

NEV Water and Sewer Scheme Retail Supply Risk Assessment

Risk

		Consequence				
		1	2	3	4	5
Likelihood	1	Low	Low	Low	Moderate	High
	2	Low	Low	Moderate	High	Very High
	3	Low	Moderate	High	Very High	Very High
	4	Low	Moderate	High	Very High	Very High
	5	Low	Moderate	High	Very High	Very High

Qualitative measures of likelihood

Level	Descriptor	Example of Description	
1	Rare	May occur only in exceptional circumstances	very rarely > annual
2	Unlikely	Could occur in unusual circumstances	chance of annual occurrence
3	Possible	Might occur or should be expected to occur under certain circumstances	chance of monthly occurrence
4	Likely	Will probably occur	chance of weekly occurrence
5	Almost Certain	Is expected to occur	chance of daily occurrence

Qualitative measures of consequence

Level	Descriptor	Example of Description
1	Insignificant	Insignificant impact or not detectable
2	Minor	Health - Minor impact on contact population, first aid treatment
		Environment - Minimal and short term harm to the environment
3	Moderate	Health - Moderate impact on contact population, medical treatment required
		Environment - Significant harm to the local environment for a short period
4	Major	Health - Major impact on contact population, extensive injuries
		Environment - significant harm to the environment
5	Catastrophic	Health - Potentially lethal on on contact population, death
		Environment - significant, widespread harm outside local area

NEV Water and Sewer Scheme Retail Supply Risk Assessment

Project Name:	Narara Ecovillage water and sewer scheme
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Approved	Geoff Cameron
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Activity	Risk	Impact	Unmitigated Risk					Control Strategy	Mitigated Risk				
			Likelihood		Consequence		Risk		Likelihood		Consequence		Risk
Network Operations	Network Operator has infrastructure failure or interruption	NEV unable to supply customers with service	3	Possible	4	Major	Very High	- NEV is the sole network operator related to the retail supply and therefore directly in control of ensuring the network operations are maintained - As network operator, NEV has assessed risks and implemented control strategies on the infrastructure to minimise the impact of interruption	1	Rare	2	Minor	Low
	Quality of water supplied by the network operator is not fit for purpose	Supplied water (potable or non-potable) is unsuitable for customer use	3	Possible	4	Major	Very High		- NEV is the sole network operator related to the retail supply and therefore directly in control of monitoring and checking water quality and stopping supply if necessary.	1	Rare	1	Insignificant
Alternate Supplies	Alternate supply of services not available when needed or insufficient available to satisfy demand	NEV unable to supply customers with full services	3	Possible	4	Major	Very High	- alternate supplies have been identified - multiple local contractors that can be used for alternate supply are available - alternate supply is both practically and economically feasible. - NEV can rely on its customers to assist with managing demand during supply interruptions	1	Rare	2	Minor	Low
Business Operations	Business Interruption, e.g. fire, flood, natural disaster	NEV unable to operate as a retail supplier	1	Rare	5	Catastrophic	High	- Business interruption insurance in place - Procedures in place to minimise disruption, e.g., digital files archived off site - NEV has a backup office site to work from if site is temporarily unavailable	1	Rare	3	Moderate	Low
	Unforeseen event at NEV site or premises	NEV incurs unexpected or unsustainable expenses and can no longer operate as a retail supplier	1	Rare	5	Catastrophic	High	- risk management strategy in place to review potential risks and identify insurance to cover the possible outcomes - annual insurance reviews with broker to ensure ongoing adequacy of insurance policies	1	Rare	3	Moderate	Low
	Financial Risk - NEV Cash Flow	NEV unable to operate as retail supplier due to cash flow	2	Unlikely	4	Major	High	- NEV can call on its members to help smooth business cash flows - Ongoing management reviews of business wide cash flow to forecast and manage periods of low cash flow	1	Rare	2	Minor	Low
	Resource - insufficient resources committed within NEV	Delays to services or billing of customers	3	Possible	3	Moderate	High	- NEV will initially have less than 60 customers and the resources required each month to complete retail supply commitments are low - NEV members have multiple skill sets and can be deployed at short notice to satisfy short term resource deficiencies	1	Rare	1	Insignificant	Low
	Organisational - restructure, sale or transfer of utility business etc.	NEV have resources reassigned and are unable to complete responsibilities as a retail supplier	1	Rare	3	Moderate	Low	- NEV is 100% owned by its members and therefore are unlikely to be sold or restructured at short notice. Any organisational change will be negotiated with the current operations of the company in mind	1	Rare	1	Insignificant	Low

Activity	Risk	Impact	Unmitigated Risk			Control Strategy	Mitigated Risk						
			Likelihood	Consequence	Risk		Likelihood	Consequence	Risk				
Customer Relations	Customer complaint or dispute - invoicing	Customer unhappy. NEV may not receive revenue for services	4	Likely	3	Moderate	High	- service level and charges nominated in a Service Agreement signed by both parties prior to supply commencing - NEV operate Xero billing system to manage and maintain invoicing and invoicing records - NEV has a Customer Complaint and Dispute Resolution procedure	1	Rare	2	Minor	Low
	Customer complaint or dispute - quality of service	Customer unhappy and may complain publicly thus affect NEV reputation	4	Likely	3	Moderate	High	-NEV has a Customer Complaint and Dispute Resolution procedure. - as also the network operator, NEV can respond to a valid network complaint which a customer raises without the need to refer them to a third party	1	Rare	2	Minor	Low

Appendix E.4

Contingency plans

Contingency plans for potable water supply are detailed in the Drinking Water Management Plan. Drinking water is reticulated by gravity water mains with 450kL of reservoir storage which represents 7 days storage at full development. The plan provides for potable water delivery by licensed contractor in the event of a longer interruption to supply.

Contingency plans for sewage services are detailed in the Sewage Management Plan. The scheme has 360kL of buffer sewage storage which represents 10 days storage at full development. The Sewage Management Plan provides for sewage pump out by licensed contractor in the event of a longer interruption to the system.

Appendix E5

Management systems and processes

The systems and processes that the applicant corporation will have in place to manage retail activities including billing systems, and complaint and debt recovery procedures are provided in **Appendix D6 Management systems and processes**.