Obligation 302: Code of Conduct clause 13.1(3)</u>	A2	Due to the non-compliances identified for licence obligations 294, 296, 315 and 316, it was determined that Western Power did not retain the information specified under this clause.	Refer to Issues 5/2014 and 6/2014 above.	October 2014	No
Issue 8/2014	Electricity Distribution Licence only <u>Obligation 315: Code of Conduct clause 13.10(1)</u>	B2	Western Power did not record customer complaints that were resolved on first contact. Further, there were instances where customer dissatisfaction had been expressed but a complaint had not been recorded.	Refer to Issues 5/2014 and 6/2014 above.	October 2014	No

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue ( <i>taken from the 2014 Performance Audit Report</i> )	Auditors' recommendation or action taken	Date resolved	Further action required
Issue 9/2014	Electricity Distribution Licence only <u>Obligation 316: Code of Conduct clause 13.10(2)</u>	A2	Due to the non-compliance detected under licence obligation 294, 296 and 315, it was determined that Western Power did not retain accurate nor complete records of the details of each customer complaint, as required.	Refer to Issues 5/2014 and 6/2014 above.	October 2014	No
Issue 10/2014	Electricity Distribution Licence only <u>Obligation 323: Code of Conduct clause 13.16</u>	A2	Due to the non-compliances detected under licence obligations 294, 296, 302, 315 and 316, it was determined that Western Power was non-compliant with this licence obligation.	Refer to Issues 5/2014 and 6/2014 above.	October 2014	No
Issue 11/2014	Electricity Distribution and Transmission Licences <u>Obligation 349: Electricity Industry Metering Code clause 3.5(4)</u>	A2	Review of Western Power's 2014 Compliance Failures register revealed an instance where a metering point for a High Voltage (HV) revenue metering installation was not located as close as practicable to the connection point. Grant Thornton notes that this is an isolated incident and testing performed did not identify any exceptions.	Complete the installation of the replacement HV unit and remove the temporary LV meter.	November 2014	No
Issue 12/2014	Electricity Distribution and Transmission Licences <u>Obligation 359: Electricity Industry Metering Code clause 3.11(2)</u>	B2	Sample-based testing identified 16 instances where the repairs of meters were not performed within the prescribed timeframe agreed within the SLA due to either resourcing constraints, the geographical spread of customers, site access restrictions or safety concerns.	Implement a solution that would enable Western Power to comply with the applicable SLA.	December 2014	No
Issue 13/2014	Electricity Distribution and Transmission Licences <u>Obligation 378: Electricity Industry Metering Code clause 3.21(1)</u>	C2	The relocation of Western Power's MV90 server to the Head Office caused a time synchronisation issue with the internal clock. This adversely impacted the calculation of time drift and the maintenance of time accuracy of approximately 60% of Type 1 – 5 meter installations which were reliant on both	Continue to monitor time accuracy as prescribed and correct the time drift in meters where inaccuracies are identified.	August 2014	No

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue ( <i>taken from the 2014 Performance Audit Report</i> )	Auditors' recommendation or action taken	Date resolved	Further action required
			the MV90 and MVRS servers maintaining time as prescribed.			
Issue 14/2014	Electricity Distribution and Transmission Licences <u>Obligation 386: Electricity Industry Metering Code clause 3.29</u>	B2	Western Power did not include the type of work the registered metering installation provider was authorised to carry out.	That the published list be reviewed and amended to ensure its content addresses the Metering Code requirement to include the type of work the registered metering installation provider is authorised to carry out.	July 2014	No
Issue 15/2014	Electricity Distribution and Transmission Licences <u>Obligation 389: Electricity Industry Metering Code clause 4.1(3)</u>	B2	Review of the Disaster Recovery Validation Test Summary revealed that the test of the disaster recovery system conducted in March 2014 identified that the MBS back- up failed to activate. Therefore, in the event a disaster occurs, we are not satisfied that MBS could be re-built, and energy data provided to Code participants, within the timeframes prescribed by clause 4.1(3) of the Metering Code.	Undertake an upgrade to the MBS component of the disaster recovery system and conduct testing to ensure it is capable of meeting the requirements specified in the Metering Code.	August 2014	No
Issue 16/2014	Electricity Distribution and Transmission Licences <u>Obligation 397: Electricity Industry Metering Code clause 4.7</u>	B2	Discussions and review of the exception report for the 2013/14 period revealed 108 instances out of 997,375 within the period where Western Power did not give notice of changes to standing data as required under clause 4.7 of the Metering Code.	Reinforce to relevant staff the importance of entering data correctly within MBS to mitigate the risk of future data entry errors.	September 2014	No
Issue 17/2014	Electricity Distribution and Transmission Licences <u>Obligation 406: Electricity Industry Metering Code clause 5.3</u>	C3	Sample-based testing of 35 meter reads revealed seven instances where Western Power did not obtain and transfer energy data into its metering database within the prescribed timeframe. This was caused by delays in receiving data from hand-held units and meter reads not being carried out in accordance with the scheduled read plan.	Reinforce the scheduled meter read plan and requirement to undertake meter reads and send energy data in accordance with the Metering Code.	November 2014	No

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue ( <i>taken from the 2014 Performance Audit Report</i> )	Auditors' recommendation or action taken	Date resolved	Further action required
Issue 18/2014	Electricity Distribution and Transmission Licences <u>Obligation 407: Electricity Industry Metering Code clause 5.4(1)</u>	B3	Western Power was unable to conduct meter readings that provided for an actual value that passed its validation process as defined in Appendix 2 of the Metering Code due to site access restrictions and resourcing constraints. It is understood that approximately 9,977 customers out of 1,060,588 customers were affected during the 2013/14 financial year, of which 2,731 were due to site access restrictions.	<ol style="list-style-type: none"> <li>Where a meter cannot be read due to access restrictions, liaise with the retailer to assist Western Power in gaining access to the customer's meter.</li> <li>Implement a solution that would enable Western Power to comply with sub clause 5.4(1) of the Metering Code.</li> </ol>	September 2014	No
Issue 19/2014	Electricity Distribution and Transmission Licences <u>Obligation 412: Electricity Industry Metering Code clause 5.6(1)</u>	B2	Discussions and review of a sample of daily validation reports revealed that Western Power did not provide validated, and where necessary, substituted or estimated energy data for a metering point to the user within the timeframes prescribed by the Metering Code. This was due to the need to manually review exception reports, which caused delays in the provision of data.	Reinforce the requirement to review manual exception reports within the timeframes prescribed by the Metering Code with relevant Finance, Treasury & Risk team members.	September 2014	No
Issue 20/2014	Electricity Distribution and Transmission Licences <u>Obligation 418: Electricity Industry Metering Code clause 5.12(1)</u>	B3	Sample-based testing of 35-meter data requests revealed 6 instances during the audit period where Western Power failed to provide users with energy data within the prescribed timeframe, with delays being caused by reliance on a manual process to respond to users' requests. As at 30 June 2014, Western Power had commenced, but had not yet completed, automating this process.	Complete the implementation of the automated process of responding to users' requests.	November 2014	No
Issue 21/2014	Electricity Distribution and Transmission Licences <u>Obligation 425: Electricity Industry Metering Code clause 5.17A(3)</u>	C3	Sample-based testing revealed 3 out of 10 instances where Western Power did not comply with a direction provided within the prescribed timeframe because Western Power's Energy Data Authorisation Access System ("EDAAS") did not have the ability to record the date the direction was received, but only the date the direction was manually	<ol style="list-style-type: none"> <li>Build into the EDAAS the ability to enter the date of receipt as the start date rather than the date the request is manually inputted into the system.</li> <li>Alternatively, develop a web-based solution to enable the</li> </ol>	March 2015	No



Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue ( <i>taken from the 2014 Performance Audit Report</i> )	Auditors' recommendation or action taken	Date resolved	Further action required
			inputted into EDAAS. Therefore, time 0 was incorrectly recorded as the date of entry into EDAAS as opposed to the date of receipt.	provision of data to be automated.		
Issue 22/2014	Electricity Distribution and Transmission Licences <u>Obligation 434: Electricity Industry Metering Code clause 5.20(4)</u>	B3	Discussions with the Finance, Treasury and Risk Team and review of Western Power's 2014 Compliance Failures register revealed that Western Power did not provide verified energy data within the timeframes prescribed for 135 meter reads out of 19,031 meter reads that were undertaken in the 2013/2014 period.	<ol style="list-style-type: none"> <li>Maintain a record of the location of meters once they have been removed.</li> <li>Implement a solution that would enable Western Power to be compliant with the timeframes prescribed in the Metering Code.</li> </ol>	September 2014	No
Issue 23/2014	Electricity Distribution and Transmission Licences <u>Obligation 436: Electricity Industry Metering Code clause 5.21(4)</u>	B3	Sample-based testing revealed 4 instances during the audit period where Western Power did not complete testing within the prescribed timeframe because Western Power was unable to access the metering installations in question.	Implement a solution that would enable Western Power to address its compliance requirements as detailed under the applicable SLA.	December 2014	No
Issue 24/2014	Electricity Distribution and Transmission Licences <u>Obligation 468: Electricity Industry Metering Code clause 6.1(1)</u>	B3	As a result of Western Power's failure to meet the requirements of the SLA in line with clauses 3.11(2) and 5.21(4) of the Metering Code (Licence Obligations 359 and 436), Western Power was unable to demonstrate compliance with clause 6.1(1) of the Metering Code.	Refer to Issues 12/2014 and 23/2014 above.	December 2014	No
Issue 25/2014	Electricity Distribution Licence only <u>Obligation 488: Electricity Industry (Network Quality and Reliability of Supply) Code clause 12(3)</u>	B3	Review of Western Power's 2014 Compliance Failures register identified that Western Power reported that it did not meet the prescribed standard under clause 12(3) of the Code due to adverse weather conditions and planned maintenance works where alternative arrangements were not available/possible.	Engage with the Public Utilities Office (PUO) to amend the <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> to align with the service standard benchmarks in the Access Arrangement by way of seeking the exclusion of adverse weather events from the statistical	March 2015	No

Ref	Legislative obligation	Rating <sup>2</sup>	Details of the issue ( <i>taken from the 2014 Performance Audit Report</i> )	Auditors' recommendation or action taken	Date resolved	Further action required
				count of significant interruptions to small use customers.		
Issue 27/2014	Electricity Distribution Licence only <u>Obligation 493: Electricity Industry (Network Quality and Reliability of Supply) Code clause 18</u>	B2	Review of Western Power's Service Standard Payments for Planned Outages Report revealed 8 instances during the audit period where it did not pay customers a service standard payment within the prescribed timeframe.	Implement a supervisory review to ensure that the handling code is correctly applied and transactions prepared over a non-business day are approved for payment, to facilitate timely provision of service standard payments.	September 2014	No
Issue 28/2014	Electricity Distribution Licence only <u>Obligation 494: Electricity Industry (Network Quality and Reliability of Supply) Code clause 19</u>	B2	Review of the Service Standards Payment for Extended Outages Report revealed instances within the audit period where Western Power did not pay extended outage payments within the prescribed timeframe.	<ol style="list-style-type: none"> <li>1. Implement a solution that would facilitate for increased work flow as a result of an adverse weather event.</li> <li>2. Implement a monitoring mechanism whereby reconciliation is performed to ensure that the payment run aligns with payment entitlements.</li> </ol>	January 2015	No
<b>C. Unresolved at end of current audit period</b>						
Not applicable						

# Appendix A - Audit plan

# **Electricity Networks Corporation trading as Western Power**

**Electricity Distribution Licence  
(EDL1) and Electricity Transmission  
Licence (ETL2)**

**2017 Performance Audit**

**Audit Plan**

May 2017

# Contents

1	Introduction	3
2	Approach	6
3	General Information	9
	Appendix 1 – Risk assessment key	10
	Appendix 2 – Risk assessment	12
	Appendix 3 – Previous audit recommendations	40

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# 1 Introduction

## Overview

The Economic Regulation Authority (**the ERA**) has under the provisions of the Electricity Industry Act 2004 (**the Act**), issued to Electricity Networks Corporation trading as Western Power (**Western Power**) an Electricity Distribution Licence No. 1 (**EDL1**) and Electricity Transmission Licence No. 2 (**ETL2**) (**the Licences**).

Section 13 of the Act requires Western Power to provide to the ERA a performance audit (**the audit**) conducted by an independent expert acceptable to the ERA not less than once in every 24 month period unless otherwise approved by the ERA. With the ERA's approval, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has been appointed to conduct the audit for the period 1 July 2014 to 30 June 2017.

Western Power operates the South West Interconnected System (**SWIS**) electricity network, and is responsible for maintenance, operation and expansion activities in relation to the network.

The audits will be conducted in accordance with the ERA's April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (**Audit Guidelines**). In accordance with the Audit Guidelines this document represents the Audit Plan (**the Plan**) that is to be agreed upon by Deloitte and Western Power and presented to the ERA for approval.

The Plan has been developed in relation to both audits (i.e. for the EDL1 and ETL2 Licences) and represents our approach in combining our work to assess both Licences concurrently. All references to 'audit' assumes applicability to both performance audits. Two separate audit reports will be developed, outlining the obligations and findings relevant to each Licence.

## Objective

A performance audit is defined as an examination of the measures taken by Western Power to meet the performance criteria specified in its Licence.

The audit is designed to provide reasonable assurance regarding the assessment of appropriateness, effectiveness and efficiency associated with Western Power's compliance with its Licences. The audit will specifically consider the following:

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

## Scope

The ERA provides guidance on those aspects of the Licence and Western Power's performance criteria, which it expects to be reported upon and included in the scope of the audit in its Electricity Compliance Reporting Manual (**Reporting Manual**).

The audit approach applies the singular audit priority assessment approach to identify all applicable licence obligations. Each of the compliance requirements identified in the Reporting Manual have been evaluated for applicability to Western Power's operations and used as the basis for determining the performance criteria to be considered for the audit.

The audit period is from 1 July 2014 to 30 June 2017.

During the period subject to audit, the Reporting Manual has undergone three revisions. The four versions of the Reporting Manual are dated July 2014, September 2014, July 2016 and October 2016.

The revision made to the manual in September 2014 reflected a minor change, whereby two obligations had been split into four individual obligations concerning the same intent, to improve understanding. The revision made to the manual in July 2016 was slightly more significant, however in summary did not materially alter the obligations applicable to Western Power's Licences.

**Table 1** below outlines the compliance requirements that apply to Western Power's electricity distribution and transmission operations during the period subject to audit. Where necessary, further explanation is provided to describe the extent of application of those obligations. The assessment is made against the current (October 2016) Reporting Manual.

**Table 1 – Application of legislative elements to Western Power's operations**

Legislative element	Application to Western Power's operations
Type 1 reporting obligations for all licence types	Six of the nine Type 1 reporting obligations are applicable to Western Power's distribution operations.
Electricity Industry Customer Transfer Code	47 of the 67 obligations under the Electricity Industry Customer Transfer Code are applicable to Western Power's distribution and transmission operations.
Electricity Industry (Obligation to Connect) Regulations	All six obligations under the Electricity Industry (Obligation to Connect) Regulations are applicable to Western Power's distribution operations.
Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations	One of the 22 obligations under the Electricity Industry (Customer Contracts) Regulations is applicable to Western Power's distribution operations.
Electricity Industry Act	Nine of the 13 obligations under the Electricity Industry Act are applicable to Western Power's transmission and distribution operations.  In addition, one obligation is only applicable to Western Power's distribution operations.
Electricity Licences	Ten of the 15 obligations under Western Power's Electricity Licences are applicable to Western Power's distribution and transmission operations.
Code of Conduct	37 of the 192 obligations under the Code of Conduct are applicable to Western Power's distribution operations.
Electricity Industry Metering Code	128 of the 149 obligations under the Electricity Industry Metering Code are applicable to Western Power's distribution and transmission operations.  In addition, two obligations are only applicable to Western Power's distribution operations.
Electricity Industry (Network Quality and Reliability of Supply) Code	18 of the 24 obligations under the Electricity Industry (Network Quality and Reliability of Supply) Code are applicable to Western Power's distribution and transmission operations.  In addition, six obligations are only applicable to Western Power's distribution operations.
Licence specific obligations	Five obligations have been specifically included in Western Power's Licences, of which three relate to its transmission operations and two relate to both transmission and distribution operations.

## Responsibility

### Western Power's responsibility for compliance with the conditions of the Licences

Western Power is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licences
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA
- Implementing corrective actions for instances of non-compliance.

### Deloitte's responsibility

Our responsibility is to express a conclusion on Western Power's compliance with the conditions of the Licences based on our procedures. We will conduct our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3100 *Compliance Engagements*<sup>1</sup> issued by the Australian Auditing and Assurance Standards Board, to state whether, in our opinion, based on the procedures performed, the conditions of the Licences have been complied with. Our engagement will provide reasonable assurance as defined in ASAE 3100.

### Limitations of use

Our report will be produced solely for the information and internal use of Western 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 our report.

We understand that a copy of our report will be provided to the ERA for the purpose of meeting Western Power's reporting requirements of section 13 of the Act. We agree that a copy of our report may be provided to the ERA for its information in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report. We accept no duty, responsibility or liability to any party, other than Western Power, in connection with the report or this engagement.

### Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud.

Accordingly, readers of our report should not rely on the report to identify all potential instances of non-compliance which may occur.

### Independence

In conducting our engagement, we will comply with the independence requirements of the Australian professional accounting bodies.

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<sup>1</sup> Our engagement will be conducted in accordance with relevant requirements of ASAE 3100 *Compliance Engagements* and ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.



# 2 Approach

The audit will be conducted in three distinct phases, being a risk assessment, system analysis/walkthrough and testing and review. From the audit results, a report (one for each Licence) will be produced to outline findings, overall compliance assessments and recommendations for improvement in line with the Audit Guidelines. Each step of the audit is discussed in detail below.

## Risk assessment

The audit will focus on identifying or assessing those activities and management control systems to be examined and the matters subject to audit. Therefore, the purpose of conducting the risk assessment as a preliminary phase enables the auditor to focus on pertinent/high risk areas of Western Power’s licence obligations. The risk assessment gives specific consideration to the changes to Western Power’s systems and processes and any matters of significance raised by the ERA and/or Western Power. The levels of risk and materiality of the process determine the level of audit required, i.e. the greater the materiality and the higher the risk, the more audit effort to be applied.

The first step of the risk assessment is the rating of the potential consequences of Western Power not complying with its licence obligations, in the absence of mitigating controls.

As the Reporting Manual is prescriptive in its criteria for classifying the consequences of non-compliance (refer to **Appendix 1-1**) the risk assessment applies the Reporting Manual’s classifications for each obligation subject to audit.

Reference is also made to the consequence rating descriptions listed at Table 15 of the Audit Guidelines (refer to **Appendix 1-2**), providing the risk assessment with context to ensure the appropriate consequence rating is applied to each obligation subject to audit.

Once the consequence has been determined, the likelihood of Western Power not complying with its obligations is assessed using the likelihood rating listed at Table 16 of the Audit Guidelines (refer to **Appendix 1-3**). The assessment of likelihood is based on the expected frequency of Western Power’s non-compliance with the relevant licence obligation over a period of time.

Table 2 below (sourced from Table 17 of the Audit Guidelines) outlines the combination of consequence and likelihood ratings to determine the level of inherent risk associated with each individual obligation.

**Table 2: Inherent risk rating**

	Consequence		
Likelihood	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

Once the level of inherent risk has been determined, the adequacy of existing controls is assessed in order to determine the level of control risk. Controls are assessed and prioritised as weak, moderate or strong dependant on their suitability to mitigate the risks identified. The control adequacy ratings used by this risk assessment are aligned to the ratings listed at Table 19 of the Audit Guidelines (refer to **Appendix 1-4**). Once inherent risks and control risks are established, the audit priority can then be determined using the matrix listed at Table 20 of the Audit Guidelines (refer to **Table 3** below). Essentially, the higher the level of risk the more substantive testing is required.

**Table 3: Assessment of Audit Priority**

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

The following table outlines the audit requirement for each level of audit priority. Testing can range from extensive substantive testing around the controls and activities of particular processes to confirming the existence of controls through discussions with relevant staff.

**Table 4: Audit Priority Table**

Priority rating	Audit requirement
Audit Priority 1	<ul style="list-style-type: none"> <li>• Controls testing and extensive substantive testing of activities and/or transactions</li> <li>• Follow-up and if necessary, re-test matters previously reported.</li> </ul>
Audit Priority 2	<ul style="list-style-type: none"> <li>• Controls testing and moderate substantive testing of activities and/or transactions</li> <li>• Follow-up and if necessary, re-test matters previously reported.</li> </ul>
Audit Priority 3	<ul style="list-style-type: none"> <li>• Limited controls testing (moderate sample size). Only substantively test transactions if further control weakness found</li> <li>• Follow-up of matters previously reported.</li> </ul>
Audit Priority 4	<ul style="list-style-type: none"> <li>• Confirmation of existing controls via observation and walk through testing</li> <li>• Follow-up of matters previously reported.</li> </ul>
Audit Priority 5	<ul style="list-style-type: none"> <li>• Confirmation of existing controls via observation, discussions with key staff and/or reliance on key references ("desktop review").</li> </ul>

The risk assessment has been discussed with stakeholders to gain their input as to the appropriateness and factual accuracy of risk and control ratings and associated explanations. The key sources considered in reaching our preliminary assessment of the risk and control ratings were based on:

- Prior assessments of the state of controls during the 2014 Performance audit
- Actions taken to address the 2014 Post Audit Implementation Plan (PAIP)
- Consideration of annual compliance reports for 2014/15 and 2015/16
- Our understanding of Western Power's regulatory environment
- Internal non-compliance registers
- Any other factors that may have an effect on the level of risk or strength of controls.

At this stage, the risk assessment can only be a preliminary assessment based on reading of documentation and interviews by the auditors. It is possible that the ratings and risk assessment comments may be revised as we conduct our work and new evidence comes to light. Accordingly the risk assessment for the performance audit is a preliminary draft, not a final report, and no reliance should be placed on its findings. It is however an invaluable tool for focussing the audit effort. The performance audit risk assessment is attached at **Appendix 2**.

### System analysis/walkthrough

The systems analysis required will be determined utilising the audit priority scale outlined above. Once the priority level has been defined, the testing component will take place by way of interviewing key operational and administrative staff who will outline information that displays compliance with the Licence requirements.

In performing this analysis/walkthrough, we will consider the following:

- The control environment: Western Power's management philosophy and operating style, organisational structure, assignment of authority and responsibilities, the use of internal audit, the use of information technology and the skills and experience of key staff members
- Information systems: the appropriateness of Western Power's information systems (in particular, those relating to network management & control, metering services and resource planning) to record the information needed to comply with the Licence, the accuracy of data, the security of data and documentation describing the information system
- Control procedures: the presence of systems and procedures to ensure compliance with the Licence, effectiveness of Western Power's internal control structure to detect and correct non-compliance. Specific consideration will be given to significant changes in relevant systems and procedures implemented during the period subject to audit
- Compliance attitude: action taken by Western Power in response to previous recommendations. Consideration will be given to the timing of action taken during the period subject to audit and whether the action has a permanent impact on Western Power's level of compliance

- **Outcome compliance:** actual performance against standards prescribed in the Licence throughout the audit period.

Where required, an observation of processes, procedures and operations and review of key documents will occur to assist in the determination of Western Power's compliance with Licence obligations. Key documents, which may be subject to audit, are not specifically disclosed in this plan. A list of documents examined will be included in the audit reports.

### Testing/review

Using the results of the risk assessment and systems analysis, detailed testing and analysis will be performed to compare those standards maintained by Western Power with the relevant sections and schedules of the Licences.

Control testing is performed for those licence obligations with an audit priority 3 and above (refer to table 4), and where there is relevant activity. This method of testing will involve:

- Understanding the population of transactions
- Selecting a sample of transactions to examine compliance with relevant sections of applicable Codes/Regulations
- Comparing the sample selected to expected requirements as mandated by relevant sections of applicable Codes/Regulations.

A full work program will be completed to record the specific aspects of our testing and analyses for each licence obligation. This work program will be based on:

- The audit priority determined by the risk assessment to be applicable each licence obligation
- The results of the systems analysis performed, as described above
- Deloitte's pre-determined sampling methodology, which takes account of the volume and frequency (e.g. daily, weekly, monthly, annual) of relevant transactions. Sample sizes typically range from 1 to 30, increasing with the volume and frequency of transactions
- The location of personnel and transactions to be tested.

Majority of the audit fieldwork is expected to be performed at Western Power's Perth CBD office. In addition, we plan to visit the Forrestfield (metering) and East Perth (network control centre) offices, as well as the Picton Depot.

### Reporting

In accordance with the Audit Guidelines, all aspects of compliance with the Licences will be assessed according to the rating scale based on the work performed. Refer to **Table 5** below for the compliance levels that will be used for the performance audit.

**Table 5: Operational/performance compliance rating scale**

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
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

The performance audit reports will also be structured to address all key components expected by the Audit Guidelines, including:

- An executive summary containing all elements listed in section 11 of the Audit Guidelines
- Response to previous audit recommendations (refer to **Appendix 3**)
- Performance/compliance summary and rating for each licence condition – in tabular form
- Audit observations
- Where appropriate, recommendations on actions required to address areas of non-compliance.

Where appropriate, Western Power will provide a post audit implementation plan for incorporation into the reports.

# 3 General Information

All aspects of the audit will undergo quality assurance and review procedures as outlined in our previous communications. Before delivery of final reports, full quality procedures will be applied, including second partner review.

## Key Western Power contacts

The key contacts for this audit are:

- Head of Function (Regulations and Investment Management)
- Regulatory Compliance Manager
- Senior Compliance Specialist
- Revenue Manager
- Metering Services Manager
- Access Solutions Manager
- Customer Relations Manager
- Customer Funded Initiation & Scheduling Manager
- Network Control Manager
- Head of Property and Fleet
- Financial Accounting Manager
- Operations Development Manager
- Metro Response Manager
- Customer Service Centre Manager
- Regional South Manager
- Regional North Manager
- Metro Planned Manager
- Customer Connections Services Manager
- Business Relationship Manager
- Service Management and Support Manager
- Engineering Team Leader
- Plan Optimisation Team Leader
- Insight and Analytics Manager
- Principal Planning Engineer

## Deloitte staff

Deloitte staff who will be involved with this assignment are:

- Richard Thomas            Partner
- Andrew Baldwin           Specialist Compliance Lead
- Amy Hinson                Manager
- David Herbert              Senior Analyst
- Lyle Stewart                Analyst
- Emlyn King                 Senior Compliance Specialist
- Kobus Beukes              QA Partner.

Resumes for key Deloitte staff are outlined in the proposal accepted by Western Power and subsequently presented to the ERA.

## Timing

The initial risk assessment phase was completed on 19 May 2017. On 22 May 2017 the draft audit plan and detailed risk assessment were presented to the ERA for review and comment. On 29 May 2017 the final audit plan was presented to the ERA for approval.

The remainder of the fieldwork phase is scheduled to be performed during June/July 2017.

Deloitte's time and staff commitment to the completion of the audit is outlined in the proposal accepted by Western Power and subsequently presented to the ERA. In summary, the estimated time allocated to each activity is as follows:

- Planning (including risk assessment):                                66 hours
- Fieldwork (including system analysis/walkthrough and testing/review):    474 hours
- Reporting:    85 hours.

# Appendix 1 – Risk assessment key

## 1-1 Criteria for classification

Source: *Electricity Compliance Reporting Manual October 2016*

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

## 1-2 Consequence ratings

Source: Audit Guidelines: Electricity and Gas Licences April 2014

Rating	Examples of non-compliance		
	Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions
Minor	Breaches of supply quality or reliability standards - affecting a 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.
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.
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.

## 1-3 Likelihood ratings

Source: Audit Guidelines: Electricity and Gas Licences 2014

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

## 1-4 Adequacy ratings for existing controls




Source: Audit Guidelines: Electricity and Gas Licences 2014

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

# Appendix 2 – Risk assessment

Obligation numbers and references below are sourced from the October 2016 Reporting Manual. Against each obligation number, the applicable licence is highlighted in accordance with the legend below.

## Legend:

 Distribution only	 Transmission only	 Both Distribution and Transmission
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No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
<b>8 Type 1 Reporting Obligations</b>								
127	Distribution Licence condition 29.1	A distributor must create and maintain a Priority Restoration Register.	1	Major	Probable	High	Moderate	Priority 2
128	Distribution Licence condition 29.3	The Priority Restoration Register must comply with any criteria determined by the Minister.	1	Major	Probable	High	Moderate	Priority 2
234	Code of Conduct clause 7.6	Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.	1	Major	Likely	High	Moderate	Priority 2
237	Code of Conduct clause 7.7(3)	Where 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 the customer's supply address or contact details under subclause 7.7(2), the distributor must comply with subclause 7.7(3).	1	Major	Probable	High	Moderate	Priority 2
238	Code of Conduct clause 7.7(4)	Where life support equipment is registered at a customer's supply address under subclause 7.7(3), the distributor must: <ul style="list-style-type: none"> <li>• Not disconnect the customer's supply address for failure to pay a bill while the person continues to reside at that address and requires the use of life support equipment; and</li> <li>• Prior to any planned interruption, provide at least 3 business days' written or electronic notice to the customer's supply address and use best endeavours to obtain acknowledgement (by verbal, written or electronic means) from the customer that the notice has been received, unless expressly requested in writing by the customer not to.</li> </ul>	1	Major	Probable	High	Weak	Priority 1
258	Code of Conduct clause 9.5(2)	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).	1	Major	Probable	High	Moderate	Priority 2

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
<b>9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations</b>								
1	Clause 2.2(1)(a)	A network operator must treat all retailers which are its associates on an arms-length basis.	NR	Minor	Unlikely	Low	Moderate	Priority 5
2	Clause 2.2(1)(b)	A network operator must ensure that no retailer which is its associate receives a benefit in respect of the Electricity Industry Customer Transfer Code unless the benefit is either attributable to the arms-length application of the Electricity Industry Customer Transfer Code or the benefit is made available to all other retailers.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
2A	Clause 2.3	A network operator must prepare a report (for each year ending 30 June) as specified by the ERA; give a copy of the report to the Minister and the ERA at least 5 business days before it is published under clause 2.3(1)(c); and publish the report in accordance with clauses 1.6 and 2.3(2).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
3	Clause 3.1(1)(a)	A network operator must publish a request for standing data form which must comply with Annex 1 of the Electricity Industry Customer Transfer Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
4	Clause 3.1(1)(b)	A network operator must publish a request for historical data form which must comply with Annex 2 of the Electricity Industry Customer Transfer Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
5	Clause 3.1(2)	If a network operator publishes an amended data request form it must comply with Annex 1 or Annex 2 of the Electricity Industry Customer Transfer Code, as applicable.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
10	Clause 3.7(1)	A network operator must, subject to clause 3.7(3) of the Electricity Industry Customer Transfer Code, electronically notify a retailer if its data request is not valid.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
11	Clause 3.7(2)	A network operator must comply with clause 3.7(1) of the Electricity Industry Customer Transfer Code within defined timeframes depending on the number of standing or historical data requests that the retailer submits.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
12	Clause 3.8(1)	A network operator must use all reasonable endeavours to provide to the retailer the requested data under a valid data request.	NR	Minor	Unlikely	Low	Moderate	Priority 5
13	Clause 3.8(2)(a)	The network operator must (subject to clause 3.8(3)) provide the requested data under clause 3.8(1) electronically, in accordance with the communication rules.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
15	Clause 3.8(3)	A network operator must electronically notify the retailer of the most likely connection points to which a data request relates, up to a maximum of 10, if a retailer submits a data request under clause 3.4 and the network operator has not allocated a NMI for the contestable customer's connection point and is unable to determine a single connection point related to the data request.	2	Moderate	Unlikely	Medium	Moderate	Priority 4



Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
20	Clause 3.10(1)	A network operator must not charge for the provision of standing data.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
21	Clause 3.10(2)	A network operator must not charge more than the defined amount for the provision of historical consumption data. The charge is to be determined under the metering code, or, if the metering code does not provide means for determining the charge, by an agreement between the network operator and retailer.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
22	Clause 4.1	A network operator must publish a customer transfer request form which must comply with Annex 3 of the Electricity Industry Customer Transfer Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
31	Clause 4.9(1)	A network operator must object to a customer transfer request in certain circumstances as set out in clause 4.9(1) of the Electricity Industry Customer Transfer Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
32	Clause 4.9(2)	A network operator must not object to a customer transfer request otherwise than in accordance with clause 4.9(1) of the Electricity Industry Customer Transfer Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
33	Clause 4.9(3)	A network operator that objects to a customer transfer request must give an electronic notice detailing specified information to a retailer within the timeframe prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
34	Clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
35	Clause 4.10(1)	A network operator must take certain action in accordance with a defined timetable following the receipt of a valid customer transfer request, subject to clauses 4.10(2) and 4.10(3) of the Electricity Industry Customer Transfer Code and using all reasonable endeavours to affect the transfer.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
36	Clause 4.10(2)	A network operator must take certain action if it considers that it is unlikely to be able to meet its obligations under clause 4.10(1) of the Electricity Industry Customer Transfer Code within the defined timetable.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
37	Clause 4.10(3)	In the specified circumstances, a network operator must within one business day of the receipt of the customer transfer request electronically notify the retailer of the most likely connection points that are related to the customer transfer request, up to a maximum of 10.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
37A	Clause 4.10(4)	If a current retailer receives a notice under clause 4.10(1)(a) or 4.10(2)(c) in circumstances where clause 4.12(1)(a)(ii) applies, then the current retailer must promptly forward the notice to the other person referred to in clause 4.12(1)(a)(ii).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
38	Clause 4.11(1)	A transfer may only occur on a day on which an actual value is obtained from the contestable customer's meter.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
39	Clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	2	Moderate	Probable	Medium	Weak	Priority 3
40	Clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	NR	Minor	Unlikely	Low	Moderate	Priority 5
41	Clause 4.13	A network operator must within two business days after the transfer date give an electronic notice of the transfer and the transfer date to the incoming retailer, the previous retailer and, if applicable AEMO.	2	Moderate	Probable	Medium	Weak	Priority 3
42	Clause 4.14	A network operator must, following a transfer, do all that is necessary to ensure that charges up to the transfer time are paid by or charged to the previous retailer and charges from the transfer time are paid by or charged to the incoming retailer.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
43	Clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and, if applicable, AEMO) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.	NR	Minor	Unlikely	Low	Moderate	Priority 5
48	Clause 5	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
48A	Clause 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
49	Clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
50	Clause 6.3(1)	A network operator must use its reasonable endeavours to ensure that a retailer can give it a notice by post, facsimile or electronic communication and notify the retailer of a telephone number for voice communication.	NR	Minor	Unlikely	Low	Moderate	Priority 5
51	Clause 6.3(2)	A network operator must notify each retailer of its initial contact details, and any amended contact details at least three business days before the change takes effect.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
54	Clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
55	Clause 7.1(1)	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
56	Clause 7.1(2)	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5
57	Clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
58	Clause 7.2(4)	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.	NR	Minor	Unlikely	Low	Moderate	Priority 5
59	Clause 7.3(2)	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.	NR	Minor	Unlikely	Low	Moderate	Priority 5
60	Annex 1	A network operator's request for standing data form must require a retailer to provide certain information.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
61	Annex 2	A network operator's request for historical consumption data form must require a retailer to provide certain information.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
62	Annex 3	A network operator's customer transfer request form must require a retailer to provide certain information.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
63	Annex 4 clause A4.1	A network operator must provide certain information, if available, to a retailer who submits a request for standing data.	2	Moderate	Probable	Medium	Moderate	Priority 4
64	Annex 4 clause A4.2	A network operator must provide certain metering data, if available, in a prescribed manner to a retailer who submits a request for historical consumption data.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
65	Annex 5 clause A5.1(5)	A network operator must respond to a request from a retailer for a NMI and checksum for a connection point within one business day of receiving a retailer's request.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
66	Annex 5 clause A5.1(6)	If a network operator, following a request from a retailer, cannot provide a single NMI and checksum for a connection point, it must provide the retailer with the most likely matches, up to a maximum of 99.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
67	Annex 5 clause A5.1(7)	A network operator must, unless otherwise advised by the retailer, provide a single NMI and checksum for a connection point, it must do so unless otherwise advised by the retailer.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>10 Electricity Industry (Obligation to Connect) Regulations – Licence Conditions and Obligations</b>								
72	Regulation 4	A distributor must attach or connect premises to a distribution system if a retailer or customer takes certain action and the circumstances in regulation 5(1) of the Electricity Industry (Obligation to Connect) Regulations exist.	2	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
73	Regulation 5(5)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
74	Regulation 5(6)	The capacity and standard of an extension must be adequate for the supply required and in accordance with accepted good industry practice as it would be applied by a prudent distributor.	2	Moderate	Probable	Medium	Moderate	Priority 4
75	Regulation 6	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
76	Regulation 7(1)	A distributor must energise premises in certain prescribed circumstances.	2	Moderate	Probable	Medium	Moderate	Priority 4
77	Regulation 8	A distributor that is obliged to energise premises must do so within a defined timetable.	2	Moderate	Probable	Medium	Weak	Priority 3
<b>Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations</b>								
99	Regulation 36	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>11 Electricity Industry Act – Licence Conditions and Obligations</b>								
101	Electricity Industry Act section 13(1)	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.	NR	Minor	Unlikely	Low	Strong	Priority 5
102	Electricity Industry Act section 14(1)(a)	A licensee must provide for an asset management system.	NR	Minor	Unlikely	Low	Strong	Priority 5
103	Electricity Industry Act section 14(1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the ERA.	2	Moderate	Probable	Medium	Moderate	Priority 4
104	Electricity Industry Act section 14(1)(c)	A licensee must provide the ERA with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	NR	Minor	Unlikely	Low	Strong	Priority 5
105	Electricity Industry Act section 17(1) Economic Regulation Authority (Licensing Funding) Regulations 2014	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.	2	Moderate	Unlikely	Medium	Weak	Priority 3

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
106	Electricity Industry Act section 31(3)	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	NR	Minor	Unlikely	Low	Moderate	Priority 5
107	Electricity Industry Act section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
111	Electricity Industry Act section 101	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.	2	Moderate	Unlikely	Medium	Strong	Priority 4
112	Electricity Industry Act section 115(1)	A licensee that is a network service provider or an associate of a network service provider, in relation to network infrastructure covered by the Code, must not engage in conduct for the purpose of hindering or prohibiting access by any person to services in accordance with the Code, the making of access agreements or any particular agreement in respect of those facilities, or the access to which a person is entitled under an access agreement or a determination made by way of arbitration.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
113	Electricity Industry Act section 115(2)	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>12 Electricity Licences – Licence Conditions and Obligations</b>								
119	Distribution Licence, condition 12.1 Transmission Licence, condition 12.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	2	Moderate	Unlikely	Medium	Strong	Priority 4
120	Distribution Licence, condition 13.4 Transmission Licence, condition 13.4	A licensee must comply with any individual performance standards prescribed by the ERA.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
121	Distribution Licence, condition 14.2 Transmission Licence, condition 14.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines dealing with the performance audit.	2	Moderate	Unlikely	Medium	Strong	Priority 4
122	Distribution Licence, condition 20.5 Transmission Licence, condition 20.5	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.	2	Moderate	Unlikely	Medium	Strong	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
123	Distribution Licence, condition 15.1 Transmission Licence, condition 15.1	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
124	Distribution Licence, condition 16.1 Transmission Licence, condition 16.1	A licensee must provide the ERA, in the manner prescribed, any information the ERA requires in connection with its functions under the Electricity Industry Act.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
125	Distribution Licence, condition 17.1 and 17.2 Transmission Licence, condition 17.1 and 17.2	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
126	Distribution Licence, condition 18.1 Transmission Licence, condition 18.1	Unless otherwise specified, all notices must be in writing.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
127	Distribution Licence, condition 29.1 Integrated Regional Licence condition 29.1	A distributor must create and maintain a Priority Restoration Register.	1	Major	Probable	High	Moderate	Priority 2
128	Distribution Licence, condition 29.3 Integrated Regional Licence condition 29.3	The Priority Restoration Register must comply with any criteria determined by the Minister.	1	Major	Probable	High	Moderate	Priority 2
<b>13 Code of Conduct – Licence Conditions and Obligations</b>								
<b>Part 7 Disconnection</b>								
233	Clause 7.5	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
234	Clause 7.6	Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.	1	Major	Likely	High	Moderate	Priority 2
237	Clause 7.7(3)	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).	1	Major	Probable	High	Moderate	Priority 2

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
238	Clause 7.7(4)	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).	1	Major	Probable	High	Weak	Priority 1
238 A	Code of Conduct, clause 7.7(4A)	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.	NR	Minor	Probable	Low	Moderate	Priority 5
239	Clause 7.7(5)	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.	NR	Minor	Probable	Low	Moderate	Priority 5
241	Clause 7.7(7)	A retailer or a distributor must remove the customer's details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).	2	Moderate	Probable	Medium	Moderate	Priority 4
<b>Part 8 Reconnection</b>								
244	Clause 8.2	A distributor must reconnect the customer's supply address upon the request of a retailer, within the timeframes specified in subclause 8.2(2).	2	Moderate	Probable	Medium	Weak	Priority 3
<b>Part 9 Pre-Payment Meters</b>								
245	Clause 9.1(2)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
258	Clause 9.5(2)	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).	1	Major	Probable	High	Moderate	Priority 2
263	Clause 9.9(2)	If requested by a retailer, a distributor must check or test a pre-payment meter.	2	Moderate	Probable	Medium	Moderate	Priority 4
<b>Part 10 Information &amp; Communication</b>								
283	Clause 10.6	Upon request and at no charge, a distributor must provide the customer with the information specified in subclause 10.6.	2	Moderate	Probable	Medium	Strong	Priority 4
284	Clause 10.7(1)	Upon request, a distributor must, provide a customer with their consumption data.	2	Moderate	Probable	Medium	Strong	Priority 4
285	Clause 10.7(2)	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).	2	Moderate	Probable	Medium	Strong	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
286	Clause 10.7(3)	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 2 business days of the request.	2	Moderate	Probable	Medium	Strong	Priority 4
287	Clause 10.7(4)	A distributor must keep a customer's consumption data for seven (7) years.	2	Moderate	Probable	Medium	Strong	Priority 4
288	Clause 10.8(1)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
289	Clause 10.8(2)	A distributor must publish information on distribution standards and metering arrangements on the distributor's website.	2	Moderate	Probable	Medium	Strong	Priority 4
290	Clause 10.9	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, and concise language and is in a format that makes it easy to understand.	NR	Minor	Probable	Low	Strong	Priority 5
291	Clause 10.10(1)	Upon request, a retailer and a distributor must tell a customer how the customer can obtain a copy of the Code of Conduct.	2	Moderate	Probable	Medium	Strong	Priority 4
292	Clause 10.10(2)	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their web sites.	2	Moderate	Probable	Medium	Strong	Priority 4
294	Clause 10.11(1)	Upon request and at no charge, a retailer and a distributor must make available to a residential customer services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	2	Moderate	Probable	Medium	Strong	Priority 4
295	Clause 10.11(2)	For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings.	2	Moderate	Probable	Medium	Strong	Priority 4
296	Clause 10.12(1)	Upon request and at no charge, a distributor must advise a customer, of the availability of different types of meters, as well as their suitability to the customer's supply address, purpose, costs, and installation, operation and maintenance procedures.	2	Moderate	Probable	Medium	Strong	Priority 4
<b>Part 12 Complaints &amp; Dispute Resolution</b>								
298	Clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	2	Moderate	Probable	Medium	Weak	Priority 3



No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
299	Clause 12.1(2)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
300	Clause 12.1(3)	A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).	2	Moderate	Probable	Medium	Weak	Priority 3
301	Clause 12.1(4)	Upon 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.	2	Moderate	Probable	Medium	Weak	Priority 3
303	Clause 12.3	Upon request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer in utilising the respective complaints handling processes.	2	Moderate	Probable	Medium	Moderate	Priority 4
304	Clause 12.4	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 the appropriate entity to deal with the complaint (if known).	2	Moderate	Probable	Medium	Moderate	Priority 4
<b>Part 13 Reporting</b>								
305	Clause 13.1	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	2	Moderate	Probable	Medium	Moderate	Priority 4
306	Clause 13.2	The report specified in clause 13.1 must be provided to the ERA by the date, and in the matter and form, specified by the ERA.	2	Moderate	Probable	Medium	Moderate	Priority 4
307	Clause 13.3	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 of it are available to the public without cost, at places where the retailer or distributor transacts business with the public; and</li> <li>A copy of it is posted on the retailer or distributor's website.</li> </ul>	2	Moderate	Probable	Medium	Moderate	Priority 4
<b>Part 14 Service Standard Payments</b>								
309	Clause 14.1(2)	Subject to clause 14.6, if a retailer is liable to and makes a payment under subclause 14.1(1) due to an act or omission of a distributor, the distributor must compensate the payment to the retailer.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
313	Clause 14.4(1)	Subject to clause 14.6, a distributor must pay the customer \$20 where the distributor has failed to acknowledge or respond to a written query or complaint within the timeframes prescribed in subclause 12.1(4).	2	Moderate	Probable	Medium	Moderate	Priority 4
314	Clause 14.5	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
316	Clause 14.7(2)	A distributor who 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).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>14 Electricity Industry Metering Code – Licence Conditions and Obligations</b>								
<b>Part 2 Code objectives and arms-length treatment</b>								
317	Clause 2.2(1)(a)	A network operator must treat all Code participants that are its associates on an arms-length basis.	NR	Minor	Unlikely	Low	Moderate	Priority 5
318	Clause 2.2(1)(b)	A network operator must ensure that no Code participant that is its associate receives a benefit in respect of the Code unless the benefit is attributable to an arm's length application of the Code or is also made available to all other Code participants on the same terms and conditions.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>Part 3 Meters and metering installations</b>								
319	Clause 3.1	A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act.	2	Moderate	Probable	Medium	Moderate	Priority 4
320	Clause 3.2(1)	An accumulation meter must at least conform to the requirements specified in the applicable metrology procedure and display, or permit access to a display of the measurements specified in subclauses 3.2(1)(a)(b) using dials, a cyclometer, an illuminated display panel or some other visual means.	2	Moderate	Probable	Medium	Strong	Priority 4
321	Clause 3.3(1)	An interval meter must at least have an interface to allow the interval energy data to be downloaded in the manner prescribed using an interface compatible with the requirements specified in the applicable metrology procedure.	2	Moderate	Probable	Medium	Strong	Priority 4
322	Clause 3.3(3)	If a metering installation is required to include a communications link, the link must (where necessary), include a modem and isolation device approved under the relevant telecommunications regulations, to allow the interval energy data to be downloaded in the manner prescribed.	2	Moderate	Probable	Medium	Strong	Priority 4
323	Clause 3.3A(1)	A network operator must ensure that bidirectional 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.	2	Moderate	Probable	Medium	Moderate	Priority 4
324	Clause 3.3B	A user who is aware of bi-directional flows at a metering point which was not previously subject to a bi-directional electricity flows or any changes in a customer's or user's circumstances in a metering point which will result in bi-directional electricity flows must notify the network operator within 2 business days.	2	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
325	Clause 3.3C	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>	2	Moderate	Probable	Medium	Moderate	Priority 4
326	Clause 3.5(1) and (2)	A network operator must ensure that there is a metering installation at every connection point on its network which is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.	2	Moderate	Probable	Medium	Strong	Priority 4
327	Clause 3.5(3)	A network operator must, unless otherwise agreed, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and, subject to subclause 3.7(5), maintain the metering installation in the manner prescribed.	2	Moderate	Probable	Medium	Moderate	Priority 4
328	Clause 3.5(4)	A network operator must ensure that, except for a Type 7 metering installation, the metering point for a revenue metering installation is located as close as practicable to the connection point in accordance with good electricity industry practice.	2	Moderate	Probable	Medium	Weak	Priority 3
329	Clause 3.5(6)	A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.	2	Moderate	Probable	Medium	Moderate	Priority 4
330	Clause 3.5(9)	If a network operator becomes aware that a metering installation does not comply with the Code, the network operator must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.	2	Moderate	Probable	Medium	Moderate	Priority 4
331	Clause 3.7	All devices that may be connected to a telecommunications network must be compatible with the telecommunications network and comply with all applicable State and Commonwealth enactments.	2	Moderate	Probable	Medium	Strong	Priority 4
332	Clause 3.8	Subject to clause 3.27, a network operator must, for each metering installation on its network, ensure that the metering installation is secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorized access and enable unauthorized access to be detected.	2	Moderate	Probable	Medium	Strong	Priority 4
333	Clause 3.9(3)	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 specified in Table 3 in Appendix 1 of the Code.	2	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
334	Clause 3.9(7)	For a metering installation used to supply a customer with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, the metering installation must meet the relevant accuracy requirements of Type 3 metering installation for active energy only.	2	Moderate	Probable	Medium	Moderate	Priority 4
335	Clause 3.9(9)	If compensation is carried out within the meter then the resultant metering system error must be as close as practicable to zero.	2	Moderate	Probable	Medium	Strong	Priority 4
336	Clause 3.10	A network operator must ensure that any programmable settings within any of its metering installations, data loggers or peripheral devices, that may affect the resolution of displayed or stored data, meet the relevant requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines specified by the National Measurement Institute under the National Measurement Act.	2	Moderate	Probable	Medium	Strong	Priority 4
337	Clause 3.11(1)	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 to permit collection of data within the time specified in the applicable service level agreement, for at least the percentages of the year specified.	2	Moderate	Probable	Medium	Moderate	Priority 4
338	Clause 3.11(2)	If an outage or malfunction occurs to a metering installation, the network operator must make repairs to the metering installation in accordance with the applicable service level agreement.	2	Moderate	Probable	Medium	Weak	Priority 3
339	Clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	2	Moderate	Probable	Medium	Moderate	Priority 4
340	Clause 3.11A(1)	A network operator must ensure that the meters on its network are systematically sampled and tested for accuracy in accordance with AS 1284.13.	2	Moderate	Probable	Medium	Moderate	Priority 4
341	Clause 3.11A(2)	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 the meters that make up the population are removed and replaced with new meters within 3 years of the testing of the population.	2	Moderate	Probable	Medium	Moderate	Priority 4
342	Clause 3.12(1)	A network operator must ensure that each metering installation complies with, at least, the prescribed design requirements.	2	Moderate	Probable	Medium	Moderate	Priority 4
343	Clause 3.12(2)	A network operator must ensure that instrument transformers in its metering installations comply with the relevant requirements of any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act and any requirements specified in the applicable metrology procedure.	2	Moderate	Probable	Medium	Strong	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
344	Clause 3.12(3)	A network operator must provide isolation facilities, to the standard of good electricity industry practice, to facilitate testing and calibration of the metering installation.	2	Moderate	Probable	Medium	Strong	Priority 4
345	Clause 3.12(4)	A network operator must maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes.	2	Moderate	Probable	Medium	Strong	Priority 4
346	Clause 3.13(1)	A network operator must procure the user or the user's customer to install (or arrange for the installation of) a full check metering installation or partial check metering installation in accordance with the prescribed requirements.	2	Moderate	Probable	Medium	Moderate	Priority 4
347	Clause 3.13(3)(c)	A partial check metering installation must be physically arranged in a manner determined by the network operator, acting in accordance with good electricity industry practice.	2	Moderate	Probable	Medium	Strong	Priority 4
348	Clause 3.13(4)	A check metering installation for a metering point must comply with the prescribed requirements.	2	Moderate	Probable	Medium	Strong	Priority 4
349	Clause 3.14(3)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
350	Clause 3.16(1)	The network operator must ensure that a Type 1 metering installation to Type 5 metering installation on the network has the facilities and functionality prescribed.	2	Moderate	Probable	Medium	Moderate	Priority 4
351	Clause 3.16(2)	The network operator must ensure that a Type 1 metering installation to Type 4 metering installation on the network includes a communications link.	2	Moderate	Probable	Medium	Moderate	Priority 4
352	Clause 3.16(3)	If a device is used as a data logger, the energy data for a metering point on the network must be collated in trading intervals or sub-multiples of a trading interval within the metering installation.	2	Moderate	Probable	Medium	Moderate	Priority 4
353	Clause 3.16(3A)	If, under subclause 3.16(3), energy data for a metering point on the network is collated in sub-multiples of a trading interval, then the network operator must aggregate the energy data into trading intervals before providing it to a Code participant unless the Code participant agrees otherwise.	2	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
354	Clause 3.18(1)	The metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements if the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract and in circumstances when, immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract.	2	Moderate	Probable	Medium	Moderate	Priority 4
355	Clause 3.20(1)	If reasonably requested by a Code participant, a network operator must provide enhanced technology features in a metering installation.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
356	Clause 3.20(3)	A network operator may only impose a charge for the provision of metering installations with enhanced technology features in accordance with the applicable service level agreement between it and the user.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
357	Clause 3.21(1)	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.	2	Moderate	Probable	Medium	Weak	Priority 3
358	Clause 3.21(2)	If a metering installation includes measurement elements and an internal data logger at the same site, it must include facilities on site for storing the interval energy data for the periods prescribed.	2	Moderate	Probable	Medium	Strong	Priority 4
359	Clause 3.22	A network operator providing one or more metering installations with enhanced technology features must be licensed to use and access the metering software applicable to all devices being installed and be able to program the devices and set parameters.	2	Moderate	Probable	Medium	Strong	Priority 4
360	Clause 3.23(a)	Where signals are provided from the meter for the user or the user's customer use, a network operator must ensure that signals are isolated by relays or electronic buffers to prevent accidental or malicious damage to the meter.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
361	Clause 3.23(b)	Where signals are provided from the meter for the user or the user's customer use, a network operator must provide the user or the user's customer with sufficient details of the signal specification to enable compliance with clause 3.23(c) of the Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
362	Clause 3.24A(1)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
363	Clause 3.24B(1)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
365	Clause 3.29	A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.	2	Moderate	Probable	Medium	Weak	Priority 3

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
<b>Part 4 The metering database</b>								
366	Clause 4.1(1)	A network operator must establish, maintain and administer a metering database containing, for each metering point on its network, standing data and energy data.	2	Moderate	Probable	Medium	Moderate	Priority 4
367	Clause 4.1(2)	A network operator must ensure that its metering database and associated links, circuits, information storage and processing systems are secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorized access and enable unauthorized access to be detected.	2	Moderate	Probable	Medium	Moderate	Priority 4
368	Clause 4.1(3)	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 2 business days after the day of any disaster.	2	Moderate	Probable	Medium	Weak	Priority 3
369	Clause 4.2(1)	A network operator must ensure that its registry complies with the Code and the prescribed clause of the market rules.	2	Moderate	Probable	Medium	Moderate	Priority 4
370	Clause 4.3(1)	The standing data for a metering point must comprise at least the items specified.	2	Moderate	Probable	Medium	Strong	Priority 4
371	Clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the network operator must liaise together to determine the most appropriate way to resolve a discrepancy.	NR	Minor	Unlikely	Low	Moderate	Priority 5
372	Clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	NR	Minor	Unlikely	Low	Moderate	Priority 5
374	Clause 4.6(1)	If the network operator is notified of a change to, or inaccuracy in, an item of standing data by a Code participant which is the designated source for the item of standing data 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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
375	Clause 4.6(2)	If a network operator is notified of a change to or inaccuracy in an item of standing data by a Code participant which is not the designated source for the item of standing data, or otherwise becomes aware of a change to or inaccuracy in an item of standing data, then the network operator must undertake investigations to the standard of good electricity industry practice to determine whether the registry should be updated, and update the registry as required.	2	Moderate	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
376	Clause 4.7	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.	2	Moderate	Probable	Medium	Weak	Priority 3
377	Clause 4.8(3)	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 which provides 'read only' access.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
378	Clause 4.8(3A)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
379	Clause 4.8(4)(a)	A network operator must have devices and methods in place that ensure that energy data held in its metering installation is secured from unauthorised local or remote access using the methods prescribed	2	Moderate	Probable	Medium	Strong	Priority 4
380	Clause 4.8(4)(a)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
381	Clause 4.8(5)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
382	Clause 4.9	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 subclause 5.24) for at least the periods, and with the level of accessibility, prescribed.	2	Moderate	Probable	Medium	Moderate	Priority 4
<b>Part 5 Metering services</b>								
383	Clause 5.1 (1)	A network operator must use all reasonable endeavours to accommodate another Code participant's requirement to obtain a metering service and requirements in connection with the negotiation of a service level agreement.	NR	Minor	Unlikely	Low	Moderate	Priority 5



No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
384	Clause 5.1(2)	Without limiting subclause 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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
385	Clause 5.3	A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database by no later than 2 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).	2	Moderate	Probable	Medium	Weak	Priority 3
386	Clause 5.4(1)	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.	2	Moderate	Probable	Medium	Weak	Priority 3
387	Clause 5.4(1A)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
389	Clause 5.5(2)	Subject to subclause 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 subclause 5.17A(1), in accordance with the prescribed conditions.	2	Moderate	Unlikely	Low	Moderate	Priority 5
390	Clause 5.5(2A)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
391	Clause 5.6(1)	Subject to subclause 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 within the timeframes prescribed in subclause 5.6(1)(2).	2	Moderate	Probable	Medium	Weak	Priority 3
392	Clause 5.7	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 within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
393	Clause 5.8	A network operator must provide a user with whatever information the network operator has that is necessary to enable the user to comply with its obligations under the Code of Conduct, within the time necessary for the user to comply with the obligations.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
394	Clause 5.9	A network operator must provide standing data, provided to or obtained by it under this Code, to users where required to do so under any enactment.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
395	Clause 5.10	A network operator must provide a subset of the standing data to a retailer in accordance with the provisions of Annex 4 of the Customer Transfer Code.	2	Moderate	Probable	Medium	Moderate	Priority 4
396	Clause 5.11	If a transfer occurs at a connection point, then within 2 business days after the transfer date, as defined in the Customer Transfer Code, the a network operator must provide the incoming retailer with a copy of the standing data for each metering point associated with the connection point.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
397	Clause 5.12(1)	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 a network operator must provide a user with a complete set of energy data for the a metering point within the timeframes prescribed.	2	Moderate	Probable	Medium	Weak	Priority 3
398	Clause 5.13	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
399	Clause 5.14(3)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
400	Clause 5.15	If a network operator provides energy data to a user or the IMO it must also provide the date of the meter reading in accordance with the requirements specified.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
403	Clause 5.17A(1)	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 subclause 5.17A(2).	2	Moderate	Probable	Medium	Moderate	Priority 4
404	Clause 5.17A(3)	A network operator must comply with a direction under subclause 5.17A(1) within the timeframes prescribed.	2	Moderate	Probable	Medium	Weak	Priority 3
409	Clause 5.19(5)	A network operator must give notice to a user, or (if there is a different current user) the current user, acknowledging receipt of any customer, site or address attributes from the user within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
411	Clause 5.20(1)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
412	Clause 5.20(2)	An Energy Data Verification Request Form must require a Code participant to provide the information prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
413	Clause 5.20(4)	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.	2	Moderate	Probable	Medium	Weak	Priority 3
414	Clause 5.21(2)	A network operator must comply with any reasonable request under subclause 5.21(1)	2	Moderate	Unlikely	Medium	Moderate	Priority 4
415	Clause 5.21(4)	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.	2	Moderate	Probable	Medium	Weak	Priority 3
418	Clause 5.21(8)	A network operator may only impose a charge for the testing of the metering installations, or auditing of information from the meters associated with the metering installations, or both, in accordance with the applicable service level agreement between it and the user.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
419	Clause 5.21(9)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
420	Clause 5.21(11)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
421	Clause 5.21(12)	The original stored error correction data in a meter must not be altered except during accuracy testing and calibration of a metering installation.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
422	Clause 5.22(1)	A network operator must validate energy data in accordance with this Code applying, as a minimum, the prescribed rules and procedures 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.	2	Moderate	Probable	Medium	Moderate	Priority 4
423	Clause 5.22(2)	The network operator must use check metering data, where available, to validate energy data provided that the check metering data has been appropriately adjusted for differences in metering installation accuracy in accordance with subclause 3.13.	2	Moderate	Probable	Medium	Strong	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
424	Clause 5.22(3)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
425	Clause 5.22(4)	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
426	Clause 5.22(5)	Substitution or estimation of energy data is required when energy data is missing, unavailable or corrupted, including in the circumstances described in this subclause.	2	Moderate	Probable	Medium	Strong	Priority 4
427	Clause 5.22(6)	A network operator must review all validation failures before undertaking any substitution.	2	Moderate	Probable	Medium	Strong	Priority 4
428	Clause 5.23(1)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
429	Clause 5.23(3)	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 subclauses 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.	2	Moderate	Probable	Medium	Strong	Priority 4
430	Clause 5.24(1)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
431	Clause 5.24(2)	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.	2	Moderate	Probable	Medium	Strong	Priority 4
432	Clause 5.24(3)	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.	2	Moderate	Probable	Medium	Strong	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
433	Clause 5.24(4)	A network operator (acting in accordance with good electricity industry practice) must consider any reasonable request from a Code participant for an estimated or substituted value to be replaced under subclause 5.24.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
434	Clause 5.25	A network operator must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure and ensure that any transformation or processing of data preserves its accuracy in accordance with the metrology procedure.	2	Moderate	Probable	Medium	Weak	Priority 3
436	Clause 5.29	If a network operator makes an election under subclause 5.28 in respect of a network, then, (unless the election is terminated under the meter data agency agreement) the parties must undertake the activities prescribed, as applicable.	2	Moderate	Probable	Medium	Strong	Priority 4
437	Clause 5.30(1)	If a network operator makes an election under subclause 5.28 in relation to the network, then the parties must enter into an agreement in relation to the network, which must deal with at least the matters prescribed.	2	Moderate	Unlikely	Medium	Strong	Priority 4
438	Clause 5.31(1)	If a network operator makes an election under subclause 5.28 in relation to a network, the electricity networks corporation must assess the compliance of each metering installation in the network with this Code and notify the electing network operator of each non-compliant metering installation.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
439	Clause 5.31(2)	For each non-compliant metering installation notified under subclause 5.31(1)(b), the electing network operator may, by notice to the electricity networks corporation, require the electricity networks corporation to upgrade a non-compliant metering installation, in which case the electricity networks corporation must undertake the upgrade in accordance with the metering data agency agreement and good electricity industry practice.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
440	Clause 5.34(2)	Except to the extent that the metering data agency agreement provides otherwise, the costs which may be recovered by the electricity networks corporation under subclause 5.34(1) must not exceed the amounts prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
441	Clause 5.37(1)(a)	A network operator must for the year ending on each 30 June, prepare a report setting out the information listed in subclause 5.37(2) for each metering service it was requested during the year to provide or scheduled during the year to carry out.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
442	Clause 5.37(1)(b)	A network operator must provide a copy of the report described in subclause 5.37(1)(a) to the Minister and the ERA not less than 5 business days before it is published under subclause 5.37(3).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
443	Clause 5.37(1)(b)	A network operator must publish the report described in subclause 5.37(1) within 3 months after the year ends.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
444	Clause 5.37(2)	The report prepared by the network operator must include the information prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
445	Clause 5.37(3)	For each relevant metering service, the information in subclause 5.37(2) must be reported separately for the specified classes of connection point.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
446	Clause 5.38	A network operator must keep such records of information as are required for the purposes of subclause 5.37, and must retain the information (in a format that is accessible within a reasonable period of time) for at least 7 years after the day on which a report containing the information is published under subclause 5.37(1)(c).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>Part 6 Documentation</b>								
447	Clause 6.1(1)	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.	2	Moderate	Likely	High	Moderate	Priority 2
448 A	Clause 6.2	A network operator must, as soon as practicable and in any event no later than 6 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).	NR	Minor	Unlikely	Low	Moderate	Priority 5
448 B	Electricity Industry Metering Code, clause 6.18	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
448 C	Electricity Industry Metering Code, clause 6.19A(1)	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
448 D	Electricity Industry Metering Code, clause 6.19B(1)	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
449	Clause 6.20(4)	A network operator must amend any document in accordance with the Authority's final findings.	NR	Minor	Unlikely	Low	Moderate	Priority 5
450	Clause 6.20(5)	The network operator must publish any document that has been amended under subclause 6.20(4).	2	Moderate	Probable	Medium	Moderate	Priority 4
<b>Part 7 Notes and confidential information</b>								
451	Clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	NR	This obligation is on the code participant, which is not Western Power.				
452	Clause 7.2(2)	A network operator must notify each Code participant of its initial contact details and of any change to its contact details at least 3 business days before the change takes effect.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
453	Electricity Industry Metering Code, clause 7.2(4)	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
454	Electricity Industry Metering Code, clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
455	Electricity Industry Metering Code, clause 7.5	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	2	Moderate	Probable	Medium	Weak	Priority 3
456	Electricity Industry Metering Code, clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>Part 8 Dispute resolution</b>								
457	Clause 8.1(1)	If any dispute arises between any Code participants then (subject to subclause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5
458	Clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5
459	Clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5
460	Clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
461	Clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	NR	Minor	Unlikely	Low	Moderate	Priority 5

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
<b>15 Electricity Industry (Network Quality and Reliability of Supply) Code – Licence Conditions and Obligations</b>								
462	Clause 5(1)	A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards.	NR	Minor	Probable	Low	Strong	Priority 5
463	Clause 8	A distributor or transmitter must, so far as reasonably practicable, disconnect the supply of electricity to installations or property in specified circumstances, unless it is in the interest of the customer to maintain the supply.	NR	Minor	Probable	Low	Strong	Priority 5
464	Clause 9	A distributor or transmitter must, as far as reasonably practicable, ensure that the supply of electricity is maintained and the occurrence and duration of interruptions is kept to a minimum.	NR	Minor	Probable	Low	Moderate	Priority 5
465	Clause 10(1)	A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer.	NR	Minor	Probable	Low	Strong	Priority 5
466	Clause 10(2)	A distributor or transmitter must consider whether, in specified circumstances, it should supply electricity by alternative means to a customer who will be affected by a proposed interruption.	NR	Minor	Probable	Low	Strong	Priority 5
467	Clause 12(3)	A distributor must take prescribed action in the event of a significant interruption to a small use customer.	2	Moderate	Probable	Moderate	Weak	Priority 3
468	Clause 13(2)	A distributor or transmitter must, so far as reasonably practicable, ensure that customers in specified areas do not have average total lengths of interruptions of supply greater than specified durations.	NR	Minor	Probable	Low	Strong	Priority 5
469	Clause 13(3)	The average total length of interruptions of supply is to be calculated using the specified method.	2	Moderate	Unlikely	Medium	Strong	Priority 4
470	Clause 14(8)	A distributor or transmitter must, on request, provide to an affected customer a free copy of an instrument issued by the Minister and of any notice given under section 14(7) of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
471	Clause 15(2)	A distributor or transmitter that agrees with a customer to exclude or modify certain provisions must set out the advantages and disadvantages to the customer of doing so in their agreement.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
472	Clause 18	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.	2	Moderate	Probable	Medium	Weak	Priority 3
473	Clause 19	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.	2	Moderate	Probable	Medium	Weak	Priority 3



No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
474	Clause 21(1)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
475	Clause 21(2)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
476	Clause 21(3)	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
477	Clause 23(1)	A distributor or transmitter must take all such steps as are reasonably necessary to monitor the operation of its network to ensure compliance with specified requirements.	NR	Minor	Probable	Low	Strong	Priority 5
478	Clause 23(2)	A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified.	2	Moderate	Probable	Medium	Strong	Priority 4
479	Clause 24(3)	A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
480	Clause 24(4)	A distributor or transmitter must report the results of an investigation to the customer concerned.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
481	Clause 25(2)	A distributor or transmitter must make available, at no cost, a copy of a document setting out its complaint handling processes to a small customer who makes a complaint to the distributor or transmitter or who asks to be given such information.	2	Moderate	Probable	Medium	Strong	Priority 4
482	Clause 25(3)	A document setting out a distributor's or transmitter's complaint handling process must contain the specified information.	2	Moderate	Probable	Medium	Strong	Priority 4
483	Clause 26	A distributor or transmitter must arrange for an independent audit and report on its systems for monitoring, and its compliance with specific requirements. This is to be carried out in respect of the operation of such systems during each year ending on 30 June.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
484	Clause 27(1)	A distributor or transmitter must prepare and publish a report about its performance in accordance with specified requirements.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
485	Clause 27(3)	A distributor or transmitter must give a copy of its report about its performance to the Minister and the ERA within the specified period.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
<b>16 Electricity Licences - Licensee Specific Conditions and Obligations</b>								
490	Electricity Industry Act section 61 and 65	The licensee must submit to the Coordinator a draft extension and expansion policy within the specified timeframe.	2	Moderate	Probable	Medium	Moderate	Priority 4
491	Electricity Industry Act section 62, 64 and 65	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.	2	Moderate	Probable	Medium	Moderate	Priority 4
492	Electricity Industry Act section 65	The licensee must implement arrangements set out in an approved extension and expansion policy.	2	Moderate	Probable	Medium	Moderate	Priority 4
493	Electricity Industry Act, section 11	The licensee will operate and maintain a trouble call fault management system.	2	Moderate	Probable	Medium	Moderate	Priority 4
494	Electricity Industry Act, section 11	The licensee must provide prior notification to the ERA if it intends to outsource its trouble call fault management system.	2	Moderate	Probable	Medium	Moderate	Priority 4
<b>The following obligations were removed from the July 2016 Reporting Manual and are applicable only for the period 1 July 2014 to 30 June 2016</b>								
237 A	Code of Conduct clause 7.7(3)	Where a distributor has been informed by a retailer of a change of the customer's life support equipment, or that the customer no longer requires registration as a life support customer under subclause 7.7(2), the distributor must comply with subclause 7.7(3).	2	Moderate	Probable	Medium	Moderate	Priority 4
293	Code of Conduct clause 10.10(3)	A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices.	2	Moderate	Probable	Medium	Moderate	Priority 4
<b>The following obligations were removed from the October 2016 Reporting Manual and are applicable only for the period 1 July 2014 to 30 September 2016</b>								
68	Electricity Industry Customer Transfer Code, Annex 6, clause A6.2(a)	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.	NR	Minor	Probable	Low	Moderate	Priority 5
69	Electricity Industry Customer Transfer Code, Annex 6, clause A6.2(b)	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	2	Moderate	Probable	Medium	Moderate	Priority 4
70	Electricity Industry Customer Transfer Code, Annex 6, clause A6.6	The originator of an electronic communication must identify itself be identified in the communication.	NR	Minor	Probable	Low	Moderate	Priority 5
71	Electricity Industry Customer Transfer Code, Annex 6, clause A6.7	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.	NR	Minor	Probable	Low	Moderate	Priority 5

\*Obligation numbers obtained from the September 2014 Reporting Manual.

# Appendix 3 – Previous audit recommendations

The information for the below issues has been sourced from the 2014 Post Audit Implementation Plan (PAIP).

<p><b>Issue 1/2014</b>          Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 39: Electricity Industry Customer Transfer Code clause 4.11(3)</u>          Sample-based testing did not identify any instances where Western Power did not work with incoming retailers to negotiate a new nominated transfer date.          However, enquires with the Finance, Treasury and Risk Team and review of Western Power's 2014 Breach Register revealed that Western Power had not negotiated a new transfer date with the incoming retailer, specifically, for those instances where Type 5 meters were not read on the nominated transfer date.</p>	
<p><b>Recommendation 1/2014</b>          Implement a solution that facilitates the timely completion of service orders for manually read Type 5 meters on the nominated transfer date.</p>	<p><b>Action Plan 1/2014</b>          Implement a new process (an appointment-based service) to manually read Type 5 meters to ensure that Type 5 meters are read on the nominated transfer date.  <b>Responsible Person</b>          Finance, Treasury &amp; Risk (Revenue)  <b>Target Date</b></p> <ul style="list-style-type: none"> <li>• 31 December 2014, if the service is able to be provided by the current service provider.</li> <li>• 30 June 2015, if required to source another service provider.</li> </ul>
<p><b>Issue 2/2014</b>          Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 41: Electricity Industry Customer Transfer Code clause 4.13</u>          Sample-based testing of 35 customer transfer requests revealed three instances where Western Power did not give an electronic notice of the transfer and the transfer date to the incoming retailer and previous retailer within the prescribed timeframe.</p>	
<p><b>Recommendation 2/2014</b>          Where Western Power is unable to perform a transfer on the nominated transfer date, negotiate with the incoming retailer to determine a new nominated transfer date in accordance with 4.11(3) of the Transfer Code.</p>	<p><b>Action Plan 2/2014</b>          Review and, if possible, improve Western Power's current process to ensure that when it is not able to read a meter on the nominated transfer date, Western Power and the incoming retailer work together to agree a new transfer date.  <b>Responsible Person</b>          Finance, Treasury &amp; Risk (Revenue)  <b>Target Date</b>          31 October 2014</p>

<p><b>Issue 3/2014</b>                  Applicability to Licence: Electricity Distribution Licence only  <u>Obligation 77: Electricity Industry (Obligation to Connect) Regulations regulation 8</u>                  Whilst our sample-based testing did not identify any exceptions with respect to the energising of premises, a review of the new connections compliance report and discussions with the Customer Connections Team revealed that there were instances where Western Power did not energise premises within the timeframe specified under regulation 8.2 of the Code.                  There were approximately 584 out of 53,527 energisation service orders for the 2012-2014 audit period that were not completed within the timeframes prescribed.</p>	
<p><b>Recommendation 3/2014</b>                  Where technical and capacity issues are identified, negotiate with the customer a revised date and mutually agree to that date in accordance with regulation 8.2.</p>	<p><b>Action Plan 3/2014</b>                  Continue to monitor performance and when issues are identified, and where possible, negotiate a mutually agreed revised date with the customer.  <b>Responsible Person</b>                  Customer Service (Connection Services)  <b>Target Date</b>                  N/A (continuous monitoring)</p>

<p><b>Issue 4/2014</b>                  Applicability to Licence: Electricity Distribution Licence only  <u>Obligation 237: Code of Conduct clause 8.2</u>                  Whilst sample-based testing did not reveal any exceptions, our review of Western Power’s 2013 Annual Compliance Report and the 2014 Breach Register identified that Western Power had reported instances where reconnections were not performed within the timeframes prescribed.</p>	
<p><b>Recommendation 4/2014</b>                  Review current resource capacity and, if appropriate, develop an improved resource plan.</p>	<p><b>Action Plan 4/2014</b>                  Review current resource capacity and, if appropriate, develop an improved resource plan.  <b>Responsible Person</b>                  Field Operations (Metering Services)  <b>Target Date</b>                  31 December 2014</p>

<p><b>Issue 5/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only</p> <p><u>Obligation 294: Code of Conduct clause 12.1(1)</u></p> <p>Discussions with the Complaints &amp; Resolution Team revealed that Western Power has developed an internal process for handling complaints and resolving disputes.</p> <p>However, review of Western Power’s 2014 Breach Register revealed that on 30 June 2014, a Customer Service Centre staff member failed to record a complaint in Western Power’s customer management system in circumstances where the customer expressed dissatisfaction in relation to a complaint that had previously been closed by Western Power.</p>	
<p><b>Recommendation 5/2014</b></p> <p>Reinforce to Customer Service Centre staff the importance of recording complaints in accordance with the complaints handling procedure.</p>	<p><b>Action Plan 5/2014</b></p> <p>Western Power has already completed the following actions:</p> <ol style="list-style-type: none"> <li>1. Counselling the Western Power employee who failed to record the complaint regarding the incident and the consequences of his inadvertence.</li> <li>2. Conducted refresher training for all staff in the Complaints &amp; Resolutions area regarding the limitations on customer disconnections under the Code of Conduct and Western Power’s policies and procedures to ensure compliance with the Code of Conduct.</li> <li>3. Modified Western Power’s customer management system to extend the time period for maintaining a complaint in Western Power’s system from one month to two months. This allows for additional time to ensure the complaint is fully resolved.</li> </ol> <p><b>Responsible Person</b> Customer Service (Customer Experience)</p> <p><b>Target Date</b> 31 July 2014</p>

<p><b>Issue 6/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only</p> <p><u>Obligation 296: Code of Conduct clause 12.1(3)</u></p> <p>Whilst our sample-based testing did not reveal any exceptions, our enquiries with the Complaints and Resolution Team revealed that Western Power did not record customer dissatisfaction calls that were resolved at first contact as a complaint, prior to the implementation of the management action from the 2012 Performance Audit in January 2013.</p> <p>Further, discussion with the Customer Service Centre Team also revealed that during the audit period Western Power had identified instances where its call centre operators were not correctly distinguishing an enquiry from a complaint in accordance with the Complaints Handling Process. As a result, the respective customers were not notified of their rights to have their complaint escalated in accordance with the Code of Conduct.</p>	
<p><b>Recommendation 6/2014</b></p> <ol style="list-style-type: none"> <li>1. Provide a more focussed training program that would enable Western Power’s Customer Service Centre staff to differentiate a complaint from an enquiry. Further, strengthen the monitoring process around first contacts to ensure that a correct classification of that contact is made.</li> <li>2. Reinforce the requirement to Customer Service Centre staff of Western Power’s obligations to advise customers who articulate dissatisfaction of their right of escalation under subclause 12.1(3)(a).</li> </ol>	<p><b>Action Plan 6/2014</b></p> <ol style="list-style-type: none"> <li>1. Transfer the accountability for reviewing first call resolution contacts that have been logged as a possible complaint from a senior service representative to the Complaints Team Leader to ensure correct classification is made.</li> <li>2. Implement a revised process for advising customers of their right to escalate an issue, should it be classified as a complaint, which was resolved during the first call.</li> <li>3. Review and modify the Complaints Handling Process, by formalising complaint reporting and classification, to better enable compliance with Code of Conduct obligations.</li> <li>4. Implement a training module for the Complaints Handling Process addressing the customer’s right to escalate to a complaint those issued resolved at first call.</li> </ol> <p><b>Responsible Person</b> Customer Service (Customer Service Centre)</p> <p><b>Target Date</b> 31 August 2014 (#1) 31 October 2014 (#2-4)</p>

<p><b>Issue 7/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only  <u>Obligation 302: Code of Conduct clause 13.1(3)</u></p> <p>Discussions with various Western Power personnel, as well as a review of records of information specified within sub clause 13.1(3), revealed that Western Power had a process and methodology in place to facilitate its compliance with this obligation.</p> <p>However, as a result of the non-compliances identified for licence obligations 294, 296, 315 and 316, we have concluded that Western Power did not retain accurate nor complete records as required under clause 13.1(3) of the Code of Conduct.</p>	
<p><b>Recommendation 7/2014</b></p> <p>Refer to Issues 5/2014 and 6/2014 above.</p>	<p><b>Action Plan 7/2014</b></p> <p>Refer to Issues 5/2014 and 6/2014 above.</p>
<p><b>Issue 8/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only  <u>Obligation 315: Code of Conduct clause 13.10(1)</u></p> <p>Enquiries with the Complaints and Resolution Team revealed that Western Power personnel did not record customer complaints that were resolved at first contact prior to the implementation of the management action from the 2012 Performance Audit in January 2013.</p> <p>Further, enquiries with the Customer Service Team revealed that, within the audit period, there were instances where customer dissatisfaction had been expressed, but a complaint had not been recorded.</p>	
<p><b>Recommendation 8/2014</b></p> <p>Refer to Issues 5/2014 and 6/2014 above.</p>	<p><b>Action Plan 8/2014</b></p> <p>Refer to Issues 5/2014 and 6/2014 above.</p>
<p><b>Issue 9/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only  <u>Obligation 316: Code of Conduct clause 13.10(2)</u></p> <p>Discussions with the Complaints and Resolution Team revealed that Western Power has a process and methodology in place to facilitate the record keeping of information in accordance with 13.10(1) of the Code of Conduct.</p> <p>Sample-based testing did not reveal any instances where the details of a complaint had not been recorded in accordance with the Code of Conduct. However, as a result of observations in respect of licence obligations 294, 296 and 315, we have concluded that Western Power did not retain accurate and complete records as required under this clause.</p>	
<p><b>Recommendation 9/2014</b></p> <p>Refer to Issues 5/2014 and 6/2014 above.</p>	<p><b>Action Plan 9/2014</b></p> <p>Refer to Issues 5/2014 and 6/2014 above.</p>
<p><b>Issue 10/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only  <u>Obligation 323: Code of Conduct clause 13.16</u></p> <p>Discussions with the Customer Services Team, as well as a review of the annual report prepared by Western Power, confirmed that Western Power has a process and methodology in place to facilitate compliance with this obligation.</p> <p>However, as a result of our observations in respect of licence obligations 294, 296, 302, 315 and 316, it was determined that elements of information provided in the report were inaccurate or incomplete.</p>	
<p><b>Recommendation 10/2014</b></p> <p>Refer to Issues 5/2014 and 6/2014 above.</p>	<p><b>Action Plan 10/2014</b></p> <p>Refer to Issues 5/2014 and 6/2014 above.</p>

<p><b>Issue 11/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 349: Electricity Industry Metering Code clause 3.5(4)</u></p> <p>Review of Western Power’s 2014 Breach Register revealed an instance where a metering point for a High Voltage (HV) revenue metering installation was not located as close as practicable to the connection point.</p> <p>Discussions with the Metering Services Team revealed that Western Power was in the process of coordinating the installation of a replacement HV unit, which is required to be specifically designed and manufactured for the site.</p>	
<p><b>Recommendation 11/2014</b></p> <p>Complete the installation of the replacement HV unit and remove the temporary LV meter.</p>	<p><b>Action Plan 11/2014</b></p> <p>Installation of the replacement HV unit and removal of the temporary LV meter will be completed as soon as an appropriate meter is available.</p> <p><b>Responsible Person</b> Field Operations (Metering Services)</p> <p><b>Target Date</b> 31 October 2014</p>

<p><b>Issue 12/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 359: Electricity Industry Metering Code clause 3.11(2)</u></p> <p>Sample-based testing of 35 service orders noted the existence of requests for the repair of metering installations. Sixteen instances were detected where the repairs of the meters were not performed within the timeframe agreed within the SLA.</p>	
<p><b>Recommendation 12/2014</b></p> <p>Implement a solution that would enable Western Power to comply with the applicable SLA.</p>	<p><b>Action Plan 12/2014</b></p> <ol style="list-style-type: none"> <li>1. Approach the retailer to seek assistance in securing access to the relevant sites.</li> <li>2. Review current resource capacity and, if appropriate, develop an improved resource plan.</li> </ol> <p><b>Responsible Person</b> Field Operations (Metering Services)</p> <p><b>Target Date</b> 30 September 2014 (#1) and 31 December 2014 (#2)</p>



<p><b>Issue 13/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences</p> <p><u>Obligation 378: Electricity Industry Metering Code clause 3.21(1)</u></p> <p>Discussions with the Finance, Treasury and Risk Team revealed that Western Power has mechanisms in place to monitor time drift over a period of 1 month. However, sample-based testing revealed 5 out of 35 instances within the audit period where meters with an internal time clock were unable to maintain time accuracy as prescribed.</p> <p>The maintenance of time drift is managed by MV90, which has allocated servers. MV90 utilises the system clock to measure and report on time drift over the month. The time accuracy for Type 1 – 5 meters are contingent on the MV90 and MVRS servers maintaining time within the timeframes prescribed. Review of the Time Drift Compliance Report identified approximately 60% of the relevant meters were not compliant, specifically in July and August 2013.</p> <p>In June 2014, Western Power completed an infrastructure upgrade that mitigated the risk of servers altering a time source on relocation or upgrade. Further, Western Power conducted a review of test plans to verify of accuracy of time details.</p> <p>Based on discussions held, sample-based testing performed and a review of relevant documentation, we determine that Western Power was not compliant with this licence obligation during the audit period.</p>	
<p><b>Recommendation 13/2014</b></p> <p>Continue to monitor time accuracy as prescribed and correct the time drift in meters where inaccuracies are identified.</p>	<p><b>Action Plan 13/2014</b></p> <p>Continue to monitor time accuracy as prescribed and, where possible, correct the time drift in meters where inaccuracies are identified.</p> <p><b>Responsible Person</b></p> <p>Finance, Treasury &amp; Risk (Revenue)</p> <p><b>Target Date</b></p> <p>Ongoing (Monthly)</p>

<p><b>Issue 14/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences</p> <p><u>Obligation 386: Electricity Industry Metering Code clause 3.29</u></p> <p>Discussions with the Meter Installations Team and review of the list published by Western Power noted that it did not include the type of work the registered metering installation provider is authorised to carry out.</p>	
<p><b>Recommendation 14/2014</b></p> <p>That the published list be reviewed and amended to ensure its content addresses the Metering Code requirement to include the type of work the registered metering installation provider is authorised to carry out.</p>	<p><b>Action Plan 14/2014</b></p> <p>No further action required.</p> <p><i>Note that Western Power's PAIP stated that an amended list was published on 11 July 2014.</i></p> <p><b>Responsible Person</b></p> <p>Field Operations (Metering Services)</p> <p><b>Target Date</b></p> <p>N/A</p>

<p><b>Issue 15/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences</p> <p><u>Obligation 389: Electricity Industry Metering Code clause 4.1(3)</u></p> <p>Discussions held with the Information and Communication Technology team as well as a review of Western Power’s Disaster Recovery Plan (DRP) revealed that a plan is in place to address a potential failure of its primary metering database in the event of a disaster.</p> <p>Walkthrough of the DRP indicated that there is a backup server which will be activated as soon as a failure of the primary server is recognised. This server is updated simultaneously to ensure that the provision of data to Code participants is as accurate and up to date as possible.</p> <p>Further, there are queuing applications in place to record information whilst the main metering database is undergoing repairs in order to prevent data loss attributable to a failure. Review of the Disaster Recovery Validation Test Summary revealed that a test of the disaster recovery system conducted in March 2014 identified that MBS back up failed to activate. Therefore, in the event a disaster occurs, we are not satisfied that MBS could be re-built, and energy data provided to Code participants, within the timeframes prescribed by clause 4.1(3) of the Metering Code.</p>	
<p><b>Recommendation 15/2014</b></p> <p>Undertake an upgrade to the MBS component of the disaster recovery system and conduct testing to ensure it is capable of meeting the requirements specified in the Metering Code.</p>	<p><b>Action Plan 15/2014</b></p> <p>Complete the adjustment of the disaster recovery test steps with the correct information and test to confirm it is capable of meeting the requirements specified in the Metering Code.</p> <p><b>Responsible Person</b></p> <p>Information &amp; Communication Technology</p> <p><b>Target Date</b></p> <p>31 August 2014</p>

<p><b>Issue 16/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences</p> <p><u>Obligation 397: Electricity Industry Metering Code clause 4.7</u></p> <p>Discussions with the Finance, Treasury and Risk Team and review of the exception report for the 2013/14 period revealed 108 instances out of 997,367 within that period where Western Power did not give notice of changes to standing data as required under clause 4.7 of the Metering Code.</p>	
<p><b>Recommendation 16/2014</b></p> <p>Reinforce to relevant staff the importance of entering data correctly within MBS to mitigate the risk of future data entry errors.</p>	<p><b>Action Plan 16/2014</b></p> <p>Reinforce to relevant staff the importance of entering data correctly within MBS to mitigate the risk of future data entry errors.</p> <p><b>Responsible Person</b></p> <p>Finance, Treasury &amp; Risk (Revenue)</p> <p><b>Target Date</b></p> <p>30 September 2014</p>

<p><b>Issue 17/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 406: Electricity Industry Metering Code clause 5.3</u></p> <p>Discussions with the Finance, Treasury and Risk Team revealed that there were instances where energy data was not obtained and transferred within the 2 day time frame as required under the Metering Code.</p> <p>Sample-based testing of 35 meter read routes identified 7 instances where transfers of energy data were made outside the prescribed timeframe.</p>	
<p><b>Recommendation 17/2014</b></p> <p>Reinforce the scheduled meter read plan and requirement to undertake meter reads and send energy data in accordance with the Metering Code.</p>	<p><b>Action Plan 17/2014</b></p> <p>Reinforce the scheduled meter read plan and obligation to undertake meter reads and send energy data in accordance with the Metering Code to contractors and relevant internal resources.</p> <p><b>Responsible Person</b>                      Field Operations (Metering Services)</p> <p><b>Target Date</b>                      30 September 2014</p>

<p><b>Issue 18/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 407: Electricity Industry Metering Code clause 5.4(1)</u></p> <p>Whilst our sample-based testing did not reveal any exceptions, discussions with the Field Operations Team revealed instances where Western Power was unable to undertake a meter reading that provided for an actual value that passed its validation process as defined in Appendix 2 of the Metering Code.</p> <p>During the 2013/14 financial year, approximately 9,977 customers out of 1,060,588 customers were affected of which 2,731 meters could not be read due to site access restrictions.</p>	
<p><b>Recommendation 18/2014</b></p> <ol style="list-style-type: none"> <li>Where a meter cannot be read due to access restrictions, liaise with the retailer to assist Western Power in gaining access to the customer's meter.</li> <li>Implement a solution that would enable Western Power to comply with sub clause 5.4(1) of the Metering Code.</li> </ol>	<p><b>Action Plan 18/2014</b></p> <ol style="list-style-type: none"> <li>Approach the retailer to seek assistance with the Annual Read Obligation (ARO) process.</li> <li>Review and continue to implement the ARO process which targets meters that have not been read.</li> </ol> <p><b>Responsible Person</b>                      Field Operations (Metering Services)</p> <p><b>Target Date</b>                      30 September 2014 (#1 &amp; 2)</p>

<p><b>Issue 19/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 412: Electricity Industry Metering Code clause 5.6(1)</u></p> <p>Discussions with the Finance, Treasury and Risk Team and review of a sample of daily validation reports revealed that Western Power did not provide validated, and where necessary, substituted or estimated energy data for a metering point to the user within the timeframes prescribed by the Metering Code.</p> <p>Walkthrough of the process to validate data revealed that where necessary MBS will provide substituted or estimated data for a metering point. However, where MBS is unable to substitute or estimate data for a metering point, an exception is flagged, which requires manual intervention before the data is provided to the user and the IMO. Further, enquiries revealed that this process was not always completed within the timeframes prescribed in subclause 5.6(1).</p>	
<p><b>Recommendation 19/2014</b></p> <p>Reinforce the requirement to review manual exception reports within the timeframes prescribed by the Metering Code with relevant Finance, Treasury &amp; Risk team members.</p>	<p><b>Action Plan 19/2014</b></p> <p>Reinforce the requirement to review manual exception reports within the timeframes prescribed by the Metering Code.</p> <p><b>Responsible Person</b> Finance, Treasury &amp; Risk (Revenue)</p> <p><b>Target Date</b> 30 September 2014</p>

<p><b>Issue 20/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 418: Electricity Industry Metering Code clause 5.12(1)</u></p> <p>Sample-based testing of 35 meter data requests revealed six instances during the audit period where Western Power failed to provide users with energy data within the two days required by the Metering Code.</p> <p>Walkthrough of the process revealed that Western Power had relied on a manual process to respond to the request from a user. Discussion with the Finance, Treasury and Risk Team revealed that as at 30 June 2014, Western Power had commenced automating the process to prevent data from being delivered outside the time frames specified.</p> <p>As the implementation of the automated process was yet to be completed at the conclusion of the audit period, its effectiveness could not be determined.</p>	
<p><b>Recommendation 20/2014</b></p> <p>Complete the implementation of the automated process of responding to users' requests.</p>	<p><b>Action Plan 20/2014</b></p> <p>Complete the automation of the process of providing metering data and responding to users' requests.</p> <p><b>Responsible Person</b> Finance, Treasury &amp; Risk (Revenue)</p> <p><b>Target Date</b> 31 August 2014</p>

<p><b>Issue 21/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 425: Electricity Industry Metering Code clause 5.17A(3)</u></p> <p>Sample-based testing revealed 3 out of 10 instances where Western Power did not comply with a direction provided by a person if (and to the extent that) a customer associated with a metering point gives a direction to do so, as required under subclause 5.17A(1) within the timeframes prescribed.</p> <p>Discussions with the Finance, Treasury and Risk Team noted that the Energy Data Authorisation Access System (EDAAS) is utilised to report and monitor responsiveness in relation to compliance requirements. Users of EDAAS count the direction date at the point of entry (time 0). The Metering Code requires that responsiveness be determined from the date of receipt of the direction.</p>	
<p><b>Recommendation 21/2014</b></p> <ol style="list-style-type: none"> <li>1. Build into the EDAAS the ability to enter the date of receipt as the start date rather than the date the request is manually inputted into the system.</li> <li>2. Alternatively, develop a web-based solution to enable the provision of data to be automated.</li> </ol>	<p><b>Action Plan 21/2014</b></p> <ol style="list-style-type: none"> <li>1. Amend EDAAS to provide a field to identify the date the direction is received.</li> <li>2. Undertake a cost-benefit analysis of developing a web-based solution to automate the provision of data.</li> </ol> <p><b>Responsible Person</b> Finance, Treasury &amp; Risk (Revenue)</p> <p><b>Target Date</b> 31 December 2014 (#1) and 30 June 2015 (#2)</p>

<p><b>Issue 22/2014</b></p> <p>Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 434: Electricity Industry Metering Code clause 5.20(4)</u></p> <p>Discussions with the Finance, Treasury and Risk Team and review of Western Power's 2014 Breach Register revealed that Western Power did not provide verified energy data within the timeframes prescribed for 135 meter reads out of 19,031 meter reads that were undertaken in the 2013/2014 period.</p> <p>Further, enquiries revealed that a meter data verification request is received from Code participants through the Metering Service Web Portal. The request is then manually checked and, if an investigation is required, a field officer will attend the site to perform a manual reading of the meter.</p> <p>Sample-based testing did not reveal any exceptions where meter data verification requests were responded to outside the prescribed timeframe.</p>	
<p><b>Recommendation 22/2014</b></p> <ol style="list-style-type: none"> <li>1. Maintain a record of the location of meters once they have been removed.</li> <li>2. Implement a solution that would enable Western Power to be compliant with the timeframes prescribed in the Metering Code.</li> </ol>	<p><b>Action Plan 22/2014</b></p> <ol style="list-style-type: none"> <li>1. Review and, if required, improve the process of managing the verify meter data requests for meters that have been removed from site.</li> <li>2. Review and, if required, improve the process of sending field resources to the metering point to undertake the verify meter data request.</li> </ol> <p><b>Responsible Person</b> Finance, Treasury &amp; Risk (Revenue)</p> <p><b>Target Date</b> 30 September 2014</p>

<p><b>Issue 23/2014</b>                  Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 436: Electricity Industry Metering Code clause 5.21(4)</u>                  Sample-based testing revealed four instances during the audit period where Western Power failed to complete its testing requirement within the seven day time frame specified within the SLA.                  Review of the test request forms and the testing carried out indicated that testing procedures were performed in accordance with the metrology procedures.</p>	
<p><b>Recommendation 23/2014</b>                  Implement a solution that would enable Western Power to address its compliance requirements as detailed under the applicable SLA.</p>	<p><b>Action Plan 23/2014</b>                  1. Approach the retailer to seek assistance with the testing and auditing process.                  2. Review current resource capacity and, if appropriate, develop an improved resource plan.  <b>Responsible Person</b>                  Field Operations (Metering Services)  <b>Target Date</b>                  30 September 2014 (#1) and 31 December 2014 (#2)</p>

<p><b>Issue 24/2014</b>                  Applicability to Licence: Electricity Distribution and Transmission Licences  <u>Obligation 468: Electricity Industry Metering Code clause 6.1(1)</u>                  As a result of Western Power's failure to meet the requirements of the SLA in line with clauses 3.11(2) and 5.21(4) of the Metering Code (Licence Obligations 359 and 436), Western Power was unable to demonstrate compliance with clause 6.1(1) of the Metering Code.</p>	
<p><b>Recommendation 24/2014</b>                  Refer to Issues 12/2014 and 23/2014 above.</p>	<p><b>Action Plan 24/2014</b>                  Refer to Issues 12/2014 and 23/2014 above.</p>

<p><b>Issue 25/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only</p> <p><u>Obligation 488: Electricity Industry (Network Quality and Reliability of Supply) Code clause 12(3)</u></p> <p>Enquiries with the Network Planning and Standards Team revealed that Western Power did not meet the prescribed standard as defined under the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.</p> <p>Review of Western Power’s 2014 Breach Register noted a recent identification of 106,474 customers who have experienced interruptions longer than 12 hours during the period April 2006 to 30 June 2014. A further 24,958 customers during the same period had experienced supply interruptions greater than the number prescribed under the Code.</p> <p>Review of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 noted that its calculation of permissible interruptions does not exclude adverse weather related events. Our enquiries revealed that Western Power is unable to remedy the cause of such interruptions to facilitate its compliance with this clause.</p> <p>It is understood that the service standard benchmarks in Western Power’s Access Arrangement, permit the calculation of significant interruptions to exclude adverse weather related events.</p>	
<p><b>Recommendation 25/2014</b></p> <p>Engage with the Public Utilities Office (PUO) to amend the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 to align with the service standard benchmarks in the Access Arrangement by way of seeking the exclusion of adverse weather events from the statistical count of significant interruptions to small use customers.</p>	<p><b>Action Plan 25/2014</b></p> <p>Engage with the PUO to seek an amendment to the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 to align with the service standard benchmarks in the Access Arrangement.</p> <p><b>Responsible Person</b></p> <p>Regulation &amp; Investment Management (Regulatory Compliance)</p> <p><b>Target Date</b></p> <p>31 March 2015</p>

*Note that the 2014 audit report and PAIP did not include an issue no. 26/2014.*

<p><b>Issue 27/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only</p> <p><u>Obligation 493: Electricity Industry (Network Quality and Reliability of Supply) Code clause 18</u></p> <p>Whilst sample-based testing did not note any exceptions, enquiries with the Service Quality Notification Team and review of the service standard payments for planned outages report revealed eight instances within the audit period where customers did not receive payments within the prescribed timeframes.</p>	
<p><b>Recommendation 27/2014</b></p> <p>Implement a supervisory review to ensure that the handling code is correctly applied and transactions prepared over a non-business day are approved for payment, to facilitate timely provision of service standard payments.</p>	<p><b>Action Plan 27/2014</b></p> <p>In January 2013, Western Power updated the service standard payment procedures manual to provide that payments must be processed and approved by the team leader prior to 12 noon on Fridays.</p> <p><b>Responsible Person</b></p> <p>Customer Service (Customer Experience)</p> <p><b>Target Date</b></p> <p>N/A</p>

<p><b>Issue 28/2014</b></p> <p>Applicability to Licence: Electricity Distribution Licence only</p> <p><u>Obligation 494: Electricity Industry (Network Quality and Reliability of Supply) Code clause 19</u></p> <p>Whilst sample-based testing did not reveal any exceptions, a review of the service standard payment report for extended outages and discussions with the Customer Services Centre Team noted that Western Power identified that it had not paid two customers their entitlement within the prescribed timeframe.</p>	
<p><b>Recommendation 28/2014</b></p> <ol style="list-style-type: none"> <li>1. Implement a solution that would facilitate for increased work flow as a result of an adverse weather event.</li> <li>2. Implement a monitoring mechanism whereby reconciliation is performed to ensure that the payment run aligns with payment entitlements.</li> </ol>	<p><b>Action Plan 28/2014</b></p> <ol style="list-style-type: none"> <li>1. Western Power has completed the following actions: <ul style="list-style-type: none"> <li>• Implemented an IT solution to automatically detect invalid cheques after each cheque run.</li> <li>• Any exceptions detected by the IT solution are reviewed by Customer Service staff and cheques are then immediately issued to customers.</li> </ul> </li> <li>2. Assess the feasibility of automating extended outages payments to customers via electronic funds transfer.</li> </ol> <p><b>Responsible Person</b> Customer Service (Customer Service Centre)</p> <p><b>Target Date</b> 3 July 2014 (#1) and 31 December 2014 (#2)</p>



# Appendix B - References

## Western Power staff participating in the audit

- Head of Function (Regulations and Investment Management)
- Regulatory Compliance Manager
- Senior Compliance Specialist
- Revenue Manager
- Metering Services Manager
- Access Solutions Manager
- Customer Relations Manager
- Customer Funded Initiation & Scheduling Manager
- Network Control Manager
- Head of Property and Fleet
- Financial Accounting Manager
- Operations Development Manager
- Metro Response Manager
- Customer Service Centre Manager
- Regional South Manager
- Regional North Manager
- Metro Planned Manager
- Customer Connections Services Manager
- Business Relationship Manager
- Service Management and Support Manager
- Engineering Team Leader
- Plan Optimisation Team Leader
- Insight and Analytics Manager
- Principal Planning Engineer

## Deloitte staff participating in the audit

		<b>Hours</b>
• Richard Thomas	Partner	20
• Andrew Baldwin	Specialist Leader, Regulatory Compliance	114
• Amy Hinson	Manager	64
• Emlyn King	Senior Compliance Specialist	175
• Manuela Cervellera	Senior Analyst	32
• Brittanie Antulov	Analyst	238
• Lyle Stewart	Analyst	232
• Kobus Beukes	Partner (Quality Assurance Review)	2

## Key documents and other information sources examined

- Customer Transfer Code:
  - Application for proposed modifications to WP Access Arrangements
  - Current Letter Head with contact details
  - Customer transfer code contact details
  - Sample planned outage letter
  - CTR doc request - type 5 customer transfers
  - Type 5 meter communications equipment install - signed business case
  - Data request - CTR
  - Request for historical data form, standing data form, CTR form
  - Access contract confirmation
  - CTR sample information

- Obligation to Connect Code:
  - Obligation to connect introduction presentation
  - Examples of:
    - As constructed data sheet
    - As constructed drawing
    - As constructed job photos
    - Obligation to connect administration process
    - Original submission
    - Contractor work order
    - Commencement of works
- Customer Contracts:
  - MBS screenshots demonstrating a record of suppliers for each connection point and MBS contains fields required per UMI connection point
- Electricity Industry Act:
  - Access agreements confirmation
  - Energy and Water Ombudsmen scheme membership
- Electricity Licences:
  - FY 2014/15/16 signed financial statements and annual audit report
  - AASB compliance confirmation
  - ERA Performance standards confirmations
  - ERA approval of 2017 AMS review plan
  - Priority Restoration Register confirmation
  - Samples of Priority Restoration Register being applied
  - LSE customer audit December 2016
  - LSE customer audit May 2017
- Code of Conduct:
  - Complaints process flowchart
  - Induction and Faults Program
  - Population of Re-energisation & De-energisation
  - Telephone etiquette and Visual style guides
  - LSE register
  - Pre-payment meter confirmation
  - Complaints and resolution payment spreadsheet
  - Complaints cases action plan
  - Complaints classification for reporting process
  - Customer experience reporting
  - Complaint case NetCiS set up
  - Complaints team leader role description
- Metering Code:
  - Electric Meters - Technical Specification
  - Revenue Electric Meters - Technical Specification - AMI
  - Synergy Performance Report - May 2017
  - Schneider Electric RM6 DE-MT- Report of Test - 17 & 18 June 2014
  - Commissioning Work Instruction - HV Metering
  - Metering Completion Advice / HV Metering Functional Audit - Picton
  - HV Revenue Metering Design Report Template
  - Metering Technical Requirements - HV (Types 1, 2 & 3) Metering
  - In-Service Testing: Summary Report for the 2013 - 2016 Compliance Period
  - Interim Compliance Report for May 2017
  - Replace Non-Compliance Phase 3 Meters AA3 - Status Report - February 2017

- Replace Non-Compliance Phase 3 Meters AA3 - Business Case - December 2014
- Western Power Revenue Readings Management Compliance Register
- Pre-payment Meter Register
- Work Practice Manual
- On-Cycle Metering Compliance Report - May 2017
- Annual Read - Initial Letter and Final Letter templates
- PROD:9016 - Basic Meters Without Read Report - May 2017
- ARO Performance Report
- Wrongful De-Energisation Cross Meter Spreadsheet
- PROD:6011 Breach De-Energisation Monitor
- PROD New Life Support With Outstanding De-Energisation or Supply Abolishment
- Population of Re-energisation & De-energisation
- Mandatory Link Criteria 2006
- Metering Code Model SLA 2006
- Metering Management Plan 2006
- Metrology Procedure for Metering Installations on the Western Power Network 2015
- Western Australian Distributions Connections Manual 2015
- Certificate of Conformance for NetComm
- Meter Fact Sheets
- Meter Stock Codes
- List of Life-Support De-Energised
- Field Performance Test - SO
- Licence Agreement with Meter Supplier
- HV Metering Design Report
- HV Commissioning Sheet
- Password Authority Matrix on Revenue Meters
- Non-Compliant Metering Installation Letter - Examples x 2
- Field Protocols Acknowledgement Form
- Meter Reading on-Cycle Training Checklist
- Meter Reading Induction Document Index
- Planned Outage Letter Template to Life Support Customers
- OPT OUT Letter to Life Support Customers
- Example Spreadsheet for Contacting Life Support Customers in Relation to a Planned Outage
- Network Quality and Reliability of Supply Code:
  - Ellipse payment data
  - Planned outage notification role and document matrix
  - Service standard payments non-notification planned outage procedures
  - Customer service centre payment spreadsheet
  - EOPS clause 19 and 21 documents
  - EOPS procedures pre March 2017
  - EOPS process 2017
  - Website screenshots of extended outage and non-notification of planned works
  - Service standard payment agreement business 2017
  - Service standard payment agreement residential 2017
  - COGNOS compliance reports
  - DQM flow chart
  - Power quality and TVI complaint handling process
  - PQI letter template
  - Annual Reliability and Power Quality Reports.

# Appendix C – Post audit implementation plan

This plan has been prepared by Western Power and does not form part of Deloitte’s audit findings.

<p><b>Issue 1/2017</b></p> <p><b>Obligation 41</b> - <i>Electricity Industry Customer Transfer Code clause 4.13</i>  <b>Obligation 77</b> - <i>Electricity Industry (Obligation to Connect) Regulation 8</i>  <b>Obligations 244 and 301</b> - <i>Code of Conduct clauses 8.2 and 12.1(4)</i>  <b>Obligations 338, 357, 376, 385, 386, 391, 404, 415 and 447</b> - <i>Electricity Industry Metering Code clauses 3.11(2), 3.21(1), 4.7, 5.3, 5.4(1), 5.6(1), 5.17A(1), 5.21(4) and 6(1)</i>  <b>Obligations 464, 467 and 468</b> - <i>Network Quality &amp; Reliability of Supply Code sections 9, 12(3) and 13(2)</i></p> <p>Western Power has a number of obligations under the relevant Codes, which have associated timeframes and require specified actions to be conducted. For these obligations, the nature, extent and volume of activity makes it difficult for Western Power to maintain compliance throughout the full audit period. Western Power continues to monitor its level of compliance (sometimes on a monthly basis) and self-reports relevant breaches every year, however no formal strategy has been developed to document Western Power’s position in relation to each obligation.</p>	
<p><b>Recommendation 1/2017</b></p> <p>Western Power consider:</p> <p>(a) Developing a strategy for managing and, where possible addressing, recurrent non-compliant obligations. The strategy could include consideration of:</p> <ul style="list-style-type: none"> <li>• Business cases for technology solutions to address the root cause of the non-compliance (e.g. automating certain activities that require manual effort)</li> <li>• Alternative approaches to addressing the root cause of the non-compliance (e.g. outsourcing of certain processes whereby capacity issues can be addressed)</li> <li>• Western Power’s position for electing to monitor and report on compliance levels, without further change in processes or additional investment in resources.</li> </ul> <p>(b) Where business cases have been approved, implementing and monitoring the effectiveness of the solution at addressing the root cause of the non-compliance</p> <p>(c) Setting triggers and timeframes for review of the strategy.</p>	<p><b>Action Plan 1/2017</b></p> <p>Western Power seeks to comply with all of its operating licences’ obligations. The auditor has identified a suite of recurrent non-compliances that are primarily associated with firm performance targets, which at times are difficult to achieve for the reasons outlined in the audit report. Western Power will continue to work towards achieving compliance and:</p> <ol style="list-style-type: none"> <li>1. Review each recurrent non-compliance to facilitate identification of the most appropriate treatment activity. Where practicable, a compliance plan will be developed to implement the remedial actions.</li> <li>2. Engage with the regulators and other external stakeholders to seek changes to those instruments which, in Western Power’s opinion, require amendments to reflect the nature and volume of transactions impacting Western Power’s compliance with these obligations.</li> </ol> <p><b>Responsible person</b> Regulatory Compliance Manager</p> <p><b>Target date</b></p> <ol style="list-style-type: none"> <li>1. 31 December 2017</li> <li>2. 31 December 2018.</li> </ol>

<p><b>Issue 2/2017</b></p> <p><b>Obligation 35</b> - <i>Electricity Industry Customer Transfer Code clause 4.10(1)</i></p> <p><b>Obligation 39</b> - <i>Electricity Industry Customer Transfer Code clause 4.11(2)</i></p> <p>In response to recommendation 1/2014 of the 2014 Performance Audit relating to <i>obligation 39</i> (Customer Transfer Code clause 4.11(3)), Western Power improved its processes for ensuring Type 5 meters are read on the original nominated transfer date. However, of our sample of 20 instances (out of a population of 135 over the audit period) where Western Power amended a nominated customer transfer date, eight customer transfer requests were not performed on the nominated transfer date (because the meter had not been read on that day). As a result, Western Power did not comply with the requirements of Customer Transfer Code clause 4.10(1)(c) for the meter read to be conducted on the nominated transfer date (<i>obligation 35</i>).</p> <p>In addition, in relation to obligation 39, of the 20 customer transfer requests tested:</p> <ul style="list-style-type: none"> <li>• In 18 instances, no evidence could be provided of Western Power’s communication with the incoming retailer in relation to “working together” to set a new date in accordance with the requirement of Customer Transfer Code clause 4.11(3)(a)</li> <li>• Western Power was unable to demonstrate that it had notified the current retailer of the meter not being read and of the new transfer date, within one business day in accordance with the requirements of Customer Transfer Code clause 4.11(3)(b).</li> </ul>	
<p><b>Recommendation 2/2017</b></p> <p>Western Power consider reviewing its processes for enabling compliance with the requirements of Customer Transfer Code clauses 4.10(1) and 4.11(3), specifically in relation to:</p> <ul style="list-style-type: none"> <li>• Capturing and reporting flow-on non-compliances resulting from the meter not being read on a nominated transfer date</li> <li>• Working together with the incoming retailer to set a new transfer date, and maintaining appropriate evidence of associated communications.</li> </ul>	<p><b>Action Plan 2/2017</b></p> <ol style="list-style-type: none"> <li>1. Western Power will review its internal processes to ensure compliance obligations, which have an interdependency with other obligations, are linked to enable appropriate monitoring and reporting of non-compliances. <p><b>Responsible person</b> Revenue Manager</p> <p><b>Target date</b> 31 December 2017</p> </li> <li>2. Where meters cannot be read on the nominated appointment date, implement process changes to work with incoming retailers to set a new transfer date, and maintain appropriate supporting evidence of associated communications for rescheduling the appointment. <p><b>Responsible person</b> Revenue Manager</p> <p><b>Target date</b> 31 March 2018.</p> </li> </ol>

<p><b>Issue 3/2017</b></p> <p><b>Obligation 341</b> - <i>Electricity Industry Metering Code clause 3.11A(2)</i></p> <p>As disclosed in the 2009 and 2014 Performance Audit Reports, Western Power recognised that there were approximately 320,000 non-compliant direct connect meters on its network. Western Power developed an action plan (approved by the EnergySafety division of the Department of Commerce) to replace the non-compliant meters by 1 December 2015 and subsequently addressed approximately 85,000 of those meters.</p> <p>An amendment to the Code confirmed that only approximately 54,000 of the 320,000 meters were non-compliant, resulting in a total of 1,813 meters remaining non-compliant as at 30 June 2017. Of the non-compliant meters as at 30 June 2017:</p> <ul style="list-style-type: none"> <li>• 750 meters were prioritised to be replaced between 1 July and 31 August 2017</li> <li>• Western Power determined that it is currently unable to replace 1,063 meters due to safety concerns or access constraints. A Management Plan to address these meters has been prepared.</li> </ul>	
<p><b>Recommendation 3/2017</b></p> <p>Western Power close out the Management Plan prepared to address the remaining 1,063 non-compliant meters.</p>	<p><b>Action Plan 3/2017</b></p> <p>Western Power will undertake the activities detailed within the Management Plan and annually report its progress to the ERA.</p> <p><b>Responsible person</b> Metering Services Manager</p> <p><b>Target date</b> Ongoing.</p>
<p><b>Issue 4/2017</b></p> <p><b>Obligation 399</b> - <i>Electricity Industry Metering Code clause 5.14(3)</i></p> <p>Testing of the eight requests for bulk standing data made in the 2016/17 financial year determined that in one instance, Western Power provided the data three business days after the request, which did not meet the two business day service standard specified in Western Power's Metering Code Model Service Level Agreement (<b>SLA</b>) and therefore, the requirement of clause 5.14(3) of the Metering Code. Although Western Power had reached agreement with the user for the data to be provided after the two business day timeframe, the SLA does not provide for an extension of time for provision of the requested data.</p>	
<p><b>Recommendation 4/2017</b></p> <p>Western Power:</p> <p>(a) Consider amending the Metering Code Model SLA to enable another date for the provision of the requested data to be otherwise agreed with the user</p> <p>(b) Further strengthen its processes for ensuring staff awareness of their compliance obligations (including reporting of breaches), particularly at times where responsibilities are re-allocated.</p>	<p><b>Action Plan 4/2017</b></p> <p>As identified by the auditor, this was an exception as the requested data was large. Western Power engaged the user and agreed a method for providing the requested data, however this data was provided outside of the prescribed two business days. As this instance was an exception, Western Power does not consider a need to amend the Model SLA.</p> <p>The Model SLA provision of bulk standing data timing requirements have been reinforced with the relevant teams (Metering Applications Support, Metering Functional Support and Billing Networks).</p> <p><b>Responsible person</b> Business Relationship Manager - IT</p> <p><b>Target date</b> Completed.</p>

<p><b>Issue 5/2017</b></p> <p><b>Obligation 423</b> - <i>Electricity Industry Metering Code clause 5.22(2)</i></p> <p>Western Power:</p> <ul style="list-style-type: none"> <li>• Currently publishes energy data to the market via the Metering Business System (<b>MBS</b>), prior to being validated against “check metering data”, which does not meet the requirement of the Metering Code</li> <li>• Has identified a solution, which requires an MBS upgrade to enable energy data to be validated against “check metering data” prior to it being published to the market.</li> </ul>	
<p><b>Recommendation 5/2017</b></p> <p>Western Power implement the intended MBS upgrade, which will enable data to be adequately validated prior to being published.</p>	<p><b>Action Plan 5/2017</b></p> <p>Western Power has further explored the proposed MBS functionality upgrade required to perform the validation process. The required upgrade is complex and the initial solution has since been de-scoped from the suite of items to be upgraded within MBS.</p> <p>However:</p> <ol style="list-style-type: none"> <li>1. Western Power will explore opportunities with ICT for a cost-effective, compliant process. This could include a process to withhold failed energy data and check meter readings for review before the publication of the meter data from MBS. If the ICT solution is practicable, Western Power will define a plan and work schedule for the solution to be implemented.</li> <li>2. Until a system solution has been identified and implemented, Western Power will, where practicable, develop and implement a manual process to validate meter readings before they are published to the market.</li> </ol> <p><b>Responsible person</b> Revenue Manager</p> <p><b>Target date</b></p> <ol style="list-style-type: none"> <li>1. 30 June 2018</li> <li>2. 31 March 2018.</li> </ol>

**Issue 6/2017****Obligation 434** - *Electricity Industry Metering Code clause 5.25*

In 2014/15, Western Power self-reported its non-compliance with clause 5.25, relating to a small number of instances where substituted data, used to correct actual data that failed validation (therefore becoming estimated data), was incorrectly published as actual data. In these instances, Western Power failed to preserve the accuracy of data in accordance with section 8.3.2 of its Metrology procedure, which requires Western Power to accurately advise all Code participants of the source of data published to the market.

In its 2014/15 Annual Compliance report, Western Power reported that it had initiated an investigation into the MBS error and that it had implemented an exception report to monitor and manually correct substitute readings in MBS. In 2015, the MBS error was corrected, however a subsequent upgrade to MBS resulted in the default settings causing the error to revert. As a result, Western Power continued to breach the requirements of section 8.3.2 of its Metrology procedure and clause 5.25 of the Metering Code.

We understand Western Power has recognised the need to implement an MBS solution to address the issue relating to substitute energy data being published to the market as actual energy data.

**Recommendation 6/2017**

Western Power implement the MBS solution required to address the issue relating to substitute energy data being published to the market as actual energy data.

**Action Plan 6/2017**

1. The cause for the MBS defect has been identified and is currently being worked through. Once completed, when a user substitutes energy data via the user interface of MBS, the data quality will be labelled as a "substitute" reading.
2. Until the MBS solution is implemented, Western Power will, where practicable, develop and implement a manual process to preserve the accuracy of data that is published to the market.

**Responsible person**

Revenue Manager

**Target date**

1. 31 July 2018
2. 31 March 2018.



<p><b>Issue 7/2017</b></p> <p><b>Obligation 479</b> - <i>Network Quality &amp; Reliability of Supply Code section 24(3)</i></p> <p>Section 24(3) of the NQRS Code requires Western Power to complete power quality investigations within 20 working days for qualifying requests by customers who consider that their supply of electricity did not comply with the voltage fluctuation and harmonic standards specified by the NQRS Code. Section 24 of the NQRS Code states that a customer “may in writing request the transmitter or distributor to investigate whether the supply of electricity complies with...” those standards and Western Power has applied the NQRS Code’s 20 working day requirement to requests made by a customer in writing.</p> <p>Examination of the one request made via email that Western Power had recorded as not meeting the 20 working day timeframe concluded that the customer’s request related to high voltage and therefore was not specifically covered by the NQRS Code’s requirement for power quality investigations, which refers to voltage fluctuations.</p> <p>Further investigation by Western Power concluded that there were no written requests made by customers during the audit period, which related to the NQRS Code’s requirement for power quality investigations.</p> <p>Although Western Power effectively manages its power quality investigations in accordance with its internal service standards, further clarity is required to ensure it adequately distinguishes between investigations per the NQRS Code requirements and service standard targets.</p>	
<p><b>Recommendation 7/2017</b></p> <p>Western Power review and where appropriate amend its processes for managing and monitoring the completion of its power quality investigations to ensure it adequately distinguishes between investigations per the NQRS Code requirements and service standard targets.</p>	<p><b>Action Plan 7/2017</b></p> <p>Western Power acknowledges the opportunity to improve its approach for the management of investigations required under the NQRS Code. With this, Western Power will:</p> <ol style="list-style-type: none"> <li>1. Amend its Power Quality flowchart to ensure that staff are able to draw the connection between investigations, which are subject to the NQRS Code, and the corresponding prescribed timeframe.</li> <li>2. Improve its power quality investigation and monitoring processes to ensure that, where a customer makes a written request for an investigation under the NQRS Code, the request is readily identifiable.</li> </ol> <p><b>Responsible person</b> Engineering Team Leader</p> <p><b>Target date</b> 31 December 2017.</p>