
STATEMENT OF APPROACH ON COMPLIANCE

DRAFT

September 2011



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To facilitate publication on the Commission's website, submissions should be provided electronically by CD, DVD or email in Adobe Acrobat or Microsoft Word format. However, if this is not possible, submissions can be made in writing.

Inquiries

Any questions regarding this report should be directed in the first instance to the Executive Officer, Utilities Commission at any of the following:

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CHAPTER 1

Introduction

Background

- 1.1 The Utilities Commission of the Northern Territory (the Commission) is the independent economic regulator, responsible for regulating monopoly electricity, water and sewerage services. The electricity supply industry in the Northern Territory is regulated through the *Electricity Reform Act*, the *Electricity Networks (Third Party Access) Act*, the *Utilities Commission Act* and associated legislation. The supply of water and sewerage services is regulated through the *Water Supply and Sewerage Services Act*.
- 1.2 The Commission's primary objective is to protect the long-term interests of consumers.¹
- 1.3 A key function of the Commission is 'to develop, monitor and enforce compliance' by providers of electricity supply, water supply and sewerage services, and 'promote improvements in standards and conditions of service and supply under relevant industry regulation Acts'.²
- 1.4 The Commission is of the view that fostering a culture of compliance amongst regulated entities will assist in achieving this objective.

Development of a compliance framework

- 1.5 The *Electricity Reform Act* requires the Commission to make the grant of the licence subject to conditions:³
 - (a) *requiring compliance with applicable codes or rules (with modifications or exemptions determined by the Utilities Commission) made under the Utilities Commission Act as in force from time to time;*
 - (b) *requiring compliance with protocols, standards and codes applying to the electricity entity under the Regulations.*
- 1.6 In line with these legislative requirements, the Commission has decided to align the Territory electricity regulatory framework with the National Electricity Market (NEM) framework by developing a comprehensive and robust compliance framework guided by the principles of the Australian Standards on Compliance Programs (AS3806).

¹ S.3(f) of the *Electricity Reform Act*.

² S.6(1)(b) of the *Utilities Commission Act*.

³ S.24(1)(a) and (b) of the *Electricity Reform Act*.

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- 1.7 The first limb of the compliance framework is the introduction in the electricity generation, network, retail and system control licences of an obligation on the licensees to:⁴
- establish a compliance process that is maintained, regularly updated and auditable;
 - report on identified material breaches;
 - undertake external compliance audits; and
 - develop a compliance report to submit to the Commission.
- 1.8 In contrast, the water and sewerage licences stipulate that the licensee must:⁵
- a) comply with all applicable provisions of the Ring-Fencing Code after such a code is made by the Commission;
 - b) comply with all applicable provisions of any other code or rule made under the *Utilities Commission Act* from time to time;
 - c) comply with any applicable protocol, standard and code applying to the licensee under the Regulations;
 - d) comply with all applicable laws including, the Regulations, the Pricing Order and any technical safety requirements or standards contained in Regulations made under the *Water Supply and Sewerage Services Act*; and
 - e) develop and comply with its obligations under the codes specified in the *Water Supply and Sewerage Services Act* for the two areas of metering and connections.
- 1.9 It is expected that in future the Commission will address the difference between the compliance obligations in the water and sewerage licences and those in the electricity licences.
- 1.10 The second limb of the compliance framework is the development of a register of compliance obligations with each obligation being attributed a risk ranking. The Commission intends to use the register of obligations to prioritise its auditing activities.
- 1.11 The register of obligations can also be a useful tool that will assist regulated entities to better understand their obligations and the potential impact of a compliance breach on customers.
- 1.12 The Commission is of the view that responsibility for compliance rests with the licence holders.
- 1.13 The third limb of the compliance framework is the development of this Statement of Approach on compliance. Its objective is to inform the regulated industry in the Territory about the Commission's expectations vis-à-vis compliance.

⁴ Cl.10 of the retail, networks and generation licences, and cl.11 of the system control licence.

⁵ Cl.9 of the water and sewerage supply services licences issued to PWC.

Stakeholders and interested parties

1.14 The Commission considers that a robust compliance framework will be of value to the following stakeholders and interested parties:

- Suppliers of generation, network and retail services – compliance will enable regulated entities to operate in a safe and efficient manner, and to better manage their exposure to risks.
- Government – the incumbent utilities service provider being a government owned corporation, it is important for the Government to ensure that Territory consumers receive value for money.
- Public/consumers – the development of a compliance framework will assist regulated entities in providing services in a safe, efficient and cost effective manner to consumers (including businesses).
- Future investors – potential investors in the Territory need confidence that they can invest in the Territory, and that the infrastructure is reliable, efficient and cost-effective.

Purpose of this Statement of Approach

1.15 The Commission's objectives in developing this Statement of Approach are to:

- communicate to stakeholders the Commission's compliance objectives and expectations vis-à-vis regulatory compliance;
- communicate to the regulated industry the value of adopting and endorsing a compliance framework;
- inform stakeholders about compliance monitoring and audit; and
- clarify the enforcement and disciplinary process in cases of non-compliance.

Variation of this Statement of Approach

1.16 The Commission may amend this Statement of Approach from time to time to reflect changes in the regulatory framework or to incorporate compliance issues which were not identified initially or have emerged since the publication of this Statement of Approach.

1.17 Licensed entities may request a variation of this Statement of Approach and the proposed variation will be considered by the Commission if it is deemed to further the objectives of this Statement of Approach.

1.18 Where deemed appropriate by the Commission, the Commission may undertake public or targeted consultation on the proposed amendments to this Statement of Approach.

Structure of this Statement of Approach

1.19 This Statement of Approach outlines the Commission's:

- objectives and guiding principles underpinning the compliance framework;
- approach to compliance and its expectations, including:

- development of compliance processes by regulated entities;
- monitoring of compliance; and
- reporting of compliance.

Consultation

- 1.20 The Commission considers that regulated businesses and interested parties have an active role to play in the development of an effective compliance framework. Their participation, engagement, commitment will play a fundamental role in shaping the compliance framework. The Commission invites stakeholders and interested parties to share their views, experience and knowledge through the consultation process on this Statement of Approach.
- 1.21 To facilitate consultation, questions have been asked in this Statement of Approach in relation to specific issues.
- 1.22 The Commission is seeking submissions on the proposed Statement of Approach by 19 September 2011.

CHAPTER 2

Compliance Framework

Introduction

- 2.1 The Commission considers that the development of a robust compliance framework benefits consumers by ensuring that services are delivered in a reliable, safe, efficient and cost effective manner. It also benefits regulated businesses by enabling them to manage risk in a systematic and proactive manner.
- 2.2 The AS3806 defines compliance as the 'outcome of an organization meeting its obligations'.⁶ To comply with its obligations, a regulated business must satisfy three conditions:⁷
- Condition 1 - it must know and understand its obligations;
 - Condition 2 - it must be able to comply;
 - Condition 3 - it must be willing to comply.

Guiding principles

- 2.3 In developing a robust and comprehensive compliance program, the Commission has considered the following guiding principles:
- Voluntary compliance - the Commission supports a co-operative approach to compliance as it tends to foster a more positive response than punitive sanctions. To achieve better outcomes, businesses should adopt voluntarily a culture of compliance. Lack of compliance may result in more intrusive regulatory oversight and ultimately sanctions.
 - Education and communication – businesses need to understand the purpose and objectives of regulation, know what their obligations are and be informed of the consequences of non-compliance. This Statement of Approach is intended to inform the regulated industry of its compliance obligations and the Commission's expectations.
 - Transparency – the Commission's intentions and decisions should be transparent and discussed openly with stakeholders and interested parties.
 - Consistency – decisions and application of these decisions need to be consistent, impartial and ethical in order to build trust and encourage voluntary compliance.

⁶ Australian Standard, 2006, *Compliance programs*, AS 3806-2006, p.4.

⁷ Organisation for Economic Co-operation and Development 2000, *Reducing the Risk of Policy Failure: Challenges for Regulatory Compliance*, OECD, Paris, www.oecd.org, pp. 14-23.

- Flexibility and continuous improvement – the Commission is of the view that the compliance program needs to be reviewed at regular intervals and continuously improved to reflect changes in the environment and nature of regulation.

Commission's expectations vis-à-vis compliance

2.4 In developing a robust compliance framework, the Commission was guided by the approach set out in the AS3806. The main elements of the Commission's approach are:

- Commitment by the board and top management – compliance is expected to permeate the whole organisation and be endorsed by the company's board and top management. Compliance should be incorporated in the corporation's core values and objectives and adequate resources should be provided to support the program. The AS3806 states that:⁸

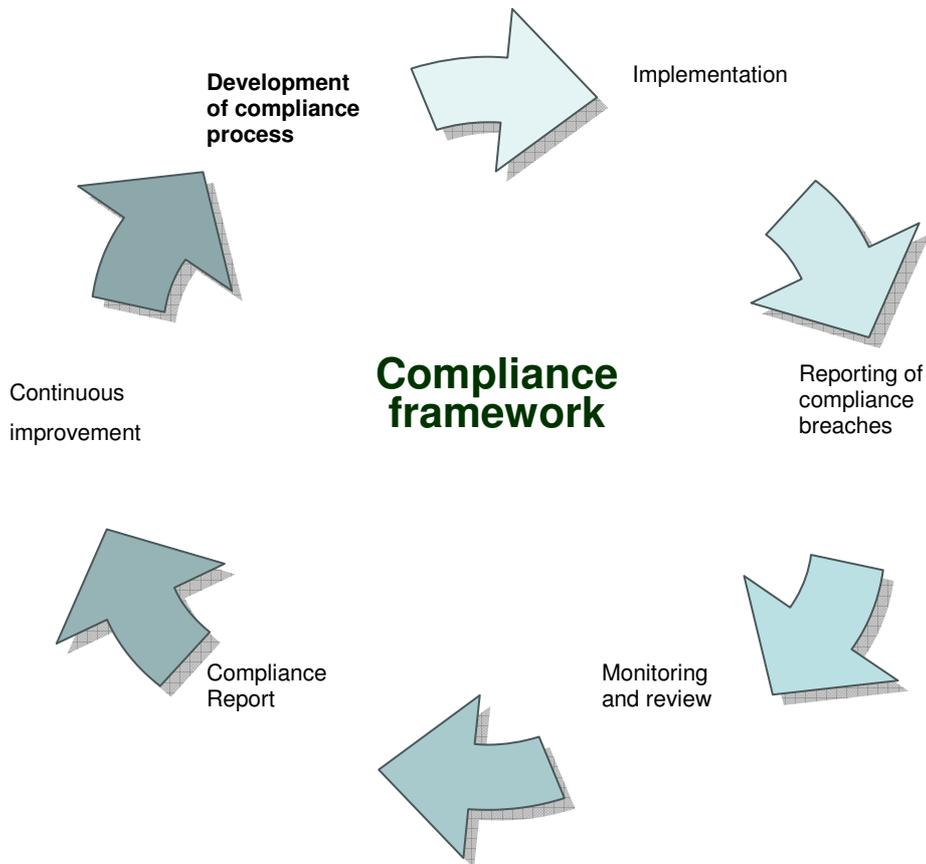
Policies and procedures to achieve compliance must be integrated into all aspects of how the organization operates. Compliance should not be seen as a stand-alone activity, but should be aligned with the organization's overall strategic objectives.

- Implementation of the compliance program – the Commission expects the regulated entities to clearly allocate responsibilities and accountabilities for compliant outcomes, and to dedicate resources for training staff about compliance and their roles in ensuring compliance.
- Monitoring, measuring and continuous improvement – the Commission supports initiatives whereby compliance performance is continuously monitored, measured and improved.

Figure 1 below illustrates the different elements of the compliance framework continuously improving over time.

⁸ Australian Standard, 2006, *Compliance programs*, AS 3806-2006, p.4.

Figure 1: Continuous improving compliance framework



Need for an effective regulatory framework

- 2.5 In addition to the key guiding principles, the Commission notes that effective compliance practice is also dependent on good regulatory design. Regulation needs to be simple and clear, meet its stated objectives, and its benefits should outweigh the costs.⁹
- 2.6 In November 2009, the Territory Government commissioned a series of reviews, as part of a Priority Reform Program, to increase efficiency in the electricity supply industry, improve customer standards of service and reliability and, where possible, align the Territory's regulatory arrangements with those of the national electricity market.
- 2.7 The Commission's work program is expected to provide a regulatory framework that gives priority to the long-term interests of customers by supporting the production and delivery of electricity to customers at the reliability and price levels nominated through

⁹ Essential Services Commission, January 2009, *Compliance Policy Statement for Victorian Energy Businesses*, p.5.

the regulatory bargain. This goal is generally consistent with the National Electricity Objective that guides decision making in the NEM.¹⁰

Other jurisdictions

- 2.8 The Commission notes that regulators in other Australian jurisdictions have developed compliance monitoring practices and procedures for their respective jurisdictions.
- 2.9 The approach adopted by the Australian Energy Regulator (AER) is a useful and relevant reference.
- 2.10 The AER published a Statement of Approach in December 2010, setting its approach to monitoring, investigation and enforcement.¹¹ The principles underpinning these functions are consistency over time, fairness, cost effectiveness and transparency.
- 2.11 To monitor compliance, the AER's priority and intensity are based on a risk assessment of each obligation. The risk assessment ranks obligations according to two criteria:
- the impact on participants, end-users and other stakeholders of a breach of the provision; and
 - the probability that a breach will occur.
- 2.12 The AER conducts targeted compliance reviews whereby the regulator writes to participants to request information on their compliance with a particular obligation or group of related obligations. The results are published in quarterly reports.
- 2.13 The AER may conduct audits to assess a participant's compliance with specific obligations under the national energy framework. The main focus of the audit is towards technical obligations. An audit might include:
- documented practices and procedures;
 - controls to identify and report non-compliance;
 - evaluation and testing arrangements;
 - responsibility levels and communication protocols throughout the business; and
 - how ongoing compliance with these obligations is incorporated in a participant's broader compliance management system.
- 2.14 Should a potential issue be identified, the AER may seek information as part of an investigation through a request to industry participants. The purpose of the investigation is to establish the existence, nature and extent of any breach. The statutory information gathering powers allow the regulator to obtain search warrants and to compel the production of relevant information and documents. Subject to

¹⁰ The National Electricity Objective (National Electricity Law, s7) is...to promote efficient investment in, and efficient operation and use of, electricity services for the long term interests of consumers of electricity with respect to – a) the price, quality, safety, reliability and security of supply of electricity; and b) the reliability, safety and security of the national electricity system.

¹¹ Australian Energy Regulator, December 2010, Compliance and Enforcement – Statement of Approach.

confidentiality restrictions, the AER may consider publishing the investigation outcomes.

- 2.15 The AER issues quarterly compliance reports summarising the results of its monitoring and enforcement activities. The quarterly reports include:
- the results of the regulator's targeted compliance program;
 - areas the AER will focus on in future;
 - reviews of major market or system events;
 - any audits which have been conducted; and
 - where appropriate, a summary of investigations concluded in the quarter, subject to confidentiality constraints.
- 2.16 The AER's enforcement response against a participant takes into account the impact of the breach, the circumstances surrounding it, the participant's cooperation, its history of compliance, and its compliance programs and compliance culture. The AER has recourse to two enforcement options. The first relates to minor breaches which can be addressed administratively. Examples of administrative enforcement actions are:
- voluntary agreement between the AER and the participant to implement a compliance program or improve internal operational procedures or training; or
 - advice to the participant that their behaviour has been recorded as inconsistent with the regulatory framework and that more intense scrutiny will apply.
- 2.17 The second option available to the AER is statutory enforcement action by issuing an infringement notice for breach of a civil penalty provision which may require the payment of a penalty. The AER may apply to the court for an injunction where the participant has engaged in breach of the national energy framework.
- 2.18 The AER is currently developing its intended approach to compliance monitoring for Energy Retail Law and Regulation.¹² Under the new National Energy Customer Framework (NECF), the AER will monitor, investigate and enforce compliance by energy retailers and distributors.
- 2.19 The overall approach set out in the draft Statement of Approach for compliance with the NECF is summarised as follows:
- information received from various stakeholders (including energy consumers, regulated entities, energy ombudsman schemes, Australian Energy Market Operator (AEMO)) may be used by the AER to identify areas of concern in relation to compliance;
 - targeted reviews of published market information – under the NECF regulated entities have to publish information on prices, contracts, hardship policies, information on small customer complaints, dispute resolution procedures, compensation claims and information relating to customers;

¹² Australian Energy Regulator, 23 March 2011, Draft Statement of Approach: compliance with the National Energy Retail Law, Retail Rules and Retail Regulations.

-
- targeted reviews of the policies, systems and procedures established by regulated entities to monitor and ensure compliance with the NECF;¹³
 - different reporting frequencies of compliance breaches applicable to three types of regulatory obligations:
 - type 1 regulatory obligation – where a breach is likely to have a critical impact on customers, which is likely to escalate or become widespread in the short (one to three month) term if it is not rectified quickly – breaches or possible breaches in this category must be reported to the AER as soon as practicable, but no later than the next business day after being identified;
 - type 2 regulatory obligation – where a breach is likely to have a serious impact on customers which is likely to escalate or become widespread in the medium (three to six months) term if steps are not taken to rectify – breaches or possible breaches in this category are to be reported to the AER on a six monthly basis;
 - type 3 regulatory obligation – where a breach is likely to have a low or limited impact on customers, but may escalate in the long (six to 12 month) term if not rectified – breaches or possible breaches in this category are to be reported to the AER on a yearly basis.
 - auditing of policies, systems and procedures put in place by a regulated entity to ensure that it is aware of its obligations under the NECF.
 - costs of conducting a compliance audit are to be borne by the relevant regulated entity or entities (s.278(2) of the *National Energy Retail Law*).

¹³ Regulated entities are required under the Retail Law to develop policies, system and procedures to enable them to efficiently and effectively monitor their compliance with the requirements of the NECF.

CHAPTER 3

Commission's Approach to Compliance

Register of compliance obligations

3.1 The Commission is of the view that there is a need to develop and publish transparent criteria for the classification of regulatory obligations.

Listing of compliance obligations

3.2 The AS3806 recommends that an organisation 'systematically identify its compliance obligations and the way in which they impact on its activities, product and services'.¹⁴ This could take a range of forms such as a register, list or database.¹⁵

3.3 In the Northern Territory, the sources of compliance obligations may include without limitation the following:

- *Electricity Reform Act 2005*;
- *Utilities Commission Act 2007*;
- *Electricity Networks (Third Party Access) Act 2003*;
- Electricity Reform (Administration) Regulations;
- Utilities Commission Regulations;
- Electricity Networks (Third Party Access) Code;
- Northern Territory Electricity Ring-fencing Code;
- Standards of Service Code;
- System Control Technical Code;
- Network Control Technical Code;
- Electricity Retail Supply Code;
- licences; and
- guidelines.

3.4 The Commission has grouped the legislative and licence obligations into seven categories being:

- Conduct – obligations relating to market behaviour affecting competition.

¹⁴ Australian Standard, 2006, Compliance programs, AS 3806-2006, p.10.

¹⁵ Ibid.

- Performance – obligations for performance based outcomes such as standards of service.
- Pricing – obligations relating to price regulation i.e. network tariffs and charges, or electricity retail pricing.
- Electricity retail competition – provisions relating to electricity retail competition and customer transfer.
- Technical – obligations relating to technical aspects and requirements of the relevant industry i.e. System Control Technical Code and Network Connection Code.
- Safety – obligations imposing safety standards and requirements.
- Administration – obligations for the administration of an Act or the administration of the functions of an entity under an Act. Includes broad enforcement and penalty provisions.

Question 1:

Should any other categories be added and why?

Risk Assessment

3.5 The Commission considers it a priority to define and identify the level of risk resulting from compliance failure. The Australian/New Zealand Standard on Risk Management (AS/NZS 31000:2009) supports the practice of risk management as:¹⁶

the adoption of consistent processes within a comprehensive framework helps ensure that risk is managed effectively, efficiently and coherently across an organization.

3.6 The AS/NZS 31000:2009 defines risk in terms of combination of the impact of an event (i.e. non-compliance) and its likelihood. The Standard contains the following methodology for risk analysis:¹⁷

Risk analysis involves consideration of the causes and sources of risk, their positive and negative consequences, and the likelihood that those consequences can occur. Factors that affect consequences and likelihood should be identified. Risk is analysed by determining the consequences and their likelihood and other attributes of the risk.

3.7 This approach to risk assessment can be summarised as:

- determining the impact the event may have on customers;
- determining the likelihood of the event happening; and
- deriving the risk level based on the impact and likelihood ratings.

3.8 The Commission notes that other jurisdictions in Australia are using risk assessment approaches similarly derived from the AS/NZS 31000:2009 .

¹⁶ Australian/New Zealand Standard, 2009, Risk management-Principles and guidelines, AS/NZS ISO 31000:2009, p.iv.

¹⁷ Ibid, para.5.4.3, p.18.

- 3.9 This process enables the organisation to prioritise and allocate resources accordingly. It also informs the scope of the regulator's monitoring functions.
- 3.10 In compiling the factors affecting the impact of the breach, the Commission has placed a firm emphasis on public safety and system security, impact to customers, and financial impact. Table 1 presents the various impact rating categories and examples relating to each category.

Table 1: Impact Ratings

		Impact rating		
		Minor	Moderate	Major
Examples of potential impact of the breach	Health and system security	Minor public health, system failure, or safety issues	Moderate public health, system failure, or safety issues that are not minor or major. Impact of breach may increase over time if not rectified.	Life-threatening public health consequences. Significant system failure or widespread safety issues or health risks. Impact of breach increases quickly over time if not rectified.
	Supply quality	Minor breach of quality of supply, which has a minor impact on a few customers. Some inconvenience to customers	Breach of quality of supply. Event is restricted in both area and time e.g. supply of service to one street is affected for up to one day. Usually results in a small to moderate rise in customer complaints. Impact of breach may increase over time if not rectified.	Breach of quality of supply resulting in damage to property, and possible health risks for customers. Usually results in a significant rise in customer complaints. Impact of breach increases quickly over time if not rectified.
	Supply reliability	Minor supply reliability issues, and connection delays which has a minor impact on a few customers. Some inconvenience to customers	Noticeable drop in reliability standards. Event is restricted in both area and time e.g. supply of service to one street is affected for up to one day. Usually results in a small to moderate rise in customer complaints. Impact of breach may increase over time if not rectified.	Widespread supply reliability issues resulting in a significant drop in reliability standards. Usually results in a significant rise in customer complaints. Long-term affects may be inconsistent with projections in planning documents such as the Power System Review. Impact of breach increases quickly over time if not rectified.
	Consumer protection	Consumer protection initiatives such as customer complaints mechanisms not followed in a few instances. Self-regulatory measures are usually sufficient to correct non-compliance. Little to no administrative burden on the Commission	Customer service standards are noticeably lower, having a moderate effect on the public's perception of the quality and reliability of the electricity industry. Non-compliance is manageable with self-regulatory measures. Some action may be required by the Commission. Impact of breach may increase over time if not rectified.	
	Financial impact	Nil or minor costs incurred by customers and/or businesses. Costs trivial in nature	Additional cost incurred by customers and/or businesses. Costs have moderate financial impact on customers and/or businesses. Costs are not trivial in nature. Impact of breach may increase over time if not rectified.	Major financial impact incurred by customers and/or businesses affecting the whole of the electricity industry and a majority of customers within the NT. Impact of breach increases quickly over time if not rectified.
	Breaches of legislation or other licence conditions	Licence conditions not fully complied with, but issues can be promptly resolved with little to no administrative burden on the Commission	One or more breaches of legislation or other licence conditions and/or sustained period of breaches. Some action may be required by the Commission. Impact of breach may increase over time if not rectified.	Major disregard for legislation or other licence conditions. Un-cooperative attitude and behaviour towards the Commission. Commission may be required to exercise enforcement powers. Impact of breach increases quickly over time if not rectified.

3.11 The likelihood of an event occurring is categorised in table 2.

Table 2: Likelihood Ratings

Likelihood ratings	
Level	Criteria
Likely	Non-compliance is expected to occur at least once or twice a year
Probable	Non-compliance is expected to occur once every three years
Unlikely	Non-compliance is expected to occur once every 10 years or longer

3.12 Risk is determined by combining the impact of the breach and its likelihood. This is presented in table 3 below.

Table 3: Risk Ratings

Risk rating			
Likelihood	Impact rating		
	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

3.13 The definition of the inherent risk ratings is as follows:

- High risk event – event that is likely to cause major damage, disruption or breach of licence obligations.
- Medium risk event – event that is unlikely to cause major damage but may threaten the efficiency and effectiveness of service.
- Low risk event – event that is unlikely to occur and consequences are relatively minor.

Question 2:

How comprehensive and relevant is Table 1? Please provide reasons for your response.

Commission's assessment of compliance obligations

3.14 Using the aforementioned risk assessment criteria, the Commission has developed a register of compliance obligations. The Commission intends to use the register to

inform and prioritise its monitoring and compliance audit processes by targeting high risk obligations.

- 3.15 To assist regulated entities identify the obligations which require particular attention, the Commission has included at Appendix B of this Statement of Approach the Commission's list of high risk compliance obligations for electricity generation, networks, retail, system control businesses and independent power producers (IPPs).
- 3.16 The list of obligations in Appendix B is not to be seen as a substitute for the regulated entities' own assessment of their obligations and risk. Ultimately, responsibility for compliance rests with the licence holders.
- 3.17 The technical obligations in the System Control Technical Code and Network Control Technical Code have not been included in Appendix B. The Commission is of the view that the System Controller is best placed to assess the risks associated with technical obligations.
- 3.18 In preparing the register of obligations the Commission's focus was on the electricity industry. The provisions relating to the *Water Supply and Sewerage Services Act* have not been included in the register at this stage but may be considered in the future. In the meantime, the Commission suggests that the holder of the water and sewerage services licences consider adopting a similar approach to that of the electricity industry.

Question 3:

Do you agree with the Commission's assessment of the high risk obligations in Appendix B of this Statement of Approach? Please provide reasons for your response.

Policies, procedures and systems

- 3.19 The electricity retail, network, generation, and system control licences require regulated entities to establish, implement and maintain policies, procedures and systems for ensuring that they comply with all their obligations.
- 3.20 The compliance process should include, inter alia, policies, procedures and systems for:
- training of employees about the obligations of the regulated entity;
 - regular internal audit by the licensee of its compliance with its obligations;
 - regular reporting to the company's board;
 - dealing with any complaints made by a customer or other third party to the licensee in connection with non-compliance by the licensee with its obligations; and
 - monitoring their own compliance, and detecting and reporting to the Commission any material breach.¹⁸
- 3.21 The AS3806 recommends that the organisation have a 'process in place to receive advice of changes laws, regulations, codes and other compliance obligations to ensure ongoing compliance'.¹⁹ Such processes could include, but is not limited to:

¹⁸ Cl.10.5(a) of the retail, networks and generation licences, and cl.11.5(a) of the system control licence.

- arrangements with legal advisors;
- being on relevant regulators' mailing lists;
- membership of professional groups;
- subscribing to relevant information services;
- attending industry forums and seminars; and
- monitoring regulators' websites.

3.22 The organisation should also have processes to ensure that its list or register of compliance remains up to date in accordance with:²⁰

- new or changed activities, products or services;
- changes to the structure or strategy of the organisation;
- significant external changes; or
- changes to compliance obligations.

Mechanisms for monitoring compliance

3.23 The mechanisms set out below are part of the panoply of instruments used by the Commission to monitor compliance and identify breaches or possible breaches.

Reporting mechanisms

Reporting of breaches

3.24 The Commission partly relies on the regulated entities' self-assessment of their compliance with their regulatory obligations. Under the term of their licences, regulated entities are required to monitor and report any material breach of their obligations to the Commission as soon as reasonably possible after becoming aware that the breach has occurred, and must advise of the remedial action that is being undertaken to rectify the breach.²¹

3.25 The Commission considers that a breach is 'material' when an event has the following attributes:

- the incident affects adversely (financially and/or in terms of service provision) customers;
- a significant number of customers are affected;
- the licensee's ability to provide services is compromised; and
- public health and safety is threatened.

3.26 The Commission proposes that breaches with a 'medium' to 'high' risk rating in the register of obligations be considered to be material. Minor risk breaches would be non-reportable.

¹⁹ Australian Standard, 2006, Compliance programs, AS 3806-2006, p.11, para.3.5.2.

²⁰ Ibid, para.3.5.3.

²¹ Cl.10.5(a) of the retail, networks and generation licences, and cl.11.5(a) of the system control licence.

- 3.27 Should a regulated entity be in doubt as to the seriousness of the breach, it would be advisable and prudent to notify the Commission.
- 3.28 Where a licensed entity has not been compliant, the Commission expects the breach notification provided to the Commission to contain the following:
- a brief statement explaining the circumstances and reasons for the event;
 - breach of which regulatory provision(s);
 - the consequences of the non-compliance; and
 - remedial measures.
- 3.29 In support of greater transparency, the Commission intends to publish a half-yearly report listing the compliance breaches reported to the Commission during the previous six months.

Question 4:

Which other attributes, if any, could be used to define 'material' breaches? Please provide reasons for your response.

Incident reporting

- 3.30 The Commission is expecting to introduce new requirements on the System Controller to report incidents.
- 3.31 The Commission is of the view that the Territory arrangements should clearly specify:
- the trigger levels of submitting a report to the Regulator;
 - the information to be provided in a report;
 - the reporting timeframes; and
 - the protocols for the dissemination of information to the public.
- 3.32 The assessment of the effectiveness of the Territory's arrangements was based on the Tasmanian arrangements set out in the Guideline on Incident Reporting for the Tasmanian Electricity Supply Industry.²² The Tasmanian arrangements were informed by the NEM requirements and adapted to suit the smaller Tasmanian system prior to Tasmania joining the NEM.
- 3.33 The Commission is looking to see similar arrangements in place in the Territory.
- 3.34 Depending on the seriousness of the incidents being reported by the System Controller, the Commission may report the incidents collectively as part of its annual Power System Review or individually in a report to the Minister.

Licence Returns

- 3.35 The *Electricity Reform Act* and *Water Supply and Sewerage Services Act* require licensees to lodge an annual licence return with the Commission containing such

²² Office of the Tasmanian Energy Regulator, November 2006, Guideline on Incident Reporting for the Tasmanian Electricity Supply Industry, Version 2.

information as is required from time to time by the Commission by condition of licence or by written notice [s.19(2)(a) of both Acts].

- 3.36 The date prescribed by the Regulations for submission of an annual licence return is 1 August each year. However, some regulated entities submit further information later in the year due to the data being unavailable by the due date.
- 3.37 Typically, the Commission writes to licensees in the first week of July each year reminding the licensees of their obligations.
- 3.38 The information in the annual returns is used to:
- calculate licence fees; and
 - maintain up to date electricity industry information.
- 3.39 From the 2010-11 period onwards, the Commission has chosen to minimise the reporting obligations on licensed entities.
- 3.40 By 1 August, the Independent Power Producers and Isolated Systems (IPPs) licensees are required to provide a statement by an appropriate officer within the regulated entity:
- confirming that there has been no material change in the licensee's financial, technical or other capacity to continue operations under its licence, or if there has been some change, details of that change; and
 - detailing any significant changes to total generating capacity and plant specifications.
- 3.41 By 1 August, the generation, network, retail, system control, water and sewerage supply licensees are required to provide the following information:
- names and titles of key staff members carrying out the licensed operations as at 30 June;
 - confirmation from the licensee that there has been no material change in the licensee's financial, technical and other capacity to continue operations under its licence, or if there has been some change, details of that change;
 - for electricity generation licence holders – details of available and sustainable installed capacity as at 30 June;
 - for the electricity networks licence holders – details of transmission/distribution line lengths as at 30 June;
 - for electricity retail licence holders – details of total energy sales for the year ending 30 June.
- 3.42 By 1 December each year, the network and system control licence holders are required to provide regulatory financial statements for their business units and the business as whole for the year ending 30 June as per the Account and Cost Allocation

Procedures²³ and extension of approval of the Accounting and Cost Allocation Procedures.²⁴

Question 5:

What other sources of information should the Commission consider in monitoring regulatory compliance? Please provide reasons for your response.

Compliance audit process

- 3.43 The electricity generation, network and retail licences require that the licensee 'establish, document, maintain and comply with appropriate auditable internal policies, procedures and systems ("compliance process") for ensuring that it complies with its obligations under this licence, and all applicable laws, rules or standards'.²⁵
- 3.44 Further, the electricity generation, network, retail, and system control licensees are required to:
- provide compliance report to the Commission at reasonable intervals determined by the Commission;²⁶ and
 - upon reasonable notice from the Commission, to appoint an independent auditor to undertake an audit of the licensee's compliance with any of its obligations under the licence.²⁷
- 3.45 The standards or requirements to apply to an audit will be determined by the Commission in consultation with the licensee.²⁸
- 3.46 For water and water operations, PWC is required to undertake an annual independent external audit of:²⁹
- all or part of the operations authorised by the water and sewerage licences; and
 - compliance with the obligations under the water and sewerage licences and regulatory instruments.
- 3.47 The Commission does not expect to request IPP licence holders to undertake external compliance audits.

²³ Power and Water, 9 November 2001, Accounting and Cost Allocation Procedures required by the Northern Territory Ring Fencing Code, version 1 (available on the Commission's website: www.utilicom.nt.gov.au).

²⁴ The extension of Approval of Accounting and Cost Allocation Procedures was approved by the Commission on 19 April 2006. The Commission's approval is subject to the following conditions: (a) for comparative purposes, the regulatory accounts must include equivalent financial data for all years commencing with the 2004-05 year, along with supporting explanations of any significant year-on-year changes at the item level; (b) PWC, in consultation with the Commission, is to review the effectiveness of the Procedures when requested to do so by the Commission; and (c) the Procedures must be resubmitted for approval following changes to the Code affecting the Procedures.

²⁵ Cl.10.1(a) of the retail, networks, and generation licences, and cl.11.1(b) of the system control licence.

²⁶ Cl.10.2(a) of the retail, networks and generation licences, and cl.11.2(a) of the system control licence.

²⁷ Cl.10.3(a) of the retail, networks and generation licences, and cl.11.3(a) of the system control licence.

²⁸ Cl.10.3(b) of the retail, networks and generation licences, and cl.11.3(b) of the system control licence.

²⁹ Cl.11 of the water supply and sewerage licences.

Scope of the audit

3.48 The Commission considers that an audit might cover one or more of the following items:

- a report on the adequacy of compliance systems and processes;
- a report on compliance with a sample of conduct related obligations in accordance with the arrangements set out in the Northern Territory Ring-fencing Code (e.g. claims about specific standards, treatment of confidential information, or the processes in place ensuring nominated goods and services are provided according to related party terms); and
- compliance with a sample of technical related obligations set out in the System Control Technical Code and the Network Connection Technical Code.

3.49 The Commission may also consider more targeted audits as a result of issues, concerns or breaches identified as a result of the regulated entity's reporting requirements or during the course of the Commission's monitoring functions.

3.50 The Commission is of the view that, in assessing compliance, an auditor will need to consider the following principles:

- the purpose or intention of an obligation – a literal or 'black letter approach' approach to compliance is considered insufficient and does not purport the objective of the audit; and
- the reasons to include an obligation in the audit sample – factors influencing the focus of the audit could be influenced by the risk ranking of obligations in the compliance register (see Appendix B), or the significance of events identified in the System Control incident reports, or environmental changes (e.g. entry of new market competitor, or change to legislation or regulatory framework).

3.51 An auditor will also be expected to provide a statement about how compliance with each obligation is demonstrated.

3.52 Where an audit identifies issues of poor compliance or breaches or potential breaches, the audit report should include recommendations for improvements in compliance practice to address those issues.

Frequency of audits

3.53 The Commission intends to conduct compliance audit on a yearly basis. However, should the Commission have any particular concern in relation to specific aspects of the licensee's operations during the course of the year, the Commission may consider a one-off or more regular (e.g. quarterly) targeted audits.

Choice of the auditor

3.54 The electricity generation, retail, network and system control licences state that the Commission may require the licensee to appoint an independent auditor to undertake an audit of the licensee's compliance with its licence obligations.³⁰

³⁰ Cl.10.3(a) of the retail, networks and generation licences, and cl.11.3(a) of the system control licence.

- 3.55 The electricity generation, retail, network and system control licences also provide a mechanism enabling the Commission to appoint an external auditor in the event that the Commission is not satisfied with the choice of the auditor appointed by the licensee.³¹ For example, the Commission may have concerns with the quality of the work produced by the auditor's work, or the quality of previous audit reviews conducted by a proposed auditor has not met the Commission's expectations. The Commission would expect however that a difference of opinion between the Commission and the licensee on the suitability of an external auditor can be resolved by common accord.
- 3.56 An auditor engaged for a particular audit should be independent of the licensee. In particular, an auditor must not have any direct or indirect commercial interest in or obligation to the entity which is being audited. An auditor must conduct an audit independently and objectively.
- 3.57 A technical audit should be undertaken by a party with appropriate technical expertise. The Commission does not have a particular view as to whether an appointed auditor sub-contracts the technical audit or whether the regulated entity engages a separate auditor to complete the task.
- 3.58 Under the terms of the water and sewerage licences, the appointment of the external auditor is solely the licensee's responsibility.³²

Cost of the audit

- 3.59 The Commission considers the costs associated with the audit should be met by the licensee. This is in line with the practices adopted in other Australian jurisdictions.³³
- 3.60 The Commission considers that when audit costs are borne by the regulated entity, it provides an additional incentive on the entity to actively develop and comply with effective compliance processes. The adequacy of an entity's compliance program and adherence to a culture of compliance can influence the frequency and scope of the audit process.
- 3.61 The Commission is, however, mindful that audit costs can be significant. As a result, the Commission will have regard to the overall benefits of the audit relative to the costs. The type of benefits identified by the Commission in conducting audits are, but not limited to:
- the long term benefit to consumers;
 - the licensee's ability to provide efficient services and manage risks;
 - identifying past and present conduct of the regulated entity vis-à-vis compliance; and
 - promoting public safety.

³¹ Cl.10.4(a) of the retail, networks and generation licences, and cl.11.4(a) of the system control licence.

³² Cl.11.1 of the water and sewerage licences.

³³ Independent Competition and Regulatory Commission, June 2005, Position Paper-Compliance Audit Framework, page 12; Essential Services Commission of South Australia, September 2004, Electricity Compliance Audit Framework – Final Decision, page 14; Australian Energy Regulator, July 2011, Statement of Approach: compliance with the National Energy Retail Law, Retail Rules and Retail Regulations, version 1, page 12.

3.62 The Commission notes the AER's statement about the benefits of the audit process:³⁴

A compliance audit is an effective monitoring mechanism. It adds further value as an educative process through which customers and regulated entities can be informed about industry best practice.

3.63 The Commission considers the AER's statement to be applicable to the Territory's circumstances. The audit process is doubly beneficial if, on top of its purpose as a compliance monitoring instrument, it is also perceived by the regulated entity to provide valuable lessons on how to continuously improve delivery of services and better manage risks.

Transparency

3.64 Subject to confidentiality restrictions, the key findings and recommendations from audits may be disclosed in the Commission's reports (e.g. the Power System Review, Commission's Annual Report).

Question 6:

What other matters relating to compliance audits should the Commission consider? Please provide reasons for your response

Enforcement instruments and penalties

3.65 The regulatory framework provides a limited range of possible responses to breaches of obligations.

3.66 The statutory enforcement instruments available to the Commission under the provisions of the *Electricity Reform Acts* are essentially punitive. Contravention of a licence may be subject to a penalty of up to 2500 penalty units³⁵ [s.31(1)]. The Commission may also recover an amount equal to that benefited by the electricity entity when contravening the licence condition [s.31(2)]. Such recovery is done through the Courts.

3.67 Alternatively, the Commission may suspend or cancel a licence in the case of an electricity entity being guilty of a 'material' contravention of a licence condition or any other requirement imposed by the *Electricity Reform Act* or any other Act [s.36(1)(b) of the *Electricity Reform Act*].

3.68 In most cases, however, the Commission would expect being able to resolve matters administratively by writing to the regulated entity in breach requesting that active steps be taken to remedy the breach. However, should the regulated entity fail to respond to the Commission's request, the Commission may consider escalating the matter to disciplinary action.

³⁴ The Australian Energy Regulator, December 2010, Approach to compliance with the National Energy Retail Law, Rules and Regulations – Draft Decision, p.21.

³⁵ As at 1 July 2010, the value of a penalty unit is \$133.

3.69 The Commission intends to publish on its website and its own annual report information on material breaches. The Commission believes that reputational damage may provide a good incentive for a regulated entity to comply with its obligations or rectify promptly a breach.

3.70 In all cases, the Commission has discretion to undertake appropriate action in response to a breach. The Commission notes that the AER, when assessing the appropriate enforcement responses, considers the following factors:³⁶

- the circumstances in which the breach took place;
- the period over which the breach extended;
- whether the breach was deliberate;
- whether the breach was avoidable if reasonable compliance practices had been followed;
- whether the breach arose out of the conduct of senior management or lower level staff;
- whether the regulated entity gained financially from the breach;
- the impact of the breach and the damage or detriment suffered by customers or third parties;
- the level of cooperation of the regulated entity with the regulator;
- action taken or planned by the regulated entity to rectify the breach and avoid reoccurrence;
- whether the regulated entity has a history of compliance; and
- any previous unsuccessful attempts to resolve past breaches through administrative enforcement options.

3.71 The Commission considers the AER's approach a good basis for assessing the degree of response to non-compliance.

Question 7:

How appropriate are the Commission's enforcement instruments and processes? Please provide reasons for your response.

³⁶ Australian Energy Regulator, July 2011, Statement of Approach: compliance with the National Energy Retail Law, Retail Rules and Retail Regulations, version 1, pages 14-5.

APPENDIX A

Index of Questions

Q.1	Should any other categories be added and why?
Q.2	How comprehensive and relevant is Table 1? Please provide reasons for your response.
Q.3	Do you agree with the Commission's assessment of the high risk obligations in Appendix B of this Statement of Approach? Please provide reasons for your response.
Q.4	Which other attributes, if any, should be defining 'material' breaches? Please provide reasons for your response.
Q.5	What other sources of information should the Commission consider in monitoring regulatory compliance? Please provide reasons for your response.
Q.6	What other matters relating to compliance audits should the Commission consider? Please provide reasons for your response
Q.7	How appropriate are the Commission's enforcement instruments and processes? Please provide reasons for your response.

APPENDIX B

Register of compliance obligations (High risk only)

High Risk Obligations Applicable to the PWC Retail Licence



Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
PWC Retail Licence	Compliance process and compliance reporting	Licensee must establish, document, maintain and comply with appropriate auditable internal policies, procedures and systems ("compliance process") for ensuring that it complies with its obligations under this licence, and all applicable laws, Codes, rules or standards.	Clause 10.1 (a)		Administration		Major	Probable	High
PWC Retail Licence	Compliance process and compliance reporting	The compliance process must include policies, procedures and systems for (i) training of employees about the obligations of the licensee under this licence; (ii) regular internal audit by the licensee of its compliance with its obligations under this licence; (iii) regulator reporting to, and consideration by, the Board of the Licensee concerning compliance with the obligations of the licensee under this licence; (iv) dealing with any complaints made by a customer or other third party to the licensee in connection with non-compliance by the licensee with its obligations under this licence; and (v) detecting and report to the Commission any material breach of the compliance procedures	Clause 10.1 (b)		Administration		Major	Probable	High
PWC Retail Licence	Compliance process and compliance	Licensee must provide a report to the Commission at reasonable intervals determined by the Commission, describing the measures taken by the licensee to ensure	Clause 10.2 (a)		Administration		Major	Probable	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
	reporting	compliance with its obligations (a compliance report)							
PWC Retail Licence	Compliance process and compliance reporting	In the event that the Commission appoints an independent auditor, (ii) the licensee must cooperate with any reasonable requests made by the independent auditor in undertaking the audit	Clause 10.4 (b) (ii)		Administration		Major	Unlikely	High
PWC Retail Licence	Compliance process and compliance reporting	Licensee must report any material breach of its obligations under this licence to the Commission as soon as reasonably possible after becoming aware that the breach has occurred, and must advise of the remedial action that is being undertaken to rectify the breach	Clause 10.5		Administration		Major	Probable	High
PWC Retail Licence	Adequate Supply Arrangements	Licensee must take reasonable steps to ensure that it has in place at all times arrangements to provide a supply of electricity that is safe, reliable and of a satisfactory quality to its customers	Clause 15		Performance		Major	Unlikely	High
PWC Retail Licence	Customer notification and information	Licensee must offer to sell electricity to existing and new customers who are likely to have annual electricity consumption of 750MWh or less on the terms and conditions, including the relevant Pricing Order, as the equivalent class of customers were on immediately before becoming contestable customers for the grace period specified in the Regulations	Clause 16.3		Conduct		Major	Unlikely	High
Electricity Reform Act	Licences in electricity supply industry	Electricity entity must not carry on operations in the electricity supply industry for which a licence is required unless the person holds a licence under this part authorising the relevant operations.	Section 14		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence - general	A licence authorises the electricity entity named in the licence to carry on operations in the electricity supply industry in accordance with the terms and conditions of the licence.	Section 20 (1)		Administration		Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence authorising selling of electricity	A licence authorising the selling of electricity authorises the Electricity Entity (a) to trade in electricity; and (b) to retail electricity to customers, under the terms of the licence.	Section 23(1)		Administration		Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence authorising selling of electricity	A licence authorising the selling of electricity does not authorise the Electricity Entity to have access to an electricity network other than in accordance with an access agreement entered into under the Network Access Code with the Electricity Entity licensed to operate the electricity network	Section 23 (5)		Administration		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Offence to contravene licence conditions	An electricity entity must not contravene a condition of its licence.	Section 31 (1)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Transfer of licence	A licence may only be transferred with the Commission's agreement.	Section 33 (1)		Administration		Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	Electricity Entity must facilitate the take over of the relevant operations by the operator if the Commission exercises its powers under section 41	Section 42 (3)		Administration		Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	A person must not obstruct the operator's access to property or the exercise by the operator of the operator's responsibilities under this Part.	Section 42 (6)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	A person must comply with reasonable directions given by the operator in the exercise of the operator's responsibilities under this Part.	Section 42 (7)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Electricity pricing order	An electricity entity must comply with an electricity pricing order or part of an electricity pricing order that applies to the entity.	Section 44 (11)		Pricing		Major	Unlikely	High
Electricity Reform Act	Utilities Commission to monitor and advise on system capacity	Electricity entities operating in the Territory's power system are to provide information and technical assistance that the Commission reasonably requires to perform its responsibilities under section 45 (1)	Section 45(2)		Performance		Major	Unlikely	High
Electricity Reform Act	Utilities Commission to monitor and advise on system capacity	A network user or customer who is required to provide information under subsection (3) must provide the information as and when required by the Commission.	Section 45 (4)		Performance	Maximum penalty: 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Power to require information	A person must not, without reasonable excuse, fail to comply with a requirement under this section.	Section 81 (3)		Administration	Maximum penalty: 200 penalty units.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) attach an electrical installation or other thing, or make any connection, to an electricity network; (b) disconnect or interfere with a supply of electricity from an electricity network; or (c) damage or interfere with electrical infrastructure or an electrical installation in any other way.	Section 96 (1)		Safety	Maximum penalty: 200 penalty units or imprisonment for 2 years.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) be in an enclosure where electrical infrastructure is situated; or (b) climb on poles and other structures that are part of electrical infrastructure.	Section 96 (2)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not discharge a firearm or throw or project an object towards electrical infrastructure or an electrical installation if there is a risk of damage to the infrastructure or installation, or interruption of electricity supply.	Section 96 (3)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who proposes to do work near electricity infrastructure must give the appropriate electricity entity at least 7 days notice of the proposed work if: (a) there is a risk of equipment or a structure coming into dangerous proximity to electrical conductors; (b) the work may affect the support for any part of electricity infrastructure; or (c) the work may interfere with the electricity infrastructure in some other way.	Section 99 (1)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who does work near electricity infrastructure must comply with: (a) requirements prescribed by the Regulations that are applicable to the work; and (b) reasonable requirements made by the electricity entity for the protection of the infrastructure or the safety of the persons carrying out the work.	Section 99 (3)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Impersonation of officials, etc.	A person must not, without reasonable excuse, obstruct an authorised officer, an electricity officer or anyone else engaged in the administration of this Act or the exercise of powers under this Act.	Section 101 (1)		Administration	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	False or misleading information	A person must not make a statement that is false or misleading in a material particular (whether by reason of the inclusion or omission of any particular) in any information furnished under this Act.	Section 102		Administration	Penalty: If statement is deliberately false or misleading, 200 penalty units or 2 years imprisonment. In any other case 50 penalty units	Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Access terms	Network Users must keep the Power System Controller informed of arrangements the Network User has made to obtain standby power and must promptly provide to the Power System Controller any information concerning those arrangements that the Power System Controller reasonably requests.	Clause 26(3)		Technical		Major	Probable	High
Electricity Networks (Third Party Access) Code	Access terms	The network user must provide the network provider and the power system controller with information reasonably requested relating to the user's forecast electricity generation or load.	Clause 28 (1)		Technical		Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Access terms	The Network User must use reasonable endeavours to provide accurate and complete information under subclause (1).	Clause 28(2)		Technical		Major	Probable	High
Electricity Networks (Third Party Access) Code	Access terms	A Network User must comply with the System Control Technical Code issued by the Power System Controller regarding the monitoring, operation and control of the power system.	Clause 30(4)		Technical		Major	Probable	High
Utilities Commission Act	Making and effect of determinations	A licensed entity must comply with a determination that applies in whole or in part to the entity	Section 22 (8)		Administration		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Utilities Commission Act	Enforcement of determinations	A person must comply with: (a) a provisional order or a final order served on the person under this section; or (b) an undertaking given by the person and accepted by the Commission under this section.	Section 23 (8) (a) & (b)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Utilities Commission Act	False or misleading information	A person must not make a statement that is false or misleading in a material particular (whether by reason of the inclusion or omission of any particular) in any information given under this Act.	Section 36		Administration	Penalty: If statement is made knowing that it was false or misleading - 200 penalty units or 2 years imprisonment, in any other case - 100 penalty units	Major	Unlikely	High
Electricity Retail Supply Code	Network Access Agreement	The retailer and network provider must enter into a Network Access Agreement (consistent with the requirements of the ENTPA Act) for the: (a) provision of network access services; and (b) the coordination of various matters specified by the Commission in accordance with the network provider's licence including without limitation, customer billing, fault reporting and notification of interruptions	Clause 4.1.1		Electricity retail competition		Major	Unlikely	High
Electricity Retail Supply Code	PWC (Retail) to be the Retailer of Last Resort	If a Retailer of Last Resort Event occurs in relation to a retailer (the 'failed retailer'): (b) Power and Water Corporation (Retail) must sell electricity to the existing customers of the failed retailer from the date(s) set by the Commission.	Clause 9.2.3		Electricity retail competition		Major	Unlikely	High
Electricity Retail Supply Code	Retailer of Last Resort arrangements	As Retailer of Last Resort, PWC (Retail) must sell electricity to the existing customers of the failed retailer in accordance with the Retailer of Last Resort tariffs approved by the Commission	Clause 9.4.3		Electricity retail competition		Major	Unlikely	High

High Risk Obligations Applicable to the Holder of the Retail Licence (other than PWC)



Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Retail Licence (other than PWC)	Compliance process and compliance reporting	Within 3 months of issue of this licence, the licensee must establish, document, maintain and comply with appropriate auditable internal policies, procedures and systems ("compliance process") for ensuring that it complies with its obligations under this licence, and all applicable laws, codes, rules or standards	Clause 10.1(a)	4/05/2011	Administration		Major	Probable	High
Electricity Retail Licence (other than PWC)	Compliance process and compliance reporting	The compliance process must include policies, procedures and systems for (i) training of employees about the obligations of the licensee under this licence; (ii) regular internal audit by the licensee of its compliance with its obligations under this licence; (iii) regulator reporting to, and consideration by, the Board of the Licensee concerning compliance with the obligations of the licensee under this licence; (iv) dealing with any complaints made by a customer or other third party to the licensee in connection with non-compliance by the licensee with its obligations under this licence; and (v) detecting and report to the Commission any material breach of the compliance procedures	Clause 10.1 (b)		Administration		Major	Probable	High
Electricity Retail Licence (other than PWC)	Compliance process and compliance reporting	Licensee must provide a report to the Commission at reasonable intervals determined by the Commission, describing the measures taken by the licensee to ensure compliance with its obligations (a compliance report)	Clause 10.2 (a)		Administration		Major	Probable	High
Electricity Retail Licence (other than PWC)	Compliance process and compliance reporting	In the event that the Commission appoints an independent auditor, (ii) the licensee must cooperate with any reasonable requests made by the independent auditor in undertaking the audit	Clause 10.4 (b)		Administration		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Retail Licence (other than PWC)	Compliance process and compliance reporting	Licensee must report any material breach of its obligations under this licence to the Commission as soon as reasonably possible after becoming aware that the breach has occurred, and must advise of the remedial action that is being undertaken to rectify the breach	Clause 10.5		Administration		Major	Unlikely	High
Electricity Retail Licence (other than PWC)	Adequate Supply Arrangements	Licensee must take reasonable steps to ensure that it has in place at all times arrangements to provide a supply of electricity that is safe, reliable and of a satisfactory quality to its customers	Clause 14		Performance		Major	Unlikely	High
Electricity Retail Licence (other than PWC)	Customer notification and information	Licensee must offer to sell electricity to existing and new customers who are likely to have annual electricity consumption of 750MWh or less on the terms and conditions, including the relevant Pricing Order, as the equivalent class of customers were on immediately before becoming contestable customers for the grace period specified in the Regulations	Clause 15.3		Conduct		Major	Unlikely	High
Electricity Reform Act	Licences in electricity supply industry	Electricity entity must not carry on operations in the electricity supply industry for which a licence is required unless the person holds a licence under this part authorising the relevant operations.	Section 14		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence - general	A licence authorises the electricity entity named in the licence to carry on operations in the electricity supply industry in accordance with the terms and conditions of the licence.	Section 20 (1)		Administration		Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence authorising selling of electricity	A licence authorising the selling of electricity authorises the Electricity Entity (a) to trade in electricity; and (b) to retail electricity to customers, under the terms of the licence.	Section 23(1)		Administration		Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence authorising selling of electricity	A licence authorising the selling of electricity does not authorise the Electricity Entity to have access to an electricity network other than in accordance with an access agreement entered into under the Network Access Code with the Electricity Entity licensed to operate the electricity network	Section 23 (5)		Administration		Major	Unlikely	High
Electricity Reform Act	Offence to contravene licence conditions	An electricity entity must not contravene a condition of its licence.	Section 31 (1)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Transfer of licence	A licence may only be transferred with the Commission's agreement.	Section 33 (1)		Administration		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Commission's powers to take over operations	Electricity Entity must facilitate the take over of the relevant operations by the operator if the Commission exercises its powers under section 41	Section 42 (3)		Administration		Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	A person must not obstruct the operator's access to property or the exercise by the operator of the operator's responsibilities under this Part.	Section 42 (6)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	A person must comply with reasonable directions given by the operator in the exercise of the operator's responsibilities under this Part.	Section 42 (7)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Electricity pricing order	An electricity entity must comply with an electricity pricing order or part of an electricity pricing order that applies to the entity.	Section 44 (11)		Pricing		Major	Unlikely	High
Electricity Reform Act	Utilities Commission to monitor and advise on system capacity	Electricity entities operating in the Territory's power system are to provide information and technical assistance that the Commission reasonably requires to perform its responsibilities under section 45 (1)	Section 45(2)		Performance		Major	Unlikely	High
Electricity Reform Act	Utilities Commission to monitor and advise on system capacity	A network user or customer who is required to provide information under subsection (3) must provide the information as and when required by the Commission.	Section 45 (4)		Performance	Maximum penalty: 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Power to require information	A person must not, without reasonable excuse, fail to comply with a requirement under this section.	Section 81 (3)		Administration	Maximum penalty: 200 penalty units.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) attach an electrical installation or other thing, or make any connection, to an electricity network; (b) disconnect or interfere with a supply of electricity from an electricity network; or (c) damage or interfere with electrical infrastructure or an electrical installation in any other way.	Section 96 (1)		Safety	Maximum penalty: 200 penalty units or imprisonment for 2 years.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) be in an enclosure where electrical infrastructure is situated; or (b) climb on poles and other structures that are part of electrical infrastructure.	Section 96 (2)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not discharge a firearm or throw or project an object towards electrical infrastructure or an electrical installation if there is a risk of damage to the infrastructure or installation, or interruption of electricity supply.	Section 96 (3)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who proposes to do work near electricity infrastructure must give the appropriate electricity entity at least 7 days notice of the proposed work if: (a) there is a risk of equipment or a structure coming into dangerous proximity to electrical conductors; (b) the work may affect the support for any part of electricity infrastructure; or (c) the work may interfere with the electricity infrastructure in some other way.	Section 99 (1)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who does work near electricity infrastructure must comply with: (a) requirements prescribed by the Regulations that are applicable to the work; and (b) reasonable requirements made by the electricity entity for the protection of the infrastructure or the safety of the persons carrying out the work.	Section 99 (3)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform Act	Impersonation of officials, etc.	A person must not, without reasonable excuse, obstruct an authorised officer, an electricity officer or anyone else engaged in the administration of this Act or the exercise of powers under this Act.	Section 101 (1)		Administration	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	False or misleading information	A person must not make a statement that is false or misleading in a material particular (whether by reason of the inclusion or omission of any particular) in any information furnished under this Act.	Section 102		Administration	Penalty: If statement is deliberately false or misleading, 200 penalty units or 2 years imprisonment. In any other case 50 penalty units	Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Access terms	Network Users must keep the Power System Controller informed of arrangements the Network User has made to obtain standby power and must promptly provide to the Power System Controller any information concerning those arrangements that the Power System Controller reasonably requests.	Clause 26(3)		Technical		Major	Probable	High
Electricity Networks (Third Party Access) Code	Access terms	The network user must provide the network provider and the power system controller with information reasonably requested relating to the user's forecast electricity generation or load.	Clause 28 (1)		Technical		Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Access terms	The Network User must use reasonable endeavours to provide accurate and complete information under subclause (1).	Clause 28(2)		Technical		Major	Probable	High
Electricity Networks (Third Party Access) Code	Access terms	A Network User must comply with the System Control Technical Code issued by the Power System Controller regarding the monitoring, operation and control of the power system.	Clause 30(4)		Technical		Major	Probable	High
Utilities Commission Act	Making and effect of determinations	A licensed entity must comply with a determination that applies in whole or in part to the entity	Section 22 (8)		Administration		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Utilities Commission Act	Enforcement of determinations	A person must comply with: (a) a provisional order or a final order served on the person under this section; or (b) an undertaking given by the person and accepted by the Commission under this section.	Section 23 (8) (a) & (b)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Utilities Commission Act	False or misleading information	A person must not make a statement that is false or misleading in a material particular (whether by reason of the inclusion or omission of any particular) in any information given under this Act.	Section 36		Administration	Penalty: If statement is made knowing that it was false or misleading - 200 penalty units or 2 years imprisonment, in any other case - 100 penalty units	Major	Unlikely	High
Electricity Retail Supply Code	Network Access Agreement	The retailer and network provider must enter into a Network Access Agreement (consistent with the requirements of the ENTPA Act) for the: (a) provision of network access services; and (b) the coordination of various matters specified by the Commission in accordance with the network provider's licence including without limitation, customer billing, fault reporting and notification of interruptions	Clause 4.1.1		Electricity retail competition		Major	Unlikely	High

High Risk Obligations Applicable to the Holder of the Generation Licence



Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Generation Licence	Compliance process and compliance reporting	A licensee must establish, document, maintain and comply with appropriate auditable internal policies, procedures and systems ("compliance process") for ensuring that that it complies with its obligations under this licence, and all applicable laws, codes, rules or standards	Clause 10.1 (a)		Administration	Major	Probable	High
Generation Licence	Compliance process and compliance reporting	The compliance process must include policies, procedures and systems for (i) training of employees about the obligations of the licensee under this licence; (ii) regular internal audit by the licensee of its compliance with its obligations under this licence; (iii) regular reporting to, and consideration by, the Board of the licensee concerning compliance with the obligations of the licensee under this licence; (iv) dealing with any complaints made by a customer or other third party to the licensee in connection with non-compliance by the licensee with its obligations under this licence; and (v) detecting and reporting to the Utilities Commission any breach of the compliance procedures	Clause 10.1 (b)		Administration	Major	Probable	High
Generation Licence	Compliance process and compliance reporting	The licensee must provide a report to the Commission, at reasonable intervals determined by the Commission, describing the measures taken by the licensee to ensure compliance with its obligations (a compliance report)	Clause 10.2 (a)		Administration	Major	Probable	High
Generation Licence	Compliance process and compliance reporting	In the event that the Commission appoints an independent auditor, (ii) the licensee must cooperate with any reasonable requests made by the independent auditor in undertaking the audit	Clause 10.4 (b) (ii)		Administration	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Generation Licence	Compliance process and compliance reporting	The licensee must report any breach of its obligations under this licence to the Commission as soon as reasonably possible after becoming aware that the breach has occurred, and must advise of the remedial action that is being undertaken to rectify the breach	Clause 10.5		Administration	Major	Probable	High
Generation Licence	Directions of System Controller	The licensee must comply with the directions of the System Controller.	Clause 13		Technical	Major	Unlikely	High
Generation Licence	Quality of Electricity	The licensee must provide electricity of a quality suitable for any electricity network which is interconnected or interfaces with the licensee's electricity generating plants.	Clause 14		Performance	Major	Unlikely	High
Generation Licence	Compatibility	The licensee must not do anything to its electricity generating plants affecting the compatibility of its electricity plants with any electricity network so as to prejudice safety or the security of supply	Clause 15		Technical	Major	Unlikely	High
Generation Licence	Right of Use	The licensee must grant each electricity entity holding a network licence rights to use or have access to the licensee's generating plants that are interconnected or interface with licensee's assets for the purposes of ensuring the proper integrated operation of the power system and the proper conducted of the operations authorised by the electricity entity's licence.	Clause 16 (a)		Technical	Major	Unlikely	High
Generation Licence	Safety Management Plan	Licensee must [by date] (i) prepare a safety and technical management plan, which must be consistent with and reflect good electricity industry practice in relation to safety and technical management of the electricity infrastructure owned or operated by the licensee under this license; and (ii) submit the plan to the Commission for approval.	Clause 20(a)	need to update	Administration	Major	Probable	High
Generation Licence	Safety Management Plan	Licensee must annually review, and if necessary update, the plan to ensure its efficient operation, and submit the update plan to the Commission for approval.	Clause 20(b)		Safety	Major	Unlikely	High
Generation Licence	Safety Management Plan	Licensee must comply with the plan as approved in accordance with this clause.	Clause 20 (c)		Technical	Major	Unlikely	High
Generation Licence	Safety Management Plan	Licensee must not amend the plan without the approval of the Utilities Commission or the regulator specified in the Electricity Reform Act and the Electricity Reform (Safety and Technical) Regulations as having the authority to approve the licensee's safety and technical management plan from time to time.	Clause 20 (d)		Technical	Major	Unlikely	High
Special Licence (Independent Power Producer)	Provision of information	The licensee must, from time to time, provide the Commission or the System Controller, in a manner and form to be determined by the Commission or the System Controller, such information as the Commission or the System Controller may request	Clause 15		Administration	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Electricity Reform Act	Licence fees and returns	The annual licence fee for a licence is the fee fixed from time to time by the Minister in respect of the licence as an amount that the Minister considers to be a reasonable contribution towards administrative costs.	Section 19 (3)		Administration	Major	Unlikely	High
Electricity Reform Act	Licence fees and returns	If the holder of a licence fails to lodge the annual return or pay the annual licence fee (or an instalment of the annual licence fee) in accordance with this section, the Commission may, by written notice, require the holder to make good the default and, in addition, to pay to the Commission the amount prescribed as a penalty (which is a civil penalty) for default.	Section 19 (5)		Administration	Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence - general	A licence authorises the electricity entity named in the licence to carry on operations in the electricity supply industry in accordance with the terms and conditions of the licence.	Section 20 (1)		Administration	Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence - general	The operations authorised by a licence need not be all of the same character or at the same location but may consist of a combination of different operations or operations at different locations.	Section 20 (2)		Administration	Major	Unlikely	High
Electricity Reform Act	Limitation on obligation to connect and distribute	The Commission may, on granting a licence authorising the selling of electricity, make the licence subject to conditions determined by the Commission: (f) if the electricity entity sells electricity to non-contestable customers - requiring the electricity entity, until a date determined by the Minister: (i) to request these non-contestable customers to give written consent to the electricity entity providing their names, addresses and other contact details from time to time to the Commission and the Commission providing that information to other electricity entities holding licences authorising the selling of electricity; and (ii) to provide copies of those consents and the information relating to the consenting customers to the Commission; (g) if the electricity entity sells electricity to non-contestable customers: (i) requiring the electricity entity to take reasonable steps to identify when its non-contestable customers will or could become contestable customers and to give those customers at least 28 days notice of that fact and specifying the manner in which the notice is to be given; and (ii) requiring the electricity entity to request these non-contestable customers to give written consent to the electricity entity providing their names, addresses and other contact details from time to time to the Commission and the Commission providing that information to other electricity entities holding licences authorising the selling of electricity; (h) if the electricity entity sells electricity to non-contestable customers: (i) requiring the standard terms and conditions governing the sale of electricity by the electricity entity to offer to sell electricity to contestable	Section 28 (1) (g) - (i)		Administration	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
		customers on the same tariff schedule that applied to those customers immediately before becoming contestable customers for a period specified in the Regulations after they become contestable customers; (ii) requiring the electricity entity to take reasonable steps to give the customers at least 28 days notice of the date on which the specified period will expire; and (iii) specifying the manner in which the notice must be given; and (j) requiring the electricity entity to enter into and comply with an agreement (on terms approved from time to time by the Commission) with each electricity entity holding a licence authorising the generation of electricity and the operation of an electricity network that provides services to the customers supplied by the entity as to the co-ordination of the provision of services to those customers, including arrangements whereby any complaint that a customer has about the quality of the services being supplied is taken up by the electricity entity with those electricity entities on the customer's behalf.						
Electricity Reform Act	Variation of licence	A variation to the licence may only be made: (a) on application by the electricity entity or with the electricity entity's agreement; or (b) after giving the electricity entity reasonable notice of the proposed variation and allowing the entity a reasonable opportunity to make representations about the proposed variation.	Section 32 (2)		Administration	Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	If: (a) an electricity entity contravenes a condition of its licence or any other requirement of this Act, or an electricity entity's licence ceases, or is to cease, to be in force; and (b) it is necessary, in the Commission's opinion, to take over the entity's operations (or some of them) to ensure an adequate, reliable and secure generation, supply and sale of electricity to customers, the Administrator may make a determination under this section.	Section 41 (1)		Administration	Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	When a determination is made under this Part, the Commission must appoint a suitable person (who may, but need not, be an electricity entity) to take over and carry on the relevant operations on terms and conditions agreed with the Commission.	Section 42 (1)		Administration	Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	Electricity Entity must facilitate the take over of the relevant operations by the operator if the Commission exercises its powers under section 41	Section 42 (3)		Administration	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Electricity Reform Act	Electricity pricing order	An electricity entity must comply with an electricity pricing order or part of an electricity pricing order that applies to the entity.	Section 44 (11)		Performance	Major	Unlikely	High
Electricity Reform Act	Utilities Commission to monitor and advise on system capacity	The Commission must: (a) develop forecasts of overall electricity load and generating capacity in consultation with participants in the electricity supply industry and report the forecasts to the Minister and electricity entities; (b) review and report to the Minister on the performance of the Territory's power system; (c) advise the Minister on matters relating to the future capacity and reliability of the Territory's power system relative to forecast load; (d) advise the Minister, either on its own initiative or at the request of the Minister, on other electricity supply industry and market policy matters; and (e) submit to the Minister, and publish an annual review of the prospective trends in the capacity and reliability of the Territory's power system relative to projected load growth	Section 45 (1)		Performance	Major	Unlikely	High
Electricity Reform Act	Power to require disconnection of cathodic protection system	A person to whom a direction is given under this section (in regard to a cathodic protection system not complying with, or is being operated contrary to, the Regulations) must comply with the direction.	Section 79 (3)		Administration	Major	Unlikely	High
Electricity Reform Act	Application and issue of warrant	An authorised officer or electricity officer may apply to a magistrate for a warrant to enter a place specified in the application.	Section 94 (1)		Safety	Major	Unlikely	High
Electricity Reform Act	Application and issue of warrant	An electricity officer must be accompanied by a member of the Police Force when entering a place under a warrant.	Section 94 (4)		Safety	Major	Unlikely	High
Electricity Reform Act	Urgent situations	An authorised officer or electricity officer may apply to a magistrate for a warrant by telephone, facsimile or other prescribed means if the officer considers the urgency of the situation requires it.	Section 95 (1)		Safety	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not discharge a firearm or throw or project an object towards electrical infrastructure or an electrical installation if there is a risk of damage to the infrastructure or installation, or interruption of electricity supply.	Section 96 (3)		Safety	Major	Unlikely	High
Electricity Reform Act	Unlawful abstraction or diversion of electricity	A person must not, without proper authority: (a) abstract or divert electricity from a power system; or (b) interfere with a meter or other device for measuring the consumption of electricity supplied by an Electricity Entity.	Section 97 (1)		Safety	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who proposes to do work near electricity infrastructure must give the appropriate electricity entity at least 7 days notice of the proposed work if: (a) there is a risk of equipment or a structure coming into dangerous proximity to electrical conductors; (b) the work may affect the support for any part of electricity infrastructure; or (c) the work may interfere with the electricity infrastructure in some other way.	Section 99 (1)		Administration	Major	Unlikely	High
Electricity Reform Act	Impersonation of officials, etc.	A person must not impersonate an authorised officer, an electricity officer or anyone else with powers under this Act.	Section 100		Administration	Major	Unlikely	High
Electricity Reform (Administration) Regulations	Vegetation clearance Procedure for consulting occupier	If after making the decision, the electricity entity still wishes to enter the place it must give to the occupier of the place a revised notice under section 64(2) of the Act.	Regulation 20(3)		Safety	Major	Unlikely	High
Electricity Reform (Administration) Regulations	Vegetation clearance Procedure for consulting occupier	A notice referred to in sub regulation (3) must contain the information required under regulation 17.	Regulation 20 (4)		Safety	Major	Unlikely	High
Electricity Reform (Administration) Regulations	Vegetation clearance Procedure for consulting occupier	The decision of an electricity entity to disallow an objection in whole or in part must be in writing, contain reasons for the decision and inform the objector of his or her right to lodge a complaint against the decision under the Ombudsman (Northern Territory) Act.	Regulation 20(6)		Safety	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Compliance with provisions of this Part and Parts 5 and 6	An electricity infrastructure operator, electrical installation operator and an employer must ensure compliance with the provisions of this Part and Parts 5 and 6 by his, her or its employees and contractors	Regulation 7(2)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Basic safety principle	A person engaging or preparing to engage in work on or near electricity infrastructure or an electrical installation must treat exposed conductors as live until they are: (a) isolated from all sources of electricity supply and proved to be de-energised; and (b) if they are high voltage conductors – earthed.	Regulation 8		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Work in proximity to exposed conductors, etc.	(1) Work must not be carried out in proximity to exposed conductors or exposed parts of electrical equipment unless: (a) it is carried out:(i) by a person who is suitably trained and qualified for such work beyond the approach limits set out in this regulation for such persons; or (ii) by a person who has been instructed in the identification of high and low voltage overhead conductors and the safety aspects of work near live powerlines beyond the approach limits set out in this regulation for such persons; and (b) it is carried out beyond the approach limits set out in this regulation that are applicable in the circumstances.	Regulation 12(1)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Work in proximity to exposed conductors, etc.	However, a person may work within the approach limits if: (a) the work can be carried out safely in any of the following circumstances: (i) there are installed suitable barriers or earthed metal shields between the person carrying out the work and the conductors or electrical equipment; (ii) the work to be carried out is testing of equipment and the equipment is designed such that the approach limits cannot be complied with; (iii) the work to be carried out is earthing of the conductors or equipment and is carried out after the exposed conductors have been isolated and proved to be de-energised; and (b) written instructions have been given, either generally or in a particular case, about the work and the precautions to be taken.	Regulation 12(2)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Work above exposed high voltage conductors, etc.	Work must not be carried out and equipment must not be positioned above exposed high voltage conductors or exposed parts of high voltage electrical equipment unless the work or positioning of the equipment is authorised in writing by the operator of the electricity infrastructure or electrical installation concerned.	Regulation 13		Safety	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Live high voltage line work	An electricity infrastructure operator or electrical installation operator may authorise a person to carry out live line work if satisfied the person: (a) has successfully finished a course of training approved by the electricity safety regulator and provided by a training provider approved by the electricity safety regulator; and (b) has been assessed by the training provider as competent to carry out the work.	Regulation 15(2) (a) & (b)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Live high voltage line work	The voltage of the powerlines on which live line work is carried out must be as stated by the relevant operator in the authorisation.	Regulation 15(3)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Register of underground lines	An Electricity Entity authorised to operate a transmission or distribution network must keep and maintain a register describing the nature and location of each line installed underground that is under the control of the entity.	Regulation 20(1)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Register of underground lines	The transmission or distribution network operator in an area must be notified by any other electricity entity of the nature and location of any line installed underground in the area by that other entity and that information must be recorded in the register kept by the network operator under subregulation (1).	Regulation 20(2)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Register of underground lines	Information contained in the register must be made available on request by a member of the public during normal business hours.	Regulation 20(3)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Protection of underground lines	A person must not: (a) place or maintain, or cause to be placed or maintained, a corrosive, abrasive, heavy or deleterious material or substance above an underground line; (b) make an opening in the ground surface that may endanger an underground line; or (c) remove, tamper with or cover any underground line marker, without the written authority of the operator of the electricity infrastructure of which the line forms part.	Regulation 21 (a) - (b)		Safety	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Entangled objects	A person must not, without the authority of the operator of the electricity infrastructure or electrical installation, pull or interfere with an object resting on or entangled in electricity infrastructure or the electrical installation unless the action is reasonably necessary to prevent or reduce injury to a person or property.	Regulation 22		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Altering ground levels near infrastructure	A person must not, without the written authority of the electricity infrastructure operator: (a) cut away, excavate or remove, or cause to be cut away, excavated or removed, earth or material supporting electricity infrastructure so as to endanger the stability of the infrastructure; (b) make an excavation deeper than 0.3 m within 3 m of: (i) a pole structure or stand, not being a tower or tower structure supporting electricity infrastructure; or (ii) a pole or bed log to which is affixed a staywire used to support electricity infrastructure; (c) make an excavation deeper than 0.5 m within 10 m of a tower or tower structure supporting electricity infrastructure; (d) make an excavation deeper than 0.3 m within 0.6 m of a wall, fence or foundation of a substation; or (e) place material or construct an artificial surface above ground level: (i) below an electric line or within the vertical projection of points to which a conductor of the electric line may sway; or (ii) adjacent to electricity infrastructure, in a manner that may alter the level of the ground at a place so as to infringe a permissible clearance distance under these Regulations.	Regulation 23		Safety	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Prohibition of certain activities in proximity to aerial lines and other cable systems	A person must not, without the written authority of the electricity infrastructure operator: (a) place or maintain material closer than the relevant distance set out in Table 1 in Schedule 3 to a point to which an aerial line (including a service line) or other cable system may swing or sag; (b) operate a machine, vehicle or vessel equipped with an elevating component or shear legs so that a part of the machine, vehicle, vessel or its load comes within the relevant distance set out in Table 2 in Schedule 3 to a point to which an aerial line (including a service line) or other cable system may swing or sag; (c) attach or keep attached to electricity infrastructure conductors of circuits or other cable system; (d) erect or maintain conductors of circuits, or other cable system, so as to cross the circuit of an aerial line, or other cable system, unless clearances in excess of the relevant distance set out in Table 3 in Schedule 3 can be maintained; or (e) erect a circuit or other cable system unless the clearance in any direction from the circuit or system to a structure forming part of electricity infrastructure (other than a structure supporting the circuit or system) is greater than the relevant distance set out in Table 4 in Schedule 3.	Regulation 24 (a) - (e)		Safety	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Infringement notice scheme	If an infringement notice is served under regulation 31, the infringement notice is to have clearly shown on it: (a) the name of the offender, if known; (b) the date, time and place of the offence; (c) the nature of the offence and the penalty payable in accordance with regulation 33; (d) the place or places at which the penalty may be paid; (e) the date of the infringement notice and a statement that the penalty may be paid within 28 days after that date; and (f) a statement to the effect that, if the appropriate amount specified in the infringement notice as the penalty for the offence is tendered at a place referred to in the notice within the time specified in the notice, no further action will be taken	Regulation 32		Safety	Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Access terms	A network user who nominates a proportion of its generation capacity to supply load following services to the power system as a whole will be subject to economic dispatch arrangements developed by the power system controller as part of the system control technical code and approved by the Commission.	Clause 25B (3)		Technical	Major	Probable	High
Electricity Networks (Third Party Access) Code	Access terms	A network user may alter its nomination under subclause (2) with 30 days notice to the power system controller.	Clause 25B(5)		Technical	Major	Probable	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Electricity Networks (Third Party Access) Code	Access terms	The system control technical code may set out: (a) operating protocols; (a) arrangements for system security and dispatch; (b) arrangements for disconnection; and (c) any other matters necessary to the efficient operation, monitoring and control of the power system.	Clause 27A(2)		Technical	Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Access terms	The power system controller may amend the system control technical code at any time, but only with the prior approval of the Commission	Clause 27A(3)		Technical	Major	Probable	High
Electricity Networks (Third Party Access) Code	Access terms	If time-of-use demand metering equipment with remote monitoring facilities is required by the network provider at a connection point the subject of an access agreement, the equipment must be installed at the connection point prior to commencement of the access agreement.	Clause 29 (1)		Technical	Major	Probable	High
Electricity Networks (Third Party Access) Code	Access terms	When the network provider is installing the metering equipment, the network user must cooperate with the network provider to enable it to do so.	Clause 29(2)		Technical	Major	Probable	High
Electricity Networks (Third Party Access) Code	Access terms	A network user must comply with good electricity industry practice in operating, maintaining, constructing and commissioning plant or equipment connected to the electricity network or in transferring electricity to or taking electricity from the electricity network	Clause 30 (1)		Technical	Major	Probable	High
Utilities Commission Act	Making and effect of determinations	If the Commission makes a determination, the Commission must (a) send a copy of a determination (i) to the Minister; (ii) to each licensed entity to which the determination applies; and (iii) to an person who made a submission to an inquiry to which the determination relates and who has asked for a copy of the determination; and (b) ensure that copies of the determination are available for inspect and purchase by members of the public	Section 22 (3) (a) & (b)		Administration	Major	Unlikely	High
Utilities Commission Act	Enforcement of determinations	If the Commission has made a provisional order, the Commission must not make a final order if the person has given an undertaking to comply with the determination and the Commission has accepted the undertaking	Section 23 (5)		Administration	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Impact	Likelihood	Risk Rating
Utilities Commission Act	Inquiries and reports	If information is excluded from a report as being confidential information, a note to that effect must be included in the report at the place in the report from which the information is excluded	Section 34 (7)		Administration	Major	Unlikely	High
Electricity Retail Supply Code	Failure to provide credit support	Where the retailer has not provided the credit support required under this Code to the network provider, the network provider is under no obligation to commence providing network services to the retailer.	Clause 3.3.1		Electricity retail competition	Major	Unlikely	High

High Risk Obligations Applicable to the Holder of the Networks Licence



Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Networks Licence	Compliance process and compliance reporting	Licensee must establish, document, maintain and comply with appropriate auditable internal policies, procedures and systems ("compliance process") for ensuring that it complies with its obligations under this licence, and all applicable laws, Codes, rules or standards.	Clause 10.1 (a)		Administration		Major	Probable	High
Networks Licence	Compliance process and compliance reporting	The compliance process must include policies, procedures and systems for (i) training of employees about the obligations of the licensee under this licence; (ii) regular internal audit by the licensee of its compliance with its obligations under this licence; (iii) regulator reporting to, and consideration by, the Board of the Licensee concerning compliance with the obligations of the licensee under this licence; (iv) dealing with any complaints made by a customer or other third party to the licensee in connection with non-compliance by the licensee with its obligations under this licence; and (v) detecting and report to the Commission any material breach of the compliance procedures	Clause 10.1 (b)		Administration		Major	Probable	High
Networks Licence	Compliance process and compliance reporting	Licensee must provide a report to the Commission at reasonable intervals determined by the Commission, describing the measures taken by the licensee to ensure compliance with its obligations (a compliance report)	Clause 10.2 (a)		Administration		Major	Probable	High
Networks Licence	Compliance process and compliance reporting	In the event that the Commission appoints an independent auditor, (ii) the licensee must cooperate with any reasonable requests made by the independent auditor in undertaking the audit	Clause 10.4 (b) (ii)		Administration		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Networks Licence	Compliance process and compliance reporting	Licensee must report any material breach of its obligations under this licence as soon as reasonably possible after becoming aware of the breach to the Commission as soon as reasonably possible after becoming aware that the breach has occurred, and must advise of the remedial action that is being undertaken to rectify the breach	Clause 10.5 (a)		Administration		Major	Probable	High
Networks Licence	Compatibility	Licensee must not do anything to its electricity network affecting the compatibility of its electricity network with any other electricity network or electricity generating plant so as to prejudice public safety or the security of supply.	Clause 13		Technical		Major	Unlikely	High
Networks Licence	Operation and Maintenance	Licensee must operate, maintain (including repair and replace if necessary) and protect its electricity networks in accordance with the Network Access Code and the Network Technical Code.	Clause 15 (a)		Technical		Major	Probable	High
Networks Licence	Operation and Maintenance	Licensee must operate, maintain (including repair and replace if necessary) and protect its non-regulated electricity network so as not to prejudice public safety or, subject to any arrangements that the licensee has with its customers in relation to the supply of electricity and to the extent reasonably possible under funding arrangements entered into between the licensee and the Northern Territory of Australia, security of supply	Clause 15 (b)		Technical		Major	Probable	High
Networks Licence	Coordination	Licensee must operate its electricity network in coordination with other electricity networks to which it is connected directly or indirectly.	Clause 16		Technical		Major	Unlikely	High
Networks Licence	Network Control	Subject to Section 38 of the Electricity Reform Act, Licensee must be responsible for network control of its electricity network.	Clause 19		Technical		Major	Unlikely	High
Networks Licence	Safety and Technical Management Plan	Licensee must [by date] (i) prepare a safety and technical management plan, which must be consistent with and reflect good electricity industry practice in relation to safety and technical management of the electricity infrastructure owned or operated by the licensee under this licence; and (ii) submit the plan to the Commission for approval.	Clause 24(a)	need to update	Administration		Major	Probable	High
Networks Licence	Safety and Technical Management Plan	Licensee must annually review, and if necessary update, the plan to ensure its efficient operation, and submit the update plan to the Commission for approval.	Clause 24(b)		Safety		Major	Unlikely	High
Networks Licence	Safety and Technical Management Plan	Licensee must comply with the plan as approved in accordance with this clause.	Clause 24 (c)		Technical		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Networks Licence	Safety and Technical Management Plan	Licensee must not amend the plan without the approval of the Utilities Commission or the regulator specified in the Electricity Reform Act and the Electricity Reform (Safety and Technical) Regulations as having the authority to approve the licensee's safety and technical management plan from time to time.	Clause 24 (d)		Technical		Major	Unlikely	High
Electricity Reform Act	Licences in electricity supply industry	Electricity entity must not carry on operations in the electricity supply industry for which a licence is required unless the person holds a licence under this part authorising the relevant operations.	Section 14		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence - general	A licence authorises the electricity entity named in the licence to carry on operations in the electricity supply industry in accordance with the terms and conditions of the licence.	Section 20 (1)		Administration		Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence authorising operation of electricity network	A licence authorising the operation of an electricity network authorises the Electricity Entity (a) to operate the electricity network in the geographical area stated in the licence; and (b) if stated in the licence - to connect the electricity network to another electricity network stated in the licence	Section 22 (1)		Administration		Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence authorising operation of electricity network	A licence does not relieve the Electricity Entity or anyone else from complying with laws applying to developing, building, operating or maintaining an electricity network	Section 22 (2)		Administration		Major	Unlikely	High
Electricity Reform Act	Offence to contravene licence conditions	An electricity entity must not contravene a condition of its licence.	Section 31 (1)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Transfer of licence	A licence may only be transferred with the Commission's agreement.	Section 33 (1)		Administration		Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	Electricity Entity must facilitate the take over of the relevant operations by the operator if the Commission exercises its powers under section 41	Section 42 (3)		Administration		Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	A person must not obstruct the operator's access to property or the exercise by the operator of the operator's responsibilities under this Part.	Section 42 (6)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Commission's powers to take over operations	A person must comply with reasonable directions given by the operator in the exercise of the operator's responsibilities under this Part.	Section 42 (7)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Utilities Commission to monitor and advise on system capacity	Electricity entities operating in the Territory's power system are to provide information and technical assistance that the Commission reasonably requires to perform its responsibilities under section 45 (1)	Section 45(2)		Performance		Major	Unlikely	High
Electricity Reform Act	Power to require information	A person must not, without reasonable excuse, fail to comply with a requirement under this section.	Section 81 (3)		Administration	Maximum penalty: 200 penalty units.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) attach an electrical installation or other thing, or make any connection, to an electricity network; (b) disconnect or interfere with a supply of electricity from an electricity network; or (c) damage or interfere with electrical infrastructure or an electrical installation in any other way.	Section 96 (1)		Safety	Maximum penalty: 200 penalty units or imprisonment for 2 years.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) be in an enclosure where electrical infrastructure is situated; or (b) climb on poles and other structures that are part of electrical infrastructure.	Section 96 (2)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not discharge a firearm or throw or project an object towards electrical infrastructure or an electrical installation if there is a risk of damage to the infrastructure or installation, or interruption of electricity supply.	Section 96 (3)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who proposes to do work near electricity infrastructure must give the appropriate electricity entity at least 7 days notice of the proposed work if: (a) there is a risk of equipment or a structure coming into dangerous proximity to electrical conductors; (b) the work may affect the support for any part of electricity infrastructure; or (c) the work may interfere with the electricity infrastructure in some other way.	Section 99 (1)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who does work near electricity infrastructure must comply with: (a) requirements prescribed by the Regulations that are applicable to the work; and (b) reasonable requirements made by the electricity entity for the protection of the infrastructure or the safety of the persons carrying out the work.	Section 99 (3)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform Act	Impersonation of officials, etc.	A person must not, without reasonable excuse, obstruct an authorised officer, an electricity officer or anyone else engaged in the administration of this Act or the exercise of powers under this Act.	Section 101 (1)		Administration	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	False or misleading information	A person must not make a statement that is false or misleading in a material particular (whether by reason of the inclusion or omission of any particular) in any information furnished under this Act.	Section 102		Administration	Penalty: If statement is deliberately false or misleading, 200 penalty units or 2 years imprisonment. In any other case 50 penalty units	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Compliance with provisions of this Part and Parts 5 and 6	An electricity infrastructure operator, electrical installation operator and an employer must ensure compliance with the provisions of this Part and Parts 5 and 6 by his, her or its employees and contractors	Regulation 7(2)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Basic safety principle	A person engaging or preparing to engage in work on or near electricity infrastructure or an electrical installation must treat exposed conductors as live until they are: (a) isolated from all sources of electricity supply and proved to be de-energised; and (b) if they are high voltage conductors – earthed.	Regulation 8		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Safe work practices	All reasonable steps must be taken to ensure safety in work to which this Division applies through: (a) the provision of suitable protection from adjacent live electrical conductors or adjacent live parts of electrical equipment; (b) the use of insulated tools and equipment; (c) the use of equipment and plant designed and made in accordance with recognised electricity industry practice; and (d) the use of safe work practices.	Regulation 10		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Work involving danger of direct contact with live conductors, etc.	In the case of work involving a danger of accidental direct contact with exposed live conductors or exposed live parts of electrical equipment: (a) the work must only be carried out by a person who is competent and qualified to carry out the work; and (b) except where the contrary is shown by reference to generally accepted industry practices or the particular circumstances of the case, it will be presumed that safe work practices require the person to carry out the work with a competent assistant suitably trained: (i) in the work; (ii) in resuscitation; (iii) in releasing persons from live electrical apparatus; and (iv) if appropriate – in rescuing persons from poles, structures, elevated work platforms or confined spaces.	Regulation 11(a) & (b)		Safety		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Work in proximity to exposed conductors, etc.	(1) Work must not be carried out in proximity to exposed conductors or exposed parts of electrical equipment unless: (a) it is carried out:(i) by a person who is suitably trained and qualified for such work beyond the approach limits set out in this regulation for such persons; or (ii) by a person who has been instructed in the identification of high and low voltage overhead conductors and the safety aspects of work near live powerlines beyond the approach limits set out in this regulation for such persons; and (b) it is carried out beyond the approach limits set out in this regulation that are applicable in the circumstances.	Regulation 12(1)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Work above exposed high voltage conductors, etc.	Work must not be carried out and equipment must not be positioned above exposed high voltage conductors or exposed parts of high voltage electrical equipment unless the work or positioning of the equipment is authorised in writing by the operator of the electricity infrastructure or electrical installation concerned.	Regulation 13		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Work by direct contact with exposed high voltage conductors, etc.	Work must not be carried out by direct contact with exposed high voltage conductors or exposed parts of high voltage electrical equipment unless the exposed high voltage conductors or exposed parts of high voltage electrical equipment are: (a) isolated, and shown by testing to be isolated, from all sources of electricity supply; and (b) earthed.	Regulation 14 (1) (a) & (b)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Work by direct contact with exposed high voltage conductors, etc.	If any such conductor or equipment cannot be directly contacted to prove isolation from all sources of electricity supply, it is sufficient if: (a) written instructions have been given for the isolation of the conductor or equipment from all sources of electricity supply; and (b) the conductor or equipment is earthed by a lockable earthing switch designed to be safely operated if the high voltage conductor or equipment has not been isolated from all sources of supply.	Regulation 14 (2) (a) & (b)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Live high voltage line work	Electrical work on exposed live high voltage conductors or exposed live parts of high voltage electrical equipment (in this regulation referred to as live line work) must not be carried out unless authorised in writing by the operator of the electricity infrastructure or electrical installation on which the work will be carried out.	Regulation 15(1)		Safety		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Live high voltage line work	The voltage of the powerlines on which live line work is carried out must be as stated by the relevant operator in the authorisation.	Regulation 15(3)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Live high voltage line work	The relevant operator must take reasonable steps to satisfy itself as to the continuing competency of a person authorised by the operator to carry out live line work.	Regulation 15(4)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Suitability of testing instruments	If tests are required to be performed on electricity infrastructure or an electrical installation or safety equipment under the Act: (a) the testing instruments used must be designed for and capable of correctly performing the required tests; (b) each testing instrument must be tested and calibrated to ensure it is in proper working order; and (c) the records of tests performed on testing instruments must be kept for at least 2 years.	Regulation 16 (a) & (b) & (c)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Rescue and resuscitation training	Persons required to carry out, or help in carrying out, electrical work must be suitably trained in rescue and resuscitation in accordance with recognised practices in the electricity industry.	Regulation 17		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Register of underground lines	An Electricity Entity authorised to operate a transmission or distribution network must keep and maintain a register describing the nature and location of each line installed underground that is under the control of the entity.	Regulation 20(1)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Register of underground lines	The transmission or distribution network operator in an area must be notified by any other electricity entity of the nature and location of any line installed underground in the area by that other entity and that information must be recorded in the register kept by the network operator under subregulation (1).	Regulation 20(2)		Safety		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Protection of underground lines	A person must not: (a) place or maintain, or cause to be placed or maintained, a corrosive, abrasive, heavy or deleterious material or substance above an underground line; (b) make an opening in the ground surface that may endanger an underground line; or (c) remove, tamper with or cover any underground line marker, without the written authority of the operator of the electricity infrastructure of which the line forms part.	Regulation 21 (a) - (b)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Entangled objects	A person must not, without the authority of the operator of the electricity infrastructure or electrical installation, pull or interfere with an object resting on or entangled in electricity infrastructure or the electrical installation unless the action is reasonably necessary to prevent or reduce injury to a person or property.	Regulation 22		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Altering ground levels near infrastructure	A person must not, without the written authority of the electricity infrastructure operator: (a) cut away, excavate or remove, or cause to be cut away, excavated or removed, earth or material supporting electricity infrastructure so as to endanger the stability of the infrastructure; (b) make an excavation deeper than 0.3 m within 3 m of: (i) a pole structure or stand, not being a tower or tower structure supporting electricity infrastructure; or (ii) a pole or bed log to which is affixed a staywire used to support electricity infrastructure; (c) make an excavation deeper than 0.5 m within 10 m of a tower or tower structure supporting electricity infrastructure; (d) make an excavation deeper than 0.3 m within 0.6 m of a wall, fence or foundation of a substation; or (e) place material or construct an artificial surface above ground level: (i) below an electric line or within the vertical projection of points to which a conductor of the electric line may sway; or (ii) adjacent to electricity infrastructure, in a manner that may alter the level of the ground at a place so as to infringe a permissible clearance distance under these Regulations.	Regulation 23		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Prohibition of certain activities in proximity to aerial lines and other cable systems	A person must not, without the written authority of the electricity infrastructure operator: (a) place or maintain material closer than the relevant distance set out in Table 1 in Schedule 3 to a point to which an aerial line (including a service line) or other cable system may swing or sag; (b) operate a machine, vehicle or vessel equipped with an elevating component or shear legs so that a part of the machine, vehicle, vessel or its load comes within the relevant distance set out in Table 2 in Schedule 3 to a point to which an aerial line (including a service line) or other cable system may swing or sag; (c) attach or keep attached to electricity infrastructure conductors of circuits or other cable system; (d) erect or maintain conductors of circuits, or other cable system, so as to cross the circuit of an aerial line, or other cable system, unless clearances in excess of the relevant distance set out in Table 3 in Schedule 3 can be maintained; or (e) erect a circuit or other cable system unless the clearance in any direction from the circuit or system to a structure forming part of electricity infrastructure (other than a structure supporting the circuit or system) is greater than the relevant distance set out in Table 4 in Schedule 3.	Regulation 24 (a) - (e)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Placement of materials near supporting structures, etc.	A person must not, without the written authority of the electricity infrastructure operator, place or maintain any material closer than the relevant distance set out in Table 1 in Schedule 3 to electricity infrastructure consisting of supporting or protective structure or equipment for aerial lines.	Regulation 25		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Placement of materials in proximity to substations	A person must not, without the written authority of the electricity infrastructure operator: (a) place or maintain any timber or inflammable material within 3 metres in any direction of a wall or fence surrounding a substation; (b) impede access to any door, gate or entrance of a substation or interfere in any way with the free flow of air through an opening or fitting used for ventilation in the walls of a substation; (c) place or maintain any material adjacent to a wall or fence of a substation; or (d) plant or nurture vegetation near or adjacent to a wall or fence of a substation, so as to enable unauthorised access to the substation.	Regulation 26		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Prohibition of burning in proximity to infrastructure	A person must not, without the written authority of the electricity infrastructure operator, burn any material in proximity to electricity infrastructure so that there is a risk of damage to the infrastructure or outages or flashovers	Regulation 27		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Miscellaneous	A person must not contravene or fail to comply with a provision of these Regulations for which a specific penalty is not provided.	Regulation 40		Safety	Maximum penalty: 50 penalty units.	Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Obligations of the network provider	The network provider must comply with good electricity industry practice when providing network access services and in planning, operating, maintaining, developing and extending the electricity network.	Clause 9(1)		Technical		Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Obligations of the network provider	The Network Technical Code and network planning criteria are to cover requirements set out in Schedule 1.	Clause 9(3)		Technical		Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Obligations of the network provider	The network provider must consult the Commission about the contents of the network technical code and the network planning criteria, and amend them where necessary if in the Commission's opinion they contain provisions inconsistent with the objectives of this Code, before the code and criteria are published.	Clause 9(4)		Technical		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Networks (Third Party Access) Code	Operational and technical requirements for access	<p>Network Technical Code</p> <p>The Network Technical Code must contain:</p> <p>(a) performance standards in respect of service quality parameters in relation to the electricity network;</p> <p>(b) the technical requirements that apply to the design or operation of plant or equipment connected to the electricity network;</p> <p>(c) requirements relating to the operation of the electricity network (including the operation of the network in emergency situations);</p> <p>(d) obligations to test plant or equipment in order to demonstrate compliance with the Network Technical Code;</p> <p>(e) procedures that apply if the network provider believes that an item of plant or equipment does not comply with the requirements of the Network Technical Code;</p> <p>(f) requirements relating to the inspection of plant or equipment connected to the electricity network;</p> <p>(g) requirements that relate to control and protection settings for plant or equipment connected to the electricity network;</p> <p>(h) procedures that apply in the case of commissioning and testing of new plant or equipment connected to the electricity network;</p> <p>(j) aside from matters appropriately dealt with in the system control technical code, procedures that apply to the disconnection of plant or equipment from the electricity network;</p> <p>(k) aside from matters appropriately dealt with in the system control technical code, procedures relating to the operation of generating units connected to the electricity network (including the giving of dispatch instructions and compliance with those instructions);</p> <p>(m) metering requirements in relation to connections; and</p> <p>(n) the information required to be provided to the access provider in relation to the operation of plant or equipment connected to the electricity network at a connection and how and when that information is to be provided.</p>	Schedule 1 Clause 1		Technical		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Networks (Third Party Access) Code	Operational and technical requirements for access	The network planning criteria must be consistent with the Network Technical Code and must contain the following: (a) contingency criteria; (b) steady-state criteria including: (i) voltage limits; (ii) thermal rating criteria; and (iii) fault rating criteria; (c) stability criteria including: (i) transient stability criteria; and (ii) voltage stability criteria; (d) quality of supply criteria including: (i) voltage fluctuation criteria; (ii) harmonic voltage criteria; (iii) harmonic current criteria; (iv) voltage unbalance criteria; and (v) electro-magnetic interference criteria; (e) construction standards criteria; and (f) environmental criteria.	Schedule 1 Clause 2		Technical		Major	Unlikely	High
Utilities Commission Act	Making and effect of determinations	A licensed entity must comply with a determination that applies in whole or in part to the entity	Section 22 (8)		Administration		Major	Unlikely	High
Utilities Commission Act	Enforcement of determinations	A person must comply with: (a) a provisional order or a final order served on the person under this section; or (b) an undertaking given by the person and accepted by the Commission under this section.	Section 23 (8) (a) & (b)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Utilities Commission Act	False or misleading information	A person must not make a statement that is false or misleading in a material particular (whether by reason of the inclusion or omission of any particular) in any information given under this Act.	Section 36		Administration	Penalty: If statement is made knowing that it was false or misleading - 200 penalty units or 2 years imprisonment, in any other case -	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
						100 penalty units			
Electricity Retail Supply Code	Failure to provide credit support	Where the retailer has commenced taking network services from the network provider and has not provided the credit support required under this Code to the network provider, the network provider must notify the Commission, providing all necessary information for the Commission to make a determination as to whether to invoke a Retailer of Last Resort Event	Clause 3.3.2		Electricity retail competition		Major	Unlikely	High
Electricity Retail Supply Code	Network Access Agreement	The retailer and network provider must enter into a Network Access Agreement (consistent with the requirements of the ENTPA Act) for the: (a) provision of network access services; and (b) the coordination of various matters specified by the Commission in accordance with the network provider's licence including without limitation, customer billing, fault reporting and notification of interruptions	Clause 4.1.1		Electricity retail competition		Major	Unlikely	High
Electricity Retail Supply Code	Network Access Agreement	The network provider must provide network access services in relation to the retailer's customers as required by the ENTPA Act and the Network Access Agreement	Clause 4.1.2		Electricity retail competition		Major	Unlikely	High

High Risk Obligations Applicable to the Holder of the System Control Licence



Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
System Control Licence	Capacity to operate	Licensee must, from time to time, provide the Commission with details of financial, technical and other capacity to continue operations under the licence, if requested to do so.	Clause 10.1		Administration		Major	Unlikely	High
System Control Licence	Compliance process and compliance reporting	Licensee must establish, document, maintain and comply with appropriate auditable internal policies, procedures and systems ("compliance process") for ensuring that it complies with its obligations under this licence, and all applicable laws, Codes, rules or standards.	Clause 11.1 (a)		Administration		Major	Probable	High
System Control Licence	Compliance process and compliance reporting	The compliance process must include policies, procedures and systems for (i) training of employees about the obligations of the licensee under this licence; (ii) regular internal audit by the licensee of its compliance with its obligations under this licence; (iii) regulator reporting to, and consideration by, the Board of the licensee concerning compliance with the obligations of the licensee under this licence; (iv) dealing with any complaints made by a customer or other third party to the licensee in connection with non-compliance by the licensee with its obligations under this licence; and (v) detecting and report to the Commission any material breach of the compliance procedures	Clause 11.1 (b)		Administration		Major	Unlikely	High
System Control Licence	Compliance process and compliance reporting	Licensee must provide a report to the Commission, at reasonable intervals determined by the Commission describing the measures taken by the licensee to ensure compliance with its obligations (a compliance report)	Clause 11.2 (a)		Administration		Major	Probable	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
System Control Licence	Compliance process and compliance reporting	In the event that the Commission appoints an independent auditor, (ii) the licensee must cooperate with any reasonable requests made by the independent auditor in undertaking the audit	Clause 11.4 (b) (ii)		Administration		Major	Unlikely	High
System Control Licence	Compliance process and compliance reporting	Licensee must report any material breach of its obligations under this licence to the Commission as soon as reasonably possible after becoming aware that the breach has occurred, and must advise of the remedial action that is being undertaken to rectify the breach	Clause 11.5 (a)		Administration		Major	Probable	High
Electricity Reform Act	Licences in electricity supply industry	Electricity entity must not carry on operations in the electricity supply industry for which a licence is required unless the person holds a licence under this part authorising the relevant operations.	Section 14		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Authority conferred by licence - general	A licence authorises the electricity entity named in the licence to carry on operations in the electricity supply industry in accordance with the terms and conditions of the licence.	Section 20 (1)		Administration		Major	Unlikely	High
Electricity Reform Act	Offence to contravene licence conditions	An electricity entity must not contravene a condition of its licence.	Section 31 (1)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Transfer of licence	A licence may only be transferred with the Commission's agreement.	Section 33 (1)		Administration		Major	Unlikely	High
Electricity Reform Act	Functions and powers of system controller	A system controller for a power system has, in carrying out the system controller's functions under this Act: (a) power to issue directions to electricity entities that are engaged in the operation of the power system, or contribute electricity to, or take electricity from, the power system; and (b) the other powers conferred by the Regulations.	Section 38 (2)		Technical		Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	Electricity Entity must facilitate the take over of the relevant operations by the operator if the Commission exercises its powers under section 41	Section 42 (3)		Administration		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Commission's powers to take over operations	A person must not obstruct the operator's access to property or the exercise by the operator of the operator's responsibilities under this Part.	Section 42 (6)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Commission's powers to take over operations	A person must comply with reasonable directions given by the operator in the exercise of the operator's responsibilities under this Part.	Section 42 (7)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Electricity Reform Act	Utilities Commission to monitor and advise on system capacity	Electricity entities operating in the Territory's power system are to provide information and technical assistance that the Commission reasonably requires to perform its responsibilities under section 45 (1)	Section 45(2)		Performance		Major	Unlikely	High
Electricity Reform Act	Power to require information	A person must not, without reasonable excuse, fail to comply with a requirement under this section.	Section 81 (3)		Administration	Maximum penalty: 200 penalty units.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) attach an electrical installation or other thing, or make any connection, to an electricity network; (b) disconnect or interfere with a supply of electricity from an electricity network; or (c) damage or interfere with electrical infrastructure or an electrical installation in any other way.	Section 96 (1)		Safety	Maximum penalty: 200 penalty units or imprisonment for 2 years.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) be in an enclosure where electrical infrastructure is situated; or (b) climb on poles and other structures that are part of electrical infrastructure.	Section 96 (2)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not discharge a firearm or throw or project an object towards electrical infrastructure or an electrical installation if there is a risk of damage to the infrastructure or installation, or interruption of electricity supply.	Section 96 (3)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who proposes to do work near electricity infrastructure must give the appropriate electricity entity at least 7 days notice of the proposed work if: (a) there is a risk of equipment or a structure coming into dangerous proximity to electrical conductors; (b) the work may affect the support for any part of electricity infrastructure; or (c) the work may interfere with the electricity infrastructure in some other way.	Section 99 (1)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who does work near electricity infrastructure must comply with: (a) requirements prescribed by the Regulations that are applicable to the work; and (b) reasonable requirements made by the electricity entity for the protection of the infrastructure or the safety of the persons carrying out the work.	Section 99 (3)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform Act	Impersonation of officials, etc.	A person must not, without reasonable excuse, obstruct an authorised officer, an electricity officer or anyone else engaged in the administration of this Act or the exercise of powers under this Act.	Section 101 (1)		Administration	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	False or misleading information	A person must not make a statement that is false or misleading in a material particular (whether by reason of the inclusion or omission of any particular) in any information furnished under this Act.	Section 102		Administration	Penalty: If statement is deliberately false or misleading, 200 penalty units or 2 years imprisonment. In any other case 50 penalty units	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Basic safety principle	A person engaging or preparing to engage in work on or near electricity infrastructure or an electrical installation must treat exposed conductors as live until they are: (a) isolated from all sources of electricity supply and proved to be de-energised; and (b) if they are high voltage conductors – earthed.	Regulation 8		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Suitability of testing instruments	If tests are required to be performed on electricity infrastructure or an electrical installation or safety equipment under the Act: (a) the testing instruments used must be designed for and capable of correctly performing the required tests; (b) each testing instrument must be tested and calibrated to ensure it is in proper working order; and (c) the records of tests performed on testing instruments must be kept for at least 2 years.	Regulation 16 (a) & (b) & (c)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Rescue and resuscitation training	Persons required to carry out, or help in carrying out, electrical work must be suitably trained in rescue and resuscitation in accordance with recognised practices in the electricity industry.	Regulation 17		Safety		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Protection of underground lines	A person must not: (a) place or maintain, or cause to be placed or maintained, a corrosive, abrasive, heavy or deleterious material or substance above an underground line; (b) make an opening in the ground surface that may endanger an underground line; or (c) remove, tamper with or cover any underground line marker, without the written authority of the operator of the electricity infrastructure of which the line forms part.	Regulation 21 (a) - (b)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Entangled objects	A person must not, without the authority of the operator of the electricity infrastructure or electrical installation, pull or interfere with an object resting on or entangled in electricity infrastructure or the electrical installation unless the action is reasonably necessary to prevent or reduce injury to a person or property.	Regulation 22		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Altering ground levels near infrastructure	<p>A person must not, without the written authority of the electricity infrastructure operator:</p> <p>(a) cut away, excavate or remove, or cause to be cut away, excavated or removed, earth or material supporting electricity infrastructure so as to endanger the stability of the infrastructure;</p> <p>(b) make an excavation deeper than 0.3 m within 3 m of:</p> <p>(i) a pole structure or stand, not being a tower or tower structure supporting electricity infrastructure; or</p> <p>(ii) a pole or bed log to which is affixed a staywire used to support electricity infrastructure;</p> <p>(c) make an excavation deeper than 0.5 m within 10 m of a tower or tower structure supporting electricity infrastructure;</p> <p>(d) make an excavation deeper than 0.3 m within 0.6 m of a wall, fence or foundation of a substation; or</p> <p>(e) place material or construct an artificial surface above ground level:</p> <p>(i) below an electric line or within the vertical projection of points to which a conductor of the electric line may sway; or</p> <p>(ii) adjacent to electricity infrastructure, in a manner that may alter the level of the ground at a place so as to infringe a permissible clearance distance under these Regulations.</p>	Regulation 23		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Prohibition of certain activities in proximity to aerial lines and other cable systems	A person must not, without the written authority of the electricity infrastructure operator: (a) place or maintain material closer than the relevant distance set out in Table 1 in Schedule 3 to a point to which an aerial line (including a service line) or other cable system may swing or sag; (b) operate a machine, vehicle or vessel equipped with an elevating component or shear legs so that a part of the machine, vehicle, vessel or its load comes within the relevant distance set out in Table 2 in Schedule 3 to a point to which an aerial line (including a service line) or other cable system may swing or sag; (c) attach or keep attached to electricity infrastructure conductors of circuits or other cable system; (d) erect or maintain conductors of circuits, or other cable system, so as to cross the circuit of an aerial line, or other cable system, unless clearances in excess of the relevant distance set out in Table 3 in Schedule 3 can be maintained; or (e) erect a circuit or other cable system unless the clearance in any direction from the circuit or system to a structure forming part of electricity infrastructure (other than a structure supporting the circuit or system) is greater than the relevant distance set out in Table 4 in Schedule 3.	Regulation 24 (a) - (e)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Placement of materials near supporting structures, etc.	A person must not, without the written authority of the electricity infrastructure operator, place or maintain any material closer than the relevant distance set out in Table 1 in Schedule 3 to electricity infrastructure consisting of supporting or protective structure or equipment for aerial lines.	Regulation 25		Safety		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform (Safety and Technical) Regulations	Placement of materials in proximity to substations	A person must not, without the written authority of the electricity infrastructure operator: (a) place or maintain any timber or inflammable material within 3 metres in any direction of a wall or fence surrounding a substation; (b) impede access to any door, gate or entrance of a substation or interfere in any way with the free flow of air through an opening or fitting used for ventilation in the walls of a substation; (c) place or maintain any material adjacent to a wall or fence of a substation; or (d) plant or nurture vegetation near or adjacent to a wall or fence of a substation, so as to enable unauthorised access to the substation.	Regulation 26		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Prohibition of burning in proximity to infrastructure	A person must not, without the written authority of the electricity infrastructure operator, burn any material in proximity to electricity infrastructure so that there is a risk of damage to the infrastructure or outages or flashovers	Regulation 27		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Miscellaneous	A person must not contravene or fail to comply with a provision of these Regulations for which a specific penalty is not provided.	Regulation 40		Safety	Maximum penalty: 50 penalty units.	Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Access terms	In exercising the powers conferred under clause 27(3), the power system controller must do so in a manner consistent with a system control technical code approved by the Commission	Clause 27A(1)		Technical		Major	Unlikely	High
Electricity Networks (Third Party Access) Code	Charges for out-of-balance energy services	Where system constraints or system security requirements affect the dispatch of particular generation units, the Power System Controller is to both: (a) instruct the dispatch of generation units; and (b) set the associated system imbalance energy price, in accordance with constraints management and system security procedures approved by the Commission	Clause 85B(4)		Pricing		Major	Unlikely	High

Source	Requirement	Description	Clause / Section	Date	Category	Penalty	Impact	Likelihood	Risk Rating
Utilities Commission Act	Making and effect of determinations	A licensed entity must comply with a determination that applies in whole or in part to the entity	Section 22 (8)		Administration		Major	Unlikely	High
Utilities Commission Act	Enforcement of determinations	A person must comply with: (a) a provisional order or a final order served on the person under this section; or (b) an undertaking given by the person and accepted by the Commission under this section.	Section 23 (8) (a) & (b)		Administration	Maximum penalty: 2 500 penalty units.	Major	Unlikely	High
Utilities Commission Act	False or misleading information	A person must not make a statement that is false or misleading in a material particular (whether by reason of the inclusion or omission of any particular) in any information given under this Act.	Section 36		Administration	Penalty: If statement is made knowing that it was false or misleading - 200 penalty units or 2 years imprisonment, in any other case - 100 penalty units	Major	Unlikely	High

High Risk Obligations Applicable to Holders of Special Licence (Independent Power Producer)



Source	Requirement	Description	Clause / Section	Due Date	Category	Penalty	Impact	Likelihood	Risk Rating
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) attach an electrical installation or other thing, or make any connection, to an electricity network; (b) disconnect or interfere with a supply of electricity from an electricity network; or (c) damage or interfere with electrical infrastructure or an electrical installation in any other way.	Section 96 (1)		Safety	Maximum penalty: 200 penalty units or imprisonment for 2 years.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not, without proper authority: (a) be in an enclosure where electrical infrastructure is situated; or (b) climb on poles and other structures that are part of electrical infrastructure.	Section 96 (2)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	Unlawful interference with electricity infrastructure or electrical installation	A person must not discharge a firearm or throw or project an object towards electrical infrastructure or an electrical installation if there is a risk of damage to the infrastructure or installation, or interruption of electricity supply.	Section 96 (3)		Safety	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
Electricity Reform Act	Notice of work that may affect electricity infrastructure	A person who proposes to do work near electricity infrastructure must give the appropriate electricity entity at least 7 days notice of the proposed work if: (a) there is a risk of equipment or a structure coming into dangerous proximity to electrical conductors; (b) the work may affect the support for any part of electricity infrastructure; or (c) the work may interfere with the electricity	Section 99 (1)		Safety	Maximum penalty: 25 penalty units.	Major	Unlikely	High

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Electricity Reform Act	Impersonation of officials, etc.	A person must not, without reasonable excuse, obstruct an authorised officer, an electricity officer or anyone else engaged in the administration of this Act or the exercise of powers under this Act.	Section 101 (1)		Administration	Maximum penalty: 100 penalty units or imprisonment for 6 months.	Major	Unlikely	High
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Electricity Reform (Safety and Technical) Regulations	Prohibition of certain activities in proximity to aerial lines and other cable systems	A person must not, without the written authority of the electricity infrastructure operator: (a) place or maintain material closer than the relevant distance set out in Table 1 in Schedule 3 to a point to which an aerial line (including a service line) or other cable system may swing or sag; (b) operate a machine, vehicle or vessel equipped with an elevating component or shear legs so that a part of the machine, vehicle, vessel or its load comes within the relevant distance set out in Table 2 in Schedule 3 to a point to which an aerial line (including a service line) or other cable system may swing or sag; (c) attach or keep attached to electricity infrastructure conductors of circuits or other cable system; (d) erect or maintain conductors of circuits, or other cable system, so as to cross the circuit of an aerial line, or other cable system, unless clearances in excess of the relevant distance set out in Table 3 in Schedule 3 can be maintained; or (e) erect a circuit or other cable system unless the clearance in any direction from the circuit or system to a structure forming part of electricity infrastructure (other than a structure supporting the circuit or system) is greater than the relevant distance set out in Table 4 in Schedule 3.	Regulation 24 (a) - (e)		Safety		Major	Unlikely	High
Electricity Reform (Safety and Technical) Regulations	Placement of materials near supporting structures, etc.	A person must not, without the written authority of the electricity infrastructure operator, place or maintain any material closer than the relevant distance set out in Table 1 in Schedule 3 to electricity infrastructure consisting of supporting or protective structure or equipment for aerial lines.	Regulation 25		Safety		Major	Unlikely	High

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Electricity Reform (Safety and Technical) Regulations	Miscellaneous	A person must not contravene or fail to comply with a provision of these Regulations for which a specific penalty is not provided.	Regulation 40		Safety	Maximum penalty: 50 penalty units.	Major	Unlikely	High