



Ref: C2092381

27 April 2017

Review of SMS Audit Guidelines
Independent Pricing and Regulatory Tribunal
PO Box K35
Haymarket Post Shop NSW 1240

Dear Sir/Madam

Consultation on Electricity Network Audit Guidelines – Safety Management System and Formal Safety Assessments

Essential Energy welcomes the opportunity to provide comment on IPART's consultation regarding proposed changes to the Audit Guidelines (Draft Guidelines) related to the audit of Electricity Network Operator's Safety Management Systems (SMS) and the development of a Formal Safety Assessment.

Essential Energy supports, except for one issue discussed below, the changes proposed by IPART as they provide clear references to the requirements of the *Electricity Supply (Safety and Network Management) Regulation 2014* (the Regulation) and AS5577 Electricity Network Safety Management Systems. The proposed minimum audit criteria provide clear expectations for Network Operators SMS's and for auditors to test compliance.

Section 2.2 of the Draft Guidelines refers to customer installation safety being included in the scope of an SMS audit. Recent changes to the Regulation under the *Electricity Supply Amendment (Advanced Meters) Bill 2016* omit the requirement for a SMS to deal with customer installation safety. To maintain consistency with the requirements of the Regulation, references to customer installation safety should be removed from the final version of the Audit Guidelines.

If you have any questions in relation to this submission please contact me on [REDACTED], or alternatively [REDACTED].

Yours sincerely

