



Performance Audit Report

**Perth Energy
Gas Trading Licence (GTL12)**



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Perth Energy
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01 June 2018

Dear Patrick

Perth Energy – Gas Trading Licence (GTL12) – 2018 Performance Audit Report

We have completed the performance audit of Perth Energy's GTL12 for the period 30 November 2009 to 30 November 2017 and are pleased to submit our report to you.

I confirm that this report is an accurate presentation of the findings and conclusions from our audit procedures.

If you have any questions or wish to discuss anything raised in the report, please contact Lele Dai on 9263 4896 or me on 9263 7271.

Yours sincerely



Travis McAuliffe
Partner

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Abbreviations

Abbreviation	Definition
AEMO	Australian Energy Market Operator
ATCO	ATCO Gas Australia
AWST	Australian Western Standard Time
CEO	Chief Executive Officer
CFO	Chief Financial Officer
EMR	Energy, Mines and Resources
ERA	Economic Regulation Authority
GM	General Manager
ID	Identity Document
MIRN	Metering Identification Reference Number
NMI	National Metering Identifier
REMCo	Retail Energy Market Company
SQL	Structured Query Language
TTY	Talk To You
WACOSS	Western Australian Council of Social Service

1. Independent Auditor's Report

Modified Conclusion

In our opinion, based on the procedures performed as outlined in the Audit Plan approved by the Economic Regulation Authority (dated 31 January 2018), except for the effect of the issues set out in the Basis for Modified Conclusion section below, Perth Energy Pty Ltd ("Perth Energy") has complied, in all material respects, with the conditions of its Gas Trading Licence (GTL12) for the period 30 November 2009 to 30 November 2017.

Basis for modified conclusion

The Licence obligations, on page 3 were assessed as non-compliant (rating 2 or 3).

Scope

We have performed a reasonable assurance engagement over Perth Energy's compliance, in all material respects, with the performance criteria specified in its Gas Trading Licence (GTL12) (the "compliance requirements") throughout the period being 30 November 2009 to 30 November 2017 ("the specified period").

The assurance engagement was undertaken in accordance with the Economic Regulation Authority's ("the Authority") Audit and Review Guidelines: Electricity and Gas Licences April 2014 ("the Audit Guidelines")

The scope of the assurance work required relates to assessing Perth Energy's systems and effectiveness of processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the Gas Trading Licence (GTL12) Version 7, 1st January 2017 ("the Licence") issued under Energy Coordination Act 1994 (WA).

Basis for Our Conclusion

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- Used our professional judgement to plan our procedures and assess the risks that may cause material non-compliance with each of the compliance requirements to be concluded upon;
- Considered internal controls implemented to meet the compliance requirements; however, we do not express a conclusion on their effectiveness; and
- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures

Our procedures consisted primarily of:

- Utilising the Audit Guidelines and the January 2017 Gas Compliance Reporting Manual ("the Reporting Manual") as a guide for development of a risk assessment and document review to assess controls.
- Development of an Audit Plan for approval by the ERA and an associated work program, approved by the ERA on the 31st January 2018.
- Interviews with and representations from relevant Perth Energy staff to gain an understanding of

process controls.

- Review of documents and walkthrough of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with Licence obligations.
- Sample testing or walkthroughs based on the sample size guide in the approved Audit Plan.

How We Define Reasonable Assurance and Material Non-Compliance

- Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material non-compliance with the compliance requirements.
- Instances of non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of Perth Energy's compliance with the compliance requirements.

Inherent Limitations

- Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected.
- A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

Use of this Assurance Report

This report has been prepared for the Directors of Perth Energy for the purpose of assisting them to meet the compliance requirements of the Licence issued under the Energy Coordination Act 1994 (WA) and may not be suitable for another purpose.

We understand that a copy of this report will be provided to the Authority for the purpose of reporting on the reasonable assurance engagement for the Licence. We agree that a copy of this report may be provided to the Authority in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the Authority in relation to the report. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Perth Energy, or for any other purpose other than that for which it was prepared.

Perth Energy's responsibility

Management are responsible for:

- the compliance activities undertaken to meet the requirements of the licence;
- identification of risks that threaten the compliance requirements identified above being met and identifying, designing and implementing controls to enable the compliance requirements to be met and, monitoring ongoing compliance;
- Ensuring that it has complied in all material respects with the requirements of the Licence;
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements;
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA;
- Implementing corrective actions for instances of non-compliance (if any).

KPMG's responsibility

Our responsibility is to perform a reasonable assurance engagement in relation to Perth Energy's compliance with the compliance requirements throughout the period and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

Table of non-compliances:

Reporting Manual number and Licence obligation	Issue
Legislative Obligation 33: 33 - Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).	Details: Through discussions with Manager Business Support, it is noted that there have been no cases of disconnection of supply for non-payment of a bill and one case of a reminder notice sent in this audit period. After inspection of a sample written reminder notice, it was noted that the sample did comply with the reminder notice issue date criteria (not less than 14 business days after bill issue), however the notice did not specify a date by which the customer had to pay by (the date of which should have been no less than 20 business days after the billing day). The Manager Business Support has noted this issue and is in the process of updating the templates to fully comply with this obligation.
Legislative Obligation 60, 147, 147B*: 60 - A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance. 147 - Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1)(a)- (cc) on the customer's bill. 147B* Prior - Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in subclause 4.5(1)(a)-(cc) on the customer's bill.	Details: Review of Perth Energy's Gas Billing Template noted that all obligated particulars were included on the customer's bills, with the exception of: <ul style="list-style-type: none"> • Current and previous meter reads as required under Clause 4.2.3.3 (b) of the AGA code; • National Interpreter Services Symbol as required under Clause 4.5(1)(z). However, it is noted that the National Interpreter Services contact information is provided. • The availability, upon payment of a charge, of an Authority approved meter accuracy test and the refund if the testing charge if the meter is found to favour the supplier by more than allowable in the relevant distribution standards as required under Clause 4.2.3.3 (p) of the AGA code. The Gas Billing Compliance Procedure specifies that the particulars of each bill must contain the information listed in 4.5(1)(a) – (cc) of the Schedule 2 Compendium, excluding clause (cc) "Meter Installation Registration Number". It is however, noted that on the Gas Billing Template that this is present.
Legislative Obligation 71, 110B*: 71 - A licensee must provide a customer (a) a copy of their customer service charter; (b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer. 110B* Prior - A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter at least once every 36 months and submit the results of that review to the Authority within 5 days after it is completed.	Details: Through discussions with key personnel and supplementary review of relevant documentation it was noted that Perth Energy would either provide or make available on request most of the information required by regulation 71. From our observation we determined that: <ul style="list-style-type: none"> • Perth Energy provide information about the customer rates, fees and charges payable under their contract to the customer upon commencement of their contract term. • Billing data is available upon request and can also be viewed if the customer registers for the 'my account' interface. A copy of the customer service charter and copies of regulations or any relevant code are made available to customers upon request, free of charge subject to the obligations. Some of the information listed within this obligation is also available to customers via their company website. However, we could not find evidence of an energy efficiency brochure or contact details for Government assistance programs/financial counselling services.

Reporting Manual number and Licence obligation	Issue
<p>Legislative Obligation 82:</p> <p>82 - A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.</p>	<p>Details:</p> <p>Based on discussion with Manager Billing, walkthrough of the billing process and inspection of Perth Energy's billing template sent to customer, it is noted that bills sent out by Perth Energy do not provide advice that a customer service charter is available free of charge, nor is this included with any bills sent out as separate document under the current process.</p>
<p>Legislative Obligation 120, 121:</p> <p>120 - A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.</p> <p>121 - A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).</p>	<p>Details:</p> <p>We have identified that of the information specified in the Gas Marketing Code clause 2.3(2) Perth Energy do not currently provide the customer with the following:</p> <p><i>(g) how the retailer may assist if the customer is experiencing payment difficulties or financial hardship;</i></p> <p><i>(h) with respect to a residential customer, the concessions that may apply to the residential customer;</i></p> <p>It was also noted that Perth Energy have created and provided the ERA with a financial hardship policy that is still pending approval.</p> <p>Through our review of non-standard form contracts and relevant documentation, we were able to confirm that Perth Energy have documentation supporting the information specified within the regulation, 2.3(2)(a) – (f) and (i) – (k). Although all of this information is provided upon request, the majority is currently not provided before entering into a non-standard contract. Verifiable consent has therefore not been obtained that all the information specified has been provided.</p>
<p>Legislative Obligation 154, 155, 156:</p> <p>154 - A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.</p> <p>155 - Where the customer's bill is estimated, a retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2)(a)-(c).</p> <p>156 - Upon request, a retailer must inform a customer of the basis and the reason for the estimation.</p>	<p>Details:</p> <p>Through review of data obtained from ATCO we noted that readings indicate whether the data is an actual read or estimated read. However, ATCO do not provide the reason for estimation, unless requested. From discussions with the Manager Billing, we noted that Perth Energy does not currently provide the customer notice on the bill if an estimated read was used as the basis for the bill. We identified that an estimated bill has been issued to a small-use gas customer during the audit period without the information specified within clauses 4.8(2)(a)-(c).</p> <p>Therefore the customer has no knowledge of the estimation in order to request the basis of the estimation; the reason for the estimation; a verification of an estimation; and a meter reading.</p> <p>It was noted that Perth energy can request information from ATCO on the basis and the reason for the estimation and therefore this information can be provided to the customer upon request.</p>
<p>Legislative Obligation 209, 214, 215, 216, 220, 215A, 209B*, 215B*, 216B*, 217B* :</p> <p>209 – In giving reasonable consideration under clause 6.6(1), a retailer should refer to the hardship procedures referred to in clause 6.10(3).</p> <p>214 – A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.</p> <p>215 – A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2).</p> <p>216 – If requested, a retailer must give residential customers and relevant consumer representatives a copy of the hardship policy, including by post at no charge.</p>	<p>Details:</p> <p>Perth Energy have developed a Gas Residential Financial Hardship Procedure and a Gas Customer Financial Hardship Procedure (Policy). It is noted that both the policy and the procedure did not include all the requirements as per the 6.10(2) and 6.10(3) of the Schedule 2 Compendium.</p> <p>The Policy does not abide by the following obligations as required in 6.10(2):</p> <ul style="list-style-type: none"> ● Must be developed in consultation with a relevant consumer representative; ● Must include a statement that the retailer offers customers the right to pay their bills by Centerpay; ● Must include a statement that the retailer is able to provide further detail on request;

Reporting Manual number and Licence obligation	Issue
<p>220 – A retailer must comply with the ERA’s Financial Hardship Policy Guidelines.</p> <p>215A - A retailer must ensure that its hardship procedures comply with the criteria specified in clause 6.10(3).</p> <p>209B*/ Prior - In giving reasonable consideration under clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in clause 6.10(2)(d).</p> <p>215B*/Prior - A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).</p> <p>216B*/Prior - A retailer must give residential customers, financial counsellors and relevant consumer representative organisations details of the retailer’s hardship policy, at no charge. The retailer must provide all residential customers identified as experiencing financial hardship with details of its hardship policy.</p> <p>217B*/Prior - A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the date the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended.</p>	<ul style="list-style-type: none"> ● Must have an overview of any concessions that may be available to the customer; ● Must include the National Interpreter Symbol with the words “interpreter Services”, information on the availability of independent multi-lingual services, or information on the availability of TTY services; ● Must be available on the retailer’s website; and ● Must be available in large print copies. <p>The Procedure does not abide by the following obligations as required in 6.10(3):</p> <ul style="list-style-type: none"> ● Must be developed in consultation with a relevant consumer representative; ● Must provide for the training of staff, including call centre staff and subcontractors to engage with and deal sensitively and respectfully with customers experiencing financial hardship; ● Must assist the retailer in determining a residential customer’s usage needs and capacity to pay when determining the conditions of an instalment plan; ● Must provide guidance on the reduction and/or waiver of fees, charges and debt and the recovery of debt; and ● Must require that the retailer’s credit management staff have a direct telephone number and for that number to be provided to the relevant consumer representatives. <p>The Hardship Policy does provide a customer service officer with the level of guidance required to assess a customer for financial hardship. It was also noted that since the Customer Financial Hardship Policy is still under development, there are currently no available financial hardship policies available on Perth Energy’s website or to provide to a customer upon their request.</p> <p>Perth Energy have contacted a relevant consumer representative (WACOSS) for consultation in regards to developing these documents as well as to provide training to Perth Energy staff around supporting customers who are experiencing financial hardship, however feedback has not yet been received to allow finalisation of these documents.</p>
<p>Legislative Obligation 222:</p> <p>222 - A retailer must follow the procedures specified in clause 7.1(1) prior to arranging for disconnection of a customer’s supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in clause 7.1(2).</p>	<p>Details:</p> <p>After inspection of a sample written reminder notice, it was noted that the sample did comply with the reminder notice issue date criteria (not less than 14 business days after bill issue), however the notice did not specify a date by which the customer had to pay by (the date of which should have been no less than 20 business days after the billing day). Additionally, the template of the disconnection warning also did not include a ‘pay by’ date.</p>
<p>Legislative Obligation 250:</p> <p>250 - A retailer and, if appropriate, a distributor must include on a residential customer’s bill and bill related information, reminder notice and disconnection warning the telephone numbers for:</p> <ul style="list-style-type: none"> ● Its TTY services; ● Independent multi-lingual services; and ● Interpreter services with the National Interpreter Symbol and the words “Interpreter Services”. 	<p>Details:</p> <p>Although Perth Energy’s reminder notice and disconnection warning templates do not include the required information.</p> <p>Upon examination of the customer bill, it was noted that although the bill provided the telephone number for interpreter services and the words “Interpreter Service”, it did not include the National Interpreter Symbol required by Obligation 250.</p>



Travis McAuliffe

Partner

01 June 2018

2. Executive Summary

2.1. Introduction

This document presents the findings emanating from Perth Energy Pty Ltd trading as Perth Energy ("Perth Energy") Gas Trading Licence ("GTL12") Version 7, 1st January 2017 Performance Audit ("Audit"). This audit represents Perth Energy's first performance audit under their Gas Trading Licence.

Perth Energy is one of Western Australia's largest energy retailers, supplying electricity and gas to small, medium and large businesses. Perth Energy currently delivers power to more than 2,500 businesses in Perth across Western Australia, however only service eight small-use gas customers applicable for the Performance Audit.

The Audit covered the period 30 November 2009 to 30 November 2017. It should be noted however, that Perth Energy did not commence servicing small-use gas customers until July 2016 when one customer was on-boarded. Seven of the eight existing customers were on-boarded between September and November 2017 and of the eight, only one of these customers is residential. As such, although obligations were considered for the full audit period, the focus of compliance testing and review of controls was performed for the period 01 September 2017 and 30 November 2017.



The Audit was undertaken in accordance with the Audit plan that was presented and approved by the Authority on 31 January 2018.

Our conclusions have been made with consideration of Perth Energy's existing customer base and the timeline of customer commencement. In relation to the issues set out in section 5, recommendations have been made which are suited to the current state of Perth Energy's small-use gas trading business. However, in the event that there is a significant increases to the customer base, further recommendations have been made to provide additional controls and support for existing processes.

2.2. Objectives

The Audit objective was to evaluate the adequacy and effectiveness of the measures taken by Perth Energy to meet the performance obligations and quality standards referred to in GTL12 Version 7, 1st January 2017. To this end, the Audit focused on Perth Energy's systems, processes, governance structures, reporting regimes and regulatory culture to enable compliance with the obligations, standards, outputs and outcomes stipulated in the GTL12.

2.3. Scope

The scope of the Audit required an assessment of Perth Energy's systems, the effectiveness of its processes, and an appraisal of Perth Energy's use of regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the GTL12. The Audit aimed to identify

areas where remedial action is required and recommend corrective action as necessary. In addition, the Audit provided commentary on Perth Energy's culture of regulatory compliance.

The scope required an assessment of the adequacy and effectiveness of Perth Energy's performance against the licence requirements for the period 30 November 2009 to 30 November 2017 for GTL12. These were assessed by considering:

- Process compliance – the effectiveness of systems and procedures in place throughout the audit period including the adequacy of internal controls.
- Outcome compliance – the actual performance against standards prescribed in the licence throughout the audit period.
- Output compliance - the existence of the output from systems prescribed in the licence throughout the audit period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained).
- Integrity of compliance and performance reporting – the completeness and accuracy of the reporting to the Authority.
- Compliance with any individual licence conditions – the requirements imposed on the specific licensee or specific issues to follow up that are advised by the Authority.

The key legislation, regulations and codes that govern Perth Energy's gas trading operations are:

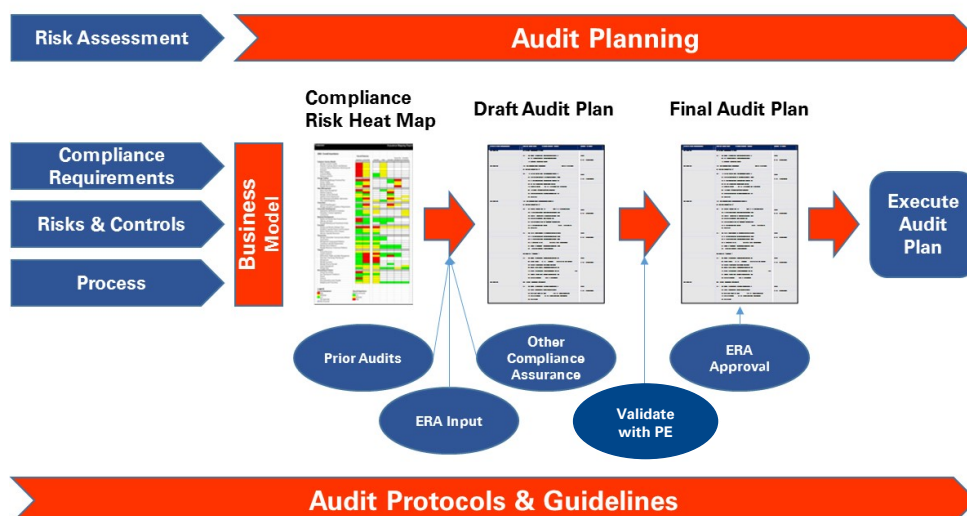
- Gas Compliance Reporting Manual September 2009
- Gas Compliance Reporting Manual July 2010
- Gas Compliance Reporting Manual June 2013
- Gas Compliance Reporting Manual May 2014
- Gas Compliance Reporting Manual March 2015
- Gas Compliance Reporting Manual January 2017
- Energy Coordination Act 1994
- Energy Coordination (Customer Contracts) Regulation 2004
- Energy Coordination (Ombudsman Scheme) Regulations 2004
- Energy Coordination (Gas Tariffs) Regulations 2000
- Gas Trading Licence GTL 12 (including Schedule 2 compendium of gas customer licence obligations)
- Gas Marketing Code 2014
- Electricity Corporations (Gas Supply) Direction 2007
- Economic Regulation Authority (Licensing Funding) Regulations 2014
- Energy Coordination (Licensing Fees) Regulations 1999

2.4. Audit Planning Approach

In developing the Audit plan, KPMG adopted a risk based approach, consistent with the Authority's mandatory methodology for assessing risk, which is based the AS/NZ 31000 Risk Management Standards (previously AS/NZ 4670).

The diagram below provides a snapshot of the approach adopted in arriving at the Plan.

Audit Planning Approach



Step 1 – Establish the context

This step was undertaken in order to understand Perth Energy’s business objectives, organisational structure, the regulatory framework, underlying systems and processes. Furthermore, this step allowed KPMG to understand Perth Energy’s risk management culture and appetite. The key output from this step was the understanding and validation of Perth Energy’s GTL12 compliance obligation registers that were used as the basis in carrying out subsequent steps, as noted below.

Step 2 – Identify Risks

KPMG examined the licence conditions, and identified the risks that may affect compliance with these conditions. As part of this, KPMG considered where, when, why and how events could prevent, degrade or delay compliance with the licence obligations. Risk analysis was centred on the compliance risks as tabled below:

Type of Risk	Description
Supply quality and reliability	Delays in new connections, excessive supply interruptions, supply quality standards not met.
Consumer protection	Customer service levels not met, incorrect bills, disconnection and reconnection standards not met, customers unable to access financial hardship assistance.
Legislation/licence	Breach of industry Acts, regulations and codes, contravention of licence conditions.

Table 1: Compliance Risks

Step 3 – Risk Analysis

A two stage approach was adopted in analysing compliance risks:

- Firstly, KPMG identified the consequences and likelihood of the inherent risks to give an overall inherent risk rating.
- Secondly, KPMG identified and assessed the strength of the existing internal controls that mitigate the inherent risks.

2.5. Consequence

The consequences of the risk occurring was assessed using the 3-point rating scale described in the table below. The more significant the consequences, the higher the rating value allocated.

	Rating	Non-compliance		
	Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions	Supply quality and reliability
1	Minor	Breaches of supply quality or reliability standards – affecting small number of customers. Delays in providing a small proportion of new connections.	Customer complaints procedures not followed in a few instances. Small percentage of disconnections or reconnections not completed on time. Small percentage of bills not issued on time.	Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties Compliance framework generally fit for purpose and operating effectively.
2	Moderate	Supply quality breach events that significantly impact customers; large number of customers affected and/or extended duration and/or damage to customer equipment. Supply interruptions affecting significant proportion of customers on the network for up to one day. Significant number of customers experiencing excessive number of interruptions per annum. Significant percentage of new connections not provided on time/ some customers experiencing extended delays.	Significant percentage of complaints not being correctly handled. Customers not receiving correct advice regarding financial hardship. Significant percentage of bills not issued on time. Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective. Instances of wrongful disconnection.	More widespread breaches of legislative obligations or licence conditions over time. Compliance framework requires improvement to meet minimum standards.
3	Major	Supply interruptions affecting significant proportion of customers on the network for more than one day. Majority of new connections not completed on time/ large number of customers experiencing extended delays.	Significant failure of one or more customer protection processes leading to ongoing breaches of standards. Ongoing instances of wrongful disconnection.	Wilful breach of legislative obligation or licence condition. Widespread and/or ongoing breaches of legislative obligations or licence conditions. Compliance framework not fit for purpose, requires significant improvement.

Table 2: Consequence Rating

2.6. Likelihood

The likelihood was assessed using the 3-point rating scale described in the table below:

	Level	Criteria
A	Likely	Non-compliance is expected to occur at least once or twice a year
B	Probable	Non-compliance is expected to occur once every three years
C	Unlikely	Non-compliance is expected to occur once every 10 years or longer

Table 3: Likelihood Rating

2.7. Inherent Risk

The inherent risk was arrived through the combination of the consequence rating and the likelihood rating. The inherent risk rating that was used is depicted in the table below:

Likelihood	Consequence		
	1. Minor	2. Moderate	Major
A. Likely	Medium	High	High
B. Probable	Low	Medium	High
C. Unlikely	Low	Medium	High

Table 4: Inherent Risk Rating - Consequence

Described below are the inherent risk ratings:

Level	Description
High	Likely to cause major damage, disruption or breach of licence obligations
Medium	Unlikely to cause major damage but may threaten the efficiency and effectiveness of service
Low	Unlikely to occur and consequences are relatively minor

Table 5: Inherent Risk Rating

Step 4 - Identify and assess internal controls

Once the inherent risks were identified and classified, KPMG undertook a high level assessment of the internal controls that are in place to mitigate each inherent risk.

The table below describes the preliminary adequacy rating for existing controls:

Level	Description
Strong	Controls that mitigate the identified risks to an appropriate level
Moderate	Controls that only cover significant risks; improvement required
Weak	Controls are weak or non-existent and have minimal impact on the risks

Table 6: Adequacy Rating

Step 5 – Assign audit priority ratings

The next stage in the audit planning process was to determine audit priorities for each of the licence conditions based on the combined rating for inherent risk and control adequacy. The prescribed 5 level audit priority scale was used:

		Preliminary Adequacy of Existing Controls		
		Weak	Moderate	Strong
Inherent Risk	High	Audit priority 1	Audit priority 2	
	Medium	Audit priority 3	Audit priority 4	
	Low	Audit priority 5		

Table 7: Audit Priority

KPMG has adopted a singular approach by considering Perth Energy's control register which maps each licence condition to an associated control(s), undertook a risk assessment which included consideration and past compliance performance to determine an audit priority for each licence obligation. As there were multiple iterations of the Compliance Manual during the audit period, material changes to existing 2017 obligations from prior Manuals were also considered.

2017 Compliance Manual Obligations

Risk Rating	GTL12 Risk Ranking by Obligation
High	4
Medium	79
Low	139
Not Applicable	43
TOTAL	265

Prior years' Compliance Manual Obligations

Risk Rating	GTL12 Risk Ranking by Obligation
High	0
Medium	19
Low	23
Not Applicable	22
TOTAL	64

Table 8: Risk Assessment Outcomes

The table below summarises the outcome of the audit priority assessment process.

Audit Priority Rating	GTL12 Audit Priority by Obligation
Priority 1	-
Priority 2	4
Priority 3	1
Priority 4	97
Priority 5	162
Not Applicable	65
TOTAL	329

Table 9: Audit Priority by Obligation

2.8. Audit Plan Approval

Following the completion of the risk workshops and supporting activities, each obligation was reviewed and risk prioritised according to its inherent risk rating using the Authority's methodology. The relevant management team members confirmed the applicable risk and control ratings prior to completion of the Audit plan. In addition Perth Energy identified areas of Audit focus on specific obligations which was reflected in the Audit plan approved by the Authority.

The final Audit Plan was approved by the Authority on 31 January 2018.

2.9. Execution of the Audit Plan

The execution stage comprised a singular audit priority assessment of each obligation. Testing took the form of interviews, walkthroughs, document reviews, process and system output reviews, observations and discussion, and substantive testing within requisite areas, with the testing being based on our sample test population. The nature of our testing and various sample sizes are detailed below:

Audit Priority	Nature of Testing	Sample Size (where relevant)
1	Inquiry, inspection and re-performance (where possible)	5
2	Inquiry, observation and inspection	4
3	Inquiry, observation and inspection	3
4	Inquiry and observation	2
5	Inquiry and observation	1

Table 10: Nature of Testing and Sample Size

A list of the licensee's representatives who participated in the Audit is provided in Appendix 1.

A list of key documents and other information sources examined during the course of the Audit is provided in Appendix 2.

We have reported an adequacy of controls rating and compliance rating for applicable obligations using the following structure in line with the Authority's guidelines:

Performance audit compliance and controls rating scales			
Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties
N/P	No activity has taken place to exercise the obligation during the audit period therefore not performed.	N/R	No relevant activity during the audit period therefore obligation not rated.
N/A	Obligation was identified as not being applicable during the course of the audit	N/A	Obligation identified as not being applicable during the course of the audit

Table 11: Compliance and Controls Rating Scales

2.10. Audit Team Members and Time Undertaken

The following table outlines the auditor's personnel who undertook the audit and time taken to complete the audit procedures. Fieldwork commenced on 5 February 2018 and was completed on 5 March 2018.

Audit Members	Hours
Travis McAuliffe, Engagement Partner	15
Gemma Modra, Senior Manager	10
Lele Yue Dai, Manager	25
Grant Voigt, Senior Consultant	30
Allan Wu, Consultant	110
Gabriella Allsop, Consultant	110
Total	290

Table 12: Audit Members and Hours

2.11. Culture of Compliance

Through conducting the 2017 GTL12 Performance Audit, we note that Perth Energy management and staff have displayed a positive attitude towards compliance and have adopted a proactive approach towards identifying and addressing areas of potential improvement. Staff demonstrated initiative through extensive preparation of policy and procedural documentation, with a strong focus on ensuring compliance with all relevant obligations.

Management has designed and implemented processes, controls and systems to ensure compliance with licence obligations. Due to the current customer base of eight small-use gas customers, of which only one is residential, it was noted that a large portion of the obligations have not yet been performed and controls could not be tested for effectiveness. However, Management have demonstrated a willingness to develop and refine existing controls and to consider an appropriate balance of automatic and manual controls, and which are scalable for an increased customer base in the future. Our recommendations in relation to obligations which require improvement have been made in light of the current customer base, but also with consideration of potential future state, in the event that a significantly larger number of customers are on-boarded. All staff interviewed as part of the Performance Audit engaged proactively with the audit team, displaying a willingness to improve and participated in discussions around potential control weaknesses or areas of non-compliance.

Where instances of non-compliance were identified during audit fieldwork, Perth Energy proactively undertook investigations with the objective of identifying the cause(s) to enable appropriate corrective measures to be developed. It was observed that Perth Energy management were able to provide evidence of immediate remedial action plans to be undertaken in order to achieve compliance with relevant obligations.

2.12. Summary of action for previous audit non-compliances and recommendations

Not Applicable - This is the first independent Gas Performance Audit undertaken at Perth Energy for GTL 12.

2.13. Compliance summary from current audit

This performance audit involved testing 212 out of a total of 265 licence obligations related to the 2017 Compliance Manual. Of the 53 obligations not tested, 43 obligations were determined as not applicable to Perth Energy during the planning stage of the audit and 10 were determined as not applicable during fieldwork. Of the 212 obligations tested there were 132 obligations with a Not Rated compliance rating due to no testable events in the audit period. This is consistent with the requirements stipulated within the Audit Guidelines.

As requested by the Authority, we also considered 42 out of a total of 64 historical obligations that were applicable during the audit period and have had a material change in the 2017 Compliance Manual. Historical obligations which are still relevant in the 2017 Manual have been included in our observations, and are indicated by a B and asterisk ("B*") in blue rows within section five. There were also 22 historic obligations which have since been superseded / removed in the 2017 Manual and therefore not applicable to Perth Energy in light of the timeline of customers' commencement.

GTL12		Adequacy of controls						Subtotal
		A – Adequate controls	B – Generally adequate controls	C – Inadequate controls	D – No controls evident	N/P – Not Performed	N/A – Not Applicable	
Compliance Rating	1 – Compliant	56	9	-	-	-	-	65
	2 – Non-compliant minor	-	5	2	-	-	-	7
	3 – Non-compliant moderate	-	-	11	-	-	-	11
	4 – Non-compliant major	-	-	-	-	-	-	-
	N/R – Not Rated	53	72	3	1	-	-	129
	N/A – Not Applicable	-	-	-	-	17	36	53
	Total	109	86	16	1	17	36	265

Table 13: Compliance Profile of 2017 Compliance Manual Obligations Only

GTL12		Adequacy of controls						Subtotal
		A – Adequate controls	B – Generally adequate controls	C – Inadequate controls	D – No controls evident	N/P – Not Performed	N/A – Not Applicable	
Compliance Rating	1 – Compliant	68	10	-	-	-	-	78
	2 – Non-compliant minor	-	7	2	-	-	-	9
	3 – Non-compliant moderate	-	-	15	-	-	-	15
	4 – Non-compliant major	-	-	-	-	-	-	-
	N/R – Not Rated	54	81	3	1	-	-	139
	N/A – Not Applicable	-	-	-	-	17	49	66
	Total	122	98	20	1	17	49	307

Table 14: Compliance Profile including historical obligations

The table below illustrates the obligations where non-compliances or control improvement opportunities have been identified. Further details can be found in Section 2.14 and 2.15.

Current Audit Non-Compliances and Recommendations	Resolved during current audit period	Unresolved at the end of the current audit period	Total
Obligations - Non-compliant	-	24	24
Obligations - Compliant with opportunity to improve controls	-	10	10
Obligations – Not-rated with opportunity to improve controls	-	85	85
Total	-	119	119

Table 15: Current Audit Non-Compliances and Recommendations

Further details of the overall compliance rating applied to each licence condition or obligation and adequacy of controls is detailed in Section 4 compliance summary and Section 5 observations – performance audit details.

2.14. Current Audit Non-Compliances and Recommendations resolved during current Audit Period

Not applicable – No recommendations were resolved during the Audit Period

Manual Ref.	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Date resolved (and management action taken)	Auditor comments
N*	Non Compliance Rating: Legislative Obligation: Details: N/A		

2.15. Current Audit Non-Compliances and Recommendations unresolved at end of current Audit Period

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
2/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 2: 2 - A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract.</p> <p>Details: Through discussions with key personnel and inspection of relevant documentation, it was noted that:</p> <ul style="list-style-type: none"> Perth Energy only provide gas to their customers under either a standard form or a non-standard form contract. The Terms and Conditions within the non-standard form contracts outlines that the customer may choose to enter into either a Standard Form Contract, or Non-Standard Form contract (which is a negotiated agreement with specific terms). During the audit period (30th November 2009 - 30th November 2017), Perth Energy's 8 small-use gas customers were all under non-standard form contracts. Perth Energy have an internal process in place where a member of the Credit Control team will only set up a customer within the billing system (Gentrack) once a signed contract is received from the Sales team and the customer has satisfied their credit control check process. Training and supporting materials are provided to the Credit Control team to ensure compliance with the internal process. Credit Control staff send connection service orders to ATCO through the use of a standalone Excel based tool, which is restricted to the Credit Control team. However the excel tool is not integrated with the Gentrack system. As per Perth Energy's "Small Use Gas (Non-Standard) Terms & Conditions", Perth Energy will inform customers not less than one month and not more than two months from the date of expiry of the contract, that the contract is due to expire and what options are 	<p>There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous connection service orders being sent to ATCO for a customer until they have been correctly set-up in Gentrack with a signed contract in place. This could involve modifying the tool to prevent connection service orders being sent out for customers who are not set-up within their Gentrack system, or requiring two-person authorisation to send out a connection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p> <p>Further, it is recommended that the types of contracts available should be made more easily identifiable to customers via the website and the Customer Charter.</p>	<p>Action Plan: The business support team will create an approval process to ensure there is more restrictions and authority level put in place.</p> <p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: 1st July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>available to them. This is performed by members of the Business Sales team (who are responsible for managing individual contracts).</p> <ul style="list-style-type: none"> • In the event a contract was not renegotiated in time, Clause 2.10 of the Terms & Conditions operates such that the contract will automatically renew on the day after the expiry of the contract term, unless the customer specifically indicates that they do not want the contract to automatically renew. • Based on walkthroughs conducted with staff of relevant processes and comparing the effective date of one customer contract against the date a customer first received a supply of gas within Gentrack, we did not identify any evidence of non-compliance with this obligation. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>		
6/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 6: 6 - A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.</p> <p>Details: Through discussion and observation with the Business Sales team, it was noted that Perth Energy as a gas retailer, are not directly responsible for the interruption, suspension or restriction of supply of gas, this falls under the responsibility of their Network Operator – ATCO. Our discussions with the Business Sales team confirmed that there were no accidents, emergencies, potential dangers or other unavoidable causes during the audit period that caused interruption, suspension or restriction of the supply of gas. However, in the event that this did occur, Perth Energy have controls in place to ensure that they have the ability to</p>	<p>Perth Energy should consider creating a more detailed, all inclusive internal procedure for Business Continuity Management, Emergency Management and Crisis Management.</p> <p>Perth Energy should also review and update their Customer Safety Awareness Procedure and make this available on their website.</p>	<p>Action Plan: (Part A) Perth Energy has commenced development of a crisis management system to cover all of its operations. This work will be expanded to include an appropriate approach to business continuity management and emergency management in the event of an interruption, suspension or restriction in supply of gas through the ATCO distribution system. (Part B) Perth Energy has an ERA-approved Customer Safety Awareness Procedure and will make</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>communicate with their customers, and their customers can easily contact them and/or the Network Operator. Through our observations we determined that:</p> <ul style="list-style-type: none"> • In the event of an accident, emergency, potential danger or unavoidable cause Perth Energy inform all of their customers to speak directly to ATCO to ensure that customers are provided with relevant information as quickly and efficiently as possible. • Perth Energy provides its customers through multiple platforms the actions they should take in the event of an accident/emergency along with the relevant contact details – including ATCO's 24 hour fault line. • Perth Energy have working arrangements with ATCO so that Perth Energy and the customer are directly informed of any interruption, suspension or restriction of gas supply. <p>The communication process allows Perth Energy to provide courtesy calls and emails to customers, via the customers dedicated account manager informing them of any accident, emergency, potential danger or other unavoidable causes.</p> <p>Perth Energy also have guidance set out in their disconnections and reconnections procedure as well as their standard and non-standard form contract terms and conditions, listing the reasonable steps they as a licensee must take to minimise the extent of the event of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.</p> <p>Perth Energy also provide their customers with a safety awareness procedure which outlines what they must do in the event of an emergency. However, this document has not been updated since its creation and thus requires review to ensure that the content is regularly updated with the most current information. This document has also not been made available on the company website.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		<p>the necessary changes to update this (Office Address). This will be posted to the website.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: Part A July 2018 Part B April 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
22/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 22:</p> <p>22 - A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time.</p> <p>Details:</p> <p>Through discussions with key personnel and review of relevant documentation it was noted that Perth Energy are a member of a retail scheme, AEMO.</p> <p>The General Manager EMR, is responsible for liaising between Perth Energy and the ERA, and is accountable for ensuring all directions from the ERA are either actioned himself, or delegated to the appropriate team.</p> <p>He confirmed that the ERA have not provided any directions for Perth Energy to amend their retail market scheme during the audit period. However, should a directive be given, Perth Energy would comply with any directive given them by the ERA within the specified time frame.</p> <p>Perth Energy have a Compliance Status tracker that is regularly updated by the General Manager EMR, Regulation that lists and tracks the progress of compliance and obligation tasks, as well as scheduled obligations in the future.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>	Perth Energy should consider creating a file management system to record all directives from relevant bodies.	<p>Action Plan:</p> <p>Perth Energy will establish a separate file in which to store all directives from the ERA, and other relevant bodies, along with Perth Energy's responses.</p> <p>Responsible Officer:</p> <p>General Manager EMR, Regulation</p> <p>Due Date:</p> <p>April 2018</p>
32/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 32:</p> <p>32 - Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if —</p> <p>(a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to</p>	Noting that there are documented processes in place for recording a life-support customer or a customer who has entered into acceptable arrangements for payment of gas supplied, and that there is a detective control in place for identifying when a disconnection service order has been sent to ATCO, there is an improvement opportunity to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer who has provided a written statement from a medical practitioner as per 32 (a).	<p>Action Plan:</p> <p>Perth Energy will assess review its process and determine how this recommended improvement can be implemented.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>protect the health of a person who lives at the customer's supply address; and</p> <p>(b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.</p> <p>Details:</p> <p>Perth Energy's "Gas Disconnections and Reconnections Procedure" states that a customer who has provided Perth Energy with a written statement from a medical practitioner and has entered into an arrangement accepted by Perth Energy must not be disconnected. As per the Manager Business Support, in the event that a customer has provided Perth Energy with a statement from a medical practitioner, the customer would be manually added to a "Life Support / Sensitive Loads" billing cycle on Gentrack, which provides a visual prompt in the system that the customer is a life-support customer and places them on a modified late payment cycle which would not prompt a staff member to initiate the disconnection process even in the event of late payments. Further, the Manager Business Support would notify ATCO (the network distributor responsible for completing disconnection service orders) of any life-support customers.</p> <p>If a customer has entered into arrangements acceptable to Perth Energy in relation to payment for gas supplied, they would be removed from the late-payment cycle in Gentrack by a member of the credit control team.</p> <p>As per the disconnection process, the credit control team would be prompted via Gentrack six days after sending out a disconnection notice to raise a disconnection service order. Credit control staff send disconnection service orders to ATCO through the use of a standalone Excel based tool which generates requests to ATCO, which is not integrated with the Gentrack system. The tool is restricted and only accessible by staff in the credit control team, however there is no system control in place that would prevent a member of the team sending ATCO an unauthorised or mistaken disconnection notice using the tool. In the event a disconnection notice is sent to ATCO, this would be identifiable on the following days daily churn report that is sent to a functional mailbox every morning.</p>	<p>This could involve modifying the tool to prevent disconnection service orders being sent out for NMI's that are linked to a life-support customer, or integrating the tool with Gentrack to prevent disconnection service orders being sent out unless a disconnection service order exists within Gentrack or require a two-person authorisation to send through a disconnection request for other customers. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p>	<p>Responsible Officer: Manager Business Support</p> <p>Due Date: May 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Through discussion with the Manager Business Support, it was noted that there have been no small-use customers during the audit period who have provided a written statement from a medical practitioner that supply is necessary in order to protect the health of a person who lives at the customer's supply address during the audit period. Further, there have not been any customer who have entered into arrangements in relation to payment for gas supplied, nor have there been any disconnections of small-use gas customers during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
33/2017	<p>Controls improvement Rating: C/2</p> <p>Legislative Obligation 33: 33 - Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).</p> <p>Details: Perth Energy's Gas Disconnections and Reconnections Procedure states that if a customer has failed to pay their bill by 14 business days after it was due, Credit Control shall send out a written reminder notice advising the customer that the payment is overdue and requiring payment to be made on or before the date specified in the reminder notice. The specified date on the reminder notice must be no earlier than 20 business days after the billing day.</p> <p>As per a walkthrough of the disconnection process, reminder notices are automatically sent out as an e-mail to the customer 4 days after the due date on the bill. The shortest payment term available for customers is 12 business days, thus 16 business days after bill issue is the earliest a reminder notice would be sent (or later dependant on length of agreed payment term). The walkthrough also notes that the Credit Control team</p>	Perth Energy should amend the disconnection notice template so that it includes the date that an overdue payment must be paid by the customer in order to avoid disconnection (being not less than 20 business days after the billing day).	<p>Action Plan: Disconnection template will be amended to include a payment due date</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: May 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>will not be prompted to submit a disconnection service order to ATCO until it has progressed through the disconnection cycle which begins with the issuance of a reminder notice.</p> <p>Through discussions with Manager Business Support, it is noted that there have been no cases of disconnection of supply for non-payment of a bill and one case of a reminder notice sent in this audit period. After inspection of a sample written reminder notice, it was noted that the sample did comply with the reminder notice issue date criteria (not less than 14 business days after bill issue), however the notice did not specify a date by which the customer had to pay by (the date of which should have been no less than 20 business days after the billing day). The Manager Business Support has noted this issue and is in the process of updating the templates to fully comply with this obligation.</p> <p>Based on our enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
34/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 34:</p> <p>34 - Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given).</p> <p>Details:</p> <p>Perth Energy's Gas Disconnections and Reconnections Procedure states a disconnection warning must be sent to the customer prior to disconnection of supply, advising that disconnection will occur unless payment is made. As per discussion with the Manager Business Support and a walkthrough performed of the Gentrack disconnection process, the shortest possible amount of time in which a disconnection warning can be automatically</p>	<p>Perth Energy should amend the disconnection warning template to include a date specifying when payment must be made by in order to prevent disconnection (being a day not less than 10 business days after the disconnection warning was issued).</p>	<p>Action Plan: Disconnection template will be amended to include a payment due date.</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: May 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>generated and sent out to a customer as an e-mail is 22 business days after the billing day. Upon inspection of a disconnection warning template, it was noted that the warning does not include a date specifying when payment must be made by to prevent the disconnection from proceeding.</p> <p>Through discussion with the Manager Business Support, it was noted that there have been no small-use customers during the audit period who have been disconnected for non-payment of a bill, nor have there been any disconnection warnings issued during this audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed, however due to no events in the audit period, compliance was not rated.</p>		
40/2017 41/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 40, 41:</p> <p>40- A licensee must not disconnect supply to a customer who is unable to pay until: alternative payment options have been offered to the customer; the customer is given information on government funded concessions; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.</p> <p>41- A licensee must not disconnect supply to a business customer until: it has used its best endeavours to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.</p> <p>Details:</p> <p>As per discussions with Manager Business Support and inspection of Perth Energy's Gas Disconnections and Reconnections Procedure and the Gas Customer Financial Hardship Procedure, it is noted that Perth Energy</p>	<p>There is an improvement opportunity to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria set out in obligations 40 and 41 requiring a two-person authorisation to send through a disconnection request to ATCO. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p>	<p>Action Plan: The communication tool will check that a disconnection notice has been sent out in Gentrack as well as having authority levels put in place.</p> <p>Responsible Officer: Manager Business Support /IT</p> <p>Due Date: 1st July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>will not disconnect supply to a customer who is unable to pay until the circumstances stipulated in obligation 40 and 41 have been satisfied.</p> <p>As per walkthrough of the disconnection process, in the event that a customer is late on payment, the customer would be automatically placed on a "disconnection cycle" on Gentrack. This cycle generates a series of "process actions" some of which are automated, and some raising manual queues for actioning by the Credit Control team. "Process action 4" opens a queue which prompts a member of the Credit Control team to contact the customer by phone, it is at this point where alternative payment options and information on government concessions (for residential customers) will be offered. The disconnection cycle will not proceed unless the customer refuses to accept alternative payment options. Disconnection notices are automatically generated and sent to the customer by e-mail. The customer has at least 6 business days to resolve the issue before a queue is raised in Gentrack prompting the Manager Business Support to submit a disconnection service order to ATCO. All submitted disconnection service orders will show under 'Pending Churns' in the following day's Churn Report that is sent to the Credit Control team every morning. Any service orders for disconnection that were not approved would be picked up by the Manager Business Support and corrective actions would be taken.</p> <p>As per Manager Business Support, there have been no instances of disconnection for small-use gas customers, nor have there been any instances of customers unable to pay during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period compliance was not rated.</p>		
42/2017 225/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 42, 225: 42 - A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3</p>	Perth Energy should consider proactive monitoring of customers who have denied access to a meter via exception reporting and recording of denial of access. Currently, the process relies on ATCO to inform Perth Energy of consecutive denial of entry.	<p>Action Plan: If ATCO advises Perth Energy that a customer gas denied access to its meter Perth energy will investigate a mechanism</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>concurrent billing cycles, the customer is given the option to offer alternative access arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.</p> <p>225- A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in clause 7.4(1) on behalf of the retailer.</p> <p>Details: Through inspection of Perth Energy's Disconnection and Reconnection procedure and discussion with the Manager Business Support it was noted that:</p> <ul style="list-style-type: none"> • Perth Energy is reliant on ATCO informing them of customers who have denied access to a meter, and for leaving written advice at the customers address on each occasion access was denied. • On the third denial of access to a meter, as advised by ATCO, Perth Energy will contact the customer and facilitate organising alternative access arrangements for ATCO to access the meter, as well as provide five days written notice to the customer as to the date or timeframe of the next scheduled meter reading. • Disconnection notices are automatically generated and sent to the customer by e-mail 6 business days after a disconnection warning is sent. The customer has 6 business days to resolve the issue before a queue is raised in Gentrack prompting the Manager Business Support to submit a disconnection service order to ATCO • There have been no small-use customers who have been disconnected due to denial of access to a meter during the audit period 30 November 2009 to 30 November 2017. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed, however due to no events in the audit period, compliance was not rated.</p>		<p>to track these events and act as required.</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: To be undertaken only if a customer denies access to a meter.</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
47/2017	Controls improvement Rating: B/NR	There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria stipulated in obligations 47 – 50 above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.	Action Plan: The communication tool will check that a disconnection notice has been sent out in Gentrack as well as having authority levels put in place. Responsible Officer: Manager Business Support/IT Due Date: July 2018
48/2017	Legislative Obligation 47, 48, 49, 50:		
49/2017	47 - A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.		
50/2017	48 - A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved. 49 - A licensee must not disconnect supply where an application for a government concession has not been decided. 50 - A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.		
	Details: As per the Manager Business Support, and the Gas Disconnections and Reconnections Procedure, Perth Energy would not disconnect supply in any of the following scenarios: <ul style="list-style-type: none"> • If at any point before disconnection the customer agrees to pay any amount owing, the customer would then be taken off the disconnection cycle. As such, Perth Energy would not disconnect any customer that agrees to pay (either in full, or partially through a payment plan). Additionally, if at any point prior to disconnection the customer requests a payment plan, the customer's account would be 'suppressed' until a payment plan had been successfully negotiated. An account cannot progress any further in the disconnection cycle while it is under 'suppression'. • In the event that a complaint is being reviewed and not yet resolved, or where an application for a government concession has not been decided. In these circumstances, a customer's account is manually 'suppressed', excluding the customer from all standard credit control runs including disconnection. The customer's account remains 'suppressed' until such time that a complaint is resolved, or an application for a government concession has been decided. • In the event that a customer debt not related to a direct service charge. 		

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	<p>Service requests for disconnection can only be submitted after Perth Energy has exhausted its methods for contacting the customer, which are built into the Gentrack disconnection cycle. All submitted disconnection service orders will show under 'Pending Churns' in the following day's Churn Report that is sent to the Credit Control team every morning. Any service orders for disconnection that were not approved would be picked up by the Manager Business Support and corrective actions would be taken.</p> <p>As per the Manager Business support, there have been no cases of disconnection, nor have there been any cases of externally reviewed complaints or customers who have applied for a government concession during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no event in the audit period, compliance was not rated.</p>		
51/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 51: A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.</p> <p>Details: As per the Manager Business Support and Perth Energy's Gas Disconnection and Reconnection Procedure, Perth Energy will not disconnect supply after 3pm on any day, on a Friday, weekend or public holiday, or on a day before a public holiday. Through these discussions, it was also noted that a customer's supply address would not be disconnected until all the required communication has been made regarding the cause of disconnection. Accounts that have reached the disconnection phase of the credit cycle will be picked up on the daily Credit Control Report run every morning. Disconnection service orders are generally submitted after the morning Credit Report and as such, Credit</p>	Consider a methodology to record in the system, the time which a disconnection service order was made, as well as the actual disconnection time by ATCO to ensure monitoring against this obligation.	<p>Action Plan: Perth Energy will evaluate this and determine whether a practical and appropriate system can be developed.</p> <p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: July 2018</p>

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	<p>Control's process ensures disconnection service orders are submitted prior to 3pm.</p> <p>As per walkthrough of the disconnection process, all disconnection request are submitted manually through an excel-based tool that communicates directly to ATCO. Use of this tool is restricted to the Credit Control team who are trained not to disconnect customers in the prescribed circumstances in Obligation 51, in compliance with the Gas Disconnection and Reconnections Procedure manual.</p> <p>As per the Manager Business Support, there have been no cases of disconnection during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
52/2017 229/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 52, 229:</p> <p>52 - If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.</p> <p>229 - A retailer must forward the request for reconnection to the relevant distributor that same business day if the request is received before 3pm on a business day; or no later than 3pm on the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday.</p> <p>Details:</p> <p>Through discussion with the Manager Business Support and consideration of Perth Energy's reconnection processes, it was determined that Perth Energy has the following procedures in place to arrange for customers to be reconnected:</p>	Implement exception reporting to identify payments made to disconnected accounts, in place of manual monitoring.	<p>Action Plan: Daily reporting to show disconnections lodged and the current account balance.</p> <p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: Sept 2018</p>

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	<ul style="list-style-type: none"> The Credit Control team actively monitors for any payments made to disconnected accounts. In the case that a payment was made, Credit Control would contact the customer, and initiate the reconnection process at their request. Perth Energy use an excel based tool which allows service orders to be directly communicated to ATCO. The service order will be processed immediately based on the request from the customer and is submitted ATCO on the same day (if received by 3pm), or the next business day, or on the weekend or on a public holiday After the service request is submitted, the Manager Business Support will run a SQL script query using the customer's MIRN. This identifies if the request has been successfully received on ATCO's end. The request will show on the following days' Churn Report detailing all pending and completed churns. The scheduled reconnection will remain as pending until such time as ATCO has completed the reconnection. <p>As per Manager Business Support, there have been no instances of reconnection or disconnection during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
60/2017 147/2017 147B*/Prior	<p>Controls improvement Rating: B/2</p> <p>Legislative Obligation 60, 147, 147B*:</p> <p>60 - A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance.</p> <p>147 - Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1)(a)- (cc) on the customer's bill.</p>	<p>Amend the Gas Billing Template to include: current and previous meter reads; the National Interpreter Services Symbol; and notice of the availability of a meter test, as stipulated under the AGA code and Schedule 2 of the Compendium of Obligations.</p> <p>Amend the Gas Billing Compliance Procedure to include the requirement of the Meter Installation Registration Number on bills.</p>	<p>Action Plan:</p> <p>(Part A)</p> <p>The following will be updated immediately on Gentrack billing template: the national interpreter services symbol, notice that shows the availability of the meter test. Software vendor is implementing new</p>

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	<p>147B*/Prior - Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in subclause 4.5(1)(a)-(cc) on the customer's bill.</p> <p>Details:</p> <p>Review of Perth Energy's Gas Billing Template noted that all obligated particulars were included on the customer's bills, with the exception of:</p> <ul style="list-style-type: none"> • Current and previous meter reads as required under Clause 4.2.3.3 (b) of the AGA code; • National Interpreter Services Symbol as required under Clause 4.5(1)(z). However, it is noted that the National Interpreter Services contact information is provided. • The availability, upon payment of a charge, of an Authority approved meter accuracy test and the refund if the testing charge if the meter is found to favour the supplier by more than allowable in the relevant distribution standards as required under Clause 4.2.3.3 (p) of the AGA code. <p>The Gas Billing Compliance Procedure specifies that the particulars of each bill must contain the information listed in 4.5(1)(a) – (cc) of the Schedule 2 Compendium, excluding clause (cc) "Meter Installation Registration Number". It is however, it is noted that on the Gas Billing Template that this is present.</p> <p>Based on discussion with the Manager Billing, we note that there is no way to manually edit the bill template when it is issued to the customer. Any amendments to the billing template are subject to committee review. Once the amendments are approved, the committee will pass the new billing template to IT, who will make the changes.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		<p>capability to bill on Gas basic meters. This is going through internal testing in house before we can add new meter information. The requirement for Meter Installation Registration Number on bills will be referenced in the Billing Compliance Procedures. .</p> <p>(Part B)</p> <p>Perth Energy will update the Gas Billing compliance Procedure to include the obligation to include the Meter Installation Registration Number on bills.</p> <p>Responsible Officer: (Part A) Administrator Billing/IT (Part B) General Manager EMR, Regulation</p> <p>Due Date: Sept 2018 & April 2018</p>

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63/2017 234/2017 235/2017 236/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 63, 234, 235, 236: 63 – A licensee must provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004. 234 – A retailer must, on request, give a customer their billing data. 235 – A retailer must give the requested billing data at no charge if a customer requests their billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with the retailer. 236 – A retailer must give the requested billing data within 10 business days of the date of receipt of either the request, or payment of the retailer's reasonable charge for providing the billing data.</p> <p>Details: Through discussions with the Manager Billing it was noted that customer bill data is provided via the Finance and Billing team. Customer requests for bill data would either be actioned by the customer's Account Manager who deals with the request on their behalf, or the customer would be put in direct contact with the Finance and Billing team. Requests for billing data would be made through an email sent to the Finance and Billing inbox. The Finance and Billing team would run a report for the customer's billing data in Gentrack and provide it to the customer. The emails are archived once they have been actioned. Examination of the Non-Standard Form Contract Terms and Condition noted that Perth Energy would provide requested customer billing data free of charge and subject to the Energy Coordination (Customer Contracts) Regulations 2004. A customer can also download the billing data report if they register to Perth Energy's 'my account' function on the corporate website. A copy of a small-use gas customer invoice was provided for our review. It was confirmed with the Manager Billing that there were no requests for billing data from small-use gas customers, during the audit period. Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>	<p>Implement a tracker that includes all customer requests against required timeframes, including requests for Billing data (10 business days). Ensure customer requests which come through to the Finance and Billing team are clearly marked as Bill Request and are appropriate allocated for actioning.</p> <p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.</p>	<p>Action Plan: Currently looking at three options:</p> <ol style="list-style-type: none"> 1. Track Customer Requests for meter data or bill requests in Billing Inbox in different colour to ensure they are actioned within 10 days. 2. Or an excel table for Sales Admin to fill in/Billing team to fill in table as it comes through billing inbox. Requests come through to billing and are generally actioned within a couple of days, but the table can be monitored to ensure no requests are missed. 3. Regular training on these obligations to be conducted for billing team and training will be logged and reminders will be sent via the company's online OHS system.

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			Responsible Officer: Administrator Billing/Manager Billing Due Date: April 2018
64/2017 153/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 64, 153:</p> <p>64 -A licensee must base a customer's bill on a meter reading and meters must be read at least once per year.</p> <p>153 - A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1)(a).</p> <p>Details:</p> <p>Based on discussions with the Manager Billing and Billing Officer it was noted that Perth Energy base their billing on meter readings received from ATCO. On a daily basis, Perth Energy obtain customer data from the ATCO portal for their small-use gas customers. The data will indicate whether it was an actual read or estimate (where the actual read was not available). Perth Energy rely on ATCO to perform the reads and calculate the estimations. It is noted that Perth Energy do not currently track whether there has been an actual read for a small-use gas customer within the last 12 months.</p> <p>It is noted that Perth Energy did not have any customers that had been active with them for greater than 12 months, during the audit period. However, sample testing of 2 small-use gas customers' data sets from ATCO found that both customers had received an actual reads during their time with ATCO.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>	Implement a tracking system or exception report to identify customers which have not received an actual meter read within 12 months.	Action Plan: IT to create a tracker that can be automated to run daily to check if a customer hasn't had an actual read in 250 days. Responsible Officer: Administrator Billing/ IT Due Date: Aug 2018

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70/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 70:</p> <p>70 - A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless</p> <ul style="list-style-type: none"> (a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code (b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract. <p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy have not terminated a small-use gas customer, during the audit period (30th November 2009 - 30th November 2017).</p> <p>Perth Energy have a dedicated Credit Control team are responsible for disconnections/terminations with set policies and procedures to facilitate them in this role. The termination of a contract must be approved by the CFO. Through discussions, it was noted that Perth Energy would not instigate termination for a single breach, unless the act was fraudulent. In almost every event, Perth Energy would attempt to negotiate and resolve contractual issues before disconnection. Disconnection and termination of a Perth Energy customer is a last resort. However, there is no documented distinction between what constitutes a breach versus a substantial breach.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>	Perth Energy should incorporate definitions of a breach and a substantial breach into their internal policies and procedures to ensure clarity and consistency around the right to disconnect to supply.	<p>Action Plan:</p> <p>Perth Energy will review all mechanisms through which a customer may breach its contract and determine which of these are substantial and thereby justify disconnection of supply and contract termination. All internal policies and procedures will be modified to incorporate these changes.</p> <p>Responsible Officer:</p> <p>General Manager EMR, Regulation</p> <p>Due Date:</p> <p>July 2018</p>
71/2017 110B*/Prior	<p>Controls improvement Rating: B/2</p> <p>Legislative Obligation 71, 110B:</p> <p>71 - A licensee must provide a customer</p> <ul style="list-style-type: none"> (a) a copy of their customer service charter; 	Perth Energy should create a new starter pack that is all inclusive of the information required under this obligation to ensure compliance. Perth Energy should make available all of the documentation listed in this regulation available on their company website, with the exception of individual billing data.	<p>Action Plan:</p> <p>Perth Energy will prepare a New Starter pack to include an energy efficiency brochure and contact details for</p>

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	<p>(b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer.</p> <p>110B*/Prior - A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter at least once every 36 months and submit the results of that review to the Authority within 5 days after it is completed.</p> <p>Details:</p> <p>Through discussions with key personnel and supplementary review of relevant documentation it was noted that Perth Energy would either provide or make available on request most of the information required by regulation 71.</p> <p>From our observation we determined that: Perth Energy provide information about the customer rates, fees and charges payable under their contract to the customer upon commencement of their contract term. Billing data is available upon request and can also be viewed if the customer registers for the 'my account' interface. A copy of the customer service charter and copies of regulations or any relevant code are made available to customers upon request, free of charge subject to the obligations.</p> <p>Some of the information listed within this obligation is also available to customers via their company website. However, we could not find evidence of an energy efficiency brochure or contact details for Government assistance programs/financial counselling services.</p> <p>We also note that in relation to obligation 110B* from prior Compliance Reporting manuals that there was no evidence that the Charter was reviewed at least every 36 months with the results submitted to the Authority within 5 days after the review was completed.</p>		<p>Government assistance programs/financial counselling services. Perth Energy will also ensure that all other required information is included. Perth Energy will ensure that all of the information within the New Starter pack, excluding individual tariff data, is available through the company's website.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: July 2018</p>

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	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.		
72/2017 205/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 72, 205:</p> <p>72 - A licensee must offer a customer who is experiencing payment difficulties: instalment plan options; right to have bill redirected to third person; information or referral on government assistance programs; and information on independent financial counselling services.</p> <p>205 - A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the payment arrangements that are specified in clauses 6.4(1)(a) and (b).</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Financial Hardship Policies and Procedure, in the event that a customer is experiencing payment difficulties or financial hardship, Perth Energy will reasonably consider and make an assessment of the customer's financial circumstances. During this process, the Credit Control team offers the customer information and services in accordance to the requirements stipulated in Obligations 72 and 205.</p> <p>As per consideration of the financial hardship or payment difficulty assessment process, when a customer falls into the credit collection cycle, Gentrack will automatically raise a process queue prompting the Credit Control team to contact the customer. The Credit Control will assess the customer's situation and offer an instalment plan, the right to have the bill redirected to third person, information or referral to government assistance programs, information on independent financial counselling services and additional time to pay the bill. These steps are covered in Credit Control's Gas Residential Hardship Procedure. A script is available for use by members of Perth Energy who may receive a call from a customer outside of the Credit Control team. However, this document does not outline the details of the actions specified in the obligations.</p>	Update the payment difficulty and financial hardship script to align with the requirements as per obligations 72 and 205. Ensure this is available for the Credit Control team to use as guidance on customer calls.	<p>Action Plan:</p> <p>Perth Energy will update the script used by staff to respond to payment difficulties and financial hardship to fully comply the legislative obligations. This will be made available to all credit control staff.</p> <p>Responsible Officer:</p> <p>Manager Business Support</p> <p>Due Date:</p> <p>July 2018</p>

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	<p>As per the Manager Business Support, there have been no cases of customer experiencing financial hardship or payment difficulties, nor have there been any customers on a payment plan during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
79/2017	<p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation 79:</p> <p>79 - A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.</p> <p>Details:</p> <p>Through our discussions with key personnel and supplementary review of relevant documentation it was noted that there have been no cases during the audit period, in which a small-use gas customer has been issued with a disconnection warning.</p> <p>Perth Energy have a dedicated team assigned with the responsibility of overseeing the disconnection process and disconnection warning letters and emails are based on standard templates. The disconnection warning template includes a copy of the customers most recent statement, on which Perth Energy provide the following information:</p> <ul style="list-style-type: none"> • The enquiries or complaints number: +61 8 9420 0300 • The enquiries email address: info@perthenergy.com.au • A free call number for the Energy Ombudsman of Western Australia: 1800 754 004 <p>Perth Energy have a complaint handling process that is published on their company website and provided to the customer upon execution of their contract. However, the disconnection warnings templates do not include information on the complaints handling process or contact details of the energy ombudsman.</p>	<p>Perth Energy should consider including directions to or a direct link for their complaints handling process within the disconnection warning to support the contact details provided.</p>	<p>Action Plan: Link to be added to the disconnection templates</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: July 2018</p>

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	Based on enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements needed however due to no events in the audit period, compliance was not rated.		
82/2017	<p>Controls improvement Rating: B/2</p> <p>Legislative Obligation 82: 82 - A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.</p> <p>Details: Based on discussion with Manager Billing, walkthrough of the billing process and inspection of Perth Energy's billing template sent to customer, it is noted that bills sent out by Perth Energy do not provide advice that a customer service charter is available free of charge, nor is this included with any bills sent out as separate document under the current process. Perth Energy have advised that due to an update from the ERA effective 1 July 2010 that customer service charters are no longer required for gas traders, this obligation was not met.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>	It is recommended that Perth Energy amend their billing template to include reference to the free provision of a Customer Service Charter upon request, as a Customer Service Charter is in place.	<p>Action Plan: Updates to the billing template will be made to include reference to the Customer Service Charter.</p> <p>Responsible Officer: Administrator Billing/ IT</p> <p>Due Date: Aug 2018</p>
108/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 108: 108 - A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.</p> <p>Details: Through discussions with key personnel and review of relevant documentation it was noted Perth Energy have made amendments to their standard form contract which have been approved by the ERA and written in accordance the Energy Coordination Act 1994 and Regulations.</p>	It is recommended that Perth Energy formally review their standard form contract annually, and in accordance with the relevant regulation to ensure that it is up to date and all relevant provisions are in place. There is also an opportunity for Perth Energy to set up controls to ensure that they can formally track any changes in the regulation and ensure corresponding Policies and Procedures are also updated in line with the amendment.	<p>Action Plan: Perth Energy will set up a reminder in its Online Compliance system to ensure that the standard form contract is reviewed annually. Perth Energy will subscribe to the ERA's automated notification system to ensure that we are advised of changes to regulations.</p>

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	<p>Amendments were made by the GM EMR, Regulation and/or the GM Retail and the Retail team. Any amendments made are done so with review of the relevant regulations. Both internal and external checks through Perth Energy's lawyers are conducted before the amendments are sent to the ERA for approval. All amendments are logged, and historical copies kept in archive along with the ERA letters of approval. It was noted that there are currently no formal processes in place for reviewing any amendments made to the regulations to ensure that these are translated into relevant Policies and Procedures.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>		<p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: April 2018</p>
112/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 112:</p> <p>112 - A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the relevant distribution system, provided such disclosure does not prejudice the commercial interests of the licensee.</p> <p>Details:</p> <p>Through our discussions with key personnel it was confirmed that ATCO Gas are the holders of the distribution licence.</p> <p>It was noted as per the GM Retail that ATCO have not made any information requests of Perth Energy during the audit period. Perth Energy maintain communication with the network distributor to ensure they have an efficient working relationship, and should ATCO request information relating to Perth Energy's activities, the information would be provided, so long as such disclosure does not prejudice their commercial interests.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>	Establish a communication log with ATCO Energy to track any critical correspondence in the event that information is requested.	<p>Action Plan:</p> <p>A communications log with ATCO Energy will be developed and all critical correspondence will be recorded.</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: July 2018</p>

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113/2017	<p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation 113:</p> <p>113 - A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.</p> <p>Details:</p> <p>Through our discussions with key personnel it was noted that Perth Energy negotiate a non-standard form contract with all of their small-use gas customers, therefore during the audit period Perth Energy did not have small-use gas customers on standard form contract.</p> <p>It was also noted, as per the General Manager EMR, Regulation that Perth Energy do not currently have any formal protocols in place for directly informing the Minister of Energy of any change to the price, price structure, fee or interest rate under the standard form contract one month prior to the change coming into effect.</p> <p>Currently Perth energy inform the ERA of any changes to their Standard Form Contract, these changes must be approved before implementation and Perth Energy comply with any directives given to them by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>	<p>It is recommended that Perth Energy establish a formal protocol that instructs the licensee to notify the Minister of the requirements listed within this obligation. Internal Policies and Procedures around Standard Form Contracts should include this step in relation to any price, price structure, fee or interest rate change, and relevant personnel be trained on these protocols.</p>	<p>Action Plan: (Part A) Perth Energy will update the Gas General Obligations Compliance Procedure to include the obligation to advise the Minister when changes are proposed to any prices, fees and similar requirements.</p> <p>(Part B) Perth Energy will include training in respect to this obligation within the overall staff training programs.</p> <p>Responsible Officer: (Part A) General Manager EMR, Regulation (Part B) General Manager Retail</p> <p>Due Date: (Part A) April 2018 (Part B) July 2018</p>
118/2017	<p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation 118</p> <p>118 - A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information).</p>	<p>It is recommended that Perth Energy obtain approval for the financial hardship policy and ensure the information is made available to relevant customers, if and when the need arises.</p> <p>It is also recommended that Perth Energy create a standard form contract new customer starter pack that is inclusive of all of the information specified under the obligation to ensure compliance.</p>	<p>Action Plan: Perth Energy will work with an appropriate customer representative to finalise the financial hardship policy and will then seek approval for this from the ERA. Once approved, this will be post to the Perth Energy website and be made available to customers.</p>

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	<p>Details:</p> <p>Through our discussions with key personnel and review of relevant information it was noted that during the audit period Perth Energy do not have any small-use gas customers under a standard form contract.</p> <p>However, from review of the bill template, we noted that some but not all of the information specified in the Gas Marketing Code clause 2.2, would be made available to the customers no later than on or with the customer's first bill.</p> <p>It was noted that Perth Energy have drafted a financial hardship policy that is still pending approval from the ERA and thus this policy has not been provided to customers subject to this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvement required however due to no events in the audit period, compliance was not rated.</p>		<p>See 71/2017 above with respect to the New Starter Pack</p> <p>Responsible Officer: General Manager EMR, Regulation and Manager Business Support</p> <p>Due Date: July 2018</p>
120/2017 121/2017	<p>Controls improvement Rating: C/3</p> <p>Legislative Obligation 120, 121, 120B*, 122B*:</p> <p>120 - A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.</p> <p>121 - A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant information it was noted that during the audit period Perth Energy negotiate a non-standard form contract with all of their small-use gas customers.</p>	<p>It is recommended that Perth Energy obtain approval for the financial hardship policy and ensure the information is made available to relevant customers, if and when the need arises. Perth Energy also need to create and provide a brochure on information relating to the concessions that may be applicable to a residential customer.</p> <p>It is also recommended that Perth Energy create a non-standard form contract new customer starter pack that is inclusive of all of the information specified under the obligation to provide to customers before entering into a non-standard form contract.</p> <p>All required information should be made available to new customers, and verifiable consent obtained and recorded that the information has been provided.</p>	<p>Action Plan:</p> <p>See 118/2017 above with respect to financial hardship policy. The New Starter Pack to be developed under 71/2017 will include information appropriate to customers supplied under a non-standard form contract.</p> <p>Responsible Officer: General Manager EMR, Regulation and Manager Business Support</p> <p>Due Date: July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>We have identified that of the information specified in the Gas Marketing Code clause 2.3(2) Perth Energy do not currently provide the customer with the following:</p> <p><i>(g) how the retailer may assist if the customer is experiencing payment difficulties or financial hardship;</i></p> <p><i>(h) with respect to a residential customer, the concessions that may apply to the residential customer;</i></p> <p>It was also noted that Perth Energy have created and provided the ERA with a financial hardship policy that is still pending approval.</p> <p>Through our review of non-standard form contracts and relevant documentation, we were able to confirm that Perth Energy have documentation supporting the information specified within the regulation, 2.3(2)(a) –(f) and (i) – (k). Although all of this information is provided upon request, the majority is currently not provided before entering into a non-standard contract.</p> <p>Verifiable consent has therefore not been obtained that all the information specified has been provided.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place with significant improvement needed and Perth Energy has been non-compliant with moderate impact on customers and third parties during the audit period.</p>		
122/2017 238/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 122, 238:</p> <p>122 - A retailer or gas marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.</p> <p>238 - A retailer must give a residential customer on request, at no charge, information on the types of concessions available to the customer, and the names and contact details of the organisation responsible for administering those concessions (if not the retailer).</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation we noted that Perth Energy do not offer concessions to</p>	We recommend that Perth Energy disclose, information on the types of concessions available to the customer, and the names and contact details of the organisation responsible for administering those concessions on to their billing template and corporate website.	<p>Action Plan: Information in respect to concessions will be added to Perth energy's bills and posted on its website.</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: May 2018</p>

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	<p>residential gas customers. The prices offered to customers represent prices excluding concessions.</p> <p>It was noted, as per the Manager Billing that concessions are made available through the State Government and administered through Synergy.</p> <p>Perth Energy have only recently acquired their first residential small-use gas customer (August 2017). If a customer were to request information on the types of concessions available to them, Perth Energy would provide them with the names and contact details of the organisation responsible for administering those concessions.</p> <p>It was noted that in order to communicate this to the customer, Perth Energy will be adding information with regards to concessions on their billing template and their website.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
123/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 123: 123 - A retailer or gas marketing agent must ensure that a customer is able to contact the retailer or gas marketing agent on the retailer's or gas marketing agent's telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints.</p> <p>Details: Through our discussion with key personnel and review of relevant documentation it was noted that Perth Energy's normal business hours are between 8:30 am – 17:00 pm AWST Monday to Friday. It was confirmed that their contact information for the purposes of enquiries, verifications and complaints is available to customers on both Perth Energy's corporate website > contact us, and it is listed on each customer's invoice and their contract. For the purposes of enquiries, verifications and complaints, Perth Energy have a telephone number, email and postal address.</p>	<p>It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs.</p> <p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered with the call centre contact details made available to customers.</p>	<p>Action Plan: All customer enquiries to be registered in Gentrack. Gentrack training to be added to new team member's induction. Training will be logged and reminders will be send on the new online workplace OHS system.</p> <p>Responsible Officer: Manager Business Sales</p> <p>Due Date: July 2018</p>

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	<p>Perth Energy's enquiries number is linked to their standard office phone that is answered by the Business Support team during normal business hours, who will delegate responsibility according to the subject matter.</p> <p>In addition, Perth Energy employees have their direct number attached to their email signature, and each customer will be provided a personal account manager who is allocated as their direct contact upon execution of their contract.</p> <p>Through our discussions we noted that Perth Energy only have a system for recording complaints and there is currently no process in place for recording each request that comes in either by phone, email or letter. We have also been unable to identify a formal internal protocol for answering and dealing with customer enquiries, verifications and complaints.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>		
154/2017 155/2017 156/2017	<p>Controls improvement Rating: C/3</p> <p>Legislative Obligation 154, 155, 156:</p> <p>154 - A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.</p> <p>155 - Where the customer's bill is estimated, a retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2)(a)-(c).</p> <p>156 - Upon request, a retailer must inform a customer of the basis and the reason for the estimation.</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy issue their customer bills based on data provided by their network distributor. Should ATCO fail to obtain an actual meter reading they will provide Perth Energy with an estimated read as a substitute; Perth Energy will bill their customer as</p>	It is recommended that Perth Energy explicitly state where a bill has been estimated and the information prescribed in clauses 4.8(2)(a)-(c), i.e. that their bill has been estimated and that further information on the basis and the reason for the estimation can be provided upon request. In order to facilitate this Perth Energy should consider creating an estimation billing template.	<p>Action Plan:</p> <ol style="list-style-type: none"> 1. Aim to complete testing of solution to bill basic meter data in billing system 2. Produce internal scoping document to provide to software vendor which include requirements of new bill template. 3. Solution document and quote by vendor received (includes time to revise scoping document where required. 4. Obtain approval of vendor quote by exec management. (1 month)

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	<p>normal based on this estimated read. As and when an actual meter read is provided by ATCO, Perth Energy's Billing team will process an adjustment based on this better quality data. Perth Energy have an 'auto adjustment process' that is run to determine any differences in the data that need to be credited or charges to the customer. This adjustment will not go onto the statement until the customers next bill cycle; it will show as an adjustment note.</p> <p>Through our discussions with the Billing team it was confirmed that during the audit period Perth Energy have received estimated reads for one small-use gas customer, an estimated bill was issued but a subsequent actual read has not yet been provided to the retailer.</p> <p>Through review of data obtained from ATCO we noted that readings indicate whether the data is an actual read or estimated read. However, ATCO do not provide the reason for estimation, unless requested. From discussions with the Manager Billing, we noted that Perth Energy does not currently provide the customer notice on the bill if an estimated read was used as the basis for the bill. We identified that an estimated bill has been issued to a small-use gas customer during the audit period without the information specified within clauses 4.8(2)(a)-(c).</p> <p>Therefore the customer has no knowledge of the estimation in order to request the basis of the estimation; the reason for the estimation; a verification of an estimation; and a meter reading.</p> <p>It was noted that Perth energy can request information from ATCO on the basis and the reason for the estimation and therefore this information can be provided to the customer upon request.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place, and, Perth Energy has been non-compliant with moderate impact on customers and third parties during the audit period.</p>		<p>5. Accept solution document proposal</p> <p>6. Vendor to execute solution (vendor to provide time frame to execute solution, approx. 2 – 3 months)</p> <p>7. Testing of new bill template (2 month)</p> <p>8. UAT complete and accept change into PROD</p> <p>Responsible Officer: Billing Manager</p> <p>Due Date:</p> <ol style="list-style-type: none"> 1. August 2018 2. September 2018 3. October 2018 4. November 2018 5. November 2018 6. January 2019 7. February 2019 8. March 2019

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
164/2017	Controls improvement Rating: B/NR	It is recommended that clause 15.3 be updated to include <i>Non-Residential Customers</i> .	Action Plan: Create a Checklist for steps to complete to Finalise a customer. At each customer communication point, a memo note will be entered into the Account to note what action was agreed by customer and under taken by PE. i.e. – if customer provides written instructions to move credit to another account with PE/ transfer to bank account, Credit Control upon receiving this information will enter this communication into the Account memo/attach the communication if available. If customer requests for transfer of credit to their bank account, once this is completed the Finance team member will confirm that the transaction has been completed and date it occurred. Regular training on these obligations to be conducted for billing team and training will be logged and reminders will be sent via the company's online OHS system.
165/2017	Legislative Obligation 164, 165, 165A: 164 - If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request. 165 - If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2)(a) or (b)), and pay the credit in accordance with the customer's instructions within 12 business days or another time agreed with the customer. 165A - If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt. If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2). Details: Through discussions with the Manager Billing and examination of the Gas Billing and Finalisation procedures, it was noted that Perth Energy would use reasonable endeavours to arrange for the final bill to be issued in accordance with the customer's request. Clause 15.3 of the Non-Standard Form Contract Terms and Conditions specifies that Perth Energy will endeavour to arrange for the final bill in accordance with the customers move out request for <i>Residential Customers</i> only. The clause states that the customer must provide three days' notice and an address to where the final bill can be sent at which point Perth Energy will arrange for a final meter reading on the day requested and the customer will only be billed up until the requested move out date. It was noted that <i>Non-Residential</i> customers were not included in this condition. The Billing Finalisation Procedure and the Gas Billing Compliance Procedure documents the workflow for issuing final bills in accordance with the customer's request. The requested date is entered into the system to facilitate a final meter reading and generates the final bill. As part of the	Further, implement a checklist including the steps to close the account and issue the final bill to ensure all appropriate steps are completed, to be signed off by the Account Manager. Include this requirement within the Billing Finalisation Procedure.	
165A/2017			

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	<p>workflow, the member of the Billing team is required to check the final account balance and if in credit, contact the customer with their preference to either transfer the credit to another account or to a bank account nominated by the customer within 12 business days of receiving the instruction. If the customers owes a debt, Perth Energy may, with written notice to the customer, use that credit to set off the debt, before any remaining credit is transferred back to the customer.</p> <p>The Manager Billing advised no final bills had been requested by small-use gas customers nor was there an account closure, during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		<p>Billing/Administrator Billing</p> <p>Due Date: April 2018</p>
166/2017	Controls improvement Rating: B/NR	Due to the numerous requirements for a bill review, it is recommended that Perth Energy develop a bill review tracker that is available to be accessed by relevant Perth Energy parties to enable monitoring. It is recommended that the tracker has built in timeframe flags and is reviewed daily during a bill review to ensure adherence to the above obligations.	Action Plan: Perth Energy are currently exploring the following options to address the auditor's recommendations. One will be selected to be implemented by the due date.
167/2017	Legislative Obligation 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 175A, 175B*, :	Hold regular training to ensure Billing staff and Account Managers are aware of the requirements of a bill review as prescribed in the Gas Billing Compliance Procedure.	Option 1: Bill review requests come into Billing via inbox. All requests are colour coded to ensure a request has been allocated to a team member. This email can be flagged with a due date and complete date
168/2017	166 – A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due.	If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes in relation to bill reviews.	Option 2: When request comes in via inbox, a User Raised Queue can be created in Gentrack to perform review. PE to investigate whether a priority flag can
169/2017	167 – If a retailer is satisfied after conducting a review of a bill that the bill is correct, the retailer		
170/2017	<ul style="list-style-type: none"> • may require a customer to pay the unpaid amount; • must advise the customer that the customer may request the retailer to arrange a meter test in accordance with applicable law; and • must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes. 		
171/2017	168 – If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18		
172/2017	169 – The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.		
173/2017	170 – If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for		

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175A/2017 175B*/Prior	<p>review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable.</p> <p>171 – If a retailer proposes to recover an amount undercharged as a result of an error, defect or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must follow the procedure specified in clauses 4.17(2)(a)-(e).</p> <p>172- If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the error, defect or default and, subject to clauses 4.18(6) and (7) ask the customer for instructions as to whether the amount should be credited to the customer's account; or repaid to the customer. No interest shall accrue to a credit or refund referred to in this clause.</p> <p>173 – If a retailer receives instructions under clause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.</p> <p>174 – If a retailer does not receive instructions under clause 4.18(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.</p> <p>175 – If the overcharged amount is less than \$100, the retailer may notify a customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions under clause 4.18(2), or credit the amount to the customer's next bill.</p> <p>175A – If a customer has been overcharged by the retailer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.18(2); or 4.18(6) where the amount is less than \$100.</p> <p>175B*/Prior - Where the overcharged amount is less than \$75 the retailer may, notwithstanding clause 4.18(2), notify the customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions in accordance with clause 4.18(2), or credit the amount to the customer's account.</p>		<p>be used to ensure requests are monitored and actioned within correct timeframe obligations.</p> <p>Responsible Officer: Administrator Billing/Manager Billing</p> <p>Due Date: July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Details:</p> <p>Based on discussion with the Manager Billing, Manager Business Support and examination of the Gas Billing Compliance Procedure notes that the process for Review of a Bill is the responsibility of the Account Manager and the billing team. If a customer requests a review, regardless of the amount in dispute, the request is forwarded to the Account Manager who would communicate with the customer and clarify the request. Upon clarification, the Account Manager will forward the details of the request to the billing team. The billing team will suppress the account of the customer within Gentrack to ensure the customer is excluded from all standard credit control selection runs (i.e. interest application, commencement of disconnection procedures) and will ask the customer to pay the amount of the bill that is undisputed.</p> <p>If a customer is overcharged, the customer will be contacted within 10 business days to determine how they would like to be reimbursed. Perth Energy will reimburse the customer within 12 business days of receiving instruction. If the customer does not respond within 5 business days the customer's account will be credited. If the overcharged account owes a debt to Perth Energy (provided they are not a residential customer experiencing financial hardship or payment difficulties), the overcharge is used to set off the debt owing before the remaining amount is reimbursed or credited.</p> <p>If a customer is undercharged (and it is the result of an error, defect or default) the Account Manager will inform the customer of the amount prior to the next bill and offer them the option of an instalment plan if they are Residential customer. Perth Energy may only charge the customer interest or require the customer to pay a late fee in the event of undercharge if, the customer has been notified of the amount to be recovered and the customer has failed to pay the amount and has not entered into an instalment plan.</p> <p>If the Account Manager is satisfied that the bill is correct they advise the customer that they can request the retailer to arrange a meter test and inform the customer of Perth Energy's internal complaints handling process and details of external complaints avenues.</p>		

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	<p>It is noted within the procedure that the Account Manager or Billing team will inform the customer of the outcome of the review as soon as practicable, or will inform the customer of a notification of status if it has not been provided within 20 days of the request.</p> <p>The details of each of the obligations above are also specified in the Non-Standard Form contract terms and conditions.</p> <p>It is noted that Perth Energy do not have a formal tool in place to track the progress of a bill review.</p> <p>It was confirmed with the Manager Billing that there have been no bill review requests, during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		
177/2017	Controls improvement Rating: B/NR	Implement a tracking system to record and monitor the status of overpayments, including payment instruction (from the customer, if applicable) and date instruction received to ensure compliance against the obligated timeframes.	Action Plan: All customer enquiries to be registered in Gentrack Gentrack training to be added to new team member's induction. Training will be logged and reminders will be send on the new online workplace OHS system. Responsible Officer: Manager Business Sales Due Date: July 2018
178/2017	Legislative Obligation 177, 178, 179, 180, 180A, 180B*, 180AB*:		
179/2017	177 – If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to clauses 4.19(5) and 4.19(7), ask the customer for instructions as to whether the amount should be -		
180/2017	• credited to the customer's account;		
180A/2017	• repaid to the customer; or		
180B*/Prior	• included as a part of the new bill smoothing arrangement if the adjustment arises under clauses 4.3(2)(a)-(b).		
180AB*/Prior	No interest shall accrue to a credit or refund referred to in this clause. 178 – If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions. 179 - If a retailer does not receive instructions under clause 4.19(2) within 5 business days of making the request, the retailer must use reasonable		

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	<p>endeavours to credit the amount of the adjustment to the customer's account.</p> <p>180 – If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and</p> <ul style="list-style-type: none"> ask the customer for instructions under clause 4.19(2); or credit the amount to the customer's next bill. <p>180A – If the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.19(2); or 4.19(5) where the amount is less than \$100.</p> <p>180B*/Prior - Where the adjustment amount owing to the customer is less than \$75, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and</p> <ul style="list-style-type: none"> ask the customer for instructions in accordance with clause 4.19(2); or credit the amount to the customer's account. <p>180AB*/Prior - Where the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties, financial hardship or subject to an alternative payment arrangement, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit the retailer must deal with that amount of credit in accordance with clauses 4.19(2) or 4.19(5) where the amount is less than \$75.</p> <p>Details:</p> <p>Based on examination of the Gas Billing Compliance Procedure and through discussion with the Manager Billing, we noted that Perth Energy uses its best endeavours to inform the customer of any adjustment arising from a meter reading within 10 business days of becoming aware of an amount owing and asks the customer for instructions as to how they would like to be reimbursed, including the following options:</p> <ul style="list-style-type: none"> The amount to be credited to the customer's account; or 		

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	<ul style="list-style-type: none"> Repaid to the customer <p>It is noted that if the customer provides instruction with 5 days of request, Perth Energy will direct Accounts Payable to action the payment instruction within 12 business days. If Perth Energy does not receive instruction with 5 business days they will credit the customer's existing account.</p> <p>In the event that the residential customer owes a debt to Perth Energy, provided that customer is not experiencing payment difficulties or financial hardship, Perth Energy may, with written notice to the customer, use the amount of the adjustment to set off the debt owed, before reimbursing the customer.</p> <p>It was noted that there were no instances where Perth Energy became aware of an amount owing to the customer during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		
198/2017	Controls improvement Rating: B/NR	Develop a mechanism whereby customers who may be assessed for payment difficulties / financial hardship are tracked to ensure continuous monitoring against the timeframes and requirements stipulated by the obligations.	Action Plan: Perth Energy will investigate development of a tracking system through its Gentrack billing system.
198A/2017	Legislative Obligation 198, 198A, 200, 200A, 201, 202:		
200/2017	198- A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business days from when the residential customer informs the retailer about the payment problems. If the retailer cannot make the assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment.		
200A/2017	198A - If a residential customer provides the retailer with an assessment from a relevant consumer representative, the retailer may adopt that assessment as its own assessment for the purposes of clause 6.1(1)(a).		
201/2017	200 - A retailer must advise a residential customer on request of the details of an assessment.		
202/2017	200A - If a retailer refers a residential customer to a relevant consumer representative under clause 6.1(1)(b), the retailer must grant the residential customer a temporary suspension of actions.		Responsible Officer: Manager Business Support
			Due Date: September 2018

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>201 – If a residential customer informs a retailer that the customer is experiencing payment problems, the retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions, if the customer demonstrates to the retailer that the customer has an appointment with a relevant consumer representative to assess the customer's capacity to pay.</p> <p>202 - A retailer must allow a temporary suspension of actions for a period of at least 15 business days.</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Residential Financial Hardship Procedure, Perth Energy residential financial hardship processes include the following:</p> <ul style="list-style-type: none"> ● Perth Energy will assess whether a residential customer is experiencing payment difficulties, or financial hardship within 5 business days. If an assessment cannot be made within 5 business days, the customer will be referred to a relevant customer representative; ● Perth Energy will adopt a relevant customer representative's customer assessment as their own if provided by a customer; ● Perth Energy will provide a residential customer their details of assessment if requested; ● Perth Energy must grant a customer who is referred to a relevant consumer representative a temporary suspension of actions for a period of at least 15 business days. Any suspension of disconnection or account recovery actions shall be for a minimum of 15 days. After 15 days have elapsed the Account Manager may, if they consider that the customer is working towards a resolution of the problem, advise Credit Control to extend the period of suspension; and ● Perth Energy will not unreasonably deny a customer's request for temporary suspension, if that customer can demonstrate to Perth Energy that the customer has an appointment with a relevant consumer representative to assess the customer's capacity to pay. 		

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	<p>As per the Manager Business Support, there have been no residential customers experiencing financial hardship during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
199/2017 203/2017 203B*/Prior	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 199, 203, 203B*:</p> <p>199 – When undertaking an assessment regarding payment difficulties or financial hardship, the retailer must, unless the retailer adopts an assessment from a relevant consumer representative, give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by a relevant consumer representative.</p> <p>203 - If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, a retailer must give reasonable consideration to the request.</p> <p>203B*/Prior - A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation in the manner specified to allow a relevant consumer representative organisation additional time to assess a residential customer's capacity to pay.</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Residential Financial Hardship Procedure:</p> <ul style="list-style-type: none"> • If the Account Manager undertakes an assessment regarding payment difficulties or financial hardship, they must give reasonable consideration to the information given by the customer and requested or held by the retailer as well as any advice given by a relevant customer representative. • If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential 	<p>Ensure training is provided to relevant team members on how to respond to and assess customers who are experiencing payment difficulties or financial hardship. Develop a training register to track attendance and organise the training session to take place on a regular basis so new staff are updated on the obligations.</p>	<p>Action Plan:</p> <p>Perth Energy will develop an appropriate training program for all staff who may interact with customers experiencing financial hardship or payment difficulties. Staff training will be recorded on, and reminders will be sent out from, Perth Energy's computer based workplace health and safety system.</p> <p>Responsible Officer:</p> <p>General Manager Sales, General Manager EMR, Regulation and Manager Business Support</p> <p>Due Date:</p> <p>July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>customer requests for additional time, Perth Energy must give reasonable consideration to the request.</p> <p>As per the Gas Residential Financial Hardship Procedure, The General Manager Sales arranges staff training in respect to issues related to financial hardship and its impacts and how to deal sensitively and respectfully with customers experiencing financial hardship. We reviewed evidence of a request being made for an external party to provide training, however no evidence that training has been undertaken.</p> <p>The Gas Residential Financial Hardship Procedure offers guidance around differentiating customers that are experiencing payment difficulties. If Perth Energy are unable to make this assessment within 5 business days, the customer will be forwarded onto a relevant customer representative for external assessment.</p> <p>As per the Manager Business Support, there have been no residential customers experiencing financial hardship during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
204/2017	Controls improvement Rating: B/NR	Ensure training is provided to relevant team members on how to respond to customers who are experiencing payment difficulties or financial hardship and the options available to them. Develop a training register to track attendance and organise the training session to take place on a regular basis so new staff are updated on the obligations.	Action Plan: See 199/2017 above
206/2017	Legislative Obligation 204, 206, 208, 210, 211, 206A:		Responsible Officer: General Manager Sales, General Manager EMR, Regulation and Manager Business Support
208/2017	204 – If the assessment carried out under clause 6.1 indicates to the retailer that the residential customer is experiencing payment difficulties or financial hardship, the retailer must follow the procedure specified in clause 6.3(1).		
210/2017	206 – When offering or amending an instalment plan to a residential customer a retailer must ensure that the instalment plan is fair and reasonable taking into account the customer's capacity to pay and consumption history, and comply with clause 6.4(3).		
211/2017			
206A/2017			
			Due Date: July 2018

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	<p>208 – A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative, for a reduction of the customer's fees, charges, or debt.</p> <p>210 – If it is reasonably demonstrated to the retailer that the customer, experiencing financial hardship, is unable to meet the customer's obligations under the previously elected payment arrangement, a retailer must give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.</p> <p>211 – A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8.</p> <p>206A - If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3)(a)(i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and provide the customer with information explaining the changes.</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Residential Financial Hardship Procedure, after an assessment has been made confirming that the customer is experiencing financial hardship, Perth Energy will advise the customer of the options of assistance offered. These options include those discussed in Obligation 72, as well as the following:</p> <ul style="list-style-type: none"> • Payment methods available to the customer (payment arrangements including payment in advance); • Concessions available to the customer; • Different tariffs available to the customer; and • Reduction of fees, charges and debt. <p>Perth Energy's Gas Residential Financial Hardship Procedure also states that, when offering an instalment plan to a customer, the Account Manager must assess the customer's capacity to pay and consumption history and only offer a plan that is fair and reasonable. In the event that a customer or a relevant consumer representative reasonably demonstrates to Perth Energy that the customer is unable to meet the customer's obligations under a previously elected payment arrangement, Perth</p>		

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Energy must give reasonable consideration to revise or extend the customer's previously elected instalment plan.</p> <p>As per consideration of Perth Energy's instalment plan process and inspection of Perth Energy's Payment Arrangement templates, after the acceptance or amendment of an instalment plan, the customer will be sent an email specifying the terms of the instalment plan (including the number and amount of payments, the duration of payments and how the payments are calculated.</p> <p>As per the Manager Business Support, there have been no instances of customers experiencing payment difficulties or financial hardship during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
209/2017	Controls improvement Rating: C/3	Update the Financial Hardship Policy and Procedure to include all elements required under clause 6.10(2) and 6.10(3) respectively. In the update of the Procedure, consider existing process and the ERA's Financial Hardship Policy Guideline to ensure sufficient guidance is provided on the assessment of a customer for financial hardship. Consider implementing a script for customer service officers to use as a guide when communicating with Customers.	Action Plan: See 118/2017 for development of financial hardship policy. Once finalised Perth Energy will set up a reminder in its Online Compliance system for annual review.
214/2017	Legislative Obligation 209, 214, 215, 216, 220, 215A, 209B*, 215B*, 216B*, 217B* :	Follow up with WACOSS to finalise Financial Hardship Policies and Procedures for submission to the ERA and publication on Perth Energy's website.	Responsible Officer: General Manager EMR, Regulation and Manager Business Support
215/2017	209 – In giving reasonable consideration under clause 6.6(1), a retailer should refer to the hardship procedures referred to in clause 6.10(3).	Annual review of these documents should be to ensure they continue to comply with ERA guidelines and existing practices.	Due Date: May 2018
216/2017	214 – A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.		
220/2017	215 – A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2).		
215A/2017	216 – If requested, a retailer must give residential customers and relevant consumer representatives a copy of the hardship policy, including by post at no charge.		
209B*/Prior	220 – A retailer must comply with the ERA's Financial Hardship Policy Guidelines.		
215B*/Prior	215A – A retailer must ensure that its hardship procedures comply with the criteria specified in clause 6.10(3).		

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
216B*/Prior 217B*/Prior	<p>209B*/Prior - In giving reasonable consideration under clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in clause 6.10(2)(d).</p> <p>215B*/Prior - A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).</p> <p>216B*/Prior - A retailer must give residential customers, financial counsellors and relevant consumer representative organisations details of the retailer's hardship policy, at no charge. The retailer must provide all residential customers identified as experiencing financial hardship with details of its hardship policy.</p> <p>217B*/Prior - A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the date the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended.</p> <p>Details:</p> <p>As per discussion with the General Manager EMR Regulation, Perth Energy have developed a Gas Residential Financial Hardship Procedure and a Gas Customer Financial Hardship Procedure (Policy). It is noted that both the policy and the procedure did not include all the requirements as per the 6.10(2) and 6.10(3) of the Schedule 2 Compendium. The Policy does not abide by the following obligations as required in 6.10(2):</p> <ul style="list-style-type: none"> • Must be developed in consultation with a relevant consumer representative; • Must include a statement that the retailer offers customers the right to pay their bills by Centerpay; • Must include a statement that the retailer is able to provide further detail on request; • Must have an overview of any concessions that may be available to the customer; • Must include the National Interpreter Symbol with the words "interpreter Services", information on the availability of independent multi-lingual services, or information on the availability of TTY services; 		

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	<ul style="list-style-type: none"> • Must be available on the retailer's website; and • Must be available in large print copies. <p>The Procedure does not abide by the following obligations as required in 6.10(3):</p> <ul style="list-style-type: none"> • Must be developed in consultation with a relevant consumer representative; • Must provide for the training of staff, including call centre staff and subcontractors to engage with and deal sensitively and respectfully with customers experiencing financial hardship; • Must assist the retailer in determining a residential customer's usage needs and capacity to pay when determining the conditions of an instalment plan; • Must provide guidance on the reduction and/or waiver of fees, charges and debt and the recovery of debt; and • Must require that the retailer's credit management staff have a direct telephone number and for that number to be provided to the relevant consumer representatives. <p>The Hardship Policy does provide a customer service officer with the level of guidance required to assess a customer for financial hardship. It was also noted that since the Customer Financial Hardship Policy is still under development, there are currently no available financial hardship policies available on Perth Energy's website or to provide to a customer upon their request.</p> <p>Perth Energy have contacted a relevant consumer representative (WACOSS) for consultation in regards to developing these documents as well as to provide training to Perth Energy staff around supporting customers who are experiencing financial hardship, however feedback has not yet been received to allow finalisation of these documents.</p>		

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	<p>It is noted that Perth Energy only have one residential customer. This customer has had no instance of failure to pay a bill, during this audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there inadequate controls, with significant improvement required and there was non-compliance with moderate impact on customers or third parties.</p>		
212/2017 213/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 212, 213:</p> <p>212 - A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives.</p> <p>213 - A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.</p> <p>Details:</p> <p>As per discussion with the Manager Business Support and review of Perth Energy's Gas Residential Financial Hardship Procedure, Perth Energy offers all customers the right to pay in advance. Perth Energy standard practices provide for the Credit Control team to negotiate a payment arrangement plan (including payments in advance) with customers experiencing financial hardship or payment difficulties on a case by case basis. As such, Perth Energy may apply different minimum payment in advance amounts depending on a custom's financial situation and/or assessment from a relevant consumer representative. As stated in the Gas Disconnections and Reconnections Procedure, the minimum payment that Perth Energy will accept as payment in advance is \$20 unless otherwise agreed with the customer.</p> <p>As per the Manager Business Support, there have been no cases of residential customers experiencing financial hardship or payment difficulties during the audit period 30 November 2009 to 30 November 2017.</p>	<p>Ensure training is provided to relevant team members on how to respond to and assess customers who are experiencing payment difficulties or financial hardship. Consider implementing a script for customer service officers to use as a guide when communicating with Customers around advance payment amounts.</p>	<p>Action Plan:</p> <p>Perth Energy will develop an induction program for relevant team members. This will included appropriate training and scripts. Recording of training, and notification of refresher training, will be through the company's on-line system.</p> <p>Responsible Officer:</p> <p>General Manager EMR, Regulation</p> <p>Due Date:</p> <p>July 2018</p>

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	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.		
221/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 221: 221 - A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.</p> <p>Details: As per the Manager Business Support and Perth Energy's Gas Customer Financial Hardship Procedure (Policy), Perth Energy will consider any reasonable request for alternative payment options if a business is experiencing payment difficulties. If a business customer calls and notifies Perth Energy of payment difficulties, they will be transferred to the Credit Control team and a payment plan can be negotiated for the customer taking into consideration the customer's financial situation and historic consumption.</p> <p>As per the Manager Business Support, there have been no cases of business customers experiencing payment difficulties during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>	<p>Develop a payment difficulty and financial hardship script to align with the requirements as per obligations 221. Ensure this is made available for the Credit Control team to use as guidance on customer calls.</p> <p>Organise training sessions to take place on a regular basis to ensure that new staff are updated on the requirements in relation to Financial Hardship.</p>	<p>Action Plan: Once the policy has been approved and training completed, we can create the script</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: Sept 2018</p>
222/2017	<p>Controls improvement Rating: C/2</p> <p>Legislative Obligation 222: 222 - A retailer must follow the procedures specified in clause 7.1(1) prior to arranging for disconnection of a customer's supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in clause 7.1(2).</p>	<p>Perth Energy should amend the disconnection notice template so that it includes the date that an overdue payment must be paid by the customer in order to avoid disconnection (being not less than 20 business days after the billing day).</p> <p>Perth Energy should amend its disconnection warning template to include a date specifying when payment must be made by in order to prevent</p>	<p>Action Plan: Disconnection templates will be updated to include payment date.</p>

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	<p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Disconnections and Reconnections Procedure, prior to arranging for disconnection of a customer's supply address for failure to pay a bill, Perth Energy will send the customer a reminder notice (along with a copy of the bill) not less than 14 business days from the date of dispatch of the bill and subsequently send the customer a disconnection warning not less than 22 business days from the date of dispatch of bill, if the customer fails to make payment.</p> <p>It is noted that there have been no cases of disconnection of supply for non-payment of a bill, no disconnection warnings sent and one case of a reminder notice sent in this audit period. After inspection of a sample written reminder notice, it was noted that the sample did comply with the reminder notice issue date criteria (not less than 14 business days after bill issue), however the notice did not specify a date by which the customer had to pay by (the date of which should have been no less than 20 business days after the billing day). Additionally, the template of the disconnection warning also did not include a 'pay by' date. The Manager Business Support has noted this issue and is in the process of updating the templates to fully comply with this obligation.</p> <p>Based on our enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>	disconnection (being a day not less than 10 business days after the disconnection warning was issued).	<p>Responsible Officer: Manager Business Support</p> <p>Due Date: June 2018</p>
223/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 223:</p> <p>223 - A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).</p> <p>Details:</p>	There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria stipulated in obligations 223 above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.	<p>Action Plan:</p> <p>The communication tool will check that a disconnection notice has been sent out in Gentrack as well as having authority levels put in place.</p>

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	<p>Through discussion with the Manager Business Support, inspection of Perth Energy's Gas Disconnections and Reconnections Procedure and consideration of Perth Energy's disconnection process, it was determined that Perth Energy have controls in place to ensure the customer is not disconnected in the following circumstances (as specified in 7.2(1)):</p> <ul style="list-style-type: none"> • Within one business day after the expiry of the disconnection warning; • If the customer has accepted an alternative payment arrangement (refer to Obligation 40); • If the amount outstanding is less than the average bill over the past 12 months and the customer has agreed to pay (refer to Obligation 47); • If the customer is waiting on the results of their concession application (refer to Obligation 49); • If the customer has failed to pay an amount which does not relate to the supply of gas (refer to Obligation 50); • If the supply address does not relate to the bill, unless the amount outstanding relates to a supply address previously occupied by the customer; or • If Perth Energy has not provided the customer with information on the types of concessions available to the customer (refer to Obligation 221). <p>As per the Manager Business Support, there have been no instance of disconnection of a customer's supply address for failure to pay a bill during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>	<p>Create a checklist that covers the guidelines required by the Compendium that must be completed prior to arranging for disconnection of a customer's supply address.</p>	<p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: July 2018</p>
224/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 224, :</p>	<p>It is recommended that Perth Energy identify and flag customers who are both gas and electricity customers in the system and implement a system control raises an alert where these customers become part of the disconnection cycle, that would prevent or raise an alert where these</p>	<p>Action Plan: Perth Energy will consider a system to do this however, with so few small use gas customers,</p>

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	<p>224 - In relation to dual fuel contracts or separate contracts for the supply of electricity and gas (under which a single bill for energy, or separate simultaneous bills for electricity and gas are issued to the customer), if a retailer is permitted to and wishes to arrange for disconnection of the supply of electricity and gas to the residential customer's supply address for failure to pay a bill, the retailer must arrange for disconnection of the supply of gas in priority to the disconnection of the supply of electricity.</p> <p>Details:</p> <p>As per the Manager Business Support, Perth Energy has 6 small use gas customers who also have a separate contract for electricity. According to Perth Energy's Gas Disconnections and Reconnections Procedure, if a customer has a dual fuel control or separate gas and electricity contracts under which a single energy bill, or separate simultaneous bills, are issued and the customer fails to pay their bill the Credit Control team must:</p> <ul style="list-style-type: none"> Follow the procedure in section 2 of the Gas Disconnections and Reconnections Procedure to arrange for disconnection; and Arrange for disconnection of the gas supply in priority to the disconnection of the electricity supply. <p>Perth Energy sends requests to ATCO for disconnections through the use of a communication-integrated Excel based tool. Access to this tool is restricted to members of the credit control team. In the event a disconnection service order is sent to ATCO, the request would be identifiable on the daily churn report that is sent to a functional mailbox every morning.</p> <p>As per the Manager Business Support, there have been no instance of disconnection of a customer's supply address for failure to pay a bill during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>	<p>flagged customers to have electricity disconnected before gas, in the event of the customer's failure to pay a bill.</p>	<p>a manual check may well be sufficient. This will be implemented in the form of a register which will be monitored and maintained by the Manager Business Support.</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: July 2018</p>
227/2017 227B*/Prior	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 227, 227B*:</p>	<p>There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for</p>	<p>Action Plan: The communication tool will check that a disconnection notice has</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>227 - A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.</p> <p>227B*/Prior - A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.</p> <p>Details:</p> <p>Under the <i>Energy Coordination Act</i> section 11M, Perth Energy must not arrange disconnection of a customer's supply address if a complaint has been made by the customer against them which directly relates to the reason proposed for disconnection, or if Perth Energy is notified by the distributor, gas ombudsman or external dispute resolution body that a complaint has been made against the distributor, gas ombudsman or external dispute resolution body.</p> <p>Through discussion with the Manager Business Support and inspection of relevant documentation it was noted that:</p> <ul style="list-style-type: none"> At the point a complaint cannot be immediately resolved or is passed on to the Ombudsman or distributor, a member of the Credit Control team will manually place the account into suppression in Gentrack, which prevents a disconnection service order from being raised. A reason for suppression is also entered into Gentrack which would alert members of the Credit Control team to leave the account in suppression until the complaint is resolved. (Refer to Obligation 48) Perth Energy sends requests to ATCO for disconnections through the use of a communication-integrated Excel based tool, of which access is restricted to only members of the credit control team. Although the tool is restricted and a service order for disconnection would not be raised unless a staff member was prompted to do so by Gentrack, there is no system control in place that would physically prevent a member of the team sending ATCO an unauthorised or mistaken disconnection notice using the tool. In the event a disconnection notice is sent to ATCO, this would be identifiable on the daily churn report that is sent to a functional mailbox every morning. (Refer to Obligation 32) There have been no cases of disconnection during the audit period. 	<p>customers who meet the criteria stipulated in the obligation above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p>	<p>been sent out in Gentrack as well as having authority levels put in place.</p> <p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.		
232/2017	Controls improvement Rating: B/NR	It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs.	Action Plan: All customer enquiries to be registered in Gentrack. Gentrack training to be added to new team member's induction. Training will be logged and reminders will be sent on the new online workplace OHS system.
233/2017	<p>Legislative Obligation 232, 233:</p> <p>232 - A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including any alternative tariffs that may be available to the customer.</p> <p>233 - A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt of the request and, if requested, a retailer must provide the information in writing.</p> <p>Details:</p> <p>Through discussions with key personnel and review of relevant documentation we noted that Perth Energy have a standard tariff price; one for residential customers, another for business customers. These standard tariff prices are available on Perth Energy's corporate website. The standard tariff rate is offered to customers under the standard form contract. It was confirmed that during the audit period, Perth Energy had no small-use gas customers on a standard form contract. Perth Energy negotiate a non-standard form contract with all of their small-use gas customers, under which the customer is offered a negotiated price.</p> <p>It was noted, as per discussions with the Finance and Billing team that Perth Energy have not had any customer requests in relation to their tariffs, during the audit period. Through our discussions and upon review of documentation it was noted that the customer is provided with a breakdown of their tariffs on each invoice. Contact details to assist with any queries are also provided on the invoice.</p> <p>Our discussions confirmed that Perth Energy will provide tariff information to their customers upon request. Customer requests in relation to billing will be either transferred through to the Billing team directly, alternatively the customer might be referred to their Account Manager who will action this request on their behalf. This information can be provided to the</p>	<p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.</p>	<p>Responsible Officer: Manager Business Sales</p> <p>Due Date: July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>customer in writing, free of charge, this is usually done via email but it can be sent in other forms should the customer request this.</p> <p>As per, General Manager Retail, Perth Energy have a guideline in which they like to respond to customer requests within 48 business hours, therefore a customer requesting information on tariffs would be addressed within the 8 days required by the obligation. We could not identify any internal formal requirements/ protocol in place for Perth Energy actioning customer requests.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
239/2017	<p>Controls improvement Rating: D/NR</p> <p>Legislative Obligation 239:</p> <p>239 - A retailer must give, or make available, to a customer on request and at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances.</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy have not been requested by a small-use gas customer, during the audit period, to provide information on cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances.</p> <p>It was confirmed through discussions and review of relevant documentation that Perth Energy do not currently have information of this nature published in a format that they can provide to customers.</p> <p>As per the GM EMR, Retail it was noted that this information is available on the ERA website. If a customer were to request information on cost-effective and efficient way to utilise gas and the typical running costs of major domestic appliances they would refer them to the ERA website.</p>	<p>It is recommended that Perth Energy create a document containing information on cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances that can be distributed to customers on the execution of their contract. Perth Energy should also consider publishing this information on their website and within their customer charter.</p>	<p>Action Plan:</p> <p>See 71/2017 above which includes development of an energy-efficiency brochure. .</p> <p>Responsible Officer:</p> <p>General Manager EMR, Regulation</p> <p>Due Date:</p> <p>July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	Based on enquiries and examination of documentation, it was concluded that there are no controls evident however due to no events in the audit period, compliance was not rated.		
240/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 240: 240 - If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.</p> <p>Details: Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy as a gas retailer supply their customer gas through a network distributor, ATCO. It was confirmed as per the GM Retail, that if a customer requests information about the distribution then Perth Energy can provide basic information about ATCO but they would generally refer a customer directly to ensure they have the correct, most up to date information. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>	<p>It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs.</p> <p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.</p>	<p>Action Plan: All customer enquiries to be registered in Gentrack. Gentrack training to be added to new team member's induction. Training will be logged and reminders will be send on the new online workplace OHS system.</p> <p>Responsible Officer: Manager Business Sales</p> <p>Due Date: July 2018</p>
241/2017 242/2017 243/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 241, 242, 243: 241 - A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme. 242 - A retailer must consult with the ERA when preparing the gas customer safety awareness programme. 243 - A gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e).</p> <p>Details:</p>	<p>It is recommended that the licensee update its Gas Customer safety Awareness Program to include Perth Energy's new address and contact details. It is also recommended that Perth Energy publish this document on their corporate website and they include a copy to their customers upon execution of their contract.</p>	<p>Action Plan: The safety awareness program will be updated with the correct address and posted to the website.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: June 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Through discussions with key personnel and supplementary review of relevant documentation it was noted that Perth Energy have a Gas Customer safety Awareness Programme lodged with and approved by the ERA.</p> <p>Upon review of the Gas Customer Safety Awareness Program it was noted that it does address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e), however requires update to its address and contact details.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, and Perth Energy has complied with the licence condition, during the audit period.</p>		
250/2017	<p>Controls improvement Rating: B/2</p> <p>Legislative Obligation 250:</p> <p>250 - A retailer and, if appropriate, a distributor must include on a residential customer's bill and bill related information, reminder notice and disconnection warning the telephone numbers for:</p> <ul style="list-style-type: none"> • its TTY services; • independent multi-lingual services; and • interpreter services with the National Interpreter Symbol and the words "Interpreter Services". <p>Details:</p> <p>As per discussion with the Manager Business Support and examination of customer bills, it was noted that Perth Energy customer bills include the phone number for the following services:</p> <ul style="list-style-type: none"> • TTY services; • Independent multi-lingual services; and • Interpreter services. <p>It was also noted that although Perth Energy's reminder notice and disconnection warning templates do not include the above information, all</p>	<p>Update billing template to include Interpreter Services Symbol</p> <p>Update reminder notice and disconnection notice template to include the phone numbers for the services specified in Obligation 250.</p>	<p>Action Plan: Perth Energy will undertake these actions.</p> <p>Responsible Officer: Billing Manager</p> <p>Due Date: July 2018</p>

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>reminder notices and disconnection warnings are sent with the relevant bill attached.</p> <p>Upon examination of the customer bill, it was noted that although the bill provided the telephone number for interpreter services and the words "Interpreter Service", it did not include the National Interpreter Symbol required by Obligation 250.</p> <p>Based on enquires and examination of documentation. It was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
251/2017	Controls improvement Rating: B/1	It is recommended that Perth Energy provide training to their employees upon induction as well as annually to ensure that the customer complaints process is well understood by relevant employees. Attendance at the training should be tracked and monitored.	Action Plan: See 212/2017 in respect to induction and training.
252/2017	Legislative Obligation 251, 252, 254, 255, 255A, 252B*:		
254/2017	251 - A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	In addition, it is recommended that Perth Energy review their complaints handling procedure annually to assess its effectiveness against current practice and amend it where necessary to ensure that it is up to date and addresses any changes to the regulation.	All procedures are to be logged in the new on-line system which will issue reminders for regular reviews.
255/2017	252 - The complaints handling process under clause 12.1(1) must comply with AS/NZS 10002:2014 and address, at the least, the criteria specified in subclauses 12.1(2)(b)- (c). The complaints handling process must be available at no cost to customers.		
255A/2017	254 - When responding to a complaint, a retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process).	Lastly, Perth Energy should consider separating their central complaints register so that gas complaints are recorded separately. This register should be regularly reviewed to identify trends in customer complaints which may result in the need to update / improve or change internal processes to better enable customer-centric service.	Perth energy will separately track complaints and will monitor any trends. It is noted that no complaints have been received in respect to gas customers.
252B*/Prior	255 – When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the gas ombudsman.	If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.	Responsible Officer: General Manager EMR, Regulation and Manager Business Support
	255A – A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days. 252B* - The complaints handling process under clause 12.1(1) must comply with AS ISO 10002 – 2006 and address, at the least, the criteria specified in clause 10.2(b). The complaints handling process must be available at no cost to customers.		Due Date: July 2018

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	<p>Details:</p> <p>Through our discussions and review of relevant documentation it was noted that Perth Energy have developed an internal process for handling complaints and resolving disputes that is compliant with the AS/NZS 10002:2014 and addresses, the criteria specified in the regulation. This procedure is made available to customers on their corporate website and can be provided to customers upon request, free of charge. The procedure, supporting policy and relevant templates are provided to Perth Energy's employees through their intranet. Through our discussions with key personnel, a walkthrough and review of the customer complaints handling procedure we also confirmed the following:</p> <p>As per the Procedure, Perth Energy must advise their customers that they have the right to have their complaint considered by a senior employee. Where a complaint has been resolved internally in a manner deemed unacceptable to the customer, Perth Energy would advise the customer of the reasons for the outcome (in writing, upon request); and inform that customer that they the right to raise the complaint with the gas ombudsman – the telephone number of the gas ombudsman is available upon the corporate website as well as the customers invoice. Perth Energy have an internal process to ensure that they will acknowledge a customer complaint within 10 business days and respond to the complaint within 20 business days.</p> <p>Currently, Perth Energy do not have a dedicated complaints team, and any complaints are received by Business Sales team distributed to parts of the business depending on the nature of the complaint. All complaints are documented in a central complaints register (combined with Electricity), this register is used to track the complaint through from initial receipt through to resolution, tracking all points of contact along the way. Any complaint lodged will also be filed within the customer's personal file.</p> <p>Our discussions and review of relevant documentation confirmed that Perth Energy have not had a complaint raised by a small-use gas customer during the audit period – therefore compliance with these obligations cannot be rated.</p>		

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation / Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Management action taken by end of Audit period
	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.		

3. Previous Non Compliances and Audit Recommendations

3.1. Previous audit non-compliances resolved before end of previous audit period

Not Applicable - There are no previous audit non-compliances for Perth Energy. This is the first independent Gas Performance Audit undertaken at Perth Energy for GTL 12.

3.2. Previous audit non-compliances resolved during current Audit Period

Not Applicable - There are no previous audit non-compliances for Perth Energy. This is the first independent Gas Performance Audit undertaken at Perth Energy for GTL 12.

3.3. Unresolved at the end of current Audit Period

Not Applicable - There are no previous audit non-compliances for Perth Energy. This is the first independent Gas Performance Audit undertaken at Perth Energy for GTL 12.

4. Compliance summary

4.1. Gas Compliance Manual January 2017

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
1	Energy Coordination Act section 11Q(1-2)	5	X						X					
2	Energy Coordination Act section 11WG(1)	5		X					X					
3	Energy Coordination Act section 11WG(2)	2	X										X	
4	Energy Coordination Act section 11WK(1- 2)	4	X										X	
5	Energy Coordination Act section 11WK(3)	5	X										X	
6	Energy Coordination Act section 11X(3)	4		X									X	
7	Energy Coordination Act section 11Y(1)(a)	NA						X						X
8	Energy Coordination Act section 11Y(1)(b)	NA						X						X
9	Energy Coordination Act section 11Y(1)(c)	NA						X						X
10	Energy Coordination Act section 11ZA(1)	2	X						X					
11	Energy Coordination Act section 11ZAF(a)	NA						X						X
12	Energy Coordination Act section 11ZAF(b)	NA						X						X
13	Energy Coordination Act section 11ZAF(c)	NA						X						X
14	Energy Coordination Act section 11ZAH(2)	NA						X						X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
15	Energy Coordination Act section 11ZAJ	NA						X						X
16	Energy Coordination Act section 11ZAJ Energy Coordination (Customer Contracts) Reg 38A (4)	NA						X						X
17	Energy Coordination Act section 11ZK(3)	4						X						X
18	Energy Coordination Act section 11ZOR(1)	NA						X						X
19	Energy Coordination Act section 11ZOR(2)	5	X						X					
20	Energy Coordination Act section 11ZOV(1)	4	X						X					
21	Energy Coordination Act section 11ZOV(2)	5	X						X					
22	Energy Coordination Act section 11ZOZ(3)	4		X									X	
23	Energy Coordination Act schedule 3, section 2(1)	NA						X						X
24	Energy Coordination Act section 11ZQH	4	X										X	
25	Energy Coordination Act section 11Z	NA						X						X
26	Energy Coordination Act section 11Z; Gas Standards Act 1972 Section 8(1)	NA						X						X
27	Energy Coordination Act section 11Z; Gas Standards Act 1972 Section 9(1)	NA						X						X
28	Energy Coordination Act section 11Z; Gas Standards Act 1972 Section 13(1)	NA						X						X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
29	Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 5(1)	4	X						X					
30	Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(2)	4	X										X	
31	Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(4)	4	X										X	
32	Energy Coordination (Customer Contracts) Reg 12 (2)	5		X									X	
33	Energy Coordination (Customer Contracts) Reg 12 (4)(a)	5			X					X				
34	Energy Coordination (Customer Contracts) Reg 12 (4)(b)	5		X									X	
35	Energy Coordination (Customer Contracts) Reg 12 (5)(a)	5	X										X	
36	Energy Coordination (Customer Contracts) Reg 12 (5)(b)	5	X										X	
37	Energy Coordination (Customer Contracts) Reg 12 (5)(c)	5	X										X	
38	Energy Coordination (Customer Contracts) Reg 12 (5)(d)	NA						X						X
39	Energy Coordination (Customer	5	X										X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Contracts) Reg 12 (5)(e)													
40	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.1.2 AGA Code	5		X									X	
41	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.1.3 AGA Code	5		X									X	
42	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.2.1 & 5.1.2.2 AGA Code	5		X									X	
43	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.3.1 & 5.1.3.2 AGA Code	4	X										X	
44	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.4.1 & 5.1.4.2 AGA Code	4	X										X	
45	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.5.1 & 5.1.5.2 AGA Code	4	X										X	
46	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.7.2 AGA Code	NA						X						X
47	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(a) AGA Code	5		X									X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
48	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(b) AGA Code	5		X									X	
49	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(c) AGA Code	5		X									X	
50	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(d)	5		X									X	
51	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(e) and (f) AGA Code	5		X									X	
52	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.2.2.2 AGA Code	5		X									X	
53	Energy Coordination (Customer Contracts) Reg 13 (1), Clause 4.4.6.2 AGA Code	NA						X						X
54	Energy Coordination (Customer Contracts) Reg 13 (3)	NA						X						X
55	Energy Coordination (Customer Contracts) Reg 13 (4)	NA						X						X
56	Energy Coordination (Customer Contracts) Reg 14 (2),	4	X						X					
57	Energy Coordination (Customer Contracts) Reg 14 (3),	4	X										X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Clauses 4.1.2.1 & 4.1.2.2 AGA Code													
58	Energy Coordination (Customer Contracts) Reg 14, Clause 4.1.3.1 & 4.1.3.2 AGA Code	4	X										X	
59	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.1 AGA Code	5	X						X					
60	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.3.1, 4.2.3.2 & 4.2.3.3 AGA Code	5		X						X				
61	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.3.2 AGA Code	5	X										X	
62	Energy Coordination (Customer Contracts) Reg 15 (1) and (2)	5	X										X	
63	Energy Coordination (Customer Contracts) Reg 15 (1) and 47 (2) and (4), Clause 4.2.3.4 AGA Code	4		X									X	
64	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.1 AGA	5		X					X					
65	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.2 AGA Code	5					X							X
66	Energy Coordination (Customer	5	X										X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Contracts) Reg 15 (1), Clause 4.2.4.4 AGA Code													
67	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.5 AGA Code	5	X										X	
68	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.3.2.1 AGA Code	4	X						X					
69	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.3.2.2 AGA Code	5	X										X	
70	Energy Coordination (Customer Contracts) Reg 16 (3)	4		X									X	
71	Energy Coordination (Customer Contracts) Reg 19	3		X						X				
72	Energy Coordination (Customer Contracts) Reg 20 (2) Clause 4.3.5.1 AGA Code	5		X									X	
73	Energy Coordination (Customer Contracts) Reg 27 (4) and 40 (3)	4					X							X
74	Energy Coordination (Customer Contracts) Reg 20 (3) and 48	5	X										X	
75	Energy Coordination (Customer Contracts) Reg 22 and 49 (2)	5					X							X
76	Energy Coordination (Customer Contracts) Reg 49 (3)	5					X							X
77	Energy Coordination (Customer	5					X							X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Contracts) Reg 49 (4)													
78	Energy Coordination (Customer Contracts) Reg 49 (5)	5					X							X
79	Energy Coordination (Customer Contracts) Reg 50	4			X								X	
80	Energy Coordination (Customer Contracts) Reg 44	4	X										X	
81	Energy Coordination Act section 11M, Energy Coordination (Customer Contracts) Reg 45 (1)	5	X						X					
82	Energy Coordination Act section 11M, Energy Coordination (Customer Contracts) Reg 45 (2)	5		X						X				
83	Energy Coordination (Customer Contracts) Reg 46 (1) & (2)	5	X						X					
84	Energy Coordination (Customer Contracts) Reg 46 (4)	5	X						X					
85	Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(a) AGA Code	5	X						X					
86	Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(b) AGA Code	5	X						X					
87	Energy Coordination (Customer Contract) Reg 28, clause 3.1.2 AGA Code	NA						X						X
88	Energy Coordination Act	NA						X						X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	section 11M, Energy Coordination (Customer Contract) Reg 28, clause 3.1.3.1 AGA Code													
89	Energy Coordination (Customer Contract) Reg 33 (3), clause 3.5.2.1 AGA Code	NA						X						X
90	Energy Coordination (Customer Contract) Reg 33 (3), clause 3.5.2.2 AGA Code	5	X						X					
91	Energy Coordination (Customer Contract) Reg 42	4	X										X	
92	Energy Coordination Act section 11M	NA						X						X
93	Energy Coordination Act section 11M	NA						X						X
94	Energy Coordination Act section 11M	NA						X						X
95	Energy Coordination Act section 11M	NA						X						X
96	Energy Coordination Act section 11M	4	X						X					
97	Energy Coordination Act section 11M	5	X						X					
98	Energy Coordination Act section 11M	5	X						X					
99	Energy Coordination Act section 11M	5	X						X					
100	Energy Coordination Act section 11M	5	X						X					
101	Energy Coordination Act section 11M	2	X						X					
102	Energy Coordination Act section 11M	5	X						X					
103	Energy Coordination Act section 11M	5	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
104	Energy Coordination Act section 11M	NA						X						X
105	Energy Coordination Act section 11M	NA						X						X
106	Energy Coordination Act section 11M	4	X										X	
107	Energy Coordination Act section 11M	4	X										X	
108	Energy Coordination Act section 11M	4		X					X					
109	Energy Coordination Act section 11M	4	X										X	
110	Energy Coordination Act section 11M	4	X										X	
111	Energy Coordination Act section 11M	4	X										X	
112	Energy Coordination Act section 11M	5		X									X	
113	Energy Coordination Act section 11M	4			X								X	
114	Energy Coordination Act section 11ZPP	4	X						X					
115	Energy Coordination Act sections 11ZPP and 11M	4	X						X					
116	Energy Coordination Act section 11ZPP Code of Conduct clause 2.1	4	X						X					
117	Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(1)	4	X						X					
118	Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(2) and clause 2.2(3)	4			X								X	
119	Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(1)	4	X						X					
120	Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(2)	4			X						X			
121	Energy Coordination Act	4			X						X			

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	section 11ZPP Code of Conduct clause 2.3(3) and clause 2.3(4)													
122	Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(1)	4		X									X	
123	Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(2)	4		X					X					
124	Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(1)	4	X						X					
125	Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(2)	4	X						X					
126	Energy Coordination Act section 11ZPP Code of Conduct clause 2.6	4	X						X					
127	Energy Coordination Act section 11ZPP Code of Conduct clause 2.8	4	X						X					
128	Energy Coordination Act section 11ZPP Code of Conduct clause 2.9	4	X						X					
129	Energy Coordination Act section 11ZPP Code of Conduct clause 2.10	5	X						X					
134	Energy Coordination Act section 11M	5	X						X					
135	Energy Coordination Act section 11M	5	X						X					
136	Energy Coordination Act section 11M	5	X						X					
137	Energy Coordination Act section 11M	5	X						X					
138	Energy Coordination Act section 11M	NA					X							X
139	Energy Coordination Act section 11M	NA					X							X
140	Energy Coordination Act section 11M	NA					X							X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
141	Energy Coordination Act section 11M	NA					X							X
142	Energy Coordination Act section 11M	NA					X							X
143	Energy Coordination Act section 11M	NA					X							X
144	Energy Coordination Act section 11M	NA					X							X
145	Energy Coordination Act section 11M	NA					X							X
146	Energy Coordination Act section 11M	5	X						X					
147	Energy Coordination Act section 11M	5		X						X				
148	Energy Coordination Act section 11M	5	X						X					
149	Energy Coordination Act section 11M	5	X						X					
150	Energy Coordination Act section 11M	5	X						X					
152	Energy Coordination Act section 11M	5	X						X					
153	Energy Coordination Act section 11M	5		X					X					
154	Energy Coordination Act section 11M	5			X						X			
155	Energy Coordination Act section 11M	5			X						X			
156	Energy Coordination Act section 11M	5			X						X			
157	Energy Coordination Act section 11M	5	X										X	
158	Energy Coordination Act section 11M	5	X										X	
159	Energy Coordination Act section 11M	5	X										X	
160	Energy Coordination Act section 11M	5	X										X	
161	Energy Coordination Act section 11M	5					X							X
162	Energy Coordination Act section 11M	5					X							X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
163	Energy Coordination Act section 11M	5					X							X
164	Energy Coordination Act section 11M	5		X									X	
165	Energy Coordination Act section 11M	5		X									X	
166	Energy Coordination Act section 11M	5		X									X	
167	Energy Coordination Act section 11M	5		X									X	
168	Energy Coordination Act section 11M	5		X									X	
169	Energy Coordination Act section 11M	5		X									X	
170	Energy Coordination Act section 11M	5		X									X	
171	Energy Coordination Act section 11M	5		X									X	
172	Energy Coordination Act section 11M	5		X									X	
173	Energy Coordination Act section 11M	5		X									X	
174	Energy Coordination Act section 11M	5		X									X	
175	Energy Coordination Act section 11M	5		X									X	
176	Energy Coordination Act section 11M	5	X										X	
177	Energy Coordination Act section 11M	5		X									X	
178	Energy Coordination Act section 11M	5		X									X	
179	Energy Coordination Act section 11M	5		X									X	
180	Energy Coordination Act section 11M	5		X									X	
181	Energy Coordination Act section 11M	5	X						X					
182	Energy Coordination Act section 11M	5	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
183	Energy Coordination Act section 11M	5	X										X	
184	Energy Coordination Act section 11M	5	X										X	
185	Energy Coordination Act section 11M	5	X										X	
186	Energy Coordination Act section 11M	5	X										X	
187	Energy Coordination Act section 11M	5	X										X	
188	Energy Coordination Act section 11M	5	X										X	
189	Energy Coordination Act section 11M	5	X										X	
190	Energy Coordination Act section 11M	5	X										X	
191	Energy Coordination Act section 11M	5	X										X	
192	Energy Coordination Act section 11M	5	X										X	
193	Energy Coordination Act section 11M	5	X										X	
195	Energy Coordination Act section 11M	5	X										X	
196	Energy Coordination Act section 11M	5	X										X	
197	Energy Coordination Act section 11M	5	X						X					
198	Energy Coordination Act section 11M	5		X									X	
199	Energy Coordination Act section 11M	4		X									X	
200	Energy Coordination Act section 11M	5		X									X	
201	Energy Coordination Act section 11M	5		X									X	
202	Energy Coordination Act section 11M	5		X									X	
203	Energy Coordination Act section 11M	4		X									X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
204	Energy Coordination Act section 11M	5		X									X	
205	Energy Coordination Act section 11M	5		X									X	
206	Energy Coordination Act section 11M	5		X									X	
207	Energy Coordination Act section 11M	5	X										X	
208	Energy Coordination Act section 11M	4		X									X	
209	Energy Coordination Act section 11M	5			X						X			
210	Energy Coordination Act section 11M	5		X									X	
211	Energy Coordination Act section 11M	5		X									X	
212	Energy Coordination Act section 11M	5		X									X	
213	Energy Coordination Act section 11M	5		X									X	
214	Energy Coordination Act section 11M	5			X						X			
215	Energy Coordination Act section 11M	5			X						X			
216	Energy Coordination Act section 11M	5			X						X			
219	Energy Coordination Act section 11M	5	X										X	
220	Energy Coordination Act section 11M	5			X						X			
221	Energy Coordination Act section 11M	5		X									X	
222	Energy Coordination Act section 11M	5			X					X				
223	Energy Coordination Act section 11M	5		X									X	
224	Energy Coordination Act section 11M	5		X									X	
225	Energy Coordination Act section 11M	5		X									X	
226	Energy Coordination Act section 11M	NA						X						X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
227	Energy Coordination Act section 11M	5		X									X	
228	Energy Coordination Act section 11M	5	X										X	
229	Energy Coordination Act section 11M	5		X									X	
230	Energy Coordination Act section 11M	NA						X						X
231	Energy Coordination Act section 11M	5	X										X	
232	Energy Coordination Act section 11M	5		X									X	
233	Energy Coordination Act section 11M	5		X									X	
234	Energy Coordination Act section 11M	5		X									X	
235	Energy Coordination Act section 11M	5		X									X	
236	Energy Coordination Act section 11M	5		X									X	
237	Energy Coordination Act section 11M	5	X						X					
238	Energy Coordination Act section 11M	4		X									X	
239	Energy Coordination Act section 11M	5				X							X	
240	Energy Coordination Act section 11M	5		X					X					
241	Energy Coordination Act section 11M	4		X					X					
242	Energy Coordination Act section 11M	4		X					X					
243	Energy Coordination Act section 11M	4		X					X					
244	Energy Coordination Act section 11M	NA						X						X
245	Energy Coordination Act section 11M	4	X						X					
246	Energy Coordination Act section 11M	5	X						X					
247	Energy Coordination Act section 11M	NA						X						X

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
249	Energy Coordination Act section 11M	5	X						X					
250	Energy Coordination Act section 11M	5		X						X				
251	Energy Coordination Act section 11M	4		X									X	
252	Energy Coordination Act section 11M	4		X									X	
254	Energy Coordination Act section 11M	4		X									X	
255	Energy Coordination Act section 11M	4		X									X	
256	Energy Coordination Act section 11M	4	X						X					
257	Energy Coordination Act section 11M	4	X						X					
258	Energy Coordination Act section 11M	4	X						X					
281	Energy Coordination Act section 11M	4	X						X					
282	Energy Coordination Act section 11M	4	X						X					
283	Energy Coordination Act section 11M	4	X						X					
165A	Energy Coordination Act section 11M	5		X									X	
171A	Energy Coordination Act section 11M	5		X									X	
175A	Energy Coordination Act section 11M	5		X									X	
180A	Energy Coordination Act section 11M	5		X									X	
186A	Energy Coordination Act section 11M	5	X										X	
196A	Energy Coordination Act section 11M	5	X										X	
198A	Energy Coordination Act section 11M	4		X									X	
200A	Energy Coordination Act section 11M	5		X									X	
206A	Energy Coordination Act section 11M	5		X									X	

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
215A	Energy Coordination Act section 11M	5			X						X			
220A	Energy Coordination Act section 11M	5	X										X	
230A	Energy Coordination Act section 11M	NA						X						X
230B	Energy Coordination Act section 11M	NA						X						X
255A	Energy Coordination Act section 11M	4		X									X	

4.2. Gas Compliance Manual 2009, 2010, 2013, 2014, 2015 (Applicable)

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
110	Energy Coordination Act section 11M	5		X						X				
120	Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(3)	4						X						X
121	Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(1)	4	X						X					
122	Energy Coordination Act section 11ZPP Code of Conduct clause 2.4	4						X						X
123	Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(3)	4						X						X
124	Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(4)	5						X						X
125	Energy Coordination Act section 11ZPP	4	X						X					

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
	Code of Conduct clause 2.5(1)													
126	Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(2)	4						X						X
137	Energy Coordination Act section 11M	4	X						X					
146	Energy Coordination Act section 11M	5	X						X					
147	Energy Coordination Act section 11M	5		X						X				
170	Energy Coordination Act section 11M	5						X						X
171	Energy Coordination Act section 11M	5						X						X
174	Energy Coordination Act section 11M	5						X						X
175	Energy Coordination Act section 11M	5		X									X	
176	Energy Coordination Act section 11M	5						X						X
179	Energy Coordination Act section 11M	5						X						X
180	Energy Coordination Act section 11M	5		X									X	
198	Energy Coordination Act section 11M	5		X									X	
203	Energy Coordination Act section 11M	4		X									X	
203	Energy Coordination Act section 11M	5		X									X	
206	Energy Coordination Act section 11M	5						X						X
209	Energy Coordination Act section 11M	5			X						X			
215	Energy Coordination Act section 11M	5			X						X			
216	Energy Coordination Act section 11M	5			X						X			

Compliance Obligation Reference No.	Obligations Under	Audit Priority	Adequacy of Controls Rating (Refer to the 5 point rating scale on page 9 for details)						Compliance Rating (Refer to the 5 point rating scale on page 9 for details)					
			A	B	C	D	NP	NA	1	2	3	4	NR	NA
217	Energy Coordination Act section 11M	5			X						X			
218	Energy Coordination Act section 11M	5	X										X	
224	Energy Coordination Act section 11M	5						X						X
227	Energy Coordination Act section 11M	4		X									X	
246	Energy Coordination Act section 11M	4						X						X
252	Energy Coordination Act section 11M	4		X					X					
259	Energy Coordination Act section 11M	5	X						X					
265	Energy Coordination Act section 11M	4	X						X					
266	Energy Coordination Act section 11M	4	X						X					
275	Energy Coordination Act section 11M	4	X						X					
277	Energy Coordination Act section 11M	4	X						X					
278	Energy Coordination Act section 11M	4	X						X					
279	Energy Coordination Act section 11M	4	X						X					
280	Energy Coordination Act section 11M	4	X						X					
180A	Energy Coordination Act section 11M	5		X									X	
198A	Energy Coordination Act section 11M	4		X									X	
200A	Energy Coordination Act section 11M	5		X									X	

5. Observations – Performance Audit Details

The following sets out the audit findings. The obligations are listed as these appear in the Gas Trading Licence Performance Reporting Handbook April 2017. Historical obligations which are still relevant in the 2017 Manual have been included in our observations, and are indicated by a B and asterisk ("B*") in blue rows.

The management responses to this section provided by Perth Energy are found in Section 2.15 and Appendix 4. This constitutes the post implementation plan and does not form part of the audit report prepared by KPMG.

5.1. Unresolved observations during the audit period (with recommendations)

Compliance Manual Reference: 2		Compliance Rating B / 1
Licence Clause: Trading Licence clause 12.1		
Licence Obligation: Energy Coordination Act section 11WG(1)		Reporting Type 2
Obligation Description		
2	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract.	
Observations		
Through discussions with key personnel and inspection of relevant documentation, it was noted that:		
<ul style="list-style-type: none">Perth Energy only provide gas to their customers under either a standard form or a non-standard form contract. The Terms and Conditions within the non-standard form contract outlines that the customer may choose to enter into either a Standard Form Contract, or Non-Standard Form contract (which is a negotiated agreement with specific terms). During the audit period (30th November 2009 - 30th November 2017), Perth Energy's 8 small-use gas customers were all under non-standard form contracts.Perth Energy have an internal process in place where a member of the Credit Control team will only set up a customer within the billing system (Gentrack) once a signed contract is received from the Sales team and the customer has satisfied their credit control check process. Training and supporting materials are provided to the Credit Control team to ensure compliance with the internal process. Credit Control staff send connection service orders to ATCO through the use of a standalone Excel based tool, which is restricted to the Credit Control team. However the excel tool is not integrated with the Gentrack system.As per Perth Energy's "Small Use Gas (Non-Standard) Terms & Conditions", Perth Energy will inform customers not less than one month and not more than two months from the date of expiry of the contract, that the contract is due to expire and what options are available to them. This is performed by members of the Business Sales team (who are responsible for managing individual contracts).In the event a contract was not renegotiated in time, Clause 2.10 of the Terms & Conditions operates such that the contract will automatically renew on the day after the expiry of the contract term, unless the customer specifically indicates that they do not want the contract to automatically renew.Based on walkthroughs conducted with staff of relevant processes and comparing the effective date of one customer contract against the date a customer first received a supply of gas within Gentrack, we did not identify any evidence of non-compliance with this obligation.		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – Some improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous connection service orders being sent to ATCO for a customer until they have been correctly set-up in Gentrack with a signed contract in place. This could involve modifying the tool to prevent connection service orders being sent out for customers who are not set-up within their Gentrack system, or requiring two-person authorisation to send out a connection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.		
Further, it is recommended that the types of contracts available should be made more easily identifiable to customers via the website and the Customer Charter.		

Compliance Manual Reference: 6		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1 Distribution Licence clause 5.1		
Licence Obligation: Energy Coordination Act section 11X(3)		Reporting Type NR
Obligation Description		
6	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.	
Observations		
<p>Through discussion and observation with the Business Sales team, it was noted that Perth Energy as a gas retailer, are not directly responsible for the interruption, suspension or restriction of supply of gas, this falls under the responsibility of their Network Operator – ATCO.</p> <p>Our discussions with the Business Sales team confirmed that there were no accidents, emergencies, potential dangers or other unavoidable causes during the audit period that caused interruption, suspension or restriction of the supply of gas. However, in the event that this did occur, Perth Energy have controls in place to ensure that they have the ability to communicate with their customers, and their customers can easily contact them and/or the Network Operator.</p> <p>Through our observations we determined that:</p> <ul style="list-style-type: none">• In the event of an accident, emergency, potential danger or unavoidable cause Perth Energy inform all of their customers to speak directly to ATCO to ensure that customers are provided with relevant information as quickly and efficiently as possible.• Perth Energy provides its customers through multiple platforms the actions they should take in the event of an accident/emergency along with the relevant contact details – including ATCO's 24 hour fault line.• Perth Energy have working arrangements with ATCO so that Perth Energy and the customer are directly informed of any interruption, suspension or restriction of gas supply. <p>The communication process allows Perth Energy to provide courtesy calls and emails to customers, via the customers dedicated account manager informing them of any accident, emergency, potential danger or other unavoidable causes.</p> <p>Perth Energy also have guidance set out in their disconnections and reconnections procedure as well as their standard and non-standard form contract terms and conditions, listing the reasonable steps they as a licensee must take to minimise the extent of the event of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.</p> <p>Perth Energy also provide their customers with a safety awareness procedure which outlines what they must do in the event of an emergency. However, this document has not been updated since its creation and thus requires review to ensure that the content is regularly updated with the most current information. This document has also not been made available on the company website.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – Some improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<p>Perth Energy should consider creating a more detailed, all inclusive internal procedure for Business Continuity Management, Emergency Management and Crisis Management.</p> <p>Perth Energy should also review and update their Customer Safety Awareness Procedure and make this available on their website.</p>		

Compliance Manual Reference: 22		Compliance Rating B / NR
Licence Clause: Distribution Licence clause 5.1 Trading Licence clause 5.1		
Licence Obligation: Energy Coordination Act section 11ZOZ(3)		Reporting Type 2
Obligation Description		
22	A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time.	
Observations Through discussions with key personnel and review of relevant documentation it was noted that Perth Energy are a member of a retail scheme, AEMO. The General Manager EMR, is responsible for liaising between Perth Energy and the ERA, and is accountable for ensuring all directions from the ERA are either actioned himself, or delegated to the appropriate team. He confirmed that the ERA have not provided any directions for Perth Energy to amend their retail market scheme during the audit period. However, should a directive be given, Perth Energy would comply with any directive given them by the ERA within the specified time frame. Perth Energy have a Compliance Status tracker that is regularly updated by the General Manager EMR, Regulation that lists and tracks the progress of compliance and obligation tasks, as well as scheduled obligations in the future. Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement Perth Energy should consider creating a file management system to record all directives from relevant bodies.		

Compliance Manual Reference: 32		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (2)		Reporting Type NR
Obligation Description		
32	Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if — (a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer’s supply address; and (b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.	
Observations		
<p>Perth Energy’s “Gas Disconnections and Reconnections Procedure” states that a customer who has provided Perth Energy with a written statement from a medical practitioner and has entered into an arrangement accepted by Perth Energy must not be disconnected. As per the Manager Business Support, in the event that a customer has provided Perth Energy with a statement from a medical practitioner, the customer would be manually added to a “Life Support / Sensitive Loads” billing cycle on Gentrack, which provides a visual prompt in the system that the customer is a life-support customer and places them on a modified late payment cycle which would not prompt a staff member to initiate the disconnection process even in the event of late payments. Further, the Manager Business Support would notify ATCO (the network distributor responsible for completing disconnection service orders) of any life-support customers.</p> <p>If a customer has entered into arrangements acceptable to Perth Energy in relation to payment for gas supplied, they would be removed from the late-payment cycle in Gentrack by a member of the credit control team.</p> <p>As per the disconnection process, the credit control team would be prompted via Gentrack six days after sending out a disconnection notice to raise a disconnection service order. Credit control staff send disconnection service orders to ATCO through the use of a standalone Excel based tool which generates requests to ATCO, which is not integrated with the Gentrack system. The tool is restricted and only accessible by staff in the credit control team, however there is no system control in place that would prevent a member of the team sending ATCO an unauthorised or mistaken disconnection notice using the tool. In the event a disconnection notice is sent to ATCO, this would be identifiable on the following days daily churn report that is sent to a functional mailbox every morning.</p> <p>Through discussion with the Manager Business Support, it was noted that there have been no small-use customers during the audit period who have provided a written statement from a medical practitioner that supply is necessary in order to protect the health of a person who lives at the customer’s supply address during the audit period. Further, there have not been any customer who have entered into arrangements in relation to payment for gas supplied, nor have there been any disconnections of small-use gas customers during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – Some improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Noting that there are documented processes in place for recording a life-support customer or a customer who has entered into acceptable arrangements for payment of gas supplied, and that there is a detective control in place for identifying when a disconnection service order has been sent to ATCO, there is an improvement opportunity to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer who has provided a written statement from a medical practitioner as per 32 (a). This could involve modifying the tool to prevent disconnection service orders being sent out for NMI’s that are linked to a life-support customer, or integrating the tool with Gentrack to prevent disconnection service orders being sent out unless a disconnection service order exists within Gentrack or require a two-person authorisation to send through a disconnection request for other customers. This becomes more critical, should Perth Energy significantly increase its existing customer base.		

Compliance Manual Reference: 33		Compliance Rating C / 2
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (4)(a)		Reporting Type NR / 2
Obligation Description		
33	Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).	
Observations		
<p>Perth Energy’s Gas Disconnections and Reconnections Procedure states that if a customer has failed to pay their bill by 14 business days after it was due, Credit Control shall send out a written reminder notice advising the customer that the payment is overdue and requiring payment to be made on or before the date specified in the reminder notice. The specified date on the reminder notice must be no earlier than 20 business days after the billing day.</p> <p>As per a walkthrough of the disconnection process, reminder notices are automatically sent out as an e-mail to the customer 4 days after the due date on the bill. The shortest payment term available for customers is 12 business days, thus 16 business days after bill issue is the earliest a reminder notice would be sent (or later dependant on length of agreed payment term). The walkthrough also notes that the Credit Control team will not be prompted to submit a disconnection service order to ATCO until it has progressed through the disconnection cycle which begins with the issuance of a reminder notice.</p> <p>Through discussions with Manager Business Support, it is noted that there have been no cases of disconnection of supply for non-payment of a bill and one case of a reminder notice sent in this audit period. After inspection of a sample written reminder notice, it was noted that the sample did comply with the reminder notice issue date criteria (not less than 14 business days after bill issue), however the notice did not specify a date by which the customer had to pay by (the date of which should have been no less than 20 business days after the billing day). The Manager Business Support has noted this issue and is in the process of updating the templates to fully comply with this obligation.</p> <p>Based on our enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	C – Inadequate controls – significant improvement needed	
Compliance Rating	2 – Non-compliance – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Perth Energy should amend the disconnection notice template so that it includes the date that an overdue payment must be paid by the customer in order to avoid disconnection (being not less than 20 business days after the billing day).		

Compliance Manual Reference: 34		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (4)(b)		Reporting Type NR
Obligation Description		
34	Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given).	
Observations Perth Energy’s Gas Disconnections and Reconnections Procedure states a disconnection warning must be sent to the customer prior to disconnection of supply, advising that disconnection will occur unless payment is made. As per discussion with the Manager Business Support and a walkthrough performed of the Gentrack disconnection process, the shortest possible amount of time in which a disconnection warning can be automatically generated and sent out to a customer as an e-mail is 22 business days after the billing day. Upon inspection of a disconnection warning template, it was noted that the warning does not include a date specifying when payment must be made by to prevent the disconnection from proceeding. Through discussion with the Manager Business Support, it was noted that there have been no small-use customers during the audit period who have been disconnected for non-payment of a bill, nor have there been any disconnection warnings issued during this audit period. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement Perth Energy should amend the disconnection warning template to include a date specifying when payment must be made by in order to prevent disconnection (being a day not less than 10 business days after the disconnection warning was issued).		

Compliance Manual Reference: 40, 41		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.1.2 AGA Code Clause 5.1.1.3 AGA Code		Reporting Type NR
Obligation Description		
40	A licensee must not disconnect supply to a customer who is unable to pay until: alternative payment options have been offered to the customer; the customer is given information on government funded concessions; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	
41	A licensee must not disconnect supply to a business customer until: it has used its best endeavours to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	
Observations As per discussions with Manager Business Support and inspection of Perth Energy's Gas Disconnections and Reconnections Procedure and the Gas Customer Financial Hardship Procedure, it is noted that Perth Energy will not disconnect supply to a customer who is unable to pay until the circumstances stipulated in obligation 40 and 41 have been satisfied. As per walkthrough of the disconnection process, in the event that a customer is late on payment, the customer would be automatically placed on a "disconnection cycle" on Gentrack. This cycle generates a series of "process actions" some of which are automated, and some raising manual queues for actioning by the Credit Control team. "Process action 4" opens a queue which prompts a member of the Credit Control team to contact the customer by phone, it is at this point where alternative payment options and information on government concessions (for residential customers) will be offered. The disconnection cycle will not proceed unless the customer refuses to accept alternative payment options. Disconnection notices are automatically generated and sent to the customer by e-mail. The customer has at least 6 business days to resolve the issue before a queue is raised in Gentrack prompting the Manager Business Support to submit a disconnection service order to ATCO. All submitted disconnection service orders will show under 'Pending Churns' in the following day's Churn Report that is sent to the Credit Control team every morning. Any service orders for disconnection that were not approved would be picked up by the Manager Business Support and corrective actions would be taken. As per Manager Business Support, there have been no instances of disconnection for small-use gas customers, nor have there been any instances of customers unable to pay during the audit period 30 November 2009 to 30 November 2017. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – Some improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement There is an improvement opportunity to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria set out in obligations 40 and 41 requiring a two-person authorisation to send through a disconnection request to ATCO. This becomes more critical, should Perth Energy significantly increase its existing customer base.		

Compliance Manual Reference: 42, 225		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1 Trading Licence clause 2.1 Schedule 2 Compendium clause 7.4		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (6) Clauses 5.1.2.1 & 5.1.2.2 AGA Code Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
42	A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.	
225	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in clause 7.4(1) on behalf of the retailer.	
Observations		
Through inspection of Perth Energy's Disconnection and Reconnection procedure and discussion with the Manager Business Support it was noted that:		
<ul style="list-style-type: none">Perth Energy is reliant on ATCO informing them of customers who have denied access to a meter, and for leaving written advice at the customers address on each occasion access was denied.On the third denial of access to a meter, as advised by ATCO, Perth Energy will contact the customer and facilitate organising alternative access arrangements for ATCO to access the meter, as well as provide five days written notice to the customer as to the date or timeframe of the next scheduled meter reading.Disconnection notices are automatically generated and sent to the customer by e-mail 6 business days after a disconnection warning is sent. The customer has 6 business days to resolve the issue before a queue is raised in Gentrack prompting the Manager Business Support to submit a disconnection service order to ATCOThere have been no small-use customers who have been disconnected due to denial of access to a meter during the audit period 30 November 2009 to 30 November 2017.		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Perth Energy should consider proactive monitoring of customers who have denied access to a meter via exception reporting and recording of denial of access. Currently, the process relies on ATCO to inform Perth Energy of consecutive denial of entry.		

Compliance Manual Reference: 47, 48, 49, 50		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (6) Clause 5.1.8.1(a)-(d) AGA Code		Reporting Type NR
Obligation Description		
47	A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.	
48	A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.	
49	A licensee must not disconnect supply where an application for a government concession has not been decided.	
50	A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.	
Observations		
<p>As per the Manager Business Support, and the Gas Disconnections and Reconnections Procedure, Perth Energy would not disconnect supply in any of the following scenarios:</p> <ul style="list-style-type: none">• If at any point before disconnection the customer agrees to pay any amount owing, the customer would then be taken off the disconnection cycle. As such, Perth Energy would not disconnect any customer that agrees to pay (either in full, or partially through a payment plan). Additionally, if at any point prior to disconnection the customer requests a payment plan, the customer's account would be 'suppressed' until a payment plan had been successfully negotiated. An account cannot progress any further in the disconnection cycle while it is under 'suppression'.• In the event that a complaint is being reviewed and not yet resolved, or where an application for a government concession has not been decided. In these circumstances, a customer's account is manually 'suppressed', excluding the customer from all standard credit control runs including disconnection. The customer's account remains 'suppressed' until such time that a complaint is resolved, or an application for a government concession has been decided.• In the event that a customer debt not related to a direct service charge. <p>Service requests for disconnection can only be submitted after Perth Energy has exhausted its methods for contacting the customer, which are built into the Gentrack disconnection cycle. All submitted disconnection service orders will show under 'Pending Churns' in the following day's Churn Report that is sent to the Credit Control team every morning. Any service orders for disconnection that were not approved would be picked up by the Manager Business Support and corrective actions would be taken.</p> <p>As per the Manager Business support, there have been no cases of disconnection, nor have there been any cases of externally reviewed complaints or customers who have applied for a government concession during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no event in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria stipulated in obligations 47 – 50 above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.		

Compliance Manual Reference: 51		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (6) Clause 5.1.8.1(e) and (f) AGA Code		Reporting Type NR
Obligation Description		
51	A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.	
Observations As per the Manager Business Support and Perth Energy’s Gas Disconnection and Reconnection Procedure, Perth Energy will not disconnect supply after 3pm on any day, on a Friday, weekend or public holiday, or on a day before a public holiday. Through these discussions, it was also noted that a customer’s supply address would not be disconnected until all the required communication has been made regarding the cause of disconnection. Accounts that have reached the disconnection phase of the credit cycle will be picked up on the daily Credit Control Report run every morning. Disconnection service orders are generally submitted after the morning Credit Report and as such, Credit Control’s process ensures disconnection service orders are submitted prior to 3pm. As per walkthrough of the disconnection process, all disconnection request are submitted manually through an excel-based tool that communicates directly to ATCO. Use of this tool is restricted to the Credit Control team who are trained not to disconnect customers in the prescribed circumstances in Obligation 51, in compliance with the Gas Disconnection and Reconnections Procedure manual. As per the Manager Business Support, there have been no cases of disconnection during the audit period 30 November 2009 to 30 November 2017. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR –Not Rated	
Corrective Action/Opportunity for Improvement Consider a methodology to record in the system, the time which a disconnection service order was made, as well as the actual disconnection time by ATCO to ensure monitoring against this obligation.		

Compliance Manual Reference: 52, 229		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (6) Clause 5.2.2.2 AGA Code Trading Licence clause 2.1 and Schedule 2 Compendium clause 3.1(1), 3.1(2) Compendium clause 8.1(2)		Reporting Type NR / 2
Obligation Description		
52	If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.	
229	A retailer must forward the request for reconnection to the relevant distributor that same business day if the request is received before 3pm on a business day; or no later than 3pm on the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday.	
Observations		
<p>Through discussion with the Manager Business Support and consideration of Perth Energy’s reconnection processes, it was determined that Perth Energy has the following procedures in place to arrange for customers to be reconnected:</p> <ul style="list-style-type: none">• The Credit Control team actively monitors for any payments made to disconnected accounts. In the case that a payment was made, Credit Control would contact the customer, and initiate the reconnection process at their request.• Perth Energy use an excel based tool which allows service orders to be directly communicated to ATCO.• The service order will be processed immediately based on the request from the customer and is submitted ATCO on the same day (if received by 3pm), or the next business day, or on the weekend or on a public holiday• After the service request is submitted, the Manager Business Support will run a SQL script query using the customer’s MIRN. This identifies if the request has been successfully received on ATCO’s end.• The request will show on the following days’ Churn Report detailing all pending and completed churns. The scheduled reconnection will remain as pending until such time as ATCO has completed the reconnection. <p>As per Manager Business Support, there have been no instances of reconnection or disconnection during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Implement exception reporting to identify payments made to disconnected accounts, in place of manual monitoring.		

Compliance Manual Reference: 60, 147, 147B		Compliance Rating B / 2
Licence Clause: Trading Licence clause 2.1, 5.1 Schedule 2 Compendium clause 4.5(1)		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) Clauses 4.2.3.1, 4.2.3.2 & 4.2.3.3 AGA Code Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
60	A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance.	
147	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1)(a)- (cc) on the customer’s bill.	
147B*	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in subclause 4.5(1)(a)-(cc) on the customer’s bill.	
Observations		
<p>Review of Perth Energy’s Gas Billing Template noted that all obligated particulars were included on the customer’s bills, with the exception of:</p> <ul style="list-style-type: none">• Current and previous meter reads as required under Clause 4.2.3.3 (b) of the AGA code;• National Interpreter Services Symbol as required under Clause 4.5(1)(z). However, it is noted that the National Interpreter Services contact information is provided.• The availability, upon payment of a charge, of an Authority approved meter accuracy test and the refund if the testing charge if the meter is found to favour the supplier by more than allowable in the relevant distribution standards as required under Clause 4.2.3.3 (p) of the AGA code. <p>The Gas Billing Compliance Procedure specifies that the particulars of each bill must contain the information listed in 4.5(1)(a) – (cc) of the Schedule 2 Compendium, excluding clause (cc) “Meter Installation Registration Number”. It is however, it is noted that on the Gas Billing Template that this is present.</p> <p>Based on discussion with the Manager Billing, we note that there is no way to manually edit the bill template when it is issued to the customer. Any amendments to the billing template are subject to committee review. Once the amendments are approved, the committee will pass the new billing template to IT, who will make the changes.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
<p>Amend the Gas Billing Template to include: current and previous meter reads; the National Interpreter Services Symbol; and notice of the availability of a meter test, as stipulated under the AGA code and Schedule 2 of the Compendium of Obligations.</p> <p>Amend the Gas Billing Compliance Procedure to include the requirement of the Meter Installation Registration Number on bills.</p>		

Compliance Manual Reference: 63, 234, 235, 236		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1 Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.2(1), 10.2(2), 10.10(1) Distribution licence clause 2.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) and 47 (2) and (4) Clause 4.2.3.4 AGA Code Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
63	A licensee must provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004.	
234	A retailer must, on request, give a customer their billing data.	
235	A retailer must give the requested billing data at no charge if a customer requests their billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with the retailer.	
236	A retailer must give the requested billing data within 10 business days of the date of receipt of either the request, or payment of the retailer’s reasonable charge for providing the billing data.	
Observations		
<p>Through discussions with the Manager Billing it was noted that customer bill data is provided via the Finance and Billing team. Customer requests for bill data would either be actioned by the customer’s Account Manager who deals with the request on their behalf, or the customer would be put in direct contact with the Finance and Billing team. Requests for billing data would be made through an email sent to the Finance and Billing inbox. The Finance and Billing team would run a report for the customer’s billing data in Gentrack and provide it to the customer. The emails are archived once they have been actioned.</p> <p>Examination of the Non-Standard Form Contract Terms and Condition noted that Perth Energy would provide requested customer billing data free of charge and subject to the Energy Coordination (Customer Contracts) Regulations 2004. A customer can also download the billing data report if they register to Perth Energy’s ‘my account’ function on the corporate website.</p> <p>A copy of a small-use gas customer invoice was provided for our review.</p> <p>It was confirmed with the Manager Billing that there were no requests for billing data from small-use gas customers, during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – Some improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<p>Implement a tracker that includes all customer requests against required timeframes, including requests for Billing data (10 business days). Ensure customer requests which come through to the Finance and Billing team are clearly marked as Bill Request and are appropriate allocated for actioning.</p> <p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.</p>		

Compliance Manual Reference: 64		Compliance Rating B / 1
Licence Clause: Trading Licence clause 5.1, 2.1 Schedule 2 Compendium clause 4.7(2)		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.4.1 AGA Code Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
64	A licensee must base a customer’s bill on a meter reading and meters must be read at least once per year.	
153	A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1)(a).	
Observations Based on discussions with the Manager Billing and Billing Officer it was noted that Perth Energy base their billing on meter readings received from ATCO. On a daily basis, Perth Energy obtain customer data from the ATCO portal for their small-use gas customers. The data will indicate whether it was an actual read or estimate (where the actual read was not available). Perth Energy rely on ATCO to perform the reads and calculate the estimations. It is noted that Perth Energy do not currently track whether there has been an actual read for a small-use gas customer within the last 12 months. It is noted that Perth Energy did not have any customers that had been active with them for greater than 12 months, during the audit period. However, sample testing of 2 small-use gas customers’ data sets from ATCO found that both customers had received an actual reads during their time with ATCO. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement Implement a tracking system or exception report to identify customers which have not received an actual meter read within 12 months,		

Compliance Manual Reference: 70		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 16 (3)		Reporting Type NR
Obligation Description		
70	A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless (a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code (b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract.	
Observations		
Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy have not terminated a small-use gas customer, during the audit period (30th November 2009 - 30th November 2017).		
Perth Energy have a dedicated Credit Control team who are responsible for disconnections/terminations with set policies and procedures to facilitate them in this role. The termination of a contract must be approved by the CFO. Through discussions, it was noted that Perth Energy would not instigate termination for a single breach, unless the act was fraudulent. In almost every event, Perth Energy would attempt to negotiate and resolve contractual issues before disconnection. Disconnection and termination of a Perth Energy customer is a last resort. However, there is no documented distinction between what constitutes a breach versus a substantial breach.		
Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Perth Energy should incorporate definitions of a breach and a substantial breach into their internal policies and procedures to ensure clarity and consistency around the right to disconnect to supply.		

Compliance Manual Reference: 71, 110B		Compliance Rating B / 2
Licence Clause: Trading Licence clause 5.1 Trading Licence clause 14.2		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 19 Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
71	A licensee must provide a customer (a) a copy of their customer service charter; (b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer.	
110B*	A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter at least once every 36 months and submit the results of that review to the Authority within 5 days after it is completed.	
Observations Through discussions with key personnel and supplementary review of relevant documentation it was noted that Perth Energy would either provide or make available on request most of the information required by regulation 71. From our observation we determined that: Perth Energy provide information about the customer rates, fees and charges payable under their contract to the customer upon commencement of their contract term. Billing data is available upon request and can also be viewed if the customer registers for the 'my account' interface. A copy of the customer service charter and copies of regulations or any relevant code are made available to customers upon request, free of charge subject to the obligations. Some of the information listed within this obligation is also available to customers via their company website. However, we could not find evidence of an energy efficiency brochure or contact details for Government assistance programs/financial counselling services. We also note that in relation to obligation 110B* from prior Compliance Reporting manuals that there was no evidence that the Charter was reviewed at least every 36 months with the results submitted to the Authority within 5 days after the review was completed. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2- Non compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement Perth Energy should create a new starter pack that is all inclusive of the information required under this obligation to ensure compliance. Perth Energy should make available all of the documentation listed in this regulation available on their company website, with the exception of individual billing data.		

Compliance Manual Reference: 72, 205		Compliance Rating B / NR
Licence Clause: Trading Licence clause 5.1, 2.1 Schedule 2 Compendium clause 6.4(1), 6.3(1)		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 20 (2) Clause 4.3.5.1 AGA Code Energy Coordination Act section 11M		Reporting Type NR / 2
Obligation Description		
72	A licensee must offer a customer who is experiencing payment difficulties: instalment plan options; right to have bill redirected to third person; information or referral on government assistance programs; and information on independent financial counselling services.	
205	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the payment arrangements that are specified in clauses 6.4(1)(a) and (b).	
Observations		
<p>As per the Manager Business Support and Perth Energy’s Financial Hardship Policies and Procedure, in the event that a customer is experiencing payment difficulties or financial hardship, Perth Energy will reasonably consider and make an assessment of the customer’s financial circumstances. During this process, the Credit Control team offers the customer information and services in accordance to the requirements stipulated in Obligations 72 and 205.</p> <p>As per consideration of the financial hardship or payment difficulty assessment process, when a customer falls into the credit collection cycle, Gentrack will automatically raise a process queue prompting the Credit Control team to contact the customer. The Credit Control will assess the customer’s situation and offer an instalment plan, the right to have the bill redirected to third person, information or referral to government assistance programs, information on independent financial counselling services and additional time to pay the bill. These steps are covered in Credit Control’s Gas Residential Hardship Procedure. A script is available for use by members of Perth Energy who may receive a call from a customer outside of the Credit Control team. However, this document does not outline the details of the actions specified in the obligations.</p> <p>As per the Manager Business Support, there have been no cases of customer experiencing financial hardship or payment difficulties, nor have there been any customers on a payment plan during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Update the payment difficulty and financial hardship script to align with the requirements as per obligations 72 and 205. Ensure this is available for the Credit Control team to use as guidance on customer calls.		

Compliance Manual Reference: 79		Compliance Rating C / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 50		Reporting Type NR
Obligation Description		
79	A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.	
Observations		
<p>Through our discussions with key personnel and supplementary review of relevant documentation it was noted that there have been no cases during the audit period, in which a small-use gas customer has been issued with a disconnection warning.</p> <p>Perth Energy have a dedicated team assigned with the responsibility of overseeing the disconnection process and disconnection warning letters and emails are based on standard templates. The disconnection warning template includes a copy of the customers most recent statement, on which Perth Energy provide the following information:</p> <ul style="list-style-type: none">• The enquiries or complaints number: +61 8 9420 0300• The enquiries email address: info@perthenenergy.com.au• A free call number for the Energy Ombudsman of Western Australia: 1800 754 004 <p>Perth Energy have a complaint handling process that is published on their company website and provided to the customer upon execution of their contract. However, the disconnection warnings templates do not include information on the complaints handling process or contact details of the energy ombudsman.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements needed however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	C – Inadequate controls – significant improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Perth Energy should consider including directions to or a direct link for their complaints handling process within the disconnection warning to support the contact details provided.		

Compliance Manual Reference: 82		Compliance Rating B / 2
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Reg 45 (2)		Reporting Type NR
Obligation Description		
82	A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	
Observations		
Based on discussion with Manager Billing, walkthrough of the billing process and inspection of Perth Energy’s billing template sent to customer, it is noted that bills sent out by Perth Energy do not provide advice that a customer service charter is available free of charge, nor is this included with any bills sent out as separate document under the current process. Perth Energy have advised that due to an update from the ERA effective 1 July 2010 that customer service charters are no longer required for gas traders, this obligation was not met.		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – some improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers	
Corrective Action/Opportunity for Improvement		
It is recommended that Perth Energy amend their billing template to include reference to the free provision of a Customer Service Charter upon request, as a Customer Service Charter is in place.		

Compliance Manual Reference: 108		Compliance Rating B / 1
Licence Clause: Trading Licence clause 13.1		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
108	A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.	
Observations		
<p>Through discussions with key personnel and review of relevant documentation it was noted Perth Energy have made amendments to their standard form contract which have been approved by the ERA and written in accordance the Energy Coordination Act 1994 and Regulations.</p> <p>Amendments were made by the GM EMR, Regulation and/or the GM Retail and the Retail team. Any amendments made are done so with review of the relevant regulations. Both internal and external checks through Perth Energy’s lawyers are conducted before the amendments are sent to the ERA for approval. All amendments are logged, and historical copies kept in archive along with the ERA letters of approval.</p> <p>It was noted that there are currently no formal processes in place for reviewing any amendments made to the regulations to ensure that these are translated into relevant Policies and Procedures.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Complaint	
Corrective Action/Opportunity for Improvement		
<p>It is recommended that Perth Energy formally review their standard form contract annually, and in accordance with the relevant regulation to ensure that it is up to date and all relevant provisions are in place. There is also an opportunity for Perth Energy to set up controls to ensure that they can formally track any changes in the regulation and ensure corresponding Policies and Procedures are also updated in line with the amendment.</p>		

Compliance Manual Reference: 112		Compliance Rating B / NR
Licence Clause: Trading Licence Schedule 3 clause 2.1 to 2.2		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
112	A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the relevant distribution system, provided such disclosure does not prejudice the commercial interests of the licensee.	
Observations		
<p>Through our discussions with key personnel it was confirmed that ATCO Gas are the holders of the distribution licence. It was noted as per the GM Retail that ATCO have not made any information requests of Perth Energy during the audit period. Perth Energy maintain communication with the network distributor to ensure they have an efficient working relationship, and should ATCO request information relating to Perth Energy’s activities, the information would be provided, so long as such disclosure does not prejudice their commercial interests.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Establish a communication log with ATCO Energy to track any critical correspondence in the event that information is requested.		

Compliance Manual Reference: 113		Compliance Rating C / NR
Licence Clause: Trading Licence Schedule 3 clause 3.1		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
113	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.	
Observations Through our discussions with key personnel it was noted that Perth Energy negotiate a non-standard form contract with all of their small-use gas customers, therefore during the audit period Perth Energy did not have small-use gas customers on standard form contract. It was also noted, as per the General Manager EMR, Regulation that Perth Energy do not currently have any formal protocols in place for directly informing the Minister of Energy of any change to the price, price structure, fee or interest rate under the standard form contract one month prior to the change coming into effect. Currently Perth energy inform the ERA of any changes to their Standard Form Contract, these changes must be approved before implementation and Perth Energy comply with any directives given to them by the ERA. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	C – Inadequate controls – Significant improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement It is recommended that Perth Energy establish a formal protocol that instructs the licensee to notify the Minister of the requirements listed within this obligation. Internal Policies and Procedures around Standard Form Contracts should include this step in relation to any price, price structure, fee or interest rate change, and relevant personnel be trained on these protocols.		

Compliance Manual Reference: 118		Compliance Rating C / NR
Licence Clause: Trading Licence clause 19		
Licence Obligation: Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(2)		Reporting Type 2
Obligation Description		
118	A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer’s first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information).	
Observations		
Through our discussions with key personnel and review of relevant information it was noted that during the audit period Perth Energy do not have any small-use gas customers under a standard form contract.		
However, from review of the bill template, we noted that some but not all of the information specified in the Gas Marketing Code clause 2.2, would be made available to the customers no later than on or with the customer’s first bill.		
It was noted that Perth Energy have created and provided the ERA with a financial hardship policy that is still pending approval and thus has would not be provided to customers subject to this obligation.		
Based on enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvement required however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	C – inadequate controls – significant improvement required	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
It is recommended that Perth Energy obtain approval for the financial hardship policy and ensure the information is made available to relevant customers, if and when the need arises.		
It is also recommended that Perth Energy create a standard form contract new customer starter pack that is inclusive of all of the information specified under the obligation to ensure compliance.		

Compliance Manual Reference: 120, 121		Compliance Rating C / 3
Licence Clause: Trading Licence clause 19		
Licence Obligation: Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(2), 2.3(3), 2.3(4)		Reporting Type 2
Obligation Description		
120	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	
121	A retailer or gas marketing agent must obtain a customer’s verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).	
Observations		
<p>Through our discussions with key personnel and review of relevant information it was noted that during the audit period Perth Energy negotiate a non-standard form contract with all of their small-use gas customers.</p> <p>We have identified that of the information specified in the Gas Marketing Code clause 2.3(2) Perth Energy do not currently provide the customer with the following:</p> <p><i>(g) how the retailer may assist if the customer is experiencing payment difficulties or financial hardship;</i></p> <p><i>(h) with respect to a residential customer, the concessions that may apply to the residential customer;</i></p> <p>It was also noted that Perth Energy have created and provided the ERA with a financial hardship policy that is still pending approval.</p> <p>Through our review of non-standard form contracts and relevant documentation, we were able to confirm that Perth Energy have documentation supporting the information specified within the regulation, 2.3(2)(a) –(f) and (i) – (k). Although all of this information is provided upon request, the majority is currently not provided before entering into a non-standard contract.</p> <p>Verifiable consent has therefore not been obtained that all information specified has been provided.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place with significant improvement needed and Perth Energy has been non-compliant with moderate impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	C – Inadequate controls – significant improvement needed	
Compliance Rating	3 – Non-compliant – moderate impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
<p>It is recommended that Perth Energy obtain approval for the financial hardship policy and ensure the information is made available to relevant customers, if and when the need arises. Perth Energy also need to create and provide a brochure on information relating to the concessions that may be applicable to a residential customer.</p> <p>It is also recommended that Perth Energy create a non-standard form contract new customer starter pack that is inclusive of all of the information specified under the obligation to provide to customers before entering into a non-standard form contract.</p> <p>All required information should be made available to new customers, and verifiable consent obtained and recorded that the information has been provided.</p>		

Compliance Manual Reference: 122, 238		Compliance Rating B / NR
Licence Clause: Trading Licence clause 19, 2.1 Schedule 2 Compendium clause 10.3		
Licence Obligation: Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(1) Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
122	A retailer or gas marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.	
238	A retailer must give a residential customer on request, at no charge, information on the types of concessions available to the customer, and the names and contact details of the organisation responsible for administering those concessions (if not the retailer).	
Observations Through our discussions with key personnel and review of relevant documentation we noted that Perth Energy do not offer concessions to residential gas customers. The prices offered to customers represent prices excluding concessions. It was noted, as per the Manager Billing that concessions are made available through the State Government and administered through Synergy. Perth Energy have only recently acquired their first residential small-use gas customer (August 2017). If a customer were to request information on the types of concessions available to them, Perth Energy would provide them with the names and contact details of the organisation responsible for administering those concessions. It was noted that in order to communicate this to the customer, Perth Energy will be adding information with regards to concessions on their billing template and their website. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement We recommend that Perth Energy disclose, information on the types of concessions available to the customer, and the names and contact details of the organisation responsible for administering those concessions on to their billing template and corporate website.		

Compliance Manual Reference: 123		Compliance Rating B / 1
Licence Clause: Trading Licence clause 19		
Licence Obligation: Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(2)		Reporting Type 2
Obligation Description		
123	A retailer or gas marketing agent must ensure that a customer is able to contact the retailer or gas marketing agent on the retailer’s or gas marketing agent’s telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints.	
Observations		
<p>Through our discussion with key personnel and review of relevant documentation it was noted that Perth Energy’s normal business hours are between 8:30 am – 17:00 pm AWST Monday to Friday.</p> <p>It was confirmed that their contact information for the purposes of enquiries, verifications and complaints is available to customers on both Perth Energy’s corporate website > contact us, and it is listed on each customer’s invoice and their contract.</p> <p>For the purposes of enquiries, verifications and complaints, Perth Energy have a telephone number, email and postal address.</p> <p>Perth Energy’s enquiries number is linked to their standard office phone that is answered by the Business Support team during normal business hours, who will delegate responsibility according to the subject matter.</p> <p>In addition, Perth Energy employees have their direct number attached to their email signature, and each customer will be provided a personal account manager who is allocated as their direct contact upon execution of their contract.</p> <p>Through our discussions we noted that Perth Energy only have a system for recording complaints and there is currently no process in place for recording each request that comes in either by phone, email or letter. We have also been unable to identify a formal internal protocol for answering and dealing with customer enquiries, verifications and complaints.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
<p>It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs.</p> <p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered with the call centre contact details made available to customers.</p>		

Compliance Manual Reference: 154, 155, 156		Compliance Rating C / 3
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.8(1), 4.8(2), 4.8(3)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
154	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.	
155	Where the customer’s bill is estimated, a retailer must clearly specify on the customer’s bill the information prescribed in clauses 4.8(2)(a)-(c).	
156	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	
Observations		
<p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy issue their customer bills based on data provided by their network distributor. Should ATCO fail to obtain an actual meter reading they will provide Perth Energy with an estimated read as a substitute; Perth Energy will bill their customer as normal based on this estimated read. As and when an actual meter read is provided by ATCO, Perth Energy’s Billing team will process an adjustment based on this better quality data. Perth Energy have an ‘auto adjustment process’ that is run to determine any differences in the data that need to be credited or charges to the customer. This adjustment will not go onto the statement until the customers next bill cycle; it will show as an adjustment note.</p>		
<p>Through our discussions with the Billing team it was confirmed that during the audit period Perth Energy have received estimated reads for one small-use gas customer, an estimated bill was issued but a subsequent actual read has not yet been provided to the retailer.</p>		
<p>Through review of data obtained from ATCO we noted that readings indicate whether the data is an actual read or estimated read. However, ATCO do not provide the reason for estimation, unless requested. From discussions with the Manager Billing, we noted that Perth Energy does not currently provide the customer notice on the bill if an estimated read was used as the basis for the bill. We identified that an estimated bill has been issued to a small-use gas customer during the audit period without the information specified within clauses 4.8(2)(a)-(c).</p>		
<p>Therefore the customer has no knowledge of the estimation in order to request the basis of the estimation; the reason for the estimation; a verification of an estimation; and a meter reading.</p>		
<p>It was noted that Perth energy can request information from ATCO on the basis and the reason for the estimation and therefore this information can be provided to the customer upon request.</p>		
<p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place, and, Perth Energy has been non-compliant with moderate impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	C – Inadequate controls – significant improvement required	
Compliance Rating	3 – Non-compliant – moderate impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
<p>It is recommended that Perth Energy explicitly state where a bill has been estimated and the information prescribed in clauses 4.8(2)(a)-(c), i.e. that their bill has been estimated and that further information on the basis and the reason for the estimation can be provided upon request. In order to facilitate this Perth Energy should consider creating and estimation billing template.</p>		

Compliance Manual Reference: 164, 165, 165A		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.14(1), 4.14(2), 4.14(3)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
164	If a customer requests a retailer to issue a final bill at the customer’s supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer’s request.	
165	If the customer’s account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2)(a) or (b)), and pay the credit in accordance with the customer’s instructions within 12 business days or another time agreed with the customer.	
165A	If the customer’s account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt. If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).	
Observations		
Through discussions with the Manager Billing and examination of the Gas Billing and Finalisation procedures, it was noted that Perth Energy would use reasonable endeavours to arrange for the final bill to be issued in accordance with the customer’s request.		
Clause 15.3 of the Non-Standard Form Contract Terms and Conditions specifies that Perth Energy will endeavour to arrange for the final bill in accordance with the customers move out request for <i>Residential Customers</i> only. The clause states that the customer must provide three days’ notice and an address to where the final bill can be sent at which point Perth Energy will arrange for a final meter reading on the day requested and the customer will only be billed up until the requested move out date. It was noted that <i>Non-Residential</i> customers were not included in this condition.		
The Billing Finalisation Procedure and the Gas Billing Compliance Procedure documents the workflow for issuing final bills in accordance with the customer’s request. The requested date is entered into the system to facilitate a final meter reading and generates the final bill. As part of the workflow, the member of the Billing team is required to check the final account balance and if in credit, contact the customer with their preference to either transfer the credit to another account or to a bank account nominated by the customer within 12 business days of receiving the instruction. If the customers owes a debt, Perth Energy may, with written notice to the customer, use that credit to set off the debt, before any remaining credit is transferred back to the customer.		
The Manager Billing advised no final bills had been requested by small-use gas customers nor was there an account closure, during the audit period.		
Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally Adequate Controls – improvement needed	
Compliance Rating	NR - Not Rated	
Corrective Action/Opportunity for Improvement		
It is recommended that clause 15.3 be updated to include <i>Non-Residential Customers</i> .		
Further, implement a checklist including the steps to close the account and issue the final bill to ensure all appropriate steps are completed, to be signed off by the Account Manager. Include this requirement within the Billing Finalisation Procedure.		

Compliance Manual Reference: 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 171A, 175A, 175B		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.15, 4.16(1)(a), 4.16(1)(b), 4.16(2)(3), 4.17(2)(3), 4.18(2) – (7)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
166	A retailer must review the customer’s bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer’s bill over the previous 12 months, and paying any future bills that are properly due.	
167	If a retailer is satisfied after conducting a review of a bill that the bill is correct, the retailer <ul style="list-style-type: none">• may require a customer to pay the unpaid amount;• must advise the customer that the customer may request the retailer to arrange a meter test in accordance with applicable law; and• must advise the customer of the existence and operation of the retailer’s internal complaints handling processes and details of any applicable external complaints handling processes.	
168	If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18	
169	The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.	
170	If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable.	
171	If a retailer proposes to recover an amount undercharged as a result of an error, defect or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must follow the procedure specified in clauses 4.17(2)(a)-(e).	
172	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the error, defect or default and, subject to clauses 4.18(6) and (7) ask the customer for instructions as to whether the amount should be credited to the customer’s account; or repaid to the customer. No interest shall accrue to a credit or refund referred to in this clause.	
173	If a retailer receives instructions under clause 4.18(2), the retailer must pay the amount in accordance with the customer’s instructions within 12 business days of receiving the instructions.	
174	If a retailer does not receive instructions under clause 4.18(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer’s account.	
175	If the overcharged amount is less than \$100, the retailer may notify a customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions under clause 4.18(2), or credit the amount to the customer’s next bill.	
171A	A retailer may charge the customer interest or require the customer to pay a late payment fee only if, after notifying a customer of the amount to be recovered under subclause (2)(c), the customer has failed to pay the amount and has not entered into an instalment plan under subclause (2)(e).	
175A	If a customer has been overcharged by the retailer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.18(2); or 4.18(6) where the amount is less than \$100.	
175B*	Where the overcharged amount is less than \$75 the retailer may, notwithstanding clause 4.18(2), notify the customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions in accordance with clause 4.18(2), or credit the amount to the customer’s account.	
Observations		
Based on discussion with the Manager Billing, Manager Business Support and examination of the Gas Billing Compliance Procedure notes that the process for Review of a Bill is the responsibility of the Account Manager and the billing team. If a customer requests a review, regardless of the amount in dispute, the request is forwarded to the Account Manager who would communicate with the customer and clarify the request. Upon clarification, the Account Manager will forward the details of the request to the billing team. The billing team will suppress the account of the customer within Gentrack to ensure the customer is excluded from all standard credit control selection runs (i.e. interest application, commencement of disconnection procedures) and will ask the customer to pay the amount of the bill that is undisputed.		
If a customer is overcharged, the customer will be contacted within 10 business days to determine how they would like to be reimbursed. Perth Energy will reimburse the customer within 12 business days of receiving instruction. If the customer does not		

respond within 5 business days the customer's account will be credited. If the overcharged account owes a debt to Perth Energy (provided they are not a residential customer experiencing financial hardship or payment difficulties), the overcharge is used to set off the debt owing before the remaining amount is reimbursed or credited.

If a customer is undercharged (and it is the result of an error, defect or default) the Account Manager will inform the customer of the amount prior to the next bill and offer them the option of an instalment plan if they are Residential customer. Perth Energy may only charge the customer interest or require the customer to pay a late fee in the event of undercharge if, the customer has been notified of the amount to be recovered and the customer has failed to pay the amount and has not entered into an instalment plan.

If the Account Manager is satisfied that the bill is correct they advise the customer that they can request the retailer to arrange a meter test and inform the customer of Perth Energy's internal complaints handling process and details of external complaints avenues.

It is noted within the procedure that the Account Manager or Billing team will inform the customer of the outcome of the review as soon as practicable, or will inform the customer of a notification of status if it has not been provided within 20 days of the request.

The details of each of the obligations above are also specified in the Non-Standard Form contract terms and conditions.

It is noted that Perth Energy do not have a formal tool in place to track the progress of a bill review.

It was confirmed with the Manager Billing that there have been no bill review requests, during the audit period.

Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.

Adequacy of Controls Rating	B – Generally Adequate Controls – improvement needed
Compliance Rating	NR – Not Rated

Corrective Action/Opportunity for Improvement

Due to the numerous requirements for a bill review, it is recommended that Perth Energy develop a bill review tracker that is available to be accessed by relevant Perth Energy parties to enable monitoring. It is recommended that the tracker has built in timeframe flags and is reviewed daily during a bill review to ensure adherence to the above obligations.

Hold regular training to ensure Billing staff and Account Managers are aware of the requirements of a bill review as prescribed in the Gas Billing Compliance Procedure.

If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes in relation to bill reviews.

Compliance Manual Reference: 177, 178, 179, 180, 180A, 180B, 180AB		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.19(2), 4.19(5), 4.19(6), 4.19(7) and clause 4.19(4)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
177	If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to clauses 4.19(5) and 4.19(7), ask the customer for instructions as to whether the amount should be - <ul style="list-style-type: none">• credited to the customer's account;• repaid to the customer; or• included as a part of the new bill smoothing arrangement if the adjustment arises under clauses 4.3(2)(a)-(b). No interest shall accrue to a credit or refund referred to in this clause.	
178	If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	
179	If a retailer does not receive instructions under clause 4.19(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.	
180	If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and <ul style="list-style-type: none">• ask the customer for instructions under clause 4.19(2); or• credit the amount to the customer's next bill.	
180A	If the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.19(2); or 4.19(5) where the amount is less than \$100.	
180B*	Where the adjustment amount owing to the customer is less than \$75, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and <ul style="list-style-type: none">• ask the customer for instructions in accordance with clause 4.19(2); or• credit the amount to the customer's account.	
180AB*	Where the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties, financial hardship or subject to an alternative payment arrangement, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit the retailer must deal with that amount of credit in accordance with clauses 4.19(2) or 4.19(5) where the amount is less than \$75.	
Observations		
<p>Based on examination of the Gas Billing Compliance Procedure and through discussion with the Manager Billing, we noted that Perth Energy uses its best endeavours to inform the customer of any adjustment arising from a meter reading within 10 business days of becoming aware of an amount owing and asks the customer for instructions as to how they would like to be reimbursed, including the following options:</p> <ul style="list-style-type: none">• The amount to be credited to the customer's account; or• Repaid to the customer <p>It is noted that if the customer provides instruction with 5 days of request, Perth Energy will direct Accounts Payable to action the payment instruction within 12 business days. If Perth Energy does not receive instruction with 5 business days they will credit the customer's existing account.</p> <p>In the event that the residential customer owes a debt to Perth Energy, provided that customer is not experiencing payment difficulties or financial hardship, Perth Energy may, with written notice to the customer, use the amount of the adjustment to set off the debt owed, before reimbursing the customer. It was noted that there were no instances where Perth Energy became aware of an amount owing to the customer during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement		
Implement a tracking system to record and monitor the status of overpayments, including payment instruction (from the customer, if applicable) and date instruction received to ensure compliance against the obligated timeframes.		

Compliance Manual Reference: 198, 198A, 200, 200A, 201, 202, 198B, 203B, 198AB, 200AB		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.1(1)(2)(4), 6.2(1)(2)(3)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2 (198A NR)
Obligation Description		
198	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business days from when the residential customer informs the retailer about the payment problems. If the retailer cannot make the assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment.	
198A	If a residential customer provides the retailer with an assessment from a relevant consumer representative, the retailer may adopt that assessment as its own assessment for the purposes of clause 6.1(1)(a).	
200	A retailer must advise a residential customer on request of the details of an assessment.	
200A	If a retailer refers a residential customer to a relevant consumer representative under clause 6.1(1)(b), the retailer must grant the residential customer a temporary suspension of actions.	
201	If a residential customer informs a retailer that the customer is experiencing payment problems, the retailer must not unreasonably deny a residential customer’s request for a temporary suspension of actions, if the customer demonstrates to the retailer that the customer has an appointment with a relevant consumer representative to assess the customer’s capacity to pay.	
202	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	
198B*	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 3 business days from when the residential customer informs a retailer that the customer is experiencing payment problems. If the retailer cannot make the assessment within 3 business days, they must refer the customer to an independent financial counsellor or consumer representative organisation to make the assessment.	
203B*	A retailer must allow a temporary suspension of actions for a period of at least 10 days.	
203B*	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation in the manner specified to allow a relevant consumer representative organisation additional time to assess a residential customer’s capacity to pay.	
198AB*	If the residential customer provides the retailer with an assessment from an independent financial counsellor or relevant consumer representative organisation, the retailer may adopt that assessment as its own assessment for the purposes of clause 6.1(1)(a).	
200AB*	If a retailer refers a residential customer to an independent financial counsellor or relevant consumer representative organisation under clause 6.1(1)(b) then the retailer must grant the residential customer a temporary suspension of actions.	
Observations		
Per the Manager Business Support and the Gas Residential Financial Hardship Procedure, the financial hardship processes is that:		
<ul style="list-style-type: none">Perth Energy will assess whether a residential customer is experiencing payment difficulties, or financial hardship within 5 business days. If an assessment cannot be made within 5 business days, the customer will be referred to a relevant customer representative;Perth Energy will adopt a relevant customer representative’s customer assessment as their own if provided by a customer;Perth Energy will provide a residential customer their details of assessment if requested;Perth Energy must grant a customer who is referred to a relevant consumer representative a temporary suspension of actions for a period of at least 15 business days. Any suspension of disconnection or account recovery actions shall be for a minimum of 15 days. After 15 days have elapsed the Account Manager may, if they consider that the customer is working towards a resolution of the problem, advise Credit Control to extend the period of suspension; andPerth Energy will not unreasonably deny a customer’s request for temporary suspension, if that customer can demonstrate to Perth Energy that the customer has an appointment with a relevant consumer representative to assess the customer’s capacity to pay.		
As per the Manager Business Support, there have been no residential customers experiencing financial hardship during the audit period 30 November 2009 to 30 November 2017.		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Develop a mechanism whereby customers who may be assessed for payment difficulties / financial hardship are tracked to ensure continuous monitoring against the timeframes and requirements stipulated by the obligations.		

Compliance Manual Reference: 199, 203, 203B		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.1(3), 6.2(3) and clause 6.2(4)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
199	When undertaking an assessment regarding payment difficulties or financial hardship, the retailer must, unless the retailer adopts an assessment from a relevant consumer representative, give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by a relevant consumer representative.	
203	If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, a retailer must give reasonable consideration to the request.	
203B*	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation in the manner specified to allow a relevant consumer representative organisation additional time to assess a residential customer’s capacity to pay.	
Observations		
As per the Manager Business Support and Perth Energy’s Gas Residential Financial Hardship Procedure:		
<ul style="list-style-type: none">• If the Account Manager undertakes an assessment regarding payment difficulties or financial hardship, they must give reasonable consideration to the information given by the customer and requested or held by the retailer as well as any advice given by a relevant customer representative.• If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, Perth Energy must give reasonable consideration to the request.		
As per the Gas Residential Financial Hardship Procedure, The General Manager Sales arranges staff training in respect to issues related to financial hardship and its impacts and how to deal sensitively and respectfully with customers experiencing financial hardship. We reviewed evidence of a request being made for an external party to provide training, however no evidence that training has been undertaken.		
The Gas Residential Financial Hardship Procedure offers guidance around differentiating customers that are experiencing payment difficulties. If Perth Energy are unable to make this assessment within 5 business days, the customer will be forwarded onto a relevant customer representative for external assessment.		
As per the Manager Business Support, there have been no residential customers experiencing financial hardship during the audit period 30 November 2009 to 30 November 2017.		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
Ensure training is provided to relevant team members on how to respond to and assess customers who are experiencing payment difficulties or financial hardship. Develop a training register to track attendance and organise the training session to take place on a regular basis so new staff are updated on the obligations.		

Compliance Manual Reference: 204, 206, 208, 210, 211, 206A		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.3(1), 6.4(2), 6.6(1), 6.7, 6.8, 6.4(3)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2 / NR
Obligation Description		
204	If the assessment carried out under clause 6.1 indicates to the retailer that the residential customer is experiencing payment difficulties or financial hardship, the retailer must follow the procedure specified in clause 6.3(1).	
206	When offering or amending an instalment plan to a residential customer a retailer must ensure that the instalment plan is fair and reasonable taking into account the customer’s capacity to pay and consumption history, and comply with clause 6.4(3).	
208	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative, for a reduction of the customer’s fees, charges, or debt.	
210	If it is reasonably demonstrated to the retailer that the customer, experiencing financial hardship, is unable to meet the customer’s obligations under the previously elected payment arrangement, a retailer must give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.	
211	A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8.	
206A	If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3)(a)(i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and provide the customer with information explaining the changes.	
Observations		
<p>As per the Manager Business Support and Perth Energy’s Gas Residential Financial Hardship Procedure, after an assessment has been made confirming that the customer is experiencing financial hardship, Perth Energy will advise the customer of the options of assistance offered. These options include those discussed in Obligation 72, as well as the following:</p> <ul style="list-style-type: none">• Payment methods available to the customer (payment arrangements including payment in advance);• Concessions available to the customer;• Different tariffs available to the customer; and• Reduction of fees, charges and debt. <p>Perth Energy’s Gas Residential Financial Hardship Procedure also states that, when offering an instalment plan to a customer, the Account Manager must assess the customer’s capacity to pay and consumption history and only offer a plan that is fair and reasonable. In the event that a customer or a relevant consumer representative reasonably demonstrates to Perth Energy that the customer is unable to meet the customer’s obligations under a previously elected payment arrangement, Perth Energy must give reasonable consideration to revise or extend the customer’s previously elected instalment plan.</p> <p>As per consideration of Perth Energy’s instalment plan process and inspection of Perth Energy’s Payment Arrangement templates, after the acceptance or amendment of an instalment plan, the customer will be sent an email specifying the terms of the instalment plan (including the number and amount of payments, the duration of payments and how the payments are calculated).</p> <p>As per the Manager Business Support, there have been no instances of customers experiencing payment difficulties or financial hardship during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR –Not Rated	
Corrective Action/Opportunity for Improvement		
Ensure training is provided to relevant team members on how to respond to customers who are experiencing payment difficulties or financial hardship and the options available to them. Develop a training register to track attendance and organise the training session to take place on a regular basis so new staff are updated on the obligations.		

Compliance Manual Reference: 209, 214, 215, 216, 220, 215A, B, 215B, 216B, 217B		Compliance Rating C / 3
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.6(2), 6.10(1)-(5)(7)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
209	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the hardship procedures referred to in clause 6.10(3).	
214	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.	
215	A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2).	
216	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the hardship policy, including by post at no charge.	
220	A retailer must comply with the ERA’s Financial Hardship Policy Guidelines.	
215A	A retailer must ensure that its hardship procedures comply with the criteria specified in clause 6.10(3).	
209B*	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in clause 6.10(2)(d).	
215B*	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).	
216B*	A retailer must give residential customers, financial counsellors and relevant consumer representative organisations details of the retailer’s hardship policy, at no charge. The retailer must provide all residential customers identified as experiencing financial hardship with details of its hardship policy.	
217B*	A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the date the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended.	
Observations		
As per discussion with the General Manager EMR Regulation, Perth Energy have developed a Gas Residential Financial Hardship Procedure and a Gas Customer Financial Hardship Procedure (Policy). It is noted that both the policy and the procedure did not include all the requirements as per the 6.10(2) and 6.10(3) of the Schedule 2 Compendium.		
The Policy does not abide by the following obligations as required in 6.10(2):		
<ul style="list-style-type: none">• Must be developed in consultation with a relevant consumer representative;• Must include a statement that the retailer offers customers the right to pay their bills by Centerpay;• Must include a statement that the retailer is able to provide further detail on request;• Must have an overview of any concessions that may be available to the customer;• Must include the National Interpreter Symbol with the words “interpreter Services”, information on the availability of independent multi-lingual services, or information on the availability of TTY services;• Must be available on the retailer’s website; and• Must be available in large print copies.		
The Procedure does not abide by the following obligations as required in 6.10(3):		
<ul style="list-style-type: none">• Must be developed in consultation with a relevant consumer representative;• Must provide for the training of staff, including call centre staff and subcontractors to engage with and deal sensitively and respectively with customers experiencing financial hardship;• Must assist the retailer in determining a residential customer’s usage needs and capacity to pay when determining the conditions of an instalment plan;• Must provide guidance on the reduction and/or waiver of fees, charges and debt and the recovery of debt; and• Must require that the retailer’s credit management staff have a direct telephone number and for that number to be provided to the relevant consumer representatives.		

The Hardship Policy does provide a customer service officer with the level of guidance required to assess a customer for financial hardship. It was also noted that since the Customer Financial Hardship Policy is still under development, there are currently no available financial hardship policies available on Perth Energy's website or to provide to a customer upon their request.

Perth Energy have contacted a relevant consumer representative (WACOSS) for consultation in regards to developing these documents as well as to provide training to Perth Energy staff around supporting customers who are experiencing financial hardship, however feedback has not yet been received to allow finalisation of these documents.

It is noted that Perth Energy only have one residential customer. This customer has had no instance of failure to pay a bill, during this audit period.

Based on enquiries and examination of documentation, it was concluded that there inadequate controls, with significant improvement required and there was non-compliance with moderate impact on customers or third parties.

Adequacy of Controls Rating	C – Inadequate controls – significant improvement required
Compliance Rating	3 – Non-compliant – moderate impact on customers or third parties

Corrective Action/Opportunity for Improvement

Update the Financial Hardship Policy and Procedure to include all elements required under clause 6.10(2) and 6.10(3) respectively. In the update of the Procedure, consider existing process and the ERA's Financial Hardship Policy Guideline to ensure sufficient guidance is provided on the assessment of a customer for financial hardship. Consider implementing a script for customer service officers to use as a guide when communicating with Customers.

Follow up with WACOSS to finalise Financial Hardship Policies and Procedures for submission to the ERA and publication on Perth Energy's website.

Annual review of these documents should be to ensure they continue to comply with ERA guidelines and existing practices.

Compliance Manual Reference: 212, 213		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.9(1)(2)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2/NR
Obligation Description		
212	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives.	
213	A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.	
Observations As per discussion with the Manager Business Support and review of Perth Energy’s Gas Residential Financial Hardship Procedure, Perth Energy offers all customers the right to pay in advance. Perth Energy standard practices provide for the Credit Control team to negotiate a payment arrangement plan (including payments in advance) with customers experiencing financial hardship or payment difficulties on a case by case basis. As such, Perth Energy may apply different minimum payment in advance amounts depending on a custom’s financial situation and/or assessment from a relevant consumer representative. As stated in the Gas Disconnections and Reconnections Procedure, the minimum payment that Perth Energy will accept as payment in advance is \$20 unless otherwise agreed with the customer. As per the Manager Business Support, there have been no cases of residential customers experiencing financial hardship or payment difficulties during the audit period 30 November 2009 to 30 November 2017. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement Ensure training is provided to relevant team members on how to respond to and assess customers who are experiencing payment difficulties or financial hardship. Consider implementing a script for customer service officers to use as a guide when communicating with Customers around advance payment amounts.		

Compliance Manual Reference: 221		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.11		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
221	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	
Observations As per the Manager Business Support and Perth Energy’s Gas Customer Financial Hardship Procedure (Policy), Perth Energy will consider any reasonable request for alternative payment options if a business is experiencing payment difficulties. If a business customer calls and notifies Perth Energy of payment difficulties, they will be transferred to the Credit Control team and a payment plan can be negotiated for the customer taking into consideration the customer’s financial situation and historic consumption. As per the Manager Business Support, there have been no cases of business customers experiencing payment difficulties during the audit period 30 November 2009 to 30 November 2017. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement Develop a payment difficulty and financial hardship script to align with the requirements as per obligations 221. Ensure this is made available for the Credit Control team to use as guidance on customer calls. Organise training sessions to take place on a regular basis to ensure that new staff are updated on the requirements in relation to Financial Hardship.		

Compliance Manual Reference: 222		Compliance Rating C / 2
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 7.1		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
222	A retailer must follow the procedures specified in clause 7.1(1) prior to arranging for disconnection of a customer’s supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in clause 7.1(2).	
Observations		
As per the Manager Business Support and Perth Energy’s Gas Disconnections and Reconnections Procedure, prior to arranging for disconnection of a customer’s supply address for failure to pay a bill, Perth Energy will send the customer a reminder notice (along with a copy of the bill) not less than 14 business days from the date of dispatch of the bill and subsequently send the customer a disconnection warning not less than 22 business days from the date of dispatch of bill, if the customer fails to make payment.		
It is noted that there have been no cases of disconnection of supply for non-payment of a bill, no disconnection warnings sent and one case of a reminder notice sent in this audit period. After inspection of a sample written reminder notice, it was noted that the sample did comply with the reminder notice issue date criteria (not less than 14 business days after bill issue), however the notice did not specify a date by which the customer had to pay by (the date of which should have been no less than 20 business days after the billing day). Additionally, the template of the disconnection warning also did not include a ‘pay by’ date. The Manager Business Support has noted this issue and is in the process of updating the templates to fully comply with this obligation.		
Based on our enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.		
Adequacy of Controls Rating	C – Inadequate controls – significant improvement needed	
Compliance Rating	2 – Non-compliant – minor impact on customers or third parties	
Corrective Action/Opportunity for Improvement		
Perth Energy should amend the disconnection notice template so that it includes the date that an overdue payment must be paid by the customer in order to avoid disconnection (being not less than 20 business days after the billing day).		
Perth Energy should amend its disconnection warning template to include a date specifying when payment must be made by in order to prevent disconnection (being a day not less than 10 business days after the disconnection warning was issued).		

Compliance Manual Reference: 223		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 7.2(1)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
223	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).	
Observations		
Through discussion with the Manager Business Support, inspection of Perth Energy's Gas Disconnections and Reconnections Procedure and consideration of Perth Energy's disconnection process, it was determined that Perth Energy have controls in place to ensure the customer is not disconnected in the following circumstances (as specified in 7.2(1)):		
<ul style="list-style-type: none">• Within one business day after the expiry of the disconnection warning;• If the customer has accepted an alternative payment arrangement (refer to Obligation 40);• If the amount outstanding is less than the average bill over the past 12 months and the customer has agreed to pay (refer to Obligation 47);• If the customer is waiting on the results of their concession application (refer to Obligation 49);• If the customer has failed to pay an amount which does not relate to the supply of gas (refer to Obligation 50);• If the supply address does not relate to the bill, unless the amount outstanding relates to a supply address previously occupied by the customer; or• If Perth Energy has not provided the customer with information on the types of concessions available to the customer (refer to Obligation 221).		

As per the Manager Business Support, there have been no instance of disconnection of a customer's supply address for failure to pay a bill during the audit period 30 November 2009 to 30 November 2017.

Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no events in the audit period, compliance was not rated.

Adequacy of Controls Rating	B – Generally adequate controls – improvement needed
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Compliance Rating	NR – Not Rated
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Corrective Action/Opportunity for Improvement

There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria stipulated in obligations 223 above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.

Create a checklist that covers the guidelines required by the Compendium that must be completed prior to arranging for disconnection of a customer's supply address.

Compliance Manual Reference: 224	Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 7.3	
Licence Obligation: Energy Coordination Act section 11M	Reporting Type 2

Obligation Description

224	In relation to dual fuel contracts or separate contracts for the supply of electricity and gas (under which a single bill for energy, or separate simultaneous bills for electricity and gas are issued to the customer), if a retailer is permitted to and wishes to arrange for disconnection of the supply of electricity and gas to the residential customer's supply address for failure to pay a bill, the retailer must arrange for disconnection of the supply of gas in priority to the disconnection of the supply of electricity.
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Observations

As per the Manager Business Support, Perth Energy has 6 small use gas customers who also have a separate contract for electricity, one of which is a residential customer.

According to Perth Energy's Gas Disconnections and Reconnections Procedure, if a customer has a dual fuel control or separate gas and electricity contracts under which a single energy bill, or separate simultaneous bills, are issued and the customer fails to pay their bill the Credit Control team must:

- Follow the procedure in section 2 of the Gas Disconnections and Reconnections Procedure to arrange for disconnection; and
- Arrange for disconnection of the gas supply in priority to the disconnection of the electricity supply.

Perth Energy sends requests to ATCO for disconnections through the use of a communication-integrated Excel based tool. Access to this tool is restricted to members of the credit control team. In the event a disconnection service order is sent to ATCO, the request would be identifiable on the daily churn report that is sent to a functional mailbox every morning.

As per the Manager Business Support, there have been no instance of disconnection of a customer's supply address for failure to pay a bill during the audit period 30 November 2009 to 30 November 2017.

Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no events in the audit period, compliance was not rated.

Adequacy of Controls Rating	B – Generally adequate controls – improvement needed
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Compliance Rating	NR – Not Rated
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Corrective Action/Opportunity for Improvement

It is recommended that Perth Energy identify and flag customers who are both gas and electricity customers in the system and implement a system control raises an alert where these customers become part of the disconnection cycle that would prevent or raise an alert where these flagged customers to have electricity disconnected before gas, in the event of the customer's failure to pay a bill.

Compliance Manual Reference: 227, 227B		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Distribution Licence clause 2.1 Schedule 2 Compendium clause 7.6		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 1
Obligation Description		
227	A retailer or a distributor must not arrange for disconnection or disconnect a customer’s supply address in the circumstances specified.	
227B*	A retailer or a distributor must not arrange for disconnection or disconnect a customer’s supply address in the circumstances specified in clause 7.6.	
Observations		
<p>Under the <i>Energy Coordination Act</i> section 11M, Perth Energy must not arrange disconnection of a customer’s supply address if a complaint has been made by the customer against them which directly relates to the reason proposed for disconnection, or if Perth Energy is notified by the distributor, gas ombudsman or external dispute resolution body that a complaint has been made against the distributor, gas ombudsman or external dispute resolution body.</p> <p>Through discussion with the Manager Business Support and inspection of relevant documentation it was noted that:</p> <ul style="list-style-type: none">At the point a complaint cannot be immediately resolved or is passed on to the Ombudsman or distributor, a member of the Credit Control team will manually place the account into suppression in Gentrack, which prevents a disconnection service order from being raised. A reason for suppression is also entered into Gentrack which would alert members of the Credit Control team to leave the account in suppression until the complaint is resolved. (Refer to Obligation 48)Perth Energy sends requests to ATCO for disconnections through the use of a communication-integrated Excel based tool, of which access is restricted to only members of the credit control team. Although the tool is restricted and a service order for disconnection would not be raised unless a staff member was prompted to do so by Gentrack, there is no system control in place that would physically prevent a member of the team sending ATCO an unauthorised or mistaken disconnection notice using the tool. In the event a disconnection notice is sent to ATCO, this would be identifiable on the daily churn report that is sent to a functional mailbox every morning. (Refer to Obligation 32)There have been no cases of disconnection during the audit period. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria stipulated in the obligation above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.		

Compliance Manual Reference: 232, 233		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.1(2), 10.1(3)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
232	A retailer must give a customer on request, at no charge, reasonable information on the retailer’s tariffs, including any alternative tariffs that may be available to the customer.	
233	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt of the request and, if requested, a retailer must provide the information in writing.	
Observations		
<p>Through discussions with key personnel and review of relevant documentation we noted that Perth Energy have a standard tariff price; one for residential customers, another for business customers. These standard tariff prices are available on Perth Energy’s corporate website. The standard tariff rate is offered to customers under the standard form contract. It was confirmed that during the audit period, Perth Energy had no small-use gas customers on a standard form contract. Perth Energy negotiate a non-standard form contract with all of their small-use gas customers, under which the customer is offered a negotiated price.</p> <p>It was noted, as per discussions with the Finance and Billing team that Perth Energy have not had any customer requests in relation to their tariffs, during the audit period. Through our discussions and upon review of documentation it was noted that the customer is provided with a breakdown of their tariffs on each invoice. Contact details to assist with any queries are also provided on the invoice.</p> <p>Our discussions confirmed that Perth Energy will provide tariff information to their customers upon request. Customer requests in relation to billing will be either transferred through to the Billing team directly, alternatively the customer might be referred to their Account Manager who will action this request on their behalf. This information can be provided to the customer in writing, free of charge, this is usually done via email but it can be sent in other forms should the customer request this.</p> <p>As per, General Manager Retail, Perth Energy have a guideline in which they like to respond to customer requests within 48 business hours, therefore a customer requesting information on tariffs would be addressed within the 8 days required by the obligation. We could not identify any internal formal requirements/ protocol in place for Perth Energy actioning customer requests.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
<p>It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs.</p> <p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.</p>		

Compliance Manual Reference: 239		Compliance Rating D / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.4		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
239	A retailer must give, or make available, to a customer on request and at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances.	
Observations Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy have not been requested by a small-use gas customer, during the audit period, to provide information on cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances. It was confirmed through discussions and review of relevant documentation that Perth Energy do not currently have information of this nature published in a format that they can provide to customers. As per the GM EMR, Retail it was noted that this information is available on the ERA website. If a customer were to request information on cost-effective and efficient way to utilise gas and the typical running costs of major domestic appliances they would refer them to the ERA website. Based on enquiries and examination of documentation, it was concluded that there are no controls evident however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	D - No controls evident	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement It is recommended that Perth Energy create a document containing information on cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances that can be distributed to customers on the execution of their contract. Perth Energy should also consider publishing this information on their website and within their customer charter.		

Compliance Manual Reference: 240		Compliance Rating B / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.5		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
240	If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	
Observations Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy as a gas retailer supply their customer gas through a network distributor, ATCO. It was confirmed as per the GM Retail, that if a customer requests information about the distribution then Perth Energy can provide basic information about ATCO but they would generally refer a customer directly to ensure they have the correct, most up to date information. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs. If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.		

Compliance Manual Reference: 241, 242, 243		Compliance Rating B / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.5A(1)(2)(3)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
241	A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme.	
242	A retailer must consult with the ERA when preparing the gas customer safety awareness programme.	
243	A gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e).	
Observations Through discussions with key personnel and supplementary review of relevant documentation it was noted that Perth Energy have a Gas Customer safety Awareness Programme lodged with and approved by the ERA. Upon review of the Gas Customer Safety Awareness Program it was noted that it does address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e), however requires update to its address and contact details. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement It is recommended that the licensee update its Gas Customer safety Awareness Program to include Perth Energy’s new address and contact details. It is also recommended that Perth Energy publish this document on their corporate website and they include a copy to their customers upon execution of their contract.		

Compliance Manual Reference: 250		Compliance Rating B / 2
Licence Clause: Trading Licence clause 2.1 Schedule 2 Distribution Licence clause 2.1 Schedule 2 Compendium clause 10.11(2)		
Licence Obligation: Energy Coordination Act section 11M		
Reporting Type 2		
Obligation Description		
250	A retailer and, if appropriate, a distributor must include on a residential customer’s bill and bill related information, reminder notice and disconnection warning the telephone numbers for: <ul style="list-style-type: none">• its TTY services;• independent multi-lingual services; and• interpreter services with the National Interpreter Symbol and the words “Interpreter Services”.	
Observations <p>As per discussion with the Manager Business Support and examination of customer bills, it was noted that Perth Energy customer bills include the phone number for the following services:</p> <ul style="list-style-type: none">• TTY services;• Independent multi-lingual services; and• Interpreter services. <p>It was also noted that although Perth Energy’s reminder notice and disconnection warning templates do not include the above information, all reminder notices and disconnection warnings are sent with the relevant bill attached.</p> <p>Upon examination of the customer bill, it was noted that although the bill provided the telephone number for interpreter services and the words “Interpreter Service”, it did not include the National Interpreter Symbol required by Obligation 250.</p> <p>Based on enquires and examination of documentation. It was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	2 – Non-compliant – minor impact to customers or third parties	
Corrective Action/Opportunity for Improvement <p>Update billing template to include Interpreter Services Symbol</p> <p>Update reminder notice and disconnection notice template to include the phone numbers for the services specified in Obligation 250.</p>		

Compliance Manual Reference: 251, 252, 254, 255, 255A, 252B		Compliance Rating B / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Distribution Licence clause 2.1 Schedule 2 Compendium clause 12.1(1), 12.1(2), 12.1(3)(a), 12.1(3)(b), 12.1(4)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
251	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	
252	The complaints handling process under clause 12.1(1) must comply with AS/NZS 10002:2014 and address, at the least, the criteria specified in subclauses 12.1(2)(b)- (c). The complaints handling process must be available at no cost to customers.	
254	When responding to a complaint, a retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process).	
255	When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the gas ombudsman.	
255A	A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	
252B*	The complaints handling process under clause 12.1(1) must comply with AS ISO 10002 – 2006 and address, at the least, the criteria specified in clause 10.2(b). The complaints handling process must be available at no cost to customers.	
Observations <p>Through our discussions and review of relevant documentation it was noted that Perth Energy have developed an internal process for handling complaints and resolving disputes that is complaint with the AS/NZS 10002:2014 and addresses, the criteria specified in the regulation. This procedure is made available to customers on their corporate website and can be provided to customers upon request, free of charge. The procedure, supporting policy and relevant templates are provided to Perth Energy’s employees through their intranet. Through our discussions with key personnel, a walkthrough and review of the customer complaints handling procedure we also confirmed the following:</p> <p>As per the Procedure, Perth Energy must advise their customers that they have the right to have their complaint considered by a senior employee. Where a complaint has been resolved internally in a manner deemed unacceptable to the customer, Perth Energy would advise the customer of the reasons for the outcome (in writing, upon request); and inform that customer that they the right to raise the complaint with the gas ombudsman – the telephone number of the gas ombudsman is available upon the corporate website as well as the customers invoice. Perth Energy have an internal process to ensure that they will acknowledge a customer complaint within 10 business days and respond to the complaint within 20 business days.</p> <p>Currently, Perth Energy do not have a dedicated complaints team, and any complaints are received by Business Sales team distributed to parts of the business depending on the nature of the complaint. All complaints are documented in a central complaints register (combined with Electricity), this register is used to track the complaint through from initial receipt through to resolution, tracking all points of contact along the way. Any complaint lodged will also be filed within the customer’s personal file. Our discussions and review of relevant documentation confirmed that Perth Energy have not had a complaint raised by a small-use gas customer during the audit period – therefore compliance with these obligations cannot be rated.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	B – Generally adequate controls – improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement <p>It is recommended that Perth Energy provide training to their employees upon induction as well as annually to ensure that the customer complaints process is well understood by relevant employees. Attendance at the training should be tracked and monitored.</p> <p>In addition, it is recommended that Perth Energy review their complaints handling procedure annually to assess its effectiveness against current practice and amend it where necessary to ensure that it is up to date and addresses any changes to the regulation.</p>		

Lastly, Perth Energy should consider separating their central complaints register so that gas complaints are recorded separately. This register should be regularly reviewed to identify trends in customer complaints which may result in the need to update / improve or change internal processes to better enable customer-centric service.

If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.

5.2. Resolved observations during the audit period

Not applicable – No recommendations were resolved during the Audit Period

5.3. Observation detail on obligations (no recommendations)

Compliance Manual Reference: 1		Compliance Rating A / 1
Licence Clause: Distribution Licence clause 4.1 Trading Licence clause 4.1		
Licence Obligation: Energy Coordination Act section 11Q(1-2)		Reporting Type 2
Obligation Description		
1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 & 5)	
Observations Through discussions with the Manager Business Support and a review of licensing fee transactions, it was noted that Perth Energy paid the applicable fees in accordance with the Energy Coordination (Licensing Fees) Regulations Clause 4 and 5, and in the prescribed timeframes noted in the Energy Coordination Act Section 11Q. Payment dates for fees are tracked by the Finance team, and the Compliance team maintains a Compliance Tracker which tracks compliance related progress and dates. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 3, 106, 107		Compliance Rating A / NR
Licence Clause: Trading Licence clause 13.1, 12.2, 12.3		
Licence Obligation: Energy Coordination Act section 11WG(2)		Reporting Type 2 / NR
Obligation Description		
3	A licensee must comply with a direction given to the licensee under section 11WI.	
106	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified by the ERA.	
107	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review.	
Observations		
<p>Under the <i>Energy Coordination Act</i> section 11WI, the Authority may direct Perth Energy to submit an amended standard form contract within a specified period of time. The licensee must also comply with direction given by the ERA to review the standard form contract, and the manner of standard form contract review.</p> <p>Through inquiry with the General Manager EMR, Regulation and inspection of relevant documentation, it was noted that:</p> <ul style="list-style-type: none">• The request for an amendment would be initially received by the CEO, who would then pass this information on to the General Manager EMR, Regulation, who is responsible for liaising with the Authority and would action the amendment requested before submitting the standard form contract to the Authority for approval by the specified timeframe.• Once approved, internal documents and templates would be amended to reflect any relevant changes and these would be review and signed-off by the relevant document owner before being uploaded to the Perth Energy intranet as a read-only version. Amendments to internal documents are logged and historical copies are archived.• There were no instances identified during the audit period where the Authority has directed Perth Energy to review or make an amendment to their standard form contract. <p>Through inspection of the Authority’s website, it was noted that the Perth Energy Standard Form Contract approved and available was from 27 October 2011. This version reconciled with the standard form contract provided by Perth Energy as currently being in use, which was further supported with a signed letter from the Authority dated 26 October 2011 approving Perth Energy’s replacement standard form contract.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		

N/A

Compliance Manual Reference: 4, 5		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination Act section 11WK(1-2), 11WK(3)		Reporting Type NR
Obligation Description		
4	Gas is deemed to be supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the holder of a trading licence.	
5	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier.	
Observations		
<p>During the audit period (30th November 2009 - 30th November 2017) there were no small-use gas customers supplied gas under a standard form contract. We noted, as per discussion and observation with the Business Sales team that Perth Energy negotiate a non-standard form contract with all of its small-use gas customers.</p> <p>From discussions with key personnel we noted that Perth Energy have procedures in place to prevent situations in which gas is supplied without entering into a contract. Perth Energy ensure that both their standard form and non-standard form contract do not have a break in contract.</p> <p>Perth Energy’s standard form contract states that if a supply of gas is taken from a premises without having entered into a supply and sale contract with Perth Energy then the standard form contract commences on that date from which gas is taken. The standard form contract continues for a period of one year unless either party ends the contract earlier. The standard form contract also provides a provision where, if one year passes with neither party ending the contract, the contract will be automatically renewed for an additional one year period, this cycle continues indefinitely until either party end the contract.</p> <p>A non-standard contract will continue for the term (or if not specified a period of 12 months), unless terminated earlier. Prior to the expiry of a contract (no more than 2 months, not less than 1) Perth Energy provide notice of the expiry, provide future options available and include a new offer for new contract. Either a new offer is accepted that supersedes the previous contract terms, the new offer is not accepted and re-negotiated, or the contract is not renewed and gas supply is terminated. In the event that the customer does not respond to Perth Energy’s notice, the customer will be placed on a standard continuing tariff until the terms of the new offer are accepted. These controls ensure that there would not be a scenario where Perth Energy began supplying gas to a customer who had not entered into a contract.</p> <p>Perth Energy also has a system control that distinguishes between different contract stages, this controls ensures that as a new contract is entered into the system it automatically supersedes a previous contract on the commencement date.th Energy has not had a situation within the audit period where gas has been supplied to a premises without entering into a contract.</p> <p>Additionally, a system control is in place that monitors any MIRN meter usage at vacant premises’. In the event usage is identified at a premises without a contract in place, Perth Energy would try to establish a contract/account with this person as soon as possible, identifying and contacting them directly through the RP database if necessary.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have adequate controls in place for this obligation however due to no events occurring in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – No improvement needed	
Compliance Rating	NR– Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 10		Compliance Rating A / 1
Licence Clause: Distribution Licence clause 15.1 Trading Licence clause 16.1		
Licence Obligation: Energy Coordination Act section 11ZA(1)		Reporting Type 2
Obligation Description		
10	A licensee must provide the ERA with a performance audit by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows).	
Observations As per the Chief Financial Officer, KPMG was appointed with the Authority’s approval to undertake Perth Energy’s first performance audit for the period 30 November 2009 to 30 November 2017. According to Perth Energy’s Gas Trading Licence, the licence was granted on 30 November 2009. Due to the fact that Perth Energy had not commenced supplying a small use customer until July 2016, the ERA approved the deferral of a Performance Audit from November 2009 to 30 November 2017. Perth Energy’s Gas Trading Licence Compliance Manual states that responsibility of compliance with the ERA’s requests lies with the Chief Financial Officer and the General Manager EMR Regulation. Standard operating procedures are also set out in the Gas Compliance Reporting Manual. As per discussion with the General Manager EMR Regulation, the ERA initiates communications with any requests or required actions to the CEO of Perth Energy. The CEO delegates the request to GM EMR Regulation, who is the main liaison between Perth Energy and the ERA. The GM EMR Regulation maintains a personal calendar, as well as regularly updates a Compliance Status tracker which is used to monitor the progress of any compliance activities underway and for planning upcoming compliance tasks. The ERA also publishes a notice for the next audit date, allowing the GM EMR Regulation to plan in advance. Based on enquiries and examination of documentation, it was concluded that there are adequate and Perth Energy has complied with the licence condition during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 19, 20, 21		Compliance Rating A / 1
Licence Clause: Trading Licence clause 18.1		
Licence Obligation: Energy Coordination Act section 11ZOR(2)		Reporting Type 2
Obligation Description		
19	A licensee that sells gas that is transported through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	
20	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	
21	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme.	
Observations		
<p>Through discussions with key personnel and review of relevant documentation it was noted that Perth Energy are a member of an approved retail market scheme.</p> <p>Perth Energy are currently registered members of the AEMO (Australian Energy Market Operator), having historically been a member of REMCo. We can therefore determine that, Perth Energy have been a member of an approved retail market for the duration of the audit period.</p> <p>Perth Energy adhere to the Retail Market Procedures for WA to these to ensure that there is no prohibited conduct. As a result Perth Energy have not engaged in prohibited conduct in relation to their operation with AEMO, nor have they assisted another party to engage in prohibited conduct relating to the operation.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have complied with this obligation during the audit period and that there are adequate controls with no improvement needed.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 24		Compliance Rating A / NR
Licence Clause: Distribution Licence clause 17 Trading Licence clause 18.1		
Licence Obligation: Energy Coordination Act section 11ZQH		Reporting Type 2
Obligation Description		
24	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme.	
Observations Through discussions with key personnel and review of relevant documentation it was noted that Perth Energy are a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme. Perth Energy is a member of the Energy and Water Ombudsman Western Australia and maintain their membership through the payment of a required fee which automatically warrants the renewal of their annual membership. Through our discussions with key personnel it was noted that Perth Energy are aware that they are bound by any decision or direction of the ombudsman under the Scheme. Perth Energy have a complaints handling procedure which clearly indicates to customers that they have the right to escalate a complaint to the Energy and Water Ombudsman’s services – contact details are made clearly available. Further several documents provided to customers reference the Ombudsman we well as the corporate website. Through discussions with key personnel it was also noted that Perth Energy have not received a complaint from a small-use gas customer during the audit period. Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Generally adequate controls – No improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 29		Compliance Rating A / 1
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 5(1)		Reporting Type 2
Obligation Description		
29	A licensee supplying gas in an area referred to in Regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area.	
Observations Based on discussions with key personnel, supplemented with the review of relevant information we noted that Perth Energy have a Gas Trading Licence that enables them to sell gas to the areas specified within the regulation. Perth Energy currently only supply gas for small-use customers to the (a) Mid-West/South-West area (Metropolitan area) and not to (b) the Albany area (c) the Kalgoorlie-Boulder area. All customers are supplied under non-standard form contracts, however capped tariffs are offered as per the Perth Energy website. If a non-standard term contract were to expire, a customer would be placed on the capped tariff. Based on our enquiries and review of the documentation, we have concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 30, 31		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(2)		Reporting Type 2
Obligation Description		
30	A licensee is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff.	
31	When offering to supply gas to a new customer under a standard form contract, a licensee is to offer to supply gas at a capped tariff.	
Observations Through our discussions with key personnel and review of the relevant documentation it was noted that Perth Energy have negotiated a non-standard form contract with all of its small-use gas customers. During the audit period (30th November 2009 - 30th November 2017) Perth Energy did not have any small-use gas customers on the standard form contract. Based on enquiries and examination of documentation, it was concluded that Perth Energy have adequate controls for this obligation however due to no events occurring in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – No improvement needed	
Compliance Rating	NR – Not Rated	

Compliance Manual Reference: 35, 36, 37, 39, 228		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1 Trading Licence clause 2.1 Schedule 2 Compendium clause 8.1(1)		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (5)(a)(b)(c)(e) Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
35	A licensee must reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee.	
36	A licensee must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee.	
37	A licensee must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.	
39	A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.	
228	In the circumstances specified in clause 8.1(1)(a)-(c), a retailer must arrange for reconnection of the customer’s supply address if the customer makes a request for reconnection, and pays the retailer’s reasonable charges for reconnection (if any) or accepts an offer of an instalment plan for the retailer’s reasonable charges for reconnection.	
Observations		
<p>As per Manager Business Support, ATCO (the distributor) is responsible for physically disconnecting and reconnecting a customer’s gas supply at the request of Perth Energy. If a customer’s gas supply is disconnected then Perth Energy will arrange for ATCO to reconnect the customer’s gas supply when the customer requests for reconnection provided Perth Energy is reasonably satisfied that the circumstances giving rise to the disconnection no longer exist or accepts an offer of an instalment plan. Through examination of Perth Energy’s Disconnection and Reconnection Procedure, it was noted that the timelines for reconnection under the circumstances of obligations 35, 36, 37 and 39 were stipulated within the document.</p> <p>As per a walkthrough of the reconnection process, once a service order for reconnection has been submitted, Perth Energy are able to track that ATCO have received the request through the use of a SQL script query and also through a daily churn report that shows all of Perth Energy’s pending and completed disconnection / reconnection activities. Once the reconnection is complete, the customer would move from the ‘Pending Churns’ listing, to the ‘Completed Churns’ listing. Perth Energy would monitor these customers until the churn completion date specified in the service order.</p> <p>As per Manager Business Support, there have been no instances of disconnection or reconnection for small-use gas customers during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls with no improvement needed however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate Controls – No improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 43, 44, 45		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 12 (6) Clauses 5.1.3.1 & 5.1.3.2 AGA Code		Reporting Type NR
Obligation Description		
43	A licensee who disconnects in the event of an emergency must provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavours to restore supply when the emergency is over.	
44	A licensee who disconnects supply for health and safety reasons must provide the customer written notice of the reason; allow the customer 5 business days to remove the reason where the customer is able to; and after the 5 business days issued a notice to the customer of its intention to disconnect supply at least 5 business days' notice prior to the disconnection date.	
45	A licensee who disconnects supply for planned maintenance must provide the customer 4 days written notice; and used best endeavours to minimise disruption and restore supply.	
Observations		
Through discussions with the Manager Business Support and inspection of relevant documents it was noted that:		
<ul style="list-style-type: none">• All disconnections are physically actioned by ATCO (the distributor). In the case that a customer is disconnected in any of the circumstances stipulated in Obligations 43, 44 and 45, ATCO would inform Perth Energy of the timeframes and reasoning. Perth Energy would then pass on all relevant information from ATCO to all customers who are affected.• Perth Energy's website and billing template contain an emergency and information services number which can be used for emergencies, faults or interruptions and is a 24 hour service.• Perth Energy's Gas Disconnections and Reconnections Procedure stipulates the timeframes for reconnection which align with the requirements specified in the obligations. Additionally, the procedure outlines expected responsibilities of Perth Energy and its interaction with ATCO (the distributor) which notes all the licence requirements stipulated in Obligations 43, 44, and 45.• Through discussion with the Manager Business Support, it was noted that there have been no instances of disconnections occurring due to an emergency reason, health and safety reasons, or planned maintenance during the audit period 30 November 2009 to 30 November 2017		
Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate Controls – No improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 56		Compliance Rating A / 1
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 14 (2)		Reporting Type NR
Obligation Description		
56	A licensee must inform customers that the supply charge is either for residential or non-residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs.	
Observations		
<p>Through discussions with key personnel and review of relevant documentation we noted that Perth Energy negotiate a non-standard form contract with all of their small-use gas customers. Of their small-use gas customers Perth Energy have one residential small-use gas customer, with the remainder of their small-use gas customers on non-residential tariffs.</p> <p>All small-use gas customers sign the Gas Supply Agreement prior to the execution of the contract. This agreement includes information about the customers fixed component and specified usage. It also includes clauses that the customer must acknowledge upon signing the contract.</p> <p>The Small Use Gas (Non-Standard) Terms and Conditions includes information on fees and charges and describes the circumstances a customer needs to meet to qualify for residential tariffs.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 57, 58, 231		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1 Trading Licence clause 2.1 Schedule 2 Compendium clause 10.1(1)		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 14 Clause 4.1.3.1 & 4.1.3.2 AGA Code Energy Coordination Act Section 11M		Reporting Type NR
Obligation Description		
57	A licensee must give notice of the tariffs charged and provide these notices to customers without charge upon request.	
58	A licensee must give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill.	
231	A retailer must give notice to each of its customers affected by a variation in its tariffs no later than the next bill in the customer’s billing cycle.	
Observations		
<p>Through discussions with key personnel and supplementary review of the relevant documentation it was noted that Perth Energy only negotiate a non-standard form contract with their small-use gas customers. All small-use customers are put on a bundled contract rate inclusive of the supply charge and additional market charges.</p> <p>Perth Energy provide their customers (small and large use) notice of the tariffs charged upon execution of their contract. This information is also included within each monthly bill. It was confirmed that Perth Energy would provide additional notices of these charges to their customers without charge upon request. A breakdown of the customers bundled (or unbundled for large use) contract can also be provided to the customer without charge upon request.</p> <p>ATCO revise their charges annually and inform Perth Energy of any changes, Perth Energy may as a result increase their gas Price and Daily Supply Charge every twelve months on the anniversary of the non-standard contract commencement date. A standard-form contract may be subject to change at any point in its duration.</p> <p>Our discussion with key personnel and supplementary review of relevant documentation confirmed that Perth Energy have not experienced a variation in tariffs charged for small-use gas customers under non-standard contract during the audit period. As a result they have not provided a customer with a notification informing them of a variation in their tariffs.</p> <p>In the event of a variation, Perth Energy would provide notice of a variation in tariffs charged and that notice would be provided to customers affected by the as soon as practicable and no later than the next bill. Perth Energy will notify their customers in the customers preferred format – this is usually via email.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have complied with this obligation during the audit period however due to no events occurring in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 59, 136, 137, 137B		Compliance Rating A / 1
Licence Clause: Trading Licence clause 5.1, 2.1 Schedule 2 Compendium clause 4.1(a) and 4.1(b)		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.1 AGA Code Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
59	A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise.	
136	A retailer must issue a bill no more than once a month unless the conditions specified in 4.1(a) (i)-(iii) apply.	
137	A retailer must issue a bill at least every 105 days unless the conditions specified are met.	
137B*	A retailer must issue a bill at least every 3 months unless the conditions specified are met.	
Observations		
<p>Based on examination of billing work instructions, procedures and discussion with the Manager Billing and Billing Officer, we determined that:</p> <p>All Perth Energy billing periods for small-use gas customers are either monthly or quarterly as agreed to within the contract. A review of two of the customer contracts noted that both had quarterly billing periods.</p> <p>Billing data is based on ATCO reads. Bills are automatically generated within Gentrack based on the billing frequency the customer was set-up with on account creation. Generally, bills are automatically issued where billing data is available and no other validation flags are raised by the system.</p> <p>As a detective control, an unbilled installations report in Gentrack is run daily by the Billing team, which identifies accounts not billed for more than 31 days. This report is copied out into an Excel-based tool, which is rolled forward each day and investigated by the billing team to determine the reasons that the Customer was not billed.</p> <p>These accounts are flagged in Gentrack for manual invoicing, and if there is an issue preventing a bill from being issued, this is investigated by a member of the Billing team.</p> <p>Within Gentrack, a validation rule has also been set up to flag all accounts that have not been billed in 90 days. These accounts are placed into a queue visible to the billing team. Accounts that are flagged here are also investigated, with follow-up to ATCO if required. If ATCO have not provided billing data for a customer, Perth Energy would request an actual/estimated reading. In order to clear an item from the queue they must be marked as complete with annotation.</p> <p>It is noted that Perth Energy had no customers churned in for more than 105 days before the end of the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – No improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 61, 62		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1)(2) Clause 4.2.3.2 AGA Code		Reporting Type NR
Obligation Description		
61	A licensee must apply payments received from a customer as directed by the customers (if the bill includes charges for other goods and services).	
62	If a customer does not direct how a payment is to be allocated, a licensee must apply the payment — (i) to charges for the supply of gas before applying any portion of it to such goods or services; or (ii) if such goods or services include electricity, to the charges for gas and the charges for electricity in equal proportion before applying any portion of it to any other such goods or services.	
Observations As per the Manager Business Support, customers that are offered both gas and electricity services from Perth Energy have separate contracts and are billed individually for the two services. As such, the bills would only include billing and payment information relating to the service and would not include charges for other goods and services. Payments received from small-use gas customers are configured within Gentrack to be applied towards the oldest outstanding debt. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance could not be rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 66, 157		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1, 2.1 Schedule 2 Compendium clause 4.9		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.4.4 AGA Code Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
66	A licensee, who provides a customer with an estimated bill and is subsequently able to read the meter, must adjust the estimated bill in accordance with the meter reading.	
157	If a retailer gives a customer an estimated bill, and the meter is subsequently read, the retailer must include an adjustment on the next bill to take account of the actual meter reading.	
Observations		
<p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy issue their customer bills based on data provided by their network distributor, ATCO.</p> <p>Should ATCO fail to obtain an actual meter reading they will provide Perth Energy with an estimated read as a substitute which Perth Energy would use to bill the customer as normal. As and when an actual meter read is provided by ATCO, Perth Energy's Billing team will process an adjustment based on the better quality data, and this adjustment would appear on the customer's next bill. Perth Energy have an 'auto adjustment process' that is run to determine any differences in the data that need to be credited or charges to the customer. This adjustment will not go onto the statement until the customers next bill cycle and will show as an adjustment note. The Manager Billing confirmed that billing is always based on meter data supplied by ATCO – the ATCO data upload is automatic and therefore there is no manipulation of reads.</p> <p>Through our discussions with the Billing team it was confirmed that during the audit period Perth Energy have received estimated reads for one small-use gas customer, an estimated bill was issued but a subsequent actual read has not yet been provided to the retailer. Therefore Perth Energy have been unable to include an adjustment on their next bill to take account of the actual meter reading.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 67, 158		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1, 2.1 Schedule 2 Compendium clause 4.10		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.4.5 AGA Code Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
67	A licensee must read a customer’s meter upon request and may impose a fee for doing so.	
158	If a retailer has based a bill upon an estimation because the customer failed to provide access to the meter, and the customer subsequently requests the retailer to provide a bill based on a reading of the meter and provides access to the meter, and pays the retailer’s reasonable charge for reading the meter (if any), the retailer must do so.	
Observations		
<p>Through our discussions with the Manager Billing and review of relevant documentation we confirmed that in accordance with the relevant AGA Code of Conduct, should a customer request a reading of their meter, Perth Energy will facilitate this request and coordinate with the network operator to ensure that this is undertaken.</p> <p>It was noted that in the circumstance where a customer has denied access to the supplier for the purposes of reading a meter, and the customer subsequently requests to the supplier to replace an estimated bill with a bill based on an actual reading, Perth Energy would comply with this request and coordinate a reading to be undertaken by the network distributor – it was confirmed that a reasonable charge will be imposed for this meter reading request.</p> <p>All of the gas services/works fee charged are listed on Perth Energy’s corporate website – these fees are directly passed on by the network operator and will be charged to the customer once Perth Energy receive an invoice.</p> <p>Through our discussions with the Billing team it was confirmed that during the audit period Perth Energy have not received any meter reading requests from a small-use customer, thus no additional fees of this accord have been imposed upon their customers.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 68, 182		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1, 5.1 Schedule 2 Compendium clause 5.2		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.3.2.1 AGA Code Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
68	A licensee must offer payment in person and payment by mail.	
182	Unless otherwise agreed with a customer, a retailer must offer the customer at least the following payment methods: <ul style="list-style-type: none">• in person at 1 or more payment outlets located within the Local Government District of the customer’s supply address;• by mail;• for residential customers, by Centrepay;• electronically by means of BPay or credit card; and• by telephone by means of credit card or debit card.	
Observations Through discussion with the Manager Business Support, review of Perth Energy’s website and inspection of the gas bill template, it was noted that payment options available to customers include: <ul style="list-style-type: none">• In person at a payment outlet located within the Local Government District of the customers supply address;• by mail in the form of cheque;• by Centrepay for residential customer;• BPay or Credit Card; and• Telephone by means of credit card or debit card. It was further noted that this obligation was outlined in Perth Energy’s Gas Bill Payments Compliance Procedure. Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place and Perth Energy has complied with the licence condition during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 69		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.3.2.2 AGA Code		Reporting Type NR
Obligation Description		
69	A licensee must offer customers who are absent for a long period, payment in advance facilities and the option of redirecting the bill.	
Observations		
As per the Manager Business Support and Perth Energy’s Gas Bill Payment Compliance Procedure, Perth Energy would provide payment in advance facilities or the option of redirecting a bill at the customer’s request. It was also noted that in this situation, Credit Control would firstly offer the customer direct debit as a payment method, however if the option to set-up direct debit was declined, Perth Energy would offer the options specified in Obligation 69.		
As per the Manager Business Support, there has been no instances of a customer requesting payment in advance facilities or the option to redirect a bill, due to absence over a long period of time.		
Based on enquiries and observation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 74		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 20 (3) and 48		Reporting Type NR
Obligation Description		
74	A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.	
Observations As per the Manager Business Support, all customers who have entered into arrangements to pay are flagged on Gentrack and consequently shielded from legal action and restriction on supply so long as the customer is maintaining their arrangements with Perth Energy. Through these discussions, it was also noted that legal action is taken only as a last resort for customers who have left Perth Energy with an unpaid debt and all other measures had been exhausted. As such, Perth Energy would not commence legal action in relation to a customer debt if a customer has entered into, and continues to maintain their payment arrangement. Perth Energy's Credit Assessment Management Policy Procedure states that any legal action taken against a customer in relation to a debt must first be approved by Perth Energy's Credit Committee, which comprises of the CEO, CFO and the Manager Business Support. The Manager Business Support and the CFO also hold weekly meetings to address any issues concerning credit collection. As per the Manager Business Support, there have been no cases of customers on a payment arrangement, nor have there been any cases of legal action taken against small use gas customers in relation to a debt during the audit period 30 November 2009 to 30 November 2017. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 80		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 44		Reporting Type NR
Obligation Description		
80	When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.	
Observations		
<p>Through our discussions with the Manager, Business Retention it was noted that Perth Energy have a renewal process that is followed prior to the expiry of a non-standard form contract.</p> <p>Our observations confirmed that a small-use gas customer on a non-standard form contract is notified not more than two months, not less than one month before the day on which their contract is due to expire with information about the expiry date, a new offer and the terms and conditions for continued supply post contract expiry.</p> <p>From our observations we determined that:</p> <ul style="list-style-type: none">Perth Energy run a report each month to determine which contracts are due to expire in the following two months.This report creates an opportunity for renewal and a gas pricing model is created which determines the new offer to be included in the contract.The new pricing information and contract terms and conditions are sent as a new offer to the customer within the time specified by the obligation. <p>Through our discussions it was also noted that Perth Energy have not yet had a small-use gas, non-standard form contract expire.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have adequate controls in place for this obligation, however due to no events occurring in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 81		Compliance Rating A / 1
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Reg 45 (1)		Reporting Type NR
Obligation Description		
81	Upon request, a licensee must provide a customer free of charge with a copy of its customer service charter within 2 business days of the request.	
Observations Through discussions and observation of relevant documentation we noted that Perth Energy have a customer service charter that they make available to customers upon request. Through discussions with the GM, Retail it was noted that there is an internal service level agreement for providing a customer with information requested within 48hours of the request – complaint with the obligation requirements. Based on enquiries and examination of documentation, it was concluded that Perth Energy have complied with this obligation during the audit period and that there are adequate controls with no improvement needed.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement Perth energy should publish their customer service charter on their corporate website.		

Compliance Manual Reference: 83, 84		Compliance Rating A / 1
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 46 (1) & (2) Energy Coordination (Customer Contracts) Reg 46 (4)		Reporting Type NR
Obligation Description		
83	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code.	
84	A licensee must ensure that a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices at no charge.	
Observations Through discussions with key personnel and supplementary review of relevant documentation it was noted that Perth Energy would make a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code available to their customers upon request. A copy of the Energy Coordination (Customer Contract) Regulations 2004 was sighted at the licensee’s offices and it is available for inspection at no charge. Based on enquiries and examination of documentation, it was concluded that Perth Energy have complied with this obligation during the audit period and that there are adequate controls with no improvement needed.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 85, 86		Compliance Rating A / 1
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contract) Reg 28 Clause 3.1.1(a)(b) AGA Code		Reporting Type NR
Obligation Description		
85	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain equipment for the supply of gas up to the point of supply.	
86	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain metering and necessary equipment at the supply address.	
Observations		
Through discussions with the key personnel and supplementary review of relevant documentation it was noted that Perth Energy do include a provision within their standard form contract that directly addresses these obligations.		
The Standard Form Contract, Section 10. Metering, Clause 10.1 states that: <i>We or the Network Operator will provide, install and maintain Gas Supply Equipment, including the Meter and necessary ancillary equipment at the Premises, after due consideration of Your wishes.</i> “Gas Supply Equipment” is defined as the Meter and any pipes, pressure regulators or other equipment used to transport, measure, or control gas for delivery to You, before (upstream of) the point that gas leaves the Meter.		
This provision advises the customer that the retailer or distributor must provide, install and maintain both equipment for the supply of gas up to the point of supply and the metering and necessary equipment at the supply address.		
Based on enquiries and examination of documentation, it was concluded that Perth Energy have complied with this obligation during the audit period and that there are adequate controls with no improvement needed.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 90		Compliance Rating A / 1
Licence Clause: Trading Licence clause 5.1 Distribution Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contract) Reg 33 (3) Clause 3.5.2.2 AGA Code		Reporting Type NR
Obligation Description		
90	A licensee must ensure that any representatives seeking access to the supply address on its behalf wear, carry and show official identification.	
Observations Through discussions with key personnel and supplementary review of relevant documentation it was noted that every employee upon conducting their Gas Marketing Code of Conduct training is issued with an ID badge which includes their name, picture and gas marketing identification number, an example of which was sighted. Perth Energy require their employees to complete the Gas Marketing Code of Conduct training before they are authorised to conduct site visits. It is also a requirement of the Gas Marketing Code of Conduct (covered by the training), that any customer facing staff must wear an identity card. Based on enquiries and examination of documentation, it was concluded that Perth Energy have complied with this obligation during the audit period and that there are adequate controls with no improvement needed.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 91		Compliance Rating A / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contract) Reg 42		Reporting Type NR
Obligation Description		
91	A licensee must notify a customer of any amendment to a non-standard contract.	
Observations		
<p>Through discussions with key personnel it was noted that there have been no amendments to a non-standard form contract during the audit period (30th November 2009 – 30th November 2017). It was confirmed that typical amendments to a non-standard form contract are in relation to pricing and volume changes – Perth Energy will not amend a non-standard form contract until the expiry of the commencement term. Any changes would be written up in a new offer that would come into force upon the renewal of that contract. Perth Energy have a renewal policy that ensures that all non-standard contract customers are notified of any amendments to their contract prior to the expiry of their existing contract.</p> <p>Through our discussion it was noted that the only circumstances in which Perth Energy could foresee a premature amendment to a non-standard contract would be in relation to a change in the regulation/law. In the event of this occurring Perth Energy would notify all customers of any amendments to their contractual terms and information as to change in regulation/law.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have adequate controls in place for this obligation, however due to no events occurring in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 96, 97, 98		Compliance Rating A / 1
Licence Clause: Distribution Licence clause 15.2, 15.4, 16 Trading Licence clause 16.2, 16.4, 17		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
96	A licensee must comply and require its expert to comply with the ERA’s standard guidelines dealing with the performance audit.	
97	A licensee’s independent auditor must be approved by the ERA prior to the audit.	
98	A licensee may be subject to individual performance standards.	
Observations		
On 30 October 2017, the ERA approved Perth Energy’s independent auditor, KPMG, to undertake the 2017 gas trading licence performance audit. The audit plan which was approved by the ERA on the 31st January 2018, was prepared in accordance with the Authority’s 2014 Audit and Review Guidelines.		
Through observation and discussion with the General Manager EMR Regulation, there were no applicable individual performance standards issued by the ERA prior to the 2017 performance audit.		
Based on our enquiries and review of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 99		Compliance Rating A / 1
Licence Clause: Distribution Licence clause 18 Trading Licence clause 20		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
99	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.	
Observations As per the General Manager EMR Regulation, review of Perth Energy’s Gas General Obligations Compliance Procedure and observation of email and letter notifications, it was determined that Perth Energy processes recognise that all notices in relation to Perth Energy’s licence obligation must be in writing, and within the specified timeframes. We have obtained and reviewed example of notices as well as notice templates between Perth Energy, the ERA and gas customers. Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 100, 101		Compliance Rating A / 1
Licence Clause: Distribution Licence clause 19.1, 20 Trading Licence clause 21.1, 22.1		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
100	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	
101	A licensee must report to the ERA if the licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances that may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.	
Observations		
As per the Manager Business Support and through examination of Perth Energy's audited annual report, Perth Energy maintains accounting records that comply with the Australian Accounting Standards Board. Through these discussions it was also noted Perth Energy review their accounting policy annually to ensure it is updated to reflect any changes in standards, as well as provides audited financial statements prepared by KPMG.		
The Manager Business Support noted that during the audit period 30 November 2009 to 30 November 2017, there were no instances where Perth Energy experienced a significant change in its corporate, financial or technical circumstances, nor were there any instances where Perth Energy was under external administration.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, and Perth Energy has complied with the licence condition during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 102, 103, 281, 282, 283, 275B, 277B, 278B, 279B, 280B		Compliance Rating A / 1
Licence Clause: Distribution Licence clause 21.1, 22 Trading Licence clause 23.1, 24 Trading Licence clause 2.1 and Schedule 2 Distribution Licence clause 2.1 and Schedule 2 Compendium clause 13.1, 13.2, 13.3 and clause 13.15, 13.17(1-3), 13.18		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
102	A licensee must provide to the ERA any information that the ERA may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA.	
103	A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified.	
281	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	
282	A report referred to in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	
283	A report referred to in clause 13.1 must be published by the date specified by the ERA.	
275B*	A retailer must prepare a report in respect of each reporting year setting out the information in the records specified in clause 13.15(a)-(d).	
277B*	The annual retailer and distributor reports specified in clauses 13.15 and 13.16 are to be published not later than the following October 1.	
278B*	A report is published for the purposes of clause 13.17(1) if copies of it are available to the public, without cost, at places where the retailer or distributor transacts business with the public, and a copy of it is posted on a website maintained by the retailer or distributor.	

279B*	A copy of each report must be given to the Minister and the ERA not less than 7 days before it is published.
280B*	A retailer and distributor must provide the information in the records in clauses 13.15 and 13.16 to the ERA in a format acceptable to the ERA no later than the following 23 September.
Observations <p>Through discussion with the General Manager EMR Regulation and examination of Perth Energy's annual Performance Report and Compliance Report submitted to the ERA, it was determined that the required reports setting out the information specified, had been submitted to the ERA within the prescribed timeframe, manner and form. Information directed by the ERA is also published on the Perth Energy corporate website. A compliance tracker is also in place to track and monitor ERA directives.</p> <p>Based on our enquiries and review of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence obligation during the audit period.</p>	
Adequacy of Controls Rating	A – Adequate controls – no improvement needed
Compliance Rating	1 - Compliant
Corrective Action/Opportunity for Improvement N/A	

Compliance Manual Reference: 109		Compliance Rating A / NR
Licence Clause: Trading Licence clause 15.1 and 15.2		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
109	A licensee must maintain supply to a customer if it supplies, or within the last 12 months supplied, gas to that customer’s premises unless another supplier starts supplying the customer.	
Observations		
<p>Through discussions with key personnel and review of relevant documentation it was noted that Perth Energy would maintain its supply to a customer’s premises as long as there is a contract in place; unless, the customer has been disconnected due to a breach of their contract. Perth Energy have a disconnections procedure in place and it was noted disconnection only takes place as a last resort. Perth Energy have not disconnected a small-use gas customer during the audit period.</p> <p>It was noted that Perth Energy’s customer contracts exist up until the point in which a customer’s contract is terminated. Perth Energy have internal processes in place as well as a provision with both their standard and non-standard form contract that confirms that a contract can be terminated if:</p> <p>(a) the customer enters into a new contract for the supply of gas with Perth Energy;</p> <p>(b) the customer enters into a contract for the supply of gas with another retailer; or</p> <p>(c) the customer is disconnected, and Perth Energy terminate this contract.</p> <p>Perth Energy are yet to encounter a situation where a small-use gas customer has entered into a contract for the supply with another retailer. However, in the event that this does occur Perth Energy cannot just churn the customer out, the contract will end when Perth Energy receive a notification from the Network Operator that the premises has been transferred to another gas retailer in accordance with the Retail Market Rules. The market operates on the basis that the new supplier must churn a new customer in, this is to ensure that there is never a lapse in the customers supply.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls with no improvement needed however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 110, 111		Compliance Rating A / NR
Licence Clause: Trading Licence Schedule 3 clause 1.5, 1.7		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
110	A licensee must provide the ERA within 3 business days of a request by the ERA with reasons for refusing to commence supply to a customer if requested by the ERA.	
111	A licensee must comply with a direction from the ERA to supply a customer, subject to specified conditions.	
Observations As per discussion with the General Manager EMR Regulation, the ERA initiates communications with any requests or required actions to the CEO of Perth Energy. The CEO delegates the request to GM EMR Regulation, who is the main liaison between Perth Energy and the ERA. The General Manager EMR Regulation recognises that any direction from the ERA must be complied with. As per the General Manager EMR Regulation, the ERA has not directed Perth Energy to supply or refuse to commence supply to a customer during the audit period 30 November 2009 to 30 November 2017. Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however due to no events occurring during the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 114, 115, 116, 246, 125B		Compliance Rating A / 1
Licence Clause: Trading Licence clause 19.1, 19.2, 2.1 Energy Coordination Act section 11ZPP Code of Conduct clause 2.1 Schedule 2 Distribution Licence clause 2.1 Schedule 2 Compendium clause 10.10(1)		
Licence Obligation: Energy Coordination Act sections 11ZPP and 11M Code of Conduct clause 2.1 and clause 2.5(1),(2)		Reporting Type 2
Obligation Description		
114	A licensee must comply with the Gas Marketing Code of Conduct.	
115	A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct.	
116	A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct.	
246	A retailer must advise a customer on request how the customer can obtain a copy of the Gas Marketing Code and the Compendium; and make a copy of the Gas Marketing Code and the Compendium available on the retailer’s website.	
125B*	A marketing representative must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.	
Observations		
<p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy are aware of their requirement to comply with the Gas Marketing Code of conduct and endeavour to ensure that all of their employees comply with the Gas Marketing Code of Conduct.</p> <p>Perth Energy do not have gas marketing agents however, they require all of their employees to complete induction training on the Gas Marketing Code of Conduct which includes Part 2 of the Code of Conduct.</p> <p>Perth Energy have a copy of both the Gas Marketing Code and the Compendium are available on their corporate website and it was noted as per the Business Sales team that upon customer request, Perth Energy would direct the customer as to where they can obtain a copy of these documents and provide them with a copy of these documents via the customers preferred form of communication, if required.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 - Complaint	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 117, 119, 121B		Compliance Rating A / 1
Licence Clause: Trading Licence clause 19		
Licence Obligation: Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(1), 2.3(1) Code of Conduct clause 2.4(1)		Reporting Type 2
Obligation Description		
117	A retailer or gas marketing agent must ensure that standard form contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	
119	A retailer or gas marketing agent must ensure that non-standard contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	
121B*	When a customer enters into a new contract that is not an unsolicited consumer agreement with a retailer or gas marketing agent, a retailer or gas marketing agent must, at the time the contract is entered into, offer to give or make available to the customer a copy of the contract. If the customer accepts the offer, the retailer or gas marketing agent must, at the time the contract is entered into, or as soon as possible thereafter, but no more than 28 days later, give or make available to the customer a copy of the contract.	
Observations		
<p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy ensure that they record the date that both the standard form contract and the non-standard form contract was entered into.</p> <p>Perth Energy also obtain verifiable consent from their customers that a contract has been entered into before the contract can progress, a record of the customers verifiable consent is saved to their customer file.</p> <p>Perth Energy provide a copy of either the standard form contract or the non-standard for contract and the relevant terms and conditions to a customer, at no charge at the time the standard form contract is entered into. In the event that the standard form contract was entered into over the telephone, a copy of the contract will be provided as soon as possible, but not more than 5 business days after contract was entered into. Therefore complying with the requirements of the obligation.</p> <p>We have confirmed that during the audit period Perth Energy negotiated a non-standard form contract with all of their small-use gas customers.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 124, 128, 129, 257, 258, 259B, 265B, 266B		Compliance Rating A / 1
Licence Clause: Trading Licence clause 19, 2.1 Schedule 2 Distribution Licence clause 2.1 Schedule 2 Compendium clause 12.3, 12.4 and clause13.1(1),13.3(1-2)		
Licence Obligation: Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(1), 2.9, 2.10 Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
124	A retailer or gas marketing agent who contacts a customer for the purposes of marketing must, on request, provide the customer with the retailer's complaints telephone number, the gas ombudsman's telephone number and, for contact by a gas marketing agent, the gas marketing agent's marketing identification number.	
128	A gas marketing agent must: · keep a record of each complaint made by a customer, or person contacted for the purposes of marketing, about the marketing carried out by or on behalf of the gas marketing agent; and · on request by the gas ombudsman in relation to a particular complaint, give to the gas ombudsman all information that the gas marketing agent has relating to the complaint within 28 days of receiving the request.	
129	Any record that a gas marketing agent is required to keep by the Code of Conduct, must be kept for at least 2 years after the last time the person to whom the information relates was contacted by or on behalf of the gas marketing agent.	
257	A retailer, distributor and gas marketing agent must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	
258	When a retailer, distributor or gas marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known).	
259B*	Unless expressly provided otherwise, a retailer, distributor or gas marketing agent must keep a record or other information as required to be kept by the Code of Conduct and the Compendium for at least 2 years from the last date on which the information was recorded.	
265B*	A retailer must keep a record of the total number of complaints received from residential and business customers, as well as keeping a record of the complaint indicators specified in clause 13.3(1)(b)-(f).	
266B*	A retailer must keep a record of the details of each complaint referred to in clause 13.3(1)	
Observations		
<p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy do not use Gas Marketing Agents for the purposes of their marketing, however employees are trained in the Gas Marketing Code of Conduct, with each employee being issued an ID badge and personal marketing identification number upon completion of this training.</p> <p>As per the Business Sales team it was noted that their complaints telephone number, the gas ombudsman's telephone number and, employees marketing identification number would be provided to a customer upon request. It was confirmed that both Perth Energy's complaints telephone number and the gas ombudsman's telephone number are listed on their corporate website and each customer invoice issued. It was confirmed through our discussions that a customer, upon request, would at no charge be provided with and directed to the relevant section of their website, for the relevant contact information, and any information that will assist the customer in utilising the complaints handling process.</p> <p>If upon receiving a complaint that is not directly relevant to Perth Energy's functions, the employee who receives this complaint will advise the customer of and provide them with the contact details for the relevant entity. It was noted, as per the GM, Retail that the enquiries and complaints switch board is answered by the Business Support team, if they are unsure of the correct entity to refer a customer, they will put that customer through to their personal Account Manager (if known) or a Business Account Manager who can further investigate the nature of the complaint and advise the customer accordingly.</p> <p>Perth Energy have a complaints handling procedure that requires a record of all customer complaints received. Complaints are logged within their complaints register from initial receipt through to resolution, tracking all points of contact along the way: complaints are also directly attached the customer's personal file. It was noted that any information with regards to a complaint would be provided to the gas ombudsman, upon their request, within the time frame specified.</p> <p>It was also noted that any information relating to a complaint is recorded and kept indefinitely on the licensee's database.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>		

Adequacy of Controls Rating	A – Adequate controls – no improvement needed
Compliance Rating	1 – Compliant
Corrective Action/Opportunity for Improvement N/A	

Compliance Manual Reference: 125, 126, 127	Compliance Rating A / 1
Licence Clause: Trading Licence clause 19	Reporting Type 2
Licence Obligation: Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(2), 2.6, 2.8	

Obligation Description	
125	A retailer or gas marketing agent who meets with a customer face to face for the purposes of marketing must: <ul style="list-style-type: none"> • wear a clearly visible and legible identity card showing the information specified; and • as soon as practicable provide the customer, in writing, the information specified.
126	A retailer or gas marketing agent who visits a person's premises for the purposes of marketing, must comply with any clearly visible signs at the premises indicating that canvassing is not permitted or no advertising material is to be left at the premises.
127	A person who carries out any marketing activity in the name of or for the benefit of a retailer or a gas marketing agent is to be taken to have been employed or authorised by the retailer or gas marketing agent to carry out that activity, unless the contrary is proved.

Observations

Through discussions with key personnel it was noted as per the Business Sales team that Perth Energy do not have Gas Marketing Agents. However, induction training is provided to employees on the Gas Marketing Code of Conduct. Each employee upon completion of this training is provided with an ID badge that includes all of the information listed in the regulation.

On the occasions where Perth Energy employees are required to make site visits for the purposes of marketing, employees are aware of their obligation to wear and make clearly visible their ID card as soon as practicable provide the customer, in writing, the information specified. ID cards are attached to employee's access cards required for entrance into their office premises to try and ensure that all employees comply with this obligation.

Through our discussions with key personnel it was noted that the requirement for employees who visit a premises for the purpose of marketing are covered in the Gas Marketing Code of Conduct training. The obligation for employees to comply with any clearly visible signs that indicate that canvassing is not permitted, or that no advertising material is to be left at the premises is included and made apparent to Perth Energy employees upon conducting this training.

The Gas Marketing Code of Conduct training and ID card indicated that an employee has been authorised to conduct marketing on behalf of Perth Energy. Identification Cards clearly display the Perth Energy logo confirming that that employee has been employed and or authorised to conduct marketing activity on behalf of Perth Energy.

In addition to this Perth Energy do not engage with any external marketing agents to ensure that they are accountable for and have been trained appropriately.

Through our discussions with the General Manager Retail it was noted that any fraudulent activity would get picked up through their internal checking processes and reported to the police.

Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.

Adequacy of Controls Rating	A – Adequate controls – no improvement needed
Compliance Rating	1 – Compliant
Corrective Action/Opportunity for Improvement N/A	

Compliance Manual Reference: 134, 135		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 3.1(1)(2)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
134	If a retailer agrees to sell gas to a customer or arrange for the connection of the customer’s supply address, the retailer must forward the customer’s request for the connection to the relevant distributor.	
135	Unless the customer agrees otherwise, a retailer must forward the customer’s request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day, if the request is received after 3pm or on a weekend or public holiday.	
Observations As per the Manager Business support and upon review of Perth Energy’s Gas Disconnections and Reconnections Procedure and Gas General Obligations Compliance Procedure, if Perth Energy agrees to arrange the connection/reconnection for a customer, a service request will be forwarded to ATCO (the distributor) in accordance with the prescribed timeframes and criteria noted in Obligations 134 and 135. Upon consideration of Perth Energy’s connection and reconnection procedures, all service request are submitted manually through an excel-based tool that communicates directly to ATCO. Use of this tool is restricted to the Credit Control team who are trained to schedule a service order for connection in accordance to Perth Energy’s Gas Disconnection and Reconnections Procedure manual. All of the customers in place at Perth Energy are currently on non-standard form contracts with commencement dates for the supply of gas are negotiated ahead of time. Upon examination of a customer connection request, through inspection of the relevant churn report and the commencement date on the customer’s contract, it was determined that the customer was connected in accordance to the timeframes and criteria stipulated in obligation 134 and 135. Based on enquiries and observation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 146, 146B		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.4		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
146	A retailer must issue a bill to a customer at the address nominated by the customer, which may be an email address.	
146B*	A retailer must issue a bill to a customer at the customer’s supply address, unless the customer has nominated another address or an electronic address.	
Observations		
<p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy issue their bills in the customers preferred form. Section 5 of their Gas Billing Compliance Procedure specifies that a retailer must issue a bill to a customer at the address nominated, which may be an email. The Manager Billing informed us that bill invoices are predominantly sent via email, but there is an option to provide customers with a physical bill should the customer’s request. Customer details are collected prior to creating a customer contract for the purpose of credit control, and these details are manually entered into the Gentrack when setting up a customer within the system. Perth Energy’s billing system picks up the details which have been input into the system when bills are raised</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 148, 149		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5(2), 4.5(3)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
148	Notwithstanding clause 4.5(1)(bb), a retailer is not obliged to include a graph or bar chart on the bill, if the bill meets the criteria specified in clauses 4.5(2)(a)-(c).	
149	If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with or on the customer's next bill.	
Observations Through our discussions with key personnel and review of bill templates and relevant documentation, it was noted that Perth Energy's Gas Billing Compliance Procedure includes a provision that directly addresses the criteria specified in clauses 4.5(2)(a)-(c). The Manager Billing confirmed that Perth Energy provide a graph or bar chart on every customer invoice as required by the ERA: These graphs are auto generated from Gentrack. Perth Energy's Gas Billing Compliance Procedure includes a provision that directly addresses Perth Energy's approach to historical debt. It was noted that if Credit Control identifies a historic debt and wishes to bill the customer for that debt, they must advise the customer of the amount of that debt, the basis of that debt before, with or on the customer's next bill. Through our discussions with the Manager Billing it was noted that any balance is carried forward and displayed on the front page of a customer's invoice, historical debt would be included in the total amount payable and detailed as an additional transaction. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 150, 152		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.6(1) and 4.7(2)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
150	A retailer must base a customer’s bill on the distributor’s or metering agent’s reading of the meter at the customer’s supply address, or the customer’s reading of the meter provided the retailer and the customer agreed that the customer will read the meter.	
152	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills.	
Observations		
Based on discussions with the Manager Billing and Billing Officer it was noted that Perth Energy base their billing on meter readings received from ATCO. Each day, Perth Energy obtain customer data from ATCO for their small-use gas customers. The data will indicate whether it was an actual read or estimated. Perth Energy currently does not allow customer self reads.		
Based on discussions, it was noted that Perth Energy customer billing data is obtained daily from ATCO via an automated system procedure. This data is checked to ensure it belongs to Perth Energy customers and it automatically uploaded into Gentrack for billing purposes on a daily basis. If no data is provided during the time required to generate a bill, Perth Energy will request a substitute reading from ATCO. Sample testing of 2 small-use gas customers on quarterly billing periods found that meter data was obtained at least as often as required.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 159, 160		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.11(1), 4.11(2)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
159	If a customer requests the meter to be tested and pays a retailer’s reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.	
160	If the meter is tested and found to be defective, the retailer’s reasonable charge for testing the meter (if any) is to be refunded to the customer.	
Observations Through our discussions with key personnel and review of the Gas Billing Compliance Procedure and Non Standard Form Contract Terms and Conditions, we confirmed that in accordance with the relevant regulation, should a customer request a reading of their meter, Perth Energy will facilitate this request and coordinate with the network operator to ensure that this is performed. All of the gas services/works fee charged are listed on Perth Energy’s corporate website – these fees are a directly passed through from the network operator and will be charged to the customer once Perth Energy receive an invoice. It was confirmed through our discussions that Perth Energy do not deal with the testing of customer meters, only with liaising between the customer and ATCO. The Manager Billing confirmed that there have been no requests from a small-use gas customer for their meter to be tested, during the audit period. In the event of a request for a meter to be tested and it is found to be defective, Perth Energy would ensure that the reasonable charge for testing the meter (if any) is to be refunded to the customer. They confirmed that in relation to meter requests Perth Energy only charge any fees that have been passed through from the network distributor. If any charges are passed through that the customer is unhappy with it would be dealt as a complaint. Complaints in relation to charges from ATCO would be transferred directly to ATCO. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 176		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.19(1)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
176	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of the customer, the retailer must follow the procedure specified in clauses 4.19(1)(a)-(d).	
Observations		
Based on review of the Gas Billing Compliance Procedure, we note that Perth Energy are acting in accordance with the obligations regarding adjustments due to no act or omission of a customer.		
It is noted that the Non-Standard Form Contract Terms and Conditions include stipulations regarding recovering undercharged amounts, and are in accordance with the obligations.		
Based on discussions with the Manager Billing and Administrator Billing we note that an auto-adjustment tool is used to work out any billing differences due to estimated meter readings. It is noted that the tool does not have the functionality to account for the 12 month restriction, but staff are aware and this component is manually checked. The customer Account Manager and Credit Control contacts the customer to notify them and offer instalments for repayment.		
It is noted that there were no adjustments performed for small-use gas customers, during the audit period.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 181		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.1		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
181	The due date on the bill must be at least 12 business days from the date of that bill, unless otherwise agreed with the customer. The date of the dispatch is the date of the bill, unless the retailer specifies a later date.	
Observations Through interviews with the Manager Business Support it was noted that for all standard form contract bills the due date is 14 business days from the date of the bill. However, as per Schedule 2 Gas Compendium Clause 1.4, clause 5.1 is exempt from non-standard contracts if agreed between the retailer and the customer. During the audit period, all small-use gas customers were supplied gas on a non-standard form contract. Payment term options for non-standard form contract customers are agreed to in with non-standard terms and conditions. Of the payment term options considered during the audit period, only the 14 calendar day option may be shorter than the 12 business days. It was noted upon review of all (8) small-use gas customer contracts, that all contracts have payment terms of a minimum of 12 business days. Sample testing of 1 bill noted that the payment term was 12 business days from the date of issue. Based on our enquiries and review of documentation, we have concluded that there adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate Controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 183		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.3		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
183	Prior to a direct debit facility commencing, a retailer must obtain the customer’s verifiable consent and agree with the customer the date of commencement of the direct debit facility and the frequency of the direct debits.	
Observations On inspection of Perth Energy’s Direct Debit Request Form, it was noted that customers are required to give signed authorisation that they consent and agree with the date of commencement of the direct debit facility and frequency of direct debits. Through discussion with the Manager Business Support, it was noted that a direct debit facility for a customer could not be set-up without a signed and complete copy of the Direct Debit Request Form. It was further noted that there have been no small use gas customers with direct debit facility’s during the audit period. Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 184		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.4		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
184	A retailer must accept payment in advance from a customer on request. The minimum amount a retailer will accept an advance payment is \$20, unless otherwise agreed with a customer.	
Observations		
Through discussion with the Business Support Manager and inspection of Perth Energy’s Gas Residential Financial Hardship procedure, it was noted that:		
<ul style="list-style-type: none">The minimum amount for which payment in advance is accepted by Perth Energy is \$20, unless otherwise agreed with the customer.During the audit period, there have been no instances where a small-use gas customer has opted to pay in advance, nor any customers experiencing financial hardship.		
Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place; however, due to no events in the audit period, we were unable to test Perth Energy’s compliance with this obligation.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 185		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.5		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
185	If a customer is unable to pay by way of the methods described in clause 5.2, due to illness or absence, a retailer must offer a residential customer a redirection of the customer’s bill to a third person, at no charge.	
Observations Through discussion with the Business Support Manager and inspection of Perth Energy’s Gas Bill Payments Compliance Procedure, it was noted that a retailer must offer a residential customer a redirection of the customer’s bill to a third person at no charge, if they are unable to pay by any of the following methods: By mail; Electronically by BPay or credit card; By telephone by means of credit or debit card; or By Centrepay. As per the Gas Bill Payments Compliance Procedure , if the customer accepts the redirection of billing to a third person, both parties must provide written consent to Perth Energy. The Credit Control team updates the billing information in Gentrack to reflect the new payment details Enquiry with the business support team noted that during the audit period, there have been no instances of a customer redirecting their bill to a third person in the circumstances prescribed in Obligation 185. Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place; however, due to no events in the audit period, we were unable to test Perth Energy’s compliance with this obligation.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 186, 189, 186A		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.6(1)(2)(5)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
186	A retailer must not charge a residential customer a late payment fee in the circumstances specified in clauses 5.6(1)(a)-(d).	
189	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to the residential customer’s last bill prior to the assessment being made.	
186A	If a retailer has charged a late payment fee in the circumstances set out in clause 5.6(1)(c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer’s next bill.	
Observations		
<p>Through discussions with the business support manager and inspection of Perth Energy’s Gas Bill Payments Compliance Procedure, it was noted that in the following circumstances, a customer would be removed from the regular disconnection credit cycle, and therefore late fees:</p> <ul style="list-style-type: none">• In the event that a customer was on a concession;• If the customer has a payment extension, and pays by the new due date;• All customers on instalment plans, assuming the customer is maintaining their payments;• In the event of a customer complaint, Perth Energy would suppress the customer’s account until such time as the complaint is resolved. A suppressed account will not proceed through any credit collection cycles until such time that the suppression period has lapsed; and• Customers assessed as being in financial hardship, who are offered either a payment arrangement or extension of time to pay. <p>In the event that a customer has been incorrectly charged a late fee (if a customer is subsequently assessed as experiencing financial hardship or if Perth Energy was not aware of a complaint) Perth Energy would retrospectively refund the late payment fee. If at any time (outside of the circumstances prescribed in obligation 186) a customer is charged a late fee and requests for the late fee to be waived, Perth Energy may waive the fee after reasonable consideration.</p> <p>Enquiry with the business support team noted that during the audit period, there have been no instances of residential customers being charged a late payment fee. Furthermore, there have been no customers on concession, nor experiencing financial hardship during this period.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place; however, due to no events in the audit period, we were unable to test Perth Energy’s compliance with this obligation.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 187, 188		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.6(3)(4)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
187	If a retailer has charged a residential customer a late fee, a retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice.	
188	A retailer must not charge a residential customer more than 3 late payment fees in relation to the same bill, or more than 12 late payment fees in a year.	
Observations As per the Manager Business Support and Perth Energy’s Gas Bill Payments Compliance Procedure, Perth Energy will not charge additional late fee payments in relation to the same bill. Through consideration of the credit collection cycle built into Gentrack, it was noted that late fees are automatically applied to the customer’s account 5 business days after the bill’s overdue date but will not be applied again. As such, it is only possible for one late fee to be applied to individual bills. It is also noted that Perth Energy do not offer shortened billing cycles, ensuring customers are not charged more than 12 late payment fees in a year. As per the Manager Business Support, there have been no cases where a small use gas customer had been charged a late fee for non-payment of their bill during the audit period 30 November 2009 to 30 November 2017. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 190, 191, 192		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.7(1)(2)(3)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
190	A retailer must not require a customer who has vacated a supply address, and who has given the retailer notice, to pay for gas consumed at the customer’s supply address in the circumstances specified in clause 5.7(1), unless the retailer and the customer have agreed to an alternative date.	
191	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require a customer to pay for gas consumed at the customer’s supply address from the date the customer gave the retailer notice.	
192	Notice is given if a customer informs a retailer of the date on which the customer intends to vacate, or has vacated the supply address, and gives the retailer a forwarding address to which a final bill may be sent.	
Observations		
<p>As per discussion with the Manager Business Support and Perth Energy’s Gas Bill Payments Compliance Procedure, Perth Energy will not require customers to pay for gas consumed at the customer’s supply address under the following circumstances:</p> <ul style="list-style-type: none">• If the customer has vacated a supply address and has given Perth Energy notice; or• If the customer reasonably demonstrates they have been evicted or otherwise required to vacate a supply address. <p>When a customer notifies Perth Energy of their intention to vacate, the Account Manager would notify the Business Support team to arrange for finalisation of the customer’s account. Business support would submit a service order to ATCO to arrange for a final meter read.</p> <p>Through consideration of Perth Energy’s account closure process, it was noted that once a customer’s account has been finalised in Gentrack, the customer will receive a final bill and will not receive bills after this period.</p> <p>As per the Manager Business Support, there have been no instances of account closure due to a customer vacating a supply address or eviction.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed, however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		

Compliance Manual Reference: 193, 196, 196A		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.7(4), 5.8(2), 5.9		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
193	Notwithstanding clauses 5.7(1) and 5.7(2), a retailer must not require a customer to pay for gas consumed at the customer’s supply address in the circumstances specified in clauses 5.7(4)(a)-(c).5	
196	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of gas to that supply address.	
196A	If a customer with a debt owing to a retailer requests the retailer to transfer the debt to another customer, the retailer must obtain the other customer’s verifiable consent to the transfer of debt.	
Observations		
<p>As per the Manager Business Support and Perth Energy’s Gas Bill Payments Compliance procedure, Perth Energy will only recover or attempt to recover a debt relating to a supply address from the customer who had entered into the contract with Perth Energy for that supply address unless otherwise requested by the customer. In the event that the customer with the debt owing to Perth Energy requests to transfer the debt to another customer, Perth Energy will obtain verifiable consents from both parties before transferring the debt.</p> <p>Through discussions, it was also noted that once a contract is established and formalised in Gentrack, the system will not permit an amount to be billed to the previous customer of the same supply address. Additionally, once a customer’s account is finalised in Gentrack (e.g. due to switching retailer or vacating the supply address) they will no longer be charged for the supply of gas.</p> <p>As per the Manager Business Support, there have been no instances where Perth Energy have charged for gas or attempted to recover a debt in the circumstances stipulated in obligations 193 and 196, nor have there been any instances of a customer requesting to transfer their debt owing to another customer, during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance was not rated.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 195		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.8(1)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
195	A retailer must not commence proceedings for recovery of a debt from a residential customer who has informed a retailer that the customer is experiencing payment difficulties or financial hardship; or while a residential customer continues to make payments under an alternative payment arrangement.	
Observations As per the Manager Business Support and Perth Energy’s Gas Bill Payments Compliance Procedure, Perth Energy will not commence proceedings for recovery of debt from a residential customer who is experiencing payment difficulties or financial hardship, or while a residential customer continues to make payments under an alternative payment arrangement. All customers who have entered into arrangements to pay are flagged on Gentrack and consequently removed from commencement of debt recovery so long as the customer is maintaining their arrangements with Perth Energy. Through these discussions, it was also noted that debt collection is taken only as a last resort for customers who have left Perth Energy with an unpaid debt and all other measures had been exhausted. As such, Perth Energy would not commence the collection of debt in relation to a customer debt if a customer has entered into, and continues to maintain their payment arrangement. As per the Manager Business Support, there have been no customers experiencing payment difficulties or financial hardship, nor has there been a customer on an alternative payment arrangement during the audit period 30 November 2009 to 30 November 2017. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 197		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.10		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
197	Where a retailer and residential customer have entered into a dual fuel contract, or separate contracts for the supply of electricity and gas, the retailer must apply a payment received from a residential customer for charges for the supply of electricity or gas in the circumstances specified in clause 5.9.	
Observations		
<p>Perth Energy do not have any residential customers on dual fuel contracts during the audit period, however there is one residential customer who has separate contracts in place for the supply of gas and electricity.</p> <p>Under the current process, the customer will indicate which account (Gas or Electricity) they would like to allocate payment to when sending payment electronically or by phone. This is done by using the reference number of the relevant bill.</p> <p>In the event the customer does not use a reference number from the bill to indicate how they would like a payment to be made, the Accounts Receivable team will contact the customer and confirm how to allocate the payment.</p> <p>This process is reflected in a Work Instruction maintained by the Finance and Billing team.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 207		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.4(4)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
207	If a residential customer has in the previous 12 months had 2 instalment plans cancelled due to non-payment, a retailer does not have to offer that residential customer another instalment plan, unless the retailer is satisfied that the residential customer will comply with the proposed plan.	
Observations		
As per the Manager Business Support and Perth Energy’s Gas Residential Financial Hardship Procedure, before Perth Energy offers a customer an instalment plan, Credit Control will check if the customer has had any previous instalment plans cancelled due to non-payment in the previous 12 months. If the customer has had two instalment plans cancelled due to non-payment in that period, Perth Energy would investigate the reasons for non-payment and may offer another payment plan if the Account Manager is satisfied that the customer will comply with the proposed plan. All customer payment arrangement history is captured in Gentrack.		
As per the Manager Business Support, there have been no instances of a residential customer on an instalment plan during the audit period 30 November 2009 to 30 November 2017.		
Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however due to no events in the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 219, 220A, 218B		Compliance Rating A / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.10(6)(8) and clause 6.10(5)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
219	If directed by the ERA, the retailer must review its hardship policy and hardship procedures and submit to the ERA the results of that review within 5 business days after it is completed.	
220A	If a retailer makes a material amendment to its hardship policy, the retailer must submit a copy of the amended policy to the ERA within 5 business days of the amendment.	
218B*	Unless otherwise notified in writing by the ERA, a retailer must review its hardship policy at least annually and submit to the ERA the results of that review within 5 business days of its completion.	
Observations As per discussion with the General Manager EMR Regulation, the ERA initiates communications with any requests or required actions to the CEO of Perth Energy. The CEO delegates the request to GM EMR Regulation, who is the main liaison between Perth Energy and the ERA. The General Manager EMR Regulation recognises that any review or amendment made to Perth Energy's Hardship Policy and Hardship Procedures must be submitted to the ERA as per specified timeframes. The GM EMR Regulation maintains a personal calendar, and regularly updates a Compliance Status tracker which is used to monitor the progress of any compliance activities underway and for planning upcoming compliance tasks, with the relevant timeframes prescribed. As per the General Manager EMR Regulation, the ERA has not directed Perth Energy to review its hardship policy and hardship procedures during the audit period 30 November 2009 to 30 November 2017. Based on our enquiries and review of documentation, we have concluded that there are adequate controls in place, however due to no events occurring during the audit period, compliance was not rated.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 237		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.2(4)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
237	A retailer must keep a customer’s billing data for 7 years.	
Observations Based on discussions with the Manager Billing we noted that data is kept for at least 7 years on Gentrack, however none of the existing customers have been with Perth Energy for that length of time. Data is also archived on a local share drive that is accessible to members of the billing team so that it can re-uploaded if necessary. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 245		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Distribution Licence clause 2.1 Schedule 2 Compendium clause 10.9		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type NR
Obligation Description		
245	A retailer and distributor must, to the extent practicable, ensure that any written information that must be given to a customer by the retailer, distributor or gas marketing agent under the Gas Marketing Code and the Compendium is expressed in clear, simple and concise language and is in a format that makes it easy to understand.	
Observations		
As per the Manager Business Support, all written information that is required to be given to the customer under the Gas Marketing Code and the Compendium is internally reviewed, and all contracts pass through external lawyers before publication. Templates are used for notices that are sent out to customers.		
Through observation and review of the documentation presented to customers, it was noted that the written information was clear, simple and concise. The documents were structured and worded in a way that makes it easy for the customer to understand.		
Based on our enquiries and review of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – No improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 249		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Distribution Licence clause 2.1 Schedule 2 Compendium clause 10.11(1)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
249	A retailer and distributor must make available to a residential customer on request, at no charge, services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	
Observations As per the Manager Business Support and examination of customer bills, it was noted that Perth Energy provides information regarding interpreting and TTY services for its customers and provides for large print copies to be issued on request, at no charge. The first page of Perth Energy’s Gas Supply (Small Use) Terms & Conditions also lists contact information for interpreter services, TTY services and National Relay services. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	Adequate controls – no improvement needed	
Compliance Rating	1 – Compliant	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 256		Compliance Rating A / 1
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 12.2		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
256	A retailer must comply with any guideline developed by the ERA relating to distinguishing customer queries from customer complaints.	
Observations In order to assist with distinguishing a complaint from a query, the Economic Regulation Authority (ERA) published a document entitled “Customer Complaints Guidelines: distinguishing customer queries from complaints in December 2016. From discussions with key personnel and review of the Complaint Handling Procedure we determined that Perth Energy distinguish between a customer query and a customer complaint as required by the regulation. A complaint is defined as: “an expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of complaint, where a response or resolution is explicitly or implicitly expected or legally required.” Examples are given to help employee’s differentiate between a complaint and a query and a further link to the ERA guidelines is also provided. This differentiation is implemented into their complaints handling process. Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.		
Adequacy of Controls Rating	A – Adequate controls – no improvement needed	
Compliance Rating	1 - Compliant	
Corrective Action/Opportunity for Improvement N/A		

5.4. Obligations rated Not Performed or Not Applicable during the audit period

Compliance Manual Reference: 17		Compliance Rating NA / NA
Licence Clause:		
Trading Licence clause 5.1, Distribution Licence clause 5.1		Reporting Type NR
Licence Obligation:		
Energy Coordination Act section 11ZK(3)		
Obligation Description		
17	A licensee must pay the costs and expenses incurred in the taking of an interest or easement in respect of land held by a public authority.	
Observations		
Based on our discussion with key personnel it was noted that:		
<ul style="list-style-type: none">Perth Energy have not undertaken any interest or easement in respect of land held by a public authority. As a retailer Perth Energy do not own the land, easements, infrastructure, or meters as these are owned by the network operator ATCO.Perth Energy cannot direct ATCO in the purchase of any interest or easement in respect of land however they can file a connection request - this has not occurred within the audit period for any small-use gas customers.In the event that ATCO was required to take an interest or easement of land for the purposes of connecting a Perth Energy customer to the gas distribution network, Perth Energy would ensure payment of these costs and expenses.		
Based on enquiries and observation, it was concluded that the licence condition was not applicable to Perth Energy during the audit period.		
Adequacy of Controls Rating	NA – Not Applicable	
Compliance Rating	NA – Not Applicable	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 18		Compliance Rating NA / NA
Licence Clause: Distribution Licence clause 17.1		
Licence Obligation: Energy Coordination Act section 11ZOR(1)		Reporting Type NR
Obligation Description		
18	A licensee that transports gas through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	
Observations This obligation relates to the distribution of gas only. Perth Energy are a gas retailer and it was confirmed that during the audit period 30 th November 2009 – November 30 th 2017, Perth Energy did not partake in any network distribution activities. Based on enquiries and observation, it was concluded that the licence obligation was not applicable to Perth Energy during the audit period.		
Adequacy of Controls Rating	NA – Not Applicable	
Compliance Rating	NA – Not Applicable	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 65		Compliance Rating NP / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.4.2 AGA Code		Reporting Type NR
Obligation Description		
65	A licensee, who accepts a customer reading of the meter, must not adjust the bill in favour of the licensee if the licensee subsequently discovers the reading was incorrect in favour of the customer.	
Observations Perth Energy do not allow customers to submit any self-read and does not accept a customer meter reading as an actual read. Perth Energy base all of their billing data from ATCO. Should ATCO fail to obtain an actual meter read then ATCO would conduct an estimated read. As and when an actual meter read is taken, the Billing team will process an adjustment and the customer would be re-billed to reflect their true gas usage. Perth Energy confirmed that they will only adjust a bill if there is a better quality data read provided, which would be provided from ATCO as the network operator. Based on enquiries and examination of documentation, it was concluded that no activity has taken place to exercise the obligation during the audit period therefore the obligation was not performed and not rated.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 73		Compliance Rating NP / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 27 (4) and 40 (3)		Reporting Type NR
Obligation Description		
73	A licensee must not supply gas to the customer under a door to door contract during the cooling-off period unless the customer requests supply.	
Observations Through our discussions with the Business Sales team and review of relevant documentation it was noted that that Perth Energy did not engage in door to door marketing during the audit period (30th November 2009 - 30th November 2017). As a result there were no circumstances in which a small-use gas customer was provided with gas under a door to door contract during the cooling off period. Based on enquiries and examination of documentation, it was concluded that no activity has taken place to exercise the obligation during the audit period therefore the obligation was not performed and not rated.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 75, 76 , 77, 78		Compliance Rating NP / NR
Licence Clause: Trading Licence clause 5.1		
Licence Obligation: Energy Coordination (Customer Contracts) Reg 22 and 49 (2)(3)(4)(5)		Reporting Type NR
Obligation Description		
75	A licensee must only provide a credit reporting agency with default information relevant to one of their bills.	
76	A licensee must notify a credit reporting agency immediately if a customer has cleared their debt.	
77	If a customer remedies a default and demonstrates extenuating circumstances, a licensee must request the credit reporting agency to remove the default record.	
78	A licensee must not refer a default to a credit reporting agency that is the subject of a complaint or matter of review.	
Observations		
Through discussion with the Manager Business Support it was determined that Perth Energy do not list customer defaults to Equifax (credit reporting agency). This is due to the fact that there is no clause in Perth Energy’s Terms and Conditions that states a contractually obliged debtor can/will have a credit default listed against them in the event of non-payment of an account once Perth Energy have performed the appropriate due diligence to collect the debt in-line with creditor collection guidelines. Management is planning to update the Terms and Conditions to include such a clause. Until that time, Perth Energy would not default list any customers.		
Based on enquiries and examination of documentation, it was concluded that no activity has taken place to exercise the obligation during the audit period therefore the obligation was not performed and not rated.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement		
N/A		

Compliance Manual Reference: 138, 139, 140, 141, 142, 143		Compliance Rating NP / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.2(1)-(5)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
138	Prior to placing the customer on a shortened billing cycle, a retailer is considered to have given a customer notice if the retailer has advised the customer of the information specified in clauses 4.2(1)(a)-(d).	
139	Notwithstanding clause 4.1(a)(ii), a retailer must not place a residential customer on a shortened billing cycle without the customer's verifiable consent in circumstances specified in clauses 4.2(2)(a)-(b).	
140	A retailer must give the customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	
141	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	
142	Upon request, a retailer must return a customer who is subject to a shortened billing cycle and has paid 3 consecutive bills by the due date, to the billing cycle that previously applied to the customer.	
143	At least once every 3 months, a retailer must inform a customer who is subject to a shortened billing cycle of the conditions upon which a customer can be returned to the customer's previous billing cycle.	
Observations We confirmed as per the Finance and Billing team that Perth Energy do not offer shortened billing cycles. A customer has not yet requested a shortened billing cycle and therefore we could not test for compliance or controls in relation to this obligation. Based on enquiries and examination of documentation, it was concluded that no activity has taken place to exercise the obligation during the audit period therefore the obligation was not performed and not rated.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 144, 145		Compliance Rating NP/ NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.3(1)(2)		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
144	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide the customer with estimated bills under a bill smoothing arrangement.	
145	If a retailer provides a customer with a bill under a bill-smoothing arrangement pursuant to clause 4.3(1), the retailer must ensure that the conditions specified in clauses 4.3(2)(a)-(e) are met.	
Observations We confirmed as per the Finance and Billing team that Perth Energy do not offer a bill smoothing product. Therefore, we could not test for compliance or controls in relation to this obligation. Based on enquiries and examination of documentation, it was concluded that no activity has taken place to exercise the obligation during the audit period therefore the obligation was not performed and not rated.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Compliance Manual Reference: 161, 162, 163		Compliance Rating NP / NR
Licence Clause: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.12(1), 4.12(2), 4.13		
Licence Obligation: Energy Coordination Act section 11M		Reporting Type 2
Obligation Description		
161	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff (and demonstrates to the retailer that they satisfy the conditions of eligibility), a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	
162	For the purpose of clause 4.12(1), the effective date of change in the tariff will be the date on which the last meter reading at the previous tariff was obtained; or, if the change requires an adjustment to the meter at the customer's supply address, the date the meter adjustment is completed.	
163	If a customer's gas use changes and the customer is no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	
Observations Through enquiry and observation with the Manager Billing, it is noted that the licensee does not currently offer alternative tariffs. All small-use gas customers are on non-standard form contracts with negotiated prices. Based on enquiries and examination of documentation, it was concluded that no activity has taken place to exercise the obligation during the audit period therefore the obligation was not performed and not rated.		
Adequacy of Controls Rating	NP – Not Performed	
Compliance Rating	NR – Not Rated	
Corrective Action/Opportunity for Improvement N/A		

Appendix 1

Licensee's representatives who participated in the audit

The table below outlines key personnel who were involved in discussions and contributed to the findings detailed in this Audit Report.

#	Name	Title
1	Kheng Lim	CFO Finance & Support Services
2	John Saratsis	General Manager Retail
3	Liz Aitken	General Manager Operations
4	Patrick Peake	General Manager EMR, Regulation
5	Aisling Conlon	Manager Business Support
6	Yin Heng	Manager Billing
7	Patricia Cavalcanti	Manager Business Sales
8	Etienne Quayle	Manager Business Retention
9	John Nguyen	Manager Operations
10	Craig Beasland	Netlink IT & Systems Consultant
11	Sharon Ward	Administrator Billing
12	Rebecca James	Accounts Officer
13	Joane Fuller	HR Advisor
14	Tahnee Watts	Billing Officer

Appendix 2

Key Documentation and information sources

The table below outlines all documents used in this Audit Report.

#	Name
1	Customer Charter
2	Perth Energy Pty Ltd Standard Form Gas Contract
3	Perth Energy Gas Supply (Small Use) Terms and Conditions
4	Gas sales – terminations flow
5	Saving Consents
6	sales email template inbound consent
7	Verbal Consent Process
8	Complaint PDF Form
9	Complaint Handling Process_Rev0_170213
10	Complaint Handling Procedure_Rev1_170224
11	Complaint Acknowledgement Template [Email]
12	Change of Ownership_Vacation of property - Copy
13	SME_Script_standard and a non-standard contract
14	Gas Marketing Code of Conduct Training
15	Complaints Register 2017/2018
16	Complaints Registers 2009/2017
17	Contract-Application-Checklist-FORM
18	Pre-contract credit recommendation
19	Contract Approval Form GAS
20	Renewal-Opportunity-Upload-Instruction
21	Retail Market Procedures WA
22	PE Gas Customer Safety Awareness Programme
23	Gas Billing Compliance Procedure
24	Gentrack Process Schedule - Billing Process (A.M.)
25	Billing Finalisation
26	Reversing Statement and Invoices Process
27	Customer Bill Review Process
28	Perth Energy Invoice - Bill Template prelim
29	Gentrack Process Schedule - Statements Process
30	Security Deposit Guarantee Subprocesses 29Oct13 (2)
31	Perth Energy Invoice
32	Unbilled Installations process
33	Payment methods
34	Direct Debit Request Form

35	ERA Licensing Fee Payment
36	Gas Billing Payment Compliance Procedure
37	PE Financial Statements Mar 17 v1(signed)
38	PE Special Purpose Financial Statements 31 Mar 2010
39	Billing Data Acquisition Process
40	Adjustments
41	Estimated Bill
42	Billing and Finance – Adjustments
43	Validation Configuration
44	Readings Validation Manager
45	Auditor Approval Email
46	Gas Compliance Reporting Manual
47	Gas Trading Licence Perth Energy Pty Ltd
48	ERA Approval for deferral of Performance Audit
49	Letter advising of deferral of Gas Retail Licence Audit
50	ERA letter for deferral of Gas Audit
51	PE Gas trading licence audit waiver
52	Compliance status
53	Credit cycle 0 small use gas
54	Perth Energy Notice for Non-Payment of Statement
55	Disconnection warning
56	Disconnection Notice
57	Gas Residential Finance Hardship Procedure
58	Gas Customer Financial Hardship Policy
59	Script_inbound call financial hardship
60	Template letters
61	Perth Energy Gas Performance Data Sheets
62	Approved performance audit plan
63	Integrated communication excel tool
64	Life Support Cycle
65	Daily Churn Report
66	SQL query for churn/transfer status
67	Welcome to Perth Energy
68	Perth Energy Gas Trading Licence Compliance Manual
69	Gas Trading Licence 12 Map
70	Credit Assessment Management Policy Procedure
71	Letter re approval – Standard Form Contract (gas)
72	2016-17 PE Gas Compliance Report
73	Gas General Obligations Compliance Procedure
74	PE Learning & Development Register
75	Procedure.HSEQ.002 Crisis Management Preparation
76	Procedure.HSEQ.003 - CMP - Business Recovery and Continuity Plan - Main Office
77	3. Small Use Gas – Training, License obligations - PE Intranet
78	004 Unbilled Installations - Gas

79	005 Auto Adjustment Process
80	5.1 Gas Model Instructions
81	006 Entering Miscellaneous Charges
82	Gas Disconnection and Reconnection Procedure
83	Gas Residential Financial Hardship Procedure

Appendix 3

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Appendix 4

Post Audit Implementation Plan

Note – this plan does not form part of KPMG’s audit findings.

Unresolved during current audit period.

Manual Ref. / Year	Non Compliance/Controls improvement (Rating/Legislative Obligation/Details of Non Compliance or inadequacy of controls)	Auditors’ Recommendation	Management Action to be taken
2/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 2: 2 - A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract.</p> <p>Details: Through discussions with key personnel and inspection of relevant documentation, it was noted that:</p> <ul style="list-style-type: none"> Perth Energy only provide gas to their customers under either a standard form or a non-standard form contract. The Terms and Conditions within the non-standard form contracts outlines that the customer may choose to enter into either a Standard Form Contract, or Non-Standard Form contract (which is a negotiated agreement with specific terms). During the audit period (30th November 2009 - 30th November 2017), Perth Energy’s 8 small-use gas customers were all under non-standard form contracts. Perth Energy have an internal process in place where a member of the Credit Control team will only set up a customer within the billing system (Gentrack) once a signed contract is received from the Sales team and the customer has satisfied their credit control check 	<p>There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous connection service orders being sent to ATCO for a customer until they have been correctly set-up in Gentrack with a signed contract in place. This could involve modifying the tool to prevent connection service orders being sent out for customers who are not set-up within their Gentrack system, or requiring two-person authorisation to send out a connection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p> <p>Further, it is recommended that the types of contracts available should be made more easily identifiable to customers via the website and the Customer Charter.</p>	<p>Action Plan: The business support team will create an approval process to ensure there is more restrictions and authority level put in place.</p> <p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: 1st July 2018</p>

	<p>process. Training and supporting materials are provided to the Credit Control team to ensure compliance with the internal process. Credit Control staff send connection service orders to ATCO through the use of a standalone Excel based tool, which is restricted to the Credit Control team. However the excel tool is not integrated with the Gentrack system.</p> <ul style="list-style-type: none"> • As per Perth Energy's "Small Use Gas (Non-Standard) Terms & Conditions", Perth Energy will inform customers not less than one month and not more than two months from the date of expiry of the contract, that the contract is due to expire and what options are available to them. This is performed by members of the Business Sales team (who are responsible for managing individual contracts). • In the event a contract was not renegotiated in time, Clause 2.10 of the Terms & Conditions operates such that the contract will automatically renew on the day after the expiry of the contract term, unless the customer specifically indicates that they do not want the contract to automatically renew. • Based on walkthroughs conducted with staff of relevant processes and comparing the effective date of one customer contract against the date a customer first received a supply of gas within Gentrack, we did not identify any evidence of non-compliance with this obligation. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>		
6/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 6: 6 - A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.</p> <p>Details: Through discussion and observation with the Business Sales team, it was noted that Perth Energy as a gas retailer, are not directly responsible for the interruption, suspension or restriction of supply of gas, this falls under the responsibility of their Network Operator – ATCO.</p>	<p>Perth Energy should consider creating a more detailed, all inclusive internal procedure for Business Continuity Management, Emergency Management and Crisis Management.</p> <p>Perth Energy should also review and update their Customer Safety Awareness Procedure and make this available on their website.</p>	<p>Action Plan: (Part A) Perth Energy has commenced development of a crisis management system to cover all of its operations. This work will be expanded to include an appropriate approach to business continuity management and emergency management in the event of an interruption, suspension or restriction in supply of</p>

<p>Our discussions with the Business Sales team confirmed that there were no accidents, emergencies, potential dangers or other unavoidable causes during the audit period that caused interruption, suspension or restriction of the supply of gas. However, in the event that this did occur, Perth Energy have controls in place to ensure that they have the ability to communicate with their customers, and their customers can easily contact them and/or the Network Operator.</p> <p>Through our observations we determined that:</p> <ul style="list-style-type: none"> • In the event of an accident, emergency, potential danger or unavoidable cause Perth Energy inform all of their customers to speak directly to ATCO to ensure that customers are provided with relevant information as quickly and efficiently as possible. • Perth Energy provides its customers through multiple platforms the actions they should take in the event of an accident/emergency along with the relevant contact details – including ATCO's 24 hour fault line. • Perth Energy have working arrangements with ATCO so that Perth Energy and the customer are directly informed of any interruption, suspension or restriction of gas supply. <p>The communication process allows Perth Energy to provide courtesy calls and emails to customers, via the customers dedicated account manager informing them of any accident, emergency, potential danger or other unavoidable causes.</p> <p>Perth Energy also have guidance set out in their disconnections and reconnections procedure as well as their standard and non-standard form contract terms and conditions, listing the reasonable steps they as a licensee must take to minimise the extent of the event of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.</p> <p>Perth Energy also provide their customers with a safety awareness procedure which outlines what they must do in the event of an emergency. However, this document has not been updated since its creation and thus requires review to ensure that the content is regularly updated with the most current information. This document has also not been made available on the company website.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		<p>gas through the ATCO distribution system.</p> <p>(Part B) Perth Energy has an ERA-approved Customer Safety Awareness Procedure and will make the necessary changes to update this (Office Address). This will be posted to the website.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: Part A July 2018 Part B April 2018</p>
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22/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 22: 22 - A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time.</p> <p>Details: Through discussions with key personnel and review of relevant documentation it was noted that Perth Energy are a member of a retail scheme, AEMO. The General Manager EMR, is responsible for liaising between Perth Energy and the ERA, and is accountable for ensuring all directions from the ERA are either actioned himself, or delegated to the appropriate team.</p> <p>He confirmed that the ERA have not provided any directions for Perth Energy to amend their retail market scheme during the audit period. However, should a directive be given, Perth Energy would comply with any directive given them by the ERA within the specified time frame.</p> <p>Perth Energy have a Compliance Status tracker that is regularly updated by the General Manager EMR, Regulation that lists and tracks the progress of compliance and obligation tasks, as well as scheduled obligations in the future.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>	<p>Perth Energy should consider creating a file management system to record all directives from relevant bodies.</p>	<p>Action Plan: Perth Energy will establish a separate file in which to store all directives from the ERA, and other relevant bodies, along with Perth Energy's responses.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: April 2018</p>
32/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 32: 32 - Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if — (a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer's supply address; and (b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.</p>	<p>Noting that there are documented processes in place for recording a life-support customer or a customer who has entered into acceptable arrangements for payment of gas supplied, and that there is a detective control in place for identifying when a disconnection service order has been sent to ATCO, there is an improvement opportunity to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer who has provided a written statement from a medical practitioner as per 32 (a). This could involve modifying the tool to prevent disconnection service orders being sent out for NMI's that are linked to a life-support customer, or integrating the tool with Gentrack to prevent disconnection service orders being sent out unless a disconnection service order exists within Gentrack or require a two-person authorisation to send through a</p>	<p>Action Plan: Perth Energy will assess review its process and determine how this recommended improvement can be implemented.</p> <p>Responsible Officer: Manager Business Support</p>

	<p>Details: Perth Energy's "Gas Disconnections and Reconnections Procedure" states that a customer who has provided Perth Energy with a written statement from a medical practitioner and has entered into an arrangement accepted by Perth Energy must not be disconnected. As per the Manager Business Support, in the event that a customer has provided Perth Energy with a statement from a medical practitioner, the customer would be manually added to a "Life Support / Sensitive Loads" billing cycle on Gentrack, which provides a visual prompt in the system that the customer is a life-support customer and places them on a modified late payment cycle which would not prompt a staff member to initiate the disconnection process even in the event of late payments. Further, the Manager Business Support would notify ATCO (the network distributor responsible for completing disconnection service orders) of any life-support customers.</p> <p>If a customer has entered into arrangements acceptable to Perth Energy in relation to payment for gas supplied, they would be removed from the late-payment cycle in Gentrack by a member of the credit control team.</p> <p>As per the disconnection process, the credit control team would be prompted via Gentrack six days after sending out a disconnection notice to raise a disconnection service order. Credit control staff send disconnection service orders to ATCO through the use of a standalone Excel based tool which generates requests to ATCO, which is not integrated with the Gentrack system. The tool is restricted and only accessible by staff in the credit control team, however there is no system control in place that would prevent a member of the team sending ATCO an unauthorised or mistaken disconnection notice using the tool. In the event a disconnection notice is sent to ATCO, this would be identifiable on the following days daily churn report that is sent to a functional mailbox every morning.</p> <p>Through discussion with the Manager Business Support, it was noted that there have been no small-use customers during the audit period who have provided a written statement from a medical practitioner that supply is necessary in order to protect the health of a person who lives at the customer's supply address during the audit period. Further, there have not been any customer who have entered into arrangements in relation to payment for gas supplied, nor have there been any disconnections of small-use gas customers during the audit period.</p>	<p>disconnection request for other customers. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p>	<p>Due Date: May 2018</p>
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	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no events in the audit period, compliance was not rated.		
33/2017	<p>Controls improvement Rating: C/2</p> <p>Legislative Obligation 33: 33 - Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).</p> <p>Details: Perth Energy's Gas Disconnections and Reconnections Procedure states that if a customer has failed to pay their bill by 14 business days after it was due, Credit Control shall send out a written reminder notice advising the customer that the payment is overdue and requiring payment to be made on or before the date specified in the reminder notice. The specified date on the reminder notice must be no earlier than 20 business days after the billing day.</p> <p>As per a walkthrough of the disconnection process, reminder notices are automatically sent out as an e-mail to the customer 4 days after the due date on the bill. The shortest payment term available for customers is 12 business days, thus 16 business days after bill issue is the earliest a reminder notice would be sent (or later dependant on length of agreed payment term). The walkthrough also notes that the Credit Control team will not be prompted to submit a disconnection service order to ATCO until it has progressed through the disconnection cycle which begins with the issuance of a reminder notice.</p> <p>Through discussions with Manager Business Support, it is noted that there have been no cases of disconnection of supply for non-payment of a bill and one case of a reminder notice sent in this audit period. After inspection of a sample written reminder notice, it was noted that the sample did comply with the reminder notice issue date criteria (not less than 14 business days after bill issue), however the notice did not specify a date by which the customer had to pay by (the date of which should have been no less than 20 business days after the billing day). The Manager Business Support has</p>	Perth Energy should amend the disconnection notice template so that it includes the date that an overdue payment must be paid by the customer in order to avoid disconnection (being not less than 20 business days after the billing day).	<p>Action Plan: Disconnection template will be amended to include a payment due date</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: May 2018</p>

	<p>noted this issue and is in the process of updating the templates to fully comply with this obligation.</p> <p>Based on our enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		
34/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 34:</p> <p>34 - Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given).</p> <p>Details:</p> <p>Perth Energy's Gas Disconnections and Reconnections Procedure states a disconnection warning must be sent to the customer prior to disconnection of supply, advising that disconnection will occur unless payment is made. As per discussion with the Manager Business Support and a walkthrough performed of the Gentrack disconnection process, the shortest possible amount of time in which a disconnection warning can be automatically generated and sent out to a customer as an e-mail is 22 business days after the billing day. Upon inspection of a disconnection warning template, it was noted that the warning does not include a date specifying when payment must be made by to prevent the disconnection from proceeding.</p> <p>Through discussion with the Manager Business Support, it was noted that there have been no small-use customers during the audit period who have been disconnected for non-payment of a bill, nor have there been any disconnection warnings issued during this audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed, however due to no events in the audit period, compliance was not rated.</p>	<p>Perth Energy should amend the disconnection warning template to include a date specifying when payment must be made by in order to prevent disconnection (being a day not less than 10 business days after the disconnection warning was issued).</p>	<p>Action Plan: Disconnection template will be amended to include a payment due date.</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: May 2018</p>

<p>40/2017 41/2017</p>	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 40, 41:</p> <p>40- A licensee must not disconnect supply to a customer who is unable to pay until: alternative payment options have been offered to the customer; the customer is given information on government funded concessions; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.</p> <p>41- A licensee must not disconnect supply to a business customer until: it has used its best endeavours to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.</p> <p>Details:</p> <p>As per discussions with Manager Business Support and inspection of Perth Energy's Gas Disconnections and Reconnections Procedure and the Gas Customer Financial Hardship Procedure, it is noted that Perth Energy will not disconnect supply to a customer who is unable to pay until the circumstances stipulated in obligation 40 and 41 have been satisfied.</p> <p>As per walkthrough of the disconnection process, in the event that a customer is late on payment, the customer would be automatically placed on a "disconnection cycle" on Gentrack. This cycle generates a series of "process actions" some of which are automated, and some raising manual queues for actioning by the Credit Control team. "Process action 4" opens a queue which prompts a member of the Credit Control team to contact the customer by phone, it is at this point where alternative payment options and information on government concessions (for residential customers) will be offered. The disconnection cycle will not proceed unless the customer refuses to accept alternative payment options. Disconnection notices are automatically generated and sent to the customer by e-mail. The customer has at least 6 business days to resolve the issue before a queue is raised in Gentrack prompting the Manager Business Support to submit a disconnection service order to ATCO. All submitted disconnection service orders will show under 'Pending Churns' in the following day's Churn Report that is sent to the</p>	<p>There is an improvement opportunity to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria set out in obligations 40 and 41 requiring a two-person authorisation to send through a disconnection request to ATCO. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p>	<p>Action Plan: The communication tool will check that a disconnection notice has been sent out in Gentrack as well as having authority levels put in place.</p> <p>Responsible Officer: Manager Business Support /IT</p> <p>Due Date: 1st July 2018</p>
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	<p>Credit Control team every morning. Any service orders for disconnection that were not approved would be picked up by the Manager Business Support and corrective actions would be taken.</p> <p>As per Manager Business Support, there have been no instances of disconnection for small-use gas customers, nor have there been any instances of customers unable to pay during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period compliance was not rated.</p>		
42/2017 225/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 42, 225:</p> <p>42 - A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.</p> <p>225- A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in clause 7.4(1) on behalf of the retailer.</p> <p>Details:</p> <p>Through inspection of Perth Energy's Disconnection and Reconnection procedure and discussion with the Manager Business Support it was noted that:</p> <ul style="list-style-type: none"> Perth Energy is reliant on ATCO informing them of customers who have denied access to a meter, and for leaving written advice at the customers address on each occasion access was denied. On the third denial of access to a meter, as advised by ATCO, Perth Energy will contact the customer and facilitate organising alternative access arrangements for ATCO to access the meter, as well as 	<p>Perth Energy should consider proactive monitoring of customers who have denied access to a meter via exception reporting and recording of denial of access. Currently, the process relies on ATCO to inform Perth Energy of consecutive denial of entry.</p>	<p>Action Plan: If ATCO advises Perth Energy that a customer gas denied access to its meter Perth energy will investigate a mechanism to track these events and act as required.</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: To be undertaken only if a customer denies access to a meter.</p>

	<p>provide five days written notice to the customer as to the date or timeframe of the next scheduled meter reading.</p> <ul style="list-style-type: none"> • Disconnection notices are automatically generated and sent to the customer by e-mail 6 business days after a disconnection warning is sent. The customer has 6 business days to resolve the issue before a queue is raised in Gentrack prompting the Manager Business Support to submit a disconnection service order to ATCO • There have been no small-use customers who have been disconnected due to denial of access to a meter during the audit period 30 November 2009 to 30 November 2017. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed, however due to no events in the audit period, compliance was not rated.</p>		
47/2017	Controls improvement Rating: B/NR	<p>There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria stipulated in obligations 47 – 50 above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p>	<p>Action Plan: The communication tool will check that a disconnection notice has been sent out in Gentrack as well as having authority levels put in place.</p> <p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: July 2018</p>
48/2017	Legislative Obligation 47, 48, 49, 50:		
49/2017	47 - A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.		
50/2017	<p>48 - A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.</p> <p>49 - A licensee must not disconnect supply where an application for a government concession has not been decided.</p> <p>50 - A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.</p> <p>Details: As per the Manager Business Support, and the Gas Disconnections and Reconnections Procedure, Perth Energy would not disconnect supply in any of the following scenarios:</p> <ul style="list-style-type: none"> • If at any point before disconnection the customer agrees to pay any amount owing, the customer would then be taken off the disconnection cycle. As such, Perth Energy would not disconnect any customer that agrees to pay (either in full, or partially through a payment plan). Additionally, if at any point prior to disconnection the customer requests a payment plan, the customer's account would be 'suppressed' until a payment plan had been successfully negotiated. 		

	<p>An account cannot progress any further in the disconnection cycle while it is under 'suppression'.</p> <ul style="list-style-type: none"> • In the event that a complaint is being reviewed and not yet resolved, or where an application for a government concession has not been decided. In these circumstances, a customer's account is manually 'suppressed', excluding the customer from all standard credit control runs including disconnection. The customer's account remains 'suppressed' until such time that a complaint is resolved, or an application for a government concession has been decided. • In the event that a customer debt not related to a direct service charge. <p>Service requests for disconnection can only be submitted after Perth Energy has exhausted its methods for contacting the customer, which are built into the Gentrack disconnection cycle. All submitted disconnection service orders will show under 'Pending Churns' in the following day's Churn Report that is sent to the Credit Control team every morning. Any service orders for disconnection that were not approved would be picked up by the Manager Business Support and corrective actions would be taken.</p> <p>As per the Manager Business support, there have been no cases of disconnection, nor have there been any cases of externally reviewed complaints or customers who have applied for a government concession during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no event in the audit period, compliance was not rated.</p>		
51/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 51:</p> <p>A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Disconnection and Reconnection Procedure, Perth Energy will not</p>	<p>Consider a methodology to record in the system, the time which a disconnection service order was made, as well as the actual disconnection time by ATCO to ensure monitoring against this obligation.</p>	<p>Action Plan:</p> <p>Perth Energy will evaluate this and determine whether a practical and appropriate system can be developed.</p> <p>Responsible Officer:</p> <p>Manager Business Support/IT</p>

	<p>disconnect supply after 3pm on any day, on a Friday, weekend or public holiday, or on a day before a public holiday. Through these discussions, it was also noted that a customer's supply address would not be disconnected until all the required communication has been made regarding the cause of disconnection. Accounts that have reached the disconnection phase of the credit cycle will be picked up on the daily Credit Control Report run every morning. Disconnection service orders are generally submitted after the morning Credit Report and as such, Credit Control's process ensures disconnection service orders are submitted prior to 3pm.</p> <p>As per walkthrough of the disconnection process, all disconnection request are submitted manually through an excel-based tool that communicates directly to ATCO. Use of this tool is restricted to the Credit Control team who are trained not to disconnect customers in the prescribed circumstances in Obligation 51, in compliance with the Gas Disconnection and Reconnections Procedure manual.</p> <p>As per the Manager Business Support, there have been no cases of disconnection during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		<p>Due Date: July 2018</p>
52/2017	<p>Controls improvement Rating: B/NR</p>	Implement exception reporting to identify payments made to disconnected accounts, in place of manual monitoring.	<p>Action Plan: Daily reporting to show disconnections lodged and the current account balance.</p> <p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: Sept 2018</p>
229/2017	<p>Legislative Obligation 52, 229:</p> <p>52 - If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.</p> <p>229 - A retailer must forward the request for reconnection to the relevant distributor that same business day if the request is received before 3pm on a business day; or no later than 3pm on the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday.</p> <p>Details:</p>		

	<p>Through discussion with the Manager Business Support and consideration of Perth Energy's reconnection processes, it was determined that Perth Energy has the following procedures in place to arrange for customers to be reconnected:</p> <ul style="list-style-type: none"> • The Credit Control team actively monitors for any payments made to disconnected accounts. In the case that a payment was made, Credit Control would contact the customer, and initiate the reconnection process at their request. • Perth Energy use an excel based tool which allows service orders to be directly communicated to ATCO. • The service order will be processed immediately based on the request from the customer and is submitted ATCO on the same day (if received by 3pm), or the next business day, or on the weekend or on a public holiday • After the service request is submitted, the Manager Business Support will run a SQL script query using the customer's MIRN. This identifies if the request has been successfully received on ATCO's end. • The request will show on the following days' Churn Report detailing all pending and completed churns. The scheduled reconnection will remain as pending until such time as ATCO has completed the reconnection. <p>As per Manager Business Support, there have been no instances of reconnection or disconnection during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
60/2017	<p>Controls improvement Rating: B/2</p>	Amend the Gas Billing Template to include: current and previous meter reads; the National Interpreter Services Symbol; and notice of the availability of a meter test, as stipulated under the AGA code and Schedule 2 of the Compendium of Obligations.	<p>Action Plan: (Part A)</p> <p>The following will be updated immediately on Gentrack billing template: the national interpreter services symbol, notice that shows the availability of the meter test.</p> <p>Waiting due to software vendor implementing new capability to bill on Gas</p>
147/2017	<p>Legislative Obligation 60, 147, 147B*:</p> <p>60 - A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance.</p>	Amend the Gas Billing Compliance Procedure to include the requirement of the Meter Installation Registration Number on bills.	
147B*/Prior	<p>147 - Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1)(a)- (cc) on the customer's bill.</p>		

	<p>147B*/Prior - Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in subclause 4.5(1)(a)-(cc) on the customer's bill.</p> <p>Details:</p> <p>Review of Perth Energy's Gas Billing Template noted that all obligated particulars were included on the customer's bills, with the exception of:</p> <ul style="list-style-type: none"> • Current and previous meter reads as required under Clause 4.2.3.3 (b) of the AGA code; • National Interpreter Services Symbol as required under Clause 4.5(1)(z). However, it is noted that the National Interpreter Services contact information is provided. • The availability, upon payment of a charge, of an Authority approved meter accuracy test and the refund if the testing charge if the meter is found to favour the supplier by more than allowable in the relevant distribution standards as required under Clause 4.2.3.3 (p) of the AGA code. <p>The Gas Billing Compliance Procedure specifies that the particulars of each bill must contain the information listed in 4.5(1)(a) – (cc) of the Schedule 2 Compendium, excluding clause (cc) "Meter Installation Registration Number". It is however, it is noted that on the Gas Billing Template that this is present.</p> <p>Based on discussion with the Manager Billing, we note that there is no way to manually edit the bill template when it is issued to the customer. Any amendments to the billing template are subject to committee review. Once the amendments are approved, the committee will pass the new billing template to IT, who will make the changes.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		<p>basic meters. Currently still going through testing in house before we can add new meter information. Current and previous meter reads will add Meter Installation Register Number requirement to be referenced in the Billing Compliance Procedures.</p> <p>(Part B)</p> <p>Perth Energy will update the Gas Billing compliance Procedure to include the obligation to include the Meter Installation Registration Number on bills.</p> <p>Responsible Officer: (Part A) Administrator Billing/IT (Part B) General Manager EMR, Regulation</p> <p>Due Date: Sept 2018 & April 2018</p>
63/2017	Controls improvement Rating: B/NR	Implement a tracker that includes all customer requests against required timeframes, including requests for Billing data (10 business days). Ensure customer requests which come through to the Finance and Billing team are clearly marked as Bill Request and are appropriate allocated for actioning.	Action Plan: Currently looking at three options: 1. Track Customer Requests for meter data or bill requests
234/2017	Legislative Obligation 63, 234, 235, 236: 63 – A licensee must provide available bill data to customers upon request		

235/2017	free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004.	If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.	<p>in Billing Inbox in different colour to ensure they are actioned within 10 days.</p> <p>2. Or an excel table for Sales Admin to fill in/Billing team to fill in table as it comes through billing inbox.</p> <ul style="list-style-type: none"> - Requests come through to billing and are generally actioned within a couple of days, but the table can be monitored to ensure no requests are missed. <p>3. Regular training on these obligations to be conducted for billing team and training will be logged and reminders will be sent via the company's online OHS system.</p> <p>Responsible Officer: Administrator Billing/Manager Billing</p> <p>Due Date: April 2018</p>
236/2017	<p>234 – A retailer must, on request, give a customer their billing data.</p> <p>235 – A retailer must give the requested billing data at no charge if a customer requests their billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with the retailer.</p> <p>236 - A retailer must give the requested billing data within 10 business days of the date of receipt of either the request, or payment of the retailer's reasonable charge for providing the billing data.</p> <p>Details:</p> <p>Through discussions with the Manager Billing it was noted that customer bill data is provided via the Finance and Billing team. Customer requests for bill data would either be actioned by the customer's Account Manager who deals with the request on their behalf, or the customer would be put in direct contact with the Finance and Billing team. Requests for billing data would be made through an email sent to the Finance and Billing inbox. The Finance and Billing team would run a report for the customer's billing data in Gentrack and provide it to the customer. The emails are archived once they have been actioned.</p> <p>Examination of the Non-Standard Form Contract Terms and Condition noted that Perth Energy would provide requested customer billing data free of charge and subject to the Energy Coordination (Customer Contracts) Regulations 2004. A customer can also download the billing data report if they register to Perth Energy's 'my account' function on the corporate website.</p> <p>A copy of a small-use gas customer invoice was provided for our review. It was confirmed with the Manager Billing that there were no requests for billing data from small-use gas customers, during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		

64/2017	<p>Controls improvement Rating: B/1</p>	Implement a tracking system or exception report to identify customers which have not received an actual meter read within 12 months.	<p>Action Plan: IT to create a tracker that can be automated to run daily to check if a customer hasn't had an actual read in 250 days.</p> <p>Responsible Officer: Administrator Billing/ IT</p> <p>Due Date: Aug 2018</p>
153/2017	<p>Legislative Obligation 64, 153:</p> <p>64 -A licensee must base a customer's bill on a meter reading and meters must be read at least once per year.</p> <p>153 - A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1)(a).</p> <p>Details:</p> <p>Based on discussions with the Manager Billing and Billing Officer it was noted that Perth Energy base their billing on meter readings received from ATCO. On a daily basis, Perth Energy obtain customer data from the ATCO portal for their small-use gas customers. The data will indicate whether it was an actual read or estimate (where the actual read was not available). Perth Energy rely on ATCO to perform the reads and calculate the estimations. It is noted that Perth Energy do not currently track whether there has been an actual read for a small-use gas customer within the last 12 months.</p> <p>It is noted that Perth Energy did not have any customers that had been active with them for greater than 12 months, during the audit period. However, sample testing of 2 small-use gas customers' data sets from ATCO found that both customers had received an actual reads during their time with ATCO.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>		
70/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 70:</p> <p>70 - A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless</p> <ul style="list-style-type: none"> (c) the licensee has a right to disconnect supply under the contract, a written law or a relevant code (d) the licensee has disconnected supply at all supply addresses of the customer covered by the contract. 	Perth Energy should incorporate definitions of a breach and a substantial breach into their internal policies and procedures to ensure clarity and consistency around the right to disconnect to supply.	<p>Action Plan: Perth Energy will review all mechanisms through which a customer may breach its contract and determine which of these are substantial and thereby justify disconnection of supply and contract termination. All internal policies and</p>

	<p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy have not terminated a small-use gas customer, during the audit period (30th November 2009 - 30th November 2017).</p> <p>Perth Energy have a dedicated Credit Control team are responsible for disconnections/terminations with set policies and procedures to facilitate them in this role. The termination of a contract must be approved by the CFO. Through discussions, it was noted that Perth Energy would not instigate termination for a single breach, unless the act was fraudulent. In almost every event, Perth Energy would attempt to negotiate and resolve contractual issues before disconnection. Disconnection and termination of a Perth Energy customer is a last resort. However, there is no documented distinction between what constitutes a breach versus a substantial breach.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		<p>procedures will be modified to incorporate these changes.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: July 2018</p>
71/2017 110B*/Prior	<p>Controls improvement Rating: B/2</p> <p>Legislative Obligation 71, 110B:</p> <p>71 - A licensee must provide a customer</p> <ul style="list-style-type: none"> (a) a copy of their customer service charter; (b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer. <p>110B*/Prior - A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter at least once every 36 months and submit the results of that review to the Authority within 5 days after it is completed.</p> <p>Details:</p>	<p>Perth Energy should create a new starter pack that is all inclusive of the information required under this obligation to ensure compliance.</p> <p>Perth Energy should make available all of the documentation listed in this regulation available on their company website, with the exception of individual billing data.</p>	<p>Action Plan:</p> <p>Perth Energy will prepare a New Starter pack to include an energy efficiency brochure and contact details for Government assistance programs/financial counselling services. Perth Energy will also ensure that all other required information is included.</p> <p>Perth Energy will ensure that all of the information within the New Starter pack, excluding individual tariff data, is available through the company's website.</p>

	<p>Through discussions with key personnel and supplementary review of relevant documentation it was noted that Perth Energy would either provide or make available on request most of the information required by regulation 71.</p> <p>From our observation we determined that: Perth Energy provide information about the customer rates, fees and charges payable under their contract to the customer upon commencement of their contract term. Billing data is available upon request and can also be viewed if the customer registers for the 'my account' interface. A copy of the customer service charter and copies of regulations or any relevant code are made available to customers upon request, free of charge subject to the obligations.</p> <p>Some of the information listed within this obligation is also available to customers via their company website. However, we could not find evidence of an energy efficiency brochure or contact details for Government assistance programs/financial counselling services.</p> <p>We also note that in relation to obligation 110B* from prior Compliance Reporting manuals that there was no evidence that the Charter was reviewed at least every 36 months with the results submitted to the Authority within 5 days after the review was completed.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.</p>		<p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: July 2018</p>
72/2017 205/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 72, 205: 72 - A licensee must offer a customer who is experiencing payment difficulties: instalment plan options; right to have bill redirected to third person; information or referral on government assistance programs; and information on independent financial counselling services. 205 - A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the payment arrangements that are specified in clauses 6.4(1)(a) and (b).</p> <p>Details:</p>	Update the payment difficulty and financial hardship script to align with the requirements as per obligations 72 and 205. Ensure this is available for the Credit Control team to use as guidance on customer calls.	<p>Action Plan: Perth Energy will update the script used by staff to respond to payment difficulties and financial hardship to fully comply the legislative obligations. This will be made available to all credit control staff.</p>

	<p>As per the Manager Business Support and Perth Energy's Financial Hardship Policies and Procedure, in the event that a customer is experiencing payment difficulties or financial hardship, Perth Energy will reasonably consider and make an assessment of the customer's financial circumstances. During this process, the Credit Control team offers the customer information and services in accordance to the requirements stipulated in Obligations 72 and 205.</p> <p>As per consideration of the financial hardship or payment difficulty assessment process, when a customer falls into the credit collection cycle, Gentrack will automatically raise a process queue prompting the Credit Control team to contact the customer. The Credit Control will assess the customer's situation and offer an instalment plan, the right to have the bill redirected to third person, information or referral to government assistance programs, information on independent financial counselling services and additional time to pay the bill. These steps are covered in Credit Control's Gas Residential Hardship Procedure. A script is available for use by members of Perth Energy who may receive a call from a customer outside of the Credit Control team. However, this document does not outline the details of the actions specified in the obligations.</p> <p>As per the Manager Business Support, there have been no cases of customer experiencing financial hardship or payment difficulties, nor have there been any customers on a payment plan during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		<p>Responsible Officer: Manager Business Support</p> <p>Due Date: July 2018</p>
79/2017	<p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation 79:</p> <p>79 - A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.</p> <p>Details:</p> <p>Through our discussions with key personnel and supplementary review of relevant documentation it was noted that there have been no cases during</p>	Perth Energy should consider including directions to or a direct link for their complaints handling process within the disconnection warning to support the contact details provided.	<p>Action Plan:</p> <p>Link to be added to the disconnection templates</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: July 2018</p>

	<p>the audit period, in which a small-use gas customer has been issued with a disconnection warning.</p> <p>Perth Energy have a dedicated team assigned with the responsibility of overseeing the disconnection process and disconnection warning letters and emails are based on standard templates. The disconnection warning template includes a copy of the customers most recent statement, on which Perth Energy provide the following information:</p> <ul style="list-style-type: none"> • The enquiries or complaints number: +61 8 9420 0300 • The enquiries email address: info@perthenenergy.com.au • A free call number for the Energy Ombudsman of Western Australia: 1800 754 004 <p>Perth Energy have a complaint handling process that is published on their company website and provided to the customer upon execution of their contract. However, the disconnection warnings templates do not include information on the complaints handling process or contact details of the energy ombudsman.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvements needed however due to no events in the audit period, compliance was not rated.</p>		
82/2017	<p>Controls improvement Rating: B/2</p> <p>Legislative Obligation 82:</p> <p>82 - A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.</p> <p>Details:</p> <p>Based on discussion with Manager Billing, walkthrough of the billing process and inspection of Perth Energy's billing template sent to customer, it is noted that bills sent out by Perth Energy do not provide advice that a customer service charter is available free of charge, nor is this included with any bills sent out as separate document under the current process. Perth Energy have advised that due to an update from the ERA effective 1 July 2010 that customer service charters are no longer required for gas traders, this obligation was not met.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvements</p>	<p>It is recommended that Perth Energy amend their billing template to include reference to the free provision of a Customer Service Charter upon request, as a Customer Service Charter is in place.</p>	<p>Action Plan: Updates to the billing template will be made to include reference to the Customer Service Charter.</p> <p>Responsible Officer: Administrator Billing/ IT</p> <p>Due Date: Aug 2018</p>

	needed and there was non-compliance with minor impact on customers and third parties during the audit period.		
108/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 108: 108 - A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.</p> <p>Details: Through discussions with key personnel and review of relevant documentation it was noted Perth Energy have made amendments to their standard form contract which have been approved by the ERA and written in accordance the Energy Coordination Act 1994 and Regulations. Amendments were made by the GM EMR, Regulation and/or the GM Retail and the Retail team. Any amendments made are done so with review of the relevant regulations. Both internal and external checks through Perth Energy's lawyers are conducted before the amendments are sent to the ERA for approval. All amendments are logged, and historical copies kept in archive along with the ERA letters of approval. It was noted that there are currently no formal processes in place for reviewing any amendments made to the regulations to ensure that these are translated into relevant Policies and Procedures. Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>	It is recommended that Perth Energy formally review their standard form contract annually, and in accordance with the relevant regulation to ensure that it is up to date and all relevant provisions are in place. There is also an opportunity for Perth Energy to set up controls to ensure that they can formally track any changes in the regulation and ensure corresponding Policies and Procedures are also updated in line with the amendment.	<p>Action Plan: Perth Energy will set up a reminder in its Online Compliance system to ensure that the standard form contract is reviewed annually. Perth Energy will subscribe to the ERA's automated notification system to ensure that we are advised of changes to regulations.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: April 2018</p>
112/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 112: 112 - A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the relevant distribution system, provided such disclosure does not prejudice the commercial interests of the licensee.</p>	Establish a communication log with ATCO Energy to track any critical correspondence in the event that information is requested.	<p>Action Plan: A communications log with ATCO Energy will be developed and all critical correspondence will be recorded.</p> <p>Responsible Officer: Manager Business Support</p>

	<p>Details:</p> <p>Through our discussions with key personnel it was confirmed that ATCO Gas are the holders of the distribution licence.</p> <p>It was noted as per the GM Retail that ATCO have not made any information requests of Perth Energy during the audit period. Perth Energy maintain communication with the network distributor to ensure they have an efficient working relationship, and should ATCO request information relating to Perth Energy's activities, the information would be provided, so long as such disclosure does not prejudice their commercial interests.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		<p>Due Date:</p> <p>July 2018</p>
113/2017	<p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation 113:</p> <p>113 - A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.</p> <p>Details:</p> <p>Through our discussions with key personnel it was noted that Perth Energy negotiate a non-standard form contract with all of their small-use gas customers, therefore during the audit period Perth Energy did not have small-use gas customers on standard form contract.</p> <p>It was also noted, as per the General Manager EMR, Regulation that Perth Energy do not currently have any formal protocols in place for directly informing the Minister of Energy of any change to the price, price structure, fee or interest rate under the standard form contract one month prior to the change coming into effect.</p> <p>Currently Perth energy inform the ERA of any changes to their Standard Form Contract, these changes must be approved before implementation and Perth Energy comply with any directives given to them by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>	<p>It is recommended that Perth Energy establish a formal protocol that instructs the licensee to notify the Minister of the requirements listed within this obligation. Internal Policies and Procedures around Standard Form Contracts should include this step in relation to any price, price structure, fee or interest rate change, and relevant personnel be trained on these protocols.</p>	<p>Action Plan:</p> <p>(Part A)</p> <p>Perth Energy will update the Gas General Obligations Compliance Procedure to include the obligation to advise the Minister when changes are proposed to any prices, fees and similar requirements.</p> <p>(Part B)</p> <p>Perth Energy will include training in respect to this obligation within the overall staff training programs.</p> <p>Responsible Officer:</p> <p>(Part A) General Manager EMR, Regulation (Part B) General Manager Retail</p> <p>Due Date:</p> <p>(Part A) April 2018 (Part B) July 2018</p>

118/2017	<p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation 118: 118 - A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information).</p> <p>Details: Through our discussions with key personnel and review of relevant information it was noted that during the audit period Perth Energy do not have any small-use gas customers under a standard form contract.</p> <p>However, from review of the bill template, we noted that some but not all of the information specified in the Gas Marketing Code clause 2.2, would be made available to the customers no later than on or with the customer's first bill.</p> <p>It was noted that Perth Energy have drafted a financial hardship policy that is still pending approval from the ERA and thus this policy has not been provided to customers subject to this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls with significant improvement required however due to no events in the audit period, compliance was not rated.</p>	<p>It is recommended that Perth Energy obtain approval for the financial hardship policy and ensure the information is made available to relevant customers, if and when the need arises.</p> <p>It is also recommended that Perth Energy create a standard form contract new customer starter pack that is inclusive of all of the information specified under the obligation to ensure compliance.</p>	<p>Action Plan: Perth Energy will work with an appropriate customer representative to finalise the financial hardship policy and will then seek approval for this from the ERA. Once approved, this will be posted to the Perth Energy website and be made available to customers. See 71/2017 above with respect to the New Starter Pack</p> <p>Responsible Officer: General Manager EMR, Regulation and Manager Business Support</p> <p>Due Date: July 2018</p>
120/2017	<p>Controls improvement Rating: C/3</p>	<p>It is recommended that Perth Energy obtain approval for the financial hardship policy and ensure the information is made available to relevant customers, if and when the need arises. Perth Energy also need to create and provide a brochure on information relating to the concessions that may be applicable to a residential customer.</p>	<p>Action Plan: See 118/2017 above with respect to financial hardship policy. The New Starter Pack to be developed under 71/2017 will include information appropriate to customers supplied under</p>
121/2017	<p>Legislative Obligation 120, 121: 120 - A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract. 121 - A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the</p>	<p>It is also recommended that Perth Energy create a non-standard form contract new customer starter pack that is inclusive of all of the</p>	

	<p>customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant information it was noted that during the audit period Perth Energy negotiate a non-standard form contract with all of their small-use gas customers.</p> <p>We have identified that of the information specified in the Gas Marketing Code clause 2.3(2) Perth Energy do not currently provide the customer with the following:</p> <p><i>(g) how the retailer may assist if the customer is experiencing payment difficulties or financial hardship;</i></p> <p><i>(h) with respect to a residential customer, the concessions that may apply to the residential customer;</i></p> <p>It was also noted that Perth Energy have created and provided the ERA with a financial hardship policy that is still pending approval.</p> <p>Through our review of non-standard form contracts and relevant documentation, we were able to confirm that Perth Energy have documentation supporting the information specified within the regulation, 2.3(2)(a) –(f) and (i) – (k). Although all of this information is provided upon request, the majority is currently not provided before entering into a non-standard contract.</p> <p>Verifiable consent has therefore not been obtained that all the information specified has been provided.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place with significant improvement needed and Perth Energy has been non-compliant with moderate impact on customers and third parties during the audit period.</p>	<p>information specified under the obligation to provide to customers before entering into a non-standard form contract.</p> <p>All required information should be made available to new customers, and verifiable consent obtained and recorded that the information has been provided.</p>	<p>a non-standard form contract.</p> <p>Responsible Officer: General Manager EMR, Regulation and Manager Business Support</p> <p>Due Date: July 2018</p>
122/2017	Controls improvement Rating: B/NR	We recommend that Perth Energy disclose, information on the types of concessions available to the customer, and the names and contact details of the organisation responsible for administering those concessions on to their billing template and corporate website.	Action Plan: Information in respect to concessions will be added to Perth energy's bills and posted on its website.
238/2017	<p>Legislative Obligation 122, 238:</p> <p>122 - A retailer or gas marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.</p> <p>238 - A retailer must give a residential customer on request, at no charge, information on the types of concessions available to the customer, and</p>		

	<p>the names and contact details of the organisation responsible for administering those concessions (if not the retailer).</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation we noted that Perth Energy do not offer concessions to residential gas customers. The prices offered to customers represent prices excluding concessions.</p> <p>It was noted, as per the Manager Billing that concessions are made available through the State Government and administered through Synergy.</p> <p>Perth Energy have only recently acquired their first residential small-use gas customer (August 2017). If a customer were to request information on the types of concessions available to them, Perth Energy would provide them with the names and contact details of the organisation responsible for administering those concessions.</p> <p>It was noted that in order to communicate this to the customer, Perth Energy will be adding information with regards to concessions on their billing template and their website.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		<p>Responsible Officer: Manager Business Support</p> <p>Due Date: May 2018</p>
123/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 123:</p> <p>123 - A retailer or gas marketing agent must ensure that a customer is able to contact the retailer or gas marketing agent on the retailer's or gas marketing agent's telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints.</p> <p>Details:</p> <p>Through our discussion with key personnel and review of relevant documentation it was noted that Perth Energy's normal business hours are between 8:30 am – 17:00 pm AWST Monday to Friday.</p> <p>It was confirmed that their contact information for the purposes of enquiries, verifications and complaints is available to customers on both</p>	<p>It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs.</p> <p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered with the call centre contact details made available to customers.</p>	<p>Action Plan:</p> <p>All customer enquiries to be registered in Gentrack Gentrack training to be added to new team member's induction. Training will be logged and reminders will be sent on the new online workplace OHS system.</p> <p>Responsible Officer: Manager Business Sales</p> <p>Due Date: July 2018</p>

	<p>Perth Energy's corporate website > contact us, and it is listed on each customer's invoice and their contract.</p> <p>For the purposes of enquiries, verifications and complaints, Perth Energy have a telephone number, email and postal address.</p> <p>Perth Energy's enquiries number is linked to their standard office phone that is answered by the Business Support team during normal business hours, who will delegate responsibility according to the subject matter.</p> <p>In addition, Perth Energy employees have their direct number attached to their email signature, and each customer will be provided a personal account manager who is allocated as their direct contact upon execution of their contract.</p> <p>Through our discussions we noted that Perth Energy only have a system for recording complaints and there is currently no process in place for recording each request that comes in either by phone, email or letter. We have also been unable to identify a formal internal protocol for answering and dealing with customer enquiries, verifications and complaints.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Perth Energy has complied with the licence condition during the audit period.</p>		
154/2017 155/2017 156/2017	<p>Controls improvement Rating: C/3</p> <p>Legislative Obligation 154, 155, 156:</p> <p>154 - A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.</p> <p>155 - Where the customer's bill is estimated, a retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2)(a)-(c).</p> <p>156 - Upon request, a retailer must inform a customer of the basis and the reason for the estimation.</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy issue their customer bills based on data provided by their network distributor. Should ATCO fail to obtain an actual meter reading they will provide Perth Energy with an estimated read as a substitute; Perth Energy will bill their customer as</p>	<p>It is recommended that Perth Energy explicitly state where a bill has been estimated and the information prescribed in clauses 4.8(2)(a)-(c), i.e. that their bill has been estimated and that further information on the basis and the reason for the estimation can be provided upon request. In order to facilitate this Perth Energy should consider creating an estimation billing template.</p>	<p>Action Plan:</p> <ol style="list-style-type: none"> 1. Aim to complete testing of solution to bill basic meter data in billing system. 2. Produce internal scoping document to provide to software vendor which include requirements of new bill template. 3. Solution document and quote by vendor received (includes time to revise scoping document where required). 4. Obtain approval of vendor quote by exec management. (1 month)

	<p>normal based on this estimated read. As and when an actual meter read is provided by ATCO, Perth Energy's Billing team will process an adjustment based on this better quality data. Perth Energy have an 'auto adjustment process' that is run to determine any differences in the data that need to be credited or charges to the customer. This adjustment will not go onto the statement until the customers next bill cycle; it will show as an adjustment note.</p> <p>Through our discussions with the Billing team it was confirmed that during the audit period Perth Energy have received estimated reads for one small-use gas customer, an estimated bill was issued but a subsequent actual read has not yet been provided to the retailer.</p> <p>Through review of data obtained from ATCO we noted that readings indicate whether the data is an actual read or estimated read. However, ATCO do not provide the reason for estimation, unless requested. From discussions with the Manager Billing, we noted that Perth Energy does not currently provide the customer notice on the bill if an estimated read was used as the basis for the bill. We identified that an estimated bill has been issued to a small-use gas customer during the audit period without the information specified within clauses 4.8(2)(a)-(c).</p> <p>Therefore the customer has no knowledge of the estimation in order to request the basis of the estimation; the reason for the estimation; a verification of an estimation; and a meter reading.</p> <p>It was noted that Perth energy can request information from ATCO on the basis and the reason for the estimation and therefore this information can be provided to the customer upon request.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place, and, Perth Energy has been non-compliant with moderate impact on customers and third parties during the audit period.</p>		<p>5. Accept solution document proposal</p> <p>6. Vendor to execute solution (vendor to provide time frame to execute solution, approx. 2 – 3 months)</p> <p>7. Testing of new bill template (2 month)</p> <p>8. UAT complete and accept change into PROD</p> <p>Responsible Officer: Billing Manager</p> <p>Due Date:</p> <ol style="list-style-type: none"> 1. August 2018 2. September 2018 3. October 2018 4. November 2018 5. November 2018 6. January 2019 7. February 2019 8. March 2019
164/2017	Controls improvement Rating: B/NR	It is recommended that clause 15.3 be updated to include <i>Non-Residential Customers</i> .	Action Plan: Create a Checklist for steps to complete to Finalise a customer. At each customer communication point, a memo note will be entered into the Account
165/2017	Legislative Obligation 164, 165, 165A:	Further, implement a checklist including the steps to close the account and issue the final bill to ensure all appropriate steps are completed, to be signed off by the Account Manager. Include this requirement within the Billing Finalisation Procedure.	
165A/2017	164 - If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.		

	<p>165 - If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2)(a) or (b)), and pay the credit in accordance with the customer's instructions within 12 business days or another time agreed with the customer.</p> <p>165A - If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt. If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).</p> <p>Details:</p> <p>Through discussions with the Manager Billing and examination of the Gas Billing and Finalisation procedures, it was noted that Perth Energy would use reasonable endeavours to arrange for the final bill to be issued in accordance with the customer's request.</p> <p>Clause 15.3 of the Non-Standard Form Contract Terms and Conditions specifies that Perth Energy will endeavour to arrange for the final bill in accordance with the customers move out request for <i>Residential Customers</i> only. The clause states that the customer must provide three days' notice and an address to where the final bill can be sent at which point Perth Energy will arrange for a final meter reading on the day requested and the customer will only be billed up until the requested move out date. It was noted that <i>Non-Residential</i> customers were not included in this condition.</p> <p>The Billing Finalisation Procedure and the Gas Billing Compliance Procedure documents the workflow for issuing final bills in accordance with the customer's request. The requested date is entered into the system to facilitate a final meter reading and generates the final bill. As part of the workflow, the member of the Billing team is required to check the final account balance and if in credit, contact the customer with their preference to either transfer the credit to another account or to a bank account nominated by the customer within 12 business days of receiving the instruction. If the customers owes a debt, Perth Energy may, with written notice to the customer, use that credit to set off the debt, before any remaining credit is transferred back to the customer.</p> <p>The Manager Billing advised no final bills had been requested by small-use gas customers nor was there an account closure, during the audit period.</p>		<p>to note what action was agreed by customer and under taken by PE.</p> <p>i.e. – if customer provides written instructions to move credit to another account with PE/ transfer to bank account, Credit Control upon receiving this information will enter this communication into the Account memo/attach the communication if available.</p> <p>If customer requests for transfer of credit to their bank account, once this is completed the Finance team member will confirm that the transaction has been completed and date it occurred.</p> <p>Regular training on these obligations to be conducted for billing team and training will be logged and reminders will be sent via the company's online OHS system.</p> <p>Responsible Officer: Manager Billing/Administrator Billing</p> <p>Due Date: April 2018</p>
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	Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.		
166/2017	Controls improvement Rating: B/NR	Due to the numerous requirements for a bill review, it is recommended that Perth Energy develop a bill review tracker that is available to be accessed by relevant Perth Energy parties to enable monitoring. It is recommended that the tracker has built in timeframe flags and is reviewed daily during a bill review to ensure adherence to the above obligations.	Action Plan: Perth Energy are currently exploring the following options to address the auditor's recommendations. One will be selected to be implemented by the due date.
167/2017	Legislative Obligation 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 175A, 175B*:	Hold regular training to ensure Billing staff and Account Managers are aware of the requirements of a bill review as prescribed in the Gas Billing Compliance Procedure.	Option 1: Bill review requests come into Billing via inbox. All requests are colour coded to ensure a request has been allocated to a team member. This email can be flagged with a due date and complete date
168/2017	166 – A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due.	If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes in relation to bill reviews.	Option 2: When request comes in via inbox, a User Raised Queue can be created in Gentrack to perform review. PE to investigate whether a priority flag can be used to ensure requests are monitored and actioned within correct timeframe obligations.
169/2017	167 – If a retailer is satisfied after conducting a review of a bill that the bill is correct, the retailer		
170/2017	• may require a customer to pay the unpaid amount;		
171/2017	• must advise the customer that the customer may request the retailer to arrange a meter test in accordance with applicable law; and		
172/2017	• must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.		
173/2017	168 – If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18		
174/2017	169 – The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.		
175/2017	170 – If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable.		
175A/2017	171 – If a retailer proposes to recover an amount undercharged as a result of an error, defect or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must follow the procedure specified in clauses 4.17(2)(a)-(e).		
175B*/Prior	172- If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the error, defect or default and, subject to clauses 4.18(6) and (7) ask the customer for instructions as to whether the		Responsible Officer: Administrator Billing/Manager Billing Due Date: July 2018

	<p>amount should be credited to the customer's account; or repaid to the customer. No interest shall accrue to a credit or refund referred to in this clause.</p> <p>173 – If a retailer receives instructions under clause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.</p> <p>174 – If a retailer does not receive instructions under clause 4.18(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.</p> <p>175 – If the overcharged amount is less than \$100, the retailer may notify a customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions under clause 4.18(2), or credit the amount to the customer's next bill.</p> <p>175A – If a customer has been overcharged by the retailer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.18(2); or 4.18(6) where the amount is less than \$100.</p> <p>175B*/Prior - Where the overcharged amount is less than \$75 the retailer may, notwithstanding clause 4.18(2), notify the customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions in accordance with clause 4.18(2), or credit the amount to the customer's account.</p> <p>Details:</p> <p>Based on discussion with the Manager Billing, Manager Business Support and examination of the Gas Billing Compliance Procedure notes that the process for Review of a Bill is the responsibility of the Account Manager and the billing team. If a customer requests a review, regardless of the amount in dispute, the request is forwarded to the Account Manager who would communicate with the customer and clarify the request. Upon clarification, the Account Manager will forward the details of the request to the billing team. The billing team will suppress the account of the customer within Gentrack to ensure the customer is excluded from all standard credit control selection runs (i.e. interest application, commencement of disconnection procedures) and will ask the customer to pay the amount of the bill that is undisputed.</p>		
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	<p>If a customer is overcharged, the customer will be contacted within 10 business days to determine how they would like to be reimbursed. Perth Energy will reimburse the customer within 12 business days of receiving instruction. If the customer does not respond within 5 business days the customer's account will be credited. If the overcharged account owes a debt to Perth Energy (provided they are not a residential customer experiencing financial hardship or payment difficulties), the overcharge is used to set off the debt owing before the remaining amount is reimbursed or credited.</p> <p>If a customer is undercharged (and it is the result of an error, defect or default) the Account Manager will inform the customer of the amount prior to the next bill and offer them the option of an instalment plan if they are Residential customer. Perth Energy may only charge the customer interest or require the customer to pay a late fee in the event of undercharge if, the customer has been notified of the amount to be recovered and the customer has failed to pay the amount and has not entered into an instalment plan.</p> <p>If the Account Manager is satisfied that the bill is correct they advise the customer that they can request the retailer to arrange a meter test and inform the customer of Perth Energy's internal complaints handling process and details of external complaints avenues.</p> <p>It is noted within the procedure that the Account Manager or Billing team will inform the customer of the outcome of the review as soon as practicable, or will inform the customer of a notification of status if it has not been provided within 20 days of the request.</p> <p>The details of each of the obligations above are also specified in the Non-Standard Form contract terms and conditions.</p> <p>It is noted that Perth Energy do not have a formal tool in place to track the progress of a bill review.</p> <p>It was confirmed with the Manager Billing that there have been no bill review requests, during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		
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177/2017	Controls improvement Rating: B/NR	Implement a tracking system to record and monitor the status of overpayments, including payment instruction (from the customer, if applicable) and date instruction received to ensure compliance against the obligated timeframes.	Action Plan: This work will be included in the Action Plan for item 123/2017 above Responsible Officer: Manager Business Sales Due Date: July 2018
178/2017	Legislative Obligation 177, 178, 179, 180, 180A, , 180B*, 180AB*:		
179/2017	177 – If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to clauses 4.19(5) and 4.19(7), ask the customer for instructions as to whether the amount should be -		
180/2017	• credited to the customer’s account;		
180A/2017	• repaid to the customer; or		
180B*/Prior	• included as a part of the new bill smoothing arrangement if the adjustment arises under clauses 4.3(2)(a)-(b).		
180AB*/Prior	No interest shall accrue to a credit or refund referred to in this clause. 178 – If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer’s instructions within 12 business days of receiving the instructions. 179 - If a retailer does not receive instructions under clause 4.19(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer’s account. 180 – If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and • ask the customer for instructions under clause 4.19(2); or • credit the amount to the customer’s next bill. 180A – If the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.19(2); or 4.19(5) where the amount is less than \$100. 180B*/Prior - Where the adjustment amount owing to the customer is less than \$75, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and • ask the customer for instructions in accordance with clause 4.19(2); or • credit the amount to the customer’s account. 180AB*/Prior - Where the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then		

	<p>provided the customer is not a residential customer experiencing payment difficulties, financial hardship or subject to an alternative payment arrangement, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer.</p> <p>If, after the set off, there remains an amount of credit the retailer must deal with that amount of credit in accordance with clauses 4.19(2) or 4.19(5) where the amount is less than \$75.</p> <p>Details:</p> <p>Based on examination of the Gas Billing Compliance Procedure and through discussion with the Manager Billing, we noted that Perth Energy uses its best endeavours to inform the customer of any adjustment arising from a meter reading within 10 business days of becoming aware of an amount owing and asks the customer for instructions as to how they would like to be reimbursed, including the following options:</p> <ul style="list-style-type: none"> • The amount to be credited to the customer's account; or • Repaid to the customer <p>It is noted that if the customer provides instruction with 5 days of request, Perth Energy will direct Accounts Payable to action the payment instruction within 12 business days. If Perth Energy does not receive instruction with 5 business days they will credit the customer's existing account.</p> <p>In the event that the residential customer owes a debt to Perth Energy, provided that customer is not experiencing payment difficulties or financial hardship, Perth Energy may, with written notice to the customer, use the amount of the adjustment to set off the debt owed, before reimbursing the customer.</p> <p>It was noted that there were no instances where Perth Energy became aware of an amount owing to the customer during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Perth Energy have generally adequate controls for this obligation with some improvement needed however due to no events occurring in the audit period, compliance was not rated.</p>		
198/2017	Controls improvement Rating: B/NR	Develop a mechanism whereby customers who may be assessed for payment difficulties / financial hardship are tracked to ensure continuous monitoring against the timeframes and requirements stipulated by the obligations.	Action Plan: Perth Energy will investigate development of a tracking system
198A/2017	<p>Legislative Obligation 198, 198A, 200, 200A, 201, 202:</p> <p>198- A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business</p>		

200/2017	days from when the residential customer informs the retailer about the payment problems. If the retailer cannot make the assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment.	through its Gentrack billing system.
200A/2017		
201/2017	198A - If a residential customer provides the retailer with an assessment from a relevant consumer representative, the retailer may adopt that assessment as its own assessment for the purposes of clause 6.1(1)(a).	
202/2017	200 - A retailer must advise a residential customer on request of the details of an assessment. 200A - If a retailer refers a residential customer to a relevant consumer representative under clause 6.1(1)(b), the retailer must grant the residential customer a temporary suspension of actions. 201 – If a residential customer informs a retailer that the customer is experiencing payment problems, the retailer must not unreasonably deny a residential customer’s request for a temporary suspension of actions, if the customer demonstrates to the retailer that the customer has an appointment with a relevant consumer representative to assess the customer’s capacity to pay. 202 - A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	
Details: As per the Manager Business Support and Perth Energy’s Gas Residential Financial Hardship Procedure, Perth Energy residential financial hardship processes include the following: <ul style="list-style-type: none">● Perth Energy will assess whether a residential customer is experiencing payment difficulties, or financial hardship within 5 business days. If an assessment cannot be made within 5 business days, the customer will be referred to a relevant customer representative;● Perth Energy will adopt a relevant customer representative’s customer assessment as their own if provided by a customer;● Perth Energy will provide a residential customer their details of assessment if requested;● Perth Energy must grant a customer who is referred to a relevant consumer representative a temporary suspension of actions for a period of at least 15 business days. Any suspension of disconnection or account recovery actions shall be for a minimum of 15 days. After 15 days have elapsed the Account Manager may, if they consider that the customer is working towards a resolution of the problem, advise Credit Control to extend the period of suspension; and		Responsible Officer: Manager Business Support Due Date: September 2018

	<ul style="list-style-type: none"> Perth Energy will not unreasonably deny a customer's request for temporary suspension, if that customer can demonstrate to Perth Energy that the customer has an appointment with a relevant consumer representative to assess the customer's capacity to pay. <p>As per the Manager Business Support, there have been no residential customers experiencing financial hardship during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
199/2017 203/2017 203B*/Prior	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 199, 203, 203B*:</p> <p>199 – When undertaking an assessment regarding payment difficulties or financial hardship, the retailer must, unless the retailer adopts an assessment from a relevant consumer representative, give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by a relevant consumer representative.</p> <p>203 - If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, a retailer must give reasonable consideration to the request.</p> <p>203B*/Prior - A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation in the manner specified to allow a relevant consumer representative organisation additional time to assess a residential customer's capacity to pay.</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Residential Financial Hardship Procedure:</p> <ul style="list-style-type: none"> If the Account Manager undertakes an assessment regarding payment difficulties or financial hardship, they must give reasonable consideration to the information given by the customer and requested or held by the retailer as well as any advice given by a relevant customer representative. 	<p>Ensure training is provided to relevant team members on how to respond to and assess customers who are experiencing payment difficulties or financial hardship. Develop a training register to track attendance and organise the training session to take place on a regular basis so new staff are updated on the obligations.</p>	<p>Action Plan:</p> <p>Perth Energy will develop an appropriate training program for all staff who may interact with customers experiencing financial hardship or payment difficulties. Staff training will be recorded on, and reminders will be sent out from, Perth Energy's computer based workplace health and safety system.</p> <p>Responsible Officer:</p> <p>General Manager Sales, General Manager EMR, Regulation and Manager Business Support</p> <p>Due Date:</p> <p>July 2018</p>

	<ul style="list-style-type: none"> If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, Perth Energy must give reasonable consideration to the request. <p>As per the Gas Residential Financial Hardship Procedure, The General Manager Sales arranges staff training in respect to issues related to financial hardship and its impacts and how to deal sensitively and respectfully with customers experiencing financial hardship. We reviewed evidence of a request being made for an external party to provide training, however no evidence that training has been undertaken.</p> <p>The Gas Residential Financial Hardship Procedure offers guidance around differentiating customers that are experiencing payment difficulties. If Perth Energy are unable to make this assessment within 5 business days, the customer will be forwarded onto a relevant customer representative for external assessment.</p> <p>As per the Manager Business Support, there have been no residential customers experiencing financial hardship during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
204/2017	Controls improvement Rating: B/NR	Ensure training is provided to relevant team members on how to respond to customers who are experiencing payment difficulties or financial hardship and the options available to them. Develop a training register to track attendance and organise the training session to take place on a regular basis so new staff are updated on the obligations.	Action Plan: See 199/2017 above Responsible Officer: General Manager Sales, General Manager EMR, Regulation and Manager Business Support Due Date: July 2018
206/2017	Legislative Obligation 204, 206, 208, 210, 211, 206A: 204 – If the assessment carried out under clause 6.1 indicates to the retailer that the residential customer is experiencing payment difficulties or financial hardship, the retailer must follow the procedure specified in clause 6.3(1).		
208/2017	206 – When offering or amending an instalment plan to a residential customer a retailer must ensure that the instalment plan is fair and reasonable taking into account the customer's capacity to pay and consumption history, and comply with clause 6.4(3).		
210/2017	208 – A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative, for a reduction of the customer's fees, charges, or debt.		
211/2017			
206A/2017			

	<p>210 – If it is reasonably demonstrated to the retailer that the customer, experiencing financial hardship, is unable to meet the customer's obligations under the previously elected payment arrangement, a retailer must give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.</p> <p>211 – A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8.</p> <p>206A - If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3)(a)(i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and provide the customer with information explaining the changes.</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Residential Financial Hardship Procedure, after an assessment has been made confirming that the customer is experiencing financial hardship, Perth Energy will advise the customer of the options of assistance offered. These options include those discussed in Obligation 72, as well as the following:</p> <ul style="list-style-type: none"> • Payment methods available to the customer (payment arrangements including payment in advance); • Concessions available to the customer; • Different tariffs available to the customer; and • Reduction of fees, charges and debt. <p>Perth Energy's Gas Residential Financial Hardship Procedure also states that, when offering an instalment plan to a customer, the Account Manager must assess the customer's capacity to pay and consumption history and only offer a plan that is fair and reasonable. In the event that a customer or a relevant consumer representative reasonably demonstrates to Perth Energy that the customer is unable to meet the customer's obligations under a previously elected payment arrangement, Perth Energy must give reasonable consideration to revise or extend the customer's previously elected instalment plan.</p> <p>As per consideration of Perth Energy's instalment plan process and inspection of Perth Energy's Payment Arrangement templates, after the acceptance or amendment of an instalment plan, the customer will be</p>		
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	<p>sent an email specifying the terms of the instalment plan (including the number and amount of payments, the duration of payments and how the payments are calculated.</p> <p>As per the Manager Business Support, there have been no instances of customers experiencing payment difficulties or financial hardship during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
209/2017	Controls improvement Rating: C/3	Update the Financial Hardship Policy and Procedure to include all elements required under clause 6.10(2) and 6.10(3) respectively. In the update of the Procedure, consider existing process and the ERA's Financial Hardship Policy Guideline to ensure sufficient guidance is provided on the assessment of a customer for financial hardship. Consider implementing a script for customer service officers to use as a guide when communicating with Customers.	Action Plan: See 118/2017 for development of financial hardship policy. Once finalised Perth Energy will set up a reminder in its Online Compliance system for annual review.
214/2017	Legislative Obligation 209, 214, 215, 216, 220, 215A, 209B*, 215B*, 216B*, 217B* :		
215/2017	209 – In giving reasonable consideration under clause 6.6(1), a retailer should refer to the hardship procedures referred to in clause 6.10(3).		
216/2017	214 – A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.	Follow up with WACOSS to finalise Financial Hardship Policies and Procedures for submission to the ERA and publication on Perth Energy's website.	Responsible Officer: General Manager EMR, Regulation and Manager Business Support
220/2017	215 – A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2).	Annual review of these documents should be to ensure they continue to comply with ERA guidelines and existing practices.	Due Date: May 2018
215A/2017	216 – If requested, a retailer must give residential customers and relevant consumer representatives a copy of the hardship policy, including by post at no charge.		
209B*/Prior	220 – A retailer must comply with the ERA's Financial Hardship Policy Guidelines.		
215B*/Prior	215A - A retailer must ensure that its hardship procedures comply with the criteria specified in clause 6.10(3).		
216B*/Prior	209B*/Prior - In giving reasonable consideration under clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in clause 6.10(2)(d).		
217B*/Prior	215B*/Prior - A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).		
	216B*/Prior - A retailer must give residential customers, financial counsellors and relevant consumer representative organisations details of the retailer's hardship policy, at no charge. The retailer must provide all residential customers identified as experiencing financial hardship with details of its hardship policy.		

	<p>217B*/Prior - A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the date the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended.</p> <p>Details:</p> <p>As per discussion with the General Manager EMR Regulation, Perth Energy have developed a Gas Residential Financial Hardship Procedure and a Gas Customer Financial Hardship Procedure (Policy). It is noted that both the policy and the procedure did not include all the requirements as per the 6.10(2) and 6.10(3) of the Schedule 2 Compendium. The Policy does not abide by the following obligations as required in 6.10(2):</p> <ul style="list-style-type: none"> • Must be developed in consultation with a relevant consumer representative; • Must include a statement that the retailer offers customers the right to pay their bills by Centerpay; • Must include a statement that the retailer is able to provide further detail on request; • Must have an overview of any concessions that may be available to the customer; • Must include the National Interpreter Symbol with the words “interpreter Services”, information on the availability of independent multi-lingual services, or information on the availability of TTY services; • Must be available on the retailer’s website; and • Must be available in large print copies. <p>The Procedure does not abide by the following obligations as required in 6.10(3):</p> <ul style="list-style-type: none"> • Must be developed in consultation with a relevant consumer representative; • Must provide for the training of staff, including call centre staff and subcontractors to engage with and deal sensitively and respectfully with customers experiencing financial hardship; 		
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	<ul style="list-style-type: none"> • Must assist the retailer in determining a residential customer's usage needs and capacity to pay when determining the conditions of an instalment plan; • Must provide guidance on the reduction and/or waiver of fees, charges and debt and the recovery of debt; and • Must require that the retailer's credit management staff have a direct telephone number and for that number to be provided to the relevant consumer representatives. <p>The Hardship Policy does provide a customer service officer with the level of guidance required to assess a customer for financial hardship. It was also noted that since the Customer Financial Hardship Policy is still under development, there are currently no available financial hardship policies available on Perth Energy's website or to provide to a customer upon their request.</p> <p>Perth Energy have contacted a relevant consumer representative (WACOSS) for consultation in regards to developing these documents as well as to provide training to Perth Energy staff around supporting customers who are experiencing financial hardship, however feedback has not yet been received to allow finalisation of these documents.</p> <p>It is noted that Perth Energy only have one residential customer. This customer has had no instance of failure to pay a bill, during this audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there inadequate controls, with significant improvement required and there was non-compliance with moderate impact on customers or third parties.</p>		
212/2017	Controls improvement Rating: B/NR	Ensure training is provided to relevant team members on how to respond to and assess customers who are experiencing payment difficulties or financial hardship. Consider implementing a script for customer service officers to use as a guide when communicating with Customers around advance payment amounts.	Action Plan: Perth Energy will develop an induction program for relevant team members. This will included appropriate training and scripts. Recording of training, and notification of refresher training, will
213/2017	Legislative Obligation 212, 213: 212 - A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives. 213 - A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.		

	<p>Details:</p> <p>As per discussion with the Manager Business Support and review of Perth Energy's Gas Residential Financial Hardship Procedure, Perth Energy offers all customers the right to pay in advance. Perth Energy standard practices provide for the Credit Control team to negotiate a payment arrangement plan (including payments in advance) with customers experiencing financial hardship or payment difficulties on a case by case basis. As such, Perth Energy may apply different minimum payment in advance amounts depending on a custom's financial situation and/or assessment from a relevant consumer representative. As stated in the Gas Disconnections and Reconnections Procedure, the minimum payment that Perth Energy will accept as payment in advance is \$20 unless otherwise agreed with the customer.</p> <p>As per the Manager Business Support, there have been no cases of residential customers experiencing financial hardship or payment difficulties during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		<p>be through the company's on-line system.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: July 2018</p>
221/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 221:</p> <p>221 - A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Customer Financial Hardship Procedure (Policy), Perth Energy will consider any reasonable request for alternative payment options if a business is experiencing payment difficulties. If a business customer calls and notifies Perth Energy of payment difficulties, they will be transferred to the Credit Control team and a payment plan can be negotiated for the customer taking into consideration the customer's financial situation and historic consumption.</p>	<p>Develop a payment difficulty and financial hardship script to align with the requirements as per obligations 221. Ensure this is made available for the Credit Control team to use as guidance on customer calls.</p> <p>Organise training sessions to take place on a regular basis to ensure that new staff are updated on the requirements in relation to Financial Hardship.</p>	<p>Action Plan: Once the policy has been approved and training completed, we can create the script</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: Sept 2018</p>

	<p>As per the Manager Business Support, there have been no cases of business customers experiencing payment difficulties during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed, however due to no events in the audit period, compliance was not rated.</p>		
222/2017	<p>Controls improvement Rating: C/2</p> <p>Legislative Obligation 222:</p> <p>222 - A retailer must follow the procedures specified in clause 7.1(1) prior to arranging for disconnection of a customer's supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in clause 7.1(2).</p> <p>Details:</p> <p>As per the Manager Business Support and Perth Energy's Gas Disconnections and Reconnections Procedure, prior to arranging for disconnection of a customer's supply address for failure to pay a bill, Perth Energy will send the customer a reminder notice (along with a copy of the bill) not less than 14 business days from the date of dispatch of the bill and subsequently send the customer a disconnection warning not less than 22 business days from the date of dispatch of bill, if the customer fails to make payment.</p> <p>It is noted that there have been no cases of disconnection of supply for non-payment of a bill, no disconnection warnings sent and one case of a reminder notice sent in this audit period. After inspection of a sample written reminder notice, it was noted that the sample did comply with the reminder notice issue date criteria (not less than 14 business days after bill issue), however the notice did not specify a date by which the customer had to pay by (the date of which should have been no less than 20 business days after the billing day). Additionally, the template of the disconnection warning also did not include a 'pay by' date. The Manager Business Support has noted this issue and is in the process of updating the templates to fully comply with this obligation.</p> <p>Based on our enquiries and examination of documentation, it was concluded that there are inadequate controls with significant</p>	<p>Perth Energy should amend the disconnection notice template so that it includes the date that an overdue payment must be paid by the customer in order to avoid disconnection (being not less than 20 business days after the billing day).</p> <p>Perth Energy should amend its disconnection warning template to include a date specifying when payment must be made by in order to prevent disconnection (being a day not less than 10 business days after the disconnection warning was issued).</p>	<p>Action Plan: Disconnection templates will be updated to include payment date</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: June 2018</p>

	improvements needed and there was non-compliance with minor impact on customers and third parties during the audit period.		
223/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 223:</p> <p>223 - A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).</p> <p>Details:</p> <p>Through discussion with the Manager Business Support, inspection of Perth Energy's Gas Disconnections and Reconnections Procedure and consideration of Perth Energy's disconnection process, it was determined that Perth Energy have controls in place to ensure the customer is not disconnected in the following circumstances (as specified in 7.2(1)):</p> <ul style="list-style-type: none"> • Within one business day after the expiry of the disconnection warning; • If the customer has accepted an alternative payment arrangement (refer to Obligation 40); • If the amount outstanding is less than the average bill over the past 12 months and the customer has agreed to pay (refer to Obligation 47); • If the customer is waiting on the results of their concession application (refer to Obligation 49); • If the customer has failed to pay an amount which does not relate to the supply of gas (refer to Obligation 50); • If the supply address does not relate to the bill, unless the amount outstanding relates to a supply address previously occupied by the customer; or • If Perth Energy has not provided the customer with information on the types of concessions available to the customer (refer to Obligation 221). <p>As per the Manager Business Support, there have been no instance of disconnection of a customer's supply address for failure to pay a bill during the audit period 30 November 2009 to 30 November 2017.</p>	<p>There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria stipulated in obligations 223 above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p> <p>Create a checklist that covers the guidelines required by the Compendium that must be completed prior to arranging for disconnection of a customer's supply address.</p>	<p>Action Plan:</p> <p>The communication tool will check that a disconnection notice has been sent out in Gentrack as well as having authority levels put in place.</p> <p>Responsible Officer:</p> <p>Manager Business Support/IT</p> <p>Due Date:</p> <p>July 2018</p>

	Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, however due to no events in the audit period, compliance was not rated.		
224/2017	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 224</p> <p>224 - In relation to dual fuel contracts or separate contracts for the supply of electricity and gas (under which a single bill for energy, or separate simultaneous bills for electricity and gas are issued to the customer), if a retailer is permitted to and wishes to arrange for disconnection of the supply of electricity and gas to the residential customer's supply address for failure to pay a bill, the retailer must arrange for disconnection of the supply of gas in priority to the disconnection of the supply of electricity.</p> <p>Details:</p> <p>As per the Manager Business Support, Perth Energy has 6 small use gas customers who also have a separate contract for electricity. According to Perth Energy's Gas Disconnections and Reconnections Procedure, if a customer has a dual fuel control or separate gas and electricity contracts under which a single energy bill, or separate simultaneous bills, are issued and the customer fails to pay their bill the Credit Control team must:</p> <ul style="list-style-type: none"> • Follow the procedure in section 2 of the Gas Disconnections and Reconnections Procedure to arrange for disconnection; and • Arrange for disconnection of the gas supply in priority to the disconnection of the electricity supply. <p>Perth Energy sends requests to ATCO for disconnections through the use of a communication-integrated Excel based tool. Access to this tool is restricted to members of the credit control team. In the event a disconnection service order is sent to ATCO, the request would be identifiable on the daily churn report that is sent to a functional mailbox every morning.</p> <p>As per the Manager Business Support, there have been no instance of disconnection of a customer's supply address for failure to pay a bill during the audit period 30 November 2009 to 30 November 2017.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some</p>	It is recommended that Perth Energy identify and flag customers who are both gas and electricity customers in the system and implement a system control raises an alert where these customers become part of the disconnection cycle, that would prevent or raise an alert where these flagged customers to have electricity disconnected before gas, in the event of the customer's failure to pay a bill.	<p>Action Plan: Perth Energy will consider a system to do this however, with so few small use gas customers, a manual check may well be sufficient. This will be implemented in the form of a register which will be monitored and maintained by the Manager Business Support.</p> <p>Responsible Officer: Manager Business Support</p> <p>Due Date: July 2018</p>

	improvement needed, however due to no events in the audit period, compliance was not rated.		
227/2017 227B*/Prior	<p>Controls improvement Rating: B/NR</p> <p>Legislative Obligation 227, 227B*: 227 - A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified. 227B*/Prior - A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.</p> <p>Details: Under the <i>Energy Coordination Act</i> section 11M, Perth Energy must not arrange disconnection of a customer's supply address if a complaint has been made by the customer against them which directly relates to the reason proposed for disconnection, or if Perth Energy is notified by the distributor, gas ombudsman or external dispute resolution body that a complaint has been made against the distributor, gas ombudsman or external dispute resolution body.</p> <p>Through discussion with the Manager Business Support and inspection of relevant documentation it was noted that:</p> <ul style="list-style-type: none"> At the point a complaint cannot be immediately resolved or is passed on to the Ombudsman or distributor, a member of the Credit Control team will manually place the account into suppression in Gentrack, which prevents a disconnection service order from being raised. A reason for suppression is also entered into Gentrack which would alert members of the Credit Control team to leave the account in suppression until the complaint is resolved. (Refer to Obligation 48) Perth Energy sends requests to ATCO for disconnections through the use of a communication-integrated Excel based tool, of which access is restricted to only members of the credit control team. Although the tool is restricted and a service order for disconnection would not be raised unless a staff member was prompted to do so by Gentrack, there is no system control in place that would physically prevent a member of the team sending ATCO an unauthorised or mistaken disconnection notice using the tool. In the event a disconnection notice is sent to ATCO, this would be identifiable on the daily churn 	<p>There is an opportunity for Perth Energy to strengthen the system controls in place to prevent accidental or erroneous disconnection service orders being sent to ATCO for a customer. This could involve modifying the tool to prevent disconnection service orders being sent out for customers who meet the criteria stipulated in the obligation above or requiring two-person authorisation to send out a disconnection service order request. This becomes more critical, should Perth Energy significantly increase its existing customer base.</p>	<p>Action Plan: The communication tool will check that a disconnection notice has been sent out in Gentrack as well as having authority levels put in place.</p> <p>Responsible Officer: Manager Business Support/IT</p> <p>Due Date: July 2018</p>

	<p>report that is sent to a functional mailbox every morning. (Refer to Obligation 32)</p> <ul style="list-style-type: none"> There have been no cases of disconnection during the audit period. <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
232/2017	<p>Controls improvement Rating: B/NR</p>	<p>It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs.</p>	<p>Action Plan: All customer enquiries to be registered in Gentrack. Gentrack training to be added to new team member's induction. Training will be logged and reminders will be send on the new online workplace OHS system.</p>
233/2017	<p>Legislative Obligation 232, 233:</p> <p>232 - A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including any alternative tariffs that may be available to the customer.</p> <p>233 - A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt of the request and, if requested, a retailer must provide the information in writing.</p> <p>Details:</p> <p>Through discussions with key personnel and review of relevant documentation we noted that Perth Energy have a standard tariff price; one for residential customers, another for business customers. These standard tariff prices are available on Perth Energy's corporate website. The standard tariff rate is offered to customers under the standard form contract. It was confirmed that during the audit period, Perth Energy had no small-use gas customers on a standard form contract. Perth Energy negotiate a non-standard form contract with all of their small-use gas customers, under which the customer is offered a negotiated price.</p> <p>It was noted, as per discussions with the Finance and Billing team that Perth Energy have not had any customer requests in relation to their tariffs, during the audit period. Through our discussions and upon review of documentation it was noted that the customer is provided with a breakdown of their tariffs on each invoice. Contact details to assist with any queries are also provided on the invoice.</p> <p>Our discussions confirmed that Perth Energy will provide tariff information to their customers upon request. Customer requests in relation to billing will be either transferred through to the Billing team directly, alternatively the customer might be referred to their Account Manager who will action</p>	<p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.</p>	<p>Responsible Officer: Manager Business Sales</p> <p>Due Date: July 2018</p>

	<p>this request on their behalf. This information can be provided to the customer in writing, free of charge, this is usually done via email but it can be sent in other forms should the customer request this.</p> <p>As per, General Manager Retail, Perth Energy have a guideline in which they like to respond to customer requests within 48 business hours, therefore a customer requesting information on tariffs would be addressed within the 8 days required by the obligation. We could not identify any internal formal requirements/ protocol in place for Perth Energy actioning customer requests.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
239/2017	<p>Controls improvement Rating: D/NR</p> <p>Legislative Obligation 239:</p> <p>239 - A retailer must give, or make available, to a customer on request and at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances.</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy have not been requested by a small-use gas customer, during the audit period, to provide information on cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances.</p> <p>It was confirmed through discussions and review of relevant documentation that Perth Energy do not currently have information of this nature published in a format that they can provide to customers.</p> <p>As per the GM EMR, Retail it was noted that this information is available on the ERA website. If a customer were to request information on cost-effective and efficient way to utilise gas and the typical running costs of major domestic appliances they would refer them to the ERA website.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are no controls evident however due to no events in the audit period, compliance was not rated.</p>	<p>It is recommended that Perth Energy create a document containing information on cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances that can be distributed to customers on the execution of their contract. Perth Energy should also consider publishing this information on their website and within their customer charter.</p>	<p>Action Plan:</p> <p>See 71/2017 above which includes development of an energy-efficiency brochure. .</p> <p>Responsible Officer:</p> <p>General Manager EMR, Regulation</p> <p>Due Date:</p> <p>July 2018</p>

240/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 240:</p> <p>240 - If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.</p> <p>Details:</p> <p>Through our discussions with key personnel and review of relevant documentation it was noted that Perth Energy as a gas retailer supply their customer gas through a network distributor, ATCO.</p> <p>It was confirmed as per the GM Retail, that if a customer requests information about the distribution then Perth Energy can provide basic information about ATCO but they would generally refer a customer directly to ensure they have the correct, most up to date information.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Perth Energy has complied with the licence condition, during the audit period.</p>	<p>It is recommended that Perth Energy create a formal internal protocol for dealing with customer requests that is distributed to all relevant employees. Perth Energy should also establish a customer request record keeping system to track and better understand their customer needs.</p> <p>If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.</p>	<p>Action Plan:</p> <p>All customer enquiries to be registered in Gentrack. Gentrack training to be added to new team member's induction. Training will be logged and reminders will be send on the new online workplace OHS system.</p> <p>Responsible Officer: Manager Business Sales</p> <p>Due Date: July 2018</p>
241/2017 242/2017 243/2017	<p>Controls improvement Rating: B/1</p> <p>Legislative Obligation 241, 242, 243:</p> <p>241 - A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme.</p> <p>242 - A retailer must consult with the ERA when preparing the gas customer safety awareness programme.</p> <p>243 - A gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e).</p> <p>Details:</p> <p>Through discussions with key personnel and supplementary review of relevant documentation it was noted that Perth Energy have a Gas Customer safety Awareness Programme lodged with and approved by the ERA.</p> <p>Upon review of the Gas Customer Safety Awareness Program it was noted that it does address, at a minimum, the information referred to in</p>	<p>It is recommended that the licensee update its Gas Customer safety Awareness Program to include Perth Energy's new address and contact details. It is also recommended that Perth Energy publish this document on their corporate website and they include a copy to their customers upon execution of their contract.</p>	<p>Action Plan:</p> <p>The safety awareness program will be updated with the correct address and posted to the website.</p> <p>Responsible Officer: General Manager EMR, Regulation</p> <p>Due Date: June 2018</p>

	<p>clause 10.5A(3)(a)-(e), however requires update to its address and contact details.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed, and Perth Energy has complied with the licence condition, during the audit period.</p>		
250/2017	<p>Controls improvement Rating: B/2</p> <p>Legislative Obligation 250:</p> <p>250 - A retailer and, if appropriate, a distributor must include on a residential customer's bill and bill related information, reminder notice and disconnection warning the telephone numbers for:</p> <ul style="list-style-type: none"> • its TTY services; • independent multi-lingual services; and • interpreter services with the National Interpreter Symbol and the words "Interpreter Services". <p>Details:</p> <p>As per discussion with the Manager Business Support and examination of customer bills, it was noted that Perth Energy customer bills include the phone number for the following services:</p> <ul style="list-style-type: none"> • TTY services; • Independent multi-lingual services; and • Interpreter services. <p>It was also noted that although Perth Energy's reminder notice and disconnection warning templates do not include the above information, all reminder notices and disconnection warnings are sent with the relevant bill attached.</p> <p>Upon examination of the customer bill, it was noted that although the bill provided the telephone number for interpreter services and the words "Interpreter Service", it did not include the National Interpreter Symbol required by Obligation 250.</p> <p>Based on enquires and examination of documentation. It was concluded that there are generally adequate controls with some improvements</p>	<p>Update billing template to include Interpreter Services Symbol</p> <p>Update reminder notice and disconnection notice template to include the phone numbers for the services specified in Obligation 250.</p>	<p>Action Plan: Perth Energy will undertake these actions.</p> <p>Responsible Officer: Billing Manager</p> <p>Due Date: July 2018</p>

	needed and there was non-compliance with minor impact on customers and third parties during the audit period.		
251/2017	Controls improvement Rating: B/1	It is recommended that Perth Energy provide training to their employees upon induction as well as annually to ensure that the customer complaints process is well understood by relevant employees. Attendance at the training should be tracked and monitored.	Action Plan: See 212/2017 in respect to induction and training.
252/2017	Legislative Obligation 251, 252, 254, 255, 255A, 252B*:		
254/2017	251 - A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	In addition, it is recommended that Perth Energy review their complaints handling procedure annually to assess its effectiveness against current practice and amend it where necessary to ensure that it is up to date and addresses any changes to the regulation.	All procedures are to be logged in the new on-line system which will issue reminders for regular reviews.
255/2017	252 - The complaints handling process under clause 12.1(1) must comply with AS/NZS 10002:2014 and address, at the least, the criteria specified in subclauses 12.1(2)(b)- (c). The complaints handling process must be available at no cost to customers.		
255A/2017	254 - When responding to a complaint, a retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process).	Lastly, Perth Energy should consider separating their central complaints register so that gas complaints are recorded separately. This register should be regularly reviewed to identify trends in customer complaints which may result in the need to update / improve or change internal processes to better enable customer-centric service.	Perth energy will separately track complaints and will monitor any trends. It is noted that no complaints have been received in respect to gas customers.
252B*/Prior	255 – When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the gas ombudsman. 255A – A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days. 252B* - The complaints handling process under clause 12.1(1) must comply with AS ISO 10002 – 2006 and address, at the least, the criteria specified in clause 10.2(b). The complaints handling process must be available at no cost to customers.	If Perth Energy increases its customer base significantly, it is recommended that a customisable customer service system is implemented with the functionality to track, record, monitor and progress a customer request through a pre-determined workflow. A dedicated and trained Customer Service team should also be considered who have specialised knowledge of requirements in dealing with customer requests and the obligated actions / timeframes.	Responsible Officer: General Manager EMR, Regulation and Manager Business Support Due Date: July 2018
	Details: Through our discussions and review of relevant documentation it was noted that Perth Energy have developed an internal process for handling complaints and resolving disputes that is complaint with the AS/NZS 10002:2014 and addresses, the criteria specified in the regulation. This procedure is made available to customers on their corporate website and can be provided to customers upon request, free of charge. The procedure, supporting policy and relevant templates are provided to Perth Energy's employees through their intranet. Through our discussions with		

	<p>key personnel, a walkthrough and review of the customer complaints handling procedure we also confirmed the following:</p> <p>As per the Procedure, Perth Energy must advise their customers that they have the right to have their complaint considered by a senior employee. Where a complaint has been resolved internally in a manner deemed unacceptable to the customer, Perth Energy would advise the customer of the reasons for the outcome (in writing, upon request); and inform that customer that they the right to raise the complaint with the gas ombudsman – the telephone number of the gas ombudsman is available upon the corporate website as well as the customers invoice. Perth Energy have an internal process to ensure that they will acknowledge a customer complaint within 10 business days and respond to the complaint within 20 business days.</p> <p>Currently, Perth Energy do not have a dedicated complaints team, and any complaints are received by Business Sales team distributed to parts of the business depending on the nature of the complaint. All complaints are documented in a central complaints register (combined with Electricity), this register is used to track the complaint through from initial receipt through to resolution, tracking all points of contact along the way. Any complaint lodged will also be filed within the customer’s personal file.</p> <p>Our discussions and review of relevant documentation confirmed that Perth Energy have not had a complaint raised by a small-use gas customer during the audit period – therefore compliance with these obligations cannot be rated.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls with some improvement needed however due to no events in the audit period, compliance was not rated.</p>		
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