

**Alinta Sales Pty Ltd**  
**Gas Trading Licence (GTL9)**  
**2011 Performance Audit**  
**(Independent Assurance) Report**  
**April 2012**

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Mr Domenic Capomolla  
Executive Director Retail  
Alinta Energy  
(on behalf of Alinta Sales Pty Ltd)  
Level 13 The Quadrant  
1 William Street  
PERTH WA 6000

27 April 2012

Dear Mr Capomolla

**Gas Trading Licence (GTL9) 2011 Performance Audit Report**

We have completed the Gas Trading Licence Performance Audit for Alinta Sales Pty Ltd for the period 1 July 2010 to 30 September 2011 and are pleased to submit our report to you.

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

If you have any questions or wish to discuss anything raised in the report, please contact Andrew Baldwin on 9365 7236 or myself on 9365 7024.

Yours sincerely

**Richard Thomas**  
Partner

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# 1 Independent Auditor's report

With the Economic Regulation Authority's (**the Authority**) approval, Deloitte Touche Tohmatsu (**Deloitte**) was engaged to conduct a performance audit of Alinta Sales Pty Ltd's (**Alinta**) compliance with the conditions of its Gas Trading Licence (**Licence**). The audit was conducted in accordance with the specific requirements of the Licence and the August 2010 issue of the *Audit Guidelines: Electricity, Gas and Water Licences* (**Audit Guidelines**).

## Alinta's responsibility for compliance with the conditions of the Licence

Alinta is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority.

## Our responsibility

Our responsibility is to express a conclusion on Alinta's compliance with the conditions of the Licence based on our procedures. We conducted our engagement in accordance with the Audit Guidelines and Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*<sup>1</sup> issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in our opinion, based on the procedures performed, the conditions of the Licence have been complied with.

Our engagement provides reasonable assurance as defined in ASAE 3500. Our procedures were set out in the Audit Plan reviewed by and agreed with the Authority on 14 September 2011 and set out in Appendix A.

## Limitations of use

This report is made solely to the management of Alinta for the purpose of its reporting requirements under section 11ZA of the Energy Coordination Act 1994 (the **Act**). We disclaim any assumption of responsibility for any reliance on this report to any person other than the management of Alinta, or for any purpose other than that for which it was prepared. We disclaim all liability to any other party for all costs, loss, damages, and liability that the other party might suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party, or the reliance on our report by the other party.

## Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

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<sup>1</sup> ASAE 3500 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3100 Compliance Engagements and ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and its responsibility to prevent and detect irregularities, including fraud. Accordingly, readers of our reports should not rely on the report to identify all potential instances of non-compliance which may occur.

Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

## Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

## Conclusion

In our opinion, based on the procedures performed, except for the effect of any issues set out below, Alinta has, in all material respects, complied with the conditions of its Licence for the period 1 July 2010 to 30 September 2011.

## Exceptions

The following licence conditions were assessed as non-compliant (rating 2):

Reporting manual no. & Licence condition		Issue
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. <i>Trading Licence Schedule 3 clause 3.1</i>	Alinta increased its gas tariffs as at 1 August 2011 after the Premier advised Alinta of the allowable price change in a letter dated 18 July 2011. Alinta subsequently confirmed that the increased tariff would be effective from 1 August 2011, in a letter to the Minister dated 4 August 2011. In this case, Alinta has technically not complied with Licence clause 3.1, which requires the Minister to be notified of any change in price, price structure, fee or interest rate at least one month before that change.
146	A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise. <i>Gas Customer Code clause 3.1(2)</i>	Sample testing of new connections completed during the period 1 July 2010 to 30 September 2011 identified the following non-compliances with the requirements of clause 3.1(2): <ul style="list-style-type: none"> <li>Alinta became aware of an overdue Request for Gas (RFG) after a customer lodged a complaint on 21 January 2011. The RFG was submitted on 30 September 2010 and processed as a priority on the day of complaint. This non-compliance has been attributed to human error</li> <li>Three of 26 RFGs tested were not processed within the timeframe mandated by clause 3.1(2). We were unable to determine the cause of the delay in processing the three RFGs.</li> </ul> Alinta's compliance report for the period 1 July 2010 to 30 June 2011 did not include these non-compliances, indicating that Alinta's processes for recognising and reporting instances of such breaches require further strengthening.

Reporting manual no. & Licence condition		Issue
147	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist. <i>Gas Customer Code clause 4.1</i>	Alinta did not bill a number of customers at least once in a three month period. In these instances, Alinta is in breach of the Gas Customer Code. Alinta's current monitoring arrangements do not provide for effective management of the billing frequency. The use of the 100 day report only identifies breaches that have already occurred and only those where the frequency exceeds 100 days. Accordingly, the report does not enable Alinta to proactively manage the billing cycle to prevent or minimise the extent of breaches.
59	<i>Customer Contracts Regulation 12(6)</i>	
221	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified. <i>Gas Customer Code clause 7.2</i>	Alinta's customer complaints register for the period 1 July 2010 to 30 September 2011 included one complaint relating to a customer being disconnected in contravention of clause 7.2(1)(b) of the Gas Customer Code. Specifically: <ul style="list-style-type: none"> <li>• A disconnection service order was raised &amp; queued in CIS-OV</li> <li>• The following day the customer entered into a payment plan</li> <li>• A disconnection service order was manually (and incorrectly) approved by an Alinta staff member and performed by AMRS despite the payment plan being in place</li> <li>• The error was recognised by Alinta upon receiving the complaint, however was not recognised as a breach of the Code, or reported to the Authority.</li> </ul> Although this disconnection may be an isolated incident, it is notable that Alinta's staff and complaints handling processes did not recognise this instance as a breach of the Code.
40	<i>Customer Contracts Regulation 12(6)</i>	

The 2010 Performance Audit report rated the licence conditions in the table below as non-compliant (rating 2). As the relevant processes were not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this current audit is required to retain the non-compliant rating.

During the period December 2010 to June 2011, Alinta addressed the causes of these non-compliances by implementing the action plans included in 2010 post audit implementation plan. This audit focussed on testing the controls and processes since the implementation of those action plans and determined that no further recommendation or action plan is required to address the past non-compliance.

#	Licence condition
114	A licensee must comply with the Gas Marketing Code of Conduct. <i>Energy Coordination Act section 11ZPP</i>
122	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must give the information specified to the customer. <i>Gas Marketing Code clause 2.4(2)</i>

#	Licence condition
160 64	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills and, in any event, at least once every twelve months in accordance with clause 4.6(1)(a) of the Gas Customer Code. <i>Gas Customer Code clause 4.7</i> <i>Customer Contracts Regulation 15(1)</i>
214	A retailer must ensure that the hardship policy complies with the specified criteria. <i>Gas Customer Code clause 6.10(2)</i>
220 33 34	A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address for failure to pay a bill. <i>Gas Customer Code clause 7.1</i> <i>Customer Contracts Regulations 12(4)(a)-(b)</i>
223 42	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified are satisfied. <i>Gas Customer Code clause 7.4</i> <i>Customer Contracts Regulation 12(6)</i>

DELOITTE TOUCHE TOHMATSU

**Richard Thomas**  
Partner  
Perth, 27 April 2012

## 2 Executive summary

### 2.1 Introduction and background

The Economic Regulation Authority (the **Authority**) has under the provisions of the Energy Coordination Act 1994 (the **Act**), issued to Alinta Sales Pty Ltd (**Alinta**) a Gas Trading Licence (the **Licence**). The Licence relates to Alinta's gas trading operations.

Alinta is a gas retailer in the Western Australian market licensed to sell gas transported through gas distributions systems to residential and commercial customers in the Coastal, Great Southern and Goldfields – Esperance supply areas as shown in Plan ERA-Gas-007.

The Government introduced full gas retail contestability in May 2004. However Synergy is currently prohibited under the Gas Market Moratorium Ministerial Direction from selling or supplying gas to customers in Alinta's trading licence areas consuming less than 0.18TJ per annum. Alinta's customer base comprises approximately 624,000 residential and non-residential small use customers (customers consuming less than 1TJ of gas per annum), being approximately 99.8% of all small use customers in Alinta's trading licence areas<sup>2</sup>.

Section 11ZA of the Act requires Alinta to provide the Authority with an audit (the **audit**) conducted by an independent expert acceptable to the Authority not less than once in every 24 month period (or any longer period that the Authority allows).

After considering the 2010 Performance Audit report, the Authority reduced Alinta's audit period to 15 months, being for the period 1 July 2010 to 30 September 2011.

### 2.2 Observations

In considering Alinta's internal control procedures, structure and environment, its compliance attitude and its information systems specifically relevant to those licence obligations subject to audit, we observed that Alinta has:

- Implemented control improvements associated with elements of non-compliance and areas for improvement since the last audit
- Maintained consistent procedures and controls designed to:
  - Meet its customer service standards relating to customer connections, billing, payment and complaints handling
  - Uphold the integrity of its reporting to the Authority and other statutory organisations on matters specific to its Licence obligations
- Maintained its delegation of responsibilities to specific managers and staff for meeting key Licence obligations
- Maintained full support for its Customer Information System – Open Vision (CIS-OV)
- Established plans to further strengthen control over retail services, particularly through investigations into a new retail billing engine
- Demonstrated a continuously improving awareness of and commitment to regulatory compliance, as evidenced by fewer new non-compliances and audit recommendations in relation to a larger number of auditable items compared to the prior period.

<sup>2</sup> Refer to the 2010/11 Annual Energy Retailer Performance Report for more information



## 2.3 Findings

The following tables summarise the assessments made by the audit on Alinta's compliance with the obligations of the Licence. On a scale of 1 to 5, "5" is the highest compliance rating possible (defined as "Compliant with no further action required to maintain compliance") with the rating scale moving down through lower levels of compliance to "1", the lowest compliance rating possible (defined as "Significantly non-compliant: Significant weaknesses and/or serious action required").

**Table 2** at section 3 of this report provides further detail to the compliance rating scale.

**Table 1: Summary of findings, by audit priority and compliance rating**

No. of Obligations	Compliance Rating							
			Non-compliant		Compliant			Total
Audit Priority <sup>3</sup>	N/A <sup>4</sup>	Not rated <sup>5</sup>	1	2*	3	4	5	
Priority 1		-	-	-	-	-	-	-
Priority 2		-	-	1(-)	1	-	-	2
Priority 3		-	-	4(1)	-	-	1	5
Priority 4		29	-	6(3)	-	7	112	154
Priority 5		21	-	5(2)	2	2	48	78
N/A								
Total	1	50	-	16(6)	3	9	161	240

For the audit period 1 July 2010 to 31 September 2011, a total of 16 licence obligations were rated as non-compliant. Of those 16 non-compliant ratings, 10 related to obligations, which were effectively carried forward from the 2010 performance audit period. In each case, the cause of the non-compliance was identified (via the 2010 performance audit) and subsequently not corrected until part way through the current audit period. Therefore the non-compliance rating also applies to this current audit period.

As Alinta addressed the cause of these non-compliances by implementing relevant action plans during the period December 2010 to March 2011:

- No further recommendation or action plan is required to address the non-compliance
- This audit focussed on testing controls and processes maintained since the implementation of the updated control/process.

\* The number in brackets represents those non-compliant ratings that:

- Apply to the full audit period to 30 September 2011 (i.e. not those ratings carried forward from the previous audit period)

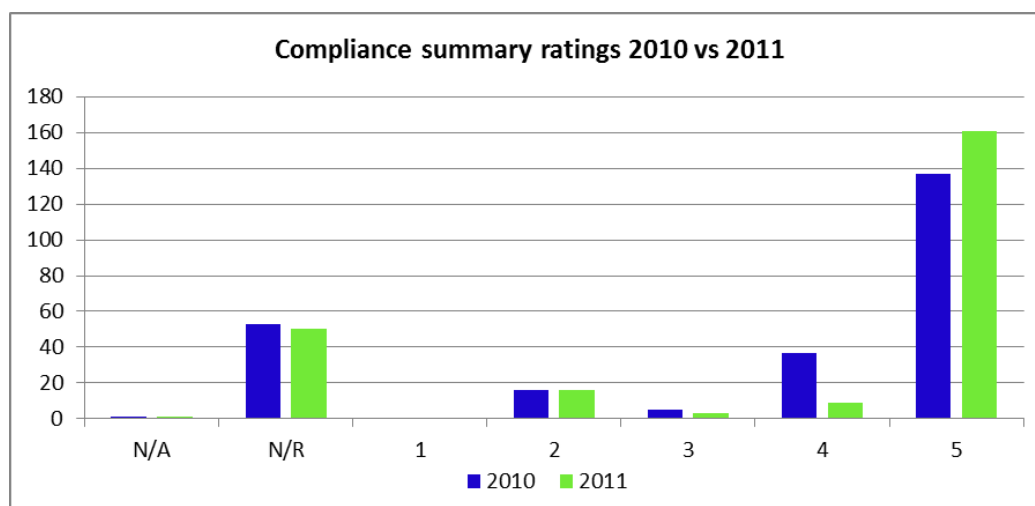
<sup>3</sup> Audit priority for each licence obligation was determined as an outcome of the risk assessment approach outlined in the Audit Plan at Appendix A

<sup>4</sup> Obligations assessed as not applicable to Alinta's operations are detailed in the Audit Plan at Appendix A

<sup>5</sup> Obligations for which there was no relevant activity during the audit period; therefore a compliance assessment could not be made

- Require the cause of the non-compliance to be recognised and corrected. This report details specific recommendations and action plans relevant to those items.

The following graph compares Alinta's overall compliance position, by compliance rating, for the current audit (2011) and the previous audit (2010).



Overall, this audit observed:

- Alinta's implementation of action plans designed to address the cause of non-compliances raised by the 2010 Performance Audit, resulting in an improved level of compliance
- In comparison with the results of the 2010 Performance Audit:
  - A reduction in the number of licence obligations rated as non-compliant (after taking account of those non-compliant ratings carried forward from the 2010 performance audit)
  - A reduction in the number of licence obligations rated as compliant, but with recommendations to improve the strength of internal controls to maintain compliance
  - An increase in the number of licence obligations rated as compliant with no further action required to maintain compliance.

Specific assessments for each licence obligation are summarised at Table 3 in the "Summary of findings" section of this report.

Detailed findings, including relevant observations, recommendations and action plans are located in section 4 "Detailed findings, recommendations and action plans" of this report.

## 2.4 Alinta's response to previous audit recommendations

This audit (including a pre-audit examination performed in July 2011) considered how Alinta has progressed against the action plans detailed in the 2010 performance audit report. Our assessment of Alinta's progress in implementing those action plans is that:

- Alinta has completed 21 of the 22 action plans
- The remaining action plan was closed out as Alinta identified an apparent error in the Authority's Gas Compliance Reporting Manual – November 2010, the result of which requires no further action from Alinta.

Refer to section 5 of this report for further detail.

## 2.5 Recommendations and action plans

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 1/2011
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. <i>Trading Licence schedule 3, clause 3.1</i>	4	Non-compliant 2	<p>Alinta increased its gas tariffs as at 1 August 2011 after the Premier advised Alinta of the allowable price change in a letter dated 18 July 2011. Alinta subsequently confirmed that the increased tariff would be effective from 1 August 2011, in a letter to the Minister dated 4 August 2011.</p> <p>In this case, Alinta has technically not complied with Licence clause 3.1, which requires the Minister to be notified of any change in price, price structure, fee or interest rate at least one month before that change. We understand that the intent of the Licence requirement is for the Minister to be notified in a timely manner before a change in tariff is effected, to preserve the Government's ability to consider and respond to the impact of price increases on small use customers. We believe the intent of the Licence requirement has not been offended since the Premier and other Government representatives were involved in deliberations regarding the amount and timing of the tariff increase.</p>
<b>Recommendation 1/2011</b> Alinta review and document its processes for announcing tariff increases, which are dependent on the Government's determination and approval, in accordance with the requirement to notify the Minister at least one month prior to the price increase.				<b>Action Plan 1/2011</b> Alinta will: <ul style="list-style-type: none"> <li>(a) Document its processes concerning tariff increases</li> <li>(b) Diarise key notification dates in its newly-implemented Regulatory Obligations Register.</li> </ul> <p><b>Responsible Person:</b> General Manager Regulatory Affairs  <b>Target Date:</b> 31 March 2012</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 2/2011
Various obligations with timeframe requirements			Compliant - 4	<p>Alinta has a number of obligations under the Gas Customer Code, which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Alinta is exposed to breaching its obligations in the event that its standard business processes are not upheld. An effective exception reporting arrangement will provide Alinta with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.</p> <p>The 2010 performance audit report recommended Alinta investigate the feasibility of implementing an exception reporting and monitoring regime. As Alinta has decided to replace its existing customer information system CIS-OV, it decided that no further updates or changes will be made to the existing system.</p> <p>The Customer Services Manager, who has been allocated responsibility for the system replacement project, confirmed Alinta’s view of the importance of addressing compliance requirements through the development and implementation of the new customer information system and associated processes. We understand that the system replacement project is to include a component for mapping Licence compliance obligations to process requirements to ensure processes adequately accommodate key compliance obligations.</p>
146	<i>Gas Customer Code clause 3.1(2)</i>	3		
176	<i>clause 4.17(2)</i>	4		
179	<i>clause 4.19(3)</i>	4		
180	<i>clause 4.19(4)</i>	5		
198	<i>clause 6.1(1)</i>	2		
220	<i>clause 7.1</i>	3		
221	<i>clause 7.2</i>	4		
227	<i>clause 8.1(2)</i>	4		
<b>Recommendation 2/2011</b> Within the design and implementation of the new customer information system and associated processes, Alinta design and implement an exception reporting and monitoring regime, which accounts for those Gas Customer Code obligations where a time frame is prescribed.			<b>Action Plan 2/2011</b>  Alinta has incorporated these exception reporting and monitoring requirements into the system design phases of the Customer Information Systems replacement project. This project is expected to be a 12 month project commencing early 2012 with a planned implementation date early 2013.  <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> 31 December 2012	

Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 3/2011
146	A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise. <i>Gas Customer Code clause 3.1(2)</i>	3  Non-compliant 2	<p>Clause 3.1(2) of the Gas Customer Code requires Alinta to process requests for gas connection on the day of receipt, if the request is received before 3pm and if alternate arrangements are not made with the customer.</p> <p><u>Non-compliance matters</u></p> <p>Sample testing of new connections completed during the period 1 July 2010 to 30 September 2011, identified the following non-compliances with the requirements of clause 3.1(2):</p> <ul style="list-style-type: none"> <li>Alinta became aware of an overdue Request for Gas (RFG) after a customer lodged a complaint on 21 January 2011. The RFG was submitted on 30 September 2010 and processed as a priority on the day of complaint. This non-compliance has been attributed to human error</li> <li>Three of 26 RFGs tested were not processed within the timeframe mandated by clause 3.1(2). We were unable to determine the cause of the delay in processing the RFGs.</li> </ul> <p>Alinta's compliance report for the period 1 July 2010 to 30 June 2011 did not include these non-compliances, indicating that Alinta's processes for recognising and reporting instances of such breaches require further strengthening.</p> <p><u>Process improvement matters</u></p> <p>Our examination and testing also observed that:</p> <ol style="list-style-type: none"> <li>RFGs received by post are at risk of not being processed in the required timeframe because: <ul style="list-style-type: none"> <li>The time of receipt is not recorded, so Alinta is unable to effectively demonstrate whether mail is received before or after 3pm on any given day. Our sample testing noted one RFG that was received on 22 June 2011 and was not processed until 23 June 2011. As there was no indication of the time of receipt, it is possible that this request was received before 3pm and therefore not processed on the right day</li> <li>Alinta's processes are not set up to readily distinguish between original RFGs and those already received via fax or online. We understand that the majority of RFGs received by post are copies of RFGs already submitted by fax or online.</li> </ul> </li> <li>Alinta does not have clear processes in place for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner. We recognise that the majority of requests for gas connection are made during the construction of new premises with the customer not actually requiring the supply of gas for a number of weeks or months later. However, Alinta should be in a position to demonstrate that it has not unduly delayed the processing of completing/validating RFG.</li> </ol>

<p><b>Recommendation 3/2011</b></p> <ol style="list-style-type: none"> <li>1. Alinta strengthen its new connection processes for:             <ol style="list-style-type: none"> <li>(a) Demonstrating the reasons for RFGs not being processed on the same business day of receipt</li> <li>(b) Addressing and actioning those RFGs, which are held pending the provision of additional information, in a timely manner</li> <li>(c) RFGs received by mail to be:                 <ul style="list-style-type: none"> <li>• Collected by or forwarded to the New Connections team in sufficient time for the team to meet its obligations under clause 3.1(2) of the Code. One possible solution is for Alinta to establish a different mailing address for New Connections, to be directly received by the relevant team</li> <li>• Stamped with the time of receipt to enable effective monitoring of timeframe requirements.</li> </ul> </li> </ol> </li> <li>2. Alinta investigate automating the processing of RFG forms, to reduce manual handling, as part of its new customer information system.</li> </ol>	<p><b>Action Plan 3/2011</b></p> <p>Alinta will strengthen its new connection processes by:</p> <ol style="list-style-type: none"> <li>(a) Ensuring the cause of any delay in processing an RFG is appropriately recorded</li> <li>(b) Ensuring RFGs which are held pending the provision of additional information are addressed and actioned in a timely manner</li> <li>(c) Date and time stamping all RFGs received by post to ensure processing within the required timeframe and to distinguish between duplicates of faxes and on-line requests already received</li> <li>(d) Considering a separate New Connections mailing address to streamline RFG receipt and processing</li> <li>(e) Reviewing the existing processes as part of the Customer Information System project and incorporate automated processes to manage new connections in line with requirements.</li> </ol> <p><b>Responsible Person:</b> Customer Services Manager  <b>Target Date:</b> 30 April 2012</p>
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Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 4/2011
147	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist. <i>Gas Customer Code clause 4.1</i>	4	Non-compliant - 2	<p>Clause 4.1 of the Gas Customer Code requires Alinta to bill each customer no more than once a month, and at least once every three months unless the customer has provided verifiable consent to bill more or less frequently.</p> <p>Alinta has the following systems and procedures in place for managing the timeliness of billing customers:</p> <ul style="list-style-type: none"> <li>Section 6.1 of Alinta's standard form contract (April 2011 version) states "we can decide how often we bill you and can change how often we bill you. However, we will not bill you more frequently than once a month [except in the case of shortened billing cycles] or less frequently than once every 3 months"</li> <li>On a monthly basis, a report outlining customer accounts that have not been billed for a period of 100 days or more is generated. Billing staff are responsible for reviewing the report and identifying why customers have not been issued a bill. The typical reasons for not issuing a bill is that the scheduled meter read route has been changed by ATCO Gas resulting in a delay of meter read.</li> </ul> <p>During the period 1 July 2010 to 30 September 2011, Alinta did not bill a number of customers at least once in a three month period, without the customer's consent. In these instances, Alinta is in breach of the Gas Customer Code.</p> <p>Alinta's current monitoring arrangements do not provide for effective management of the billing frequency. The use of the 100 day report only identifies breaches that have already occurred and only those where the frequency exceeds 100 days. Accordingly, the report does not enable Alinta to proactively manage the billing cycle to prevent or minimise the extent of breaches.</p>
<b>Recommendation 4/2011</b> Alinta: <ul style="list-style-type: none"> <li>(a) Investigate a potential solution to remedy billing frequencies being outside of the requirements of clause 4.1</li> <li>(b) Update its exception reporting practices to proactively identify those accounts 'at risk' of breaching billing frequency requirements (e.g. a countdown report) to enable active management of Code requirements</li> <li>(c) Assign responsibility for monitoring billing timeframe compliance to an appropriate team member.</li> </ul>				<b>Action Plan 4/2011</b> Alinta will: <ul style="list-style-type: none"> <li>(a) Investigate a potential solution to remedy billing outside the required frequency</li> <li>(b) During the design and implementation of the new Customer Information System, investigate updating its billing exception reporting practices to proactively identify those accounts 'at risk' of breaching billing frequency requirements</li> <li>(c) Assign responsibility for billing timeframe monitoring.</li> </ul> <p><b>Responsible Person:</b> Customer Services Manager  <b>Target Date:</b> 30 June 2012</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 5/2011
219	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties. <i>Gas Customer Code clause 6.11</i>	4	Compliant - 4	<p>Alinta is not obliged to include business customers in its Hardship Policy, however, we determined that:</p> <ul style="list-style-type: none"> <li>Assistance offered by Alinta to customers experiencing payment difficulties extends to small use business customers</li> <li>Staff are aware that if small use business customers are experiencing payment problems, alternative payment arrangements are available.</li> </ul> <p>In the absence of a documented process for dealing with business customer requests for alternative payment arrangements, the Customer Care Coordinator advised that Alinta is considering updating its Hardship Policy at the next annual revision to reflect small use business customers as well as residential customers.</p>
<b>Recommendation 5/2011</b> Alinta either: <ul style="list-style-type: none"> <li>Update the Hardship Policy to specifically expand its applicability to small use business customers, or</li> <li>Otherwise document its arrangements for dealing with business customer requests for alternative payment arrangements.</li> </ul>		<b>Action Plan 5/2011</b> Alinta will review its policies and arrangements for dealing with business customers who are experiencing payment difficulties.  <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> 30 April 2012		



Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 6/2011
221      & 40, 41, 49, 50	<p>A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.</p> <p><i>Gas Customer Code clause 7.2</i></p> <p><i>Customer Contracts Regulations 12(6), clauses 5.1.1.2, 5.1.1.3, 5.1.8.1(c) and 5.1.8.1(d) AGA Code</i></p>	4	Non-compliant 2	<p>In accordance with clause 7.2 of the Gas Customer Code, Alinta's standard business practices require its credit management staff to determine whether a customer is not on a payment plan and whether the balance outstanding is more than \$75 (excluding late payment fees) prior to processing a disconnection service order.</p> <p>Our sample testing did not identify disconnections in breach of clause 7.2, however Alinta's customer complaints register for the period 1 July 2010 to 30 September 2011 included one complaint relating to a customer being disconnected in contravention of clause 7.2(1)(b). Specifically:</p> <ul style="list-style-type: none"> <li>• A disconnection service order was raised &amp; queued in CIS-OV</li> <li>• The following day the customer entered into a payment plan</li> <li>• A disconnection service order was manually (and incorrectly) approved by an Alinta staff member and performed by AMRS despite the payment plan in place</li> <li>• The error was recognised by Alinta upon receiving the complaint, however was not recognised as a breach of the Code, or reported to the Authority.</li> </ul> <p>Although this disconnection may be an isolated incident, it is notable that Alinta's staff and complaints handling processes did not recognise this instance as a breach of the Code.</p>
<p><b>Recommendation 6/2011</b></p> <p>Alinta:</p> <p>(a) Update its processes to ensure that only designated and sufficiently trained staff can approve disconnection service orders</p> <p>(b) Reinforce the need for all staff to perform disconnections in compliance with the Gas Customer Code and to recognise and immediately report any breaches.</p>		<p><b>Action Plan 6/2011</b></p> <p>Alinta will:</p> <p>(a) Update its processes to ensure that only specially trained staff can approve disconnection service orders</p> <p>(b) Ensure all relevant staff complete the "Connection and Disconnection" SALT training module, developed specifically for Alinta in conjunction with law firm Blake Dawson. Consistent with Alinta's training approach, training will be on-going and reviewed at regular intervals and refresher training will be provided at least annually.</p> <p><b>Responsible Person:</b> Customer Services Manager</p> <p><b>Target Date:</b> 31 March 2012</p>		

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 7/2011
225	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified. <i>Gas Customer Code clause 7.6</i>	2	Compliant - 3	<p>We observed that Alinta's processes and procedures provide for:</p> <ul style="list-style-type: none"> <li>Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection</li> <li>Disconnections not to be arranged for Fridays, Saturday, Sunday, a public holiday, the day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to: <ul style="list-style-type: none"> <li>Not arrange disconnections on a Friday</li> <li>Perform disconnections using the disconnection service order produced by CIS-OV, which is forwarded to AMRS or ATCO Gas for processing.</li> </ul> </li> </ul> <p>For three of the disconnections tested by this audit, the time of disconnection was not recorded and we were unable to confirm whether the disconnection had been performed before 3pm.</p> <p>Although we did not observe any evidence to indicate non-compliance with clause 7.6 of the Code, Alinta can further strengthen its processes to demonstrate its ongoing compliance with the Code.</p>
<b>Recommendation 7/2011</b> Alinta: (a) Reinforce the requirement for ATCO Gas and AMRS to perform disconnections in-line with clause 7.6 and to appropriately record the timing of disconnection (b) Investigate the potential for including automated processes in the new customer billing engine to reduce reliance on manual procedures.				<b>Action Plan 7/2011</b> Alinta will: (a) Reinforce the limitations on disconnection with ATCO Gas and AMRS, including the requirement to record disconnection times (b) Investigate automated disconnection processes as part of its new customer information system to reduce manual processing errors.  <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> (a) 31 March 2012 (b) 31 December 2012

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 8/2011
255	A retailer must keep a record of the customer complaint indicators specified. <i>Gas Customer Code clause 13.3(1)</i>	4	Compliant - 4	As addressed in the 2010 Performance Audit report, Alinta’s customer information system CIS-OV enables Customer Service Representatives to categorise a complaint based on its type (e.g. connection, marketing), however, reports produced from CIS-OV are not automatically broken into type of complaint as defined by the Customer Service Representative. On a monthly basis, the Team Leader – Customer Services is required to manually review complaints and categorise them into relevant types. There is potential for the manual categorisation to be different to that maintained within CIS-OV.  The Customer Service Manager confirmed that Alinta determined that it is not viable to update CIS-OV as Alinta is in the process of replacing the system. We understand that the Customer Service Manager has requested that reporting functionality be incorporated into any new customer information system.
256	A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints made directly to a marketer). <i>Gas Customer Code clause 13.3(2)</i>	4		
<b>Recommendation 8/2011</b> Within the design of a new customer information system, Alinta consider automating the current complaint categorisation process.				<b>Action Plan 8/2011</b>  Alinta will incorporate into system specifications for the Customer Information System replacement project, automated customer complaint management modules as part of its requirements to reduce manual processing errors.  <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> 31 December 2012

## 2.6 Potential changes to Licence conditions

### **Obligations 43-45, Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.3.1, 5.1.3.2, 5.1.4.1 & 5.1.4.2, 5.1.5.1 & 5.1.5.2 AGA Code**

This matter was first raised in the 2010 performance audit report and is repeated in this report as we are not aware of a resolution to the apparent inconsistency between the Gas Customer Code, the Energy Coordination Act and the Customer Contract Regulations.

Section 11X of the Energy Coordination Act states that a licensee may interrupt, suspend or restrict supply of gas if necessary to do so because of an accident, emergency, potential danger or other unavoidable cause.

Section 7.5 of the Gas Customer Code provides only for gas distributors to disconnect customers for emergency reasons. While there is no contractual arrangement between customers and the gas distributor, only between customer and the retailer, there is no obligation on Alinta as a retailer to disconnect for emergency reasons. Although the retailer retains the power to interrupt, suspend or restrict supply of gas in such circumstances, current market arrangements are for the distributor to effect all such disconnections.

It appears that the provisions of section 7.5 of the Gas Customer Code are inconsistent with section 11X of the Energy Coordination Act and Customer Contract Regulation 12(6).

We recommend that the Office of Energy and the Authority consider the applicability and relevance of the disconnection obligations of Customer Contract Regulations 12(6) to holders of a gas trading licence.

## 2.7 Scope and objectives

The audit is designed to provide reasonable assurance regarding Alinta's compliance with the conditions of its Licence during the period 1 July 2010 to 30 September 2011.

The Authority has summarised the requirements of the applicable legislation that it expects to be reported upon and included in the scope of this audit in its *Gas Compliance Reporting Manual (Reporting Manual)*. The Reporting Manual relevant to this audit period is the November 2010 edition (replacing the July 2010 revision to correct errors in that revision), which covers the period 1 July 2010 to 30 September 2011.

As agreed with the Authority, for the period 1 July 2010 to 30 September 2011 the scope of the audit is limited to an examination of compliance with the obligations outlined in GTL9, as outlined in the November 2010 version of the Reporting Manual.

During the period subject to audit, there have been changes made to the regulations and codes from which Alinta's compliance obligations are derived to accommodate:

- Amendments to the Gas Customer Code of Conduct (**Gas Customer Code**). The amendments to the Gas Customer Code resulted from a review of the *Supply of Electricity to Small Use Customers Code* by the Electricity Code Consultative Committee, with the intent to maintain consistency between Gas and Electricity industries
- The correct recognition that two obligations of the Energy Coordination (Customer Contracts) Regulations 2000 (**Customer Contracts Regulations**) are actually applicable to Trading Licences, rather than Distribution Licences.

As a result, there have been a small number of additions, updates or removal of obligations resulting from structural revisions and corrections to the Reporting Manual, relevant to Gas Customer Code requirements

The Audit Plan set out at Appendix A lists those Licence conditions confirmed to be included in the scope of the audit, along with the risk assessments made for and audit priority assigned to each licence obligation.

### 2.7.1 Risk assessment revisions

Obligation 64, Energy Coordination (Customer Contracts) Regulation 15(1), was rated an audit priority 3 in the audit plan approved by the Authority on 14 September 2011. This obligation relates directly to obligation 158 and 160 (Gas Customer Code 4.6(1) and 4.7), which were assessed as an audit priority 4.

The rating difference was due to the controls assessment for obligations 158 and 160, which was considered to be 'moderate', based on the results of the pre-audit examination performed in July 2011. The audit priority of obligation 64 has now been corrected to a priority 4.

## 2.8 Approach

Our approach for this audit involved the following activities, which were undertaken during the period October to December 2011:

- Utilising the Audit Guidelines and Reporting Manual as a guide, development of a risk assessment which involved discussions with key staff and document review to assess controls
- Development of an Audit Plan (see **Appendix A**) for approval by the Authority and an associated work program
- Interviews with relevant site level Alinta staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Review of documents, processes and controls to assess the overall compliance and effectiveness of those processes and controls in accordance with Licence obligations (see **Appendix B** for reference listing)
- Sample testing for obligations assessed as an audit priority 3 (or above) and where there was relevant activity to determine whether transactions complied with the requirements of the obligation
- Reporting of findings to Alinta for review and response.

### 3 Summary of findings

Table 2 sets out the rating scale defined by the Authority in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, Alinta was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

**Table 2: Compliance rating scale**

Level	Rating	Description
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
Non-compliant	2	Does not meet minimum requirements
Significantly non-compliant	1	Significant weaknesses and/or serious action required
Not applicable	N/A	Determined that the compliance obligation does not apply to Alinta's business operations
Not rated	N/R	No relevant activity took place during the audit period; therefore it is not possible to assess compliance.

The remainder of this report provides:

- A summary of the findings for the compliance obligations (at **Table 3** below).
- Detailed findings, including relevant observations, recommendations and action plans (at section 4).

Note that other than as described at section 2.7.1. of this report, the risk assessment that was presented in the audit plan remains unchanged as no issues or concerns were identified that would indicate a need to modify the nature and levels of testing. The risk assessment has been included in this summary to give context to the ratings that have been determined.

**Table 3: Compliance Summary**

Refer to Detailed Findings at section 4 and Audit Plan at Appendix A for descriptions of the obligations

							Compliance Rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
8 TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES												
25	11Z	The requirements of the Gas Standards Act do not apply to Alinta’s operations as a gas trader.										
225	7.6	Major	Probable	High	Moderate	Priority 2				✓		
9 LICENCE COMPLIANCE REQUIREMENTS - ENERGY COORDINATION ACT 1994												
1	11Q(1-2)	Moderate	Probable	Medium	Weak	Priority 3						✓
2	11WG(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
3	11WG(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
4	11WK(1-2)	Minor	Probable	Low	Strong	Priority 5						✓
5	11WK(3)	Minor	Probable	Low	Strong	Priority 5						✓
6	11X(3)	Minor	Probable	Low	Strong	Priority 5						✓
10	11ZA(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
11	11ZAF(a)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
12	11ZAF(b)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
13	11ZAF(c)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
14	11ZAH(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
15	11ZAJ	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
16	11ZAJ Reg 38A (4)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
17	11ZK(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
19	11ZOR(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
20	11ZOV(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
21	11ZOV(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
22	11ZOZ(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
24	11ZQH	Moderate	Unlikely	Medium	Strong	Priority 4						✓
10 LICENCE COMPLIANCE REQUIREMENTS - GAS STANDARDS ACT 1972												
25	11Z	The requirements of the Gas Standards Act do not apply to Alinta’s operations as a gas trader.										
11 LICENCE COMPLIANCE REQUIREMENTS - ENERGY COORDINATION (GAS TARIFFS) REGULATIONS 2000												
29	5(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
30	6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
31	6(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
12 LICENCE COMPLIANCE REQUIREMENTS - ENERGY COORDINATION (CUSTOMER CONTRACTS) REGULATIONS 2004												
32	12 (2)	Minor	Probable	Low	Moderate	Priority 5				✓		
33	12 (4)(a)	Minor	Probable	Low	Weak	Priority 5			✓			
34	12 (4)(b)	Minor	Probable	Low	Weak	Priority 5			✓			
35	12 (5)(a)	Minor	Probable	Low	Moderate	Priority 5						✓

							Compliance Rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
36	12 (5)(b)	Minor	Probable	Low	Moderate	Priority 5	✓					
37	12 (5)(c)	Minor	Probable	Low	Moderate	Priority 5						✓
38	12 (5)(d)	Minor	Unlikely	Low	Strong	Priority 5	✓					
39	12 (5)(e)	Minor	Probable	Low	Moderate	Priority 5						✓
40	12 (6)	Minor	Probable	Low	Moderate	Priority 5			✓			
41	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
42	12 (6)	Minor	Probable	Low	Weak	Priority 5			✓			
43	12 (6)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
44	12 (6)	Minor	Unlikely	Low	Strong	Priority 5	✓					
45	12 (6)	Minor	Unlikely	Low	Strong	Priority 5	✓					
46	12 (6)	Minor	Unlikely	Low	Strong	Priority 5	✓					
47	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
48	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
49	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
50	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
51	12 (6)	Minor	Probable	Low	Moderate	Priority 5				✓		
52	12 (6)	Minor	Probable	Low	Moderate	Priority 5					✓	
53	13 (1)	Minor	Unlikely	Low	Strong	Priority 5	✓					
54	13 (3)	Minor	Unlikely	Low	Strong	Priority 5	✓					
55	13 (4)	Minor	Unlikely	Low	Strong	Priority 5	✓					
56	14 (2)	Minor	Probable	Low	Strong	Priority 5						✓
57	14 (3)	Minor	Probable	Low	Strong	Priority 5						✓
58	14	Minor	Probable	Low	Strong	Priority 5						✓
59	15 (1)	Minor	Probable	Low	Moderate	Priority 5			✓			
60	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
61	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
62	15 (1) & (2)	Minor	Probable	Low	Strong	Priority 5						✓
63	15 (1) and 47 (2)&(4)	Minor	Probable	Low	Strong	Priority 5						✓
64	15 (1)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
65	15 (1)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
66	15 (1)	Moderate	Probable	Medium	Strong	Priority 4						✓
67	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
68	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
69	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
70	16 (3)	Minor	Probable	Low	Strong	Priority 5						✓
71	19	Minor	Probable	Low	Strong	Priority 5						✓
72	20 (2)	Minor	Probable	Low	Strong	Priority 5						✓



							Compliance Rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
73	27 (4) & 40 (3)	Minor	Unlikely	Low	Strong	Priority 5	✓					
74	20 (3) & 48	Minor	Probable	Low	Strong	Priority 5						✓
75	22 & 49 (2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
76	49 (3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
77	49 (4)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
78	49 (5)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
79	50	Minor	Probable	Low	Strong	Priority 5						✓
80	44	Minor	Probable	Low	Moderate	Priority 5						✓
81	45 (1)	Minor	Probable	Low	Strong	Priority 5						✓
82	45 (2)	Minor	Probable	Low	Moderate	Priority 5						✓
83	46 (1) & (2)	Minor	Probable	Low	Strong	Priority 5						✓
84	46 (4)	Minor	Probable	Low	Strong	Priority 5						✓
85	28	Minor	Probable	Low	Moderate	Priority 5						✓
86	28	Minor	Probable	Low	Moderate	Priority 5						✓
90	33 (3)	Minor	Probable	Low	Strong	Priority 5						✓
91	42	Minor	Probable	Low	Strong	Priority 5						✓
<b>13 LICENCE COMPLIANCE REQUIREMENTS - LICENCE CONDITIONS</b>												
96	16.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
97	16.4	Minor	Unlikely	Low	Strong	Priority 5						✓
98	17	Minor	Unlikely	Low	Strong	Priority 5	✓					
99	20	Minor	Probable	Low	Strong	Priority 5						✓
100	21.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
101	22.1	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
102	23.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
103	24	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
106	12.2	Minor	Unlikely	Low	Moderate	Priority 5						✓
107	12.3	Minor	Unlikely	Low	Moderate	Priority 5						✓
108	13.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
109	15.1 & 15.2	Moderate	Probable	Medium	Moderate	Priority 4						✓
110	1.5	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
111	1.7	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
112	2.1 & 2.2	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
113	3.1	Moderate	Probable	Medium	Moderate	Priority 4			✓			
<b>14 LICENCE COMPLIANCE REQUIREMENTS - GAS MARKETING CODE OF CONDUCT</b>												
114	11ZPP	Moderate	Likely	High	Moderate	Priority 2			✓			
115	11ZPP & 11M	Moderate	Probable	Medium	Moderate	Priority 4						✓
116	2.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
117	2.2	Moderate	Probable	Medium	Moderate	Priority 4						✓

							Compliance Rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
118	2.3(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
119	2.3(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
120	2.3(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
121	2.4(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
122	2.4(2)	Moderate	Probable	Medium	Weak	Priority 3			✓			
123	2.4(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
124	2.4(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
125	2.5(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
126	2.5(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
127	2.5(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
128	2.5(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
129	2.5(5)	Moderate	Probable	Medium	Strong	Priority 4						✓
130	2.6(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
131	2.6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
132	2.6(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
133	2.6(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
134	2.6(5)	Moderate	Probable	Medium	Moderate	Priority 4						✓
135	2.6(6)	Moderate	Probable	Medium	Moderate	Priority 4						✓
136	2.6(7) & 2.6(8)	Minor	Probable	Low	Moderate	Priority 5						✓
137	2.7(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
138	2.7(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
139	2.7(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
140	2.7(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
141	2.7(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
142	2.8	Moderate	Probable	Medium	Strong	Priority 4						✓
143	2.11(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
144	2.11(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
<b>15 LICENCE COMPLIANCE REQUIREMENTS - GAS CUSTOMER CODE</b>												
<b>PART 3 - CONNECTION</b>												
145	3.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
146	3.1(2)	Moderate	Probable	Medium	Weak	Priority 3			✓			
<b>PART 4 - BILLING</b>												
147	4.1	Moderate	Probable	Medium	Moderate	Priority 4			✓			
148	4.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
149	4.2(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
150	4.2(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
151	4.2(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					

							Compliance Rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
152	4.2(6)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
153	4.3(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
154	4.3(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
155	4.4	Moderate	Probable	Medium	Strong	Priority 4						✓
156	4.5(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
157	4.5(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
158	4.6(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
159	4.6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
160	4.7	Minor	Likely	Medium	Moderate	Priority 4			✓			
161	4.8(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
162	4.8(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
163	4.8(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
164	4.9	Moderate	Probable	Medium	Strong	Priority 4						✓
165	4.1	Minor	Probable	Low	Moderate	Priority 5						✓
166	4.11(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
167	4.11(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
168	4.12(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
169	4.13	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
170	4.14(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
171	4.14(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
172	4.15(1)	Minor	Probable	Low	Strong	Priority 5						✓
173	4.15(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
174	4.16	Moderate	Probable	Medium	Strong	Priority 4						✓
175	4.17(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
176	4.17(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
177	4.18(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
178	4.19(2) & 4.19(6)	Minor	Probable	Low	Strong	Priority 5						✓
179	4.19(3)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
180	4.19(4)	Minor	Probable	Low	Moderate	Priority 5					✓	
<b>PART 5 - PAYMENT</b>												
181	5.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
182	5.2(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
183	5.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
184	5.3	Moderate	Probable	Medium	Moderate	Priority 4						✓
185	5.4	Moderate	Probable	Medium	Strong	Priority 4						✓
186	5.5	Moderate	Probable	Medium	Strong	Priority 4						✓
187	5.6(1)	Moderate	Probable	Medium	Strong	Priority 4						✓

							Compliance Rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
188	5.6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
189	5.6(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
190	5.6 (4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
191	5.7(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
192	5.7(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
193	5.7(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
194	5.8(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
195	5.8(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
196	5.8(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
197	5.9	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
<b>PART 6 - PAYMENT DIFFICULTIES AND FINANCIAL HARDSHIP</b>												
198	6.1(1)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
199	6.1(2)	Minor	Probable	Low	Moderate	Priority 5						✓
200	6.1(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
201	6.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
202	6.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
203	6.2(3)	Minor	Probable	Low	Moderate	Priority 5						✓
204	6.3	Moderate	Probable	Medium	Strong	Priority 4						✓
205	6.4(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
206	6.4(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
207	6.6(1)	Minor	Probable	Low	Strong	Priority 5						✓
208	6.6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
209	6.7	Minor	Probable	Low	Strong	Priority 5						✓
210	6.8	Moderate	Probable	Medium	Strong	Priority 4						✓
211	6.9(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
212	6.9(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
213	6.10(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
214	6.10(2)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
215	6.10(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
216	6.10(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
217	6.10(5)	Moderate	Probable	Medium	Moderate	Priority 4						✓
218	6.10(7)	Moderate	Probable	Medium	Moderate	Priority 4						✓
219	6.11	Moderate	Probable	Medium	Strong	Priority 4					✓	
<b>PART 7 - DISCONNECTION</b>												
220	7.1	Moderate	Probable	Medium	Weak	Priority 3			✓			
221	7.2	Moderate	Probable	Medium	Moderate	Priority 4			✓			
222	7.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
223	7.4	Moderate	Probable	Medium	Weak	Priority 3			✓			

							Compliance Rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
225	7.6	Major	Probable	High	Moderate	Priority 2				✓		
<b>PART 8 - RECONNECTION</b>												
226	8.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
227	8.1(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
<b>PART 10 - INFORMATION AND COMMUNICATION</b>												
229	10.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
230	10.1(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
231	10.1(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
232	10.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
233	10.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
234	10.2(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
235	10.2(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
236	10.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
237	10.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
238	10.5	Moderate	Probable	Medium	Moderate	Priority 4						✓
239	10.5A	Moderate	Probable	Medium	Strong	Priority 4						✓
241	10.9	Minor	Probable	Low	Strong	Priority 5						✓
242	10.10(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
243	10.10(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
244	10.10(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
245	10.11(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
246	10.11(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
<b>PART 12 - COMPLAINTS AND DISPUTE RESOLUTION</b>												
247	12.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
248	12.1(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
249	12.1(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
250	12.2	Moderate	Probable	Medium	Strong	Priority 4						✓
251	12.3	Moderate	Probable	Medium	Strong	Priority 4						✓
252	12.4	Moderate	Probable	Medium	Strong	Priority 4						✓
<b>PART 13 - RECORD KEEPING</b>												
253	13.1	Moderate	Probable	Medium	Strong	Priority 4						✓
254	13.2	Moderate	Probable	Medium	Strong	Priority 4						✓
255	13.3(1)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
256	13.3(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
257	13.5	Moderate	Probable	Medium	Strong	Priority 4						✓
258	13.6	Moderate	Probable	Medium	Strong	Priority 4						✓
265	13.15(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
266	13.15(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓

## 4 Detailed findings, recommendations and action plans

The following sections are broken into the relevant Codes and Regulations that require an assessment of Alinta's compliance. The sections are:

1. Type 1 Reporting obligations for all licence types
2. Energy Coordination Act 1994
3. Gas Standards Act 1972
4. Energy Coordination (Gas Tariffs) Regulations 2000
5. Energy Coordination (Customer Contracts) Regulations 2004
6. Licence Conditions
7. Gas Marketing Code of Conduct
8. Gas Customer Code.

Each section contains:

- **Background** – where it is deemed appropriate, a brief background is provided to assist in developing the context for the assessed levels of compliance
- **Not applicable obligations** – an outline of and the reasons as to why the obligations were assessed as not applicable
- **Not rateable obligations** – the obligations assessed as not rated for the audit period and reasons for this assessment
- **Assessment of compliance** – the conclusions from our audit procedures and a determination of Alinta's compliance with the applicable obligations. These tables include:
  - **Findings** – the auditor's understanding of the process and any issues that have been identified during the audit
  - **Recommendations** – recommendations for improvement or enhancement of the process or control
  - **Action plans** – Alinta's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit.

## 4.1 Type 1 Reporting obligations for all licence types

### Obligations determined to be not applicable

The following obligation is not applicable to Alinta's operations:

Obligation	Reason
25	<p>The requirements of the Gas Standards Act do not apply to Alinta's operations as a gas trader as:</p> <ul style="list-style-type: none"> <li>The requirements on the undertaker, for the purposes of the Act (relating to the quality, pressure, purity and safety standards of gas supplied), are applicable to the distributor, not Alinta as a trader. This interpretation means sections 8 to 11 are not applicable to Alinta's operations</li> <li>Section 13 of the Act relates to consumers' installations. Alinta is not licensed to install appliances or fit gas installations</li> <li>Sections 14 to 16 are therefore not applicable as they relate to those previous sections of the Act, which are not applicable to Alinta's operations.</li> </ul>

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Type 1 Reporting Obligations for all Licence Types.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
1	-	-	-	1	-	-	2

The following table provides detailed findings for the applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligation that is not applicable, as detailed in the table above.

Also note that as Type 1 obligations are included in the corresponding section of this report, the detailed findings for obligation 225 below are a direct copy of the detailed findings provided at section 4.8 of this report.

No	Obligation under Condition	Compliance Rating	Findings
225  32 48 51	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified. <i>Gas Customer Code clause 7.6</i> <i>Customer Contracts Regulations 12(2) and 12(6)</i>	Compliant - 3	<p>Through discussions with the Coordinator Contact Centre and walkthrough of Alinta's disconnection processes, we observed that Alinta's processes and procedures provide for:</p> <ul style="list-style-type: none"> <li>Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection</li> <li>Disconnections not to be arranged for Fridays, Saturday, Sunday, a public holiday, the day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to: <ul style="list-style-type: none"> <li>Not arrange disconnections on a Friday</li> <li>Perform disconnections using the disconnection service order produced by CIS-OV, which is forwarded to AMRS or ATCO Gas for processing.</li> </ul> </li> </ul> <p>From our discussions with the Customer Services Manager we determined that due to system constraints, Alinta has implemented a manual recording process:</p> <ul style="list-style-type: none"> <li>AMRS and ATCO Gas are required to document the time disconnection is affected on a completed service order, which is then sent back to Alinta</li> <li>An ATCO Gas representative sends Alinta an email each month confirming ATCO Gas' and AMRS' compliance with the requirements of clause 7.6 of the Code, for all disconnections performed that month</li> <li>Alinta performs monthly 'spot checks' of disconnection service orders to determine whether disconnection times are being recorded. Any services orders without documented times are raised at monthly management meetings.</li> </ul> <p>Of the sample of 20 disconnection tested:</p> <ul style="list-style-type: none"> <li>No customers had been disconnected where they had lodged a complaint specific to the reason for disconnection (clause 7.6(d))</li> <li>No disconnections had been performed on a Friday, Saturday, Sunday, public holiday or on the day before a public holiday (clause 7.6(f)).</li> </ul> <p>However, for three of the disconnections tested by this audit, the time of disconnection was not recorded and we were unable to confirm whether the disconnection had been performed before 3pm. Examination of the customer complaints register did not identify instances of complaints in relation to being disconnected in the circumstances specified under the Gas Customer Code clause 7.6.</p> <p>Although we did not observe any evidence to indicate non-compliance with clause 7.6 of the Code, Alinta can further strengthen its processes to demonstrate its ongoing compliance with the Code.</p>



No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 7/2011</b> Alinta: (a) Re-enforce the requirement for ATCO Gas and AMRS to perform disconnections in-line with clause 7.6 and to appropriately record the timing of disconnection (b) Investigate the potential for including automated processes in the new customer billing engine to reduce reliance on manual procedures.		<b>Action Plan 7/2011</b> Alinta will: (a) Reinforce the limitations on disconnection with ATCO Gas and AMRS, including the requirement to record disconnection times (b) Investigate automated disconnection processes as part of its new customer information system to reduce manual processing errors.  <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> (a) 31 March 2012 (b) 31 December 2012

## 4.2 Energy Coordination Act 1994

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
3	The Manager Wholesale Regulation confirmed that during the period 1 July 2010 to 30 September 2011, the Authority made no direction to Alinta under section 11WI of the Energy Coordination Act 1994, to amend its Standard Form Contract.
11 to 16	The Manager Wholesale Regulation confirmed that Alinta has not been designated as a supplier of last resort. Therefore the requirements for the development, maintenance and enactment of the 'last resort supply plan' are not relevant to Alinta's operations for the period 1 July 2010 to 30 September 2011.
17	The Manager Wholesale Regulation confirmed that for the purposes of the Gas Trading Licence, Alinta does not have an interest in or an easement over land.
22	The Manager Wholesale Regulation confirmed that, for the period 1 July 2010 to 30 September 2011, the Authority has made no request of Alinta to amend the retail market scheme.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Energy Coordination Act 1994.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
-	9	-	-	-	-	10	19

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Reg Clause 4 & 5) <i>Energy Coordination Act section 11Q(1-2)</i>	Compliant - 5	For the two licence fee periods subject to audit, we obtained evidence of payment, which confirmed: <ul style="list-style-type: none"> <li>The 2010 annual licence fee was paid on 23 July 2010</li> <li>The 2011 annual licence fee was paid on 22 July 2011.</li> </ul> Both payments were made within one month of Alinta's Licence anniversary date, being 1 August each year.
2	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract. <i>Energy Coordination Act section 11WG(1)</i>	Compliant - 5	Through discussions with the Customer Service Coordinator and walkthrough of Alinta's customer account set up procedures, we determined that: <ul style="list-style-type: none"> <li>Alinta only provides gas to small use residential customers under the Standard Form Contract approved by the Authority. The latest version of the Standard Form Contract (September 2010) is located on each of the Authority's and Alinta's websites</li> <li>For small use business customers, Alinta contracts supply via a non-standard form contract.</li> </ul>
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. <i>Energy Coordination Act section 11WK(1-2)</i>	Compliant - 5	Through discussions with the Customer Service Coordinator we determined that Alinta's procedures provide for: <ul style="list-style-type: none"> <li>Should a customer be identified as having consumed gas without having established an account with Alinta, the customer is required to register an account</li> <li>The Customer to be disconnected should the customer not register an account</li> <li>Customers to be identified as having consumed gas without entering into an account with Alinta where meter reads do not match an active account within CIS-OV</li> <li>All supply of gas being deemed to be made under the standard form contract.</li> </ul>
5	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier. <i>Energy Coordination Act section 11WK(3)</i>	Compliant - 5	Section 27 of Alinta's standard form contract states that the contract is in place for a period of one year unless the customer or Alinta ends the contract earlier. The standard form contract also provides for the event that if one year passes without either party ending the relationship, the contract will automatically be renewed for an additional one year period, and so on, until ended.
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. <i>Energy Coordination Act section 11X(3)</i>	Compliant - 5	Alinta has the following arrangements in place, which are designed to minimise the extent or duration of interruption or restriction of supply: <ul style="list-style-type: none"> <li>Long term contractual arrangements for securing gas supply</li> <li>Contractual arrangements with commercial customers enabling Alinta to manage supply in the event of a disruption that threatens continuous supply to small use residential customers</li> <li>Working arrangements with ATCO Gas (as required) to coordinate liaison with customers</li> <li>Recognition of ATCO Gas' responsibility to maintain the 24 hour emergency service hotline.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
10	A licensee must provide the Authority with a performance audit by an independent expert acceptable to the Authority within 24 months of commencement and every 24 months thereafter (or longer if the Authority allows). <i>Energy Coordination Act section 11ZA(1)</i>	Compliant - 5	On 7 July 2011, Deloitte was appointed with the Authority's approval to undertake the audit. The period subject to audit is 1 July 2010 to 30 September 2011, as required by the Authority.
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. <i>Energy Coordination Act section 11ZOR(2)</i>	Compliant - 5	The Retail Energy Market Company Ltd (REMCo) was appointed as the administrator of the approved retail market scheme covering the distribution systems in which Alinta is licensed to operate. From an examination of the REMCo website, and confirmation from the Manager Wholesale Regulation, we confirmed that Alinta was a member of REMCo for the duration of the period subject to audit.
20	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme. <i>Energy Coordination Act section 11ZOV(1)</i>	Compliant - 5	<i>Obligations 20 and 21</i> Prohibited conduct is defined by the Energy Coordination Act s.11ZOV as preventing or hindering the operation of the 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. <i>Energy Coordination Act section 11ZOV(2)</i>	Compliant - 5	The Manager Wholesale Regulation advised that for the period 1 July 2010 to 30 September 2011, he is not aware of Alinta engaging or assisting another party to engage in prohibited conduct relating to the operation of the retail market scheme.
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. <i>Energy Coordination Act section 11ZQH</i>	Compliant - 5	Alinta: <ul style="list-style-type: none"> <li>• Has been granted a GTL</li> <li>• Is precluded by the licence from supplying gas to small use customers unless it is a member of the approved gas industry ombudsman scheme</li> <li>• Is a gas industry member of the ombudsman scheme (admitted to membership on 12 May 2004).</li> </ul>

## 4.3 Gas Standards Act 1972

### Obligations determined to be not applicable

The following obligation is not applicable to Alinta's operations as a gas trader:

Obligation	Reason
25	<p>The requirements of the Gas Standards Act do not apply to Alinta's operations as a gas trader as:</p> <ul style="list-style-type: none"> <li>The requirements on the undertaker, for the purposes of the Act (relating to the quality, pressure, purity and safety standards of gas supplied), are applicable to the distributor, not Alinta as a trader. This interpretation means sections 8 to 11 are not applicable to Alinta's operations</li> <li>Section 13 of the Act relates to consumers' installations. Alinta is not licensed to install appliances or fit gas installations</li> <li>Sections 14 to 16 are therefore not applicable as they relate to those previous sections of the Act, which are not applicable to Alinta's operations.</li> </ul>

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Gas Standards Act 1972.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
1	-	-	-	-	-	-	1

## 4.4 Energy Coordination (Gas Tariffs) Regulations 2000

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Gas Tariffs Regulations.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
-	-	-	-	-	-	3	3

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance.

No	Obligation under Condition	Compliance Rating	Findings
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. <i>Energy Coordination (Gas Tariffs) Regulation 5(1)</i>	Compliant - 5	Alinta supplies the Mid-West/South West, Albany and Kalgoorlie-Boulder areas. Our examination of Alinta's tariffs effective 1 April 2010 and 1 August 2011, confirmed that Alinta has distinct capped tariffs for each area of supply.
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. <i>Energy Coordination (Gas Tariffs) Regulation 6(2)</i>	Compliant - 5	<i>Obligations 30 and 31</i> Through discussions with the Customer Service Coordinator and the Energy Billing Officer, and consideration of Alinta's customer connection processes, we determined that Alinta has processes and procedures in place to manage the application of tariffs. We note that those processes and procedures provide for: <ul style="list-style-type: none"> <li>• All small use residential customers to be supplied gas under a standard form contract</li> <li>• The tariffs applicable to small use customers to be automatically set up within CIS-OV, and attached to a customer's account when a Customer Service Representative finalises the account set-up process</li> <li>• The tariff charged relates to suburb, geographical area (i.e. Mid-West/South West, Albany and Kalgoorlie-Boulder areas) and post code.</li> </ul> We observed a customer account and compared the tariff within CIS-OV, confirming that CIS-OV's tariff records are consistent with the applicable tariff for that area including any amendments in the tariff throughout the audit period.
31	When offering to supply gas to a new customer, a licensee is to offer to supply gas under an approved contract but at a capped tariff. <i>Energy Coordination (Gas Tariffs) Regulation 6(4)</i>	Compliant - 5	

## 4.5 Energy Coordination (Customer Contracts) Regulations 2000

### Background

The Energy Coordination (Customer Contracts) Regulations 2000 (**Contract Regulations**) were introduced in 2000 to outline the responsibility of gas traders in respect of their customers. The Gas Customer Code for Small Use Customers (**Gas Customer Code**) was introduced from 1 July 2009, to regulate and control the conduct of gas retailers, distributors and marketing agents in relation to the supply and marketing of gas to customers.

With the introduction of the Gas Customer Code, a large number of the Contract Regulations are directly addressed in the requirements of the new Gas Customer Code. As such, those obligations outlined in Table 4 are referenced to the audit work performed for the relevant obligation of the Gas Customer Code.

Obligations that are common between the Contract Regulations and the Gas Customer Code relate to:

- Disconnection
- Reconnection
- Payments
- Billing
- Information and Communication.

Throughout the remainder of this report, common obligations under the Gas Customer Code are referenced to the relevant Contract Regulation. Accordingly, the compliance rating for the relevant Contract Regulation obligation is based on the corresponding Gas Customer Code obligation compliance rating.

**Table 4 – Contract Regulations matched to Gas Customer Code**

Customer Contracts Regulations	Gas Customer Code
32, 48, 51	225
33, 34	220
42	223
40, 41, 49, 50	221
52	227
57, 58	229
57	230
58	229
59	147
60	156
63	232
64	158
	160
66	164
67	165
68	182
69	185
	186
72	205
	210
74	195



## Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

## Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
36	The Customer Services Manager confirmed that Alinta has not disconnected any customers for denying of access to meter for the period 1 July 2010 to 30 September 2011.
43, 44, 45	Alinta has not disconnected, or requested the disconnection of, any customers for maintenance, emergency, health or safety reasons. Such disconnections and subsequent reconnections are performed by the network operator.
38, 46, 53, 54, 55	The Customer Services Manager confirmed that Alinta does not require customers to pay a refundable advance as security over consumption in case of default.
65	Through discussions with the Energy Billing Officer, we determined that Alinta does not accept a customer meter reading as an actual read. ATCO Gas require a read performed by a meter reader before a customer's read will be updated.
73	The Customer Services Manager and Sales Manager SME confirmed that Alinta, for the period 1 July 2010 to 30 September 2011, did not engage in door to door marketing.
75 – 78	The Coordinator Contact Centre confirmed that for the period 1 July 2010 to 30 September 2011 Alinta did not default list any customers.

## Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Customer Contract Regulations.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
-	15	-	-	-	-	18	34

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligation that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
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. <i>Customer Contracts Regulation 12(5)(a)</i>	Compliant - 5	<i>Obligations 35 and 37 (links to obligation 226, however as there is no timeframe requirement under the Gas Customer Code, obligations 35 and 37 have been assessed separately)</i> Current market arrangements provide for ATCO Gas (as the distributor) to physically reconnect the customer's gas supply at the request of Alinta (refer to obligation 226 findings). Under these market rules and the Gas Customer Code clause 8.1(2), Alinta must send reconnection service orders to ATCO Gas in a specified timeframe (obligation 227). Customer Contracts Regulation 12(5)(a) requires Alinta, considering the market relationship, to monitor the timing of reconnection of a customer's gas supply.
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. <i>Customer Contracts Regulation 12(5)(c)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator and examination of CIS-OV reports, we determined that the Team Leader – Credit Control monitors the following reports in an excel spread sheet, adding comments and following-up where required: <ul style="list-style-type: none"> <li>• Daily to identify service orders not completed within 3 business days of the issue date</li> <li>• Each Friday to identify service orders not completed within 7 business days of the issue date</li> <li>• Each Friday to identify service orders not completed within 10 business days of the issue date.</li> </ul> Examination of a sample of reports did not identify any instances where the timeframe of 10 business days was exceeded.
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. <i>Customer Contracts Regulation 12(5)(e)</i>	Compliant - 5	Through discussions with the Team Leader – Credit Management and consideration of Alinta's disconnection and reconnection processes, we determined that: <ul style="list-style-type: none"> <li>• Alinta now receives a monthly report from ATCO Gas that lists disconnections performed for emergency, health, safety or maintenance reasons</li> <li>• The report: <ul style="list-style-type: none"> <li>○ Identifies disconnections of supply addresses where a fault is located downstream of the gas meter, as the Regulation requires reconnection where the customer has required the disconnection to be performed</li> <li>○ Details location, description, service order number and planned start date for each disconnection effected throughout the month.</li> <li>○ Has been operational since February 2011.</li> </ul> </li> <li>• The timeframe within which the gas supply to a supply address is reconnected is at the discretion of the owner occupier of each individual supply address.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
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. <i>Customer Contracts Regulation 12(6), clause 5.1.8.1(a) AGA Code</i>	Compliant - 5	The Team Leader - Credit Management confirmed that Alinta's protocols are to not disconnect supply to a customer if the customer has agreed to pay amounts owing (any amount).
56	A licensee must inform customers that: <ul style="list-style-type: none"> <li>The supply charge is either for residential or non-residential supply</li> <li>Includes a specified fixed component and specified usage component</li> <li>Describes the circumstances a customer needs to meet to qualify for residential tariffs.</li> </ul> <i>Customer Contracts Regulation 14(2)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's customer account establishment process, with regard to the contract to be entered into we determined that: <ul style="list-style-type: none"> <li>Customer Service Representatives discuss with customers the type of supply required at the supply address i.e. either residential or commercial</li> <li>Based on these discussions, the Customer Service Representatives will inform the customer to refer to the standard terms and conditions for information on the fees and charges, including the fixed and usage components of those charges. The Energy Billing Officer advised that if customers request information on the charges over the phone, Customer Service Representatives are trained to provide the information</li> <li>The standard terms and conditions provided as part of the welcome pack issued to all new customers includes the information required by Customer Contracts Regulation 14(2).</li> </ul>
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). <i>Customer Contracts Regulation 15(1), clause 4.2.3.2 AGA Code</i>	Compliant - 5	<i>Obligations 61 and 62</i> Through discussions with the Retail Services Officer – Payments and Customer Service Coordinator, we determined that: <ul style="list-style-type: none"> <li>Alinta's processes provide for payments received from customers to be applied to supply and other service charges as requested by the customer</li> </ul>
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. <i>Customer Contracts Regulation 15(1) and (2)</i>	Compliant - 5	<ul style="list-style-type: none"> <li>Customers requesting payments to be applied in a specified manner is a rare circumstance</li> <li>Payment received from customers are applied to the charges for supply of gas before being applied to other fees or charges</li> <li>Alinta does not offer dual fuel contracts; therefore items relating to the supply of electricity are not relevant.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
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; and (b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract. <i>Customer Contracts Regulation 16(3)</i>	Compliant - 5	Through discussions with the Coordinator Contact Centre and consideration of Alinta's disconnection processes, we determined that Alinta's processes provide for: <ul style="list-style-type: none"> <li>• Disconnection of a customer to be Alinta's last resort</li> <li>• Disconnection to only be affected if a customer breaches the conditions of the contract</li> <li>• Credit Management staff to only disconnect customers for specified reasons, in accordance with the Gas Customer Code</li> <li>• Customers not to be disconnected for amounts owing that do not relate to the supply of gas.</li> </ul>
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. <i>Customer Contracts Regulation 19</i>	Compliant - 5	Through discussions with the Customer Services Manager, and consideration of Alinta's customer liaison processes, we determined that all information required by Regulation 19 is available to customers, on request.
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. <i>Customer Contracts Regulation 50</i>	Compliant - 5	Our examination of the disconnection warning notices determined that information relating to Alinta's complaints handling process and the contact details of the Gas Industry Ombudsman are included on the disconnection warning notice.
80	When a non-standard contract is due to expire a licensee must issue a notice in writing to a customer within a period of one and two months prior to the expiry date (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. <i>Customer Contracts Regulation 44</i>	Compliant - 5	Regulation 44(2) states that the licensee is to provide the notice "...not more than 2 months and not less than one month before the day on which the contract is due to expire". Through discussions with the Customer Services Manager, we determined that Alinta's processes for the renewal of non-standard form contracts are designed to meet the timeframe requirements of Regulation 44(2). Specifically: <ul style="list-style-type: none"> <li>• On a monthly basis, Alinta produces and reviews a listing of customers whose contracts are due to expire in a month's time</li> <li>• Alinta's analytics team reviews the customer's usage and determines the new pricing to be included in the contract</li> <li>• The new pricing information, new contract and terms and conditions are sent to the customer at the time of review (i.e. within the period of one and two months prior to the expiry date).</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
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. <i>Customer Contracts Regulation 45(1)</i>	Compliant - 5	The Team Leader – Customer Service confirmed that call centre staff are trained to post a copy of the Customer Service Charter the day of customer request, thereby meeting the two business day requirement.
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. <i>Customer Contracts Regulation 45(2)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's processes to provide information to customers, we determined: <ul style="list-style-type: none"> <li>All new customers and customers who move address receive a copy of the Customer Service Charter, and that the Customer Service Charter is available online</li> <li>Alinta's current bill templates advise a Customer Service Charter is available online or the customer can request a free copy.</li> </ul>
83	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code. <i>Customer Contracts Regulation 46(1) and (2)</i>	Compliant – 5	<b>Obligations 83 and 84</b> Through discussions with the Customer Services Manager, an examination of section 9 of the standard form contract and observation of available references we determined that: <ul style="list-style-type: none"> <li>A copy of the Energy Coordination (Customer Contract) Regulations 2000 is available to customers on request</li> <li>A copy of the Regulations is available at Alinta's premises for viewing, upon request</li> <li>The provision of the information is available at no cost.</li> </ul>
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. <i>Customer Contracts Regulation 46(4)</i>	Compliant – 5	
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. <i>Customer Contracts Regulation 28, clause 3.1.1(a) AGA Code</i>	Compliant - 5	<b>Obligations 85 and 86</b> Section 13 of the standard form contract states “everything before [upstream of] the point where gas leaves the meter is network equipment. We or the network operator will inspect and look after network equipment. Everything after [downstream of] the point where gas leaves the meter is your equipment”. The above provision advises the customer that the retailer or distributor owns all equipment up to gas leaving the meter (including the meter) and will also maintain this equipment, in accordance with the Regulation.
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. <i>Customer Contracts Regulation 28, clause 3.1.1(b) AGA Code</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
90	A licensee must ensure that any representatives seeking access to the supply address on its behalf wear carry and show official identification. <i>Customer Contracts Regulation 33(3), clause 3.5.2.2 AGA Code</i>	Compliant - 5	The Customer Services Manager and Sales Manager SME confirmed that staff or representatives of Alinta who perform: <ul style="list-style-type: none"> <li>• Meter reading</li> <li>• Field related activities</li> <li>• Marketing related activities</li> </ul> wear and carry official identification, including the staff member's photo, name and identification number.
91	A licensee must notify a customer of any amendment to a non-standard contract. <i>Customer Contracts Regulation 42</i>	Compliant - 5	Through discussions with the Customer Services Coordinator and consideration of the non-standard contract review process, we determined that Alinta's procedures for managing amendments to contractual terms includes (among others): <ul style="list-style-type: none"> <li>• Where customers who are contracted through a non-standard form contract and an update/amendment to the terms and conditions is made, the customer is not changed onto the new terms until the contractual period expires, and the contract is renewed.</li> </ul>

## 4.6 Licence Conditions

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
98	The Manager Wholesale Regulation confirmed Alinta has not been prescribed individual performance standards by the Authority.
101	During the period 1 July 2010 to 30 September 2011, Alinta was not under external administration and had not undergone any significant change in circumstances upon which its Licence was granted that may affect its ability to meet its licence obligations. Accordingly there was no obligation to report to the Authority.
103	The Manager Wholesale Regulation confirmed that, for the period 1 July 2010 to 30 September 2011, the Authority did not direct Alinta to publish any information with regards to its Licence (other than information associated with the operating licence performance audit and asset management system review reports).
110	The Manager Wholesale Regulation confirmed that the Authority had not made a request for information relating to the refusal of supply to a customer during the period 1 July 2010 to 30 September 2011.
111	The Manager Wholesale Regulation confirmed that the Authority had not made a direction to supply a customer during the period 1 July 2010 to 30 September 2011.
112	The Manager Wholesale Regulation and Customer Services Manager confirmed that the distributor i.e. ATCO Gas, had not made any information requests of Alinta during the period 1 July 2010 to 30 September 2011.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of Alinta's Licence Conditions.

N/A	N/R	Non-compliant		Compliant			Total
		1	2	3	4	5	
-	6	-	1	-	-	9	16

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligation that cannot be rated, as detailed in the table above.



No	Obligation under Condition	Compliance Rating	Findings
96	A licensee must comply and require its expert to comply with the Authority's standard guidelines dealing with the performance audit. <i>Trading Licence clause 16.2</i>	Compliant - 5	The Audit Plan approved by the Authority on 14 September 2011 commits Alinta and Deloitte (independent expert) to complying with the prescribed audit guidelines and reporting manual issued by the Authority. Deloitte has undertaken the audit utilising the framework from the <i>Audit Guidelines: Electricity, Gas and Water Licences</i> , dated August 2010.
97	A licensee's independent auditor must be approved by the Authority prior to the audit. <i>Trading Licence clause 16.4</i>	Compliant - 5	Deloitte's appointment as the independent auditor was approved by the Authority on 7 July 2011, prior to the commencement of the audit.
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. <i>Trading Licence clause 20</i>	Compliant - 5	The Manager Regulatory Compliance maintains manual and scanned records to evidence formal communications with the Authority, which have been made via post or email.
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. <i>Trading Licence clause 21.1</i>	Compliant - 5	As at 17 March 2011, Texas Pacific Group (TPG) acquired the Alinta assets from Redbank Energy Limited under a debt for equity swap. TPG established a holdings company, Amber Holdings, to be the parent company for the Alinta entities. Amber Holdings is not listed on the Australian Stock Exchange. The Accounting and Planning Manager confirmed that: <ul style="list-style-type: none"> <li>• To the best of his knowledge, Amber Holdings is compliant with Australian Accounting Standards</li> <li>• Amber Holdings' financial reporting period is from 1 July to 30 June. Amber Holdings financial statements were audited by PricewaterhouseCoopers</li> <li>• There are no significant accounting transactions or items that would currently jeopardise Amber Holdings' compliance with accounting standards.</li> </ul> The 2010/11 annual statements for Amber Holdings were sighted. The report confirmed compliance with Australian Accounting Standards and was unqualified.



No	Obligation under Condition	Compliance Rating	Findings
102	A licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the Authority. <i>Trading Licence clause 23.1</i>	Compliant - 5	Through discussions with the Manager Regulatory Affairs, we determined that Alinta has processes in place to respond to requests for information from the Authority. We note that: <ul style="list-style-type: none"> <li>The Manager Regulatory Affairs is responsible for: <ul style="list-style-type: none"> <li>Maintaining a log of communication with the Authority, including timing for submission of required information and reports</li> <li>Monitoring compliance with Alinta's licence obligations</li> </ul> </li> <li>Alinta is required to submit annual compliance reports to the Authority by 31 August. Alinta submitted its 2010 and 2011 compliance report to the Authority on 31 August each year, therefore meeting the mandatory timeframe</li> <li>Each year, Alinta is required to provide information on its retail activity utilising the performance data sheets provided by the Authority. The reports were due to be published by 1 October 2010 and were submitted to the Minister and the Authority on 23 September 2010, therefore complying with the timeframe requirement</li> <li>For the period subject to audit, the Authority has made ad hoc enquiries, but has not required formal reporting of information.</li> </ul>
106	A licensee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that review within the time specified by the Authority. <i>Trading Licence clause 12.2</i>	Compliant - 5	<i>Obligations 106 and 107</i> The Manager Wholesale Regulation confirmed: <ul style="list-style-type: none"> <li>On 31 January 2011, the Authority requested that Alinta review its standard form contract and non-standard form contract (considered to be 'standard contracts' under the Australian Consumer Law) and submit the reviews to the Authority</li> </ul>
107	A licensee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review. <i>Trading Licence clause 12.3</i>	Compliant - 5	<ul style="list-style-type: none"> <li>Alinta submitted the required reviews within the timeframes that were renegotiated with the Authority</li> <li>Alinta complied with the direction given by the Authority in relation to the scope, process and methodology of the standard form contracts review.</li> </ul>
108	A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations. <i>Trading Licence clause 13.1</i>	Compliant - 5	The Manager Wholesale Regulation confirmed Alinta has only amended the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.
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. <i>Trading Licence clause 15.1 and 15.2</i>	Compliant - 5	The Customer Services Manager confirmed Alinta's procedures and service standards provide for Alinta to continue to supply to a customer unless the customer breaches the standard terms and conditions, or cancels their account.

No	Obligation under Condition	Compliance Rating	Findings
113	<p>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><i>Trading Licence schedule 3, clause 3.1</i></p>	Non-compliant - 2	<p><u>1 August 2011 tariff increase (non-compliant)</u></p> <p>Alinta increased its gas tariffs as at 1 August 2011 after the Premier advised Alinta of the allowable price change in a letter dated 18 July 2011. Alinta subsequently confirmed the implementation of the increased tariff to be effective from 1 August 2011, in a letter to the Minister dated 4 August 2011.</p> <p>In this case, Alinta has technically not complied with Licence clause 3.1, requiring the Minister to be notified of any change in price, price structure, fee or interest rate at least one month before that change. We understand that the intent of the Licence requirement is for the Minister to be notified in a timely manner before a change in tariff is affected, to preserve the Government's ability to consider and respond to the impact of price increases on small use customers. We believe the intent of the Licence requirement has not been offended as the Premier and other Government representatives were involved in deliberations regarding the amount and timing of the tariff increase.</p> <p><u>September 2011 fee structure change (compliant)</u></p> <p>The Customer Services Manager confirmed that the Minister was notified of the change to Alinta's fee structure (which was effective as at 4 September 2011) one month prior to the effective date.</p>
	<p><b>Recommendation 1/2011</b></p> <p>Alinta review and document its processes for announcing tariff increases, which are dependent on the Government's determination and approval, in accordance with the requirement to notify the Minister at least one month prior to the price increase.</p>		<p><b>Action Plan 1/2011</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Document its processes concerning tariff increases</li> <li>(b) Diarise key notification dates in its newly-implemented Regulatory Obligations Register.</li> </ul> <p><b>Responsible Person:</b> General Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 March 2012</p>

## 4.7 Gas Marketing Code of Conduct

### Context

In considering the breadth and nature of Alinta's obligations under the Gas Marketing Code of Conduct (**Gas Marketing Code**) the following definitions are relevant:

Term	Gas Marketing Code definition (s.1.5 of the Gas Marketing Code)	Application to Alinta's operations
Marketer	<p>"Marketer means:</p> <p>(a) A retailer who engages in marketing; or</p> <p>(b) A gas marketing agent, other than a marketing representative."</p>	The Gas Marketing Code identifies the Alinta entity as the 'retailer' (or trader) to be the marketer.
Marketing	<p>"Include engaging or attempting to engage in any of the following activities by any means, including door to door or by telephone or other electronic means—</p> <p>(a) Negotiations for, or dealings in respect of, a contract for the supply of gas to a customer; or</p> <p>(b) Advertising, promotion, market research or public relations in relation to the supply of gas to customers."</p>	<p>Alinta activities captured by this definition are:</p> <ul style="list-style-type: none"> <li>• Phone negotiations with residential customers relating to customer contracts</li> <li>• Negotiations with small use business customers in person and by phone relating to customer contracts</li> <li>• Flyers and newsletters provided in customers' bills.</li> </ul>
Marketing representative	<p>"Marketing representative means:</p> <p>(a) A person who is referred to in paragraph (a) of the definition of gas marketing agent and who is an employee of a retailer; or</p> <p>(b) A representative, agent or employee of a person in paragraph (a)."</p>	<p>The Gas Marketing Code definition relates to individuals, being:</p> <ul style="list-style-type: none"> <li>• Alinta staff, both full-time and part-time employees including contractors</li> <li>• Any third party marketing representatives engaged by Alinta (not applicable for this audit period).</li> </ul>

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

## Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
120, 128, 141	The Manager Wholesale Regulation and the Sales Manager Small to Medium Enterprise (SME) confirmed Alinta has not engaged in door-to-door marketing activities for the period 1 July 2010 to 30 September 2011. Therefore obligations that relate to the provision of information and service standards for door-to-door marketing are not relevant to Alinta's operations until such time that this marketing medium is undertaken.
127	The Customer Services Manager confirmed Alinta does not offer concessions to its customers.
139	The Customer Services Manager confirmed neither the Gas Ombudsman nor the Authority has requested information relating to customers requesting not to be contacted for the purposes of marketing.
140	The Customer Services Manager confirmed, for the period 1 July 2010 to 30 September 2011, Alinta had not received a request from a small use customer for written confirmation that they will not be contacted for a period of 2 years.

## Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Gas Marketing Code.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
-	6	-	2	-	-	23	31

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligation that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
114	A licensee must comply with the Gas Marketing Code of Conduct. <i>Energy Coordination Act section 11ZPP</i>	Non-Compliant-2 (*)	<p>The 2010 Performance Audit report rated this obligation as non-compliant (relating to non-compliance with 2010 obligation 124 [current obligation 122]). In December 2010 Alinta addressed the cause of this non-compliance by implementing action plan 9/2010 relating to updating the Gas Customer Charter to include the required elements of clause 2.4 (2). As those processes (rated as non-compliant by the 2010 performance audit) were not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this audit is required to retain the non-compliant rating. In March/April 2011 Alinta also implemented action plan 9/2010 relating to staff training and spot checking of newly implemented contracts.</p> <p>This audit focussed on testing the controls and processes maintained since the implementation of action plans 6/2010 and 9/2010.</p> <p>Through discussions with the Customer Services Manager and the Sales Manager SME and examination of Alinta's marketing activities, procedures and monitoring processes we determined that Alinta has implemented additional checking processes and staff training to demonstrate compliance with the Gas Marketing Code of Conduct.</p> <p>As detailed in the remainder of our findings on Alinta's compliance with the Gas Marketing Code of Conduct, this audit:</p> <ul style="list-style-type: none"> <li>• Examined the customer complaints register for the period 1 July 2010 to 30 September 2011, which did not indicate evidence of complaints in relation to Alinta staff members' compliance with the Gas Marketing Code</li> <li>• Examined a sample of newly implemented contracts and confirmed that Alinta provided the customer with a contract, terms and conditions and a copy of the Gas Customer Charter, which contain information as specified by s.2.4(2)(b) of the Gas Marketing Code</li> <li>• Tested the one new small use contract entered into by the Sales team (i.e. for a small business customer) and determined that the information required by clause 2.4(2) of the Gas Customer Code was provided to the customer</li> <li>• Observed that sales and customer services staff appear to display knowledge of appropriate behaviour in relation to dealing with customers</li> <li>• Examined a sample of customers who have elected not to receive marketing material and determined that those customer accounts correctly reflect the request.</li> </ul> <p>Sample testing, examinations and observations of Alinta's processes maintained since the implementation of action plan 9/2010 did not indicate any further non-compliance with the requirements of the Gas Marketing Code of Conduct.</p>

No	Obligation under Condition	Compliance Rating	Findings
115	A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct. <i>Energy Coordination Act section 11ZPP and 11M</i>	Compliant - 5	<p><i>Obligations 115 and 116</i></p> <p>We recognise that Alinta does not engage in ‘outbound’ marketing (i.e. Alinta initiating contact with a customer), unless specifically requested by the customer. However, as the definition of marketing under the Gas Marketing Code encapsulates any discussions relating to negotiations or dealings with contracts (e.g. relating to moving house, payments terms etc) the obligations of the Gas Marketing Code are applicable to Alinta’s employees. The Customer Services Manager and the Sales Manager SME confirmed:</p> <ul style="list-style-type: none"> <li>Alinta staff are trained to provide services to customers in accordance with the Gas Customer Code, which specifically encapsulates the standards required under the Gas Customer Code</li> <li>As part of the performance review process, staff are supervised and ‘spot checked’ to determine whether the conversations with customers are in line with the Gas Marketing Code</li> <li>Alinta expects all agents and employees to comply with both the Gas Customer Code and the Gas Marketing Code</li> <li>There have been no breaches of the Gas Marketing Code for the period 1 July 2010 to 30 September 2011.</li> </ul> <p>We:</p> <ul style="list-style-type: none"> <li>Evidenced the use of the ‘spot checks’ being performed and recorded by the Sales Manager SME</li> <li>Evidenced Alinta Sales Executive staff training records and confirmed that staff had been provided with the newly implemented Gas Marketing Code training</li> <li>Examined the complaints register for the period 1 July 2010 to 30 September 2011, which did not indicate evidence of complaints in relation to Alinta staff members’ compliance with the Gas Marketing Code.</li> </ul>
116	A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct. <i>Gas Marketing Code clause 2.1</i>	Compliant - 5	
117	A marketer must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified. <i>Gas Marketing Code clause 2.2</i>	Compliant - 5	<p>Through discussions with the Customer Services Manager and Sales Manager SME and consideration of Alinta’s customer connection processes, we determined that Alinta has the following processes in place for ensuring customers are contracted using standard and non-standard form contracts:</p> <ul style="list-style-type: none"> <li>All small use customers are required to contact the Alinta call centre to initiate the customer connection process. Alinta does not engage in door-to-door marketing. Accordingly, customers are not required to physically sign the contract</li> <li>The date that the customer enters into the contract with Alinta is recorded in CIS-OV. All incoming calls are recorded for verification purposes. Information relating to the connection (if a small use business customer) is also stored in the Customer Relationship Management (CRM) system</li> <li>The customer is provided with a copy of the contract and customer service charter as part of the ‘Welcome Pack’, which is provided to all customers on the establishment of a customer’s account</li> <li>Alinta offers only non-standard form contracts to small use business customers.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
118	<p>A marketing representative must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.</p> <p><i>Gas Marketing Code clause 2.3(1)</i></p>	Compliant - 5	<p>Through discussions with the Customer Services Manager and the Sales Manager SME and walkthrough of Alinta's CIS-OV and CRM systems and processes for accepting new customers, we determined that:</p> <ul style="list-style-type: none"> <li>Residential customers are only offered supply of gas via the standard form contract, on the applicable residential tariff</li> <li>Alinta determines customers' eligibility for the residential tariff by assessing whether the supply address is a dwelling</li> <li>Small use business customers are first offered a standard form contract on the applicable commercial tariff. However, on request, small use business customers may be offered a non-standard form contract at a negotiated pricing structure. The customer is then made aware of the difference between the standard and non-standard form contract</li> <li>CIS-OV contains an automated process for providing a copy of the standard form contract (included within the Alinta welcome pack) to the customer with the first bill. This process includes CIS-OV recognising those customers identified as receiving the bill for the first time, or having moved house, then instructing the mailing agent to include a copy of the standard form contract with the bill</li> <li>Customer Service Representatives are trained to provide relevant information to the customer, including advice that: <ul style="list-style-type: none"> <li>The terms of the contract will be provided with the first bill as part of the Alinta welcome pack</li> <li>A copy of the standard or non-standard form contract is available to the customer on request, at no charge, and that it is also available for review on Alinta's website and at Alinta's premises.</li> </ul> </li> </ul> <p>Through discussions with the Manager Marketing &amp; Sales, we also determined that Alinta has implemented the following processes for ensuring that customers are provided with information as required by section 2.3(1) of the Gas Customer Code:</p> <ul style="list-style-type: none"> <li>Staff are to record what information is provided to customers as required under the Gas Marketing Code. For: <ul style="list-style-type: none"> <li>Residential customers, information is provided automatically due to the auto configuration of CIS-OV</li> <li>Small use business customers, copies of these emails are to be maintained in the CRM system against the customer profile and backed up onto LiveLink</li> </ul> </li> <li>For contracts that are negotiated through the sales team (i.e. small use business), Alinta has implemented 'spot checks' to confirm that the required information is being provided to customers. These spot checks are recorded and performed on a periodic basis.</li> </ul> <p>Examination of a sample of newly implemented contracts confirmed that Alinta provided the customer with a contract, terms and conditions and a copy of the Gas Customer Charter, which contain information as specified by s.2.4(2)(b) of the Gas Marketing Code.</p>



No	Obligation under Condition	Compliance Rating	Findings
119	Where a standard form contract is not entered into as a result of door to door marketing or for a non-standard contract initiated by telephone, a marketing representative must obtain and make a record of the customer's verifiable consent that the specified information has been given. <i>Gas Marketing Code clause 2.3(2)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Service and the Sales Manager SME and walkthrough of Alinta's processes for accepting new customers, we determined that: <ul style="list-style-type: none"> <li>Customer Service Representatives are instructed to obtain customer consent when entering into a contract</li> <li>Customer consent is given orally and recorded</li> <li>Customer consent is also documented within CIS-OV by the Customer Service Representative</li> <li>All small use business non-standard form contracts are signed by the applicant and maintained on Alinta's premises. Evidence of verifiable consent is placed on the customers' manual file, stored in CRM and backed up onto Alinta's LiveLink records system.</li> </ul>
121	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must offer to provide the customer with a copy of the contract and, where this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible thereafter. <i>Gas Marketing Code clause 2.4(1)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Service and the Sales Manager SME we determined that Alinta's procedures for accepting new customers require: <ul style="list-style-type: none"> <li>Customer Service Representatives to inform the customer that a copy of the contract is included in the welcome pack, which is to be sent to the customer with the first bill</li> <li>Should the customer request a copy of the contract earlier, the Customer Service Representative is to forward a copy of the standard form contract via email or post, or direct the customer to the Alinta website</li> <li>Small use business customers are provided with a copy of the contract, signed by both the customer and an Alinta representative, upon finalisation of the agreement.</li> </ul>
122	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must give the information specified to the customer. <i>Gas Marketing Code clause 2.4(2)</i>	Non-Compliant-2 (*)	The 2010 Performance Audit report rated this obligation as non-compliant. In December 2010 Alinta addressed the cause of this non-compliance by implementing action plan 9/2010 relating to updating the Gas Customer Charter to include the required elements of clause 2.4 (2). As those processes (rated as non-compliant by the 2010 performance audit) were not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this audit is required to retain the non-compliant rating. This audit focussed on testing the controls and processes maintained since the implementation of action plan 9/2010. Through discussions with the Team Leader – Customer Service and the Sales Manager SME and consideration of Alinta's processes for accepting new customers, we determined that Alinta's processes maintained since the implementation of action plan 9/2010 provide for the provision of all information to the customer specified by clause 2.4(2) of the Gas Marketing Code through the 'Welcome to Alinta' pack. We: <ul style="list-style-type: none"> <li>Examined the 'Welcome to Alinta' pack and determined that each of the requirements of clause 2.4(2) are now included</li> <li>Tested the one new small use contract entered into by the Sales team (i.e. for a small business customer) and determined that the information required by clause 2.4(2) of the Gas Customer Code was provided to the customer.</li> </ul>



No	Obligation under Condition	Compliance Rating	Findings
123	In circumstances where a standard form contract is not entered into as a result of door to door marketing, a retailer or marketing representative must give the specified information no later than with or on the customer's first bill and a copy of the contract if requested by the customer (and the customer has not previously received a copy). <i>Gas Marketing Code clause 2.4(3)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Service and the Sales Manager SME and consideration of Alinta's processes for accepting new customers, Alinta has the following systems in place to provide information to customers no later than with or on the customer's first bill: <ul style="list-style-type: none"> <li>• CIS-OV contains an automated process for providing a copy of the standard form contract (included within the 'Welcome to Alinta' pack) to the customer with the first bill. This process includes CIS-OV recognising those customers identified as receiving the bill for the first time, or having moved house, then instructing the mailing agent to include a copy of the standard form contract with the bill</li> <li>• For small use business customers, it is the responsibility of the Sales Executive to provide the customer a copy of the non-standard form contract when issuing the price proposal. Evidence of communication is stored on the customers' manual file, in CRM and backed-up to LiveLink</li> <li>• A copy of the standard or non-standard form contract is available to the customer on request, at no charge. It is also available for review on Alinta's website and at Alinta's premises.</li> </ul>
124	In circumstances where a standard form contract is entered into as a result of door to door marketing or a non-standard contract, a retailer or marketing representative must give the specified information and a copy of the contract before the customer has entered into the contract and must obtain a written acknowledgement that the information has been given. <i>Gas Marketing Code clause 2.4(4)</i>	Compliant - 5	The Manager Wholesale Regulation and the Sales Manager SME confirmed Alinta has not, for the period 1 July 2010 to 30 September 2011 engaged in door to door marketing. Through discussions with the Customer Services Manager we determined that for the purposes of contracting with customers through the non-standard form contract, Alinta's processes provide for the customer to be provided with the following prior to signing the contractual terms: <ul style="list-style-type: none"> <li>• A copy of the contract</li> <li>• The terms and conditions</li> <li>• The customer service charter.</li> </ul> Alinta's non-standard form contract includes provision for the customer to acknowledge that the customer has received the relevant information and the customer agrees to re-contract.

No	Obligation under Condition	Compliance Rating	Findings
125	<p>A marketing representative must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.</p> <p><i>Gas Marketing Code clause 2.5(1)</i></p>	Compliant - 5	<p><i>Obligations 125 and 126</i></p> <p>Through discussions with the Team Leader – Customer Service and the Sales Manager SME and consideration of Alinta’s training provided to Customer Service Representatives, we determined that Alinta has the following processes in place to maintain a standard of conduct for its marketing activities:</p> <ul style="list-style-type: none"> <li>• As part of the induction process, staff are introduced and provided with a copy of the Gas Customer Code</li> <li>• Staff are tested on the specific elements of the code, in particular the standards of conduct</li> <li>• Expectations of staff performance with regards to engaging in appropriate conduct and not exerting undue pressure, nor harassing or coercing the customer is outlined at employee induction</li> <li>• The Sales Manager SME and Team Leaders review performance of telesales staff by ‘listening in’ and rating their performance using a call feedback sheet.</li> </ul> <p>We also observed that sales and customer services staff appear to display knowledge of appropriate behaviour in relation to dealing with customers.</p> <p>Our examination of the complaints register for the period 1 July 2010 to 30 September 2011 indicated that there is no evidence of customer complaints in relation to an Alinta staff member’s compliance with the Gas Marketing Code.</p>

No	Obligation under Condition	Compliance Rating	Findings
126	A marketing representative must not exert undue pressure on a customer, nor harass or coerce a customer. <i>Gas Marketing Code clause 2.5(2)</i>	Compliant - 5	<i>Obligations 125 and 126</i> Through discussions with the Team Leader – Customer Service and the Sales Manager SME and consideration of Alinta’s training provided to Customer Service Representatives, we determined that Alinta has the following processes in place to maintain a standard of conduct for its marketing activities:
129	A marketer must ensure that a customer is able to contact the marketer on the marketer’s telephone number during normal business hours for the purposes of enquiries, verifications and complaints. <i>Gas Marketing Code clause 2.5(5)</i>	Compliant - 5	<ul style="list-style-type: none"> <li>As part of the induction process, staff are introduced and provided with a copy of the Gas Customer Code</li> <li>Staff are tested on the specific elements of the code, in particular the standards of conduct</li> <li>Expectations of staff performance with regards to engaging in appropriate conduct and not exerting undue pressure, nor harassing or coercing the customer is outlined at employee induction</li> <li>The Sales Manager SME and Team Leaders review performance of telesales staff by ‘listening in’ and rating their performance using a call feedback sheet.</li> </ul> <p>We also observed that sales and customer services staff appear to display knowledge of appropriate behaviour in relation to dealing with customers.</p> <p>Our examination of the complaints register for the period 1 July 2010 to 30 September 2011 indicated that there is no evidence of customer complaints in relation to an Alinta staff member’s compliance with the Gas Marketing Code.</p> <p>The Customer Services Manager confirmed Alinta’s customer call centre is open from 8am to 5pm (WST), Monday to Friday. During this time, customers are able to contact the call centre for all queries.</p>
130	A marketing representative must provide the information specified to the customer when marketing by means other than face to face and after having identified the purpose of the contact, if the contact is not by electronic means, the marketing representative must ask the customer whether they wish to proceed further. <i>Gas Marketing Code clause 2.6(1)</i>	Compliant - 5	<p>The Customer Services Manager and the Sales Manager SME confirmed Alinta Sales Executives and Customer Service Representatives are provided with training regarding the ‘call flow’, when making contact with customers, to:</p> <ul style="list-style-type: none"> <li>Provide his/her first name</li> <li>State that they are calling from Alinta</li> <li>Detail the purpose of the contact</li> </ul> <p>Ask if the customer wishes to proceed.</p>
131	A marketing representative must, on request, provide the customer with its and the retailer’s complaints telephone number and marketing identification number. <i>Gas Marketing Code clause 2.6(2)</i>	Compliant - 5	<ul style="list-style-type: none"> <li>Through discussions with the Manager Customer Service and the Sales Manager SME and consideration of Alinta’s customer interaction procedures, we determined that those procedures require Alinta staff (i.e. marketing representatives) to provide the customer with Alinta’s complaints handling telephone number and marketing identification number.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
132	<p>A marketing representative who meets with a customer face to face must:</p> <ul style="list-style-type: none"> <li>As soon as practicable tell the customer the purpose of the visit;</li> <li>Wear a clearly visible and legible identity card showing the information specified; and</li> <li>As soon as practicable provide the information specified in writing to the customer.</li> </ul> <p><i>Gas Marketing Code clause 2.6(3)</i></p>	Compliant - 5	<p>Through discussions with the Customer Services Manager and the Sales Manager SME and consideration of Alinta's customer interaction procedures, we determined that Alinta's processes provide for:</p> <ul style="list-style-type: none"> <li>Alinta staff to inform the customer of the reasons for the contact</li> <li>Alinta staff to wear clearly visible and legible identity card that shows his or her first name, photograph, marketing identification number and Alinta's logo</li> </ul> <p>Provide the customer, in writing, with his or her first name and marketing identification number, Alinta's logo, complaints handling telephone number and Alinta's business address and ABN/ACN.</p>
133	<p>If, when marketing to a customer, the customer indicates that they wish to end the contact, the marketing representative must end the contact as soon as practicable and not attempt to contact the customer for the next 30 days unless the customer agrees otherwise.</p> <p><i>Gas Marketing Code clause 2.6(4)</i></p>	Compliant - 5	<p>Through discussions with the Customer Services Manager and the Sales Manager SME and walkthrough of Alinta's customer contact records, we determined:</p> <ul style="list-style-type: none"> <li>Alinta's processes such requests made by small use customers to end the contact and for Alinta to not attempt to contact the customer for the next 30 days (within a designated spread sheet) and for Alinta staff to review those records of customer requests/instructions prior to making contact with a customer</li> <li>Alinta's processes to manage communications with customers include staff: <ul style="list-style-type: none"> <li>Ending the contact with a customer if requested</li> <li>Agreeing a suitable time with a customer for making subsequent contact to resolve the matter</li> <li>Recording details of such contact and customer requests.</li> </ul> </li> <li>Alinta has provided training to staff on how and where to record requests for Alinta to not attempt to contact the customer.</li> <li>The Customer Services Manager and Sales Manager SME confirmed that Alinta has not, for the period 1 July 2010 to 30 September 2011, initiated contact with customers unless specifically requested by the customer.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
134	Unless requested by the customer, a marketing representative must not make contact with a customer outside the permitted call times, unless the contact is by electronic means or the contact arises outside the customer's premises in circumstances where the customer initiates contact. <i>Gas Marketing Code clause 2.6(5)</i>	Compliant - 5	<i>Obligations 134 and 135</i> Through discussions with the Customer Services Manager and the Sales Manager SME and consideration of Alinta's customer contact processes, we determined that Alinta staff are trained and required to: <ul style="list-style-type: none"> <li>• Not initiate contact with the customer for the purposes of marketing</li> <li>• Call the customer during call centre operational hours (i.e. permitted call times) and not to continue past those hours unless otherwise agreed with the customer.</li> </ul>
135	A marketing representative must ensure that contact for the purposes of marketing does not continue for more than 15 minutes past the end of the permitted call times without the customer's verifiable consent unless the contact is by electronic means. <i>Gas Marketing Code clause 2.6(6)</i>	Compliant - 5	<i>Obligations 134 and 135</i> Through discussions with the Customer Services Manager and the Sales Manager SME and consideration of Alinta's customer contact processes, we determined that Alinta staff are trained and required to: <ul style="list-style-type: none"> <li>• Not initiate contact with the customer for the purposes of marketing</li> <li>• Call the customer during call centre operational hours (i.e. permitted call times) and not to continue past those hours unless otherwise agreed with the customer.</li> </ul>
136	Except in response to a customer request or query, a marketer must keep the specified records each time it initiates contact with a customer for the purposes of marketing. <i>Gas Marketing Code clause 2.6(7) and 2.6(8)</i>	Compliant - 5	Through discussions with the Customer Services Manager and Sales Manager SME and consideration of Alinta's marketing procedures and records we determined that Alinta's procedures provide for maintaining records relating to marketing activity that has been undertaken.

No	Obligation under Condition	Compliance Rating	Findings
137	<p>Where the customer requests not to be contacted for the purposes of marketing a marketer must ensure that a customer is not contacted on its behalf in relation to the supply of gas for a period of two years unless:</p> <ul style="list-style-type: none"> <li>• The customer requests contact; or</li> <li>• The customer has moved premises; or</li> <li>• A marketer has a legal obligation to contact the customer.</li> </ul> <p><i>Gas Marketing Code clause 2.7(1)</i></p>	Compliant - 5	<p>Through discussions with the Customer Services Manager and Sales Manager SME we determined that Alinta has the following processes in place to manage requests from customers not to be contacted for the purposes of marketing:</p> <ul style="list-style-type: none"> <li>• Alinta does not actively market to its customers i.e. Alinta does not initiate contact with customers unless requested</li> <li>• On occasion Alinta will include materials (such as promotional flyers, newsletters, Alinta information) into the bills provided to customers for information purposes</li> <li>• Should a small use residential customer request not to be contacted for marketing purposes: <ul style="list-style-type: none"> <li>○ Customer Service Representatives are trained to remove the bill inserts check box on the customer profile within CIS-OV. Alinta's use of the bill inserts check box is also intended to capture instances where the customer is not to be contacted for marketing purposes</li> <li>○ The 'do not call' request is logged into CRM. CRM is then checked before contact is made.</li> </ul> </li> <li>• For each bill run, Alinta's download of the billing information to the mailing agents highlights those who have elected not to receive bill inserts</li> <li>• Staff will update the customer's request in either CIS-OV or CRM: <ul style="list-style-type: none"> <li>○ On customer request</li> <li>○ When the customer moves house (this is an automatic process as a new account is established).</li> </ul> </li> </ul> <p>We examined a sample of customer accounts who have elected not to receive marketing material and determined that those customer accounts correctly reflect the request, i.e. the check box is unchecked. Our examination of contact logs also indicates the selected customers have not lodged a complaint in regards to receiving unwanted marketing material.</p>

No	Obligation under Condition	Compliance Rating	Findings
138	A marketer must keep a record of each customer who has requested not to be contacted, that includes the name, address and telephone number of the customer at the time the customer made the request. <i>Gas Marketing Code clause 2.7(2)</i>	Compliant - 5	Through discussions with the Customer Services Manager and Sales Manager SME and walkthrough of Alinta's CIS-OV and CRM customer contact records, we determined that Alinta has processes in place to record requests from customers for Alinta not to contact the customer. For customers who have requested not to receive material that may be sent with customer bills, a 'no bill inserts' register has been developed. We examined the register and determined that it includes customer: <ul style="list-style-type: none"> <li>• Account details</li> <li>• First and last name</li> <li>• Address information</li> <li>• Phone contact details.</li> </ul> The register is a report produced from CIS-OV and CRM, highlighting those customer accounts where the 'bill inserts' check box is un-checked and they are registered as 'do not allow calls' respectively.
142	A retailer and a marketer must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct. <i>Gas Marketing Code clause 2.8</i>	Compliant - 5	The Customer Services Manager and Sales Manager SME confirmed that Alinta's processes are designed to comply with the National Privacy Principles as set out in the Privacy Act 1998. Alinta's Privacy Policy states "Alinta respects and protects the privacy of its customers and is bound by, and complies with, the National Privacy Principles contained in the Privacy Act 1988 and any similar state legislation applicable to Alinta's operations".
143	A marketer must keep a record of each complaint made by a customer or a person contacted for the purposes of marketing and, on request, give all information relating to the complaint to the Gas Ombudsman. <i>Gas Marketing Code clause 2.11(1)</i>	Compliant - 5	Based on discussions with the Team Leader – Customer Service and the Sales Manager SME and consideration of Alinta's processes for managing customer complaints, we determined that Alinta's processes for maintaining a record of customer complaints relating to marketing include: <ul style="list-style-type: none"> <li>• All customer complaints are logged into the CIS-OV system and are categorised according to the type of complaint. For example, direct debit, terms and conditions, hardship, payment, meter reading and marketing</li> <li>• The Team Leader – Customer Service is responsible for reviewing complaints on a weekly basis as well as producing an 'end of month report'. The end of month report includes total number of complaints for each area (e.g. coastal, business, Goldfields to Esperance and Albany), a breakdown of the different types of complaints logged and Energy Ombudsman escalations</li> </ul> Information is to be provided to the Gas Ombudsman as requested.
144	A marketer must keep a record or other information required by the Code to be kept for at least 2 years. <i>Gas Marketing Code clause 2.11(2)</i>	Compliant - 5	<ul style="list-style-type: none"> <li>• The Customer Services Manager confirmed that all records and information required by the Gas Marketing Code is maintained within CIS-OV indefinitely.</li> </ul>

## 4.8 Gas Customer Code

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
148 – 152	Through discussions with the Coordinator Contact Centre and an examination of Alinta's Hardship Policy, we determined that Alinta does not offer shortened billing cycles as described by the Code. Accordingly, these obligations cannot be rated for the period subject to audit.
168 – 171	Alinta does not offer alternative tariffs to small use customers. Customers are charged a standard tariff based on their geographic area and gas supply type. These tariffs are setup at the time of customer application and do not change unless parliamentary approval is provided for a tariff adjustment. That is, there remains only one tariff structure in place, with no alternative tariffs available to customers.
197, 222	The Customer Care Coordinator confirmed that Alinta, for the period 1 July 2010 to 30 September 2011, did not maintain dual fuel contracts for residential customers.
211, 212	The Customer Care Coordinator confirmed that for the purposes of payment difficulties or financial hardship, Alinta does not place a customer onto a payment in advance program. Customers who are experiencing payment difficulties or financial hardship have the ability to extend the due date of their bill, or request to be placed onto an instalment plan. These options functionally relate to a historical debt as compared to payments in advance.
236	The Customer Services Manager confirmed that Alinta does not offer concessions to its customers as energy concessions available to customers is a government initiative, administered by Synergy. Alinta provides customers with Synergy's contact number.



## Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Gas Customer Code.

N/A	N/R	Non-compliant		Compliant			Total
		1	2	3	4	5	
-	14	-	7	1	8	83	113

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
<b>Summary finding regarding Alinta’s exception reporting – Gas Customer Code obligations</b> Alinta has a number of obligations under the Gas Customer Code, which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Alinta is exposed to breaching its obligations in the event that its standard business processes are not upheld. An effective exception reporting arrangement will provide Alinta with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes. The 2010 performance audit report recommended Alinta investigate the feasibility of implementing an exception reporting and monitoring regime. As Alinta has decided to replace its existing customer information system CIS-OV, it also decided that no further updates or changes will be made to the existing system. The Customer Services Manager, who has been allocated responsibility for the system replacement project, confirmed Alinta’s view of the importance of addressing compliance requirements through the development and implementation of the new customer information system and associated processes. We understand that the system replacement project is to include a component for mapping Licence compliance obligations to process requirements to ensure processes adequately accommodate key compliance obligations. <i>This issue and associated recommendation and action plan relates to obligations 146, 176, 179, 180, 198, 220, 221 and 227.</i>			
<b>Recommendation 2/2011</b> Within the design and implementation of the new customer information system and associated processes, Alinta design and implement an exception reporting and monitoring regime, which accounts for those Gas Customer Code obligations where a time frame is prescribed.		<b>Action Plan 2/2011</b> Alinta has incorporated these exception reporting and monitoring requirements into the system design phases of the Customer Information Systems replacement project. This project is expected to be a 12 month project commencing early 2012 with a planned implementation date early 2013.  <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> 31 December 2012	
<b>PART 3 – CONNECTION</b>			
145	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. <i>Gas Customer Code clause 3.1(1)</i>	Compliant - 5	Through discussion with the Retail Service Officer – New Connections and walkthrough of Alinta’s customer connection processes, we determined that Alinta has the following processes and systems in place to ensure applicable customers’ requests for connection are forwarded to the distributor: <ul style="list-style-type: none"><li>Customer Service Representatives review the Gas Mapping System to identify if gas supply is available at the customer’s location</li><li>If gas is available, Customer Service Representatives identify whether the connection request relates to an existing or new supply address</li><li>Request for Gas forms (RFG), when manually processed into Alinta’s CIS-OV system, are automatically work-flowed to ATCO Gas daily at pre-set intervals to initiate connection.</li></ul>

No	Obligation under Condition	Compliance Rating	Findings
146	<p>A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise.</p> <p><i>Gas Customer Code clause 3.1(2)</i></p>	Non-compliant - 2	<p>Clause 3.1(2) of the Code defines the 'timeframe' to be the same day, if the request is received before 3pm on a business day, or the next business day, if received after 3pm, on a Saturday, Sunday or Public Holiday.</p> <p>Through discussions with the Retail Services Officer – New Connections and consideration of Alinta's connection processes, we determined that Alinta's procedures for customers' request for connection within the required timeframe include:</p> <ul style="list-style-type: none"> <li>• The connection process is not initiated until a Gas Fitter has reviewed the property, the property's connections and a RFG has been submitted. RFGs can be submitted by email, post or fax</li> <li>• Alinta staff are required to manually process the RFGs into CIS-OV to generate a service order for ATCO Gas</li> <li>• All RFGs processed within CIS-OV workflow to ATCO Gas in batches. These batches are automatically sent three times each day (approximately 6am, 12pm and 4:15pm)</li> <li>• Alinta staff perform an hourly count of all RFGs received each business day. A final count of RFGs is to be performed at 3pm to ensure all those that were received prior to 3pm are processed in-time for the 4:15pm batch to ATCO Gas. All counts are to be tracked in a spread sheet</li> <li>• Any RFGs received after 3pm are to be processed the following business day</li> <li>• Where RFGs cannot be processed on the same business day they are received, due to incorrect/missing information, those RFGs are totalled in the tracking spread sheet and where required, the relevant person is contacted to obtain further information. The RFGs are kept aside until the required information is received</li> <li>• RFA and RFG forms make provision for customers' verifiable consent to be obtained for the timeframes for submission to ATCO Gas.</li> </ul> <p><u>Non-compliance matters</u></p> <p>Sample testing of 26 new connections completed during the period 1 July 2010 to 30 September 2011, identified the following non-compliances with the requirements of clause 3.1(2):</p> <ul style="list-style-type: none"> <li>• Alinta became aware of an overdue RFG after a customer lodged a complaint on 21 January 2011. The RFG was submitted on 30 September 2010 and processed as a priority on the day of complaint. This non-compliance has been attributed to human error</li> <li>• Three of 26 RFGs tested were not processed within the timeframe mandated by clause 3.1(2). We were unable to determine the cause of the delay in processing the RFG.</li> </ul> <p>Alinta's compliance report for the period 1 July 2010 to 30 June 2011 did not include these non-compliances, indicating that Alinta's processes for recognising and reporting instances of such breaches require further strengthening.</p> <p><u>Process improvement matters</u></p>

No	Obligation under Condition	Compliance Rating	Findings
			<p>Our examination and testing also observed that:</p> <p>a. RFGs received by post are at risk of not being processed in the required timeframe because:</p> <ul style="list-style-type: none"> <li>• The current reliance on administration staff to forward mail to New Connections Officers in a timely manner</li> <li>• The time of receipt is not recorded, so Alinta is unable to effectively demonstrate whether mail is received before or after 3pm on any given day. Our sample testing noted one RFG that was received on 22 June 2011 and was not processed until 23 June 2011. As there was no indication of the time of receipt, it is possible that this request was received before 3pm and therefore not processed on the right day</li> <li>• Alinta's processes are not set up to readily distinguish between original RFGs and those already received via fax or online. We understand that the majority of RFGs received by post are copies of RFGs already submitted by fax or online.</li> </ul> <p>b. Alinta does not have clear processes in place for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner. We recognise that the majority of requests for gas connection are made during the construction of new premises with the customer not actually requiring the supply of gas for a number of weeks or months later. However, Alinta should be in a position to demonstrate that it has not unduly delayed the processing of completing/validating a RFG.</p> <p>We also note that the CIS-OV system currently does not generate exception reports to identify instances where a connection was not performed with the required timeframe. <i>Refer to summary observation and recommendation 2/2011 regarding Alinta's reporting and monitoring controls in relation to Gas Customer Code obligations.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 3/2011</b></p> <p>1. Alinta strengthen its new connection processes for:</p> <ul style="list-style-type: none"> <li>(a) Demonstrating the reasons for RFGs not being processed on the same business day of receipt</li> <li>(b) Addressing and actioning those RFGs, which are held pending the provision of additional information, in a timely manner</li> <li>(c) RFGs received by mail to be: <ul style="list-style-type: none"> <li>• Collected by or forwarded to the New Connections team in sufficient time for the team to meet its obligations under clause 3.1(2) of the Code. One possible solution is for Alinta to establish a different mailing address for New Connections, to be directly received by the relevant team</li> <li>• Stamped with the time of receipt to enable effective monitoring of timeframe requirements.</li> </ul> </li> </ul> <p>2. Alinta investigate automating the processing of RFG forms, to reduce manual handling, as part of its new customer information system.</p>		<p><b>Action plan 3/2011</b></p> <p>Alinta will strengthen its new connection processes by:</p> <ul style="list-style-type: none"> <li>(a) Ensuring the cause of any delay in processing an RFG is appropriately recorded</li> <li>(b) Ensuring RFGs which are held pending the provision of additional information are addressed and actioned in a timely manner</li> <li>(c) Date and time stamping all RFGs received by post to ensure processing within the required timeframe and to distinguish between duplicates of faxes and on-line requests already received</li> <li>(d) Considering a separate New Connections mailing address to streamline RFG receipt and processing</li> <li>(e) Reviewing the existing processes as part of the Customer Information System project and incorporate automated processes to manage new connections in line with requirements.</li> </ul> <p><b>Responsible Person:</b> Customer Services Manager  <b>Target Date:</b> 30 April 2012</p>

No	Obligation under Condition	Compliance Rating	Findings
<b>PART 4 - BILLING</b>			
147	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist. <i>Gas Customer Code clause 4.1</i>	Non-compliant - 2	<p>Section 4.1 of the Code requires Alinta to bill each customer no more than once a month, and at least once every three months unless the customer has provided verifiable consent to bill more or less frequently.</p> <p>Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following systems and procedures in place for managing the timeliness of billing customers:</p> <ul style="list-style-type: none"> <li>Section 6.1 of Alinta's standard form contract (April 2011 version) states "we can decide how often we bill you and can change how often we bill you. However, we will not bill you more frequently than once a month [except in the case of shortened billing cycles] or less frequently than once every 3 months".</li> <li>On a monthly basis, a report outlining customer accounts that have not been billed for a period of 100 days or more is generated. Billing staff are responsible for reviewing the report and identifying why customers have not been issued a bill. The typical reasons for not issuing a bill is that the scheduled meter read route has been changed by ATCO Gas resulting in a delay of meter read.</li> </ul> <p>Through discussion with the Customer Services Manager we determined that:</p> <ul style="list-style-type: none"> <li>Alinta's processes for managing billing schedules to ensure compliance with the requirements of clause 4.1 are in part reliant on ATCO Gas' meter read schedules</li> <li>When ATCO Gas intends to change the meter reading schedule, Alinta has limited ability to deny such changes under the REMCo rules (section 145)</li> <li>Alinta does not operate pre-payment meters.</li> </ul> <p>During the period 1 July 2010 to 30 September 2011 Alinta did not bill a number of customers at least once in a three month period, without the customer's consent. In these instances, Alinta is in breach of the Gas Customer Code. Alinta's compliance report for the period 1 July 2010 to 30 June 2011 indicates instances of non-compliance with obligation 147.</p> <p>Alinta's current monitoring arrangements do not provide for effective management of the billing frequency. The use of the 100 day report only identifies breaches that have already occurred and only those where the frequency exceeds 100 days. Accordingly, the report does not enable Alinta to proactively manage the billing cycle to prevent or minimise the extent of breaches.</p>
59	<i>Customer Contracts Regulation 15(1)</i>		

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 4/2011</b> Alinta: (a) Investigate a potential solution to remedy billing frequencies being outside of the requirements of clause 4.1 (b) Update its exception reporting practices to proactively identify those accounts 'at risk' of breaching billing frequency requirements (e.g. a countdown report) to enable active management of Code requirements (c) Assign responsibility for monitoring billing timeframe compliance to an appropriate team member.		<b>Action plan 4/2011</b> Alinta will: (a) Investigate a potential solution to remedy billing outside the required frequency (b) During the design and implementation of the new Customer Information System, investigate updating its billing exception reporting practices to proactively identify those accounts 'at risk' of breaching billing frequency requirements (c) Assign responsibility for billing timeframe monitoring.  <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> 30 June 2012
153	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide a customer with estimated bills under a bill smoothing arrangement. <i>Gas Customer Code clause 4.3(1)</i>	Compliant - 5	Through discussion with the Energy Billing Officer, we determined that Alinta has processes and systems in place to offer a customer a bill smoothing arrangement, upon request, enabling the provision of estimated bills.
154	If a retailer provides a customer with estimated bills under a bill smoothing arrangement the retailer must ensure that the conditions specified are met. <i>Gas Customer Code clause 4.3(2)</i>	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's bill smoothing processes, we determined that Alinta has processes and systems in place to manage bill smoothing arrangements in line with the requirements of clause 4.3(2)(a) to (e) of the Code. We note that: <ul style="list-style-type: none"> <li>Customers are able to choose from a fortnightly or monthly arrangement. No other timeframes are offered by Alinta</li> <li>Customers who are facing financial hardship are not offered a bill smoothing arrangement</li> <li>The first bill under a bill smoothing arrangement is the value agreed upon with the customer, and communicated to the customer via the bill smoothing arrangement letter</li> <li>Bill smoothing estimates are based on the customers historical billing data or relevant historical data</li> <li>All customer accounts on a bill smoothing arrangement are reviewed on a quarterly basis. CIS-OV facilitates the review by identifying those accounts (based on a four month period) whose smoothed bill amount is less than the 'average' consumption</li> <li>Where the amount under the bill smoothing arrangement is not appropriate, Alinta will contact the customer to reach agreement on any change to the billing amount</li> <li>Customer meters are read on a quarterly basis to coincide with typical billing arrangements. The identification of under and over charges are dealt with by the Payments and Billing team</li> <li>In all instances, for customers requesting bill smoothing arrangements the terms (value and frequency) are agreed with the customer up front.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
155	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. <i>Gas Customer Code clause 4.4</i>	Compliant - 5	Through examination of Alinta's billing process and discussions with the Energy Billing Officer, we determined that Alinta's procedures provide for: <ul style="list-style-type: none"> <li>Customers to have their bills sent to either the supply address or an alternative mailing address nominated by the customer</li> <li>The customers' mailing address to be recorded when the customer establishes an account with Alinta, or when customer requests gas supply</li> <li>Customers to have the bill emailed directly to a nominated address.</li> </ul>
156 60	A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise. <i>Gas Customer Code clause 4.5(1)</i> <i>Customer Contracts Regulation 15(1)</i>	Compliant - 5	Examination of Alinta's current standard bill templates indicates compliance with the minimum information required by section 4.4 of the Code.
157	A retailer must advise the customer of the amount of historical debt and its basis before, with or on the customer's next bill, if the retailer wishes to bill the customer for the historical debt. <i>Gas Customer Code clause 4.5(3)</i>	Compliant - 5	Through discussion with the Energy Billing Officer and consideration of Alinta's billing processes, we understand that in the event a historical debt is identified, Alinta's processes provide for either: <ul style="list-style-type: none"> <li>The amount to be recovered through the standard bill with the debt appearing under the previous balance</li> <li>A special bill for the outstanding amount to be raised and sent to the customer along with a cover letter at the time of identifying the historical debt (i.e. before the customer's next bill).</li> </ul>
158 64	A retailer must base the customer's bill on the distributors or metering agent's reading of the meter, or the customer's reading of the meter in the circumstances specified. <i>Gas Customer Code clause 4.6(1)</i> <i>Customer Contracts Regulation 15(1)</i>	Compliant - 5	Through discussion with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following processes and systems in place for generating bills based on metering agent's reads: <ul style="list-style-type: none"> <li>Alinta customers' meters are read by the network operator's (ATCO Gas) contractor, AMRS. AMRS uploads meter reads into the database, which is maintained by ATCO Gas</li> <li>Alinta uploads the daily batch of meter reads into CIS-OV, which reconciles to customer accounts based on MIRN number and meter number.</li> <li>ATCO Gas requires a meter read to be undertaken by a meter reader and Alinta does not accept customer self-reads under any circumstance.</li> </ul>
159	A retailer must give the customer information that explains to that customer how to read a meter correctly (if applicable) in clear, simple and concise language. <i>Gas Customer Code clause 4.6(2)</i>	Compliant - 5	Through discussions with the Energy Billing Officer, we determined that Alinta Customer Service Representatives are trained to walk a customer through a self read, in the event that a customer queries an actual read. However, the customer self-read will not replace the actual read, until a meter reader has conducted an additional read.



No	Obligation under Condition	Compliance Rating	Findings
160	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills and, in any event, at least once every twelve months in accordance with clause 4.6(1)(a) of the Gas Customer Code. <i>Gas Customer Code clause 4.7</i>	Non-Compliant-2 (*)	The 2010 Performance Audit report rated this obligation as non-compliant. In December 2010 Alinta addressed the cause of this non-compliance by implementing action plan 13/2010 by updating procedures for contacting customers to request access to the meter in cases where the customer has had three or more estimated bills in a row. As those processes (rated as non-compliant by the 2010 performance audit) were not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this audit is required to retain the non-compliant rating.
64	<i>Customer Contracts Regulation 15(1)</i>		<p>This audit focussed on considering the controls and processes maintained since the implementation of action plan 13/2010.</p> <p>Alinta's reading schedules are managed by ATCO Gas and AMRS, with meters scheduled to be read on a quarterly basis to coincide with Alinta's current billing arrangements. Through discussions with the Energy Billing Officer, we determined Alinta has updated its estimated billing process so that an accompanying letter is issued with an estimated bill outlining the need to obtain an actual meter read, therefore designed to meet the requirements of clause 4.6(1)(a) of the Gas Customer Code:</p> <ul style="list-style-type: none"> <li>• Where meter access is denied or unavailable, for that billing cycle an estimated bill is produced. The meter reader is required to document the reason for being unable to read the meter, which is then recorded in CIS-OV</li> <li>• The meter readers are required to leave an 'unable to read' card in the customers mail box, requesting the customer to make contact with the meter reader</li> <li>• The first three accompanying letters advise the customer that access to the gas meter could not be obtained and to contact Alinta to arrange access for the next scheduled visit. The accompanying letters also outline the requirement for the meter to be made available at least once in a 12 month period, with the potential consequence of disconnection if it is not made available</li> <li>• On the third estimated read, Alinta sends a further notice requesting the customer to arrange a suitable time to access the meter within the next 14 days. If the meter is not available for the next meter read, the customer is warned disconnection may be carried out</li> <li>• Alinta has implemented a monthly report identifying customers with three consecutive estimated reads to facilitate further follow-up with those customers</li> <li>• After the fourth estimate read, ATCO Gas automatically sends the customer a reminder notice to allow access to the meter. Also, Alinta sends a disconnection warning letter giving the customer 14 days until disconnection action will commence.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
161	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. <i>Gas Customer Code clause 4.8(1)</i>	Complaint - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's procedures provide for: <ul style="list-style-type: none"> <li>• ATCO Gas to generate an estimated value in the event that a meter reading is not received</li> <li>• The bill to clearly display that it is an estimated bill and that the amount is based on estimation.</li> </ul> We also observed that section 5 of Alinta's standard form contract states that an estimate will be billed should (for whatever reason) an actual meter read not be obtained.
162	A retailer must specify the stated information in circumstances where the customer's bill is estimated. <i>Gas Customer Code clause 4.8(2)</i>	Compliant - 5	Examination of the current bill templates indicates an estimated bill complies with the minimum information required by section 4.8(2) of the Code.
163	A retailer must tell a customer, on request, the basis and reason for the estimation. <i>Gas Customer Code clause 4.8(3)</i>	Complaint - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Customer Service Representatives are trained to advise customers on the basis and reason for estimations. We also observed that the customer profile in CIS-OV provides relevant information required by the Customer Service Representatives when advising customers.
164  66	Where the 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. <i>Gas Customer Code clause 4.9</i> <i>Customer Contracts Regulation 15(1)</i>	Complaint - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing and account management processes, we determined that Alinta's processes provide for: <ul style="list-style-type: none"> <li>• Where an account is in credit (i.e. Alinta has overcharged the customer) the balance to be automatically adjusted on the customer's account. Should the customer prefer a refund, the refund can be processed</li> <li>• Where an account is in debit (i.e. Alinta has undercharged the customer) the balance to be automatically attached to the customer's account. The customer is then advised of the balance.</li> </ul> We evidenced adjustments made to estimate bills after an actual meter reading was obtained.
165  67	A retailer must replace an estimated bill with a bill based on an actual reading if the customer satisfies the requirements as specified. <i>Gas Customer Code clause 4.10</i> <i>Customer Contracts Regulation 15(1)</i>	Complaint - 5	Through discussions with the Retail Services Officer – Billing, we determined that Alinta has processes and procedures in place to replace an estimated bill with a bill based on actual meter read if requested by a customer.

No	Obligation under Condition	Compliance Rating	Findings
166	A retailer must request the distributor or metering agent to test the meter if a customer requests the meter to be tested and pays any reasonable charge of the retailer for testing the meter. <i>Gas Customer Code clause 4.11(1)</i>	Compliant - 5	<p><i>Obligations 166 and 167</i></p> <p>Through discussions with the Energy Billing Officer, we determined that Alinta has the following arrangements in place to engage the distributor to perform a meter test, at a customer's request:</p> <ul style="list-style-type: none"> <li>Alinta charges an upfront fee (currently \$168.40, of which \$153.10 relates to the fee charge by ATCO Gas) for performing a meter test, which requires the removal and replacement of the meter prior to testing. Alinta considers this fee to cover the reasonable costs involved in removing, replacing and testing meters</li> <li>Alinta's current processes require upfront payment of the fee to perform the meter test. Once received, the Energy Billing Officer forwards the request to ATCO Gas</li> <li>Section 4.2 of Alinta's standard form contract outlines customers' right to request a meter test</li> <li>If the meter is found to be defective and the fault relates to the measurement of the customer's consumption, the fee for the meter test is either credited to the customer's account, or refunded via direct payment.</li> </ul>
167	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. <i>Gas Customer Code clause 4.11(2)</i>	Compliant - 5	
172	A retailer must use reasonable endeavours to arrange for a final bill if a customer requests the retailer to issue a final bill at the customer's supply address. <i>Gas Customer Code clause 4.15(1)</i>	Compliant - 5	Through discussions with the Energy Billing officer and consideration of Alinta's billing processes, we determined that Alinta has processes and procedures in place to finalise customer accounts at the customer's request. In these circumstances, a final meter read service order is arranged, from which a final bill is generated.
173	A retailer must repay the customer any amount in credit at the time of account closure. <i>Gas Customer Code clause 4.15(2)</i>	Compliant - 5	<p>Through discussions with the Team Leader – Billing &amp; Payments and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures in place to manage the account finalisation process:</p> <ul style="list-style-type: none"> <li>Alinta's default approach is to transfer any credits to the customer's new supply address (if applicable) unless the customer specifically requested the amount to be refunded, in which case the refund is processed</li> <li>Alinta's billing staff produce a weekly report, which identifies accounts in credit. Accounts in credit are reviewed and appropriately dealt with.</li> </ul> <p>We examined the customer complaint register and did not identify any complaints in relation to refund of credits after account closure.</p>

No	Obligation under Condition	Compliance Rating	Findings
174	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. <i>Gas Customer Code clause 4.16</i>	Compliant - 5	<p><i>Obligation 174 to 176</i></p> <p>Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following processes in place to facilitate the review of a customer account on request:</p> <ul style="list-style-type: none"> <li>Alinta's Customer Service Representatives are trained to deal with customer requests to review a bill, enabling a to be performed on request</li> <li>Requests for review of a customer's bill are resolved immediately, or referred to a relevant team for resolution</li> <li>Where the bill is assessed as correct by Alinta, depending on the issue relating to the bill, the Customer Service Representative informs the customer of the options available where the customer is not happy with the assessment, including the use of the complaints handling processes</li> <li>Where the bill is assessed as incorrect by Alinta, the default process is for a credit to be applied to the customer's account. Alternatively, the customer may request a refund.</li> </ul> <p>Such practices provide for customer's to be informed of the outcome of a review within 20 business days from the date of receipt of the request.</p> <p>Examination of the customer complaints register did not identify instances of complaints in relation to Alinta's response to (and the timing of the response) a request to review a customer account.</p> <p>We also note that the CIS-OV system currently does not generate exception reports to identify instances where a connection was not performed with the required timeframe. <i>Refer to summary observation and recommendation 2/2011 regarding Alinta's reporting and monitoring controls in relation to Gas Customer Code obligations.</i></p>
175	A retailer must follow the procedures specified if a review of a bill has been conducted and the retailer is satisfied that the bill is correct or incorrect (as applicable). <i>Gas Customer Code clause 4.17(1)</i>	Compliant - 5	
176	A retailer must inform the customer of the outcome of the review of a bill as soon as practicable, but, in any event, within 20 business days from the date of receipt of the request for review. <i>Gas Customer Code clause 4.17(2)</i>	Compliant - 4	
177	A retailer must recover an amount undercharged as a result of an act or omission by a retailer or distributor in the manner specified. <i>Gas Customer Code clause 4.18(2)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
178	A retailer must use its best endeavours to inform the customer (including a customer who has vacated the supply address) of an overcharge, and repay or credit any amount overcharged as a result of an act or omission by a retailer or distributor, in the manner and period specified. <i>Gas Customer Code clause 4.19(2) and (6)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures in place for managing the process of recognising and refunding overcharges include: <ul style="list-style-type: none"> <li>Immediately notifying the customer of any overcharge (including for amounts less than \$45) and offering resolution alternatives. This practice meets the 10 business day requirement of the Code</li> <li>Customer Service Representatives making best endeavours to contact customers who have been overcharged and have moved address.</li> </ul>
179	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions. <i>Gas Customer Code clause 4.19(3)</i>	Compliant - 4	<i>Obligations 179 and 180</i> Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for managing the refunds process include: <ul style="list-style-type: none"> <li>Alinta's default approach is to transfer any credits to the customer's supply address unless the customer specifically requests the amount to be refunded</li> <li>Alinta's billing staff produce a weekly report, which identifies accounts in credit. Those accounts that are in credit are reviewed and dealt with</li> <li>If the amount is to be refunded, the Customer Service Representative is to submit a request for work flow approval. Refunds are then processed via weekly cheque run</li> <li>Applying the standard business requirement of seven business days to credit any overcharge.</li> </ul>
180	A retailer must use reasonable endeavours to credit the amount overcharged within 20 business days of the customer making the request, in circumstances where instructions as to payment are not received by the customer. <i>Gas Customer Code clause 4.19(4)</i>	Compliant - 4	Examination of the customer complaints register did not identify instances of complaints in relation to repayment of an overcharged amount.  We also note that the CIS-OV system currently does not generate exception reports to identify instances where a connection was not performed with the required timeframe. <i>Refer to summary observation and recommendation 2/2011 regarding Alinta's reporting and monitoring controls in relation to Gas Customer Code obligations.</i>

No	Obligation under Condition	Compliance Rating	Findings
<b>PART 5 - PAYMENT</b>			
181	The due date on the bill must be at least 12 business days from the date of the bill, with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date. <i>Gas Customer Code clause 5.1</i>	Compliant - 5	Through discussions with the Energy Billing Officer and walkthrough of Alinta's payments processes, we determined that Alinta has the following in place to manage the payments cycle of customer bills: <ul style="list-style-type: none"> <li>Section 6.2(k) of the standard form contract (both the September 2010 and September 2011 editions) states that "each bill will show the due date, which will be at least 12 business days after the date of the bill"</li> <li>The due date of a bill is calculated automatically by CIS-OV with the due date being at least 12 business days from the date of the bill as one of the system's pre-set conditions. These conditions take account of weekends and public holidays</li> <li>Credit management policies and procedures acknowledge the requirement for the due date of customer bills to be at least 12 business days from the date of the bill.</li> </ul> We obtained both a current standard bill and an estimated bill and observed that both showed due dates of 12 business days from the date of the bill.
182 68	A retailer must as a minimum offer the specified payment methods to the customer. <i>Gas Customer Code clause 5.2(1)</i> <i>Customer Contract Regulations 15(1)</i>	Compliant - 5	We examined a sample bill and observed that the minimum payment methods prescribed in s.5.2(1) of the Gas Customer Code are offered by Alinta.
183	A retailer must comply with the Electronic Funds Transfer Code of Conduct with respect to an electronic payment arrangement. <i>Gas Customer Code clause 5.2(2)</i>	Compliant - 5	Section 5.2(2) of the Gas Customer Code states that 'all electronic payment arrangements must comply with the Electronic Funds Transfer Code of Conduct'. The Customer Services Manager confirmed that Alinta complies with the Electronic Funds Transfer Code of Conduct. Alinta's bank for the period subject to audit, Westpac Banking Corporation, is listed on the Australian Securities and Investments Commission website as an organisation that has adopted the EFT Code of Conduct.
184	A retailer must, prior to commencing a direct debit, obtain the customer's verifiable consent and agree to the specified conditions for the direct debit. <i>Gas Customer Code clause 5.3</i>	Compliant - 5	The Team Leader - Billing and Payments confirmed the process for obtaining a customer's verifiable consent prior to commencing a direct debit is either: <ul style="list-style-type: none"> <li>By asking a routine set of questions providing consent through a voice recording of the customer agreeing to those questions</li> <li>Issuing an application containing all relevant information for the customer to complete, sign and return to Alinta.</li> </ul> The Team Leader -Customer Service confirmed that all voice recordings are maintained for minimum of 6 months, after which they are archived.

No	Obligation under Condition	Compliance Rating	Findings
185 69	A retailer must accept payment in advance from a customer on request, in the circumstances specified. <i>Gas Customer Code clause 5.4</i> <i>Customer Contract Regulations 15(1)</i>	Compliant - 5	Through discussion with the Retail Services Officer - Payments and walkthrough of Alinta's payments process, we determined that Alinta: <ul style="list-style-type: none"> <li>• Accepts payment in advance for any amount (i.e. no minimum amount)</li> <li>• Places the customer's account into credit, where applicable.</li> </ul>
186 69	A retailer must, at no charge, offer a residential customer a redirection of the customer's bill to a third person, if requested by a customer who is unable to pay by a minimum payment method, due to illness or absence. <i>Gas Customer Code clause 5.5</i> <i>Customer Contract Regulations 15(1)</i>	Compliant - 5	Through examination of Alinta's billing process and discussions with Retail Services Officer - Payments, we determined that Alinta's procedures provide for customers to have bills sent to either the supply address or an alternative mailing address (including that of a third person) nominated by the customer.
187	A retailer must not charge a residential customer a late payment fee in the circumstances specified. <i>Gas Customer Code clause 5.6(1)</i>	Compliant - 5	<b>Obligations 187 to 190</b> Through discussions with the Coordinator Contact Centre and consideration of Alinta's disconnection and credit management processes, we determined that Alinta has the following processes and procedures to manage the application of late payment fees in accordance with the requirements of clause 5.6(1) to (4) of the Code: <ul style="list-style-type: none"> <li>• The approved late payment fee increased from \$7 to \$8 on 4 September 2011</li> <li>• Alinta's CIS-OV system will not permit the charging of fees to customer accounts whilst a moratorium is in place. A moratorium is attached to a customer account when payment arrangements are agreed to, or a customer complaint is being dealt with</li> <li>• Alinta charges late payment fees on the issue of the relevant reminder notices and disconnection warnings, each of which are at least 5 days apart. The process is automated, i.e. the letter is produced and fee charged</li> <li>• A maximum of three late payment fees can be attached to a customer account in relation to reminder/warning notices before the disconnection process is initiated. As Alinta does not offer a shortened billing cycle no more than 12 late payment fees can be charged within a year</li> <li>• Should a customer contact Alinta and be assessed as suffering from payment difficulties or financial hardship, all fees are reversed</li> <li>• Alinta does not offer any customer concessions.</li> </ul>
188	A retailer must not charge a residential customer an additional late payment fee in relation to the same bill within five business days from the date of receipt of the previous late payment fee notice. <i>Gas Customer Code clause 5.6(2)</i>	Compliant - 5	
189	A retailer must not charge a residential customer more than three late payment fees in relation to the same bill and 12 late payment fees in a year. <i>Gas Customer Code clause 5.6(3)</i>	Compliant - 5	
190	A retailer must retrospectively waiver any late payment fee charged, pursuant to residential customer's last bill, prior to an assessment of financial hardship being made <i>Gas Customer Code clause 5.6(4)</i>	Compliant - 5	



No	Obligation under Condition	Compliance Rating	Findings
191	A retailer must not require a customer who has vacated a supply address to pay for gas consumed at the customer's supply address in the circumstances specified. <i>Gas Customer Code clause 5.7(1)</i>	Compliant - 5	Through discussions with the Coordinator Contact Centre and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for finalisation of customer accounts include: <ul style="list-style-type: none"> <li>• A customer is required to notify Alinta to request account closure</li> <li>• Customer Service Representatives initiate the account finalisation process, and submit a service order in CIS-OV requesting a final meter read of the supply address</li> <li>• AMRS reads the meter the day the customer vacated the supply address if given three business days' notice</li> <li>• In any other case AMRS will read the meter within three business days of the customer's notification of vacating the supply address, therefore meeting the five business day requirement of the Code</li> <li>• Customers are charged for consumption up to the final meter read.</li> </ul>
192	A retailer must not require a customer who was evicted or otherwise required to vacate a supply address to pay for gas consumed at the customer's supply address in the circumstances specified. <i>Gas Customer Code clause 5.7(2)</i>	Compliant - 5	Through discussions with the Coordinator Contact Centre and consideration of Alinta's billing processes, we determined that Alinta has processes and procedures to manage circumstances where customers are evicted or otherwise required to vacate a supply including: <ul style="list-style-type: none"> <li>• Credit management processes designed to stop charges from the day the customer is evicted, provided the customer can provide reasonable evidence</li> <li>• Section 16 of standard form contract, which states that "if you [the customer] are forced to move out [for example, by eviction] with less than three business days' notice and you let us know immediately, we will not ask you to pay for gas used at the supply address beyond the period of notice you were given".</li> </ul>
193	A retailer must not require a previous customer to pay for gas consumed at the supply address in the circumstances specified. A previous retailer must not require the customer to pay for gas consumed at the supply address in the circumstance specified. A retailer must not require the customer to pay for gas consumed at a disconnected supply address in the circumstances specified. <i>Gas Customer Code clause 5.7(4)</i>	Compliant - 5	Through discussions with the Team Leader – Billing & Payments and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures to manage the account finalisation process: <ul style="list-style-type: none"> <li>• The debt is recoverable only from the customer who entered into a contract with Alinta</li> <li>• Once a contract is established and formalised in CIS-OV, the system does not permit an amount to be billed to the previous customer of the same supply address</li> <li>• Section 16 of the standard form contract commits Alinta to not charging the previous customer gas consumption after the new customer becomes obliged to pay</li> <li>• Once a supply address is disconnected, Alinta does not require the customer to pay for gas consumed at the supply address from the date of disconnection.</li> </ul>



No	Obligation under Condition	Compliance Rating	Findings
194	A retailer must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission. <i>Gas Customer Code clause 5.8(1)</i>	Compliant - 5	Section 5.8 (1) of the Gas Customer Code states that ‘a retailer must comply with the Conduct Principles set out in the guidelines on debt collection issued by the Australia Competition and Consumer Commission concerning section 60 of the Trade Practices Act 1974 of the Commonwealth’. Though discussions with the Customer Services Manager and examination of Alinta’s Hardship Policy, we determined that Alinta has established practices to demonstrate compliance with the Conduct Principles set out in the guideline on debt collection issued by the ACCC: <ul style="list-style-type: none"> <li>Depending on the value of the overdue debt, Alinta utilises the services of BayCorp (for amounts less than \$200) and Dun &amp; Bradstreet (for amounts greater than \$200) as collection agencies to recover overdue debts</li> <li>Only accounts that are inactive (i.e. had final invoices issued) are referred to debt collection. No active accounts are referred to debt collection services.</li> </ul> The Customer Services Manager confirmed that Alinta complies with the Conduct Principles set out in the guidelines on debt collection issued by the ACCC.
195  74	A retailer must not commence proceedings for recovery of a debt in the circumstances specified. <i>Gas Customer Code clause 5.8(2)</i> <i>Customer Contract Regulations 20(3) and 48</i>	Compliant - 5	Through discussions with the Coordinator Contact Centre and consideration of Alinta’s credit management processes, we determined that Alinta’s procedures provide for: <ul style="list-style-type: none"> <li>Customers to be contacted prior to being referred to debt collection</li> <li>Customers not to be referred to debt collection if they are: <ul style="list-style-type: none"> <li>Experiencing payment difficulties or financial hardship</li> <li>Making payments under the agreed payment plans.</li> </ul> </li> </ul>
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. <i>Gas Customer Code clause 5.8(3)</i>	Compliant - 5	Through discussions with the Coordinator Contact Centre and consideration of Alinta’s credit management processes, we determined that Alinta’s procedures provide for collection of customer debt. We note that: <ul style="list-style-type: none"> <li>Alinta has processes in place to ensure that any debt is only recovered from the customer of the supply address which incurred the debt</li> <li>The CIS-OV system only allows one account to be attached to a supply address; as such it is only possible to bill for the consumption from a supply address to one customer at any given time.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
<b>PART 6 – PAYMENT DIFFICULTIES AND FINANCIAL HARDSHIP</b>			
198	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within three business days from when the residential customer informs a retailer that the customer is experiencing payment problems. <i>Gas Customer Code clause 6.1(1)</i>	Compliant - 4	<p>Through discussion with the Customer Service Coordinator and Coordinator Contact Centre and examination of Alinta's Hardship Policy, we determined that Alinta has the following processes and procedures in place to facilitate the assessment of customer's financial situation within three days:</p> <ul style="list-style-type: none"> <li>Alinta has developed a Continuous Energy Program (incorporating Hardship Policy) document (Hardship Policy). The Hardship Policy assists Alinta staff in performing a preliminary assessment of a customer's financial situation</li> <li>Customer Service Representatives are responsible for performing the initial assessment in line with the Hardship Policy</li> <li>An initial assessment is to be performed immediately (while the customer is on the phone) and if the customer is assessed as experiencing payment difficulties, which may be a result of financial hardship, the customer is referred to a relevant government agency or financial counsellor</li> <li>Where a customer has contacted Alinta via email or letter, the contact is printed out on a daily basis and distributed to the call centre staff to action when customer calls are low. The Customer Service Coordinator commented this is a rare occurrence, however the Administration Clerk is trained to recognise such letters as a priority. These letters are forwarded to a relevant Team Leader the same day for review. There is no tracking process for payment difficulties or financial hardship letters as to whether they were assessed within three business days. However, the Customer Service Coordinator confirmed that no customers have contacted Alinta for the purpose of payment difficulties/financial hardship via email or letter for the audit period 1 July 2010 to 30 September 2011</li> <li>When a preliminary assessment of a customer has been performed, the Customer Service Representative is required to document the discussion and outcomes on the customer's profile within CIS-OV by categorising the contact log as 'Hardship Utilities Grant Scheme (HUGS)' or 'special condition'</li> <li>Customer Service Representatives are trained in relation to the Hardship Policy</li> <li>The Credit Management team is responsible for reviewing the customer logs categorised as 'HUGS'.</li> </ul> <p>We also note that the CIS-OV system currently does not generate exception reports to identify instances where a connection was not performed with the required timeframe. <i>Refer to summary observation and recommendation 2/2011 regarding Alinta's reporting and monitoring controls in relation to Gas Customer Code obligations.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
199	A retailer must give reasonable consideration to the information and advice specified when undertaking an assessment regarding payment difficulties or financial hardship. <i>Gas Customer Code clause 6.1(2)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator and the Coordinator Contact Centre, we determined that Alinta has procedures in place to assist staff in making preliminary assessments of a residential customer's financial situation. The assessment is completed using information: <ul style="list-style-type: none"> <li>• Provided by the customer</li> <li>• Held by Alinta</li> <li>• From relevant third parties, e.g. financial counsellors.</li> </ul> Where Alinta staff assess the customer as being in financial hardship, the customer is referred to a financial counsellor for a formal assessment. Through discussions with the Customer Care Coordinator and the Coordinator Contact Centre and consideration of the Hardship Policy, we understand that: <ul style="list-style-type: none"> <li>• Customer Service Representatives are trained on how to assess a customer's situation</li> <li>• Most customers, who advise Alinta that they are experiencing payment difficulties, will be given a payment extension.</li> </ul>
200	A retailer must advise a residential customer on request of the details of an assessment. <i>Gas Customer Code clause 6.1(3)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator and the Coordinator Contact Centre, we determined that Customer Service Representatives are aware that residential customers are entitled to information regarding their assessment. The Customer Care Coordinator advised that Alinta staff are not provided with the details of the Financial Counsellor's assessment, other than a decision as to whether the customer is suffering from financial hardship. If a customer requests information regarding the financial counsellor's assessment, Alinta will direct the customer to the respective financial counsellor.
201	A retailer may not unreasonably deny a residential customer's request for a temporary suspension of actions in the circumstances specified. <i>Gas Customer Code clause 6.2(1)</i>	Compliant - 5	<i>Obligations 201 to 203</i> Through discussion with the Customer Care Coordinator and examination of the Hardship Policy, we determined that Alinta has procedures in place to enable a residential customer's account to be suppressed from any credit or disconnection actions for a period of 15 business days. The customer account will be suppressed if: <ul style="list-style-type: none"> <li>• Requested by the customer</li> <li>• Requested by the financial counsellor if more time is required to make an assessment of the customer's financial position</li> <li>• A request is received from a relevant government agency.</li> </ul> The length of suspension of actions is for a minimum of 15 business days and can be extended where an authorised Customer Representative Organisation or financial counsellor requires more time to assess the customer's situation. Customer Service Representatives are authorised to approve an extension of up to 4 weeks. Should a greater period of time be required, Customer Service Representatives are required to seek the approval of a Team Leader.
202	A retailer must allow a temporary suspension of actions for a period of at least 15 business days. <i>Gas Customer Code clause 6.2(2)</i>	Compliant - 5	
203	A retailer must give reasonable consideration to a request by a residential customer in the manner specified to allow a relevant consumer representative organisation additional time to assess a residential customer's capacity to pay. <i>Gas Customer Code clause 6.2(3)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
204	A retailer must offer the alternative payment arrangements, and advise the residential customers that additional assistance may be available, in circumstances where a residential customer is assessed as experiencing payment difficulties or financial hardship. <i>Gas Customer Code clause 6.3</i>	Compliant - 5	From an examination of section 4 of the Hardship Policy and discussions with the Customer Care Coordinator, we determined that Alinta offers alternative payment arrangements such as payment extensions or payment instalment plans to residential customers who are experiencing payment difficulties or financial hardship.
205	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the specified payment arrangements. <i>Gas Customer Code clause 6.4(1)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator and examination of the Hardship Policy, we determined that: <ul style="list-style-type: none"> <li>Alinta has procedures in place to offer payment extensions or payment instalment plans to customers experiencing payment difficulties or financial hardship</li> <li>Any payment instalment plan is both fee and interest free.</li> </ul>
206	A retailer must take into account and specify the stated information and take the specified actions when offering an instalment plan to a residential customer experiencing payment difficulties or financial hardship. <i>Gas Customer Code clause 6.4(2)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator, we determined that Alinta has the following processes for placing residential customers onto a payment instalment plan: <ul style="list-style-type: none"> <li>When Alinta determines whether the instalment plan is applicable to the customer, the customer's usage needs and capacity to pay are taken into account</li> <li>Information relating to an instalment plan is communicated to the customer over the phone, at the time of contact</li> <li>The instalment plan information (including amounts, calculations, timeframe, number of instalments) is agreed with the customer and noted on the customer profile on CIS-OV</li> <li>The details of the instalment plan are sent to the customer by mail.</li> </ul> Alinta's payment difficulty/financial hardship procedures provide for trained staff to methodically assess customers' circumstances and to communicate all information relating to an offered instalment plan to the customer at the point of contact (via phone) and later confirmed via mail. The Hardship Policy outlines the steps Alinta takes when offering an instalment plan to a residential customer in line with s.6.4(2) of the Code.
207	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative organisation, for a reduction of the customer's fees, charges, or debt. <i>Gas Customer Code clause 6.6(1)</i>	Compliant - 5	<i>Obligations 207 and 208</i> From an examination of the Hardship Policy and discussions with the Customer Care Coordinator, we determined that Alinta's policy and procedures provide for: <ul style="list-style-type: none"> <li>All customers who are assessed as being under financial hardship to have all fees and charges deleted from their account</li> <li>If a customer or relevant third party requests that a debt be reduced, it will be referred to the relevant Alinta Customer Care Team Leader who will then make an assessment in accordance with the provisions of Alinta's hardship policy.</li> </ul>
208	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). <i>Gas Customer Code clause 6.6(2)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
209	A retailer must give reasonable consideration to offering a customer an instalment plan or offering to revise an existing instalment plan, in circumstances where it is reasonably demonstrated to the retailer that the customer is unable to meet its previously elected payment arrangement. <i>Gas Customer Code clause 6.7</i>	Compliant - 5	From an examination of the Hardship Policy and discussions with Customer Care Coordinator, we determined that Alinta's processes require its staff to give reasonable consideration to offering a customer an instalment plan or revise an existing plan, if requested.
210 72	A retailer must advise the customer of the specified assistance information. <i>Gas Customer Code clause 6.8</i> <i>Customer Contracts Regulations 20(2)</i>	Compliant - 5	Section 5 of the Hardship Policy outlines customers' rights and responsibilities and specifically outlines the provision of information requirements of clause 6.8 of the Gas Customer Code. Through discussions with the Customer Care Coordinator, we also determined that Alinta provides the necessary advice to a customer, either over the phone, by email or in writing.
213	A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer. <i>Gas Customer Code clause 6.10(1)</i>	Compliant - 5	Alinta developed a Hardship Policy, last reviewed in June 2011, to accommodate instances where individual customers experience payment difficulties or financial hardship. The Hardship Policy is: <ul style="list-style-type: none"> <li>• Applicable to those customers that are assessed as experiencing payment difficulties or financial hardship</li> <li>• Designed to assist customers in meeting their financial obligations to Alinta</li> <li>• Applicable only to residential gas customers who consume not more than 1 terajoule of gas per annum.</li> </ul> The Customer Care Coordinator is responsible for the development and maintenance of the Hardship Policy.
214	A retailer must ensure that the hardship policy complies with the specified criteria. <i>Gas Customer Code clause 6.10(2)</i>	Non-Compliant-2 (*)	The 2010 Performance Audit report rated this obligation as non-compliant. By June 2011 and in line with action plan 16/2010, Alinta had addressed the cause of this non-compliance by updating its Hardship Policy to incorporate the requirements of clause 6.10(2) of the Code. As those aspects of the Hardship Policy (rated as non-compliant by the 2010 performance audit) were not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this audit is required to retain the non-compliant rating. This audit focussed the version of the Hardship Policy updated in accordance with action plan 16/2010.  Alinta's Hardship Policy has had three revisions since the September 2009 version examined by the 2010 performance audit, including amendments to reflect feedback from the Authority. Our examination of the most recent June 2011 version of the Hardship Policy indicates it is in compliance with the requirements of s.6.10(2) of the Code.

No	Obligation under Condition	Compliance Rating	Findings
215	A retailer must give a customer, financial counsellor or relevant consumer representative organisation, on request, details of the financial hardship policy, at no charge. The retailer must provide all residential customers experiencing financial hardship details of the hardship policy. <i>Gas Customer Code clause 6.10(3)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator, we determined that Alinta has: <ul style="list-style-type: none"> <li>• Protocols in place for providing details of the Hardship Policy to a customer, financial counsellor or welfare agency upon request</li> <li>• Made its Hardship Policy available on its website.</li> </ul>
216	A retailer must keep a record of the specified information related to the hardship policy. <i>Gas Customer Code clause 6.10(4)</i>	Compliant - 5	Through discussion with the Customer Services Manager and consideration of the Continuous Energy Program (including hardship policy), we determined that Alinta maintains these records as prescribed by s.6.10(4) of the Code.
217	A retailer must, unless notified in writing by the Authority, review its hardship policy at least annually and submit it to the Authority within 5 business days after it is completed. <i>Gas Customer Code clause 6.10(5)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator and examination of the Hardship Policy (June 2011 version), we determined that: <ul style="list-style-type: none"> <li>• Alinta has processes in place to review its Hardship Policy on an annual basis, with the results being submitted to the Authority within five business days. The annual review includes input from WACOSS and other agencies</li> <li>• The Customer Services Coordinator is delegated as responsible for performing the annual review of the Hardship Policy, supported by the Customer Services Manager and Manager Regulatory Compliance.</li> </ul> Examination of the Hardship Policy indicates annual reviews are being conducted, with input from relevant parties.
218	A retailer must have regard to the Authority's Financial Hardship Policy Guidelines when updating their hardship policy. <i>Gas Customer Code clause 6.10(7)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator and examination of the Hardship Policy (June 2011 version), we determined that Alinta reviewed its Hardship Policy with consideration to the Financial Hardship Policy Guidelines issued by the Authority in August 2010.

No	Obligation under Condition	Compliance Rating	Findings
219	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties. <i>Gas Customer Code clause 6.11</i>	Compliant - 4	<p>Alinta is not obliged to include business customers in its Hardship Policy, however from discussions with the Customer Care Coordinator, we determined that:</p> <ul style="list-style-type: none"> <li>Assistance offered by Alinta to customers experiencing payment difficulties extends to small use business customers</li> <li>Staff are aware that if small use business customers are experiencing payment problems, alternative payment arrangements are available.</li> </ul> <p>In the absence of a documented process for dealing with business customer requests for alternative payment arrangements, the Customer Care Coordinator advised that Alinta is considering updating its Hardship Policy at the next annual revision to reflect small use business customers as well as residential customers.</p> <p>We examined the customer complaint register for the 2010/11 year and did not identify any complaints relating to a business customer's treatment in arranging alternate payment arrangements.</p>
	<p><b>Recommendation 5/2011</b></p> <p>Alinta either:</p> <ul style="list-style-type: none"> <li>Update the Hardship Policy to specifically expand its applicability to small use business customers, or</li> <li>Otherwise document its arrangements for dealing with business customer requests for alternative payment arrangements.</li> </ul>		<p><b>Action Plan 5/2011</b></p> <p>Alinta will review its policies and arrangements for dealing with business customers who are experiencing payment difficulties.</p> <p><b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> 30 April 2012</p>



No	Obligation under Condition	Compliance Rating	Findings
PART 7 - DISCONNECTION			
220	A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer’s supply address for failure to pay a bill. <i>Gas Customer Code clause 7.1</i>	Non-Compliant-2 (*)	The 2010 Performance Audit report rated this obligation as non-compliant. In December 2010 and in accordance with action plan 17/2010, Alinta had addressed the cause of this non-compliance by updating its reminder and disconnection warning templates to incorporate the requirements of clause 7.1(1) of the Code. As those templates (rated as non-compliant by the 2010 performance audit) were not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this audit is required to retain the non-compliant rating.
33	<i>Customer Contracts Regulations 12(4)(a)-(b)</i>		This audit focussed on the controls, processes and templates maintained since the update of its reminder and disconnection warning templates in accordance with action plan 17/2010.
34			Examination of Alinta’s billing process and discussions with the Coordinator Contact Centre and Customer Care Coordinator, indicate that Alinta’s current processes provide for: <ul style="list-style-type: none"><li>• An overdue account notice (not a requirement under the Code) to be sent to customers who are considered not to be a credit risk, thereby delaying the formal requirements under the code (17 days after issue of the bill)</li><li>• A reminder notice to be sent to customers. For those customers considered a credit risk the notice will be sent 17 days after the issue of the bill. Those non-credit risk customers who have received the initial overdue account letter receive the notice 22 days after date of bill</li><li>• A disconnection warning notice to be sent to the customer outlining that the account is overdue. For those customers considered a credit risk the notice will be sent 26 days after the date of bill. Those non-credit risk customers receive the notice 31 days after date of bill</li><li>• Disconnections not to be performed unless the above reminder notices and warnings have been issued. All disconnection warnings, regardless of credit rating, are given 10 business days to make payment</li></ul> During the period subject to audit, Alinta has also implemented a door knock approach where, should an account become eligible for disconnection; a contractor is sent to door knock the relevant supply address in an attempt to provide a further warning to the customer. We: <ul style="list-style-type: none"><li>• Examined Alinta’s reminder and disconnection templates and determined that they meet the requirements of clauses 7.1(1)(a) and 7.1(1)(c) of the Gas Customer Code</li><li>• Sample tested 20 customers who were disconnected, confirming that the reminder notice and disconnection warnings were sent in accordance with clause 7.1 of the Gas Customer Code.</li></ul> We also note that the CIS-OV system currently does not generate exception reports to identify instances where a connection was not performed with the required timeframe. <i>Refer to summary observation and recommendation 2/2011 regarding Alinta’s reporting and monitoring controls in relation to Gas Customer Code obligations.</i>



No	Obligation under Condition	Compliance Rating	Findings
221	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified. <i>Gas Customer Code clause 7.2</i>	Non-compliant – 2 (221, 40)	Through discussion with the Coordinator Contact Centre and consideration of Alinta's disconnection and credit management processes, we determined that Alinta has the following processes and systems in place for managing the disconnection of customers: <ul style="list-style-type: none"> <li>• Disconnecting a customer is the last resort Alinta will employ</li> <li>• Credit management staff are aware to only disconnect customers for specified reasons</li> <li>• A customer will not be disconnected where amounts owing do not relate to the supply of gas or the supply address does not relate to the bill</li> <li>• Alinta does not offer customers concessions however will offer alternate payment arrangements in accordance with clause 6.4(1)</li> <li>• As the Authority has not prescribed a minimum amount of the balance outstanding below which Alinta is not permitted to process a disconnection, Alinta has implemented a minimum amount of \$75 excluding late payment fees.</li> </ul> Our sample testing did not identify disconnections in breach of: <ul style="list-style-type: none"> <li>• Clause 7.2 of the Gas Customer Code</li> <li>• Regulation 12(6) of the Customer Contract Regulations, specifically relating to: <ul style="list-style-type: none"> <li>○ Business customers being disconnected in contravention of the specified requirements (obligation 41)</li> <li>○ Customers being disconnected before an application for a Government concession (e.g. HUGS) had been decided (obligation 49)</li> <li>○ Disconnections for amounts other than supply charges (obligation 50).</li> </ul> </li> </ul> However, Alinta's customer complaints register for the period 1 July 2010 to 30 September 2011 included one complaint relating to a customer being disconnected in contravention of the Gas Customer Code and Customer Contract Regulations (obligations 221 and 40). Specifically: <ul style="list-style-type: none"> <li>• A disconnection service order was raised &amp; queued in CIS-OV</li> <li>• The following day the customer entered into a payment plan</li> <li>• A disconnection service order was manually (and incorrectly) approved by an Alinta staff member and performed by AMRS despite the payment plan in place</li> <li>• The error was recognised by Alinta upon receiving the complaint, however was not recognised as a breach of the Code, or reported to the Authority.</li> </ul> Although this disconnection may be an isolated incident, it is notable that Alinta's staff and complaints handling processes did not recognise this instance as a breach of the Code. We also note that the CIS-OV system currently does not generate exception reports to identify instances where a connection was not performed with the required timeframe. <i>Refer to summary observation and recommendation 2/2011 regarding Alinta's reporting and monitoring controls in relation to Gas Customer Code obligations.</i>
40	<i>Customer Contracts Regulation 12(6)</i>	Compliant – 5 (41, 49, 50)	
41			
49			
50			

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 6/2011</b> Alinta: (a) Update its processes to ensure that only designated and sufficiently trained staff can approve disconnection service orders (b) Re-enforce the need for all staff to perform disconnections in compliance with the Gas Customer Code and to recognise and immediately report any breaches.		<b>Action Plan 6/2011</b> Alinta will: (a) Update its processes to ensure that only specially trained staff can approve disconnection service orders (b) Ensure all relevant staff complete the “Connection and Disconnection” SALT training module, developed specifically for Alinta in conjunction with law firm Blake Dawson. Consistent with Alinta's training approach, training will be on-going and reviewed at regular intervals and refresher training will be provided at least annually. <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> 31 March 2012

No	Obligation under Condition	Compliance Rating	Findings
223	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified are satisfied. <i>Gas Customer Code clause 7.4</i>	Non-Compliant-2 (*) –	<p>The 2010 Performance Audit report rated this obligation as non-compliant. In December 2010 and in accordance with action plan 18/2010, Alinta had addressed the cause of this non-compliance by updating its "meter obstructed" letter templates to incorporate the requirements of clause 7.4(1) of the Code. As those templates (rated as non-compliant by the 2010 performance audit) were not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this audit is required to retain the non-compliant rating.</p> <p>This audit focussed on the controls, processes and templates maintained since the update of its reminder and disconnection warning templates in accordance with action plan 18/2010.</p> <p>From an examination of Alinta's current disconnection process and discussions with the Customer Care Coordinator and Coordinator Contact Centre, we determined Alinta's processes provide for:</p> <ul style="list-style-type: none"> <li>• Meter readers to leave notification at the clients address for failure to gain access to the customers meters on the day of meter read advising, as a consequence, the next account will be estimated</li> <li>• With each estimated bill issued and prior to a disconnection warning, a series of accompanying letters advise the customer the need to contact Alinta to arrange a meter read and that possible disconnection may occur</li> <li>• It is not general practice for Alinta to disconnect supply for denying access to a meter.</li> </ul> <p>We:</p> <ul style="list-style-type: none"> <li>• Examined the template accompanying letter advising the customer of the need to arrange for a meter read and determine that its contents complies with clause 7.1(1)(b) of the Gas Customer Code</li> <li>• Sample tested 20 customers who were disconnected and confirmed that they were not disconnected for failing to provide access to the meter</li> <li>• Examined the complaints register for the period 1 July 2010 to 30 September 2011, which indicated no customers had complained about being disconnected for denying access to the meter.</li> </ul> <p>The Customer Services Manager confirmed that for the period the 1 July 2010 to 30 September 2011, no customers have been disconnected solely for failure to provide access to the meter.</p>
42	<i>Customer Contracts Regulation 12(6)</i>		

No	Obligation under Condition	Compliance Rating	Findings
225	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified. <i>Gas Customer Code clause 7.6</i>	Compliant – 3 (225, 32, 51)	Through discussions with the Coordinator Contact Centre and walkthrough of Alinta's disconnection processes, we observed that Alinta's processes and procedures provide for:
32	<i>Customer Contracts Regulations 12(2) and 12(6)</i>	Compliant – 5 (48)	<ul style="list-style-type: none"> <li>Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection</li> <li>Disconnections not to be arranged for Fridays, Saturday, Sunday, a public holiday, the day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to: <ul style="list-style-type: none"> <li>Not arrange disconnections on a Friday</li> <li>Perform disconnections using the disconnection service order produced by CIS-OV, which is forwarded to AMRS or ATCO Gas for processing.</li> </ul> </li> </ul>
48			From our discussions with the Customer Services Manager we determined that due to system constraints, Alinta has implemented a manual recording process:
51			<ul style="list-style-type: none"> <li>AMRS and ATCO Gas are required to document the time disconnection is affected on a completed service order, which is then sent back to Alinta</li> <li>An ATCO Gas representative sends Alinta an email each month confirming ATCO Gas' and AMRS' compliance with the requirements of clause 7.6 of the Code, for all disconnections performed that month</li> <li>Alinta performs monthly 'spot checks' of disconnection service orders to determine whether disconnection times are being recorded. Any service orders without documented times are raised at monthly management meetings.</li> </ul> <p>Of the sample of 20 disconnections tested:</p> <ul style="list-style-type: none"> <li>No customers had been disconnected where they had lodged a complaint specific to the reason for disconnection (clause 7.6(d))</li> <li>No disconnections had been performed on a Friday, Saturday, Sunday, public holiday or on the day before a public holiday (clause 7.6(f)).</li> </ul> <p>However, for three of the disconnections tested by this audit, the time of disconnection was not recorded and we were unable to confirm whether the disconnection had been performed before 3pm. Examination of the customer complaints register did not identify instances of complaints in relation to being disconnected in the circumstances specified under the Gas Customer Code clause 7.6.</p> <p>Although we did not observe any evidence to indicate non-compliance with clause 7.6 of the Code, Alinta can further strengthen its processes to demonstrate its ongoing compliance with the Code.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 7/2011</b> Alinta: (a) Re-enforce the requirement for ATCO Gas and AMRS to perform disconnections in-line with clause 7.6 and to appropriately record the timing of disconnection (b) Investigate the potential for including automated processes in the new customer billing engine to reduce reliance on manual procedures.		<b>Action Plan 7/2011</b> Alinta will: (a) Reinforce the limitations on disconnection with ATCO Gas and AMRS, including the requirement to record disconnection times (b) Investigate automated disconnection processes as part of its new customer information system to reduce manual processing errors.  <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> (a) 31 March 2012 (b) 31 December 2012
<b>PART 8 - RECONNECTION</b>			
226	A retailer must arrange for reconnection of the customer's supply address if the customer has remedied its breach, makes a request for reconnection, pays the retailer's reasonable charges (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges. <i>Gas Customer Code clause 8.1(1)</i>	Compliant - 5	Through discussion with the Coordinator Contact Centre and consideration of Alinta's disconnection and reconnection procedures, we determined that Alinta has the following procedures in place to arrange for customers to be reconnected: <ul style="list-style-type: none"> <li>A customer who has failed to pay a bill will be reconnected if the customer has paid the balance owing, has agreed to a payment plan, or has been assessed as being in financial hardship</li> <li>A customer who has been unlawfully consuming gas, and has subsequently setup an account with Alinta (i.e. remedied the breach), will be reconnected, and invoiced for the gas consumed.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
227  52	A retailer must forward the request for reconnection to the relevant distributor within the timeframe specified. <i>Gas Customer Code clause 8.1(2)</i> <i>Customer Contracts Regulations 12(6)</i>	Compliant - 4	<p>Section 8.1(2) of the Code defines the 'timeframe' to be the same day, if the request is received before 3pm, or the next business day, if received after 3pm, on a Saturday, Sunday or Public Holiday.</p> <p>Through discussion with the Coordinator Contact Centre and consideration of Alinta's reconnection processes, we determined Alinta has the following processes and procedures in place to arrange for customers to be reconnected:</p> <ul style="list-style-type: none"> <li>Alinta processes service orders, which are forwarded to either AMRS or ATCO Gas, dependent on the type of disconnection previously performed (e.g. soft, lock, regulator or squeeze)</li> <li>The service order will be processed immediately based on the conversation/request from the customer and is submitted to the relevant party on the same day (if received by 3pm), or the next morning.</li> </ul> <p>Examination of the customer complaints register for the period 1 July 2010 to 30 September 2011 indicates that there were no complaints in relation to a customer not being reconnected within an appropriate timeframe.</p> <p>We also note that the CIS-OV system currently does not generate exception reports to identify instances where a connection was not performed with the required timeframe. <i>Refer to summary observation and recommendation 2/2011 regarding Alinta's reporting and monitoring controls in relation to Gas Customer Code obligations.</i></p>
<b>PART 10 – INFORMATION AND COMMUNICATION</b>			
229  57 58	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, in the timeframes specified. <i>Gas Customer Code clause 10.1(1)</i> <i>Customer Contracts Regulation 14 and 14(3)</i>	Compliant - 5	<p>Alinta (historically) has amended tariffs on an annual basis. During the period 1 July 2010 to 30 September 2011, Alinta has amended its tariffs once, being effective on 1 August 2010.</p> <p>Clause 10.1(1) of the Gas Customer Code requires customers affected by the variation to be notified no later than the customers' next bill, after the date the variation is published. Through discussions with the Customer Services Manager, and examination of documentation, we determined that Alinta has the following procedures in place for providing notice of variations in tariffs:</p> <ul style="list-style-type: none"> <li>Variations in tariffs are noted in the 'Important Information' section on the first bill following implementation of the new tariff</li> <li>Alinta advertises in the West Australian and the Kalgoorlie Boulder newspapers one week before the tariff variation is implemented.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
230  57	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including alternative tariffs (if any). <i>Gas Customer Code clause 10.1(2)</i> <i>Customer Contracts Regulation 14(3)</i>	Compliant - 5	The Team Leader – Customer Service confirmed that should a customer contact the Alinta Call Centre requesting tariff information, Customer Service Representatives are trained to: <ul style="list-style-type: none"> <li>• Provide information over the phone</li> <li>• Direct the customer to Alinta's website</li> <li>• Send an e-mail to the customer (if requested).</li> </ul> All services are provided to the customer at no charge.
231	A retailer must give a customer the information requested on tariffs in the manner and within the timeframes specified. <i>Gas Customer Code clause 10.1(3)</i>	Compliant - 5	The Team Leader – Customer Service confirmed that: <ul style="list-style-type: none"> <li>• Customer Service Representatives are trained to resolve the customer query whilst they are on the phone, therefore complying with the 8 business day requirement of the Code</li> <li>• Should the customer request the information in writing, the information will be sent the day of request.</li> </ul>
232  63	A retailer must, on request, give a customer its billing data. <i>Gas Customer Code clause 10.2(1)</i> <i>Customer Contracts Regulation 15(1), 47(2)&amp;(4)</i>	Compliant - 5	<i>Obligations 232 to 234</i> The Team Leader – Customer Service confirmed that should a customer contact the Alinta Call Centre requesting billing data, the Customer Services Representatives have been trained to: <ul style="list-style-type: none"> <li>• Resolve the customer query whilst they are on the phone, therefore complying with the 10 business day requirement of the Code</li> <li>• Direct the customer to Alinta's website, where if the customer is a registered user, they are able to view copies of their bills</li> <li>• Should the customer request the information in writing, the information will be sent the day of request.</li> </ul> All information is provided to the customer at no charge.
233	A retailer must give the requested billing data at no charge in the circumstances specified. <i>Gas Customer Code clause 10.2(2)</i>	Compliant - 5	
234	A retailer must give the requested billing data within 10 business days of the receipt of the request or payment of the retailer's reasonable charge for providing the billing data. <i>Gas Customer Code clause 10.2(3)</i>	Compliant - 5	
235	A retailer must keep a customer's billing data for seven years. <i>Gas Customer Code clause 10.2(4)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Service and observation of customer data in CIS-OV, we determined that customer consumption data is retained in CIS-OV and will not be removed for at least seven years. The Customer Services Manager advised that CIS-OV data is not archived

No	Obligation under Condition	Compliance Rating	Findings
237	A retailer must give a customer on request, at no charge, the general energy efficiency information specified. <i>Gas Customer Code clause 10.4</i>	Compliant - 5	The Team Leader – Customer Service confirmed that Alinta’s procedures provide for: <ul style="list-style-type: none"> <li>• Upon request, Customer Service Representatives to provide gas consumption and costing information to customers and also refer the customer to the gas usage efficiency information located in the Customer Charter and on Alinta’s website</li> <li>• If a customer requests information on an energy efficiency audit, the Customer Services Representative is to direct the call to Alinta Assist</li> <li>• Any specific requests for appliance efficiency ratings are to be directed to the Sustainable Energy Development Office.</li> </ul>
238	A retailer must give information to the customer, or refer the customer to the relevant distributor for a response, if asked by a customer for information relating to the distribution of gas. <i>Gas Customer Code clause 10.5</i>	Compliant - 5	The Team Leader – Customer Service confirmed that all requests for distribution related information are directed to ATCO Gas. The direct number is provided to the customer and if requested via phone, the customer is transferred directly to ATCO Gas.
239	A retailer must lodge with the Authority a gas customer safety awareness program in the manner and timeframes specified. <i>Gas Customer Code clause 10.5A</i>	Compliant - 5	Through discussion with the Customer Care Coordinator and examination of Alinta’s safety awareness documentation, we determined that the customer safety awareness program submitted to the Coordinator of Energy on 28 September 2000: <ul style="list-style-type: none"> <li>• Remains relevant to Alinta’s operations</li> <li>• Addresses the requirements of s.10.5A of the Gas Customer Code.</li> </ul>
241	A retailer, distributor and marketer must, to the extent practicable, ensure that any written information that must be given to a customer under the Gas Customer Code is expressed in clear, simple, and concise language and is in a format that makes it easy to understand. <i>Gas Customer Code clause 10.9</i>	Compliant - 5	The Team Leader – Customer Service confirmed that the standard form contract was specifically prepared (with the guidance of a professional media organisation) to be presented in clear, simple, and concise language and in a format that made it easy to understand. Section 32.3 of the standard form contract also confirms that the terms and conditions are written in a ‘simple English’ style. Alinta’s Brand Manager is responsible for ensuring that marketing information is easy to understand.



No	Obligation under Condition	Compliance Rating	Findings
242	A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Gas Customer Code. <i>Gas Customer Code clause 10.10(1)</i>	Compliant - 5	<i>Obligations 242 to 244</i> The Team Leader – Customer Service confirmed that a customer’s request for information about the Gas Customer Code will generally be forwarded to a Team Leader. Through discussion with the Team Leader – Customer Service we determined that Alinta has:
243	A retailer and distributor must make electronic copies of the Gas Customer Code available, at no charge, on their web sites. <i>Gas Customer Code clause 10.10(2)</i>	Compliant - 5	<ul style="list-style-type: none"> <li>• Trained its Customer Service Representatives to provide the Gas Customer Code to customers when requested</li> <li>• Published the Gas Customer Code on its website</li> <li>• Maintained electronic copies of the Gas Customer Code, which can be sent to customers via email.</li> </ul>
244	A retailer and distributor must make a copy of the Gas Customer Code available for inspection, at no charge, at their offices. <i>Gas Customer Code clause 10.10(3)</i>	Compliant - 5	<ul style="list-style-type: none"> <li>• Made copies of the Gas Customer Code available at its designated customer service premises, for inspection if requested and at no charge.</li> </ul> <p>We observed that Alinta has published a copy of the Gas Customer Code and other relevant documentation on its website for customers use.</p>
245	A retailer and distributor must make available to the customer on request, at no charge, services that assist the customer in interpreting information provided by the retailer or distributor. <i>Gas Customer Code clause 10.11(1)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Service and examination of customer bills, we determined that Alinta provides interpreting and TTY services for its customers and provides for large print copies to be issued on request, at no charge.
246	A retailer and, where appropriate a distributor, must include the telephone number for their special information services and for independent multi-lingual services and the National Interpreter Symbol, with the words “Interpreter Services”, on the documents specified. <i>Gas Customer Code clause 10.11(2)</i>	Compliant - 5	Our examination of customer bills, reminder notices and disconnection warnings indicates that the TTY number, Telephone Interpreter Services information (with the words “Telephone Interpreter Services”) and National Interpreter Symbol is included on those documents.

No	Obligation under Condition	Compliance Rating	Findings
<b>PART 12 – COMPLAINTS AND DISPUTE RESOLUTION</b>			
247	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes. <i>Gas Customer Code clause 12.1(1)</i>	Compliant - 5	<p>Through:</p> <ul style="list-style-type: none"> <li>• Discussion with the Team Leader – Customer Services</li> <li>• Examination of Alinta's Complaints Handling Policy, Customer Service Charter and standard form contract</li> <li>• Examination of records of complaints maintained in CIS-OV</li> </ul> <p>we determined that Alinta has developed a Customer Complaints Handling process specifically for gas related activities designed to comply with AS ISO 10002 – 2006. That process includes the following:</p> <ul style="list-style-type: none"> <li>• All customer complaints are logged into the CIS-OV system and are able to be categorised according to the type of complaint. For example, direct debit, terms and conditions, hardship, payment, meter reading and marketing</li> <li>• Alinta has a mature escalation process, whereby if a customer is not pleased with the outcome offered, the complaint can be escalated to relevant management representatives</li> <li>• Customer Service Representatives have been trained in dealing with customer complaints</li> <li>• The Team Leader – Customer Service is responsible for reviewing complaints on a weekly basis as well as producing an 'end of month report'. The end of month report includes the total number of complaints for each area (e.g. coastal, business, Goldfields to Esperance and Albany), a breakdown of the different types of complaints logged and Energy Ombudsman escalations</li> <li>• Where a customer is not satisfied with the resolution offered by Alinta, an external party will be involved. The Customer Complaints Handling Process requires the Customer Services Manager to inform the customer that they can seek assistance from the Energy Ombudsman.</li> </ul>
248	A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements. <i>Gas Customer Code clause 12.1(2)</i>	Compliant - 5	<p>Through examination of Alinta's complaints handling process and discussion with the Team Leader – Customer Services, we determined that Alinta's complaints handling process is created and designed to comply with AS ISO 10002-2006. The process document describes the complaints:</p> <ul style="list-style-type: none"> <li>• Lodging and escalation process</li> <li>• Response time</li> <li>• Management and handling process.</li> </ul> <p>The complaints handling process is available at no cost to Alinta's customers. The Customer Services Manager confirmed that staff are trained to handle customer complaints and to provide information as required.</p>

No	Obligation under Condition	Compliance Rating	Findings
249	A retailer or distributor must at least provide the specified advice to a customer when handling a complaint. <i>Gas Customer Code clause 12.1(3)</i>	Compliant - 5	Through examination of Alinta's complaints handling process document and its complaints register, we determined that Alinta's complaints handling process provides for: <ul style="list-style-type: none"> <li>Information to be provided to a customer in accordance with clause 12.1(2) of the Gas Customer Code</li> <li>Escalation to a senior figure if the first line of contact was unsuccessful in resolving the complaint to a satisfactory manner (cl.12.1(3)(a) of the Gas Customer Code)</li> <li>The customer to be notified of the outcome and the reason for the outcome in written form, upon request (cl.12.1(3)(b) of the Gas Customer Code).</li> </ul> The Customer Service Charter also notifies customers of their right to refer their complaints to the Ombudsman if they are still unsatisfied with Alinta's response.
250	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints. <i>Gas Customer Code clause 12.2</i>	Compliant - 5	Section 3 of the Customer Complaints Guidelines (Guidelines) issued by the Authority in October 2008, provides energy retailers and distributors with guiding principles on how complaints should be distinguished from enquiries. Through discussions with the Team Leader – Customer Service and an examination of Alinta's Complaints Handling Process and records, we determined Alinta distinguishes between customer queries and customer complaints as required by the Guidelines. Relevant elements of Alinta's Complaints Handling Process are: <ul style="list-style-type: none"> <li>A complaint is defined as "any expression of dissatisfaction made to an organisation, related to its products, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected"</li> <li>Provision for "if a customer initially has an enquiry and their enquiry is resolved through the provision of information, then it is not logged as a complaint".</li> </ul>
251	A retailer, distributor and marketer must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes. <i>Gas Customer Code clause 12.3</i>	Compliant - 5	Alinta's Customer Service Charter includes information relating to Alinta's complaints handling process. The Team Leader – Customer Service also confirmed that Customer Service Representatives are trained to: <ul style="list-style-type: none"> <li>Provide information relating to the complaints handling process to customers upon request, at no charge</li> <li>Refer the customer to the Customer Service Charter, which is available online. If requested, a copy of the Customer Service Charter can be posted, at no charge.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
252	A retailer, distributor or marketer who receives a complaint that does not relate to its functions, must refer the complaint to the appropriate entity and inform the customer of the referral. <i>Gas Customer Code clause 12.4</i>	Compliant - 5	Through discussion with Alinta staff and examination of recorded complaints (written and via telephone), we observed Alinta's customer service and complaints handling processes provide for: <ul style="list-style-type: none"> <li>• Staff to recognise instances where a complaint does not relate to Alinta's functions</li> <li>• The matter to be referred to the relevant entity (e.g. ATCO Gas)</li> <li>• The customer to be made aware of the reason for the referral.</li> </ul> The Team Leader – Customer Service confirmed that when a call is identified not relating to Alinta's functions, the customer is offered the appropriate entity's direct line or the call is transferred.
<b>PART 13 – RECORD KEEPING</b>			
253	A retailer, distributor or marketer must keep a record or other information as required to be kept by the Gas Customer Code for at least two years from the last date on which the information was recorded, unless expressly provided otherwise. <i>Gas Customer Code clause 13.1</i>	Compliant - 5	At the time of the audit, we observed that information required to be maintained by Alinta in accordance with each of the sub-clauses 13.2 to 13.6, has been retained in Alinta's CIS-OV system and/or relevant manual files. The Customer Services Manager confirmed: <ul style="list-style-type: none"> <li>• The information required by the Gas Customer Code has been maintained since inception of Alinta, fulfilling the minimum two year requirement</li> <li>• Information is backed-up daily via a batch process to a secure offsite data centre.</li> </ul>
254	A retailer must keep a record of the total number and percentage of customers under the affordability and access indicators specified. <i>Gas Customer Code clause 13.2</i>	Compliant - 5	The Customer Services Manager confirmed that: <ul style="list-style-type: none"> <li>• The affordability and access indicators specified at s.13.2(1) of the Code are maintained within CIS-OV</li> <li>• Those indicators, including relevant percentages are reported on a monthly basis as part of the Alinta Monthly Operational Report.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
255	A retailer must keep a record of the customer complaint indicators specified. <i>Gas Customer Code clause 13.3(1)</i>	Compliant - 4	<i>Obligations 255 and 256</i> Through discussions with the Team Leader – Customer Service and consideration of Alinta’s customer complaints processes, we determined that Alinta has processes in place to maintain the customer complaints data required by s.13.3(1) of the Code. We note that:
256	A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints made directly to a marketer). <i>Gas Customer Code clause 13.3(2)</i>	Compliant - 4	<ul style="list-style-type: none"> <li>• Customer complaints are logged within CIS-OV according to the type of complaint</li> <li>• Types of customer complaints recorded by Alinta include the specified items of s.13.3(1)(b) of the Code</li> <li>• The Team Leader – Customer Service is responsible for reviewing the customer complaints on a monthly basis, and producing a customer complaints report for management</li> <li>• Customer complaints data is available within CIS-OV, attached to the relevant customer profile as a contact log. These records are maintained indefinitely.</li> </ul> <p>As noted in the 2010 Performance Audit report, Alinta’s CIS-OV enables Customer Service Representatives to categorise a complaint based on its type (e.g. connection, marketing), however, reports produced from CIS-OV are not automatically broken into type of complaint as defined by the Customer Service Representative. On a monthly basis, the Team Leader – Customer Services is required to manually review complaints and categorise them into relevant types. There is potential for the manual categorisation to be different to that maintained within CIS-OV. The Customer Service Manager advised it is not viable to update CIS-OV as Alinta is in the process of upgrading CIS-OV. The Customer Service Manager has requested the new system incorporate such reporting functionality.</p>
<b>Recommendation 8/2011</b> Within the design of a new customer information system, Alinta consider automating the current complaint categorisation process.			<b>Action Plan 8/2011</b> Alinta will incorporate into system specifications for the Customer Information System replacement project, automated customer complaint management modules as part of its requirements to reduce manual processing errors. <b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b> 31 December 2012
257	A retailer must keep a record of the call centre performance indicators specified. <i>Gas Customer Code clause 13.5</i>	Compliant - 5	Through discussions with the Customer Service Manager and observation of Alinta’s call centre records, we determined that the following call centre metrics are maintained and reported: <ul style="list-style-type: none"> <li>• Total number of telephone calls made to Alinta</li> <li>• Alinta’s Grade of Service (GOS), which is the total number and percentage of calls answered in less than 20 seconds. For reporting requirements to the Authority, the Call Centre Business Analyst maintains statistics on calls answered within 30 seconds</li> <li>• Average time taken to answer a call (in seconds)</li> <li>• Percentage of calls unanswered/abandoned.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
258	A retailer must keep a record of the total number of residential and business accounts specified. <i>Gas Customer Code clause 13.6</i>	Compliant - 5	Through discussions with the Customer Services Manager, we determined that the total number of residential and business customers is recorded and reported to management on a monthly basis.
265	A retailer and a distributor must prepare a report setting out the information required by Part 13 of the Gas Customer Code, in respect of each year ending on 30 June. The report must be published no later than the following 1 October. <i>Gas Customer Code clause 13.15(1)</i>	Compliant - 5	Through discussion with the Manager Wholesale Regulation and examination of the annual performance report from Alinta's website, we determined that Alinta has prepared a report as required by Part 13 of the Code of Conduct and had published the 2009/10 report no later than 1 October 2010.
266	A copy of each report must be given to the minister and the Authority not less than 7 days before it is published. <i>Gas Customer Code clause 13.15(3)</i>	Compliant - 5	The Manager Wholesale Regulation confirmed the 2009/10 annual performance report subject to audit was given to the Minister and the Authority at least seven business days before 1 October 2010 (the date of publishing).

## 5 Follow-up of previous audit action plans

#	Ref	Recommendation	Previous Audit Action Plan	Status
1	1	Alinta implement stronger controls to ensure that Licence fees are paid in compliance with the Act.	<p>Alinta will implement stronger controls to ensure that Licence fees are paid in compliance with the Act. Specifically, the Manager Regulatory Affairs will:</p> <ul style="list-style-type: none"> <li>(a) Diarise the due date for the Licence fee</li> <li>(b) Ensure an invoice has been received from the Authority</li> <li>(c) Ensure payment is processed by Accounts so that payment is made within the specified timeframe required by the Act.</li> </ul> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2010</p>	<p><b>Complete</b></p> <p>The Manager Regulatory Affairs diarised the due date for the Licence fee and set appropriate reminders. The Manager Regulatory Compliance has since taken up responsibility for this task.</p> <p>The 2011 performance audit confirmed that both the 2010 and 2011 annual licence fees were paid within one month of Alinta's anniversary date.</p>
2	35 36 37	<p>Alinta:</p> <ul style="list-style-type: none"> <li>(a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</li> <li>(b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.</li> </ul>	<p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</li> <li>(b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.</li> </ul> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 March 2011</p>	<p>(a) <b>Complete</b></p> <p>Alinta investigated whether implementing automated monitoring and reporting within CIS-OV could be achieved. As Alinta has since decided to replace its customer information system with a new system, no further changes to the current CIS-OV arrangement will be made. However, Alinta has updated its business practices to capture the requirements of these Regulations.</p> <p>(b) <b>Complete</b></p> <p>Through discussions with the Team Leader – Credit Management, we determined that Alinta has implemented a reporting regime to identify outstanding reconnection service orders.</p>

#	Ref	Recommendation	Previous Audit Action Plan	Status
3	39	Alinta establish appropriate arrangements with WAGN for communicating details of disconnections performed by WAGN for emergency, health, safety or maintenance reasons and for monitoring reconnection of customers within the timeframe required by s.12(5)(e) of the Customer Contracts Regulations.	<p>Alinta will establish appropriate arrangements with WAGN to ensure it receives:</p> <p>(a) Details of disconnections performed by WAGN for emergency, health, safety or maintenance reasons; and</p> <p>(b) Reconnection timeframes of these customers to facilitate it monitoring whether the reconnection occurs within the timeframe required by s.12(5)(e) of the Customer Contract Regulations.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 March 2011</p>	<p><b>(a) Complete</b></p> <p>Through discussions with the Team Leader – Credit Management, we determined that Alinta now receives a monthly report from ATCO Gas that lists disconnections performed for emergency, health, safety or maintenance reasons.</p> <p>This report identifies disconnections of individuals' supply addresses where a fault is located downstream of the gas meter. The report details location, description, service order number and planned start date for each disconnection incurred in the month.</p> <p><b>(b) Closed out</b></p> <p>The Manager Customer Service confirmed that Alinta is satisfied that without Alinta being involved, ATCO Gas and the customer have the ability to effect a reconnection in line with resolution (if any) of the cause of the emergency, health, safety or maintenance issue, and the customer's request for reconnection. As no further action is required, this matter is considered to be closed out.</p>
4	80	Alinta update current procedures, so that customers on a non-standard form contracts are notified at least 2 months prior to the expiry date of the contract.	<p>Alinta will update current procedures so that customers on non-standard form contracts are notified at least 2 months prior to the expiry date of the existing contract.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 30 September 2010</p>	<p><b>Closed out</b></p> <p>Alinta identified that there is an apparent error in the Authority's Gas Compliance Reporting Manual – November 2010. Obligation 80 indicates that Regulation 44 of the Energy Coordination (Customer Contracts) Regulations 2004 requires that:</p> <p><i>"When a non-standard contract is due to expire a licensee must issue a notice in writing to a customer at least 2 months prior to the expiry date (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"</i>.</p> <p>However, Regulation 44(2) states that the licensee is to provide the notice "...not more than 2 months and not less than one month before the day on which the contract is due to expire". That is, the obligation is actually to provide the notice at least 1 month prior to the expiry date, but no more than 2 months before the expiry date.</p> <p>As no further action is required, this matter is considered to be closed out.</p>



#	Ref	Recommendation	Previous Audit Action Plan	Status
5	82	Alinta develop practices, which ensure notices appear on customers' bills on a periodic basis, or otherwise satisfying the need for the advice to be provided "from time to time".	Alinta will include the following statement on its bill template: "Gas Customer Service Charter" You can obtain a copy of Alinta's Gas Customer Service Charter by phoning 13 13 58 or at <a href="http://www.alinta.net.au">www.alinta.net.au</a> <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	<b>Complete</b> Examination of a sample bill template confirmed that Alinta has updated the wording as stated in the Action Plan.
6	116	In addition to Action plan 9/10 listed for obligation 124, Alinta implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.	Alinta will implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations. <b>Responsible Person:</b> Manager Sales & Marketing <b>Target Date:</b> 31 March 2011	<b>Complete</b> We determined that Alinta: <ul style="list-style-type: none"> <li>Updated processes requiring staff to record what information is provided to customers as required under the Gas Marketing Code</li> <li>Implemented a 'spot check' process to confirm whether or not the required information is being provided to customers</li> <li>Implemented 'listen in' review process, whereby the Team Leader or Manager of the Sales team will listen to conversations being had with customers to determine whether staff are performing as expected. Feedback is provided formally to the employee</li> <li>Developed and implemented a formal training program, which is provided to all customer services staff.</li> </ul>

#	Ref	Recommendation	Previous Audit Action Plan	Status
7	117 118 121 123 127 128 132 137 139	Alinta: (a) Ensure that it fully addresses the intent of the Gas Marketing Code relevant to Alinta's activities (b) Develop an appropriate training package that outlines the key Gas Marketing Code requirements with which all relevant employees and agents must comply (c) Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.	Alinta will: (a) Ensure that it fully addresses the intent of the Gas Marketing Code relevant to its activities (b) Develop an appropriate training package that outlines the key Gas Marketing Code requirements with which all Customer Service personnel (and any other relevant employees and agents) must comply (c) Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.  <b>Responsible Person:</b> Manager Sales & Marketing <b>Target Date:</b> 31 March 2011	<b>Complete</b> We determined that Alinta has: <ul style="list-style-type: none"> <li>Developed and implemented a formal training program, which is provided to all customer services staff</li> <li>Updated its internal processes in order to confirm compliance with the Gas Marketing Code of Conduct. For example, staff are now required to: <ul style="list-style-type: none"> <li>Use an Explicit Informed Consent form when obtaining client data</li> <li>Record what information is provided to customers as required under the Gas Marketing Code</li> </ul> </li> <li>Implemented a 'spot check' process to confirm whether or not the required information is being provided to customers.</li> </ul>
8	120	Alinta implement procedures which require staff to record details of information provided to customers to enable demonstration of compliance with s.2.3(1) of the Gas Marketing Code.	Alinta will implement procedures that require staff to record details of information provided to customers to enable demonstration of compliance with s.2.3(1) of the Gas Marketing Code. <b>Responsible Persons:</b> Manager Sales & Marketing Manager Customer Service <b>Target Date:</b> 31 March 2011	<b>Complete</b> We determined that Alinta: <ul style="list-style-type: none"> <li>Updated processes requiring staff to record what information is provided to customers as required under the Gas Marketing Code</li> <li>Developed and implemented a formal training program, which is provided to all customer services staff</li> <li>Implemented a 'spot check' process to confirm whether or not the required information is being provided to customers</li> <li>Updated the 'Particulars of Contract' form to obtain confirmation from the customer that the required information has been provided.</li> </ul>

#	Ref	Recommendation	Previous Audit Action Plan	Status
9	124	Update the Customer Services Charter to: (a) Include the required elements of s.2.4(2) of the Gas Marketing Code of Conduct (b) Correctly refer to the required Code.	Alinta will update the Gas Customer Service Charter to: (a) Include the required elements of s.2.4(2) of the Gas Marketing Code of Conduct (b) Correctly refer to the required Code. <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2010	<b>Complete</b> Examination of Alinta's Customer Service Charter (December 2010 edition) and the standard form contract (September 2010 edition) indicates compliance with the requirements of s.2.4(2) of the Gas Marketing Code of Conduct.
10	178 181 182 199 120 126	Alinta: (a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed (b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.	Alinta will: (a) Implement an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed (b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 March 2011	(a) <b>Complete</b> Alinta investigated whether implementing automated monitoring and reporting within CIS-OV could be achieved. As Alinta has since decided to replace its customer information system with a new system, no further changes to the current CIS-OV arrangement will be made. However, Alinta has updated its business practices to capture the requirements of these Regulations. (b) <b>Closed out</b> Alinta has not implemented further reporting regimes due to the investigation findings outlined at (a) above.
11	148	Alinta: (a) Implement a mechanism for further monitoring and controlling instances where a request for connection received before 3pm on a weekday is not forwarded to WAGN on the same day (b) Update its request for gas/account templates to provide for the customer's verifiable consent to be obtained on the timeframe for submitting the request to WAGN.	Alinta will: (a) Implement a mechanism for further monitoring and controlling instances where requests for connection received before 3pm on a weekday are not forwarded to WAGN on the same day (b) Update the current 'request for gas' (RFG) and the 'request for account' (RFA) process and/or templates to obtain the customer's verifiable consent on the timeframes for submitting the details to WAGN. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	(a) <b>Complete</b> We understand that Alinta: <ul style="list-style-type: none"> <li>Has Implemented an additional batch upload to ATCO Gas that occurs at 4.15pm</li> <li>Now records the time that connection requests are forwarded to ATCO Gas. This data is verified on a weekly basis.</li> </ul> (b) <b>Complete</b> We confirmed that Alinta has updated the RFA and RFG forms to obtain customers' verifiable consent to the timeframes for submitting these forms to ATCO Gas.

#	Ref	Recommendation	Previous Audit Action Plan	Status
12	149	Alinta clarify its reference to the term 'approximately' in its terms and conditions of contract to ensure consistency with the requirement to issue a bill at least once every three months unless the circumstances specified exist.	Alinta will meet with the Authority to discuss more clearly defining the term 'approximately' in its standard form contract so that it is able to demonstrate that it has billed customers no more than once a month and at least once every three months (unless the specified circumstances exist). <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 March 2011	<b>Complete</b> Examination of the draft Standard Form Contract (April 2011 edition) confirmed that Alinta has amended section 6.1 to state: <i>"We can decide how often we bill you and can change how often we bill you. However, we will not bill you more frequently than once a month [except in the case of shortened billing cycles] or less frequently than once every 3 months"</i> This amendment was approved by the Authority.
13	162	Alinta update current procedures so that customers who have had three or more estimated bills in a row are contacted and/or sent a letter requesting access to the meter.	Alinta will update current procedures so that customers who have had three or more estimated bills in a row are contacted and/or sent a letter requesting access to the meter. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	<b>Complete</b> Alinta has updated its estimated billing processes so that when an estimated bill is issued, an accompanying letter is sent to the customer outlining the need to obtain an actual meter read. We note that for a customer's: <ul style="list-style-type: none"> <li>• First estimated read, the customer is sent their bill accompanied with a cover letter outlining that an estimate has been utilised and the need for an actual read</li> <li>• Second estimated read, the customer is sent their bill accompanied with a cover letter requesting time to be arranged to organise metre access for an actual read</li> <li>• Third estimated read, the customer is sent their bill and a cover letter requiring the customer to contact ATCO Gas to arrange for a meter read or disconnection may occur.</li> </ul> Also Alinta has implemented a monthly report that identifies customers with three consecutive estimated reads to facilitate follow-up with customers.

#	Ref	Recommendation	Previous Audit Action Plan	Status
14	183	Alinta: (a) Update s.6.2(j) of its standard form contract to match current service standards (b) Submit the amended standard form contract to the Authority for approval.	Alinta will: (a) Update s.6.2(j) of its standard form contract to match current service standards (b) Submit the amended standard form contract to the Authority for approval. <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 30 September 2010	(a) <b>Complete</b> Section 6.2(k) (previously section 6.2(j)) of the September 2010 approved version of the standard form contract states that “each bill will show the due date, which will be at least 12 business days after the date of the bill”. (b) <b>Complete</b> This amendment was submitted to the Authority and subsequently approved.
15	207	Alinta consider both or either: (a) Enhancing its Hardship Policy to specify the information staff are required to provide customers in accordance with s.6.4(2) of the Code (b) Incorporating those requirements into staff training programs.	Alinta will: (a) Enhance its Hardship Policy to specify the information staff are required to provide customers in accordance with s.6.4(2) of the Code (b) Incorporate those requirements into staff training programs. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	(a) <b>Complete</b> Alinta has updated its Hardship Policy (refer to 5001) to incorporate the requirements under s.6.4(2) of the Code. (b) <b>Complete</b> Alinta has implemented a training program for its Customer Service Representatives on the Financial Hardship policy. We understand that training has been provided to Level 2 Customer Service Representatives (staff who are delegated to deal with financial hardship matters) and now forms part of the induction process. The training incorporates a walkthrough of the procedure and walkthrough of case study examples.
16	215	Alinta update its Hardship policy to include the required information specified at s.6.10(2) of the Code.	Alinta will update its Hardship policy to include the required information specified at s.6.10(2) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	<b>Complete</b> Alinta has updated its Hardship Policy to incorporate the requirements under s.6.10(2) of the Code. We note that Alinta has specifically included: <ul style="list-style-type: none"> <li>• A position on the reduction and/or waiver of fees, charges and debt</li> <li>• A flow chart outlining the financial hardship assessment process at a high level</li> <li>• Debt recovery guidelines.</li> </ul>

#	Ref	Recommendation	Previous Audit Action Plan	Status
17	219	Alinta update the current reminder and disconnection warning templates to include the required information as outlined by s.7.1(1) of the Code.	Alinta will update the current reminder and disconnection warning templates to include the required information as outlined by s.7.1(1) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	<b>Complete</b> Examination of the current reminder notice and disconnection warning templates indicates compliance with s.7.1(1) of the Code.
18	222	Alinta update the current letter templates to include the required information as outlined by s.7.4(1) of the Code.	Alinta will update the current letter templates to include the required information as outlined by s.7.4(1) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	<b>Complete</b> We determined that Alinta has updated its procedures so that every estimated read is provided with a letter outlining the requirement for an actual meter read to be performed and that access is required. Examination of the current estimated meter read letter template indicates compliance with s.7.1(1)(b) of the Code.
19	224	Introduce the following procedures in consultation with WAGN and AMRS: (a) Field staff to record the time of the disconnection (b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.	In consultation with WAGN and AMRS, Alinta will explore the introduction of the following procedures: (a) Field staff to record the time of the disconnection (b) Reporting on actual disconnection times, so as to monitor compliance with the requirements. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	<b>Complete</b> We determined that Alinta has undertaken the following: <ul style="list-style-type: none"> <li>• ATCO Gas and AMRS field staff are now required to record the time of each disconnection</li> <li>• Field Officers were provided with training in relation to the implementation of the new procedures. Training was provided by Alinta's Team Leader – Credit Management</li> <li>• AMRS is required to provide records of disconnections to Alinta. The Team Leader – Credit Management conducts a random 'check' of submitted records to verify compliance with clause 7.6 of the Code</li> <li>• ATCO Gas confirms via a monthly email to the Team Leader – Credit Management that all disconnections were carried out in accordance with clause 7.6 of the Code.</li> </ul>

#	Ref	Recommendation	Previous Audit Action Plan	Status
20	247	Alinta: (a) Include a statement that the 'At your service' document, in its entirety, is considered the Alinta Customer Service Charter (b) Update the Customer Service Charter to address the requirements of s.11.1(2) of the Gas Customer Code of Conduct.	Alinta will: (a) Rename the document to 'Gas Customer Service Charter, Your guide to Alinta' (b) Update the document to address the requirements of s.11.1(2) of the Gas Customer Code of Conduct. <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2010	(a) <b>Complete</b> The December 2010 version of the Gas Customer Service Charter has been rebranded as the Alinta Gas Customer Service Charter. (b) <b>Closed out</b> The requirement for Customer Service Charters and their minimum contents has been removed from the Gas Customer Code. Therefore the requirement of s.11.1(2) and this post audit action plan are no longer relevant to Alinta's operations.
21	251 252	Alinta: (a) Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code (b) Formally communicate the updated Complaints Handling Process to staff.	Alinta will: (a) Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code (b) Formally communicate the updated Complaints Handling Process to staff. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	(a) <b>Complete</b> Examination of the Customer Complaints Handling Policy confirmed that it includes the requirements of s.12.1 of the Gas Customer Code. (b) <b>Complete</b> The Customer Services Manager confirmed that the updated Customer Complaints Handling Policy has been communicated to all staff and forms part of the induction and training process.
22	258 259	Alinta consider automating the current process to enable the categorisation of complaints from CIS-OV to be used for reporting purposes.	Alinta will investigate automating the current process to enable the categorisation of complaints from CIS-OV to be used for reporting purposes. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010	<b>Complete</b> We determined that Alinta investigated the feasibility of modifying CIS-OV to automatically report on complaint categories and found that the current set-up of CIS-OV will not allow the change to be made easily and cost effectively. However, Alinta has committed to implementing a new customer management system/billing engine and has highlighted this matter as an area for inclusion.

# Appendix A – Audit Plan



# Appendix B – References

## Key Alinta staff participating in the audit

- Catherine Rousch                      Manager Regulatory Compliance
- Ray Myles                              Manager Customer Services
- Geoff White                           Manager Sales & Marketing
- Corey Dykstra                         Manager Wholesale Regulation
- Caren McLaren                       Sales Manager SME
- Richard Beverley                    Accounting and Planning Manager
- Energy Billing Officer
- Customer Care Coordinator
- Coordinator Contact Centre
- Team Leader – Customer Service
- Team Leader – Billing & Payments
- Retail Sales Officer – New Connections.

## Deloitte staff participating in the audit

Name	Position	Hours
• Richard Thomas	Partner	5
• Andrew Baldwin	Account Director	92
• Ben Fountain	Senior Analyst	112
• Michael Genever	Analyst	125
• Emlyn King	Analyst	31
• Don Gillespie	Account Director (Quality Assurance Review)	2
• Matt Thomson	Partner (Quality Assurance Review)	2

## Key Documents and other information sources examined

- Gas standard form contract
- Gas non-standard form contract
- Bill template
- Estimated bill template
- Instalment plan statement
- Hardship Policy
- Customer Complaint Handling Process
- Complaints Procedure – training material for staff
- Request for Gas form
- Request for Account form
- Daily Request for Gas statistics spread sheet
- CIS-OV daily payment by method summary
- COGNOS payment by method summary
- Overdue notice template
- Reminder Notice template
- Disconnection Warning Notice template
- Disconnections flow-chart
- ATCO Gas monthly compliance reports
- Sample of Alinta monthly spot check of competed disconnection service orders
- Three estimate reads in a row report
- Complaints analysis ERA report
- Estimate read codes used by meter readers
- Estimate meter read letter template
- Letters templates for accounts in debit or credit

- AMRS “unable to read” notification card
- Customer complaints register 1 July 2010 to 30 September 2011
- Tariff Charges by suburb and geographic location
- Marketing training record 2011
- Welcome to Alinta – Overview for Telesales Consultant
- Marketing Code training material
- Sales Process training material
- SME Telesales presentation
- Customer Service Charter
- ‘Do Not Allow’ call list
- Various confirmations from:
  - General Manager Regulatory Affairs
  - Manager Regulatory Compliance
  - Manager Wholesale Regulation
  - Manager Sales and Marketing
  - Sales Manager SME
  - Customer Services Manager
  - Customer Care Coordinator
  - Coordinator Contact Centre
  - Accounting and Planning Manager.
- 2009/10 and 2010/11 Gas Performance Report
- 2009/10 and 2010/11 Compliance Report
- Various correspondence between Alinta and the Authority
- 2009/10 and 2010/11 notice for payment of Licence fees
- Alinta Gas Trading Licence (GTL9).

# Appendix C – Post Audit Implementation Plan

## Issue 1/2011

### Obligation 113

#### *Trading Licence schedule 3, clause 3.1*

Alinta increased its gas tariffs as at 1 August 2011 after the Premier advised Alinta of the allowable price change in a letter dated 18 July 2011. Alinta subsequently confirmed that the increased tariff would be effective from 1 August 2011, in a letter to the Minister dated 4 August 2011.

In this case, Alinta has technically not complied with Licence clause 3.1, which requires the Minister to be notified of any change in price, price structure, fee or interest rate at least one month before that change. We understand that the intent of the Licence requirement is for the Minister to be notified in a timely manner before a change in tariff is effected, to preserve the Government's ability to consider and respond to the impact of price increases on small use customers. We believe the intent of the Licence requirement has not been offended since the Premier and other Government representatives were involved in deliberations regarding the amount and timing of the tariff increase.

#### Recommendation 1/2011

Alinta review and document its processes for announcing tariff increases, which are dependent on the Government's determination and approval, in accordance with the requirement to notify the Minister at least one month prior to the price increase.

#### Action Plan 1/2011

Alinta will:

- (a) Document its processes concerning tariff increases
- (b) Diarise key notification dates in its newly-implemented Regulatory Obligations Register.

**Responsible Person:** General Manager Regulatory Affairs

**Target Date:** 31 March 2012

**Issue 2/2011****Obligations 146, 176, 179, 180, 198, 220, 221 and 227*****Gas Customer Code clauses 3.1(2), 4.17(2), 4.19(3), 4.19(4), 6.1(1), 7.1, 7.2 and 8.1(2)***

Alinta has a number of obligations under the Gas Customer Code, which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Alinta is exposed to breaching its obligations in the event that its standard business processes are not upheld. An effective exception reporting arrangement will provide Alinta with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.

The 2010 performance audit report recommended Alinta investigate the feasibility of implementing an exception reporting and monitoring regime. As Alinta has decided to replace its existing customer information system CIS-OV, it decided that no further updates or changes will be made to the existing system.

The Customer Services Manager, who has been allocated responsibility for the system replacement project, confirmed Alinta's view of the importance of addressing compliance requirements through the development and implementation of the new customer information system and associated processes. We understand that the system replacement project is to include a component for mapping Licence compliance obligations to process requirements to ensure processes adequately accommodate key compliance obligations.

**Recommendation 2/2011**

Within the design and implementation of the new customer information system and associated processes, Alinta design and implement an exception reporting and monitoring regime, which accounts for those Gas Customer Code obligations where a time frame is prescribed.

**Action Plan 2/2011**

Alinta has incorporated these exception reporting and monitoring requirements into the system design phases of the Customer Information Systems replacement project.

This project is expected to be a 12 month project commencing early 2012 with a planned implementation date early 2013.

**Responsible Person:** Customer Services Manager

**Target Date:** 31 December 2012

**Issue 3/2011****Obligation 146****Gas Customer Code clause 3.1(2)**

Clause 3.1(2) of the Gas Customer Code requires Alinta to process requests for gas connection on the day of receipt, if the request is received before 3pm and if alternate arrangements are not made with the customer.

Non-compliance matters

Sample testing of new connections completed during the period 1 July 2010 to 30 September 2011, identified the following non-compliances with the requirements of clause 3.1(2):

- Alinta became aware of an overdue RFG after a customer lodged a complaint on 21 January 2011. The RFG was submitted on 30 September 2010 and processed as a priority on the day of complaint. This non-compliance has been attributed to human error
- Three of 26 RFGs tested were not processed within the timeframe mandated by clause 3.1(2). We were unable to determine the cause of the delay in processing the RFG.

Alinta's compliance report for the period 1 July 2010 to 30 June 2011 did not include these non-compliances, indicating that Alinta's processes for recognising and reporting instances of such breaches require further strengthening.

Process improvement matters

Our examination and testing also observed that:

- a. RFGs received by post are at risk of not being processed in the required timeframe because:
  - The time of receipt is not recorded, so Alinta is unable to effectively demonstrate whether mail is received before or after 3pm on any given day. Our sample testing noted one RFG that was received on 22 June 2011 and was not processed until 23 June 2011. As there was no indication of the time of receipt, it is possible that this request was received before 3pm and therefore not processed on the right day
  - Alinta's processes are not set up to readily distinguish between original RFGs and those already received via fax or online. We understand that the majority of RFGs received by post are copies of RFGs already submitted by fax or online.
- b. Alinta does not have clear processes in place for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner. We recognise that the majority of requests for gas connection are made during the construction of new premises with the customer not actually requiring the supply of gas for a number of weeks or months later. However, Alinta should be in a position to demonstrate that it has not unduly delayed the processing of completing/validating a RFG.

**Recommendation 3/2011**

1. Alinta strengthen its new connection processes for:
  - (a) Demonstrating the reasons for RFGs not being processed on the same business day of receipt
  - (b) Addressing and actioning those RFGs, which are held pending the provision of additional information, in a timely manner
  - (c) RFGs received by mail to be:
    - Collected by or forwarded to the New Connections team in sufficient time for the team to meet its obligations under clause 3.1(2) of the Code. One possible solution is for Alinta to establish a different mailing address for New Connections, to be directly received by the relevant team
    - Stamped with the time of receipt to enable effective monitoring of timeframe requirements.
2. Alinta investigate automating the processing of RFG forms, to reduce manual handling, as part of its new customer information system.

**Action Plan 3/2011**

- Alinta will strengthen its new connection processes by:
- (a) Ensuring the cause of any delay in processing an RFG is appropriately recorded
  - (b) Ensuring RFGs which are held pending the provision of additional information are addressed and actioned in a timely manner
  - (c) Date and time stamping all RFGs received by post to ensure processing within the required timeframe and to distinguish between duplicates of faxes and on-line requests already received
  - (d) Considering a separate New Connections mailing address to streamline RFG receipt and processing
  - (e) Reviewing the existing processes as part of the Customer Information System project and incorporate automated processes to manage new connections in line with requirements.

**Responsible Person:** Customer Services Manager

**Target Date:** 30 April 2012

**Issue 4/2011****Obligation 147****Gas Customer Code clause 4.1**

Clause 4.1 of the Gas Customer Code requires Alinta to bill each customer no more than once a month, and at least once every three months unless the customer has provided verifiable consent to bill more or less frequently.

Alinta has the following systems and procedures in place for managing the timeliness of billing customers:

- Section 6.1 of Alinta's standard form contract (April 2011 version) states "we can decide how often we bill you and can change how often we bill you. However, we will not bill you more frequently than once a month [except in the case of shortened billing cycles] or less frequently than once every 3 months"
- On a monthly basis, a report outlining customer accounts that have not been billed for a period of 100 days or more is generated. Billing staff are responsible for reviewing the report and identifying why customers have not been issued a bill. The typical reasons for not issuing a bill is that the scheduled meter read route has been changed by ATCO Gas resulting in a delay of meter read.

During the period 1 July 2010 to 30 September 2011 Alinta did not bill a number of customers at least once in a three month period, without the customer's consent. In these instances, Alinta is in breach of the Gas Customer Code.

Alinta's current monitoring arrangements do not provide for effective management of the billing frequency. The use of the 100 day report only identifies breaches that have already occurred and only those where the frequency exceeds 100 days. Accordingly, the report does not enable Alinta to proactively manage the billing cycle to prevent or minimise the extent of breaches.

**Recommendation 4/2011**

Alinta:

- (a) Investigate a potential solution to remedy billing frequencies being outside of the requirements of clause 4.1
- (b) Update its exception reporting practices to proactively identify those accounts 'at risk' of breaching billing frequency requirements (e.g. a countdown report) to enable active management of Code requirements
- (c) Assign responsibility for monitoring billing timeframe compliance to an appropriate team member.

**Action Plan 4/2011**

Alinta will:

- (a) Investigate a potential solution to remedy billing outside the required frequency
- (b) During the design and implementation of the new Customer Information System, investigate updating its billing exception reporting practices to proactively identify those accounts 'at risk' of breaching billing frequency requirements
- (c) Assign responsibility for billing timeframe monitoring.

**Responsible Person:** Customer Services Manager

**Target Date:** 30 June 2012

**Issue 5/2011****Obligation 219*****Gas Customer Code clause 6.11***

Alinta is not obliged to include business customers in its Hardship Policy, however, we determined that:

- Assistance offered by Alinta to customers experiencing payment difficulties extends to small use business customers
- Staff are aware that if small use business customers are experiencing payment problems, alternative payment arrangements are available.

In the absence of a documented process for dealing with business customer requests for alternative payment arrangements, the Customer Care Coordinator advised that Alinta is considering updating its Hardship Policy at the next annual revision to reflect small use business customers as well as residential customers.

**Recommendation 5/2011**

Alinta either:

- Update the Hardship Policy to specifically expand its applicability to small use business customers, or
- Otherwise document its arrangements for dealing with business customer requests for alternative payment arrangements.

**Action Plan 5/2011**

Alinta will review its policies and arrangements for dealing with business customers who are experiencing payment difficulties.

**Responsible Person:** Customer Services Manager

**Target Date:** 30 April 2012

**Issue 6/2011****Obligations 221, 40, 41, 49 and 50****Gas Customer Code clause 7.2****Customer Contracts Regulations 12(6), clauses 5.1.1.2, 5.1.1.3, 5.1.8.1(c) and 5.1.8.1(d) AGA Code**

In accordance with clause 7.2 of the Gas Customer Code, Alinta's standard business practices require its credit management staff to determine whether a customer is not on a payment plan and whether the balance outstanding is more than \$75 (excluding late payment fees) prior to processing a disconnection service order.

Our sample testing did not identify disconnections in breach of clause 7.2, however Alinta's customer complaints register for the period 1 July 2010 to 30 September 2011 included one complaint relating to a customer being disconnected in contravention of clause 7.2(1)(b). Specifically:

- A disconnection service order was raised & queued in CIS-OV
- The following day the customer entered into a payment plan
- A disconnection service order was manually (and incorrectly) approved by an Alinta staff member and performed by AMRS despite the payment plan in place
- The error was recognised by Alinta upon receiving the complaint, however was not recognised as a breach of the Code, or reported to the Authority.

Although this disconnection may be an isolated incident, it is notable that Alinta's staff and complaints handling processes did not recognise this instance as a breach of the Code.

**Recommendation 6/2011**

Alinta:

- (a) Update its processes to ensure that only designated and sufficiently trained staff can approve disconnection service orders
- (b) Reinforce the need for all staff to perform disconnections in compliance with the Gas Customer Code and to recognise and immediately report any breaches.

**Action Plan 6/2011**

Alinta will:

- (a) Update its processes to ensure that only specially trained staff can approve disconnection service orders.
- (b) Ensure all relevant staff complete the "Connection and Disconnection" SALT training module, developed specifically for Alinta in conjunction with law firm Blake Dawson. Consistent with Alinta's training approach, training will be on-going and reviewed at regular intervals and refresher training will be provided at least annually.

**Responsible Person:** Customer Services Manager

**Target Date:** 31 March 2012



**Issue 7/2011****Obligation 225****Gas Customer Code clause 7.6**

We observed that Alinta's processes and procedures provide for:

- Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection
- Disconnections not to be arranged for Fridays, Saturday, Sunday, a public holiday, the day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to:
  - Not arrange disconnections on a Friday
  - Perform disconnections using the disconnection service order produced by CIS-OV, which is forwarded to AMRS or ATCO Gas for processing.

For three of the disconnections tested by this audit, the time of disconnection was not recorded and we were unable to confirm whether the disconnection had been performed before 3pm.

Although we did not observe any evidence to indicate non-compliance with clause 7.6 of the Code, Alinta can further strengthen its processes to demonstrate its ongoing compliance with the Code.

**Recommendation 7/2011**

Alinta:

- (a) Reinforce the requirement for ATCO Gas and AMRS to perform disconnections in-line with clause 7.6 and to appropriately record the timing of disconnection
- (b) Investigate the potential for including automated processes in the new customer billing engine to reduce reliance on manual procedures.

**Action Plan 7/2011**

Alinta will:

- (a) Reinforce the limitations on disconnection with ATCO Gas and AMRS, including the requirement to record disconnection times
- (b) Investigate automated disconnection processes as part of its new customer information system to reduce manual processing errors.

**Responsible Person:** Customer Services Manager

**Target Date:** (a) 31 March 2012  
(b) 31 December 2012

**Issue 8/2011****Obligations 255 and 256****Gas Customer Code clauses 13.3(1) and 13.3(2)**

As addressed in the 2010 Performance Audit report, Alinta's customer information system CIS-OV enables Customer Service Representatives to categorise a complaint based on its type (e.g. connection, marketing), however, reports produced from CIS-OV are not automatically broken into type of complaint as defined by the Customer Service Representative. On a monthly basis, the Team Leader – Customer Services is required to manually review complaints and categorise them into relevant types. There is potential for the manual categorisation to be different to that maintained within CIS-OV.

The Customer Service Manager confirmed that Alinta determined that it is not viable to update CIS-OV as Alinta is in the process of replacing the system. We understand that the Customer Service Manager has requested that reporting functionality be incorporated into any new customer information system.

**Recommendation 8/2011**

Within the design of a new customer information system, Alinta consider automating the current complaint categorisation process.

**Action Plan 8/2011**

Alinta will incorporate into system specifications for the Customer Information System replacement project, automated customer complaint management modules as part of its requirements to reduce manual processing errors.

**Responsible Person:** Customer Services Manager

**Target Date:** 31 December 2012