



Alinta DEWAP Pty Ltd

2022 Performance Audit and Asset Management System Review Electricity Integrated Regional Licence EIRL7

Report

**Economic Regulation Authority
August 2022**

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Limitations of this Report

This report was prepared for distribution to the Economic Regulation Authority and Alinta DEWAP Pty Ltd for the purpose of fulfilling Alinta DEWAP's performance audit and asset management system review obligations under its Electricity Integrated Regional Licence. We disclaim any assumption of responsibility for any reliance on this report to any persons or users other than the Economic Regulation Authority and Alinta DEWAP or for any purpose other than that for which it was prepared.

Because of the inherent limitations of any internal control environment, it is possible that fraud, error or non-compliance may occur and not be detected. An audit is not designed to detect all instances of non-compliance with the procedures and controls over the licence obligations of the Electricity Integrated Regional Licence, since we do not examine all evidence and every transaction. The audit and review conclusions expressed in this report have been formed on this basis.

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1. Independent Auditor's Report

Scope

Alinta DEWAP Pty Ltd ('Alinta') is the licensee of the Economic Regulation Authority ('ERA') for the electricity integrated retail licence (EIRL7) licence under the provisions contained in the *Electricity Industry Act 2004*. Under EIRL7, Alinta owns and operates the Port Hedland Power/Boodarie Station and power transmission assets supplying electricity to large use customers in the Pilbara region.

Alinta is an entity of Alinta Sales, a leading integrated Australian energy business that has been operating for over 20 years. They are one of Australia's largest utility providers of gas and electricity, generating around 3,000MW of energy.

There was one licence version in operation during the audit period being EIRL7 – Version 4 from 1 July 2018 to current.

We have performed a reasonable assurance engagement on Alinta's compliance, in all material respects, with the conditions of EIRL7 and the *Electricity Industry Act 2004* for the period of 3 years from 1 July 2019 to 30 June 2022

Our evaluation was made against the licence obligations listed in the Electricity Compliance Reporting Manual (February 2022 and previous versions June 2020 and July 2018) and in accordance with the ERA's 2019 Audit and Review Guidelines: Electricity and Gas Licences.

The scope of this assurance work relates to assessing Alinta's systems and effectiveness of processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the Licence issued under the Act.

Qualified Opinion

In our opinion, based on the procedures performed as outlined in the Audit Plan approved by the Economic Regulation Authority and the evidence we have obtained, Alinta DEWAP Pty Ltd has complied, in all material respects, with its licence conditions and relevant legislative obligations for the period from 1 July 2019 to 30 June 2022.

Basis for qualified opinion

During the period from 1 July 2019 to 30 June 2022, Alinta had non-compliances with minor impact on customers for the following Licence Conditions:

Reporting Manual number and Licence obligation	Issue
<p>319 Metering installation design requirements</p> <p>343 <i>Metering Code</i></p> <p>447 <i>Clause 3.1 - A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines, including any transitional arrangements, specified by the National Measurement Institute under the National Measurement Act.</i></p> <p><i>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.</i></p> <p><i>Clause 6.1(1) - A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.</i></p>	<p>Although Alinta has demonstrated that it has maintained its meters to the satisfaction of its customers throughout the audit period, it has not completed recommendation 2/2019 of the previous audit, regarding the creation of a metrology procedure to demonstrate its compliance with the specifications of the National Measurement Institute under the National Measurements Act. Alinta is seeking exemption from Pilbara ISOCO Limited (ISO) for parts of the Metering Code and is awaiting advice from ISO.</p> <p>This had no impact on customers and was rated as a minor non-compliance.</p>

Reporting Manual number and Licence obligation		Issue
448A 448C	<p>Metering reporting</p> <p>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).</p> <p>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.</p>	<p>In its role of a network operator, Alinta has not complied with clause 6.2(a)-(d) of the Metering Code, which required the following documents to be submitted by June 2013 to the ERA for approval:</p> <ul style="list-style-type: none"> Proposed model service level agreement Proposed metrology procedure Proposed mandatory link criteria. <p>Alinta has not completed recommendation 2/2019 of the previous audit, regarding the creation of a metrology procedure for demonstrating its compliance with all applicable agreements, rules, procedures, criteria and processes outlined in Part 6 of the Metering Code.</p> <p>This had no impact on customers and is rated as a minor non-compliance.</p>

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- Used our professional judgement to plan our procedures and assess the risks that may cause material non-compliance with each of the compliance requirements to be concluded upon;
- Considered internal controls implemented to meet the compliance requirements; however, we do not express a conclusion on their effectiveness; and
- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures

Our procedures consisted primarily of:

- Utilising ERA's 2019 Audit and Review Guidelines: Electricity and Gas Licences ('the Guidelines') to develop a risk assessment;
- Developing an Audit and Review Plan and an associated work program, approved by the ERA on 2 August 2022;
- Interviewing relevant Alinta staff to gain an understanding of process controls;
- Onsite visit to the Port Hedland Power/Boodarie Station in South Hedland, and conduct various meetings with stakeholders, including corporate services and works/facilities management personnel, to determine the effectiveness of systems and procedures in place and to compare actual performance against the licence standards. The on-site visit included our Engineer.
- Assessing documents and performing walkthroughs of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with Licence obligations; and
- Performing procedures and testing based on the procedures listed in the approved Audit and Review Plan.

How We Define Reasonable Assurance and Material Non-Compliance

Reasonable assurance is a high level of assurance but is not a guarantee that it will always detect a material non-compliance with the compliance requirements.

Instances of non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of the Licensee's compliance with the compliance requirements.

Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected.

A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

Use of this Assurance Report

This report has been prepared for Alinta and the ERA for the purpose of assessing compliance with the requirements of the License and may not be suitable for another purpose.

We understand that a copy of this report will be provided to the ERA for the purpose of reporting on the reasonable assurance engagement for the Licensee. 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 disclaim any assumption of responsibility for any reliance on this report, to any person other than the Licensee and the ERA, or for any other purpose other than that for which it was prepared.

Management's responsibility

Alinta's management are responsible for:

- The compliance activities undertaken to meet the requirements of the Licence;
- Identifying risks that threaten the compliance requirements identified above being met and identifying, designing and implementing controls to enable the compliance requirements to be met and, monitoring ongoing compliance;
- Ensuring that it has complied in all material respects with the requirements of the Licence;
- 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; and
- Implementing corrective actions for instances of non-compliance (if any).

Our responsibility


Our responsibility is to perform a reasonable assurance engagement in relation to Alinta's compliance with its License requirements throughout the period and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Australian Professional and Ethical Standards Board and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

We confirm that the ERA's 2019 Audit and Review Guidelines: Electricity and Gas Licenses have been complied with in the conduct of this audit/review and the preparation of the report, and that the audit findings reflect our professional opinion.

Quantum Assurance



Geoff White CA
Director

30 September 2022

2. Executive Summary

2.1 Background

Alinta DEWAP Pty Ltd ('Alinta') is the licensee of the Economic Regulation Authority ('ERA') for the electricity integrated retail licence (EIRL7) licence under the provisions contained in the *Electricity Industry Act 2004*. Under EIRL7, Alinta owns and operates the Port Hedland Power/Boodarie Station and power transmission assets supplying electricity to large use customers in the Pilbara region.

The Licence is for Alinta's generation, transmission and retail activity in relation to its Port Hedland power station, which consists of five gas turbines (three units at Port Hedland and two units at Boodarie). Alinta also owns and operates a number of 66kV transmission lines, which connect the Boodarie and Port Hedland facilities with two substations operated by Horizon Power. Alinta also accesses Horizon Power's North West Interconnected System (NWIS) network for the purpose of supplying electricity to a customer.

2.2 Performance Audit

This audit has been conducted to assess the licensee's level of compliance with the conditions of its licence.

Through the execution of the Audit Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that Alinta has fully complied with its Electricity Integrated Regional Licence obligations during the audit period from 1 July 2019 to 30 June 2022.

Out of 171 applicable compliance obligations, the audit found:

- 45 obligations were rated compliant (23 with adequate controls, 3 with generally adequate controls – improvement needed and 19 with controls not reviewed).
- 5 were rated non-compliant – minor impact on customers or third parties (with generally adequate controls - improvement needed).
- 121 were not rated for compliance, as no relevant activity took place during the audit period (5 with adequate controls and 116 where controls were not assessed).

The control environment is considered to be effective to manage compliance with the licence conditions. The audit also confirmed that Alinta has complied with its information reporting obligations for the period 1 July 2019 to 30 June 2022.

2.3 Asset Management System Review

This review has been conducted to assess the effectiveness of the Licensee's asset management system.

Through the execution of the Review Plan and assessment and testing of the control environment, the information system, control procedures and compliance attitude, the audit team members have gained reasonable assurance that Alinta has operated the electricity generation plant and transmission in a reliable manner and provided a good level of service to the large use customers.

The review found that Alinta has established an effective asset management system and adequate control environment for ongoing compliance in respect of the asset management system.

For the review period from 1 July 2019 to 30 June 2022, the electricity supply service provided under Electricity Integrated Regional Licence EIRL7 is considered to be operated with a professional and comprehensive approach.

Out of 58 effectiveness criteria for the asset management system, the review found:

- 53 criteria were rated as performing effectively (with adequately defined processes);
- 1 was rated as significant opportunity for improvement (with corrective action required) and
- 4 were rated as opportunity for improvement (with processes that require some improvement).

There was one recommended improvement relating to asset maintenance.

3. Performance Audit

3.1 Introduction

Alinta DEWAP Pty Ltd ('Alinta') is required to comply with the terms and conditions of their license. The licensee is for Alinta to within the approved operating area of Port Hedland:

- construct and operate generating works or operate existing generating works;
- construct and operate a new transmission system or operate an existing transmission system; and
- sell electricity to customers other than small use customers.

There was one licence version in operation during the audit period being EIRL7 – Version 4 from 1 July 2018 to current.

Under the Act, electricity services' licensees are required to provide reports on a performance audit ('audit') and an effectiveness review of their asset management system ('review') once every 24 months, or another period that has been specified by the ERA.

Alinta engaged Quantum Management Consulting and Assurance ('Quantum Assurance'), with the approval of the ERA, to perform an audit and review of Alinta's electricity supply services, to comply with the licensing requirements of the ERA. This audit and review covers the period from 1 July 2019 to 30 June 2022.

The audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines (Electricity Compliance Reporting Manual - February 2022 and previous versions June 2020 and July 2018) and the 2019 Audit and Review Guidelines: Electricity and Gas Licences.

3.2 Objectives and Scope

The objective was to provide the ERA with an independent assessment of the Licensee's compliance with relevant obligations under the licence.

The scope of the audit included the adequacy and effectiveness of performance against the requirements of the licence by considering the following:

Scope	Description
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 Systems	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 the licensee in response to any previous audit or review 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.
Integrity of Reporting	The completeness and accuracy of the compliance and performance reports provided to the ERA.
Compliance with individual licence conditions	The requirements imposed on the specific licensee by the ERA or specific issues that are advised by the ERA.

When assessing if a licensee has complied with its licence obligations, the auditor must apply a level of scrutiny that corresponds to a 'reasonable assurance engagement'. A reasonable assurance engagement is:

“An assurance engagement in which the assurance practitioner reduces engagement risk to an acceptably low level in the circumstances of the engagement as the basis for the assurance practitioner’s conclusion. The assurance practitioner’s conclusion is expressed in a form that conveys the assurance practitioner’s opinion on the outcome of the measurement or evaluation of the underlying subject matter against criteria.” (ASAE3000)

The highest priority areas (priority 1, 2 or 3) based on inherent risk were:

Priority 3

- Metering obligations – In the 2020/21 Annual Compliance Report to the ERA, Alinta advised that the metrology procedure has not been finalised to demonstrate compliance with the metrology procedure requirements to:
 - Install and maintain meters in accordance with an applicable metrology procedure, the specifications of the National Measurement Institute under the National Measurements Act; and the functionality and testing requirements outlined in Part 3 of the Metering Code.
 - Manage validated energy data in accordance with the metrology procedure.
 - Comply with all applicable agreements, rules, procedures, criteria and processes outlined in Part 6 of the Metering Code.

The audit was designed to identify any areas where improvement was required and to recommend corrective action as necessary. In accordance with the ERA Guidelines, recommendations are included in the report only for obligations rated as inadequate controls (C), no controls (D), non-compliant – moderate impact (3) or non-compliant – major impact (4). Any other improvements identified in the audit are provided direct to the licensee. (refer Ratings Table in section 3.3).

The status of the previous audit recommendations reported in November 2019 was also reviewed. Refer section 3.5.

3.3 Audit Compliance and Controls Rating Scale

The adequacy of controls and compliance with the legislative obligations was assessed using the following ratings.

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
NP	Not performed – controls not assessed in the audit.	NR	Not rated – no activity in current period

3.4 Summary of Audit Ratings of Controls and Compliance

The current audit assessment of the ratings for the adequacy of controls and compliance with the 171 applicable legislative obligations is shown below in the summary table and detailed obligations table.

Summary of Audit Ratings of Control and Compliance

Controls rating	Compliance Rating						Total
	Rating	1 Compliant	2 Non-compliant (minor impact)	3 Non-compliant (moderate impact)	4 Non-compliant (major impact)	NR Not rated	
	A - Adequate	23	-	-	-	5	28
	B – Generally adequate	3	5	-	-	-	8
	C - Inadequate	-	-	-	-	-	--
	D – No controls	-	-	-	-	-	-
	NP – Not performed	19	-	-	-	116	135
Total	45	5	-	-	121	171	

Detailed Audit Ratings of Control and Compliance by Obligation

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ²					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)				
				A	B	C	D	NP	1	2	3	4	NR
Electricity Industry Act 2004													
101	Provide ERA with performance audit	Section 13(1)	4					✓	✓				
102	Asset management system (AMS)	Section 14(1)(a)	4	✓					✓				
103	Notify changes to AMS	Section 14(1)(b)	4	✓									✓
104	Asset Management System Review report	Section 14(1)(c)	4					✓	✓				
105	Payment of license fees to ERA	ERA (Licencing Funding) Regulations 2014	4	✓					✓				
106	Minimisation of unforeseen effects on electricity supply	Section 31(3)	4					✓					✓
107	Payment of costs for land	Section 41(6)	4					✓					✓
108	Supply to small use customers	Section 54(1)	4					✓					✓

¹ The number refers to the Obligation reference in the Electricity Compliance Reporting Manual February 2022 and previous versions June 2020 and July 2018 where applicable.

² Refer Controls and Compliance Rating Scales in Section 3.3.

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ²					Compliance Rating					
				A	B	C	D	NP	(1=Compliant 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
109	Compliance with the ERA direction to amend standard contract	Section 54(2)	4					✓						✓
110	Function of last resort	Section 76	4					✓						✓
119	Maintaining accounting records	Section 11	4					✓	✓					
120	Comply with ERA's performance standards	Section 11	4					✓						✓
121	Comply with ERA's standard audit guidelines	Section 11	4					✓	✓					
122	Comply with ERA's AMS review guidelines	Section 11	4					✓	✓					
123	Notify ERA of external administration or changes in license circumstances	Section 11	4	✓										✓
124	Providing ERA with any other information	Section 11	4	✓										✓
125	Timeframe to publish information	Section 11	4	✓										✓
126	Notices in writing	Section 11	4					✓	✓					
Electricity Industry Metering Code														
Part 2 - Code objectives and arms-length treatment														
317	Treat Associate Code Participants at arms-length	Clause 2.2(1)(a)	4					✓						✓
318	Any benefits to be at arms-length	Clause 2.2(1)(a)	4					✓						✓
Part 3 – Meters and metering installations														
319	Meters to comply with metrology procedure etc.	Clause 2.2(1)(b)	3		✓					✓				
320	Display of meter measurements	Clause 3.1	3		✓				✓					
321	Compensation payment for not meeting service standards	Clause 3.3(1)	4					✓						✓
322	Communication link to have approved modem and isolation device	Clause 3.3(3)	4					✓						✓
323	No bi-directional flows unless separated by meter	Clause 3.3A(1)	4					✓	✓					
324	User becomes aware of bi-directional electricity flow	Clause 3.3B	4					✓						✓
325	Accumulation meter to record net production and consumption	Clause 3.3C	4					✓	✓					
326	Metering installation at each connection point	Clause 3.5(1) & (2)	3	✓					✓					

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
				A	B	C	D	NP	1	2	3	4	NR	
327	Maintain metering installation	Clause 3.5(3)	4	✓					✓					
328	Metering point to be located at connection point	Clause 3.5(4)	4					✓						✓
329	Meter charges in accordance with service level agreement	Clause 3.5(6)	4					✓						✓
330	Advise affected parties of any non-compliance	Clause 3.5(9)	4					✓	✓					
331	All devices compatible with telecommunication network etc.	Clause 3.7	4					✓						✓
332	Secure meter from unauthorised access	Clause 3.8	4	✓					✓					
333	Metering installation to meet Code specifications	Clause 3.9(3)	4	✓					✓					
334	Accuracy requirements re supply above 1000 volts with VT and annual consumption below 750MWh	Clause 3.9(7)	4					✓						✓
335	Metering error as close to zero as practicable	Clause 3.9(8)	4					✓						✓
336	Programmable settings to comply with metrology procedure etc.	Clause 3.10	3		✓				✓					
337	Consistent measurement and recording of data each year	Clause 3.11(1)	3	✓					✓					
338	Outage repairs in accordance with service level agreement	Clause 3.11(2)	4					✓						✓
339	Code participant to advise operator of outage or malfunction of metering installation	Clause 3.11(3)	4					✓						✓
340	Meters to be sampled and tested for accuracy	Clause 3.11A(1)	3	✓					✓					
341	"Population" of failed meters to be removed	Clause 3.11A(2)	4					✓						✓
342	Metering installation to comply with prescribed design	Clause 3.12(1)	3	✓					✓					
343	Compliance of instruments transferring metering data	Clause 3.12(2)	3		✓					✓				
344	Isolation facilities to be provided	Clause 3.12(3)	3	✓					✓					
345	Maintain drawings and information	Clause 3.12(4)	4	✓					✓					
346	Procure user to install check metering installation	Clause 3.13(1)	4					✓						✓
347	Partial check metering installation physical arrangement	Clause 3.13(3) (c)	4					✓						✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
				A	B	C	D	NP	1	2	3	4	NR	
348	Check metering installation compliance	Clause 3.13(4)	4					✓	✓					
349	Metering installation using class CTs and VTs that do not comply with Code	Clause 3.16(1)	4					✓						✓
355	Request for enhanced technology features	Clause 3.20(1)	4					✓						✓
356	Charges to be in accordance with service level agreement	Clause 3.20(3)	4					✓						✓
357	Accurate internal real time clock measured over 1 month	Clause 3.21(1)	3					✓						✓
358	Storage onsite of internal data logger data	Clause 3.21(2)	4					✓	✓					
359	Enhanced technology metering software licensed and programmable	Clause 3.22	4					✓	✓					
360	Signals from meter to be isolated to prevent damage to meter	Clause 3.23(a)	4					✓						✓
361	Signals from meter for user to be compliant	Clause 3.23(b)	4					✓						✓
362	Prepayment meter to comply with Code	Clause 3.24A(1)	4					✓						✓
363	Replacement of prepayment meter	Clause 3.24B(1)	4					✓						✓
364	Metering installation only by registered operator	Clause 3.27	4					✓						✓
365	Publish list of registering metering installation providers annually	Clause 3.29	4					✓						✓
Part 4 – The metering database														
366	Maintain metering database for each metering point	Clause 4.1(1)	4	✓					✓					
367	Metering database to be secure	Clause 4.1(2)	4	✓					✓					
368	Disaster Recovery Plan to rebuild metering database within 2 days	Clause 4.1(3)	4	✓					✓					
369	Registry to comply with the Code and market rules	Clause 4.2(1)	4	✓					✓					
370	Standing data requirements	Clause 4.3(1)	3	✓					✓					
371	Discrepancy between data in meter and database	Clause 4.4(1)	4					✓						✓
372	Not knowingly permit the registry to be materially inaccurate.	Clause 4.5(1)	4					✓						✓
373	Notify network operator of any inaccuracy in standing data	Clause 4.5(2)	4					✓						✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ²					Compliance Rating					
				A	B	C	D	NP	(1=Compliant 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
374	Notification by Code participant of standing data change to registry	Clause 4.6(1)	4					✓						✓
375	Other notification of standing data change to registry	Clause 4.6(2)	4					✓						✓
376	Notify user within 2 business days of any update to registry	Clause 4.7(1)	4					✓						✓
377	User being retailer or generator to have remote access to energy data	Clause 4.8(3)	4					✓						✓
378	User being retailer or generator to have remote access to metering database	Clause 4.8(3A)	4	✓										✓
379	Energy data to be secure	Clause 4.8(4)(a)	4	✓					✓					
380	Metering database to be secure	Clause 4.8(4)(b)	4	✓					✓					
381	Security of passwords	Clause 4.8(5)	4	✓					✓					
382	Retention of energy data	Clause 4.9	4	✓					✓					
Part 5 – Metering services														
383	Code participant's requirement to obtain a metering service	Clause 5.1(1)	4					✓						✓
384	Request for service level agreement	Clause 5.1(2)	4					✓						✓
385	Transfer energy data into metering database within 2 business days	Clause 5.3(1)	4					✓	✓					
386	Validation of meter reading at least every 12 months	Clause 5.4(1)	4					✓	✓					
387	Meter reading by skilled operator	Clause 5.4(1A)	4					✓	✓					
388	Assist network operator to comply with their obligations	Clause 5.4(2)	4					✓						✓
389	Charge for provision of energy data	Clause 5.5(2)	4					✓						✓
390	No charge if other enactment prohibits	Clause 5.5(2A)	4					✓						✓
391	Provide validated or estimated data within prescribed timeframes	Clause 5.6(1)	4					✓						✓
391A	Provide energy data to AEMO	Clause 5.6(3)	4					✓						✓
392	Provide replacement energy data to user	Clause 5.7	4					✓						✓
393	Provide user with any data to enable user to comply with Code	Clause 5.8	4					✓						✓
394	Provide standing data to users where required	Clause 5.9	4					✓						✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ²					Compliance Rating					
				A	B	C	D	NP	(1=Compliant 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
395	Provide subset of standing data to retailer	Clause 5.10	4					✓						✓
396	Transfer of user at connection point	Clause 5.11	4					✓						✓
397	Energy data request from user	Clause 5.12(1)	4					✓						✓
398	Standing data request from user	Clause 5.13	4					✓						✓
399	Bulk standing data request from user	Clause 5.14(3)	4					✓						✓
400	Provide date of meter reading	Clause 5.15	4					✓						✓
401	Provide energy data to network operator within timeframe	Clause 5.16	4					✓						✓
402	Provide standing data or energy data to customers as required	Clause 5.17(1)	4					✓	✓					
403	Provide metering data to a person associated with customer	Clause 5.17A(1)	4					✓						✓
404	Provide data within timeframe	Clause 5.17A(3)	4					✓						✓
405	Change in the energisation status of a metering point	Clause 5.18	4					✓						✓
406	Act with network operator in accordance with good electricity industry practice	Clause 5.19(1)	4					✓						✓
407	Record prescribed information in relation to the site of each connection point	Clause 5.19(2)	4					✓						✓
408	Notify network operator of any changes within 1 day	Clause 5.19(3)	4					✓						✓
409	Notice to user of receipt of customer attributes	Clause 5.19(5)	4					✓						✓
410	Do not notify network operator if change due to information provided by network operator	Clause 5.19(6)	4					✓						✓
411	Develop an Energy Data Verification Request Form	Clause 5.20(1)	4					✓						✓
412	Form to require Code participant to provide information	Clause 5.20(2)	4					✓						✓
413	Request from Code participant for verification of energy data	Clause 5.20(4)	4					✓						✓
414	Network operator to comply with any reasonable request	Clause 5.21(2)	4					✓						✓
415	Test or audit as per metrology procedure and service level agreement	Clause 5.21(4)	4					✓						✓
416	Request for meter test or audit only if licensee was the user at the time	Clause 5.21(5)	4					✓						✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
				A	B	C	D	NP	1	2	3	4	NR	
417	Any request must be consistent with any access arrangement or agreement.	Clause 5.21(6)	4					✓						✓
418	Meter testing or auditing charge as per service level agreement (SLA)	Clause 5.21(8)	4					✓						✓
419	SLA to include no charge for testing if non-compliance	Clause 5.21(9)	4					✓						✓
420	Action if test shows accuracy of meter does not comply with Code	Clause 5.21(11)	4					✓						✓
421	Original stored error data must not be altered except during accuracy testing or calibration	Clause 5.21(12)	4					✓						✓
422	Validate energy data in accordance with the Code	Clause 5.22(1)	3		✓				✓					
423	Use check metering data	Clause 5.22(2)	4					✓						✓
424	If check metering data not available or energy data cannot be recovered	Clause 5.22(3)	4					✓						✓
425	Notify participants within 24 hours of loss of or error in data	Clause 5.22(4)	4					✓						✓
426	Substitution or estimation of energy data	Clause 5.22(5)	4					✓						✓
427	Review validation failures before substitution	Clause 5.22(6)	4					✓						✓
428	If actual value cannot be determined	Clause 5.23(1)	4					✓						✓
429	Repair or replace meter or component if actual value deemed	Clause 5.23(3)	4					✓						✓
430	Replace actual value with better quality actual or deemed value if available	Clause 5.24(1)	4					✓						✓
431	Replace deemed value with better quality actual or deemed value if available	Clause 5.24(2)	4					✓						✓
432	Replace estimated value with better quality actual, deemed or estimated value if available	Clause 5.24(3)	4					✓						✓
433	Request for estimated or substituted value	Clause 5.24(4)	4					✓						✓
434	Accuracy of estimated energy data	Clause 5.25	4					✓						✓
435	Provide network operator with customer attribute information that is missing or incorrect within the timeframes.	Clause 5.27	4					✓						✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ²					Compliance Rating					
				A	B	C	D	NP	(1=Compliant 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
439	Notification of non-compliant meter	Clause 5.31(2)	4					✓						✓
440	Costs recovered may not exceed amount prescribed	Clause 5.34(2)	4					✓						✓
Part 6 – Documentation														
447	Network operator compliance with agreements, rules, etc.	Clause 6.1(1)	3		✓					✓				
448	User with access contract must comply with rules, procedures, agreements.	Clause 6.1(2)	4					✓						✓
448A	Submit prescribed documents to ERA	Clause 6.2	3		✓					✓				
448B	Publish document within 10 business days of approval by ERA	Clause 6.18	4					✓						✓
448C	Publish communication rules	Clause 6.19A(1)	4		✓					✓				
448D	Amendment of communication rules	Clause 6.19B(1)	4					✓						✓
449	Amend document in accordance with ERA's final recommendation	Clause 6.20(4)	4					✓						✓
450	Publish amended document	Clause 6.20(5)	4					✓						✓
Part 7 – Notes and confidential information														
451	Ensure Code participant can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number.	Clause 7.2(1)	4					✓						✓
453	Notify contact details to a network operator within 3 business days after the request.	Clause 7.2(4)	4					✓						✓
454	Notify network operator of any change to the contact details at least 3 business days before the change.	Clause 7.2(5)	4					✓						✓
455	Protection of confidential information	Clause 7.5	4					✓						✓
456	Comply with any disclosure required by the Code.	Clause 7.6(1)	4					✓						✓
Part 8 – Dispute resolution														
457	Aim to resolve any dispute with Code Participants within 5 business days.	Clause 8.1(1)	4					✓						✓
458	If a dispute is not resolved within 10 business days, refer dispute to senior management to meet and resolve	Clause 8.1(2)	4					✓						✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ²					Compliance Rating					
				A	B	C	D	NP	(1=Compliant 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
459	If the dispute is not resolved within a further 10 business days, refer to senior executive officer of each party to meet and resolve.	Clause 8.1(3)	4					✓						✓
460	If resolved, prepare a written and signed record of the resolution and adhere to the resolution.	Clause 8.1(4)	4					✓						✓
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).	Clause 8.3(2)	4					✓						✓
Electricity Industry Network Quality and Reliability of Supply Code														
462	Electrical supply to customer complies with standards	Clause 5(1)	4					✓	✓					
463	Disconnection of supply	Clause 8	4					✓						✓
464	Maintain supply and minimise interruptions	Clause 9	4	✓					✓					
465	Reduce effect of interruption on customer	Clause 10(1)	4					✓						✓
466	Alternative means of supply	Clause 10(2)	4	✓					✓					
468	Minimise interruptions in certain areas	Clause 13(2)	4	✓					✓					
469	Calculation of average total length of supply interruptions	Clause 13(3)	4					✓						✓
470	Provide affected customer free copy of any instrument issued by Minister or under the Code	Clause 14(8)	4					✓						✓
471	Modification of customer agreement	Clause 15(2)	4					✓						✓
472	Payment to customer for failure to give notice of planned interruption	Clause 18	4					✓						✓
473	Payment to customer if supply interruption exceeds 12 hours	Clause 19	4					✓						✓
474	Customer information about applying for payments for failure to meet the Code	Clause 21(1)	4					✓						✓
475	Provide written notice to eligible customers about payments available	Clause 21(2)	4					✓						✓
476	Provide written notice at least once every financial year	Clause 21(3)	4					✓						✓

No. ¹	Brief Description	Legislative Reference	Audit Priority applied (rated 1 = High to 5 = Low)	Adequacy of Controls Rating ² (A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed)					Compliance Rating (1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated)					
				A	B	C	D	NP	1	2	3	4	NR	
477	Monitor operation of network to ensure compliance	Clause 23(1)	4					✓	✓					
478	Keep records of compliance information	Clause 23(2)	4					✓	✓					
479	Complete quality investigation requested by customer	Clause 24(3)	4					✓						✓
480	Report results of investigation to customer	Clause 24(4)	4					✓						✓

3.5 Status of Previous Audit Recommendations

The previous audit covered the period from 1 July 2016 to 30 June 2019 and was reported in November 2019. There were two recommendations to address minor non-compliances were minor non-compliances that have not yet been resolved, as show below.³

Reference (no./year)	Previously Assessed Non-Compliance/Controls Improvement	Previous Auditor's Recommendation and <i>Action Taken</i>	Date Resolved	Further action required
A. Resolved before end of previous audit				
	Nil			
A. Resolved before end of current audit				
1/2019	<p>B2</p> <p>Obligation 370</p> <p><i>Electricity Industry (Metering) Code 2012 clause 4.3(1)</i></p> <p>The 2016 Audit reported that Alinta needed to establish a metering database including all relevant metering information. Alinta has since implemented the database, however some prerequisite standing data has not been included.</p>	<p>Alinta should complete, or provide commentary on, the standing data omitted from its metering database, including:</p> <ul style="list-style-type: none"> • Item 14: NMI • Item 21: Data Register coding details • Item 27 : Algorithms. <p>Action Taken</p> <p><i>Alinta has updated the metering database for the missing standing data items omitted from its metering database.</i></p>	January 2020	Nil

³ Recommendations re control improvements for Compliant or Not Rated for compliance obligations have not been included, in accordance with the current ERA reporting guidelines.

Reference (no./year)	Previously Assessed Non-Compliance/Controls Improvement	Previous Auditor's Recommendation and Action Taken	Date Resolved	Further action required
C. Unresolved during current audit period				
2/2019	<p>B2</p> <p>Obligations 319, 320, 326, 327, 336, 337, 340, 342-344, 357, 422, 447, 448A</p> <p><i>Electricity Industry(Metering) Code 2012 various clauses</i></p> <p>The 2016 Audit reported that Alinta has not established a clear metrology procedure concerning:</p> <ul style="list-style-type: none"> • Installations and maintenance of meters in accordance with a metrology procedure, specifications under the National Measurements Act and the functionality and testing requirements under <i>Part 3 of the Metering Code (obligations 319, 320, 326, 327, 336, 337, 340, 342-344, 357)</i> • Management of validated energy data (obligation 422) • Compliance with all applicable agreements, rules, procedures, criteria and processes outlined on Part 6 of the Metering Code (obligations 447 & 448A). 	<p>Alinta should complete a metrology procedure to incorporate the technical requirements of the Metering Code relevant to Alinta's metering operations.</p> <p>Action Taken</p> <p><i>In Aug 2021, Alinta made a request to Pilbara ISOCO Limited (ISO) under the Pilbara Network Rules for an exemption from parts of the Metering Code. An exemption can be granted where there is a reasonable prospect that the cost/burden of compliance may outweigh the benefits and where suitable alternate arrangements are in place. We have recently (Jan 2022) been advised by ISO that our exemption request is still being reviewed. Once an assessment has been made, Alinta will work to fulfil its outstanding obligations under the Metering Code. At the date of this audit, the Manager WA Retail Regulation advised that this exemption request is still awaiting a response from ISO.</i></p> <p>This audit noted that some of the obligations referred to in the previous recommendation have been complied with despite not having a metrology plan/procedure to document this. This leaves obligations 319, 343 and 447 as unresolved.</p>	Partially resolved	<i>Refer recommendation 1/2022</i>

3.6 Detailed Audit Observations

SUMMARY OF COMPLIANCE OBLIGATIONS	
LEGISLATION	
ELECTRICITY INDUSTRY ACT 2004	Refer Compliance Obligations 101 to 128 as applicable.
CODES	
ELECTRICITY INDUSTRY METERING CODE	Refer Compliance Obligations 317 to 461 as applicable.
ELECTRICITY INDUSTRY NETWORK QUALITY AND RELIABILITY OF SUPPLY CODE	Refer Compliance Obligations 462 to 480 as applicable.

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
ELECTRICITY INDUSTRY ACT 2004							
101	Condition 5.3.1	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.	4	The auditor confirmed the previous performance audit report has been provided to the ERA in 2019. This audit report will also be provided to the ERA.	NP	1
102	Condition 5.1.1	Section 14(1)(a)	A licensee must provide for an asset management system.	4	This audit confirmed the licensee has an asset management system (AMS). This obligation is documented in the Alinta Energy Asset Management Policy.	A	1
103	Condition 5.1.2	Section 14(1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the ERA.	4	The auditor confirmed with the Plant Manager and field observations that no substantial changes have been made to the Asset Management System (AMS) during the audit period. The requirement to notify the ERA of any material change to the AMS within 10 days of the change is included in the Management of Change Procedure.	A	NR
104	Condition 5.1.4	Section 14(1)(c)	A licensee must provide the ERA with a report by an independent expert about the effectiveness of its asset management system every 24 months, or such longer period as determined by the ERA.	4	The auditor confirmed the previous asset management system review report has been provided to the ERA in 2019. This review report will also be provided to the ERA.	NP	1

⁴ The number refers to the item reference in the Electricity Compliance Reporting Manual ERA – February 2022 (and previous versions July 2020 and June 2018).

⁵ The highest priority areas (priority 1, 2 or 3) based on inherent risk and expected controls/processes are highlighted in **RED**.

⁶ Controls Rating Scale: A=Adequate, B=Generally adequate, C=Inadequate, D=No controls, NP=Not performed.

⁷ Compliance Rating Scale: 1=Compliant, 2=Non-compliant (minor impact), 3=Non-compliant – moderate impact, 4=Non-compliant - major impact, NR=Not rated.

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
105	Condition 4.2.1	ERA (Licensing Funding) Regulations 2014	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the <i>Economic Regulation Authority (Licensing Funding) Regulations 2014</i> .	4	Through review of Alinta's financial records of licence fee payments processed and the respective invoices issued by the ERA for licence fees payable, the auditor confirmed that all annual licence fees and standing charges for the audit period have been paid by the due date (i.e. within one month of the 25 June anniversary date of the licence). This obligation is included in the Regulatory Obligations Register.	A	1
106	Condition 4.1.1	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.	4	Through review of Alinta's Emergency Response Plans, Business Continuity Plans and the Operations Communication Protocol with its customers, the auditor confirmed that Alinta maintains emergency response, incident response and business continuity management systems, which support Alinta's commitment to its two customers for maintaining continuity of supply and safe and secure operations The Plant Manager confirmed that Alinta managers are notified of significant disruptions as and when they occur. This obligation is documented in the Business Continuity and Emergency Response Plans.	A	1
107	Condition 4.1.1	Section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	4	The Plant Manager confirmed Alinta did not acquire additional interest in land or easement over the audit period.	NP	NR
108	Condition 6.4.1	Section 54(1)	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a	4	The Manager WA Retail Regulation confirmed that Alinta does not supply electricity to any small use customers.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			standard form contract or a non-standard form contract that complies with the Act.				
109	Condition 6.6.1	Section 54(2)	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified.	4	The Manager WA Retail Regulation confirmed that Alinta does not supply electricity to any small use customers. There is no requirement to have a standard contract.	NP	NR
110	Condition 6.7.1	Section 76	If a designation under section 71(1) of the Electricity Industry Act is in force, a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.	4	The auditor confirmed that Alinta is not a supplier of last resort.	NP	NR
111	Condition 6.1.1	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.	4	The Manager WA Retail Regulation confirmed that Alinta does not supply electricity to any small use customers.	NP	NR
119	Condition 4.3.1	Section 11	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	Through review of Alinta's Financial Statements for 2019/20 and 2020/21, the auditor noted that the audit opinion confirmed the statements: Are prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative statements. Use the pronouncements of the Australian Accounting Standards Board (AASB)	NP	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					Adopt all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of Alinta and the effective reporting periods.		
120	Condition 5.2.4	Section 11	A licensee must comply with any individual performance standards prescribed by the ERA.	4	The auditor confirmed with the Manager WA Retail Regulation and by review of the licence that no individual performance standards were prescribed over the audit period. Quantum has performed the audit in accordance with the Audit and Review Guidelines Electricity and Gas Licenses (March 2019).	NP	NR
121	Condition 5.3.2	Section 11	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.	4	Quantum was appointed with the ERA's approval to complete the performance audit for Alinta DEWAP for the period 1 July 2019 to 30 June 2022.	NP	1
122	Condition 5.1.5	Section 11	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.	4	Quantum was appointed with the ERA's approval to complete the asset management system review for Alinta DEWAP for the period 1 July 2019 to 30 June 2022.	NP	1
123	Condition 4.4.1	Section 11	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	The Manager WA Retail Regulation confirmed that Alinta DEWAP was not placed under external administration during the audit period nor were there any circumstances that affected the company's ability to meet its licence obligations. This obligation is included in the Regulatory Obligations Register.	A	NR
124	Condition 4.5.1	Section 11	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in	4	Through discussion with the Manager WA Retail Regulation and review of Alinta's Annual Compliance Reports for 2019/20 to 2021/22, the	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			connection with its functions under the Electricity Industry Act.		auditor confirmed that Alinta had prepared reports in the manner and form as required by section 11 of the Electricity Industry Act for the three years subject to audit. Through review of the Annual Compliance Reports for 2019/20 to 2021/22, the auditor confirmed that Alinta had submitted the reports to the ERA by the 31 August due date. This obligation is included in the Regulatory Obligations Register.		
125	Conditions 3.8.1 and 3.8.2	Section 11	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.	4	The Manager WA Retail Regulation confirmed that Alinta was not required by the ERA to publish any information during the audit period.	A	1
126	Condition 3.7.1	Section 11	All notices must be in writing, unless otherwise specified.	4	The Manager WA Retail Regulation confirmed that Alinta maintains manual and scanned records to evidence formal communications with the ERA, which have been made via post or email and are stored on Alinta's system. The auditor sighted examples of correspondences with the ERA.	NP	1
127	Condition 6.9.1	Section 11	A distributor must create and maintain a Priority Restoration Register.	2	Alinta is not required by the licence to maintain a Priority Restoration Register.	NP	NR
128	Condition 6.9.3	Section 11	The Priority Restoration Register must comply with any criteria determined by the Minister.	2	As per obligation 127.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence <i>(including any recommendations)</i>	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
ELECTRICITY INDUSTRY METERING CODE							
		Part 2	Code objectives and arms-length treatment				
317	Condition 6.3.1	Clause 2.2(1)(a)	A network operator must treat all Code participants that are its associates on an arms-length basis.	4	During the audit period, no other retailers, distributors, generators or users (collectively Code participants) had access to Alinta's transmission network.	NP	NR
318	Condition 6.3.1	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.	4	As per obligation 318.	NP	NR
		Part 3	Meters and metering installations				
319	Condition 6.3.1	Clause 3.1	A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines, including any transitional arrangements, specified by the National Measurement Institute under the National Measurement Act.	3	Through discussion with Plant Manager – Port Hedland Operations and review of Alinta's metering processes, the audit confirmed that Alinta maintains three meters on its network for two customers (BHP and FMG). Although Alinta has demonstrated that it has maintained its meters to the satisfaction of its customers throughout the audit period, it has not completed recommendation 2/2019 of the previous audit, regarding the creation of a metrology procedure to demonstrate its compliance with the specifications of the National Measurement Institute under the National Measurements Act. Alinta is	B	2

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					<p>seeking exemption from Pilbara ISOCO Limited (ISO) for parts of the Metering Code and is awaiting advice from ISO. This had no impact on customers and was rated as a minor non-compliance.</p> <p>Despite the meters collecting interval data, Alinta categorises its meters as accumulation meters. Alinta has a metering database which includes relevant technical metering information. The information relevant to the meters is captured in the metering database and monthly generation database.</p> <p><u>Recommendation 1/2022</u></p> <p><i>Alinta should complete a metrology procedure to incorporate the technical requirements of the Metering Code relevant to Alinta's metering operations, subject to any exemption granted by the Pilbara ISOCO Limited (ISO) under the Pilbara Network Rules for parts of the Metering Code.</i></p>		
320	Condition 6.3.1	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 that are specified in subclauses 3.2(1)(a)(b) using dials, a cyclometer, an illuminated display panel or some other visual means.	3	As noted in obligation 319, Alinta does not have a metrology procedure to demonstrate compliance. However, the Head of Operations confirmed that all meters have a visual display that permits measurements to be obtained.	B	1
321	Condition 6.3.1	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	4	Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that although Alinta's meters	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			prescribed using an interface compatible with the requirements specified in the applicable metrology procedure.		collect interval data, Alinta categorises its meters as accumulation meters rather than interval meters		
322	Condition 6.3.1	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 that allows the interval energy data to be downloaded in the manner prescribed.	4	Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that Alinta's meters operate within internal communications systems and are not required to comply with telecommunications regulations.	NP	NR
323	Condition 6.3.1	Clause 3.3A(1)	A network operator must ensure that bi-directional electricity flows do not occur at a metering point unless the metering installation for the metering point is capable of separately measuring and recording electricity flows in each direction.	4	Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that Alinta's meters are capable of separately measuring and recording electricity flows in each direction.	NP	1
324	Condition 4.1.1	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	Through discussions with the Head of Operations and review of Alinta's Access and Standby Agreement with Horizon Power, the audit confirmed that Alinta has not become aware of bi-directional electricity flow in a metering point within Horizon Power's network, which was not previously subject to bi-directional electricity flow.	NP	NR
325	Condition 4.1.1	Clause 3.3C	An accumulation meter or an interval meter that separately measures and	4	Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that:	NP	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
		<i>(Updated Feb.2022)</i>	records bi-directional electricity flows at the metering point must record: <ul style="list-style-type: none"> the net electricity production transferred into the network. the net electricity consumption transferred out of the network. 		<ul style="list-style-type: none"> Each of Alinta's accumulation meters has the capability to record the net electricity production transferred into the network that exceeds electricity consumption and the net electricity consumption transferred out of the network that exceeds electricity production All such energy data is captured within Alinta's Honeywell Experion system. 		
326	Condition 4.1.1	Clause 3.5(1) and (2) <i>(Updated Feb.2022)</i>	A network operator must ensure that there is a metering installation at every connection point on its network that is not an unmetered connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.	3	Through discussion with the Plant Manager – Port Hedland Operations, inspection of site operations at Port Hedland, consideration of Alinta's metering arrangements and review of the metering database, the audit confirmed that: <ul style="list-style-type: none"> Meters are designed to meet the accuracy requirements for type 1 meters. All metering installations meet the requirements under the Metering Code for Type 1 installations (annual throughput above 1,000 GWh). Relevant meter drawings and supporting information are stored in the internal document management system, CLM Matrix. Drawings show the metering installation arrangements. Supporting information contains a list of metering equipment and meter schedule. 	A	1
327	Condition 4.1.1	Clause 3.5(3)	For each metering installation on its network, a network operator must provide, install, operate and, subject to	3	Through discussion with the Head of Operations and the Plant Manager – Port Hedland Operations, review of Alinta's metering arrangements and a site	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			subclause 3.7(5), maintain the metering installation in the manner prescribed, unless otherwise agreed.		visit, the audit confirmed that the metering installations at each of the four connection points are operated and maintained in the manner prescribed.		
328	Condition 4.1.1	Clause 3.5(4)	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.	4	Through discussion with the Plant Manager – Port Hedland Operations, review of Alinta’s metering arrangements and a site visit, the audit confirmed that: <ul style="list-style-type: none"> Alinta’s meters are located as close as practicable to the connection points within its network. Alinta maintains a schematic which outlines the meters at the switching points. 	NP	1
329	Condition 4.1.1	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 that it has with the user.	4	Through advice from the Head of Operations and consideration of Alinta’s metering arrangements, the audit confirmed that: <ul style="list-style-type: none"> Alinta’s PPAs with its customers do not provide for Alinta to impose a charge for providing, installing, operating or maintaining its meters Alinta has not imposed such a charge during the period subject to audit. 	NP	NR
330	Condition 4.1.1	Clause 3.5(9)	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.	4	Through advice from the Head of Operations and consideration of Alinta’s metering arrangements, the audit confirmed that Alinta has not identified any of its meters to be non-compliant with the Metering Code.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
331	Condition 4.1.1	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.	4	Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that Alinta's meters operate with internal communication systems only and therefore, have not triggered the requirement to comply with the external communication regulations as specified in clause 3.7.	NP	NR
332	Condition 4.1.1	Clause 3.8	Subject to clause 3.27, a network operator must ensure that, consistent with the standards of good electricity industry practice, each metering installation on its network is secured by devices or methods that hinder unauthorized access and enable unauthorized access to be detected.	4	Through discussion with the Plant Manager – Port Hedland Operations, inspection of site operations at Port Hedland, consideration of Alinta's metering arrangements and review of the metering database, the audit confirmed that: <ul style="list-style-type: none"> • Meters are secured to prevent and detect unauthorised access • Meters are designed to meet the accuracy requirements for type 1 meters. • All metering installations meet the requirements under the Metering Code for Type 1 installations (annual throughput above 1,000 GWh). 	A	1
333	Condition 4.1.1	Clause 3.9(3) (Updated Feb.2022)	Subject to subclauses 3.9(4), 3.9(5) and 3.9(7), each metering installation must meet at least the requirements for that type of metering installation as specified in Table 3 in Appendix 1 of the Code for metering installations on the SWIN or in Table 3A in Appendix 1 for metering installations on a network other than the SWIN.	4	As per obligation 332.	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
334	Condition 4.1.1	Clause 3.9(7)	A metering installation used to supply a customer with requirements above 1000 volts that requires a VT and whose annual consumption is below 750MWh must meet the relevant accuracy requirements of a Type 3 metering installation for active energy only.	4	During the audit period, Alinta did not have any customers with annual consumption below 750MWh. Accordingly, Alinta had no obligations under clause 3.9 (7) of the Metering Code for the period subject to audit.	NP	NR
335	Condition 4.1.1	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.	4	Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that no such compensation has been carried out within Alinta's meters during the period subject to audit.	NP	NR
336	Condition 4.1.1	Clause 3.10	A network operator must ensure that any programmable settings in any of its metering installations, data loggers or peripheral devices, which may affect the resolution of displayed or stored data, satisfy the relevant requirements specified in the applicable metrology procedure and comply with any applicable instructions by the National Measurement Institute under the National Measurement Act.	3	Through discussion with the Head of Operations and the Plant Manager – Port Hedland Operations, review of Alinta's metering arrangements and a site visit, the audit confirmed that the metering installations at each of the four connection points have visual displays that satisfy the requirements of the NMI under the National Measurement Act. As noted in 319 above, there is no documented metrology procedure to demonstrate this re adequacy of controls.	B	1
337	Condition 4.1.1	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 permits the collection of data within the time specified in the applicable service level	3	Through discussion with the Head of Operations and the Plant Manager – Port Hedland Operations, review of Alinta's metering arrangements and a site visit, the audit confirmed that the metering installations at each of the four connection points are operated consistent with good industry practice	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			agreement, for at least the percentages of the year specified.		to measure and record data for reporting as part of the service level agreements.		
338	Condition 4.1.1	Clause 3.11(2)	If an outage or malfunction occurs to a metering installation, the network operator must repair the metering installation in accordance with the applicable service level agreement.	4	The Plant Manager – Port Hedland Operations confirmed that Alinta has not made repairs to its meters during the period subject to audit.	NP	NR
339	Condition 4.1.1	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	<p>Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that:</p> <ul style="list-style-type: none"> Alinta has a metering database, which includes all relevant metering information Alinta had not identified any of its meters as failing during the audit period <p>Although Alinta has demonstrated that it has maintained its meters to the satisfaction of its customers throughout the period subject to this audit, it has not completed recommendation 2/2019 of the previous audit, regarding the creation of a metrology procedure for demonstrating its compliance with the specifications of the National Measurement Institute under the National Measurements Act. This has no impact on customers and is considered a minor non-compliance.</p>	NP	NR
340	Condition 4.1.1	Clause 3.11A(1)	A network operator must ensure that the meters on its network are systematically sampled and tested for	3	The Head of Operations confirmed that the 4 meters were tested in March 2019 in accordance with AS 1284.13. The meters are required to be tested	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			accuracy in accordance with AS 1284.13.		every 5 to 7 years. As the meters are being replaced in 2022/23, no further testing is required. Supporting information contains a list of metering equipment and meter schedules.		
341	Condition 4.1.1	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 of the meters in that population are removed and replaced with new meters within 3 years of the testing of the population.	4	The Head of Operations and the Plant Manager – Port Hedland Operations confirmed that there have been no meter testing failures under AS 1284.13 in the audit period.	NP	NR
342	Condition 4.1.1	Clause 3.12(1)	A network operator must ensure that each metering installation complies with at least the prescribed design requirements.	3	Through discussion with the Plant Manager – Port Hedland Operations, inspection of site operations at Port Hedland, consideration of Alinta’s metering arrangements and review of the metering database, the audit confirmed that: <ul style="list-style-type: none"> • Meters are designed to meet the accuracy requirements for type 1 meters. • All metering installations meet the requirements under the Metering Code for Type 1 installations (annual throughput above 1,000 GWh). • Relevant meter drawings and supporting information are stored in the internal document management system, CLM Matrix. • Drawings show the metering installation arrangements. 	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					<ul style="list-style-type: none"> Supporting information contains a list of metering equipment and meter schedule. 		
343	Condition 4.1.1	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.	3	<p>Although Alinta has demonstrated that it has maintained its meters to the satisfaction of its customers throughout the period subject to this audit, it has not completed recommendation 2/2019 of the previous audit, regarding the creation of a metrology procedure for demonstrating its compliance with the specifications of the National Measurement Institute under the National Measurements Act. This has no impact on customers and is considered a minor non-compliance.</p> <p><i>Refer recommendation 1/2022.</i></p>	B	2
344	Condition 4.1.1	Clause 3.12(3)	A network operator must provide isolation facilities of a standard consistent with good electricity industry practice, to facilitate testing and calibration of the metering installation.	3	Through discussion with the Plant Manager – Port Hedland Operations, inspection of site operations at Port Hedland, consideration of Alinta’s metering arrangements and review of the metering database, the audit confirmed that isolation facilities of a good standard are provided for each metering installation.	A	1
345	Condition 4.1.1	Clause 3.12(4)	A network operator must maintain drawings and supporting information, of a standard consistent with good electricity industry practice, to	4	Through advice from the Head of Operations, review of meter drawings and supporting information showing Alinta’s metering arrangements, the audit confirmed that:	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			detail the metering installation for maintenance and auditing purposes.		<ul style="list-style-type: none"> Relevant meter drawings and supporting information are stored in the internal document management system, CLM Matrix. Drawings show the metering installation arrangements. Supporting information contains a list of metering equipment and meter schedule. 		
346	Condition 4.1.1	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.	4	<p>Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that:</p> <ul style="list-style-type: none"> Alinta uses parallel check meters for each of its metering installations, which are Type 1 metering installations. Alinta does not use partial check meters. Alinta's parallel check metering arrangements meet the requirements of clause 3.13(4) (b) of the Metering Code. 	NP	1
347	Condition 4.1.1	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.	4	Alinta does not use partial check meters.	NP	NR
348	Condition 4.1.1	Clause 3.13(4)	A check metering installation for a metering point must comply with the prescribed requirements.	4	As per obligation 346.	NP	1
349	Condition 4.1.1	Clause 3.16(1)	If, under clause 3.14(2), a metering installation uses metering class CTs and VTs that do not comply with the Table 3 or Table 3A in Appendix 1 (as applicable), then the network operator	4	Alinta's parallel check metering arrangements meet the requirements of clause 3.13(4) (b) of the Metering Code.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			must take the actions specified in order to achieve the accuracy requirements in Table 3 or Table 3A in Appendix 1 (as applicable).				
355	Condition 4.1.1	Clause 3.20(1)	If reasonably requested by a Code participant, a network operator must provide enhanced technology features in a metering installation.	4	The Plant Manager – Port Hedland Operations confirmed that Alinta has not been requested by a Code participant to provide enhanced technology features in a metering installation.	NP	NR
356	Condition 4.1.1	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 its applicable service level agreement with the user.	4	Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that: Alinta's PPAs with its two customers do not provide for Alinta to impose a charge for providing, installing, operating or maintaining its meters Alinta has not imposed any charge for metering.	NP	NR
357	Condition 4.1.1	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.	3	The Head of Operations confirmed that the meters do not have an internal real time clock. The meters reference the time sync on the Power Line Communication (PLC).	NP	NR
358	Condition 4.1.1	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.	4	Through advice from the Head of Operations, review of Alinta's metering arrangements and an onsite visit, the audit confirmed that Alinta's on-site facilities and systems appropriately provide for interval energy data to be stored.	NP	1
359	Condition 4.1.1	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	4	Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that:	NP	1

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			devices being installed and be able to program the devices and set parameters.		<ul style="list-style-type: none"> During the period subject to audit Alinta held the required licence for using and accessing the metering software associated with its meters Alinta has trained and qualified personnel who are able to set the parameters of the meters. 		
360	Condition 4.1.1	Clause 3.23(a)	Where signals are provided from the meter for the user or the user's customer, a network operator must ensure that signals are isolated by relays or electronic buffers to prevent accidental or malicious damage to the meter.	4	Alinta confirmed that during the period subject to audit, no signals were provided from the meter to the user or customer.	NP	NR
361	Condition 4.1.1	Clause 3.23(b)	Where signals are provided from the meter for the user or the user's customer, a network operator must provide the user, or the user's customer, with sufficient details of the signal specification to enable compliance with clause 3.23(c) of the Code.	4	As per obligation 360.	NP	NR
362	Condition 4.1.1	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.	4	The Plant Manager – Port Hedland Operations confirmed that no pre-payment meters were installed on Alinta's transmission network during the period subject to audit.	NP	NR
363	Condition 4.1.1	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	4	As per obligation 362.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence <i>(including any recommendations)</i>	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			network operator must do so in accordance with this Code and the Code of Conduct.				
364	Condition 4.1.1	Clause 3.27	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.	4	As Alinta has not installed any new meters during the period subject to audit, there was no requirement to register a metering installation provider or publish an associated list.	NP	NR
365	Condition 4.1.1	Clause 3.29	A network operator must publish a list of registered metering installation providers, including the prescribed details, and update the list at least annually.	4	As per obligation 364.	NP	NR
		Part 4	The metering database				
366	Condition 4.1.1	Clause 4.1(1)	A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network.	4	Through advice from the Head of Operations and review Alinta's metering database, the audit confirmed that: <ul style="list-style-type: none"> Alinta has a metering database which is contained in the internal document management system CLM Matrix Alinta maintains standing data within the metering database for each point on its network 	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					<ul style="list-style-type: none"> Energy data from each of Alinta's meters is captured within Alinta's Honeywell Experion system. The audit reviewed the standing data in the metering database and energy data in the Honeywell Experion system against the criteria of clause 4.1(1) and determined that: Each metering point on the network is contained in the database. The database contains standing data for each metering point. Energy data is maintained for the metering points. 		
367	Condition 4.1.1	Clause 4.1(2)	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).	4	The audit confirmed by discussion with the Plant Manager – Port Hedland Operations and review of the system, that Alinta's Honeywell Experion system is appropriately secured through physical and logical means to prevent and/or detect unauthorised access.	A	1
368	Condition 4.1.1	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.	4	Through advice from the Plant Manager – Port Hedland Operations and Alinta Energy IT; review of the Business Continuity Standard and Alinta's backup protocols, the audit confirmed that: <ul style="list-style-type: none"> The metering database provides energy data to Code participants. Alinta has established appropriate capabilities to restore the Honeywell within 2 business days after the day of any disaster and the 	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					<p>Experion system within 2 business days to ensure energy data per Metering Code clause 4.1(3) will continue to be captured.</p> <ul style="list-style-type: none"> Alinta backs up the metering database overnight to its server, which allows Alinta to recover the database should it need to. There are also offsite backup arrangements. 		
369	Condition 4.1.1	Clause 4.2(1)	A network operator must ensure that its registry complies with the Code and the prescribed clause of the market rules.	4	<p>The audit confirmed that Alinta has a Metering Database that complies with the Code and the prescribed clause of the market rules. This is located in the internal document management system CLM Matrix.</p> <p>The database contained the minimum required information prescribed in the market rules.</p>	A	1
370	Condition 4.1.1	Clause 4.3(1)	The standing data for a metering point must comprise at least the items specified.	3	<p>The database contains most of the minimum required standing data specified in Metering Code clause 4.3(1). Review of the Standing database showed the metering database had all the prerequisite standing data item headings of clause 4.3(1).</p> <p>However, three columns in the database were left blank – NMI, Data Register Coding Details and Algorithms.</p> <p>The metering database was updated with the missing information In January 2020. As this has been resolved, no further recommendation is made.</p>	A	1
371	Condition 4.1.1	Clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code	4	Through advice from the Head of Operations and review of Alinta's Access and Standby Agreement with Horizon Power (which defines Alinta's obligations as a user), the audit confirmed that:	NP	NR

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			participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.		<ul style="list-style-type: none"> Any discrepancies in metering data are managed in accordance with the Agreement. Alinta's Commercial team maintains ongoing communication with Horizon Power when resolving metering discrepancies Alinta understands its obligations not to permit Horizon Power's metering registry to be materially inaccurate Alinta has not knowingly permitted the registry to be materially inaccurate. Alinta is not aware of any inaccuracies over the audit period. 		
372	Condition 4.1.1	Clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	4	As per obligation 371, Alinta is not aware of any inaccuracies over the audit period.	NP	NR
373	Condition 4.1.1	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	As per obligation 371, Alinta is not aware of any inaccuracies over the audit period.	NP	NR
374	Condition 4.1.1	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 that is the designated source for the item of standing data under Table 2 in clause 4.3(1) then the network	4	As per obligation 371, Alinta is not aware of any inaccuracies over the audit period.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence <i>(including any recommendations)</i>	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			operator must update the registry to address the issue.				
375	Condition 4.1.1	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 determine whether the registry should be updated, and update the registry as required.	4	As per obligation 371, Alinta is not aware of any inaccuracies over the audit period.	NP	NR
376	Condition 4.1.1	Clause 4.7(1)	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.	4	As per obligation 371, Alinta is not aware of any inaccuracies over the audit period.	NP	NR
377	Condition 4.1.1	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	4	During the period subject to audit, no other retailers or generators had access to Alinta's transmission network.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			operator that provides 'read only' access.				
378	Condition 4.1.1	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 the prescribed methods, using a password provided by the network operator which provides 'read only' access.	4	As per obligation 377.	NP	NR
379	Condition 4.1.1	Clause 4.8(4)(a)	A network operator must have devices and methods in place to ensure that energy data held in its metering installation is secured from unauthorised local or remote access using the methods prescribed.	4	Through advice from the Head of Operations and Alinta Energy IT, review of Alinta's metering arrangements and Alinta Energy's Identity and Access Management Standard, Vulnerability Standard and Cybersecurity Policy, the audit confirmed that Alinta has appropriate methods in place to ensure that relevant data held in its meters and Honeywell Experian system and is appropriately secured through physical and logical means to prevent and/or detect unauthorised access. The metering database and associated information is appropriately protected through passwords and other system securities to prevent unauthorised access.	A	1
380	Condition 4.1.1	Clause 4.8(4)(b)	A network operator must have devices and methods in place to ensure that the data held in its metering database is secured from unauthorised local, or remote, access using the methods prescribed.	4	As per obligation 379.	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence <i>(including any recommendations)</i>	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
381	Condition 4.1.1	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.	4	As per obligation 379.	A	1
382	Condition 4.1.1	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.	4	Through advice from the Head of Operations and Alinta Energy IT; and review of Alinta's metering arrangements and Information Lifecycle Policy, the audit confirmed that Alinta's Honeywell Experion system is designed to ensure that relevant energy data is retained in a readily accessible format for at least 13 months and once archived, indefinitely (i.e. in excess of five years and 11 months) in a format that is accessible within a reasonable period of time.	A	1
		Part 5	Metering services				
383	Condition 4.1.1	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.	4	During the period subject to audit, no other retailers, distributors, generators or users (collectively Code Participants) had access to Alinta's transmission network, or an opportunity to obtain a metering service. Therefore clause 5.1 of the Metering Code did not apply to Alinta's circumstances during the period subject to audit.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
384	Condition 4.1.1	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; negotiate in good faith with a Code participant regarding the terms for an agreement; 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.	4	As per obligation 383.	NP	NR
385	Condition 4.1.1	Clause 5.3(1)	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).	4	Through discussion with the Plant Manager – Port Hedland Operations and review of Alinta’s metering arrangements, the audit confirmed that: <ul style="list-style-type: none"> • Energy data collected from meters is immediately transferred to Alinta’s Honeywell Experion system • Actual meter readings are undertaken on a continuous basis and in 30 minute intervals. • Alinta’s use of check meters accommodates the required energy data validation processes. • Meter readings are only performed by Alinta personnel. 	NP	1
386	Condition 4.1.1	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	4	As per obligation 385.	NP	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence <i>(including any recommendations)</i>	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			value that passes the validation processes in Appendix 2.				
387	Condition 4.1.1	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.	4	As per obligation 385.	NP	1
388	Condition 4.1.1	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	The Plant Manager - Port Hedland Operations confirmed that the network operator has not provided any requests in relation to subclause 5.4(1) during the period subject to audit.	NP	NR
389	Condition 4.1.1	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 17A(1), in accordance with the prescribed conditions.	4	As per obligation 388.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
390	Condition 4.1.1	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.	4	Alinta's PPAs with its customers do not provide for Alinta to impose a charge for providing energy data or standing data on request. Alinta has not imposed such a charge during the period subject to audit.	NP	NR
391	Condition 4.1.1	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).	4	Through review of Alinta's metering arrangements, the audit confirmed that: <ul style="list-style-type: none"> • Energy data, including validated, substituted or estimated data is provided to Alinta's customers in accordance with the respective PPAs. • As Alinta's network is not part of the wholesale electricity market, Alinta is not required to provide data to the IMO (AEMO). • During the audit period, no other users had access to Alinta's transmission network. 	NP	NR
391A	Condition 4.1.1	Clause 5.6(3) (From Feb. 2022)	A network operator must provide validated, and where necessary substituted or estimated, interval energy data for a metering point to AEMO before 5pm on the first business day after the network operator obtains energy data for the metering point under clause 5.3(1)(a), or such other time as agreed in writing.	4	As per obligation 391.	NP	NR
392	Condition 4.1.1	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	4	As per obligation 391.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			the IMO within the timeframes prescribed.				
393	Condition 4.1.1	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.	4	<p>Through review of Alinta's metering arrangements, the audit confirmed that:</p> <ul style="list-style-type: none"> Any related metering information (including dates for the purpose of invoicing) is required to be provided to Alinta's customers in accordance with the respective PPAs. During the audit period, no other users had access to Alinta's transmission network No requests for energy data, standing data or bulk standing data have been received by Alinta during the audit period. <p>As Alinta's network is not part of the wholesale electricity market, Alinta is not required to provide data to the IMO (AEMO).</p>	NP	NR
394	Condition 4.1.1	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.	4	As per obligation 393.	NP	NR
395	Condition 4.1.1	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.	4	As per obligation 393.	NP	NR
396	Condition 4.1.1	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 network operator must provide the	4	As per obligation 393.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			incoming retailer with a copy of the standing data for each metering point associated with the connection point.				
398	Condition 4.1.1	Clause 5.13	<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:</p> <ul style="list-style-type: none"> • 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 2 business days after the receipt of the request. 	4	As per obligation 393.	NP	NR
399	Condition 4.1.1	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.	4	As per obligation 393.	NP	NR
400	Condition 4.1.1	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.	4	As per obligation 393.	NP	NR
401	Condition 4.1.1	Clause 5.16	If a user collects or receives energy data from a metering installation then the user must provide the network	4	As per obligation 393.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.				
402	Condition 4.1.1	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	Through review of Alinta's metering arrangements, the audit confirmed that standing data and validated energy data is provided to Alinta's customers in accordance with the respective PPAs, for the purpose of invoicing.	NP	1
403	Condition 4.1.1	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).	4	The Senior Analyst - Finance and the Head of Operations confirmed that during the audit period, Alinta did not receive any directions from a customer to provide data for a metering point from its metering database.	NP	NR
404	Condition 4.1.1	Clause 5.17A(3)	A network operator must comply with a direction under subclause 5.17A(1) within the timeframes prescribed.	4	As per obligation 403.	NP	NR
405	Condition 4.1.1	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 prescribed information, including the stated	4	In relation to Alinta's capacity as a user of Horizon Power's network, Alinta has no capacity to observe any change in the energisation status of a metering point. Accordingly, Alinta had no obligations under clause 5.18 of the Metering Code for the audit period.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			attributes, within the timeframes prescribed.				
406	Condition 4.1.1	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	In relation to Alinta's capacity as a user of Horizon Power's network, Alinta has no role in the collection of any information relating to Horizon Power's meters or connection points. Accordingly, Alinta had no obligations under clause 5.19(1-3) of the Metering Code for the audit period.	NP	NR
407	Condition 4.1.1	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	As per obligation 406.	NP	NR
408	Condition 4.1.1	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	As per obligation 406.	NP	NR
409	Condition 4.1.1	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.	4	In relation to Alinta's transmission network, during the audit period: Alinta operated as both the network operator and retailer. No other users had access to Alinta's network. Accordingly, Alinta had no obligations under clause 5.19(5) of the Metering Code for the audit period.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
410	Condition 4.1.1	Clause 5.19(6)	The user must use reasonable endeavours to ensure that it does not notify 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.	4	In relation to Alinta's capacity as a user of Horizon Power's network, Alinta has no role in the collection of any information relating to Horizon Power's meters or connection points. Accordingly, Alinta had no obligations under clause 5.19(6) of the Metering Code for the audit period.	NP	NR
411	Condition 4.1.1	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.	4	The Senior Analyst - Finance and the Head of Operations confirmed that during the audit period, Alinta did not receive any request for verification of energy data.	NP	NR
412	Condition 4.1.1	Clause 5.20(2)	An Energy Data Verification Request Form must require a Code participant to provide the information prescribed.	4	As per obligation 412.	NP	NR
413	Condition 4.1.1	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 to that Code participant within the timeframes prescribed.	4	As per obligation 403.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
414	Condition 4.1.1	Clause 5.21(2)	A network operator must comply with any reasonable request under subclause 5.21(1).	4	The Senior Analyst - Finance and the Head of Operations confirmed that during the audit period. Alinta did not receive any request for a test or audit of the accuracy of a metering installation, the energy data from the metering installation and/or the standing data from the metering installation	NP	NR
415	Condition 4.1.1	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.	4	The Senior Analyst - Finance and the Head of Operations confirmed that during the period subject to audit, in relation to Alinta's capacity as a user of Horizon Power's network, Alinta did not make a request to Horizon Power for a test or audit of the accuracy of a metering installation, the energy data from the metering installation and/or the standing data from the metering installation.	NP	NR
416	Condition 4.1.1	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	As per obligation 415.	NP	NR
417	Condition 4.1.1	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	As per obligation 415.	NP	NR
418	Condition 4.1.1	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	4	Through review of Alinta's metering arrangements, the audit confirmed that: Alinta's PPAs with its customers do not provide for Alinta to impose a charge for undertaking a test of metering installations and/or or auditing of	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			service level agreement between it and the user.		information from the meters associated with the metering installations Alinta has not imposed such a charge during the period subject to audit. During the audit period, Alinta did not receive any request for a test or audit of the accuracy of a metering installation, the energy data from the metering installation and/or the standing data from the metering installation.		
419	Condition 4.1.1	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.	4	As per obligation 418.	NP	NR
420	Condition 4.1.1	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.	4	As per obligation 418.	NP	NR
421	Condition 4.1.1	Clause 5.21(12)	The original stored error correction data in a meter must not be altered except	4	As per obligation 418.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			during accuracy testing and calibration of a metering installation.				
422	Condition 4.1.1	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.	3	<p>The Head of Operations confirmed that the energy data has been validated in accordance with the Code. There have been no requirement or requests to substitute or estimate energy data.</p> <p>As per obligation 319, although Alinta has demonstrated that it has maintained its meters to the satisfaction of its customers throughout the audit period, it has not completed recommendation 2/2019 of the previous audit, regarding the creation of a metrology procedure for demonstrating its compliance with the specifications of the National Measurement Institute under the National Measurements Act. Alinta is seeking exemption from Pilbara ISOCO Limited (ISO) for parts of the Metering Code and is awaiting advice from ISO. This had no impact on customers and was rated as a controls improvement.</p>	B	1
423	Condition 4.1.1	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.	4	<p>Through advice from the Head of Operations and consideration of Alinta's metering arrangements, the audit confirmed that Alinta uses parallel check meters for each of its metering installations, which are Type 1 metering installations</p> <p>Alinta's parallel check metering arrangements meet the requirements of clause 3.13(4) (b) of the Metering Code.</p>	NP	NR
424	Condition 4.1.1	Clause 5.22(3) (Amended Feb. 2022)	If a check meter is not available or energy data cannot be recovered from the metering installation within the time required under this Code, or if clause 5.22(7) applies, then the network	4	The Senior Analyst - Finance and the Head of Operations confirmed that during the audit period, there were no instances in which substitute values were required to be prepared due to a check meter not being available or energy data not being	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
			operator must prepare substitute values using a method contained in Appendix 3 (or in the case of a substitution under clause 5.22(7), a method contained in the metrology procedure) and agreed where necessary with the relevant Code participants.		recoverable from a metering installation within the time required.		
425	Condition 4.1.1	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.	4	The Senior Analyst - Finance and the Head of Operations confirmed that during the period subject to audit, there were no instances in which it detected a loss of energy data or incorrect energy data from a metering installation.	NP	NR
426	Condition 4.1.1	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.	4	The Senior Analyst - Finance and the Head of Operations confirmed that during the audit period, there were no instances in which substitution or estimation of energy data was required due to energy data being missing, unavailable or corrupted.	NP	NR
427	Condition 4.1.1	Clause 5.22(6)	A network operator must review all validation failures before undertaking any substitution.	4	As per obligation 426.	NP	NR
428	Condition 4.1.1	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.	4	As per obligation 426.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
429	Condition 4.1.1	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.	4	As per obligation 426.	NP	NR
430	Condition 4.1.1	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.	4	The Senior Analyst - Finance and the Head of Operations confirmed that during the audit period, there were no instances in which: A better quality actual or deemed actual value became available. Substitution or estimation of energy data was required. A Code participant requested an estimated or substituted value to be replaced.	NP	NR
431	Condition 4.1.1	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.	4	As per obligation 430.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
433	Condition 4.1.1	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.	4	As per obligation 430.	NP	NR
434	Condition 4.1.1	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.	4	As per obligation 430.	NP	NR
435	Condition 4.1.1	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	The Senior Analyst - Finance and the Head of Operations confirmed that during the audit period, in relation to Alinta's capacity as a user of Horizon Power's network, Alinta did not receive any requests from Horizon Power to provide customer attribute information.	NP	NR
438	Condition 4.1.1	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.	4	As per obligation 435.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
439	Condition 4.1.1	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.	4	As per obligation 435.	NP	NR
440	Condition 4.1.1	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.	4	As per obligation 435.	NP	NR
		Part 6	Documentation				
447	Condition 4.1.1	Clause 6.1(1)	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.	3	As per obligation 319, although Alinta has demonstrated that it has maintained its meters in accordance with the Code and to the satisfaction of its customers throughout the audit period, it has not completed recommendation 2/2019 of the previous audit, regarding the creation of a metrology procedure for demonstrating its compliance with the specifications of the National Measurement Institute under the National Measurements Act. Alinta is seeking exemption from Pilbara ISOCO Limited (ISO) for parts of the Metering Code and is	B	2

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					awaiting advice from ISO. This had no impact on customers and was rated as a minor non-compliance. <i>Refer recommendation 1/2022.</i>		
448	Condition 4.1.1	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	Section 6.1(2) of the Metering Code requires Alinta (as a user) to comply with the network operator's metrology procedure, communication rules, mandatory link criteria, or service level agreement. Through our discussions with Alinta and review of Alinta's Access and Standby Agreement with Horizon Power, nothing has come to our attention to indicate that Alinta has not complied with the rules, procedures, agreements and criteria prescribed by Horizon Power.	NP	1
448A	Condition 4.1.1	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).	3	In its role of a network operator, Alinta has not complied with clause 6.2(a)-(d) of the Metering Code, which required the following documents to be submitted by June 2013 to the ERA for approval: <ul style="list-style-type: none"> Proposed model service level agreement Proposed metrology procedure Proposed mandatory link criteria. metrology procedureThis has no effect on customers and is rated as a minor non-compliance. <i>Recommendation 2/2022</i> a) Alinta should complete and submit the following documents to the ERA for approval: <ul style="list-style-type: none"> Proposed model service level agreement Proposed metrology procedure 	B	2

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					<ul style="list-style-type: none"> o <i>Proposed mandatory link criteria.</i> b) <i>Alinta should publish its communication rules unless otherwise exempted.</i> 		
448B	Condition 4.1.1	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.	4	The Manager – WA Retail Regulation confirmed that the requirement for Alinta to submit the prescribed documents (model SLA, metrology procedure, mandatory link criteria) over the audit period was not triggered.	NP	NR
448C	Condition 4.1.1	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.	4	As per obligation 448B, no communication rules have been published. <i>Refer recommendation 2/2022.</i>	B	2
448D	Condition 4.1.1	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.	4	As per obligation 448B, no communication rules have been published.	NP	NR
449	Condition 4.1.1	Clause 6.20(4)	A network operator must amend any document in accordance with the ERA's final recommendation.	4	The Manager – WA Retail Regulation confirmed that during the audit period, Alinta had not submitted a proposed model service level agreement, metrology procedure or mandatory link criteria to the ERA for its approval.	NP	NR
450	Condition 4.1.1	Clause 6.20(5)	The network operator must publish any document that has been amended under subclause 6.20(4).	4	As per obligation 449.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
		Part 7	Notes and confidential information				
451	Condition 4.1.1	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.	4	Through review of Alinta's business practices, the audit confirmed that Alinta maintains electronic, facsimile and voice communication channels commensurate with the expectations of a major business.	NP	NR
452	Condition 4.1.1	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.	4	The Manager – WA Retail Regulation confirmed that during the audit period, there was no change to contact details.	NP	NR
453	Condition 4.1.1	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	The audit confirmed that during the audit period, Alinta had not been requested by Horizon Power to provide notification of its contact details.	NP	NR
454	Condition 4.1.1	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	The Manager – WA Retail Regulation confirmed that during the audit period, there was no change to contact details.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
455	Condition 4.1.1	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.	4	Through review of Alinta's Access and Standby Agreement with Horizon Power and its customer PPAs, the audit confirmed that: <ul style="list-style-type: none"> Alinta is aware of its confidentiality requirements both in its capacity as a user and a network operator. Alinta's Access and Standby Agreement with Horizon Power contains detailed provisions on the management of confidential information. Alinta's customer PPAs (which governs Alinta's obligations as a network operator) with its customers contains detailed provisions on the management of confidential information. During the audit period, Alinta was not required under a provision in the Metering Code to disclose confidential information. 	NP	NR
456	Condition 4.1.1	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	As per obligation 455.	NP	NR
		Part 8	Dispute resolution				
457	Condition 4.1.1	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.	4	For the purposes of the Metering Code, 'disputes' refers to metering disputes between Alinta as a code participant and as a network operator, another retailer, another generator, another network operator (Horizon Power), a user or the IMO. Through discussions with the Plant Manager – Port Hedland Operations; and review of Alinta's Access and Standby Agreement with Horizon Power and its customer PPAs, the audit confirmed that:	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					<p>No disputes occurred during the audit period.</p> <p>Alinta, in its role as a user, is governed by the provisions of its Access and Standby Agreement with Horizon Power when settling disputes.</p> <p>Alinta, in its role as a network operator, is governed by the provisions of its customer PPAs when settling disputes.</p>		
458	Condition 4.1.1	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.	4	As per obligation 457.	NP	NR
459	Condition 4.1.1	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.	4	As per obligation 457.	NP	NR
460	Condition 4.1.1	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	As per obligation 457.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
461	Condition 4.1.1	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).	4	As per obligation 457.	NP	NR
ELECTRICITY INDUSTRY NETWORK QUALITY AND RELIABILITY OF SUPPLY CODE							
462	Condition 4.1.1	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.	4	Through advice from the Head of Operations and consideration of Alinta's transmission network operations and its customer PPAs, the audit confirmed that during the audit period, Alinta had ensured that electricity supply to its customers' electrical installations complied with the prescribed standards and in accordance with the PPAs with its customers.	NP	1
463	Condition 4.1.1	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.	4	The Plant Manager – Port Hedland Operations confirmed that there were no occasions during the audit period in which Alinta was required to disconnect the supply of electricity to its customer's electrical installations.	NP	NR
464	Condition 4.1.1	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.	4	Through advice from the Head of Operations and review of Alinta's transmission network operations and its customer PPAs, the audit confirmed that during the audit period: <ul style="list-style-type: none"> Alinta's customer PPAs prescribe voltage fluctuation, harmonic and reliability requirements, plus obligations upon Alinta for managing interruptions As far as reasonably practicable, Alinta had ensured that the supply of electricity to its 	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence <i>(including any recommendations)</i>	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
					<p>customers was maintained and the occurrence and duration of interruptions was kept to a minimum</p> <ul style="list-style-type: none"> • There were no instances in which an alternate supply of electricity was viable in the event of a customer being affected by a proposed interruption. • Alinta's customer PPAs address the requirements of clause 13 of the Network Quality and Reliability of Supply Code in relation to the duration of interruptions. 		
465	Condition 4.1.1	Clause 10(1)	A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer.	4	As per obligation 464.	A	1
466	Condition 4.1.1	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.	4	There were no instances in which an alternate supply of electricity was viable in the event of a customer being affected by a proposed interruption.	NP	NR
468	Condition 4.1.1	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.	4	As per obligation 464.	A	1
469	Condition 4.1.1	Clause 13(3)	The average total length of interruptions of supply is to be calculated using the specified method.	4	As per obligation 464.	A	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
470	Condition 4.1.1	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 <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> .	4	The Manager – WA Retail Regulation confirmed no requests had been made by customers and the Minister had not issued an instrument in relation to the Network Quality and Reliability of Supply Code, nor had any notice been given under section 14(7) of the Network Quality and Reliability of Supply Code.	NP	NR
471	Condition 4.1.1	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.	4	Through advice from the Head of Operations and review of Alinta’s operations and its customer PPAs, the audit confirmed that Alinta’s PPAs with its customers set out provisions related to quality and reliability standards. However, during the audit period, no new customer agreements had been established and or modified during the audit period.	NP	NR
472	Condition 4.1.1	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.	4	As per Section 3 of the Code, “distribution system” means electricity infrastructure used, or to be used, in connection with, or to control, the transportation of electricity at nominal voltages of less than 66kV. Alinta also owns and operates a number of 66kV transmission lines, which connect the Boodarie and Port Hedland facilities with two substations operated by Horizon Power. Therefore, this obligation does not apply in the audit period.	NP	NR
473	Condition 4.1.1	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.	4	As per obligation 472.	NP	NR

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence (including any recommendations)	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
474	Condition 4.1.1	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 <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> .	4	As per obligation 472.	NP	NR
475	Condition 4.1.1	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 <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> .	4	As per obligation 472.	NP	NR
476	Condition 4.1.1	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 <i>Electricity Industry (Network Quality and Reliability of Supply) Code 2005</i> not less than once in each financial year.	4	As per obligation 472.	NP	NR
477	Condition 4.1.1	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.	4	Through advice from the Head of Operations and consideration of Alinta's transmission network operations and its customers PPAs, the audit confirmed that during the audit period, Alinta had monitored its network operations to ensure compliance with the requirements of its customer PPAs and any additional requirement prescribed by the Network Quality and Reliability of Supply Code.	NP	1

No ⁴	Licence Condition	Legislative Reference	Description	Audit Priority ⁵	Systems, Processes, Controls in Place to Comply with Licence <i>(including any recommendations)</i>	Adequacy of Controls Rating ⁶	Compliance Rating ⁷
478	Condition 4.1.1	Clause 23(2)	A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified.	4	Through advice from the Head of Operations and consideration of Alinta's business practices, the audit confirmed that Alinta uses the SharePoint system to maintain formal records of information regarding its network quality and reliability performance for a minimum of 7 years.	NP	1
479	Condition 4.1.1	Clause 24(3)	A distributor or transmitter must complete a quality investigation requested by a customer in accordance with specified requirements.	4	The audit confirmed there were no requests from a customer for Alinta to complete a quality investigation.	NP	NR
480	Condition 4.1.1	Clause 24(4)	A distributor or transmitter must report the results of an investigation to the customer concerned.	4	As per obligation 480	NP	NR

3.7 Audit Recommendations

Table of Current Audit Non- Compliances and Recommendations

A. Resolved during current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Date Resolved (& management action taken)	Auditor's Comments
	Nil		

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
1/2022	<p>Metering installation design requirements</p> <p>B2</p> <p><i>Obligations 319, 343 and 447</i></p> <p><i>Metering Code</i></p> <p><i>Clause 3.1 - A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines, including any transitional arrangements, specified by the National Measurement Institute under the National Measurement Act.</i></p> <p><i>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</i></p>	<p>Alinta should complete a metrology procedure to incorporate the technical requirements of the Metering Code relevant to Alinta's metering operations, subject to any exemption granted by the Pilbara ISOCO Limited (ISO) under the Pilbara Network Rules for parts of the Metering Code.</p>	<p><i>Waiting on response to exemption request from ISO.</i></p>

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<p><i>Institute under the National Measurement Act and any requirements specified in the applicable metrology procedure.</i></p> <p><i>Clause 6.1(1) - A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.</i></p> <p>Although Alinta has demonstrated that it has maintained its meters to the satisfaction of its customers throughout the audit period, it has not completed recommendation 2/2019 of the previous audit, regarding the creation of a metrology procedure to demonstrate its compliance with the specifications of the National Measurement Institute under the National Measurements Act.</p> <p>In August 2021, applied for exemption from Pilbara ISOC Co Limited (ISO) for parts of the Metering Code and is awaiting advice from ISO at the date of audit.</p> <p>This had no impact on customers and was rated as a minor non-compliance.</p>		
2/2022	<p>Metering reporting</p> <p>B2</p> <p><i>Obligations 448A and 448C</i></p> <p><i>Clause 6.19A(1) - 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></p> <p><i>Clause 6.2 - 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></p> <p>In its role of a network operator, Alinta has not complied with clause 6.2(a)-(d) of the Metering Code, which required the following documents to be submitted by June 2013 to the ERA for approval:</p>	<p>a) Alinta should complete and submit the following documents to the ERA for approval:</p> <ul style="list-style-type: none"> o Proposed model service level agreement o Proposed metrology procedure o Proposed mandatory link criteria. <p>b) Alinta should publish its communication rules unless otherwise exempted.</p>	Nil

B. Unresolved at end of current audit period			
Recommendation (no./year)	Non-Compliance/Controls Improvement (Rating/Licence obligation ref. and obligation/Non-compliance or inadequacy of control)	Auditor's Recommendation	Action taken by the licensee by end of audit period
	<ul style="list-style-type: none"> • Proposed model service level agreement • Proposed metrology procedure • Proposed mandatory link criteria. <p>Therefore, the communication rules have not been approved by the ERA or published by Alinta.</p> <p>This had no impact on customers and was rated as a minor non-compliance.</p>		

4. Asset Management System Review

4.1 Description of Infrastructure

Alinta DEWAP Pty Ltd ('Alinta') is the licensee of the Economic Regulation Authority ('ERA') for the electricity integrated retail licence (EIRL7) licence under the provisions contained in the *Electricity Industry Act 2004*. Under EIRL7, Alinta owns and operates the Port Hedland Power/Boodarie Station and power transmission assets supplying electricity to large use customers in the Pilbara region.

The Licence is for Alinta's generation, transmission and retail activity in relation to its Port Hedland power station, which consists of five gas turbines (three units at Port Hedland and two units at Boodarie). Alinta also owns and operates a number of 66kV transmission lines, which connect the Boodarie and Port Hedland facilities with two substations operated by Horizon Power. Alinta also accesses Horizon Power's North West Interconnected System (NWIS) network for the purpose of supplying electricity to a customer.

This audit and review covers the period from 1 July 2019 to 30 June 2022.

The audit and review approach is based on the compliance obligations set out in the Licence, applicable legislation, regulatory guidelines (Electricity Compliance Reporting Manual - February 2022 and previous versions June 2020 and July 2018) and the 2019 Audit and Review Guidelines: Electricity and Gas Licences.

4.2 Objectives and Scope

The objective of the review was to assess the adequacy and effectiveness of the asset management system in place for the undertaking, maintenance and monitoring of the licensee's assets.

The scope of the review included an assessment of the adequacy and effectiveness of the asset management system by evaluating the key processes of:

- Asset planning
- Asset creation/acquisition
- Asset disposal
- Environmental analysis
- Asset operations
- Asset maintenance
- Asset management information system
- Risk management
- Contingency planning
- Financial planning
- Capital expenditure planning
- Review of the asset management system.

The highest priority areas (priority 1, 2 or 3) based on inherent risk and the previous review's effectiveness ratings were:

Priority 2

- Asset Planning - Asset management plan covers the processes in this table. (*High inherent risk and previous review recommended the Asset Management Plan be expanded and finalised*)
- Asset Planning - Asset management plan is regularly reviewed and updated (*Previous review recommended the review process is strengthened*).
- Environmental Analysis (*High inherent risk*)
- Contingency Planning (*High inherent risk and previous review recommended the contingency plan testing be implemented and the emergency procedures be updated and regularly reviewed*).

The status of the previous review recommendations was also reviewed. Refer section 4.4.

4.3 Asset Management Process and Performance Rating Scales

The adequacy of process policy and definition and the performance of the key processes were assessed using the scales described in the tables below. The overall effectiveness rating for each asset management process is based on a combination of the process and policy adequacy rating and the performance rating.

Asset Management Process and Policy Definition - Adequacy ratings

RATING	DESCRIPTION	CRITERIA
A	Adequately defined	<ul style="list-style-type: none"> Processes and policies are documented. Processes and policies adequately document the required performance of the assets. Processes and policies are subject to regular reviews, and updated where necessary. The asset management information system(s) are adequate in relation to the assets that are being managed.
B	Requires some improvement	<ul style="list-style-type: none"> Process and policy documentation require improvement. Processes and policies do not adequately document the required performance of the assets. Reviews of processes and policies are not conducted regularly enough. The asset management information system(s) requires minor improvements (taking into consideration the assets being managed).
C	Requires significant improvement	<ul style="list-style-type: none"> Process and policies are incomplete or require substantial improvement. Processes and policies do not document the required performance of the assets. Processes and policies are considerably out of date. The asset management information system(s) requires substantial improvement (taking into consideration the assets being managed).
D	Inadequate	<ul style="list-style-type: none"> Processes and policies are not documented. The asset management information system(s) is not fit for purpose (taking into consideration the assets being managed).

Asset Management Performance Ratings

RATING	DESCRIPTION	CRITERIA
1	Performing effectively	<ul style="list-style-type: none"> The performance of the process meets or exceeds the required levels of performance. Process effectiveness is regularly assessed, and corrective action taken where necessary.
2	Opportunity for improvement	<ul style="list-style-type: none"> The performance of the process requires some improvement to meet the required level. Process effectiveness reviews are not performed regularly enough. Process improvement opportunities are not implemented.
3	Corrective action required	<ul style="list-style-type: none"> The performance of the process requires significant improvement to meet the required level. Process effectiveness reviews are performed irregularly, or not at all. Process improvement opportunities are not implemented.
4	Some action required	<ul style="list-style-type: none"> Process is not performed, or the performance is so poor that the process is considered to be ineffective.

4.4 Summary of Asset Management System Effectiveness Ratings

The review's assessment of the asset management system process and policy definitions and their effectiveness, based on the ratings scale in Section 4.3, is shown in the table below.

Section 4.7 provides further details of the current rating results for each process in the asset management system.

Summary of Asset Management Performance Ratings

Process and Policy Definition – Adequacy Rating	Performance Rating for Effectiveness Criteria					Total
	Rating	1 Performing effectively	2 Opportunity for improvement	3 Corrective action required	4 Some action required	
	A -Adequately defined	53	-	-	-	53
	B – Requires some improvement	-	4	-	-	4
	C – Requires significant improvement	-	-	1	-	1
	D – Inadequate	-	-	-	-	-
Total	53	4	1	-	58	

Asset Management System Performance Ratings

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating				
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious action required	Not Rated
1. Asset planning	A				1				
1.1 Asset management plan covers the processes in this table.	✓				✓				
1.2 Planning process and objectives reflect the needs of all stakeholders and are integrated with business planning.	✓				✓				
1.3 Service levels are defined in the asset management plan.	✓				✓				

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating				
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious action required	Not Rated
	A	B	C	D	1	2	3	4	NR
1.4 Non-asset options (e.g. demand management) are considered.	✓				✓				
1.5 Lifecycle costs of owning and operating assets are assessed.	✓				✓				
1.6 Funding options are evaluated.	✓				✓				
1.7 Costs are justified and cost drivers identified.	✓				✓				
1.8 Likelihood and consequences of asset failure are predicted.	✓				✓				
1.9 Asset management plan are regularly reviewed and updated.	✓				✓				
2. Asset creation/ acquisition	A				1				
2.1 Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions.	✓				✓				
2.2 Evaluations include all life-cycle costs.	✓				✓				
2.3 Projects reflect sound engineering and business decisions.	✓				✓				
2.4 Commissioning tests are documented and completed.	✓				✓				
2.5 Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood.	✓				✓				
3. Asset disposal	A				1				
3.1 Under-utilised and under-performing assets are identified as part of a regular systematic review process.	✓				✓				
3.2 The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.	✓				✓				
3.3 Disposal alternatives are evaluated.	✓				✓				
3.4 There is a replacement strategy for assets.	✓				✓				
4. Environmental analysis	A				1				
4.1 Opportunities and threats in the asset management system environment are assessed.	✓				✓				

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating				
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious action required	Not Rated
	A	B	C	D	1	2	3	4	NR
4.2 Performance standards (availability of service, capacity, continuity, emergency response, etc) are measured and achieved.	✓				✓				
4.3 Compliance with statutory and regulatory requirements.	✓				✓				
4.4 Achievement of customer service levels.	✓				✓				
5. Asset operations		B				2			
5.1 Operational policies and procedures are documented and linked to service levels required.	✓				✓				
5.2 Risk management is applied to prioritise operations tasks.		✓				✓			
5.3 Assets are documented in an Asset Register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition.	✓				✓				
5.4 Accounting data is documented for assets.	✓				✓				
5.5 Operational costs are measured and monitored.	✓				✓				
5.6 Staff resources are adequate and staff receive training commensurate with their responsibilities.		✓				✓			
6. Asset maintenance		B				2			
6.1 Maintenance policies and procedures are documented and linked to service levels required.		✓				✓			
6.2 Regular inspections are undertaken of asset performance and condition.	✓				✓				
6.3 Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.	✓				✓				
6.4 Failures are analysed and operational/maintenance plans adjusted where necessary.			✓				✓		
6.5 Risk management is applied to prioritise maintenance tasks.		✓				✓			
6.6 Maintenance costs are measured and monitored.	✓				✓				

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating				
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious action required	Not Rated
	A	B	C	D	1	2	3	4	NR
7. Asset Management Information System	A				1				
7.1 Adequate system documentation for users and IT operators.	✓				✓				
7.2 Input controls include appropriate verification and validation of data entered into the system.	✓				✓				
7.3 Security access controls appear adequate, such as passwords.	✓				✓				
7.4 Physical security access controls appear adequate.	✓				✓				
7.5 Data backup procedures appear adequate and backups are tested.	✓				✓				
7.6 Computations for licensee performance reporting are accurate.	✓				✓				
7.7 Management reports appear adequate for the licensee to monitor licence obligations.	✓				✓				
7.8 Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.	✓				✓				
8. Risk management	A				1				
8.1 Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system.	✓				✓				
8.2 Risks are documented in a risk register and treatment plans are actioned and monitored.	✓				✓				
8.3 The probability and consequences of asset failure are regularly assessed.	✓				✓				
9. Contingency planning	A				1				
9.1 Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	✓				✓				
10. Financial planning	A				1				
10.1 The financial plan states the financial objectives and identifies strategies and actions to achieve those.	✓				✓				

ASSET MANAGEMENT SYSTEM COMPONENT & EFFECTIVENESS CRITERIA	Process and Policy rating				Performance rating				
	Adequately defined	Requires some improvement	Requires significant improvement	Inadequate	Performing effectively	Opportunity for improvement	Corrective action required	Serious action required	Not Rated
	A	B	C	D	1	2	3	4	NR
10.2 The financial plan identifies the source of funds for capital expenditure and recurrent costs.	✓				✓				
10.3 The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets).	✓				✓				
10.4 The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.	✓				✓				
10.5 The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.	✓				✓				
10.6 Large variances in actual/budget income and expenses are identified and corrective action taken where necessary.	✓				✓				
11. Capital expenditure planning	A				1				
11.1 There is a capital expenditure plan covering works to be undertaken, actions proposed, responsibilities and dates.	✓				✓				
11.2 The capital expenditure plan provides reasons for capital expenditure and timing of expenditure.	✓				✓				
11.3 The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.	✓				✓				
11.4 There is an adequate process to ensure that the capital expenditure plan is regularly updated and implemented.	✓				✓				
12. Review of asset management system	A				1				
12.1 A review process is in place to ensure that the asset management plan and the asset management system described in it remain current.	✓				✓				
12.2 Independent reviews (e.g. internal audit) are performed of the asset management system.	✓				✓				

4.6 Status of Previous Review Recommendations

The previous review covered the period from 1 July 2016 to 30 June 2019 and was reported in November 2019. The status of previous recommendations is summarised below⁸.

Reference (no./year)	Previously Assessed Process and Policy Deficiency (Rating, Asset management process, Details)	Previous Recommendation and Action Taken	Date Resolved	Further action required Details of any further action required
A. Resolved before end of previous review				
	Nil			
B. Resolved during current review period				
01/2019	<p>C3</p> <p>Asset Planning</p> <p>The Asset Management Plan (AMP) should be expanded and restructured to accommodate the following elements of an effective AMP tailored to Alinta's purposes:</p> <ul style="list-style-type: none"> Contingency arrangements Future demand and forecast (demand drivers highlighted) Arrangements for review and update of the AMP. <p>The Port Hedland AMP for FY2019 - FY2023 was last reviewed on 2 July 2018, is still in a draft iteration with the following sections remaining to be completed:</p>	<p>Alinta should expand the AMP to include the following elements:</p> <ul style="list-style-type: none"> Contingency arrangements (Section 9) Future demand and forecast (Section 10) Arrangements for review and update of the AMP (Section 12) Ideally the AMP would reference the 12 key processes in the asset management lifecycle Guidance on processes utilised in the below sections, which are currently incomplete: <ul style="list-style-type: none"> Basis of Operation and Maintenance Program - Asset Strategy 	June 2021	No further action required.

⁸ Note: As per the Audit and Review Guidelines, recommendations from the previous review that were rated as process C or D and/or effectiveness of 3 or 4 are listed in the following table together with the current status of actions to address the recommendations. Recommendations for improvements at higher ratings are no longer required to be reported in this report.

Reference (no./year)	Previously Assessed Process and Policy Deficiency (Rating, Asset management process, Details)	Previous Recommendation and <i>Action Taken</i>	Date Resolved	Further action required Details of any further action required
	<ul style="list-style-type: none"> • Basis of Operation and Maintenance Program - Asset Strategy • Basis of Operation and Maintenance - Program - Risk and Opportunities • 5.1.1 Key Assets – Port Hedland Facility • 5.1.2 Key Assets – Boodarie Facility • 5.2. Historical Asset Performance. 	<ul style="list-style-type: none"> ○ Basis of Operation and Maintenance - Program - Risk and Opportunities ○ 5.1.1 Key Assets – Port Hedland Facility ○ 5.1.2 Key Assets – Boodarie Facility ○ 5.2. Historical Asset Performance. <p>Once the above recommendations have been completed, Alinta should endorse and approve the AMP which is currently in a draft iteration.</p> <p>Status: Completed</p> <p>The AMP has been revised to include the expected processes with the latest version revised in June 2022.</p>		

4.7 Detailed Review Observations

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
1	ASSET PLANNING		A	1
1.1	Asset management plan covers the processes in this table	<p>Through discussions with the Plant Manager for Porth Hedland Operations and consideration of relevant supporting documentation, the review confirmed that Alinta has an Asset Management Plan (AMP) document that meets the requirements of Alinta Energy's Asset Management Policy and Framework. The AMP covers the expected processes in this table. This AMP details how the asset management strategy, objectives, targets will be achieved within an asset life cycle time frame consistent with the Alinta Energy strategic business planning horizon.</p> <p>Alinta has aligned its asset management system with ISO 55000:2014, ISO 55001:2014 and ISO 55002:2014 and the British publicly available specification PAS 55-1:2008 Asset Management Standard.</p> <p>As recommended in the previous review report (November 2019), the AMP has been revised to include the expected processes. As this has been resolved in this review period, no further recommendation is made. <i>(Refer Section 4.6 - Status of Previous Review Recommendations)</i></p>	A	1
1.2	Planning processes and objectives reflect the needs of all stakeholders and are integrated with business planning	<p>Through review of Alinta's business planning processes, the review confirmed that Alinta's business planning model accommodates its operation and maintenance of the Boodarie and Port Hedland power station and related transmission assets in accordance with its contractual arrangements and regulatory requirements. Alinta has established asset management processes and mechanisms to incorporate the requirements of its various stakeholders, including:</p> <ul style="list-style-type: none"> Developed an AMP for operating and maintaining the various components of the power station and the related transmission network to achieve optimum performance over the entire life of those assets. The AMP defines Alinta's short to medium term plans, and is reviewed on a periodic basis, with the last update performed in June 2022. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> Established Power Purchase Agreements (PPAs) with its customers, outlining Alinta's responsibilities for operating the power station and transmission network assets A formal delegation of authority framework in place across the stakeholder functions (operations, finance, and compliance) integrated into its SharePoint information storage portal for project task and expenditure approval. 		
1.3	Service levels are defined in the asset management plan	<p>Through discussions with the Plant Manager for Porth Hedland Operations and review of the AMP, contractual documentation and Ellipse system, the review confirmed that the Plant's required service levels have been:</p> <ul style="list-style-type: none"> Summarised in the AMP, which is updated on a periodic basis, to facilitate any changes of those service levels. The AMP references relevant operational information for each item of equipment. Defined in Alinta's maintenance standards (e.g. High Voltage Asset Maintenance Standard) maintained on SharePoint and integrated into the maintenance management system. Programmed into the Ellipse asset management work order system to track routine maintenance requirements across asset components. 	A	1
1.4	Non-asset options (e.g. demand management) are considered	<p>Through discussions with the Plant Manager for Porth Hedland Operations and review of the AMP, the review confirmed that Alinta has considered non-asset options for the Port Hedland Power Station. However, those options are not relevant in the current circumstances where Alinta is contractually obliged to generate power to meet its customers' requirements.</p> <p>Alinta's existing customers are required to reduce demand at short notice if required to assist meeting demand during a peak period or power station fault.</p>	A	1
1.5	Lifecycle costs of owning and operating assets are assessed	<p>Through discussions with the Plant Manager for Porth Hedland Operations and review of the AMP and Project Management Framework, the review confirmed that assessment of lifecycle costs of owning and operating the assets is facilitated by the AMP, which considers each major equipment component and provides specific details, including:</p> <ul style="list-style-type: none"> Operating and maintenance philosophy Key life-cycle issues and how they are addressed 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> • Life-cycle plan and critical outages • Performance improvement opportunities • Critical reinvestments • Retirement/disposal consideration at end of plant life • Capital expenditure (Capex) and operating expenditure (Opex) forecasts for a five year period. 		
1.6	Funding options are evaluated	<p>Through discussions with the Plant Manager and review of the AMP and Ellipse, the review confirmed that:</p> <ul style="list-style-type: none"> • Day to day operating expenses are funded from operating cash flows • Funding options are considered and evaluated by means of the Request for Commitment on the AMP Expenditure. • Project Delivery Site (integrated within SharePoint), which details: <ul style="list-style-type: none"> • Expenditure description relative to plan (i.e. budget vs unbudgeted) • Expenditure type (Opex / Capex). • A Delegated Financial Authority matrix and automated workflow system within the 'Request for Commitment' approval process (within SharePoint) helps enable fund requests above specified levels are authorised by the appropriate levels of management. 	A	1
1.7	Costs are justified and cost drivers identified	<p>Through discussions with the Plant Manager and review of the AMP, the review confirmed that the AMP includes a detailed life cycle plan that identifies and assesses all life cycle costs and cost drivers associated with the Boodarie and Port Hedland power stations</p> <p>Power station assets are managed using Ellipse, which records maintenance tasks and associated costs. Financial reporting is generated from Ellipse with budget vs actual analysis performed quarterly.</p>	A	1
1.8	Likelihood and consequences of asset failure are predicted	<p>Through discussions with the Plant Manager and review of the AMP and Ellipse, the review confirmed that:</p> <ul style="list-style-type: none"> • Alinta's operations and maintenance staff operate the plant and perform routine and first line intervention maintenance on a scheduled basis controlled by work orders, generated by Ellipse. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> Condition monitoring techniques are utilised on a frequent basis to identify defects, including: <ul style="list-style-type: none"> Oil analysis Vibration analysis Radiography and thermography to identify any surface or internal defects. During scheduled outages (e.g. long term shutdowns), main components of the facility's plant are inspected for defects by site staff and external contractors. 		
1.9	Asset management plan is regularly reviewed and updated	The AMP defines Alinta's short to medium term plans and is reviewed on an annual basis with the last update performed in June 2022.	A	1
2	ASSET CREATION/ ACQUISITION		A	1
2.1	Full project evaluations are undertaken for new assets, including comparative assessment of non-asset solutions.	<p>Through review of the Project Management Framework, Procurement Standards, other relevant documents and discussion with the Plant Manager – Port Hedland Operations, the review confirmed that Alinta has capital expenditure approval procedures, which outline the requirement for project evaluations to be undertaken prior to seeking funds approval. As part of the project evaluation process, Alinta requires the following to be completed:</p> <ul style="list-style-type: none"> A full business case which provides an approval criteria that must be met for instigating new projects including; financial and capital requirements, current state assessment, asset/non-asset alternatives, and timeline. Financial modelling in support of the business case. The modelling utilises a standard set of high-level economic assumptions to assess the costs associated with the overall plant life and generate cost predictions over the 20-30 years of plant life. 	A	1
2.2	Evaluations include all life-cycle costs.	Through discussions with the Plant Manager for Porth Hedland Operations and review of the AMP and Project Management Framework, the review confirmed that assessment of lifecycle costs of owning and operating the assets is facilitated by the AMP, which considers each major equipment component and provides specific details, including:	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> • Operating and maintenance philosophy • Key life-cycle issues and how they are addressed • Life-cycle plan and critical outages • Performance improvement opportunities • Critical reinvestments • Retirement/disposal consideration at end of plant life • Capital expenditure (Capex) and operating expenditure (Opex) forecasts for a five year period. 		
2.3	Projects reflect sound engineering and business decisions.	<p>Through discussions with the Plant Manager for Porth Hedland Operations and review of supporting documentation, the review confirmed that project evaluations are performed with input from Engineering and Finance personnel and with evaluation results detailed and approved by relevant department stakeholders, to ensure engineering, finance, environmental, and health and safety aspects are addressed, including:</p> <ul style="list-style-type: none"> • Project modelling tools are applied to project evaluations, taking into account relevant economic measures. • Commercial sign off is required, which incorporates the above considerations and addresses any potential contract risks when engaging external parties. 	A	1
2.4	Commissioning tests are documented and completed.	<p>Through discussions with the Plant Manager for Porth Hedland Operations and consideration of the Project Management Framework, the review confirmed that commissioning tests form part of the project lifecycle and are recorded on SharePoint.</p> <p>Where Alinta engages external contractors to perform commissioning tests:</p> <ul style="list-style-type: none"> • Testing reports are prepared by the site engineering team and stored on SharePoint • Handover to Operations only occurs when the requirements for practical completion have been met and are approved by the Project Manager. The Project Manager must then gain a clearance certificate from the relevant operations manager before handover to operations. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
2.5	Ongoing legal/environmental/safety obligations of the asset owner are assigned and understood.	<p>Through discussions with the Plant Manager and O&M Supervisor for Porth Hedland Operations and consideration of relevant supporting documentation, the review confirmed that Alinta identifies and assesses opportunities and threats within its AMS through records of:</p> <ul style="list-style-type: none"> • Applicable legal and regulatory obligations that are documented in the AMP under the Regulatory Compliance Summary. • Risks and threats to the asset's operations in the Port Hedland & Boodarie Power Station Strategic Asset Management Plan (SAMP). • Documented environmental and safety risks in the InControl Risk Management System. • Logged environmental and safety related incidents in the InControl Risk Management System. 	A	1
3	ASSET DISPOSAL		A	1
3.1	Under-utilised and under-performing assets are identified as part of a regular systematic review process.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that Alinta has demonstrated:</p> <ul style="list-style-type: none"> • Assets are registered in a fixed assets and equipment register in Ellipse, which details the asset type, location, material, and drawings • Asset's physical and structural conditions are recorded in the plant condition dashboard and there are regular condition inspections. • A three weekly review meeting is held involving head of operations, engineering, planning and finance, for capital projects and asset condition review. 	A	1
3.2	The reasons for under-utilisation or poor performance are critically examined and corrective action or disposal undertaken.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations and review of relevant supporting documentation and a site visit, the review confirmed that Alinta has applied the mechanisms per criteria 3.1 to facilitate the examination of under-utilised and under-performing assets by:</p> <ul style="list-style-type: none"> • Undertaking root cause analyses of under-utilisation or poor performance of power station assets in the InControl Risk Management System. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> Applying a project evaluation approach as part of the capital expenditure approval process, which requires a justification of why the upgrade/purchase of equipment is crucial to the condition of the asset. Incorporating assessments into rolling five year AMP that detail the major capital projects planned for the coming financial year. 		
3.3	Disposal alternatives are evaluated.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that Alinta has demonstrated consideration of alternatives for decommissioning, removal, or storage of key plant, including:</p> <ul style="list-style-type: none"> The AMP provide details of the major projects planned for each asset in the coming financial year, including any equipment replacement requirements. Asset disposals to be performed in accordance with Project Management processes (including the Management of Change system process) and the AMP. Spare parts are re-utilised or stored to be used again on existing assets. 	A	1
3.4	There is a replacement strategy for assets.	<p>Through discussions with the Plant Manager – Port Hedland Operations and O&M Supervisor and review of Alinta’s AMP, the review confirmed that:</p> <ul style="list-style-type: none"> The AMP considers each major item of equipment and provides specific details of the facility’s operations and maintenance strategy, key life-cycle issues, and remedial plans. Rolling five year plans in the AMP provide details of the major projects planned for each asset in the coming financial year, including any equipment replacement requirements. 	A	1
4	ENVIRONMENTAL ANALYSIS		A	1
4.1	Opportunities and threats in the system environment are assessed.	<p>Through discussions with the Plant Manager and O&M Supervisor for Porth Hedland Operations and consideration of relevant supporting documentation, the review confirmed that Alinta identifies and assesses opportunities and threats within its AMS through records of:</p> <ul style="list-style-type: none"> Applicable legal and regulatory obligations that are documented in the AMP under the Regulatory Compliance Summary. Risks and threats to the asset’s operations in the Port Hedland Power Station AMP. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> Documented environmental and safety risks in the InControl Risk Management System. Logged environmental and safety related incidents in the InControl Risk Management System. 		
4.2	Performance standards (availability of service, capacity, continuity, emergency response, etc.) are measured and achieved.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations and review of supporting documentation, the review confirmed that:</p> <ul style="list-style-type: none"> The tracking of work orders and Key Performance Indicators (KPIs) onsite is controlled through the Ellipse system, which reports on the key performance aspects of the plant. The monthly reports include aspects such as availability and production losses, maintenance costs, Environmental Occupational Health and Safety (EOHS) incidents and Sulphur Oxides (SOx) emission breaches. Any deviations from budget or contractual KPIs are highlighted and explained, where appropriate. Alinta has emergency response processes in place in the event of an environmental incident, with site managers being responsible for the investigation and analysis of the incident. Alinta is required to report Nitrogen Oxides (NOx) and Carbon Monoxide (CO) emissions quarterly. It must also provide NOx, CO and SOx emission sample readings annually. All non-continuous sampling and analysis is to be performed by a holder of a National Association of Testing Authorities, Australia (NATA accreditation). 	A	1
4.3	Compliance with statutory and regulatory requirements.	<p>Through discussion with the Plant Manager and O&M Supervisor for Porth Hedland Operations and consideration of relevant supporting documentation, the review confirmed that Alinta operates and monitors its operations in accordance with the following statutory and regulatory requirements:</p> <ul style="list-style-type: none"> Port Hedland Power Station Environmental Licence, which include NOx, CO, and SOx emissions targets and requirements. Alinta is required to report NOx and CO emissions quarterly and annually. It must also provide an annual SOx emission sample reading All non-continuous sampling and analysis is to be performed by a holder of a NATA accreditation Alinta Energy's Environmental Management Framework accommodates Alinta's commitment to environmental protection 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> Greenhouse gas emissions obligations under the National Greenhouse and Energy Reporting Act (NGER Act) The Occupational Safety and Health Act and supporting Regulations, enabled through Alinta Energy's group-wide health and safety management framework. 		
4.4	Achievement of customer service levels.	Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations and consideration of relevant supporting documentation, the reviewer confirmed that Alinta had achieved its customer service levels during the review period.	A	1
5	ASSET OPERATIONS		B	2
5.1	Operational policies and procedures are documented and linked to service levels required.	Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, examination of relevant supporting documentation and a site visit, the review confirmed: <ul style="list-style-type: none"> Operational policies and procedures are documented through the Port Hedland Power Station AMP, PPAs with the clients, access and standby agreements, communication protocols with the clients and business partners and the Power Generation Operational Plan. The service levels requirements are either defined explicitly (e.g. firm or non-firm purchase) or derived from these documents. Operational procedures and manuals are kept on site as well as on the shared drive. Reliability and maintenance requirements are also set up in the AMP – Port Hedland FY2023 – FY2027. 	A	1
5.2	Risk management is applied to prioritise operations tasks.	Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, examination of relevant documentation and a site visit, the review confirmed that Alinta has demonstrated: <ul style="list-style-type: none"> There is an established risk management framework and process i.e., prior to initiating changes in management of change, planned outages, as well as lower level (work order level) execution. 	B	2

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> • The risk management information is used to guide operational decisions e.g. dispatching, or any changes initiated through management of change. • The Port Hedland and Boodarie power stations apply an integrated risk management approach. <p>The Maintenance Work Process Manual document defines how the maintenance tasks are given priority ratings. They are assigned a priority from 1-5 based on a defined risk matrix. The timelines defined for maintenance task priorities are:</p> <ul style="list-style-type: none"> • Priority 1 (Extreme - Starts Immediately - Breaks Daily Schedule) • Priority 2 (High - Urgent Work with Top Planning Priority as it breaks previously approved weekly schedule) • Priority 3 (Medium - Important Work to be planned in 1 to 3 weeks) • Priority 4 (Low - Strategic/Improvement Work planned as per business requirements) • Priority 5 (Planned Outage Activity included in the scope of work) <p>However, there were 56 overdue maintenance work orders by 30 June 2022, which is indicative of the timelines not being met in accordance with the Maintenance Work Process Manual. Explanation from the O&M Site Supervisor indicated risk management is being used to reprioritise overdue maintenance work orders that has not been outlined in the current Maintenance Work Process Manual. The overdue work orders are reviewed in weekly planning meetings onsite and any high priority tasks are upgraded in priority.</p> <p>These maintenance metrics are showing an increasing trend of overdue tasks as there were a total of 82 overdue maintenance task work orders that were yet to be rescheduled at the time of audit with an estimate of 475 man-weeks' worth of backlog. These are considered minor maintenance jobs with any higher priority jobs being identified in the weekly planning meetings onsite and actioned. However, the mechanism for raising priority for delayed PM/DM/Compliance jobs that is currently being adopted at site is not outlined in the Maintenance Work Process Manual.</p> <p>An improvement is that the Maintenance Work Process Manual needs to be reviewed and updated to reflect the current process of maintenance work order reprioritisation and test its effectiveness to report overdue works accurately. Additionally, the Maintenance Metrics should equate the overdue works as Backlog of Maintenance activities in Weeks.</p>		

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
5.3	Assets are documented in an Asset Register including asset type, location, material, plans of components, and an assessment of assets' physical/structural condition and accounting data.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, examination of relevant documentation and a site visit, the review confirmed that Alinta has demonstrated:</p> <ul style="list-style-type: none"> • Assets are registered in a fixed assets and equipment register in Ellipse, which details the asset type, location, material, and drawings • Asset's physical and structural conditions are recorded in the plant condition dashboard • A three weekly review meeting is held involving head of operations, engineering, planning and finance, for capital projects and asset condition review. 	A	1
5.4	Accounting data is documented for assets.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations and review of a generated asset valuation report, the review confirmed that Alinta has maintained an asset database that includes:</p> <ul style="list-style-type: none"> • Acquisition and retirement date • Original, historic and current capital cost • Depreciation rate • The written down value after depreciation as at the start of the period • Total depreciation in years previous • Depreciation in the current year • The closing written down value at the end of the year • Book status describing if depreciation is capitalised or fully written down. 	A	1
5.5	Operational costs are measured and monitored.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and site visit, the review confirmed that Alinta has applied processes to measure and monitor operational costs, that include:</p> <ul style="list-style-type: none"> • Monthly profit and loss extracts provided to the Head of Operations, with analysis on: <ul style="list-style-type: none"> ○ Total operational costs ○ Variances between budgeted costs and actuals. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> Costs are assigned to assets automatically based on allocated work orders, with external costs charged to associated cost centres. Recording operational spending in Ellipse, the Computerised Maintenance Management System (CMMS). 		
5.6	Staff resources are adequate and staff receive training commensurate with their responsibilities.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that Alinta has demonstrated:</p> <ul style="list-style-type: none"> Staff have detailed job descriptions with defined responsibilities Staff's mandatory training for work is registered in the skills/training matrix Contractor training and competence is managed using Rapid Global system Alinta maintains records of all personnel and contractors inducted as appropriate to their role on site. For example, a maintenance contractor is required to undergo a more detailed induction than an escorted visitor to ensure they understand the procedures for working on site, such as work permit procedures. The training officer plans the training together with the Plant Manager There is a competency framework developed and implemented Non-mandatory training is registered in staff personal development plans and KPIs As noted for criteria 5.2 above, staff resources may not be adequate for Alinta's current operational and maintenance activities based on the current Asset maintenance metrics that seem to have 475 man-weeks' worth of backlog, with a total of 82 maintenance tasks being overdue and yet to be rescheduled for completion at the time of audit. This is an improvement opportunity. 	B	2

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
6	ASSET MAINTENANCE		B	2
6.1	Maintenance policies and procedures are documented and linked to service levels required.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that:</p> <ul style="list-style-type: none"> The maintenance policies and procedures are documented in the Power Station Asset Management Plan – Port Hedland, maintenance standard, work scheduling and ultimately in Ellipse. Ellipse is the main computerised Resource Planning tool used by Alinta. It consists of a database of information and a controlled front end that will manage Work Orders to specify what work must be done on a piece of equipment, how, who by and when. The service levels requirements are defined and derived from the above documents and linked to them The statutory work tasks are dictated by the regulatory requirements Some work (e.g., turbine) are upon recommendation from the OEM (GE) but scheduled by Alinta after considering the risks, and resources. <p>However, it was observed during site visit, that the inventory management that forms an integral part for streamlining maintenance works required attention. There were no minimum and maximum stock levels identified against each of the inventory items based on their criticality, nor were the inventory items correctly recorded as items that were stored by GE in the warehouse seemed to be listed in Alinta's inventory and the rotor from the decommissioned turbine that was refurbished for a spare was not listed in the inventory or in the asset register. The Inventory Management System should be updated.</p>	B	2
6.2	Regular inspections are undertaken of asset performance and condition.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that:</p> <ul style="list-style-type: none"> Regular inspections are carried out at the plant in daily rounds, statutory inspections and planned outages. Any changes required on inspections are implemented in the maintenance standards. Condition-based inspections are carried out. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> Regular reviews of plant/asset conditions are carried out and the plant condition dashboard is updated. 		
6.3	Maintenance plans (emergency, corrective and preventative) are documented and completed on schedule.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that:</p> <ul style="list-style-type: none"> Maintenance plans for preventive tasks are well documented in the maintenance standards, Asset Management Plan - Port Hedland and Ellipse The completion of work is recorded and summarised in the Operations game plan. The annual work plan compliance is approximately 95%. All work orders are registered in Ellipse. 	A	1
6.4	Failures are analysed and operational/maintenance plans adjusted where necessary.	<p>Through discussions with the Plant Manager and O&M Supervisor for Alinta DEWAP Port Hedland Operations, examination of documents received and site visits, the review confirmed that:</p> <ul style="list-style-type: none"> Alinta has a function within InControl to record root cause analysis and key learnings on asset failures, such as corrective or emergency work Through examination of InControl, and a walkthrough of the InControl reporting process, Alinta has not demonstrated a consistency in performing root cause analysis or documenting lessons learnt Alinta has not demonstrated how results of failure analysis have been used to initiate changes on operation and maintenance, as well as engineering/asset renewal. <p>Review of the Asset Maintenance Management Metrics for the year 2022 when compared with the year 2021 shows a decline in the performance. Discussions with the Plant Manager confirmed an increase in the number of electrical trips and unplanned events that are indicative of faulty control settings and/or impact of unknown aspects of the aging assets of the plant. It is also to be noted that some of these trips could be attributed to a glitch in programming during Mark-VI upgrade works by GE in 2020.</p> <p>Alinta has not demonstrated that they have a program in place that identifies the asset performance based on the age of the assets and establish expected reliability/availability</p>	C	3

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<p>and/or make adjustments to the operational procedures based on service level requirements of those assets as outlined in the AMP – Port Hedland FY2023 – FY2027.</p> <p>Alinta failed to demonstrate that root cause analysis of the recorded trips provided an adequate assessment of causes to assist in directing efforts towards selecting and planning corrective actions to prevent re-occurrence of the same unplanned events during the course of the audit period. In other words, Alinta has not adequately demonstrated how results of failure analysis have been used to initiate changes in operation and maintenance, as well as engineering/asset renewal.</p> <p>Recommendation 1/2022</p> <p><i>Alinta should develop an Asset reliability/availability diagnosis program using specialist companies to identify the impact of aging assets and make adjustments to operational procedures with the aim to minimise unplanned trip events of the assets. Additionally, Mark VI programming linked to some of the increased trip events of the turbines needs to be addressed. This would improve the reliability and availability metrics of the assets to achieve target levels set by Alinta in their Asset Maintenance Management Metrics and their Asset Management Plan for Port Hedland FY2023 – FY2027. The program should address the following elements:</i></p> <ul style="list-style-type: none"> • <i>Major identified failure modes of assets as related to the plant condition dashboard.</i> • <i>Effectiveness of inspection i.e., how likely to predict an emerging failure.</i> • <i>Ageing effects on operations and maintenance.</i> • <i>Dedicated resource to review failures, trips and near- misses and perform root cause analysis.</i> • <i>Analytics on the performance of assets, and benchmark it to the industry.</i> 		
6.5	Risk management is applied to prioritise maintenance tasks.	Through discussion with the Plant Manager and O&M Supervisor for Alinta DEWAP Port Hedland Operations, examination of relevant documentation and a site visit, the review confirmed that Alinta has demonstrated:	B	2

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> • There is an established risk management framework and process i.e., prior to initiating changes in management of change, planned outages, as well as lower level (work order level) execution. • The risk management information is used to guide operational decisions e.g. dispatching, or any changes initiated through management of change. • The Port Hedland and Boodarie power stations apply an integrated risk management approach. <p>As noted in criteria 5.2 above, the Maintenance Work Process Manual needs to be reviewed and updated to reflect the current process of maintenance work order reprioritisation and test its effectiveness to report overdue works accurately. Additionally, the Maintenance Metrics should equate the overdue works as Backlog of Maintenance activities in Weeks.</p>		
6.6	Maintenance costs are measured and monitored.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that:</p> <ul style="list-style-type: none"> • Operational spending is recorded in the CMMS (Ellipse). • Plant Manager gets regular extracts from the Finance team on the Opex, Capex and EBITA. • Project cost and standard costs (work orders) are accrued down to turbine and sublevels. • Benchmarking is performed on maintenance costs. 	A	1
7	ASSET MANAGEMENT INFORMATION SYSTEM		A	1
7.1	Adequate system documentation for users and IT operators.	<p>Through discussion with the Plant Manager for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that:</p> <ul style="list-style-type: none"> • Alinta utilises the Ellipse computerised maintenance management system. • Asset live performance is monitored through the Honeywell Experion software. • Alinta staff are responsible for operating the Ellipse system in line with Alinta's business wide IT policy, comprising general IT policies such as internet usage policy, remote access policy and mobile communications policy. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> • Alinta has an internal support team for maintaining the Ellipse system (based in South Australia and also stationed in Western Australia). • IT policies are stored on Alinta's SharePoint site and are readily accessible for all users. All policies have been reviewed and updated in this audit period. • Honeywell Experion is administered on site with oversight by the site manager. 		
7.2	Input controls include appropriate verification and validation of data entered into the system.	<p>Through discussion with the Plant Manager for Port Hedland Operations and review of Alinta's Cybersecurity Policy and Identity and Access Management Standard and onsite review of the systems, the review confirmed that:</p> <ul style="list-style-type: none"> • Input controls are managed through built-in checks in Ellipse and aligned to Alinta's overall IT policy • Processes are in place to verify and validate data entered into the system. This includes data reconciliation between old and new systems, checking data transferred between one system to another is accurate, timely and complete and validating data as close as possible to the point of origin, which includes the ability to trace data back to the source document. • Alinta's central IT helpdesk processes user requests. • User access is based on roles and positions and is provided only on receipt of a request form duly signed by relevant departmental head. • Ellipse has multiple points of security tied to user position. Employee IDs are attached to positions within a hierarchy within Ellipse. • Global profile security profiles are tied to positions. • Financial Delegations are tied to positions, are district specific and requires specific approval of Alinta's Finance function. • Within Ellipse, work functions can be restricted through menu visibility (i.e. programs will not appear without access) • Site management approval is required for user profile updates. • A work order number is primary identifier in the Ellipse system that cannot be modified. Users have restricted access to the equipment register (limited to site personnel) • District security settings requires a Port Hedland login. Higher management have multiple level district access. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
7.3	Logical security access controls appear adequate, such as passwords.	<p>Through discussion with the Plant Manager for Port Hedland Operations and review of Alinta's Cybersecurity Policy and Identity and Access Management Standard and onsite review of the systems, the review confirmed that:</p> <ul style="list-style-type: none"> • The process of granting and managing access is undertaken online through Alinta's IT helpdesk. • Access requests are required to be approved by the relevant departmental head prior to being processed by IT. • End-users are granted the minimum level of access privileges required to perform their job function and to prevent segregation of duties conflicts. • Password requirements are maintained to authenticate user access to the Alinta network and the Ellipse system, including a minimum number of characters and type of characters and restrictions on use of most recent passwords. • An audit of management's email folders is undertaken periodically to ensure that only relevant personal assistants have access to those folders • Ellipse authenticates from the active employee directory and can track when users last logged in • Remote user access requires RSA token authentication. • The Cybersecurity Policy outlines consequences for breach of policy and misuse of user privileges. 	A	1
7.4	Physical security access controls appear adequate.	<p>Through discussion with the Plant Manager for Port Hedland Operations and review of Alinta's Cybersecurity Policy and Identity and Access Management Standard and an onsite visit, the review confirmed that:</p> <ul style="list-style-type: none"> • Processes and procedures relating to the access of facilities and the physical protection of information assets and systems are in use both at the Head Office in Perth as well as on site. • Site access is restricted by security fencing and swipe card entry to the premises. • Physical security for the Perth office is maintained by the relevant building services company, including the provision of swipe card access to the building and restricted lift access. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
7.5	Data backup procedures appear adequate and backups are tested.	<p>Through discussions with the Plant Manager for Port Hedland Operations and review of the Business Continuity Management Standard, the review confirmed that adequate procedures for managing data backup and data restore of servers have been established, including:</p> <ul style="list-style-type: none"> • Regular backups are performed in accordance with defined schedules and media rotation rules. A full backup is performed every weekday and a weekly backup is performed each Friday. • End of calendar year and end of financial year backups are maintained indefinitely as per the Information Retention Standard and Information Life Cycle Policy. • Testing of backups is performed on a quarterly basis with archived emails being more commonly tested. • Access to the backup data is limited to a sub-set of IT Operations personnel. 	A	1
7.6	Key computations related to licensee performance reporting are materially accurate.	Alinta's asset management information system does not directly provide data used in any computation related to Alinta's licence performance reporting. Any computations relating to performance data are reviewed by the Manager WA Retail Regulation prior to submitting the reports to confirm the reporting is materially accurate.	A	1
7.7	Management reports appear adequate for the licensee to monitor licence obligations.	<p>Through discussions with the Manager WA Retail Regulation and the Plant Manager – Port Hedland Operations and review of relevant supporting documentation and management reporting examples, the review confirmed that management reports are provided and appear adequate to monitor licence obligations. The reviewer also observed that the Experion and Ellipse systems are capable of generating a variety of scheduled reports. In particular:</p> <ul style="list-style-type: none"> • Management reports are generated to provide performance information on plant operations and routine and first line intervention maintenance in the form of a plant Condition Dashboard. • A daily generation report is produced for daily operator meetings on site, and weekly and monthly generation reports are produced for management and contains relevant information on the volume of MW hours produced and the quantity of fuel consumed. • The Finance team also prepares a monthly management pack to monitor costs from a financial perspective. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
7.8	Adequate measures to protect asset management data from unauthorised access or theft by persons outside the organisation.	<p>Through discussions with the Manager WA Retail Regulation and the Plant Manager – Port Hedland Operations and review of the Cybersecurity Policy and Identity and Access Management Standard, the review confirmed that:</p> <ul style="list-style-type: none"> • Master service agreements and non-disclosure agreements are in place prior to sharing restricted or confidential data with third parties. • Unique identifier (UID) are created for an individual accessing a system or application. • Permissions are assigned to personnel based on their position. • The systems log and monitor vendor remote access accounts when in use. • The Cybersecurity Policy outlines consequences for breach of policy and misuse of user privileges. 	A	1
8	RISK MANAGEMENT		A	1
8.1	Risk management policies and procedures exist and are being applied to minimise internal and external risks associated with the asset management system.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, examination of relevant documentation and a site visit, the review confirmed that Alinta has demonstrated:</p> <ul style="list-style-type: none"> • There is an overall Risk Management Policy. • There is an established risk management framework and process i.e., prior to initiating changes in management of change, planned outages, as well as lower level (work order level) execution. • The risk management information is used to guide operational decisions e.g. dispatching, or any changes initiated through management of change. • The Port Hedland and Boodarie power stations apply an integrated risk management approach. 	A	1
8.2	Risks are documented in a risk register and treatment plans are actioned and monitored.	The reviewer sighted examples of the Risk Register in the InControl Risk Management System and the treatment plans for specific risks that confirm the treatment plans are actioned and monitored.	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
8.3	The probability and consequences of asset failure are regularly assessed.	The review confirmed by review of supporting documentation in the InControl system that the risk assessments include the probability and consequences of asset failure and these are reviewed as required.	A	1
9	CONTINGENCY PLANNING		A	1
9.1	Contingency plans are documented, understood and tested to confirm their operability and to cover higher risks.	<p>Through discussion with the Plant Manager and O&M Supervisor for Port Hedland Operations, review of relevant documentation and a site visit, the review confirmed that Alinta has demonstrated:</p> <ul style="list-style-type: none"> • There is a comprehensive Contingency Plan for the Port Hedland site (Emergency Response Plan (v1.7 – latest update August 2022). • The Plan is tested every 6 months with a desktop scenario and a “live: site evacuation exercise with emergency services involved. These simulate credible scenarios and the results of exercises are documented in Alinta’s SharePoint system. • Duty officers (on a rolling schedule basis) are responsible for plant operations and addressing any alarms. This is done via the control system when onsite during office hours, and remotely by phone alarms after office hours. When the duty officer receives an alarm, they are required to investigate and take appropriate remedial action based on their understanding of the cause of the alarm, and the related risk. Minor alarms may be left to the next day shift, while high risk alarms require immediate attention. The Plant Manager will also be contacted as appropriate. • Contingency planning is inherent in the design and setup of the plant, contractual agreements in place with third parties and as referenced in the Alinta Sites – Business Continuity Plan, contingencies are in place for major business operational risks. 	A	1
10	FINANCIAL PLANNING		A	1
10.1	The financial plan states the financial objectives and strategies and actions to achieve the objectives.	<p>From review of Alinta’s asset and financial planning processes and the AMP, the review confirmed that:</p> <ul style="list-style-type: none"> • Alinta’s financial plan takes the form of an operational budget that is prepared on a rolling five year basis, reflecting its financial objectives and strategies that are driven by its contractual agreements for generation and supply of electricity. 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		<ul style="list-style-type: none"> • The financial plan puts together the financial elements of the plant's operations to reflect its financial viability over the long term which is reflected in the AMP to FY2027. • The AMP reflect the business objectives outlined in its business plan. 		
10.2	The financial plan identifies the source of funds for capital expenditure and recurrent costs.	<p>From discussions with the Plant Manager – Port Hedland Operations and review of the AMP, the review confirmed that:</p> <ul style="list-style-type: none"> • Day to day operating expenses are funded from operating cash flows. • Funding options are considered and evaluated by means of the Request for Commitment on the AMP Expenditure. • Project Delivery Site (integrated within SharePoint), which details: <ul style="list-style-type: none"> ○ Expenditure description relative to plan (i.e. budget vs unbudgeted) ○ Expenditure type (Opex / Capex). 	A	1
10.3	The financial plan provides projections of operating statements (profit and loss) and statement of financial position (balance sheets).	<p>From review of Alinta's asset and financial planning processes and the AMP, the review confirmed:</p> <ul style="list-style-type: none"> • Alinta's financial plan constitutes a summary of budgeted income and expenses from the supply of electricity under its contractual agreements, which is prepared and updated annually and includes a rolling forecast for the next five years. • Alinta's business planning process analyses and forecasts the lifecycle cost of owning and operating assets until FY2027. • An income statement and a position statement are prepared as part of statutory financial statements on a six monthly and annual basis. • A monthly Profit and Loss report is generated which provides a detailed breakdown of financial actuals to budget. 	A	1
10.4	The financial plan provides firm predictions on income for the next five years and reasonable indicative predictions beyond this period.	From review of Alinta's asset and business planning processes and the supporting asset lifecycle models, the review confirmed that Alinta forecasts generation volumes and associated revenue until FY2027, with firm predictions forecast over a five year period.	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
10.5	The financial plan provides for the operations and maintenance, administration and capital expenditure requirements of the services.	<p>From review of Alinta's asset and financial planning processes, the AMP and the annual Financial Statements, the review confirmed:</p> <ul style="list-style-type: none"> • The Profit and Loss Statement provides a detailed monthly view of operational expenditure i.e. operations maintenance and administration expenses for the financial year • The AMP includes a summary of current and planned capital expenditure projects over the following five years, with a brief description of each project's purpose and assumptions. 	A	1
10.6	Significant variances in actual/budget income and expenses are identified and corrective action taken where necessary.	<p>Through discussions with the Manager – WA Retail Regulation and the Plant Manager – Port Hedland Operations and review of Alinta's financial planning and reporting processes, the review confirmed:</p> <ul style="list-style-type: none"> • On a monthly basis, a variance analysis report is produced in a management package to: <ul style="list-style-type: none"> ○ Assess actual versus budgeted income and expenditure. ○ Identify areas that are over budget or problematic and determine necessary corrective action. • Finance holds quarterly discussions with site personnel to analyse site expenditure and determine whether forecast adjustments are required • Financial Statements are audited annually and reviewed six-monthly as part of statutory requirements. 	A	1
11	CAPITAL EXPENDITURE PLANNING		A	1
11.1	There is a capital expenditure plan that covers issues to be addressed, actions proposed, responsibilities and dates.	<p>From discussions with the Plant Manager – Port Hedland Operations and review of the AMP, the review confirmed that:</p> <ul style="list-style-type: none"> • A capital expenditure plan is included in the annual financial plan. • Capital expenditure planning is undertaken along with financial planning on a rolling five year basis and is included in the AMP. • The annual plan provides information on the amount, purpose, and description of budgeted capital expenditure 	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
		The plan does not provide information on roles and responsibilities, but they can be found in Alinta's AMP, business plans and work orders.		
11.2	The plan provides reasons for capital expenditure and timing of expenditure.	From discussions with the Plant Manager – Port Hedland Operations and review of Alinta's asset and business planning processes, AMP, Capital Expenditure Plan and supporting asset lifecycle models, the review confirmed the annual AMP's outline capital expenditure requirements, including reasoning and timeframes for relevant refurbishment or upgrade activity.	A	1
11.3	The capital expenditure plan is consistent with the asset life and condition identified in the asset management plan.	From discussions with the Plant Manager – Port Hedland Operations and review of Alinta's asset and business planning processes, AMP and Capital Expenditure Plan, the review confirmed that Alinta's procedures require life cycle costs of assets to be assessed and recorded in the AMP for each major piece of equipment, including key life cycle issues, critical outages and operating & maintenance philosophy. The capital expenditure plan is matched to the assessed life cycle costs of the plant's assets.	A	1
11.4	There is an adequate process to ensure that the capital expenditure plan is regularly updated and actioned.	Through advice from the Head of Operations and consideration of Alinta's asset and business planning processes and examination of Alinta's Capital Expenditure Plan, AMP and supporting asset lifecycle models, the audit confirmed that Alinta's capital expenditure requirements are reviewed and updated where relevant, and at least on an annual basis	A	1
12	REVIEW OF ASSET MANAGEMENT SYSTEM		A	1
12.1	A review process is in place to ensure that the asset management plan and the asset management system described therein are kept current.	From review of Alinta's AMS, the review confirmed the AMP for Boodarie and Port Hedland Power Station, which is the main reference to the AMS, has been reviewed and updated (where necessary) on an annual basis with the latest review (v1.7 in June 2022). The AMP is reviewed with the support of an assigned Mechanical Engineer. The Asset Engineer and the Head of Asset Management have the primary responsibility for the annual review, with the General Manager Power Generation responsible for approving the revised version. Alinta Energy's Asset Management Framework provides for asset management activities to be subject to performance assessment and continuous improvement.	A	1

Item no.	Component and Effectiveness Criteria (per criteria in Audit Guidelines)	Observations and Results (including any potential improvements)	Process and Policy Rating	Performance Rating
12.2	Independent reviews (e.g. internal audit) are performed of the asset management system.	Independent reviews are performed of the asset management system as part of the asset management system reviews reported to the ERA.	A	1

4.8 Review Recommendations

As per the Audit and Review Guidelines, recommendations from the review that were rated as process C or D and/or effectiveness of 3 or 4 are listed in the following table. Other opportunities for improvements are advised separately to the Licensee.

Table of Current Review Asset System Deficiencies and Recommendations

A. Resolved during current review period			
Reference (no./year) Compliance rating	Asset System Deficiency (AMS Component/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of review period
	Nil		
B. Unresolved during current review period			
Reference (no./year) Compliance rating	Asset System Deficiency (AMS Component/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of audit period
1/2022 C3	<p>Asset Maintenance <i>Failures are analysed and operational/maintenance plans adjusted where necessary.</i></p> <p>Through discussions with the Plant Manager and O&M Supervisor for Alinta DEWAP Port Hedland Operations, examination of documents received and site visits, the review confirmed that:</p> <ul style="list-style-type: none"> Alinta has a function within InControl to record root cause analysis and key learnings on asset failures, such as corrective or emergency work 	Alinta should develop an Asset reliability/availability diagnosis program using specialist companies to identify the impact of aging assets and make adjustments to operational procedures with the aim to minimise unplanned trip events of the assets. Additionally, Mark VI programming linked to some of the increased trip events of the turbines needs to be addressed. This would improve the reliability and availability metrics of the assets to achieve target levels set by Alinta in their Asset Maintenance Management	Nil

B. Unresolved during current review period			
Reference (no./year) Compliance rating	Asset System Deficiency (AMS Component/Effectiveness Criteria/Details)	Auditor's Recommendation	Management Action taken by end of audit period
	<ul style="list-style-type: none"> Through examination of InControl, and a walkthrough of the InControl reporting process, Alinta has not demonstrated a consistency in performing root cause analysis or documenting lessons learnt Alinta has not demonstrated how results of failure analysis have been used to initiate changes on operation and maintenance, as well as engineering/asset renewal. <p>Review of the Asset Maintenance Management Metrics for the year 2022 when compared with the year 2021 shows a decline in the performance. Discussions with the Plant Manager confirmed an increase in the number of electrical trips and unplanned events that are indicative of faulty control settings and/or impact of unknown aspects of the aging assets of the plant. It is also to be noted that some of these trips could be attributed to a glitch in programming during Mark-VI upgrade works by GE in 2020.</p> <p>Alinta has not demonstrated that they have a program in place that identifies the asset performance based on the age of the assets and establish expected reliability/availability and/or make adjustments to the operational procedures based on service level requirements of those assets as outlined in the AMP – Port Hedland FY2023 – FY2027.</p> <p>Alinta failed to demonstrate that root cause analysis of the recorded trips provided an adequate assessment of causes to assist in directing efforts towards selecting and planning corrective actions to prevent re-occurrence of the same unplanned events during the course of the audit period. In other words, Alinta has not adequately demonstrated how results of failure analysis have been used to initiate changes in operation and maintenance, as well as engineering/asset renewal.</p>	<p>Metrics and their Asset Management Plan for Port Hedland FY2023 – FY2027. The program should address the following elements:</p> <ul style="list-style-type: none"> Major identified failure modes of assets as related to the plant condition dashboard. Effectiveness of inspection i.e., how likely to predict an emerging failure. Ageing effects on operations and maintenance. Dedicated resource to review failures, trips and near- misses and perform root cause analysis. Analytics on the performance of assets, and benchmark it to the industry. 	

Appendix A - Methodology

A1. Audit and Review Approach

Our approach to meeting the requirements for the performance audit and asset management system effectiveness review is set out below.

Audit and Review Planning

- Conduct an initial meeting with the ERA to confirm the audit/review approach and timing for the audit and review (*not required*).
- Contact the licensee to gain an understanding of the business, relevant management plans and systems that may affect the risk assessment for planning purposes (*completed*).
- Prepare a risk assessment including any specific factors or changes relevant to the licensee (in tabular form against each licence condition and asset management system component).
- Submit a draft **Audit and Review Plan**, including the risk assessment and proposed approach, to the ERA for review and approval.
- Send a **Pre-Visit Checklist** of information and documentation to the licensee to enable staff to prepare for the visit (and where possible, send us information prior to the site visit).

Fieldwork

- Undertake a visit to the licensee and conduct various meetings with stakeholders, including corporate services and works/facilities management personnel, to determine the effectiveness of systems and procedures in place and to compare actual performance against the licence standards. The on-site visit will include our Senior Engineer.
- Obtain copies of the latest asset management plans, performance reporting statistics and relevant correspondence between the licensee and the ERA for the audit period.
- The audit steps for the **Performance Audit** will include:
 - **analysis of documented procedures** to assess whether they are consistent with regulatory requirements or arrangements under the licence;
 - **review of systems and procedures** to assess whether they reflect compliance obligations and performance standards, including assessing and testing the following:
 - **control environment** – management’s 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 key staff members;
 - **information system** – the appropriateness of the information systems to record the information needed to comply with the licence, accuracy of data, security of data, cyber security 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 asset management system and to detect and correct non-compliance or under-performance;
 - **compliance attitude** - the action taken by the licensee in response to the previous audit/review recommendations, and an assessment of management’s attitude towards compliance; and
 - **outcome compliance** – the actual performance against standards prescribed in the licence throughout the audit period.

- Update the risk assessment with any new information obtained in the course of the audit testing and, in instances of significant non-compliance, assess the licensee's plan to ensure compliance and recommend any further improvements to achieve compliance.
- The activities in the **Asset Management System Review** will include:
 - analyse the documented procedures and processes for the planning, construction, operation and maintenance of assets to assess whether they are consistent with regulatory requirements under the licence;
 - interview key personnel to assess whether they understand and comply with the documented processes and procedures;
 - physically inspect the key assets and infrastructure; and
 - assess the effectiveness of the processes and system in place.

Audit and Review Reporting

- Prior to the conclusion of the visit, the lead auditor will discuss any observations and recommendations with the licensee's management to confirm our understanding of the issues and to discuss the action to be taken.
- Provide a draft report to the ERA for review no later than two weeks before the final report is due and make any revisions necessary.
- Provide the updated draft report to the ERA for review and feedback prior to finalising the report.
- Issue the final report to the ERA.
- The ERA will arrange responses to the proposed actions in the Post Audit Implementation Plan.

A2. Key Documents Reviewed

Regulatory Documents and Reports

- *Electricity Industry Act 2004*
- *Electricity Industry (Metering Code) 2012*
- *Economic Regulation Authority (Licensing Funding) Regulations 2014*
- Electricity Compliance Reporting Manual (February 2022, June 2020 and July 2018)
- Electricity Integrated Retail Licence EIRL7 (Version 4)
- Membership of the Australian Energy Market Operator (AEMO)

Performance Audit

- Electricity Licence Application Alinta DEWAP Pty Ltd
- Alinta website - www.alintaenergy.com.au
- FY19 Annual Compliance Report
- FY20 Annual Compliance Report
- FY21 Annual Compliance Report
- FY20 Alinta Pty Ltd Financial Report
- FY21 Alinta Pty Ltd Financial Report
- ERA Licence payment invoices for 2020 and 2021
- Regulatory Obligations Register 2021/22
- Compliance and Non-Compliance Reporting Procedure
- Metering Database
- Energy Data Verification Request Form

Asset Management System Review

- Asset Management Policy
- Port Hedland FY2023 Asset Management Plan
- Asset Management Framework
- Project Management Framework
- Alinta Energy Risk Management Policy
- Risk Assessment Procedure
- Port Hedland asset register
- Maintenance Work Process Manual
- Maintenance Standards
- Health and Safety Policy
- Alinta Energy OHS Management Framework
- Environmental Management Framework
- Alinta DEWAP Annual Environmental Report
- Port Hedland Station Environmental License
- InControl Risk Management System
- Port Hedland Performance Reports
- ERP Alinta Energy Port Hedland Power Station
- Alinta Sites Business Continuity Plan
- Identity and Access Management Standard
- Alinta Energy Australia Training Matrix
- Power Generation Operational Plan
- Management of Change
- Outage Management Framework
- Customer Power Purchase Agreements
- Access and Standby Agreement with Horizon Power
- Port Hedland Power Station Emergency Response Plan
- Power Generation Weekly Performance Report
- Training plans and records
- Cyber Security Policy
- Information Retention Policy
- Data Lifecycle Policy

A3. Key Contacts

The licensee's representatives participating in the audit were:

- Catherine Rousch - Manager WA Retail Regulation (Perth office)
- Paul Grey – Head of Operations (Perth office/site)
- Andrew Baikie – Plant Manager Port Hedland
- Ryan Bihel – O&M Supervisor (Port Hedland Operations)
- Richard Brodie – O&M Supervisor (Port Hedland Operations)
- Louise Murphy – Asset Engineer (Melbourne office)
- Saeid Rashidi – Planning Systems Engineer (Perth office)
- Alex Jones - Senior Analyst Finance – Merchant Energy

A4. Consultants

NAME AND POSITION	HOURS
Geoff White - Director	100
Susan Smith - Manager	60
Tanuja Sanders – Engineering Consultant	40
TOTAL	200

END OF REPORT