

Electrical Retail Licence Post Audit Implementation Plan

Southern Energy WA Pty Ltd

27 March 2024

Contents

1.	Introduction	4
1.1	Background	4
1.2	Purpose of this Report	4
2.	Post Audit Implementation Plan	5
3.	Abbreviations	6
4.	References	7

Appendices

Appendix A	Recommendations	9
------------	-----------------------	---

This report: has been prepared by Southern Energy WA Pty Ltd and may only be used and relied on by Southern Energy WA Pty Ltd for the purpose in section 1.2 of this report.

The opinions, conclusions and any recommendations in this report are based on conditions encountered and information reviewed at the date of preparation of the report. Southern Energy has no responsibility or obligation to update this report to account for events or changes occurring subsequent to the date that the report was prepared.

The opinions, conclusions and any recommendations in this report are based on assumptions made by GHD for the Electricity Retail Licence Performance Audit dated 7th March 2024.

1. Introduction

1.1 Background

Southern Energy WA Pty Ltd (Southern Energy) provides electricity supply products and services in areas covered by the South West Interconnected System (SWIS). Southern Energy operate under an Electrical Retail Licence (ERL27) issued by the Economic Regulation Authority (ERA). During the audit period, Southern Energy supplied large use customers (i.e. customers who consume more than 160 MWh of electricity per annum) and also have capacity to supply contestable customers in excess of 50 MWh.

Initially, Southern Energy are focusing on supplying a portfolio of affiliated properties primarily located in the Albany Region and in due course will also serve non-affiliated Large Users. When initially applying for a licence, Southern Energy engaged Community Electricity Pty Ltd to assist with establishing its retail operations. This retail licence application does not involve any major infrastructure development. It encompasses primarily office-based activities, utilising computers and software.

1.2 Purpose of this Report

This report is a Post Audit Implementation Plan (PAIP) for Southern Energy that covers recommendations raised in the 2023 Performance Audit Report [Ref. 2] and opportunities for improvement (OFI). This PAIP has been prepared separately to the 2023 Performance Audit Report [Ref. 2] and is to be submitted to ERA. The purpose of the report is to detail Southern Energy's commitment to comply with the obligations set out by ERA.

2. Post Audit Implementation Plan

The audit has resulted, where applicable, in findings and recommendations that require corrective actions by Southern Energy. The PAIP is a separate document where the licensee responds to the recommendations provided in the audit.

This PAIP has been prepared by Southern Energy and reflects Southern Energy's views and actions. The PAIP has been prepared based on requirements within the ERA Audit and Review Guidelines [Ref. 3]. This document does not form part of the audit report and is provided separately in accordance with the guidelines.

Table 1 – Compliance and Controls Ratings Summary Table

		Compliance Rating					
		1	2	3	4	N/R	Total
Controls Rating	A	1	1	-	-	4	6
	B	-	1	-	-	-	1
	C	1	-	-	-	-	1
	D	-	-	-	-	-	0
	N/P	21	-	-	-	41	62
	Total	23	2	0	0	45	70

Table 1 provides a summary of compliance and controls rating from the Audit Report [Ref. 2].

The audit assessed the 70 licence obligations applicable for this audit period as defined by the Audit Plan [Ref.1], and rated Southern Energy WA Pty Ltd:

- Compliant with 23 obligations
- Non-compliant with two obligations

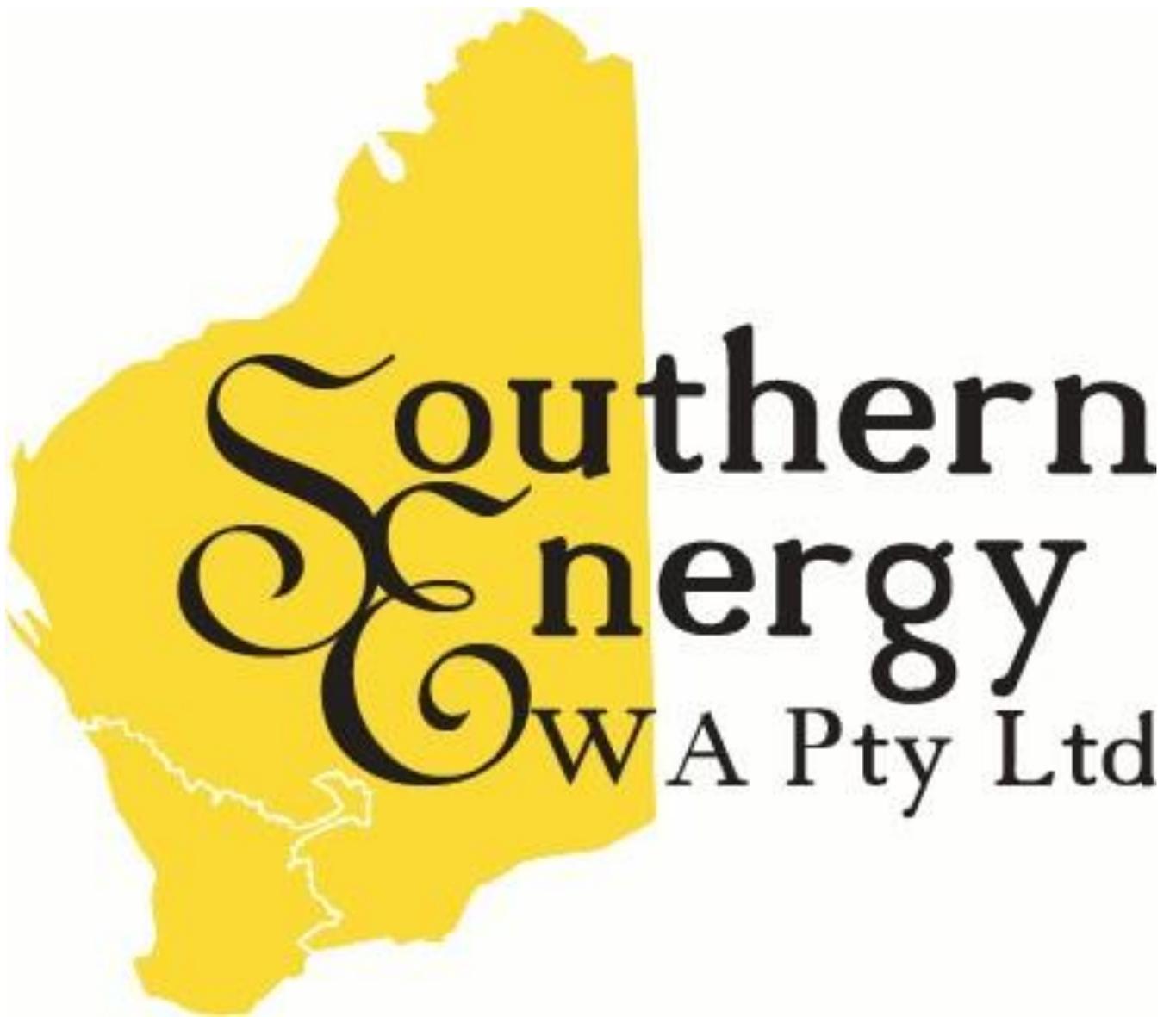
Forty-five (45) obligations were not rated, as no relevant activity took place during the audit period. The obligations that were determined to be non-compliant were largely administrative in nature and had no effect on customers and minor to no effect on the network operator and/or the ERA.

3. Abbreviations

Abbreviation	Definition
CTR	Customer Transfer Request
ERA	Economic Regulation Authority
ERL27	Electrical Retail Licence 27
OFI	Opportunity for Improvement
PAIP	Post Audit Implementation Plan
Small Use Customers	Customers with consumption greater than 50 MWh and less than 160WVh per annum
Southern Energy	Southern Energy WA Pty Ltd
SWIS	South West Interconnected System
WA	Western Australia
WPN	Western Power Networks

4. References

1. GHD Advisory, Southern Energy WA Pty Ltd Electrical Retail Licence Audit Plan, 12625352-PLN-0
2. GHD Advisory, Southern Energy WA Pty Ltd Electrical Retail Licence Performance Audit Report, 12625352-REP-0.
3. Economic Regulation Authority, 2019 Audit and Review Guidelines – Electricity and Gas Licences.



Appendices

Appendix A Recommendations

Recommendation Reference	Non-compliance / Controls Improvement (Rating / Licence Obligation ref no & licence obligation / details of non-compliance or inadequacy of controls)	Auditor's Recommendation / OFI Consideration	Action Proposed to be taken by Licensee	Responsible Person(s)	Target completion Date
01/2024	<p>C1 (119) Retail Licence, condition 4.3.1 Southern Energy WA Pty Ltd have no system or procedure in place to ensure accounting records, including financial reports, will continue to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards</p>	<p>Develop and implement a procedure that requires Southern Energy WA Pty Ltd's accounting records, including financial reports, to comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards in line with Retail Licence condition 4.3.1</p>	<p>Develop a Procedure for accounting records, including financial reports, to comply with Australian Accounting Standards.</p>	<p>Jo Stan-Bishop</p>	<p>30th June 2024</p>
02/2024	<p>B2 (124) Retail Licence, condition 4.5.1 Southern Energy WA Pty Ltd have no procedure in place to support on time submission of annual compliance reports to ERA.</p>	<p>Develop and implement a procedure for obligations and deadlines for use in combination with the existing obligations & deadlines tracking spreadsheet to assist in achieving timely submission of annual compliance reports to ERA.</p>	<p>Develop a Procedure for Obligations & Deadlines</p>	<p>Jo Stan-Bishop</p>	<p>30th June 2024</p>

144 Stirling Tce, Albany WA 6330
PO Box 455 Albany DC WA 6331 Australia

(08) 9842 3690
se@lionetti.com.au

© Southern Energy WA Pty Ltd. This document is and shall remain the property of Southern Energy WA PTY LTD. The document may only be used for the purpose for which it was commissioned and in accordance with the Terms of Engagement for the commission. Unauthorised use of this document in any form whatsoever is prohibited.