



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 - original	10 June 2016	First release of final Reporting Manual.
ENRM v2	September 2016	Various amendments unrelated to critical infrastructure licence conditions reporting.
ENRM v3	November 2016	Inclusion of Ms Catherine Jones as a Committee member Various amendments unrelated to critical infrastructure licence conditions reporting.
ENRM v3	December 2016	References in Chapter 5 and Appendix E updated to reflect Ausgrid's new operating licence, excluding licence conditions 9-13.
ENRM v4	May 2017	Addition of Ms Deborah Cope as a Committee member, replacing Ms Catherine Jones. Updates to Chapter 5 to reflect Ausgrid's new operating licence. Additions to Table E.3 of reporting requirements to reflect Ausgrid's new operating licence.
ENRM – critical infrastructure reporting	October 2017	Separate Reporting Manuals published. 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.



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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, 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, 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, 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 – General licence condition 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 provide IPART with a report annually on whether it has complied with the critical infrastructure licence conditions over the preceding financial year to 30 June. IPART has specified the due date for this report as 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.

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 Guidelines – Critical infrastructure licence conditions audits*. It must be submitted to IPART no later than 30 September each year, unless otherwise specified by IPART.

The critical infrastructure annual compliance reports should be lodged by email to energy@ipart.nsw.gov.au. Name and contact details (phone, email) of the primary contact should also be provided. 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 in writing prior to the due date.

Ausgrid and Endeavour Energy requirements for 2016-17 and 2017-18

For the 2016-17 and 2017-18 reporting periods, IPART has determined some specific reporting requirements for Ausgrid and Endeavour Energy:

- ▼ Ausgrid must submit a separate report by 15 December 2017 detailing compliance with its approved transition and implementation plans related to the critical infrastructure licence conditions.

² Transmission licence, condition 8.1; Ausgrid licence, condition 11.1; and Endeavour Energy licence, condition 11.1.

- ▼ Endeavour Energy must submit its audited report on compliance with the critical infrastructure licence conditions for 2016-17 together with its audited report against compliance for the 2017-18 year, due 30 September 2018.
- ▼ Endeavour Energy must also submit a separate report by 15 December 2017 detailing progress against the steps outlined in its approved plans under conditions 9.2(c) and 10.2(g).

2.2 Information to include in the report

For TransGrid, Ausgrid and Endeavour Energy, 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, including:
 - maintenance works that were undertaken outside of Australia
 - the reasons the maintenance works could not be undertaken in Australia
 - what reasonable attempts were made to enable the maintenance works to be undertaken within Australia, and
 - the terms and conditions of the engagement of the maintenance works.

Further, specific reporting requirements for each network are outlined in sections 2.2.1, 2.2.2 and 2.2.3 below.

2.2.1 TransGrid requirements

For TransGrid, the report should also include the following information:

- ▼ the other agencies, organisations or businesses to which the data described in condition 7.1 of the transmission licence has been provided, and which conditions of 7.2 (a)-(e) of the transmission licence such provision falls within, and
- ▼ the methods employed to reasonably protect the security of the data described in condition 7.1 of the transmission licence when disclosing that information.

2.2.2 Ausgrid requirements

For Ausgrid, the report should also include the following information:

- ▼ the other agencies, organisations or businesses to which the data described in condition 10.1 of the Ausgrid licence has been provided, and which of the conditions 10.2 (a)-(h) of the Ausgrid licence such provision falls within, and

- ▼ the methods employed to reasonably protect the security of the data described in condition 10.1 of the Ausgrid licence when disclosing that information
- ▼ progress made against the steps outlined in its approved implementation plan (condition 9.2(c)) and transition plan (condition 10.2(g)). These should be provided as part of the Annual Compliance Report to IPART by 30 September 2018 (or other dates specified by the Tribunal), as well as by 15 December 2017, following the completion of the 12 month period following the date of the licence. The purpose of this information is to assess Ausgrid's compliance performance against conditions 9.2(a) and 10.1 during the 2016-17 and 2017-18 financial years.
- ▼ The reports on implementation and transition plans should note:
 - whether the steps outlined in the transition plan have been completed, and when
 - if steps have not been completed, the reasons why, and
 - the expected timeframe to complete any outstanding actions.

2.2.3 Endeavour Energy requirements

For Endeavour Energy, the report should also include the following information:

- ▼ the other agencies, organisations or businesses to which the data described in condition 10.1 of the Endeavour Energy licence has been provided, and which of the conditions 10.2 (a)-(h) or 10.3 of the Endeavour Energy licence such provision falls within
- ▼ the methods employed to reasonably protect the security of the data described in condition 10.1 of the Endeavour Energy licence when disclosing that information
- ▼ the methods employed to reasonably protect the security of the data described on condition 10.4 of the Endeavour Energy licence when disclosing that information, and
- ▼ progress made against the steps outlined in its approved plan (condition 9.2(c) and condition 10.2(g)). In relation to this item, Endeavour Energy should provide this information as part of its critical infrastructure annual compliance reports to IPART for the 2017-18, 2018-19 and 2019-20 financial years. The purpose of this information is to assess Endeavour Energy's compliance performance against conditions 9.2(a) and 10.1 during the 2017-18, 2018-19 and 2019-20 financial years.
- ▼ The reports on approved plan should note:
 - whether the steps outlined in the transition 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

Critical Infrastructure Annual Compliance Report for 20 -
Submitted by [name] ACN:

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

[Name] reports as follows:

1. This report documents compliance during [financial year] with all obligations to which [name] is subject by virtue of its Transmission Operator or Distribution Network Service Provider Licence.
2. This report has been prepared by [name] with all due care and skill in full knowledge of conditions to which it is subject and in compliance with IPART's [current Electricity Network Reporting Manual]/[Transmission/Distribution Electricity Network Performance Report].
3. Schedule A provides information on all obligations with which [name] did not fully comply during [financial year].
4. Other than the information provided in Schedule A, [name] has complied with all conditions to which it is subject.
5. This compliance report has been approved by the Chief Executive Officer (or equivalent) and the Chairman of the Board of Directors (or a duly authorised board member other than the CEO) of [name] on [date].

Signed: Signed:

Name: Name:

Designation:..... Designation:



Schedule A Non-Compliances^a

IPART Code ^b	Reporting period in which the breach occurred ^c	List obligations breached, including a brief description of each obligation	Describe: Nature and extent of non-compliance (including whether and how many customers and/or other licence holders have been affected) Reasons for non-compliance Remedial actions taken Actual/anticipated date of full compliance

^a Licence holders should report only breaches that were identified during the reporting period.
^b See code listed in tables B.1 and C.1.
^c Licence holders should indicate whether the breach occurred in the first half of the financial year, the second half of the financial year, or both.