



ABN 20 009 454 111

Audit Report
Horizon Power
2026 Network Quality and Reliability
of Supply Audit -
Operation of Compliance Monitoring Systems

September 2026



executive summary

In accordance with the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 (the Code), Division 3, Section 26, Horizon Power is required to arrange for an independent audit of the operation of the systems that are in place to monitor its compliance with Part 2 of the Code or an instrument made under Section 14(3). In May 2026 Horizon Power commissioned Qualeng to carry out the audit in respect of the operation of its systems over the period 1 July 2023 to 30 June 2026.

Horizon Power supplies electricity services through 38 systems, to the Pilbara through the North West Interconnected System (NWIS), the East Kimberley through a connected network supplying three systems in Kununurra, Wyndham and Lake Argyle, 34 Non-Interconnected (or islanded) Micro Grids in regional towns and remote communities and two rural systems associated with Esperance and Hopetoun. These systems supply the Kimberley, Pilbara, Gascoyne, Mid West and the Goldfields/Esperance regions. In addition to its own power generation plant, Horizon Power also purchases electricity from third parties.

The audit was conducted between July and August 2026 and included:

- review of actions resulting from previous audit recommendations;
- identification and review of supporting documents;
- interview of key personnel;
- review and reporting on the evidence, data, reports and processes demonstrating the operation and performance of the systems.

Horizon Power has a number of systems that monitor its performance against the requirement of the Code:

- Monthly Asset Management Reports are provided to management and report on compliance with the requirements specified in the Code;

- a variety of systems report on the overall system operation on a live 'Dashboard';
- the Trouble Call System (TCS) is used to manage and monitor faults through the SCADA system, customer calls and fault detection by field crews;
- the duration and frequency of interruptions is monitored and reported in the AMRs;
- Power Quality Investigations deal with incidents and customer complaints due to electricity supply quality issues;
- customers with special health needs (SHN) are registered and identified in the system.

Response to previous audit recommendations

The previous audit (2023) had found:

- two Code non-compliances;
 - there was no clear evidence of systems that monitor the process of considering alternative supply if the planned interruption is expected to be greater than 4 or 6 hours and the effect on a business is likely to be substantial or SHN customers are affected;
 - there was no evidence of a process that considered traceability of individual small use customers that are subject to over 16 interruptions per year, or subject to over 12 hours of interruption per year, and there was not a recognizable process to monitor if remediation is provided to all those customers likely to be subject to more than one instance of significant interruption over 10 years as required by the Code.

Actions applicable to both non-compliances were identified by Horizon Power and were verified as completed in the present audit.

Audit Summary

The audit found evidence of the operation of the systems for compliance with the Code:

- regular reports publish past, current and forecast performance against Code criteria;
- power quality investigations are initiated on receipt of customer complaints;
- procedures are in place for managing duration of interruptions and notification of planned outages;
- alternative power supplies are available to mitigate interruptions;
- remedial projects are initiated to improve the reliability of supply.

Compliance Findings and Recommendations

This audit did not find any non-compliances.

Through interviews, discussions and examination of documents the audit made four findings which resulted in four recommendations for Opportunities for Improvement (OFI):

- ▶ 1/2026 (OFI) It is recommended Horizon Power specifically report on when it has considered alternative supply for planned outages that are expected to be greater than 4 or 6 hours, where the effect on a business is likely to be substantial, or where the customer is a special health needs customer who requires electricity.
- ▶ 2/2026 (OFI) It is recommended Horizon Power specifically report on when an Executive General Manager has been requested to approve a planned outage

proceeding and whether the outage was approved to proceed or not.

- ▶ 3/2026 (OFI) Asset Management Reports circulated monthly to management publish outage performance data related to Sec. 11 of the Code under the "Planned Outages Outside Charter" heading. The report should make clear that the data refers to supply interruption duration only.
- ▶ 4/2026 (OFI) Where customers are subjected to interruptions in excess of Code requirements (more than 12 hours or 16 interruptions per year over 10 year period) Horizon Power should register any remediation, or agreement with the customer and closure of issue as applicable for each individual customer.

Based on the scope of the audit defined in section 26 of the Code, the audit has found that, except as noted above, the operation of Horizon Power's systems which monitor compliance with the requirements of the Code, was in compliance with the requirements of Part 2 of the Code, "Quality and Reliability Standards".

This report is an accurate representation of the findings and opinions of the auditors following the assessment of the client's conformance to nominated conditions. The report is reliant on evidence provided by other parties and is subject to limitations due to the nature of the evidence available to the auditor, the sampling process inherent in the audit process, the limitations of internal controls and the need to use judgement in the assessment of evidence. On this basis Qualeng shall not be liable for loss or damage to other parties due to their reliance on the information contained in this report or in its supporting documentation.

Approvals

Representation	Name	Signature	Position	Date
Auditor:	M Zammit	M Zammit	Lead Auditor / Projects Director, Qualeng	14/09/2026

Issue Status

Issue No	Date	Description	Approved
A	28/08/2026	First Draft Issue	MZ
B	4/9/2026	Draft updated to version B; 2 additional OFIs confirmed	MZ
1	14/9/2026	First Formal Issue	MZ

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1 SUMMARY AND RECOMMENDATIONS

1.1 INTRODUCTION

The previous network quality and reliability of supply audit was completed in September 2023. Section 1.2 reviews Horizon Power's proposed actions and progress on that audit recommendations.

The 2026 audit findings and recommendations are listed below in section 1.3.

1.2 PROGRESS OF ACTIONS FROM 2023 AUDIT

The following table lists the recommendations made in the previous (2023) Audit and records progress of any actions.

Table 1: Findings and Recommendations from previous (2023) audit

Item No	Code Ref	Requirement	Operation of the System ► Findings / Observations	2023 Recommendations and Opportunities for Improvement	Actions and Status
		Systems to monitor compliance with:			
1	Div 2, Sec. 10	Duty to reduce effect of interruption: System to monitor compliance with: (1) so far as is reasonably practicable, transmitter or distributor to reduce effects of any interruption on a customer, and (2) mandatory consideration of alternative supplies when proposed interruption (a) is expected to exceed 4 or 6 hours (b) where it affects business substantially or (c) special health needs (SHN) customers require electricity.	► There is no clear evidence of systems that monitor the process of considering alternative supply if the planned interruption is expected to be greater than 4 or 6 hours and the effect on a business is likely to be substantial or SHN customers are affected.	1/2023. In order to comply with the Code, evidence must be available to show that the system must consider if it should supply electricity by alternative means under the conditions prescribed in section 10(2) of the Code.	Additional instruction added to applicable process diagram: "alternative supply options have been given particularly where customer interruptions are likely to exceed our customer charter or where customers have been impacted by more than 16 outages in a year". CLOSED
2	Div 2, Sec. 12	Significant interruptions to small use customers System to monitor compliance	► The Horizon Power process does not track individual customers that are subject to	2/2023. Identify and provide remediation or make alternative	Additional instruction added to applicable process diagram: "alternative supply options have

Item No	Code Ref	Requirement	Operation of the System ► Findings / Observations	2023 Recommendations and Opportunities for Improvement	Actions and Status
		with limiting significant interruptions to small use customers (SC) when: (2) supply of electricity to a SC has been interrupted: (a) in excess of 12 continuous hours; or (b) it has been interrupted more than 9 times in urban areas or more than 16 times in other areas in the preceding year; and the distributor considers that the prescribed standard is unlikely to be met in respect of the customer. (3) the distributor must either: (a) remedy the causes of interruption so that the prescribed standard is met; or (b) enter into an alternative arrangement to the SC's satisfaction for the supply of electricity to the customer.	over 16 interruptions per FY, or subject to over 12 hours of interruption per FY, and to date there is not a process to monitor if remediation is provided to all those customers that are likely to be subject to more than one instance of significant interruption over 10 years as required by the Code.	arrangements to the customer satisfaction with the individual small use customer is likely to be subjected to over 16 interruptions per FY, or an interruption of over 12 hour duration more than once in 10 years.	been given particularly where customer interruptions are likely to exceed our customer charter or where customers have been impacted by more than 16 outages in a year". CLOSED

1.3 SUMMARY AND RECOMMENDATIONS OF THE 2026 AUDIT

Under Section 26 "Annual report on monitoring systems" of the Code, Horizon Power is required to arrange for an independent audit of the operation of the systems that are in place to monitor its compliance with Part 2 of the Code or an instrument under Section 14(3).

The 2026 audit has found that Horizon Power's systems monitoring compliance with Part 2 of the Code are in general compliance with the requirements of the Code.

The following table details the findings, observations and recommendations arising from the audit. The table rates the various element as complying (✓), non-complying (✗), actions in progress, observations, findings, non-compliances (NC), Opportunities for Improvement (OFI) or recommendations. The audit found no non-compliances and four OFIs.

Throughout the audit it was evident that staff were aware of the Code requirements and there was commitment to improvement of the system compliance.

Based on the scope of the audit defined in section 26 of the Code, in the opinion of the auditor, and except as noted in the audit summary table, the system and processes within Horizon Power are in compliance with the requirements of Part 2 of the Code, "Quality and Reliability Standards".

The following table presents the summary of the current (2026) audit and lists the findings and recommendations made.

Table 2: Systems Compliance Summary, Findings and Recommendations

Legend: NC = Non compliance
AFARP = As far as is reasonably practicable

Code Division, Section	Code Requirement	Evidence of System	Evidence of Process	Operation of the System 1. Findings / Non compliances	Recommended Corrective Actions / Opportunities for Improvement (OFI)
	General system Systems monitoring compliance with the requirements of the Code.	✓	✓	Operation of the systems which monitor Horizon Power's compliance with the Network Quality and Reliability of Supply Code (the Code), satisfies the Code requirements except, as applicable, for findings of non-compliance reported below.	
Div 1, Sec. 5 - 6	5. Obligation to observe standards System to monitor compliance with, so far as is reasonably practicable, [quality] standards [Sec 6, 7, 8]. 6. Voltage fluctuations Voltage fluctuation of electricity supplied is a level of fluctuation that is less than: Pst < 1.0 Plt < 0.8	✓	✓	The audit found evidence of systems, processes and practices that Horizon Power has in place to monitor compliance with, as far as reasonably practicable, the Code quality of supply (QoS) criteria of the electricity supply at the point of connection to the customer, both in terms of voltage fluctuations (flicker) and harmonic distortion. The system relies on customer complaint to initiate power quality investigations. During the audit period there were no records to indicate any of the faults reported by customers were due to power quality as defined by the Code.	Complies
Div 1, Sec. 7	7. Harmonics Harmonic voltage distortion level of electricity supplied is less than table levels. (THD < 8%)	✓	✓	During the audit period there were no records to indicate any of the faults reported by customers were due to power quality as defined by the Code.	Complies

Code Division, Section	Code Requirement	Evidence of System	Evidence of Process	Operation of the System 1. Findings / Non compliances	Recommended Corrective Actions / Opportunities for Improvement (OFI)
Div 1, Sec. 8	8. Duty to disconnect if damage may result (a) If transmitter or distributor is unable to comply with sec 5,6 or 7; (b) AFARP disconnect supply of electricity to installations or property where failure may result in damage to customer's electrical installations or property, unless it is in the interests of the customer to maintain the supply.	✓	✓	The audit found evidence of systems, processes and practices to monitor Horizon Power's compliance with the requirement to disconnect a customer where there is a possibility of damage to the customer installation due to the transmitter or distributor inability to comply with QoS standards. During the audit period there were no records to indicate any of the faults, PQ incidents and resulting disconnections were due to issues related to the power quality criteria defined in the Code.	Complies
Div 2, Sec. 9	9. General standard of reliability System to monitor compliance, so far as is reasonably practicable, with maintaining the supply and minimising the number and duration of interruptions.	✓	✓	The audit found evidence of systems, processes and practices to monitor Horizon Power's compliance with the requirement to ensure that, so far as is reasonably practicable, the supply of electricity to a customer is maintained and the occurrence and duration of interruptions is kept to a minimum.	Complies
Div 2, Sec. 10	10. Duty to reduce effect of interruption System to monitor compliance with: (1) so far as is reasonably practicable, transmitter or distributor to reduce effects of any interruption on a	OFI	✓	(1) The audit found evidence of systems, processes and practices that monitor Horizon Power's compliance with the requirement that it must, so far as reasonable practicable, reduce the effect of any interruptions. (2) Systems are in place to monitor compliance with the requirements to keep the duration of	1/2026. (OFI) It is recommended Horizon Power specifically report on when it has considered alternative supply for planned outages that are expected to be greater than 4 or 6 hours, where the effect on a business is likely to be substantial, or where the customer is special health needs customer who requires electricity. Routinely

Code Division, Section	Code Requirement	Evidence of System	Evidence of Process	Operation of the System 1. Findings / Non compliances	Recommended Corrective Actions / Opportunities for Improvement (OFI)
	customer, and (2) mandatory consideration of alternative supplies when proposed interruption (a) is expected to exceed 4 or 6 hours (b) where it affects business substantially or (c) special health needs (SHN) customers require electricity.			planned interruptions below four to six hours as applicable. 1. There is no clear reporting of mandatory consideration of alternative supply and/or customer response if the planned interruption is expected to be greater than 4 or 6 hours, the effect on a business is likely to be substantial or SHN customers are affected. 2. “BIC Process-LSOM_Manage Customer Acknowledgement” process flowchart indicates that, through approval by the Executive General Manager (EGM), outages can be carried out even if the customer is not contactable. Verification of the outage and notification process was carried out with Horizon Power staff and it was found that planned outages are typically cancelled if no acknowledgement of the notification is obtained from any impacted LS customer. The process activities witnessed in practice did not always clearly flag outage events which explicitly required management approval when there was lack of customer acknowledgement.	reporting this detail will demonstrate understanding of the requirement and compliance with the code. 2/2026. (OFI) It is recommended Horizon Power specifically report on when an Executive General Manager has been requested to approve a planned outage proceeding and whether the outage was approved to proceed or not. Routinely reporting this detail will demonstrate understanding of the requirement and compliance with the code.
Div 2, Sec. 11	11. Planned interruptions System to monitor compliance with:	OFI	✓	(1)(a) Systems are in place to monitor compliance with the requirement to keep the duration of planned interruptions below 4 or 6	3/2026. (OFI) Asset Management Reports circulated monthly to management publish outage performance data

Code Division, Section	Code Requirement	Evidence of System	Evidence of Process	Operation of the System 1. Findings / Non compliances	Recommended Corrective Actions / Opportunities for Improvement (OFI)
	(1) Allowance to interrupt if: (a) interruption duration, so far as is reasonably practicable, does not exceed 4* or 6* hours, and (b) notification of the planned interruption is given to the customer (i) not less than 72 hours prior to interruption; or (ii) if not reasonably practicable, at the earliest practicable time. * (2)(a) on or S of 26th parallel (i) 6h (ii) 4h if forecast maximum temperature $\geq 30^{\circ}\text{C}$ (b) 4h if north of 26th parallel. (3) Notices can be sent by post to customer premises, postal address, electronically			hours as applicable, so far as is reasonably practicable. (1)(b), (3) The system relies on automated notifications for planned outages with manual intervention when the customer acknowledgement is not received. Manual intervention escalates to letter drops, phone calls and home visits. Monitoring of the notification system relies on customer communication trail and logs and customer complaints which are reported annually in the NQRS Code Reports due to the low number of complaints per year (1, 11 and 1 for 2023-24, 2024-25, 2025-26 periods respectively). In view of the number of outages performed by Horizon Power it can be concluded that, so far as reasonably practicable, the Horizon Power systems comply with the Code requirements. 3. During the audit it was noted that the monthly Asset Management Reports publish outage performance data related to Sec. 11 of the Code under the "Planned Outages Outside Charter" heading. The data refers to interruption duration only and does not cover notifications performance.	related to Sec. 11 of the Code under the "Planned Outages Outside Charter" criteria. The report should make clear that the data refers to supply interruption duration only.

Code Division, Section	Code Requirement	Evidence of System	Evidence of Process	Operation of the System 1. Findings / Non compliances	Recommended Corrective Actions / Opportunities for Improvement (OFI)
	(email, fax, text messages, internet), TV or radio, newspaper. (4) Electronic notices cannot be given by telephone or publication on transmitter/distributor website.				
Div 2, Sec. 11A	11A. Interruptions to restore supply from network System to monitor compliance with ((2) when the customer is supplied by alternative means and supply has to be restored from the network): 3(a) so far as reasonably practicable, interruption duration does not exceed 4 or 6 hours*, and 3(b) best endeavours used to provide notice of planned interruption to the customer or, if applicable, to the resident at the premises.	✓	✓	Systems are in place to monitor compliance with the requirements to ensure that interruptions do not exceed 4 or 6 hours and the customer is provided notifications of the outage. There was evidence to show use of alternative power generation where required and of notifications to customers. Process is ad-hoc.	Complies
Div 2, Sec. 12	12. Significant interruptions to small use customers System to monitor compliance with: (2) when supply of electricity	✓	OFI	A system is in place to monitor the number of interruptions greater than 12 hours or where the frequency of interruptions exceeds 16 for each individual customer. Horizon Power determined that customers had	4/2026. (OFI) Where customers are subjected to interruptions in excess of Code requirements (more than 12 hours or 16 interruptions per year over 10 year period) Horizon Power should

Code Division, Section	Code Requirement	Evidence of System	Evidence of Process	Operation of the System 1. Findings / Non compliances	Recommended Corrective Actions / Opportunities for Improvement (OFI)
	to a SC has been interrupted: (a) in excess of 12 continuous hours; or (b) it has been interrupted more than 9 times in urban areas or more than 16 times in other areas in the preceding year; and the distributor considers that the prescribed standard is unlikely to be met in respect of the customer. (3) the distributor must either: (a) remedy the causes of interruption so that the prescribed standard is met; or (b) enter into an alternative arrangement to the small use customer's satisfaction for the supply of electricity to the customer.			been subject to interruptions which exceeded the standards prescribed in section 12. Worst cases that were identified in the audit included: 12 customers were subjected to between 24 and 36 interruptions per year; - over 600 customers were subjected to more than 16 interruptions in the year; - some customers have been subject to more than 16 interruptions per year over 4 years. The audit concluded that: 4. The Horizon Power process does identify customers subjected to interruptions in excess of Code requirements however it does not register any remediation, or agreement with the customer and closure of issue.	register any remediation, or agreement with customer and closure of issue as applicable for each individual customer.
Div 3, Sec. 13	13. Standards prescribed for particular areas System to monitor compliance with, so far as is reasonably practicable, standards for the duration of	✓	✓	The audit found that Horizon Power has a system to monitor that the average total length of interruptions per customer for the four years up to the current year do not exceed 290 minutes. There were instances where those limits were	Complies

Code Division, Section	Code Requirement	Evidence of System	Evidence of Process	Operation of the System 1. Findings / Non compliances	Recommended Corrective Actions / Opportunities for Improvement (OFI)
	interruption of supply in particular areas do not exceed: -- other areas $\leq$ 290 min.			exceeded, however there was evidence to show that contributing events or incidents were identified and actions noted and undertaken. There is evidence to show that processes are in place and are performing in compliance with the Code.	
Div. 4, Sec. 15	15. Alternative provision Systems to monitor compliance where Code provisions may be excluded or modified by agreement.	-	-	Not applicable. No specific customer agreements were in place for deviation from the code during the audit period.	Complies

2 OBJECTIVES AND SCOPE OF AUDIT

2.1 INTRODUCTION

Horizon Power has an Electricity Integrated Regional Licence (EIRL2) (the licence) issued by the Economic Regulation Authority (the Authority) under Sections 7 and 15(2) of the Electricity Industry Act 2004 (WA) (the Act). Under the scope of the licence Horizon Power supplies electricity to residential customers, communities and businesses, including major industry. The services are provided to around 47,000 customer connections to an area of approximately 2.3 million square kilometres extending from the Kimberley in the North to Esperance, Norseman and Hopetoun in the South and including the Kimberley, Pilbara, Gascoyne, Mid West and Southern Goldfields regions in Western Australia.

Services are provided through 38 systems, including the Pilbara North West Interconnected System (NWIS), Horizon Power Microgrids (formerly known as Horizon Power's Non Interconnected Systems) which are made up from 34 non-Interconnected (or islanded) systems in regional towns and remote communities, three systems (Kununurra, Wyndham and Lake Argyle) connected through a transmission network in the East Kimberley and two rural systems associated with Esperance and Hopetoun.

In addition to power generating plant in Carnarvon, Marble Bar, Nullagine, Kununurra and Wyndham, Horizon Power also owns generating plant that is managed by a third party and purchases electricity from third parties.

Horizon Power has also responsibility for power delivery to 117 remote communities under the Remote Communities program.

Under the terms of the Act Horizon Power is required to comply with the Electricity Industry (Network Quality and Reliability of Supply) Code 2005 (the Code). In accordance with Section 26 "Audit and report on monitoring systems" of the Code, Horizon Power is required to arrange for an independent expert to audit and report on the operation of the systems that are in place to monitor its compliance with Part 2 of the Code or an instrument under Section 14(3). Under sub-section 25A(1)(a), the reporting period is "3 years" or as directed by the ERA.

In May 2026 Horizon Power commissioned Qualeng to carry out the Audit to cover the period 1 July 2023 to 30 June 2026.

The audit has been conducted and this report prepared in accordance with the Code.

2.2 AUDIT OBJECTIVES

The purpose of the Network Quality and Reliability of Supply (NQRS) audit is to assess and report on the operation of the systems implemented by the licensee to monitor its compliance with Part 2 of the Code or an instrument under section 14(3).

2.3 AUDIT SCOPE

Part 2 of the Code includes 4 Divisions:

1. Division 1 (sect. 4 to 8), "Quality Standards" for compliance, as far as reasonably practicable, with requirements for quality of supply at the point of connection to the customer, in regard to voltage fluctuations and harmonic distortion.
2. Division 2, "Standards for the interruption of supply to individual customers" provides for the maintenance of supply and management of interruptions to customers, both in terms of the duration and number of interruptions. It includes for:
 - 2.1. (Sect. 9) Provision of supply with the minimum number and duration of interruptions, as far as reasonably practicable.
 - 2.2. (Sect. 10(1)) Reducing, as far as reasonably practicable, the effect of any interruptions to the customer.
 - 2.3. (Sect. 10(2)) Considering the provision of alternative supply if the interruption is expected to be significant, its effect substantial or if the customer has special health needs that require continuous supply.
 - 2.4. (Sect. 11) Allowing planned interruptions for the purpose of maintaining or altering the transmitter's or distributor's network, if the customer is suitably notified within a stipulated time and the duration does not exceed 6 hours, or 4 hours for temperatures over 30 C or north of the 26th parallel, as far as reasonably practicable.
 - 2.5. (Sect. 11A) Where the electricity is not supplied from the network, interrupting the supply of electricity to restore it from the network, provided the interruption duration and notifications comply with section 11, as far as reasonably practicable.
 - 2.6. (Sect. 12) Requiring the distributor to remedy the causes of interruptions or enter into alternative arrangements if the supply has been interrupted more than 12 hours continuously or more than 16 times in the prescribed 12 months and the distributor considers that the prescribed standard (i.e. supply without the specified interruptions for 9 years in every 10) is unlikely to be met for the customer.
3. Division 3, "Standards for the duration of interruptions of supply in particular areas" provides that the average length of interruptions to any customer premises should not, as far as reasonably practicable, exceed 290 minutes (calculated as the total annual interruption minutes per customer premises, calculated for each of the last 4 years and then averaged over the 4 years) in any area of the State (for areas that apply to Horizon Power).
4. Division 3A does not apply to this audit as the areas are operated by the Electricity Networks Corporation.
5. Division 4, "Variations of obligations under this Part" provides for:
 - 5.1. review and approval by the Minister of alternative requirements and
 - 5.2. agreement between the transmitter/distributor and the customer of extensions and

modifications to the standards.

2.4 AUDIT CONDUCT

The audit was carried out between July and August 2026.

On Horizon Power's behalf the following representatives participated in the audit, contributed to sourcing the documentation and/or providing evidence to the audit:

- Maurice Ryan, Senior Manager System Operations
- Hilton Bennie Asset Strategy & Risk Manager
- Dean Frost, Principal Planning Engineer
- Gerard Chow, Asset Data Specialist
- Michelle South, Customer & Community Manager - Karratha Office
- Milarie Dogello, Planning Engineer
- Madi Woolhead, Administrative Assistant.

2.5 AUDIT METHODOLOGY

The audit methodology provided for:

- preparation of an audit plan and risk assessment for Qualeng internal control;
- fieldwork; and
- reporting.

The audit proceeded through a documentation review, meetings and checks of processes. These were supported by additional queries to clarify aspects of Horizon Power policies and procedures.

2.5.1 Audit Terminology, Observations, Opportunities for Improvement and Findings

The audit report uses three terms to qualify the assessment of the evidence:

Observation:	The reporting and assessment of evidence.
Opportunity for Improvement:	Where it is assessed that resolution of a deficiency requires consideration.
Finding and recommendation:	Where it is assessed that a deficiency is not in compliance with the Code.

2.6 LIMITATIONS AND QUALIFICATIONS

An audit provides a reasonable level of assurance on the effectiveness of control procedures, however there are limitations due to the nature of the evidence available to the auditor, the sampling process inherent in checking the evidence, the limitations of internal controls and the need to use judgement in the assessment of evidence.

2.7 ACRONYMS AND ABBREVIATIONS

Note that:

Horizon Power Pilbara Grid and Horizon Power Microgrids were formerly known as the Horizon Power's North West Interconnected System (NWIS) and Non Interconnected Systems (NIS) respectively (from "Network Planning Guidelines - HPC-2HH-07-0001-2019").

Abbreviation	Description
ACT	Electricity Industry Act 2004 (WA)
AMI	Advanced Metering Infrastructure
AMP	Asset Management Plan
Authority	Economic Regulation Authority
CA	Customers affected
CAIDI	Customer Average Interruption Duration Index (i.e. Duration of each interruption per customer over the year)
Code	Electricity Industry (Network Quality and Reliability of Supply) Code 2005
CUSA	Customer Service Attachment
EO	Electric Office
FY	Financial Year
HP	Horizon Power
HPCC	Horizon Power Control Centre
HV	High Voltage
IPP	Independent Power Producer
Licence	Electricity Integrated Regional Licence (EIRL2)
LS	Life Support
LV	Low Voltage

Abbreviation	Description
MV	Medium Voltage
NQRS	Network Quality and Reliability of Supply
NWIS	North West Interconnected System
OBS	Observation
OCS	Outage Capture System
OFI	Opportunity for Improvement
POA	Power On Advantage (Horizon Power system)
POF	Power On Fusion (Horizon Power system)
PQ	Power Quality
PQI	Power Quality Investigation
PQIH	Power Quality Investigation Handbook
PQIM	Power Quality Investigation Manual
PUO	Public Utilities Office
QoS	Quality of Supply (as defined in the Code)
SAIDI	System Average Interruption Duration Index (i.e. total interruption duration per customer over the year)
SAIFI	System Average Frequency Index (i.e. average number of interruptions per customer over the year)
SCADA	Supervisory Control and Data Acquisition
SWIS	South West Interconnected System
TCS	Trouble Call System (Horizon Power system)
THD	Total Harmonic Distortion
YTD	Year to Date

Key Findings

3 SYSTEMS TO MANAGE COMPLIANCE WITH PART 2, DIVISION 1 - QUALITY STANDARDS (SEC. 5 TO 8)

Systems to manage compliance with Part 2, Division 1 - Quality Standards (sec. 5 to 8).

3.1 QUALITY OF SUPPLY - SYSTEM/PROCESS (SECTIONS 5 - 7)

Requirement: A transmitter or distributor is required to have systems in place to monitor:

- compliance at all times, so far as is reasonably practicable, with quality of supply (QoS) requirements of the electricity supply at the point of connection to the customer, both in terms of voltage fluctuations (flicker) and harmonic distortion.

Summary

The audit found evidence of systems, processes and practices to monitor Horizon Power's compliance at all times, so far as is reasonably practicable, with the Code quality of supply (QoS) requirements of the electricity supply both in terms of voltage fluctuations (flicker) and harmonic distortion.

The monitoring does not necessarily occur 'at all times', however the system includes proactive actions through planning to assess QoS effects prior to the approval of new installations or connections, continuous monitoring at some locations and reactive or sampling monitoring at selected locations.

Real time monitoring of HV and MV voltage and frequency occurs in real time, triggering alarms in Horizon Power's Control Centre (HPCC), however the alarm may not capture supply quality to the Code standards at the point of connection to the customer.

During the audit period there were no records to indicate any of the faults reported were due to power quality as defined by the Code.

Table 3: Systems to monitor compliance with requirements for quality of supply: Voltage Fluctuations (Flicker) and Harmonics Measurements (2nd order to nth and THD %)

Site	Flicker (Pst < 1.0; Plt < 0.8)	Harmonics (THD < 8%)	Customer Complaints or Faults Related to PQ
All	Reactive system relies on customer complaints. Proactive system includes planning to assess QoS effect on new systems or connections, active and continuous monitoring at power stations. Reactive or sampling monitoring is carried out at selected locations.	Reactive system relying on customer complaints.	There was monitoring of customer complaints potentially related to Code PQ requirements.

Findings

The audit did not record any findings.

Documentation

- Network Planning Guidelines, document number HPC-2HH-07-0001-2019, 28 May 2020
- “Horizon Power Technical Rules (for the Pilbara Grid and Non Interconnected Systems)” (Technical Rules), HPC-9DJ-01-0001-2012, 15 June 2022
- Technical Planning Guideline – Power Quality Assessments & Allocations, 17 September 2024
- Generation Planning Criteria – HPC-2HH-13-0001-2019, 21 December 2023
- “System Operations – Network Operation Monitoring and Compliance Reporting, 11 May 2026
- "2024-25-annual-report_horizon-power", *Case study 1: Life support and outage management system, Case study 2: Emergency management*
- “Power Quality Investigation Handbook” (PQI Handbook), HPC-2DG-07-0001-2017, 5 September 2017, was due to be reviewed in August 2022
- “Power Quality Investigation Manual” (PQI Manual), number HPC-5DG-07-0001-2017, approved 6 September 2017, was due to be reviewed in September 2022
- Customer Fault Notes and Electric Shock Process (DM 39826095), version 4, April 2024
- monthly Asset Management Reports (AMR) for the audit period

- “NQRS Code - PQ monitoring using AMI data (Summary)”
- “Meter 250895813 Load Survey 2(sheet1)” showing testing for Total Harmonic Distortion (THD)
- FI 9.01 - Customers’ Electrical Equipment
- FI 9.10 - Customer Installation - De-energise _ Re-energise.

Observations

Through interviews and discussions with the Asset Strategy & Risk Manager, the Senior Manager System Operations, the Asset Data Specialist and examination of documents and records the audit found evidence that a process is in place for the monitoring of quality of electricity supply (QoS) for compliance with the requirements of the Code.

In regard to the documentation of policies and processes the audit found:

- HP’s Technical Rules specify the planning levels for flicker severity for LV, MV and HV supply;
- "Network Planning Guidelines" provide the planning criteria which are based on the Technical Rules and includes directions to ensure compliance with the Code;
- the Power Quality Investigations Handbook, (PQI Handbook) describes “the approach and required activities for executing the Power Quality Investigation process, including the utilisation of ELLIPSE and the Trouble Call System (TCS)”;
- the PQ Investigations Manual (PQI Manual) provides the procedure for carrying out power quality investigations (PQI) that are initiated following a complaint by a customer; the manual contains a detailed guide to the investigation process, including each type of PQ issue, information on causes, effect, investigation techniques, equipment to be used, its installation, length of testing, possible solutions and recommended resolution;
- through interviews and review of documentation it was noted that:
 - there are records of assessment of customer harmonic voltage contribution and compliance at customer installations;
 - there are records of meters that are available for PQ monitoring varying from around 700 for LV applications to around 100 for HV;
 - there was evidence of both of testing and disconnections being performed on an ad-hoc basis to prevent damage;
 - the samples reviewed showed that customer had requested testing but the causes detected were mainly to do with equipment failure and did not relate to PQ flicker or harmonic issues and the testing did not extend to include PQ criteria;
 - the “Meter 250895813 Load Survey 2(sheet1)” showed the records of one systematic test for LV Total Harmonic Distortion (THD) at one location, carried out between 19 May and 23 June 2026, the results appeared satisfactory;
- there was evidence of the use of fixed PQ enabled meters at feeder connections;

- there was evidence of monitoring of performance through Asset Management Reports (AMRs) which include Power Quality performance against criteria, however the data is limited; the AMR preparation is guided by information provided in the report template;
- there was confirmation that monitoring of HV and MV voltage and frequency occurs in real time, triggering alarms when exceeding limits in Horizon Power's Control Centre (HPCC), however the alarm may not capture supply quality to the Code standards at the point of connection to the customer.

The Audit sampled the data in "202506 (Published) AMR_Excel.xlsx" and the "2026 Jun-AMR - Asset Management Report Detail Report.xlsx" which summarize the data supporting the 2024-25 and 2025-26 AMR reports respectively. The Audit found that there appeared to be some discrepancies in the power quality (PQ) data used in the preparation of AMRs.

The "202506 (Published) AMR_Excel.xlsx" covers the 2024-25 period. It was noted that some of the data was not consistent in terms of format, especially in regard to date:

- ▶ some of the dates were in US format;
- ▶ other dates were formatted as text;
- ▶ other dates easily corresponded to their numerical equivalent.

There is a possibility that the inconsistencies may create issues with data interpretation.

The audit noted that the "Power Quality (PQ) Reporting" project referred to in document "NQRS Code - PQ monitoring using AMI data (Summary)" has been approved to start from July 2026. The project aims to set up monitoring technology to track PQ and event data to enable PQ investigations and ERA data reporting.

3.2 DUTY TO DISCONNECT IF QUALITY OF SUPPLY MAY LEAD TO DAMAGE (SECTION 8)

Requirement: A transmitter or distributor is required to have systems in place to monitor compliance with, so far as is reasonably practicable, the requirement to disconnect a customer where there is a possibility of damage to the customer installation due to the transmitter or distributor inability to comply with QoS standards (as per sections 5 - 7).

Summary

The audit found evidence of systems, processes and practices to monitor Horizon Power's compliance with the requirement to disconnect a customer where there is a possibility of damage to the customer installation due to the transmitter or distributor inability to comply with QoS standards.

During the audit period there were no records to indicate any of the faults, PQ incidents and resulting

disconnections were due to issues related to the power quality criteria defined in the Code.

Findings

The audit did not record any findings.

Documentation

- “Power Quality Investigation Handbook” (PQI Handbook), HPC-2DG-07-0001-2017, 5 September 2017, was due to be reviewed in August 2022
- “Power Quality Investigation Manual” (PQI Manual), number HPC-5DG-07-0001-2017, approved 6 September 2017, was due to be reviewed in September 2022
- Customer Fault Notes and Electric Shock Process (DM 39826095), version 4, April 2024
- monthly Asset Management Reports (AMR) for the audit period
- “Meter 250895813 Load Survey 2(sheet1)” showing testing for Total Harmonic Distortion (THD)
- Field Instruction “FI 9.01 - Customers’ Electrical Equipment”
- “FI 9.10 - Customer Installation - De-energise _ Re-energise”.

Observations

Through interviews and discussions with the Senior Manager System Operations, the Asset Data Specialist and examination of documents and records the audit found that processes and documented and in place for the monitoring PQ incidents and to disconnect the supply if there is a possibility of damage to the customer installation:

- the PQI Handbook contains procedures for:
 - managing power quality issues raised by:
 - customers (including customer complaints);
 - fault callouts;
 - ‘Neutral Integrity’ automated alarms;
 - providing ‘Notifications’ to customers and
 - performing power quality investigations through the Trouble Call System (TCS) and Ellipse (for work management);
- the PQI Manual provides the procedure for carrying out power quality investigations (PQI) that follow a customer complaint; the manual contains a detailed guide to the investigation process, including each type of PQ issue, information on causes, effect, investigation techniques, equipment to be used and installation, length of testing, possible solutions and recommended resolution;

- the “Customer Fault Notes and Electric Shock Process” documents the process for attending customer premises to manage electrical defects within consumer installations including:
 - de-energization or disconnection of customer premises to prevent harm and damage;
 - issue of ‘Fault Notes’ to the customer as appropriate and
 - reparation of the installation until the fault is rectified;
- field Instructions provide further detailed instructions to support the field crews.

PQ incident response is initiated following customer telephone calls, customer complaints, automated alarms, field fault identification.

The audit found documentary evidence of incidents attendance and resolution, including disconnection of installations to safeguard customers and field crews and to prevent damage to the installation or property unless it was in the interest of the customer to maintain supply.

As noted above that PQ call outs and investigations are not always related to PQ criteria identified in the NQRS Code, they may be due to high or low voltage, miscellaneous equipment or installation faults both on the network or the customer side. It was noted that the majority of the incident recorded were registered under non-Code related categories. In the audited sample, the incidents initially classified as Code PQ related were found to be due to animals or equipment failure.

The audit did not find records to indicate any of the faults, PQ incidents and resulting disconnections were due to issues related to the power quality criteria defined in the Code.

4 SYSTEMS TO MANAGE COMPLIANCE WITH PART 2, DIVISION 2 - STANDARDS FOR INTERRUPTION OF SUPPLY

A transmitter or distributor must establish systems to monitor compliance with requirements to minimise interruptions to customers, both in term of the duration and number of interruptions. The requirements are for the transmitter or distributor to:

- Maintain the supply, so far as is reasonably practicable, with the minimum number and duration of interruptions (Sec. 9).
- Reduce, so far as is reasonably practicable, the effects of interruptions (Sec. 10(1)).
- Provide alternative supply if the proposed interruption is expected to be significant, its effect substantial or if the customer has special health needs that require continuous supply (Sec. 10(2)).
- Ensure that where interruptions are planned, so far as is reasonably practicable, the duration does not exceed 6 hours, or 4 hours for temperatures over 30 C or north of the 26th parallel and the customer is notified within a suitable time (Sec. 11).
- Ensure that when the customer is supplied by alternative means, where interruptions are planned and supply has to be restored from the network, so far as is reasonably practicable, interruption duration does not exceed 6 hours, or 4 hours for temperatures over 30 C or north of the 26th parallel and notifications for planned interruption are provided (Sec. 11A).
- Remedy the causes of interruptions or enter into alternative arrangements if the supply has been interrupted more than 12 hours continuously or more than 16 times in the prescribed 12 months and it is considered that the prescribed standard is unlikely to be met for the customer (Sec. 12).

4.1 DUTY TO MAINTAIN THE SUPPLY WITH A MINIMUM NUMBER AND DURATION OF INTERRUPTIONS (SEC. 9)

Requirement: The transmitter or distributor must establish systems to monitor the compliance with the requirement to ensure that, so far as is reasonably practicable:

- the supply of electricity to a customer is maintained; and
- the occurrence and duration of interruptions is kept to a minimum.

Summary

The audit found evidence of systems, processes and practices to monitor Horizon Power's compliance with the requirement to ensure that, so far as is reasonably practicable, the supply of electricity to a customer is maintained and the occurrence and duration of interruptions is kept to a minimum.

AMRs and other reports publish the compliance criteria and the performance of Horizon Power's

networks against the criteria together with details of events and applicable improvement projects.

Table 4: Systems to monitor compliance with requirement to maintain supply and to maintain the occurrence and duration of interruptions to a minimum

Site	Procedures dealing with outages	Systems and Procedures monitoring performance
All	Yes	Yes

Findings

The audit did not record any findings.

Documentation

- System Operations Network Operation Monitoring and Compliance Reporting
- Horizon Power Crisis & Emergency Management Plan, May 2025
- AMRs
- Optimised Reliability Performance Reporting
- Powerlink Reliability Charts
- 2026 Jun-0307c(i) TCS 13-Month Reliability Incidents (Incident Level)
- L3 Perform Outage Management BIC Process Diagram.

Observations

Through interviews and discussions with the Senior Manager System Operations, the Asset Data Specialist, the Customer & Community Manager - Karratha Office (Customer & Community Manager) and examination of documents and records the audit found that:

- there are processes in place to register the performance of the systems and monitor compliance, these include:
 - the collection of data from various systems, including:
 - automated systems such as the System Control and Data Acquisition (SCADA) system which uploads records into Powerlink, or from the Advanced Distribution Management System (ADMS);
 - data from trouble call incidents (in TCS) including customer call;

- alarms from telemetry and unusual operating conditions, including interruptions and emergency switching;
- the reporting of the data for analysis and further review, including:
 - the AMR preparation and review process;
 - guidelines for the preparation and format of AMRs;
 - the reporting of performance against the Code reliability requirements both in the AMRs and in more details in monthly “Optimised Reliability Performance Reporting” reports;
- there are procedures and processes in place to manage both planned and unplanned interruptions;
- the data analyzed includes failure trends of:
 - delivery infrastructure such as generation, networks, feeders and substations;
 - delivery to customer infrastructure such as hospital, schools, ports etc;on causes and reliability statistics;
- AMRs and other reports noted in the “Asset Systems Report List” note the status of corrective actions and where actions are in progress provide further links to the activities.

The “Optimised Reliability Performance Reporting” document reports on:

- monthly system performance down to region, township and significant events together with their linkable status, providing a quick reference to the event details;
- reliability performance down to township systems and substations indicating the performing status, actions and events;
- monthly KPIs such as reliability, system SAIDI, power quality violations and where action required a summary of actions and status, performance on work delivery (maintenance) and overdue rectification work, customer interruptions together with heat maps of frequency of customer interruptions over the Code limits.

4.2 DUTY TO REDUCE THE EFFECTS OF INTERRUPTIONS AND PROVISION FOR ALTERNATIVE SUPPLIES FOR PROPOSED INTERRUPTIONS (SEC. 10)

Requirement: The transmitter or distributor must establish systems for monitoring its compliance with its duty to:

- reduce the effect of any interruptions, so far as is reasonably practicable, and,
- without limiting the above, the licensee must consider providing alternative supply for proposed interruptions if the interruption is:
 - greater than 4 or 6 hours;

- the effect on a business is likely to be substantial; or
- there are special health needs customers that require electricity for the operation of health equipment.

4.2.1 Reduce the effect of any interruptions (SubSec 10(1))

Requirement: The transmitter or distributor must establish systems for monitoring its compliance with the requirement that:

- the transmitter or distributor must, so far as is reasonably practicable, reduce the effect of any interruptions.

Summary

The audit found evidence to show that systems and processes are in place to monitor Horizon Power's compliance with the requirement that it must, so far as is reasonably practicable, reduce the effect of any interruptions.

Monthly AMRs report on Horizon Power's interruption performance, customer complaints and improvement actions.

Findings

The audit did not record any findings.

Documentation

- System Operations Network Operation Monitoring and Compliance Reporting
- Horizon Power Crisis & Emergency Management Plan, May 2025
- AMRs
- Optimised Reliability Performance Reporting
- Powerlink Reliability Charts
- 2026 Jun-0307c(i) TCS 13-Month Reliability Incidents (Incident Level)
- L3 Perform Outage Management BIC Process Diagram
- BIC Process-Create Switching Sequence and Identify Impacted Customers
- BIC Process-Notify Impacted Customers (Planned Outage)
- BIC Process-Notify Impacted Customers (Emergency Outage).

Observations

Through discussions with the Customer & Community Manager, the Senior Manager System

Operations, the Asset Data Specialist and the review of documentation and evidence, the audit found that Horizon Power has plans, systems and processes in place to monitor that the effects of interruptions are reduced.

The audit found that:

- Horizon Power's performance in regard to interruptions and their effects is regularly monitored through AMRs and monthly "Optimised Reliability Performance" reports;
- the AMRs report on interruptions over 12 hour duration, interruption frequency over 16 in a year, planned outages duration exceeding Code criteria and response to incidents that exceed seven days;
- corrective actions are documented and progress and closure is recorded in the monthly reports;
- performance trends are monitored monthly to review compliance against Code requirements.

Horizon Power had plans that deal with crises and emergencies:

- the "Crisis & Emergency Management Plan" covers the management and response to events that with critical impact on Horizon Power or its stakeholders which require responses at corporate level;
- emergency plans respond to events that cause unacceptable impacts on Horizon Power and requires an immediate and coordinated response across divisions at many locations and regions;
- regional plans respond to regional events and incidents;
- as noted above plans include responses to corporate crises, weather events, natural events such as bushfires, earthquakes, tsunamis, equipment failure and other threats to supply.

The audit followed up the activity trail of a planned outage starting from the customer notification process. The system had full tracking of all customers' communications on the "Power Alert" system which maintains a central record of all communications, both for planned and unplanned interruptions. During the verification of the process activities it was noted that, in the case of Life Support (LS) customers, the outages do not proceed without acknowledgement. The "Power Alert" system will highlight if messages bounce back e.g. because of not up to date information.

Notification of outages are provided both for planned outages and in the case of emergencies and unplanned outages.

The responsibility for arranging alternative power supply during outages stays with the customer both for businesses and LS customers. At times Horizon Power is asked to provide alternative power supply which is provided at the customer's cost.

4.2.2 Provision of Alternative Supply for Proposed Interruptions, Special Health Needs Customers and Commercially Sensitive Loads (SubSec 10(2))

Requirement: The licensee must establish systems for monitoring its compliance with:

- without limiting the requirement of section 10(2) (to reduce the effect of any interruptions, so far as is reasonably practicable) the licensee must consider providing alternative supply for proposed interruptions if the interruption is:
 - greater than 4 or 6 hours;
 - the effect on a business is likely to be substantial; or
 - there are special health needs customers that require electricity for the operation of needed health equipment.

Summary

The audit found that systems are in place to monitor compliance with the requirements to keep the duration of planned interruptions below 4 to 6 hours as applicable. Systems are in place to manage notification of proposed interruptions and provide them at least 72 hours before proposed interruptions;

Whilst it was noted that Horizon Power has a practice to give consideration and options for interruptions over 4 or 6 hours:

- ▶ There was no clear evidence that systems monitor the process of mandatory consideration of alternative supply if the proposed interruptions is expected to be greater than 4 or 6 hours and the effect on a business is likely to be substantial or special health needs (SHN) customers are affected.
- ▶ Planned outages are typically cancelled if no acknowledgement of the notification is obtained from any impacted LS customer. The process activities witnessed in practice did not always clearly flag outage events which explicitly required management approval when there is lack of customer acknowledgement.

Findings

The audit recorded two findings and two Opportunities for Improvement:

1. Whilst there is a process for recording customer interactions, there is no clear reporting of mandatory consideration of alternative supply and/or customer response if the planned interruption is expected to be greater than 4 or 6 hours and the effect on a business is likely to be substantial or SHN customers are affected.

Recommendation:

- 1/2026. (OFI) It is recommended Horizon Power specifically report on when it has considered alternative supply for planned outages that are expected to be greater than 4 or 6 hours, where the effect on a business is likely to be substantial, or where the customer is special health needs customer who requires electricity. Routinely reporting this detail will demonstrate understanding of the requirement and compliance with the code.
2. "BIC Process-LSOM_Manage Customer Acknowledgement" process diagram indicates that, through approval by the Executive General Manager (EGM), outages can be carried out even if the customer is not contactable. Verification of the outage and notification process was carried out with Horizon Power staff and it was found that planned outages are typically cancelled if no acknowledgement of the notification is obtained from any impacted LS customer. The process activities witnessed in practice did not always clearly flag outage events which explicitly required management approval when there is lack of customer acknowledgement.
- 2/2026. (OFI) It is recommended Horizon Power specifically report on when an Executive General Manager has been requested to approve a planned outage proceeding and whether the outage was approved to proceed or not. Routinely reporting this detail will demonstrate understanding of the requirement and compliance with the code.

Documentation

- L3 Perform Outage Management BIC Process Diagram, June 2026, including:
 - BIC Process-Create Switching Sequence and Identify Impacted Customers (Sec 4)
- BIC Process-Handle Service Works, January 2026 including:
 - BIC Process-1-Handle Service Works
 - BIC Process-2-Notify Impacted Customers
 - BIC Process-3-Determine customer contact role for notification communication (generic)
 - BIC Process-4-Trigger automated comms to customers (Email _ SMS)
- BIC Process-LSOM_Manage Customer Acknowledgement
- Life Support Planned Outage Notification
- Email 14 August 2026 on Outages Planned – Cancelled and Norseman outage cancellation

- WK023144 Cable Beach Club Resort TX replacement – Broome.

Observations

The 2023 audit recorded a finding of non-compliance in regard to the lack of clear evidence in the system to monitor the process of considering alternative supply if the planned interruptions are expected to exceed 4 or 6 hours, as applicable, and the effect on a business is likely to be substantial or special health needs (SHN or Life Support (LS)) customers are affected.

The corrective action has been to revise the BIC process (ref. “BIC Process-Create Switching Sequence and Identify Impacted Customers”) initiating outages to stipulate that alternative supply option be “given particularly where customer interruptions are likely to exceed our [Horizon Power] customer charter of where customers have been impacted by more than 16 outages in a year (NQRS Code)”.

Through interviews and discussions with the Senior Manager System Operations, the Customer & Community Manager, the Asset Data Specialist and review of documentation and evidence, the audit found that:

- Horizon Power has procedures in place to reduce the effect of interruptions on customers as documented in:
 - L3 Perform Outage Management BIC Process Diagram; this document includes process diagrams, responsibilities, process steps and identifies supporting systems such as PowerAlert (also referred to as Appian), Equifax, Velocity etc for the following activities and processes:
 - handling of new meters and meter information;
 - handling of planned, unplanned and emergency outages;
 - the filtering of automated AMI meters event messages;
 - the process of receiving and handling customer calls;
 - the logging and triaging of incidents;
 - the classification of incidents into types of outages or network incidents and faults;
 - automated communications to customers including Email and messaging (SMS);
 - reporting;
 - the creation of switching sequences and identification of impacted customers;
 - the execution of planned and unplanned outages;
 - the notification of impacted customers;
 - the handling of emergency outages including initiating and executing the outage;
 - the LV patching / transfer of affected customers for continuity of supply;
 - various other process documents such as the “BIC Process-LSOM_Manage Customer Acknowledgement”;
 - the “Life Support Planned Outage Notification” which shows the diagram of the notification

process;

- there was evidence to show that the process of obtaining customer acknowledgement of outage notifications and their concurrence is in place:
 - the process of outage management at the customer interface was confirmed by the Customer & Community Manager through demonstration of the process and review of outage and notification records; however on inspection of the BIC procedure a discrepancy was noted (see below);
 - outage reference INCD-223315-a, planned for Norseman for 26 March 2026, was cancelled on to the required notification period of 3 business days not being met for 1 LS customer;
- there was evidence of the supply of alternative power generation for planned outages:
 - in “Broome Golf Club Temp Genst INV-00001917” there was evidence to show the supply of a 200 kVA generator to maintain supply to the Broome Golf Club on 26 January 2026;
 - alternative power generation was arranged for the replacement of a faulty transformer as per “WK023144 Cable Beach Club Resort TX replacement- Broome”;
- at times it was found that the supply of alternate power generation for planned outages is not feasible, as in the case of “Pantoro Norseman Mine HV Switchboard Shutdown”, where the IPP supply had to be Interrupted;
- the notification process includes the possibility of premises call-outs in the event of no customer response to other notification attempts.
- ▶ It was noted that, whilst there is a process for recording customer interactions, there was no clear reporting of mandatory consideration of alternative supply and/or customer response if the planned interruption is expected to be greater than 4 or 6 hours and the effect on a business is likely to be substantial or SHN customers are affected.

In regard to notification and outage approval the audit noted that in Sec 7.1, “Notify Impacted Customers” of “L3 Perform Outage Management BIC Process Diagram”, a link refers to the “Manage Customer Acknowledgement” process when no acknowledgement has been received from customer(s) or non-contactable LS customers are identified:

- “BIC Process-LSOM_Manage Customer Acknowledgement” process flowchart indicates that outages can be carried out if the customer is not contactable through approval by the Executive General Manager (EGM).
- ▶ When verification of the outage and notification process was carried out with Horizon Power staff it was found that planned outages are typically cancelled if no acknowledgement of the notification is obtained from any impacted LS customer. The process activities witnessed in practice did not always clearly flag outage events which explicitly required management approval when there is lack of customer acknowledgement.

4.3 PLANNED INTERRUPTIONS: ACCEPTABLE IF LESS THAN 4 OR 6 HOURS AND IF NOTIFIED (SEC. 11)

Requirement: The transmitter or distributor must establish systems to monitor compliance with the requirement to:

- maintain, so far as is reasonably practicable, planned outages not exceeding 4 or 6 hours; and
- provide notifications at least 72 hours before each planned outage; or
- If it is not reasonably practicable, at the earliest practicable time before the start of the interruption.

Summary

The audit found that systems are in place to monitor that planned outages, so far as is reasonably practicable, are carried out and their notifications provided within the prescribed limits. Systems are in place for the management of outages in compliance with the Code.

It was noted that:

- no reporting was noted of customer complaints regarding the lack of or late notifications on planned outages;
- ▶ monthly Asset Management Reports publish outage performance data related to Sec. 11 of the Code under the "Planned Outages Outside Charter" heading. The data refers to interruption duration only and does not cover notifications performance.

In view of the number of outages performed by Horizon Power it can be concluded that Horizon Power's system, as far as reasonably practicable, complied with the Code requirements.

Table 5: Systems to monitor compliance with planned outages not exceeding 4 or 6 hours and providing notifications at least 72 hours before each planned outage

Site	Duration $\leq$ 4h or 6h (as practicable)	Notification $\geq$ 72 hours prior, or at earliest practicable time
All	Monitored. 94 planned outages with duration over Code limits (> 4 or 6 hours) in FY ending 2024, 86 in FY 2025 to 126 in FY 2026.	The system relies on automated notifications for planned outages with manual intervention when the customer acknowledgement is not received. Manual intervention escalates to letter drops, phone calls and home visits. Monitoring of the notification system relies on customer communication trail and logs and customer complaints which are reported annually in the Code Reports due to the low number of complaints per year (1, 11 and 1 for 2023-24, 2024-25, 2025-26 periods respectively).

Findings

The audit recorded one finding and one Opportunity for Improvement:

3. During the audit it was noted that the monthly Asset Management Reports publish outage performance data related to Sec. 11 of the Code under the "Planned Outages Outside Charter" heading. The data refers to interruption duration only and does not cover notifications performance.
- 3/2026. (OFI) Asset Management Reports circulated monthly to management publish outage performance data related to Sec. 11 of the Code under the "Planned Outages Outside Charter" heading. The report should make clear that the data refers to supply interruption duration only.

Documentation

- L3 Perform Outage Management BIC Process Diagram, June 2026, including:
 - BIC Process-Create Switching Sequence and Identify Impacted Customers (Sec 4)
- BIC Process-Handle Service Works, January 2026 including:
 - BIC Process-1-Handle Service Works
 - BIC Process-2-Notify Impacted Customers
 - BIC Process-3-Determine customer contact role for notification communication (generic)

- BIC Process-4-Trigger automated comms to customers (Email _ SMS)
- BIC Process-LSOM_Manage Customer Acknowledgement.

Observations

Through interviews and discussions with the Senior Manager System Operations, the Customer & Community Manager, the Asset Data Specialist and examination of documents, records and other evidence, the audit found that:

- Horizon Power has procedures in place to reduce the effect of planned interruptions on customers as documented in:
 - “L3 Perform Outage Management BIC Process Diagram” which includes process diagrams and responsibilities for managing planned outages including the identification and notification of impacted customers;
 - “BIC Process-LSOM_Manage Customer Acknowledgement” for managing customer interactions and acknowledgement;
- there was evidence to show that the process of obtaining customer acknowledgement of outage notifications and their concurrence is in place:
 - the process of outage management at the customer interface was confirmed by the Customer & Community Manager through demonstration of the process and review of outage and notification records;
 - outage reference INCD-223315-a, planned for Norseman for 26 March 2026, was cancelled on to the required notification period of 3 business days not being met for 1 LS customer;
- the notification process includes the possibility of escalation with letter drops, telephone calls and visits to premises in the event of no customer response to other notification attempts.

It was noted that Horizon Power relies on customer complaints which are reported in the annual NQRS Code reports to monitor the performance of the notification process. On a process basis additional operational monitoring is provided by logs of customer contacts.

The audit noted that:

- reporting of customer complaints in respect of the lack of or late notifications on planned outages was limited to annual NQRS reports due to the low number of complaints (1, 11 and 1 for 2023-24, 2024-25, 2025-26 periods respectively);
- ▶ during the audit it was noted that the monthly Asset Management Reports publish outage performance data related to Sec. 11 of the Code under the “Planned Outages Outside Charter” heading. The data refers to interruption duration only and does not cover notifications performance.– (OFI raised).

4.4 INTERRUPTIONS TO RESTORE SUPPLY FROM NETWORK (SEC. 11A)

Requirement: Where the customer is supplied from alternative power because it is unable to receive supply from the network and the transmitter or distributor interrupts the supply of electricity for the purpose of restoring the supply of electricity to the customer from the network, the transmitter or distributor must establish systems to monitor compliance with the requirement to:

- so far as is reasonably practicable, ensure that the interruption does not exceed 4 or 6 hours and
- the transmitter or distributor has used its best endeavours to give notice to the customer.

Summary

The audit found that Horizon Power has systems in place to monitor compliance with the requirements to ensure that interruptions do not exceed 4 or 6 hours and the customer is provided notifications of the outage.

Findings

The audit did not record any findings.

Documentation

- L3 Perform Outage Management BIC Process Diagram, June 2026, including:
 - BIC Process-Create Switching Sequence and Identify Impacted Customers (Sec 4)
- BIC Process-Handle Service Works, January 2026 including:
 - BIC Process-1-Handle Service Works
 - BIC Process-2-Notify Impacted Customers
 - BIC Process-3-Determine customer contact role for notification communication (generic)
 - BIC Process-4-Trigger automated comms to customers (Email _ SMS)
- BIC Process-LSOM_Manage Customer Acknowledgement
- Generation for Horizon Power transformer site upgrade
- WK023144 Cable Beach Club Resort TX replacement- Broome
- WK023144 - P2 - V2 Cable Beach Resort Tx (rev 0).

Observations

The audit found that:

- Horizon Power has systems in place to monitor compliance with the requirements to ensure that interruptions do not exceed 4 or 6 hours and the customer is provided notifications of the outage;
- Horizon Power uses mobile generators or IPPs to provide alternative power;
- there was evidence to show that, where alternative power was in use during an outage, the customer was provided notification of upcoming interruption of supply to enable reconnection to the network, e.g.:
 - Broome Cable Beach Club Resort, temporary generation for Horizon Power transformer site upgrade.

4.5 SIGNIFICANT INTERRUPTIONS (OVER 12 HOURS DURATION OR MORE THAN 16 IN A YEAR) TO SMALL USE CUSTOMERS (SEC.12)

Requirement: The distributor must establish systems to monitor compliance with the requirement to:

- remedy the causes of interruptions or
- make alternative arrangements to the customer satisfaction,

where significant interruptions (duration over 12 hours or more than 16 interruptions in the preceding year) occur to a small use customer and

where the distributor considers that the prescribed standard (no significant interruptions in 9 years out of 10) is unlikely to be met.

Summary

The audit found that Horizon Power has systems in place to monitor compliance with the requirements to remedy the causes of interruptions or make alternative arrangements where significant interruptions (duration over 12 hours or more than 16 interruptions in the preceding year) occur to a small use customer.

The audit also found that Horizon Power has systems that report on each individual customer that is subject to significant interruptions in excess of the Code prescribed limits.

It was noted that Horizon Power has taken action to address some of the significant interruptions, the actions are reported in monthly AMRs.

One finding was recorded resulting in an Opportunity for Improvement in regard to the recording of mandatory remediation or establishment of alternative arrangement to the customer satisfaction (see below).

Table 6: Systems for monitoring compliance with interruption duration not to exceed 12 hours

Site	Criteria		Causes of Interruption Remedied / Alternative Arrangements
	Duration ≤ 12 hours FY2024 - FY2026	9 Years out of 10 2020 and 2026 (≤ 12 hours)	
MONITORING			
All	Monitoring in place	▶ There is availability of data. Criteria not achieved.	▶ Traceability of remediation for interruptions > 12h is available. Causes and actions have not been sighted in reporting.
PERFORMANCE			
All	Interruptions occurring each FY	▶ There is availability of data. Criteria not achieved.	▶ Records available for interruption to individual customers. AMRs report on projects undertaken to address remediation of significant interruptions. However reporting of remediation or alternative arrangements to the satisfaction of individual customers were not sighted.

Table 7: Systems for monitoring compliance with interruption frequency not to exceed 16 per customer per period

Site	Criteria		Causes of Interruption Remedied / Alternative Arrangements
	# interruptions ≤ 16 / year (July-June) FY2024 - FY2026	9 Years out of 10 (# interruptions ≤16)	
MONITORING			
All	Monitoring in place	Monitoring in place	▶ Data for interruptions > 16#/FY is available down to individual customer. No data sighted on remediation / alternative arrangements.
PERFORMANCE			
All	Interruptions occurring each FY	▶ Not achieved	▶ Data for interruptions > 16#/FY is available down to individual customer. No data sighted on remediation / alternative arrangements.

Findings

The audit made a finding which has resulted in an Opportunity for Improvement:

4. The Horizon Power process does identify customers subjected to interruptions in excess of Code requirements however it does not register any remediation, or agreement with customer and closure of issue on a customer basis.

Recommendation:

- 4/2026. (OFI) Where customers are subjected to interruptions in excess of Code requirements (more than 12 hours or 16 interruptions per year over 10 year period) Horizon Power should register any remediation, or agreement with customer and closure of issue as applicable for each individual customer.

Documentation

- 2026 code report - Network Quality and Reliability of Supply v2.0
- Network Quality and Reliability of Supply Code 2024/25 Performance Report
- Network Quality and Reliability of Supply Code 2023/24 Performance Report, v3.0

- Network Quality and Reliability of Supply Code 2022/23 Performance Report
- Monthly AMRs
- AMR - Asset Management Report Detail Reports
- Operations Reliability Performance Reports
- 2026 Jun-0307c(i) TCS 13-Month Reliability Incidents (Incident Level)
- BIC Process-Create Switching Sequence and Identify Impacted Customers.

Observations

Significant Interruptions and Remediation

Through interviews and discussions with the Senior Manager System Operations, the Asset Data Specialist and review of documentation and evidence, the audit found that:

- systems are in place to monitor the number and length of interruptions and the affected customers;
- monthly reports such as AMRs and Operations Reliability Performance Reports analyze the interruption performance;
- the “AMR - Asset Management Report Detail Report” includes data for:
 - customers that are subject to interruptions over 12 hours are identified by customer number; reporting shows the number of interruptions over one or more years for those customers;
 - customers that are subject to more than 16 interruptions per year, over one or more years, by the number of interruptions and by customer number;
 - data for the Mount Magnet system was reviewed.

On review the audit noted:

- 12 customers have been subjected to between 24 and 36 interruptions per year;
- over 600 customers were subjected to more than 16 interruptions in the year;
- some customers have been subject to more than 16 interruptions per year over 4 years; the information is reported in listings included in the AMR - Asset Management Report Detail Reports which also identify the applicable infrastructure, such as feeder and transformer, and system.

The audit made a finding:

- ▶ The Horizon Power process does identify customers subjected to interruptions in excess of Code requirements however it does not register any remediation, or agreement with customer and closure of issue as applicable for each individual customer.

5 SYSTEMS TO MANAGE COMPLIANCE WITH PART 2, DIVISION 3 AND 3A- STANDARDS FOR THE DURATION OF INTERRUPTION OF SUPPLY IN PARTICULAR AREAS (SEC. 13)

Requirement: The transmitter or distributor must:

Establish systems to monitor compliance with the Code requirement to ensure that, so far as is reasonably practicable, the average total length of interruptions per customer in an area, during each year, for the four years up to the current year, for areas other than the Perth CBD, does not exceed 160 minutes in urban areas or 290 minutes in any other area of the State.

Summary

The audit found that Horizon Power has a system to monitor that the average total length of interruptions per customer for the four years up to the current year do not exceed 290 minutes.

There is evidence to show that processes are in place and are performing in compliance with the Code.

Table 8: Systems to monitor compliance with requirement for interruption not to exceed 290 minutes average per customer over 4 years.

Site	Average of Total Length of Interruptions per Customer per year (minutes)				4 Year Average (Criteria: Avg over 4 years ≤ 290 min)
	2023	2024	2025	2026	
All sites	280	228	223	311	260

Findings

The audit did not record any findings.

Documentation

- 2026 code report - Network Quality and Reliability of Supply v2.0
- Network Quality and Reliability of Supply Code 2024/25 Performance Report
- Network Quality and Reliability of Supply Code 2023/24 Performance Report, v3.0

- Network Quality and Reliability of Supply Code 2022/23 Performance Report
- Monthly AMRs
- Operations Reliability Performance Reports.

Observations

Through interviews and discussions with the Senior Manager System Operations, the Asset Data Specialist and review of documentation and evidence, the audit found that:

- monthly reports such as AMRs and Operations Reliability Performance Reports analyze the interruption performance of the entire network down to individual townships;
 - the reports include:
 - interruption trends per township over 2 years and predictions for the following 12 months;
 - identification of just-performing and non-performing systems;
 - identification and links to events, such as generation failures or cyclones, and pending and completed actions;
 - each township is allocated weighted interruption targets which, if achieved, will result in compliance with the Code requirements;
 - highlighting of systems including townships that have interruptions exceeding the Code requirements.

Horizon Power noted in its reports that two major event, cyclones Mitchell and Narelle, were recorded in the period 2025-26 which impacted the townships of Carnarvon, Denham and Exmouth and affected the interruption performance for the period.

- ▶ Published NQRS reports for the 2023-24 periods were accessed through a search of the Horizon Power website for audit purposes. Three reports were found. The audit noted that two of the reports were version 2, and were found to have been superseded as a third report was at version 3. The reports had all different figures for the “Average Total Length of All Interruptions of Supply to Customer Premises in Minutes” (SAIDI) in Schedule 1 which is not consequential for the superseded versions, however the status of those reports should be identified or the reports removed from the website.

6 VARIATIONS OF OBLIGATIONS (SEC 14-15)

6.1 PROVISIONS MAY BE EXCLUDED OR MODIFIED BY AGREEMENT WITH CUSTOMERS (SEC 15)

Requirement: A customer and a transmitter or a distributor may agree in writing that a provision of this Part is excluded or modified in relation to the supply of electricity by the transmitter or distributor to the customer and the agreement must set out the matters that the parties consider are the advantages and disadvantages.

Summary:

On request for documentation the audit found that no specific customer agreements are in place for variations from the code.