



Electrical Retail Licence Performance Audit Report

Southern Energy WA Pty Ltd

31 March 2020

Project Number: 12518240

Contents

1. Executive Summary	1
1.1 Background	1
1.2 Auditor’s Opinion: Performance Audit	1
1.3 Post Audit Implementation Plan	1
2. Introduction	3
2.1 Background	3
2.2 Purpose of this Report	3
2.3 Limitations	3
2.4 Assumptions	3
2.5 Approval of the Report by the Auditor.....	4
3. Objectives and Scope of Audit.....	5
3.1 Performance Audit Objectives.....	5
3.2 Scope of Performance Audit.....	5
3.3 Audit Period.....	5
3.4 Audit Methodology.....	5
3.5 Licensee’s Representation.....	6
3.6 GHD Audit Team.....	6
3.7 Key Documents and Information.....	6
4. Performance Summary	7
4.1 Performance Audit Compliance Summary	7
4.2 Summary of Observations	16
5. Recommendations	17
5.1 Non-compliance Recommendations.....	17
5.2 Post Audit Implementation Plan	18
6. Abbreviations	19
7. References	20



Tables

Table 1 - Lead Auditor's Approval	4
Table 2 - GHD Audit Team	6
Table 3 - Summary of Audit Obligations Rating	7
Table 4 - Compliance and Controls Ratings Summary Table	13
Table 5 - Audit Compliance and Controls Rating Scales	13
Table 6 - Excluded Conditions.....	13
Table 7 - Recommendations	17

Appendices

Appendix A Licence Performance Audit Checklist	22
Appendix B Key Documents Reviewed	45

1. Executive Summary

1.1 Background

The Economic Regulation Authority (ERA) is Western Australia's independent economic regulator that is responsible for administering the licensing schemes for gas, electricity and water services. This ensures that the operation of Western Australian consumers and businesses have a fair, competitive and efficient environment.

Southern Energy WA Pty Ltd (Southern Energy or the licensee) holds an Electrical Retail Licence (ERL27). The licence has been issued by ERA under section 19 of the Electricity Industry Act 2004 and enables the licensee to sell electricity to customers, excluding small use customers. The licensee has one customer for the reporting period and there have been no changes to the licence.

This is the first audit of Southern Energy with regard to their compliance with obligations relating to their Electrical Retail Licence ERL27 with the ERA. The audit will focus on Southern Energy's systems and effectiveness of processes used to ensure compliance with the obligations, standards, outputs and outcomes as required by the Licence.

Under Section 13 of the Act, Southern Energy is required to provide ERA with a report by an independent specialist on measures taken by the licensee to meet the performance criteria specified on the licence. In October 2019, Southern Energy engaged GHD to carry out the performance audit of their licence compliance for the period 30th November 2017 to 30th November 2019.


1.2 Auditor's Opinion: Performance Audit

On completion of the electricity retail licence audit, after assessment and testing of the licensee procedure, controls and documentations in place, the audit found several non-compliances with the licence. Out of the 69 obligations tested, 7 of them were rated as compliant, 4 rated as non-compliant and the remaining 58 were not rated. Southern Energy is a new electricity retailer with only one customer during the audit period that did not encounter any incidents involving these obligations, i.e. dispute resolution, bi-directional flow, and customer transfer requests.

Overall, the audition has formed the opinion that, during the audit period of 30th November 2017 to 30th November 2019, most of the obligations were not rated due to the lack of activity. The obligations that were non-compliant did not have impacts on the customer.

1.3 Post Audit Implementation Plan

The audit has resulted, where applicable, in findings and recommendations that require corrective actions by the Licensee. The Post Audit Implementation Plan (PAIP) is a separate document where the licensee responds to the recommendations provided in the audit. This document should reflect on the licensee's views and actions, it does not form part of the audit and review and is provided separately in accordance with the guidelines.



This report: has been prepared by GHD for Southern Energy WA Pty Ltd and may only be used and relied on by Southern Energy WA Pty Ltd for the purpose agreed between GHD and the Southern Energy WA Pty Ltd as set out in section 3.1 and 3.2 of this report.

GHD otherwise disclaims responsibility to any person other than Southern Energy WA Pty Ltd arising in connection with this report. GHD also excludes implied warranties and conditions, to the extent legally permissible.

The services undertaken by GHD in connection with preparing this report were limited to those specifically detailed in the report and are subject to the scope limitations set out in the report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. GHD has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD described in this report (refer section(s) 4 and 5 of this report). GHD disclaims liability arising from any of the assumptions being incorrect.

If GHD has relied on information provided by the client and/or others when preparing the document containing the following should be added to the generic disclaimer detailed above:

GHD has prepared this report on the basis of information provided by Southern Energy WA Pty Ltd and others who provided information to GHD (including Government authorities)], which GHD has not independently verified or checked beyond the agreed scope of work. GHD does not accept liability in connection with such unverified information, including errors and omissions in the report which were caused by errors or omissions in that information.

2. Introduction

2.1 Background

Southern Energy WA Pty Ltd (Southern Energy) provide electricity supply products and services in areas covered by the South West Interconnected System (SWIS). Southern Energy operate under an Electrical Retail Licence (ERL27) issued by the Economic Regulation Authority (ERA). During the audit period, Southern Energy supplied large use customers (i.e. customers who consume more than 160 MWh of electricity per annum) and also have capacity to supply contestable customers in excess of 50 MWh.

Initially, Southern Energy are focusing on supplying a portfolio of affiliated properties primarily located in the Albany Region and in due course will also serve non-affiliated Large Users. When initially applying for a licence, Southern Energy engaged Community Electricity Pty Ltd to assist with establishing its retail operations. This retail licence application does not involve any major infrastructure development. It encompasses primarily office-based activities, utilising computers and software.

2.2 Purpose of this Report

This report covers the audit findings and recommendations of the performance audit of Southern Energy's electricity Licence, ERL27 (30th November 2017 to 30th November 2019) for submission to ERA in accordance with the requirements of the ERA. The purpose of the performance audit is to assess the effectiveness of measures taken by the licensee to meet the obligations of the performance and quality standards referred to in the licence.

2.3 Limitations

This is the first audit of Southern Energy with regard to their compliance with obligations relating to their Electrical Retail Licence (ERL27) with the ERA. As Southern Energy is a newly developed retail licensee with a small customer base, the amount of supporting documentation provided was limited.

2.4 Assumptions

This Report is an accurate representation of the findings and opinions of the auditors following the audit of the Southern Energy's conformance to the nominated Licence conditions. The audit provides a reasonable level of assurance on the effectiveness of control procedures; however there are limitations due to the nature of the evidence available to the auditor, the sampling and checking of evidence, the limitations of internal controls and the need to use judgement in the assessment of evidence. The auditors have relied on evidence coming to the reviewer's attention showing that the control procedures are ineffective, when the initial process and procedures do not provide sufficient evidence to the level that would be required by a review.

The Post Audit Implementation Plan (PAIP) is a document prepared by the licensee in response to the recommendations provided by the audit. As it represents the licensee's views and actions it does not form part of the audit and review and is provided separately in accordance with the guidelines.

2.5 Approval of the Report by the Auditor

I, Alan Meagher, hereby state that this audit report is an accurate representation of the audit teams findings and opinions.

Alan Meagher
Executive Advisor – Risk Management

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Table 1 - Lead Auditor's Approval

Representation	Name	Position	Signature	Date
Lead Auditor	A Meagher	Executive Advisor – Risk Management		Digitally signed by pp Shah Rezza Zaini Date: 2020.03.31 08:01:41 +08'00'

3. Objectives and Scope of Audit

3.1 Performance Audit Objectives

The purpose of the performance audit is to assess the effectiveness of measures taken by the licensee to meet the obligations of the performance and quality standards referred to in the licence.

The objective of the performance audit was detailed within the Audit Plan [Ref 2], as required by the 2019 Audit & Review Guidelines – Electricity and Gas Licences [Ref 1].

3.2 Scope of Performance Audit

The scope of the performance audit is of Southern Energy's systems and processes and to assess their effectiveness in ensuring compliance with the standards and outputs and outcomes required by the licence, in detail. The performance audit assessed the following:

- Control environment – the licensee'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 the relevant staff members.
- Information system – the suitability of the licensee's information systems to record the information needed to comply with the licence, accuracy of data, security of data and documentation describing the information system.
- Control procedures – the presence of systems and procedures to monitor compliance with the licence or the effectiveness of the licensee's asset management system, and to detect or prevent instances of non-compliance or under-performance.
- Compliance attitude – the action taken by Southern Energy in response to any previous audit recommendations, and an assessment of the licensee's attitude towards compliance.
- Outcome compliance – the actual performance against standards prescribed in the licence throughout the audit or review period.

3.3 Audit Period

The performance audit covers the period 30th November 2017 to 30th November 2019. The audit was carried out between January and February 2020.

3.4 Audit Methodology

The audit followed the methodology defined in the ERA Guidelines [Ref 1] including:

- 1 Review of documentation;
- 2 Preparation of the audit plan, risk assessment and system analysis;
- 3 Document Reviews and Interviews via teleconference;
- 4 Reporting.

The audit was undertaken via desktop review and via interview. No site visits were undertaken during the audit as the Southern Energy do not manage any assets and all activities are office-based.

An audit plan [Ref 1] was prepared outlining the objectives, scope, risk assessment, system analysis, report structure, key contacts and auditing staff. This audit plan was reviewed and approved by ERA.

A risk assessment was undertaken in accordance with the 2019 Audit Guidelines – Electricity and Gas Licence [Ref 1]. The audit adopted a risk based approach where a preliminary risk and materiality assessment was carried out in accordance with AS ISO 31000:2018 (Risk Management – Guidelines).

During the audit, the assessment ratings were reviewed and prioritised assessment of the obligations that lacked controls (inherent risks) and the strength of existing controls from the preliminary assessment.

3.5 Licensee’s Representation

Licensee representatives that participated in the audit meetings or were requested to clarify aspects of the licensee’s operations were:

From Southern Energy WA Pty Ltd:

- 1 Accounts officer – Jo Stan-Bishop
- 2 CEO of Southern Energy WA Pty Ltd – Paul Lionetti

3.6 GHD Audit Team

A summary of the auditing resources utilised in the performance of the audit and review is listed below.

Table 2 - GHD Audit Team

Resource	Description	Hours Utilised
Alan Meagher	Lead Auditor, Project Director	9 hours
Shah Zaini	Auditor, Project Manager	33 hours
Jessica Lim	Audit Support	62 hours

3.7 Key Documents and Information

The main documents accessed by the auditors are listed in Appendix B.

4. Performance Summary

The performance audit is summarised below in Table 3. The table lists the compliance rating for each licence condition using the two-dimensional rating scale described in Table 5 and a summary of the compliance and controls ratings is shown in Table 4.

Each obligation is rated for both the adequacy of existing controls and the compliance with the relevant licence obligation.

Excluded conditions are summarised below in Table 6.

4.1 Performance Audit Compliance Summary

Table 3 - Summary of Audit Obligations Rating

#	Obligations Under Condition	Audit Priority	Controls Rating					Compliance Rating				
			A	B	C	D	N/P	1	2	3	4	N/R
9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations												
Ref: Electricity Industry (Licence Conditions) Regulations, regulation 5(2)												
6	Electricity Industry Customer Transfer Code, clause 3.2(2)	4					✓					✓
7	Electricity Industry Customer Transfer Code, clause 3.4(1)	4					✓					✓
8	Electricity Industry Customer Transfer Code, clause 3.5(3)	3					✓					✓
9	Electricity Industry Customer Transfer Code, clause 3.6(2)	3					✓					✓
14	Not Used											
16	Electricity Industry Customer Transfer Code, clause 3.9(1)	4					✓					✓
17	Electricity Industry Customer Transfer Code, clause 3.9(2)	4					✓					✓
18	Electricity Industry Customer Transfer Code, clause 3.9(3)	4					✓					✓

#	Obligations Under Condition	Audit Priority	Controls Rating					Compliance Rating				
			A	B	C	D	N/P	1	2	3	4	N/R
19	Electricity Industry Customer Transfer Code, clause 3.9(4)	4					✓					✓
23	Electricity Industry Customer Transfer Code, clause 4.2(2)	4					✓					✓
24	Electricity Industry Customer Transfer Code, clause 4.3	4					✓					✓
25	Electricity Industry Customer Transfer Code, clause 4.4(1)	4					✓					✓
26	Electricity Industry Customer Transfer Code, clause 4.4(2)	4					✓					✓
27	Electricity Industry Customer Transfer Code, clause 4.5(1)	4					✓					✓
28	Electricity Industry Customer Transfer Code, clause 4.6(3)	4					✓					✓
29	Electricity Industry Customer Transfer Code, clause 4.7	4					✓					✓
30	Electricity Industry Customer Transfer Code, clause 4.8(2)	4					✓					✓
34	Electricity Industry Customer Transfer Code, clause 4.9(6)	4					✓					✓
39	Electricity Industry Customer Transfer Code, clause 4.11(3)	4					✓					✓
40	Electricity Industry Customer Transfer Code, clause 4.12(3)	5					✓					✓
43	Electricity Industry Customer	5					✓					✓

#	Obligations Under Condition	Audit Priority	Controls Rating					Compliance Rating				
			A	B	C	D	N/P	1	2	3	4	N/R
	Transfer Code, clause 4.15											
44	Electricity Industry Customer Transfer Code, clause 4.16	4					✓					✓
45	Electricity Industry Customer Transfer Code, clause 4.17	4					✓					✓
46	Not Used											
47	Not Used											
48	Electricity Industry Customer Transfer Code, clause 5.2	4					✓					✓
48A	Electricity Industry Customer Transfer Code, clause 6.1	4				✓		✓				
49	Electricity Industry Customer Transfer Code, clause 6.2	4					✓					✓
52	Electricity Industry Customer Transfer Code, clause 6.4(1)	4					✓					✓
53	Electricity Industry Customer Transfer Code, clause 6.4(2)	4				✓			✓			
54	Electricity Industry Customer Transfer Code, clause 6.6	4					✓					✓
55	Electricity Industry Customer Transfer Code, clause 7.1(1)	5					✓					✓
56	Electricity Industry Customer Transfer Code, clause 7.1(2)	5					✓					✓

#	Obligations Under Condition	Audit Priority	Controls Rating					Compliance Rating					
			A	B	C	D	N/P	1	2	3	4	N/R	
57	Electricity Industry Customer Transfer Code, clause 7.1(3)	4					✓						✓
58	Electricity Industry Customer Transfer Code, clause 7.2(4)	5					✓						✓
59	Electricity Industry Customer Transfer Code, clause 7.3(2)	5					✓						✓
12 Electricity Industry Act – Licence Conditions and Obligations													
Ref: Retail Licence, condition 4.1.1, Retail Licence, condition 4.2.1, Retail Licence, condition 5.3.1, Retail Licence, condition 6.1.1, Retail Licence, condition 6.4.1, Retail Licence, condition 6.6.1, Retail Licence, condition 6.7.1,													
105	Electricity Industry Act, section 17(1) Economic Regulation Authority (Licensing Funding) Regulations 2014	4					✓	✓					
106	Electricity Industry Act, section 31(3)	5					✓						✓
107	Electricity Industry Act, section 41(6)	4					✓						✓
112	Not Used												
113	Electricity Industry Act, section 115(2)	4					✓						✓
13 Electricity Licences – Licence Conditions and Obligations													
Ref: Electricity Industry Act, section 11													
119	Retail Licence, condition 4.3.1	4				✓			✓				
121	Retail Licence, condition 5.3.2	4	✓					✓					
123	Retail Licence, condition 4.4.1	4					✓						✓

#	Obligations Under Condition	Audit Priority	Controls Rating					Compliance Rating				
			A	B	C	D	N/P	1	2	3	4	N/R
124	Retail Licence, condition 4.5.1	4				✓			✓			
125	Retail Licence, condition 3.8.1 and 3.8.2	4					✓					✓
126	Retail Licence, condition 3.7.1	4	✓					✓				
15 Electricity Industry Metering Code – Licence Conditions and Obligations												
Ref: Retail Licence, condition 4.1.1												
324	Electricity Industry Metering Code, clause 3.3B	4					✓					✓
339	Electricity Industry Metering Code, clause 3.11(3)	4					✓					✓
372	Electricity Industry Metering Code, clause 4.5(1)	4					✓					✓
373	Electricity Industry Metering Code, clause 4.5(2)	4					✓					✓
388	Electricity Industry Metering Code, clause 5.4(2)	4					✓					✓
401	Electricity Industry Metering Code, clause 5.16	4					✓					✓
402	Electricity Industry Metering Code, clause 5.17(1)	4					✓					✓
405	Electricity Industry Metering Code, clause 5.18	4					✓					✓
406	Electricity Industry Metering Code, clause 5.19(1)	4					✓					✓
407	Electricity Industry Metering Code, clause 5.19(2)	4					✓	✓				
408	Electricity Industry Metering Code, clause 5.19(3)	4					✓					✓
410	Electricity Industry Metering Code, clause 5.19(6)	5					✓					✓
416	Electricity Industry Metering Code, clause 5.21(5)	4					✓					✓

#	Obligations Under Condition	Audit Priority	Controls Rating					Compliance Rating				
			A	B	C	D	N/P	1	2	3	4	N/R
417	Electricity Industry Metering Code, clause 5.21(6)	4					✓					✓
435	Electricity Industry Metering Code, clause 5.27	4					✓					✓
448	Electricity Industry Metering Code, clause 6.1(2)	4					✓	✓				
451	Electricity Industry Metering Code, clause 7.2(1)	5					✓	✓				
453	Electricity Industry Metering Code, clause 7.2(4)	4					✓					✓
454	Electricity Industry Metering Code, clause 7.2(5)	4				✓			✓			
455	Electricity Industry Metering Code, clause 7.5	4					✓					✓
456	Electricity Industry Metering Code, clause 7.6(1)	4					✓					✓
457	Electricity Industry Metering Code, clause 8.1(1)	5					✓					✓
458	Electricity Industry Metering Code, clause 8.1(2)	5					✓					✓
459	Electricity Industry Metering Code, clause 8.1(3)	5					✓					✓
460	Electricity Industry Metering Code, clause 8.1(4)	4					✓					✓
461	Electricity Industry Metering Code, clause 8.3(2)	5					✓					✓

Table 4 - Compliance and Controls Ratings Summary Table

		Compliance Rating					
		1	2	3	4	N/R	Total
Controls Rating	A	2	-	-	-	-	2
	B	-	-	-	-	-	0
	C	-	-	-	-	-	0
	D	1	4	-	-	-	5
	N/P	4	-	-	-	58	62
	Total	7	4	0	0	58	69

Table 5 - Audit Compliance and Controls Rating Scales

Performance Audit Compliance & Controls Rating Scales			
Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequacy Controls – no improvement needed	1	Compliant
B	Generally Adequate Controls – some improvement needed	2	Non-Compliant: minor impact of customers or third parties
C	Inadequate Controls - significant improvement needed	3	Non-Compliant: moderate impact of customers or third parties
D	No Control Evident	4	Non-Compliant: major impact of customers or third parties
NP	Not Performed	NR	Not Rated

Table 6 - Excluded Conditions

2019 Compliance Manual Ref	Reference	Reason for Exclusion
8 Type 1 Reporting Obligation for all Licence Types		
234-257	Electricity Industry Act, Section 82	Only applies to retailers that supply small use customers. Southern Energy is not licensed to supply small customer use.

2019 Compliance Manual Ref	Reference	Reason for Exclusion
78-100	Retail Licence, condition 4.1.1	Only applies to retailers that supply small use customers. Southern Energy is not licensed to supply small customer use.
12 Electricity Industry Act – Licence Conditions and Obligations		
101	Retail Licence, condition 4.1.1 Retail Licence, condition 4.2.1	Applies to previous audits, this is the first audit for Southern Energy.
108-109	Retail Licence, condition 5.3.1 Retail Licence, condition 6.1.1 Retail Licence, condition 6.4.1	Only applies to retailers that supply small use customers. Southern Energy is not licensed to supply small customer use.
110	Retail Licence, condition 6.6.1 Retail Licence, condition 6.7.1	Not applicable as Southern Energy is not designated as a supplier of last resort.
111		Only applies to retailers that supply small use customers. Southern Energy is not licensed to supply small customer use.
13 Electricity Licences – Licence Conditions and Obligations		
114-118	Electricity Industry Act, section 11	Only applies to retailers that supply small use customers. Southern Energy is not licensed to supply small customer use.
120		ERA has not prescribed any individual performance standard during audit period.
14 Code of Conduct – Licence Conditions and Obligations		
129-142 143-144 145-186 187-201A 202-228 229-241 242-243A 245-271 272-297	Electricity Industry Act, section 82	Only applies to retailers that supply small use customers. Southern Energy is not licensed to supply small customer use.

2019 Compliance Manual Ref	Reference	Reason for Exclusion
298-304 305-307 308-315		
15 Electricity Industry Metering Code – Licence Conditions and Obligations		
354	Retail Licence, condition 4.1.1	This condition only applies to Synergy and Western Power.
371	Electricity Industry Metering Code, clause 4.4(1)	Not applicable, metering installation are owned by Western Power and the metering database are maintained by Western Power.



4.2 Summary of Observations

On completion of the electricity retail licence audit, not all licence obligations were met. If Southern Energy were to expand their customer base or change their licence to supply to small use customers, preparation of appropriate documentation and controls are required before the next audit cycle.

Overall, this audit involved testing 69 obligations applicable to the audit period. 206 obligations were not tested.

Out of the tested 69 licence obligations, 7 obligations were rated as compliant with ERA's guidelines, 4 rated as non-compliant and the remaining 58 obligations were not rated.

For further information, refer to Appendix A for the full licence performance audit.

4.2.1 Audit Obligations Findings

During the audit, the audit team found that most of the obligations were not rated. This is because Southern Energy are a newly developed electricity retailer with only one customer during the audit period that did not encounter any incidents involving these obligations, i.e. dispute resolution, bi-directional flow, customer transfer requests.

Recommendations to ensure compliance are listed in Section 5.1.

5. Recommendations

5.1 Non-compliance Recommendations

The audit identified three (3) recommendations. Table 7 summarises the current recommendations and opportunity for improvement required by ERA. Obligation 53 is the same for Obligation 454, which is associated with notifying the network operator in the event of a change of contact details. These have been combined as one recommendation.

Table 7 - Recommendations

Licence Obligation Ref No / Recommendation Reference	Non-compliance / Controls Improvement	Recommendations	Date resolved & action taken by licensee
48A (01/2020)	<p>D1 Electricity Industry Customer Transfer Code, clause 6.1</p> <p>Licensee did not have procedures in place to ensure that notices are in writing and delivered.</p>	Southern Energy are to develop a procedure for notices to be in writing and delivered electronically.	
53 and 454 (02/2020)	<p>D2 Electricity Industry Customer Transfer Code, clause 6.4(2) & Electricity Industry Metering Code, clause 7.2(5)</p> <p>Licensee did not notify the network operator of changes in contact details.</p>	<p>Southern Energy to notify Western Power with the change of contact details.</p> <p>Southern Energy are to develop a communications procedure to notify the network operator if there is a change in its contact details.</p>	

Licence Obligation Ref No / Recommendation Reference	Non-compliance / Controls Improvement	Recommendations	Date resolved & action taken by licensee
119 (03/2020)	<p>D2 Retail Licence, condition 4.3.1</p> <p>Licensee did not have financial and accounting reports that comply with Australian Accounting Standards Board Standards or equivalent International Accounting Standards.</p>	<p>Southern Energy are to ensure that financial and accounting reports have been prepared to comply with the Australian Accounting Standards Board Standards (AASBS) or equivalent International Accounting Standards.</p> <p>Southern Energy are to develop a procedure to ensure financial and accounting reports comply with AASBS or equivalent international accounting standards.</p>	
124 (04/2020)	<p>D2 Retail Licence, condition 4.5.1</p> <p>Licensee did not have procedures in place to ensure that annual compliance reports are submitted on time to ERA.</p>	<p>Southern Energy are to develop a procedure where annual compliance reports are submitted on time to ERA.</p> <p>Southern Energy to ensure that compliance reports are submitted on time to the ERA.</p>	

5.2 Post Audit Implementation Plan

The Post Audit Implementation Plan (PAIP) is a document prepared by the licensee in response to the recommendations provided by the audit. As it represents the licensee's views and actions, it does not form part of the audit and review and is provided separately in accordance with the guidelines.

6. Abbreviations

Abbreviation	Definition
Act	Electricity Industry Act 2004 (WA)
AASBS	Australian Accounting Standards Board Standards
AEMO	Australian Energy Market Operator
CTR	Customer Transfer Request
ERA	Economic Regulation Authority
ERL27	Electrical Retail Licence 27
ETAC	Electricity Transfer Access Contract
HV	High Voltage
LV	Low Voltage
NMI	National Meter Identifier
NP	Not Performed
NR	Not Rated – Determined Not Applicable during the Audit Period
OFI	Opportunity for Improvement
PAIP	Post Audit Implementation Plan
Small Use Customers	Customers with consumption greater than 50 MWh and less than 160WVh per annum
Southern Energy	Southern Energy WA Pty Ltd
SWIS	South West Interconnected System
WA	Western Australia
WPN	Western Power Networks



7. References

- 1 Economic Regulatory Authority Western Australia, 2019 Audit Review Guidelines – Electricity and Gas Licences, D198385, March 2019.
- 2 GHD Advisory, Southern Energy WA Pty Ltd Electrical Retail Licence Audit Plan, 12518240-REP-001
- 3 Economic Regulatory Authority Western Australia, Electricity Compliance Reporting Manual: Electricity Industry Act 2004, July 2018.

Appendices

Appendix A Licence Performance Audit Checklist

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations Ref: Electricity Industry (Licence Conditions) Regulations, regulation 5(2)							
6	Electricity Industry Customer Transfer Code, clause 3.2(2)	A retailer must submit a separate data request for each connection point, unless otherwise agreed.	4	NP	NR	Southern Energy only has 1 connection point. No data request has been made for each connection point during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
7	Electricity Industry Customer Transfer Code, clause 3.4(1)	A retailer must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day, unless otherwise agreed.	4	NP	NR	During the audit period, there was no request for historical consumption data. Hence, an assessment of compliance with the historical consumption data cannot be made. Evidence: Interview with Accounts Officer (03/02/2020)	
8	Electricity Industry Customer Transfer Code, clause 3.5(3)	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.	3	NP	NR	During the audit period, there was no request for historical consumption data. Hence, an assessment of compliance with the historical consumption data cannot be made. Evidence: Interview with Accounts Officer (03/02/2020)	
9	Electricity Industry Customer Transfer Code, clause 3.6(2)	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical	3	NP	NR	During the audit period, there was no request for historical consumption data. Hence, Southern Energy did not incur any cost during the period for any work performed in relation	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
		consumption data that has been subsequently withdrawn.				to historical consumption data. Evidence: Interview with Accounts Officer (03/02/2020)	
14	Not Used						
16	Electricity Industry Customer Transfer Code, clause 3.9(1)	A retailer may only use data relating to a contestable customer to provide that customer with quotation for the supply of electricity by the retailer; or to initiate a transfer of that customer.	4	NP	NR	During the audit period, Southern Energy did not use customer data for any purpose. Evidence: Interview with Accounts Officer (03/02/2020)	
17	Electricity Industry Customer Transfer Code, clause 3.9(2)	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	4	NP	NR	During the audit period, Southern Energy did not receive any requests from contestable customers not to aggregate their historical data with other contestable customers.	
18	Electricity Industry Customer Transfer Code, clause 3.9(3)	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	4	NP	NR	During the audit period, Southern Energy did not disclose data of customers.	
19	Electricity Industry Customer Transfer Code, clause 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	4	NP	NR	Southern Energy did not request for any data from customers during the audit period. However, Southern Energy does keep their records up to a period of more than 7 years.	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
23	Electricity Industry Customer Transfer Code, clause 4.2(2)	A retailer must submit a separate customer transfer request for each connection point, unless otherwise agreed.	4	NP	NR	No Customer Transfer Request was made during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
24	Electricity Industry Customer Transfer Code, clause 4.3	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer that submitted the customer transfer request or to reverse an erroneous transfer.	4	NP	NR	No Customer Transfer Request was made during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
25	Electricity Industry Customer Transfer Code, clause 4.4(1)	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	4	NP	NR	No Customer Transfer Request was made during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
26	Electricity Industry Customer Transfer Code, clause 4.4(2)	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	4	NP	NR	No erroneous transfer reversals were requested during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
27	Electricity Industry Customer Transfer Code, clause 4.5(1)	A retailer must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in	4	NP	NR	No Customer Transfer Request was made during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
		a business day or with the same nominated transfer date, unless otherwise agreed.					
28	Electricity Industry Customer Transfer Code, clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	4	NP	NR	No Customer Transfer Request was made during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
29	Electricity Industry Customer Transfer Code, clause 4.7	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.	4	NP	NR	No Customer Transfer Request was made during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
30	Electricity Industry Customer Transfer Code, clause 4.8(2)	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	4	NP	NR	No Customer Transfer Request was made during the audit period. Hence, there were no instances where costs were incurred by the Network Operator as a result of the CTR being withdrawn. During the audit period, Southern Energy did not withdraw any transfer requests where WP provided a meter.	
34	Electricity Industry Customer Transfer Code, clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	4	NP	NR	No Customer Transfer Request was made during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
39	Electricity Industry Customer Transfer Code, clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	4	NP	NR	During the audit period, there were no nominated transfer dates, hence there were no instances of meters not being read.	
40	Electricity Industry Customer Transfer Code, clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	5	NP	NR	No changes were made to the access contract as per the requirement of this clause during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
43	Electricity Industry Customer Transfer Code, clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and, if applicable, AEMO) must act in good faith to ensure that the affected contestable customer has the same rights and obligations as if the erroneous transfer had not occurred.	5	NP	NR	There has been no erroneous transfers or customer complaints during the audit period.	
44	Electricity Industry Customer Transfer Code, clause 4.16	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	4	NP	NR	There were no erroneous transfers to reverse during the audit period.	
45	Electricity Industry Customer	A previous retailer must not bill a contestable customer for charges incurred after the	4	NP	NR	There were no transfers during the audit period and therefore no customers were billed for	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
	Transfer Code, clause 4.17	transfer time, except in the case of an erroneous transfer.				charges incurred after the transfer time. There were no erroneous transfers to reverse during the audit period.	
46	Not Used						
47	Not Used						
48	Electricity Industry Customer Transfer Code, clause 5.2	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code.	4	NP	NR	No breaches were noted during the audit period. During the audit period, there was no communication with Western Power. Evidence: Interview with Accounts Officer (03/02/2020)	
48A	Electricity Industry Customer Transfer Code, clause 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	4	D	1	Southern Energy do not have any procedures which ensure that notices are to be sent electronically to customers. Southern Energy receives monthly notices from Western Power's billing networks where metering data is sent by Western Power and requires Southern Energy to follow the next steps. This involves Southern Energy filling in the data as a form of acknowledgement and sent back to Western Power that	(01/2020) Southern Energy are to develop a procedure for notices to be in writing and delivered electronically.

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
						<p>they agree to the data. Southern Energy did not send any notices to their customer during the audit period.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020), Various email conversations between Western Power and Southern Energy (e.g. network access charges email from Western Power on 08/01/2020)</p>	
49	Electricity Industry Customer Transfer Code, clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.	4	NP	NR	<p>No Customer Transfer Request or data requests was made during the audit period.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	
52	Electricity Industry Customer Transfer Code, clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request.	4	NP	NR	Western Power has not made any requests during the audit period.	
53	Electricity Industry Customer Transfer Code, clause 6.4(2)	A retailer must notify the network operator of any change in its contact details at least three business days before the change takes effect.	4	D	2	Southern Energy do not have any procedures in place which ensure that change in contact details are notified to Western Power.	(02/2020) Southern Energy to notify Western Power with the change of contact details.

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
						<p>There was a change in contact details during the audit period. There was a change in the main point of contact; however the contact email and contact phone number remained the same.</p> <p>Southern Energy notified ERA regarding the new contact details through both phone and email but did not notify the change with Western Power.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020), Email to ERA on 20/09/2019 regarding to change of main contact.</p>	Southern Energy are to develop a communications procedure to notify the network operator if there is a change in its contact details.
54	Electricity Industry Customer Transfer Code, 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.	4	NP	NR	<p>No electronic communication was sent to the customer base during the audit period.</p> <p>Southern Energy receives network access charges from Western Power electronically and acknowledges the information by signing it and returning to Western Power electronically.</p>	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
55	Electricity Industry Customer Transfer Code, clause 7.1(1)	For a dispute in respect of a matter under, or in connection with, the Electricity Industry Customer Transfer Code, 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.	5	NP	NR	<p>There were no disputes with respect to a matter under or in connection with this requirement during the audit period.</p> <p>Assessment of compliance with respect to meeting within 5 business days cannot be made.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	
56	Electricity Industry Customer Transfer Code, 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 through negotiations that are conducted in good faith.	5	NP	NR	<p>There were no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with Dispute Resolution requirements cannot be made.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	
57	Electricity Industry Customer Transfer Code, 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.	4	NP	NR	<p>There were no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with Dispute Resolution requirements cannot be made.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
58	Electricity Industry Customer Transfer Code, 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.	5	NP	NR	<p>There were no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with Dispute Resolution requirements cannot be made.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	
59	Electricity Industry Customer Transfer Code, clause 7.3(2)	A disputing party must, at all times, conduct itself in a manner that is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.	5	NP	NR	<p>There were no disputes during the audit period that have been elevated for management in accordance with this requirement. As such assessment of compliance with Dispute Resolution requirements cannot be made.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	
12 Electricity Industry Act – Licence Conditions and Obligations							
Ref: Retail Licence, condition 4.1.1, Retail Licence, condition 4.2.1, Retail Licence, condition 5.3.1, Retail Licence, condition 6.1.1, Retail Licence, condition 6.4.1, Retail Licence, condition 6.6.1, Retail Licence, condition 6.7.1,							
105	Electricity Industry Act, section 17(1) Economic Regulation Authority (Licensing Funding)	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.	4	NP	1	<p>Licence fees were paid to ERA within prescribed period (within 1 month after the day on which the licence was granted).</p> <p>Evidence: Interview with Jo (03/02/2020)</p> <p>Invoice: INV ERA 101392 paid on 11/12/2017 (Annual licence</p>	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
	Regulations 2014					2017) INV ERA 101758 paid on 13/11/19 (Annual Licence 2018) INV ERA 102197 paid on 12/11/19 (Annual licence 2019)	
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.	5	NP	NR	The electricity supply is managed by Western Power and is beyond Southern Energy's control. Southern Energy's retail licence has no capacity to minimise the extent or duration of any interruption, suspension or restriction of supply to an accident, emergency, potential danger or other unavoidable cause. Hence, an assessment of this requirement cannot be made.	
107	Electricity Industry Act, section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	4	NP	NR	Southern Energy did not take interest in land or in easement over land during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
112	Not Used						
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 that hinders or prohibits access.	4	NP	NR	There was no evidence of hindering or prohibiting access. No complaints or issues were noted during the audit period.	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
		*Obligation 113 was applicable in the 2017 Compliance manual. As this audit is a part of the Audit period, this obligation needs to be assessed for compliance.					
13 Electricity Licences –Licence Conditions and Obligations Ref: Electricity Industry Act, section 11							
119	Retail Licence, condition 4.3.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	4	D	2	<p>Southern Energy do not have any procedures in place to ensure that accounting records are compliant with AASBS.</p> <p>Financial reports have been prepared by a third party chartered accountant (Adamo Accounting). The financial reports state that they do not comply with Australian Accounting Standards.</p> <p>Accounting records are being maintained and kept at a period greater than 2 years.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020), Financial Report for the Year Ended 30 June 2018, Financial Report for the Year Ended 30 June 2019</p>	<p>(03/2020) Southern Energy are to develop a procedure where financial and accounting reports are in accordance with AASBS.</p> <p>Southern Energy are to ensure that financial and accounting reports have been prepared to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.</p>
121	Retail Licence, condition 5.3.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit	4	A	1	As per Southern Energy Audit Plan ERL27 approved by ERA. The plan has been prepared in	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
		guidelines for a performance audit.				accordance with the 2019 Audit and Review Guidelines: Electricity and Gas Licence (March 2019).	
123	Retail Licence, condition 4.4.1	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.	4	NP	NR	During the audit period, Southern Energy was not under external administration and did not undergo in any significant change in circumstances that affected the granted licence. An assessment of this requirement cannot be made.	
124	Retail Licence, condition 4.5.1	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.	4	D	2	Southern Energy do not have any procedures in place to ensure that annual compliance reports are submitted on time to ERA. Southern Energy submits annual compliance reports to ERA via Dropbox. Compliance Reports from 2017 to 2018 were not submitted on time and was noted in the 2018 to 2019 report. Evidence: Interview with Accounts Officer (03/02/2020), SE Annual Compliance Report 1819, Email to ERA on 11/10/19	(04/2020) Southern Energy are to develop a procedure where annual compliance reports are submitted on time to ERA. Southern Energy to ensure that compliance reports are submitted on time to the ERA.
125	Retail Licence, condition 3.8.1 and 3.8.2	A licensee must publish any information as directed by the	4	NP	NR	Southern Energy has not received directions from ERA to publish any specific information	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
		ERA to publish, within the timeframes specified.				on the website during the audit period. Evidence: Email from Accounts Officer (24/02/2020)	
126	Retail Licence, condition 3.7.1	All notices must be in writing, unless otherwise specified.	4	A	1	During the audit period, notices to ERA were in writing electronically. Notices to the ERA include the abovementioned annual compliance reports, change of contact details and correspondence regarding the audit. Evidence: Interview with Accounts Officer (03/02/2020), Various emails of conversations between ERA and Southern Energy (e.g. change of contact details).	
15 Electricity Industry Metering Code – Licence Conditions and Obligations Ref: Retail Licence, condition 4.1.1							
324	Electricity Industry Metering Code, clause 3.3B	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flows or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.	4	NP	NR	The licensee was not aware of any bi-directional flow before Western Power during the audit period.	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
339	Electricity Industry Metering Code, clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	4	NP	NR	Western Power has primary responsibility for the management and monitoring of meters. Generally, customer queries or a review of billing data prior to issue will identify these anomalies. There were no outages or malfunctions identified during the audit period. An assessment of this requirement cannot be made.	
372	Electricity Industry Metering Code, clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	4	NP	NR	Western Power are responsible for this obligation; however Southern Energy did not identify any inaccuracies associated with standing data in the registry during the audit period. Evidence: Email from Accounts Officer to Auditor (24/02/2020)	
373	Electricity Industry Metering Code, clause 4.5(2)	Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or inaccuracy in, an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.	4	NP	NR	Western Power are responsible for this obligation; however Southern Energy did not identify any inaccuracies associated with standing data in the registry during the audit period. Evidence: Email from	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
						Accounts Officer to Auditor (24/02/2020)	
388	Electricity Industry Metering Code, clause 5.4(2)	A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under subclause 5.4(1).	4	NP	NR	During the audit period, no request for assistance has been requested by the network operator (Western Power) with respect to meter installation.	
401	Electricity Industry Metering Code, clause 5.16	If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	4	NP	NR	Western Power are owners of the meter and are responsible for the management and monitoring of meters.	
402	Electricity Industry Metering Code, clause 5.17(1)	A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	4	NP	NR	The licensee does not own meters. Under the metering code, meters are the obligation of the network operator. Southern Energy is obliged to supply meter data to the customer upon request and at no charge. No such request has been made during the audit period	
405	Electricity Industry Metering Code, clause 5.18	If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the	4	NP	NR	Southern Energy does not collect or receive information regarding a change of metering point.	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
		prescribed information, including the stated attributes, within the timeframes prescribed.				Western Power manages the status of metering points.	
406	Electricity Industry Metering Code, clause 5.19(1)	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere, and provide that information to the network operator.	4	NP	NR	During the audit period, there were no requests by Western Power to collect information from customers.	
407	Electricity Industry Metering Code, clause 5.19(2)	A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated.	4	NP	1	Southern Energy collects and maintains record of each connection point up to a period of up to 7 years. Evidence: Interview with Jo (03/02/2020)	
408	Electricity Industry Metering Code, clause 5.19(3)	Subject to subclauses 5.19(3A) and 5.19(6), the user must, within 1 business day after becoming aware of any change in an attribute described in subclause 5.19(2), notify the network operator of the change.	4	NP	NR	During the audit period, there were no changes to customer addresses or site attributes.	
410	Electricity Industry	The user must use reasonable endeavours to ensure that it does not notify	5	NP	NR	During the audit period, it is understood that Western Power did not provide Southern	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
	Metering Code, clause 5.19(6)	the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user.				Energy any standing data. The only information provided by Western Power were network charges every month. Standing data was accessed via Western Power Metering Service Portal which requires a token authenticator for access Evidence: Email from Accounts Officer (05/03/2020)	
416	Electricity Industry Metering Code, clause 5.21(5)	A Code participant must not request a test or audit under subclause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	4	NP	NR	Southern Energy has not made any requests for tests of metering systems during the audit period on behalf of a customer.	
417	Electricity Industry Metering Code, clause 5.21(6)	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement.	4	NP	NR	Southern Energy has not made any request for audits or tests within the audit period.	
435	Electricity Industry Metering Code, clause 5.27	Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	4	NP	NR	During the audit period, no requests for customer attribute information were made.	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
448	Electricity Industry Metering Code, clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	4	NP	1	<p>No rules, procedures, agreements and criteria of Western Power were breached during the audit period.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	
451	Electricity Industry Metering Code, clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	5	NP	1	<p>Southern Energy primarily uses email and phone calls to communicate with Western Power. Southern Energy can receive notices, by post, fax and electronically but primarily uses emails and phone calls.</p> <p>Southern Energy have notified the Western Power of a telephone number for voice communication</p> <p>There was a change in contact details during the audit period. There was a change in the main point of contact; however the contact email and contact phone number remained the same.</p> <p>All correspondence (mainly via email) were maintained and recorded.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
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.	4	NP	NR	There were no requests for contract details from Western Power during the audit period.	
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.	4	D	2	<p>Southern Energy do not have any procedure which ensure that change in contact details are notified to WP.</p> <p>There was a change in contact details during the audit period. There was a change in the main point of contact; however the contact email and contact phone number remained the same.</p> <p>Southern Energy notified ERA regarding the new contact details through both phone and email but did not notify the change with Western Power.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020), Email to ERA on 20/09/2019 regarding to change of main contact.</p>	<p>(02/2020) Southern Energy are to develop a communications procedure to notify the network operator if there is a change in its contact details.</p> <p>Southern Energy to ensure that Western Power are notified in the event that there is change of contact details. This recommendation has been also raised for Obligation 53.</p>
455	Electricity Industry	A Code participant must subject to subclauses 5.17A	4	NP	NR	Southern Energy has not disclosed or permitted the	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
	Metering Code, clause 7.5	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.				disclosure of confidential information provided to it under or in connection with the Code. Evidence: Interview with Accounts Officer (03/02/2020)	
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.	4	NP	NR	No disclosure of confidential information occurred during the audit period. Evidence: Interview with Accounts Officer (03/02/2020)	
457	Electricity Industry Metering Code, 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.	5	NP	NR	There were no disputes during the audit period. An assessment of compliance with this requirement cannot be made. Evidence: Interview with Accounts Officer (03/02/2020)	
458	Electricity Industry Metering Code, clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve	5	NP	NR	There were no disputes during the audit period. An assessment of compliance with this requirement cannot be made. Evidence: Interview with Accounts Officer (03/02/2020)	

#	Obligations Under Condition	Licence Obligation/Description	Audit Priority	Controls Rating	Compliance Rating	Observations	Recommendations
		the dispute by negotiations in good faith.					
459	Electricity Industry Metering Code, clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	5	NP	NR	<p>There were no disputes during the audit period.</p> <p>An assessment of compliance with this requirement cannot be made.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	
460	Electricity Industry Metering Code, clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	4	NP	NR	<p>There were no disputes during the audit period.</p> <p>An assessment of compliance with this requirement cannot be made.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	
461	Electricity Industry Metering Code, clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	5	NP	NR	<p>There were no disputes during the audit period.</p> <p>An assessment of compliance with this requirement cannot be made.</p> <p>Evidence: Interview with Accounts Officer (03/02/2020)</p>	

Appendix B Key Documents Reviewed

#	Performance Audit Documentation
1	Southern Energy WA Pty Ltd Financial Report for 30 June 2018
2	Southern Energy WA Pty Ltd Financial Report for 30 June 2019
3	Annual Compliance Report (1 st July 2017 to 30 June 2018)
4	Annual Compliance Report (1 st July 2018 to 30 June 2019)
5	Electricity Transfer Access Contract Between: Electricity Networks Corporation and Southern Energy WA Pty Ltd

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Rev.No.	Author	Reviewer Name	Signature	Approved for Issue Name	Signature	Date
Draft D	J Lim	S Zaini	Digitally signed by Shah Rezza Zaini	A Meagher		Digitally signed by pp Shah Rezza Zaini
Rev 0	J Lim	S Zaini	Date: 2020.03.31 08:02:53 +08'00'	A Meagher		Date: 2020.03.31 08:04:05 +08'00'

