



570 George Street
Sydney NSW 2000
All mail to GPO Box 4009
Sydney NSW 2001
T +61 2 131 365
www.ausgrid.com.au

5 September 2017

Christine Allen
Director - Energy Networks Regulation
IPART
2-24 Rawson Place
Sydney NSW 2000
[REDACTED]

Dear Christine,

Consultation on IPART's Electricity Networks Reporting Manual

I refer to the current consultation on IPART's Electricity Networks Reporting Manual which ends on 5 September 2017.

Ausgrid does not have any specific feedback to provide in response to the changes outlined within the draft IPART Electricity Reporting Manual. However, having recently completed the first Critical Infrastructure Licence Conditions Annual Report and associated audit we would like to take this opportunity to comment on and raise some questions in relation to that process.

1. Combined Annual Compliance Report and Audit for Critical Infrastructure (CI) Licence Conditions

Ausgrid would like to see the annual CI compliance report combined with the annual audit into a single process and deliverable, with a single due date of 30 September each year. The additional time will allow the annual compliance report to be externally audited before it is submitted to Ausgrid's Board for certification, and subsequently submitted to IPART as a package. Given the overall volume of statutory reporting obligations at this time of the year, including reporting on compliance with the general licence conditions, submission of the critical infrastructure report to the August Board meeting is problematic; targeting the September meeting would be more realistic.

Compliance with the critical infrastructure licence conditions is a complex subject area when seeking to determine compliance against industry best practice, and Ausgrid benefits from the external audit process not only in verifying compliance but also in providing additional insights and recommendations that can inform future programs of work to continuously improve Ausgrid's control system environment.

2. CI Transition Plan/Implementation Plan

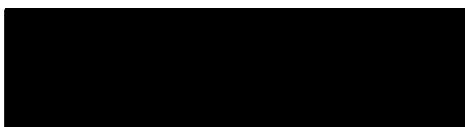
Section 5.3 of the Reporting Manual requires progress made against the steps outlined in its approved implementation plan and the transition plan by 15 December 2017, following the completion of the 12 month period following the date of the licence.

At this stage Ausgrid intends to provide a management report detailing the completion of the Implementation and Transition plans. This will be a non-audited report approved by the Head of Ausgrid's Information Communications & Technology branch. The annual auditing process for the period of 1 July 2017 through to 30 June 2018 will determine Ausgrid's compliance according to its licence conditions. Ausgrid would welcome clarification from IPART that this approach meets IPART's expectations.

3. Non Compliance

We would also welcome engagement with IPART as to the ongoing process for reporting and resolution in the event that Ausgrid was to be found non-compliant (either material or non-material) with its critical infrastructure licence conditions.

Regards,



John Thomson
Compliance Reporting Manager