



INFORMATION

Alinta Sales Pty Ltd (t/a Alinta Energy)

CONTRAVENTION OF TYPE 1 LICENCE OBLIGATION

The Economic Regulation Authority has received notification from Alinta Sales Pty Ltd (**t/a Alinta Energy**) regarding two contraventions of Schedule 2, clause 7.6(g) (Compendium of Gas Customer Licence Obligations) (**Compendium**) of gas trading licence, GTL9. Clause 7.6 of the Code is classified as a Type 1 (considered the most serious and therefore are immediately reportable) licence obligation. Type 1 compliance obligations are classified as having a major impact on the basis that:

- the consequences of a contravention would cause major damage, loss or disruption to customers; or
- the consequences of a contravention would endanger or threaten to endanger the safety or health of a person.

Details of the contraventions

Clause 7.6(g) of the Compendium requires gas retailers and distributors to not arrange the disconnection of, or to disconnect, a customer's supply address on a Friday, Saturday, Sunday, public holiday or the day before a public holiday.

On 17 June 2013, Alinta Energy notified the Authority that two customers, one located in Busselton and the other in Geographe, had been disconnected for non-payment on Friday 14 June 2013. In a subsequent letter, dated 20 June 2013, Alinta Energy stated that the contraventions were the result of human error. The disconnection service orders that had been issued in relation to the two affected customers were scheduled for actioning on Monday 17 June 2013.

After carrying out the disconnections, in accordance with Alinta Energy's standard practice, the field officer advised the office supervisor, who immediately identified the contravention and arranged for the field officer to return to the customer premises and reconnect the gas supply, and advise the customers of the reconnection.

Authority's response to the contraventions

The information provided by Alinta Energy shows there has been a failure of the controls in place to ensure compliance with clause 7.6 of the Compendium. The disconnection processes of Alinta Energy allowed a disconnection that contravened clause 7.6 of the Compendium to proceed undetected.

The Authority has written to Alinta Energy requesting that they review their procedures to identify opportunities to strengthen the controls currently in place to prevent a contravention of clause 7.6 of the Compendium. The effectiveness of the measures taken by Alinta Energy will be assessed by the next performance audit of the gas trading licence, which will cover the period 1 October 2010 to 30 September 2013.

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