

20 March 2017

Mr Hugo Harmstorf
Chief Executive Officer
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Submitted electronically via online submission

Dear Hugo

ELECTRICITY NETWORKS AUDIT GUIDELINE

Thank you for the opportunity for Endeavour Energy to provide written comment to IPART's review of the Electricity Networks Audit Guideline (with drafted updates as at 28 February 2017), which details proposed updates to:

- General process
- Employment Guarantees
- Auditing against licence conditions, including the new Ausgrid licence and its critical infrastructure licence conditions.

As requested by IPART, Endeavour Energy has conducted a review of the amended components of the Electricity Networks Audit Guideline. Overall, Endeavour Energy is supportive of the proposed updates that have been highlighted in the amended version, however we would like to provide comment on the following:

Audit Guideline reference	Endeavour Energy comment
Appendix D: Table D1 – Reliability audit criteria (Customer service standards)	Endeavour Energy seek clarification on the difference between Licence Condition 17.2 and 17.5 in Table D1. It appears 17.2 states Endeavour Energy should pay for exceeding the interruption frequency standard after a claim, whilst 17.5 suggests Endeavour Energy should pay for all customers who exceed the interruption frequency standard regardless of whether a customer makes a claim. Condition 17.5 would be harder to comply with as Endeavour Energy do not hold financial details for customers to be able to give them a payment. The retailer holds the customers details. The current licence condition requirement is consistent with 17.2. The same criteria is repeated in Table D2, for Licence Conditions 6.2 and 6.5.
Appendix D: Table D2 – Reliability audit criteria (Customer service standards)	Endeavour Energy seek clarification on the difference between Licence Condition 6.2 and 6.5 in Table D2. It appears 6.2 states Endeavour Energy should pay for exceeding the interruption frequency standard after a claim, whilst 6.5 suggests Endeavour Energy should pay for all customers who exceed the interruption frequency standard regardless of whether a customer makes a claim. Condition 6.5 would be harder to comply with as Endeavour Energy do not hold financial details for customers to be able to give them a payment. The retailer holds the customers details. The current licence condition requirement is consistent with 6.2.
8.3 – Employment guarantees – Audit timing	Endeavour Energy seeks confirmation that the processes and lead times applying to audits on a defined cycle will similarly apply to audits where the timing is at IPART's discretion.

Endeavour Energy would like to confirm that this submission does not contain confidential or commercially sensitive information.

Changes related to the safety management system audits

In addition to this response, we note that IPART has requested an additional response from Endeavour Energy in relation to the feedback received during IPART's consultation on drafted changes to the Chapter 5 and Appendix B of the Audit Guidelines, relating to formal safety system audits and the paper prepared by r2a. We note IPART has proposed additional changes to accommodate some of the comments received and are currently preparing a response for submission on Friday 25 March, 2017.

Endeavour Energy is committed to meeting our regulatory obligations and welcome any further involvement required to finalise the Audit Guideline.

If you have any queries or wish to discuss this matter further please contact Mr Jon Hocking, Manager Network Regulation on [REDACTED] or alternatively via email at [REDACTED].

Yours sincerely

[REDACTED]

Acting Chief Executive Officer