

**Horizon Power**  
**Electricity Integrated Regional**  
**Licence (EIRL 2)**  
**2009 Performance Audit**  
**(Independent Assurance) Report**  
**March 2010**

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Mr David Tovey  
Manager Governance & Compliance  
Horizon Power  
18 Brodie-Hall Drive  
Bentley WA

30 March 2010

Dear David

**2009 Performance Audit (Independent Assurance) Report – Electricity Integrated Regional Licence (EIRL 2)**

We have completed the Electricity Integrated Regional Licence Performance Audit for Horizon Power for the period 1 April 2008 to 30 September 2009 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 on 9365 7236 or myself on 9365 7024.

Yours sincerely

**Richard Thomas**  
Partner

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# 1 Independent Auditor's report

With the Authority's approval, Deloitte Touche Tohmatsu (**Deloitte**) was engaged to conduct a reasonable assurance audit of Horizon Power's compliance with the conditions of its Licence. The audit was conducted in accordance with the requirements of the July 2009 issue of the *Audit Guidelines: Electricity, Gas and Water Licences (Audit Guidelines)*.

## Horizon Power's responsibility for compliance with the conditions of the Licence

Horizon Power is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority.

## Our responsibility

Our responsibility is to express a conclusion on Horizon Power's compliance with the conditions of the Licence based on our procedures. We conducted our engagement in accordance with the Audit Guidelines and Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*<sup>1</sup> issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in our opinion, based on the procedures performed, the conditions of the Licence have been complied with.

Our engagement provides reasonable assurance as defined in ASAE 3500. Our procedures were set out in the Audit Plan reviewed and agreed with by the Authority on 23 September 2009 and set out in Appendix A.

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## 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 following: 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 its

<sup>1</sup> ASAE 3500 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3100 Compliance Engagements and ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

responsibility to prevent and detect irregularities, including fraud. Accordingly, readers of our reports should not rely on the report to identify all potential instances of non-compliance which may occur.

Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

## Independence

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

## Conclusion

In our opinion, based on the procedures performed, except for the effect of any issues set out below, Horizon Power has, in all material respects complied with the conditions of its Licence for the period 1 April 2008 to 30 September 2009.

## Exceptions

The following performance criteria were assessed as non-compliant (rating 2):

	Reporting manual no. & Licence condition	Issue
104	<b>Licence condition 20.3</b> – A licensee must not expand the generating works, distribution systems or transmission systems outside the licence area.	As part of the regularisation of communities, Horizon Power requires its Licence boundary to be amended to include new supply locations. In its 2008/09 compliance report to the Authority, Horizon Power disclosed that: <ul style="list-style-type: none"> <li>• The most recent request for boundary amendments for this purpose were not submitted in a timely manner to allow for remapping prior to extensions of supply</li> <li>• Mapping software was found to be faulty</li> <li>• Action had been initiated to prevent recurrence of the breach by December 2009.</li> </ul>
289  451	<b>Code of Conduct clause 13.15(1)</b> – A retailer and distributor must prepare a report setting out the information required by Part 13 of the Code of Conduct, in respect of each year ending on 30 June. The report must be published no later than the following 1 October.  <b>Network Quality &amp; Reliability of Supply Code clause 27(1)</b> - A distributor or transmitter must prepare and publish a report about its performance in accordance with specified requirements.	The following reports are required to be published annually according to a prescribed time frame: <ul style="list-style-type: none"> <li>• Network Quality &amp; Reliability of Supply Annual Performance Report</li> <li>• Electricity Industry (Network Quality &amp; Reliability of Supply) Code 2005 Audit Report</li> <li>• Code of Conduct for the Supply of Electricity to Small Use Customers Performance Report.</li> </ul> Reports for 2008/09 were submitted to the Authority on time however they were not published on Horizon Power's website in accordance with the time frame prescribed by the Code.

<b>Reporting manual no. &amp; Licence condition</b>		<b>Issue</b>
142	<b>Code of Conduct clause 4.1</b> – A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist.	Horizon Power recently discovered a small number of customers may not have been billed for at least 3 months. No exception reporting is available to identify such occurrences. This matter is currently under investigation by Horizon Power management.
151	<b>Code of Conduct clause 4.5(1)</b> – A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise.	Horizon Power's current bill template contains all of the minimum information required by the Code, except for item (z), regarding advice on the availability of multi-lingual services that reflects Horizon Power's customer base. This matter was raised by the Authority in its recent Horizon Power Customer Correspondence Template Audit, however it has not yet been resolved.
157	<b>Code of Conduct clause 4.8(2)</b> – A retailer must specify the stated information in circumstances where the customer's bill is estimated.	Horizon Power's estimated bill template does not advise customers of their rights to query Horizon Power for information on the reasons for the estimation and the basis of the estimation. The standard form contract also does not stipulate customers' rights to information on estimation.
185	<b>Code of Conduct clause 5.7(1)</b> – A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	The Code requires Horizon Power not to charge a customer for electricity consumed from the day they vacate the supply address, provided a minimum of 3 business days notice is given. Until recently, Horizon Power required customers to provide 5 business days notice. This requirement was reflected in the Customer Charter and also evidenced in correspondence with customers who had made complaints regarding final bills. Horizon Power's current practices and revised Customer Charter now requires 3 business days notice and AMRS advises it has committed to complying with the 3 day timeframe. However AMRS's contractual arrangements with Horizon Power still provide for a final meter read to take up to 5 days to be performed. Horizon Power's current procedures remain exposed to a breach of the requirements of this obligation as in the event that the meter is read later than 3 business days after the customer's notification, the customer may be incorrectly charged for electricity consumed.

Reporting manual no. & Licence condition		Issue
211	<b>Code of Conduct clause 7.1-</b> A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address for failure to pay a bill.	Horizon Power's disconnection warning letter does not provide a disconnection time frame that is in line with the requirements of the Code. The Code specifies that a disconnection cannot be arranged sooner than 5 business days after the receipt of the disconnection warning however, Horizon Power's disconnection warning specifies a disconnection may occur within 5 business days.  This audit noted four instances in which the customer was not issued with a reminder notice prior to disconnection. The Velocity system does not generate exception reports to identify such instances.
221	<b>Code of Conduct clause 8.2</b> – A distributor must reconnect the customer's supply address upon the request of a retailer, within the timeframes specified.	Horizon Power is required to reconnect customers in accordance with the time frame specified in the Code, however two customers were identified as having been reconnected outside the prescribed time frame. These two instances were not reported to the Authority as non compliance matters.
273 - 277, 280, 281, 283-285, 287	<b>Code of Conduct clause 13.1 – 13.4, 13.7, 13.8, 13.10, 13.13</b> Requirements for "Record Keeping"	At the time of conducting this audit, not all of the records required by the Code of Conduct Part 13 "Record Keeping" could be readily extracted from Velocity, despite the system maintaining relevant data.  Records currently readily available extend to 19 June 2009 only, the date prior to the implementation of Velocity. As those records were not available at 30 June 2009, Horizon Power was unable to include some June 2009 activity in its annual performance report to the Authority.
302, 307, 313, 314, 415	<b>Metering Code clause 3.1</b> "Meters must comply with metrology procedure and National Measurement Act" <b>Metering Code clause 3.5(3)</b> "Requirements for a metering installation" <b>Metering Code clause 3.9(3)</b> <b>Metering Code clause 3.9(7)</b> "Metering installation types and accuracy requirements" <b>Metering Code clause 6.1(1)</b> "Compliance with documents"	Before the implementation of the Metering Service Level Contract, effective from 1 October 2009, Horizon Power relied on Western Power for ensuring the compliance of its meters with the Metrology Procedures.  After a recent audit of Western Power's meters, which concluded that meters failed to test to standard, Horizon Power recognised that its meters, which are of similar profile and quality to Western Power's meters, may not be compliant with current metrology requirements.
361	<b>Metering Code clause 5.3</b> – A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database within the timeframes prescribed.	Eight of 25 meter reads tested by this audit were uploaded into the metering database outside the requisite timeframe.



<b>Reporting manual no. &amp; Licence condition</b>		<b>Issue</b>
442 443	<b><i>Network Quality &amp; Reliability of Supply Code clause 21(2) and 21(3) - A</i></b> distributor operating a relevant distribution system must provide written notice to eligible customers about payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 not less than once in each financial year.	Horizon Power's Customer Charter, which was in place during the audit period, did not make reference to a customer's ability to apply for payments for supply interruptions exceeding 12 hours. This omission constitutes a non-compliance with section 19 of the Code. This matter was recognised by Horizon Power and steps were taken to include the relevant reference in an amended Customer Charter. On 2 December 2009, the Authority published a notice of the amendment to the Customer Charter. No further action is required

DELOITTE TOUCHE TOHMATSU

**Richard Thomas**  
Partner  
Perth, March 2010

# 2 Executive summary

## 2.1 Introduction and background

The Economic Regulation Authority (the **Authority**) has under the provisions of the Electricity Industry Act 2004 (**the Act**), issued to the Regional Power Corporation t/a Horizon Power (**Horizon Power**) an Electricity Integrated Regional Licence (the **Licence**). The Licence relates to Horizon Power's generating, transmission, distribution and retail electricity operations.

Horizon Power is the sole supplier and retailer of electricity services to 34 systems outside of the South West Interconnected System (**SWIS**). These systems power towns and communities throughout regional Western Australia. Horizon Power has generating plants at Carnarvon, Marble Bar, Nullagine, Kununurra and Wyndham. Third party generators also provide electricity to Horizon Power substations for distribution.

Section 13 of the Act requires Horizon Power to provide the Authority with an audit (**the audit**) conducted by an independent expert acceptable to the Authority not less than once in every 24 month period (or any longer period that the Authority allows). This is the second audit of Horizon Power's Licence since its issue in 2006. Subject to the section 32 notice issued by the Authority from the findings of the first audit, Horizon Power was required to conduct an audit for the 18 month period following the end of the previous audit period.

## 2.2 Findings

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

- Demonstrated an improving awareness of and commitment to regulatory compliance
- Implemented significant changes to its retail services and metering services arrangements, during the period February to September 2009 resulting in:
  - Overall improvement in its capability to directly manage compliance obligations, with reduced reliance on Synergy and Western Power
  - A number of new system processes and requirements, some of which were still to be fully implemented before the end of the period subject to audit
- Established plans to further strengthen control over retail services and metering services
- Recognised that the reporting and compliance monitoring capabilities of its Gentrack Velocity Customer Information System and Metering Business System require strengthening.

The following tables summarise the assessments made by the audit on Horizon Power's compliance with the obligations of the Licence. On a scale of one to five, five is the highest rating possible (compliant with no recommendations for strengthening controls) with the rating scale moving down through lower levels of compliance.

**Table 1: Summary of findings, by audit priority<sup>2</sup> and compliance rating**

No. of Obligations	Compliance Rating							Total
	N/A <sup>3</sup>	Not rated <sup>4</sup>	1	2	3	4	5	
Priority 1					1		2	3
Priority 2		1			1	1	3	6
Priority 3		3		20	4	9	26	62
Priority 4		121		8	5	3	135	272
Priority 5		30				1	25	56
N/A								37
<b>Total</b>	<b>37</b>	<b>155</b>	<b>0</b>	<b>28</b>	<b>11</b>	<b>14</b>	<b>191</b>	<b>436</b>

Specific assessments for each licence obligation are summarised at **Table 3** 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” of this report.

## 2.3 Horizon Power’s response to previous audit recommendations

As this is the second audit of Horizon Power’s Licence, this audit considers how Horizon Power has progressed against the action plans detailed in the 2008 Performance audit report. Our assessment of Horizon Power’s progress in implementing those action plans is summarised below and detailed at section 5 of this report.

Complete	Closed out	In progress	Outstanding	Total action plans assessed
27	26	3	8	64

<sup>2</sup> Audit priority for each licence obligation was determined as an outcome of the risk assessment approach outlined in the Audit Plan, set out in Appendix A

<sup>3</sup> Obligations assessed as not applicable to Horizon Power’s operations are detailed in the Audit Plan at Appendix A

<sup>4</sup> Obligations for which there was no relevant activity during the audit period; therefore a compliance assessment could not be made

## 2.4 Recommendations and action plans

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 1/09
216	<b>Code of Conduct clause 7.6</b> – A retailer or a distributor must not arrange for disconnection or disconnect a customer’s supply address in the circumstances specified.	Priority 1	Compliant – 3	Although Horizon Power’s standard business practices are designed for disconnections not to be performed on Fridays (the Code specifies that disconnections must not be arranged for after 12pm on Fridays) or after 3pm on other business days, the time of disconnection is not recorded. Without this information, it is difficult for Horizon Power to demonstrate that disconnection timing requirements are met. Our testing of 15 disconnections included three recorded as performed on a Friday, which is contrary to the standard business practice described above and suggests Horizon Power may be exposed to breaching its obligations if its business practices are not upheld.
<b>Recommendation 1/09</b> Horizon Power: (a) Require field staff to record the time of the disconnection (b) Formally communicate to all field staff the importance of performing disconnections in the times designated by the Code and of recording the time of disconnection. A specific disconnection policy and/or procedure could be developed for this purpose.				<b>ActionPlan 1/09</b> (a) Include these requirements in an agreed written contract management document between Horizon Power and AMRS and monitor and report monthly. (b) Formally advise all contractors involved in these works of the requirements, and regularly review at monthly meetings. Record any breaches of these requirements at the time of Service order completion and review at monthly meetings. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010
Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 2/09
228	<b>Code of Conduct clause 9.5(2)</b> – If a prepayment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must undertake the actions specified.	Priority 2	Compliant – 4	The Velocity system is not readily able to provide a record of those customers who were moved from a prepayment meter to a credit meter during the period under audit. Accordingly, we were unable to confirm whether Horizon Power had undertaken the required actions to reprogram the meter and to inform the customer of their contract options.
<b>Recommendation 2/09</b> To demonstrate full compliance with this Type 1 compliance obligation, Horizon Power consider implementing a regular (e.g. quarterly) report of customers who have moved from prepayment meters to credit meters due to life support system requirements.				<b>ActionPlan 2/09</b> Metering and Billing Services to develop a: <ul style="list-style-type: none"> <li>Register of requests to change from a prepayment meter to a credit meter for any reason</li> <li>Quarterly summarised report of types of change requests.</li> </ul> <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010

	Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 3/09
75	<p><b>Electricity Industry (Obligation to Connect) Regulations regulation 6</b> – A distributor that is obliged to attach or connect premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must do so within a defined timeframe.</p>	Priority 2	Compliant – 3	<p>Until recently, staff had not consistently recorded all dates relevant to connection applications in the Metering Business System (MBS). Without these records, Horizon Power has not been able to differentiate between the:</p> <ul style="list-style-type: none"> <li>• Date used to start the 20 day timeframe (being the date of customer application)</li> <li>• Agreed timing with customers (where Horizon Power contacts the customer in relation to the connection)</li> <li>• Timeframe required for the inspection of contractors' connection work.</li> </ul> <p>As the real time status of Service Orders is difficult to determine, Horizon Power is challenged to demonstrate that it meets all connection timing requirements.</p> <p>This matter was disclosed in Horizon Power's 2007/08 compliance report to the Authority, with a resolution expected to be implemented by 30 June 2009. The resolution has not been achieved as the necessary system reports remain unavailable.</p>
	<p><b>Recommendation 3/09</b></p> <p>Horizon Power formalise its procedures for:</p> <ul style="list-style-type: none"> <li>• Ensuring that staff consistently record the respective dates of customer application for connection, agreements with customers, connection completion and inspection</li> <li>• Monitoring customer connection timeframes, including the use of manual methods until such time as automated monitoring is possible.</li> </ul>			<p><b>ActionPlan 3/09</b></p> <p>(a) Work practices for recording all dates relevant to connection applications to be confirmed and communicated to Metering Services staff.</p> <p>(b) A spreadsheet to be developed in which:</p> <ul style="list-style-type: none"> <li>• All connections are recorded</li> <li>• Details of the dates of completion, dates of agreement with customer, or dates of inspection are recorded and reported.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 4/09
97	<b>Integrated Regional Licence condition 6.1</b> – A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	Priority 4	Compliant – 3	Horizon Power does not undertake marketing activities for the purposes of competing with other retailers, however the Code of Conduct does consider relevant employees and ServiceWorks' Customer Service Representatives (CSRs) to be "marketing representatives" as they act on behalf of Horizon Power: <ul style="list-style-type: none"> <li>• "for the purpose of obtaining new customers" or</li> <li>• "in dealings with existing customers in relation to contracts for the supply of electricity".</li> </ul> Horizon Power's training processes in relation to electricity marketing activities undertaken by staff members or ServiceWorks staff have not been formally developed and consistently applied. Horizon Power also has not yet established a mechanism for active monitoring of the performance of relevant staff against the marketing requirements of the Code of Conduct.
113	<b>Code of Conduct clause 2.1</b> – A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.			
<b>Recommendation 4/09</b> Horizon Power: (a) Ensure that it fully understands the intent of the Code of Conduct's marketing related clauses, relevant to Horizon Power's activities (b) Identify which of its employees and ServiceWorks employees are considered to be marketing agents or marketing representatives, for the purpose of the Code of Conduct (c) Develop an appropriate training package that outlines the key Code requirements with which those marketing agents/representatives must comply.				<b>ActionPlan 4/09</b> Review activities of relevant Horizon Power employees and ServiceWorks CSRs to determine whether or not their activities fall within the auspices of Marketer or Marketing Representative and develop a training package addressing the requirements of the code suitable for the type of work being undertaken. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 June 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 5/09
104	<b>Licence condition 20.3</b> – A licensee must not expand the generating works, distribution systems or transmission systems outside the licence area.	Priority 3	Non compliant – 2	As part of the regularisation of communities, Horizon Power requires its Licence boundary to be amended to include new supply locations. In its 2008/09 compliance report to the Authority, Horizon Power disclosed that: <ul style="list-style-type: none"> <li>• the most recent request for boundary amendments for this purpose were not submitted in a timely manner to allow for remapping prior to extensions of supply</li> <li>• mapping software was found to be faulty</li> <li>• action had been initiated to prevent recurrence of the breach by December 2009.</li> </ul>

<p><b>Recommendation 5/09</b></p> <p>Horizon Power:</p> <p>(a) Pursue its commitment to improved staff awareness of the requirement for more timely forecasting and communication of supply location extensions, which impact on licence boundaries.</p> <p>(b) Consider implementing a regular report which lists any system asset or supply address which falls outside licence boundaries.</p>	<p><b>ActionPlan 5/09</b></p> <p>(a) Horizon Power to update Network Extension manual to include a requirement to ensure proposed amendments to Horizon Power network is either undertaken with existing licence areas or an application to extend our licence area is completed prior to any works being undertaken.</p> <p>(b) Update Gating Process and Project Planning templates to ensure all new projects consider the extent of Horizon Power current licence area and apply for extensions as required prior to physical works being undertaken.</p> <p><b>Responsible Person:</b> Regulation Compliance Coordinator</p> <p><b>Target Date:</b> 30 April 2010</p>
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Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 6/09
142	<b>Code of Conduct clause 4.1</b> - relates to timeframes for issuing a bill.	Priority 3	Non compliant - 2	Horizon Power has a number of obligations under the Code of Conduct, which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Horizon Power is exposed to breaching its obligations if its standard business processes are not upheld. During the period subject to audit, examples of such breaches noted by this audit related to obligations 142 (customers not billed for longer than 3 months), 211(customers not sent a disconnection reminder notice) and 221 (customers not connected within the required timeframe).
211	<b>Code of Conduct clause 7.1</b> - relates to arrangements for disconnection for failure to pay a bill.			
221	<b>Code of Conduct clause 8.2</b> - relates to reconnection within specified timeframes.			
168	<b>Code of Conduct clause 4.15(2)</b> - relates to repayment of credit at the time of account closure.	Priorities 3, 4 and 5	Compliant - 4	An effective exception reporting arrangement will provide Horizon Power with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes. Horizon Power does not currently receive a suite of exception reports from ServiceWorks for compliance monitoring purposes. The three primary reasons for this situation are: <ul style="list-style-type: none"> <li>• Management has focussed on ensuring there are appropriate system controls and procedures in place to identify and mitigate breaches when they occur</li> <li>• Horizon Power has not yet determined what information and data it requires to be extracted from Velocity and reported. We recognise that a project was initiated in August 2009 for this purpose</li> <li>• The reporting capabilities of Velocity and ServiceWorks have generally not yet been aligned with Horizon Power's requirements.</li> </ul>
174	<b>Code of Conduct clause 4.19(3) and (4)</b> - relates to timing of repayment of any overcharged amount.			
175	<b>Code of Conduct clause 6.1(1)</b> - relates to timing of assessment of payment difficulties.			
191	<b>Code of Conduct clause 7.2</b> - relates to arrangements for disconnection for failure to pay a bill.			
212				

<p><b>Recommendation 6/09</b></p> <p>Horizon Power:</p> <p>(a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</p> <p>(b) Refine its existing repertoire of standard reports to allow for better monitoring of its business operations.</p>	<p><b>ActionPlan 6/09</b></p> <p>(a) Develop a suite of exception and management reports to monitor compliance with all obligations listed above.</p> <p>(b) Reports to be generated monthly.</p> <p>(c) Review both exceptions and monthly reports and develop responses to ensure compliance and any breaches are fixed and procedures developed to ensure breaches are not repeated.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>
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Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 7/09
151	Code of Conduct clause 4.5(1) – A retailer must include minimum prescribed information on the customer’s bill, unless the customer agrees otherwise.	Priority 3	Non compliant – 2
<p><b>Recommendation 7/09</b></p> <p>In accordance with the Authority’s advice, Horizon Power amend its bill template to include the National Interpreter Symbol together with the words “Interpreter Services”.</p>			<p><b>ActionPlan 7/09</b></p> <p>Bill template changes required to be fully implemented.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
<p>Horizon Power's current bill template contains all of the minimum information required by the Code, except for item (z), regarding advice on the availability of multi-lingual services that reflects Horizon Power’s customer base.</p> <p>This matter was raised by the Authority in its recent Horizon Power Customer Correspondence Template Audit, however it has not yet been resolved.</p>			

Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 8/09
157	Code of Conduct clause 4.8(2) – A retailer must specify the stated information in circumstances where the customer’s bill is estimated.	Priority 4	Non compliant – 2
<p><b>Recommendation 8/09</b></p> <p>Horizon Power amend its:</p> <ul style="list-style-type: none"> <li>• Estimated bill template to advise customers of their right to query Horizon Power for information on the reasons for the estimation and the basis of the estimation</li> <li>• Standard form contract to stipulate customers’ rights to information on estimation.</li> </ul>			<p><b>ActionPlan 8/09</b></p> <p>(a) Bill template changes required to be fully implemented.</p> <p>(b) A full review of the standard form contract in line with the Authority’s requirements for the review and changes to the standard form contract to be completed and compliance ensured.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
<p>Horizon Power’s estimated bill template does not advise customers of their rights to query Horizon Power for information on the reasons for the estimation and the basis of the estimation. The standard form contract also does not stipulate customers’ rights to information on estimation.</p>			



Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 9/09
164	<b>Code of Conduct clause 4.13</b> – A retailer must give the customer written notice prior to changing the customer to an alternative tariff if the customer’s electricity use has changed and the customer is no longer eligible to continue to receive an existing, more beneficial tariff.	Priority 4	Compliant – 3	Horizon Power’s current practice for changing business customers’ tariffs is to send a letter of notification on the same day as the tariff is changed (the customer is deemed to have received the notification on the second business day after dispatch) and for the new tariff to become effective from the start of the next billing cycle. This audit did not identify any tariff changes for which prior notice was not given to the customer, however Horizon Power’s practices as they stand will breach the requirements of the Code if a customer’s tariff is changed within two days of the customer’s next billing cycle as the customer will not have received the notification before the tariff change takes effect.
<b>Recommendation 9/09</b> Horizon Power amend its procedures to ensure that in instances where a tariff change is recognised within two business days of the commencement of the customer’s next billing cycle, either: <ul style="list-style-type: none"> <li>Horizon Power makes alternative arrangements to ensure the customer receives the written notice prior to the commencement of the next billing cycle, or</li> <li>The tariff change is not effected until the following billing cycle.</li> </ul>				<b>ActionPlan 9/09</b> Tariff change procedures to be reviewed by Horizon Power and ServiceWorks to ensure all customers receive the full notice required. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 10/09
178	<b>Code of Conduct clause 5.2(2)</b> – A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment.	Priority 3	Compliant – 3	Horizon Power relies on ServiceWorks (and previously Synergy) to comply with the EFT Code of Conduct.  Although this audit did not observe any instances of non compliance, there is currently no recognition of the EFT Code of Conduct in the ServiceWorks contract (Schedule 3). Horizon Power is also not aware of ServiceWorks’ procedures for ensuring compliance with the EFT Code of Conduct.
<b>Recommendation 10/09</b> Horizon Power ensure that the ServiceWorks contract includes the requirements for ServiceWorks to comply with the EFT Code of Conduct.				<b>ActionPlan 10/09</b> Review procedures of the business in regard to EFT payments and ensure the requirements of the EFT Code are included in the contract requirements, reported and monitored. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010

	Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 11/09
185	<p><b>Code of Conduct clause 5.7(1)</b> – A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer’s supply address in the circumstances specified.</p>	Priority 4	Non compliant – 2	<p>The Code requires Horizon Power not to charge a customer for electricity consumed from the day they vacate the supply address, provided the customer has provided a minimum of 3 business days notice.</p> <p>Until recently, Horizon Power required customers to provide 5 business days notice in advance of vacating the premises, in order to have a final meter read performed. This requirement was reflected in the Customer Charter and also evidenced in correspondence with customers who had made complaints regarding final bills.</p> <p>Horizon Power’s current practices and revised Customer Charter now requires 3 business days notice and AMRS advises it has committed to complying with the 3 day timeframe. However AMRS’s contractual arrangements with Horizon Power still provide for a final meter read to take up to 5 days to be performed.</p> <p>Horizon Power’s current procedures remain exposed to a breach of the requirements of this obligation as in the event that the meter is read later than 3 business days after the customer’s notification, the customer may be incorrectly charged for electricity consumed.</p>
	<p><b>Recommendation 11/09</b></p> <p>Horizon Power:</p> <ul style="list-style-type: none"> <li>• Confirm the effectiveness of its arrangements with AMRS for performing final meter reads</li> <li>• Investigate the practicalities of implementing additional mechanisms for ensuring that customers are not overcharged for electricity consumed.</li> </ul>			<p><b>ActionPlan 11/09</b></p> <p>(a) Review final read procedures and move in read procedures and consult widely within operations and field services contractors to ensure solutions to ensure compliance with clause 5.7(1) of the Code are manageable and cost effective.</p> <p>(b) Discuss with AMRS a change in contract terms from 5 days to 3 days.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 12/09
189	<b>Code of Conduct clause 5.8(2)</b> – A retailer must not commence proceedings for recovery of a debt in the circumstances specified.	Priority 3	Compliant – 4	Horizon Power has not finalised its debt recovery process. Current outstanding debts are not forwarded to Dunn & Bradstreet for debt collection purposes.
<b>Recommendation 12/09</b> Horizon Power finalise its debt recovery process and procedures.				<b>ActionPlan 12/09</b> (a) Reporting to be developed to ensure the accuracy of the outstanding debt data files. (b) Transfer of these files to the D&B collections agency to be restarted. (c) Prior to the transfer of files to D&B, data sets will be checked to ensure Horizon Power is compliant with the requirements of clause 5.8(2) of the Code. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 13/09
190	<b>Code of Conduct clause 5.8(3)</b> – A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of electricity to that supply address.	Priority 3	Compliant – 4	The data file generated by Velocity which contains outstanding debt data is not provided to Dunn & Bradstreet as it is currently not accurate.
<b>Recommendation 13/09</b> Horizon Power investigate and in conjunction with the vendor, rectify the matter in relation to the generation of the outstanding debt data file.				<b>ActionPlan 13/09</b> (a) Reporting to be developed to ensure the accuracy of the outstanding debt data files. (b) Transfer of these files to the D&B collections agency to be restarted. (c) Prior to the transfer of files to D&B, data sets will be checked to ensure Horizon Power is compliant with the requirements of clause 5.8(3) of the Code. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 14/09
211	<b>Code of Conduct clause 7.1</b> - A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address for failure to pay a bill.	Priority 3	Non compliant - 2	Horizon Power's disconnection warning letter does not provide a disconnection time frame that is in line with the requirements of the Code.  The code specifies that a disconnection cannot be arranged sooner than 5 business days after the receipt of the disconnection warning however, Horizon Power's disconnection warning specifies a disconnection may occur within 5 business days.
		<b>Recommendation 14/09</b> Horizon Power revise its disconnection warning letter to ensure compliance with the Code.		<b>Action Plan 14/09</b> Horizon Power to revise standard form letter to comply with wording in Code. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 15/09
224	<b>Code of Conduct clause 9.3(1)</b> - A retailer must not operate a pre-payment meter at a residential customer's supply address without the verifiable consent of the customer or its nominated representative.	Priority 3	Compliant - 4	This audit was unable to effectively test for evidence of verifiable consent as the Velocity listing of pre-payment meter customers was unreliable at the time of audit. The cause of this situation was attributed to a system migration issue. Of pre-payment meter customers that were selected for testing, appropriate consent records were held on file. Nothing came to our attention to suggest that during the period subject to audit, verifiable consent was not obtained in accordance with Horizon Power's practices and procedures.
		<b>Recommendation 15/09</b> Horizon Power address the reliability of the Velocity pre-payment meter listing.		<b>Action Plan 15/09</b> A single controlled and managed Velocity pre-payment meter list to be developed and reported monthly to the Manager Metering & Billing Services. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 16/09
263	<b>Code of Conduct clause 11.1(1)</b> – A retailer and distributor must produce and publish a Customer Service Charter.	Priority 4	Compliant – 4	The version of Customer Service Charter on Horizon Power’s website at the time of audit was not the latest approved version.
<b>Recommendation 16/09</b> Horizon Power replace the online Customer Service Charter with the latest approved version.				<b>Action Plan 16/09</b> The latest approved Customer Service Charter to be placed on the website. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> Completed 7 December 2009

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 17/09
267	<b>Code of Conduct clause 12.1(1)</b> - A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	4	Compliant – 3	<p>Although we did not observe any evidence to indicate non-compliance with the requirements of the Code, the following aspects of Horizon Power’s complaints handling process have not been maintained to the standard expected by its complaint management policy and procedure:</p> <ul style="list-style-type: none"> <li>• Since the commencement of ServiceWorks/Velocity arrangements, the number of complaints recorded by the call centre (i.e. not received via the Ombudsman) has reduced from approximately 8/month to approximately 3/month and the proportion of Ombudsman complaints compared to the total number of complaints recorded has increased. Our review of complaints received via the Ombudsman suggest some should have been recognised by Horizon Power prior to the customer’s approach to the Ombudsman. This movement suggests complaints have not been consistently recognised and recorded</li> <li>• At the time of this audit, the available extract of complaints records from Velocity lacked detail and all complaints were reported to be in ‘open’ status</li> <li>• Since the commencement of ServiceWorks/Velocity arrangements, there has been no apparent proactive monitoring of complaints and contributing reasons for complaints, particularly prior to dissatisfied customers complaining to the Ombudsman.</li> </ul> <p>We also note that Horizon Power’s policy and procedure are overdue for review (May 2009 and April 2009 respectively) and the procedure still refers to CIS and Synergy’s call centre.</p>
268	<b>Code of Conduct clause 12.1(2)</b> - A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements.	3		
270	<b>Code of Conduct clause 12.2</b> - A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints.	4		

	<p><b>Recommendation 17/09</b></p> <p>Horizon Power:</p> <p>(a) Strengthen its customer complaints handling process by ensuring:</p> <ul style="list-style-type: none"> <li>• CSRs and all staff in a position to receive customer complaints are fully trained in the requirements to recognise, respond to and record customer complaints</li> <li>• The Velocity system enables all required details of complaints to be reported and monitored, particularly acknowledgement and response details.</li> </ul> <p>(b) Review and update its Complaints Policy and Complaints Management Procedures.</p>	<p><b>Action Plan 17/09</b></p> <p>A full review of the complaints definitions, recording, handling, escalation and reporting to be undertaken and processes and procedures developed to ensure all complaints are recorded, dealt with and reported in accordance with requirements.</p> <p>This review will specifically address:</p> <ul style="list-style-type: none"> <li>• Employee and third party service provider training requirements</li> <li>• System capabilities</li> <li>• Policies and procedures.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
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Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 18/09
273 to 277 280 281 283 to 285 287	<i>Code of Conduct clause 13.1 – 13.4, 13.7, 13.8, 13.10, 13.13</i>	Priorities 3 & 4	<p>Non compliant – 2</p> <p>At the time of conducting this audit, not all of the records required by the Code of Conduct Part 13 “Record Keeping” could be readily extracted from the Velocity customer information system, despite the system maintaining relevant data.</p> <p>Records currently readily available extend to 19 June 2009 only, the date prior to the implementation of Velocity. As those records were not available at 30 June 2009, Horizon Power was unable to include some June 2009 activity in its annual performance report to the Authority.</p>
	<p><b>Recommendation 18/09</b></p> <p>Horizon Power:</p> <p>(a) Pursue the necessary improvements to the reporting capability of Velocity for the reporting of indicators required by the Code</p> <p>(b) Establish a timeframe for completion of those improvements.</p>		<p><b>Action Plan 18/09</b></p> <p>In conjunction with Gentrack (with reference to the Gentrack “Solution Document for ERA Reports”), develop a suite of exception and management reports to ensure compliance with all obligations listed above.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 19/09
289	<p><b>Code of Conduct 13.15(1)</b> – A retailer and a distributor must prepare a report setting out the information required by Part 13 of the Code, in respect of each year ending on 30 June. The report must be published no later than the following 1 October.</p> <p><b>Network Quality &amp; Reliability of Supply Code clause 27(1)</b> - A distributor or transmitter must prepare and publish a report about its performance in accordance with specified requirements</p>	Priority 4	Non compliant – 2	<p>The following reports are required to be published annually within a prescribed time frame:</p> <ul style="list-style-type: none"> <li>• Network Quality &amp; Reliability of Supply Annual Performance Report</li> <li>• Electricity Industry (Network Quality &amp; Reliability of Supply) Code 2005 Audit Report</li> <li>• Code of Conduct for the Supply of Electricity to Small Use Customers Performance Report.</li> </ul> <p>Reports for 2008/09 were submitted to the Authority on time however they were not published on Horizon Power’s website in accordance with the 1 October 2009 time frame specified in the Code.</p>
451	<p><b>Recommendation 19/09</b></p> <p>Horizon Power’s compliance reporting procedures be strengthened to ensure that for each of its requirements and associated deadlines:</p> <ul style="list-style-type: none"> <li>• The responsible officer and accountable officer (assigned and recorded in the CURA system) fully understand their regulatory responsibilities</li> <li>• Completion of required actions is evidenced by the accountable officer.</li> </ul>			<p><b>Action Plan 19/09</b></p> <p>Update CURA to ensure task of uploading reports included in Regulation Compliance Coordinator list of requirements.</p> <p><b>Responsible Person:</b> Regulation Compliance Coordinator</p> <p><b>Target Date:</b> 30 June 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 20/09
294 296	<p><b>Code of Conduct clause 14.3(1) and 14.4(1)</b> – A retailer/distributor must acknowledge and respond to a written query or complaint by a customer within the timeframes prescribed.</p>	Priority 3	Compliant – 4	<p>Horizon Power’s Complaints Management Procedure and Customer Service Charter refer to the customer’s right to a service standard payment (in the event that Horizon Power does not meet the timeframe for acknowledging or responding to a complaint) if a request is made within three months and two months respectively of the customer’s initial contact. These references do not match the Code’s specification of the timeframe to be within three months of the non-compliance, being the date at which the response target was breached, not the date of initial contact.</p>
	<p><b>Recommendation 20/09</b></p> <p>Horizon Power amend its Customer Complaint Procedure and Customer Service Charter to refer to customers’ rights to a service standard payment if they make a request within three months of any breach of a response target.</p>			<p><b>Action Plan 20/09</b></p> <p>The Customer Complaint Procedure and Customer Service Charter to be amended to refer to customers’ rights to a service standard payment if they make a request within three months of any breach of a response target.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 21/09
302	<b>Metering Code clause 3.1</b> <i>“Meters must comply with metrology procedure and National Measurement Act”</i>	Priorities 3 & 4	Non compliant – 2	Before the implementation of the Metering Service Level Contract, retrospectively effective from 1 July 2009, Horizon Power relied on Western Power for ensuring the compliance of its meters with the Metrology Procedures.
307	<b>Metering Code clause 3.5(3)</b>			After a recent audit of Western Power’s meters, which concluded that meters failed to test to standard, Horizon Power recognised that its meters, which are of similar profile and quality to Western Power’s meters, may not be compliant with current metrology requirements.
310	<b>Metering Code clause 3.5(9)</b> <i>“Requirements for a metering installation”</i>			From 1 October 2009, Horizon Power is responsible for testing its meters and is in the final stages of developing a testing plan that uses the principles set out in its Metering Management Plan. Horizon Power has contracted Western Power through its Metering Service Level Contract to test its meters, in accordance with this plan and testing schedule.
313	<b>Metering Code clause 3.9(3)</b>			
314	<b>Metering Code clause 3.9(7)</b> <i>“Metering installation types and accuracy requirements”</i>			
415	<b>Metering Code clause 6.1(1)</b> <i>“Compliance with documents”</i>			
<b>Recommendation 21/09</b> Horizon Power: <ul style="list-style-type: none"> <li>(a) Formally notify the Authority of its plans to ensure that its meters meet the requirements of the metrology procedure</li> <li>(b) Document a plan that outlines key milestones and target dates for achievement</li> <li>(c) Provide the Authority with the results of all testing conducted in line with its Metering Management Plan.</li> </ul>				<b>Action Plan 21/09</b> <ul style="list-style-type: none"> <li>(a) The meter management plan and the meter test plan including milestones and target dates to be forwarded to the Authority upon completion.</li> <li>(b) Preliminary results of testing to be reported as soon as results from statistical sampling suggest a clear trend and by no later than 31 December 2010.</li> </ul> <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> (a) 30 April 2010 (b) 31 December 2010



Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 22/09
317	<b>Metering Code clause 3.11(1)</b> – A network operator must ensure that a metering installation on its network permits collection of data within the timeframes and to the level of availability specified.	Priority 3	Compliant – 4	<p>Clause 3.11(1) of the Metering Code specifies the requirement for Horizon Power to ensure that its meters permit the collection of data at a level of availability of at least 99% per annum.</p> <p>On a monthly basis, Horizon Power identifies those meters requiring replacement as a result of being faulty. Although MBS records indicate that during the period April 2008 to September 2009, no less than 99% (rolling 12 month average) of Horizon Power's meters were available to permit the collection of data, Horizon Power had not monitored the number and percentage of meters which permit collection of data to specifically ensure it meets the Code's requirements.</p>
<p><b>Recommendation 22/09</b></p> <p>Horizon Power:</p> <ul style="list-style-type: none"> <li>Utilise available MBS records of meter replacements to monitor the number and percentage of meters which permit collection of data in accordance with the availability requirements of the Metering Code</li> <li>Identify and action any need to improve the levels of meter availability.</li> </ul>				<p><b>Action Plan 22/09</b></p> <p>In order to meet the requirements of Clause 3.11(1) of the Metering Code, a monthly procedure to be implemented for:</p> <ul style="list-style-type: none"> <li>Reporting meters requiring replacement due to being found to be faulty</li> <li>Calculating the resulting 12 monthly rolling average of the percentage of meters permitting the collection of data</li> <li>Identifying any need for further action.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 23/09
336	<b>Metering Code clause 3.21(1)</b> – Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.	Priority 4	Compliant – 4	<p>A meter testing plan has been developed and is due for completion by July 2010. The plan includes testing of time accuracy.</p> <p>Although there is no evidence to suggest that meters have not met time accuracy requirements, without a testing plan in place, Horizon Power has not been in a position to demonstrate that its meters have maintained the required time accuracy.</p>
<p><b>Recommendation 23/09</b></p> <p>Horizon Power:</p> <ol style="list-style-type: none"> <li>Implement its meter testing plan to assess the time accuracy of its meters</li> <li>Where necessary, implement corrective action to ensure the time accuracy of its meters.</li> </ol>				<p><b>Action Plan 23/09</b></p> <p>The meter testing plan will be implemented and where necessary, corrective action will be implemented to ensure meters' time accuracy.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 31 July 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 24/09
361	<b>Metering Code clause 5.3</b> – A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database within the timeframes prescribed.	Priority 3	Non compliant – 2	Detailed testing was conducted of meter reading timeframes and the time on which data was uploaded into MBS. Eight of the 25 samples selected evidenced the upload of metering data outside the requisite timeframe.
<b>Recommendation 24/09</b> Horizon Power monitor the upload of information to ensure time requirements are met. Where they are not met, Horizon Power should request and document reasoning from AMRS.				<b>Action Plan 24/09</b> Processes and procedures to be fully reviewed with AMRS and Western Power to identify the root cause of these failures to upload. Any necessary changes to procedures will be developed to ensure these issues do not reoccur. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 June 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 25/09
440	<b>Network Quality &amp; Reliability of Supply Code clause 19</b> – A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe if a supply interruption exceeds 12 hours.	Priority 3	Compliant – 3	Clause 19 of the Code requires payments for a supply interruption exceeding 12 hours to be made within 30 days of the customer's application. Of our testing of 15 such payments made under Horizon Power's Extended Outage Payment Scheme, one was made outside the 30 day timeframe. An explanation for this failure, or any agreement with the customer for a later payment date was not recorded.  Horizon Power does not use an effective mechanism to track the progress of such payments to ensure they are either made on time, or an agreement is reached with the customer for a later payment date.
<b>Recommendation 25/09</b> Horizon Power further strengthen its service standard payment process to track payment progress and to ensure they are either made on time, or an agreement is reached with the customer for a later payment date.				<b>Action Plan 25/09</b> Review and change process and procedures to ensure that payments are made within the specified timeframe. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010

## 2.5 Scope and objectives

The audit is designed to provide reasonable assurance regarding Horizon Power's compliance with the conditions of its Licence during the period 1 April 2008 to 30 September 2009.

The Authority 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 (Reporting Manual)*.

The Audit Plan set out at Appendix A lists those Licence conditions confirmed to be included in the scope of the audit, along with the risk assessments made for and audit priority assigned to each licence obligation.

### 2.5.1 Risk assessment revisions

As a result of the audit work performed, the risk assessment presented in the audit plan has been modified to recognise the following aspects of the Metering Code, which have now been confirmed to be not applicable to Horizon Power's operations and licence obligations:

Obligations	Reason for clause assessed as not applicable
328, 329, 330, 331, 332	Division 3.3 of the Metering Code specifically applies to "Metering Requirements for the Wholesale Electricity Market and Customer Transfer". Section 3.15 of the Code references the Electricity Industry Act Part 9, which defines the market as the SWIS. Therefore Division 3.3 of the Code is not applicable to Horizon Power's operations.
347	Section 1.3 of the Metering Code references the Electricity Industry Act section 123(1), which defines the market rules as the rules relating to the market and the operation of the SWIS. This obligation is therefore not applicable as Horizon Power does not operate on the SWIS.

## 2.6 Approach

Our approach for this audit involved the following activities, which were undertaken during the period 26 August to 18 November 2009:

- Utilising the Audit Guidelines and Reporting Manual as a guide, development of a risk assessment which involved discussions with key staff and document review to assess controls
- Development of an Audit Plan (see **Appendix A**) for approval by the Authority and an associated work program
- Interviews with relevant site level Horizon Power staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Site visit to the Horizon Power Broome depot to gain an understanding of site based activities and procedures
- Review of documents, processes and controls to assess the overall compliance and effectiveness of those processes and controls in accordance with Licence obligations (see **Appendix B** for reference listing)
- Reporting of findings to Horizon Power for review and response.

# 3 Summary of findings

Table 2 sets out the rating scale defined by the Authority 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, Horizon Power was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

**Table 2: Compliance rating scale**

Level	Rating	Description
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
Non-compliant	2	Does not meet minimum requirements
Significantly non-compliant	1	Significant weaknesses and/or serious action required
Not applicable	N/A	Determined that the compliance obligation does not apply to Horizon Power's business operations
Not rated	N/R	No relevant activity took place during the audit period; therefore it is not possible to assess compliance.

The remainder of this report provides:

- a summary of the findings for the compliance obligations (at **Table 3** below).
- detailed findings, including relevant observations, recommendations and action plans (at **section 4**).

Note that except for aspects of the Metering Code that have now been confirmed to be not applicable to Horizon Power's operations (refer to item 1.7.1 "Risk assessment revisions"), the risk assessment that was presented in the audit plan remains unchanged as no issues or concerns were identified that would indicate a need to modify the nature and levels of testing. The risk assessment has been included in this summary to give context to the ratings that have been determined.

**Table 3: Compliance Summary**

Refer to Detailed Findings at section 4 and Audit Plan at Appendix A for descriptions of the obligations

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating				
							N/R	1	2	3	4
<b>8 Type 1 Reporting Obligations - Code of Conduct</b>											
216	7.6	Major	Probable	High	Weak	Priority 1			✓		
217	7.7(1)	Major	Probable	High	Weak	Priority 1					✓
218	7.7(2)	Major	Probable	High	Weak	Priority 1					✓
222	8.3(1)	Major	Probable	High	Strong	Priority 2					✓
223	8.3(2)	Major	Probable	High	Moderate	Priority 2	✓				
227	9.5(1)	Major	Probable	High	Moderate	Priority 2					✓
228	9.5(2)	Major	Probable	High	Moderate	Priority 2				✓	
<b>9 Electricity Industry Customer Transfer Code</b>											
1, 2	As Horizon Power services contestable customers, it is possible for a competing retailer to enter the market. Until such time, the need for arm's length dealings is not relevant to Horizon Power's operations. Not rated.										
3-5, 10-22, 31-39, 41-48, 50, 51, 54-71	As Horizon Power services contestable customers, it is possible for a competing retailer to enter and therefore trigger the Code's requirements of a network operator. As Horizon Power is currently the sole retailer operating in its licensed areas, customer transfers cannot occur therefore this obligation cannot be rated. Not rated.										
40	The Manager Metering Services confirmed that there has been no access contracts granted; therefore clause is not rateable until such time that contracts are granted. Not rated.										
6-9, 23-30, 49, 52, 53	Obligations are not applicable to Horizon Power's operations as they specify a requirement for a retailer to act in relation to a network operator. Horizon Power acts as both the retailer and network operator.										
<b>10 Electricity Industry (Obligation to Connect) Code</b>											
72	4	Moderate	Unlikely	Medium	Moderate	Priority 4					✓
73	5(5)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓
74	5(6)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓
75	6	Moderate	Likely	High	Moderate	Priority 2			✓		
76	7(1)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓
77	8	Moderate	Unlikely	Medium	Moderate	Priority 4					✓
<b>11 Electricity Industry (Licence Conditions) Regulations</b>											
78	6	Moderate	Likely	High	Moderate	Priority 2					✓
79	7	Minor	Probable	Low	Moderate	Priority 5					✓

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
80	8(8)	Minor	Probable	Low	Moderate	Priority 5	✓					
<b>12 Electricity Industry Act</b>												
81	13(1)	Minor	Unlikely	Low	Strong	Priority 5						✓
82	14(1)(a)	Minor	Likely	Medium	Moderate	Priority 4						✓
83	14(1)(b)	Moderate	Probable	Medium	Moderate	Priority 4						✓
84	14(1)(c)	Minor	Unlikely	Low	Strong	Priority 5						✓
85	17(1)	Minor	Probable	Low	Moderate	Priority 5						✓
86	31(3)	Minor	Probable	Low	Moderate	Priority 5						✓
87	41(6)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
88	54(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
89	54(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
90	62(1)(b)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
91	64(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
92	65(d)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
93	76	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
94	101	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
95	115(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
96	115(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
<b>13 Electricity Licences – Licence Conditions and Obligations</b>												
97	6.1	Moderate	Probable	Medium	Moderate	Priority 4				✓		
98	6.2	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
99	13.2	Minor	Unlikely	Low	Moderate	Priority 5	✓					
100	13.3	Minor	Unlikely	Low	Moderate	Priority 5	✓					
101	14.1	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
102	15.2	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
103	20.2	Moderate	Probable	Medium	Moderate	Priority 4						✓
104	20.3	Moderate	Probable	Medium	Weak	Priority 3			✓			
105	21.1	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
106	22.4	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					

							Compliance Rating					
No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	N/R	1	2	3	4	5
107	23.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
108	24.4	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
109	25.1	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
110	26.1	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
111	27.2	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
112	28.1	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
<b>14 Code of Conduct (Small Use Code)</b>												
<b>Part 2 Marketing</b>												
113	2.1	Moderate	Probable	Medium	Moderate	Priority 4				✓		
114	2.2	Moderate	Probable	Medium	Moderate	Priority 4						✓
115	2.3(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
116	2.3(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
117	2.3(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
118	2.4(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
119	2.4(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
120	2.4(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
121	2.4(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
122	2.5(1)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
123	2.5(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
124	2.5(3)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
125	2.5(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
126	2.5(5)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
127	2.6(1)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
128	2.6(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
129	2.6(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
130	2.6(4)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
131	2.6(5)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
132	2.6(6)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
133	2.6(7)and2.6(8)	Moderate	Probable	Medium	Moderate	Priority 4	✓					

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
134	2.7(1)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
135	2.7(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
136	2.7(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
137	2.7(4)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
138	2.7(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
139	2.8	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 3 Connection</b>												
140	3.1(1)	As this clause refers to the relationship between a retailer and a distributor it is not applicable as Horizon Power is both the distributor and retailer under the integrated regional licence.										
141	3.1(2)											
<b>Part 4 Billing</b>												
142	4.1	Moderate	Probable	Medium	Weak	Priority 3			✓			
143	4.2(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
144	4.2(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
145	4.2(4)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
146	4.2(5)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
147	4.2(6)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
148	4.3(1)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
149	4.3(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
150	4.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
151	4.5(1)	Moderate	Probable	Medium	Weak	Priority 3			✓			
152	4.5(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
153	4.6(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
154	4.6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
155	4.7	Minor	Probable	Low	Weak	Priority 5						✓
156	4.8(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
157	4.8(2)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
158	4.8(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
159	4.9	Moderate	Probable	Medium	Moderate	Priority 4						✓
160	4.1	Minor	Probable	Low	Moderate	Priority 5						✓



No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
161	4.11(1)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
162	4.11(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
163	4.12(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
164	4.13	Moderate	Probable	Medium	Moderate	Priority 4				✓		
165	4.14(1)	Clause is not applicable as it does not impose an obligation on Horizon Power.										
166	4.14(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
167	4.15(1)	Minor	Probable	Low	Moderate	Priority 5						✓
168	4.15(2)	Moderate	Probable	Medium	Weak	Priority 3					✓	
169	4.16	Moderate	Probable	Medium	Moderate	Priority 4						✓
170	4.17(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
171	4.17(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
172	4.18(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
173	4.19(2)	Minor	Probable	Low	Moderate	Priority 5						✓
174	4.19(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
175	4.19(4)	Minor	Probable	Low	Moderate	Priority 5						✓
<b>Part 5 Payment</b>												
176	5.1	Moderate	Probable	Medium	Weak	Priority 3						✓
177	5.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
178	5.2(2)	Moderate	Probable	Medium	Weak	Priority 3				✓		
179	5.3	Moderate	Probable	Medium	Moderate	Priority 4	✓					
180	5.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
181	5.5	Moderate	Probable	Medium	Moderate	Priority 4						✓
182	5.6(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
183	5.6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
184	5.6(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
185	5.7(1)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
186	5.7(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
187	5.7(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
188	5.8(1)	Moderate	Probable	Medium	Weak	Priority 3						✓

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
189	5.8(2)	Moderate	Probable	Medium	Weak	Priority 3					✓	
190	5.8(3)	Moderate	Probable	Medium	Weak	Priority 3					✓	
<b>Part 6 Payment difficulties and financial hardship</b>												
191	6.1(1)	Moderate	Probable	Medium	Weak	Priority 3					✓	
192	6.1(2)	Minor	Probable	Low	Weak	Priority 5						✓
193	6.1(3)	Moderate	Probable	Medium	Weak	Priority 3						✓
194	6.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
195	6.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
196	6.2(3)	Minor	Probable	Low	Moderate	Priority 5						✓
197	6.3	Moderate	Probable	Medium	Moderate	Priority 4						✓
198	6.4(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
199	6.4(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
200	6.6(1)	Minor	Probable	Low	Moderate	Priority 5						✓
201	6.6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
202	6.7	Minor	Probable	Low	Moderate	Priority 5						✓
203	6.8	Moderate	Probable	Medium	Moderate	Priority 4						✓
204	6.9(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
205	6.9(2)	Minor	Probable	Low	Moderate	Priority 5						✓
206	6.10(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
207	6.10(2)	Moderate	Probable	Medium	Weak	Priority 3						✓
208	6.10(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
209	6.10(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
210	6.11	Moderate	Probable	Medium	Weak	Priority 3						✓
<b>Part 7 Disconnection</b>												
211	7.1	Moderate	Probable	Medium	Weak	Priority 3			✓			
212	7.2	Moderate	Probable	Medium	Weak	Priority 3					✓	
213	7.3	Clause is not applicable as Horizon Power does not engage in dual fuel contracts.										
214	7.4	Moderate	Probable	Medium	Weak	Priority 3						✓
215	7.5	Moderate	Probable	Medium	Weak	Priority 3						✓

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating				
							N/R	1	2	3	4
<b>Part 8 Reconnection</b>											
219	8.1(1)	Moderate	Probable	Medium	Weak	Priority 3					✓
220	8.1(2)	As this clause refers to the relationship between a retailer and a distributor it is not applicable as Horizon Power is both the distributor and retailer under the integrated regional licence.									
221	8.2	Moderate	Probable	Medium	Weak	Priority 3		✓			
<b>Part 9 Pre-payment meters in remote communities</b>											
224	9.3(1)	Moderate	Probable	Medium	Weak	Priority 3				✓	
225	9.3(2)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
226	9.4	Moderate	Probable	Medium	Weak	Priority 3				✓	
229	9.6	Moderate	Probable	Medium	Moderate	Priority 4				✓	
230	9.7	Moderate	Probable	Medium	Moderate	Priority 4				✓	
231	9.8	Moderate	Probable	Medium	Moderate	Priority 4				✓	
232	9.9(1)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
233	9.9(2)	Minor	Probable	Low	Moderate	Priority 5				✓	
234	9.9(3)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
235	9.9(4)	Minor	Probable	Low	Moderate	Priority 5				✓	
236	9.9(6)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
237	9.1	Moderate	Probable	Medium	Moderate	Priority 4				✓	
<b>Part 10 Information and communication</b>											
238	10.1(1)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
239	10.1(2)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
240	10.1(3)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
241	10.2(1)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
242	10.2(2)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
243	10.2(3)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
244	10.2(4)	Moderate	Probable	Medium	Moderate	Priority 4				✓	
245	10.3	Moderate	Probable	Medium	Moderate	Priority 4				✓	
246	10.4	Moderate	Probable	Medium	Moderate	Priority 4				✓	
247	10.5	Moderate	Probable	Medium	Moderate	Priority 4				✓	
248	10.6	Moderate	Probable	Medium	Strong	Priority 4				✓	

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
249	10.7(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
250	10.7(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
251	10.7(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
252	10.7(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
253	10.8(1)	Moderate	Probable	Medium	Weak	Priority 3						✓
254	10.8(2)	Moderate	Probable	Medium	Weak	Priority 3						✓
255	10.9	Minor	Probable	Low	Moderate	Priority 5						✓
256	10.10(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
257	10.10(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
258	10.10(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
259	10.11(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
260	10.11(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
261	10.12(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
262	10.12(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 11 Customer service charter</b>												
263	11.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
264	11.1(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
265	11.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
266	11.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 12 Complaints and dispute resolution</b>												
267	12.1(1)	Moderate	Probable	Medium	Moderate	Priority 4				✓		
268	12.1(2)	Moderate	Probable	Medium	Weak	Priority 3				✓		
269	12.1(3)	Moderate	Probable	Medium	Weak	Priority 3						✓
270	12.2	Moderate	Probable	Medium	Moderate	Priority 4				✓		
271	12.3	Moderate	Probable	Medium	Moderate	Priority 4						✓
272	12.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 13 Record keeping</b>												
273	13.1	Moderate	Probable	Medium	Weak	Priority 3				✓		
274	13.2	Moderate	Probable	Medium	Weak	Priority 3				✓		

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
275	13.3(1)	Moderate	Probable	Medium	Weak	Priority 3			✓			
276	13.3(2)	Moderate	Probable	Medium	Weak	Priority 3			✓			
277	13.4	Moderate	Probable	Medium	Moderate	Priority 4			✓			
278	13.5	Moderate	Probable	Medium	Moderate	Priority 4						✓
279	13.6	Moderate	Probable	Medium	Weak	Priority 3						✓
280	13.7	Moderate	Probable	Medium	Weak	Priority 3			✓			
281	13.8	Moderate	Probable	Medium	Weak	Priority 3			✓			
282	13.9	Moderate	Probable	Medium	Weak	Priority 3						✓
283	13.10(1)	Moderate	Probable	Medium	Weak	Priority 3			✓			
284	13.10(2)	Moderate	Probable	Medium	Weak	Priority 3			✓			
285	13.11	Moderate	Probable	Medium	Moderate	Priority 4			✓			
286	13.12	Moderate	Probable	Medium	Moderate	Priority 4						✓
287	13.13	Moderate	Probable	Medium	Weak	Priority 3			✓			
288	13.14	Moderate	Probable	Medium	Weak	Priority 3						✓
289	13.15(1)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
290	13.15(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 14 Service standard payments</b>												
291	14.1(1)	Moderate	Probable	Medium	Weak	Priority 3						✓
292	14.1(2)	Moderate	Probable	Medium	Weak	Priority 3	✓					
293	14.2	Moderate	Probable	Medium	Weak	Priority 3						✓
294	14.3(1)	Moderate	Probable	Medium	Weak	Priority 3					✓	
295	14.3(2)	Moderate	Probable	Medium	Weak	Priority 3	✓					
296	14.4(1)	Moderate	Probable	Medium	Weak	Priority 3					✓	
297	14.4(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
298	14.6(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
299	14.6(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
<b>15 Electricity Industry Metering Code</b>												
<b>Part 2 Code objectives and arms-length treatment</b>												
300	2.2(1)(a)	Minor	Unlikely	Low	Moderate	Priority 5	✓					

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
301	2.2(1)(b)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
<b>Part 3 - Meters and metering installations</b>												
302	3.1	Moderate	Probable	Medium	Weak	Priority 3			✓			
303	3.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
304	3.3(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
305	3.3(3)	Moderate	Probable	Medium	Weak	Priority 3						✓
306	3.5(1) and (2)	Moderate	Probable	Medium	Weak	Priority 3						✓
307	3.5(3)	Moderate	Probable	Medium	Weak	Priority 3			✓			
308	3.5(4)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
309	3.5(6)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
310	3.5(9)	Moderate	Probable	Medium	Weak	Priority 3				✓		
311	3.7	Moderate	Probable	Medium	Moderate	Priority 4						✓
312	3.8	Moderate	Probable	Medium	Moderate	Priority 4						✓
313	3.9(3)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
314	3.9(7)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
315	3.9(9)	Moderate	Probable	Medium	Moderate	Priority 4						✓
316	3.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
317	3.11(1)	Moderate	Probable	Medium	Weak	Priority 3					✓	
318	3.11(2)	Moderate	Probable	Medium	Weak	Priority 3	✓					
319	3.11(3)	For the purposes of this clause, Horizon Power as the Code participant is not separate to the network operator, therefore not applicable.										
320	3.12(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
321	3.12(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
322	3.12(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
323	3.12(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
324	3.13(1)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
325	3.13(c)	Moderate	Probable	Medium	Moderate	Priority 4						✓
326	3.13(4)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
327	3.14(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
328	3.16(1)	Obligations 328 to 332 are not applicable as they specifically apply to the SWIS.										

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating							
							N/R	1	2	3	4	5		
329	3.16(2)													
330	3.16(3)													
331	3.16(5)													
332	3.16(6)													
333	3.18(1)	Obligation is not applicable as it specifically applies to the Electricity Retail Corporation.												
334	3.20(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓							
335	3.20(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓							
336	3.21(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓		
337	3.21(2)	Moderate	Probable	Medium	Moderate	Priority 4								✓
338	3.22	Moderate	Probable	Medium	Moderate	Priority 4								✓
339	3.23(a)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓							
340	3.23(b)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓							
341	3.25	Moderate	Probable	Medium	Moderate	Priority 4								✓
343	3.29	Moderate	Probable	Medium	Weak	Priority 3								✓
<b>Part 4 - The metering database</b>														
344	4.1(1)	Moderate	Probable	Medium	Weak	Priority 3								✓
345	4.1(2)	Moderate	Probable	Medium	Moderate	Priority 4								✓
346	4.1(3)	Moderate	Probable	Medium	Weak	Priority 3								✓
347	4.2(1)	Obligation is not applicable as specifically applies to the SWIS.												
348	4.3(1)	Moderate	Probable	Medium	Moderate	Priority 4								✓
349	4.4(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓							
350	4.5(1)	For the purposes of this clause, Horizon Power as the Code participant is not separate to the network operator, therefore obligation is not applicable.												
352	4.6(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓							
353	4.6(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓							
354	4.7	Moderate	Unlikely	Medium	Moderate	Priority 4	✓							
355	4.8(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓							
356	4.8(4)	Moderate	Probable	Medium	Moderate	Priority 4								✓
357	4.8(5)	Moderate	Probable	Medium	Moderate	Priority 4								✓

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
358	4.9	Moderate	Probable	Medium	Weak	Priority 3						✓
<b>Part 5 - Metering services</b>												
359	5.1 (1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
360	5.1(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
361	5.3	Moderate	Probable	Medium	Weak	Priority 3			✓			
362	5.4(1)	Minor	Probable	Low	Weak	Priority 5						✓
364	5.5(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
366	5.6(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
367	5.7	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
368	5.8	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
369	5.9	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
370	5.1	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
371	5.11	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
372	5.12(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
373	5.13	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
374	5.14(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
375	5.15	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
383	5.19(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
385	5.20(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
386	5.20(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
387	5.20(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
388	5.21(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
389	5.21(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
392	5.21(8)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
393	5.21(9)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
394	5.21(11)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
395	5.21(12)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
396	5.22(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
397	5.22(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓



No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
398	5.22(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
399	5.22(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
400	5.22(5)	Moderate	Probable	Medium	Moderate	Priority 4						✓
401	5.22(6)	Moderate	Probable	Medium	Moderate	Priority 4						✓
402	5.23(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
403	5.23(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
404	5.24(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
405	5.24(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
406	5.24(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
407	5.24(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
408	5.25	Moderate	Probable	Medium	Moderate	Priority 4						✓
410	5.29	Moderate	Probable	Medium	Moderate	Priority 4						✓
411	5.30(1)	Moderate	Unlikely	Medium	Weak	Priority 3						✓
412	5.31(1)	The obligation is on the Electricity Networks Corporation, not the Regional Electricity Corporation.										
413	5.31(2)											
414	5.34(2)											
<b>Part 6 – Documentation</b>												
415	6.1(1)	Moderate	Probable	Medium	Weak	Priority 3			✓			
417	6.20(4)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
<b>Part 7 - Notices and confidential information</b>												
418	7.2(1)	Obligation sits with the Code participant not Horizon Power.										
419	7.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
420	7.2(4)	Obligation sits with the Code participant not Horizon Power.										
421	7.2(5)											
422	7.5											
423	7.6(1)											
<b>Part 8 - Dispute resolution</b>												
424	8.1(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
425	8.1(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					

No.	Obligation (clause/ section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							N/R	1	2	3	4	5
426	8.1(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
427	8.1(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
428	8.3(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
<b>16 Electricity Industry (Network Quality and Reliability of Supply) Code</b>												
429	5(1)	Minor	Probable	Low	Moderate	Priority 5						✓
430	8	Minor	Probable	Low	Moderate	Priority 5						✓
431	9	Minor	Probable	Low	Moderate	Priority 5						✓
432	10(1)	Minor	Probable	Low	Moderate	Priority 5						✓
433	10(2)	Minor	Probable	Low	Moderate	Priority 5						✓
434	12(3)	Moderate	Probable	Medium	Weak	Priority 3						✓
435	13(2)	Minor	Probable	Low	Moderate	Priority 5						✓
436	13(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
437	14(8)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
438	15(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
439	18	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
440	19	Moderate	Probable	Medium	Weak	Priority 3				✓		
441	21(1)	Moderate	Probable	Medium	Weak	Priority 3						✓
442	21(2)	Moderate	Probable	Medium	Weak	Priority 3			✓			
443	21(3)	Moderate	Probable	Medium	Weak	Priority 3			✓			
444	23(1)	Minor	Probable	Low	Moderate	Priority 5						✓
445	23(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
446	24(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
447	24(4)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
448	25(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
449	25(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
450	26	Moderate	Unlikely	Medium	Strong	Priority 4						✓
451	27(1)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
452	27(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓

# 4 Detailed findings, recommendations and action plans

The following sections are broken into the relevant Codes that require an assessment of Horizon Power's compliance. The sections are:

1. Type 1 Reporting obligations for all licence types
2. Electricity Industry (Customer Transfer) Code
3. Electricity Industry (Obligation to Connect) Code
4. Electricity Industry (Licence Conditions) Regulations
5. Electricity Industry Act
6. Electricity Licences – Licence Conditions and Obligations
7. Code of Conduct
8. Electricity Industry Metering Code
9. Electricity Industry (Network Quality and Reliability of Supply) Code.

Each section contains:

- **Background** – where it is deemed appropriate, a brief background is provided to assist in developing the context for the assessed levels of compliance
- **Not applicable obligations** – an outline of and the reasons as to why the obligations were assessed as not applicable
- **Not rateable obligations** – the obligations assessed as not rated for the audit period and reasons for this assessment
- **Assessment of compliance** – the conclusions from our audit procedures and a determination of Horizon Power's compliance with the applicable obligations. These tables include:
  - **findings** – the auditor's understanding of the process and any issues that have been identified during the audit
  - **recommendations** – recommendations for improvement or enhancement of the process or control
  - **action plans** – Horizon Power's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit.

## 4.1 Type 1 Reporting obligations for all licence types

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Horizon Power's operations for the period subject to audit.

### Obligations determined to be not rateable

Horizon Power's compliance with the following obligation could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
223	The Regulation Compliance Coordinator confirmed that the Minister has not determined any criteria pertaining to the Priority Restoration Register; therefore the clause is not assessable for the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Horizon Power's compliance with the relevant obligations of the Type 1 Reporting Obligations for all Licence Types.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	1			1	1	4	7

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligation that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
216	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	Compliant – 3	<p>Through discussion with the Manager Customer Care and ServiceWorks Customer Service Manager and walkthrough of Horizon Power's disconnection processes, we observed that Horizon Power's processes and procedures are designed for:</p> <ul style="list-style-type: none"> <li>• Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection</li> <li>• Disconnections not to be arranged for after 12pm on Fridays or after 3pm on other business days. We understand that Horizon Power's standard business practice is for Field Officers to: <ul style="list-style-type: none"> <li>○ Finish work at 3pm on weekdays</li> <li>○ Not arrange disconnections on a Friday</li> <li>○ Perform disconnections using the disconnection Service Order produced by the Velocity system, which is forwarded to the regional office then returned to ServiceWorks for processing.</li> </ul> </li> </ul> <p>We observed that the time at which a disconnection is performed by a Field Officer is not recorded on the completed Service Order and therefore not captured in system records. Without the disconnection time being recorded, it is difficult for Horizon Power to demonstrate that the timing requirements are met for all disconnections. Our testing of 15 disconnections completed during the period subject to audit included three recorded as being performed on a Friday, which is contrary to the standard business practice described above and suggests Horizon Power may be exposed to breaching its obligations if its business practices are not upheld.</p>
	<p><b>Recommendation 1/09</b></p> <p>Horizon Power:</p> <p>(a) Require field staff to record the time of the disconnection</p> <p>(b) Formally communicate to all field staff the importance of performing disconnections in the times designated by the Code and of recording the time of disconnection. A specific disconnection policy and/or procedure could be developed for this purpose.</p>		<p><b>Action Plan 1/09</b></p> <p>(a) Include these requirements in an agreed written contract management document between Horizon Power and AMRS and monitor and report monthly.</p> <p>(b) Formally advise all contractors involved in these works of the requirements, and regularly review at monthly meetings. Record any breaches of these requirements at the time of Service order completion and review at monthly meetings.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>

No	Obligation under Condition	Compliance Rating	Findings
217	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.	Compliant – 5	Through discussions with the ServiceWorks Customer Service Manager, examination of Horizon Power's Disconnection Process Documents, walkthrough of procedures for recognising and recording supply addresses with life support equipment requirements and testing of life support records, we observed that Horizon Power has policies, procedures and systems in place for the management and handling of customers requiring life support equipment, particularly to ensure customers requiring life support equipment are identified, registered and not subjected to disconnection for failure to pay a bill. Relevant processes and procedures include:
218	A distributor must undertake the actions specified in circumstances where the distributor has been informed by a retailer or a relevant government agency that a person residing at a customer's supply address requires life support equipment.	Compliant – 5	<ul style="list-style-type: none"> <li>• Those customers requiring life support systems are assigned a 'life' critical Code in Velocity. If a disconnection Service Order is attempted to be processed for a 'life' customer, the system will not permit the order to be completed</li> <li>• Service Works provides an updated file (uploaded into Velocity) of life support customers on a monthly basis and immediately following a cyclone yellow alert</li> <li>• Life support customer information is sent to Western Power for its records and registers via a system update</li> <li>• The regional offices have access to Velocity giving them access to the most up to date life support customer information</li> <li>• In the event of a supply interruption, customers requiring life support equipment are prioritised to be given advance notification. As Horizon Power deals with customers in regional areas, telephone calls are considered to be the most efficient manner to communicate the outage to the customer.</li> </ul>
222	A distributor must create and maintain a Priority Restoration Register.	Compliant – 5	Through discussions with the Manager Systems Operations and examination of regional contingency plans and Horizon Power's Priority Restoration Register, we observed that Horizon Power has developed and maintains its Priority Restoration Register in conjunction with its regional contingency plans.
227	A retailer must not operate a pre-payment meter at the supply address of a residential customer if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment.	Compliant – 5	Through discussions with the Customer Support Coordinator-Remote Communities and the ServiceWorks Customer Service Manager, we observed that Horizon Power has procedures in place to ensure that the supply address for a customer requiring life support system is not connected via a pre-payment meter. The Customer Support Coordinator is aware of the requirements and the customer information collected during her visits to remote communities allows her to determine the suitability of pre-payment meter for the customers.  Of our sample testing of customers registered as requiring life support equipment, none were at supply addresses connected via a pre-payment meter.

No	Obligation under Condition	Compliance Rating	Findings
228	If a prepayment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must undertake the actions specified.	Compliant – 4	<p>Through discussions with the Customer Support Coordinator-Remote Communities and the Manager Customer Care and walkthrough of disconnection processes, we observed that in order to meet the requirements of this obligation, Horizon Power has procedures in place to change a customer from an existing pre-payment meter to a normal credit meter (at no cost) by:</p> <ul style="list-style-type: none"> <li>• When notified by the customer or a representative of the customer that the customer requires life support equipment, obtaining documentation from a medical practitioner to verify the customer's request</li> <li>• Reprogramming the meter</li> <li>• Assigning a 'life' critical code in Velocity.</li> </ul> <p>From our examination and testing of Horizon Power's register of customers requiring life support equipment, there were no customers on the register who were also on prepayment meters.</p> <p>This audit also sought to test the steps applied by Horizon Power to move a customer from a prepayment meter to a credit meter. The Velocity system is not readily able to provide a record of those customers who were moved from a prepayment meter to a credit meter during the period under audit and accordingly, were unable to confirm whether Horizon Power had undertaken the required actions to reprogram the meter and to inform the customer of their contract options.</p>
	<p><b>Recommendation 2/09</b></p> <p>To demonstrate full compliance with this Type 1 compliance obligation, Horizon Power consider implementing a regular (e.g. quarterly) report of customers who have moved from prepayment meters to credit meters due to life support system requirements.</p>		<p><b>Action Plan 2/09</b></p> <p>Metering and Billing Services to develop a:</p> <ul style="list-style-type: none"> <li>• Register of requests to change from a prepayment meter to a credit meter for any reason</li> <li>• Quarterly summarised report of types of change requests.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services  <b>Target Date:</b> 30 April 2010</p>

## 4.2 Electricity Industry (Customer Transfer) Code

### Background

For the purposes of this audit period, the customer transfer Code is not relevant to Horizon Power's operations. The Manager Metering Services confirmed that there:

- Are no users (as defined by the Metering Code) connected to Horizon Power's network
- Have been no transfers of customers during the period subject to audit.

From discussions with the Manager Metering Services, it is evident that the business would be responsive to the requirements of the Code should the need arise. Horizon Power currently has the ability to transfer customers, but it is not needed. Horizon Power does not maintain procedures about customer transfers, as they are not relevant to the business. When questioned about a customer requesting a transfer, the Manager Metering Services commented that the request would be forwarded to the contracts department who are aware of such matters.

### Obligations determined to be not applicable

The following obligations are not applicable to Horizon Power's operations for the period subject to audit.

Obligation	Reason
6- 9, 23-30, 49, 52, 53	Obligations are not applicable to Horizon Power's operations as they specify a requirement for a retailer to act in relation to a network operator. Horizon Power acts as both the retailer and network operator.

### Obligations determined to be not rateable

Horizon Power's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
1, 2	As Horizon Power services contestable customers, it is possible for a competing retailer to enter the market. Until such time, the need for arm's length dealings is not relevant to Horizon Power's operations and these obligations cannot be rated for the period subject to audit.
3-5, 10-22, 31-39, 41-48, 50, 51, 54-71.	As Horizon Power services contestable customers, it is possible for a competing retailer to enter and therefore trigger the Code's requirements of a network operator. As Horizon Power is currently the sole retailer operating in its licensed areas, customer transfers cannot occur and these obligations cannot be rated for the period subject to audit.
40	The Manager Metering Services confirmed that there has been no access contracts granted; therefore this obligation cannot be rated for the period subject to audit.

### Assessment of compliance

As all obligations have either been assessed as not applicable or not rateable, Horizon Power's compliance is therefore not assessable.



## 4.3 Electricity Industry (Obligation to Connect) Code

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Horizon Power's operations for the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Horizon Power's compliance with the relevant obligations of the Obligation to Connect Code.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
				1		5	6

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
72	A distributor must attach or connect premises to a distribution system if a retailer or customer takes certain action and the circumstances in regulation 5(1) of the Electricity Industry (Obligation to Connect) Regulations exist.	Compliant – 5	<p>The Manager Metering Services confirmed that Horizon Power connects customers once they have applied for connection. The Regional Electricity Supply and Extension manual outlines Horizon Power’s actions in the event of a connection. Section 3 of the policy states that “applications for connection to Horizon Power’s networks are first assessed in terms of whether or not Horizon Power’s ability to provide an electricity supply under the Horizon Power’s Integrated Regional Licence”. Should the connection be within Horizon Power’s footprint, and it is not required to extend the distribution system greater than 100 metres, the customer is connected.</p> <p>In relation to <i>obligations 72 to 74</i>, we note that the Manager Asset Strategy and Capability advised that the Network Supply and Extension manual is business functional, although it currently remains in draft format. We consider that the manual’s draft status does not have a material impact on Horizon Power’s level of compliance with its obligations.</p>
73	A distributor that is obliged to attach or connect premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must extend the distribution system to a suitable connection point.	Compliant – 5	The Horizon Power Network Supply and Extension manual provides for the circumstances where a customer may be required to pay for the costs of extending the distribution system to a suitable connection point. The Generic Full costs – Customer Funded process map provide step by step guidance on this process and persons involved. Where the Licence boundary is required to be extended, an application is made to the Authority to extend its boundary.
74	The capacity and standard of an extension must be adequate for the supply required and in accordance with accepted good industry practice as it would be applied by a prudent distributor.	Compliant – 5	<p>The Manager Metering Services confirmed that all connections and practices followed are aligned to Western Australian Electricity Standards. The Horizon Power Network Supply and Extension manual references a number of publications that were used for its development, for example:</p> <ul style="list-style-type: none"> <li>• Western Australian Electrical Requirements – Published by Energy Safety WA</li> <li>• Electricity Distribution Regulations 1997</li> <li>• Electricity Industry (Obligation to Connect) Regulations 2005</li> <li>• Electricity Industry (Code of Conduct) Regulations 2005</li> <li>• Electricity (Supply Standards and System Safety) Regulations 2001</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
75	A distributor that is obliged to attach or connect premises to the distribution system under regulation 4 of the Electricity Industry (Obligation to Connect) Regulations must do so within a defined timeframe.	Compliant – 3	<p>Horizon Power’s business as usual process is to connect the customer as soon as possible. The connection date is typically agreed with the customer up front. Horizon Power only connects the customer upon application and the connection Service Order generated in Velocity is forwarded to Regional Offices. Once connected, the Service Order is completed and forwarded to ServiceWorks to update the system.</p> <p>From discussions with the Manager Metering Services, review of procedural guidance, sample testing and consideration of the MBS and Velocity systems, we determined that:</p> <ul style="list-style-type: none"> <li>• There have been no instances (to the Manager Metering Services’ knowledge) where Horizon Power has exceeded expected timeframes. Our sample testing indicated that sampled connections occurred within required timeframes</li> <li>• Horizon Power will make contact with customers to set dates for work, so the 20 day timeframe is not applicable, as work has been scheduled with customer’s knowledge</li> <li>• Horizon Power is investigating the possibility of bringing MBS in house and that these issues will be resolved</li> </ul> <p>The Manager Metering Services advised that until recently, staff had not consistently recorded all dates relevant to connections in MBS. Without these records, Horizon Power has not been able to differentiate between the:</p> <ul style="list-style-type: none"> <li>• Date used to start the 20 day timeframe (being the date of customer application)</li> <li>• Agreed timing with customers (where Horizon Power contacts the customer in relation to the connection)</li> <li>• Timeframe required for the inspection of contractors’ connection work.</li> </ul> <p>As the real time status of Service Orders is difficult to determine, Horizon Power is challenged to demonstrate that it meets all connection timing requirements.</p> <p>This matter was disclosed in Horizon Power’s 2007/08 compliance report to the Authority, with a resolution expected to be implemented by 30 June 2009. The resolution has not been achieved as the necessary system reports remain unavailable.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 3/09</b></p> <p>Horizon Power formalise its procedures for:</p> <ul style="list-style-type: none"> <li>ensuring that staff consistently record the respective dates of customer application for connection, agreements with customers, connection completion and inspection</li> <li>monitoring customer connection timeframes, including the use of manual methods until such time as automated monitoring is possible.</li> </ul>		<p><b>Action Plan 3/09</b></p> <p>(a) Work practices for recording all dates relevant to connection applications to be confirmed and communicated to Metering Services staff</p> <p>(b) A spreadsheet to be developed in which:</p> <ul style="list-style-type: none"> <li>All connections are recorded.</li> <li>Details of the dates of completion, dates of agreement with customer, or dates of inspection are recorded and reported.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services  <b>Target Date:</b> 30 April 2010</p>
76	A distributor must energise premises in certain prescribed circumstances.	Compliant – 5	<p>For the purpose of obligations 76 and 77, Horizon Power acts as both a retailer and distributor in first receiving customer connection requests and then in performing the actual energisation of premises.</p> <p>From discussions with the Manager Metering Services, we determined that Horizon Power's Velocity customer information system and MBS facilitate the flow of service orders to ensure customer connection requests (generated as an automated market file document) are issued by MBS and recorded in Velocity. Exception reports are also generated to identify open and rejected service orders.</p> <p>The Manager Metering Services advised that procedures for recording and managing connection and energisation requirements are to be documented. We consider that the intent to document such procedures does not have a material impact on Horizon Power's level of compliance with these obligations.</p>
77	A distributor that is obliged to energise premises must do so within a defined timetable.	Compliant – 5	

## 4.4 Electricity Industry (Licence Conditions) Regulations

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Horizon Power's operations for the period subject to audit.

### Obligations determined to be not rateable

Horizon Power's compliance with the following obligation could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
80	Confirmed from discussions with the Product Manager that the Coordinator has made no request for the amendment of its contracts during the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Horizon Power's compliance with the relevant obligations of the Regulations.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	1					2	3

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligation that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
78	The electricity corporation must offer to purchase renewable source electricity, under an approved contract, from an eligible customer who wishes to sell such electricity to the corporation.	Compliant – 5	<p>Through discussion with the Product Manager, consideration of Horizon Power’s contractual arrangements for the purchase of renewable energy from customers and examination of Horizon Power’s Renewable Energy Buyback Scheme, we determined that Horizon Power has:</p> <ul style="list-style-type: none"> <li>• customers, as defined by the Electricity Industry (Licence Conditions) Regulations 2005, who are eligible to sell renewable source electricity to Horizon Power under an approved contract. The Product Manager advised that the Renewable Energy Buyback Scheme had grown over the last few years</li> <li>• demonstrated a commitment to purchasing renewable electricity from eligible customers, upon application and if specific eligibility requirements are confirmed through the application and approval process</li> <li>• established an approved contract for the purchase of renewable source electricity, which was last revised, with the advice of Freehills lawyers, and approved by the Office of Energy in September 2009.</li> </ul>
79	The electricity corporation must, as soon as practicable after the end of each financial year, submit a written report to the Coordinator regarding its costs in purchasing renewable source electricity under approved contracts.	Compliant – 5	<p>Through discussion with the Product Manager, we determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power submitted written reports to the Office of Energy (Coordinator) for each of the financial years ending 30 June 2008 and 30 June 2009</li> <li>• the Product Manager is responsible for the development of the report, which is approved by the Manager – Marketing and Product Development.</li> </ul>

## 4.5 Electricity Industry Act

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Horizon Power's operations for the period subject to audit.

### Obligations determined to be not rateable

Horizon Power's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
89	The Manager Customer Care Operations confirmed that Horizon Power has not been required to amend its standard form contract during the period subject to audit.
90- 92	The Regulation Compliance Coordinator confirmed that the Coordinator has not issued Horizon Power with any instruction for developing or amending a draft extension and expansion policy by. As Horizon Power has developed a draft Electricity Supply and Extension Policy, which is pending third party review prior to approval, the Manager Asset Strategy and Capability also confirmed that Horizon Power has not been directed to amend its draft Policy.
93	The Regulation Compliance Coordinator confirmed that Horizon Power has not been designated as a supplier of last resort. Until such time, this clause remains not rateable.
95, 96	Horizon Power does not operate in a regulated/covered electricity network and therefore there are currently no other users who have access to the network. Therefore this clause is not assessable for the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Horizon Power's compliance with the relevant obligations of the Electricity Industry Act.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	7					9	16

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
81	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	Compliant – 5	This is the second audit conducted by an independent third party since the granting of the Licence in 2006. Deloitte was appointed, with the Authority's approval to undertake the audit.
82	A licensee must provide for an asset management system.	Compliant – 5	From discussions with the Technical Regulation Engineer, it is evident that Horizon Power has a functioning asset management system. This system is administered at different functional levels across the business, with the Manager Asset and Works Strategy as the designated owner.
83	A licensee must notify details of the asset management system and any substantial changes to it to the Authority.	Compliant – 5	The Technical Regulation Engineer confirmed that Horizon Power notified the Authority of its asset management system as part of its application for the Licence. The Technical Regulation Engineer also confirmed that there has been no substantial changes to the system during the period subject to audit.
84	A licensee must provide the Authority with a report by an independent expert as to the effectiveness of its asset management system every 24 months, or such longer period as determined by the Authority.	Compliant – 5	We sighted formal correspondence with the Authority, which identified that Company Overdrive Holdings t/a Qualeng was appointed, with the Authority's approval, as the independent expert to undertake an asset management system review for the 18 months ending 30 September 2009. The report is due to be presented to the Authority by 31 December 2009.
85	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	Compliant – 5	Confirmed compliance by obtaining evidence of payment of the most recent licence fees.
86	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.	Compliant – 5	Horizon Power maintains a Crisis, Emergency & Business Continuity Management System. The plan commits Horizon Power to maintaining continuity of supply, safe and secure operations. The plan is broken into three different sections, these being the system, crisis management plan and a division emergency management plan.  Appendix A of the Crisis Management Plan (CMP) outlines specific actions to be taken for supply emergencies. The Senior Internal Auditor advised that the CMP is tested annually by a third party provider.  From discussions with the Manager Metering Services, Horizon Power Managers are notified of significant disruptions as and when they occur.



No	Obligation under Condition	Compliance Rating	Findings
87	A licensee must pay the costs of taking an interest in land or an easement over land.	Compliant – 5	<p>The Land and Approvals Coordinator confirmed that:</p> <ul style="list-style-type: none"> <li>• Horizon Power own a number of properties on which it conducts its operations, as well as a number of easements</li> <li>• Payments made in relation to easements or purchasing of land are made from appropriate project allowances, or as required, Horizon Power costs the requirement</li> <li>• Policies for this process are currently being prepared.</li> </ul>
88	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract.	Compliant – 5	<p>Via discussion with the Team Leader Customer Connections and walkthrough of Horizon Power's customer account set up procedures, we determined that Horizon Power is only able to provide electricity to small use customers under the Standard Form Contract approved by the Authority.</p> <p>The latest version of the Standard Form Contract (April 2008) is found on the Authority's website and Horizon Power's website.</p>
94	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.	Compliant – 5	<p>Horizon Power:</p> <ul style="list-style-type: none"> <li>• Has been granted an EIRL</li> <li>• The licence precludes Horizon Power from supplying electricity to a small use customers unless it is a member of the approved electricity ombudsman scheme to which it is bound to comply with requirements in relation to customer complaints handling</li> <li>• Horizon Power is an electricity industry member of the ombudsman scheme.</li> </ul>

## 4.6 Electricity Licences – Licence Conditions and Obligations

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Horizon Power's operations for the period subject to audit.

### Obligations determined to be not rateable

Horizon Power's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
98	The Regulation Compliance Coordinator advised that Horizon Power has not been aware of any breaches of the applicable Code requirements. Should the need arise; the Regulation Compliance Coordinator is responsible for reporting the breach to the Authority within the required timeframes.
99	Confirmed via discussions with the Manager Customer Care Operations that Horizon Power has not been requested by the Authority to amend its Standard Form contract in the period subject to audit.
100	As Horizon Power has not been requested to review the Standard Form contract, this clause is not rateable.
106	The Manager Customer Care Operations confirmed that Horizon Power has not been prescribed individual performance standards by the Authority.
109	During the period 1 April 2008 to 30 September 2009, Horizon Power was not under external administration and had not undergone any significant change in circumstances upon which its Licence was granted, which may affect its ability to meet its licence obligations. Accordingly there was no obligation to report to the Authority.
111	During the period 1 April 2008 to 30 September 2009, the Authority did not direct Horizon Power to publish any information in accordance with clause 30 of Horizon Power's Licence.

### Assessment of compliance

The table below summarises the audit's assessment of Horizon Power's compliance with the relevant obligations of the Licence Conditions and Obligations.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	6		1	1		8	16

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
97	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable Codes.	Compliant – 3	<p>Horizon Power does not undertake marketing activities for the purposes of competing with other retailers, however the Code of Conduct does consider relevant employees and ServiceWorks' Customer Service Representatives (CSRs) to be "marketing representatives" as they act on behalf of Horizon Power:</p> <ul style="list-style-type: none"> <li>• "for the purpose of obtaining new customers" or</li> <li>• "in dealings with existing customers in relation to contracts for the supply of electricity"</li> </ul> <p>We have interpreted the Code of Conduct to impose those related marketing obligations on Horizon Power's marketing representatives.</p> <p>Horizon Power's contract with ServiceWorks states "ServiceWorks must provide Horizon Power the training in accordance with Item 3 of Schedule 1" where Schedule 1 is in relation to services provided by ServiceWorks. This contractual requirement does not sufficiently accommodate the requirement for ServiceWorks CSRs to be trained in the marketing related obligations of the Code of Conduct.</p> <p>ServiceWorks Customer Service Manager advised that CSRs are informed of the requirements to comply with the marketing related obligations of the Code of Conduct, however such advice/training is not evidenced.</p> <p>Also, Horizon Power has not yet established a mechanism for active monitoring of compliance levels for marketing activities.</p> <p><i>Note: This finding, recommendation and implementation plan also relates to obligation 113.</i></p>
	<p><b>Recommendation 4/09</b></p> <p>Horizon Power:</p> <ol style="list-style-type: none"> <li>(a) Ensure that it fully understands the intent of the Code of Conduct's marketing related clauses, relevant to Horizon Power's activities.</li> <li>(b) Identify which of its employees and ServiceWorks employees are considered to be marketing agents or marketing representatives, for the purpose of the Code of Conduct</li> <li>(c) Develop and approve a formal training package that outlines the key Code of Conduct requirements with which those marketing agents/representatives must comply.</li> </ol>		<p><b>Action Plan 4/09</b></p> <p>Review activities of relevant Horizon Power employees and ServiceWorks CSRs to determine whether or not their activities fall within the auspices of Marketer or Marketing Representative and develop a training package addressing the requirements of the code suitable for the type of work being undertaken.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>

No	Obligation under Condition	Compliance Rating	Findings
101	A licensee may only amend the standard form contract with the Authority's approval.	Compliant – 5	<p>The Manager Customer Care Operations confirmed that Horizon Power has amended the Standard Form contract during the period to update Horizon Power's contact details (without being requested to by the Authority). The Authority was notified of and approved the amendment.</p> <p>We note that the Regulation Compliance Coordinator is to ensure CURA is effectively used to support the process for amending the standard form contract. We consider that the intended use of CURA for this purpose addresses Horizon Power's compliance obligations.</p>
102	A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter within the timeframe specified, and submit to the Authority the results of that review within 5 days after it is completed.	Compliant – 5	<p>The Customer Service Charter was amended during the audit period. The reviewed Customer Service Charter was submitted to the Authority within 5 days of the completion of the review and approved by the Authority in September 2009. The next review for Horizon Power is scheduled for September 2012.</p> <p>The Manager Customer Care Operations confirmed that review of the Customer Service Charter is now a recurring task in CURA, which reminds the delegated person responsible in June of the year of which the review is required.</p>
103	A licensee must amend the asset management system before an expansion or reduction in generating works, distribution systems and transmission systems and notify the Authority in the manner prescribed, if the expansion or reduction is not provided for in the asset management system.	Compliant – 5	Horizon Power has committed to reviewing its Asset Management Plans (AMPs) every financial year. The review process starts at the corporate level, where the AMPs are developed, then progressed at the district level. Districts develop specific asset management planning activities.

No	Obligation under Condition	Compliance Rating	Findings
104	A licensee must not expand the generating works, distribution systems or transmission systems outside the licence area.	Non-compliant – 2	<p>Horizon Power uses the Distribution Facilities Information System (DFIS) to record the location of its operations and to outline the extent of its licensed areas. Horizon Power’s Generic Full Cost – Customer Funded procedure outlines the steps for expanding distribution systems when a customer falls outside licensed areas. In particular, any request for extension of Horizon Power’s services is to be checked against DFIS to ensure that it does not extend outside licensed boundaries.</p> <p>During the period subject to audit, a number of requests for expansion of the distribution systems were submitted to and approved by the Authority. One matter of non-compliance<sup>5</sup> raised in Horizon Power’s 2008/09 compliance report to the Authority relates to the regularisation<sup>5</sup> of aboriginal communities, where Horizon Power requires its Licence boundary to be amended to include new supply locations. Horizon Power disclosed that:</p> <ul style="list-style-type: none"> <li>• the most recent request for boundary amendments for this purpose were not submitted in a timely manner to allow for remapping prior to extensions of supply</li> <li>• mapping software was found to be faulty</li> <li>• action had been initiated to prevent recurrence of the breach by December 2009.</li> </ul>
	<p><b>Recommendation 5/09</b></p> <p>Horizon Power:</p> <p>(a) Pursue its commitment to improve staff awareness of the requirement for more timely forecasting and communication of supply location extensions, which impact on licence boundaries.</p> <p>(b) Consider implementing a regular report which lists any system asset or supply address which falls outside licence boundaries.</p>		<p><b>ActionPlan 5/09</b></p> <p>(a) Horizon Power to update Network Extension manual to include a requirement to ensure proposed amendments to Horizon Power network is either undertaken with existing licence areas or an application to extend our licence area is completed prior to any works being undertaken.</p> <p>(b) Update Gating Process and Project Planning templates to ensure all new projects consider the extent of Horizon Power current licence area and apply for extensions as required prior to physical works being undertaken.</p> <p><b>Responsible Person:</b> Regulation Compliance Coordinator  <b>Target Date:</b> 30 April 2010</p>

<sup>5</sup> Under the Town Reserves Regularisation Program, the distribution network within the communities will be upgraded and houses will be fitted with pre-payment card meters. Horizon Power will individually meter consumers and will assume responsibility for operation, repair and maintenance of the distribution network

No	Obligation under Condition	Compliance Rating	Findings
105	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.	Compliant – 5	<p>The General Manager Finance confirmed that:</p> <ul style="list-style-type: none"> <li>▪ Horizon Power is compliant with Australian Accounting Standards</li> <li>▪ The Office of the Auditor General (OAG) is responsible for auditing the annual statutory accounts of Horizon Power for compliance with Australian International Financial Reporting Standards (A-IFRS). For the year ended 30 June 2009, RSM Bird Cameron conducted the audit on the OAG's behalf</li> <li>▪ There are no significant accounting transactions or items that would currently jeopardise Horizon Power's compliance with accounting standards.</li> </ul> <p>Horizon Power's published financial statements for the year ending 30 June 2008 were sighted. These financial statements were unqualified.</p>
107	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	Compliant – 5	<p>The Audit Plan approved by the Authority on 24 September 2009 commits Horizon Power and Deloitte (independent expert) to complying with the prescribed audit guidelines and reporting manual issued by the Authority. Deloitte confirms that this audit was undertaken utilising the framework from the audit guidelines.</p> <p>Deloitte has undertaken the audit utilising the Audit Guidelines: Electricity, Gas and Water Licences, dated July 2009, which do not come into effect until 1 January 2010. The Authority has approved Deloitte to use these guidelines in its letter dated 17 August 2009.</p>
108	A licensee must comply, and must require the licensee's expert to comply, with the relevant aspects of the Authority's standard guidelines dealing with the asset management system.	Compliant – 5	<p>The Audit Plan approved by the Authority on 16 September 2009 commits Horizon Power and Qualeng (independent expert) to complying with the prescribed audit guidelines and reporting manual issued by the Authority.</p> <p>Qualeng has undertaken the audit utilising the Audit Guidelines: Electricity, Gas and Water Licences, dated July 2009, which do not come into effect until 1 January 2010. The Authority has approved Qualeng to use these guidelines in its letter dated 31 July 2009.</p>
110	A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	Compliant – 5	<p>The Regulation Compliance Coordinator:</p> <ul style="list-style-type: none"> <li>• confirmed that during the period subject to audit, the Authority has not made any information requests of Horizon Power in regards to its Licence, other than the performance audit report and asset management system report</li> <li>• commented that the Authority has made ad hoc enquiries, but has not required formal reporting of information.</li> </ul>
112	Unless otherwise specified, all notices must be in writing.	Compliant – 5	<p>The Regulation Compliance Coordinator maintains manual and scanned records to evidence formal communications with the Authority, which have been made via post or email.</p>

**Deloitte: Horizon Power EIRL2 Performance Audit**

*This report is intended solely for the use of Horizon Power for the purpose of its reporting requirements under section 13 of the Act. We do not accept or assume responsibility to anyone other than Horizon Power for our work, for this report, or for any reliance which may be placed on this report by any third party for any other purpose.*

## 4.7 Code of Conduct

### Background

Since the disaggregation of Western Power in 2006, Horizon Power had an agreement with Synergy for Synergy to supply call centre, credit & cash management, customer and billing services. Horizon Power's customer data were kept and maintained in Synergy's Customer Information System (CIS). This agreement was in place until Horizon Power invested in its own customer information system. Horizon Power officially migrated from CIS to Gentrack Velocity on 22 June 2009. With the migration of the customer information system, the agreement between Synergy and Horizon Power came to an end.

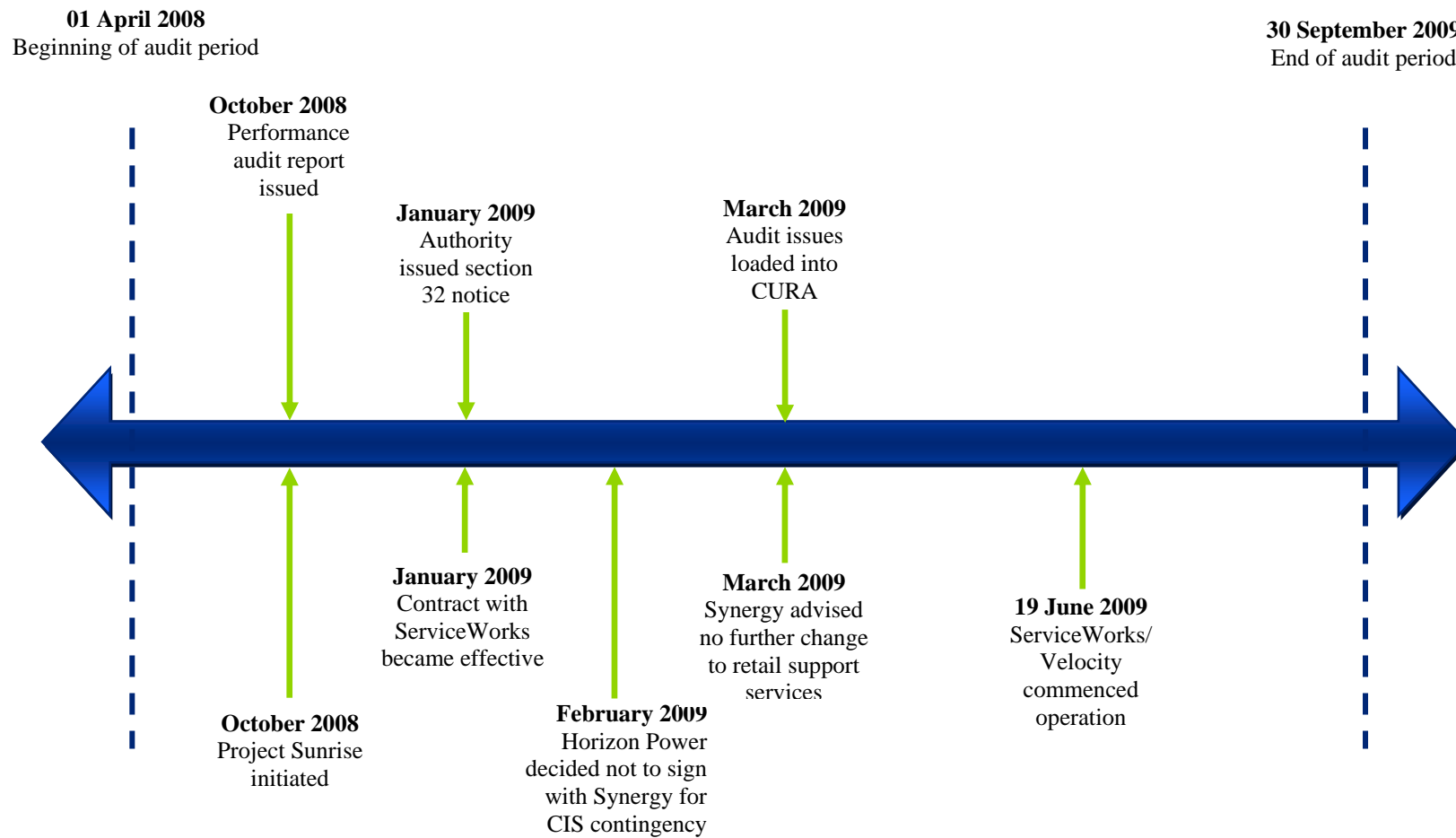
Horizon Power has since established a formal contract with ServiceWorks Management for the provision of customer care, billing and customer information system hosting services. Those services are carried out through the Gentrack Velocity customer information system and a call centre operated by ServiceWorks. While many of the action plans from the 2008 performance audit were not actioned and completed with Synergy for reasons covered in Section 5 of this report, the majority of those action plans were addressed in the new arrangements with ServiceWorks.

The period subject to this audit is from 1 April 2008 to 30 September 2009, during which the two customer information systems were operating at different stages. Our audit work primarily focuses on the existing system, Gentrack Velocity and arrangements with ServiceWorks while giving coverage and consideration to the previous CIS system and arrangements with Synergy.

This audit observed Horizon Power's recognition and management of a number of post implementation issues, some of which have an impact on the level of compliance with the Code of Conduct and Horizon Power's ability to demonstrate such compliance. Specific system issues that we observed (and have detailed in the table of specific obligations immediately below) include:

- Customers not billed at least once in 3 months
- Service orders for fuse removal raised despite disconnection warning service orders not being closed out
- Inaccurate or unavailable reports (e.g. pre-payment customers list, aged debtors list).

Diagram 1 – Retail Services timeline of events



**Deloitte:** Horizon Power EIRL2 Performance Audit

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## Obligations determined to be not applicable

The following obligations are not applicable to Horizon Power's operations.

Obligation	Reason
140-141, 220	Obligations are not applicable to Horizon Power's operations as they specify a requirement for a distributor to act in relation to a retailer or vice versa. In this case, Horizon Power acts as both the retailer and the distributor.
165	Obligation is not applicable as it does not impose a requirement on Horizon Power
213	Obligation is not applicable as Horizon Power does not engage in dual fuel contracts

## Obligations determined to be not rateable

Horizon Power's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
117, 121	Obligation is not rateable as Horizon Power does not engage in door to door marketing and all Horizon Power's small use customers are on a standard form contract.
122-138	Horizon Power operates exclusively in the North West Interconnect System and Regional Non Interconnect Systems. As there are no other retailers operating in these systems, Horizon Power does not engage in direct marketing activities, nor does it initiate contact with customers. Accordingly, these obligations are not relevant to Horizon Power's operations for the period subject to audit and cannot be rated.
143-147	As Horizon Power has not offered a shortened billing cycle during the period subject to audit, this obligation cannot be rated for the period subject to audit.
148, 149	As Horizon Power has not offered bill smoothing arrangements during the period subject to audit, this obligation cannot be rated for the period subject to audit.
161, 162	The Manager Customer Care and Manager Metering Services confirmed that no customer had made a request for a meter to be tested during the period 1 April 2008 to 30 September 2009. Accordingly, Horizon Power's compliance with this obligation cannot be rated for the period subject to audit.
179	As Horizon Power currently does not accept direct debit payments from customers, this obligation cannot be rated for the period subject to audit.
223	The Regulation Compliance Coordinator confirmed that the Minister has not determined any criteria pertaining to the Priority Restoration Register; therefore the clause is not assessable for the period subject to audit.
292, 299	Obligation is in relation to the distributor's obligation to the retailer which in this case does not apply as Horizon Power is both the retailer and the distributor.
295, 297	Horizon Power's 2008/09 Code of Conduct annual performance report and complaints register indicated that for the period subject to audit, Horizon Power did not make compensation payments in relation to complaints timeframes.

## Assessment of compliance

The table below summarises the audit's assessment of Horizon Power's compliance with the relevant obligations of the Code of Conduct.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
5	33		18	6	11	107	180

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that are not applicable or cannot be rated, as detailed in the tables above.

No	Obligation under Condition	Compliance Rating	Findings
<p><b>Summary observations regarding Horizon Power’s reporting and monitoring controls - Code of Conduct obligations</b></p> <p>Horizon Power has a number of obligations under the Code of Conduct, which have associated target timeframes or require action to be taken in a specified sequence. For example, clause 4.19(3) of the Code of Conduct requires Horizon Power to repay any overcharged amount to a customer within 12 days of receiving instructions from the customer. In these cases, Horizon Power is exposed to breaching its obligations if its standard business processes are not upheld. During the period subject to audit, examples of such breaches noted by this audit related to obligations 142 (customers not billed for longer than 3 months), 211(customers not sent a disconnection reminder notice) and 221 (customers not connected within the required timeframe). An effective exception reporting arrangement will provide Horizon Power with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.</p> <p>Horizon Power does not currently receive a suite of exception reports from ServiceWorks for compliance monitoring purposes. The three primary reasons for this situation are:</p> <ul style="list-style-type: none"> <li>• Management has focussed on ensuring there are appropriate system controls and procedures in place to identify and mitigate breaches when they occur</li> <li>• Horizon Power has not yet determined what information and data it requires to be extracted from Velocity and reported. We recognise that a project was initiated in August 2009 for this purpose</li> <li>• The reporting capabilities of Velocity and ServiceWorks have generally not yet been aligned with Horizon Power’s requirements.</li> </ul> <p>As an example of the benefit of effective exception reporting, during the audit it came to our attention that Horizon Power had discovered that a small number of customers had not been billed for more than 3 months, which is a breach of the Code of Conduct (refer to obligation 142). At the time of writing this report, Horizon Power is still investigating the cause and extent of this issue. A relevant exception report may have helped to prevent such a result.</p> <p><i>This issue and associated recommendation and action plan relates to obligations 142, 168, 174, 175, 191, 211, 212, 221, and 224.</i></p>			
	<p><b>Recommendation 6/09</b></p> <p>Horizon Power:</p> <p>(a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</p> <p>(b) Refine its existing repertoire of standard reports to allow for better monitoring of its business operations.</p>	<p><b>Action Plan 6/09</b></p> <p>(a) Develop a suite of exception and management reports to monitor compliance with all obligations listed above.</p> <p>(b) Reports to be generated monthly.</p> <p>(c) Review both exceptions and monthly reports and develop responses to ensure compliance and any breaches are fixed and procedures developed to ensure breaches are not repeated.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>	
<b>Part 2 - Marketing</b>			
113	A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.	Compliant – 3	<i>Refer to findings, recommendation and action plan detailed for obligation 97 above.</i>

No	Obligation under Condition	Compliance Rating	Findings
114	A marketer must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified.	Compliant – 5	Through discussion with Manager Metering Services and ServiceWorks Customer Service Manager, we determined that: <ul style="list-style-type: none"> <li>• Horizon Power does not perform door to door marketing</li> <li>• All small use customers are on a standard form contract</li> <li>• In the event that a customer enters into a contract over the phone, the customer's signature is not required. The date the customer signs up is entered in Velocity and is deemed as the start date of the contract</li> <li>• The terms and conditions of the contract are available on Horizon Power's website at no charge. The contract can also be mailed out to the customer if requested.</li> </ul>
115	A marketing representative must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.	Compliant – 5	Through discussion with ServiceWorks Customer Service Manager and consideration of Horizon Power's processes for accepting new customers, we determined that Horizon Power requires all small use customers to be signed up under a standard form contract, which includes the terms and conditions of contract. The customer is advised that the contract can be made available to the customer if required.
116	Where a standard form contract is not entered into as a result of door to door marketing or for a non-standard contract initiated by telephone, a marketing representative must obtain and make a record of the customer's verifiable consent that the specified information has been given.	Compliant – 5	Through discussion with the ServiceWorks Customer Service Manager and consideration of Horizon Power's processes for accepting new customers, we understand that: <ul style="list-style-type: none"> <li>• CSRs are instructed to obtain customer consent when entering into a contract</li> <li>• Typically, customer consent is given orally and recorded in Velocity as majority of contracts are signed up over the phone.</li> </ul>
118	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must offer to provide the customer with a copy of the contract and, where this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible thereafter.	Compliant – 5	<i>Obligations 118 to 120</i>  Through discussion with the ServiceWorks Customer Service Manager and consideration of Horizon Power's processes and procedures for accepting new customers, we determined that Horizon Power's processes provide for: <ul style="list-style-type: none"> <li>• a customer to be offered a copy of the contract and if accepted, the contract will be sent out the following day</li> </ul>
119	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must give the information specified to the customer.	Compliant – 5	<ul style="list-style-type: none"> <li>• Horizon Power to advise the customer how to obtain a copy of the Code of Conduct and other information on tariffs, fees, charges and other service levels</li> <li>• Horizon Power to provide the information prescribed in 2.4(2) by sending a copy of the</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
120	In circumstances where a standard form contract is not entered into as a result of door to door marketing, a retailer or marketing representative must give the specified information no later than with or on the customer's first bill.	Compliant – 5	Customer Service Charter to all new customers on the following day after entering into a contract.
139	A retailer must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct.	Compliant – 5	Through an examination of the ServiceWorks contract, we determined that Horizon Power has addressed the requirements of the National Privacy Principles in relation to its customer data by requesting ServiceWorks to comply with its privacy policy in the treatment of personal information.
<b>Part 4 - Billing</b>			
142	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist.	Non - compliant – 2	<p>Through discussion with the Manager Customer Care and consideration of Horizon Power's billing processes, we determined that:</p> <ul style="list-style-type: none"> <li>• Bill generation is automated in Velocity and customers are not able to request for a more frequent billing cycle</li> <li>• All customers are set up in Velocity to be either billed monthly or bi-monthly</li> <li>• Velocity receives meter reading data from Western Power's MBS to provide for the generation of customer invoices. A system generated alert is generated if meter reading files are not received from Western Power's MBS.</li> </ul> <p>For each of our sample testing of bills generated from Velocity, bills were on a monthly or bi-monthly cycle.</p> <p>In November 2009, Horizon Power discovered that a small number of customers had not been billed for longer than 3 months. The details and cause of this issue are currently being investigated by Horizon Power in conjunction with ServiceWorks.</p> <p>The Velocity system currently does not generate exception reports for customers not billed within a set time frame (i.e. less than one month, or more than 62 days, being the longest possible billing cycle).</p> <p><i>Refer to above summary observations and recommendation regarding Horizon Power's reporting and monitoring controls in relation to its Code of Conduct obligations.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
150	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.	Compliant – 5	<p>Through examination of Horizon Power's billing process documents and discussions with Manager Customer Care, we determined that Horizon Power's procedures provide for:</p> <ul style="list-style-type: none"> <li>customers to have their bills sent to either the supply address or an alternative mailing address nominated by the customer</li> <li>mailing address to be recorded when the customer establishes an account with Horizon Power.</li> </ul>
151	A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise.	Non-compliant – 2	<p>We examined the current bill template and observed that it contains all of the minimum information required by the Code, except for:</p> <ul style="list-style-type: none"> <li>Code of Conduct clause 4.5(1)(z) - advice on the availability of multi-lingual services that reflects Horizon Power's customer base.</li> </ul> <p>This matter was addressed by the Authority in its recent Horizon Power Customer Correspondence Template Audit. The Authority's audit identified a number of aspects of Horizon Power's bill template that did not meet the requirements of the Code, each of which have been subsequently addressed by Horizon Power, except for the requirement of clause 4.5(1)(z). The Authority's most recent advice to Horizon Power on this matter (5 October 2009) was that as a result of a review of the Code, clause 4.5(1)(z) will be amended to read: "...with respect to residential customers, the National Interpreter Symbol with the words "Interpreter Services".</p>
	<p><b>Recommendation 7/09</b></p> <p>In accordance with the Authority's advice, Horizon Power amend its bill template to include the National Interpreter Symbol together with the words "Interpreter Services".</p>		<p><b>Action Plan 7/09</b></p> <p>Bill template changes required to be fully implemented.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
152	A retailer must advise the customer of the amount of historical debt and its basis before, with or on the customer's bill, if the retailer wishes to bill the customer for the historical debt.	Compliant – 5	<p>Through discussion with the Manager Customer Care and consideration of Horizon Power's billing processes, we understand that in the event a historical debt is identified, Horizon Power's processes provide for either:</p> <ul style="list-style-type: none"> <li>a special bill for the outstanding amount to be raised and send to the customer along with a cover letter</li> <li>the amount to be recovered through the standard bill with the debt appearing under the previous balance.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
153	A retailer must base the customer's bill on the distributor's or metering agent's reading of the meter, or the customer's reading of the meter in the circumstances specified.	Compliant – 5	<p>Through discussion with the Manager Customer Care and Manager Metering Services and consideration of Horizon Power's billing processes, we determined that Horizon Power has the following processes and systems in place for generating bills based on meter readings from Horizon Power's metering agents or self reads:</p> <ul style="list-style-type: none"> <li>• Horizon Power utilises AMRS for the majority of its meter reading services. AMRS uploads meter reads into the MBS, which is currently maintained by Western Power</li> <li>• For areas that are not serviced by AMRS, Horizon Power relies on the customer to perform a self read. For self read instances, Horizon Power mails a card to the customer, which the customer uses to record the value and mail back to Horizon Power for loading into the MBS.</li> </ul>
154	A retailer must give the customer information that explains to that customer how to read a meter correctly (if applicable) in clear, simple and concise language.	Compliant – 5	<p>Through discussion with the Manager Metering Services, we understand that Horizon Power's procedures provide for different self read cards to be sent to the customer depending on the type of meter. The cards are designed to look similar to the face of the meter:</p> <ul style="list-style-type: none"> <li>• For meters with dials, the customer is sent a card with dials similar to their meter and is asked to draw the position of the needle on the dials</li> <li>• For meters with a digital display, customers are instructed to write down the numbers shown on the display</li> <li>• Instructions are written on the card in a clear and simple manner.</li> </ul>
155	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills and, in any event, at least once every twelve months in accordance with clause 4.6(1)(a) of the Code of Conduct.	Compliant – 5	<p>Horizon Power has an agreement with Western Power for the maintenance of MBS. Reading schedules are managed by Western Power where meters are read either bi-monthly or monthly depending on the customer account type.</p> <p>Through discussion with the Manager Metering Services, we understand that where meter access is denied, Horizon Power has procedures in place to ensure an actual meter read is performed at least once in 12 consecutive months in accordance with the Code of Conduct.</p>
156	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.	Compliant – 5	<p>Through discussion with the Manager Customer Care and consideration of Horizon Power's billing processes, we determined that Horizon Power's procedures provide for :</p> <ul style="list-style-type: none"> <li>• MBS to generate an estimated value in the event that a meter reading is not received</li> <li>• The bill to clearly display that it is an estimated bill and that the amount is based on estimation. Note that the process for generating customer bills is otherwise not affected.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
157	A retailer must specify the stated information in circumstances where the customer's bill is estimated.	Non-compliant – 2	Through our testing of customer bills, we observed that in circumstances where the customer's bill is estimated, Horizon Power's bill template: <ul style="list-style-type: none"> <li>• Does clearly display that it is an estimated bill and the amount is based on estimation</li> <li>• Does not advise the customers of their right to query Horizon Power for information on the basis of the estimation and the reason for the estimation, or of their right to request a meter reading.</li> </ul>
	<p><b>Recommendation 8/09</b></p> <p>Horizon Power amend its:</p> <ul style="list-style-type: none"> <li>• Estimated bill template to advise customers of their right to query Horizon Power for information on the reasons for the estimation and the basis of the estimation</li> <li>• Standard form contract to stipulate customers' rights to information on estimation.</li> </ul>		<p><b>Action Plan 8/09</b></p> <p>(a) Bill template changes required to be fully implemented.  (b) A full review of the standard form contract in line with the Authority's requirements for the review and changes to the standard form contract to be completed and compliance ensured.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services  <b>Target Date:</b> 30 April 2010</p>
158	A retailer must tell a customer, on request, the basis and reason for the estimation.	Compliant – 5	Through discussion with the Manager Customer Care and consideration of Horizon Power's billing processes, we determined that Horizon Power's procedures provide for information in relation to an estimated bill requested by customers to be appropriately addressed by ServiceWorks. We observed the estimation information is available from Velocity.
159	Where the retailer gives a customer an estimated bill and the meter is subsequently read the retailer must include an adjustment on the next bill to take account of the actual meter reading.	Compliant – 5	Through discussion with the Manager Customer Care and consideration of Horizon Power's billing processes, we determined that Horizon Power has procedures and systems in place to ensure estimated bills are adjusted after an actual meter read is performed. The process to adjust the bill is automated in Velocity. We also observed evidence of adjustments made to bills after an actual meter reading is obtained.
160	A retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading if the customer satisfies the requirements as specified.	Compliant – 5	Through discussion with the Manager Customer Care, we determined that Horizon Power has processes and procedures in place to replace an estimated bill with a bill based on actual meter read if requested by a customer.
163	A retailer must change the customer to an alternate tariff within the period specified if the customer applies to receive an alternate tariff and demonstrates to the retailer that they satisfy the conditions of eligibility.	Compliant – 5	Through discussion with Manager Customer care, we confirmed that Horizon Power has a process in place for customers to apply for alternative tariff. Customer can download the tariff change application form from the website. If the customer is eligible for the lower tariff, as a goodwill gesture, Horizon Power will apply the new tariff from the beginning of the customer's billing cycle.



No	Obligation under Condition	Compliance Rating	Findings
164	A retailer must give the customer written notice prior to changing the customer to an alternative tariff if the customer's electricity use has changed and the customer is no longer eligible to continue to receive an existing, more beneficial tariff.	Non-compliant – 2	<p>Note that alternative tariffs are only available to Horizon Power's business customers (not residential customers) depending on their level of consumption.</p> <p>Through discussion with the Team Leader Customer Connections and consideration of Horizon Power's billing processes, we determined that Horizon Power's processes for changing customers' tariffs are:</p> <ul style="list-style-type: none"> <li>• The customer's tariff is changed in Velocity as soon as Horizon Power is aware that the customer is no longer eligible for the previous, more beneficial tariff</li> <li>• Although the tariff change is entered immediately, the new tariff only applies from the start of the next billing cycle</li> <li>• On the same day that the tariff change is entered in Velocity, a letter of notification is sent to the customer. This letter is considered to be received by the customer on the second business day after dispatch.</li> </ul> <p>This audit did not identify any tariff changes for which prior notice was not given to the customer, however Horizon Power's practices as they stand will breach the requirements of the Code if a customer's tariff is changed within two days of the customer's next billing cycle, in which case the customer will not have received the notification before the tariff change takes effect.</p>
	<p><b>Recommendation 9/09</b></p> <p>Horizon Power amend its procedures to ensure that in instances where a tariff change is recognised within two business days of the commencement of the customer's next billing cycle, either:</p> <ul style="list-style-type: none"> <li>• Horizon Power makes alternative arrangements to ensure the customer receives the written notice prior to the commencement of the next billing cycle, or</li> <li>• The tariff change is not effected until the following billing cycle.</li> </ul>		<p><b>Action Plan 9/09</b></p> <p>Tariff change procedures to be reviewed by Horizon Power and ServiceWorks to ensure all customers receive the full notice required.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
166	A retailer must repay any amounts overcharged to a customer as a result of a change in the customer's electricity use.	Compliant – 5	Through discussion with the Manager Customer Care and examination of process documents, we observed that Horizon Power has procedures in place to arrange for overcharged amount to be returned to the customers. Horizon Power's preferred approach is to transfer any overcharged amount to the customer's next bill as credit. If requested by customer to have the amount refunded, Horizon Power can arrange for a cheque to be sent to the customer via the Finance department's fortnightly cheque run.
167	A retailer must use reasonable endeavours to arrange for a final bill if a customer requests the retailer to issue a final bill at the customer's supply address.	Compliant – 5	Through examination of process documents on final account management and discussion with the Manager Customer Care, we observed that Horizon Power has process and procedures in place to finalise customer accounts at the customer's request. In these circumstances, a final meter read service order is arranged and a final bill is generated.

No	Obligation under Condition	Compliance Rating	Findings
168	A retailer must repay the customer any amount in credit at the time of account closure.	Compliant – 4	<p>Through examination of process documents on processing refunds and discussion with the Manager Customer Care, we observed that Horizon Power has a policy in place to govern the treatment of credit for finalised accounts.</p> <p>Horizon Power’s default approach is to transfer any credits to the customer’s other or new account if available unless the customer requested for the credit to be refunded. Refunds are paid by cheque through the Finance department’s fortnightly cheque run.</p> <p>We examined the customer complaint register and did not identify any complaints in relation to refund of credits after account closure.</p> <p>The Velocity system currently does not generate any reporting for finalised customer accounts with credits.</p> <p><i>Refer to above summary observations and recommendation regarding Horizon Power’s reporting and monitoring controls in relation to its Code of Conduct obligations.</i></p>
169	A retailer must review the customer’s bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer’s bill over the previous 12 months, and paying any future bills that are properly due.	Compliant – 5	<p>Through discussion with the Manager Customer Care and consideration of Horizon Power’s billing processes, we determined that Horizon Power has the following procedures in place to perform bill reviews:</p> <ul style="list-style-type: none"> <li>• Customers contacting Horizon Power querying their bills will have their bill reviewed on the spot by the customer service representative</li> <li>• If the customer is not satisfied with the results, they can lodge a formal complaint.</li> </ul>
170	A retailer must follow the procedures specified if a review of a bill has been conducted and the retailer is satisfied that the bill is correct or incorrect.	Compliant – 5	<p>Through discussion with the Manager Customer Care, we determined that Horizon Power has procedures that are in line with the requirements of the Code and that customers are advised of:</p> <ul style="list-style-type: none"> <li>• Their rights to request for a meter read if they are dissatisfied with the outcome of the review.</li> <li>• The complaints handling process if they wish to take the matter further.</li> </ul>
171	A retailer must inform the customer of the outcome of the review of a bill as soon as practicable, but, in any event, within 20 business days from the date of receipt of the request for review.	Compliant – 5	<p>Through discussion with the Manager Customer Care, we determined that Horizon Power has procedures in place for:</p> <ul style="list-style-type: none"> <li>• Reviewing bills on the spot when contacted by customers over the phone</li> <li>• Providing a written response to the customer within one business day if requested.</li> </ul> <p>Such practices provide for the customer to be informed of the outcome of a review within 20 business days from the date of receipt of the request.</p>

No	Obligation under Condition	Compliance Rating	Findings
172	A retailer must recover an amount undercharged as a result of an act or omission by a retailer or distributor in the manner specified.	Compliant – 5	Through examination of process documents and discussion with the Manager Customer Care, we confirmed that in the event of an undercharging, Horizon Power recognises that they can only recover the amount up to 12 months back from the date the customer is notified. We also confirmed that Horizon Power does not charge any interest or fees for the amount being recovered from the customer. The customer is notified by way of a special bill raised or in the next will with the amount listed separately. An instalment plan can be devised if requested by the customer.
173	A retailer must use its best endeavours to inform the customer (including a customer who has vacated the supply address) and repay or credit any amount overcharged as a result of an act or omission by a retailer or distributor, in the manner and period specified.	Compliant – 5	The Manager Customer Care advised that if Horizon Power identifies any overcharging, the customer will be notified immediately and offer to transfer the overcharged amount as credit in the next bill or repaid by cheque. This work practice provides for the customer to be informed of any such overcharge within 10 business days.
174	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	Compliant – 4	<p>Through examination of the process documents on processing refunds, we determined that Horizon Power has the following procedures in place to repay customers for overcharged amounts:</p> <ul style="list-style-type: none"> <li>• Horizon Power's standard business practice is to transfer credit to the customer's next bill. If no instruction is received from the customer, Horizon Power's standard practice will take place</li> <li>• Customers can also request overcharged amount to be repaid by cheque. The Finance department has a regular fortnightly cheque run.</li> </ul> <p>The Velocity system currently does not generate exception reports to monitor whether the timing requirements of this clause are met.</p> <p><i>Refer to above summary observations and recommendation regarding Horizon Power's reporting and monitoring controls in relation to its Code of Conduct obligations.</i></p>
175	A retailer must use reasonable endeavours to credit the amount overcharged within 20 business days of the customer making the request, in circumstances where instructions as to payment are not received.		

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 5 - Payment</b>			
176	The due date on the bill must be at least 12 business days from the date of the bill, with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.	Compliant – 5	The due date of an invoice is automatically calculated by Velocity. The system has been configured to calculate a minimum of 12 business days for the due date, taking into account weekends and public holidays. Through discussion with ServiceWorks Operations Manager and the Manager Customer Care, we determined that the due date of a bill is calculated automatically by Velocity with the due date being at least 12 business days from the date of the bill as one of the preset conditions. We examined 5 invoices and observed that all of them had a minimum of 12 business days as their due dates.
177	A retailer must offer the specified minimum payment methods.	Compliant – 5	We obtained a sample Horizon Power bill and confirmed that the minimum payment methods prescribed in this clause is offered by Horizon Power. Horizon Power's bill also listed direct debit as a payment option, however we understand that this method is not yet available.
178	A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment.	Compliant – 3	Horizon Power relies on ServiceWorks (and previously Synergy) to comply with the EFT Code of Conduct. Although this audit did not observe any instances of non compliance: <ul style="list-style-type: none"> <li>• There is currently no recognition of the EFT Code of Conduct in the ServiceWorks contract (Schedule 3)</li> <li>• Horizon Power is also not aware of ServiceWorks' procedures for ensuring compliance with the EFT Code of Conduct.</li> </ul>
<b>Recommendation 10/09</b> Horizon Power ensure that the ServiceWorks contract includes the requirements for ServiceWorks to comply with the EFT Code of Conduct.			<b>Action Plan 10/09</b> Review procedures of the business in regard to EFT payments and ensure the requirements of the EFT Code are included in the contract requirements, reported and monitored. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 April 2010
180	A retailer must accept payment in advance from a customer on request, in the circumstances specified.	Compliant – 5	Through discussion with the Team Leader Customer Connections, we determined that Horizon Power accepts payment in advance for any amount. Horizon Power does not impose a minimum amount on their customers.

No	Obligation under Condition	Compliance Rating	Findings
181	A retailer must, at no charge, offer a residential customer a redirection of the customer's bill to a third person, if requested by a customer who is unable to pay by a minimum payment method, due to illness or absence.	Compliant – 5	Through discussion with the Team Leader Customer Connections, we determined that Horizon Power offers their customers the ability to have their bills posted to their nominated mailing address at no charge.
182	A retailer must not charge a residential customer a late payment fee in the circumstances specified.	Compliant – 5	Through discussion with the ServiceWorks Operations Manager and examination of documents, we determined that Horizon Power does not charge the first two overdue fee to customers receiving concession. Once a customer has entered into an alternate payment arrange with Horizon Power, they are not charged any overdue fees provided they make timely payments. Horizon Power also has procedures in place to ensure customer do not incur any overdue fees if a complaint from the customer in relation to the bill is received.
183	A retailer must not charge an additional late payment fee in relation to the same bill within five business days from the date of receipt of the previous late payment fee notice.	Compliant – 5	Horizon Power has configured Velocity to not charge an additional late payment fee for the same bill within 8 business days of the previous late payment fee. We observed the billing history for some random customers and did not observe any issues.
184	A retailer must not charge a residential customer more than two late payment fees in relation to the same bill.	Compliant – 5	Through examination of documents and discussion with the ServiceWorks Operations Manager, we determined that Velocity has been configured to not charge more than 2 late payment fees for the same bill. We observed the billing history for some random customers and did not observe any issues.

No	Obligation under Condition	Compliance Rating	Findings
185	A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	Non-compliant – 2	<p>The Code requires Horizon Power not to charge a customer for electricity consumed from the day they vacate the supply address, provided the customer has provided a minimum of three business days notice.</p> <p>Through discussion with the Team Leader Customer Connections and consideration of Horizon Power's customer accounts finalisation processes, we determined that:</p> <ul style="list-style-type: none"> <li>• In the event a customer vacates a supply address, Horizon Power now requires 3 business days notice from the customer for finalising an account</li> <li>• Horizon Power's previous requirement was for 5 business days notice to be provided. We note that the previous Customer Charter stated that customers vacating premises were required to notify Horizon Power 5 business days in advance. We noted evidence of such practice in correspondence with customers who had made complaints regarding final bills. The Customer Charter has now been corrected to comply with the requirements of the Code for 3 business days notification to be provided</li> <li>• We recognise that AMRS advises it has now committed to complying with the 3 day timeframe, however its contractual arrangements with Horizon Power still provide for a final meter read to take up to 5 business days to be performed, depending on the location of the customer's premises.</li> </ul> <p>Horizon Power's current procedures remain exposed to a breach of the requirements of this obligation as in the event that the meter is read later than 3 business days after the customer notifies Horizon Power, the customer may be incorrectly charged for electricity consumed at that supply address. A listing of such instances is not maintained and Horizon Power does not provide for any overcharges to be addressed in the finalisation of the customer's bill. We recognise that this matter is likely to have a small financial impact.</p>
	<p><b>Recommendation 11/09</b></p> <p>Horizon Power:</p> <ul style="list-style-type: none"> <li>• Confirm the effectiveness of its arrangements with AMRS for performing final meter reads</li> <li>• Investigate the practicalities of implementing additional mechanisms for ensuring that customers are not overcharged for electricity consumed.</li> </ul>		<p><b>Action Plan 11/09</b></p> <p>(a) Review final read procedures and move in read procedures and consult widely within operations and field services contractors to ensure solutions to ensure compliance with clause 5.7(1) of the Code are manageable and cost effective.</p> <p>(b) Discuss with AMRS a change in contract terms from 5 days to 3 days.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>

No	Obligation under Condition	Compliance Rating	Findings
186	A retailer must not require a customer who was evicted or otherwise required to vacate a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	Compliant – 5	In the event of an eviction, Horizon Power's procedures is to stop billing the customer from the day the customer is evicted provided the customer can provide reasonable evidence.
187	A retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified.	Compliant – 5	Horizon Power has procedures in place where the bill is only recoverable from the customer who entered into a contract with Horizon Power. Once a contract is established and setup in Velocity, the system does not allow an invoice to be billed to the previous customer of the same supply address.
188	A retailer must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission.	Compliant – 5	<p>Through discussion with Manager Metering Services and examination of Horizon Power's debt collection procedures, we determined that Horizon Power has established the following practices to demonstrate compliance with the Conduct Principles from the debt collection guideline issued by the Australian Competition and Consumer Commission.</p> <ul style="list-style-type: none"> <li>• Horizon Power uses Dunn &amp; Bradstreet as their debt collection agency. Accounts with debt exceeding \$20 and outstanding for more than 60 days are referred to the debt collection agency</li> <li>• Dunn &amp; Bradstreet's State Manager stated that regular training is held for staff with reference to internal procedures, which emphasise the requirements of the ACCC and the Privacy Act</li> <li>• Horizon Power's debt collection procedures refer to the guideline on debt collection issued by the Australian Competition and Consumer Commission.</li> </ul> <p>Examination of the customer complaints register indicates that there were no complaints relating to Horizon Power's debt collection practices.</p>
189	A retailer must not commence proceedings for recovery of a debt in the circumstances specified.	Compliant – 4	<p>Through discussion with the ServiceWorks Operations Manager and examination of Horizon Power's debt collection policy and procedures, we determined that Horizon Power has procedures in place where the customers' accounts will not be referred to a debt collection agency while it is meeting its obligations under an alternative payment arrangement.</p> <p>The Operations Manager advised that since migrating to Velocity, Horizon Power has not referred any customer accounts to Dunn &amp; Bradstreet as ServiceWorks and Horizon Power has yet to finalise its debt collection processes in relation referral to the debt collection agency.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 12/09</b> Horizon Power finalise its debt recovery processes and procedures.</p>		<p><b>Action Plan 12/09</b></p> <ul style="list-style-type: none"> <li>(a) Reporting to be developed to ensure the accuracy of the outstanding debt data files.</li> <li>(b) Transfer of these files to the D&amp;B collections agency to be restarted.</li> <li>(c) Prior to the transfer of files to D&amp;B, data sets will be checked to ensure Horizon Power is compliant with the requirements of clause 5.8(2) of the Code.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services <b>Target Date:</b> 30 April 2010</p>
190	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of electricity to that supply address.	Compliant – 4	<p>The Velocity system only allows one NMI to be assigned to a supply address and only one account can be assigned to one supply address, as such it is only possible to bill the consumption from a supply address to one customer at any given time.</p> <p>Through discussion with the Team Leader Customer Connections, we determined that Horizon Power has procedures in place to ensure any debt is only recovered from the customer of the supply address who incurred the debt.</p> <p>We requested the data file that is sent to Dunn &amp; Bradstreet however were advised that the data file is not accurate and is not functioning correctly.</p>
	<p><b>Recommendation 13/09</b> Horizon Power investigate and in conjunction with the vendor, rectify the matter in relation to the generation of the outstanding debt data file.</p>		<p><b>Action Plan 13/09</b></p> <ul style="list-style-type: none"> <li>(a) Reporting to be developed to ensure the accuracy of the outstanding debt data files.</li> <li>(b) Transfer of these files to the D&amp;B collections agency to be restarted.</li> <li>(c) Prior to the transfer of files to D&amp;B, data sets will be checked to ensure Horizon Power is compliant with the requirements of clause 5.8(3) of the Code.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services <b>Target Date:</b> 30 April 2010</p>



No	Obligation under Condition	Compliance Rating	Findings
<b>Part 6 – Payment difficulties and financial hardship</b>			
191	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within three business days from when the residential customer informs a retailer that they are experiencing payment problems.	Compliant – 4	<p>Horizon Power has policies and procedures in place for assessing customers experiencing financial hardship. The current process is to perform an initial assessment on the spot and if the customer is determined to be experiencing financial hardship, the customer is referred to the relevant government agency or a financial councillor.</p> <p>We examined the customer complaints register and did not identify any complaints in relation to assessment of a customer’s financial situation.</p> <p>Through discussion with the Team Leader Customer Connections and examination of documents, we confirmed that Horizon Power has process and procedures in place that ensure assessment of customer’s financial situation is performed within three days. However, due to the Velocity system’s current reporting capabilities, it is difficult for the business to monitor compliance with those processes and procedures. This audit was also unable to obtain sufficient records of assessments made in order to perform meaningful compliance testing.</p> <p><i>Refer to above summary observations and recommendation regarding Horizon Power’s reporting and monitoring controls in relation to its Code of Conduct obligations.</i></p>
192	A retailer must give reasonable consideration to the information and advice specified when undertaking an assessment regarding payment difficulties or financial hardship.	Compliant – 5	Through discussion with the ServiceWorks Customer Service Manager and Manager Customer Care, we understand that customer service representatives are provided with training on how to assess a customer’s situation. Most customers whom advises Horizon Power that they are experiencing payment difficulties will be given a payment extension.
193	A retailer must advise a residential customer on request of the details of an assessment.	Compliant – 5	Through discussion with the ServiceWorks Customer Service Manager and Manager Customer Care, we confirmed that customer service representatives are aware that customers are entitled to information regarding their assessment and they are obligated to provide this information. <p>We examined the customer complaints register and did not identify any complaints in relation to a customer not being provided with details of an assessment upon request.</p>
194	A retailer may not unreasonably deny a residential customer’s request for a temporary suspension of actions in the circumstances specified.	Compliant – 5	<i>Obligations 194 to 196</i>
195	A retailer must allow a temporary suspension of actions for a period of at least 10 days.	Compliant – 5	Through discussion with the ServiceWorks Customer Service Manager and examination of documents, we determined that Horizon Power has procedures in place where the customers’ accounts will be suppressed from any credit actions for 10 days if requested by the customers or if the customers have yet to be assessed by the financial councillor or the relevant government

No	Obligation under Condition	Compliance Rating	Findings
196	A retailer must give reasonable consideration to a request by a relevant consumer representative organisation to allow additional time to assess a residential customer's capacity to pay.	Compliant – 5	agency. Requests for extension by the financial councillor or agency will be duly considered. Refer above.
197	A retailer must offer the alternative payment arrangements, and advise the residential customers that additional assistance may be available, in circumstances where a residential customer is assessed as experiencing payment difficulties or financial hardship.	Compliant – 5	Through examination of documents and discussion with the Team Leader Customer Connections, we determined that Horizon Power offers alternative payment arrangements such as payment extension or payment instalment plan to customers who are experiencing payment difficulties or financial hardship
198	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the specified payment arrangements.	Compliant – 5	Through examination of documents and on screen observation for Velocity, we determined that Horizon Power offers payment extension or a payment instalment plan to struggling customers. We also confirmed with the Team Leader Customer Connections that payment instalment plan is fee free and interest free.
199	A retailer must take into account and specify the stated information and take the specified actions when offering an instalment plan to a residential customer experiencing payment difficulties or financial hardship.	Compliant – 5	Horizon Power has procedures in place where customers on payment instalment plan are sent a letter notifying them details of their plan such as period of the plan and number of instalments. Through discussion with the Team Leader Customer Connections, we determined that Horizon Power has procedures in place to satisfy the requirements of this clause.
200	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative organisation, for a reduction of the customer's fees, charges, or debt.	Compliant – 5	<i>Obligations 200 and 201</i> Horizon Power has developed a Hardship policy that was recently finalised.
201	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in clause 6.10(2)(c) and 6.10(2)(d).	Compliant – 5	Through examination of Horizon Power's Hardship policy, we determined that Horizon Power will consider any reasonable requests from the customers or any welfare agencies to reduce their fees, charges or outstanding bill.

No	Obligation under Condition	Compliance Rating	Findings
202	A retailer must give reasonable consideration to offering a customer an instalment plan or offering to revise an existing instalment plan, in circumstances where it is reasonably demonstrated to the retailer that the customer is unable to meet its previously elected payment arrangement.	Compliant – 5	Through examination of documents and discussion with Team Leader Customer Connections, we determined that Horizon Power will provide reasonable consideration to offering a customer an instalment plan or revise their existing plan if requested.
203	A retailer must advise the customer of the specified assistance information.	Compliant – 5	Through discussion with the Team Leader Customer Connections, we determined that Horizon Power can provide the advice necessary to a customer. We observed documents containing the information prescribed in the Code which shows information is available to the customer if requested.
204	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representative organisations.	Compliant – 5	<i>Obligations 204 and 205</i> Through discussion with the Team Leader Customer Connections, we understand that Horizon Power have procedures that allows customer service representatives to calculate the minimum advance payment amount for customers experiencing payment difficulties or financial hardship. The amount is calculated based on a customer's past usage history, as such the payment in advance differs from customer to customer.
205	A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.	Compliant – 5	
206	A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer.	Compliant – 5	Horizon Power has developed a hardship policy that was recently finalised and approved.

No	Obligation under Condition	Compliance Rating	Findings
207	A retailer must ensure that the hardship policy complies with the specified criteria.	Compliant – 5	<p>We examined Horizon Power’s hardship policy and determined that it addresses the following requirements of the Code. The policy:</p> <ul style="list-style-type: none"> <li>• was developed in consultation with WACOSS</li> <li>• provides for the training of staff</li> <li>• provides for customers to be treated sensitively and respectfully</li> <li>• include guidelines that provides for ongoing consultation where applicable with staff, financial councillors and WACOSS</li> <li>• provides for annual review</li> <li>• assists to identify residential customers who are experiencing financial hardship</li> <li>• outlines the process for Horizon Power to suspend disconnection and debt recovery procedures</li> <li>• outlines the reduction and/or waiver of fees, charges and debt; and the recovery of debt.</li> </ul>
208	A retailer must give a customer, financial counsellor or relevant consumer representative organisation, on request, details of the financial hardship policy, at no charge.	Compliant – 5	Through discussions with the Manager Customer Care, we determined that Horizon Power has protocols in place for providing the hardship policy to a customer, financial counsellor or welfare agency who requests for it. The hardship policy is also published on Horizon Power’s website for download at no charge.
209	A retailer must keep a record of the specified information related to the hardship policy.	Compliant – 5	Through discussion with the Manager Metering Services and examination of documents, we confirmed that Horizon Power is maintaining the records as prescribed in this clause.
210	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	Compliant – 5	<p>We examined the hardship policy and observed that it is applicable to all Horizon Power small use customers. We confirmed with the Team Leader Customer Connections that assistance offered by Horizon Power to customers experiencing payment difficulties or financial hardship extends to business customers as well.</p> <p>We examined the customer complaint register and did not identify any complaints relating to a business customer’s treatment in arranging alternate payment arrangements.</p>

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 7 – Disconnection</b>			
211	A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address for failure to pay a bill.	Non-compliant – 2	<p>Horizon Power's existing template disconnection warning letter states that the customer's electricity supply may be disconnected within 5 business days from the date of the letter, which is contrary to what is required by the Code. The Code specifies that disconnection must not occur sooner than 5 business days after the date of receipt of disconnection warning. Subsequent to a bill review conducted by the Authority, the Authority has also identified a similar finding.</p> <p>At the time of writing this report, Horizon Power was liaising with the Authority regarding changing the statement to read "customer may be disconnected within 7 working days", however this statement still does not satisfy the requirements of this clause. The actual requirement is for Horizon Power to not disconnect the customer any time sooner than 5 business days from the date of receipt of the disconnection warning letter, which is effectively 7 business days (allowing for delivery/receipt by the customer by the second business day after sending).</p> <p>Testing performed on the disconnection process identified 3 customers who were not sent a reminder notice. 2 customers were disconnected while Horizon Power still used the customer information system managed by Synergy and 1 was after the migration to Velocity.</p> <p>We also note that the customer complaints register identified one customer who was disconnected in May 2008 without receiving any reminder notice or disconnection warning. According to the comments recorded in the register, the reason the customer did not receive any notification from Horizon Power was because the customer's mailing address was not recorded in the customer information system.</p> <p>The Velocity system currently does not generate exception reports to identify instances where a reminder notice and/or disconnection warning letter was not issued prior to the disconnection.</p> <p><i>Refer also to above summary observations and recommendation regarding Horizon Power's reporting and monitoring controls in relation to its Code of Conduct obligations.</i></p>
<p><b>Recommendation 14/09</b></p> <p>Horizon Power change the disconnection warning to state "Customer may be disconnected no sooner than 7 business days after the date of this warning letter" or words to similar effect.</p>		<p><b>Action Plan 14/09</b></p> <p>Appropriate wording to be agreed with the Authority and the standard letter change to ensure compliance with the Code of Conduct.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>	

No	Obligation under Condition	Compliance Rating	Findings
212	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.	Compliant – 4	<p>Horizon Power has policies and procedures in place to ensure customers are disconnected according to the limitations imposed by the Code. The creation and issuance of reminder letters and disconnection warnings are automated through Velocity. Customers also receive a final warning where a disconnection warning card is hand delivered to the proposed site for disconnection.</p> <p>Through discussion with ServiceWorks Customer Service Manager and audit testing performed, we did not observe any customers who were disconnected outside of the limitations prescribed in this clause.</p> <p>The Velocity system currently does not generate exception reports to identify instances where a reminder notice and/or disconnection warning letter was not issued prior to the disconnection.</p> <p><i>Refer to above summary observations and recommendation regarding Horizon Power's reporting and monitoring controls in relation to its Code of Conduct obligations.</i></p>
214	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified are satisfied.	Compliant – 5	<p>Through discussion with the Manager Customer Care and examination of Horizon Power's disconnection procedures, we determined that Horizon Power's procedures provide for:</p> <ul style="list-style-type: none"> <li>• Customers not to be disconnected for denying access to the meter unless access has been denied for 12 consecutive months</li> <li>• A warning letter to be issued to the customer in relation to inaccessibility of their meter after 10 months without an actual read. A follow up phone call is made 20 days after the letter is issued</li> </ul> <p>Examination of CIS records and the customer complaints register and discussions with the ServiceWorks Operations Manager indicate that during the period subject to audit there were:</p> <ul style="list-style-type: none"> <li>• No such disconnections</li> <li>• No customer complaints relating to such disconnection.</li> </ul>
215	A distributor who disconnects a customer's supply address for emergency reasons must provide a 24 hour emergency line and use its best endeavours to restore supply as soon as possible.	Compliant – 5	<p>Through discussion with Manager Customer Care and examination of documents, we determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power has a 24 hour emergency line available for customers to obtain information regarding the emergency and expected time for power to be restored. We observed that the 24 hour number appears on the bills, customer service charter and the website</li> <li>• There was no evidence of supply addresses being disconnected for emergency reasons</li> <li>• Horizon Power has emergency plans in place to restore supply to customers as soon as possible.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
216	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	Compliant – 3	<i>Obligations 216 to 218</i> Refer to findings detailed at section 3.1 Type 1 Reporting obligations for all licence types.
217	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.	Compliant – 5	
218	A distributor must undertake the actions specified in circumstances where the distributor has been informed by a retailer or a relevant government agency that a person residing at a customer's supply address requires life support equipment.	Compliant – 5	
<b>Part 8 - Reconnection</b>			
219	A retailer must arrange for reconnection of the customer's supply address if the customer has remedied its breach, makes a request for reconnection, pays the retailer's reasonable charges (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges.	Compliant – 5	Through audit testing performed and discussion with ServiceWorks Customer Service Manager, we determined that Horizon Power has procedures in place to reconnect customers with the condition that customer has to agree to an arrangement for either payment to be made or meter access granted.  Each of the disconnected customers subject to testing were either reconnected after remedying the breach leading to disconnection, or had not met the conditions for reconnection.

No	Obligation under Condition	Compliance Rating	Findings
221	A distributor must reconnect the customer's supply address upon the request of a retailer, within the timeframes specified.	Non-compliant – 2	<p>Through discussion with the Manager Customer Care and consideration of Horizon Power's reconnection processes, we determined that Horizon Power has the following procedures in place to reconnect customers:</p> <ul style="list-style-type: none"> <li>• Customers who were disconnected due to non payment or denying meter access can apply for a reconnection by calling Horizon Power</li> <li>• Prior to creating a service order to re-energise a property, an arrangement with the customer in relation to payment or access to the meter needs to be made</li> <li>• A reconnection fee will apply.</li> </ul> <p>Of our testing of a sample of customer reconnections made during the period subject to audit, each of the customers were reconnected according to the prescribed time frame.</p> <p>However, we also examined the customer complaints register and identified two customers who were not reconnected within the time frame as prescribed by the Code. Service standard payments were made to the customers. These two instances were not otherwise disclosed to the Authority as non-compliance matters.</p> <p>The Velocity system currently does not generate exception reports to identify instances where a reconnection was not performed within the required timeframe.</p> <p><i>Refer to above summary observations and recommendation regarding Horizon Power's reporting and monitoring controls in relation to its Code of Conduct obligations.</i></p>
222	A distributor must create and maintain a Priority Restoration Register.	Compliant – 5	Refer to findings detailed at section 3.1 Type 1 Reporting obligations for all licence types.



No	Obligation under Condition	Compliance Rating	Findings
<b>Part 9 – Pre-payment meters in remote communities</b>			
224	A retailer must not operate a pre-payment meter at a residential customer's supply address without the verifiable consent of the customer or its nominated representative.	Compliant – 4	<p>Through discussion with the Customer Support Coordinator-Remote Communities, examination of procedures for installing prepayment meters and examination of consent forms obtained from customers, we determined that Horizon Power has clear practices in place for :</p> <ul style="list-style-type: none"> <li>• The Customer Support Coordinator-Remote Communities to personally visit remote communities to provide information regarding pre-payment meters and collect customer information including obtaining verifiable consent from the customers</li> <li>• Determining the validity of the customer's nominated representative from whom verifiable consent is obtained, particularly in the case of communities without documented nomination practices</li> <li>• Customer details to be entered into Velocity.</li> </ul> <p>This audit was unable to effectively test for evidence of verifiable consent as the Velocity listing of pre-payment meter customers was unreliable at the time of audit. The cause of this situation was attributed to a system migration issue.</p> <p>Of pre-payment meter customers that were selected for testing, appropriate consent records were held on file. Nothing came to our attention to suggest that during the period subject to audit, verifiable consent was not obtained in accordance with Horizon Power's practices and procedures.</p>
	<p><b>Recommendation 15/09</b> Horizon Power address the reliability of the pre-payment meter listing.</p>		<p><b>Action Plan 15/09</b> A single controlled and managed Prepayment meter list to be developed and reported monthly to the Manager Metering &amp; Billing Services. <b>Responsible Person:</b> Manager Metering &amp; Billing Services <b>Target Date:</b> 30 April 2010</p>
225	A retailer must establish an account for each pre-payment meter operating at a residential customer's supply address.	Compliant – 5	Through discussion with the Customer Support Coordinator-Remote Communities, we determined an account is established for each supply address that is fitted with a pre-payment meter. Each meter has a unique meter ID number.
226	A retailer must provide the prescribed information to a pre-payment meter customer in the manner stated at no charge.	Compliant – 5	Through discussion with the Customer Support Coordinator-Remote Communities and examination of documents, we confirmed that Horizon Power provides the prescribed information in this clause to a pre-payment meter customer at no charge.

No	Obligation under Condition	Compliance Rating	Findings
227	A retailer must not operate a pre-payment meter at the supply address of a residential customer if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment.	Compliant – 5	<p><i>Obligations 227 and 228</i></p> <p>Refer to findings detailed at section 3.1 Type 1 Reporting obligations for all licence types.</p>
228	If a prepayment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must undertake the actions specified.	Compliant – 4	
229	A retailer must ensure that recharge facilities are located and capable of being accessed in the manner specified.	Compliant – 5	The Customer Support Coordinator-Remote Communities stated that Horizon Power ensures that pre-payment cards can be purchased from at least 1 agency within each remote community. Part of her job when she visits the remote communities is to establish new recharge facilities within the community. The lowest credit available for pre-payment meters is \$10.
230	A retailer must ensure that the pre-payment meter customer receives a benefit of a concession if the pre-payment meter customer demonstrates to the retailer that the customer is entitled to receive a concession.	Compliant – 5	The Customer Support Coordinator-Remote Communities stated that one of the information she collects from the customers when she visits the remote communities is the type of concession they are entitled to. The concession details are recorded in the account establishment form. The information is then recorded in a manual database and paid out twice a year.
231	A retailer must ensure that a pre-payment meter provides an emergency credit amount to the value of at least ten dollars.	Compliant – 5	Through observing the card based pre-payment meter, we were able to confirm that a customer is able to activate the emergency credit to the value of \$10 by pressing the grey button. The button is labelled accordingly.
232	A retailer must ensure that a pre-payment meter customer (including a pre-payment meter customer who has vacated the supply address) can retrieve all remaining credit at the time the customer vacates the supply address, in circumstances where notification of the proposed vacation date has been provided.	Compliant – 5	Pre-payment customers can get their remaining credit refunded provided they notify Horizon Power they are vacating the premises. Upon receiving the notification, Horizon Power's procedures entail a final meter read where any credits remaining from the card can be refunded.

No	Obligation under Condition	Compliance Rating	Findings
233	If a pre-payment meter customer has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform the pre-payment meter customer accordingly within 10 business days of the retailer becoming aware of the error and seek reimbursement instructions from the customer.	Compliant – 5	<p><i>Obligations 233 to 235</i></p> <p>Through discussion with the Customer Support Coordinator-Remote Communities, we determined that Horizon Power has procedures in place to notify customer of any overcharging and return the overcharged funds to customers.</p> <p>The Customer Support Coordinator-Remote Communities confirmed that there has been no overcharging of the pre-payment meter customers for the period under review.</p>
234	The retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions.	Compliant – 5	
235	If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	Compliant – 5	
236	If a retailer proposes to recover an amount undercharged as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified.	Compliant – 5	
237	A retailer must ensure that supply is recommenced through a pre-payment meter after self-disconnection as soon as information is communicated to the pre-payment meter that a payment causing a positive financial balance of the account has been made.	Compliant – 5	<p>Horizon Power has procedures in place to recover undercharged amount from customers. Horizon Power's policy states that the undercharged amount to be recovered cannot extend beyond 12 months from the time of notification to the customer.</p> <p>The Customer Support Coordinator-Remote Communities confirmed that there has been no undercharged of the pre-payment meter customers for the period under review.</p>
<b>Part 10 – Information and communication</b>			
238	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, in the timeframes specified.	Compliant – 5	<p><i>Obligations 238 to 240</i></p> <p>Through discussion with the Manager Metering Services and examination of email correspondence, we confirmed that Horizon Power has procedures in place to provide its</p>

No	Obligation under Condition	Compliance Rating	Findings
239	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including alternative tariffs.	Compliant – 5	customers their tariff information and when there is a change in tariffs. Horizon Power made changes to its tariff in April 2009 and July 2009. We examined the relevant email correspondence between External Affairs and the printing house to organise the mail out of the tariff brochures together with the customers' bills. The tariff brochures are provided at no charge to the customers.
240	A retailer must give a customer the information requested on tariffs in the manner and within the timeframes specified.	Compliant – 5	If a customer requests for tariff information, the tariff brochure will be sent out the following day.
241	A retailer must, on request, give a non-contestable customer its billing data.	Compliant – 5	<p><i>Obligations 241 to 244</i></p> <p>Through discussion with the Team Leader Customer Connections, we determined that Horizon Power has procedures in place to provide customers with billing information when requested at no charge. Typically, a spreadsheet will be prepared with the customer's billing data if the request comes from a business customer. For request from a residential customer, a letter is sent out the following day with the customer's billing data.</p> <p>Through discussion with the Manager Customer Care, examination of the ServiceWorks contract and observation of customer data in Velocity, we confirmed that all customers' billing data are kept in Velocity and is retained at a minimum for 7 years.</p>
242	A retailer must give the requested billing data at no charge in the circumstances specified.	Compliant – 5	
243	A retailer must give the requested billing data within 10 business days of the receipt of the request or payment of the retailer's reasonable charge for providing the billing data.	Compliant – 5	
244	A retailer must keep a non-contestable customer's billing data for seven years.	Compliant – 5	
245	A retailer must give a customer on request, at no charge, the concession information specified.	Compliant – 5	
246	A retailer must give a customer on request, at no charge, the general energy efficiency information specified.	Compliant – 5	<p><i>Obligations 453 to 247</i></p> <p>Through discussion with the Team Leader Customer Connections and examination of relevant brochures, we determined that Horizon Power has procedures in place for the provision of the following information to the customers:</p> <ul style="list-style-type: none"> <li>• Types of concessions available including the contact details of the relevant organisations responsible for them</li> <li>• Ways to reduce electricity consumption</li> <li>• Contact details of the organisation providing energy efficiency audit (energy efficiency audits are provided at no charge to customers who are eligible for the Hardship Utility Grant Scheme)</li> <li>• Typical running costs of major domestic appliances</li> <li>• Electricity distribution related information.</li> </ul> <p>The above information is provided at no charge to customers.</p>
247	A retailer must give information to the customer, or refer the customer to the relevant distributor for a response, if asked by a customer for information relating to the distribution of electricity.	Compliant – 5	

No	Obligation under Condition	Compliance Rating	Findings
248	A distributor must give a customer on request, at no charge, the specified information that is particular to a distributor.	Compliant – 5	Through discussion with the Manager Metering Services and Team Leader Customer Connections and examination of relevant emails and brochures, we confirmed that the information prescribed in the Code is available to be provided to the customers if requested at no charge. We also confirmed that there are procedures in place for the provision of such information to the customers.
249	A distributor must, on request, give a customer its consumption data.	Compliant – 5	<p><i>Obligations 249 to 252</i></p> <p>Through discussion with the Team Leader Customer Connections, we determined that Horizon Power has procedures in place to provide customers with consumption information when requested at no charge. Typically, a spreadsheet will be prepared with the customer's consumption data if the request comes from a business customer. For request from a residential customer, a letter is sent out the following day with the customer's consumption data.</p> <p>Through discussion with the Manager Customer Care and observation of customer data in Velocity, we confirmed that all customers' consumption data are kept in Velocity and does not get removed.</p>
250	A distributor must give a customer the requested consumption data at no charge in the circumstances specified.	Compliant – 5	
251	A distributor must give a customer the requested consumption data within 10 business days of the receipt of the request or payment of the distributor's reasonable charge for providing the consumption data.	Compliant – 5	
252	A distributor must keep a customer's consumption data for seven years.	Compliant – 5	
253	A distributor must, on request, tell a customer how the customer can obtain information on distribution standards and metering arrangements that are relevant to the customer.	Compliant – 5	<p><i>Obligations 253 and 254</i></p> <p>Through discussion with the Manager Metering Services and examination of Horizon Power's website, we confirmed that Horizon Power has published its distribution standards which are similar to what is prescribed under the Electricity Act 1945 on its website. The website covered details on voltage limits, frequency, voltage fluctuations and harmonics.</p> <p>Horizon Power's metering arrangements are also published on its website.</p>
254	A distributor must publish information on distribution standards and metering arrangements on the distributor's web site.	Compliant – 5	
255	A retailer, distributor and marketer must, to the extent practicable, ensure that any written information that must be given to a customer under the Code of Conduct is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.	Compliant – 5	Through examination of brochures, Horizon Power's website and the Customer Service Charter, we determined that those documents were prepared using clear, simple and concise language.
256	A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Code of Conduct.	Compliant – 5	<p><i>Obligations 256 to 258</i></p> <p>Through discussion with the Team Leader Customer Connections, we determined that Horizon</p>

No	Obligation under Condition	Compliance Rating	Findings
257	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their web sites.	Compliant – 5	Power has: <ul style="list-style-type: none"> <li>• Procedures in place to provide the Code of Conduct to customers when requested</li> <li>• Published the Code of Conduct on its website</li> <li>• Electronic copies of the Code of Conduct to be sent to customers via email.</li> </ul> The Code of Conduct is available in hard or some copy and at no charge to the customers. Customers visiting the regional offices to obtain a copy of the Code of Conduct will be given a copy printed by the staff at the office. There are very few customers visiting the regional offices.
258	A retailer and distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their offices.	Compliant – 5	
259	A retailer and distributor must make available to the customer on request, at no charge, services that assist the customer in interpreting information provided by the retailer or distributor.	Compliant – 5	Through examination of customer bills, reminder notices, disconnection warnings and the Customer Service Charter and discussion with the Team Leader Customer Connections, we determined that Horizon Power provides the following assistance to customers requiring special needs: <ul style="list-style-type: none"> <li>• Multi-lingual interpreting services (TIS)</li> <li>• Text telephone (TTY).</li> </ul>
260	A retailer and, where appropriate a distributor, must include the telephone number for their special information services and for independent multi-lingual services, on the documents specified.	Compliant – 5	Through examination of customer bills, reminder notices, disconnection warnings and the Customer Service Charter, we confirmed that the following information are included in the documents mentioned above: <ul style="list-style-type: none"> <li>• Telephone number for TTY services</li> <li>• Telephone number for multi-lingual services.</li> </ul>
261	A distributor must advise a customer, at no charge, of the availability of different types of meters.	Compliant – 5	<i>Obligations 261 and 262</i> Through discussion with the Team Leader Customer Connections, we determined that Horizon Power has procedures in place to provide the following information to its customers: <ul style="list-style-type: none"> <li>• Types of meters available and their suitability to the customer</li> <li>• Purpose of the meters</li> <li>• Costs of the meters</li> <li>• Installation and operation procedures of the meters.</li> </ul> Meters provided by Horizon Power do not require any maintenance.
262	A retailer must, if requested by a customer, advise the customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	Compliant – 5	

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 11 – Customer service charter</b>			
263	A retailer and distributor must produce and publish a Customer Service Charter.	Compliant – 4	Through examination of documents and discussion with the Regulations Compliance Coordinator, we confirmed that Horizon Power has an established process to produce and publish a Customer Service Charter.  We observed the version published on Horizon Power’s website is not the latest approved version.
	<b>Recommendation 16/09</b> Horizon Power is to replace the online Customer Service Charter with the latest approved version.		<b>Action Plan 16/09</b> The latest approved Customer Service Charter to be placed on the website. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> Completed 7 December 2009
264	A retailer and distributor must address the specified information in their Customer Service Charters.	Compliant – 5	Through examination of the Customer Service Charter, we confirmed that both versions of the charter that were applicable for the period under review had addressed the required information as prescribed in the Code.
265	A retailer and distributor must give a customer on request, at no charge, a copy of the Customer Service Charter.	Compliant – 5	<i>Obligations 265 and 266</i> Through discussion with the ServiceWorks Customer Service Manager, we confirmed that Horizon Power has procedures in place to send out copies of the Customer Service Charter at no charge when requested by customers. The charter is sent the following day after receiving a request, meeting the two business day timeframe.
266	A retailer and distributor must dispatch a copy of the Customer Service Charter to a customer who requests a copy, within two business days of the request.	Compliant – 5	

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 12 – Complaints and dispute resolution</b>			
<p><b>Summary observations regarding Horizon Power’s customer complaints handling obligations</b></p> <p>Through:</p> <ul style="list-style-type: none"> <li>• Discussion with Horizon Power’s Customer Care staff and the ServiceWorks Customer Service Manager</li> <li>• Examination of Horizon Power’s Complaints Policy, Complaints Management Procedure, Customer Service Charter and web site reference</li> <li>• Examination of records of complaints maintained in each of the CIS and Velocity systems,</li> </ul> <p>we determined that Horizon Power has developed and implemented a process for handling complaints from customers, which has been designed to comply with AS ISO 10002 – 2006 and includes:</p> <ul style="list-style-type: none"> <li>• Horizon Power’s definition of a complaint, which matches the AS ISO 10002 – 2006 definition</li> <li>• A description of: <ul style="list-style-type: none"> <li>▪ How complaints can be lodged by customers</li> <li>▪ How complaints will be handled by Horizon Power, including the customer’s right to have a complaint considered by a senior employee</li> <li>▪ The timeframes and method in which Horizon Power will acknowledge and respond to complaints</li> <li>▪ The information that the customer will receive</li> <li>▪ The complaints handling process being available at no cost to customers</li> </ul> </li> <li>• Relevant details of customer complaints being recorded in CIS/Velocity</li> <li>• Details of customer complaints received via the Ombudsman also being recorded in a separate spreadsheet.</li> </ul> <p>Although we did not observe any evidence to indicate non-compliance with the requirements of the Code, we observed the following aspects of the complaints handling process which have not been maintained to the standard expected by Horizon Power’s policy and procedure:</p> <ul style="list-style-type: none"> <li>• Since the commencement of ServiceWorks/Velocity arrangements, the number of complaints recorded by the call centre (i.e. not received via the Ombudsman) has reduced from approximately 8/month to approximately 3/month and the proportion of Ombudsman complaints compared to the total number of complaints recorded has increased. This movement suggests complaints have not been recognised and recorded consistent with the practices employed by the Synergy call centre. Our review of complaints received via the Ombudsman suggest some complaints should have been previously recognised by Horizon Power as a complaint. For example, Ombudsman complaint 2009/01064 describes an unhappy customer making multiple phone calls to Horizon Power, yet the contact was not recorded as a complaint.</li> <li>• At the time of this audit, the available extract of complaints records from Velocity lacked detail and all complaints were reported to be in ‘open’ status. The ServiceWorks Customer Service Manager advised that CSRs had not been sufficiently trained to record complaints as being closed out</li> <li>• Since the commencement of ServiceWorks/Velocity arrangements, there has been no apparent proactive monitoring of complaints and contributing reasons for complaints, particularly prior to dissatisfied customers complaining to the Ombudsman.</li> </ul> <p>We also note that Horizon Power’s policy and procedure are both overdue for review (May 2009 and April 2009 respectively) and the procedure still refers to CIS and Synergy’s call centre.</p>			



No	Obligation under Condition	Compliance Rating	Findings
<p><b>Recommendation 17/09</b> Horizon Power:</p> <p>(a) Strengthen its customer complaints handling process by ensuring:</p> <ul style="list-style-type: none"> <li>• CSRs and all staff in a position to receive customer complaints are fully trained in the requirements to recognise, respond to and record customer complaints</li> <li>• The Velocity system enables all required details of complaints to be reported and monitored, particularly acknowledgement and response details.</li> </ul> <p>(b) Review and update its Complaints Policy and Complaints Management Procedures.</p> <p><i>This recommendation applies to obligations 267, 268 and 270 (below)</i></p>			<p><b>Action Plan 17/09</b></p> <p>A full review of the complaints definitions, recording, handling, escalation and reporting to be undertaken and processes and procedures developed to ensure all complaints are recorded, dealt with and reported in accordance with requirements.</p> <p>This review will specifically address:</p> <ul style="list-style-type: none"> <li>• Employee training requirements</li> <li>• System capabilities</li> <li>• Policies and procedures.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services <b>Target Date:</b> 30 April 2010</p>
267	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Compliant – 3	<p><i>Obligations 267 to 269</i> <i>Refer to Summary observations and recommendation above, regarding Horizon Power’s customer complaints handling obligations.</i></p>
268	A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements.	Compliant – 3	
269	A retailer or distributor must at least provide the specified advice to a customer when handling a complaint.	Compliant – 5	
270	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints.	Compliant – 3	<p>Section 3 of the <i>Customer Complaints Guidelines</i> (Guidelines) issued by the Authority in October 2008, provides energy retailers and distributors with guiding principles on how complaints should be distinguished from enquiries.</p> <p>Horizon Power’s procedure distinguishes complaints from enquiries, specifically referring to the Australian Standard definition of a complaint (per AS ISO 10002 – 2006), which highlights a complaint being an expression of dissatisfaction where a response or resolution is expected. Although the procedure broadly addresses the guiding principles outlined in the Authority’s Guidelines, it does not refer to those Guidelines and does not provide the same depth of description of the type of customer contact which would constitute a complaint, enquiry or “other communication”. For example, the Guidelines describe an expression of dissatisfaction as including a customer being angry, clearly annoyed or unhappy. The Ombudsman complaint 2009/01064 example described above suggests the customer was not initially recognised as being unhappy, despite making multiple phone calls to Horizon Power.</p> <p><i>Refer to Summary observations and recommendation above, regarding Horizon Power’s customer complaints handling obligations.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
271	A retailer, distributor and marketer must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	Compliant – 5	Horizon Power's website makes a specific reference to its complaints handling process available to customers at no charge. Horizon Power's Customer Service Charter, which is also available on its website also refers to its complaints handling process available to customers at no charge.
272	A retailer, distributor or marketer who receives a complaint that does not relate to its functions, must refer the complaint to the appropriate entity and inform the customer of the referral.	Compliant – 5	Through discussion with Horizon Power's Customer Care staff and examination of records of complaints maintained, we observed that Horizon Power's customer care and complaints handling processes provide for: <ul style="list-style-type: none"> <li>• Staff to recognise instances where a complaint does not relate to Horizon Power's functions</li> <li>• The matter to be referred to the relevant entity (for example, Western Power)</li> <li>• The customer to be made aware of the reason for the referral.</li> </ul>

### Part 13 – Record keeping

#### Summary observations regarding Horizon Power's record keeping obligations

Part 13 of the Code requires Horizon Power to keep specific records of its customer related activities. This audit considered records maintained by the Synergy CIS system, however the audit primarily focussed on the records maintained by the new Gentrack Velocity customer information system implemented in June 2009.

We recognise that:

- the data migration exercise was a key part of the handover from the Synergy CIS system to the Gentrack Velocity system, from 19 June 2009
- a number of the records prescribed in Part 13 of the Code can be produced from sources other than the Velocity database
- Horizon Power is currently negotiating with Gentrack to develop reports containing the required records from the Velocity database.

However, at the time of conducting this audit, not all of the records required by the Code could be readily extracted from the Velocity system, despite the system maintaining relevant data. As those records were not available at 30 June 2009, Horizon Power was unable to include some June 2009 activity in its annual performance report to the Authority. Records that we identified as currently not available and therefore not considered to have been kept during the period of the audit are:

- Number of customers under affordability and access indicators
- Customer complaints
- Compensation payments
- Disconnections for Non-Payment
- Reconnections.

No	Obligation under Condition	Compliance Rating	Findings
<p><b>Recommendation 18/09</b></p> <p>Horizon Power:</p> <p>(a) Pursue the necessary improvements to the reporting capability of Velocity for the reporting of indicators required by the Code</p> <p>(b) Establish a timeframe for completion of those improvements.</p> <p><i>This recommendation applies to obligations 273 - 277, 280, 281, 283 - 285, 287.</i></p>		<p><b>Action Plan 18/09</b></p> <p>In conjunction with Gentrack (with reference to the Gentrack “Solution Document for ERA Reports”), develop a suite of exception and management reports to ensure compliance with all obligations listed above.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>	
273	<p>A retailer, distributor or marketer must keep a record or other information as required to be kept by the Code of Conduct for at least two years from the last date on which the information was recorded, unless expressly provided otherwise.</p>	Non-compliant – 2	<p>We observed that customer data from the Synergy CIS system was migrated to the Gentrack Velocity system in June 2009. We specifically observed several customer accounts with billing activities dating back to early 2000, supporting the presumption that long term customer data is kept in the Velocity database.</p> <p>Although customer data is kept and a backup regime for the Velocity system is in place, the system is currently not capable of readily producing records as required by the Code. Horizon Power obtained the required records from Synergy for the period up to 19 June 2009, when Horizon Power migrated from CIS to Velocity. No such records could be produced from 19 June 2009.</p> <p><i>Refer to Summary observations and recommendation above, regarding Horizon Power’s Record Keeping obligations.</i></p>
274	<p>A retailer must keep a record of the total number of customers under the affordability and access indicators specified.</p>	Non-compliant – 2	<p>We examined the records received from Synergy as well as the annual performance report published on Horizon Power’s website and determined that affordability and access records were kept on CIS for the period to 19 June 2009.</p> <p>Since 19 June 2009, records relating to affordability and access indicators have not been produced through the Velocity system’s reporting function. Accordingly, during the period from 19 June to 30 September 2009, Horizon Power has not been able to comply with the Code’s requirement to keep these records.</p> <p><i>Refer to Summary observations and recommendation above, regarding Horizon Power’s Record Keeping obligations.</i></p>
275	<p>A retailer must keep a record of the customer complaint indicators specified.</p>	Non-compliant – 2	<p><i>Obligations 275 and 276</i></p> <p>We examined the records received from Synergy as well as the annual performance report published on Horizon Power’s website and determined that:</p>

No	Obligation under Condition	Compliance Rating	Findings
276	A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints made directly to a marketer).	Non-compliant – 2	<ul style="list-style-type: none"> <li>• Customer complaints records were kept on CIS and are available for the period to 19 June 2009.</li> <li>• Complaints received from the Ombudsman are maintained in a separate spreadsheet</li> <li>• Although Velocity records details of customer complaints received, including categorisation of complaint types and provides for explanatory comments in the memo field, Velocity’s current capability to report required complaints details is inadequate. The Velocity report provided to the audit from lacks detail and showed all complaints still in ‘open’ status. The ServiceWorks Customer Service Manager advised that CSRs had not been sufficiently trained to close out a complaint, resulting in a report that is inaccurate. Also, the report does not appear to be a complete record of complaints received, particularly in comparison to the number and type of complaints recorded prior to the implementation of the Velocity system</li> </ul> <p>Accordingly, during the period from 19 June to 30 September 2009, Horizon Power has not been able to comply with the Code’s requirement to keep specified customer complaint indicators.</p> <p><i>Refer to Summary observations and recommendation above, regarding Horizon Power’s Record Keeping obligations.</i></p>
277	A retailer must keep a record of the total number of payments and data on the average amount of payments made under the compensation indicators specified.	Non-compliant – 2	<p>We examined the records received from Synergy as well as the annual performance report published on Horizon Power’s website and determined that compensation indicator records were kept on CIS and are available for the period to 19 June 2009.</p> <p>Since the migration, compensation indicators cannot be produced using standard reports from Velocity. Accordingly, these required records have not been kept since the migration date.</p> <p><i>Refer to Summary observations and recommendation above, regarding Horizon Power’s Record Keeping obligations.</i></p>
278	A retailer must keep a record of the call centre performance indicators specified.	Compliant – 5	<p>With the migration of CIS, ServiceWorks is now responsible for the call centre services. We determined that ServiceWorks provides Horizon Power with a monthly call centre performance summary report, which satisfies the requirements of this obligation.</p> <p>We examined the summary report and confirmed that the records provided are as required by the Code.</p>
279	A retailer must keep a record of the total number of residential and business accounts specified.	Compliant – 5	<p>Customer accounts records were kept on CIS and can be obtained for the period up to 19 June 2009. We examined the records received from Synergy as well as the annual performance report published on Horizon Power’s website.</p> <p>A standard set of reports also allows Velocity to readily produce these records.</p>

No	Obligation under Condition	Compliance Rating	Findings
280	A retailer must keep a record of the number of pre-payment meter customers and complaints information specified.	Non-compliant – 2	Customer account records for pre-payment meter customers were kept on CIS and can be obtained for the period up to 19 June 2009. Recording of complaints relating to pre-payment meter customers are handled in a similar manner as other customer complaints. Refer to findings for obligations 275 and 276 above. <i>Refer to Summary observations and recommendation above, regarding Horizon Power's Record Keeping obligations.</i>
281	A distributor must keep a record of the total number of connections provided and connections not provided on or before the agreed date.	Non-compliant – 2	Through discussion with the Regulation Compliance Coordinator and consideration of Horizon Power's annual reporting processes, we determined that: <ul style="list-style-type: none"> <li>• Customer connections records are held on Western Power's MBS and made available to Horizon Power</li> <li>• The Manager Metering Services monitors connection records</li> <li>• Connection records are published in the annual report.</li> </ul> The Manager Metering Services advised that MBS is unable to readily report on the number of connections provided before or after the agreed date. Refer to findings for obligation 75 above for more detail. This matter was disclosed in Horizon Power's 2007/08 compliance report to the Authority, with a resolution expected to be implemented by 30 June 2009. The resolution has not been achieved as the necessary system reports remain unavailable. <i>Refer to Summary observations and recommendation above, regarding Horizon Power's Record Keeping obligations.</i>
282	A distributor must keep a record of the street light faults and repair indicators specified.	Compliant – 5	The faulty street lights records are obtained from the Trouble Call Management System (TCMS). TCMS is used to record all reports of faulty street lights from the public or the inspection crews. We examined the report from TCMS and confirmed that records for street light faults and repair indicators are kept.
283	A distributor must keep a record of the customer complaint indicators specified.	Non-compliant – 2	As Horizon Power has identical obligations as both a retailer and distributor, refer to findings for obligations 275 and 276 above. <i>Refer to Summary observations and recommendation above, regarding Horizon Power's Record Keeping obligations.</i>
284	A distributor must keep a copy of each customer complaint referred to in clause 13.10(1).	Non-compliant – 2	As Horizon Power has identical obligations as both a retailer and distributor, refer to findings for obligations 275 and 276 above. <i>Refer to Summary observations and recommendation above, regarding Horizon Power's Record Keeping obligations.</i>

No	Obligation under Condition	Compliance Rating	Findings
285	A distributor must keep a record of the total number of compensation payments made under clause 14.4.	Non-compliant – 2	As Horizon Power has identical obligations as both a retailer and distributor, refer to findings for obligation 277 above. <i>Refer to Summary observations and recommendation above, regarding Horizon Power's Record Keeping obligations.</i>
286	A distributor must keep a record of the call centre performance indicators specified.	Compliant – 5	As Horizon Power has identical obligations as both a retailer and distributor, refer to findings for obligation 278 above.
287	A distributor must keep a record of the number of complaints relating to the installation and operation of a pre-payment meter at a pre-payment meter customer's supply address and the complaints information specified.	Non-compliant – 2	As Horizon Power has identical obligations as both a retailer and distributor, refer to findings for obligation 280 above. <i>Refer to Summary observations, conclusion and recommendation regarding Horizon Power's Record Keeping obligations.</i>
288	A distributor must keep a record of the total number of customers who are connected to its network.	Compliant – 5	The record for total number of customers who are connected to the Horizon Power network is stored on MBS. Through discussion with the Regulation Compliance Coordinator, we confirmed that Horizon Power obtains the record from Western Power. The Metering Services Manager is also consulted for the figures. The records are then published in the annual report.
289	A retailer and a distributor must prepare a report setting out the information required by Part 13 of the Code of Conduct, in respect of each year ending on 30 June. The report must be published no later than the following 1 October.	Non-compliant – 2	The 2008/09 code of conduct annual performance report was prepared with records up to 19 June 2009, where the records were obtained from Synergy/CIS. Due to the reporting limitations of Velocity at the time of preparation of the annual report, Horizon Power was not able to extract necessary records for the period 20 to 30 June 2009.  The annual report was not published on Horizon Power's website until 7 October 2009, missing the 1 October deadline. Horizon Power maintains a log of communication with the Authority and also utilises the CURA system to record required tasks and timeframes. In this instance, the required task was not actioned.  <i>Note: This finding, recommendation and implementation plan also relates to obligation 451.</i>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 19/09</b></p> <p>Horizon Power's compliance reporting procedures be strengthened to ensure that for each of its requirements and associated deadlines:</p> <ul style="list-style-type: none"> <li>The responsible officer and accountable officer (assigned and recorded in the CURA system) fully understand their regulatory responsibilities</li> <li>Completion of required actions is evidenced by the accountable officer.</li> </ul>		<p><b>ActionPlan 19/09</b></p> <p>Update CURA to ensure task of uploading reports included in Regulation Compliance Coordinator list of requirements.</p> <p><b>Responsible Person:</b> Regulation Compliance Coordinator</p> <p><b>Target Date:</b> 30 June 2010</p>
290	A copy of each report must be given to the Minister and the Authority not less than 7 days before it is published.	Compliant – 5	Through discussion with the Regulation Compliance Coordinator and examination of relevant emails, we confirmed that the annual performance report was sent to the Authority via email on 23 September 2009. Horizon Power published the report on the 7 October 2009 therefore satisfying the requirement of the code to provide the report to the Minister and Authority at least 7 days before the report is published.
<b>Part 14 – Service standard payments</b>			
291	A retailer must pay the stated compensation to a customer where the customer is not reconnected in the manner specified and an exception to payment does not apply.	Compliant – 5	Through examination of Horizon Power's Code of Conduct annual performance report, discussion with the ServiceWorks Customer Service Manager, consideration of Horizon Power's Customer Complaints Procedure and examination of compensation payments made during the period subject to audit, we determined that Horizon Power maintains a process to allow compensation to be paid to eligible customers who were not reconnected in the manner specified and who applied for a claim to Horizon Power.
293	A retailer must pay the stated compensation to a customer where the retailer has failed to follow any of the specified procedures prior to disconnection for a failure to pay and an exception to payment does not apply.	Compliant – 5	Through examination of Horizon Power's Code of Conduct annual performance report, discussion with the ServiceWorks Customer Service Manager, consideration of Horizon Power's Customer Complaints Procedure and examination of compensation payments made during the period subject to audit, we determined that Horizon Power maintains a process to allow compensation to be paid to eligible customers who were wrongfully disconnected and who applied for a claim to Horizon Power.

No	Obligation under Condition	Compliance Rating	Findings
294	A retailer must acknowledge and respond to a written query or complaint by a customer within the timeframes prescribed.	Compliant – 4	<p>Through examination of Horizon Power’s Customer Complaints Procedures and discussion with the Manager Customer Care and ServiceWorks Customer Service Manager, we determined that:</p> <ul style="list-style-type: none"> <li>• Horizon Power has arrangements in place to acknowledge and respond to customer complaints within the timeframes specified by the Code</li> <li>• Customer complaints received directly from customers are now handled by ServiceWorks, while complaints from the ombudsman are handled by the Customer Care team.</li> </ul> <p>The current reporting capability of Velocity requires improvement to allow response times to be effectively monitored. The Velocity report made available to the audit did not contain populated data fields for acknowledgement dates and response dates and all complaints were reported in “open” status. Refer to Summary observations and recommendation 18 above, regarding Horizon Power’s customer complaints handling obligations.</p> <p>We also observed that Horizon Power’s Complaints Management Procedure and Customer Service Charter refer to the customer’s right to a service standard payment (in the event that Horizon Power does not meet the timeframe for acknowledging or responding to a complaint) if a request is made within three months and two months respectively of the customer’s initial contact. These references do not match the Code’s specification of the timeframe as within three months of the non-compliance, which is actually the date at which the response target was breached, not the date of initial contact.</p>
	<p><b>Recommendation 20/09</b></p> <p>Horizon Power amend its Customer Complaint Procedure and Customer Service Charter to refer to customers’ rights to a service standard payment if they make a request within three months of any breach of a response target.</p>		<p><b>Action Plan 20/09</b></p> <p>The Customer Complaint Procedure and Customer Service Charter to be amended to refer to customers’ rights to a service standard payment if they make a request within three months of any breach of a response target.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services  <b>Target Date:</b> 30 June 2010</p>
296	A distributor must acknowledge and respond to a written query or complaint by a customer within the timeframes prescribed.	Compliant – 4	As Horizon Power has identical obligations as both a retailer and distributor, refer to findings and recommendation for obligation 294 above.
298	A retailer who is required to make a compensation payment for failing to satisfy a service standard, must do so in the manner specified.	Compliant – 5	Through discussion with ServiceWorks Customer Service Manager, we determined that Horizon Power has policies and procedures in place to compensate customers by applying a credit on the customer’s next bill or by cheque if specifically requested by the customer.



## 4.8 Electricity Industry Metering Code

### Background

Horizon Power's metering services have been provided under a legacy agreement with Western Power since disaggregation in 2006. This relationship was formally contracted until October 2009. For the period subject to audit, Horizon Power relied on Western Power operating in accordance with its meter management plan and metrology procedure. This situation was due to Western Power's Metering Business System (MBS) being unable to accommodate more than one metrology standard without separation of its database. All meter reading activities for Horizon Power's network were conducted by AMRS, who were previously contracted to Western Power. The meters were provided to Horizon Power through a supply arrangement between Western Power and Landis & Gyr. Western Power also provided ad hoc field services for a variety of purposes such as for CT Metering installations.

Action plans from the previous EIRL performance audit described Horizon Power's undertaking to contract directly with Western Power, AMRS and Landis & Gyr. The Metering Service Level contract between Horizon Power and Western Power for all intents and purposes, was finalised in July 2009 and formally signed on 12 October 2009. The Manager Metering Services confirmed that Horizon Power first engaged in negotiations to develop this contract with Western Power in February 2009.

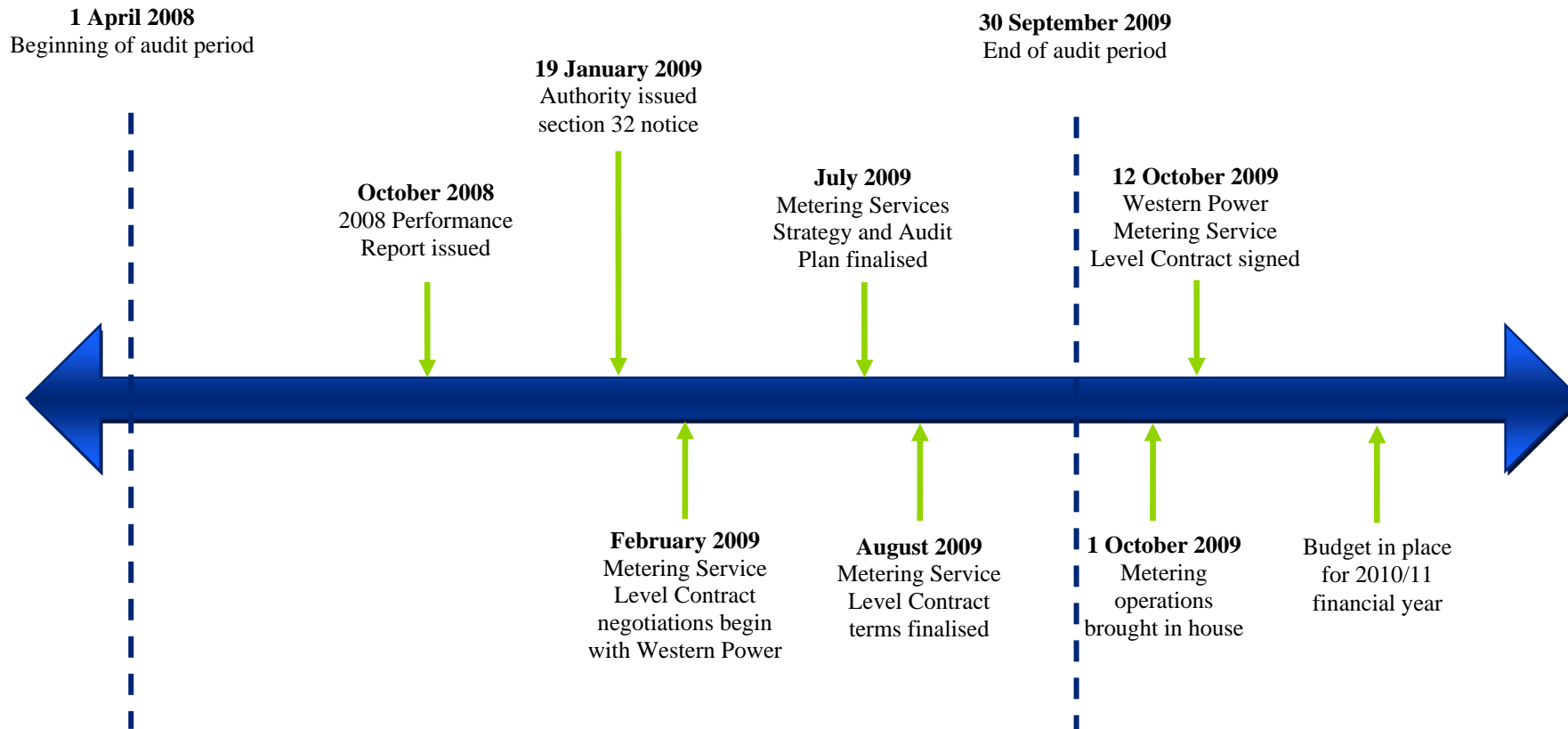
As of 1 October 2009, Horizon Power has taken responsibility for the operational side of its metering activities, which essentially means that Horizon Power will control and manage its meters throughout their lifecycle, from sourcing to destruction. Per its Metering Services Strategy, which was developed in July 2009, Horizon Power's vision is "to effectively manage our metering assets and ensure appropriate metering and communications technology is available for all market segments to enhance our relationships with our customers, whilst improving the knowledge of and performance of our systems".

Western Power continues to operate as the metering data agent for Horizon Power as defined by the October 2009 Metering Services Contract. Horizon Power is currently negotiating with Western Power to separate its meters into two groups to enable more effective management of Horizon Power's meters. The Manager Metering Services also advised that Horizon Power is investigating bringing an MBS in house, so as to be totally independent of Western Power. Horizon Power has contracted AMRS to act as its meter readers. Landis & Gyr continue to supply meters to Horizon Power.

Horizon Power is reliant on its Metrology Procedure approved by the Authority on 15 September 2006 to guide its compliance with the Metering Code and other relevant legislative requirements.

Please refer to Diagram 2 for a timeline that represents key dates in the period subject to audit. The timeline represents the progress achieved by Horizon Power, since the issue of the Section 32 notice from the Authority in January 2009. It is important to note that the Section 32 notice was issued eight months into the current audit period. The timeline provides further context for the compliance assessments made by this audit.

Diagram 2 – Metering Services timeline of events



## Obligations determined to be not applicable

The following obligations are not applicable to Horizon Power's operations.

Obligation	Reason
319	For the purpose of this clause, Horizon Power as the Code participant is not separate to the network operator.
328-332	Division 3.3 of the Metering Code specifically applies to "Metering Requirements for the Wholesale Electricity Market and Customer Transfer". Section 3.15 of the Code references the Electricity Industry Act Part 9, which defines the market as the South West Interconnected System (SWIS). Therefore Division 3.3 of the Code is not applicable to Horizon Power's operations.
333	The obligation is on the Electricity Retail Corporation (Synergy), not the Regional Electricity Corporation (Horizon Power).
347	Section 1.3 of the Code references the Electricity Industry Act section 123(1), which defines the market rules as the rules relating to the market and the operation of the SWIS. This obligation is therefore not applicable as Horizon Power does not operate on the SWIS.
350	For the purpose of this clause, Horizon Power as the Code participant is not separate to the network operator.
412-414	The obligation is on the Electricity Networks Corporation (Western Power), not the Regional Electricity Corporation (Horizon Power).
418, 420-423	The obligation is on the code participant, which is not Horizon Power.

## Obligations determined to be not rateable

Horizon Power's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
300, 301	As there are no other retailers, distributors, generators or users on Horizon Power's networks, there are no code participants with which Horizon Power could have dealings that are non arm's length in respect of its metering activities.
309, 318, 324, 335, 339, 340, 354, 355, 372-375, 383	As Horizon Power did not have any users accessing its networks during the period subject to audit, these obligations cannot be rated for compliance.
334, 349, 352, 353, 359, 360, 364, 366-370, 385-389, 392- 395, 399, 407	As there were no code participants with the capacity to make such a request during the period subject to audit, these obligations cannot be rated for compliance.
327	The Manager Metering Services advised that there is no indication that such meters do not comply, therefore the clause is not rateable.

Obligation	Reason
371	Horizon Power operates in a market with contestable customers (Horizon Power retail electricity to small use customers who by definition are users who consume up to 160 MWh per annum) therefore there is capacity for another retailer (other than Horizon Power) to operate in the market. Until such time as another retailer enters the market, the obligation remains not rateable.
417	The Regulation Compliance Coordinator confirmed that Horizon Power has not been required by the Authority to amend the documents listed at section 6.1(1) of the Metering Code.
419	The Regulation Compliance Coordinator confirmed that Horizon Power has not made any changes to its contact details during the period.
424- 428	<p>For the purpose of the Metering Code, “disputes” refers to metering disputes between Horizon Power as the network operator, another retailer, a generator, the metering data agent (Western Power), a user or the IMO. As the definition of the Code Participant applies, the only possible party with whom Horizon Power would have a dispute is Western Power.</p> <p>The Regulation Compliance Coordinator confirmed that no metering disputes have arisen between Western Power and Horizon Power during the period 1 April 2008 to 30 September 2009. Accordingly, an assessment of compliance with clause 8.1 cannot be made.</p> <p>However, Horizon Power maintains a Complaints Policy that is applicable to all of Horizon Power’s customers/stakeholders including, but not limited to, complaints from Horizon Power Customers who use less than 160MWh per annum, Energy Ombudsman and the Minister for Energy. The policy prescribes that it is intended for use by staff and customers of Horizon Power and is aligned to the approved Customer Charter.</p> <p>Horizon Power’s complaint handling principles (as outlined by section 4 of the Policy) outline that Horizon Power will acknowledge all complaints within 5 business days, from which time appropriate investigations and analysis will be carried out. The Horizon Power Metrology Procedure outlines that the resolution for a dispute will be provided within 10 business days.</p>

## Assessment of compliance

The table below summarises the audit’s assessment of Horizon Power’s compliance with the relevant obligations of the Metering Code.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
17	47		6	1	2	40	113

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that are not applicable or cannot be rated, as detailed in the tables above.

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 3 - Meters and metering installations</b>			
302	A network operator must ensure that its meters meet the requirements specified in the applicable metrology procedure and also comply with any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act.	Non-compliant – 2	<p>Before the implementation of the Metering Service Level Contract, retrospectively effective from 1 July 2009, Horizon Power relied on Western Power for ensuring the compliance of its meters with the Metrology Procedures. Horizon Power did not specifically monitor the compliance of its meters as it was believed that testing of the meters was undertaken by Western Power.</p> <p>After a recent audit of Western Power’s meters, which concluded that meters failed to test to standard, Horizon Power recognised that its meters, which are of similar profile and quality to Western Power’s meters, may not be compliant with current metrology requirements. The Manager Metering Services advised that the testing parameters for the audit were based on Horizon Power’s Metering Management Plan.</p> <p>From 1 October 2009, Horizon Power is responsible for testing its meters and is in the final stages of developing a testing plan that uses the principles set out in its Metering Management Plan. Horizon Power has contracted Western Power through its Metering Service Level Contract to test its meters, in accordance with this plan and testing schedule. The Manager Metering Services advised that Horizon Power has planned to replace the meters on its networks by allocating funds in the 2010/11 budget.</p> <p><i>This issue and associated recommendation and action plan relates to obligations 302, 307, 310, 313, 314 and 415.</i></p>
	<p><b>Recommendation 21/09</b></p> <p>Horizon Power:</p> <p>(a) Formally notify the Authority of its plans to ensure that its meters meet the requirements of its Metrology Procedure</p> <p>(b) Document a plan that outlines key milestones and target dates for achievement</p> <p>(c) Provide the Authority with the results of all testing conducted in line with its Metering Management Plan.</p>		<p><b>Action Plan 21/09</b></p> <p>(a) The meter management plan and the meter test plan including milestones and target dates to be forwarded to the Authority upon completion.</p> <p>(b) Preliminary results of testing to be reported as soon as results from statistical sampling suggest a clear trend and by no later than 31 December 2010.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> (a) 30 April 2010 (b) 31 December 2010</p>

No	Obligation under Condition	Compliance Rating	Findings
303	An accumulation meter must at least conform to the requirements specified in the applicable metrology procedure and display, or permit access to a display of, the accumulated electricity production or consumption at the metering point in the manner prescribed.	Compliant – 5	<p>Horizon Power has adopted the ‘Western Australian Electricity Market Metrology Procedures for Metering Installations’ as its metrology standard.</p> <p>The Manager Metering Services confirmed that meter readers are able to obtain data for all meters on the Horizon Power footprint. The design of the meters used by Horizon Power permit collection of data in accordance with its meter reading requirements. The meters provided by Landis &amp; Gyr, are pattern approved under NMI M6, which meet Australian Standards.</p> <p>The data that can be obtained at a metering point meets standard as meter readers are able to review data and upload into MBS</p>
304	An interval meter must at least have an interface to allow the interval energy data to be downloaded in the manner prescribed using an interface compatible with the requirements specified in the applicable metrology procedure.	Compliant – 5	<p>Horizon Power has adopted the ‘Western Australian Electricity Market Metrology Procedures for Metering Installations’ as its metrology standard.</p> <p>From discussions with the Manager Metering Services, we confirmed that AMRS currently read the 119 interval meters on Horizon Power’s behalf. The interval meters connected to Horizon Power’s network typically record half hourly power consumption. The Manager also confirmed that all meters have the capacity for information to be downloaded and meet interface requirements. Meters provided by Landis &amp; Gyr, are pattern approved under NMI M6, which meet Australian Standards.</p> <p>Currently, Western Power maintains a file and drawing for all interval meters. Horizon Power is in the progress of getting copies of this information.</p>
305	If a metering installation is required to include a communications link, the link must (where necessary), include a modem and isolation device approved under the relevant telecommunications regulations, to allow the interval energy data to be downloaded in the manner prescribed.	Compliant – 5	<p>Schedule 1 clause 5.65 of the Metrology Procedure outlines the communications link requirements. The communications link is required to have a modem and meet specific performance requirements. It must also permit collection of data remotely as well as locally.</p> <p>The Manager Metering Services confirmed that Horizon Power installs communications links for its interval meters that meet the required standards and relevant regulations. Horizon Power metrology procedures govern this process as links are installed as standard for interval meters. From our testing of metering installation types used by Horizon Power, we determined that those installation types tested contained a communication link, which updates MBS in required time intervals.</p>

No	Obligation under Condition	Compliance Rating	Findings
306	A network operator must ensure that there is a metering installation at every connection point on its network which is not a Type 7 connection point. Unless it is a Type 7 metering installation, the metering installation must meet the functionality requirements prescribed.	Compliant – 5	<p>Horizon Power’s Metrology Procedure refers to a metering installation as being designed for each metering point for the purposes of measuring energy to a fiscal standard. Metering points are the points on a network at which energy data measurement takes place. The Manager Metering Services confirmed that Horizon Power’s standard practice is for the connection point and metering point to be the same. Section 2.1.2 of the Metrology Procedure commits Horizon Power to providing a physical metering installation for all connection points of type 1 to 6 meters.</p> <p>Horizon Power currently has policies or procedures in place to govern the installation of meters, which are designed to align with WA electricity safety standards. The Manager Metering Services also confirmed that MBS is designed so that every connection has a meter.</p> <p>Our testing of metering installations indicated that each of the installations tested met the prescribed functionality requirements.</p>
307	A network operator must, for each metering installation on its network, on and from the time of its connection to the network, provide, install, operate and maintain the metering installation in the manner prescribed (unless otherwise agreed).	Non-compliant – 2	<p>Section 2.1.1 of the Metrology Procedure states that “the Network Operator [Horizon Power] is responsible for the design, provision, installation and maintenance of metering installations”.</p> <p>Horizon Power undertakes these activities, either internally, or under contracted agreements with third parties (e.g. Landis &amp; Gyr). Horizon Power maintains and operates its meters in accordance with the Schedules of the Metrology Procedures. The Manager Metering Services confirmed that Horizon Power has developed a testing schedule for its meters, which is to be rolled out shortly.</p> <p>Horizon Power’s maintenance of meters during the period subject to audit has not been effectively managed due to the lack of compliance with its Metrology Procedure.</p> <p><i>Refer to findings, recommendation and action plan detailed at obligation 302.</i></p>
308	A network operator must ensure that, except for a Type 7 metering installation, the metering point for a revenue metering installation is located as close as practicable to the connection point in accordance with good electricity industry practice.	Compliant – 5	<p>The Metrology Procedure states that a metering installation is designed for each metering point (section 1.3.4). A metering point is a point on the network at which energy data measurement takes place (i.e. the connection point). Compliance is satisfied as Horizon Power operations are aligned to its Metrology Procedure.</p> <p>The Manager Metering Services confirmed that Horizon Power also ensure compliance with this obligation through use of contractors that are approved by Energy Safety ‘Contractor Connect’ systems and process adherence to AS/NZS:3000-2000 standard for Wiring.</p>

No	Obligation under Condition	Compliance Rating	Findings
310	If a network operator becomes aware that a metering installation does not comply with the Code, the network operator must advise affected parties of the non-compliance and arrange for the non-compliance to be corrected as soon as practicable.	Compliant – 3	<p>Horizon Power relies on its Metrology Procedure and Metering Management Plan to ensure that its meters are compliant. Schedule 1 clause 5.105, Schedule 2 clause 6.71 and Schedule 3 clause 7.34 of the Metrology Procedure specify the actions to be taken by Horizon Power in the event of non-compliance of a metering installation, including notification to the Authority and restoration of the meter’s compliance.</p> <p>The Manager Metering Services advised that Horizon Power has informed the Office of Energy of the possibility that its meters do not comply with current metrology requirements, however has not yet formally advised the Authority.</p> <p>Although there is no tangible evidence to suggest Horizon Power had become aware of specific instances of metering installations being non-compliant, its procedures for recognising and making timely notifications of such non-compliance require strengthening.</p> <p><i>Refer to findings, recommendation and action plan detailed at obligation 302.</i></p>
311	All devices that may be connected to a telecommunications network must be compatible with the telecommunications network and comply with all applicable State and Commonwealth enactments.	Compliant – 5	The Manager Metering Services confirmed that due to the remoteness of Horizon Power’s operations, all communications equipment is sourced through Telstra, who he is confident is compliant with applicable enactments.
312	A network operator must, for each metering installation on its network, ensure that the metering installation is secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorised access and enable unauthorised access to be detected.	Compliant – 5	<p>The Manager Metering Services advised that security is inherent in the design of the meter, as tampering is clearly visible. If the seal of the meter is broken, the meter reader notifies Horizon Power, and an Inspector is dispatched to investigate.</p> <p>Inspection of the meters for tampering is also considered as part of the audit process. AMRS are required to inspect the meter for tampering as part of the meter reading process.</p>



No	Obligation under Condition	Compliance Rating	Findings
313	Each metering installation must meet at least the requirements for that type of metering installation specified in Table 3 in Appendix 1 of the Code.	Non-compliant – 2	<p>As stated in the Background summary above, Horizon Power and Western Power previously operated under a legacy arrangement, whereby Western Power provided services that were not contracted, or fully understood by Horizon Power. Western Power recently undertook an audit of a sample of meters, which failed to test to standard. From this audit, the Manager Metering Services considers that Horizon Power meters may not meet the accuracy requirements of Table 3 in Appendix 1.</p> <p>Horizon Power has implemented a Meter Management Plan approved by the General Manager Shared Services. This plan outlines the testing requirements and scope of audit going forward. The Metrology Procedure provides the testing and inspection parameters required of the Horizon Power meters.</p> <p>Horizon Power is also in the process of obtaining copies of the meter installation design schematics to assess for compliance. Currently, these are maintained by Western Power.</p> <p><i>Refer to findings, recommendation and action plan detailed at obligation 302.</i></p>
314	For a metering installation used to supply a customer with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, the metering installation must meet the relevant accuracy requirements of Type 3 metering installation for active energy only.	Non-compliant – 2	<p>As stated in the context above, Horizon Power and Western Power previously operated under a legacy arrangement, whereby Western Power provided services that were not contracted, or entirely understood. Western Power recently undertook an audit of a sample of meters (including CT and VT meters), which failed the testing requirements. From this audit, the Manager Metering Services believes that the Horizon Power meters do not meet the accuracy requirements of Table 3 in Appendix 1.</p> <p>Horizon Power has implemented a Metering Management Plan approved by the General Manager Shared Services. This plan outlines the testing requirements and scope of audit going forward. The Metrology Procedure provides the testing and inspection parameters required of the Horizon Power meters.</p> <p>Horizon Power is also in the process of obtaining copies of the meter installation design schematics to assess for compliance. Currently, these are maintained by Western Power.</p> <p><i>Refer to findings, recommendation and action plan detailed at obligation 302.</i></p>
315	If compensation is carried out within the meter then the resultant metering system error must be as close as practicable to zero.	Compliant – 5	<p>Horizon Power relies on its Metrology Procedure and Metering Management Plan to ensure that its meters meet accuracy requirements. Should the need arise where compensation is required, the Metrology procedure outlines the accuracy requirements of the metering installation effectively reducing potential errors to zero.</p>

No	Obligation under Condition	Compliance Rating	Findings
316	A network operator must ensure that any programmable settings within any of its metering installations, data loggers or peripheral devices, that may affect the resolution of displayed or stored data, meet the relevant requirements specified in the applicable metrology procedure and comply with any applicable specifications or guidelines specified by the National Measurement Institute under the National Measurement Act.	Compliant – 5	<p>The Manager Metering Services confirmed that:</p> <ul style="list-style-type: none"> <li>• Horizon Power meets all national measurement requirements and is in the process of assessing whether the individual meters are accurate (via a test program)</li> <li>• The meters that Horizon Power use (supplied by Landis &amp; Gyr) are able to be re-programmed as required e.g. changing in tariff levels</li> <li>• Should the need arise, Horizon Power is able to update the meters to comply with applicable standards.</li> </ul> <p>Western Power had been engaged to undertake the testing of Horizon Power’s meters. We understand that Horizon Power’s current philosophy is that if a meter requires testing, the meter connected to a premise is replaced.</p>
317	A network operator must ensure that a metering installation on its network permits collection of data within the timeframes and to the level of availability specified.	Compliant – 4	<p>Clause 3.11(1) of the Metering Code specifies the requirement for Horizon Power to ensure that its meters permit the collection of data at a level of availability of at least 99% per annum.</p> <p>The Manager Metering Services confirmed that:</p> <ul style="list-style-type: none"> <li>• Meters provided by Landis &amp; Gyr, are pattern approved under NMI M6, which meet Australian Standards for data collection timeframes and data availability levels</li> <li>• During the period April 2008 to September 2009, Horizon Power’s 117 electronically read meters were read on a monthly basis and permitted data to be collected on each occasion, meeting the 99% p.a. availability requirement</li> <li>• During the period April 2008 to September 2009, Horizon Power’s remaining meters (approximately 42,000) were scheduled to be read via visual inspection on at least a two monthly basis</li> <li>• On a monthly basis, Horizon Power identifies those meters requiring replacement due to being found to be faulty. For each month during the period April 2008 to September 2009, no more than 0.07% of meters were replaced as a result of being faulty</li> <li>• During the period April 2008 to September 2009, Horizon Power had not monitored the number and percentage of meters which permit collection of data to specifically meet the availability requirements of the Metering Code.</li> </ul> <p>From reports generated by MBS, we observed that during the period April 2008 to September 2009, no more than 0.4% of Horizon Power’s meters were found to be faulty on a rolling 12 month basis. This result appears to meet the requirement for Horizon Power’s meters to permit the collection of data at a level of availability of at least 99% per annum.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 22/09</b></p> <p>Horizon Power:</p> <ul style="list-style-type: none"> <li>Utilise available MBS records of meter replacements to monitor the number and percentage of meters which permit collection of data in accordance with the availability requirements of the Metering Code</li> <li>Identify and action any need to improve the levels of meter availability.</li> </ul>		<p><b>Action Plan 22/09</b></p> <p>In order to meet the requirements of Clause 3.11(1) of the Metering Code, a monthly procedure to be implemented for:</p> <ul style="list-style-type: none"> <li>Reporting meters requiring replacement due to being found to be faulty</li> <li>Calculating the resulting 12 monthly rolling average of the percentage of meters permitting the collection of data</li> <li>Identifying any need for further action.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services  <b>Target Date:</b> 30 April 2010</p>
320	A network operator must ensure that each metering installation complies with at least, the prescribed design requirements.	Compliant – 5	<p><i>Obligations 320 and 321</i></p> <p>Horizon Power’s Metrology Procedure section 1.8 references the metering installation components required. The Schedules attached to the Procedure outline in greater detail the design requirements of the specific meters, in accordance with industry best practice.</p> <p>Horizon Power’s design standards are also relied on to ensure that installations comply with applicable guidelines. The design standards are referenced by technical staff when installing metering installations.</p>
321	A network operator must ensure that instrument transformers in its metering installations comply with the relevant requirements of any applicable specifications or guidelines (including any transitional arrangements) specified by the National Measurement Institute under the National Measurement Act and any requirements specified in the applicable metrology procedure.	Compliant – 5	
322	A network operator must provide isolation facilities, to the standard of good electricity industry practice, to facilitate testing and calibration of the metering installation.	Compliant – 5	<p>The Manager Metering Services advised that:</p> <ul style="list-style-type: none"> <li>Every installation contains fuses which permit the isolation of metering equipment on site to undertake maintenance works</li> <li>Horizon Power does not undertake testing of meters on site</li> <li>In accordance with the Contract, Western Power provides meter laboratory services which test Horizon Power’s meters as required.</li> </ul>
323	A network operator must maintain drawings and supporting information, to the standard of good electricity industry practice, detailing the metering installation for maintenance and auditing purposes.	Compliant – 5	The Manager Metering Services confirmed that Horizon Power currently maintains the required CT and VT drawings and that no drawings for other meter types are maintained at present.

No	Obligation under Condition	Compliance Rating	Findings
325	A partial check metering installation must be physically arranged in a manner determined by the network operator, acting in accordance with good electricity industry practice.	Compliant – 5	<p><i>Obligations 325 and 326</i></p> <p>The Metrology Procedure specifies the minimum requirements for installing a check and partial check metering installation. The Manager Metering Services confirmed that Horizon Power ensure compliance with this obligation through use of contractors that are approved by Energy Safety ‘Contractor Connect’ systems and process adherence to AS/NZS:3000-2000 standard for Wiring.</p>
326	A check metering installation for a metering point must not exceed twice the error level permitted under clause 3.9 for the revenue metering installation for the metering point, and must be connected in such a way that it measures the same load conditions as the revenue metering installation for the metering point, and must be otherwise consistent with the prescribed requirements.	Compliant – 5	
336	Meters containing an internal real time clock must maintain time accuracy as prescribed. Time drift must be measured over a period of 1 month.	Compliant – 4	<p>Horizon Power’s Metrology Procedure schedule 1 clause 5.59 references the time function requirements of the data logger, which match the time drift maximum allowances, as prescribed by Appendix 1 of the Metering Code.</p> <p>The Manager Metering Services confirmed that:</p> <ul style="list-style-type: none"> <li>• Meters supplied to Horizon Power by Landis &amp; Gyr comply with pattern requirements under the NEIMCO metering group, which address the time accuracy requirements</li> <li>• For Horizon Power’s 117 electronically read meters, the MV90 data collection system sets the time clock on a monthly basis (each time the meter is connected to the system)</li> <li>• The meter testing plan developed and due for completion by July 2010 includes testing of time accuracy.</li> </ul> <p>Although there is no evidence to suggest that meters have not met time accuracy requirements, without a testing plan in place, Horizon Power has not been in a position to demonstrate that its meters have maintained the required time accuracy.</p>
	<p><b>Recommendation 23/09</b></p> <p>Horizon Power:</p> <p>(a) Implement its meter testing plan to assess the time accuracy of its meters</p> <p>(b) Where necessary, implement corrective action to ensure the time accuracy of its meters.</p>	<p><b>Action Plan 23/09</b></p> <p>The meter testing plan will be implemented and where necessary, corrective action will be implemented to ensure meters’ time accuracy.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 31 July 2010</p>	

No	Obligation under Condition	Compliance Rating	Findings
337	If a metering installation includes measurement elements and an internal data logger at the same site, it must include facilities on site for storing the interval energy data for the periods prescribed.	Compliant – 5	Section 2.2.5 of the Metrology Procedure provides that if a metering installation includes a data logger, it must have the capacity to store data for specific timeframes.
338	A network operator providing one or more metering installations with enhanced technology features must be licensed to use and access the metering software applicable to all devices being installed and be able to program the devices and set parameters.	Compliant – 5	Section 2.2.7 of the Metrology Procedure references Horizon Power's requirement to maintain a licence for access to applicable metering software. As Western Power operates in the capacity as Horizon Power's metering data agent, Horizon Power holds ID licences for access to the MBS. Horizon Power pays Western Power for access. The Service Level Contract between the two Corporations outlines Western Power as the administrator of the MBS, to which Horizon Power has access.
341	A network operator that operates and maintains a pre-payment meter on its network must operate and maintain the pre-payment meter in accordance with good electricity industry practice and, as far as reasonably practicable, minimise any departure from what the requirements of the Code would have been in respect of the pre-payment meter if clause 3.24 were deleted.	Compliant – 5	Section 2.3 of the Metrology Procedure outlines Horizon Power's commitment to maintaining prepayment meters in accordance with good electricity industry practice. The Manager Metering Services confirmed that Prepayment meters are installed by Horizon Power staff and are subject to audit under normal sample selection procedures. Horizon Power maintains prepayment meters on its network categorised as Type 6 meters.
343	A network operator must publish a list of registered metering installation providers, including the prescribed details, and at least annually, update the list.	Compliant – 5	Horizon Power has placed a link on its website that directs customers to Western Power's list of registered metering installations. Horizon Power relies on Western Power's use of The Electricity Licensing Inspection System (ELIS). This system is used to monitor contractors, as well as publish registered contractors for public use.
<b>Part 4 - The metering database</b>			
344	A network operator must establish, maintain and administer a metering database containing standing data and energy data for each metering point on its network.	Compliant – 5	Western Power has acted as Horizon Power's metering data agent since disaggregation in 2006. A formal contract between the two parties was signed on 12 October 2009. The contract provides that Western Power must maintain a metering registry that involves ensuring installation, upgrade, change and removal of meters is managed and that standing data is provided (refer schedule 3, section 1.3 of the SLC).

No	Obligation under Condition	Compliance Rating	Findings
345	A network operator must ensure that its metering database and associated links, circuits, information storage and processing systems are secured by means of devices or methods which, to the standard of good electricity industry practice, hinder unauthorised access and enable unauthorised access to be detected.	Compliant – 5	Western Power has been formally contracted to act as Horizon Power’s metering data agent. The contract requires Western Power to comply with all legislative requirements.
346	A network operator must prepare, and if applicable, must implement a disaster recovery plan to ensure that it is able, within 2 business days after the day of any disaster, to rebuild the metering database and provide energy data to Code participants.	Compliant – 5	Western Power has been formally contracted to act as Horizon Power’s metering data agent. The contract requires Western Power to comply with all legislative requirements. The IT Strategist Strategy and Architecture from Western Power provided copies of the Western Power MBS Disaster Recovery Plan.  IT Strategist Strategy and Architecture confirmed that Western Power mirror its data and has a backup server on standby in the event of DR plans being initiated. The Strategist advised that Western Power’s target is to have the server operational within 48 hours. Western Power conducts yearly DR testing, which Horizon Power is able to attend and view the results.
348	The standing data for a metering point must comprise at least the items specified.	Compliant – 5	Western Power has been formally contracted to act as Horizon Power’s metering data agent. The contract requires Western Power to comply with all legislative requirements.
356	A network operator must have security devices and methods in place that ensure that energy data held in its metering installation and data held in its metering database is secured from unauthorised local or remote access, in the manner prescribed, sufficient to the standard of good electricity industry practice.	Compliant – 5	The Western Power IT Strategist Strategy and Architecture confirmed that: <ul style="list-style-type: none"> <li>• Western Power’s servers are maintained in a locked facility</li> <li>• MBS is password protected, dictating the level of access granted as well as Network/LDAP security.</li> </ul>
357	A network operator must ensure that electronic passwords and other electronic security controls are secured from unauthorised access and are only issued to authorized personnel.	Compliant – 5	Horizon Power relies on Western Power to provide access to MBS. The Manager Metering Services confirmed that he submits requests for Western Power to provide MBS access to those Horizon Power staff who are required to use MBS.

No	Obligation under Condition	Compliance Rating	Findings
358	A network operator must retain energy data in its metering database for each metering point on its network for at least the periods, and with the level of accessibility, prescribed.	Compliant – 5	Horizon Power relies on Western Power to maintain its metering database. The Manager Metering Services confirmed that the data relating to each metering point on its network has been maintained since disaggregation in 2006. Our testing indicated that MBS maintains the data: <ul style="list-style-type: none"> <li>• Required for at least 13 months (in a readily accessible format)</li> <li>• For at least a further 5 years and 11 months (in a format that is accessible within a reasonable period of time).</li> </ul>
<b>Part 5 - Metering services</b>			
361	A network operator must, for each metering point on its network, obtain energy data from the metering installation and transfer the energy data into its metering database within the timeframes prescribed.	Non-compliant – 2	Schedule 2, section 2.4 of the AMRS contract requires data to be uploaded to Horizon Power metering Services by 4.30 pm ASWT of the next business date the reading were obtained. As set out in the contract, AMRS must report to Horizon Power the required performance related KPIs. The upload of information does not form part of the reporting protocol. Detailed testing was conducted of meter reading timeframes and the time on which data was uploaded into MBS. Eight of the 25 samples selected evidenced the upload of metering data outside the requisite timeframe.
	<b>Recommendation 24/09</b> Horizon Power monitor the upload of information to ensure time requirements are met. Where they are not met, Horizon Power should request and document reasoning from AMRS.		<b>Action Plan 24/09</b> Processes and procedures to be fully reviewed with AMRS and Western Power to identify the root cause of these failures to upload. Any necessary changes to procedures will be developed to ensure these issues do not reoccur. <b>Responsible Person:</b> Manager Metering & Billing Services <b>Target Date:</b> 30 June 2010
362	A network operator must, for each accumulation meter on its network, use reasonable endeavours to undertake a meter reading that provides an actual value at least once in any 12 month period.	Compliant – 5	Section 3.3 of the Metrology Procedure outlines Horizon Power’s Meter Reading for Metering Installations requirements. Horizon Power typically operates a type 6 meter, which is read bi-monthly. The AMRS Meter Reading Service Level Contract outlines the metering procedure AMRS is required to follow.

No	Obligation under Condition	Compliance Rating	Findings
396	A network operator must validate energy data in accordance with this Code applying, as a minimum, the prescribed rules and procedures and must, where necessary, substitute and estimate energy data under this Code applying, as a minimum, the prescribed rules and procedures.	Compliant – 5	Horizon Power relies on Western Power to provide MBS services. The Metering Services SLC requires Western Power to comply with all legislative requirements relevant to the provision of its services (in this instance, acting as Horizon Power’s metering data agent). Section 1.2 of Schedule 3 of the Contract outlines “where an actual reading has not been obtained, or the actual reading has failed validation, the substitution, estimation and validation of data agree to be carried out by Western Power in accordance with the customer’s approved Metrology Procedure”.  In this capacity, MBS operates within Horizon Power’s Metrology Procedure (as it is a copy of Western Power’s procedure), which outlines validation requirements at section 3.4. The section outlines that if a validation fails prescribed testing (at Schedule 8) the data is to be estimated. The rules for estimation are outlined in the Metrology Procedure.
397	The network operator must use check metering data, where available, to validate energy data provided that the check metering data has been appropriately adjusted for differences in metering installation accuracy.	Compliant – 5	The Manager Metering Services confirmed that all check meters installed on Horizon Power’s network are the same class as revenue meters installed, with no differences in the metering installation accuracy to be accounted for.
398	A network operator must prepare substitute values using the prescribed method if a check meter is not available or energy data cannot be recovered from the metering installation within the time required.	Compliant – 5	<i>Obligations 398 and 400</i> Refer to findings for obligation 396.
400	Substitution or estimation of energy data is to be required when energy data is missing, unavailable or corrupted, including in the circumstances described.	Compliant – 5	
401	A network operator must review all validation failures before undertaking any substitution.	Compliant – 5	Section 3.4.6 of Horizon Power’s Metrology Procedure requires Horizon Power (in this instance Western power as the elected Metering Data Agent) to review all validation failures. The Metering Services SLC requires Western Power to comply with all relevant legislative requirements in the provision of its services.  Refer to findings for obligation 396.
402	A network operator that determines that there is no possibility of determining an actual value for a metering point must designate an estimated or substituted value for the metering point to be a deemed actual value for the metering point.	Compliant – 5	Refer to findings for obligation 396.



No	Obligation under Condition	Compliance Rating	Findings
403	A network operator that has designated a deemed actual value for a metering point must repair or replace the meter or one or more of components of metering equipment (as appropriate) at the metering point.	Compliant – 5	<p><i>Obligations 403 to 406 and 408</i> Refer to findings for obligation 396.</p>
404	A network operator that uses an actual value (first value) for energy data for a metering point, and a better quality actual or deemed actual value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice.	Compliant – 5	
405	A network operator that uses a deemed actual value (first value) for energy data for a metering point, and a better quality deemed actual value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice.	Compliant – 5	
406	A network operator that uses an estimated or substituted value (first value) for energy data for a metering point, and a better quality actual, deemed, estimated or substituted value is available (second value), must replace the first value with the second value if doing so would be consistent with good electricity industry practice or the user and its customer jointly request it to do so.	Compliant – 5	
408	A network operator must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure and ensure that any transformation or processing of data preserves its accuracy in accordance with the metrology procedure.	Compliant – 5	

No	Obligation under Condition	Compliance Rating	Findings
410	If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, then, except to the extent that the metering data agency agreement provides otherwise, the parties must undertake the activities prescribed.	Compliant – 5	Horizon Power has contracted Western Power to act as its Metering Data Agent, only to the extent that of those items specified at schedule 1 of the SLC.
411	If a network operator makes an election for the electricity networks corporation to be its metering data agent in relation to a network, then the electing network operator and the electricity networks corporation must enter into a metering data agency agreement in relation to the network, which must deal with at least the matters prescribed.	Compliant – 5	The Regulation Compliance Coordinator confirmed that Horizon Power has formally elected Western Power to act as its metering data agent, with relevant contractual arrangements now in place.
<b>Part 6 - Documentation</b>			
415	A network operator must, in relation to its network, comply with the agreements, rules, procedures, criteria and processes prescribed.	Non-compliant – 2	<p>The Code requires Horizon Power to comply with a number of key documents which address the management and maintenance of its network and meters, including Communication Rules, its Metrology Procedure, Mandatory Link Criteria and any relevant Service Level Agreement. Our consideration of Horizon Power’s compliance with those relevant documents is detailed in the Metering Code findings above.</p> <p>During the period subject to audit Horizon Power had not complied with section 2.7.1 of its Metrology Procedure, which requires its meters to be subject to testing and inspection in accordance with its Metering Management Plan.</p> <p><i>Refer to findings, recommendation and action plan detailed at obligation 302</i></p>

## 4.9 Electricity Industry (Network Quality and Reliability of Supply) Code

### Obligations determined to be not applicable

All obligations were determined to be applicable to Horizon Power's operations as a distributor and/or transmitter of electricity for the period subject to audit.

### Obligations determined to be not rateable

Horizon Power's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
437, 438	No relevant instruments have been issued by the Minister.
446, 447	The Networks Technical Data Systems Administration Officer confirmed that no quality investigations had been requested during the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Horizon Power's compliance with the relevant obligations of the Code of Conduct.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	4		3	1		16	24

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that are not applicable or cannot be rated, as detailed in the tables above.

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that are not applicable or cannot be rated, as detailed in the tables above.

No	Obligation under Condition	Compliance Rating	Findings
429	A distributor or transmitter must, as far as reasonably practicable, ensure that electricity supply to a customer's electrical installations complies with prescribed standards.	Compliant – 5	<p><i>Obligations 429 to 436</i></p> <p>Through:</p> <ul style="list-style-type: none"> <li>• Consideration of Horizon Power's Trouble Call Management System (TCMS) and Planned Interruption processes</li> <li>• Discussion with Operations - Asset Management staff</li> <li>• Consideration of Horizon Power's Network Quality Power Investigation process</li> <li>• Examination of Horizon Power's 2008/09 and 2007/08 Network Quality and Reliability of Supply Performance Reports and associated Independent Auditor reports</li> </ul> <p>we determined that Horizon Power has developed and implemented processes for:</p> <ul style="list-style-type: none"> <li>• As far as reasonably practicable ensuring that: <ul style="list-style-type: none"> <li>▪ Electricity supplies to customers comply with prescribed standards and if that is not the case, to disconnect the supply of electricity to installations or property</li> <li>▪ The supply of electricity to customers is maintained and the occurrence and duration of interruptions is kept to a minimum</li> <li>▪ The effect of any interruption on a customer is reduced, including the supply of electricity by alternative means (e.g. the use of mobile equipment)</li> <li>▪ The cause or causes of interruption are remedied, or an alternative arrangement is entered into with the customer, to the customer's satisfaction</li> <li>▪ Customers in specified areas (being the Perth CBD, urban areas other than the Perth CBD and any other area of the State) do not have average total lengths of interruptions of supply greater than specified durations. We note that Horizon Power records and reports instances where the average length of interruption is greater than 290 minutes</li> </ul> </li> <li>• Calculating average total length of interruptions of supply or specific areas by using four years of interruption data.</li> </ul> <p>We note that the 2008/09 Network Quality and Reliability of Supply Audit Report:</p> <ul style="list-style-type: none"> <li>• Concluded that Horizon Power was in compliance with the requirements of Part 2 of the Code (relevant to obligations 429 to 436)</li> <li>• Identified three corrective actions that Horizon Power has put in place in relation to its ongoing compliance with Quality and Reliability standards</li> <li>• Identified two minor opportunities for improvement, relating to the documentation of the method for monitoring and verifying fault data entry and reporting.</li> </ul>
430	A distributor or transmitter must, so far as reasonably practicable, disconnect the supply of electricity to installations or property in specified circumstances, unless it is in the interest of the customer to maintain the supply.	Compliant – 5	
431	A distributor or transmitter must, as far as reasonably practicable, ensure that that the supply of electricity is maintained and the occurrence and duration of interruptions is kept to a minimum.	Compliant – 5	
432	A distributor or transmitter must, so far as reasonably practicable, reduce the effect of any interruption on a customer.	Compliant – 5	
433	A distributor or transmitter must consider whether, in specified circumstances, it should supply electricity by alternative means to a customer who will be affected by a proposed interruption.	Compliant – 5	
434	A distributor must take prescribed action in the event of a significant interruption to a small use customer.	Compliant – 5	
435	A distributor or transmitter must, so far as reasonably practicable, ensure that customers in specified areas do not have average total lengths of interruptions of supply greater than specified durations.	Compliant – 5	
436	The average total length of interruptions of supply is to be calculated using the specified method.	Compliant – 5	

No	Obligation under Condition	Compliance Rating	Findings
439	A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe for a failure to give required notice of planned interruption.	Compliant – 5	<p>In its 2008/09 Network Quality and Reliability of Supply Performance Report, Horizon Power reported that during the year ending 30 June 2009, there were two payments made to customers for failure to give required notice of planned interruption.</p> <p>In its 2007/08 Network Quality and Reliability of Supply Performance Report, Horizon Power reported that during the year ending 30 June 2008, there were no payments made to customers for failure to give required notice of planned interruption.</p> <p>The Code requires such payments to be made within 30 days of the customer's application. The Team Leader Customer Connections advised that Customer Care employees are aware of this 30 day payment requirement and that instructions are made to the accounts payable team for payments to be processed accordingly.</p>
440	A distributor operating a relevant distribution system must, in specified circumstances, make a payment to a customer within a specific timeframe if a supply interruption exceeds 12 hours.	Compliant –3	<p>The Code requires such payments to be made within 30 days of the customer's application. Of our testing of 15 such payments made under Horizon Power's Extended Outage Payment Scheme, one was made outside the 30 day timeframe. An explanation for this failure, or any agreement with the customer for a later payment date was not recorded.</p> <p>Although Customer Care employees are aware of the 30 day payment requirement, Horizon Power does not use an effective mechanism to track the progress of such payments to ensure they are either made on time, or an agreement is reached with the customer for a later payment date.</p>
<p><b>Recommendation 25/09</b></p> <p>Horizon Power further strengthen its service standard payment process to track payment progress and to ensure they are either made on time, or an agreement is reached with the customer for a later payment date.</p>			<p><b>Action Plan 25/09</b></p> <p>Review and change process and procedures to ensure that payments are made within the specified timeframe.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
441	A distributor operating a relevant distribution system must provide eligible customers with information about applying for payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	Compliant – 5	Horizon Power's website includes appropriate information about applying for payments for failure to give required notice of planned interruption (section 18) and supply interruptions exceeding 12 hours (section 19).

No	Obligation under Condition	Compliance Rating	Findings
442	A distributor operating a relevant distribution system must provide written notice to customers about payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005.	Non-compliant – 2	<p><i>Obligations 442 and 443</i></p> <p>Horizon Power's Customer Charter, which was in place during the audit period and which is provided to customers upon connection and distributed to customers on an annual basis:</p> <ul style="list-style-type: none"> <li>• Included appropriate information about applying for payments for failure to give required notice of planned interruption</li> <li>• Did not make reference to a customer's ability to apply for payments for supply interruptions exceeding 12 hours. This omission constitutes a non-compliance with section 19 of the Code.</li> </ul> <p>This matter was recognised by Horizon Power and steps were taken to include the relevant reference in an amended Customer Charter. On 2 December 2009, the Authority published a notice of the amendment to the Customer Charter.</p> <p><i>As this matter has now been resolved, there is no further action required.</i></p>
443	A distributor operating a relevant distribution system must provide written notice to eligible customers about payments for failure to meet the requirements in sections 18 and 19 of the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 not less than once in each financial year.	Non-compliant – 2	
444	A distributor or transmitter must take all such steps as are reasonably necessary to monitor the operation of its network to ensure compliance with specified requirements.	Compliant – 5	<p>Through discussion with Operations - Asset Management staff, we understand that Horizon Power has comprehensive mechanisms in place to monitor the operation of its network to ensure compliance with the provisions of Part 2 of the Code and the record keeping requirements of the code.</p> <p>Refer also to findings detailed for obligations 429 to 436 above.</p>
445	A distributor or transmitter must keep records of information regarding its compliance with specific requirements for the period specified.	Compliant – 5	The Regulation Compliance Officer confirmed that that Network Quality data is stored on Horizon Power's network for at least 5 years.
448	A distributor or transmitter must make available, at no cost, a copy of a document setting out its complaint handling processes to a small customer who makes a complaint to the distributor or transmitter or who asks to be given such information.	Compliant – 5	Horizon Power's website makes specific reference to its complaints handling process, which is available to customers at no charge. The Customer Service Charter, which is available in both hard and soft copies, also refers to its complaints handling process.
449	A document setting out a distributor's or transmitter's complaint handling process must contain the specified information.	Compliant – 5	<p>This obligation requires Horizon Power to inform customers of their right to refer to the electricity ombudsman a complaint that is not resolved to the customer's satisfaction.</p> <p>Horizon Power's Customer Service Charter refers to customers' rights to refer complaints to the electricity ombudsman.</p>

No	Obligation under Condition	Compliance Rating	Findings
450	A distributor or transmitter must arrange for an independent audit and report on its systems for monitoring, and its compliance with specific requirements. This is to be carried out in respect of the operation of such systems during each year ending on 30 June.	Compliant – 5	For the years ending 30 June 2009 and 30 June 2008, Horizon Power appointed Company Overdrive Holdings t/a Qualeng and Logica respectively to undertake independent audits of Horizon Power’s systems for monitoring its compliance with part 2 of the Code.  For the years ending 30 June 2009 and 30 June 2008, Horizon Power prepared and published reports on the Network Quality and Reliability of Supply performance.
451	A distributor or transmitter must prepare and publish a report about its performance in accordance with specified requirements.	Non-compliant – 2	The 2008/09 Network Quality and Reliability of Supply Performance Report was prepared in September 2009, however the report was not published on Horizon Power’s website until 7 October 2009, missing the 1 October deadline.  <i>Refer to findings, recommendation and action plan detailed for obligation 289 above.</i>
452	A distributor or transmitter must give a copy of its report about its performance to the Minister and the Authority within the specified period.	Compliant – 5	Through discussion with the Regulation Compliance Coordinator and examination of relevant emails, we confirmed that the annual performance report was sent to the Authority via email on 23 September 2009. Horizon Power published the report on 7 October 2009 therefore satisfying the requirement of the code to provide the report to the Minister and Authority at least 7 days before the report is published.

# 5 Follow-up of previous audit action plans

As this is the second audit of Horizon Power's Licence, this audit considers how Horizon Power has progressed against the post audit implementation plan (PAIP) detailed in the 2008 Performance audit report. We note that each of the contraventions highlighted in sections 1.2, 2.2 and 3.2 of the Authority's Section 32 notice of 19 January 2009 are addressed by that PAIP. Our assessment of Horizon Power's progress in implementing the action plans specified in the PAIP is provided in a summarised format as well as a detailed follow-up.

## 5.1 Horizon Power's arrangements for monitoring progress with the PAIP

- Horizon Power utilises the CURA program to monitor compliance with its licence obligations, including progress with previous audit's action plans
- Action plans were first loaded into CURA in March 2009 and sorted by recommendation numbers (1 to 64), which were assigned by Horizon Power to each recommendation sequentially listed in the 2008 EIRL performance audit report
- The Regulation Compliance Officer is responsible for monitoring compliance with regulatory imposed obligations, including progress with the PAIP
- Designated managers are responsible for managing and reporting progress with action plans
- CURA produces detailed (written notes) and summary (e.g. % completion) reports of progress achieved.

## 5.2 Significant issues impacting resolution of the previous audit PAIP

### 5.2.1 Retail support

Horizon Power's retail support arrangements with Synergy changed since the 2008 EIRL performance audit report was issued:

- Project Sunrise was initiated around the time of the 2008 audit report
- Synergy ceased providing retail support services to Horizon Power from 19 June 2009, at which time the Service Works/Velocity arrangements took effect
- In March 2009, Synergy advised Horizon Power that significant modifications to its retail support services (particularly the provision of reports and KPIs) would not be implemented in the lead up to its replacement of the CIS retail system and its subsequent handover of Horizon Power's retail support services. At this time, Horizon Power concluded that it was not in a position to pursue the completion of the relevant action plans detailed in the 2008 audit report.



## 5.2.2 Metering services

Horizon Power's metering services arrangements with Western Power changed since the 2008 EIRL performance audit report was issued:

- During the period February to August 2009, Horizon Power negotiated and finalised a Metering Services Service Level Contract (SLC) with Western Power. The SLC was formally signed on 12 October 2009
- Since the appointment of a Manager Metering Services in February 2009, Horizon Power has been working towards bringing a number of metering activities in house to reduce reliance on Western Power. These changes formally came into effect on 1 October 2009
- In July 2009, a Metering Services Strategy was finalised. At this time, Horizon Power's Executive recognised that Horizon Power needed to properly consider taking full control of the Metering Business System from Western Power (requiring a separation from Western Power's management).

## 5.3 Summary of PAIP progress

The period subject to audit is 1 April 2008 to 30 September 2009. For the purposes of our consideration of Horizon Power's progress with the previous audit's Post Audit Implementation Plan, we have considered relevant action taken by Horizon Power up to 31 October 2009.

The status descriptions used in our assessment are:

Rating	Description
Complete	The action plan identified in the PAIP has been completed
In progress	The action plan identified in the PAIP has been initiated and further action is planned for the PAIP to be completed
Outstanding	The action plan identified in the PAIP has not been addressed and no specific action has been planned for the PAIP to be completed
Closed out	Where the action plan identified in the PAIP is no longer relevant to Horizon Power's operations and Horizon Power has made a decision not to pursue the action plan, or the action plan does not otherwise address the recommendation/issue raised in the 2008 EIRL performance audit report.

The summary table below shows a total of 53 of the 64 2008 audit report action plans assessed to have been either Completed or Closed out. For the remaining 11 action plans, three are assessed to be In progress and eight assessed to be Outstanding, each of which have revised action plans for addressing the relevant issue.

We note that a number of actions taken to complete or close out action plans were achieved after the original timing nominated in the 2008 audit report.

	Status			
	Complete	Closed out	In progress	Outstanding
1	✓ **			
2	✓ **			
3	✓ **			
4	✓ **			

	Status			
	Complete	Closed out	In progress	Outstanding
5	✓ **			
6	✓ **			
7	✓ **			
8	✓ **			
9	✓ **			
10		✓		
11	✓			
12	✓			
13	✓			
14			✓	
15			✓	
16	✓			
17				✓
18				✓
19		✓ *		
20	✓			
21		✓		
22		✓ *		
23				✓
24	✓			
25		✓		
26		✓		
27		✓		
28		✓		
29		✓		
30		✓		
31		✓		
32	✓			
33				✓
34		✓ **		
35	✓			
36		✓		
37		✓		
38		✓ *		
39		✓ *		
40		✓ *		
41		✓		
42		✓ *		
43		✓		

	Status			
	Complete	Closed out	In progress	Outstanding
44	✓ **			
45	✓			
46			✓	
47		✓		
48	✓ **			
49	✓			
50	✓			
51		✓		
52				✓
53				✓
54				✓
55		✓		
56	✓			
57		✓		
58	✓			
59	✓			
60		✓		
61				✓
62	✓			
63	✓			
64		✓		
<b>Total</b>	<b>27</b>	<b>26</b>	<b>3</b>	<b>8</b>

\* Action plan contains multiple actions, with one or more actions assessed as closed out and one or more actions assessed as complete.

\*\* Action plan was completed or closed out after 30 September 2009.

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
1	306 307 309 314	<p>An SLA between Horizon Power and Western Power should be developed to encompass obligation requirements 306 – 309. Western Power should confirm to Horizon Power on a regular basis per the Authority’s requirement that:</p> <ul style="list-style-type: none"> <li>• There is a metering installation at every connection point on its network, excluding Type 7 connection points</li> <li>• All meters meet the requirements specified in the metrology procedure and National Measurement Institute under the National Measurement Act. In addition, Western Power should provide a report on the listing of installations and maintenance of meters over a pre-defined period</li> <li>• Charges for providing, installing, maintaining and operating meters for customers over a pre-defined period. Customers with requirements above 1000 volts that require a VT and whose annual consumption is below 750MWh, that the metering installation meets the relevant accuracy requirements of Type 3 installation as per obligation 314.</li> </ul>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register.</p> <p>Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power’s 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June ’09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Metering Services.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete</b></p> <p><b>Contract</b> Horizon Power has now formalised its relationship with Western Power by way of Service Level Contract (SLC) for Metering Services. The Manager Metering Services confirmed that the contract was signed on 12 October 2009 with the terms having been finalised in August 2009 and effective from 1 July 2009.</p> <p>The SLC outlines compliance expectations of Western Power to assist Horizon Power in meeting its obligations.</p> <p><b>Register</b> A register of Metering obligations was developed by Horizon Power and used as part of the process for establishing the contract.</p> <p><b>Service Order Outstanding Report</b> The Manager Metering Services advised that the report is generated weekly. Any concerns are reviewed and discussed with Western Power.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
2	305 317 318 336	<p>A SLA between Horizon Power and Western Power should be developed to encompass the obligation requirements 317, 305, 318 and 336. Western Power should report to Horizon Power on the following:</p> <ul style="list-style-type: none"> <li>Listing of metering installations with a communications link; and confirming modems and isolation devices are approved under the relevant telecommunications regulation</li> <li>Repairs to a metering installation over a pre-defined period. Listing of meters containing an internal real time clock and the results of time drift measured over a pre-defined period.</li> </ul>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services, Manager Metering Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete</b> Action has been completed in response to recommendation one.</p>	N/A
3	328	<p>A SLA between Horizon Power and Western Power should be developed to encompass the requirements of obligation 328.</p> <p>Horizon Power should request Western Power to report on whether Type 1 to Type 5 metering installations on the network have the facilities and functionality prescribed.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Metering Services.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete</b> Action has been completed in response to recommendation one.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
4	344 345 361	<p>A SLA between Horizon Power and Western Power should be developed to encompass obligation requirements 344, 345 and 361.</p> <p>Horizon Power should request Western Power report on the following:</p> <ul style="list-style-type: none"> <li>• Standing data and energy data for each metering point on its networks</li> <li>• Energy data from metering installations and the timeframes in which they were transferred to the metering database.</li> </ul>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09. The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Horizon Power will request reports before the end of October 2008 from Western Power on standing data and energy data for each metering point on its network and in relation to metering installations.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Metering Services. December 2008 (draft register) and June 2009 (metering SLA)</p>	<p><b>Complete</b> Action has been completed in response to recommendation one.</p>	N/A
5	346	<p>A SLA between Horizon Power and Western Power should be developed to cover requirements of obligation 346.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report. Metering SLA to be finalised by 30 June '09. The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Metering Services. <b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete</b> Action has been completed in response to recommendation one.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
6	358	A SLA between Horizon Power and Western Power should be developed to cover the requirement of obligation 358.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised.</p> <p>The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report. Metering SLA to be finalised by 30 June '09. The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Metering Services.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete</b></p> <p>Action has been completed in response to recommendation one.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
7	366 367 404	<p>Horizon Power should develop, document and approve the procedures for estimating electricity usage process.</p> <p>A SLA between Horizon Power and Western Power should be developed and state the process of how Western Power estimates the electricity usage of a customer and the type of data input.</p> <p>A SLA between Horizon Power and Synergy should be developed and stipulate that Synergy must print on the customer's bill that the amount billed is for an estimated amount. The SLA should include access to Western Power's policies and procedures with regards to substitution / replacement / estimation of energy data.</p>	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09. The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p>Horizon Power will develop, document and approve the procedures for estimating electricity usage by the end of November 2008.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete Register</b> Action has been completed in response to recommendation one.</p> <p><b>Metering SLC</b> Action has been completed in response to recommendation one.</p> <p><b>Electricity estimation procedure</b> Horizon Power rely on Western Power (as the MBS service provider) to estimate data as required, in line with Horizon Power's Metrology Procedure (refer to Schedule 3, section 1.2). Western Power are contracted to provide this service (refer to schedule 3 section 1.2).</p>	N/A



Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
8	385 386 388 410	A SLA between Horizon Power and Western Power should be developed to cover the requirement of obligations 385/386/388/410.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09. The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management. Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Metering Services.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete</b> Action has been completed in response to recommendation one.</p>	N/A
9	408	The SLA between Horizon Power and Western Power should stipulate that Western Power must ensure the accuracy of estimated energy data in accordance with the methods in its metrology procedure.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report.</p> <p>Metering SLA to be finalised by 30 June '09. The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management.</p> <p>Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete</b> Action has been completed in response to recommendations one and seven.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
10	343	<p>Horizon Power should review and approve the metering installation provider list on an annual basis.</p> <p>For each metering installation provider, the certificate should be vouched. Procedures should be documented for this process.</p> <p>The list of registered metering installation providers should be published on Horizon Power website.</p>	<p>Horizon Power will review and approve the metering installation list. The list will then be reviewed and approved on an annual basis.</p> <p>Horizon Power will document the procedures for the review of each metering provider and ensure the list is published on the Horizon Power website.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Metering Services.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Closed out</b></p> <p>Horizon Power's website has been updated to include a link to Western Power's website register of approved metering installation providers.</p> <p>The list of approved metering installation providers is managed by Energy Safety. Horizon Power merely relies on the list published by Energy Safety.</p>	N/A
11	440 441	<p>Horizon Power should make payments to customers who are entitled a payment within the specified timeframe of 30 days.</p> <p>In addition the customer charter should be reviewed and updated to ensure obligations 440 and 441 are included.</p>	<p>Horizon Power will review existing processes to ensure payments are made within 30 days.</p> <p>The Customer Charter to be reviewed to ensure obligations 440 and 441 are included and specified.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> September 2008.</p>	<p><b>Complete</b></p> <p><b>Customers</b></p> <p>Details of the claims process are now included in the Customer Charter. A copy of the Customer Charter is sent to every customer who changes or sets up an account.</p> <p>The website provides detailed information of the payments process for an unplanned outage and supply interruptions.</p> <p><b>Employees</b></p> <p>Horizon Power has internal processes that describe the payments process. The Claims Manager authorises all payments once the application form has been received.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
12	445	Horizon Power should develop a set of retention and disposal schedules upon upgrade of the DMS and ensure that existing documentation is retained for the appropriate timescales per 23(2) of the Network Quality and Reliability code.	<p>March '09 for new DMS June 09 to develop retention and disposal schedules. We will ensure documentation is retained in accordance with the Network Quality and Reliability code.</p> <p><b>Responsible Area</b> GM Knowledge &amp; Technology and Knowledge Management Coordinator.</p> <p><b>Timing</b> March 2009 (new DMS) and June 2009 (schedules).</p>	<p><b>Complete</b></p> <p>Confirmed with the Regulation Compliance Officer that Network Quality data is stored for 5 year period required by clause 23(2) of the Network Quality and Reliability of Supply Code 2005.</p>	N/A
13	281 282	<p>Horizon Power should obtain information from Western Power to retain records at Horizon Power for:</p> <ul style="list-style-type: none"> <li>The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct</li> <li>Street light fault repair indicators.</li> </ul>	<p>Horizon Power will obtain the following information from Western Power on a regular basis:</p> <ul style="list-style-type: none"> <li>The total number of customer connections established and customer connections not established within the period prescribed by the code of conduct</li> <li>Street light fault repair indicators. Horizon Power will review the information and take actions as appropriate. Horizon Power will undertake this action immediately.</li> </ul> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Complete</b></p> <p>The records of Service Order Completions are maintained in the Metering Business System (MBS) which is administered by Western Power. Reports are being developed and managed by Horizon Power.</p> <p>Streetlight fault records are maintained in the Trouble Call Management System (TCMS) and are reported monthly.</p> <p>Horizon Power is in the process of installing a new Trouble Call System which will allow for improved monitoring and reporting.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
14	72	Policies and procedures should be developed, reviewed and approved in relation to the requirements under obligation 72.	The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document Horizon Power compliance with obligation 72. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> December 2008.	<b>In progress</b> Horizon Power uses the Electricity Supply and Extension Manual issued in January 2009 to govern connection and disconnection requirements. This policy is still currently in draft format; however the Manager Asset Strategy and Capability advised that the manual is business functional.	<b>Action Plan 1/08</b> Finalise and communicate Electricity Supply and Extension Manual. <b>Responsible person</b> Manager Asset Strategy and Capability <b>Target date</b> 31 July 2010
15	73 74	The Network connection and Extension Manual should be approved.	The Network Connection and Extension manual is to be completed by end 2008. <b>Responsible Area</b> GM Operations Commercial, Contracts Manager and Manager Asset Strategy and Capability. <b>Timing</b> December 2008.	<b>In progress</b> Relevant processes and procedures have been implemented. Policies have been drafted and are waiting finalisation.	<b>Action Plan 1/08</b> Finalise and communicate Electricity Supply and Extension Manual. <b>Responsible person</b> Manager Asset Strategy and Capability <b>Target date</b> 31 July 2010
16	75	Customers should be connected within the specified timeframe stipulated under clause 75.  If a connection cannot be made by the end of the 20th business day, customer should agree in writing for a future date for connection.	The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document Horizon Power compliance with obligation 75. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> Complete.	<b>Complete</b> The Manager Asset Strategy and Capability has developed policies and procedures to govern this process. Electricity Supply and Extension, Generic Full Cost and Full Price policies outline the requirements of the code.	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
17	76	Horizon Power should document policies and procedures that specify obligation 76.	<p>The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document Horizon Power compliance with obligation 76.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> Complete</p>	<p><b>Outstanding</b></p> <p>Spreadsheets are being developed as the vehicle for managing connection and energisation requirements.</p>	<p><b>Action Plan 2/08</b></p> <p>Procedures will be documented for using the proposed spreadsheets for managing connection and energisation requirements.</p> <p><b>Responsible person</b> Manager Metering &amp; Billing Services</p> <p><b>Target date</b> 31 May 2010</p>
18	77	<p>Horizon Power should document policies and procedures that clearly specify obligation 77.</p> <p>Energisation should be completed within the timeframe stipulated under clause 77. If not, supporting evidence that the customer was contacted or reason for late energisation should be documented.</p> <p>Data regarding energisation of customers should be retained for completeness, audit procedures and future reference.</p>	<p>The requirements of this clause are built into the processing steps in MBS. The MBS system imposes the policies and procedures and produces regular reports on any breaches. We will draft procedures for using the MBS system to document Horizon Power compliance with obligation 77.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> Complete</p>	<p><b>Outstanding</b></p> <p>Spreadsheets are being developed as the vehicle for managing connection and energisation requirements.</p>	<p><b>Action Plan 2/08</b></p> <p>Procedures will be documented for using the proposed spreadsheets for managing connection and energisation requirements.</p> <p><b>Responsible person</b> Manager Metering &amp; Billing Services</p> <p><b>Target date</b> 31 May 2010</p>

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
19	215 216 217 218	Horizon Power should obtain a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218.	<p>Horizon Power has obtained a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218.</p> <p>Going forward, Horizon Power will request information from Synergy each month to confirm Horizon Power compliance with obligations that fall under the day to day operational control of Synergy. In addition, Horizon Power will request copies of data (either in excel or another format) that relates to these license conditions for analysis and review.</p> <p>Action will be taken as appropriate following review of the data.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Synergy procedures - Complete</b></p> <p>Horizon Power obtained copies of the Synergy procedures for life support customers.</p> <p>Since 19 June 2009, Horizon Power has registered customers requiring life support equipment on the new Velocity system which is managed by ServiceWorks.</p> <p><b>Information/data - Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p>	N/A
20	221	Horizon Power should request reporting of the customers who were not connected within the timeframes as stipulated in obligation requirement 221.	<p>Horizon Power receives a weekly Outstanding Service Order Report from Western Power. This report shows service orders that were not completed within the timeframe as stipulated in obligation requirement 221. The report will be used to measure compliance with action taken as appropriate to ensure reconnection takes place in the timeframes specified.</p> <p>Horizon Power has hired an independent consultant to review this report for accuracy and completeness. Results expected by end September 2008.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> September 2008.</p>	<p><b>Complete</b></p> <p><b>Service order outstanding report</b></p> <p>The Manager Metering Services advised that the report is generated weekly. Any concerns are reviewed and discussed with Western Power.</p> <p><b>Independent consultant review</b></p> <p>The Regulation Compliance Coordinator advised that an Independent consultant was appointed to assist Horizon Power in reviewing the capacity of MBS to provide such reports.</p>	N/A

**Deloitte:** Horizon Power EIRL2 Performance Audit

*This report is intended solely for the use of Horizon Power for the purpose of its reporting requirements under section 13 of the Act. We do not accept or assume responsibility to anyone other than Horizon Power for our work, for this report, or for any reliance which may be placed on this report by any third party for any other purpose.*

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
21	249 250 251 252	<p>The following obligations should be stipulated in Horizon Power's procedures:</p> <ul style="list-style-type: none"> <li>• A distributor must on request give a customer its consumption data at no charge in the circumstances specified</li> <li>• A distributor must give a customer the requested consumption data within 10 business days of the receipt of the request</li> <li>• A distributor must keep a customer's consumption data for seven years</li> <li>• An SLA between Synergy and Horizon Power should be developed to encompass the requirements of obligations 249 - 252.</li> </ul>	<p>Included in Synergy SLA under Customer contact handling.</p> <p>Data kept in all systems for required timeframes.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p>	<p><b>Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p> <p>Horizon Power has contracted ServiceWorks to be its customer interface. Gentrack Velocity is used by ServiceWorks to store customer data. Customers can contact the call centre and request for their consumption data at no charge. Data will be kept for a minimum of 7 years.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
22	248 253 254 256 419	<p>Horizon Power should publish information on distribution standards on the Horizon Power website. In addition, procedures should be documented to stipulate the process undertaken for a change in contact details.</p> <p>Horizon Power should request performance reports from Synergy that provide information about its performance in handling customer's request.</p>	<p>Horizon Power to review Synergy reports. Horizon Power to review Synergy SLA and discuss, formalise KPIs.</p> <p>Horizon Power will request performance reports from Synergy that provide information about its performance in handling customer's request.</p> <p>Horizon Power to document procedures to stipulate the process undertaken for a change in contact details.</p> <p>The distribution standard and metering arrangements will be immediately published on the Horizon Power website.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> End December 2008.</p>	<p><b>Synergy reports and SLA - Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p> <p><b>Update of contact details – closed out</b></p> <p>There have been no changes made to Horizon Power's contact details during the period. The Regulation Compliance Coordinator advised that any changes to Horizon Power's details are communicated within required timeframes. No policy is required.</p> <p><b>Distribution and metering standards - complete</b></p> <p>The distribution standard and metering arrangements are published on the Horizon Power website.</p>	N/A



Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
23	267 272 273 296 301 302	<p>Horizon Power should continue to document the date in which customers' complaints are acknowledged.</p> <p>Horizon Power should respond to customer complaints within 10 working days.</p> <p>Horizon Power should resolve complaints within 30 days from the date of receipt of complaint. If this is not possible, the reason should be documented.</p> <p>The Horizon Power complaints policy should document the required procedures specific to obligations 267, 272, 273 &amp; 296.</p>	<p>Horizon Power internal auditors to review and recommend improvements.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> Complete</p>	<p><b>Outstanding</b></p> <p>An audit of the complaints function has not been completed since 2007. An audit is currently not scheduled for the 2008/09 financial year.</p>	<p>Refer to 2009 audit action plan 17/09.</p> <p>A full review of the complaints definitions, recording, handling, escalation and reporting to be undertaken and processes and procedures developed to ensure all complaints are recorded, dealt with and reported in accordance with requirements.</p> <p><b>Responsible person</b> Manager Metering &amp; Billing Services</p> <p><b>Target date</b> 30 April 2010</p>
24	427	<p>The Horizon Power complaints policy should be updated to incorporate the dispute handling and escalation process as required by obligation 427.</p>	<p>Complaints Policy to be completed by end September 2008.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> September 2008.</p>	<p><b>Complete</b></p> <p>Horizon Power maintains a Complaints Policy that is applicable to all of Horizon Power's customers/stakeholders including, but not limited to, complaints from Horizon Power Customers who use less than 160MWh per annum, Energy Ombudsman and the Minister for Energy.</p> <p>The policy prescribes that it is intended for use by staff and customers of Horizon Power and is aligned to the approved Customer Charter.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
25	218	Horizon Power should obtain a copy of the Synergy procedures on life support equipment. Horizon Power should review the procedures to ensure that it meets the requirements of the relevant clauses and obligations.	Horizon Power has obtained a copy of Synergy procedures for customers on life support equipment to ensure they comply with the requirements under obligations 216 - 218. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> Complete	<b>Closed out</b> Action has been closed out in response to recommendation 19.	N/A
26	227 228	A copy of the Synergy procedures on prepayment meters should be obtained, reviewed and retained at Horizon Power.  Horizon Power should review the procedures to ensure that it meets the requirements of the relevant clauses and obligations. Horizon Power should request information from Synergy on a regular and timely basis to ensure Horizon Power is complying with the requirements of obligations 227 & 228.	Horizon Power will obtain a copy of Synergy's procedures on prepayment meters to address those in place in remote areas. These will be reviewed to ensure they meet the requirements of clauses 227 and 228.  Going forward, Horizon Power will request information from Synergy each month to confirm Horizon Power compliance with obligations that fall under the day to day operational control of Synergy. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> September 2008.	<b>Closed out</b> Action has been closed out in response to recommendation 19.	N/A
27	139	A SLA should be developed, agreed and approved between Synergy and Horizon Power should stipulate the obligations relating to the Privacy Act.	Agreement to be sought with Synergy outlining obligations relating to the Privacy Act. To be completed by end September 2008. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> September 2008	<b>Closed out</b> Action has been closed out in response to recommendation 19.  The contract with ServiceWorks includes a privacy section in Schedule 6 of the contract which is aligned to the Privacy Act.	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
28	142 150	Horizon Power should introduce receiving reports from Synergy detailing the number of customers that have been billed late.	Reports to be obtained monthly from Synergy. Action will be taken as necessary to address any issues identified within the reports. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> Complete	<b>Closed out</b> Action has been closed out in response to recommendation 19.	N/A
29	157 158 159	Horizon Power should obtain the following reports from Synergy: <ul style="list-style-type: none"> <li>Estimated billings made over a pre- defined period</li> <li>Amount of adjustments made over a pre-defined period.</li> </ul>	Reports to be obtained monthly. Action will be taken as necessary to address any issues identified within the reports. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> Complete	<b>Closed out</b> Action has been closed out in response to recommendation 19.	N/A
30	161 162	Horizon Power should introduce receiving reports relating to the licence obligations: <ul style="list-style-type: none"> <li>Number of meters tested over a pre-defined period</li> <li>Charges for testing meters over a pre-defined period</li> <li>Refunds made to the customer for defective meters.</li> </ul>	Reports to be obtained monthly. Action will be taken as necessary to address any issues identified within the reports. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> Complete	<b>Closed out</b> Action has been closed out in response to recommendation 19.	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
31	168	Horizon Power should introduce receiving reports relating to the licence obligation.	<p>Reports to be obtained monthly from Synergy. Action will be taken as necessary to address any issues identified within the reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> Complete</p>	<p><b>Closed out</b></p> <p>Action has been closed out in response to recommendation 19.</p>	N/A
32	176	The Horizon Power billings policy should stipulate the requirement that the due date on a bill must be at least 12 business days from the date of the bill with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.	<p>The Horizon Power billings policy to be reviewed to ensure it stipulates the requirement that the due date on a bill must be at least 12 business days from the date of the bill with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> End 2008.</p>	<p><b>Complete</b></p> <p>The Gentrack Velocity system has been configured to automatically set the due date on a bill to be at least 12 business days from the date the bill is dispatched.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
33	178	<p>Horizon Power should formalise their policy for compliance with obligation 178.</p> <p>A SLA between Synergy and Horizon Power should be developed to encompass the requirements of obligation 178.</p> <p>Horizon Power should introduce receiving reports relating to compliance with the EFT Code of Conduct in making an electronic payment.</p>	<p>Horizon Power to review Synergy reports.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs.</p> <p>Horizon Power to document procedures to stipulate the process undertaken to comply with EFT code of conduct.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Synergy reports and SLA - Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p> <p><b>Compliance with EFT Code of Conduct - Outstanding</b></p> <p>The requirement to comply with the EFT Code of Conduct is not yet formally addressed in the contract with ServiceWorks.</p>	<p>Refer to 2009 audit action plan 10/09.</p> <p>Review procedures of the business in regard to EFT payments and ensure the requirements of the EFT Code are included in the contract requirements, reported and monitored.</p> <p><b>Responsible person</b> Manager Metering &amp; Billing Services</p> <p><b>Target date</b> 30 April 2010</p>

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
34	185 186 187	<p>The Horizon Power Billing and Collection policy should document the required procedures specific to obligations 185-187.</p> <p>A SLA between Synergy and Horizon Power should be developed to encompass the obligation requirements of obligation 185 - 187.</p> <p>Horizon Power should develop an incident log to keep track of all breaches and any nil incidents.</p>	<p>The Horizon Power Billing and Collection policy will document the required procedures specific to obligations 185-187.</p> <p>Horizon Power to document procedures to stipulate an incident log is kept.</p> <p>Horizon Power to review Synergy SLA and discuss, formalise KPIs.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Billing and collection policy - Complete</b></p> <p>The procedures for vacating a supply is documented in the process vacant premise work instructions document.</p> <p><b>Maintenance of an incident log and documented procedures – Closed out</b></p> <p>Horizon Power does not currently maintain an incident log or procedures to record any Service Breaches. However the Manager Metering Services has provided a formal response to not proceed with the recommendation as the business is of the opinion that there are already sufficient controls are in place to monitor the requirements of the obligations.</p> <p><b>Synergy reports and SLA - Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
35	188	The Horizon Power Billing and Collection policy should document the procedures specific to obligations 188.	The HP Billing and Collection Policy will document the required procedures specific to obligations 188. We note the Hardship Policy is on the HP website. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> Complete	<b>Complete</b> Horizon Power's debt collection procedures now address the requirement to comply with the Conduct Principles set out in the Debt Collection Guideline issued by the Australian Competition and Consumer Commission (ACCC).	N/A
36	189 190 191	A SLA between Synergy and Horizon Power should be developed to encompass the requirements of obligations 189 to 191. Horizon Power should introduce receiving reports relating to the licence obligation.	Horizon Power to review Synergy reports. Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 189 to 191. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> December 2008.	<b>Synergy reports and SLA - Closed out</b> As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.	N/A
37	197 198 199	A SLA between Synergy and Horizon Power should be developed to cover the requirements of obligations 197 to 199. Horizon Power should request receiving reports from Synergy relating to the licence obligation.	Reports to be obtained monthly. Actions will be taken as appropriate to address issues identified from the review of the reports. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> Complete	<b>Closed out</b> As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
38	206 207 208 209	<p>Horizon Power should be informed by Synergy on key dates and details relating to the hardship policy including the:</p> <ul style="list-style-type: none"> <li>• Relevant customer representative organisations consulted on the contents of the hardship policy</li> <li>• Date the hardship policy was established</li> <li>• Date the hardship policy was reviewed</li> <li>• Dates the hardship policy was amended.</li> </ul>	<p>Horizon Power will review the content of the Hardship policy with Synergy to ensure it is compliant with the requirements of obligation 206-209. Horizon Power will amend and adopt the policy as appropriate.</p> <p>The policy will be reviewed each year to ensure it meets the requirements of the obligations.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Synergy review of Hardship Policy - Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p> <p><b>Hardship Policy - complete</b></p> <p>Horizon Power's hardship policy was approved on 19 August 2009 by the Managing Director. The policy was developed in consultation with WACOSS.</p>	N/A
39	210	<p>A SLA between Synergy and Horizon Power should be developed to cover obligation requirement 210.</p> <p>The Horizon Power Billing and Collection policy should document the procedures specific to obligation requirement 210.</p> <p>Horizon Power should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligation 210. Horizon Power will introduce receiving reports from Synergy as required per the license.</p> <p>The Billing and Collection policy will be updated to document the requirements of obligation 210.</p> <p>The updated version will be approved and communicated to relevant staff.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Synergy reports and SLA - Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p> <p><b>Billing and collection policy - Complete</b></p> <p>The Horizon Power Billing and Collection policy refers the reader to the Credit and Debt Collection Policy which outlines the requirements of obligation 210.</p>	N/A



Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
40	211 212 214	Horizon Power should formalise policies and procedures that relate to obligations 211, 212 and 214. A SLA between Synergy and Horizon Power should be developed to encompass the requirements of obligations 211, 212, and 214. Horizon Power should introduce receiving reports relating to the licence obligation.	<p>Horizon Power to review Synergy reports. Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 211, 212 and 214. Horizon Power will introduce receiving reports as required per the license.</p> <p>Horizon Power will formalise policies and procedures as appropriate that relate to obligations 211, 212 and 214.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Synergy reports and SLA - Closed out</b></p> <p>The relationship between Horizon Power and Synergy has changed during the period subject to audit. Synergy is no longer acting as Horizon Power's retailer, and as such this action plan is no longer relevant.</p> <p><b>Policies and procedures - Complete</b></p> <p>Horizon Power's Hardship Policy and Debt Collection and Credit Management procedure are aligned to the code requirements.</p> <p>The requirements of obligations 211-214 are now addressed through the contract established with ServiceWorks and the agreed process and procedures for disconnection.</p>	N/A
41	219 220	<p>Horizon Power should formalise policies and procedures that relate to obligations 219 and 220. A SLA between Synergy and Horizon Power should be developed to encompass the requirements of obligations 219 and 220.</p> <p>Horizon Power should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy reports. Horizon Power to review Synergy SLA and discuss, formalise KPIs to ensure compliance with obligations 219 and 220. Horizon Power will introduce receiving reports as required per the license.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
42	224 225 226	<p>Horizon Power should formalise policies and procedures that relate to obligations 224,225 and 226. A SLA between Synergy and Horizon Power should be developed to encompass the requirements of obligations 224,225 and 226.</p> <p>Horizon Power should introduce receiving reports relating to the licence obligation.</p>	<p>Horizon Power to review Synergy reports. Horizon Power to review Synergy SLA and discuss, formalise KPI's to ensure compliance with obligations 224,225 and 226.</p> <p>Horizon Power will then formalise policies and procedures in relation to obligations 224,225 and 226.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Synergy reports and SLA - Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p> <p><b>Policies and procedures - Complete</b></p> <p>The Manager Customer Care Operations confirmed that policies and procedures have been developed with the establishment of ServiceWorks.</p>	N/A
43	291 293	<p>Horizon Power should introduce receiving reports listing compensation made for late connections.</p> <p>Horizon Power should request confirmation from Synergy that there is a robust process in place to identify customers who are entitled to reconnection and disconnection compensations.</p>	<p>Reports to be obtained monthly, reviewed and action taken as appropriate.</p> <p>We will request confirmation from Synergy each month that the compensations process is effective and operating in a robust manner.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> Complete</p>	<p><b>Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
44	155 167	Horizon Power should update the SLA to clearly specify the requirement of obligations 155 and 167.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised.</p> <p>The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report. Metering SLA to be finalised by 30 June '09. The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management.</p> <p>Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA).</p>	<p><b>Complete</b></p> <p>Action has been completed in response to recommendation one.</p>	N/A
45	433	Horizon Power should document procedures for the process undertaken to provide a customer with alternative electricity supply.	<p>Horizon Power to document procedures and save them in the Document Management system (DMS). These will be reviewed annually and update as appropriate.</p> <p><b>Responsible Area</b> GM Operations Manager, Business Operations South and Manager Business Operations North.</p> <p><b>Timing</b> End 2008/2009.</p>	<p><b>Complete</b></p> <p>Procedures have been developed and are maintained in DMS. DMS prescribes the review time, which is currently as annual.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
46	92	Horizon Power should document and approve the Generation and Network extension and expansion policies.	<p>Horizon Power to develop and approve the Generation and Network extension and expansion policies.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> Complete</p>	<p><b>In progress</b></p> <p>The Manager Asset Strategy and Capability advised that Horizon Power has only the need for a Network Extension policy (not relevant to Generation).</p> <p>The Policy is still in draft format, awaiting third party QA review.</p>	<p><b>Action Plan 1/08</b></p> <p>Finalise and communicate Electricity Supply and Extension Manual.</p> <p><b>Responsible person</b> Manager Asset Strategy and Capability</p> <p><b>Target date</b> 31 July 2010</p>
47	192	Horizon Power should obtain a list from Synergy of Horizon Power customers undergoing payment difficulties or financial hardship on a pre-determined interim basis.	<p>Reports to be obtained monthly and reviewed by Horizon Management.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> Complete</p>	<p><b>Closed out</b></p> <p>As outlined in the Summary section above, Horizon Power's retail support arrangements with Synergy have changed since the 2008 EIRL performance audit report was issued. Accordingly, this component of the PAIP is no longer relevant to Horizon Power's operations and is assessed as closed out.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
48	362	A SLA between Horizon Power and Western Power should be developed to encompass the requirement of obligation 362.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised.</p> <p>The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report. Metering SLA to be finalised by 30 June 2009.</p> <p>The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management.</p> <p>Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Metering Services.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA)</p>	<p><b>Complete</b></p> <p>Action has been completed in response to recommendation one.</p>	N/A
49	417	Horizon Power should implement a register to maintain all directions received by the Authority. Additionally, a policy should be created to document the process of responding to directions provided by the Authority.	<p>Horizon Power is implementing a new computer system, CURA. Part of its functionality is to provide a register to maintain all directions received by the Authority.</p> <p>Additionally, a policy will be created to document the process of responding to directions provided by the Authority, and this will be managed in CURA.</p> <p><b>Responsible Area</b> GM Governance &amp; Company Secretary and Regulation Compliance Coordinator.</p> <p><b>Timing</b> End 2008/2009.</p>	<p><b>Complete</b></p> <p>Horizon Power has implemented CURA. The Regulation Compliance Officer advised that any requests received from the Authority are logged into CURA as a task and assigned to an appropriate member of staff for action.</p> <p>A Compliance Policy has also been developed which specifies how this is managed.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
50	426	The dispute handling process should be documented in Horizon Power's complaints policy.	<p>Horizon Power to review and update Horizon Power's complaints policy.</p> <p><b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations.</p> <p><b>Timing</b> December 2008.</p>	<p><b>Complete</b></p> <p>The Horizon Power Complaints Policy has been updated to reflect the dispute handling escalation process.</p>	N/A
51	430	A SLA between Horizon Power and Western Power should be developed to encompass the requirement of obligation 430.	<p>A register of the key licence obligations that are impacted by the Metering SLA to be included in a risk register. Register will be used to drive SLA negotiations and will be signed off before SLA is finalised. The information from the risk assessment will also inform Horizon Power's 2008/2009 compliance report. Metering SLA to be finalised by 30 June '09. The Service Order Outstanding report will be generated immediately on a weekly basis and reviewed by management.</p> <p>Action will be taken as necessary to address any issues identified within the weekly reports.</p> <p><b>Responsible Area</b> GM Shared Services, Manager Customer Care Operations and Manager Metering Services.</p> <p><b>Timing</b> December 2008 (draft register) and June 2009 (metering SLA)</p>	<p><b>Closed out</b></p> <p>The post audit action plan does not address the requirements of the issue. Horizon Power has internal policies that highlight disconnection requirements and procedures including the electrical voltage and harmonics requirements of obligation 430.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
52	14.1 14.2	Documented and approved procedures should be developed for amendments of the standard form contract. These should reflect the requirements outlined within Clause 14 'Amending the Standard Form Contract' of the Integrated Regional Licence (EIRL2).	Horizon Power to Document procedures and save in DMS. Review annually. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> December 2008.	<b>Outstanding</b> Horizon Power utilises DMS to manage its documents. The Standard Form Contract is protected in DMS with only three staff having access to make amendments. Should Horizon Power be requested to amend its contract, it will log a task into CURA and assign to the Manager Customer Care Operations. No procedures have been developed to outline the process for amending and subsequent approval of the contract.	<b>Action Plan 3/08</b> Horizon Power to ensure tasks are appropriately entered into CURA and include a reference to ensure external reviews are undertaken as required. <b>Responsible person</b> Regulation Compliance Coordinator <b>Target date</b> 30 April 2010
53	15.2 15.3 15.4	We recommend that Horizon Power develop and approve policies and procedures to cover the process for reviewing, updating and approving changes made to the Customer Service Charter.	Horizon Power to Document procedures and save in DMS. Review annually. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> December 2008.	<b>Outstanding</b> The Customer Service Charter is managed through DMS. The reviews and updates are scheduled and tracked from within CURA. Although there is a process in place, the procedures for the reviewing, updating and approving changes made to the Customer Service Charter are not recorded. Without internal procedures documented, employees may not be aware of the requirements of the Code of Conduct or knowledge may be loss, especially where there are staff turnovers.	<b>Action Plan 3/08</b> Horizon Power to ensure tasks are appropriately entered into CURA and include a reference to ensure external reviews are undertaken as required. <b>Responsible person</b> Regulation Compliance Coordinator <b>Target date</b> 30 April 2010

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
54	16.1	We recommend that Horizon Power develop policies and procedures for amending the Customer Service charter.	Horizon Power will document and approve the policy and procedures and save in DMS. These will be reviewed each year and updated as appropriate. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> December 2008.	<b>Outstanding</b> Refer to response for recommendation 53.	<b>Action Plan 3/08</b> Horizon Power to ensure tasks are appropriately entered into CURA and include a reference to ensure external reviews are undertaken as required. <b>Responsible person</b> Regulation Compliance Coordinator <b>Target date</b> 30 April 2010
55	17.1	Horizon Power should develop policies and procedures detailing the functions of the supplier of last resort.	Horizon Power will document and approve the policy and procedures and save in DMS. These will be reviewed each year and updated as appropriate. <b>Responsible Area</b> GM Shared Services and Manager Customer Care Operations. <b>Timing</b> December 2008.	<b>Closed out</b> Horizon Power has not been designated as a Supplier of Last resort by the Office of Energy. This clause is therefore not assessable until such time that Horizon Power has been delegated.	N/A
56	18.1	Horizon Power should develop a register to record and maintain all directions received by the Authority. In addition, a policy should be created for responding to directions provided by the Authority.	Horizon Power is implementing a new computer system, CURA. Part of its functionality is to provide a register to maintain all directions received by the Authority. Additionally, a policy will be created to document the process of responding to directions provided by the Authority, and this will be managed in CURA. <b>Responsible Area</b> GM Governance & Company Secretary and Regulation Compliance Coordinator. <b>Timing</b> End 2008/2009.	<b>Complete</b> Horizon Power has implemented CURA by which all tasks are managed. The Regulation Compliance Officer advised that any requests received from the Authority are logged into CURA as a task and assigned to an appropriate member of staff for action.	N/A



Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
57	19.1	Horizon Power should develop a register to record and maintain all directions received by the Authority. In addition, a policy should be created for responding to directions provided by the Electricity Ombudsman	Horizon Power will develop a register and document procedures for its maintenance, update and review. These procedures will be saved in the DMS system. These will be reviewed on an annual basis. <b>Responsible Area</b> GM Governance & Company Secretary and Regulation Compliance Coordinator. <b>Timing</b> End 2008/2009.	<b>Closed out</b> Horizon Power has implemented CURA through which all tasks are managed. The Regulation Compliance Officer advised that any requests received from the Authority are logged into CURA as a task and assigned to an appropriate member of staff for action. No policies are required to govern this process as the 'register' (being CURA) is functional to the needs of the business.	N/A
58	20.1	Horizon Power should draft and submit the contract to the coordinator for approval and implement the use of the Renewable Source Electricity Contract.	Horizon Power will develop a draft contract and have this appropriately approved. The contract will be reviewed on an annual basis. <b>Responsible Area</b> GM Operations Network Asset Manager. <b>Timing</b> December 2008.	<b>Complete</b> Contract has been submitted and approved by the Coordinator for Energy.	N/A
59	21.1 21.2 21.3	Horizon Power should submit to the Coordinator for approval the draft renewable source electricity contract for use with its renewable source electricity customers.	Develop draft contract. Seek approval. <b>Responsible Area</b> GM Operations and Manager Asset Strategy and Capability. <b>Timing</b> December 2008.	<b>Complete</b> Contract has been submitted and approved by the Coordinator for Energy.	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
60	24.1	Horizon Power should develop and document an accounting manual that includes references to the applicable accounting standards.	Horizon Power to develop and document an accounting manual that includes references to the applicable accounting standards. Manual to get reviewed and board approval. <b>Responsible Area</b> GM Finance Services and Manager Finance <b>Timing</b> June 2009.	<b>Closed out</b> As Horizon Power maintains a comprehensive list of its procedures and policies in DMS, including references to applicable accounting standards, an accounting manual is no longer considered to be necessary.	N/A
61	28.1	Horizon Power should create a checklist that is to be completed on a periodic basis to consider the going concern status of the company and document any changes in circumstances.  Notices should be recorded, tracked and reported. All notices provided to the Authority of changes in circumstances should be documented in writing and retained for record keeping purposes. A formal policy should be documented and approved for the process of notification to the Authority.	Horizon Power will liaise with its appointed auditors to confirm that their scope of work includes providing assurance to stakeholders that the company is a going concern. In addition, Horizon Power will prepare a register to document any changes in circumstances to ensure any notices are appropriately recorded, tracked and reported to the Authority to ensure changes in circumstances are documented in writing and retained.  A policy will be drafted and submitted to the Authority for comment before being finalised by Horizon Powers board. <b>Responsible Area</b> GM Finance Services and Manager Finance <b>Timing</b> June 2009.	<b>Outstanding</b> Horizon Power now recognises that it is more appropriate to incorporate this requirement into its existing Crisis Management Plan.	<b>Action Plan 4/08</b> Horizon Power's Crisis Management Plan will be updated to include a requirement for the Governance & Company Secretariat division to promptly advise the Authority in the event Horizon Power becomes insolvent or is unable to meet the requirements of its licence by virtue of a technical or financial change of circumstances. <b>Responsible person</b> Manager Governance and Compliance <b>Target date</b> 31 May 2010

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
62	29.1	Horizon Power should implement system to track and monitor information requests received from the Authority.	Horizon Power to implement system to track and monitor information requests including phone calls. <b>Responsible Area</b> GM Governance & Company Secretary and Regulation Compliance Coordinator. <b>Timing</b> December 2008.	<b>Complete</b> Horizon Power has implemented CURA through which all tasks are managed. The Regulation Compliance Officer advised that any requests received from the Authority are logged into CURA as a task and assigned to an appropriate member of staff for action.	N/A
63	31.1 31.2	Horizon Power should develop a register to record all notifications from the Authority or the Office of Energy.	Horizon Power to develop a register of notifications from Authority and Office of Energy. <b>Responsible Area</b> GM Governance & Company Secretary and Regulation Compliance Coordinator. <b>Timing</b> December 2008.	<b>Complete</b> Register has been developed and is maintained by the Regulation Compliance Coordinator.	N/A
64	32.1	Horizon Power should develop policies to guide the process of requesting a review of an authority decision.	Horizon Power to develop policies to guide the process of requesting a review of an authority decision. <b>Responsible Area</b> GM Governance & Company Secretary and Regulation Compliance Coordinator. <b>Timing</b> December 2008.	<b>Closed out</b> Horizon Power use the Authority's guidelines for reviewing decisions, therefore no need to develop internal versions.	N/A

# Appendix A – Audit Plan

# Appendix B - References

## Key Horizon Power staff participating in the audit

Name	Position
• David Tovey	Manager Regulation and Compliance
• Frank Buttigieg	Regulation Compliance Coordinator
• Alana Davies	Manager Customer Care Operations
• Greg Will	Manager Metering Services
• Brett Hovingh	Asset Strategy and Capability Manager
• Jason Cruickshank	Marketing and Product Development Manager
• Andrew Georgiades	Manager Risk and Audit
• Kevin Carey	Networks Technical Data Systems Administration Officer
• Kate Walker	Team Leader Customer Connections
• Neil Curran	Land & Residential Property Coordinator
• Amelia Yam	General Manager Finance Services
• Terry Corfield	Technical Regulation Engineer
• Kylie Kniepf	Product Manager
• Craig Wilson	District Business Manager – West Kimberly
• Peter McChesney	District Operations Officer (Broome)
• Lisa Caswell	Business Services Officer (Broome)
• Daren Hickey	Work Delivery Coordinator (Broome)
• Blair Harrigan	Customer Service Manager, ServiceWorks
• Sharon Drinkall	Operations Manager, ServiceWorks

## Deloitte staff participating in the audit

Name	Position	Hours
• Richard Thomas	Partner	27.5
• Andrew Baldwin	Account Director	265
• Jin Sua	Analyst	308
• Ben Fountain	Analyst	296
• David Wylde	Manager	4
• Brenton Laws	Support Analyst	26
• Don Gillespie	Account Director (Quality Assurance Review)	12
• Matt Thomson	Partner (Quality Assurance Review)	2

## Key Documents and other information sources examined

- Register of customers requiring life support equipment
- Prepayment meter procedures
- Financial hardship policy (previous and current versions)
- Billing and collection policy
- Credit management and debt collection policy
- Credit management and debt collection procedure
- Strategic asset management plan
- Complaints policy

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*This report is intended solely for the use of Horizon Power for the purpose of its reporting requirements under section 13 of the Act. We do not accept or assume responsibility to anyone other than Horizon Power for our work, for this report, or for any reliance which may be placed on this report by any third party for any other purpose.*

- Customer complaints procedure
- Customer complaints data - CIS
- Customer complaints data - Velocity
- Ombudsman complaints
- Customer Charter
- Authority approval – final customer charter
- Authority letter accepting the new charter
- Compliance report August 2008
- Compliance report August 2009
- Organisation chart
- Renewable energy scheme terms and conditions
- Renewable energy database
- Example of REBS in Gentrack
- Extended outage claim form
- Metering code obligations register
- Representations from Manager Metering Services
- Representations from Regulation Compliance Coordinator
- Representations from Technical Regulation Engineer
- Representations from Land and Approvals Coordinator
- Representations from Team Leader Customer Connections
- Approval of external auditor for AMS review
- Approval of external auditor for performance audit
- Financial hardship procedures
- Example of ERA invoice (dated 10 March 2009)
- Financial Report 2007/2008
- Qualeng asset management audit plan
- Approval of Qualeng asset management audit plan
- Collections for disconnections process
- Pre-payment meter information pack
- Ready Power account establishing form
- Representations from General Manager Finance
- ServiceWorks contract
- Example of email re: notification of breach for publishing information
- Metrology procedure
- Authority approval of Metrology procedure
- Metering strategy
- Metering management plan
- MBS records of meter replacement
- Electricity supply and extension manual
- Supply extension scheme work type
- Generic full type work cost manual
- Fixed price work cost manual
- Generation, transmission and distribution policy log
- Broome organisation chart
- Example of a disconnection warning
- Example of process collections re-connection
- Example of service order collections re-connection
- Credit management process
- No access disconnections process
- Network service requests process
- Tariff application process
- Examples of overdue bill and estimated bills
- HUGS reporting process

- DCP & HUGS Registered FCSs List 26 August 2009
- Example of metering screen shots
- Maintain system calendars and billing schedules
- Process cyclic billing document
- Process off cycle billing document
- Process single statement document
- Process group statement document
- Examples of customer bills
- Credit card statement payment process
- Manual payment process
- Customer refund and unclaimed monies process
- Create/Maintain Late Payment Charges-Interest Charges process
- Final account management process
- Determine credit worthiness process
- Customers in financial hardship process
- Handle disputed charges process
- Service level contract with AMRS
- Example of screenshot of outage claim
- Example of screenshot of reminder notice
- Customer funded process maps
- Metering services strategy
- Electricity supply and extension policy
- Metering cards example
- Prepayment accounts process
- Example of reminder notice
- Synergy connection report
- Synergy debtor report
- Annual report: Email to Authority
- “Project Sunrise – ERA reports” planning document
- Email from Dunn & Bradstreet on compliance with ACCC
- Network quality power quality investigation handbook
- Network quality investigation process flow
- July and April 2009 mail out for Electricity Price Increases
- EFT Code of Conduct – November 2008

# Appendix C – Post Audit Implementation Plan

## 2009 Audit

<p><b>Issue 1/09</b></p> <p><b>Obligation 216 - Code of Conduct clause 7.6</b></p> <p>Although Horizon Power’s standard business practices are designed for disconnections not to be performed on Fridays (the Code specifies that disconnections must not be arranged for after 12pm on Fridays) or after 3pm on other business days, the time of disconnection is not recorded. Without this information, it is difficult for Horizon Power to demonstrate that disconnection timing requirements are met. Our testing of 15 disconnections included three recorded as performed on a Friday, which is contrary to the standard business practice described above and suggests Horizon Power may be exposed to breaching its obligations if its business practices are not upheld.</p>	
<p><b>Recommendation 1/09</b></p> <p>Horizon Power:</p> <p>(a) Require field staff to record the time of the disconnection</p> <p>(b) Formally communicate to all field staff the importance of performing disconnections in the times designated by the Code and of recording the time of disconnection. A specific disconnection policy and/or procedure could be developed for this purpose.</p>	<p><b>ActionPlan 1/09</b></p> <p>(a) Include these requirements in an agreed written contract management document between Horizon Power and AMRS and monitor and report monthly.</p> <p>(b) Formally advise all contractors involved in these works of the requirements, and regularly review at monthly meetings. Record any breaches of these requirements at the time of Service order completion and review at monthly meetings.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
<p><b>Issue 2/09</b></p> <p><b>Obligation 228 - Code of Conduct clause 9.5(2)</b></p> <p>The Velocity system is not readily able to provide a record of those customers who were moved from a prepayment meter to a credit meter during the period under audit. Accordingly, we were unable to confirm whether Horizon Power had undertaken the required actions to reprogram the meter and to inform the customer of their contract options.</p>	
<p><b>Recommendation 2/09</b></p> <p>To demonstrate full compliance with this Type 1 compliance obligation, Horizon Power consider implementing a regular (e.g. quarterly) report of customers who have moved from prepayment meters to credit meters due to life support system requirements.</p>	<p><b>ActionPlan 2/09</b></p> <p>Metering and Billing Services to develop a:</p> <ul style="list-style-type: none"> <li>• Register of requests to change from a prepayment meter to a credit meter for any reason</li> <li>• Quarterly summarised report of types of change requests.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>



<p><b>Issue 3/09</b></p> <p><b>Obligation 75 - Electricity Industry (Obligation to Connect) Regulations regulation 6</b></p> <p>Until recently, staff had not consistently recorded all dates relevant to connection applications in the Metering Business System (MBS). Without these records, Horizon Power has not been able to differentiate between the:</p> <ul style="list-style-type: none"> <li>• Date used to start the 20 day timeframe (being the date of customer application)</li> <li>• Agreed timing with customers (where Horizon Power contacts the customer in relation to the connection)</li> <li>• Timeframe required for the inspection of contractors' connection work.</li> </ul> <p>As the real time status of Service Orders is difficult to determine, Horizon Power is challenged to demonstrate that it meets all connection timing requirements.</p> <p>This matter was disclosed in Horizon Power's 2007/08 compliance report to the Authority, with a resolution expected to be implemented by 30 June 2009. The resolution has not been achieved as the necessary system reports remain unavailable.</p>	
<p><b>Recommendation 3/09</b></p> <p>Horizon Power formalise its procedures for:</p> <ul style="list-style-type: none"> <li>• Ensuring that staff consistently record the respective dates of customer application for connection, agreements with customers, connection completion and inspection</li> <li>• Monitoring customer connection timeframes, including the use of manual methods until such time as automated monitoring is possible.</li> </ul>	<p><b>ActionPlan 3/09</b></p> <p>(a) Work practices for recording all dates relevant to connection applications to be confirmed and communicated to Metering Services staff.</p> <p>(b) A spreadsheet to be developed in which:</p> <ul style="list-style-type: none"> <li>• All connections are recorded</li> <li>• Details of the dates of completion, dates of agreement with customer, or dates of inspection are recorded and reported.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
<p><b>Issue 4/09</b></p> <p><b>Obligation 97 – Integrated Regional Licence condition 6.1</b></p> <p><b>113 - Code of Conduct clause 2.1</b></p> <p>Horizon Power does not undertake marketing activities for the purposes of competing with other retailers, however the Code of Conduct does consider relevant employees and ServiceWorks' Customer Service Representatives (CSRs) to be "marketing representatives" as they act on behalf of Horizon Power:</p> <ul style="list-style-type: none"> <li>• "for the purpose of obtaining new customers" or</li> <li>• "in dealings with existing customers in relation to contracts for the supply of electricity".</li> </ul> <p>Horizon Power's training processes in relation to electricity marketing activities undertaken by staff members or ServiceWorks staff have not been formally developed and consistently applied.</p> <p>Horizon Power also has not yet established a mechanism for active monitoring of the performance of relevant staff against the marketing requirements of the Code of Conduct.</p>	
<p><b>Recommendation 4/09</b></p> <p>Horizon Power:</p> <p>(a) Ensure that it fully understands the intent of the Code of Conduct's marketing related clauses, relevant to Horizon Power's activities</p> <p>(b) Identify which of its employees and ServiceWorks employees are considered to be marketing agents or marketing representatives, for the purpose of the Code of Conduct</p> <p>(c) Develop an appropriate training package that outlines the key Code requirements with which those marketing agents/representatives must comply.</p>	<p><b>ActionPlan 4/09</b></p> <p>Review activities of relevant Horizon Power employees and ServiceWorks CSRs to determine whether or not their activities fall within the auspices of Marketer or Marketing Representative and develop a training package addressing the requirements of the code suitable for the type of work being undertaken.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>

<p><b>Issue 5/09</b></p> <p><b>Obligation 104 - Licence condition 20.3</b></p> <p>As part of the regularisation of communities, Horizon Power requires its Licence boundary to be amended to include new supply locations.</p> <p>In its 2008/09 compliance report to the Authority, Horizon Power disclosed that:</p> <ul style="list-style-type: none"> <li>• the most recent request for boundary amendments for this purpose were not submitted in a timely manner to allow for remapping prior to extensions of supply</li> <li>• mapping software was found to be faulty</li> <li>• action had been initiated to prevent recurrence of the breach by December 2009.</li> </ul>	
<p><b>Recommendation 5/09</b></p> <p>Horizon Power:</p> <p>(a) Pursue its commitment to improved staff awareness of the requirement for more timely forecasting and communication of supply location extensions, which impact on licence boundaries.</p> <p>(b) Consider implementing a regular report which lists any system asset or supply address which falls outside licence boundaries.</p>	<p><b>ActionPlan 5/09</b></p> <p>(a) Horizon Power to update Network Extension manual to include a requirement to ensure proposed amendments to Horizon Power network is either undertaken with existing licence areas or an application to extend our licence area is completed prior to any works being undertaken.</p> <p>(b) Update Gating Process and Project Planning templates to ensure all new projects consider the extent of Horizon Power current licence area and apply for extensions as required prior to physical works being undertaken.</p> <p><b>Responsible Person:</b> Regulation Compliance Coordinator</p> <p><b>Target Date:</b> 30 April 2010</p>

<p><b>Issue 6/09</b></p> <p><b>Obligations 142, 211, 221, 168, 174, 175, 191, 212 - Code of Conduct clauses 4.1, 4.15(2), 4.19(3) &amp; (4), 6.1(1), 7.1,7.2, 8.2</b></p> <p>Horizon Power has a number of obligations under the Code of Conduct, which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Horizon Power is exposed to breaching its obligations if its standard business processes are not upheld. During the period subject to audit, examples of such breaches noted by this audit related to obligations 142 (customers not billed for longer than 3 months), 211 (customers not sent a disconnection reminder notice) and 221 (customers not connected within the required timeframe).</p> <p>An effective exception reporting arrangement will provide Horizon Power with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes. Horizon Power does not currently receive a suite of exception reports from ServiceWorks for compliance monitoring purposes. The three primary reasons for this situation are:</p> <ul style="list-style-type: none"> <li>• Management has focussed on ensuring there are appropriate system controls and procedures in place to identify and mitigate breaches when they occur</li> <li>• Horizon Power has not yet determined what information and data it requires to be extracted from Velocity and reported. We recognise that a project was initiated in August 2009 for this purpose</li> <li>• The reporting capabilities of Velocity and ServiceWorks have generally not yet been aligned with Horizon Power's requirements.</li> </ul>
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<p><b>Recommendation 6/09</b></p> <p>Horizon Power:</p> <p>(a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</p> <p>(b) Refine its existing repertoire of standard reports to allow for better monitoring of its business operations.</p>	<p><b>ActionPlan 6/09</b></p> <p>(a) Develop a suite of exception and management reports to monitor compliance with all obligations listed above.</p> <p>(b) Reports to be generated monthly.</p> <p>(c) Review both exceptions and monthly reports and develop responses to ensure compliance and any breaches are fixed and procedures developed to ensure breaches are not repeated.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>
<p><b>Issue 7/09</b></p> <p><b>Obligation 151 - Code of Conduct clause 4.5(1)</b></p> <p>Horizon Power's current bill template contains all of the minimum information required by the Code, except for item (z), regarding advice on the availability of multi-lingual services that reflects Horizon Power's customer base.</p> <p>This matter was raised by the Authority in its recent Horizon Power Customer Correspondence Template Audit, however it has not yet been resolved.</p>	
<p><b>Recommendation 7/09</b></p> <p>In accordance with the Authority's advice, Horizon Power amend its bill template to include the National Interpreter Symbol together with the words "Interpreter Services".</p>	<p><b>ActionPlan 7/09</b></p> <p>Bill template changes required to be fully implemented.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
<p><b>Issue 8/09</b></p> <p><b>Obligation 157 - Code of Conduct clause 4.8(2)</b></p> <p>Horizon Power's estimated bill template does not advise customers of their rights to query Horizon Power for information on the reasons for the estimation and the basis of the estimation. The standard form contract also does not stipulate customers' rights to information on estimation.</p>	
<p><b>Recommendation 8/09</b></p> <p>Horizon Power amend its:</p> <ul style="list-style-type: none"> <li>• Estimated bill template to advise customers of their right to query Horizon Power for information on the reasons for the estimation and the basis of the estimation</li> <li>• Standard form contract to stipulate customers' rights to information on estimation.</li> </ul>	<p><b>ActionPlan 8/09</b></p> <p>(a) Bill template changes required to be fully implemented.</p> <p>(b) A full review of the standard form contract in line with the Authority's requirements for the review and changes to the standard form contract to be completed and compliance ensured.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>

<p><b>Issue 9/09</b></p> <p><b>Obligation 164 - Code of Conduct clause 4.13</b></p> <p>Horizon Power’s current practice for changing business customers’ tariffs is to send a letter of notification on the same day as the tariff is changed (the customer is deemed to have received the notification on the second business day after dispatch) and for the new tariff to become effective from the start of the next billing cycle. This audit did not identify any tariff changes for which prior notice was not given to the customer, however Horizon Power’s practices as they stand will breach the requirements of the Code if a customer’s tariff is changed within two days of the customer’s next billing cycle as the customer will not have received the notification before the tariff change takes effect.</p>	
<p><b>Recommendation 9/09</b></p> <p>Horizon Power amend its procedures to ensure that in instances where a tariff change is recognised within two business days of the commencement of the customer’s next billing cycle, either:</p> <ul style="list-style-type: none"> <li>• Horizon Power makes alternative arrangements to ensure the customer receives the written notice prior to the commencement of the next billing cycle, or</li> <li>• The tariff change is not effected until the following billing cycle.</li> </ul>	<p><b>ActionPlan 9/09</b></p> <p>Tariff change procedures to be reviewed by Horizon Power and ServiceWorks to ensure all customers receive the full notice required.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services  <b>Target Date:</b> 30 April 2010</p>

<p><b>Issue 10/09</b></p> <p><b>Obligation 178 - Code of Conduct clause 5.2(2)</b></p> <p>Horizon Power relies on ServiceWorks (and previously Synergy) to comply with the EFT Code of Conduct. Although this audit did not observe any instances of non compliance, there is currently no recognition of the EFT Code of Conduct in the ServiceWorks contract (Schedule 3). Horizon Power is also not aware of ServiceWorks’ procedures for ensuring compliance with the EFT Code of Conduct.</p>	
<p><b>Recommendation 10/09</b></p> <p>Horizon Power ensure that the ServiceWorks contract includes the requirements for ServiceWorks to comply with the EFT Code of Conduct.</p>	<p><b>ActionPlan 10/09</b></p> <p>Review procedures of the business in regard to EFT payments and ensure the requirements of the EFT Code are included in the contract requirements, reported and monitored.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services  <b>Target Date:</b> 30 April 2010</p>

<p><b>Issue 11/09</b></p> <p><b>Obligation 185 - Code of Conduct clause 5.7(1)</b></p> <p>The Code requires Horizon Power not to charge a customer for electricity consumed from the day they vacate the supply address, provided the customer has provided a minimum of 3 business days notice.</p> <p>Until recently, Horizon Power required customers to provide 5 business days notice in advance of vacating the premises, in order to have a final meter read performed. This requirement was reflected in the Customer Charter and also evidenced in correspondence with customers who had made complaints regarding final bills.</p> <p>Horizon Power's current practices and revised Customer Charter now requires 3 business days notice and AMRS advises it has committed to complying with the 3 day timeframe. However AMRS's contractual arrangements with Horizon Power still provide for a final meter read to take up to 5 days to be performed. Horizon Power's current procedures remain exposed to a breach of the requirements of this obligation as in the event that the meter is read later than 3 business days after the customer's notification, the customer may be incorrectly charged for electricity consumed.</p>	
<p><b>Recommendation 11/09</b></p> <p>Horizon Power:</p> <ul style="list-style-type: none"> <li>• Confirm the effectiveness of its arrangements with AMRS for performing final meter reads</li> <li>• Investigate the practicalities of implementing additional mechanisms for ensuring that customers are not overcharged for electricity consumed.</li> </ul>	<p><b>ActionPlan 11/09</b></p> <p>(a) Review final read procedures and move in read procedures and consult widely within operations and field services contractors to ensure solutions to ensure compliance with clause 5.7(1) of the Code are manageable and cost effective.</p> <p>(b) Discuss with AMRS a change in contract terms from 5 days to 3 days.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>
<p><b>Issue 12/09</b></p> <p><b>Obligation 189 - Code of Conduct clause 5.8(2)</b></p> <p>Horizon Power has not finalised its debt recovery process. Current outstanding debts are not forwarded to Dunn &amp; Bradstreet for debt collection purposes.</p>	
<p><b>Recommendation 12/09</b></p> <p>Horizon Power finalise its debt recovery process and procedures.</p>	<p><b>ActionPlan 12/09</b></p> <p>(a) Reporting to be developed to ensure the accuracy of the outstanding debt data files.</p> <p>(b) Transfer of these files to the D&amp;B collections agency to be restarted.</p> <p>(c) Prior to the transfer of files to D&amp;B, data sets will be checked to ensure Horizon Power is compliant with the requirements of clause 5.8(2) of the Code.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>

<p><b>Issue 13/09</b></p> <p><b>Obligation 190 - Code of Conduct clause 5.8(3)</b></p> <p>The data file generated by Velocity which contains outstanding debt data is not provided to Dunn &amp; Bradstreet as it is currently not accurate.</p>	
<p><b>Recommendation 13/09</b></p> <p>Horizon Power investigate and in conjunction with the vendor, rectify the matter in relation to the generation of the outstanding debt data file.</p>	<p><b>ActionPlan 13/09</b></p> <p>(a) Reporting to be developed to ensure the accuracy of the outstanding debt data files.</p> <p>(b) Transfer of these files to the D&amp;B collections agency to be restarted.</p> <p>(c) Prior to the transfer of files to D&amp;B, data sets will be checked to ensure Horizon Power is compliant with the requirements of clause 5.8(3) of the Code.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
<p><b>Issue 14/09</b></p> <p><b>Obligation 211- Code of Conduct clause 7.1</b></p> <p>Horizon Power’s disconnection warning letter does not provide a disconnection time frame that is in line with the requirements of the Code.</p> <p>The code specifies that a disconnection cannot be arranged sooner than 5 business days after the receipt of the disconnection warning however, Horizon Power’s disconnection warning specifies a disconnection may occur within 5 business days.</p>	
<p><b>Recommendation 14/09</b></p> <p>Horizon Power revise its disconnection warning letter to ensure compliance with the Code.</p>	<p><b>ActionPlan 14/09</b></p> <p>Horizon Power to revise standard form letter to comply with wording in Code.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>
<p><b>Issue 15/09</b></p> <p><b>Obligation 224 - Code of Conduct clause 9.3(1)</b></p> <p>This audit was unable to effectively test for evidence of verifiable consent as the Velocity listing of pre-payment meter customers was unreliable at the time of audit. The cause of this situation was attributed to a system migration issue.</p> <p>Of pre-payment meter customers that were selected for testing, appropriate consent records were held on file. Nothing came to our attention to suggest that during the period subject to audit, verifiable consent was not obtained in accordance with Horizon Power’s practices and procedures.</p>	
<p><b>Recommendation 15/09</b></p> <p>Horizon Power address the reliability of the Velocity pre-payment meter listing.</p>	<p><b>Action Plan 15/09</b></p> <p>A single controlled and managed Velocity pre-payment meter list to be developed and reported monthly to the Manager Metering &amp; Billing Services.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>

<p><b>Issue 16/09</b></p> <p><b>Obligation 263 - Code of Conduct clause 11.1(1)</b></p> <p>The version of Customer Service Charter on Horizon Power’s website at the time of audit was not the latest approved version.</p>	
<p><b>Recommendation 16/09</b></p> <p>Horizon Power replace the online Customer Service Charter with the latest approved version.</p>	<p><b>Action Plan 16/09</b></p> <p>The latest approved Customer Service Charter to be placed on the website.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> Completed 7 December 2009</p>
<p><b>Issue 17/09</b></p> <p><b>Obligations 267, 268, 270 - Code of Conduct clauses 12.1(1), 12.1(2), 12.2</b></p> <p>Although we did not observe any evidence to indicate non-compliance with the requirements of the Code, the following aspects of Horizon Power’s complaints handling process have not been maintained to the standard expected by its complaint management policy and procedure:</p> <ul style="list-style-type: none"> <li>• Since the commencement of ServiceWorks/Velocity arrangements, the number of complaints recorded by the call centre (i.e. not received via the Ombudsman) has reduced from approximately 8/month to approximately 3/month and the proportion of Ombudsman complaints compared to the total number of complaints recorded has increased. Our review of complaints received via the Ombudsman suggest some should have been recognised by Horizon Power prior to the customer’s approach to the Ombudsman. This movement suggests complaints have not been consistently recognised and recorded</li> <li>• At the time of this audit, the available extract of complaints records from Velocity lacked detail and all complaints were reported to be in ‘open’ status</li> <li>• Since the commencement of ServiceWorks/Velocity arrangements, there has been no apparent proactive monitoring of complaints and contributing reasons for complaints, particularly prior to dissatisfied customers complaining to the Ombudsman.</li> </ul> <p>We also note that Horizon Power’s policy and procedure are overdue for review (May 2009 and April 2009 respectively) and the procedure still refers to CIS and Synergy’s call centre.</p>	
<p><b>Recommendation 17/09</b></p> <p>Horizon Power:</p> <p>(a) Strengthen its customer complaints handling process by ensuring:</p> <ul style="list-style-type: none"> <li>• CSRs and all staff in a position to receive customer complaints are fully trained in the requirements to recognise, respond to and record customer complaints</li> <li>• The Velocity system enables all required details of complaints to be reported and monitored, particularly acknowledgement and response details.</li> </ul> <p>(b) Review and update its Complaints Policy and Complaints Management Procedures.</p>	<p><b>Action Plan 17/09</b></p> <p>A full review of the complaints definitions, recording, handling, escalation and reporting to be undertaken and processes and procedures developed to ensure all complaints are recorded, dealt with and reported in accordance with requirements.</p> <p>This review will specifically address:</p> <ul style="list-style-type: none"> <li>• Employee and third party service provider training requirements</li> <li>• System capabilities</li> <li>• Policies and procedures.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>

<p><b>Issue 18/09</b></p> <p><b>Obligations 273 to 277, 280, 281, 283to 285, 287 - Code of Conduct clauses 13.1 – 13.4, 13.7, 13.8, 13.10, 13.13</b></p> <p>At the time of conducting this audit, not all of the records required by the Code of Conduct Part 13 “<i>Record Keeping</i>” could be readily extracted from the Velocity customer information system, despite the system maintaining relevant data. Records currently readily available extend to 19 June 2009 only, the date prior to the implementation of Velocity. As those records were not available at 30 June 2009, Horizon Power was unable to include some June 2009 activity in its annual performance report to the Authority.</p>	
<p><b>Recommendation 18/09</b></p> <p>Horizon Power:</p> <p>(a) Pursue the necessary improvements to the reporting capability of Velocity for the reporting of indicators required by the Code</p> <p>(b) Establish a timeframe for completion of those improvements.</p>	<p><b>Action Plan 18/09</b></p> <p>In conjunction with Gentrack (with reference to the Gentrack “Solution Document for ERA Reports”), develop a suite of exception and management reports to ensure compliance with all obligations listed above.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>
<p><b>Issue 19/09</b></p> <p><b>Obligation 289 - Code of Conduct 13.15(1)</b> <b>451 - Network Quality &amp; Reliability of Supply Code clause 27(1)</b></p> <p>The following reports are required to be published annually within a prescribed time frame:</p> <ul style="list-style-type: none"> <li>• Network Quality &amp; Reliability of Supply Annual Performance Report</li> <li>• Electricity Industry (Network Quality &amp; Reliability of Supply) Code 2005 Audit Report</li> <li>• Code of Conduct for the Supply of Electricity to Small Use Customers Performance Report.</li> </ul> <p>Reports for 2008/09 were submitted to the Authority on time however they were not published on Horizon Power’s website in accordance with the 1 October 2009 time frame specified in the Code.</p>	
<p><b>Recommendation 19/09</b></p> <p>Horizon Power’s compliance reporting procedures be strengthened to ensure that for each of its requirements and associated deadlines:</p> <ul style="list-style-type: none"> <li>• The responsible officer and accountable officer (assigned and recorded in the CURA system) fully understand their regulatory responsibilities</li> <li>• Completion of required actions is evidenced by the accountable officer.</li> </ul>	<p><b>ActionPlan 19/09</b></p> <p>Update CURA to ensure task of uploading reports included in Regulation Compliance Coordinator list of requirements.</p> <p><b>Responsible Person:</b> Regulation Compliance Coordinator</p> <p><b>Target Date:</b> 30 June 2010</p>
<p><b>Issue 20/09</b></p> <p><b>Obligations 294, 296 - Code of Conduct clause 14.3(1) and 14.4(1)</b></p> <p>Horizon Power’s Complaints Management Procedure and Customer Service Charter refer to the customer’s right to a service standard payment (in the event that Horizon Power does not meet the timeframe for acknowledging or responding to a complaint) if a request is made within three months and two months respectively of the customer’s initial contact. These references do not match the Code’s specification of the timeframe to be within three months of the non-compliance, being the date at which the response target was breached, not the date of initial contact.</p>	



<p><b>Recommendation 20/09</b></p> <p>Horizon Power amend its Customer Complaint Procedure and Customer Service Charter to refer to customers' rights to a service standard payment if they make a request within three months of any breach of a response target.</p>	<p><b>Action Plan 20/09</b></p> <p>The Customer Complaint Procedure and Customer Service Charter to be amended to refer to customers' rights to a service standard payment if they make a request within three months of any breach of a response target.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>
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<p><b>Issue 21/09</b></p> <p><b>Obligations 302, 307, 310, 313, 314, 415 - Metering Code clauses 3.1, 3.5(3) &amp; (9), 3.9(3) &amp; (7), 6.1(1)</b></p> <p>Before the implementation of the Metering Service Level Contract, retrospectively effective from 1 July 2009, Horizon Power relied on Western Power for ensuring the compliance of its meters with the Metrology Procedures.</p> <p>After a recent audit of Western Power's meters, which concluded that meters failed to test to standard, Horizon Power recognised that its meters, which are of similar profile and quality to Western Power's meters, may not be compliant with current metrology requirements.</p> <p>From 1 October 2009, Horizon Power is responsible for testing its meters and is in the final stages of developing a testing plan that uses the principles set out in its Metering Management Plan. Horizon Power has contracted Western Power through its Metering Service Level Contract to test its meters, in accordance with this plan and testing schedule.</p>	
<p><b>Recommendation 21/09</b></p> <p>Horizon Power:</p> <ul style="list-style-type: none"> <li>(a) Formally notify the Authority of its plans to ensure that its meters meet the requirements of the metrology procedure</li> <li>(b) Document a plan that outlines key milestones and target dates for achievement</li> <li>(c) Provide the Authority with the results of all testing conducted in line with its Metering Management Plan.</li> </ul>	<p><b>Action Plan 21/09</b></p> <ul style="list-style-type: none"> <li>(a) The meter management plan and the meter test plan including milestones and target dates to be forwarded to the Authority upon completion.</li> <li>(b) Preliminary results of testing to be reported as soon as results from statistical sampling suggest a clear trend and by no later than 31 December 2010.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> (a) 30 April 2010 (b) 31 December 2010</p>

<p><b>Issue 22/09</b></p> <p><b>Obligation 317 - Metering Code clause 3.11(1)</b></p> <p>Clause 3.11(1) of the Metering Code specifies the requirement for Horizon Power to ensure that its meters permit the collection of data at a level of availability of at least 99% per annum.</p> <p>On a monthly basis, Horizon Power identifies those meters requiring replacement as a result of being faulty. Although MBS records indicate that during the period April 2008 to September 2009, no less than 99% (rolling 12 month average) of Horizon Power's meters were available to permit the collection of data, Horizon Power had not monitored the number and percentage of meters which permit collection of data to specifically ensure it meets the Code's requirements.</p>	
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<p><b>Recommendation 22/09</b></p> <p>Horizon Power:</p> <ul style="list-style-type: none"> <li>• Utilise available MBS records of meter replacements to monitor the number and percentage of meters which permit collection of data in accordance with the availability requirements of the Metering Code</li> <li>• Identify and action any need to improve the levels of meter availability.</li> </ul>	<p><b>Action Plan 22/09</b></p> <p>In order to meet the requirements of Clause 3.11(1) of the Metering Code, a monthly procedure to be implemented for:</p> <ul style="list-style-type: none"> <li>• Reporting meters requiring replacement due to being found to be faulty</li> <li>• Calculating the resulting 12 monthly rolling average of the percentage of meters permitting the collection of data</li> <li>• Identifying any need for further action.</li> </ul> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services  <b>Target Date:</b> 30 April 2010</p>
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<p><b>Issue 23/09</b></p> <p><b>Obligation 336 - Metering Code clause 3.21(1)</b></p> <p>A meter testing plan has been developed and is due for completion by July 2010. The plan includes testing of time accuracy.</p> <p>Although there is no evidence to suggest that meters have not met time accuracy requirements, without a testing plan in place, Horizon Power has not been in a position to demonstrate that its meters have maintained the required time accuracy.</p>	
<p><b>Recommendation 23/09</b></p> <p>Horizon Power:</p> <p>(a) Implement its meter testing plan to assess the time accuracy of its meters</p> <p>(b) Where necessary, implement corrective action to ensure the time accuracy of its meters.</p>	<p><b>Action Plan 23/09</b></p> <p>The meter testing plan will be implemented and where necessary, corrective action will be implemented to ensure meters' time accuracy.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 31 July 2010</p>
<p><b>Issue 24/09</b></p> <p><b>Obligation 361 - Metering Code clause 5.3</b></p> <p>Detailed testing was conducted of meter reading timeframes and the time on which data was uploaded into MBS. Eight of the 25 samples selected evidenced the upload of metering data outside the requisite timeframe.</p>	
<p><b>Recommendation 24/09</b></p> <p>Horizon Power monitor the upload of information to ensure time requirements are met. Where they are not met, Horizon Power should request and document reasoning from AMRS.</p>	<p><b>Action Plan 24/09</b></p> <p>Processes and procedures to be fully reviewed with AMRS and Western Power to identify the root cause of these failures to upload. Any necessary changes to procedures will be developed to ensure these issues do not reoccur.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 June 2010</p>
<p><b>Issue 25/09</b></p> <p><b>Obligation 440 - Network Quality &amp; Reliability of Supply Code clause 19</b></p> <p>Clause 19 of the Code requires payments for a supply interruption exceeding 12 hours to be made within 30 days of the customer's application. Of our testing of 15 such payments made under Horizon Power's Extended Outage Payment Scheme, one was made outside the 30 day timeframe. An explanation for this failure, or any agreement with the customer for a later payment date was not recorded.</p> <p>Horizon Power does not use an effective mechanism to track the progress of such payments to ensure they are either made on time, or an agreement is reached with the customer for a later payment date.</p>	
<p><b>Recommendation 25/09</b></p> <p>Horizon Power further strengthen its service standard payment process to track payment progress and to ensure they are either made on time, or an agreement is reached with the customer for a later payment date.</p>	<p><b>Action Plan 25/09</b></p> <p>Review and change process and procedures to ensure that payments are made within the specified timeframe.</p> <p><b>Responsible Person:</b> Manager Metering &amp; Billing Services</p> <p><b>Target Date:</b> 30 April 2010</p>

## 2008 Audit

<p><b>2008 audit recommendations 14, 15, 46</b></p> <p><b>Obligations 72 to 74, 92 - Obligation to Connect Code clauses 4, 5(5) and 5(6), Electricity Industry Act clause 65(d)</b></p>	
<p><b>Recommendations (from 2008 audit report)</b></p> <p><b>14/08</b> Policies and procedures should be developed, reviewed and approved in relation to the requirements under obligation 72.</p> <p><b>15/08</b> The Network connection and Extension Manual should be approved.</p> <p><b>46/08</b> Horizon Power should document and approve the Generation and Network extension and expansion policies.</p>	<p><b>ActionPlan 1/08</b></p> <p>Finalise and communicate Electricity Supply and Extension Manual.</p> <p><b>Responsible person</b> Manager Asset Strategy and Capability</p> <p><b>Target date</b> 31 July 2010</p>
<p><b>2008 audit recommendations 17, 18</b></p> <p><b>Obligations 76, 77 – Obligation to Connect Code clauses 7(1), 8</b></p>	
<p><b>Recommendations (from 2008 audit report)</b></p> <p>Horizon Power should document policies and procedures that clearly specify obligation 76 and 77.</p> <p>Energisation should be completed within the timeframe stipulated under clause 77. If not, supporting evidence that the customer was contacted or reason for late energisation should be documented.</p> <p>Data regarding energisation of customers should be retained for completeness, audit procedures and future reference.</p>	<p><b>ActionPlan 2/08</b></p> <p>Procedures will be documented for using the proposed spreadsheets for managing connection and energisation requirements.</p> <p><b>Responsible person</b> Manager Metering &amp; Billing Services</p> <p><b>Target date</b> 31 May 2010</p>

<p><b>2008 audit recommendations 52, 53, 54</b></p> <p><b>Obligations: Licence clauses 14.1, 14.2, 15.2, 15.3, 15.4, 16.1</b></p>	
<p><b>Recommendations (from 2008 audit report)</b></p> <p><b>52/08</b> Documented and approved procedures should be developed for amendments of the standard form contract. These should reflect the requirements outlined within Clause 14 'Amending the Standard Form Contract' of the Integrated Regional Licence (EIRL2).</p> <p><b>53/08</b> We recommend that Horizon Power develop and approve policies and procedures to cover the process for reviewing, updating and approving changes made to the Customer Service Charter.</p> <p><b>54/08</b> We recommend that Horizon Power develop policies and procedures for amending the Customer Service charter.</p>	<p><b>ActionPlan 3/08</b></p> <p>Horizon Power to ensure tasks are appropriately entered into CURA and include a reference to ensure external reviews are undertaken as required.</p> <p><b>Responsible person</b> Regulation Compliance Coordinator</p> <p><b>Target date</b> 30 April 2010</p>

<p><b>2008 audit recommendation 61</b></p> <p><b>Obligation: Licence clause 28.1</b></p>	
<p><b>Recommendation (from 2008 audit report)</b></p> <p>Horizon Power should create a checklist that is to be completed on a periodic basis to consider the going concern status of the company and document any changes in circumstances.</p> <p>Notices should be recorded, tracked and reported. All notices provided to the Authority of changes in circumstances should be documented in writing and retained for record keeping purposes. A formal policy should be documented and approved for the process of notification to the Authority.</p>	<p><b>ActionPlan 4/08</b></p> <p>Horizon Power's Crisis Management Plan will be updated to include a requirement for the Governance &amp; Company Secretariat division to advise the Authority within 2 days and 10 days respectively in the event Horizon Power becomes insolvent or is unable to meet the requirements of its licence by virtue of a technical or financial change of circumstances.</p> <p><b>Responsible person</b> Manager Governance and Compliance</p> <p><b>Target date</b> 31 May 2010</p>