

# RING-FENCING IMPLEMENTATION PLAN

FINAL | Effective date: 31 October 2017

**ActewAGL**

for you

## Table of Contents

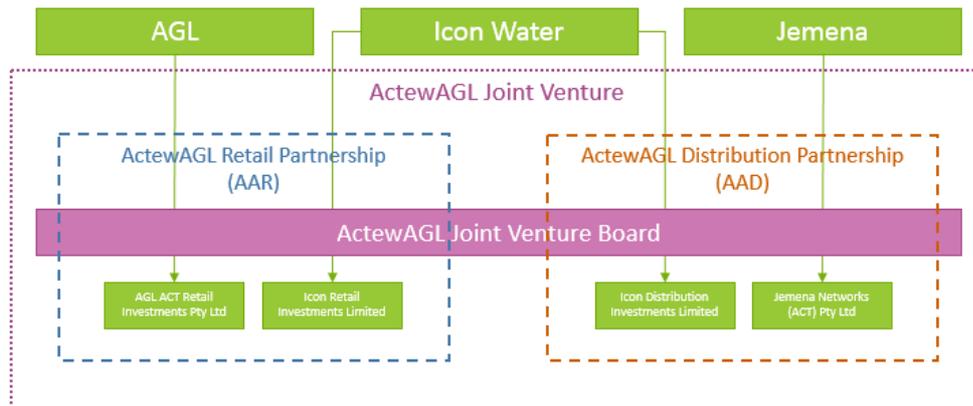
1	Introduction.....	4
1.1	Background.....	4
1.2	Areas Currently Compliant.....	5
1.3	Scope of this Implementation Plan.....	5
2	Compliance Approach.....	6
2.1	Project Board.....	6
2.2	Project Management.....	6
2.3	Stream Leaders.....	7
2.4	Initial Scoping Phase.....	7
2.5	Implementation Phase.....	8
2.6	Post-implementation Phase.....	8
2.6.1	E-Module Rollout.....	8
2.6.2	New staff inductions.....	8
2.6.3	Conduct of service providers.....	8
2.6.4	AAD internal assessment.....	8
2.6.5	Independent assessment.....	8
2.6.6	Breach and compliance monitoring and reporting.....	9
3	Legal Separation of Electricity Distribution Services.....	10
3.1	Activities.....	10
3.2	Service Classification.....	10
3.3	Ring-Fencing Classification and Applicable Rules.....	10
3.4	Electricity Retail.....	11
3.5	Corporate Services.....	11
3.6	Other Distribution Services.....	11
3.7	Gas Infrastructure Services.....	11
4	Functional Separation of Direct Control Services.....	13
4.1	Activities.....	13
4.2	Service Classification.....	13
4.3	Ring-Fencing Classification and Applicable Rules.....	13
4.4	Compliance with Controls on Offices, Staff, Branding, and Promotions.....	14
4.4.1	Branding decision.....	14
4.4.2	Re-branding.....	14
4.4.3	Website redevelopment.....	15
4.4.4	Staff education.....	16

4.4.5	Staff and Offices.....	16
4.4.6	Cross-Promotion .....	16
4.5	Information Access and Disclosure.....	17
4.6	Conduct of Service Providers.....	17
4.7	Gas Infrastructure Services.....	17
5	Timeline .....	19
6	Annual Compliance Review .....	20
6.1	AAD Internal Assessment .....	20
6.1.1	Annual compliance checks.....	20
6.1.2	Annual compliance report .....	21
6.2	Annual Independent Assessment Tasks.....	22
6.2.1	Appointment of reviewer .....	22
6.2.2	Annual compliance review .....	22
6.2.3	Final independent assessment report.....	23
7	Breach and Complaint Processes .....	24
7.1	Breach Process.....	24
7.2	Complaint Process .....	24
7.3	Remediation Plan .....	24

# 1 Introduction

## 1.1 Background

ActewAGL Distribution (**AAD**) is a partnership, the shares in which are owned 50/50 by subsidiaries of Icon Water Limited and Jemena Limited. The ActewAGL ownership structure is shown in Figure 1.



**Figure 1. ActewAGL ownership diagram of the distribution partnership and the retail partnership**

AAD currently owns and operates the electricity distribution and transmission networks in the Australian Capital Territory (**ACT**) and is both a Distribution Network Service Provider (**DN**SP) and a Transmission Network Service Provider.

AAD also provides *other distribution services* and *non-distribution services*. These include:

1. Ownership of the gas distribution network in the ACT and nearby regional areas of NSW, the operation of which is wholly outsourced (i.e. a *non-distribution service*);
2. Ownership and operation of a compressed natural gas (**CNG**) refuelling facility in the Canberra suburb of Fyshwick (i.e. a *non-distribution service*);
3. Ownership and operation of an Electric Vehicle charging network across the ACT (i.e. an *other distribution service*); and
4. Provision of smart metering services (i.e. an *other distribution service*).

The AER released the Ring Fencing Guideline for Electricity Distribution on 30 November 2016. That guideline has recently been amended (the amended version is referred to in this Implementation Plan as the **Guideline**).

The Guideline describes the functional, accounting and legal separation requirements that DNSPs must comply with to facilitate effective competition in electricity markets.

AAD's *non-distribution services* and *other distribution services* are subject to one or more of the separation obligations that apply under the Guideline. In particular, the branding of *non-distribution services* and *other distribution services* must be independent and separate from the branding used for AAD's *direct control services*.

The *ActewAGL* trademark is not owned by AAD. Rather, it is currently owned and used by ActewAGL Retail (**AAR**), which intends to continue that use. Therefore, to comply with the Guideline, AAD is required to re-brand its *direct control services*, which services represent the majority of its activities.

Separating this long-standing shared brand requires substantial effort and change management. A number of activities have been commenced to rebrand AAD's *direct control services*, and these can be found in Section 4.4

## 1.2 Areas Currently Compliant

AAD has completed an internal review and found that it is already compliant with many of clauses of the Guideline, including:

- 3.2.1 Accounting separation;
- 3.2.2 Cost allocation;
- 4.1 Non-discrimination;
- 4.2 Staff sharing remuneration;
- 4.3.2 Protection of confidential information;
- 4.3.3 Disclosure of information; and
- 4.4 Service providers.

## 1.3 Scope of this Implementation Plan

This Implementation Plan covers the following chapters:

- Compliance approach, which describes the planning activities and governance arrangements that AAD has put in place to implement the changes that are required to achieve compliance with the Guideline;
- Plans to ensure compliance with the legal and functional separation requirements of the Guideline, as well as the requirement covering information access and disclosure, and service providers;
- The proposed approach to conducting annual independent compliance assessments; and
- AAD's approach to handling breaches and complaints.

The Implementation Plan also provides context regarding the unique structure of AAD, a partnership within a joint venture, which differs from other DNSPs.

## 2 Compliance Approach

AAD actively contributed to the development of the Guideline's predecessor released on 30 November 2016, engaging in the consultation process, attending workshops and preparing submissions for the AER. AAD has developed reports and provided submissions for the Preliminary Positions Paper, Draft Guideline, Guideline Exposure Draft and a Draft Implementation Plan.

Since the first version of the Guideline was published in 2016, AAD has worked to determine the best approach to ensure compliance. AAD has established a dedicated internal ring-fencing compliance project to appropriately scope, plan, manage and monitor the pathway to compliance.

The governance arrangements for the project include:

- A Project Board;
- A Project Management Team; and
- Project Stream Leaders.

The Project team is responsible for:

- Conducting a Scoping Phase; and
- Implementing compliance activities.

These activities are described in detail in the following sections.

### 2.1 Project Board

AAD has established a Project Board which is a steering committee to provide guidance, make key decisions for the project, and obtain Joint Venture Board approval as required. The Project Board is comprised of the following key staff:

- Chief Finance Officer;
- General Manager of Energy Networks;
- General Counsel & GM Corporate Affairs;
- Director of Regulatory Affairs; and
- Commercial Manager of Energy Networks.

The Project Board meet fortnightly (or more frequently if required) to set the project direction and resolve issues.

### 2.2 Project Management

AAD has engaged external consultants Arup to provide project management for the Ring-fencing compliance project. Arup brings a broad experience in working with State and Australian Government regulatory projects in electricity, gas and water.

## **2.3 Stream Leaders**

AAD has identified Stream Leaders for key areas of the business that are impacted by the Guideline. These include:

- Accommodation and logistics;
- Branding and communications;
- Change management;
- Commercial;
- Legal;
- Financial and accounting systems;
- Human Resources and Industrial Relations;
- Information management; and
- Regulatory affairs.

These Stream Leaders act as single points of responsibility to assist AAD to achieve compliance and to help identify risks and other potential issues. The Stream Leaders and Project Management Team meet as required to discuss project progress, identify risks and prescribe appropriate actions.

## **2.4 Initial Scoping Phase**

Before implementing ring-fencing compliance activities, the Project Management team has worked with the Project Board and Stream Leaders to scope the extent of required change.

This phase included determination (with the benefit of external advice) of how the Guideline applies to AAD, and an appropriate path to compliance including the identification of the waivers that AAD would need to obtain in relation to certain components of its business. See section 7 for details concerning these waivers.

The outputs from the initial scoping phase include identification of areas where actions are required to achieve compliance, recommendations for changes, and initial high level project planning. This phase concluded in June 2017.

## **2.5 Implementation Phase**

The commencement of the implementation phase, from July, initiated the necessary changes and identified steps needed to ensure compliance with the Guideline. Further detail and dates were added to the project plan that was developed during the Initial Scoping phase. A risk register has been developed and traffic light reports are prepared fortnightly to monitor progress with the plan. Contingencies and interdependences have been identified. The key activities are described in detail in sections 3 and 4 below.

## **2.6 Post-implementation Phase**

Following the implementation phase, and from 1 January 2018, AAD will commence the post-implementation phase.

### **2.6.1 E-Module Rollout**

A detailed explanation for groups specifically impacted by ring-fencing will be included in the roll-out of an e-module early in 2018.

### **2.6.2 New staff inductions**

New starters who will be involved in both the provision of *direct control services* and *other distribution services* will be informed of the ring-fencing requirements as part of the induction process. This will include new employee e-induction materials to inform new staff about the Guideline and what it means for them.

### **2.6.3 Conduct of service providers**

Consultants and services providers will be educated about AAD's ring-fencing obligations through the provision of a briefing note.

### **2.6.4 AAD internal assessment**

An annual independent assessment report is required to be submitted to the AER by AAD in October each year starting in 2019. AAD has developed an approach to ensuring and demonstrating compliance including compliance checks, consolidated compliance reporting, compliance review and an annual compliance report.

### **2.6.5 Independent assessment**

An independent assessment by a suitably qualified independent authority will be undertaken annually, with the intended assessment to include a review of annual compliance reporting, sample based review of systems and processes and a final independent assessment report.

### **2.6.6 Breach and compliance monitoring and reporting**

AAD is establishing a reporting process for staff to alert managers if they become aware of a breach occurring. This process facilitates the reporting to the AER within 5 business days of a breach becoming known.

## 3 Legal Separation of Electricity Distribution Services

AAD owns and operates the ACT electricity network. It is one of the most reliable electricity networks in Australia, and its customers enjoy among the cheapest network prices in the country. Over 195,000 residential and business customers are supplied with electricity across the ACT. The electricity network covers 2,358 square kilometres.

### 3.1 Activities

Regulated electricity distribution and gas services in the ACT and surrounds.

### 3.2 Service Classification

The Guideline adopts the classification for electricity distribution services detailed in the National Electricity Rules and National Electricity Law and referred to in the Guideline as *distribution services*. Detailed descriptions for each specific regulated *distribution service* (i.e. *direct control services*) are available in the AER's service classification for AAD, which is updated for each regulatory control period.<sup>1</sup>

### 3.3 Ring-Fencing Classification and Applicable Rules

Under clause 3.1 of the Guideline, *distribution services* must be legally separated from *other services* (i.e. services other than *distribution services* or *transmission services*).

The sub-sections below described the activities being undertaken to ensure compliance with this requirement.

---

<sup>1</sup>The current service classification is available at Attachment 13 on the AER website <https://www.aer.gov.au/networks-pipelines/determinations-access-arrangements/actewagl-determination-2014-19/final-decision>

### **3.4 Electricity Retail**

For clarity, ActewAGL Retail is, and has been from its establishment, a separate legal entity from AAD.

### **3.5 Corporate Services**

Corporate services includes general administration, accounting, payroll, human resources, legal or regulatory, and information technology support services. Under the Guideline, there is no requirement for AAD to separate corporate services either legally<sup>2</sup> or functionally<sup>3</sup>. Corporate services will continue to use the name ActewAGL on their stationery, email addresses, etc.; and continue to provide support to AAD.

### **3.6 Other Distribution Services**

*Other distribution services* will, for the time being, continue to be provided by AAD, but may be transferred to a separate legal entity in the future. They will be functionally separated from the provision of *direct control services*, as required by the Guideline, and the activities being undertaken to implement this are described in section 4 below.

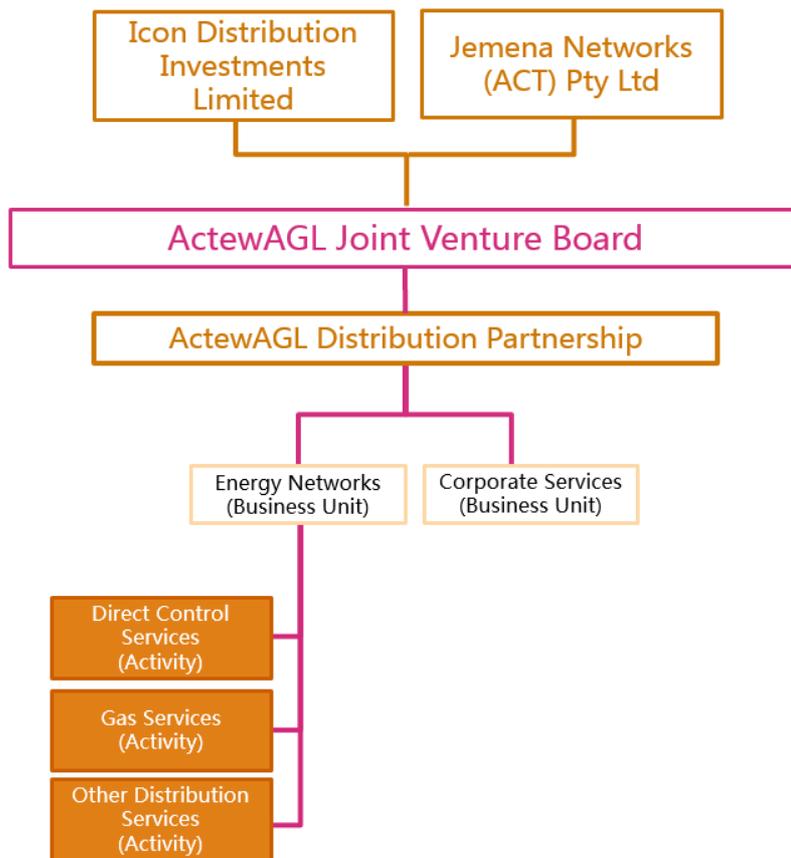
### **3.7 Gas Infrastructure Services**

Gas distribution is not a *distribution service* and, under the Guideline, must be legally separated from the DNSP, absent a waiver. Therefore a waiver application that would allow AAD's gas infrastructure services to continue to be provided by the DNSP was submitted to the AER on 30 July 2017. On 18 October 2017, a draft decision was published that would grant this waiver. If this position is confirmed in the final decision due in December 2017, AAD will prepare a waiver register and place this on AAD's new website for *direct control services*.

---

<sup>2</sup> A DNSP is expressly permitted to provide corporate services by reason of clause 3.1(d)(ii) of the Guideline.

<sup>3</sup> Corporate Services are not *contestable electricity services* and therefore do not need to be functionally separated from *direct control services*.



**Figure 2. AAD Corporate Structure**

Figure 2 represents the AAD corporate structure in response to the Guideline.

## 4 Functional Separation of Direct Control Services

### 4.1 Activities

Under section 4 of the Guideline, a DNSP must functionally separate the provision of *direct control services* from the provision of *contestable electricity services*. *Contestable electricity services* in turn are broken down into *other distribution services* (i.e., these are *distribution services* and therefore can be provided by the DNSP) and *other electricity services* (i.e., these are *non-distribution services* and therefore cannot legally be provided by the DNSP absent a waiver).

### 4.2 Service Classification

AAD currently provides two types of service that fall within the definition in the Guideline of *other distribution services*:

- Contestable metering services for Type 1-4 (smart) meters; and
- Electric vehicle charging services.

### 4.3 Ring-Fencing Classification and Applicable Rules

The functional separation obligations that impact upon the interactions between the business unit providing *direct control services* and the business unit providing *contestable electricity services* are:

- 4.1: Obligation to not discriminate in favour of *related electricity service providers*
- 4.2: Offices, staff, branding, and promotions separation for *direct control services*
- 4.3: Restrictions on information access by and disclosure to *related electricity service providers*
- 4.4 Certain contractual obligations with service providers

The sub-sections below describe the activities being undertaken to ensure compliance with these obligations under the Guideline.

## **4.4 Compliance with Controls on Offices, Staff, Branding, and Promotions**

### **4.4.1 Branding decision**

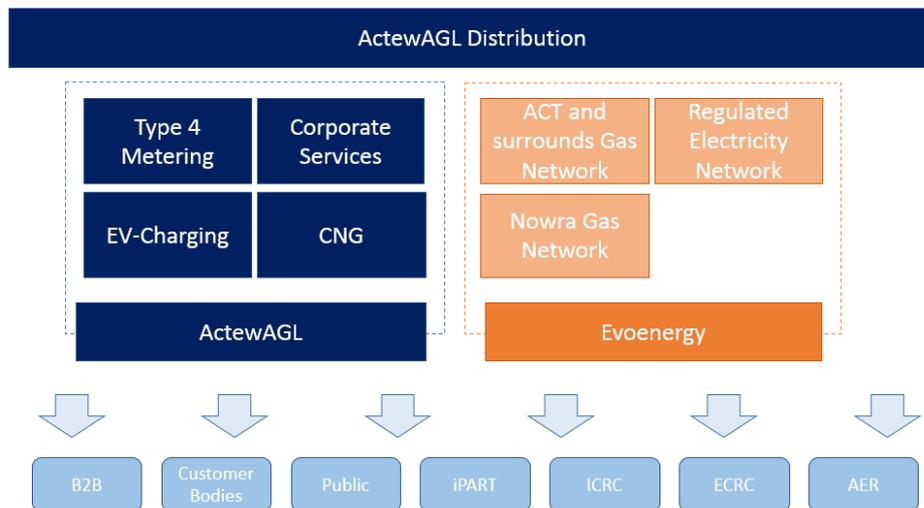
Following the ActewAGL Joint Venture Board (JV Board) approval of the preferred structure and in response to the branding and cross-promotion requirements of the Guideline, AAD developed and reviewed a number of brand options. AAD came up with a range of different names in conjunction with an external advertising agency that could be suitable. Feedback from an external focus group clearly identified Evoenergy as the preferred brand name, with nine of the 11 participants either liking or strongly liking the name. This brand name has now been approved by the Joint Venture Board and was confidentially notified to the AER by email on 8 September 2017.

### **4.4.2 Re-branding**

Re-branding of *direct control services* is the most resource-intensive activity within AAD to comply with the functional separation requirements. It is a comprehensive project in itself requiring the rebranding of assets, systems and information from across the organisation. This includes re-designing and re-branding:

- Website;
- Vehicles;
- Uniforms and personal protection equipment;
- Building signage;
- Zone substations;
- Access cards;
- Distribution assets;
- Outward facing documents; and
- Digital content.

A re-branding project team has been established, and consists of representatives from across the organisation. The project team has been meeting on a regular basis since early August to plan and manage activities to complete re-branding of the energy network assets, systems and information by 1 January 2018.



**Figure 3. Branding of activities**

AAD has developed a communications plan around the name change to inform staff, customers, services providers and the general public. The external communication commenced on 22 September 2017 in the ACT with a media statement from the CEO and planned media interviews. AAD has sent letters explaining the change to Government, industry, suppliers and retailers. All ACT households have also received a letter advising them about the change. AAD has commenced providing communications in Queanbeyan, Bungendore and Nowra given the re-brand of its natural gas infrastructure business in those areas. AAD have also deployed content through social media, including radio and press ads.

#### **4.4.3 Website redevelopment**

A development plan has been established for the Evoenergy website. The re-development of the website requires more than just mapping the existing site and re-branding. The website has been re-developed from the bottom-up to ensure it is modern, efficient and also meets the ring-fencing and Power of Choice requirements. Workshops with a digital agency have been held to design and develop the new Evoenergy website. The marketing and communications team has devised a project plan, and a statement of works with defined outputs has been prepared. The content from the existing AAD site is to be re-branded and mapped to the new domain. Content linked through the AAD intranet and AAR website references also have to be updated. The website is expected to go live in early December.

#### 4.4.4 Staff education

A staff education campaign has been developed that will commence in November and continue into 2018. Key messages, a factsheet and frequently asked questions (FAQs) have been developed that provide a plain English summary of what ring-fencing means for leaders and employees, including who is affected and how they will need to work differently. Staff education will also be woven into organisation-wide messaging, including the establishment a dedicated intranet page with information and FAQs for staff. These communications will also provide guidance on the escalation process for breaches and complaints as well as the consequences of non-compliance.

#### 4.4.5 Staff and Offices

Offices from which *contestable electricity services* (contestable metering services and electric vehicle charging services) are to be provided will be physically separated from the offices from which *direct control services* are provided. AAD is currently in the process of procuring and fitting out the preferred sites.

This move will go a considerable way to ensuring compliance with the staff separation requirements of the Guideline. Clear staff work units, management reporting lines, and job descriptions will also be in place so that staff working on direct control services do not also work on contestable electricity services.

#### 4.4.6 Cross-Promotion

The obligations in relation to the prevention of cross-promotion requires few changes for AAD. Relevant processes and practices have been in place for around 15 years in relation to promoting AAR. AAD is taking the following additional steps to ensure:

- Continued compliance; and
- That AAD does not advertise or promote *contestable electricity services* in a way that would contravene clause 4.2.3 of the Guideline<sup>4</sup>.

These steps include:

- Public communication campaign around the launch of the new Evoenergy website for *direct control services*;
- Education of staff through the provision of internal communications to all AAD staff;

---

<sup>4</sup> For a summary, see Table 1 below

- Ring-fencing e-module training for those directly impacted and new staff;
- Specific guidelines for branding and cross-promotion for the marketing team;
- Annual internal compliance check; and
- Independent compliance review of marketing processes and practices.

As mentioned above, AAR owns the *ActewAGL* name and it is intended that AAR will continue to use the brand. It is anticipated that there may be a degree of misunderstanding among customers for a period after 31 December 2017, as they become familiar with the new Evoenergy brand and its implications. The following activities are planned to mitigate the effects of this:

- Letter to all customers and suppliers introducing Evoenergy and the nature of the changes to *direct control services* branding;
- “Coming soon” campaign with TV, radio, press and digital advertising;
- Public communications campaign around the launch of the new Evoenergy website for *direct control services*;
- Media launch showcasing and explaining new Evoenergy signage, vehicles, uniforms and TV ads; and
- Provision of an FAQ on the Evoenergy and ActewAGL websites describing the nature of the relationship.

#### **4.5 Information Access and Disclosure**

An initial review of information and systems has been conducted to confirm that no *confidential information* or *electricity information* is shared with *related electricity service providers* in a way that would result in non-compliance with the Guideline. An information-sharing protocol has been developed, which sets out how and when AAD would be required to make *confidential information* available to competitors of *related electricity service providers*. It will appear on the Evoenergy website, along with an information register that will identify all those who request access to *confidential information*.

#### **4.6 Conduct of Service Providers**

In addition to inclusion of relevant provisions in new and varied services contracts to comply with clause 4.4.1 of the Guideline, AAD has prepared a short briefing note to inform service providers of AAD’s obligations under the Guideline.

#### **4.7 Gas Infrastructure Services**

Under the Guideline, there is no requirement for AAD to functionally separate its gas infrastructure services from its electricity distribution services because gas services are not *contestable electricity services*. However, in practice AAD largely does so by fully outsourcing the delivery of its gas infrastructure services. Assuming that the

draft waiver decision referred to above<sup>5</sup> is confirmed in the final decision, AAD intends to co-brand its gas infrastructure services with its *direct control services* as Evoenergy, as referred to above.

---

<sup>5</sup> See section 3.7

## 5 Timeline

Table 1 shows the high-level timeline for activities relevant to the ring-fencing compliance process.

**Table 1: Timeline of activities relevant to electricity distribution**

TASK	2017							2018
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-onwards
<b>Re-Branding</b>								
AAD submit branding proposal to JV Board								
Finalised branding decision								
Internal and external communications								
Re-branding of assets – signage, vehicles, etc.								
Re-branding ‘go-live’								
*Re-branding of residual distribution and gas assets								
<b>Information access and disclosure</b>								
Develop information sharing protocol								
Establish information register								

## 6 Annual Compliance Review

An annual ring-fencing compliance report is required to be submitted to the AER by AAD in October each year starting in 2019. The annual compliance report must be accompanied by an assessment of compliance by a suitably-qualified independent authority. AAD has developed the following approach to ensuring and demonstrating compliance.

### 6.1 AAD Internal Assessment

The following tasks will make up the AAD internal assessment.

#### 6.1.1 Annual compliance checks

Commencing in April 2018, relevant contributors from within core business areas will undertake a check of compliance within their domain. The compliance check will form part of the position description for the relevant contributors. The relevant contributors and scope of compliance checks include:

Obligation	Section Responsible	Annual Compliance Checks
<b>Maintain separate accounts</b>	Network Finance (Corporate Services)	<ul style="list-style-type: none"> <li>Review transactions between DNSP and affiliated entities</li> <li>Review Cost Allocation Methodology (CAM) and attribution of costs</li> </ul>
<b>Legal separation</b>	Legal Counsel and Commercial Management (Corporate Services & Evoenergy)	<ul style="list-style-type: none"> <li>Review any changes in commercial arrangements with related electricity service providers and competitors for perceived or real discrimination</li> </ul>
<b>Staff sharing / separation</b>	Organisational Capability (Corporate Services)	<ul style="list-style-type: none"> <li>Confirm new employees have completed brief induction e-module</li> </ul>
	Regulatory Compliance (Evoenergy)	<ul style="list-style-type: none"> <li>Email questionnaire to Branch Managers to confirm staff activities are separated in accordance with sharing / separation requirements</li> </ul>
<b>Staff Register</b>	Regulatory Compliance (Evoenergy)	<ul style="list-style-type: none"> <li>Check the accuracy of the staff register</li> </ul>

<b>Physical separation/co-location</b>	Property (Corporate Services)	<ul style="list-style-type: none"> <li>Review access logs to confirm that Evoenergy staff have not accessed (or attempted to access) the contestable electricity services area, and vice versa</li> </ul>
	Regulatory Compliance (Evoenergy)	<ul style="list-style-type: none"> <li>Review office arrangements are still consistent with physical separation requirements</li> </ul>
<b>Office Register</b>	Regulatory Compliance (Evoenergy)	<ul style="list-style-type: none"> <li>Check the accuracy of the office register</li> </ul>
<b>Branding and cross-promotion</b>	Brand & Communications (Corporate Services)	<ul style="list-style-type: none"> <li>Confirm branding and promotion separation is consistent with the Guideline</li> </ul>
<b>Information sharing</b>	Enterprise Information Management (Corporate Services)	<ul style="list-style-type: none"> <li>Review the information access and sharing processes</li> </ul>
	Regulatory Compliance (Evoenergy)	<ul style="list-style-type: none"> <li>Email questionnaire to Branch Managers to confirm staff activities are separated in accordance with information sharing requirements</li> </ul>
<b>Information register</b>	Regulatory Compliance (Evoenergy)	<ul style="list-style-type: none"> <li>Check accuracy of the information register</li> </ul>
<b>Conduct of service providers</b>	Contracts and Procurement (Corporate Services)	<ul style="list-style-type: none"> <li>Confirm new service providers have received the ring-fencing briefing note</li> </ul>

### 6.1.2 Annual compliance report

An annual compliance report will be prepared in the first quarter of the following year. This report will collate and communicate the findings of the annual compliance checks.

## **6.2 Annual Independent Assessment Tasks**

An independent assessment by a suitably-qualified independent authority will be undertaken annually, with the intended assessment to include the following.

### **6.2.1 Appointment of reviewer**

An independent assessor will be procured to review the annual compliance report.

### **6.2.2 Annual compliance review**

The auditor will conduct a review of systems and/or processes to assess the compliance of the following:

- Review transactions between DNSP and affiliated entities;
- Review CAM and attribution of costs;
- Review any changes in commercial arrangements with related electricity service providers and competitors for perceived or real discrimination;
- Confirm new employees have completed induction e-module training;
- Send out an annual email questionnaire to Branch Managers to confirm staff activities are separated in accordance with sharing / separation requirements;
- Check the accuracy of the staff register;
- Review office arrangements to ensure consistency with physical separation requirements;
- Review access logs to confirm that Evoenergy staff have not accessed (or attempted to access) any contestable services area, and vice versa;
- Check the accuracy of the office register;
- Confirm branding and promotion separation is consistent with the Guideline;
- Develop procedure and confirm branding is consistent with procedure;
- Review the information access and sharing practices;
- Send out an annual email questionnaire to Branch Managers to confirm staff activities are separated in accordance with information sharing requirements;
- Check the accuracy of the information register; and
- Confirm new service providers have received the ring-fencing briefing note.

The assessor will communicate the findings to AAD and give them opportunity to take corrective action or set-out a path to remediation.

### **6.2.3 Final independent assessment report**

Following the desktop and sample based review, the independent authority will prepare a final report. This report will be appended to the annual compliance report.

## **7 Breach and Complaint Processes**

### **7.1 Breach Process**

AAD has an electronic obligation management system that includes a module to report breaches. Ring fencing will be included within that system. Also, AAD has established a process for staff to alert managers if a breach occurs. This process facilitates timely reporting to the AER within 5 business days of a breach becoming known. A remediation action plan will be developed when breaches are found or the independent assessment identifies a discrepancy.

### **7.2 Complaint Process**

AAD will provide a written response to any complaint or concern the AER raises with the DNSP about its compliance with the Guideline, assuming that AAD has been provided with sufficient information for it to make internal inquiries about the circumstances and the complainant and conduct an internal inquiry.

AAD will investigate the complaint and if required develop a remediation action plan in response. AAD will also formally respond to the AER concerning the compliance issue and comply with any requests for information resulting from a complaint.

Where the complaint or concern originates with an AAD customer, AAD will attempt a resolution directly with the customer in the first instance.

### **7.3 Remediation Plan**

When required, a remediation action plan will be developed in response to a material breach or complaint. The remediation plan will include:

- Details of the breach / complaint;
- Identify the root cause of the issue;
- Described corrective actions;
- Identify preventative measures; and
- Set-out an appropriate scope for measuring compliance and monitoring.

The remediation action plan will be reported in the annual compliance report and monitored in the quarterly reports for a year following the incident.