

Horizon Power’s Ringfencing Rules – proposed revisions

Background

A recent audit of Horizon Power’s compliance with its Ringfencing Rules identified that there were some non-compliances. Horizon Power identified actions to remediate the non-compliances, which included revisions to its Ringfencing Rules.

On 6 December 2024, in accordance with section 137 of the Pilbara Networks Access Code 2021 (PNAC), Horizon Power submitted the proposed revised Ringfencing Rules to the Economic Regulation Authority for a determination under section 135 of the PNAC.

Purpose

The purpose of this note is to summarise the proposed revisions to Horizon Power’s Ringfencing Rules.

Proposed revisions to Horizon Power’s Ringfencing Rules

The proposed revisions to Horizon Power’s Ringfencing Rules are summarised in the table below. The proposed revisions have been categorised as:

- revisions required as a result of the audit
- consequential amendments
- other minor amendments.

Clause	Proposed revision	Rationale
Revisions required as a result of the audit		
4	Remove reference to the parts of Horizon Power that provide and market contestable and unregulated electricity services	Ensure that ringfencing arrangements apply more broadly to Horizon Power’s “other businesses”
5	Nominate an alternative for reporting of breaches where breaches of ringfencing rules relate to the Pilbara Network Business or the responsible person is not available	Improve reporting of breaches
5, 9.1	Amend frequency of training from 3 yearly to at least 3 yearly	Increase frequency of training for those most impacted by the Ringfencing Rules
7, 9.1, 9.2.1, 9.2.2, 9.3.2, 9.3.3	Replace references to “those parts of Horizon Power that provide or market contestable services in the Pilbara region” (or similar) with “Horizon Power Other Business”	Broaden application of the Ringfencing Rules in line with the PNAC to ensure that any new business undertaken by Horizon Power is appropriately ringfenced
9.2.1	Rephrase the paragraph on responsibility for business development activities associated with the covered Pilbara network	Updated to reflect current organisational structure and allocation of responsibilities

Clause	Proposed revision	Rationale
9.2.1 (Table 8.3)	A Customer Service team is to be responsible for managing metering systems and processes for all non-contestable customers rather than the metering team	Updated to reflect current organisational structure and allocation of responsibilities, with a mitigation measure to ensure the ringfencing objectives are met
Consequential changes		
Inside front page	Update “Last Updated” date, and delete “Review Frequency” and “Last Review Date”	Consequential
3	Update effective date	Consequential
6	Include definition of “Horizon Power Other Business”	Consequential
Minor changes		
3	Add paragraph to clarify that ringfencing rules will not be reviewed for internal organisational movements that do not have a material effect on the Ringfencing Rules	Provide clarification
5	Amend title of person responsible for Ringfencing Rules	Update to reflect title change
6	Amend definition of “Horizon Power Pilbara Network Business”	Remove unnecessary wording
6	Amend definition of “Pilbara network”	Correct minor editorial error
6	Delete definition of “South West Interconnected System”	Term not used in the Ringfencing Rules
6	Update definition of “staff”	Correct minor editorial error
8.1	Replace “these rules” with “these ringfencing rules”	Provide clarification
8.1.1	Delete “(typically booked via a project and/or work order)”	Remove unnecessary words
8.1.2	Add the words “to the appropriate location(s) and/or function(s) and/or categories of service”	Provide clarification
8.1.2	Replace “determine” with “determines”	Correct minor editorial error
8.1.4	Replace “a detailed activity based costing exercise” with “an activity based costing exercise”	Remove unnecessary word
9.2.1 (Table 8.3)	Replace “Commercial and Business Development Division” with “Business development & Strategy Division”	Update to reflect name change