

Post-audit implementation plan – 2018 Performance Audit – Southern Cross Energy Partnership

Ref#	Licence Obligation	Auditor's recommendation or action undertaken	Auditors comments	SCE Response and Action
1/2018	<p>326</p> <p><i>“A network operator must ensure that there is a metering installation at every connection point on its network that is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.”</i></p> <p>SCE has not complied with 3.5(1) as SCE does not have metering installation at every connection point.</p>	<p>SCE has reported as noncompliant due to the 'absence' of metering, which may not be covered by the exemption applicable to 'existing' metering.</p>	<p>Although SCE has reported a noncompliance against this obligation in its annual compliance reports to the ERA, clause 8.6 of the PPA sets out that SCE and Nickel West acknowledge that the agreement constitutes a Service Level Agreement (as defined in the Metering Code) and agree that the metering installations are adequate to meet the needs of the agreement. However, SCE considers that it compliant for this obligation under the terms of the Service Level Agreement that has been agreed with its customer.</p>	<p>SCE does not propose to take action in respect of this matter. It will continue to report as non-compliant.</p>
2/2018	<p>422</p> <p><i>“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.”</i></p>	<p>Procedures for validation, substitution and estimation are set out in the PPA that SCE has agreed with its customer (Section 8.6 Electricity metering of the PPA). Installation of SCE's metering pre-dates the requirements of the Code</p>	<p>As advised by the Authority 18 December 2014, the Authority accepts that SCE will not take action to address the non-compliances unless replacing the current PPA with a new contract.</p>	<p>SCE does not propose to take action in respect of this matter. It will report as non-compliant and consider any changes should the PPA be re-negotiated.</p>

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	Although SCE validates its energy data, it considers that the methodologies it uses do not fully comply with the prescribed validation rules and procedures set out in Appendix 2 and the prescribed substitution and estimation rules and procedures set out in Appendix 3.	and it considers that it is non-compliant.	Therefore, we consider that no further action is required at this time.	
3/2018	425 <i>"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."</i> SCE is non-compliant in relation to clause 6.1(1)(c) as SCE does not have a metrology procedure.	We note that SCE considers that this obligation is nonreportable because of the nature of the non-compliance in relation to Electricity Industry Metering Code, clause 6.1(1) and the subsidiary requirements thereafter need not be reported as non-compliant.	As advised by the Authority 18 December 2014, the Authority accepts that SCE will not take action to address the non-compliances unless replacing the current PPA with a new contract. Therefore, we consider that no further action is required at this time	SCE does not propose to take action in respect of this matter. It will report as non-compliant and consider any changes should the PPA be re-negotiated.
4/2018	426 <i>"Substitution or estimation of energy data is required when energy data is missing, unavailable or corrupted, including in the circumstances described in this subclause."</i> Although SCE substitutes and estimates energy data when required, it considers that the methodologies it uses do not fully comply with the prescribed substitution and estimation rules and procedures set out in Appendix 3. .	Procedures for validation, substitution and estimation are set out in the PPA that SCE has agreed with its customer (Section 8.6 Electricity metering of the PPA). Installation of SCE's metering pre-dates the requirements of the Code and SCE considers that it is non-compliant	As advised by the Authority 18 December 2014, the Authority accepts that SCE will not take action to address the non-compliances unless replacing the current PPA with a new contract. Therefore, we consider that no further action is required at this time	SCE does not propose to take action in respect of this matter. It will report as non-compliant and consider any changes should the PPA be re-negotiated.
5/2018	434	We note that SCE considers that this	As advised by the Authority 18 December	SCE does not propose to take action in respect of

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	<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> SCE is non-compliant in relation to clause 6.1(1)(c) as SCE does not have a metrology procedure.</p>	<p>obligation is nonreportable because of the nature of the non-compliance in relation to Electricity Industry Metering Code, clause 6.1(1) and the subsidiary requirements thereafter need not be reported as non-compliant.</p>	<p>2014, the Authority accepts that SCE will not take action to address the non-compliances unless replacing the current PPA with a new contract. Therefore, we consider that no further action is required at this time.</p>	<p>this matter. It will report as non-compliant and consider any changes should the PPA be re-negotiated.</p>
6/2018	<p>447 <i>"A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed."</i> SCE is non-compliant in relation to clause 6.1(1)(c) as SCE does not have a metrology procedure.</p>	<p>We note that SCE considers that this obligation is nonreportable because of the nature of the non-compliance in relation to Electricity Industry Metering Code, clause 6.1(1) and the subsidiary requirements thereafter need not be reported as non-compliant.</p>	<p>As advised by the Authority 18 December 2014, the Authority accepts that SCE will not take action to address the non-compliances unless replacing the current PPA with a new contract. Therefore, we consider that no further action is required at this time</p>	<p>SCE does not propose to take action in respect of this matter. It will report as non-compliant and consider any changes should the PPA be re-negotiated.</p>
7/2018	<p>448A <i>"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> SCE has not submitted the prescribed documents in subclauses 6.2(a)-(d) to the ERA for approval.</p>	<p>We note that SCE considers that this obligation is nonreportable because of the nature of the non-compliance in relation to Electricity Industry Metering Code, clause 6.1(1) and the subsidiary requirements thereafter</p>	<p>As advised by the Authority 18 December 2014, the Authority accepts that SCE will not take action to address the non-compliances unless replacing the current PPA with a new contract.</p>	<p>SCE does not propose to take action in respect of this matter. It will report as non-compliant and consider any changes should the PPA be re-negotiated.</p>

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	Therefore, SCE is non-compliant with the obligation.	need not be reported as non-compliant.	Therefore, we consider that no further action is required at this time	
8/2018	448C <i>"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> SCE has not published its communication rules. Therefore, SCE is noncompliant with the obligation.	We note that SCE considers that this obligation is nonreportable because of the nature of the non-compliance in relation to Electricity Industry Metering Code, clause 6.1(1) and the subsidiary requirements thereafter need not be reported as non-compliant.	As advised by the Authority 18 December 2014, the Authority accepts that SCE will not take action to address the non-compliances unless replacing the current PPA with a new contract. Therefore, we consider that no further action is required at this time	SCE does not propose to take action in respect of this matter. It will report as non-compliant and consider any changes should the PPA be re-negotiated.