

Record No: {Number}
Container No: TGD2014/212

Ms Vanessa Sutcliffe
Director
Utilities Commission
GPO Box 915
DARWIN NT 0801

Dear Ms Sutcliffe

COMPLIANCE FRAMEWORK AND REPORTING GUIDELINES: DRAFT FOR CONSULTATION

Thank you for allowing Territory Generation the opportunity to provide comments on the Utilities Commission's (the Commission) draft Compliance Framework and Reporting Guidelines (Draft Guidelines).

Territory Generation supports the principles of the Draft Guidelines, in particular:

- 1) Establishing a compliance process that is maintained, regularly updated and auditable;
- 2) Report on identified material breaches;
- 3) Undertake external compliance audits; and
- 4) Develop a compliance report to submit to the Commission.

Territory Generation makes the following comments on the Draft Guidelines as follows:

- 1) The term "any other relevant Act, or Code" in clause 2.1 of the Draft Guidelines is ambiguous and not defined. Territory Generation would like this term clarified to only include relevant Acts and Codes that the Commission has responsibility for administering and monitoring, and does not include Acts or Codes that apply to Territory Generation generally as a business (For example, traffic offences under the Traffic Act is not intended to be reportable under the Draft Guidelines).
- 2) The Commission's Statement of Approach on Compliance ("Statement of Approach") which is to be read in conjunction with the Draft Guidelines, contains risk rating for a number of obligations. Territory Generation is of the view that the risk ratings are slightly high and should be revised to align with industry standards.
- 3) The definition of material breaches in paragraph 2.13 of the Draft Guidelines, which mandates reporting, includes any breach with a "high rating" in the register in the Statement of Approach. Territory Generation is of the view that the definition is too wide as the register seems to rate every obligation as "high risk".
- 4) The Annual Compliance Report in Appendix A of the Draft Guidelines is quite wide in respect of reporting on any breaches of Applicable Obligations. This would mean that Territory Generation would have to report on breaches that are both material and non-material. Territory Generation queries whether the requirement to report on non-material is what is intended by the Commission.

- 5) The Annual Compliance Report in Appendix A requires the Board and the Chief Executive Officer to certify and provide a warranty with respect to the accuracy of data and information. Territory Generation suggests that the certifying statement be amended to just the Chief Executive Officer to sign and the statement to reflect a more “to the best of my knowledge” approach, or removed altogether.

If you wish to discuss further in relation to this submission, please do not hesitate to contact Hieu Nguyen on 893 64684.

Yours sincerely



Robert Ross
Company Secretary

7 August 2015