

Alinta Energy (Chichester) Pty Ltd

Electricity Integrated Regional Licence (EIRL11)
2022 Performance Audit

Final report

April 2023



ASSURANCE
ADVISORY
GROUP

Level 11, 251 Adelaide Terrace
PERTH WA 6000

17 April 2023

Catherine Rousch
Manager WA Retail Regulation
Alinta Energy
Level 18 Raine Square, 300 Murray Street
Perth WA 6000

Dear Catherine

Electricity Integrated Regional Licence (EIRL11) – 2022 Performance Audit Report

We have completed the Electricity Integrated Regional Licence Performance Audit for Alinta Energy (Chichester) Pty Ltd for the period 30 August 2019 to 30 September 2022 and are pleased to submit our report to you.

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

If you have any questions or wish to discuss anything raised in the report, please contact Andrew Baldwin at abaldwin@assuranceadvisory.com.au or myself at slinden@assuranceadvisory.com.au.

Yours sincerely

Assurance Advisory Group

Stephen Linden

Director

www.assuranceadvisory.com.au

Table of Contents

1. Independent assurance practitioner's report.....	4
2. Executive Summary	6
3. Summary of Ratings.....	10
4. Detailed findings and recommendations.....	12
5. Status of recommendations addressing non-compliances from the previous audit.....	22
Appendix A – Audit Plan	23
Appendix B – References	24

1. Independent assurance practitioner's report

Modified Opinion

We have undertaken a reasonable assurance engagement on Alinta Energy (Chichester) Pty Ltd's (AEC) compliance, in all material respects, with the conditions of its Electricity Integrated Regional Licence (EIRL 11) (the **Licence**) and relevant legislative obligations for the period 30 August 2019 to 30 September 2022. Our evaluation was made against the licence obligations listed in the relevant versions of the Economic Regulation Authority's (the **ERA**) Electricity Compliance Reporting Manual (the **Reporting Manual**) and in accordance with the ERA's March 2019 Audit and Review Guidelines: Electricity and Gas Licences (the **Guidelines**).

In our opinion, based on the procedures we have performed and the evidence we have obtained, except for the effects of the matter described in the 'Basis for modified opinion' paragraph below, Alinta Energy (Chichester) Pty Ltd has complied, in all material respects, with its licence conditions and relevant legislative obligations for the period 30 August 2019 to 30 September 2022.

Basis for Modified opinion

During the period 30 August 2019 to 30 September 2022, AEC did not comply with the following licence obligation, which is rated as having a minor effect on customers or third parties (per the Guidelines):

Reporting Manual number and Licence obligation	Description
105	<p><i>Electricity Industry Act Section 17(1); ERA (Licensing Funding) Regulations 2014</i></p> <p><i>A licensee must pay the prescribed licence fees to the ERA within one month after the day of grant or renewal of its licence and within one month after each anniversary of that day over the term of the licence according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licensing Funding) Regulations 2014.</i></p>
	<p>On one occasion during the audit period, AEC did not pay the annual licence charge by the due date as per the Regulations.</p>

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements (ASAE 3100)* issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

AEC's responsibility for compliance with the conditions of the Licence

AEC is responsible for:

- Compliance with the Licence as evaluated against the conditions within the Licence, for the period 30 August 2019 to 30 September 2022
- Identifying risks that threaten the conditions within the Licence identified above being met
- Identifying suitable compliance requirements as specified by the ERA
- Identifying, designing and implementing controls to enable the conditions within the Licence to be met and to monitor ongoing compliance.

Our independence and quality control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. We applied Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Our responsibilities

Our responsibility is to express an opinion on AEC's compliance, in all material respects, with the licence obligations as evaluated against its Licence Conditions for the period 30 August 2019 to 30 September 2022. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether AEC has complied, in all material respects, with the licence obligations as evaluated against its Licence Conditions for the period from 30 August 2019 to 30 September 2022.

A reasonable assurance engagement in accordance with ASAE 3100, to report on AEC's compliance with the licence obligations as evaluated against its Licence Conditions involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the conditions within the Licence. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the licence obligations as evaluated against its Licence Conditions.

Our procedures included:

- Utilising the Audit Guidelines and the February 2022 Reporting Manual as a guide for development of a risk assessment and document review to assess controls
- Development of an Audit Plan for approval by the ERA and an associated work program, set out in Appendix A
- Interviews with and representations from relevant AEC representatives to gain an understanding of process controls
- Review of documents and walkthrough of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with Licence obligations
- Sample testing where relevant.

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 compliance requirements may occur and not be detected.

A reasonable assurance engagement relating to the period from 30 August 2019 to 30 September 2022 does not provide assurance on whether compliance with the Licence will continue in the future.

Restricted use

This report has been prepared for use by AEC for the purpose of satisfying its obligation under Section 13 of the Electricity Industry Act 2004. We disclaim any assumption of responsibility for any reliance on this report to any person other than AEC, or for any other purpose other than that for which it was prepared. We understand that a copy of the report will be provided to the ERA for the purpose of reporting on the performance audit for the Licence. We agree that a copy of this report will be given to the ERA in connection with this purpose, however we accept no responsibility to the ERA or to anyone who is provided with or obtains a copy of our report.

Assurance Advisory Group

Stephen Linden
Director

17 April 2023

2. Executive Summary

2.1 Introduction and Background

The Economic Regulation Authority (the **ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to Alinta Energy (Chichester) Pty Ltd (**AEC**) an Electricity Integrated Regional Licence (EIRL11) (the **Licence**).

The Licence relates to AEC's generation and retail activities in relation to its Chichester 60MW solar PV facility, and associated infrastructure for the supply of electricity to Fortescue Metals Group Ltd's Chichester hub mining operations and the Roy Hill mine site, all located in the Pilbara region of Western Australia. AEC operates as a subsidiary within the Alinta Group and is supported by the resource and system capabilities of Alinta Energy.

Section 13 of the Act requires AEC to provide to the ERA a performance audit (the **audit**) conducted by an independent expert acceptable to the ERA within 24 months after the commencement date, and every 24 months thereafter, unless otherwise approved by the ERA. With the ERA's approval, Assurance Advisory Group (**AAG**) has been appointed to conduct the audit for the period 30 August 2019 to 30 September 2022 (**audit period**).

The audit has been conducted in accordance with the ERA's March 2019 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (**Audit Guidelines**).

2.2 Observations

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

- As a subsidiary of Alinta Energy, AEC's processes and arrangements for managing its Electricity Integrated Regional Licence obligations are provided by Alinta Energy
- Through Alinta Energy, AEC has implemented and maintained an appropriate compliance framework
- Through its arrangements with the Alinta Energy (Transmission) Chichester network operator under a formal interconnection agreement, AEC has limited obligations in relation to the relevant requirements of the Metering Code.

2.3 Findings

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

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

Table 1: Control adequacy and compliance rating scale

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
N/P	Not performed – A controls rating was not required	N/R	Not rated – No activity took place during the audit period

Table 5 at section 3 of this report provides further detail on the controls and compliance rating scales. The above rating scale is defined by the Audit Guidelines.

Table 2: Summary of findings, by **compliance and controls ratings**

		Compliance rating					Total
		1	2	3	4	N/R	
Controls rating	A		1				1
	B						-
	C						-
	D						-
	N/P	10				31	41
	Total	10	1	-	-	31	42

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

Audit Priority	Controls rating					Total
	A	B	C	D	N/P	
Priority 1						-
Priority 2	1					1
Priority 3						-
Priority 4					30	30
Priority 5					11	11
Total	1	-	-	-	41	42

Table 4: Summary of findings, by audit priority and compliance rating

Audit Priority	Compliance rating					Total
	1	2	3	4	N/R	
Priority 1						-
Priority 2		1				1
Priority 3						-
Priority 4	7				23	30
Priority 5	3				8	11
Total	10	1	-	-	31	42

Note that, in accordance with the Audit Guidelines:

- Obligations assessed as being “not applicable” to AEC’s operations have not been included within this report
- A control rating is only provided
 - For those obligations with a Priority 1, 2 or 3 rating (there was one obligation for this audit)
 - Where an obligation is assessed as non-compliant (there were two obligations for this audit)
 - Where a control improvement opportunity is identified.

Specific assessments for each Licence obligation are summarised at Table 5 in the “Summary of findings” section of this report.

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

2.4 AEC’s response to previous audit recommendations

As this is AEC’s first performance audit, there are no previous audit recommendations.

2.5 Current audit non-compliances, recommendations and action plans

A. Resolved during current audit period

Licence obligation ref no. / Recommendation ref from previous audit	Non-compliance / Controls improvement (Rating / Licence obligation / Details of non-compliance or inadequacy of controls)	Date resolved & action taken by the licensee	Auditor’s comments
105	A2 <i>Electricity Industry Act Section 17(1); ERA (Licensing Funding) Regulations 2014</i> AEC paid its 2018/19 annual licence fee after the 29 September 2019 due date. This non-compliance was attributed to an oversight in Alinta Energy’s payment process.	Resolved: November 2019 Alinta Energy has since strengthened its compliance monitoring arrangements to ensure payment due dates are acknowledged and met.	No further action required

Unresolved at end of current audit period

Reference (no./year)	Non-compliance / Controls improvement (Rating / Licence obligation reference number and licence obligation / Details of non-compliance or inadequacy of controls)	Auditor’s recommendation	Action taken
There were no unresolved non-compliances at the end of the audit period.			

2.6 Scope and objectives

We have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures, AEC has complied, in all material respects, with the conditions of its Licence as outlined in the approved Audit Plan (dated October 2022) during the period 30 August 2019 to 30 September 2022 .

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

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

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

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

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

Amendment to Audit Plan

During the audit we determined that as AEC is a user of the AETC transmission network, obligations 416 and 417 are also applicable to AEC's licence obligations. Therefore, we also made an assessment against those obligations.

2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period October 2022 to February 2023:

- Utilising the Guidelines and Reporting Manuals as a guide, developed a risk assessment, which involved discussions with key staff and document review to assess controls
- Developed an Audit Plan (see Appendix A) for approval by the ERA and an associated work program
- Interviewed relevant AEC representatives to gain understanding of process controls (see Appendix B for staff involved)
- Reviewed relevant documentation and walked through processes and controls to assess overall compliance and effectiveness in accordance with Licence obligations (see Appendix B for reference listing)
- Sample tested relevant obligations where there was relevant activity to determine whether transactions complied with the requirements of the obligation
- Reported findings to AEC for review and response.

3. Summary of Ratings

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

The remainder of this report provides:

- A summary of the findings for the compliance obligations (at Table 5 below)
- Detailed findings, including relevant observations and recommendations (at Section 4).

Table 5: Compliance Ratings

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

No	Obligation reference	Audit Priority	Controls rating					Compliance rating				
			A	B	C	D	N/P	1	2	3	4	N/R
12 Electricity Industry Act - Licence Conditions and Obligations												
101	Section 13(1)	Priority 4					N/P					N/R
102	Section 14(1)(a)	Priority 4					N/P	1				
103	Section 14(1)(b)	Priority 4					N/P	1				
104	Section 14(1)(c)	Priority 4					N/P					N/R
105	Section 17(1); ERA (Licensing Funding) Regulations 2014	Priority 2	A						2			
106	Section 31(3)	Priority 5					N/P	1				
107	Section 41(6)	Priority 4					N/P					N/R
13 Electricity Licences – Licence Conditions and Obligation												
119	Licence condition 4.3.1	Priority 4					N/P	1				
120	Licence condition 5.2.4	Priority 4					N/P					N/R

No	Obligation reference	Audit Priority	Controls rating					Compliance rating				
			A	B	C	D	N/P	1	2	3	4	N/R
121	Licence condition 5.3.2	Priority 4					N/P					N/R
122	Licence condition 5.1.5	Priority 4					N/P					N/R
123	Licence condition 4.4.1	Priority 4					N/P					N/R
124	Licence condition 4.5.1	Priority 4					N/P	1				
125	Licence condition 3.8.1, 3.8.2	Priority 4					N/P					N/R
126	Licence condition 3.7.1	Priority 4					N/P	1				
14 Electricity Industry Metering Code – Licence Conditions and Obligations												
324	Clause 3.3B	Priority 4					N/P					N/R
339	Clause 3.11(3)	Priority 4					N/P					N/R
371	Clause 4.4(1)	Priority 5					N/P					N/R
372	Clause 4.5(1)	Priority 5					N/P					N/R
373	Clause 4.5(2)	Priority 4					N/P					N/R
388	Clause 5.4(2)	Priority 4					N/P					N/R
401	Clause 5.16	Priority 4					N/P					N/R
402	Clause 5.17(1)	Priority 4					N/P	1				
405	Clause 5.18	Priority 4					N/P					N/R
406	Clause 5.19(1)	Priority 5					N/P					N/R
407	Clause 5.19(2)	Priority 5					N/P	1				
408	Clause 5.19(3)	Priority 4					N/P					N/R
410	Clause 5.19(6)	Priority 5					N/P					N/R
416	Clause 5.21(5)	Priority 4					N/P					N/R
417	Clause 5.21(6)	Priority 4					N/P					N/R
435	Clause 5.27	Priority 4					N/P					N/R
448	Clause 6.1(2)	Priority 4					N/P					N/R
451	Clause 7.2(1)	Priority 5					N/P	1				
453	Clause 7.2(4)	Priority 4					N/P	1				
454	Clause 7.2(5)	Priority 4					N/P					N/R
455	Clause 7.5	Priority 4					N/P					N/R
456	Clause 7.6(1)	Priority 4					N/P					N/R
457	Clause 8.1(1)	Priority 5					N/P					N/R
458	Clause 8.1(2)	Priority 5					N/P					N/R
459	Clause 8.1(3)	Priority 5					N/P					N/R
460	Clause 8.1(4)	Priority 4					N/P					N/R
461	Clause 8.3(2)	Priority 5					N/P					N/R

4. Detailed findings and recommendations

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

- 4.1: Electricity Industry Act – Licence Conditions and Obligations
- 4.2 Electricity Licences – Licence Conditions and Obligations
- 4.3 Electricity Industry Metering Code – Licence Conditions and Obligations.

Each section contains:

- **Assessment of compliance and control adequacy** – the conclusions from our audit procedures and our assessment of AEC's compliance with the applicable obligations
- **Findings** – the auditor's understanding of the process and any issues that have been identified during the audit
- **Recommendations (if any)** – for improvement or enhancement of the process or control.

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

Controls adequacy rating						Compliance rating					
A	B	C	D	NP	Total	1	2	3	4	NR	Total
4.1 Electricity Industry Act											
1				6	7	3	1			3	7
4.2 Electricity Licences											
				8	8	3				5	8
4.3 Electricity Industry Metering Code											
				27	27	4				23	27
1	-	-	-	41	42	10	1	-	-	31	42

4.1 Electricity Industry Act – Licence Conditions and Obligations

No	Obligation under Condition	Findings				
101	<p><i>Electricity Industry Act Section 13(1)</i> A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.</p>	<p>With the ERA's approval, AAG was appointed to undertake AEC's first Performance Audit for the period 30 August 2019 to 30 September 2022. Accordingly, AEC did not have any obligation to conduct a performance audit prior to 30 September 2022.</p>				
	<table border="1"> <tr> <td>Priority 4</td> <td>Controls rating: N/P</td> <td>Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R		
Priority 4	Controls rating: N/P	Compliance rating: N/R				
102	<p><i>Electricity Industry Act Section 14(1)(a)</i> A licensee must provide for an asset management system.</p>	<p>Through examination of supporting documentation, and consideration of Alinta Energy's asset management framework and AEC's asset management system in operation during the period to 30 September 2022, we determined that AEC had provided for a functioning asset management system during the audit period. The EIRL11 2022 Asset Management System Review report provides further detail on the effectiveness of AEC's asset management system during the period to 30 September 2022.</p>				
	<table border="1"> <tr> <td>Priority 4</td> <td>Controls rating: N/P</td> <td>Compliance rating: 1</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: 1		
Priority 4	Controls rating: N/P	Compliance rating: 1				
103	<p><i>Electricity Industry Act Section 14(1)(b)</i> A licensee must notify details of the asset management system and any substantial changes to it to the ERA.</p>	<p>In support of Section 14(1)(b) of the Act, Licence condition 5.1.2 states that the licensee must notify the ERA of the details of the asset management system within five business days from the later of:</p> <ul style="list-style-type: none"> (a) the commencement date; and (b) the completion of construction of the licensee's assets. <p>Through discussion with the Manager WA Retail Regulation, Alinta Energy and examination of supporting documentation, we determined that:</p> <ul style="list-style-type: none"> • For the purpose of determining the date of completion of construction of its generation assets, AEC has applied the date of practical completion, per its construction contractual arrangements • Practical completion was achieved on 25 November 2021 • AEC notified the ERA of its Asset Management System on 17 August 2021, which met the requirement of Licence condition 5.1.2 <p>The Manager, WA Retail Regulation, Alinta Energy confirmed that since the time of notification of its asset management system to the ERA, AEC had not made any substantial change to its asset management system that would warrant notification to the ERA.</p>				
	<table border="1"> <tr> <td>Priority 4</td> <td>Controls rating: N/P</td> <td>Compliance rating: 1</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: 1		
Priority 4	Controls rating: N/P	Compliance rating: 1				
104	<p><i>Electricity Industry Act Section 14(1)(c)</i> 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.</p>	<p>With the ERA's approval, AAG was appointed to undertake AEC's first Asset Management System Review for the period 30 August 2019 to 30 September 2022. Accordingly, AEC did not have any obligation to provide the ERA with a report on the effectiveness of its asset management system prior to 30 September 2022.</p>				
	<table border="1"> <tr> <td>Priority 4</td> <td>Controls rating: N/P</td> <td>Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R		
Priority 4	Controls rating: N/P	Compliance rating: N/R				

No	Obligation under Condition	Findings
105	<p><i>Electricity Industry Act Section 17(1); ERA (Licensing Funding) Regulations 2014</i></p> <p>A licensee must pay the prescribed licence fees to the ERA within one month after the day of grant or renewal of its licence and within one month after each anniversary of that day over the term of the licence according to clauses 6, 7 and 8 of the <i>Economic Regulation Authority (Licensing Funding) Regulations 2014</i>.</p>	<p>We sighted evidence (copies of ERA invoices and extracts of bank statements) that AEC paid its:</p> <ul style="list-style-type: none"> • 2019/20 and 2020/21 annual licence fees by the due date of 29 September as specified in the Regulations (i.e. one month after the licence anniversary date) • Quarterly standing charges for Q3 2021-22 (our selected sample) by the due date • 2018/19 annual licence fee on 14 November 2019, which is after the 29 September due date. Alinta Energy has since strengthened its compliance monitoring arrangements to ensure payment due dates are acknowledged and met. <p>This audit makes no further recommendation.</p>
Priority 2	Controls rating: A	Compliance rating: 2
106	<p><i>Electricity Industry Act Section 31(3)</i></p> <p>A licensee must take reasonable steps to minimise the extent, or duration, of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.</p>	<p>Through discussion with the Head of Operations, Alinta Energy; and consideration of AEC’s documented policies, procedures, plans and contracted interconnection arrangements and power purchase agreement, we determined that AEC continues to maintain appropriate emergency and incident response and business continuity systems to minimise the impact of any supply interruptions (which have occurred during the audit period as part of the general asset operating process).</p>
Priority 5	Controls rating: N/P	Compliance rating: 1
107	<p><i>Electricity Industry Act Section 41(6)</i></p> <p>A licensee must pay the costs of taking an interest in land or an easement over land.</p>	<p>The Head of Operations, Alinta Energy confirmed that AEC had not acquired an interest in land or an easement over land during the audit period.</p> <p>Therefore, this obligation was not relevant to AEC’s activities during the audit period.</p>
Priority 4	Controls rating: N/P	Compliance rating: N/R

4.2 Electricity Licences – Licence Conditions and Obligations

No	Obligation under Condition	Findings				
119	<p><i>Licence condition 4.3.1</i></p> <p>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.</p>	<p>Through our examination of the consolidated/general purpose financial statements of AEC's parent entity Alinta Energy Pty Ltd for the financial years ending 30 June 2020, 30 June 2021 and 30 June 2022, we determined that AEC's financial statements were prepared in accordance with the requirements of the Australian Accounting Standards. Those financial statements were audited by Deloitte (2020-2021) and KPMG (2022) in accordance with the Corporations Act 2001. The consolidated financial statements incorporate the assets, liabilities and results of subsidiaries including AEC.</p> <p>The Financial Accountant, Alinta Energy confirmed that for the period 1 July 2022 to 30 September 2022, there were no significant accounting transactions and/or items thought to jeopardise AEC's on-going compliance with Australian Accounting Standards.</p>				
	<table border="1"> <tr> <td>Priority 4</td> <td>Controls rating: N/P</td> <td>Compliance rating: 1</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: 1		
Priority 4	Controls rating: N/P	Compliance rating: 1				
120	<p><i>Licence condition 5.2.4</i></p> <p>A licensee must comply with any individual performance standards prescribed by the ERA.</p>	<p>The Manager WA Retail Regulation, Alinta Energy confirmed that, for the period 30 August 2019 to 30 September 2022 AEC was not prescribed any individual performance standards by the ERA. Therefore, this obligation was not relevant to AEC's operations during the audit period.</p>				
	<table border="1"> <tr> <td>Priority 4</td> <td>Controls rating: N/P</td> <td>Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R		
Priority 4	Controls rating: N/P	Compliance rating: N/R				
121	<p><i>Licence condition 5.3.2</i></p> <p>A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit</p>	<p><i>Obligations 121 and 122</i></p> <p>With the ERA's approval on 2 September 2022, AAG was appointed to undertake AEC's first performance audit and asset management system review for the period 30 August 2019 to 30 September 2022.</p> <p>Accordingly, AEC did not have any obligation to conduct a performance audit or asset management system review prior to 30 September 2022.</p>				
	<table border="1"> <tr> <td>Priority 4</td> <td>Controls rating: N/P</td> <td>Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R		
Priority 4	Controls rating: N/P	Compliance rating: N/R				
122	<p><i>Licence condition 5.1.5</i></p> <p>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.</p>	<p>Note that for the 2022 performance audit and asset management system review (obligations post 30 September 2022), the audit and review plans approved by the ERA on 2 November 2022 commit AEC and AAG (auditor and expert) to comply with the prescribed audit and review guidelines and reporting manual issued by the ERA.</p>				
	<table border="1"> <tr> <td>Priority 4</td> <td>Controls rating: N/P</td> <td>Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R		
Priority 4	Controls rating: N/P	Compliance rating: N/R				

No	Obligation under Condition	Findings	
123	<p><i>Licence condition 4.4.1</i></p> <p>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.</p>	<p>Licence condition 4.4.1 requires AEC to report to the ERA within prescribed timeframes any of the following:</p> <ul style="list-style-type: none"> (a) If AEC was under external administration (b) Any change in AEC's corporate, financial or technical circumstances in which the Licence was granted, and if that change materially affected AEC's ability to meet its obligations (c) Any change in the Licensee's name, ABN or address (within 10 business days of the change occurring). <p>The Manager WA Retail Regulation, Alinta Energy confirmed that during the audit period, AEC had:</p> <ul style="list-style-type: none"> • Not been under external administration • Not undergone any significant change in its corporate, financial or technical circumstances which would affect its ability to meet its obligations • Not changed its name, ABN or address. <p>Therefore, this obligation was not relevant to AEC's operations during the audit period.</p>	
	Priority 4	Controls rating: N/P	Compliance rating: N/R
124	<p><i>Licence condition 4.5.1</i></p> <p>A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.</p>	<p>We observed that:</p> <ul style="list-style-type: none"> • All communication from the ERA to AEC is through the Manager WA Retail Regulation, Alinta Energy • In accordance with its obligation to submit annual compliance reports to the ERA by 31 August each year, AEC submitted its 2019/20, 2020/21 and 2021/22 reports by the due date • In accordance with its obligation to submit standing charges to the ERA by 30 September, each year, AEC submitted its 2019, 2020 and 2021 standing charge data by the due date <p>The Manager WA Retail Regulation, Alinta Energy confirmed that the ERA did not request any other information from AEC in connection with its functions under the Electricity Industry Act.</p>	
	Priority 4	Controls rating: N/P	Compliance rating: 1
125	<p><i>Licence condition 3.8.1 and 3.8.2</i></p> <p>A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.</p>	<p>The Manager WA Retail Regulation, Alinta Energy confirmed that AEC was not required to publish any information by the ERA during the audit period.</p> <p>Therefore, this obligation was not relevant to AEC's activities during the audit period.</p>	
	Priority 4	Controls rating: N/P	Compliance rating: N/R
126	<p><i>Licence condition 3.7.1</i></p> <p>All notices must be in writing, unless otherwise specified.</p>	<p>Through discussions with Manager WA Retail Regulation, Alinta Energy and examination of relevant communications, we determined that AEC's regulatory records management is contained within Alinta Energy's established document management system that maintains records within its corporate network for all formal communication with the ERA.</p> <p>The Manager WA Retail Regulation, Alinta Energy confirmed that all notices to the ERA were given in writing and sent via email.</p>	
	Priority 4	Controls rating: N/P	Compliance rating: 1

4.3 Electricity Industry Metering Code – Licence Conditions and Obligations

No	Obligation under Condition	Findings			
324	<p><i>Electricity Metering Code Clause 3.3B</i> 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.</p> <table border="1" data-bbox="271 389 1084 435"> <tr> <td data-bbox="271 389 546 435">Priority 4</td> <td data-bbox="546 389 815 435">Controls rating: N/P</td> <td data-bbox="815 389 1084 435">Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R	<p>The Head of Operations, Alinta Energy confirmed that as a user of the Alinta Energy (Transmission) Chichester Pty Ltd (AETC) transmission network, AEC was not aware of any circumstances in which metering points had commenced providing for bi-directional flow during the audit period.</p> <p>Therefore, this obligation was not relevant to AEC’s operations during the audit period.</p>
Priority 4	Controls rating: N/P	Compliance rating: N/R			
339	<p><i>Electricity Metering Code Clause 3.11(3)</i> A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.</p> <table border="1" data-bbox="271 549 1084 596"> <tr> <td data-bbox="271 549 546 596">Priority 4</td> <td data-bbox="546 549 815 596">Controls rating: N/P</td> <td data-bbox="815 549 1084 596">Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R	<p><i>Obligations 339, 371 to 373</i></p> <p>The Head of Operations, Alinta Energy confirmed that:</p> <ul style="list-style-type: none"> • AEC plays no active role in managing meters, energy data or the metering database (including standing data) • As a user of the AETC transmission network <ul style="list-style-type: none"> ○ AEC not aware of any outages or malfunctions of metering installations during the audit period ○ AEC did not to have visibility of AETC’s metering database (including standing data) during the audit period ○ AEC had not become aware of any change to, or inaccuracy in an item of standing data during the audit period. <p>Therefore, these obligations were not relevant to AEC’s operations during the audit period.</p>
Priority 4	Controls rating: N/P	Compliance rating: N/R			
371	<p><i>Electricity Metering Code Clause 4.4(1)</i> If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.</p> <table border="1" data-bbox="271 772 1084 818"> <tr> <td data-bbox="271 772 546 818">Priority 5</td> <td data-bbox="546 772 815 818">Controls rating: N/P</td> <td data-bbox="815 772 1084 818">Compliance rating: N/R</td> </tr> </table>	Priority 5	Controls rating: N/P	Compliance rating: N/R	
Priority 5	Controls rating: N/P	Compliance rating: N/R			
372	<p><i>Electricity Metering Code Clause 4.5(1)</i> A Code participant must not knowingly permit the registry to be materially inaccurate.</p> <table border="1" data-bbox="271 932 1084 979"> <tr> <td data-bbox="271 932 546 979">Priority 5</td> <td data-bbox="546 932 815 979">Controls rating: N/P</td> <td data-bbox="815 932 1084 979">Compliance rating: N/R</td> </tr> </table>	Priority 5	Controls rating: N/P	Compliance rating: N/R	
Priority 5	Controls rating: N/P	Compliance rating: N/R			
373	<p><i>Electricity Metering Code Clause 4.5(2)</i> 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.</p> <table border="1" data-bbox="271 1155 1084 1193"> <tr> <td data-bbox="271 1155 546 1193">Priority 4</td> <td data-bbox="546 1155 815 1193">Controls rating: N/P</td> <td data-bbox="815 1155 1084 1193">Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R	
Priority 4	Controls rating: N/P	Compliance rating: N/R			
388	<p><i>Electricity Metering Code Clause 5.4(2)</i> 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)</p> <table border="1" data-bbox="271 1337 1084 1382"> <tr> <td data-bbox="271 1337 546 1382">Priority 4</td> <td data-bbox="546 1337 815 1382">Controls rating: N/P</td> <td data-bbox="815 1337 1084 1382">Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R	<p>The Head of Operations, Alinta Energy confirmed that AEC has not been requested by the AETC network operator to assist with its compliance with its obligations under the Metering Code.</p> <p>Therefore, this obligation was not relevant to AEC’s operations during the audit period.</p>
Priority 4	Controls rating: N/P	Compliance rating: N/R			

No	Obligation under Condition	Findings
401	<p><i>Electricity Metering Code Clause 5.16</i></p> <p>If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.</p>	<p>The Head of Operations, Alinta Energy confirmed that:</p> <ul style="list-style-type: none"> AEC plays no active role in managing meters, energy data or the metering database As a user of the AETC transmission network, AEC did not collect or receive energy data other than via the AETC network operator. <p>Therefore, this obligation was not relevant to AEC's operations during the audit period.</p>
	<p>Priority 4</p> <p>Controls rating: N/P</p> <p>Compliance rating: N/R</p>	
402	<p><i>Electricity Metering Code Clause 5.17(1)</i></p> <p>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.</p>	<p>Through discussion with the Head of Operations, Alinta Energy; and consideration of AEC's contracted interconnection arrangements and power purchase agreements with Chichester Metals Pty Ltd and Alinta Energy (Transmission) Roy Hill Pty Ltd (AETRH), we determined that AEC has provided energy data to its customer for billing purposes, in accordance with the power purchase agreements.</p>
	<p>Priority 4</p> <p>Controls rating: N/P</p> <p>Compliance rating: 1</p>	
405	<p><i>Electricity Metering Code Clause 5.18</i></p> <p>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 attributes, within the timeframes prescribed.</p>	<p>The Head of Operations, Alinta Energy confirmed that:</p> <ul style="list-style-type: none"> AEC plays no active role in managing meters, energy data or the metering database As a user of the AETC transmission network, AEC did not collect or receive information relating to meters other than via the AETC network operator. <p>Therefore, this obligation was not relevant to AEC's operations during the audit period.</p>
	<p>Priority 4</p> <p>Controls rating: N/P</p> <p>Compliance rating: N/R</p>	
406	<p><i>Electricity Metering Code Clause 5.19(1)</i></p> <p>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.</p>	<p>The Head of Operations, Alinta Energy confirmed that AEC has not been requested by the AETC network operator to collect information from customers in order to assist with the AETC network operator's compliance with its obligations under the Metering Code.</p> <p>Therefore, this obligation was not relevant to AEC's operations during the audit period.</p>
	<p>Priority 5</p> <p>Controls rating: N/P</p> <p>Compliance rating: N/R</p>	
407	<p><i>Electricity Metering Code Clause 5.19(2)</i></p> <p>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.</p>	<p>Through discussion with the Head of Operations, Alinta Energy; and consideration of AEC's contracted interconnection arrangements and power purchase agreements, we determined that AEC has maintained appropriate records relating to the site of each connection point for which it is associated under the power purchase agreements.</p>
	<p>Priority 5</p> <p>Controls rating: N/P</p> <p>Compliance rating: 1</p>	
408	<p><i>Electricity Metering Code Clause 5.19(3)</i></p> <p>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.</p>	<p><i>Obligations 408 and 410</i></p> <p>The Head of Operations, Alinta Energy confirmed that during the audit period, AEC did not become aware of any change in an attribute relating to the site of each connection point for which it is associated under its power purchase agreements.</p> <p>Therefore, these obligations were not relevant to AEC's operations during the audit period.</p>
	<p>Priority 4</p> <p>Controls rating: N/P</p> <p>Compliance rating: N/R</p>	

No	Obligation under Condition	Findings	
410	<p><i>Electricity Metering Code Clause 5.19(6)</i></p> <p>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.</p>	Priority 5	Controls rating: N/P Compliance rating: N/R
416	<p><i>Electricity Metering Code Clause 5.21(5)</i></p> <p>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.</p>	Priority 4	Controls rating: N/P Compliance rating: N/R
417	<p><i>Electricity Metering Code Clause 5.21(6)</i></p> <p>A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement.</p>	Priority 4	Controls rating: N/P Compliance rating: N/R
435	<p><i>Electricity Metering Code Clause 5.27</i></p> <p>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.</p>	Priority 4	Controls rating: N/P Compliance rating: N/R
448	<p><i>Electricity Metering Code Clause 6.1(2)</i></p> <p>A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.</p>	Priority 4	Controls rating: N/P Compliance rating: N/R
451	<p><i>Electricity Metering Code Clause 7.2(1)</i></p> <p>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.</p>	Priority 5	Controls rating: N/P Compliance rating: 1
453	<p><i>Electricity Metering Code Clause 7.2(4)</i></p> <p>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.</p>	Priority 4	Controls rating: N/P Compliance rating: 1

No	Obligation under Condition	Findings			
454	<p><i>Electricity Metering Code Clause 7.2(5)</i> 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.</p> <table border="1" data-bbox="271 304 1084 352"> <tr> <td data-bbox="271 304 546 352">Priority 4</td> <td data-bbox="546 304 815 352">Controls rating: N/P</td> <td data-bbox="815 304 1084 352">Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R	<p>Through discussion with the Head of Operations, Alinta Energy and consideration of AEC’s interconnection arrangements with AETC, we determined that during the audit period:</p> <ul style="list-style-type: none"> • There have been no changes to AEC’s contact details • AEC has not received any requests to provide its contact details. <p>Therefore, this obligation was not relevant to AEC’s operations during the audit period.</p>
Priority 4	Controls rating: N/P	Compliance rating: N/R			
455	<p><i>Electricity Metering Code Clause 7.5</i> A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code</p> <table border="1" data-bbox="271 552 1084 600"> <tr> <td data-bbox="271 552 546 600">Priority 4</td> <td data-bbox="546 552 815 600">Controls rating: N/P</td> <td data-bbox="815 552 1084 600">Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R	<p><i>Obligations 455 and 456</i> The Head of Operations, Alinta Energy confirmed that:</p> <ul style="list-style-type: none"> • AEC was aware of its confidentiality requirements both in its capacity as a generator and a retailer • AEC’s power purchase agreements and interconnection agreement contain detailed provisions on the management of confidential information • There were no instances where AEC was aware of any confidential information which would be required not to be disclosed under the Metering Code • AEC was not required under a provision in the Metering Code to disclose confidential information. <p>Therefore, these obligations were not relevant to AEC’s operations during the audit period.</p>
Priority 4	Controls rating: N/P	Compliance rating: N/R			
456	<p><i>Electricity Metering Code Clause 7.6(1)</i> A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.</p> <table border="1" data-bbox="271 711 1084 759"> <tr> <td data-bbox="271 711 546 759">Priority 4</td> <td data-bbox="546 711 815 759">Controls rating: N/P</td> <td data-bbox="815 711 1084 759">Compliance rating: N/R</td> </tr> </table>	Priority 4	Controls rating: N/P	Compliance rating: N/R	
Priority 4	Controls rating: N/P	Compliance rating: N/R			
457	<p><i>Electricity Metering Code Clause 8.1(1)</i> 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.</p> <table border="1" data-bbox="271 935 1084 983"> <tr> <td data-bbox="271 935 546 983">Priority 5</td> <td data-bbox="546 935 815 983">Controls rating: N/P</td> <td data-bbox="815 935 1084 983">Compliance rating: N/R</td> </tr> </table>	Priority 5	Controls rating: N/P	Compliance rating: N/R	<p><i>Obligations 457 to 461</i> For the purposes of the Metering Code, ‘disputes’ refers to metering disputes between AEC as a code participant, another retailer, another generator, another network operator, a user or the IMO. Through discussion with the Head of Operations, Alinta Energy and consideration of AEC’s interconnection and power purchase arrangements, we determined that:</p> <ul style="list-style-type: none"> • AEC, in its role as a user of the AETC network is governed by the provisions of its interconnection agreements when settling disputes • There were no metering disputes during the audit period. <p>Therefore, these obligations were not relevant to AEC’s operations during the audit period.</p>
Priority 5	Controls rating: N/P	Compliance rating: N/R			
458	<p><i>Electricity Metering Code Clause 8.1(2)</i> 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.</p> <table border="1" data-bbox="271 1150 1084 1198"> <tr> <td data-bbox="271 1150 546 1198">Priority 5</td> <td data-bbox="546 1150 815 1198">Controls rating: N/P</td> <td data-bbox="815 1150 1084 1198">Compliance rating: N/R</td> </tr> </table>	Priority 5	Controls rating: N/P	Compliance rating: N/R	
Priority 5	Controls rating: N/P	Compliance rating: N/R			
459	<p><i>Electricity Metering Code Clause 8.1(3)</i> 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.</p> <table border="1" data-bbox="271 1374 1084 1422"> <tr> <td data-bbox="271 1374 546 1422">Priority 5</td> <td data-bbox="546 1374 815 1422">Controls rating: N/P</td> <td data-bbox="815 1374 1084 1422">Compliance rating: N/R</td> </tr> </table>	Priority 5	Controls rating: N/P	Compliance rating: N/R	
Priority 5	Controls rating: N/P	Compliance rating: N/R			

No	Obligation under Condition	Findings			
460	<p><i>Electricity Metering Code Clause 8.1(4)</i></p> <p>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.</p>				
	Priority 4			Controls rating: N/P	Compliance rating: N/R
461	<p><i>Electricity Metering Code Clause 8.3(2)</i></p> <p>The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1)</p>				
	Priority 5				

5. Status of recommendations addressing non-compliances from the previous audit

Reference (no./year)	Non-compliance / Controls improvement Rating / Licence obligation reference number and licence obligation / Details of noncompliance or inadequacy of controls)	Auditor's recommendation or action planned	Further action required (Yes/No/Not Applicable) Details of further action required (including current recommendation reference, if applicable)
A. Resolved during current audit period			
B. Unresolved at end of current audit period			
Not applicable – there was no previous audit.			

Appendix A – Audit Plan

Alinta Energy (Chichester) Pty Ltd

Electricity Integrated Regional Licence (EIRL11)

2022 Performance Audit

Audit Plan

October 2022

Table of Contents

Introduction 3

Approach..... 6

Resources and team..... 10

Appendix 1 - Risk assessment key..... 11

Appendix 2 - Risk assessment 12

Introduction

Overview

The Economic Regulation Authority (the **ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to Alinta Energy (Chichester) Pty Ltd (**AEC or Alinta**) Electricity Integrated Regional Licence (EIRL 11) (the **Licence**).

Section 13 of the Act requires AEC to provide to the ERA a performance audit (the **audit**), conducted by an independent expert acceptable to the ERA within 24 months after the commencement date, and every 24 months thereafter, unless otherwise approved by the ERA. With the ERA's approval, Assurance Advisory Group (**AAG**) has been appointed to conduct the 2022 audit for the Licence for the period from the issue of the Licence on 30 August 2019 to 30 September 2022 (**audit period**).

The Licence relates to AEC's generation and retail activities in relation to its Chichester 60MW solar PV facility, and associated infrastructure for the supply of electricity to Fortescue Metals Group Ltd's Chichester hub mining operations and the Roy Hill mine site, all located in the East Pilbara region of Western Australia. EAC operates as a subsidiary within the Alinta Group and is supported by the resource and system capabilities of Alinta Energy.

The audit will be conducted in accordance with the ERA's March 2019 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (**Audit Guidelines**). In accordance with the Audit Guidelines this document represents the Audit Plan (the **Plan**) that is to be agreed upon by AAG and AEC and presented to the ERA for approval.

Objective

A performance audit is defined as an examination of the measures taken by AEC to meet the performance criteria specified in its Licence. The purpose of the audit is to assess the effectiveness of measures taken by AEC to meet the conditions of its Licence.

The audit will specifically consider the following:

- *Process compliance* - the effectiveness of systems and procedures in place throughout the audit period, including the adequacy of internal controls
- *Outcome compliance* - the actual performance against standards prescribed in the Licence throughout the audit period
- *Output compliance* - the existence of the output from systems and procedures throughout the audit period (specifically, proper records which provide assurance that procedures are consistently followed and controls are maintained)
- *Integrity of performance* - the completeness and accuracy of the compliance and performance report provided to the ERA
- *Compliance with any individual licence conditions* – the actual performance against the requirements imposed on AEC by the ERA or specific matters raised by the ERA.

Scope

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

The audit approach applies the singular audit priority assessment approach to identify all applicable licence obligations. Each of the compliance requirements identified in the Reporting Manual have been evaluated for applicability to AEC's operations and used as the basis for determining the performance criteria to be considered for the audit. All applicable compliance requirements are listed at **Appendix 2**.

The audit period is 30 August 2019 to 30 September 2022. This is AEC’s first performance audit. The Reporting Manual has undergone two revisions during the audit period to reflect changes in electricity licensees’ obligations. The revised versions of the Reporting Manual were issued in June 2020 and February 2022.

The audit will address all relevant obligations contained in each of the June 2020 and February 2022 versions of the Reporting Manual. As the changes to integrated regional licence obligations throughout the period subject to audit were not substantial, this audit will use the current February 2022 version of the Reporting Manual as the primary audit reference.

Table 1 below outlines the compliance requirements that apply to AEC’s electricity generation and retail operations during the period subject to audit. Where necessary, further explanation is provided to describe the obligation application. Note that due to AEC’s current operating arrangements, a number of those obligations are not likely to be triggered during the period subject to audit. In such instances, the obligation remains applicable to the scope of this audit, with the audit report to identify and describe instances where an obligation cannot be assessed and rated.

Table 1 – Application of legislative elements to AEC’s electricity generation and retail operations

Legislative element	Application to AEC’s electricity operations
Electricity Industry (Customer Transfer) Code Electricity Industry (Customer Contracts) Regulations Code of Conduct	None of the Code or Regulation obligations are applicable to AEC’s operations as: <ul style="list-style-type: none"> The Licence excludes AEC from supplying to small use customers Under current arrangements, AEC’s customers are not contestable, nor does it have access to contestable customers.
Electricity Industry Act 2004	Seven of the 11 Electricity Industry Act obligations are applicable to AEC’s electricity operations. The remaining obligations are not applicable as the Licence excludes AEC from supplying to small use customers.
Electricity Licences	Eight of the 14 Electricity Licence obligations are applicable to AEC’s electricity operations. The remaining obligations are not applicable as the Licence excludes AEC from supplying to small use customers, or relate to distributors only.
Electricity Industry Metering Code	27 of the 159 Metering Code obligations are applicable to AEC’s electricity generation or retail operations.

AEC’s responsibility for compliance with the conditions of the Licence

AEC is responsible for:

- Compliance with the Licence
- Identifying risks that threaten the conditions within the Licence being met
- Identifying suitable compliance requirements as specified by the ERA
- Identifying, designing and implementing controls to enable the conditions within the Licence to be met and to monitor ongoing compliance
- Implementing corrective actions for any instances of non-compliance.

AAG's responsibility

Our responsibility is to express an opinion on AEC's compliance, in all material respects, with the licence obligations as evaluated against its Licence Conditions for the period from 30 August 2019 to 30 September 2022. We will conduct our engagement in accordance with the Audit Guidelines and the Standard on Assurance Engagements ASAE 3100 Compliance Engagements (**ASAE 3100**) issued by the Auditing and Assurance Standards Board.

ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether AEC has complied, in all material respects, with the licence obligations as evaluated against its Licence Conditions. This assurance engagement will involve performing procedures to obtain evidence about the compliance activity and controls implemented to meet the conditions within the Licence. The procedures selected depend on our judgement, including the identification and assessment of risks of material noncompliance with the relevant licence conditions.

Limitations of use

Our report will be produced solely for the information and internal use of AEC and is not intended to be and should not be used by any other person or entity. No other person or entity is entitled to rely, in any manner or for any purpose, on our report.

We understand that a copy of our report will be provided to the ERA for the purpose of meeting AEC's reporting requirements of section 13 of the Act. We agree that a copy of our report may be provided to the ERA for its information in connection with this purpose, however we accept no responsibility to the ERA or to anyone who is provided with or obtains a copy of our report.

Inherent limitations

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

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

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

An assurance engagement relating to the period from 30 August 2019 to 30 September 2022 will not provide assurance on whether compliance with the Licence will continue in the future.

Independence

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

Approach

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

Risk assessment

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

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

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

Once the consequence has been determined, the likelihood of AEC not complying with its obligations is assessed using the likelihood rating listed at Table 17 of the Audit Guidelines (refer to Appendix 1-2). The assessment of likelihood is based on the expected frequency of AEC’s non-compliance with the relevant licence obligation over a period of time.

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

Table 2: Inherent risk rating

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

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

Table 3: Assessment of Audit Priority

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

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

Table 4: Audit Priority Table

Priority rating	Audit requirement
Audit Priority 1	<ul style="list-style-type: none"> • Via interview and walkthrough, understand relevant processes and controls • Examine relevant documents, including compliance registers and reports • Obtain evidence of policies, procedures and controls being in place and working effectively • Extensive substantive testing of activities and/or transactions • Follow-up and if necessary, re-test matters previously reported.
Audit Priority 2	<ul style="list-style-type: none"> • Via interview and walkthrough, understand relevant processes and controls • Examine relevant documents, including compliance registers and reports • Obtain evidence of policies, procedures and controls being in place and working effectively • Moderate substantive testing of activities and/or transactions • Follow-up and if necessary, re-test matters previously reported.
Audit Priority 3	<ul style="list-style-type: none"> • Via interview and walkthrough, understand relevant processes and controls • Examine relevant documents, including compliance registers and reports • Limited controls testing (moderate sample size) to assess whether policies, procedures and controls are in place and working effectively • Follow-up of matters previously reported.
Audit Priority 4	<ul style="list-style-type: none"> • Confirmation of existing controls via walk through of key processes and examination of key documents including policies and procedures, compliance/breach registers and reports • Follow-up of matters previously reported.
Audit Priority 5	<ul style="list-style-type: none"> • Confirmation of existing controls via observation, discussions with key staff and/or reliance on key references including policies and procedures, compliance/breach registers and reports (“desktop review”).

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

- Review of annual compliance reports lodged by AEC for each of the years 2018/19 to 2021/22.
- Our understanding of AEC's regulatory environment
- Any other factors that may influence the level or strength of controls
- Consideration of relevant circumstances and activity that trigger specific compliance obligations.

At this stage, the risk assessment can only be a preliminary assessment based on reading of documentation and interviews by the auditors. It is possible that the ratings and risk assessment comments may be revised as we conduct our work and new evidence comes to light. The performance audit risk assessment is attached at Appendix 2.

System analysis / walkthrough

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

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

- The control environment: AEC's management philosophy and operating style, organisational structure, assignment of authority and responsibilities, the use of internal audit, the use of information technology and the skills and experience of key staff members
- Information systems: The appropriateness of AEC's information systems to record the information needed to comply with the Licence, the accuracy of data, the security of data and documentation describing the information system
- Control procedures: The presence of systems and procedures to ensure compliance with the Licence, effectiveness of AEC's internal control structure to detect and correct non-compliance. Specific consideration will be given to significant changes in relevant systems and procedures implemented during the period subject to audit
- Compliance attitude: Action taken by AEC in response to any previous non-compliances. Consideration will be given to the timing of action taken during the period subject to audit and whether the action has a permanent impact on AEC's level of compliance
- Outcome compliance: Actual performance against standards prescribed in the Licence throughout the audit period.

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

Testing/review

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

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

- Understanding the population of transactions
- Selecting a sample of transactions to examine compliance with relevant sections of applicable legislation, codes and regulations
- Comparing the sample selected to expected requirements as mandated by relevant sections of applicable legislation, codes and regulations.

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

- The audit priority determined by the risk assessment applicable to each licence obligation
- The results of the systems analysis performed, as described above
- AAG's sampling methodology, which is in accordance with ASA 530 (Audit Sampling) and takes account of the volume and frequency (e.g. daily, weekly, monthly, annual) of relevant transactions. Sample sizes typically range from 1 to 30, increasing with the volume and frequency of transactions
- The location of personnel and transactions to be tested.

Audit fieldwork will include meetings with staff at Alinta Energy's office in the Perth CBD and in Newman.

Reporting

The performance audit report will also be structured to address all of the minimum contents specified in section 5 of the Audit Guidelines.

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

Table 5: Compliance and control rating scales

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
N/P	Not performed – A controls rating was not required	N/R	Not rated – No activity took place during the audit period

AEC is responsible for providing a separate post audit implementation plan, if required.

Resources and team

Key AEC contacts

The key contacts for this audit are:

- Operations Manager, Pilbara
- Manager, Merchant Compliance
- Head of Operations
- Manager, WA Retail Regulation.

AAG Staff

AAG staff who will be involved with this assignment are:

- Margaret-Mary Gauci Senior Consultant
- Andrew Baldwin Executive Director
- Stephen Linden Director (QA review).

Resumes for key AAG staff are outlined in the proposal accepted by AEC and subsequently presented to the ERA.

Timing

The initial risk assessment phase was completed on 21 October 2022, after which the draft audit plan and risk assessment were submitted to the ERA for review and approval.

The remainder of the fieldwork phase is scheduled to be performed over the period October to late December 2022, enabling a draft and final report to be submitted to the ERA by the due dates of 21 December 2022 and 21 January 2023 respectively.

AAG time and staff commitment to the completion of the audit is outlined in the proposal accepted by AEC. In summary, the estimated time allocated to performance audit activity is as follows:

- Planning (including risk assessment): 6 hours
- Fieldwork (including system analysis/walkthrough and testing/review): 20 hours
- Reporting: 11 hours.

Appendix 1 - Risk assessment key

1-1 Criteria for classification of compliance obligations

Source: Electricity Compliance Reporting Manual February 2022

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

1-2 Likelihood ratings

Source: Audit Guidelines: Electricity and Gas Licences March 2019

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

1-3 Preliminary adequacy ratings for existing controls

Source: Audit Guidelines: Electricity and Gas Licences March 2019

Level	Description
Strong	Controls mitigate the identified risks to a suitable level
Moderate	Controls only cover significant risks; improvement required
Weak	Controls are weak or non-existent and do little to mitigate the risks

Appendix 2 - Risk assessment

Obligation numbers and references listed below are sourced from the February 2022 version of the Reporting Manual.

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
9 Electricity Industry (Customer Transfer) Code – Licence Conditions and Obligations								
All obligations (1-67) are not applicable to AEC's activities for the period subject to audit for the following reasons: <ul style="list-style-type: none"> The Licence excludes AEC from supplying to small use customers Under current arrangements, there is no practical possibility of a customer transfer. 								
11 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations								
All obligations (79-100) are not applicable to AEC's activities for the period subject to audit as the Licence excludes AEC from supplying to small use customers.								
12 Electricity Industry Act - Licence Conditions and Obligations								
101	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 (or any longer period that the ERA allows).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
102	Section 14(1)(a)	A licensee must provide for an asset management system.	2	Moderate	Probable	Medium	Moderate	Priority 4
103	Section 14(1)(b)	A licensee must notify details of the asset management system and any substantial changes to it to the ERA.	2	Moderate	Probable	Medium	Moderate	Priority 4
104	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
105	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> .	2	Moderate	Likely	High	Moderate	Priority 2
106	Section 31(3)	A licensee must take reasonable steps to minimise the extent, or duration, of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	NR	Minor	Probable	Low	Moderate	Priority 5
107	Section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	2	Moderate	Probable	Medium	Moderate	Priority 4
Obligations 108-111 are not applicable to AEC's activities for the period subject to audit, as the Licence excludes AEC from supplying to small use customers.								

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
13 Electricity Licences – Licence Conditions and Obligations								
119	Licence condition 4.3.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	2	Moderate	Probable	Medium	Strong	Priority 4
120	Licence condition 5.2.4	A licensee must comply with any individual performance standards prescribed by the ERA.	2	Moderate	Unlikely	Medium	Strong	Priority 4
121	Licence condition 5.3.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.	2	Moderate	Unlikely	Medium	Strong	Priority 4
122	Licence condition 5.1.5	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the ERA's standard audit guidelines for an asset management system review.	2	Moderate	Unlikely	Medium	Strong	Priority 4
123	Licence condition 4.4.1	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations.	2	Moderate	Probable	Medium	Strong	Priority 4
124	Licence condition 4.5.1	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.	2	Moderate	Probable	Medium	Strong	Priority 4
125	Licence condition 3.8.1 and 3.8.2	A licensee must publish any information as directed by the ERA to publish, within the timeframes specified.	2	Moderate	Unlikely	Medium	Strong	Priority 4
126	Licence condition 3.7.1	All notices must be in writing, unless otherwise specified.	2	Moderate	Unlikely	Medium	Strong	Priority 4
14 Code of Conduct – Licence Conditions and Obligations								
All obligations (129-316) are not applicable to AEC's activities for the period subject to audit as the Licence excludes AEC from supplying to small use customers.								
15 Electricity Industry Metering Code – Licence Conditions and Obligations								
324	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
339	Clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
371	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 participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.	NR	Minor	Unlikely	Low	Moderate	Priority 5
372	Clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	NR	Minor	Unlikely	Low	Moderate	Priority 5
373	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
388	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).	2	Moderate	Unlikely	Medium	Moderate	Priority 4
401	Clause 5.16	If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
402	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
405	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 attributes, within the timeframes prescribed.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
406	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
407	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
408	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
410	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.	NR	Minor	Unlikely	Low	Moderate	Priority 5
435	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
448	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.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
451	Clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	NR	Minor	Unlikely	Low	Moderate	Priority 5
453	Clause 7.2(4)	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
454	Clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
455	Clause 7.5	A Code participant must subject to subclauses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
456	Clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	2	Moderate	Unlikely	Low	Moderate	Priority 4
457	Clause 8.1(1)	If any dispute arises between any Code participants then (subject to subclause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5
458	Clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5
459	Clause 8.1(3)	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	NR	Minor	Unlikely	Low	Moderate	Priority 5

No	Obligation reference	Obligation description	Type	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
460	Clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	2	Moderate	Unlikely	Medium	Moderate	Priority 4
461	Clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	NR	Minor	Unlikely	Low	Moderate	Priority 5

Appendix B – References

AEC representatives participating in the audit

- Manager WA Retail Regulation, Alinta Energy
- Head of Operations, Alinta Energy
- Financial Accountant, Alinta Energy
- Operations Manager, Pilbara

AAG staff participating in the audit

Hrs

- | | | |
|-----------------------|----------------------|----|
| • Margaret-Mary Gauci | Senior Consultant | 25 |
| • Andrew Baldwin | Executive Director | 12 |
| • Stephen Linden | Director (QA review) | 1 |

Key documents and other information sources examined

- 2018/19, 2019/20 and 2020/21 AEC Annual Compliance Reports
- Alinta Energy Solar Farm (Chichester) Asset Management Plan
- Power Purchase Agreement – Alinta Energy Transmission (Roy Hill) Pty Ltd
- Power Purchase Agreement – Chichester Metals Pty Ltd
- Interconnection Agreement – Alinta Energy Transmission (Chichester) Pty Ltd
- Notice of Practical Completion
- Evidence of payment of licence fees and a sample of quarterly standing charges
- Alinta Energy Pty Ltd Group Financial Statements for the periods ending 30 June 2020, 30 June 2021 and 30 June 2022
- Email correspondence with the ERA, including notifications relating to audit requirements and commencement of operations
- Representations from the Manager WA Retail Regulation, Alinta Energy, Head of Operations, Alinta Energy and Financial Accountant, Alinta Energy.