

Ring-fencing Guideline

Staff and Office Sharing Register

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PowerWater

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REV	DATE	GENERAL DESCRIPTION	PREPARED	REVIEWED	ENDORSED
1.0	18/09/2020	Finalisation of register for publication	A.Fox	B.Crown	B.Crown
2.0	19/04/2021	Minor amendment to include version control	F.Walton	B.Crown	S. Vardy
			APPROVED	Next review	31/07/2022

01. Background

Ring-fencing

The AER released its Ring-fencing Guideline (Guideline) for Electricity Distribution in November 2016, however, did not come into effect for Power and Water Corporation (Power and Water) until 1 July 2019.

Ring-fencing separates the regulated and contestable parts of a DNSP's network business via legal separation and/or functional separation obligations. Ring-fencing aims to provide a level playing field for third party providers in new and existing markets for contestable services.

Purpose

The purpose of this policy is to provide an outline as to how Power and Water establishes and responds to Staff and Site Sharing protocols under the Guideline.

It is noted that clause 6.17.1B of the National Electricity Rules as modified for the Northern Territory (NT NER) includes derogations from the national obligations, modifying how the Guideline applies in the NT. The effect of the derogations is that Power and Water is not required to (in context with this policy) functionally separate staff, offices, and branding in order to provide contestable electricity services.

Whilst by virtue of the derogations, Clause 4.2.4 of the Guideline becomes exempt. Power and Water choose to maintain a Register of Staff and Office sharing activities in accordance with Clause 4.2.4 to demonstrate transparency and good business practices.

Clause 4.2.4 of the Guideline states that, a DNSP must establish, maintain and keep a register that identifies the classes of the offices that are separate from any offices from which a related electricity service provider provides contestable electricity services. Instances staff are shared across these offices a DNSP must outline the role of these shared staff within the register.

Ring-fencing obligation:

Under clause 4.2.4 of the Ring-fencing guideline Power and Water must,

Establish, maintain and keep a register that identifies:

(a) the classes of offices to which it has not applied clause 4.2.1(a) by reason of clauses 4.2.1(b)i. or 4.2.1(b)iii.; and

(b) the nature of the positions (including a description of the roles, functions and duties) of its members of staff to which it has not applied clause 4.2.2(a) by reason of clauses 4.2.2(b)i.a., 4.2.2(b)i.b., 4.2.2(b)iii. or 4.2.2(d); Ring-fencing Guideline Version 2 – October 2017 16 and must make the register publicly available on its website.

02. Office Register

An office is defined in the Guideline as a building, entire floor of a building or part of a building that has separate and secure access requirements whereby staff from elsewhere in the building do not have unescorted access.

The Guideline requires that the office register must identify where Power and Water’s Electricity Distribution Business (the “DNSP”) uses the same offices as a related electricity service provider (RESP) providing contestable electricity services and one of these conditions apply:

- Clause 4.2.1(b)i. Staff have no access to electricity information; no opportunity to use electricity information to engage in conduct that is contrary to the ring-fencing guideline; or staff only have access to electricity information to the extent necessary to perform services that are not ‘electricity services’ (e.g. general, admin, legal, HR, IT, accounting), or
- Clause 4.2.1(b)iii. Regional offices (except where this has been varied or revoked as per a Waiver)

Office Name	Location	Condition	Commentary
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03. Staff Sharing register

Staff who only have access to electricity information to the extent necessary to perform services that are not electricity services (such as general administration, accounting, payroll, human resources, legal or regulatory, or information technology support services) are not included on this register as it is not required as per clause 4.2.4(b) of the Guideline.

The Guideline requires the staff sharing register to identify the nature of the positions (including a description of the roles, functions and duties) of its members of staff that may be shared between Power and Water Electricity Distribution (the DNSP) and related electricity service provider (the RESP) to deliver contestable electricity services due to:

- Clause 4.2.2(b)i.a the staff member does not have access to electricity information;

- Clause 4.2.2(b)i.b the staff member does have access to electricity information, but no opportunity to use this information to engage in conduct that is contrary to the ringfencing guideline;
- Clause 4.2.2(b)iii. Staff located in regional offices (except where this has been varied or revoked as per a Waiver; and or
- Clause 4.2.2(d) the member of staff is an officer both of the DNSP and of a related electricity service provider.

The following are staff positions that are shared, they may work in the provision of both direct control services and contestable electricity services provided by ourselves or a related electricity service provider.

Role	Function and duties	4.2.2(b)i.a	4.2.2(b)i.b	4.2.2(b)iii	4.2.2(d)
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