

NT Electricity Ring-fencing Information

Procedure

CONTROLLED DOCUMENT

Required by the Northern Territory
Electricity Ring-fencing Code

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				A/Executive General Manager Core Operations Power and Water Corporation	

THIS PROCEDURE IS UNCONTROLLED WHEN PRINTED



We put
PEOPLE
FIRST



We value our
customers and
give them
OUR BEST



We have
pride in
ourselves and
OUR WORK



We work
better by
working
TOGETHER

Power and Water's values in action.

Essential. Every day.

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1 Purpose

This document contains the Information Procedures (Procedures) required by Clause 4 and detailed in Schedule 1 of the Northern Territory Electricity Ring-fencing Code (Code).

The objectives of this procedure is to describe the minimum requirement of how Power and Water Corporation's (Power and Water) Prescribed Business (System Control), performs System Controller functions at Power and Water.

Employees who conduct System Controller functions must ensure:

- They do not discriminate (directly or indirectly) between system participants (retailer and/or generators) or a customer who engages in the activity of purchasing goods or services from system participants (retailers and/or generators),
- Protect confidential information provided to System Control, and
- Non-discriminatory disclosure of confidential or commercially valuable information by a Prescribed Business.

These Procedures set out how Power and Water will meet its obligations to comply with Clause 3 and 4 of the Code to the Utilities Commission (Commission).

2 Scope

Power and Water is a multi-utility that provides:

- electricity distribution services;
- water services; and
- waste water services

to the main population centres of the Northern Territory. Power and Water also supplies gas to the Territory's major power stations.

The delivery of electricity, water and sewerage services in remote communities is provided through Power and Water's wholly owned subsidiary Indigenous Essential Services Pty Ltd (IES), which is a not for profit business. These services are provided under a 'fee for service' agreement with the Department of Community Services.

Power and Water's executive and business units have been structured to provide these services. Administrative support functions are provided by the Corporate business units to all Power and Water operational business units, with costs being allocated through the Power and Water Corporate cost allocation process.

Electricity distribution operational services' are provided by parts of the Power Networks and System Control business units.

These Procedures apply to all Power and Water employees, whether they are employees, consultants, contractors or agents of Power and Water, even those who are not in a System Controller Function. Where Employees in corporate services perform a task for a System Controller Function or Related Contestable Business, the tasks must be completed as though the corporate services employees are actually Employees of the System Controller Function or Related Contestable Business.

3 Procedure

3.1 Information Principles

Clause 3 of Schedule 1 of the Code requires Power and Water's information procedures:

1. Will set out the procedures to be followed by Power and Water Employees involved in the conduct of a System Controller functions for the purpose of identifying, and then appropriately handling, storing, sharing and publishing:
 - (a) Confidential Information; and
 - (b) Designated Information.
2. Must contain procedures for ensuring that the identification and the handling, storing, sharing and publishing of such information will not provide a competitive advantage to the Related Contestable Business over any Competitor of a Related Contestable Business.
3. Must set out the circumstances in which and Power and Water Employees involved in the conduct of a System Controller functions are permitted to disclose Confidential Information.
4. If Power and Water proposes to allow the disclosure of Designated Information to a Related Contestable Business or an employee involved in the conduct of a Related Contestable Business, this document must identify how the Designated Information will also be made available to Competitors of the Related Contestable Business.

Without limiting the matters which may be covered in this document, this procedure deals with the electronic, physical and procedural security measures that Power and Water proposes to employ in respect of Confidential Information and Designated Information; including separation of office space, access to information systems and procedures for the minimisation of opportunities for preferential treatment or other unfair competitive advantage.

Under the Code, Power and Water's System Controller functions are 'ring-fenced' from Power and Water's Related Contestable Businesses. This means that the flow of confidential or designated information from the System Controller functions to Related Contestable Businesses is restricted by this procedure. The restriction on information flow is to prevent a competitive advantage being provided to Power and Water's Electricity Generation and Electricity Retail Licence Holders because of their Related Contestable Business status with System Control.

There is a potential risk for Power and Water's Related Contestable Businesses to obtain a competitive advantage if they are given preferential access to confidential or designated information held by System Control. Preferential access means that the information is made available to Power and Water's Related Contestable Business, but not to competitors of those businesses.

Ring-fencing requires the operational separation of Power and Water's monopoly and contestable electricity businesses with processes, procedures and documentation that demonstrate that an arm's length relationship exists between Power and Water's the System Controller Function and Related Contestable Businesses. In this regard, Power and Water has prepared Service Level Agreements between its various businesses; these Procedures outline how confidential and designated information should be accessed and treated.

3.2 NT Ring-fencing Information Principles

The fundamental principle underlying these Procedures is that certain information, which may be sourced in different ways, may be confidential or designated in nature. Section 3.5 of this procedure outlines the characteristics of confidential information. Such information, in the possession of Power and Water's System Controller Functions, is:

- to be used only for the purpose it was provided or obtained, namely the provision of System Control services to customers (operational reasons); and
- not to be shared with Related Contestable Businesses unless prior written consent is received from the customer; and
- otherwise dealt with in accordance with these Information Procedures.

3.3 Non-Discrimination

Power and Water's Employees involved in System Controller Functions must ensure that in the conduct of the System Controller, it does not discriminate (directly or indirectly) as between Customers or classes of Customer.

Power and Water's Employees involved in System Controller Functions must ensure that in the conduct of the System Controller, it does not discriminate (directly or indirectly) against another Electricity Entity in a way that favours:

- Power Services or Gas Services of Power and Water; or
- any other business (or component of a business) carried on by Power and Water.

3.4 System Controller Offices

In accordance with cause 3.4 of the code, Power and Water's Employees involved in System Controller Functions use offices that are separate from offices used for our Gas Supplier Business with swipe card access restrictions on System Controller Functions offices.

3.5 Confidential Information

Information is considered confidential, if released inappropriately could either provide a competitive advantage to a Related Contestable Business, lead to breaches of law or regulatory requirements or significantly impact the provision of services by the System Controller Functions.

Confidential information (as defined under the 'Code') is anything that is produced or received by the 'System Controller functions' that is not required to be shared with Related Contestable Businesses via Service Level agreements. Some examples include:

- **Security of the network** - information which, if made public, may jeopardise security of the network or a System Control's ability to effectively forecast and operate the regulated networks.
- **Market sensitive cost inputs** - information such as supplier prices, internal labour costs, and information which would affect the System Control's ability to obtain competitive prices in future infrastructure transactions, such as tender processes.
- **Market intelligence** - information which may provide an advantage to a System Participants or a Regulated Contestable Business for non-regulated or contestable activities.
- **Strategic information** – information such as System Participant's Compliance testing results or commercial operational costs..
- **Personal information** - information about an individual or customer whose identity is apparent, or can reasonably be ascertained from the information which raises privacy considerations.

Power and Water Employees, when accepting or using information, need to ask themselves the following questions:

- **Who is disclosing this information?**
- **How do they intend for me to handle this information?** (This includes how a reasonable person would anticipate that Employees would handle the information)
- **Is there anything that I am doing with the information, which may be contrary to these intentions?**

3.5.1 How do I determine whether the information is confidential?

In addition to the above examples of confidential information, to further assist in determining whether certain information is confidential, Employees should also ask themselves the questions below. The answers to these questions will determine how potentially confidential information should be handled and whether the information should be disclosed to a third party (including a Prescribed or Related Contestable Business of Power and Water).

- **What is the extent to which the information is known outside the organisation?** The less people outside the organisation who are privy to the information, the greater the chance that the information is intended to be confidential.
- **What is the extent to which the information is known by Employees of the organisation?** The less people inside the organisation who are privy to the information, the greater the chance that the information is intended to be confidential.
- **What are the measures taken to protect the information?** The greater the security protecting the information, the greater the chance that the information is intended to be confidential.
- **What is the value of the information?** The greater the value (or potential value) of the information, the greater the chance that the information is intended to be confidential.
- **What was the cost of ascertaining/developing the information?** The greater the cost of ascertaining or the greater the cost of the research and development of the information, the greater the chance that the information is intended to be confidential.
- **What was the degree of difficulty in ascertaining the information?** The harder the information is to obtain, the greater the chance that the information is intended to be confidential.
- **What was the degree of skill and effort expended in getting the information?** The amount of skill needed to obtain and/or interpret the information, the greater chance that the information is intended to be confidential.
- **What is the degree of internal and external protection of the information?** The greater the protection of the information, the greater the chance that the information is intended to be confidential.
- **Were there any express directions that the material is confidential?** The more explicit the discloser is about retaining the information as confidential, the greater the chance that the information is intended to be confidential.
- **What is general industry practice in relation to the degree of confidentiality to be attached to such information?** The greater the industry practice to retain the information as confidential, the greater the chance that the information is to be confidential.
- **What is the level of seniority/responsibility of people to whom the information is disclosed?** The higher the seniority of Employees who have the information disclosed to them, the greater the chance that the information is intended to be confidential.

It is important to note that this list is not exhaustive. If Employees are still unsure about the nature of the information or if the answer to most of the questions above is 'I don't know', then Employees should consult their supervisor before using or disclosing the information that may be contrary to the discloser's intended use.

3.6 Designated information

Designated Information is information including confidential information, obtained by or becoming known to Power and Water (or its Employees) in the course of or as a result of conducting a System Controller Function and which might reasonably be expected to:

- Materially affect the commercial interests of a competitor of a Power and Water Related Contestable Business' activities if disclosed to Power and Water's Related Contestable Business.
- Provide a competitive advantage to Power and Water's Related Contestable Business over a competitor of Power and Water's Related Contestable Business if disclosed to Power and Water's Related Contestable Business without also being disclosed to that competitor, and includes information which is derived from any such information.

To determine whether information is designated, it is necessary to assess the information against the following question:

- Would the System Controller functions give the information to a competitor of Retail or Generation?

This question focuses on the concept of competitive advantage, and asks whether the information would be disclosed in full, in part, or not at all. *The less information the System Controller functions would disclose to a competitor of Power and Water's Related Contestable Business, the more likely that the information is designated.*

Employees should also take into consideration the operations of the Power and Water's Related Contestable Business. The information may not be designated to the System Controller functions, but by disclosing the information it may allow for a competitive advantage in the operations undertaken by Power and Water's Related Contestable Business.

Confidential and designated information may also include information that is obtained by Power and Water's System Controller functions in the course of conducting their monopoly business activities. System Controller functions should not act as agents for Power and Water's Related Contestable Businesses to facilitate preferential access to confidential or designated information.

3.7 Exceptions

Listed below are circumstances in which the disclosure of the information will be acceptable:

- **public domain:** the disclosure, use or reproduction of information if the relevant information is at the time, generally and publicly available other than as a result of breach of confidence by the Business Unit who wishes to disclose, use or reproduce the information or any person to whom the Business Unit has disclosed the information;
- **employees and advisers:** the disclosure of information by a Business Unit or the Business Unit discloses to:
 - a. an employee or officer of the Business Unit or a related body corporate of the Business Unit or Power and Water; or
 - b. legal or other professional adviser, auditor or other of the Business Unit;
 - i. which require the information for the purposes of these Information Procedures, or for the purposes of advising the Business Unit or the Business Unit's disclosee in relation thereto;
- **consent:** the disclosure, use or reproduction of information with the consent of the person or persons who provided the relevant information under the Procedures;
- **law:** the disclosure, use or reproduction of information to the extent required by law or by a lawful requirement of:
 - a. any government or governmental body, authority or agency having jurisdiction over a Business Unit or its related bodies corporate; or
 - b. any stock exchange having jurisdiction over a Business Unit or its related bodies corporate;
- **disputes:** the disclosure, use or reproduction of information if required in connection with legal proceedings, arbitration, expert determination or other dispute resolution mechanism relating to the Procedures, or for the purpose of advising a person in relation thereto;
- **trivial:** the disclosure, use or reproduction of information which is trivial in nature;
- **safety:** the disclosure of information if required to protect the safety of personnel or equipment;
- **potential investment:** the disclosure, use or reproduction of information by or on behalf of a Business Unit to the extent reasonably required in connection with the Business Unit's financing arrangements, investment in that Business Unit or a disposal of that Business Unit's assets;
- **regulator:** the disclosure of information to the Commission or any other regulatory authority having jurisdiction over a Business Unit, pursuant to the Procedures or otherwise;
- **reports:** the disclosure, use or reproduction of information of an historical nature in connection with the preparation and giving of reports under the Procedures; or

- **aggregate sum:** the disclosure, use or reproduction of information as an unidentifiable component of an aggregate sum.

3.8 Restricted Information

For the purposes of this procedure, certain information has already been classified as confidential and designated information. The information includes:

- **Customer information**, which includes usage and personal information relating to customers.
- **Personal information relating to a customer** includes details such as name and address, electricity consumption, their financial position and payment history, and tariff information.
- **Network information**, which includes information relating to access applications and agreements, planning, tariffs and product development.
- **Network Access Applications.** The information provided in an access application is designated if the application is made directly to Power Networks, as its preferential disclosure to Power and Water Retail or Generation could provide a competitive advantage to those businesses.
- **Planning information** may include forward-looking scenario modelling, forecasting of demand growth trends and other forecasting carried out by the System Controller functions for network planning related reasons. Where preferential access to this information would provide a competitive advantage to a retailer or generator, this information is designated.
- **Tariff information** relating to customers is designated information as it could provide a competitor retailer an opportunity to approach the customer with a 'better deal'.
- **Joint product development** between Power Networks and Retail or Generation could also provide a competitive advantage if the product development requires the sharing of information between the businesses or the opportunity for joint product development is not provided to competitors.
- **Other network information** that could potentially be designated includes information on planned network improvements and network reliability, and advance information on planned outages. Preferential access to this information could provide a competitive advantage to a retailer, as it may provide them with an opportunity to provide superior customer service.
- **Competitor information**, which if shared, may provide a competitive advantage to Retail or Generation. This information includes competing generators' operating and maintenance schedule, meter data and business plans.

If there is any doubt regarding the confidential or designated nature of information, Employees should seek advice from their supervisor, or alternatively, contact the Control Room Coordinator.

3.9 Specific procedures

In accordance with the above principles:

- All information that is confidential or designated may be provided to a Related Contestable Business if the discloser has given consent or if the disclosure is within the instructions for the use of the information given by the discloser; and
- All information that is confidential or designated should not be given to either a Related Contestable Business, or a competitor of that Related Contestable Business, until consent has been received from the discloser.

3.9.1 Information sharing

With respect to section 3.6 of this procedure, where Designated Information is required to be forwarded to a particular retailer or generator, this information where relevant will be made available to all market participants on a non-discriminatory basis.

With respect to section 3.6 of this procedure, where System Controller functions engage in joint product development with a Related Contestable Business that part of the joint product relating to System Control should be made available on request to all competitors of the Related Contestable Business.

With respect to section 3.6 of this procedure, confidential or designated information pertaining to a customer must not be provided to Retail, Generation or competitors, unless:

- Written instruction has been received from the customer to allow sharing of the information.

3.9.2 Hard-copy documents

Teams within the System Controller functions will maintain files separate to those maintained by Power and Water's Related Contestable Businesses.

Only Employees within a System Controller Function may retrieve files relating to the System Controller Function.

Files or documents containing confidential or designated information are to be stored in a secure location, and should be locked away when unattended.

Files or documents containing confidential or designated information must be marked confidential, so as to inform others of the need to treat the file or document in accordance with this procedure.

3.9.3 Computer Systems Access

All employees, consultants, contractors and agents of Power and Water's Related Contestable Businesses who have access to information systems that are shared with the System Controller functions, are to review *ICT Management Standards and acceptable usage procedures* to acknowledge that they will only use the systems, or information contained therein, for the purposes for which access was provided.

Access to the systems and the level of access is reviewed periodically or in the event an employee changes position or leaves Power and Water.

3.9.4 General computer security

Access to the computer network and information systems are to be password-protected.

Where Employees are dealing with confidential or designated information, they must use screensaver passwords, with the screensavers to be activated within five minutes of inactivity.

All Employees will ensure the secrecy of their passwords. Passwords must not be disclosed to other persons.

Where Employees move to a new position within Power and Water, whether on a temporary or permanent basis, their access to the Power and Water computer network and information systems will be varied to reflect the requirements of the new position.

3.9.5 Electronic Recorded Information

Any electronic recorded information in any form (including data in a computer system e.g. RMS, Content Manager etc.) that is required to be kept by Power and Water as evidence of the activities or operations Power and Water performs must have appropriate classifications and titling, and security access will be restricted on a 'needs' basis.

Each employee is provided with a level of security on each of Power and Water's computer systems in which to save electronic recorded information.

When storing confidential or designated information, each employee must consider all electronic recorded information is recorded in the appropriate computer systems with the appropriate level of security based on the function they are performing it for.

As required, specific electronic recorded can be restricted further by locking down security controls on individual records to particular Employees within Power and Water or a Power and Water Business Unit.

3.9.6 Generation agreements and contracts

Any information relating to standby generation arrangements or negotiated electricity supply and purchase contracts with competing retailers or generators is confidential or designated information and should not be shared with Retail.

3.10 Compliance and reporting

3.10.1 Training

New employees should be made aware of these Information Procedures as part of their Corporate Induction. It is a condition of employment that Employees will comply with these Information Procedures and not misuse any confidential or designated information they may obtain or come across in carrying out their duties. It is a condition of engagement that any consultants, contractors or agents comply with these Information Procedures and not misuse any confidential or designated information they may obtain or come across in carrying out their duties.

3.10.2 Non-conformance

Any employees who suspects any actual or suspected Non-conformance with these Information Procedures must report the matter to their line manager and report the event in Power and Waters Event Information Management system. All employees are expected to take reasonable steps to contain any suspected non-compliance and non-conformance events.

In accordance with the procedure, if after investigation by an appropriate officer it has been determined that the event has resulted in non-compliance with the Ring-fencing Code, details of the event will be reported to the Commission, including information on action taken to rectify the event and prevent future occurrence.

For more details on reporting Non-compliance refer to *Non-compliance Management and Reporting Procedure CONTROL0408*.

3.10.3 Unacceptable Conduct

Any employees who suspect fraud or corruption should report the matter to Power and Water's Integrity Officer. Every effort must be made to deal with such reports quickly and decisively. All such reports should be treated in confidence and referred to the Integrity Officer. In examining cases of suspected fraud, management and staff must ensure that their inquiries do not prejudice any subsequent investigation. If in doubt, do not pursue any further investigations and contact the Integrity Officer.

Power and Water will investigate all potential unacceptable conduct that has been reported or identified through other means. Power and Water has a defined process to effectively deal with these matters in a structured manner.

Power and Water has an Integrity Officer who is responsible for managing Power and Water's response to unacceptable conduct risks. In Power and Water, this role is assigned to the Company Secretary.

The Integrity Officer can be contacted confidentially and anonymously by telephone at 08 8985 7211 or via e-mail at integrityofficer.PWC@powerwater.com.au.

3.10.4 Further Information

If you have any questions relating to these Information Procedures, please contact your supervisor in the first instance, or the Control Room Coordinator.

4 Definitions

Where terms or words are not included in the definitions section, refer to our glossary for clarification. The glossary is available in our process improvement and event information management system ProMapp.

Term	Definition
Confidential Information	Confidential Information has been defined in clause 13 of the Code as information which is or has been provided to, or has otherwise been obtained by, Power and Water (employees, consultants, contractors or agents of Power and Water) in connection with the carrying on of a System Controller Function and which is

Term	Definition
	confidential or commercially sensitive and includes information which is derived from any such information.
Designated information	Designated information is defined by clause 13 of the code as including confidential information, obtained by or becoming known to Power and Water (or its Employees) in the course of or as a result of conducting a System Controller Function and which might reasonably be expected to: <ul style="list-style-type: none"> ▪ Materially affect the commercial interests of a competitor of a Power and Waters Related Contestable Business activities if disclosed to Power and Waters Related Contestable Business. ▪ Provide a competitive advantage to Power and Waters Related Contestable Business over a competitor of Power and Waters Power Related Contestable Business if disclosed to Power and Waters Related Contestable Business without also being disclosed to that competitor, and includes information which is derived from any such information.
Prescribed business	A prescribed business is defined by Clause 13 of the Code as ‘a System Controller Business’ and having ‘System Controller functions’ performing functions and powers of a ‘system controller’ within the meaning of the Electricity Reform Act and includes the functions and responsibilities of the market operator as set out in the System Control Technical Code. This is Power and Water’s System Control and Market Operator Functions.
Related contestable business	A related contestable business is defined by clause 13 of the code as an Electricity Entity, any business (or component of a business), carried on by that Electricity Entity or an Associate of that Electricity Entity in the Electricity Supply Industry on a regulated network other than: <ul style="list-style-type: none"> (a) a System Controller Business; or (b) a Power Networks Business.
Record	Means recorded information in any form (including data in a computer system) that is required to be kept by a public sector organisation as evidence of the activities or operations of the organisation, and includes part of a record and a copy of a record.
Employees	Power and Water employees, consultants, contractors or agents of Power and Water, even those who are not in a System Control Function.

5 Change Management and Continuous Improvement

5.1 Arrangement for revision

This procedure may need to be amended from time to time to meet the needs of the Commission and Power and Water, and to respond to changing operational circumstances and regulatory and accounting requirements.

Power and Water may submit applications for revision in accordance with Clause 4.7 of the Code.

5.2 Approval, effective date and version history

This Procedure must be endorsed by the Executive General Manager Core Operations and approved by the Utilities Commission.

This procedure becomes effective after approval by the Commission and notification on the Commission’s website. Each revision to these Procedures will bear the effective date and a version number.

5.3 Review

The requirements of this procedure are mandatory and shall be reviewed and updated periodically for its ongoing effectiveness. This procedure will be reviewed, at a minimum, every three years or in the event of any significant change in our vision, values, long term goals, risk appetite, policy statement, management standard, business model or organisational structure, or related systems or processes.

5.4 Internal References and Related Documents

Document title	Record number
Non-compliance Management and Reporting Procedure	CONTROL0408

5.5 External References, Legislative and Regulatory Obligations

- Northern Territory Electricity Ring-fencing Code
- System Control Technical Code
- Power and Water System Control Licence
- Power and Water Generation Licence
- Power and Water Retail Licence

5.6 Records Management

This procedure and all related documents are captured, stored and managed in our Electronic Document and Records Management System and controlled in the Controlled Document Register.

5.7 Improvement Suggestions

Improvement suggestions are captured and managed in our process improvement and event information management system Promapp. To log an improvement suggestion for this document please see the 'how to report an event' user guide located on our intranet or contact events@powerwater.com.au.

5.8 Document History

Date of issue	Version	Prepared by	Description of changes
-	0.1	Document Control	Converted D2012/174043 to controlled document template
27/5/2021	0.2	Control Room Coordinator	Prepared for endorsement and approval
31/05/2021	0.3	Control Room Coordinator	Incorporated Senior Manager System Control's feedback.
03/06/2021	0.4	A/EGM Core Operations	EGM Endorsed.
07/06/2021	0.5	Compliance	Draft document submitted to Utilities Commission for review and approval.
18/06/2021	0.6	Utilities Commission	Draft document reviewed and feedback to PWC
25/06/2021	0.7	Compliance	Updated draft document - submitted to Utilities Commission for review and approval
08/07/2021	1.0	Compliance	Utilities Commission approval received

6 Appendices

Not applicable.