



SA Power Networks
Ring-fencing Guideline Compliance Report
For the period ended 31 December 2024

Table of Contents

Executive Summary 1

Independent Reasonable Assurance Report to SA Power Networks 4

Detailed Findings 7

Appendix – Management Responses to Findings 33

Executive Summary

1.1 Introduction

The Australian Energy Regulator (the “AER”) published the *Ring-fencing Guideline – Electricity Distribution* on 30 November 2016 under the National Electricity Rules (the “NER”) with amendments made on 17 October 2017 and 3 November 2021 (the “Guideline”). The Guideline requires functional separation of regulated and competitive business activities to promote competition in the provision of contestable electricity services.

Under clause 6.2.1c of the Guideline, Deloitte Touche Tohmatsu (“Deloitte”) has been engaged per the engagement letter between SA Power Networks and Deloitte dated 23 April 2025 as the qualified independent authority to provide a reasonable assurance opinion on whether SA Power Networks’ Ring-fencing Compliance Report with respect to compliance with 6.2.1a of the Guideline is, in all material respects, fairly presented as evaluated against 6.2.1b of the Guideline for the period from 1 January 2024 to 31 December 2024.

1.2 Summary of Findings

The following table summarises observations and recommendations against the Obligations where an exception was identified. The rating of each Obligation has been applied in accordance with *Section 1.3*.

Management responses to the observations and recommendations are included in the Appendix to this report. This information does not form part of the Independent Assurance Report. The information included in the Appendix has not been subjected to the test procedures performed, accordingly, Deloitte does not express an opinion on it.

No.	Guidance Obligation Reference	Results of Testing	Recommendations	Rating	Breach
1	3.1 (b) A DNSP may provide distribution services and transmission services but must not provide other services .	SA Power Networks executed a number of contracts for the provision of certain maintenance and construction services (other services) prior to the commencement of the AER's 2017 Ring-fencing Guideline. A waiver was provided on 28 September 2018 allowing SA Power Networks to continue to provide the services under 21 existing contracts, with an expiry of 30 June 2021 to align with the contracts' expiry date. SA Power Networks applied for a waiver extension for one ongoing contract, where the customer had exercised their right to extend the contract. The waiver was extended until 30 June 2023. The contract provided the Customer with a unilateral and automatic right to exercise various options to extend the Contract term. A further extension was	We recommend management continue to review all waivers due to expire on a timely basis to make sure any extensions are approved by the AER before they expire. We also recommend management continue to monitor whether any additional new work is performed under this contract after practical completion.	Exception	Yes

No.	Guidance Obligation Reference	Results of Testing	Recommendations	Rating	Breach
		<p>provided of this contract beyond 30 June 2023, with some work undertaken after this date with no active waiver in place.</p> <p>This breach was caused by human error, where a waiver extension was not sought and approved prior to conducting work on this contract after 1 July 2023.</p> <p>This breach has had no effect on the contestable market or customers, with the work physically delivered by SA Power Networks' affiliate, Enerven.</p> <p>The breach was included in our 2023 assurance report. At that time, SA Power Networks expected the final work for this project would be completed by 31 August 2024. Noting the timing for a new waiver approval and that, if approved, the waiver would only apply to future work undertaken, not retrospectively, SA Power Networks decided not to seek an additional waiver for this project.</p> <p>Further customer related delays resulted in the inability to complete all required work by August 2024, with practical completion occurring on 11 December 2024. No further work has been completed since this date.</p>			
2	<p>4.3.1 A DNSP must: (a) keep ring-fenced information confidential; and (b) only use ring-fenced information for the purpose for which it was acquired or generated.</p>	<p>During SA Power Network's routine quarterly system access compliance checks it was identified that nine Enerven staff had been inadvertently provided access to ring-fenced GIS customer data. This was due to human error, where the process for assigning certain IT application configuration profiles which determined user access had been altered.</p> <p>While these Enerven staff had access to ring-fenced information it is unlikely any of the staff would have been aware they could access the additional ring-</p>	<p>We recommend management perform routine enquiries alongside their quarterly system access compliance checks to ascertain whether any changes have been made to IT application configuration profiles impacting user access.</p>	Exception	Yes

No.	Guidance Obligation Reference	Results of Testing	Recommendations	Rating	Breach
		<p>fenced GIS customer data. Furthermore, none of the staff had in performing their roles the capacity to use the GIS customer data to engage in conduct that would be in contravention of clause 4.1 of the Guideline.</p> <p>SA Power Networks immediately removed access for the nine Enerven staff. SA Power Networks also reinforced the ring-fencing obligations with the IT teams involved and remediated the configuration assignment process.</p> <p>This breach was reported to the AER on 1 May 2024.</p>			

1.3 Rating Applied

The ratings applied to the results of our testing are defined below based on Deloitte’s interpretation of the Guideline. The evaluation of the results of our tests as they relate to the Obligations is based on applying our professional judgement and considering the available facts and circumstances.

No Exception	Requirements of the Obligation have been met with no or only minor improvement opportunities. Any findings noted are considered minor and require routine efforts to correct in the normal course of business.
Exception	The requirements of the Obligation have not been fully met. Findings noted require remedial action.

Independent Reasonable Assurance Report to SA Power Networks

Opinion

We have undertaken a reasonable assurance engagement on SA Power Networks' Ring-fencing Compliance Report, with respect to compliance with 6.2.1a of the Guideline, as evaluated against 6.2.1b of the Guideline, in all material respects, for the period from 1 January 2024 to 31 December 2024.

In our opinion, the accompanying SA Power Networks' Ring-fencing Compliance Report with respect to compliance with 6.2.1a of the Guideline is, in all material respects, fairly presented as evaluated against 6.2.1b of the Guideline for the period from 1 January 2024 to 31 December 2024.

Basis for Opinion

We conducted our reasonable assurance engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* ("ASAE 3100") issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Cost Allocation Method Regulatory Period Assessed

Without modifying our opinion, we draw attention to the regulatory period covered under Section 3.2.2 of the Guideline within this report being 1 January 2024 to 30 June 2024, which is different to the compliance period of 1 January 2024 to 31 December 2024. Compliance with the Cost Allocation Method for the remaining regulatory period from 1 July 2024 to 31 December 2024 will be covered under the Regulatory Information Order (RIO) reporting for the 1 July 2024 to 30 June 2025 regulatory period. This approach is in line with Ring-Fencing guideline 6.2.1(d) which allows for a difference between the regulatory information notice period and the Ring-Fencing compliance period regarding the information in Section 3.2.2.

Our Independence and Quality Management

We have complied with the independence and relevant ethical requirements which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, including those contained in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*. Our firm applies Australian Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibilities of Management

Management are responsible for:

- a) providing the Ring-fencing Compliance Report with respect to the outcome of the evaluation of the compliance activity against 6.2.1a of the Guideline for the period from 1 January 2024 to 31 December 2024;
- b) the compliance activity undertaken to meet 6.2.1a of the Guideline;
- c) identifying suitable compliance requirements as specified in the Guideline as required by the AER;
- d) identifying risks that threaten compliance with 6.2.1a of the Guideline being met; and
- e) the identification, design and implementation of controls to enable compliance with 6.2.1a of the Guideline to be met and to monitor ongoing compliance.

Responsibilities of the Assurance Practitioner

Our responsibility is to express an opinion on SA Power Networks' Ring-fencing Compliance Report with respect to compliance with 6.2.1a of the Guideline, in all material respects, as evaluated against 6.2.1b of the Guideline for the period from 1 January 2024 to 31 December 2024. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether SA Power Networks' Ring-fencing Compliance Report with respect to compliance with 6.2.1a of the Guideline is, in all material respects, fairly presented as evaluated against 6.2.1b of the Guideline for the period from 1 January 2024 to 31 December 2024.

An assurance engagement to report on the SA Power Networks' Ring-fencing Compliance Report with respect to compliance with 6.2.1a of the Guideline involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet 6.2.1a of the Guideline. The procedures selected depend on our judgement, including the identification and assessment of risks of material deficiencies in the compliance framework or material misstatements in SA Power Networks' Ring-fencing Compliance Report.

Our procedures included, but were not limited to:

- Inquiring with SA Power Networks personnel regarding controls in place to enable SA Power Networks to comply with the Obligations;
- On a sample basis, observing the control being performed, and/or inspecting documentation to evidence the design, implementation and effectiveness of the controls;
- Inquiring with management whether they are compliant with the Obligations, and corroborating our inquiry with the results of our test procedures.
- Evaluating the content of the Ring-fencing Compliance Report, to determine whether it is fairly presented, with respect to the evaluation of the compliance activities against 6.2.1b of the Guideline.

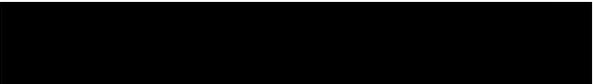
Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, deficiencies in the compliance framework or misstatements in SA Power Networks' Ring-Fencing Compliance Report may occur and not be detected.

A reasonable assurance engagement for the period from 1 January 2024 to 31 December 2024 does not provide assurance on whether compliance with the Guideline will continue in the future.

Restricted Use

This report has been prepared for use by SA Power Networks for the purpose of meeting the reporting requirements to the AER. We disclaim any assumption of responsibility for any reliance on this report to any person other than SA Power Networks, or for any purpose other than that for which it was prepared. However, we understand that a copy of the report has been requested by the AER, in accordance with 6.2.1c of the Guideline. We agree that a copy of the report may be provided to the AER for their information in connection with this purpose but only on the basis that we accept no duty, responsibility or liability to the AER in relation to the report. We accept no duty, responsibility or liability to any party, other than SA Power Networks, in connection with the report or this engagement.



DELOITTE TOUCHE TOHMATSU



Darren Hall

Partner

Chartered Accountants

Adelaide, 30 April 2025

Detailed Findings

The descriptions of the tests of compliance that were performed, findings relating to the tests of compliance or particular aspects of the engagement, our recommendations and conclusion of whether there has been a breach of the requirements of the Guideline are described below.

The rating of each Obligation has been applied in accordance with *Section 1.3*.

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
1	Legal separation	3.1 (a)	A DNSP must be a legal entity.	<p>Key Control(s):</p> <ul style="list-style-type: none"> SA Power Networks and Enerven are separate legal entities with separate registered Australian Business Number (ABN). <p>Test Performed:</p> <ul style="list-style-type: none"> Performed a search of the ASIC register for SA Power Networks and Enerven Energy Infrastructure's ABN to check that they are separate legal entities. Cross checked the registered ABN against the Distribution Network Services Provider Licence. Inspected the online ring-fencing training module for evidence that the legal separation obligation is explained in clear terms. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception
2	Legal separation	3.1 (b)	A DNSP may provide distribution services and transmission services, but must not provide other services.	<p>Key Control(s):</p> <ul style="list-style-type: none"> SA Power Networks and Enerven are separate legal entities with separate registered Australian Business Number (ABN). A separate affiliated entity, Enerven Energy Infrastructure, was established to perform "other services" outside distribution and 	SA Power Networks executed a number of contracts for the provision of certain maintenance and construction services (other services) prior to the commencement of the AER's 2017 Ring-fencing Guideline. A waiver was provided on 28	We recommend management continue to review all waivers due to expire on a timely basis to make sure any extensions are approved by the AER before they expire. We also recommend	Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
				<p>transmission services which are performed by SA Power Networks.</p> <p>Test Performed: In addition to the testing procedures performed for 3.1(a):</p> <ul style="list-style-type: none"> • Tested a sample of SA Power Networks revenue transactions to detect instances of other services being provided by the DNSP. • Tested a sample of Enerven revenue transactions to check that services are performed against the Enerven ABN. • Tested the design and implementation and operating effectiveness of the NPA approval process for major SA Power Networks Projects. 	<p>September 2018 allowing SA Power Networks to continue to provide the services under 21 existing contracts, with an expiry of 30 June 2021 to align with the contracts' expiry date. SA Power Networks applied for a waiver extension for one ongoing contract, where the customer had exercised their right to extend the contract. The waiver was extended until 30 June 2023. The contract provided the Customer with a unilateral and automatic right to exercise various options to extend the Contract term. A further extension was provided of this contract beyond 30 June 2023, with some work undertaken after this date with no active waiver in place.</p> <p>This breach was caused by human error, where a waiver extension was not sought and approved prior to conducting work on this contract after 1 July 2023.</p> <p>This breach has had no effect on the contestable market or customers, with the work</p>	<p>management continue to monitor whether any additional new work is performed under this contract after practical completion.</p>	

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
					<p>physically delivered by SA Power Networks' affiliate Enerven.</p> <p>The breach was included in our 2023 assurance report. At that time, SA Power Networks expected the final work for this project would be completed by 31 August 2024. Noting the timing for a new waiver approval and that, if approved, the waiver would only apply to future work undertaken, not retrospectively, SA Power Networks decided not to seek an additional waiver for this project.</p> <p>Further customer related delays resulted in the inability to complete all required work by August 2024, with practical completion occurring on 11 December 2024. No further work has been completed since this date.</p>		
3	Separate accounts	3.2.1 (a)	A DNSP must establish and maintain appropriate internal accounting procedures to ensure that it can demonstrate the extent and nature of	Key Control(s): <ul style="list-style-type: none"> SAP accounting system which contains separate General Ledger accounts for 	Based on the testing performed we have not identified any matters of	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			transactions between the DNSP and its affiliated entities.	<p>recording transactions between SAPN and Enerven.</p> <ul style="list-style-type: none"> Monthly review of internal work order settlements performed by the Enerven Finance Team to ensure work orders between SAPN and Enerven have been settled correctly. <p>Test Performed:</p> <ul style="list-style-type: none"> Performed a process walk through to understand the process in place to maintain separate accounts and be able to demonstrate the extent of transactions between SA Power Networks and its affiliates. Reconciled the affiliate transactions disclosed in the Compliance report to the Enerven Statutory Trial Balance and challenged the completeness of these transactions. 	exception against the obligation.		
4	Cost allocation and attribution	3.2.2 (a), (b)	<p>(a) A DNSP must allocate or attribute costs (including costs allocated or attributed to the DNSP by a parent entity) to distribution services in a manner that is consistent with the Cost Allocation Principles and its approved CAM, as if the Cost Allocation Principles and CAM otherwise applied to the allocation and attribution of costs between distribution services and non-distribution services.</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> Costs are allocated using the AER approved SA Power Network’s Cost Allocation Method (CAM), and half-yearly workbooks are prepared that show the direct attribution or allocation of corporate overheads between distribution and non-distribution services. <p>Test Performed:</p> <ul style="list-style-type: none"> Inspected the CAM to confirm that it addresses the allocation of costs between SAPN and Enerven. Performed procedures on a sample basis to check that costs have been appropriately 	<p>Based on the testing performed we have not identified any matters of exception against the obligation.</p> <p>Compliance with the CAM is assessed every regulatory period as part of the AER Regulatory Information Notices (RINs). This was most recently conducted for 1 July 2023 – 30 June 2024 regulatory period with our</p>	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>(b) A DNSP must only allocate or attribute costs to distribution services in accordance with clause 3.2.2(a), and must not allocate or attribute other costs to the distribution services it provides.</p>	<p>allocated per the cost allocation methodology as per AER approved CAM.</p>	<p>conclusion submitted to AER in our report dated 31 October 2024. The compliance with the CAM for the remaining period from 1 July 2024 – 31 December 2024 will be covered under the Regulatory Information Orders (RIO) for the 1 July 2024 – 30 June 2025 regulatory period. Our procedures on the CAM per the purpose of attesting compliance with the guideline therefore is limited to the period 1 January 2024 – 30 June 2024. This approach is in line with Ring-Fencing guideline 6.2.1 (d) which allows for a difference between the regulatory information notice period and the Ring-Fencing compliance period regarding the information in Section 3.2.2.</p>		
5	Cost allocation and attribution	3.2.2 (c)	<p>A DNSP must establish, maintain and keep records that demonstrate how it meets the obligations in clauses 3.2.2(a) and 3.2.2(b).</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> Costs are allocated using the AER approved SA Power Network’s Cost Allocation Method (CAM), and half-yearly workbooks are prepared that show the direct attribution or allocation of corporate overheads between distribution and non-distribution services. 	<p>Based on the testing performed we have not identified any matters of exception against the obligation.</p> <p>Consistent with our observation in 3.2.2 (a), (b), our procedures were limited</p>	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
				<p>Test Performed:</p> <ul style="list-style-type: none"> Inspected the CAM to confirm that it addresses the allocation of costs between SAPN and Enerven. Performed procedures on a sample basis to check that costs have been appropriately allocated per the cost allocation methodology as per AER approved CAM. 	to the regulatory period 1 January 2024 to 30 June 2024.		
6	Obligation not to discriminate	4.1(b), (d)	<p>(b) A DNSP must not discriminate (either directly or indirectly) between a related electricity service provider and a competitor (or potential competitor) of a related electricity service provider in connection with the provision of:</p> <p>i. direct control services by the DNSP (whether to itself or to any other legal entity); and / or</p> <p>ii. contestable electricity services by any other legal entity.</p> <p>(d) A DNSP must not discriminate (either directly or indirectly) between any two legal entities, in connection with the supply of contestable electricity services by those legal entities, on the basis of the use by one or both of those legal entities of assets owned, operated or otherwise controlled (in whole or in part) by the DNSP.</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> Approval of engagement matrix, risk assessment and procurement plan for all contracts between SAPN and Enerven. Review and approval of the call centre script in place. <p>Test Performed:</p> <ul style="list-style-type: none"> Inquired of management and reviewed procurement policies to gain an understanding of the processes in place where Enerven is a potential supplier in SAPN sourcing activity. Inquired of management whether Enerven tendered to provide services to SAPN during the year. Inspected the signed service agreements between SAPN and Enerven for evidence that they establish the basis on which services are performed between the entities. Inspected the signed service agreement for other suppliers providing the same services to SAPN as Enerven for evidence that the basis on which services are performed that has been established with Enerven are consistent with other suppliers. 	<p>Based on the testing performed we have not identified any matters of exception against the obligation noting the following.</p> <p>Procurement information access restrictions: Procurement staff members are a corporate service and are shared by SAPN and Enerven, as permitted under clause 4.2.2(b)(i)(c) of the Guideline. To perform their shared function, procurement staff members have access to SAP and other IT systems that contain confidential information such as current contract files and agreements.</p> <p>When SAPN undertakes sourcing activity where Enerven is a potential supplier, a procurement</p>	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
				<ul style="list-style-type: none"> Inspected the online ring-fencing training module for evidence that the obligation not to discriminate is explained in clear terms. Obtained the training report indicating the employees who completed the training and the overall rate of completion. Inspected SAPN call centre scripts to confirm that appropriate instructions are given in instances where a potential Enerven customer calls. Inspected a sample of SAPN customer services calls to confirm they do not recommend Enerven as a provider and the call centre script is followed. 	<p>team representative is appointed to support Enerven. The following process is required to be undertaken:</p> <ol style="list-style-type: none"> 1. Enerven will be treated like any supplier; 2. the procurement staff undertaking the respective sourcing activity, cannot also support Enerven in their bidding process; and 3. the procurement team representative for Enerven is required not to access ring-fenced information during the sourcing activity. <p>We understand that the AER is aware of this as evidenced by correspondence with SAPN in writing that the current process in place is sufficient in removing any immediate risk of discrimination. Refer to the details of our evaluation of this process in section 4.3.2 (a) (b) Protection of ring-fenced information below.</p>		
7	Offices, staff, branding and promotions	4.2.1(a)	A DNSP must use offices that are separate from any offices from which a related electricity service provider provides contestable electricity services.	Key Control(s): <ul style="list-style-type: none"> SA Power Networks has a separate office to Enerven. Annual review of the office and staff sharing registers. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
				<p>Test Performed:</p> <ul style="list-style-type: none"> Performed a search of the SAPN and Enerven business addresses and visited each entity's offices to confirm that SAPN uses offices that are separate from the offices where Enerven provides contestable electricity services. Inspected SAPN's policies in relation to offices, staff, branding and promotions. Obtained access logs to restricted areas in the SAPN office and reviewed whether any Enerven staff have accessed these areas during the year. Tested the design and implementation and operating effectiveness of the annual review of the office sharing register. 			
8	Staff sharing	4.2.2(a)	A DNSP must ensure that its staff involved in the provision or marketing of direct control services are not also involved in the provision or marketing of contestable electricity services by a related electricity service provider.	<p>Key Control(s):</p> <ul style="list-style-type: none"> Monitoring the completion of induction checklists for staff movements, which include the review of access to critical applications. Annual review of the office and staff sharing registers. <p>Test Performed:</p> <ul style="list-style-type: none"> Inquired regarding SAPN's policies in relation to staff sharing. Inquired regarding the process of preparation of the annual staff sharing analysis. Selected a sample of staff that cannot be shared by SAPN and Enerven to determine whether they have not held an Enerven position or reported to an Enerven Manager. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
				<ul style="list-style-type: none"> Selected a sample of staff that can be shared and assessed based on their position if it is appropriate for that position to be classified as “possible to share” and verified that this classification has been assessed in line with the Guideline. Tested the accuracy and completeness of the Staff Sharing Register. 			
9	Staff sharing	4.2.2(c)	The remuneration, incentives and other benefits (financial or otherwise) a DNSP provides to a member of its staff must not give the member of staff an incentive to act in manner that is contrary to the DNSP’s Obligations under this Guideline.	<p>Key Control(s):</p> <ul style="list-style-type: none"> Annual review of the remuneration, incentive and other benefits included in the annual manager compliance questionnaires. <p>Test Performed:</p> <ul style="list-style-type: none"> Tested the design and implementation and operating effectiveness of the annual management compliance questionnaires, to test whether compliance with 4.2.2 (c) has been confirmed. Reviewed the remuneration structure for the reporting year ended 31 December 2024 to verify compliance with 4.2.2 (c). 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception
10	Branding and cross-promotion	4.2.3(a)	A DNSP: <ul style="list-style-type: none"> must use branding for its direct control services that is independent and separate from the branding used by a related electricity service provider for contestable electricity services, such that a reasonable person would not infer from the respective branding that the DNSP and the related electricity service provider are related. 	<p>Key Control(s):</p> <ul style="list-style-type: none"> All materials are reviewed and approved prior to being posted on SAPN website or social media platforms. Review and approval of the call centre script in place. <p>Test Performed:</p> <ul style="list-style-type: none"> Inquired and inspected SAPN’s policies relating to branding and cross promotion. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			ii. must not advertise or promote its direct control services and its contestable electricity services that are not direct control services together (including by way of cross-advertisement or cross-promotion). iii. must not advertise or promote contestable electricity services provided by a related electricity service provider other than the DNSP itself.	<ul style="list-style-type: none"> • Tested the design and operating effectiveness of the annual review of the SAPN website and social media content. • Inspected the Enerven/SAPN website and social media for evidence of promotion of contestable service providers. • Selected a sample of updates to the SAPN website and a sample of social media posts made in the year and performed procedures to test that the appropriate approval was obtained. • Reviewed SAPN call centre script for evidence of promotion of contestable electricity services provided by Enerven. • Listened to a sample of customer calls to identify any cross-promotion of affiliated entities. • Selected a sample of customer complaints and queries and investigated for evidence of customer complaints regarding branding or cross-promoting. • Reviewed the training content and noted it covered the branding and cross-promotion requirements. • Inspected vehicles on a sample bases to confirm that branding did not contain both Enerven and SAPN logos. • Inspected uniforms and email signatures on a sample basis for evidence of promotion of contestable service providers. 			
11	Office and staff registers	4.2.4 (a), (b)	(a) A DNSP must establish, maintain and keep a register that identifies: (i) the offices to which it has not	Key Control(s): <ul style="list-style-type: none"> • Review of the office and staff sharing registers. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>applied clause 4.2.1(a) by reason of clauses 4.2.1(b)i. or 4.2.1(b)iii; (ii) the staff positions (including a description of the roles, functions and duties) of those staff positions to which it has not applied clause 4.2.2(a) by reason of clauses 4.2.2(b)i.a., 4.2.2(b)i.b., 4.2.2(b)iii. or 4.2.2(d); (iii) the staff positions referred to in clause 4.2.4(a)ii. which are held, or have been held within the previous three months, by a member of staff whose access to electricity information ceased upon, or in the 12 months prior to, commencing in that position, and the dates on which that member of staff commenced to hold and (if applicable) ceased to hold that position.</p> <p>(b) No later than 15 January, 15 April, 15 July and 15 October each year, a DNSP must publish, on its website, an updated version of each of the registers referred to in clause 4.2.4(a). The DNSP must ensure that the information published in each updated version is current to the end of the calendar month that is immediately prior to the required publication date for that updated version under this clause 4.2.4(b).</p>	<p>Test Performed:</p> <ul style="list-style-type: none"> Observed that the office and staff register is publicly available on the SAPN website. Selected a sample to verify the data in the office and staff register against the results of the office/location and staff sharing analysis to test that the office and staff registers are appropriately maintained and updated. 			

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
12	Protection of ring-fenced information	4.3.1	A DNSP must: (a) keep ring-fenced information confidential; and (b) only use ring-fenced information for the purpose for which it was acquired or generated.	<p>Key Control(s):</p> <ul style="list-style-type: none"> Approval of access for Enerven employees to applications containing confidential ring-fenced information. Quarterly review of IT user access to critical applications. Completion of induction checklist for staff movements from SAPN to Enerven. Review and approval of new applications to assess whether these contain ring-fenced data. <p>Test Performed:</p> <ul style="list-style-type: none"> Tested the design and implementation and operating effectiveness of the key controls identified. Inquired and inspected SAPN Policies with regards to the protection of ring-fenced. Obtained an IT user access listing for all SAPN critical applications and verified that there was no inappropriate access on a sample basis. Tested the accuracy and completeness of the critical applications listing obtained. Inspected the customer complaints register for evidence of customer complaints that indicate the disclosure of ring-fenced information. Inspected the quarterly attestation letters sent to AER to investigate any possible IT access incidents. For a sample of Enerven employees that have been granted access to critical applications obtained and assessed the 	<p>During SA Power Network’s routine quarterly system access compliance checks it was identified that nine Enerven staff had been inadvertently provided access to ring-fenced GIS customer data. This was due to human error, where the process for assigning certain IT application configuration profiles which determined user access had been altered.</p> <p>While these Enerven staff had access to ring-fenced information it is unlikely any of the staff would have been aware they could access the additional ring-fenced GIS customer data. Furthermore, none of the staff had in performing their roles the capacity to use the GIS customer data to engage in conduct that would be in contravention of clause 4.1 of the Guideline.</p> <p>SA Power Networks immediately removed access for the nine Enerven staff. SA Power Networks also reinforced the ring-fencing obligations with the IT teams involved and remediated the</p>	<p>We recommend management perform routine enquiries alongside their quarterly system access compliance checks to ascertain whether any changes have been made to IT application configuration profiles impacting user access.</p> <p>Recommendations for other observations:</p> <p>Critical application access approval in ServiceNow We recommend that SAPN IT ensure that Business Owner approvals are obtained within the ServiceNow workflow for each access request from Enerven employees for access to critical applications.</p> <p>Justification of granting access to critical applications We recommend that SAPN IT implement a process to ensure that documentation of a</p>	Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
				<p>business justification against the requirements of the Guideline.</p>	<p>configuration assignment process.</p> <p>This breach was reported to the AER on 1 May 2024.</p> <p>Based on the testing performed we have made the following other observations:</p> <p>SAPN has had a strong focus on improving their IT environment to ensure proper segregation between Enerven and SAPN staff. In previous years it was recommended that hard controls be implemented in SAP and non- SAP systems. While hard controls have now been implemented over the SAP application, SAPN continue to work towards implementing hard controls for all non-SAP applications. As an interim measure, the AER had requested quarterly attestation letters to inform of any Enerven staff having inappropriate access to critical applications. We have reviewed these letters and noted that SAPN notified the AER that it would stop providing these attestations</p>	<p>business justification is required within the ServiceNow systems for traceability.</p> <p>Unclear access controls for SharePoint and Teams Sites We recommend that SAPN IT:</p> <ul style="list-style-type: none"> • Identify existing SharePoint and Teams sites that contain ring-fenced information; • Implement a process to identify new SharePoint and Teams sites containing ring-fenced information; • Include any sites identified with ring-fenced information in the quarterly access reviews. <p>Induction checklist We recommend management implements a timeframe for the signing and submission</p>	

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
					<p>after the September 2024 submission.</p> <p>Critical application access approval in ServiceNow Our reviews have identified that access requests submitted by Enerven employees for access to critical applications were not approved by Business Owners of the applications. Through our reviews, we have not identified any instances of unauthorised access granted to Enerven users during the reporting period. We note that access requests were not automatically routed to appropriate critical application Business Owners, only Enerven Line Managers. As such, access to critical applications could be granted to Enerven users without Business Owner approval, leading to a risk that approval is not obtained by the appropriate parties.</p> <p>Justification for granting access to critical applications While access was determined to be appropriate, our review</p>	<p>of the checklist and regular follow-ups once an employee has transferred but not submitted the checklist.</p>	

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
					<p>identified a lack of written business justification for Enerven employees requesting access to critical applications with the respective ServiceNow requests.</p> <p>Unclear access controls for SharePoint and Teams Sites Microsoft SharePoint and Teams is used extensively within SA Power Networks for information and content sharing. When requesting a new site, there is currently no requirement to identify whether sites should be Ring-fenced and, as such, whether it should have tighter restrictions on who may be granted access. We also note that a project has begun in the current year to remediate this finding and remains ongoing.</p> <p>Induction checklist An induction checklist is completed for the induction of transferring workers and should be commenced prior to the worker transferring departments or teams. In our testing, we identified two instances where the checklist</p>		

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
					<p>was signed after the start date by the team leader and transferring employee. Whilst the induction checklist was completed, it was not completed in a timely manner or in accordance with management’s policy to complete prior to transfer.</p> <p>Through our substantive testing which was performed on a sample basis no issues of inappropriate access were identified for these sites.</p> <p>Given the nature of these observations, in conjunction with the substantive procedures performed, which did not identify any breaches, we do not consider these observations to constitute an exception.</p>		
13	Disclosure of information	4.3.2	<p>A DNISP must not disclose ring-fenced information to any person, including a related electricity service provider, unless:</p> <p>(a) the DNISP has first obtained the explicit informed consent of the relevant customer, or prospective customer, to whom the ring-fenced information relates;</p> <p>(b) the disclosure is required by, or for</p>	<p>Key Control(s): In addition to key controls identified under 4.3.1 (a) – (b) above:</p> <ul style="list-style-type: none"> Information sharing protocol and information sharing register is publicly available. <p>Test Performed: In addition to the testing procedures performed for 4.3.1 (a) - (b):</p>	Based on the testing performed we have not identified any matters of exception against the obligation in addition to the findings stated above.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>the purpose of complying with any law;</p> <p>(c) the disclosure is necessary to enable the DNSP to provide its distribution services, its transmission services or its other services (including by acquiring services from other legal entities);</p> <p>(d) the information has been requested by or on behalf of a customer, or potential customer, of another legal entity, and the disclosure is necessary to enable the legal entity to provide its transmission services, contestable electricity services or other services to the customer or potential customer;</p> <p>(e) the disclosure is solely for the purpose of providing assistance to the extent necessary to respond to an event (such as an emergency) that is beyond a Network Service Provider's reasonable control;</p> <p>(f) the disclosure is solely for the purposes of research by a legal entity other than a related electricity service provider of the DNSP;</p> <p>(g) where another DNSP is an affiliated entity of the DNSP, the disclosure is to the part of that other DNSP that provides that other DNSP's direct control services;</p> <p>(h) a related electricity service provider of the DNSP has requested</p>	<ul style="list-style-type: none"> • Inquired and inspected the SAPN Policies with regards to the disclosure of ring-fenced information. • Performed inquiries to determine whether SAPN has disclosed any ring-fenced information in the year. • Tested the accuracy and completeness of the information sharing register. • Reviewed the customer queries and complaints register for evidence of customer complaints that indicate the disclosure of ring-fenced information. 			

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>the disclosure and the DNSP complies with clause 4.3.3 in relation to that ring-fenced information; or</p> <p>(i) another legal entity, other than a related electricity service provider of the DNSP, has requested the disclosure.</p>				
14	Sharing of information	4.3.3 (a) - (e)	<p>(a) Subject to clause 4.1(c)iv. and to this clause 4.3.3, where a DNSP shares ring-fenced information with a related electricity service provider, or where ring-fenced information that a DNSP has disclosed under clause 4.3.2(f) is then disclosed by any person to a related electricity service provider of the DNSP, the DNSP must provide access to that ring-fenced information (including the derived information) to other legal entities on an equal basis.</p> <p>(b) A DNSP is only required by clause 4.3.3(a) to provide information to a legal entity where:</p> <p>i. the legal entity has requested that it be included on the information register in respect of information of that kind; and</p> <p>ii. the legal entity is competing, or is seeking to compete, with the DNSP, or a related electricity service provider of the DNSP, in relation to the provision of contestable electricity services.</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> Information sharing protocol and information sharing register is publicly available. <p>Test Performed:</p> <ul style="list-style-type: none"> Reviewed the information sharing protocol for consistency with the requirements of the Ring-fencing guideline. Sighted the information register is publicly available on the SA Power Networks website. Enquired of the Management and confirmed that all information requests received were added to the information register. Reviewed the emails received to the general Ring-fencing mailbox for evidence of instances that indicate that ring-fenced information had been shared. 	Based on the testing performed we have not identified any matters of exception against the obligation in addition to the findings stated above.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>(c) A DNSP is not required by clause 4.3.3(a) to provide information to a legal entity where the DNSP has disclosed the information in the circumstances set out in clauses 4.3.3(a) to (e).</p> <p>(d) Without limiting clause 4.3.4(a), a DNSP must establish an information sharing protocol that sets how and when it will make the information referred to in clause 4.3.3(a) available to legal entities and must make that protocol publicly available on its website.</p> <p>(e) Where a DNSP discloses information referred to in clause 4.3.4(a) to any other legal entity under this clause 4.3.4, it must do so on terms and conditions that require the other legal entity to comply with clause 4.3.2 and 4.3.3(a) to (d) in relation to that information as if the other legal entity was a DNSP.</p>				
15	Information register	4.3.4 (a) - (c)	<p>(a) A DNSP must establish, maintain and keep a register of all:</p> <ul style="list-style-type: none"> i. related electricity service providers; ii. other legal entities who provide contestable electricity services but who are not affiliates of the DNSP; who request access to information identified in clause 4.3.4(a), and must 	<p>Key Control(s):</p> <ul style="list-style-type: none"> • Information sharing register is publicly available. <p>Test Performed:</p> <ul style="list-style-type: none"> • Reviewed the information sharing protocol for consistency with the requirements of the Ring-fencing guideline. • Sighted the information register is publicly available on the SA Power Networks website. 	Based on the testing performed we have not identified any matters of exception against the obligation in addition to the findings stated above.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>make the register publicly available on its website.</p> <p>(b) For each legal entity that has requested that a DNSP provide access to information identified in clause 4.3.4(a), the DNSP's information register must:</p> <p>i. identify the kind of information requested by the legal entity; and</p> <p>ii. describe the kind of information requested by the legal entity in sufficient detail to enable other legal entities to make an informed decision about whether to request that kind of information from the DNSP.</p> <p>(c) A legal entity may request that the DNSP include it on the information register in relation to some or all of the kinds of information that the DNSP is required to provide under clause 4.3.4(a), and the DNSP must comply with that request.</p>	<ul style="list-style-type: none"> Reviewed the emails received to the general Ring-fencing mailbox to verify that no disclosures of ring-fenced information were reported. Reviewed the customer queries and complaints register for evidence of customer complaints that indicate the disclosure of ring-fenced information. 			
16	Conduct of service providers	4.4.1 (a)	<p>A DNSP:</p> <p>(a) must ensure that any new or varied agreement between the DNSP and a service provider, for the provision of services to the DNSP that enable or assist the DNSP to supply direct control services, requires the service provider to comply, in providing those services, with:</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> The standard terms and conditions for SAPN supply contracts include compliance with ring-fencing requirements. These standard terms and conditions are included in all new and amended contracts for suppliers involved in the provision of direct control services. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>i. clauses 4.1, 4.2.1, 4.2.2 and 4.3.2 of this Guideline; and</p> <p>ii. clause 4.2.3 of this Guideline in relation to the brands of the DNSP; as if the service provider was the DNSP.</p>	<p>Test Performed:</p> <ul style="list-style-type: none"> Inspected SAPN Standard Terms and Conditions and checked that it requires service providers to comply with clauses 4.1, 4.2.1, 4.2.2, 4.3.2 and 4.2.3 of the Guideline. Selected a sample of suppliers with new contracts entered into in the year and confirmed that the Standard Terms and Conditions attached to the contract contained the requirement to comply with clauses 4.1, 4.2.1, 4.2.2, 4.3.2 and 4.2.3 of the Guideline. 			
17	Conduct of service providers	4.4.1 (b)	<p>A DNSP: (b) must not, directly or indirectly, encourage or incentivise a service provider to engage in conduct which, if the DNSP engaged in the conduct itself, would be contrary to the DNSP's obligations.</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> The standard terms and conditions for SAPN supply contracts include compliance with ring-fencing requirements. These standard terms and conditions are included in all new and amended contracts for suppliers involved in the provision of direct control services. <p>Test Performed:</p> <ul style="list-style-type: none"> Inspected SAPN Standard Terms and Conditions and checked that it requires service providers to comply with clauses 4.1, 4.2.1, 4.2.2, 4.3.2 and 4.2.3 of the Guideline. Selected a sample of suppliers with new contracts entered into in the year and confirmed that the Standard Terms and Conditions attached to the contract contained the requirement to comply with clauses 4.1, 4.2.1, 4.2.2, 4.3.2 and 4.2.3 of the Guideline. 	<p>Based on the testing performed we have not identified any matters of exception against the obligation.</p>	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
18	Waiver register	5.7 (a)	A DNSP must establish, maintain and keep a register of all waivers (including any variation of a waiver) and must make the register publicly available on its website.	Key Control(s): <ul style="list-style-type: none"> Waiver register is publicly available on the SAPN website. All existing waivers are reviewed three months prior to expiration and actioned accordingly. Test Performed: <ul style="list-style-type: none"> Observed that the waiver register is publicly available on SAPN's website. Verified the details contained on the waiver register against the waiver decisions published on the AER website. Challenged the completeness of the waiver register. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception
19	Waiver register	5.7 (b)	The register established under clause 5.7(a) must include: i. the description of the conduct to which the waiver or interim waiver applies; and ii. the terms and conditions of the waiver or interim waiver; as set out in the AER's written decision, provided by the AER to the DNSP, to grant (or vary) the waiver or interim waiver.	Key Control(s): <ul style="list-style-type: none"> Waiver register is publicly available on the SAPN website. All existing waivers are reviewed three months prior to expiration and actioned accordingly. Test Performed: <ul style="list-style-type: none"> Observed that the waiver register is publicly available on SAPN's website. Verified the details contained on the waiver register against the waiver decisions published on the AER website. Challenged the completeness of the waiver register. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception
20	Maintaining compliance	6.1	A DNSP must establish and maintain appropriate internal procedures to ensure it complies with its Obligations under this Guideline.	Key Control(s): <ul style="list-style-type: none"> Annual compliance questionnaires completed by Managers. Mandatory training on ring-fencing requirements for all new starters. 	Based on the testing performed we have not identified any matters of exception against the obligation.	We recommend that a process is implemented to regularly refresh and reinforce employees' understanding of Ring-fencing guidelines to	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
				<ul style="list-style-type: none"> A mailbox is maintained by the Regulatory Team to report any potential breaches. <p>Test Performed:</p> <ul style="list-style-type: none"> Tested the design and implementation and operating effectiveness of the key controls identified. Obtained and reviewed the annual compliance questionnaires completed by Level 3 Managers. Reviewed the online ring-fencing training module for evidence that the ring-fencing obligations are explained in clear terms. Obtained the training report indicating the employees who completed the training and the overall rate of completion. Reviewed the emails received in the general ring-fencing mailbox for the year ended 31 December 2024. Obtained and reviewed the key compliance and breach reporting policies. 	<p>We do however note the following improvement opportunity:</p> <p>Through our testing we identified that while training is delivered for new staff members, this is not regularly refreshed and tested, especially when responsibilities of staff change.</p>	reduce the risk of breaches.	
21	Annual compliance report	6.2.1 (a), (b) (c)	<p>a) A DNSP must prepare an annual ring-fencing compliance report each calendar year in accordance with this clause 6.2.1, and submit it to the AER in accordance with clause 6.2.2.</p> <p>b) The annual compliance report must identify and describe, in respect of the regulatory year to which the report relates:</p> <p>i. the measures the DNSP has taken to ensure compliance with its obligations</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> Annual Ring-Fencing Compliance report. <p>Test Performed:</p> <ul style="list-style-type: none"> Reviewed the annual ring-fencing compliance report against the requirements of the AER Electricity Distribution Ring-Fencing Guideline – Compliance reporting best practice manual (version 3). Obtained and reviewed the sign-off by the Head of Regulation on the final compliance report. 	<p>Based on the testing performed we have not identified any matters of exception against the obligation.</p>	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>under this Guideline;</p> <p>ii. any breaches of this Guideline by the DNSP, or which otherwise relate to the DNSP; and</p> <p>iii. all other services provided by the DNSP in accordance with clause 3.1; and</p> <p>iv. the purpose of all transactions between the DNSP and an affiliated entity.</p> <p>c) The annual compliance report must be accompanied by an assessment of compliance by a suitably qualified independent authority.</p>				
22	Timing of annual compliance reporting	6.2.2	<p>(a) Subject to clause 7.2, a DNSP must submit its annual compliance report to the AER within four months of the end of the calendar year to which the compliance report relates.</p> <p>(b) A DNSP is not required to submit an annual compliance report for its regulatory year in which this Guideline commences."</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> Annual Ring-Fencing Compliance report. <p>Test Performed:</p> <ul style="list-style-type: none"> Reviewed the annual ring-fencing compliance report against the requirements of the AER Electricity Distribution Ring-Fencing Guideline – Compliance reporting best practice manual (version 3), including submission within four months. Obtained and reviewed the sign-off by the Head of Regulation on the final compliance report. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception
23	Regulated stand-alone power systems reporting	6.2.3 (a), (b)	<p>(a) A DNSP must establish, maintain and keep a register that identifies, for each regulated stand-alone power system used by the DNSP to provide other services:</p>	<p>Key Control(s):</p> <ul style="list-style-type: none"> NA <p>Test Performed:</p>	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			<p>i. the local government area in which the regulated stand-alone power system is deployed;</p> <p>ii. the number of premises served by the regulated stand-alone power system;</p> <p>iii. the maximum demand, in kW, served by the regulated stand-alone power system;</p> <p>iv. the aggregated annual average energy consumption, in kWh, of the premises served by the regulated stand-alone power system;</p> <p>v. the revenue earned by the DNSP for providing other services by means of the regulated stand-alone power systems in the current calendar year; and</p> <p>vi. whether the DNSP has made a request, in writing, for the supply of the other services by another legal entity (other than an affiliated entity of the DNSP).</p> <p>(b) No later than 15 January, 15 April, 15 July and 15 October each year, a DNSP must publish, on its website, an updated version of the register referred to in clause 6.2.3(a). The DNSP must ensure that the information published in each updated version is current to the end of the calendar month that is immediately prior to the</p>	<p>Inquired with Management and confirmed that no regulated stand-alone power systems are used by SAPN.</p>			

No.	Category	Ref.	Guideline Obligation	Key Controls and Testing	Results of Testing	Recommendation	Rating
			required publication date for that updated version under this clause 6.2.3(b).				
24	Compliance breaches	6.3	A DNSP must notify the AER in writing within 15 (fifteen) business days of becoming aware of a material breach of its obligations under this Guideline.	<p>Key Control(s):</p> <ul style="list-style-type: none"> Annual compliance questionnaires completed by Managers. Mandatory training on ring-fencing requirements for all new starters. A mailbox is maintained by the Regulatory Team to report any potential breaches. <p>Test Performed:</p> <ul style="list-style-type: none"> Tested the design and implementation and operating effectiveness of the key controls identified. Obtained and reviewed the annual compliance questionnaires completed by Level 3 Managers. Obtained the training report indicating the employees who completed the training and the overall rate of completion. Reviewed the emails received in the general ring-fencing mailbox for the year ended 31 December 2024. Obtained and reviewed the key SAPN breach reporting policies for appropriateness. 	Based on the testing performed we have not identified any matters of exception against the obligation.	NA	No Exception

Appendix – Management Responses to Findings

Management Response(s)

The following table provides management response(s) against each identified exception. This information does not form part of the Independent Assurance Report. The information included in this appendix has not been subjected to the test procedures performed, accordingly, Deloitte does not express an opinion on it.

No.	Category	Ref.	Guidance Obligation	Results of Testing	Rating	Breach	Management Comment
1	Legal Separation	3.1 (b)	A DNSP may provide distribution services and transmission services but must not provide other services.	<p>SA Power Networks executed a number of contracts for the provision of certain maintenance and construction services (other services) prior to the commencement of the AER's 2017 Ring-fencing Guideline. A waiver was provided on 28 September 2018 allowing SA Power Networks to continue to provide the services under 21 existing contracts, with an expiry of 30 June 2021 to align with the contracts' expiry date. SA Power Networks applied for a waiver extension for one ongoing contract, where the customer had exercised their right to extend the contract. The waiver was extended until 30 June 2023. The contract provides the Customer with a unilateral and automatic right to exercise various options to extend the Contract term. A further extension was provided of this contract beyond 30 June 2023, with some work undertaken after this date with no active waiver in place.</p> <p>This breach was caused by human error, where a waiver extension was not sought and approved prior to conducting work on this contract after 1 July 2023.</p>	Exception	Yes	<p>This breach was reported to the AER on 19 April 2024 and included in our 2023 annual compliance report.</p> <p>It related to a preexisting contract for the provision of 'other services'. SA Power Networks had a ring-fencing waiver in effect, which allowed us to continue providing these services until 30 June 2023. The customer exercised its unilateral and automatic right to extend the contract beyond 30 June 2023 without a new waiver in place.</p> <p>At that time of identification, we expected this project would be completed by 31 August 2024. Noting the timing for a new waiver approval and that, if approved, the waiver would only apply to future work undertaken, not retrospectively, SA Power Networks did not to seek an new waiver for this project.</p> <p>Following further customer related delays practical completion occurred on 11 December 2024. All work has been</p>

No.	Category	Ref.	Guidance Obligation	Results of Testing	Rating	Breach	Management Comment
				<p>This breach has had no effect on the contestable market or customers, with the work physically delivered by SA Power Networks' affiliate Enerven.</p> <p>The breach was included in our 2023 assurance report. At that time, SA Power Networks expected the final work for this project would be completed by 31 August 2024. Noting the timing for a new waiver approval and that, if approved, the waiver would only apply to future work undertaken, not retrospectively, SA Power Networks decided not to seek an additional waiver for this project.</p> <p>Further customer related delays resulted in the inability to complete all required work by August 2024, with practical completion occurring on 11 December 2024. No further work has been completed since this date.</p>			<p>finalised for this project and no further work will be undertaken.</p> <p>Waivers are now reviewed on a quarterly basis to ensure that where extensions are required, these are identified early to enable extensions to be sought and approved by the AER prior to expiry of the existing waiver.</p>
2	Protection of ring-fenced information	4.3.1	<p>A DNSP must: (a) keep ring-fenced information confidential; and (b) only use ring-fenced information for the purpose for which it was acquired or generated.</p>	<p>During SA Power Network's routine quarterly system access compliance checks it was identified that nine Enerven staff had been inadvertently provided access to ring-fenced GIS customer data. This was due to human error, where the process for assigning certain IT application configuration profiles which determined user access had been altered.</p> <p>While these Enerven staff had access to ring-fenced information it is unlikely any of the staff would have been aware they could access the additional ring-fenced GIS customer data. Furthermore, none of the staff had in performing their roles the capacity to use the</p>	Exception	Yes	<p>This breach was identified as part of SA Power Networks standard quarterly system access checks. Upon identification access for the nine Enerven staff was immediately removed and the configuration assignment process was corrected.</p> <p>We note, it is unlikely any of the staff would have been aware they could access ring-fenced GIS customer data. Furthermore, none of the staff had in performing their roles the capacity to use the GIS customer data to engage in conduct that would be in contravention of clause 4.1 of the Guideline.</p>

No.	Category	Ref.	Guidance Obligation	Results of Testing	Rating	Breach	Management Comment
				<p>GIS customer data to engage in conduct that would be in contravention of clause 4.1 of the Guideline.</p> <p>SA Power Networks immediately removed access for the nine Enerven staff. SA Power Networks also reinforced their ring-fencing obligations with the IT teams involved and remediated the configuration assignment process.</p> <p>This breach was reported to the AER on 1 May 2024.</p>			<p>We also reinforced SA Power Networks' ring-fencing obligations with the IT teams involved with additional dedicated ring-fencing training sessions provided.</p>