



Independent Pricing and Regulatory Tribunal
New South Wales

Electricity networks reporting manual – Critical infrastructure licence conditions

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Amendment record

Issue	Date issued	Amendments made
ENRM first issue up to version 4	June 2016 to May 2017	See previous issues for related amendments.
ENRM – Critical infrastructure licence conditions	October 2017	Separate Reporting Manuals published for reporting requirements. Inserting Chapter 1 – The purpose and status of this reporting manual. Updates to reflect addition of critical infrastructure licence conditions to Endeavour Energy’s new operating licence. Inserting Chapter 1 -The purpose and status of this reporting manual. Minor wording changes to improve clarity. Removed Appendix B – licence conditions listed out for the individual networks.
ENRM – Critical infrastructure licence conditions	April 2018	Inserting sign-off requirements on reports. Inserting references to varied critical infrastructure licence conditions issued to TransGrid and Ausgrid at end 2017. Minor formatting improvements.

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1 The purpose and status of this reporting manual

This Reporting Manual and other Reporting Manuals are issued by IPART. IPART will review and amend these Reporting Manuals from time to time.

Licence conditions for the licensed Electricity Network Operators (ENOs) require that the licence holder complies with any Reporting Manuals issued by the Tribunal.¹ Although no regulatory requirement to comply with a Reporting Manual exists for non-licensed ENOs, IPART expects that all ENOs will comply with the Reporting Manuals where applicable to their specific reporting obligations. Each document may not apply to all ENOs, and this is specified where relevant.

The reporting requirements specified in these Reporting Manuals do not replace any requirements identified in licence conditions, legislation, statutory instruments or codes that apply to ENOs. Compliance with Reporting Manuals is required in addition to, not in substitution for, compliance with other applicable obligations.

The information gathered through the reporting arrangements outlined in this document will allow IPART to:

- ▼ determine whether ENOs are consistently and effectively meeting statutory obligations
- ▼ identify immediate risks and long term trends, and
- ▼ identify trends that signify emerging issues across the industry with a view to developing safety measures or supporting industry safety initiatives where appropriate.

A review of the reporting requirements will be conducted periodically to accommodate any changes to statutory requirements and licence conditions.

IPART has also issued Audit Guidelines to guide networks on how to maintain compliance with their obligations.

¹ *Schedule listing ministerially imposed licence conditions for distribution network service providers*, licence condition 7; the *Transmission Operator's Licence under the Electricity Supply Act 1995 (NSW)*, issued by the Minister for Industry, Resources and Energy (**the TransGrid licence**), 7 December 2015, condition 11, p 7; the *Schedule of Ministerially imposed licence conditions for the operator of a transacted distribution system* issued to the Ausgrid Operator partnership on 1 December 2016 (**the Ausgrid licence**), condition 14; and the *Schedule of Ministerially imposed licence conditions for the operator of a transacted distribution system* issued to the Endeavour Energy Operator partnership on 7 June 2017 (**the Endeavour Energy licence**), condition 14.

2 Reporting against critical infrastructure licence conditions

This Reporting Manual applies to TransGrid, Ausgrid and Endeavour Energy. In addition to the reporting requirements outlined in IPART's *Reporting Manual – Annual compliance reporting*, a separate report must be submitted by these network operators detailing compliance with their respective critical infrastructure licence conditions. The pro-forma report template is included in Appendix A. The relevant licence conditions are available from the IPART website.

2.1 Timing and lodgement

Each transacted network operator must report annually to IPART on whether or not it has complied with the critical infrastructure licence conditions over the preceding financial year to 30 June. The networks must report against all the licence conditions that applied during the reporting period.

This report is due by 30 September each year.² It must be accompanied by a certification in writing supported by a resolution of the Board of the licence holder. The Chair or a duly authorised member of the board of directors of the network should be signatory to the report. This annual report must also be audited each year. The audit must be carried out in accordance with IPART's *Audit Guidelines – Audit fundamentals, process and findings* and *Audit Guideline – Critical infrastructure licence conditions audits*.

Ausgrid's and TransGrid's licences require them to provide an audited report to IPART and the Commonwealth Representative.³ Ausgrid and TransGrid must submit their audited report no later than 30 September each year, unless otherwise specified by IPART. Ausgrid and TransGrid must provide the audited self-report with the auditor's report attached.⁴

Endeavour Energy's licence also requires the network's self-report on its critical infrastructure conditions to be audited.⁵ Endeavour Energy must submit its self-report and the auditor's report to IPART by no later than 30 September each year, unless otherwise specified by IPART.⁶

The networks must lodge the critical infrastructure annual compliance reports by email to energy@ipart.nsw.gov.au. The reports must state the name and contact details (phone,

² Condition 8.1 of the TransGrid licence, and condition 11.1 of the Ausgrid licence, require TransGrid and Ausgrid to furnish the report by 30 September. Condition 11.1 of the Endeavour Energy licence requires Endeavour Energy to furnish the report by 31 August or such other date specified by IPART and IPART has specified 30 September.

³ Condition 11.2 of the Ausgrid licence and condition 8.2 of the TransGrid licence.

⁴ Section 1.4 of the *Electricity network audit guideline – Critical infrastructure licence conditions audits*

⁵ Condition 11.2 of the Endeavour Energy licence.

⁶ Section 1.4 of the *Electricity network audit guideline – Critical infrastructure licence conditions audits*

email) of the primary contact. An alternative contact for times when the primary contact is unavailable should also be nominated.

Any requests for an extension to the due dates for the report or audited report must be submitted to IPART by email to energy@ipart.nsw.gov.au prior to the due date.

2.2 Information to include in the report

For Ausgrid, Endeavour Energy and TransGrid, the compliance report must include a statement of whether or not the network operator has complied with each licence condition. For each instance of non-compliance, the following information must also be provided:

- ▼ a description of the non-compliance
- ▼ the extent and nature of the non-compliance including outcomes and risks
- ▼ the reasons for non-compliance
- ▼ the actions taken, or proposed, to rectify the non-compliance and to prevent it reoccurring
- ▼ the actual/anticipated date of full compliance, and the state of the remedial action as at 30 June, and
- ▼ any other relevant information.

2.2.1 Approved plan reporting

If networks have an approved transition plan or any other approved plan that applies to critical infrastructure licence conditions for the reporting period, progress made against the steps outlined in this plan/s must be reported in the annual compliance report.

The reports on approved plans must note:

- ▼ whether the steps outlined in the plan have been completed, and when
- ▼ if steps have not been completed, the reasons why, and
- ▼ the expected timeframe to complete any outstanding actions.



Appendices



A Annual Compliance Report Pro-forma

Annual Compliance Report for 20 -

Submitted by *[Name of network]* ACN:

To: The Chief Executive Officer
Independent Pricing and Regulatory Tribunal of NSW
PO Box K35
Haymarket Post Shop NSW 1240

[Licence Holder] reports as follows:

1. This report documents compliance during *[financial year]* with all obligations to which *[Name of network]* is subject by virtue of its Transmission Operator or Distribution Network Service Provider Licence.
2. This report has been prepared by *[Name of network]* with all due care and skill in full knowledge of conditions to which it is subject and in compliance with IPART's *[Electricity network reporting manual – Critical infrastructure licence conditions]*.
3. Schedule A provides information on all obligations with which *[Name of network]* did not fully comply during *[financial year]*.
4. Other than the information provided in Schedule A, *[Name of network]* has complied with all conditions to which it is subject.
5. This report was approved for submission to IPART by a resolution of the Board of Directors at the Board meeting of *[date]*.

Signed:

Name:

Designation:.....

Date:

Note: Signatory must be the Chair of the Board or other duly authorised Board member.



Schedule A Non-Compliances^a

Licence Condition Number	Reporting period in which the breach occurred ^b	List obligations breached, including a brief description of each obligation	Description ^c

- a** Licence holders should report only breaches that were identified during the reporting period.
- b** Licence holders should indicate whether the breach occurred in the first half of the financial year, the second half of the financial year, or any other relevant period including periods during which different sets of licence conditions were in force.
- c** Include the nature and extent of non-compliance including
 - whether and how many customers and/or other licence holders were affected
 - reasons for non-compliance
 - remedial actions taken
 - actual/ anticipated date of full compliance