

Synergy

Electricity Retail Licence
(ERL1)

Performance Audit Report

13 December 2013

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Acronym List

Acronym / Reference	Description
Authority	Economic Regulation Authority
CSR	Customer Service Representative
CSS	Customer Support Specialist
CTC	Customer Transfer Code
CTR	Customer Transfer Request
DMS	Document Management System
ERL	Electricity Retail Licence
FRMP	Financially Responsible Market Participant
GIHO	Goldfields Indigenous Housing Organisation
IMO	Independent Market Operator
MSLA	Model Service Level Agreement
NMI	National Meter Identification Number
SAP	Systems Applications and Products
SLA	Service Level Agreement
SOLR	Supplier of Last Resort
SWIS	South West Interconnected System
T & T	Transformation and Technology

1. Executive Summary

1.1 Introduction

Synergy Background

Synergy is Western Australia's largest energy retailer servicing over 970,000 homes and businesses within the South West Interconnected System. In 2006 Synergy was formed from the disaggregation of Western Power and has been the primary power supplier in the SWIS.

Audit Background

Synergy's electricity licence is subject to a number of obligations contained within the licence itself, the Electricity Industry Act 2004 (the "Act") and regulations and industry codes of practices.

Section 13 of the Act requires Synergy to provide the Authority with a performance audit conducted by an independent expert approved by the Authority not less than once every 24 months from the grant of the licence (unless a shorter or longer period is approved by the Authority). The Authority approved Grant Thornton to conduct the performance audit for the period 1 January 2012 to 30 June 2013.

An audit plan was developed and approved by the Authority using a risk based approach to focus on key risk areas in accordance with the risk evaluation model, Australian/New Zealand Standard ("AS/NZS") 31000:2009. Grant Thornton has assessed the controls and performance against those standards through a combination of interviews/enquiries, examination of documents and detailed testing.

The audit plan upon which the audit was completed was developed in accordance with ASAE 3000 and the Authority's "Audit Guidelines: Electricity, Gas and Water Licences (August 2010)" ("Audit Guidelines"). The performance audit plan outlined the approach for the nature, timing and extent of the evidence-gathering procedures to be performed and the reasons for selecting them.

The performance audit was conducted in a manner consistent with Standards on Assurance Engagements (ASAE) 3500 "Performance Engagements" and the Authority's Audit Guidelines.

Preliminary analysis was performed on the licensing framework for the electricity retail licence to ascertain the performance and compliance audit requirements of Synergy and to determine the nature and extent of audit activity.

1.2 Objective

The audit objective is to evaluate the adequacy and effectiveness of controls implemented by Synergy to fulfil its obligations in complying with the performance and quality standards referred to in its electricity retail licence.

The audit focused on the systems and effectiveness of processes used to ensure compliance with the standards, output and outcomes required by the licence.

1.3 Scope

The performance audit covered Synergy's Retail Licence, ERL1, for the 18 month period 1 January 2012 to 30 June 2013 and examined a total of 310 obligations from the Compliance Manual.

The time period over which the performance audit was conducted was from June 2013 to September 2013 which included planning, fieldwork, reporting and the presentation of results to Synergy management and the Authority and completion by Synergy of its management responses to the audit findings and recommendations.

The performance audit also included:

- The status of management actions pertaining to Synergy's 2012 Performance Audit Report; and
- A review and evaluation of the areas which have been highlighted by the Authority as areas of interest under the "Audit Approach" section.

The key legislation governing the licensing of retailers of electricity is the Act. Where applicable, other regulatory requirements that supported the ERL1 conditions were examined. Specifically, the relevant sections of the following codes and regulations were examined and reported upon as part of this performance audit:

The key legislation, regulations and codes that govern the licensing of providers of electricity retailers are:

- Electricity Industry Customer Transfer Code 2004;
- Electricity Industry (Customer Contracts) Regulations 2005;
- Electricity Industry (Licence Conditions) Regulations 2005;
- Electricity Industry Act 2004: Licensing of Electricity Supply;
- Electricity Retail Licence (ERL1);
- Electricity Compliance Reporting Manual (May 2011) and Electricity Compliance Reporting Manual (February 2013);

- Electricity Retail Licence Performance Reporting Handbook (May 2012);
- Code of Conduct for the Supply of Electricity to Small Use Customers and Code of Conduct for the Supply of Electricity to Small Use Customers 2012 ; and
- Electricity Industry Metering Code 2005 and Electricity Industry (Metering) Code 2012.

It is important to emphasise that not all obligations in the Compliance Manual were applicable to Synergy and accordingly the audit did not evaluate the performance of Synergy's compliance with those obligations.

1.4 Inherent Limitations

Because of the inherent limitations of any internal control system it is possible that fraud, error, or non-compliance with laws and regulations may occur and not be detected.

An audit is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed are on a sample basis. Accordingly, readers of this report should not rely on this report to identify all potential instances of non-compliance which may occur.

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

The audit opinion expressed in this report has been formed on the above basis.

1.5 Summary of Findings

Compliance Ratings

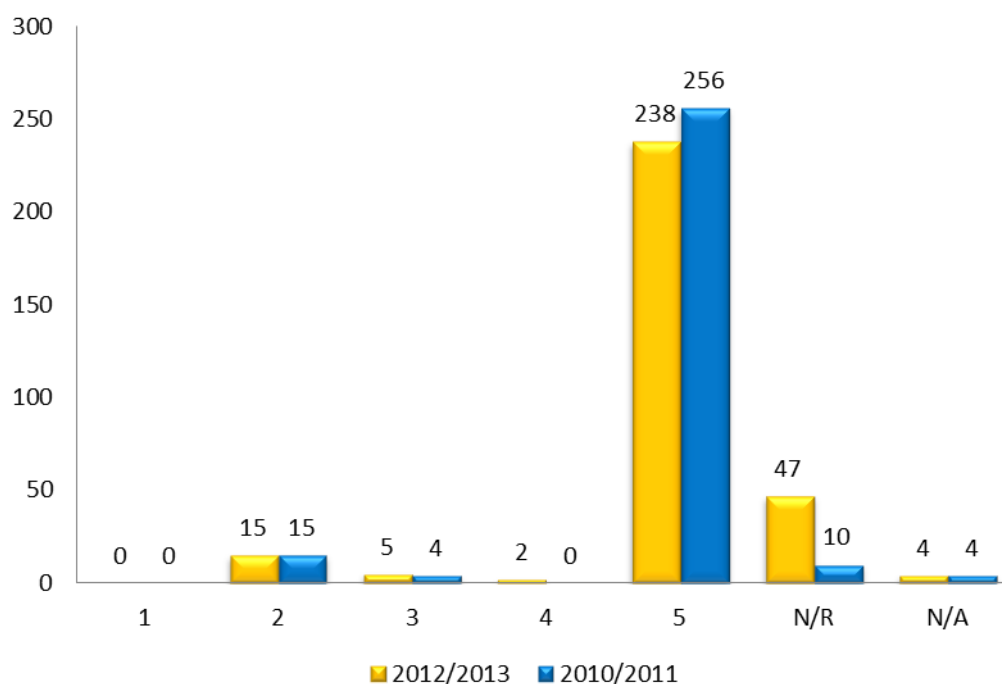
In accordance with the Authority's Audit Guidelines, the following compliance rating scale measuring the extent of Synergy's compliance with the applicable licence obligations was employed.

Compliance Status	Rating	Description of Compliance
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 the licensee's business operations.
Not Rated	N/R	No relevant activity took place during the audit period therefore, it is not possible to assess compliance.

Overall Compliance Summary

The performance audit covers Synergy's ERL 1, for the 18 month period 1 January 2012 to 30 June 2013 and tested a total of 311 licence obligations. Our review of Synergy's previous performance audit report conducted in 2012 and revealed four out of eight audit findings had not been addressed or found to be non-compliant in the current audit. Further details can be found in Section 4 – Review of Status of Management Actions.

The following illustrates the compliance profile of Synergy.



Compliance Rating Scale	1	2	3	4	5	N/R	N/A
2012/13	0	15	5	2	238	47	4
2010/11	0	15	4	0	256	10	4

Culture of Compliance

In conducting the 2013 performance audit, we identified instances of non-compliance by Synergy with its ERL1 obligations a number of which were self-identified and reported to the Authority as part of its 2012/13 annual compliance report. Of the instances Synergy had self-identified, the retailer was observed to proactively develop and implement remedial actions with the objective of mitigating or eliminating the risk of a re-occurrence of the driver that caused the non-compliance.

For those non-compliance matters detected during our fieldwork, Synergy was noted to undertake immediate investigations with the objective of identifying cause(s) to enable appropriate corrective measures to be developed and where practicable implemented.

Synergy is a mass scale retailer with almost one million customers, taking more than 1.2 million calls per year and issuing in excess of 5.5 million bills annually. Given it must comply with almost 300 individual retail licence obligations it is inevitable breaches will occur. In such instances the materiality of the breach needs to be considered, the speed in which the breach is remedied and the effectiveness of the control to reduce the risk of future incidence.

Throughout this process, we have observed Synergy imbed through its compliance framework, the message that compliance is a collective effort of systems, processes and activities. We were also cognisant of a paradigm shift more specifically relating to the retailer's compliance attitude, that is, from its current inward focus to one that seeks to improve customer experience. Summarily the revised position put forward by Synergy is that, if a customer need is addressed through meeting or exceeding legislated service level requirements, by default compliance is able to be achieved.

This activity indicates that Synergy continues to build on its compliance culture through a customer care focus with the view to improve its compliance outcome. We encourage Synergy to continue its journey in that regard.

2. Our Approach and Methodology

Link to Risk Assessment

Our approach to adopt the (AS/NZS) 31000:2009 risk assessment framework ensured a consistent approach to determining areas of higher risk. This allowed a greater focus and depth of testing to provide sufficient assurance of compliance and effective control.

As part of the risk evaluation methodology to assess Synergy's ability to manage its risks, Grant Thornton considered the following components:

- Control environment (corporate governance, organisation structure, assignment of authority and responsibility, documentation of policies and procedures, human resource practice, records management and compliance attitude);
- Synergy's risk assessment process (as demonstrated through the Compliance Register and Breach Register);
- Information systems;
- Control activities (authorisation, segregation of duties, physical controls and security); and
- Monitoring of controls (management review, internal audit, external audit).

During the conduct of the audit, as evidence was gathered on the effectiveness of the controls and where risks were determined to be high, extensive compliance and substantive testing was performed to provide adequate assurance that no major breaches of the relevant licence condition had occurred during the audit period.

Risk identification and assessment

Grant Thornton analysed each licence compliance element in terms of the inherent risk level, the rated controls and assigned the audit priorities based on the risk level and controls which management exercised over those risks.

Furthermore, we considered and adopted the Authority's Audit Guidelines in conducting the performance audit and considered special areas of interest as required by the Authority.

Our fieldwork involved extensive interviews and discussions with the process owner or delegated representative to obtain an understanding of the business environment and organisation structure. Through examination of documents, policies and procedures, we identified key controls. We have undertaken substantive testing to confirm the operational effectiveness of those controls.

The risk assessment was reviewed during the fieldwork of the audit and, where applicable, had been updated in accordance with the audit findings in the audit report.

The risk assessment rating for each compliance manual reference obligation was reviewed during the fieldwork of the audit and, where applicable, was updated in accordance with the audit findings in this report.

Risk evaluation

Risk evaluation for Synergy involved Grant Thornton assessing compliance with the requirements of the licence by examining:

- The design effectiveness of the controls through the evaluation of the:
 - control environment;
 - information system;
 - control procedures; and
 - compliance attitude of management.
- The operating effectiveness of controls throughout the period.
 - Tests of operating effectiveness were concerned with how the controls were applied at relevant times during the period under audit, the consistency with which they were applied and by whom or by what means they were applied. The focus was on the systems and effectiveness of processes employed to ensure compliance with the standards, outputs and outcomes required by the licence obligation.

Risk treatment

If a control risk is identified, which in the Auditor's professional judgement, left untreated, could cause Synergy to become non-compliant with its obligation under the licence, Grant Thornton has provided recommendations to mitigate the risk to an appropriately low level. The treatment of risks either involves reducing the likelihood of the risk materialising or mitigating the impact of the risk.

3. Audit Team members and Hours Utilised in the Execution of the Audit

Team Members	Hours
Michael Hillgrove, Engagement Partner	52
Karen Dabbs, Quality Review Partner	30
Rudi James, Manager	293
Nathan Cross, Senior Consultant	171
Graeme Morrissey, Senior Consultant	152
Ashley Law-Smith, Senior Consultant	152
Total	850

4. Compliance Profile Summary Table

This table presents the audit compliance summary for each manual reference obligation.

Key:

Font in black	Refer to February 2013 Electricity Compliance Reporting Manual
Font in blue	Refer to May 2011 Electricity Compliance Reporting Manual

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
6 6	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
7 7	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong		✓					
8 8	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Likely	Minor	Medium	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
9 9	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Likely	Minor	Medium	Strong					✓		
16 16	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
17 17	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
18 18	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong					✓		
19 19	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong					✓		
23 23	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
24 24	Electricity Industry (Licence Conditions) Regulations	2	Probable	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
	regulation 5(2)												
25 25	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
26 26	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong					✓		
27 27	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong					✓		
28 28	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
29 29	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong					✓		
30 30	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
34	Electricity Industry (Licence	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
34	Conditions) Regulations regulation 5(2)												
39 39	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Likely	Minor	Medium	Moderate					✓		
40 40	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Probable	Minor	Low	Strong						✓	
43 43	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Minor	Low	Strong					✓		
44 44	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
45 45	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Probable	Minor	Low	Strong					✓		
48 48	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating							
							1	2	3	4	5	N/R	N / A	
49 49	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong						✓		
52 52	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Minor	Low	Strong						✓		
53 53	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong						✓		
54 54	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong					✓			
55 55	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Minor	Low	Strong						✓		
56 56	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Minor	Low	Strong						✓		
57 57	Electricity Industry (Licence Conditions) Regulations	2	Unlikely	Minor	Low	Strong						✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
	regulation 5(2)												
58 58	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Minor	Low	Strong						✓	
59 59	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Minor	Low	Strong						✓	
68 68	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Major	High	Strong					✓		
69 69	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	2	Unlikely	Minor	Low	Strong					✓		
70 70	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Minor	Low	Strong					✓		
71 71	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	NR	Unlikely	Minor	Low	Strong					✓		
78	Retail Licence condition	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
78	5.1												
79 79	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
80 80	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
81 81	Retail Licence condition 5.1	2	Unlikely	Moderate	Low	Strong					✓		
82 82	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
83 83	Retail Licence condition 5.1	2	Unlikely	Moderate	Low	Strong					✓		
84 84	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
85 85	Retail Licence condition 5.1	2	Probable	Moderate	Medium	Strong					✓		
86 86	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
87 87	Retail Licence condition 5.1	2	Probable	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
88 88	Retail Licence condition 5.1	2	Probable	Moderate	Medium	Moderate					✓		
89 89	Retail Licence condition 5.1	2	Probable	Moderate	Medium	Strong					✓		
90 90	Retail Licence condition 5.1	2	Unlikely	Moderate	Low	Strong					✓		
91 91	Retail Licence condition 5.1	2	Unlikely	Moderate	Low	Strong					✓		
92 92	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
93 93	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
94 94	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
95 95	Retail Licence condition 5.1	2	Probable	Minor	Low	Strong					✓		
96 96	Retail Licence condition 5.1	2	Probable	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
97 97	Retail Licence condition 5.1	2	Probable	Minor	Low	Strong					✓		
98 98	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
100 100	Retail Licence condition 28.1	2	Likely	Minor	Medium	Strong					✓		
101 101	Retail Licence condition 14.1	NR	Unlikely	Minor	Low	Strong					✓		
105 105	Retail Licence condition 4.1	2	Unlikely	Minor	Low	Strong					✓		
106 106	Retail Licence condition 5.1	NR	Unlikely	Minor	Low	Strong						✓	
107 107	Retail Licence condition 5.1	2	NA	NA	NA	NA							✓
108 108	Retail Licence condition 24.1	2	Unlikely	Minor	Low	Strong					✓		
109 109	Retail Licence condition 25.4	2	Unlikely	Minor	Low	Strong						✓	
110	Retail Licence	2	Unlikely	Minor	Low	Strong						✓	

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
110	condition 27.1												
111	Retail Licence condition 21.1	2	Unlikely	Minor	Low	Strong					✓		
113	Retail Licence condition 5.1	2	Probable	Minor	Low	Moderate						✓	
114	Electricity Industry Act section 11	2	Probable	Minor	Low	Moderate					✓		
115	Electricity Industry Act section 11	2	Unlikely	Minor	Low	Strong						✓	
116	Electricity Industry Act section 11	NR	Unlikely	Minor	Low	Strong						✓	
117	Electricity Industry Act section 11	NR	Unlikely	Minor	Low	Strong						✓	
118	Electricity Industry Act section 11	2	Unlikely	Minor	Low	Strong						✓	
119	Electricity Industry Act section 11	2	Unlikely	Minor	Low	Strong					✓		
120	Electricity Industry Act section 11	2	Unlikely	Minor	Low	Strong						✓	
121	Electricity Industry Act section	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
121	11												
123 123	Electricity Industry Act section 11	2	Unlikely	Minor	Low	Strong						✓	
124 124	Electricity Industry Act section 11	2	Unlikely	Minor	Low	Strong					✓		
125 125	Electricity Industry Act section 11	2	Unlikely	Minor	Low	Strong						✓	
126 126	Electricity Industry Act section 11	2	Unlikely	Minor	Low	Strong					✓		
129 127	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
130 128	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
131 129	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
132	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
133 130	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
134 131	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
135 132	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong		✓					
136 133	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
137 134	Electricity Industry Act section 82	2	Likely	Moderate	Medium	Strong		✓					
135	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
136	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong			✓				
137	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
138 138	Electricity Industry Act section 82	2	Likely	Moderate	Medium	Strong					✓		
139 139	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
140 140	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
141	Electricity Industry Act section	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating							
							1	2	3	4	5	N/R	N / A	
	82													
141 142	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓			
142 143	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓			
144	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓			
145	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓			
146	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓			
143 147	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
148	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
149	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
150	Electricity Industry Act section 82	NR	Probable	Minor	Low	Strong						✓		
151	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong						✓		
152	Electricity Industry Act section 82	2	NA	NA	NA	NA							✓	

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
153	Electricity Industry Act section 82	2	Likely	Moderate	Medium	Strong		✓					
144 154	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
145 155	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
146 156	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
147 157	Electricity Industry Act section 82	2	Likely	Moderate	Medium	Strong					✓		
148 158	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong		✓					
149	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong						✓	
150 159	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong						✓	
151 160	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong						✓	
152 161	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong						✓	
153 162	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong						✓	
154	Electricity Industry	2	Unlikely	Minor	Low	Strong						✓	

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
163	Act section 82												
155 164	Electricity Industry Act section 82	2	NA	NA	NA	NA						✓	
156 165	Electricity Industry Act section 82	2	NA	NA	NA	NA						✓	
157 166	Electricity Industry Act section 82	2	Likely	Moderate	Medium	Strong		✓					
158 167	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong		✓					
159 168	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
160 169	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong			✓				
161 170	Electricity Industry Act section 82	NR	Unlikely	Moderate	Low	Strong					✓		
162 171	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
163 172	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
164 173	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
165 174	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
166 175	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
167 176	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
168 177	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
169 178	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
170 179	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
171 180	Electricity Industry Act section 82	2	Unlikely	Moderate	Medium	Strong					✓		
181	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
182	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
172 183	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
173 184	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
174 185	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Moderate					✓		
175	Electricity Industry	2	Probable	Moderate	Medium	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
186	Act section 82												
176	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
177 187	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Moderate					✓		
178	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Moderate					✓		
179 188	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong			✓				
180 189	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
181 190	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
182 191	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
183	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
184	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
185	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
186	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
187	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
188 192	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
189 193	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
194	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
190 195	Electricity Industry Act section 82	2	Likely	Moderate	Medium	Strong		✓					
191 196	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
192 197	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
193 198	Electricity Industry Act section 82	2	Likely	Minor	Medium	Moderate					✓		
194 199	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
195 200	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
196 201	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
197	Electricity Industry	2	Likely	Minor	Medium	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating							
							1	2	3	4	5	N/R	N / A	
202	Act section 82													
198 203	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓			
199 204	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓			
200 205	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
201 206	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
202 207	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
203 208	Electricity Industry Act section 82	2	Likely	Moderate	High	Strong		✓						
204 209	Electricity Industry Act section 82	NR	Likely	Minor	Medium	Strong					✓			
205 210	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
206 211	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
207 212	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓			
208 213	Electricity Industry Act section 82	NR	Probable	Minor	Low	Strong					✓			

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
209 214	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
210 214	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
211 215	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
212 216	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
213 217	Electricity Industry Act section 82	NR	Probable	Moderate	Medium	Strong					✓		
214 218	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
215 219	Electricity Industry Act section 82	NR	Likely	Minor	Medium	Strong					✓		
216 220	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
217 221	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
222	Electricity Industry Act section 82	NR	Unlikely	Minor	Low	Strong					✓		
218 223	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
219	Electricity Industry	2	Probable	Moderate	Medium	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
224	Act section 82												
220 225	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
221 226	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
222 227	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
223 228	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
224 229	Electricity Industry Act section 82	2	Likely	Moderate	High	Strong					✓		
225 230	Electricity Industry Act section 82	2	Likely	Moderate	High	Strong		✓					
226 231	Electricity Industry Act section 82	2	Likely	Moderate	High	Strong					✓		
227 232	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
228 233	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
230 235	Electricity Industry Act section 82	1	Probable	Moderate	High	Strong		✓					
231 236	Electricity Industry Act section 82	1	Likely	Moderate	High	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
232	Electricity Industry Act section 82	2	Probable	Major	High	Strong		✓					
235 238	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
236 239	Electricity Industry Act section 82	2	Likely	Moderate	Medium	Strong		✓					
238 243	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate					✓		
239 244	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate						✓	
240 245	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate					✓		
241 246	Electricity Industry Act section 82	2	Unlikely	Major	High	Strong					✓		
242 247	Electricity Industry Act section 82	2	Unlikely	Major	High	Strong					✓		
243 247	Electricity Industry Act section 82	2	Unlikely	Major	High	Strong					✓		
244 247	Electricity Industry Act section 82	2	N/A	N/A	N/A	N/A					✓		
245 247	Electricity Industry Act section 82	2	Unlikely	Major	High	Strong					✓		
246	Electricity Industry	2	Unlikely	Major	High	Moderate						✓	

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
248	Act section 82												
247	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate						✓	
248	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate						✓	
249 250	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate						✓	
250 251	Electricity Industry Act section 82	1	Unlikely	Major	High	Moderate					✓		
251 252	Electricity Industry Act section 82	1	Unlikely	Major	High	Moderate					✓		
253 254	Electricity Industry Act section 82	2	Probable	Major	High	Strong						✓	
254 255	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
255 256	Electricity Industry Act section 82	2	Likely	Major	High	Weak						✓	
256 257	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate						✓	
258 259	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate				✓			
259 260	Electricity Industry Act section 82	2	Unlikely	Major	High	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
260 261	Electricity Industry Act section 82	NR	Unlikely	Moderate	Medium	Moderate					✓		
261 262	Electricity Industry Act section 82	2	Unlikely	Moderate	Medium	Moderate					✓		
262 263	Electricity Industry Act section 82	NR	Unlikely	Moderate	Medium	Moderate					✓		
263 264	Electricity Industry Act section 82	2	Unlikely	Moderate	Medium	Moderate					✓		
264 265	Electricity Industry Act section 82	2	Unlikely	Moderate	Medium	Strong					✓		
265 266	Electricity Industry Act section 82	2	Unlikely	Moderate	Medium	Strong						✓	
266 267	Electricity Industry Act section 82	NR	Unlikely	Moderate	Medium	Strong						✓	
267 268	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate					✓		
268 269	Electricity Industry Act section 82	2	Unlikely	Moderate	Medium	Strong					✓		
269 270	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
270 271	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
271	Electricity Industry	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
272	Act section 82												
272 273	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
273 274	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
274 275	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
275 276	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
276 277	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
277 278	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
278 279	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
286 287	Electricity Industry Act section 82	NR	Likely	Minor	Medium	Strong					✓		
287 288	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
288 289	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong		✓					
289 290	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
290 291	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
291 292	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
293 294	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
294 295	Electricity Industry Act section 82	2	Unlikely	Moderate	Low	Strong					✓		
295 296	Electricity Industry Act section 82	2	Likely	Moderate	Medium	Strong					✓		
296 297	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
297 298	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
298 299	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
299 300	Electricity Industry Act section 82	2	Probable	Minor	Medium	Strong					✓		
300 301	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
301	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
303	Electricity Industry	2	Probable	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
302	Act section 82												
304	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
305 303	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
306 304	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
307 305	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong					✓		
308 306	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
309 307	Electricity Industry Act section 82	2	Unlikely	Major	High	Strong					✓		
310 308	Electricity Industry Act section 82	2	Unlikely	Major	High	Moderate				✓			
311	Electricity Industry Act section 82	2	Probable	Moderate	Medium	Strong					✓		
322 318	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
324 318	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
325 319	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
326	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong						✓	
327 320	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
329 322	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
331 324	Electricity Industry Act section 82	2	Likely	Minor	Medium	Strong		✓					
332 325	Electricity Industry Act section 82	2	Probable	Minor	Low	Strong					✓		
336 328	Electricity Industry Act section 82	2	Unlikely	Minor	Low	Strong					✓		
345	Retail Licence condition 5.1	2	Unlikely	Moderate	Medium	Strong					✓		
360 349	Retail Licence condition 5.1	2	Probable	Major	High	Strong					✓		
361	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong						✓	
375 363	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong					✓		
383	Retail Licence condition 5.1	2	Unlikely	Major	High	Moderate						✓	

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
385 372	Retail Licence condition 5.1	2	NA	NA	NA	NA							✓
392 379	Retail Licence condition 5.1	NR	Likely	Moderate	High	Strong					✓		
393 380	Retail Licence condition 5.1	NR	Likely	Moderate	High	Strong					✓		
394 381	Retail Licence condition 5.1	2	Likely	Moderate	High	Strong					✓		
409 393	Retail Licence condition 5.1	2	Likely	Moderate	High	Strong					✓		
395	Retail Licence condition 5.1	2	Unlikely	Moderate	Medium	Strong					✓		
422 406	Retail Licence condition 5.1	2	Unlikely	Minor	Low	Strong							✓
423 407	Retail Licence condition 5.1	2	Unlikely	Moderate	Medium	Strong			✓				
426 408	Retail Licence condition 5.1	2	Probable	Major	High	Moderate					✓		
427 409	Retail Licence condition 5.1	NR	Probable	Minor	Low	Moderate					✓		
428 410	Retail Licence condition 5.1	NR	Probable	Minor	Low	Moderate					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
429 411	Retail Licence condition 5.1	2	Probable	Major	High	Strong					✓		
412	Retail Licence condition 5.1	2	Probable	Major	High	Strong					✓		
431 414	Retail Licence condition 5.1	NR	Unlikely	Moderate	Medium	Strong					✓		
437 420	Retail Licence condition 5.1	2	Probable	Minor	Low	Strong					✓		
438 421	Retail Licence condition 5.1	2	Probable	Minor	Low	Strong					✓		
456 439	Retail Licence condition 5.1	2	Probable	Minor	Low	Strong					✓		
469 446	Retail Licence condition 5.1	2	Unlikely	Major	High	Strong					✓		
472 448	Retail Licence condition 5.1	NR	Unlikely	Major	High	Strong					✓		
474 450	Retail Licence condition 5.1	2	Unlikely	Major	High	Strong					✓		
475 451	Retail Licence condition 5.1	2	Probable	Moderate	Medium	Strong					✓		
476 452	Retail Licence condition 5.1	2	Unlikely	Major	High	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
477 453	Retail Licence condition 5.1	2	Unlikely	Major	High	Strong					✓		
478 454	Retail Licence condition 5.1	NR	Unlikely	Major	High	Strong						✓	
479 455	Retail Licence condition 5.1	NR	Unlikely	Major	High	Strong						✓	
480 456	Retail Licence condition 5.1	NR	Unlikely	Major	High	Strong						✓	
481 457	Retail Licence condition 5.1	2	Unlikely	Major	High	Strong						✓	
482 458	Retail Licence condition 5.1	NR	Unlikely	Minor	Low	Strong						✓	
507 483	Synergy Retail Licence Schedule 2 condition 2.1	2	Unlikely	Minor	Low	Strong					✓		
508 484	Synergy Retail Licence Schedule 2 condition 2.6	2	Probable	Minor	Low	Strong					✓		
509 485	Synergy Retail Licence Schedule 2 condition 3.1 and 3.2	2	Probable	Minor	Low	Strong					✓		
510 486	Synergy Retail Licence Schedule 2	2	Probable	Minor	Low	Strong					✓		

No	Licence Clause	Type	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating						
							1	2	3	4	5	N/R	N / A
	condition 3.3												
517 493	Synergy Retail Licence condition 5.1	2	Likely	Moderate	Medium	Strong			✓				

5. Review of Status of Management Actions for previous Audit Report

Synergy's last performance audit of compliance with its ERL1 was conducted in 2012. Our review revealed that there were previous audit findings from the 2012 audit which had not been addressed or had been found to be non-compliant within the current audit. These observations are further discussed in the Detailed Findings Section of the report.

Review of Status of Management Actions for Previous Audit Report

Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
319	Code of Conduct clause 13.15(3)	Electricity Industry Act section 82	The importance of complying with mandatory deadlines needs to be reaffirmed to all business units.	<p>In response to the incident, Synergy implemented the following procedure:</p> <ol style="list-style-type: none"> 1. Any time sensitive content that has an embargo on its live date will be placed in the staging environment until just before it is required to go live. 2. Once time embargoed content is published to the staging environment - no other content will be published until the time sensitive content has gone live. 3. Communicated to relevant staff provisions regarding time under the Interpretation Act 2004. 	<p>We obtained a copy of the revised procedure and confirmed implementation had been carried by the detailed date.</p> <p>This recommendation has been addressed.</p>

Review of Status of Management Actions for Previous Audit Report

Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
153	Code of Conduct clause 2.8 Integrated	Regional Licence condition 23.1 Retail Licence condition 23.1	The importance of ensuring staff complete the refresher training needs to be reaffirmed to all managers and Synergy continues to actively monitor its staff with respect to compliance with privacy laws.	1. Management will continue to reinforce the importance of completing annual SAFETRAC privacy training to all staff and continue to monitor staff compliance with privacy laws. A new process has been implemented across Synergy's contact centres for team leaders to follow in relation to privacy incidents and strategies to prevent reoccurrence. This includes having the affected CSR listen to the call, identify the non-compliance, and provide an explanation for their non-compliance and then signing a declaration confirming they understood they have not adhered to Synergy's privacy requirements/process. This	Our review of SAP and training documentation confirmed that the Management Actions has been implemented. Further, Synergy has mechanisms in place to support compliance. However, due to staff not adhering to procedures, incidents have occurred within the scope period. Please refer to obligation 153 in the Detailed Section of the report.

Review of Status of Management Actions for Previous Audit Report					
Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
				<p>signed declaration is then given to Synergy's human resource department for record keeping.</p> <p>2. A system SAP was implemented in September 2011 to remedy the issue.</p> <p>3. A system change request is scheduled for production in December 2012 to address this issue.</p>	
158	Code of Conduct clause 4.1	Electricity Industry Act section 82	Synergy should continue to ensure that the number of unbilled customer bills >90 days are reduced.	<p>Synergy has established business reporting, work practices and procedures as well as significantly increasing personnel dealing with this matter to minimise the incidence of not-billed performance on its customers.</p> <p>Synergy has provided monthly reports to the Authority on the</p>	<p>Walkthrough of the revised procedure indicated that Synergy had implemented the management actions from the previous audit report.</p> <p>However, late billing breaches were identified within the current audit period.</p> <p>Please see Obligation 148 in the</p>

Review of Status of Management Actions for Previous Audit Report					
Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
				<p>unbilled accounts and related performance measures since March 2010 and the >90 day unbilled number has consistently trended downwards during the audit period.</p> <p>Synergy had previously committed to the Authority a target unbilled rate of 4,000 (within and outside its control and 2,000 within its control) at any point in time. As at June 2012 Synergy's total number of unbilled >90 day accounts was 945 of which 170 was within its control. As at June 2012 Synergy's on-time billing performance was 99.9%.</p> <p>To maintain or improve its current unbilled performance Synergy:</p>	<p>Detailed Findings area of this report.</p> <p>This recommendation has not been addressed.</p>

Review of Status of Management Actions for Previous Audit Report					
Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
				<ul style="list-style-type: none"> will continue with its root cause and monitoring analysis through the examination of system configuration and reporting. Synergy will continue to assess and document the impact of the unidentified root causes which negatively impact the “business as usual” processes and escalate in accordance with our change management protocols to implement system or process changes as required; is working towards reducing unbilled accounts that are not within its control, by working with Western Power to automate market transactions to provide necessary energy data and improved reporting 	

Review of Status of Management Actions for Previous Audit Report					
Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
				<p>and communication; and.</p> <ul style="list-style-type: none"> is also focused on providing education to customers on issues that may impact their accounts, resulting in them reaching the >90 day unbilled through mediums, such as bill inserts for self-read customers and estimated accounts explaining their obligations to provide metering data. 	
167	Code of Conduct clause 4.5(1)(h), (j),(k) and (l)	Electricity Industry Act section 82	Synergy needs to address the compliance requirement.	1. Consistent with the Authority's determination Synergy is currently preparing its proposed B1 tariff removal strategy to obtain state government approval to remove the tariff which will require legislative	Review of the "Synergy's Costs and Electricity Tariffs" Report released by the Authority confirmed that Synergy identified the B1 tariff was potentially redundant and could be removed Further, this report was tabled in

Review of Status of Management Actions for Previous Audit Report					
Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
				<p>amendments. Synergy expects to present the strategy to the state government as part of the 2012/2013 state budget process. The timeframe for a state government decision on the tariff removal is at the government's decision and outside of Synergy's control.</p> <p>2. The overdue notice was updated to reflect the current late payment fee charge in November 2011.</p> <p>3. The concessions message to customers already receiving concessions was expanded to include the required statement in January 2012.</p>	<p>Parliament on the 4th July 2012. To date Synergy is still considering removal of the B1 tariff which will require State Government approval.</p> <p>In respect to recommendation 1, Synergy has not met compliance with these obligations during the audit period, this matter remains outstanding.</p> <p>Recommendations 2 and 3 have been concluded.</p> <p>Please see Obligation 158 in the Detailed Findings area of this report.</p>
167	Code of Conduct clause	Electricity Industry Act	Nil	1. A system change to SAP was implemented to ensure the dependent child rebate was	Review of SAP changes implemented revealed that management action 1 had been

Review of Status of Management Actions for Previous Audit Report					
Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
	4.5(1)(i)	section 82		<p>applied to eligible REBS customer accounts. All affected customers were re-issued with bills applying the dependent child rebate and repaid their entitlements, together with a letter of explanation.</p> <p>2. Customers who did not receive the full rebate they are entitled to will be repaid by December 2012. A billing system change will automatically ensure the correct re-activation process occurs.</p> <p>3. The many system changes implemented have resulted in the automated payment of concessions.</p>	<p>completed.</p> <p>Sample based testing confirmed that Synergy had been repaid identified customer, their entitlements by the action date.</p> <p>An automated payment of concessions was determined to have been implemented.</p> <p>Management actions were completed.</p> <p>Notwithstanding the system changes implemented, further issues were identified in regard to customer rebates and entitlements. Please see Obligation158 in the Detailed Section of this Report.</p>

Review of Status of Management Actions for Previous Audit Report					
Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
68	Electricity Industry (Licence Conditions) Regulations regulation 5(2)	Electricity Industry Customer Transfer Code Annex 6 clause A6.2 (a)	Synergy should develop and implement an IT Disaster Recovery Plan.	In response to the Synergy's 2011 internal audit, Synergy commenced in the second half of 2011 the IT Disaster Recovery upgrade project to ensure Synergy is capable of recovering from disaster situations. The strategy addresses the key applications, technical infrastructure and supporting outsourced services. The project also delivers a disaster recovery action plan and recovery procedures ensuring Synergy has a coordinated framework for deploying resources and skills in the event of a disaster situation.	Review of Synergy's IT Disaster Recovery Action Plan confirmed the implementation of this Management Action. This recommendation has been addressed.
119	Retail Licence Condition 12.1	Electricity Industry Act section 11	The Auditors Independent Report should be included as part of the published Annual Financial Statement.	The requirement to publish the annual report including the auditor's report was added to Synergy's regulatory calendar on	Review of the Regulatory Calendar and the 2010/2011 Annual Report confirmed the implementation of this

Review of Status of Management Actions for Previous Audit Report					
Reference Number	Obligation	Clause	Recommendation	Management Action	Observation
				14 June 2012.	Management Action. This recommendation has been addressed.
194	Code of Conduct clause 5.2(2)	Electricity Industry Act section 82	Synergy should introduce a validation protocol that confirms the credit card payment number against customer details prior to processing the payment.	Validation of the payment number for credit card payments received via the web and interactive voice response (IVR) was prioritised and planned to be implemented in two parts. The Web validation via the Zumba project and IVR through PCI project.	Discussions with Synergy personnel indicated that the Zumba and PCI project was complete and operating effectively. Therefore, this recommendation has been addressed.

6. Special Areas of Interest

Initial discussions held with the Authority indicated a desire to place emphasis on the examination of the following areas:

- Synergy's compliance with Payment Difficulty and Financial Hardship obligations;
- Record Keeping; and
- The completeness of Synergy's Incident Register.

Payment Difficulty and Financial Hardship Process

The Authority requested a review of the integrity of Synergy's systems and internal processes in place to support its compliance with Part 6 of the Code of Conduct for the Supply of Electricity to Small Use Customers 2012.

Discussions with Contact Centre Staff indicated a sound level of knowledge pertaining to the Code of Conduct requirements. We were able to confirm staff understanding of their roles and responsibilities in those instances where customers indicated payment difficulty or financial hardship. Training programs were reviewed and the examples used in training delivery were observed to be based on actual cases.

Walkthrough of the escalation process through vouching of credit management examples led to the identification of Synergy's Credit Management Team, Managers and Senior Manager. The Team were found to have more detailed knowledge in respect of Synergy's obligations under Part 6 the Code of Conduct, had direct access to customer files, transaction history and the authority to implement a number of decisions and enter into agreements with the Customer if a need was determined. They were found to be better versed in issues surrounding payment difficulties and financial hardships.

Through sample based testing we confirmed assistance had been provided to customers in accordance with Synergy's policies and procedures. Referrals were observed to have been made to financial assistance related products and we noted active engagement by Synergy with financial counsellors and customers. Synergy was able to substantiate further activities such as offering of alternative payment arrangements, reduction of fees, charges and debts.

Whilst our fieldwork detected three instances where Contact Centre Staff had not accurately assessed customers' financial position, Synergy was observed to have a monitoring mechanism in place that provided for identification, tracking and monitoring of remedial actions. In those instances detected by Synergy, remedial actions were undertaken, training provided and procedural compliance was reinforced. Our detailed observations can be viewed within Section 11 *Detailed Findings – Compliance Elements Which Require Corrective Measures*.

We attained a sample of customer interaction history, listened to phone calls and sat with Credit Management Staff when they were interacting with customers who had been assessed as experiencing payment difficulties and financial hardship.

Review of Synergy's policies, procedures, workflows and Part 6 of the Code of Conduct confirmed that whilst exceptions had been detected, Synergy has considered the Code's requirements and does take those actions specified.

Record Keeping

The Authority required Grant Thornton to review Synergy's current and historical record keeping reports and the processes used in compiling its performance reports.

Walkthrough of the processes employed by Synergy for collating reports provided to the Authority noted the existence of formalised methodologies that supported the compilation of performance reports.

The responsibility and accountability for data integrity is devolved to the appropriate business units who have ownership and knowledge of the information required to be submitted by that particular area. Corporate Services perform a review of the data provided for reasonableness and accuracy. Comparisons are drawn from prior year reports and reconciliation activity is examined. In the event an anomaly is identified a query is raised and sent back to the business for clarification. Upon completion of the reconciliation activities, the report is prepared and a number of reviews are performed.

The report is then prepared and communicated to the Authority in accordance with the prescribed timeframes. Corporate Services retains the information used in the preparation of the reports to provide for an audit trail. This includes email requests, worksheets, draft and final versions of each report.

It is understood that SAP does not permit the automatic deletion of data that is captured by the system. Prior to the implementation of SAP, Synergy used a number of databases and systems to record and report its business transactions. This information has since been archived and is readily accessible if required. The electronic archive system was identified as Valhalla. Physical documents were also archived and maintained by an outsourced archive service provider.

We were able to recall data that supported report content and through sample re-performance, reconcile information tabled in those reports. This was facilitated through the ability to source the information as a result of Synergy's record retention practices.

Completeness of Synergy's Incident Register

The Authority requested Grant Thornton to perform a high level assessment of the internal processes used to ensure that Synergy's incident register is accurate and complete.

The framework upon which Synergy's incident register has been built was observed to comprise of a number of components which then resulted in the capture of information into the following categories:

- Compliance obligations (internal and external);
- Content and context of organisational compliance requirements;
- Communication;
- Continuous improvement;
- Completeness; and
- Accuracy.

Discussions with Synergy's Compliance Team Managers, Manager Retail Regulatory and Compliance, and walkthrough of incident notification, recording and reporting processes confirmed that Synergy has implemented an incident reporting process as part of its detective controls for monitoring and reporting of potential non-compliance issues which is administered and reported independently from the operational parts of the business.

The incident register provides for a single capture point not only for licence obligations but, for all events that may have negatively impacted on Synergy's compliance obligations. Our review of the incident register confirmed that Synergy had identified an array of incidences which were investigated, with the outcomes and required remedial activities recorded.

Our reconciliation of observations made during our fieldwork did not reveal the existence of any discrepancies. Further, we performed a desktop review of the actions taken by the Retail, Regulatory and Compliance team for determining the status of a reported incident.

The Compliance Teams which have been embedded throughout Synergy's operations were instrumental in communicating the message of the requirement of accurate reporting and recording of incidents in the register.

7. Audit Opinion

Based on the fieldwork conducted, we observed Synergy to have a mature and robust approach and methodology for the preparation and communication of those reports it was required to provide to the Authority and other statutory organisations during the scope period. As part of the audit activity, we examined the integrity of sampled reports and did not note any exceptions.

We reviewed the 2011/2012 annual compliance reports for accuracy and completeness for those matters that fell within this performance audit scope period. We did not note any exceptions in this regard.

In our opinion, except for the matters identified in Section 8 – Compliance Obligation Elements which Require Corrective Measures and any effects thereof, we are satisfied that Synergy had policies, procedures and systems in place to support compliance with the licence conditions and associated regulations and codes, for the period 1 January 2012 to 30 June 2013.

Grant Thornton Australia Ltd

Michael Hillgrove

Engagement Partner

Perth

13 December 2013

8. Detailed Findings – Compliance Elements which Require Corrective Measures

The management response provided by Synergy within this section constitutes the post audit implementation plan and does not form part of the audit report prepared by Grant Thornton.

Licence Clause	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 3.2(2)
Compliance Manual Reference	7 7
Obligation Description	A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Discussions with the Risk and Compliance Manager, Energy Markets revealed that Synergy does not have an agreement with the Network Operator for submissions of data requests above the prescribed number.</p> <p>Further, the Risk and Compliance Manager, Energy Markets revealed that there was an absence of a current agreement with the Network Operator that permitted the number of requests to exceed the prescribed limit.</p> <p>Examination of the number of data requests submitted by Synergy identified instances where the requests exceeded the daily quota.</p> <p>Our discussions revealed that historically Synergy had an agreement in place with the Network Operator, however, during the audit period the arrangement had lapsed and as a result of oversight, the agreement had not been renewed.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy considers obtaining an in principle agreement with the Network Operator to enable submission of standing data or historical data requests that exceeds the prescribed amount. 2. Alternatively, Synergy develops and implements a mechanism that restricts its ability to communicate standing data or historical data requests to the prescribed maximum as detailed within this clause.
Management	Agreed (recommendation 1)

Response	
Management Actions	Relevant staff were requested to comply with the standard operating procedure in July 2013 to email Western Power and seek their approval prior to exceeding threshold transaction requests in accordance with the Electricity Industry Transfer Code 2004. The matter was implemented on 28 July 2013.
Implementation Date	28 July 2013
Responsible person	Risk and Compliance Manager, Energy Markets

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.8 Retail Licence condition 23.1
Compliance Manual Reference	153
Obligation Description	A retailer and an electricity marketing agent 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.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Review of Synergy's incident register revealed approximately 65 privacy incidents were identified between the audit and reporting periods. Enquiries made and walkthrough of the 2012 Performance Audit - Post Audit Implementation Plan confirmed that the actions had been completed.</p> <p>Notwithstanding, the remedial actions undertaken by Synergy, we noted instances of non-compliance to procedures by its staff had resulted in further privacy related issues.</p> <p>This obligation has since been removed from the Electricity Compliance Reporting Manual February 2013. It is understood that the requirement to adhere to the National Privacy Principles as set out within the Privacy Act 1998 will directly apply to Synergy.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy continues to investigate and rectify the cause of the system upgrade error to ensure the system is able to save the updated customer information to meet its compliance requirement. 2. Synergy reinforces the requirement for its CSRs to adhere to the standard operating procedures relating to the management of customer account related information ensuring it is accurately captured to facilitate compliance with this obligation. 3. Synergy continues with its operator monitoring program,

	<p>including performing a review of the adequacy and effectiveness of the existing controls for this obligation.</p> <p>4. Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.</p>
Management Response	Agreed
Management Actions	<p>1. A system fix was implemented August 2013 and communication issued to all staff to advise that the manual work-around was no longer required.</p> <p>2. Bulletins to all relevant staff were issued and refresher training on the standard operating procedure was delivered. Retail also developed and implemented to its entire staff, “Retail’s 3 key Compliance Principles” program which includes in Principle 1 – “Always remember the 3 Point ID Check”, stressing the importance and potential impact to customers when this is not followed. In addition, the monitoring process was amended to require additional oversight for a two month period for those operators who failed to correctly follow the standard operating procedure relating to privacy.</p> <p>3. Agreed. Retail will continue to monitor and assess effectiveness of its customer service monitoring program.</p> <p>4. Agreed.</p>
Implementation Date	<p>1. August 2013</p> <p>2. Ongoing</p> <p>3. Ongoing</p> <p>4. By no later than 28 February 2014</p>
Responsible Person	Manager Customer Service

Licence Clause	Electricity Industry Act section 82	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.4(1) Retail Licence condition 23.1	Code of Conduct clause 2.4(3) Retail Licence condition 23.1
Compliance Manual Reference	135 132	137 134
Obligation Description	When a customer enters into a new contract that is not an unsolicited consumer agreement with a retailer or electricity marketing agent, the retailer or electricity marketing agent must offer to provide the customer with a copy of the contract, and if this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible, but no more than 28 days thereafter.	Subject to sub clause 2.4(4), for a standard form contract a retailer or electricity marketing agent must give the specified information in sub clause 2.4(2) no later than with, or on, the customer's first bill. If requested by a customer, and before a customer has entered into a non-standard form contract or a standard form contract that is an unsolicited consumer agreement, the electricity marketing agent must obtain the customer's written acknowledgement that the information in sub clause 2.4(2) has been given; if the customer has not previously been provided a written copy of the contract, a copy of the contract must be provided at no charge to the customer.
Reporting Type	2	2
Compliance Rating	2	2
Audit Observations	Discussion with the Marketing team and walkthrough of the policies and procedures revealed that Synergy does have a process in place to facilitate the provision of a contract to a customer within the timeframe specified.	

	<p>Whilst our sample based testing did not reveal any exceptions, our review of Synergy's incident register noted that it had self-identified a nexus between CSRs recording an incorrect account address upon establishment.</p> <p>Discussions with the Manager Retail Regulatory and Compliance revealed that further the CSRs have been provided further training and Synergy has implemented a monitoring mechanism to provide feedback as to the success of the remedial actions.</p> <p>However, further review of Synergy's incident register revealed, further instances of CSRs not complying with policies, procedures or guidelines.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy reinforces the requirement for its CSRs to adhere to the standard operating procedures relating to the management of customer account related information ensuring it is accurately captured to facilitate compliance with this obligation. 2. Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation. 3. Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.
Management Response	Agreed
Management Actions	<ol style="list-style-type: none"> 1. Numerous communications have been distributed to all relevant staff to remind them of the correct process to follow for updating mailing addresses and the ramifications to customers and Synergy of non-adherence. Refresher training on SAP fundamentals, including addressing was conducted in August 2013 to all customer service representatives. 2. Agreed. Retail will continue to monitor and assess effectiveness of its customer service monitoring program. 3. Agreed. 4. A system change was implemented in November 2013 to provide an additional prompt which will display a confirmation

	<p>pop-up message when a user sets a new 'main' address type for a customer and the customer has an account that currently uses an address other than the premises address. This change will further enhance the system prompt introduced in December 2012 to remind staff to check the mailing address as part of the standard operating procedure. In addition a report will be produced monthly to identify any possible address errors for correction.</p> <p>5. The Address Management Project was approved by Synergy's Project Investment Council (PIC) in October 2013. The objective of this project is to improve the quality of address functionality within Synergy's system and simplify the customer service representative experience when updating addressing, hence reducing human error. Estimated project delivery is first quarter 2014/15 which will be confirmed once business case and project plan finalised.</p> <p>6.</p>
Implementation Date	<p>1. August 2013</p> <p>2. Ongoing</p> <p>3. By no later than 28 February 2014</p> <p>4. November 2013</p> <p>5. First quarter 2014/15</p>
Responsible Person	Manager Customer Service

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.1
Compliance Manual Reference	148 158
Obligation Description	A retailer must issue a bill no more than once a month and at least once every three (3) months, unless under the circumstances specified in sub clause 4.1.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Our review of Synergy's incident register revealed that a customer had been issued 5 bills (26.9.2011, 24.10.2011, 22.12.2011, 23.2.2012 and 13.8.2012) that are for billing periods ranging from 27 to 29 day periods (2 during 2012).</p> <p>This was due to meter readings being provided by the Network Operator at a frequency whilst not previously planned, but in accordance with the model SLA. Upon receipt of the metering data, Synergy's automated process would convert consumption data into billing data. These bills were then communicated to the customer, as described above</p> <p>In the absence of the identification of the applicable sub clause under the Interpretation Act 1984 by which the Authority classifies as a month we concluded that Synergy was compliant with the provision of bills issued in a period of "no more than once a month" based on the model SLA definition of "one month"..</p> <p>Whilst our sample based testing did not identify any exceptions with bills being issued greater than 3 months, we noted that Synergy had self-identified instances where it had issued a bill outside of three months. We note that Synergy in this regard has made a concerted effort in addressing this issue. Review of the bills greater than 90 day report, we noted approximately 400 outstanding items at that point in time. The Authority has removed the monthly reporting requirement which applied during the current and previous audit periods.</p>

Recommendation	Synergy continues to review its billing process and control mechanisms that facilitate the issuing of a bill with the view to continue reducing the number exceptions for bills not issued at least once every three months.
Management Response	<p>Agreed.</p> <p>Synergy has made significant improvement in reducing unbilled accounts over the last two years. However, as a mass scale energy retailer Synergy will always experience situations where it issues a bill greater than 90 days without the customer's consent. The reasons for billing customers for a period greater than 90 days include but are not limited to printing issues, self-read meter data not provided by customers, non application of electricity accounts, meter reading type mismatches and incorrect account establishment by Synergy.</p>
Management Actions	<p>Reports are generated each day and accounts over 90 days are allocated to a specialist team to rectify and bill these accounts. The standard operating procedures for unbilled accounts has been reviewed and updated. Additionally system change requests have been implemented to streamline the reporting process and SAP system enhancement.</p> <p>System and process improvements are continually being put into the SAP production environment to reduce the incidences of bills over 90 days. Synergy is negotiating the metering service level agreement with Western Power to ensure energy data is delivered for self-reader customers within a shorter timeframe in order to comply with the Electricity Industry (Metering) Code 2012.</p>
Implementation Date	Ongoing
Responsible Person	Manager Billing Services

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.4
Compliance Manual Reference	157 166
Obligation Description	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.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Review of the processes in-place around assigning the customer's address for billing purposes indicated this information is contained within Synergy's Knowledge Base. Synergy's policies instruct the marketing agent to enter the customers supply address, or another address specified by the customer, into Knowledge Base.</p> <p>Further, the Contact Centre has specified instructions that require the recording of the correct address for billing purposes. These instructions include a request for the customer's supply address upon entering into a contract or other nominated address.</p> <p>Whilst our sample based testing did not reveal any exceptions, our review of Synergy's incident register confirmed that it had self-identified approximately 400 customers who have been affected as a result of non-compliance with this obligation.</p> <p>A billing system upgrade in April 2013 impacted the ability of the system to accurately record customer addresses. We understand that if the CSR was recording a customer's address and saved the information without selecting the help menu, the data would not be saved. This upgrade impacted the majority of the affected customers.</p> <p>The remaining instances were a result of CSRs not adhering to the established procedures.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy continues to investigate and rectify the cause of the system upgrade error to ensure the system is able to save the

	<p>updated customer information to meet its compliance requirement.</p> <ol style="list-style-type: none"> 2. Synergy reinforces the requirement for its CSRs to adhere to the standard operating procedures relating to the management of customer account related information ensuring it is accurately captured to facilitate compliance with this obligation. 3. Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation. 4. Synergy reports back to the senior management with respect to the review under recommendation 3. Where appropriate, it undertakes the necessary corrective actions to strengthen the existing controls.
Management Response	Agreed.
Management Actions	<ol style="list-style-type: none"> 1. A system fix was implemented August 2013 and communication issued to all staff to advise that the manual work-around was no longer required. 2. Numerous communications have been distributed to all relevant staff to remind them of the correct process to follow for updating mailing addresses and the ramifications to customers and Synergy of not doing so. Refresher training on SAP fundamentals, including addressing, was conducted in August 2013 to all customer service representatives. Retail has also developed and implemented to its staff, "Retail's 3 key Compliance Principles" program which includes in Principle 2 – "Always confirm and update customer details", stressing the importance and potential impact to customers when this is not followed. 3. Agreed. Retail will continue to monitor and assess effectiveness of its customer service monitoring program. 4. Agreed. 5. A system change was deployed in November 2013 to provide an additional prompt which will display a confirmation pop-up message when a user sets a new

	<p>‘main’ address type for a customer and the customer has an account that currently uses an address other than the premises address. This change will further enhance the system prompt introduced in December 2012 to remind staff to check the mailing address as part of the standard operating procedure. In addition a report will be produced monthly to identify any possible address errors for correction.</p> <p>6. The Address Management Project was approved by Synergy’s Project Investment Council (PIC) in October 2013. The objective of this project is to improve the quality of address functionality within Synergy’s system and simplify the customer service representative experience when updating addressing, hence reducing human error. Estimated project delivery is first quarter 2014/15 which will be confirmed once business case and project plan finalised.</p>
Implementation Date	<ol style="list-style-type: none"> 1. August 2013 2. Ongoing 3. Ongoing 4. By no later than 28 February 2014 5. November 2013 6. First quarter 2014/15
Responsible Person	Manager Customer Service

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.5(1)
Compliance Manual Reference	158 167
Obligation Description	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in sub clause 4.5(1) on the customer's bill.
Reporting Type	2
Compliance Rating	2
Audit Observations	<ol style="list-style-type: none"> Interviews held with Manager Retail Regulatory and Compliance with respect to prior performance audit observations revealed that Synergy continues to experience issues around the ability to display a range of information it is required on a customer's bill specifically average daily cost of consumption and average daily consumption for collective bills. Synergy had identified the cause to be related to the manner by which the billing hierarchy is set-up for clients with multiple account requiring only one bill or receiving different products. Discussions with the Manager, Retail Regulatory and Compliance also revealed that during the review of the concession protocol within SAP, it was identified that when a customer's concession eligibility period was renewed, the flag which triggered the concession value was determined to be ineffective. Synergy has since identified a further 3,500 customers who did not receive their concession entitlements during the audit period due to the SAP not updating the eligibility status of those customers. All concession types were affected. Further, review of Synergy's incident register indicated that it had self-identified a situation where it had not applied the full dependent child rebate entitlement during the period September through November 2012. This was noted to have impacted approximately 12,700 customers.

	<p>Synergy has indicated that the cause of SAP failing to recognise a customer's concession eligibility has since been rectified. Standard operating procedures have since been implemented to address the dependent child rebate entitlement. Remedial actions were noted to be taken by the business and the finalisation of this matter was scheduled for January 2013. We understand that the technical design has been revisited by Synergy and a technical remedial action has since been implemented.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy continues with its work around to obtain verifiable consent from the effected customers or undertake the necessary remedial action or removing those customers from the restricted information list. 2. Perform a review of the system changes implemented to rectify the causes to determine adequacy and effectiveness of the changes and reporting on the observations made. 3. That Synergy continues to reimburse those customers who are deemed to be entitled to the concessions based on their eligibility status.
Management Response	<p>Item 1 – Manager Retail Markets & Products</p> <p>Refer management actions.</p> <p>Items 2 and 3 – Manager Billing Services</p> <p>Refer management actions.</p>
Management Actions	<p>Item 1 –</p> <p>For new required collective customers Synergy previously introduced a move in declaration whereby customers provide their consent to not having the information available on their bill at the time of the move in. No contact has been made with the existing required collective customer base as no alternative solution could be offered if they did not provide verifiable consent. Synergy has also expended significant effort and cost contacting existing standard collective customers to obtain their consent to receive a bill which excludes the required information. If verifiable consent was not provided customers were removed from collective invoicing to individual invoices that provides all the missing data.</p> <p>Longer term solutions for required collective customers under review are:</p> <ul style="list-style-type: none"> • Having a system solution deliver the missing information as part of Synergy's meter to cash project.

	<ul style="list-style-type: none"> Retiring the B1 product as part of the 2014 annual price and product review. Amendments to the Code of Conduct as part of the 2013 review in terms of considering if there are any bill content requirements that should be removed from the Code. The ECCC endorsed proposed amendments in that regard at its meeting on 9 December 2013. <p>Item 2 and 3 –</p> <p>The issue arose due to operators not correctly following the standard operating procedure to reactivate expired concession cards resulting in customers not being paid their eligible concessions. All 3,657 customers were credited with the underpaid concessions and a letter was issued to all affected customers advising of the error and credits were applied to their account. A system change was implemented to prevent operators incorrectly reactivating concession card details, the standard operating procedure was updated to reflect the change in system functionality and a bulletin issued to operators advising of the change.</p>
Implementation Date	<p>1 - on-going</p> <p>2 and 3 - Closed 31 July 2013</p>
Responsible Person	<p>1 – Manager Retail Markets & Products</p> <p>2 and 3 – Manager Billing Services</p>

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.3
Compliance Manual Reference	190 195
Obligation Description	A retailer must, prior to commencing a direct debit, obtain the customer's verifiable consent and agree with the customer, wherever possible, the amount to be debited; and the date and frequency of the direct debit.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Discussions with Manager Business Partnership indicated that Synergy has implemented a web validation application via the Zumba project and IVR validation process via the PCI project in July 2012.</p> <p>Grant Thornton understands that Synergy engaged independent external consultants to determine their compliance around this licence obligation. Further, Synergy is required to complete a survey, annually, to maintain their SAQ compliance. This review process is a preventative control to monitor the integrity of the validation process.</p> <p>Review of policies and a training documentation, indicated that Synergy personnel were conversant with the Electronic Funds Transfer Code of Conduct.</p> <p>Whilst our sample based testing did not reveal any exceptions, discussion with Manager Retail Regulatory and Compliance, and review of Synergy's incident register identified that Synergy had experienced a system defect within its IVR process.</p> <p>It is understood that the system error did not enable customer credit card payments to be correctly processed so that funds could be withdrawn in accordance with the authorisation.</p> <p>Synergy has approximately 92,000 customers on direct debit arrangements, but it is unsure as to how many customers this</p>

	<p>defect has impacted.</p> <p>Further, CSRs had failed to adhere to operating procedures on two occasions which resulted in direct debit related activities being undertaken prior to obtaining the customer's verifiable consent.</p>
Recommendation	Synergy continues to investigate and rectify the cause of the system error to ensure the system is accurately complying with the customer's instructions during the IVR process.
Management Response	Agreed.
Management Actions	A project relating to direct debit is being investigated to rectify these issues. In addition, new content was published on Synergy's website directing customers that request a payment extension or instalment plan to contact Synergy to arrange the request. This then enables Synergy to set up the payment arrangement and maintain direct debit for the customer using a system work around.
Implementation Date	<p>Ongoing – System workaround</p> <p>30 June 2014 direct debit project (subject to internal approvals)</p>
Responsible Person	Manager Retail Products & Marketing

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.1(1)
Compliance Manual Reference	203 208
Obligation Description	If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship within three (3) business days.
Reporting Type	1
Compliance Rating	2
Audit Observations	<p>Synergy has a process that requires any Customer Service Representative who becomes aware that the customer is experiencing payment difficulties to assess the customer and determine whether they are experiencing financial hardship within the prescribed timeframe.</p> <p>Review of policies and procedures also confirmed that Synergy has mechanisms in place to ensure that any customer experiencing financial hardship or payment difficulties are to be assessed; and the timeframes for assessment activity were observed to align with the Code of Conduct.</p> <p>Sample based testing revealed 2 instances where Customer Service Representatives did not correctly assess customers for financial hardship due to staff failure to comply with standard operating procedures. Synergy indicated that it has assessed approximately 25,000 customers who indicated that they were experiencing payment difficulties or financial hardship during the review period.</p> <p>We also listened to a number of calls taken by Synergy and discovered that the contact centre staff did not identify the customer as experiencing financial hardship even though the customer advised that they were experiencing payment difficulties.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy reinforces the requirement for its CSRs to adhere to the standard operating procedures. 2. Synergy continues with its operator monitoring program and reports back to the appropriate business representative as to

	the adequacy and effectiveness of its training program.
Management Response	Agreed
Management Actions	<p>Credit Management</p> <ol style="list-style-type: none"> 1. Credit Management conduct bi-annual refresher training in June and December on hardship, disconnection and reconnection processes. Incorporated into the training is how Synergy assesses customers in hardship differentiating between payment difficulty, financial hardship and severe financial hardship. Credit Management to focus on a customer's capacity to pay beyond the current basic needs assessment within the contact centre. 2. Team Leaders within Credit Management are accountable for Quality Assurance including feedback and actions as part of the process. Findings are reported to the management team within Credit Management. <p>Customer Service:</p> <ol style="list-style-type: none"> 1. Credit Management training was commenced in September 2013 and completed in October 2013 which included the process and importance of correctly assessing customers who may be experiencing financial hardship and payment difficulties. 2. Customer Service will continue to monitor the effectiveness of its monitoring and training program.
Implementation Date	<p>Credit management</p> <ol style="list-style-type: none"> 1. Credit Management refresher training: bi-annually in June and December. <p>Customer Service</p> <ol style="list-style-type: none"> 1. End of October 2013. 2. By no later than 28 February 2014.
Responsible Person	<p>Manager Credit Management</p> <p>Manager Customer Service</p>

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.1(1)
Compliance Manual Reference	225 230
Obligation Description	Prior to arranging for disconnection of a customer's supply address for failure to pay a bill, a retailer must: give the customer a reminder notice not less than 13 business days from the date of dispatch of the bill, including the information specified in sub clause 7.1(1)(a); use its best endeavours to contact the customer; and give the customer a disconnection warning, in the manner and timeframes specified in sub clause 7.1(1)(c).
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Whilst our sample based testing of disconnections did not detect any exceptions, our review of Synergy's incident register revealed self-reports of failure to adhere with the requirement to provide disconnection warnings prior to a disconnection having been undertaken.</p> <p>Our review of the investigations performed by Synergy revealed that Credit Management Officers did not comply with the standard operating procedures on approximately 15 occasions ensuring that all requirements have been met prior to the issuance of a disconnection service notification.</p> <p>The causes for the non-compliances centred around the CSR not adhering to the established procedures</p> <p>Synergy issued urgent reconnection requests to the Network Operator for those customers affected and customers were provided with a compensation payment.</p>
Recommendation	Synergy reinforces to its Credit Management Officers and Customer Service Representatives the requirement to comply with the standard operating procedures in relation to disconnections.

Management Response	Agreed.
Management Actions	The standard operating procedure for disconnection for non-payment was reviewed and additional steps added to prevent incident reoccurrence and staff trained on the changes. Staff failing to comply with standard operating proceedings were coached and received feedback on their performance. A disconnection checklist was introduced. Bulletins were issued to all relevant staff to avoid making similar mistakes. Refresher training with the entire Credit Management team will occur at six monthly intervals and recording in a centralised training document held by the Credit Operations Manager. The incident will further be addressed by the collections re-engineering project due for implementation in February 2014.
Implementation Date	All affected customers who were disconnected without the required notifications were urgently reconnected and compensated. February 2014 – enhancements to minimise the risk of future re-occurrence of incidents of this type.
Responsible Person	Manager Credit Management

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.6
Compliance Manual Reference	230 235
Obligation Description	A retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.
Reporting Type	1
Compliance Rating	2
Audit Observations	<p>Based on our discussions with the Manager of Credit Management and through review documentation such as policies and procedures pertaining to disconnections, the model SLA between Synergy and the Network Operator, we determined that Synergy has processes in place to ensure its disconnection practices comply with the requirement as detailed within the Code of Conduct for this clause.</p> <p>Review of the disconnection requests made by Synergy to the Network Operator indicated a request was also made through Synergy to the Network Operator for the record detailing actual time of disconnection sampled. We did not identify any disconnection exceptions through the testing performed.</p> <p>Examination of Synergy's incident register revealed that it had self-reported a non-compliant disconnection to the Authority. We understand the cause for disconnection outside of the prescribed conditions related to the existence of a bill related complaint. An incorrect classification had been applied resulting in a disconnection process being re-engaged and a disconnection request was sent to the Network Operator. The work order was then carried out.</p> <p>It was identified that the incorrect assignment of "closed status" to the customer's complaint by the Service Quality Team Representative lead to the disconnection outside of the prescribed conditions. Subsequent to this occurring, Synergy has included within its training module the notion of "not to draw conclusions" on specific cases.</p>

	<p>Based on our discussions, review of policies, procedures and revised training documents, sample based testing pre and post the incident as detailed, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p> <p>Further, based on our understanding of the cause and the subsequent activities implement by Synergy We do not have any subsequent recommendations for this non-compliance matter.</p>
Recommendation	Nil.
Management Response	<p>A type 1 breach was reported to the Economic Regulation Authority on 9 October 2012. The impact of this incident was limited to a single customer. The customer was reconnected within one hour and 13 minutes after contacting Synergy in response to the disconnection and experienced a total outage time of approximately 4 hours 10 minutes.</p> <p>Synergy's standard operating procedure for disconnection requires a credit management officer to confirm whether an open complaint exists on a customer's account prior to issuing a disconnection service order to Western Power. If an open complaint is recorded on a customer's account, credit management officers must not issue a disconnection service order to Western Power.</p> <p>The incident occurred due to a Synergy credit management officer failing to identify the customer's account was flagged as having an open complaint prior to issuing a disconnection for non-payment service order to Western Power. The customer was reconnected on the same day as the disconnection; the debt on the customer's account was reversed and a goodwill payment was made to the customer.</p> <p>These arrangements were acceptable to the customer and the complaint was closed. Communication was provided to all credit management team members to reiterate the importance of following the disconnection standard operating procedure. The disconnection standard operating procedure was reviewed to ensure it enhances the descriptions of all steps credit management officers are required to take before raising a service notification for disconnection. Credit management officers were provided with refresher training on the disconnection standard operating procedure, regulatory requirements and ramifications of non-</p>

	<p>compliance. This refresher training now occurs on a six monthly basis for all team members.</p> <p>The credit management officer was provided with feedback in relation to the breach. System changes are being progressed which will automatically prevent a disconnection service order being generated when an open complaint exists on a customer account.</p>
Management Actions	No Further Action
Implementation Date	Closed 2 October 2012
Responsible Person	Manager Credit Management

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.7(2)
Compliance Manual Reference	232
Obligation Description	Where a customer registered with a retailer under sub clause 7.7(1) notifies the retailer of a change of the customer's supply address, contact details, life support equipment or that the customer's supply address no longer requires registration as a life support equipment address, the retailer must undertake the actions specified in sub clause 7.7(2).
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Discussions with the Credit Management Team Leader, and review of policies and procedures relating to life support, indicated that Synergy has processes in place to ensure when a customer that has been registered as requiring life support equipment at their supply address, Synergy will:</p> <ul style="list-style-type: none"> • Register the change of details; • Notify the customer's distributor of the change of details— <ul style="list-style-type: none"> ○ that same day, if the notification is received before 3pm on a business day; or ○ the next business day, if the notification is received after 3pm or on a Saturday, ○ Sunday or public holiday; and • Continue to comply with sub clause (1)(d) with respect to that customer's supply address. <p>Sampling of instances where notifications were received by Synergy and revealed that when Synergy was advised that a customer registered as requiring life support equipment has a change of details, the Customer Support Specialist ("CSS") will follow verification procedures to try to validate the changes with the customer or appropriate entity. Once the CSS was satisfied changes in details were accurate, they then registered the change of</p>

	<p>details and notified the distributor within the timeframes specified.</p> <p>Further, we observed that SAP prevented the issuance on a disconnection request to a customer designated as requiring “life support”.</p> <p>Whilst our sample based testing did not reveal any exceptions, Synergy had self-identified 4 instances where it had not forwarded to the Network Operator, change of customer details by the prescribed timeframe.</p> <p>Discussion with the Manager Retail Regulatory and Compliance revealed that Synergy staff had failed to comply with the established policies and procedures which caused the non-compliance with this obligation.</p> <p>It is understood that Synergy has taken remedial actions and provided further training to staff in this regard.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy reinforces the requirement for its operators to adhere to the standard operating procedures and communicates the updated life support information to the Network Operator within the specified timeframe. 2. Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation. 3. Synergy reports back to senior management with respect to the review under recommendation 2. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.
Management Response	Agreed
Management Actions	<ol style="list-style-type: none"> 1. Relevant staff were instructed on the requirement to adhere to the standard operating procedure relating to life support and changes were made to the standard operating procedures to make it clearer for staff to follow the process. 2. Retail will continue to monitor the effectiveness of its customer service monitoring program. 3. Agreed. 4. Retail has scheduled specialist life support equipment training to its dedicated life support team in September and March

	each year.
Implementation Date	<ol style="list-style-type: none"> 1. August 2013. 2. Ongoing. 3. By no later than 28 February 2014. 4. September and March annually.
Responsible Person	Manager Customer Service

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 8.1(2)
Compliance Manual Reference	236 239
Obligation Description	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Interviews held with the Credit Management Team and our review of policies and procedures, revealed that Synergy has processes and practices in place to communicate reconnection requests to the relevant distributor within the timeframe specified.</p> <p>Sample based testing of reconnections did not reveal any exceptions where the reconnection request was not forwarded to the relevant distributor within the timeframes specified.</p> <p>However, based on the review of Synergy's incident register, we noted several instances where re-connection requests had not been communicated to the Network Operator within the prescribed timeframes.</p> <p>Our review of investigation notes revealed that the CSRs had not followed the standard operating procedures and communicated the re-connection requests within the timeframes specified. Synergy had identified technological causes however, it has indicated that these have been addressed and monitored to determine effectiveness.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy reinforces the requirement for its CSRs to adhere to the standard operating procedures and communicates the reconnection request within the specified timeframe. 2. Synergy reviews its quality review process to determine its adequacy and effectiveness. 3. Synergy also continues with its operator monitoring program, including performing a review of the adequacy and

	<p>effectiveness of the existing controls for this obligation.</p> <p>4. Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.</p>
Management Response	<p>All affected customers were urgently reconnected and regulated service standard payments applied to the customer's account. Affected customer service representatives were provided with coaching on the reconnection standard operating procedure and are being subject of additional monitoring for a two month period. A system enhancement was implemented in August 2013, which automatically requests reconnection and cancels any pending de-energisation request for customer when the customer pays a significant portion of their overdue debt. Training is scheduled to commence September 2013 to all customer service representatives on all Credit Management processes focussing on the reconnections process and the ramifications to customers of not following. Training to be rolled out by end October 2013. Credit Management officers who made the errors were provided with feedback and received coaching on the relevant standard operating procedure.</p>
Management Actions	<p>Credit Management</p> <p>Item1 - Credit Management has recently reviewed, updated and rolled out the reconnection process to all staff by the end of October 2013. In addition the entire Credit Management team will undergo refresher training on reconnections, including urgent reconnections on a six monthly basis (end of June and December).</p> <p>Items 2, 3, 4 – Senior Support Officers within Credit Management now have accountability for quality checking 100% of urgent reconnections since July 2013. A report is compiled which details incidents, feedback, process amendments and any immediate actions required. The report is provided to Senior Management within Credit Management Team and Corporate Services.</p> <p>Customer Service</p> <p>1. Affected customer service representatives are being provided with coaching on the reconnection standard operating procedure and are being subject of additional monitoring for a two month period. Training commenced in September 2013</p>

	<p>and was concluded at the end of October 2013 to all customer service representatives on all Credit Management processes focussing on the reconnections process and the ramifications to customers of not following. Training to be rolled out by end October 2013.</p> <ol style="list-style-type: none"> 2. With the additional training conducted, coaching and monitoring being provided plus the recent system changes implemented we believe our quality review process is adequate. 3. Retail will continue to monitor effectiveness of its customer service monitoring program. 4. Agreed. 5. A system enhancement was implemented in August 2013, which will automatically request reconnection and cancel any pending de-energisation request for customer when the customer pays a significant portion of their overdue debt.
Implementation Date	<p>Credit Management</p> <ol style="list-style-type: none"> 1. End of October 2013 2-4 Ongoing <p>Customer Service</p> <ol style="list-style-type: none"> 1. End of October 2013 2. NA 3. Ongoing 4. By no later than 28 February 2014 5. August 2013
Responsible Person	<p>Manager Customer Service</p> <p>Manager Credit Management</p>

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.10(2)
Compliance Manual Reference	288 289
Obligation Description	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their websites.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>We navigated through Synergy's website and confirmed an electronic copy of the Code of Conduct has been made available, at no charge.</p> <p>However, we note Synergy self-identified and reported a breach of obligation 288 whereby, between 1 January and 8 May 2013 the version of the Code of Conduct for the Supply of Electricity to Small Use Customers (Small Use Code) available on Synergy's website was dated June 2010 instead of the December 2012 version which came into effect on 1 January 2013. The matter was remedied on 8 May 2013.</p> <p>Based on the corrective action already taken, we do not have any further recommendations in this regard.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 14.3(1)
Compliance Manual Reference	331 324
Obligation Description	Upon receipt of a written query or complaint by a customer, a retailer must acknowledge the query or complaint within 10 business days and respond to the query or complaint by addressing the matters raised within 20 business days.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Whilst our sample based testing of complaint responsiveness did not reveal any exceptions. We performed an analysis of the service standard payments made by Synergy and discovered that it had made payments to customers for failing to respond within the prescribed time frames.</p> <p>Synergy had self reported that it had encountered a bottle neck situation between receipt of large volume of complaints during a period where they did not have enough staff. Further the topics tabled ranged from services and services not offered by Synergy.</p> <p>The number of customers reported to be affected was 3, this number reconciled to the Service Standard Payments that formed part of this query.</p> <p>Due to the backlog experienced with customer complaints a number of complaints received by fax were placed in the incorrect processing queue, which attributed to the provision of an untimely response. Except for the failing of Synergy to provide a response within the prescribed timeframe, the complaints were observed to be processed in accordance with the complaint handling policy.</p> <p>Synergy has since improved the process for correctly identifying a complaint received by fax and allocating it to the correct queue. We also understand that Synergy has since recruited staff to strengthen its capacity within this area.</p> <p>Based on the remedial steps taken which consisted of further training, recruitment and review of the processing queue, Synergy</p>

	was observed to address the causes appropriately. For this reason, we do not have any further recommendations.
Recommendation	Nil.
Management Response	Noted
Management Actions	The process for management of complaints within required service levels was reviewed and amended to ensure adherence to Code requirements.
Implementation Date	3 May 2013
Responsible Person	Manager Customer Service

9. Detailed Findings – Compliance Elements which Require Improvement

The management response provided by Synergy within this section constitutes the post audit implementation plan and does not form part of the audit report prepared by Grant Thornton

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(1) Retail Licence condition 23.1
Compliance Manual Reference	136
Obligation Description	An electricity marketing agent must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.
Reporting Type	2
Compliance Rating	3
Audit Observations	<p>Whilst our sample based testing did not reveal any exceptions, our review of Synergy's incident register noted Synergy had self-identified two matters of non-compliance with this clause in relation to customer contacts and a lack of availability of its current Powershift terms and conditions during a portion of the audit period.</p> <p>Discussions with Manager Retail Regulatory and Compliance revealed that Synergy had on the first incident, signed up customers to its Powershift products on terms and conditions which were out of date. Secondly, Synergy participated in the Perth Solar Cities trial, which required Powershift to be marketed to a minimum number of customers by an identified date. During the targeted marketing campaign approximately 150 customers were incorrectly identified by Western Power as potentially benefiting from the product.</p> <p>Due to the early running of the campaign, it is understood that Synergy was unable to verify the campaign targets as meeting the criteria.</p> <p>Synergy has identified that it has not undertaken like campaigns during the audit period and the above campaign no longer operates.</p>
Recommendation	Synergy ensures that it issues correct marketing material associated

	with its marketing campaigns.
Management Response	Agreed
Management Actions	<p>Customers were able to request copies of the correct terms and conditions via the Synergy call centre.</p> <p>A staff member failed to correctly follow the instructions to ensure the updated terms and conditions were available on the website and relevant staff members were provided with training on the relevant standard operating procedure.</p> <p>The Perth Solar Cities trial arrangement between Synergy and Western Power has ended. Any future time of use campaigns will be targeted to customers identified by Synergy as per the standard procedure based on customers and not premises alone</p>
Implementation Date	15 July 2013
Responsible Person	Manager Retail Products & Marketing

Licence Clause	Electricity Industry Act section 82	Retail Licence condition 5.1
Obligations Under	Code of Conduct clause 4.6(1)	Retail Licence condition 5.1, Electricity Industry Metering Code clause 5.17(1)
Compliance Manual Reference	160 169	423 407
Obligation Description	<p>A retailer must base a customer's bill on the following:</p> <ul style="list-style-type: none"> the distributor's or metering agent's reading of the meter at the customer's supply address; the customer's reading of the meter in the circumstances specified in sub clause 4.6(1)(b); or where the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code. 	<p>A user must provide standing data and validated, and where necessary substituted or estimated, energy data to the user's customer to which that information relates where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.</p>
Reporting Type	2	2
Compliance Rating	3	3
Audit Observations	Walkthrough of procedures indicated that under the Metering Code, all energy data must be provided by a Network Operator for billing purposes. The SLA provides the Network Operator with a standard set operating procedures to obtain energy data, including	

	<p>the customer's self-read.</p> <p>In the event a customer self reads their meter they must contact Synergy to provide them with a meter reading, On receipt of the request, Synergy will forward the information onto the Network Operator so they can validate the meter reading information provided. In order for a meter reading to be entered into the system, a Meter Reading Order is created. A Meter Reading Order contains register-specific data and information about a planned Meter Reading, such as the Meter Reader and the scheduled Meter Reading date. The customer's bill would then be based on the validated meter reading.</p> <p>Whilst our sample based testing of customer bills did not reveal any exceptions, review of Synergy's incident register identified a single instance where a customer had received two bills with the incorrect information as a result of the CSR establishing the account at incorrect premises. The impact of which noted that the mailing address was correct but Synergy had determined the address to be unoccupied. Subsequently a disconnection for non-application took place.</p> <p>We understand that the customer's account has been remedied and the customer was provided compensation. Further Synergy has indicated that the responsible CSR has been identified and provided further training and coaching.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy reinforces the requirement for its CSRs to adhere to the standard operating procedures to ensure the accuracy of the customer account information. 2. Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation. 3. Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, undertakes the necessary corrective actions to strengthen the existing controls.
Management Response	<ol style="list-style-type: none"> 1. Agreed 2. Agreed 3. Agreed

Management Actions

Customer service representatives have been provided with refresher training in relation to the importance of correct addresses. The most recent training was completed in August 2013. Synergy produces a weekly communication to remind staff of correct process and new processes. Between 1 January 2013 and 31 August 2013 there have been ten bulletins reminding staff of the need for correct addressing.

Since 22 August 2013, meter numbers have been printed on lost consumptions letters. These letters are sent to a premise that has used more than 500 units of consumption but no electricity contract has been established.

The meter number has also been added to the welcome letter issued to customers on account establishment. This change was implemented from 22 August 2013. The letter requests the customer to check the meter number and call Synergy if it is incorrect.

In January 2013 and June 2013 Synergy conducted mailing address reviews. Extracts were taken from the SAP data base that looked for customer and account mailing address differences. The extracts were analysed and any unexplained anomalies were followed up with customers via out bound calling campaigns and letters.

Synergy continues to perform monthly Quality Assurance on a selection of customer transactions. This activity ensures the correct process is followed and ensures that errors and coaching needs are identified and actioned. There is a strong focus on addressing accuracy as part of this on-going monitoring process. Retail Support Services will continue to monitor the effectiveness of its monitoring and training program.

A system generated postcard notification is being introduced in February 2014 which includes the meter number to be sent to premises following an account closure. This is intended to encourage account establishment at the correct meter number prior to consumption occurring by the new tenant/owner.

Synergy is also investigating a review of inconsistent addressing across processes and systems including address search and recording, address validation and data cleansing and site in dispute process to stop non application disconnections whilst Western Power is performing a meter investigation. A concept paper for submission to Synergy's Project Investment Council is scheduled

	for September 2013.
Implementation Date	<ol style="list-style-type: none"> 1. On-going 2. On-going 3. By no later than 28 February 2014
Responsible Person	Manager Retail Support Services

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.17(2)
Compliance Manual Reference	179 188
Obligation Description	If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified in sub clause 4.17(2).
Reporting Type	2
Compliance Rating	3
Audit Observations	<p>Discussions with Synergy indicated that there were policies and procedures in place to ensure that Synergy recovers an undercharged amount as result of an error, defect or default in the manner specified in 4.17(2).</p> <p>Walkthrough of the recovery process revealed that Synergy provides customers with a written notification or special bill to recover the uncharged amount.</p> <p>Further, review of customer bills where Synergy proposes to recover an amount undercharged indicated that no interest was charged and the recoverable time was within the 12 month period.</p> <p>Whilst our sample based testing did not reveal any instances of non-compliance, review of Synergy's incident register noted two instances of non-compliance with this obligation.</p> <p>It is understood in one instance, due to the application received by fax being unreadable an incorrect establishment of a customer's mailing address had occurred. Five bills were issued to the incorrect address causing a wrongful disconnection for non-payment. An undercharged amount was recovered for a period greater than the maximum allowable period.</p> <p>The second instance was a result of not receiving energy data to enable a bill to be issued to the customer. This period extended to 483 days.</p>

	<p>Synergy advised that it had taken remedial actions including the payment of a service standard fee, waived the undercharged amount and performed an urgent reconnection.</p> <p>Further, Synergy representatives have advised that it has since ceased receiving Power fax applications from third parties and staff training has been provided.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy reinforces the requirement for its CSRs to adhere to the standard operating procedures and accurately record customer account information. 2. Synergy continues with its operator monitoring program, including performing a review of the adequacy and effectiveness of the existing controls for this obligation. 3. Synergy reports back to senior management with respect to the review under recommendation 3. Where appropriate, it undertakes the necessary corrective actions to strengthen the existing controls.
Management Response	Agreed
Management Actions	<p>Customer Service</p> <ol style="list-style-type: none"> 1. Operators have been provided with feedback and coaching on the relevant standard operating procedures. 2. Customer Service will continue to monitor the effectiveness of its monitoring program. 3. Agreed. 4. In addition Customer Service has ceased accepting any applications from Powerfax (3rd Party) from August 2013. <p>Billing Services</p> <p>A standard operating procedure was amended to include a specific step regarding the non-issue of rebills that are not intended for a customer to receive.</p>
Implementation Date	<p>Customer Service</p> <ol style="list-style-type: none"> 1. 31 August 2013 2. On-going

	3. By no later than 28 February 2014
Responsible Person	Manager Billing Services Manager Customer Service

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.7(1)
Compliance Manual Reference	310 308
Obligation Description	A retailer must keep a record of the information related to pre-payment meter customers specified in sub clause 13.7(1).
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>Our walkthrough of prepayment meters, sampled based testing of disconnections and complaints of the processes, and review of procedures in place for managing prepayment meters did not reveal any exceptions. However, we noted that Synergy does not have a formalised process in place that ensures the capturing of records to facilitate compliance with clause 13.7(i) and (j) of the Code of Conduct.</p> <p>In the absence of a formalised process to demonstrate that such records are maintained, Synergy may not be able to substantiate whether its prepayment meter customers had experienced a disconnection or not received electricity other than being disconnected. Further Synergy could may not be able identify the duration of each of those events referred to, in clause 13.7(i) of the Code of Conduct, if any such event had been experienced by its pre-payment meter customers.</p>
Recommendation	<p>Synergy considers:</p> <ol style="list-style-type: none"> 1. The feasibility of developing an automated monitoring mechanism that provides for the prescribed information. 2. Where deemed feasible, implement the automated workflow within its information system. 3. Alternatively, develop and implement a workaround that would provide the records required to ensure Synergy's compliance with this obligation.
Management	For Synergy to report on the matters specified by clause 13.(i) and

Response	(j) under the Code of Conduct it must possess the pre-payment meter functionality specified by clause 9.6 of the Code. However, Synergy's existing pre-payment meters are currently exempt from having to possess the functionality specified by clause 9.6 of the Code of Conduct by virtue of clause 9.13 of the Code. Without this functionality, which Synergy is not currently required to possess, the matter cannot be reported on under Part 13.
Management Actions	At the time a pre-payment meter is installed by Western Power that is required to comply with Part 9 of the Code of Conduct (and therefore clause 13.7(i) and (j) of that Code) Synergy creates a standard operating procedure that provides for the recording of the required disconnection data.
Implementation Date	Contingent on the installation of a code compliant pre-payment meter.
Responsible Person	Manager Customer Service

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.9(4)
Compliance Manual Reference	258 259
Obligation Description	If a pre-payment meter is found to be inaccurate or not operating correctly, a retailer must immediately arrange for the repair or replacement of the pre-payment meter, correct any overcharging or undercharging, and refund any charges payable by the customer for testing the pre-payment meter.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>During our review of pre-payment meter customer history and work orders, we noted that a pre-payment meter had been identified as requiring repair or replacement.</p> <p>The Network Operator undertook the activity to replace the pre-payment meter with a like meter. It is our understanding that as the meter was found to be in need of replacement, it was not being used by the customer.</p> <p>Our discussions revealed that if there was a need for Synergy to re-imburse the customer of over payment, the customer is able to be provided with pre-payment meter cards with an amount already credited to the nearest \$10 increment. Alternatively, Synergy has a process in place to forward a cheque to the customer. Review of the re-imbursement process also confirmed that activities required to be undertaken if instructions are not provided by the customer within the specified timeframe.</p> <p>However, we did identify the existence of a mechanism to identify and record whether the pre-payment meter had been under or overcharging. In regard to the sample identified, Synergy indicated that it was unsure as to whether the prepayment meter card was being used at the time and whether that card had any value that was required to be refunded to the customer.</p>
Recommendation	Synergy implements a process that requires an assessment to be performed to determine whether the prepayment meter customer

	is required to correct any overcharging or undercharging, and refund any charges payable by the customer in the prescribed circumstances.
Management Response	Agreed
Management Actions	A new process has been developed and implemented to ensure an assessment is performed to determine any undercharging or overcharging and refund any charges payable to the customer in the event that their pre-payment meter is identified as faulty. This process is documented and included in our knowledge base and has been communicated to the relevant staff.
Implementation Date	26 September 2013
Responsible Person	Manager Customer Service

Licence Clause	Synergy Retail Licence condition 5.1
Obligations Under	Electricity Industry (Customer Contracts) Regulations 2005 regulation 40
Compliance Manual Reference	517 493
Obligation Description	Subject to specified exceptions, the licensee must offer to supply electricity under a standard form contract to a customer who requests it.
Reporting Type	2
Compliance Rating	3
Audit Observations	<p>Enquiries with the Contact Centre indicated that Synergy issues contracts to customers either as a standard form contract or a non-standard form contract. There are no other options with respect to the issuance of contracts.</p> <p>Further, Customer Service Representatives within the departments respond to customer calls or requests to supply electricity. These employees receive written instructions to provide the option of a standard form contract upon request.</p> <p>Sample based testing and review of instructions provided revealed that the instructions were followed throughout the audit period.</p> <p>Whilst our sample based testing did not reveal any exceptions, our review of Synergy's incident register identified an instance where two customers were issued with incorrect bills over a four month period.</p> <p>It is understood that the CSR did not identify the correct customer for the nominated supply address. Synergy staff revealed that they have since corrected the customer accounts and rectified the bills.</p> <p>Further, the responsible CSR has been provided with coaching and further training to strengthen their understanding of the requirement to comply with established procedures.</p> <p>As this was a single incident, and we note no further exceptions</p>

	have been identified, we do not have any further recommendations in this regard.
Recommendation	Nil

10. Detailed Findings – Compliance Elements which Do Not Require Further Action

Licence Clause	Electricity Industry (Licence Conditions) Regulations					
Obligations Under	Electricity Industry Customer Transfer Code clause 3.2(2)	Electricity Industry Customer Transfer Code clause 3.5 (3)	Electricity Industry Customer Transfer Code clause 3.6 (2)	Electricity Industry Customer Transfer Code clause 3.9(1)	Electricity Industry Customer Transfer Code clause 3.9(2)	Electricity Industry Customer Transfer Code clause 3.9 (3)
Compliance Manual Reference	6 6	8 8	9 9	16 16	17 17	18 18
Obligations Under	Electricity Industry Customer Transfer Code clause 3.9(4)	Electricity Industry Customer Transfer Code clause 4.2 (2)	Electricity Industry Customer Transfer Code clause 4.3	Electricity Industry Customer Transfer Code clause 4.4 (1)	Electricity Industry Customer Transfer Code clause 4.4 (2)	Electricity Industry Customer Transfer Code clause 4.5 (1)
Compliance Manual Reference	19 19	23 23	24 24	25 25	26 26	27 27
Obligations Under	Electricity Industry Customer Transfer Code clause 4.6 (3)	Electricity Industry Customer Transfer Code clause 4.7.	Electricity Industry Customer Transfer Code clause 4.8(2)	Electricity Industry Customer Transfer Code clause 4.9 (6)	Electricity Industry Customer Transfer Code clause 4.11 (3)	Electricity Industry Customer Transfer Code clause 4.12 (3)
Compliance Manual Reference	28 28	29 29	30 30	34 34	39 39	40 40
Obligations Under	Electricity Industry Customer Transfer Code clause 4.15	Electricity Industry Customer Transfer Code clause 4.16	Electricity Industry Customer Transfer Code clause 4.17	Electricity Industry Customer Transfer Code clause 5.1	Electricity Industry Customer Transfer Code clause 6.2	Electricity Industry Customer Transfer Code clause 6.4

				(4)		(1)
Compliance Manual Reference	43 43	44 44	45 45	48 48	49 49	52 52
Obligations Under	Electricity Industry Customer Transfer Code clause 6.4 (2)	Electricity Industry Customer Transfer Code clause 6.6	Electricity Industry Customer Transfer Code clause 7.1 (1)	Electricity Industry Customer Transfer Code clause 7.1 (2)	Electricity Industry Customer Transfer Code clause 7.1 (3)	Electricity Industry Customer Transfer Code clause 7.2 (4)
Compliance Manual Reference	53 53	54 54	55 55	56 56	57 57	58 58
Obligations Under	Electricity Industry Customer Transfer Code clause 7.3 (2)					
Compliance Manual Reference	59 59					
Obligation Description						
6	A retailer must submit a separate data request for each exit point unless otherwise agreed.					
8	A retailer must withdraw a request for historical consumption data if the contestable customer’s verifiable consent ceases to apply before the Network Operator provides the historical consumption data.					
9	A retailer must pay any reasonable costs incurred by the Network Operator for work performed in relation to a withdrawn request					

	for historical consumption data.
16	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.
17	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.
18	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.
19	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.
23	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.
24	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.
25	A retailer may only submit a customer transfer request if it has an access contract for the Network, unless it is to reverse an erroneous transfer.
26	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.
27	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date.
28	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before

	the transfer occurs.
29	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.
30	A retailer must pay any reasonable costs incurred by a Network Operator for providing and/or installing a meter if a customer transfer request is withdrawn.
34	A Network Operator and retailer must agree to a revised nominated transfer date in certain circumstances.
39	A Network Operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.
40	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.
43	In the case of a transfer to reverse an erroneous transfer, a Network Operator and all affected retailers (and the independent market Operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.
44	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.
45	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.
48	A Network Operator and a retailer must comply with approved communication rules.
49	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.
52	A retailer must notify its contact details to a Network Operator

	within three business days of a request.	
53	A retailer must notify any change in its contact details to a Network Operator at least three business days before the change takes effect.	
54	A Network Operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	
55	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.	
56	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.	
57	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	
58	A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details.	
59	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.	
Reporting Type	Type 2 - 6, 8, 9, 16, 17, 18, 19, 23, 24, 25, 26, 27, 28, 29, 30, 34, 39, 40, 43, 44, 45, 48, 49, 52, 53, 54, 57 and 58	Type NR - 55, 56 and 59
Compliance Rating	Compliance Rating 5 - 6, 8, 9, 16, 17, 18, 19, 23, 24, 25, 26, 27, 28, 29,	Compliance Rating NR – 40, 52, 53, 55, 56, 57, 58

	30, 34, 39, 43, 44, 45, 48, 49 and 54	and 59
Audit Observations		
6	<p>Discussions with the Risk and Compliance Manager, Energy Markets indicated that a separate data request would be made for each exit point.</p> <p>Review of the list of data requests revealed that requests had not been made for two or more exit points simultaneously.</p> <p>Based on our enquiries and review of documentation, we are satisfied that Synergy has effective and adequate controls in place to support compliance with this obligation.</p>	
8	<p>Discussions with the Risk and Compliance Manager, Energy Markets revealed that verifiable consent is required to be attached to a customer's historical consumption request. In the absence of a customer's verifiable consent, the historical data request will not be processed.</p> <p>Sample based testing of customers' accounts revealed that verifiable consent was valid for the scope period and no data requests were sent out for customers' whose account had expired.</p> <p>Based on our enquiries and sample based testing, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence condition.</p>	
9	<p>Discussions with the Risk and Compliance Manager, Energy Markets indicated that Synergy is not charged a withdrawal fee by the Network Operator for requests of historical consumption data.</p> <p>Further enquiries indicated that if the Network Operator is charged for a withdrawal request, Synergy has processes and procedures in place to pay any reasonable costs incurred.</p> <p>Based on our enquiries, we conclude that Synergy had effective and adequate controls in place to support compliance with this licence condition.</p>	
16	<p>Enquiries with the Risk and Compliance Manager, Energy Markets revealed that quotation for supply of electricity is requested from a contestable customer who has indicated that they want to switch from one electricity retailer to Synergy. This quotation would only be made following a data request being received from the Retail</p>	

	<p>Sales Team.</p> <p>Review of the policies and procedures surrounding the request and provision of consumption data revealed that there were effective controls in place to facilitate a quotation for supply of electricity to a contestable customer.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are effective and adequate controls in place to support compliance with this licence obligation.</p>
17	<p>Discussions with the Retail Sales Team indicated that a contestable customer is required to complete and provide verifiable consent, which is documented prior to entering into a contract. This preliminary activity gives the customer the opportunity to advise Synergy that they do not want their data to be aggregated for internal business development.</p> <p>Review of the policies and procedures surrounding this function revealed that the Retail Sales Team is required to advise Marketing if a contestable customer informed Synergy that they did not want their data aggregated for internal business development. Further, a note would be placed against the customers' account identifying the objection with regards to their consumption data being used for internal business development.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are effective and adequate controls in place to support compliance with this licence obligation.</p>
18	<p>Discussions with the Risk and Compliance Manager, Energy Markets revealed that the verifiable consent form provides the contestable customer an opportunity to inform Synergy if they did not want their data to be disclosed to any other person.</p> <p>The Risk and Compliance Manager, Energy Markets provided that no requests have been made by a contestable customer not to divulge their data to any other party during the scope period. However, in the event of a request occurring, we determined that Synergy has policies in place to ensure that the customer's historical data is not divulged to any other person.</p> <p>Based on our enquiries, we are satisfied Synergy has effective and adequate controls in place to ensure that a contestable customer's historical consumption data is not used for internal development</p>

	purposes if requested by the contestable customer.
19	<p>Review of Synergy's policies and procedures surrounding data retention revealed the existence of a process to ensure the verifiable consent forms received from contestable customers were kept for 2 years.</p> <p>Discussions with the Manager of Business Sales indicated that the verifiable consent forms are stored in Synergy's Document Management System.</p> <p>Sample based testing of contestable customers' verifiable consent forms confirmed that Synergy had retained the forms for 2 years.</p> <p>Based on our enquiries, sample based testing and review of documentation, we have concluded that there are effective and adequate controls in place to support compliance with this licence obligation.</p>
23	<p>Our interviews with the Customer Service and Billing Officer and review of the systems interface within SAP revealed that the application for a Customer Transfer Request (CTR) must have a NMI, which a unique identifier is assigned to each exit point.</p> <p>The NMI is supplied on the verifiable consent form or derived from the notes on a task detailed within SAP.</p> <p>Our review of an example of a customer transfer request form confirmed the identification of the NMI.</p> <p>Through interviews, a review of the automated controls and an example as noted above, there are adequate controls in place to support compliance with this licence obligation.</p>
24	<p>Walkthrough of the processes revealed that Synergy submits transactions under the Customer Transfer Code to the Network Operator through a web portal. Our discussions with Energy Markets revealed that the use of this portal and mode of communication was formerly approved by the Authority. We understand that the portal was designed and maintained by the Network Operator.</p> <p>Our walkthrough of the business rules revealed that the web portal is designed to only accept a transfer for a contestable customer or to reverse an erroneous transfer. One of these options must be specified in a mandatory, drop down menu titled "Transfer Type".</p>

	Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.
25	<p>Based on our discussions with the Manager of Network Regulatory and Compliance and review of the signed access contract we confirmed that Synergy has valid access arrangements to submit customer transfer request forms.</p> <p>Discussions with the Manager of Network Regulatory and Compliance revealed that in the absence of valid access contracts, Synergy would be unable to submit CTR forms through the web portal.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
26	<p>Based on our discussions with the Energy Markets Department and Customer Service Officers, it was noted that in order to reverse an erroneous transfer, the Customer Service Officer is required to submit an erroneous transfer request through the Network Operator's web portal. Walkthrough of the erroneous transfer request process revealed that if a contestable customer was transferring out and the transfer was deemed to be erroneous, then the new retailer is required to submit the erroneous transfer. Subsequent to the actions of the new retailer, Synergy would receive an e-mail acknowledgement from the Network Operator of the erroneous transfer. Contract Managers are required to verify that the transfer was in fact an error and identify the requirement to transfer the customer back to Synergy. We understand that in the absence of the previous retailer's information, the Network Operator is able to assist by identifying the correct retailer.</p> <p>If an erroneous transfer is detected for a contestable customer that is transferring into Synergy, the Contract Manager would undertake the corrective actions necessary to address and stop the customer from transferring in. Synergy would then submit an erroneous request through the web portal.</p> <p>Further, parties to the transfer receive an early notification of pending transfers. The notification process under the Customer Transfer Code (CTC) provides Synergy with early visibility of a proposed transfer. Synergy is able to identify situations where it has not submitted a customer transfer request (CTR) for a</p>

	<p>proposed transfer and bring the matter to the attention of the Network Operator before the potential erroneous transfer is given effect.</p> <p>In these circumstances, there is no erroneous transfer, the CTC does not require Synergy or the Network Operator to identify the previous retailer in this instance. We understand that in these circumstances there has been no transfer, and the Network Operator is able to correct the error in the proposed nominated transfer date.</p> <p>However, it is important to note that the CTC does not require the Network Operator or the IMO to cooperate or assist Synergy to identify the previous retailer under clause 4.4 in the event there is an actual erroneous transfer.</p> <p>In the event that there is an actual erroneous transfer, Synergy is required to identify the previous retailer. Sample based testing confirmed this action is carried out. The methodology used to identify the previous retailer includes obtaining assistance of the customer and Network Operator in order to give effect to clause 4.15 of the CTC, to facilitate the rectification of the error.</p> <p>Summarily, Synergy does identify the previous retailer, if there is an actual erroneous transfer, because it is also a necessary prerequisite to rectify an erroneous transfer and to give effect to clause 4.15 of the CTC. Any party (including the Network Operator) who does not permit the exchange of such information would be in breach of clause 4.15.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
27	<p>Our examination of the customer transfer request interface and discussions with the Customer Service Officer indicated that requests can only be made through the Network Operator's web portal. The web portal has been established to automatically enforce limits in accordance with the prescribed number of transfers allowable and further controls as rejecting identical nominated transfer dates.</p> <p>Contract Managers within the Retail Sales Team would provide the nominated transfer date through an e-mail or through the task within SAP.</p>

	Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.
28	<p>Our discussions with the Customer Service Officer and review of sample transfers noted that, in the instance a transfer has been partially completed, a withdrawal can be initiated by selecting “Request Withdrawal” option. However, if the customer transfer request form has been processed, then staff are required to submit an erroneous transfer notification through the Network Operator’s web portal.</p> <p>Through further discussions and testing, we determined that there were mechanisms in place that supported the need for the identification of the receipt of the customer’s verifiable consent. In the instance the receipt of the customer’s verifiable consent could not be evidenced or substantiated, the submission of a transfer request is not permissible.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
29	<p>Our discussions with the Customer Service Officer and review of policies and procedures, as well as sample based testing confirmed that the Network Operator’s web portal automatically rejects any nominated transfer dates that exceed the specified timeframes. We understand that the system has been designed to include the 3 business days for those requests within metro centres and 5 business days for country or rural locations as prescribed within the Customer Transfer Code.</p> <p>Walkthrough of process indicated that the nominated transfer date is initiated by the Retail Sales Team. The Customer Service Officer advises the Retail Sales Team if the nominated transfer date is determined to exceed the specified timeframes and a revision of the nominated transfer date would be required from the responsible Contract Manager.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
30	Discussions with Corporate Services, directed us to the Service Level Agreement (SLA) that Synergy has in place with the

	<p>Network Operator to provide various metering services. The SLA includes information on the costs and timeframes of metering work and services, including scheduled and off-cycle meter reading, electricity meter upgrades and installations, retailer credit management work and the provision of metering data for these tasks.</p> <p>We understand that the Network Operator would invoice Synergy on a monthly basis for the different types of services provided. Walkthrough of the process revealed that the Network Operator acts upon a service request communicated by Synergy. The Network Operator then invoices Synergy for the services rendered in accordance with the agreed SLA.</p> <p>In addition, metering charges for installation or providing a meter if a customer transfer request is withdrawn are not normally incurred as transfers relate to meters that are already installed and are transfer-capable.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
34	<p>Based on our discussions and review of an example of a revised nominated transfer dates, we confirmed that Synergy is able to withdraw the initial nominated transfer date. A revised customer transfer request is required to be resubmitted through the Network Operator's web portal. The Contract Managers were charged with the responsibility for providing the nominated transfer date.</p> <p>The Network Operator's web portal is used as the gateway for nominating and agreeing to a revised nominated transfer date. The revised date must agree with the parameters as set within the web portal.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
39	<p>Walkthrough of the meter reading process pertaining to customer transfer requests with Corporate Services revealed that once the customer request form is completed and the transfer date identified, meter readings are obtained from the Network Operator which are provided in half hour intervals on the nominated transfer date.</p>

	<p>We were advised that there are situations where the reading does not occur on the nominated transfer date. This may be due to an inability of the Network Operator to gain access to the customer's meter. In these circumstances, the Network Operator would advise Synergy. The customer would also be informed of the situation. As a result, the nominated transfer date would be revised.</p> <p>Review of the system and discussions with the Customer Service Officer noted that all meters have a 65 day reading retention history, which allows the Network Operator to return to the supply address and review the data at the later date.</p> <p>Through our discussions and review of policies, we are satisfied that Synergy has the processes and controls in place to comply with this licence obligation.</p>
40	<p>Through discussions with the Manager Networks Regulatory and Compliance, it was revealed that Synergy has an access contract in place with the Network Operator that has been approved by the Authority.</p> <p>During the audit period, we were informed that no amendments have been made to the access contract as it gives consideration and effect to the requirements and objectives of the CTC.</p> <p>Through our enquiries with Synergy staff and review of the relevant documentation, we are satisfied that Synergy has processes in place that would facilitate its compliance with this licence clause.</p>
43	<p>Discussions with the Customer Service Officer and review of transfer requests revealed that communication between the Network Operator and Synergy is primarily carried out by e-mail. We understand that the web portal provides for reasonable measures to be taken to restore rights and obligations of the affected contestable customer as they would have been made, had the erroneous transfer not occurred.</p> <p>Discussions with the Customer Service Officer indicated a particular event within the audit period where an erroneous transfer had occurred. Walkthrough of the event facilitated the direct observation of e-mail communication with the contestable customer to ensure they were made aware of the situation and the remedial actions to be undertaken to rectify the error.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place</p>

	to support its compliance with this licence obligation.
44	Refer to Obligation 19.
45	<p>We performed a walkthrough of the automated controls within SAP with the Customer Service Officer which included the ability to place a billing lock against the customer's contract that is "churned out" to ensure that the customer transferring out is not billed until they have in fact been transferred out. We understand that, once a transfer confirmation receipt is received from the Network Operator, the bill lock is removed, enabling the last bill to be issued. A sample was selected and we viewed evidence of this process on-screen with the Customer Service Officer.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
48	<p>Our discussions with the Manager Networks Regulatory and Compliance revealed that the information system was built with due consideration having been given to the communication rules. We understand that the system was designed to ensure compliance to the communication rules through the business rules by which it operates. Synergy has in place, a Market Data Hub which is a fully integrated application and gateway between itself and the Network Operator. The Market Data Hub is used to manage the communication protocols in the market place.</p> <p>We were advised that Synergy's information system has been built to translate electronic information received by Synergy and vice versa. Our enquiries revealed that the "Retail Bridge" is used as a gateway between the Corporation and the external marketplace. The Manager Networks Regulatory and Compliance provided that Synergy's Market Transactions System Landscape and functional specifications were built to address the key processes and intent of the communication rules.</p> <p>The "Build Pack" defines the procedures, processes and methods used to communicate between the Network Operator and Synergy.</p> <p>We reviewed a sample of transactions during our fieldwork and we observed that through the transactions that the communication rules were in-place and being adhered to.</p> <p>Based on our enquiries and review of the systems, we have</p>

	concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.
49	<p>Enquiries with the Customer Service Officer and review of system interfaces indicated that Synergy would be unable to make a data request or customer transfer request in the absence of a NMI.</p> <p>Walkthrough of the system by viewing screen shots identified the requirement for a NMI to be included. The NMI is sourced from the form in which the customer has provided their verifiable consent.</p> <p>The NMI is the unique identifier assigned to each exit point and for this reason ensures that each exit point is adequately identified for all transfer requests.</p> <p>Through our enquiries with Synergy staff and review of the software and systems, we are satisfied that Synergy has the controls and processes in place to comply with this licence condition.</p>
52 & 53	<p>Discussions with Corporate Services and review of policies and procedures indicated that Synergy and the Network Operator were in constant communication with each other. This flow of communication substantiated that information such as key contact details would be relayed to the Network Operator within the time frames as prescribed. Based on our observation of the interaction between Synergy and the Network Operator, we are satisfied that Synergy would notify its contact details to a Network Operator within three business days of a request.</p> <p>Our enquiries revealed that no changes had occurred during the audit period of which could be used as evidence of compliance.</p>
54	<p>Through discussions and observation of sample network transactions, we verified that network transactions are communicated and processed through the web portal. We understand that the Network Operator's Metering Services Centre also processes network transactions.</p> <p>ROCC@westernpower.com.au and Energy.Sales@synergy.net.au were provided as the email addresses used by the Network Operator and Synergy respectively for communication purposes.</p> <p>Where Synergy makes communication by email in regard to a transfer under the CTC, it uses the nominated email address: customer.transfer.inquiries@westernpower.com.au. This is</p>

	provided by the Network Operator.
55 to 59	<p>Through our examination of Synergy's dispute resolution documentation, we noted the existence of processes that address the requirements specified under the CTC. Further, discussions with the Manager Networks Regulatory and Compliance revealed that Synergy has a dispute resolution framework in place to ensure its compliance with the licence conditions specified.</p> <p>We understand that Synergy has policies and procedures in place to escalate a dispute to a senior member of staff, prepare written and signed records of dispute resolutions and give notice to the Authority of the nature of a dispute.</p> <p>We were advised by Manager Networks Regulatory and Compliance, there were no instances during the audit period that required the engagement of the dispute resolution process.</p> <p>Due to the absence of audit activity we are unable to rate the compliance of this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)
Compliance Manual Reference	68 68
Obligation Description	A Network Operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussion with the T & T Team revealed that Synergy has developed an IT Disaster Recovery Plan since the last Performance Audit.</p> <p>Review of the IT Disaster Recovery Action Plan identified the existence of policies and procedures to ensure the information system on which electronic communications are made is operational 24 hours a day and 7 days a week.</p> <p>Walkthrough of IT Recovery Plan indicated that Synergy's IT personnel had a sound understanding around the processes involved to implement the recovery plan.</p> <p>We understand that Synergy has budget allocation for its operating systems, has on-going system support and maintenance programs to facilitate compliance with this obligation. We understand that Synergy has IT specialists who are intimately familiar with its operating systems and are able to provide support and expertise. Further, Synergy has provided that if required, it is able to access outsourced expertise.</p> <p>Based on our discussions, review of documentation and walkthrough of process, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry (Licence Conditions) Regulations regulation 5(2)		
Obligations Under	Electricity Industry Customer Transfer Code Annex 6 clause A6.2 (b)	Electricity Industry Customer Transfer Code Annex 6 clause A6.6	Electricity Industry Customer Transfer Code Annex 6 clause A6.7
Compliance Manual Reference	69 69	70 70	71 71
Obligation Description			
69	A Network Operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.		
70	The originator of an electronic communication must identify itself in the communication.		
71	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.		
Reporting Type	2		
Compliance Rating	5		
Audit Observations	<p>Discussions with T & T revealed that the Market Data Hub is designed to generate an automated response message for each electronic communication. We obtained a sample of the automated message to confirm its existence and operation. Further, review of electronic communication indicated that the originator had adopted a consistent data format over time and had identified itself in the communication. Where Synergy is deemed to be the originator of the electronic message, it has developed a unique identifier in response to this obligation.</p> <p>Based on our sample based testing and review of documentation,</p>		

	we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.
Recommendation	Nil.

Licence Clause	Retail Licence Clause 5.1		
Obligations Under	Electricity Industry Act section 51 Electricity Industry (Customer Contracts) Regulations 2005	Electricity Industry Act section 51 Electricity Industry (Customer Contracts) Regulations 2005 regulation 5	Electricity Industry Act section 51 Electricity Industry (Customer Contracts) Regulations 2005 regulation 6
Compliance Manual Reference	78 78	79 79	80 80
Obligation Description			
78	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with the licensee's approved standard form contract on the Authority's website.		
79	A non-standard contract must be in a format that is easy to read and expressed in clean, simple and concise language.		
80	A non-standard contract must specify when it comes into effect and the period for which it has effect.		
Reporting Type	2		
Compliance Rating	5		
Audit Observations	<p>We reviewed the Authority's Approved Standard Form Contract located on the Authority's website. We understand that the Standard Form Contract was approved in December 2007. Comparison of the Standard Form Contract and the Standard Electricity Agreement used by Synergy during the audit period did not reveal any variations between the two documents.</p> <p>Further, review of a non-standard form contract revealed that the contract was in a form that was easy to read. Discussions with Customer Service Officer provided that the document is placed through a quality check process and approved for use by the</p>		

	<p>business prior to its implementation. The quality review criteria included the determination of the elements as prescribed within this licence clause.</p> <p>Examination of a non-standard form contract confirmed the existence of the paragraph that specify the commencement date and period for which it has effect.</p> <p>Based on our enquiries and review of documentation, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1					
Obligations Under	Electricity Industry (Customer Contracts) Regulations 2005 regulation 7	Electricity Industry (Customer Contracts) Regulations 2005 regulation 8	Electricity Industry (Customer Contracts) Regulations 2005 regulation 9	Electricity Industry (Customer Contracts) Regulations 2005 regulation 10	Electricity Industry (Customer Contracts) Regulations 2005 regulation 11	Electricity Industry (Customer Contracts) Regulations 2005 regulation 12
Compliance Manual Reference	81 81	82 82	83 83	84 84	85 85	86 86
Obligations Under	Electricity Industry (Customer Contracts) Regulations 2005 regulation 14	Electricity Industry (Customer Contracts) Regulations 2005 regulation 15	Electricity Industry (Customer Contracts) Regulations 2005 regulation 16 and 34	Electricity Industry (Customer Contracts) Regulations 2005 regulation 17	Electricity Industry (Customer Contracts) Regulations 2005 regulation 18	Electricity Industry (Customer Contracts) Regulations 2005 regulation 19
Compliance Manual Reference	88 88	89 89	90 90	91 91	92 92	93 93
Obligations Under	Electricity Industry (Customer Contracts) Regulations 2005 regulation 20	Electricity Industry (Customer Contracts) Regulations 2005 regulation 21	Electricity Industry (Customer Contracts) Regulations 2005 regulation 32	Electricity Industry (Customer Contracts) Regulations 2005 regulation 33(2)	Electricity Industry (Customer Contracts) Regulations 2005 regulation 33(3) and (4)	
Compliance Manual Reference	94 94	95 95	96 96	97 97	98 98	
Obligation Description						

81	A non-standard contract must specify certain information about the retailer.
82	A non-standard contract must give an exact description of the goods and services the retailer will provide under the contract.
83	A non-standard contract must require the customer to pay for electricity supplied under the contract.
84	A non-standard contract must prohibit the customer from tampering with or bypassing Network equipment or allowing any other person to do so.
85	A non-standard contract must describe the circumstances where a retailer has the right to disconnect supply and is required to reconnect supply.
86	A non-standard contract must require the retailer to deal with security deposits and the payment of interest in the manner specified.
88	A non-standard contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of customer bills.
89	A non-standard contract must describe the matters relating to the termination of the contract specified in the regulation.
90	A non-standard contract must inform the customer that the provisions of the contract may be amended without the customer's consent and describe the process for amendment of the contract including requirements for approval and the way in which the amendment will be published. The non-standard contract must require the retailer to notify the customer of any amendment to the contract.
91	A non-standard contract must deal with the assignment of rights and obligations including assignment without the customer's consent.
92	A non-standard contract must describe the procedures to be followed by the retailer in responding to a complaint made by the customer.

93	A non-standard contract must specify the steps by the retailer to ensure the information held by the retailer is dealt with in a confidential manner.
94	A non-standard contract must deal with the governing law, the effect of an invalid or unenforceable provision, the way in which notice may be given and the use of electronic communication by the retailer.
95	A non-standard contract must not include a provision that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers unless it is authorised by the Code.
96	A non-standard contract must include details about the cooling off period specified in the regulation.
97	A non-standard contract must authorise the customer to terminate the contract at any time with no less than 5 days' notice.
98	A non-standard contract that is a fixed contract must describe the matters relating to the termination of the contract specified in the regulation.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of the non-standard contract revealed the inclusion of the following:</p> <ul style="list-style-type: none"> • Retailer's company name; • ABN; • Registered Office address; • Postal address; • Telephone number; • Email address; • Description of good and services provided; • Payment terms and how it is calculated; • Statement outlining the customer must not tamper with, bypass, circumvent or otherwise interfere with the supply of electricity; • Clause which states the retailer has the right to disconnect

	<p>supply and we required, reconnect supply;</p> <ul style="list-style-type: none"> • Termination clause; • Billing procedures and policies; • Terms and conditions; • Assignment of rights and obligations; • Complaints handling process; • Privacy Policy; • Clauses surrounding the governing of the law, the effect of any invalid or unenforceable provision, the way in which a notice can be given and the use of electronic communication between the retailer and the customer; • Statement surrounding the cooling off period; • Clause which states that the contract must authorise the customer to terminate at any time by giving notice to the retailer not less than 5 days before the day on which the customer wants the contract to end; and • Clause which states the non-standard contract must authorise the customer to terminate at any time by giving notice to the retailer not less than 20 days before the day on which the customer wants the contract to end. <p>Further, the non-standard form contract was not observed to preclude or permit the modification of the Code of Conduct for Small Use Customers unless otherwise authorised by the Code.</p> <p>Based on our review of the non-standard contract, we conclude there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 28.1
Obligations Under	Electricity Industry (Customer Contracts) Regulations 2005 regulation 13
Compliance Manual Reference	87 87
Obligation Description	A non-standard contract must describe the retailer's obligations in relation to the provision of prices and tariff information.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Risk and Compliance Manager, Energy Markets indicated that the non-standard contract included a clause which details the retailer's obligations in relation to the provision of tariff information.</p> <p>Review of the non-standard contract revealed the existence of a clause which describes the retailer's obligations to the provision of prices and tariff information.</p> <p>Based on our review of the non-standard contract we are satisfied that Synergy has adequate and effective controls in place to support compliance with this obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 28.1
Obligations Under	Electricity Industry (Customer Contracts) Regulations 2005 regulation 38
Compliance Manual Reference	100 100
Obligation Description	Where the licensee becomes aware of a customer taking a supply of electricity that is deemed to be supplied under the licensee's standard form contract, the licensee must, within 5 days after becoming aware notify the customer of the specified information.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Based on our discussions with Manager of Credit Management and a review of policies and procedures, we determined that Synergy has a process in place to monitor situations where customers are using electricity without establishing their identity for billing purposes.</p> <p>SAP is configured to monitor energy data where electricity is being consumed at a supply address where a contract does not exist. If the situation does arise where the consumption is determined to exceed 500 units, a letter will be auto-generated from SAP and sent out to the relevant premises within 5 days. Synergy's letter advises the customer that they have commenced taking a supply of electricity without establishing a contract and therefore have been deemed to have entered into a standard form contract. The letter further states if the customer does not contact Synergy within a defined period, disconnection may occur. In the absence of a contact the disconnection letter is sent out. In addition to the system functionality Western Power will also notify Synergy if it discovers (e.g. meter reading route) consumption is occurring at a residential connection point which does not have an allocated retailer.</p> <p>Based on our sample testing and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil

Licence Clause	Retail Licence condition 14.1
Obligations Under	Electricity Industry Act section 13(1)
Compliance Manual Reference	101 101
Obligation Description	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>The Corporate Services department advised that it has developed and implemented a calendar to monitor regulatory reporting requirements.</p> <p>We obtained a copy of the most recent calendar and observed scheduling of the specific activities pertaining to the reporting requirements. The current performance audit has occurred within 18 months of the previous audit. We obtained evidence confirming that the Authority has approved the current independent experts.</p> <p>Review of the 2012 performance audit process confirmed that Synergy had provided the Authority with a performance audit report authored by an independent expert who had been approved by the Authority.</p> <p>Based on our enquiries, observations and review of documentation, we have concluded that Synergy has adequate controls and policies in place to support its compliance with this licence clause.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 4.1
Obligations Under	Electricity Industry Act section 17(1)
Compliance Manual Reference	105 105
Obligation Description	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>The Corporate Services department was identified as the department responsible for facilitating the payment of the prescribed licence fee.</p> <p>Walkthrough of the process revealed that the Synergy receives an invoice from the Authority which is then communicated to the Corporate Services department for authorisation (based on delegated authority levels). Once the approval has been provided, the invoice is forwarded to accounts to be settled.</p> <p>If Synergy has not received an invoice from the Authority by the indicated date listed on the regulatory calendar, Synergy will initiate a request for the invoice by contacting the Authority.</p> <p>We consider processes in place to be adequate and effective towards ensuring that prescribed licence fees would be paid as required.</p> <p>Our testing further indicated that Synergy had paid its most recent licence fee within the timeframe noted within this obligation. We viewed evidence of the payment of invoice ERA100013, which was paid in full on by the due date.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Act section 31(3)
Compliance Manual Reference	106 106
Obligation Description	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.
Reporting Type	NR
Compliance Rating	N/R
Audit Observations	<p>The Corporate Services department, Crisis Management Team and Wholesale were identified as responsible for minimising the interruption, suspension or restriction to the supply of energy. We reviewed key manuals, procedures, and instructions which provided evidence those mechanisms were in-place to address this issue.</p> <p>It was noted, through our review of the policies and procedures that Synergy has contractual arrangements in place with the Network Operator to ensure that it exercises the steps necessary to minimise any network disruption to supply.</p> <p>If an event should occur whereby the generator is unable to supply electricity, the Wholesale division has the capability to purchase supply from alternate providers to help minimise disruption.</p> <p>The existence of the Crisis Management Team, the crisis management policy and contractual considerations already made, demonstrate that adequate steps are in place to minimise the impact of the extent and duration of supply interruption, suspension or restriction if such an occurrence was to eventuate.</p> <p>Through discussions with Corporate Services we have been made aware that there have been instances of supply of electricity interruptions but none to the extent which required the activation of Synergy's Crisis Management Team.</p> <p>Due to Synergy's Crisis Management Team not required to be activated during the scope period, we are unable to rate the compliance of this licence condition.</p>

Recommendation

Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Act section 41(6)
Compliance Manual Reference	107 107
Obligation Description	A licensee must pay the costs of taking an interest in land or an easement over land.
Reporting Type	2
Compliance Rating	N/A
Audit Observations	Discussions with Synergy personnel indicated that Synergy does not have any interest in land or take easement over land. Based on the above, we are unable to assess the compliance of this obligation.
Recommendation	Nil.

Licence Clause	Retail Licence condition 24.1
Obligations Under	Electricity Industry Act section 54(1)
Compliance Manual Reference	108 108
Obligation Description	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Contact Centre and Energy Markets department indicated that these departments issue contracts to customers either as a standard form contract or a non-standard form contract. There are no other options with respect to the issuance of contracts.</p> <p>In detail, agents within these departments respond to customer calls or requests to supply electricity. These agents receive written instructions to provide solely, the option of a standard form contract or a non-standard form contract. We were able to review the instructions to confirm this. Further, it was noted that these instructions were being followed through our sample based testing of recorded calls.</p> <p>Based on our enquiries, review of the instructions and sampled voice recordings, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 25.4
Obligations Under	Electricity Industry Act section 54(2)
Compliance Manual Reference	109 109
Obligation Description	A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Our discussions with the Corporate Services Department revealed that a review of the standard form contract was not directed by the Authority within the scope period. However, we are aware that Synergy has tabled a revised draft contract which remains with the Authority for review and comment.</p> <p>We noted that Synergy had well documented processes in place in the event that the Authority required an amendment be made to the standard form contract.</p> <p>In the absence of activity relating to this licence clause during the audit period, we could not determine Synergy's compliance.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 27.1
Obligations Under	Electricity Industry Act section 76
Compliance Manual Reference	110 110
Obligation Description	If a designation under section 71(1) of the Electricity Industry Act is in force a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Discussions with the Manager Retail Regulatory and Compliance revealed that Synergy has a Supplier of Last Resort (SOLR) implementation group.</p> <p>We observed that the group had taken proactive measures in developing the Supplier of Last Resort (SOLR) response and considered the triggers necessary for the plan to be implemented. However, this work is outstanding and subject to the enactment of legislation by the State government. The Authority has similarly suspended the obligation to submit the SOLR plan for the aforementioned reason. We were able to perform a desktop review of the current draft of the SOLR plan.</p> <p>In the absence of activity relating to this licence clause during the audit period, we could not rate Synergy's compliance.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 21.1
Obligations Under	Electricity Industry Act section 101
Compliance Manual Reference	111 111
Obligation Description	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions with Synergy staff and review of the Energy Ombudsman Annual Report 2011/2012, we confirmed that Synergy is a member of the Ombudsman scheme. Our enquiries revealed that there was no determination made by the Energy Ombudsman during the audit period.</p> <p>Based on our enquiries, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Act section 115(2)
Compliance Manual Reference	113 113
Obligation Description	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Discussions with Manager Retail Regulatory and Compliance revealed that Synergy has access to services under an access agreement and has policies and procedures in place that does not permit the staff to engage in conduct for the purpose of hindering or prohibiting access.</p> <p>Review of the Australian Business Register revealed Synergy is not an associate of a person that has access to services under an access agreement.</p> <p>Further, review of a sample of customer complaints indicated that no complaints were received regarding hindering or prohibiting access, within the scope period.</p> <p>Due to the absence of audit activity we are unable to rate the compliance of this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 23.1
Compliance Manual Reference	114 114
Obligation Description	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Manager Retail Regulatory and Compliance indicated that training is provided around this obligation. Further, the Manager Retail Regulatory and Compliance revealed that contractors are bound by their contract to comply with the applicable codes.</p> <p>Review of documentation revealed that Synergy had training programs in place to inform its contractors of the requirements for compliance with the relevant codes.</p> <p>Further, review of training documentation indicated that if a contractor has suspected that they have breached the Code, they were required to report it to the Risk and Compliance team who will undertake a further investigation and determine whether the matter is deemed to be non-compliant with its licence obligations and provide a report to the Authority with the specified timeframes.</p> <p>Based on our enquiries and review of documentation, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 23.2
Compliance Manual Reference	115 115
Obligation Description	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Based on our discussions with the Corporate Services department, we understand that Synergy has a process in place which requires any suspected breaches of the applicable Code conditions by a marketing agent to be reported to the Corporate Services department.</p> <p>Walkthrough of the process revealed that the incident would be investigated and where the findings conclude that a breach has occurred, Synergy has established processes to ensure that reports are provided to the Authority within the timeframes prescribed. The Corporate Services department also advised that Synergy did not contract any external marketing agents during the audit period for the purpose of entering into electricity supply contracts.</p> <p>Further to this, a listing of all regulatory incidents was provided and reviewed. No matters came to our attention which involved electricity marketing agents.</p> <p>Based on the absence of activity during the audit period we are unable to rate this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 11		
Obligations Under	Retail Licence condition 24.2	Retail Licence condition 24.3	Retail Licence condition 25.1
Compliance Manual Reference	116 116	117 117	118 118
Obligation Description			
116	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.		
117	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.		
118	A licensee may only amend the standard form contract with the Authority's approval.		
Reporting Type	NR	NR	2
Compliance Rating	N/R		
Audit Observations	<p>Our discussions with the Corporate Services department revealed that the Authority has not required a review of the standard form contract within the audit period.</p> <p>We understand that there is currently a revised draft contract with the Authority for review which was a result of a request made by the Authority in 2011.</p> <p>We note that no amendments have been made to the standard form contract based on our review of the standard form contract.</p> <p>The processes with respect to the requirement for adhering to the licence obligations were observed to be well documented in the Corporate Services department's operations manual.</p> <p>In the absence of activity relating to this licence clause during the audit period, we could not determine Synergy's compliance with this obligation.</p>		
Recommendation	Nil.		

Licence Clause	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 12.1
Compliance Manual Reference	119 119
Obligation Description	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy's finance personnel indicated the existence of processes and procedures used for the maintenance and preparation of the financial statements. Further, the accounting records were in accordance with the Australian Accounting Standards Board (AASB) Standards or equivalent International Accounting Standards.</p> <p>Our review of Synergy's annual financial report for 2011/2012 revealed that the records are kept in accordance with AASB standards and the Auditor General had not given a qualified opinion.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 13.4
Obligations Under	Electricity Industry Act section 11
Compliance Manual Reference	120 120
Obligation Description	A licensee must comply with any individual performance standards prescribed by the Authority.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Based on our discussions with the Corporate Services department, we confirmed that while Synergy continues to have unique obligations outlined within the Electricity Industry Act and various regulations, Synergy has had no individual performance standards prescribed by the Authority under its retail licence during the audit period.</p> <p>Further, discussions indicated that a framework exists to deal with individual performance standards if prescribed, including its licence control register, incident reporting system and compliance coordinator forum.</p> <p>In the absence of activity relating to this licence clause during the audit period, we could not determine Synergy's compliance.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 14.2
Compliance Manual Reference	121 121
Obligation Description	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Walkthrough of Synergy's tender process identified the explicit requirement for auditors to comply with the Authority's standard audit guidelines dealing with performance audits. We understand that the Synergy evaluates the auditor's understanding of the compliance requirement when assessing their suitability.</p> <p>On review of the prior performance audit report, we were able to verify that the report was consistent with the Authority's audit guidelines. This is premised by the requirement for the auditor to submit an audit plan to which the Authority scrutinises and approves.</p> <p>Through the above enquiries, walkthrough of policies and procedures and review of the relevant documents, we have concluded that Synergy has adequate controls and policies in place to support its compliance with this licence clause.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 15.1
Compliance Manual Reference	123 123
Obligation Description	A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Through interviews held with the Corporate Services department it was determined that Synergy is a Western Australian Government owned entity. Based on the identification of the ownership of Synergy it is deemed unlikely that Synergy would be placed under external administration.</p> <p>We reviewed the independent audit report detailed within Synergy's annual report for financial year ending 30 June 2012 and noted that the auditor did not identify any issues surrounding Synergy's on-going concern.</p> <p>However, further discussions and review of internal control documents noted that there are procedures in place to advise the Authority of any significant change in compliance status when and where required. We are advised that no changes have occurred that could have affected Synergy's ability to meet its obligations.</p> <p>In the absence of activity relating to this licence clause during the audit period, we could not determine Synergy's compliance</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 16.1
Compliance Manual Reference	124 124
Obligation Description	A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Since March 2010, Synergy had been required to provide a monthly report for “Bills Issued Greater than 90 Days.” This request was rescinded on 13 September 2012.</p> <p>Through discussions, there were other noted requests, such as:</p> <ul style="list-style-type: none"> • An e-mail request relating to a Type 1 breach in February 2012; • The 2011/12 Electricity Retail Licence Compliance Report; • Three queries relating to the 2011/12 Compliance Report; • Notification of a Type 1 incident dated 9 October 2012; and • An e-mail request dated 12 December 2012 relating to Type 7 connection points. <p>Discussions with the Corporate Services department and review of correspondence with the Authority confirmed that Synergy had responded to the requests and provided reports in the manner prescribed by the Authority and within the timeframe specified.</p> <p>Based on our enquiries, review of documents and walkthrough of processes, we have concluded that Synergy has adequate and effective controls in place to support its compliance with the licence clause.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 17.1 and 17.2
Compliance Manual Reference	125 125
Obligation Description	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Discussions with the Corporate Services department indicated that whilst a procedure exists in the event the Authority requires Synergy to publish certain information, such direction has not been received by Synergy during the audit period.</p> <p>Our exposure to the processes and controls Synergy has in place to meet its performance reporting requirements confirmed the existence of appropriate mechanisms to facilitate its ability to meet its obligations.</p> <p>An established Regulatory and Compliance Calendar was observed to be in place. We were advised that any new directions from the Authority would be captured in this calendar and this would assist in the timeliness preparation and production of reports within the prescribed timeframes.</p> <p>Based on our enquiries, review of documents and walkthrough of processes, we have concluded that Synergy has adequate and effective controls in place to support its compliance with the licence clause.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 18.1
Compliance Manual Reference	126 126
Obligation Description	Unless otherwise specified, all notices must be in writing.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Corporate Services department indicated that correspondence with the Authority has been by mail, email and telephone.</p> <p>We verified that there is a process for communicating with the Authority, and that all notices required by the Authority must be done in writing. Further, we reviewed information provided at the request of the Authority, all of which was provided via written reports.</p> <p>Therefore, discussions and review of Synergy reports to the Authority have demonstrated that Synergy has adequate policies and processes in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.1 Retail Licence condition 23.1
Compliance Manual Reference	129 127
Obligation Description	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Walkthrough of the training and information process provided to Synergy's internal marketing staff revealed that the message for compliance to the Code of Conduct was provided and re-enforced.</p> <p>Further, Senior Contact Centre Staff monitor and review outbound calls for compliance with training and Code requirements. We understand staff are assessed on the job and score cards are used to track overall performance. We listened to a sample of calls and observed the monitoring process for each sample, noting that agents are measured against a set of agreed standards as prescribed within Synergy's quality assurance manual. Call contact records are stored and retained within the NICE Performance system.</p> <p>Based on our enquiries, walkthrough of the process and the review of sampled voice recordings, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.2 Retail Licence condition 23.1 (Electricity Retail Corporation)
Compliance Manual Reference	130 128
Obligation Description	An electricity marketing agent must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified in clause 2.2.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Compliance Coordinator and review of the call instructions designed for marketing agents indicated that marketing agents are required to ensure standard and non-standard contracts are entered into under the specifications of clause 2.2.</p> <p>Sample based testing of recorded calls revealed that clause 2.2 was being adhered to appropriately in those circumstances. Verifiable consent was being obtained as well as the date, as required.</p> <p>Further, in each case, the terms of the standard form contract is understood to be provided to the customer upon establishment of the contract. Further, Synergy has made the standard form contract available on its website at no charge. Synergy was also observed to have an automated process that enables the contract to be mailed to the customer, at no charge.</p> <p>Based on our enquiries, review of the instructions and sampled voice recordings, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.3(1)(a)-(b) Retail Licence condition 23.1
Compliance Manual Reference	131 129
Obligation Description	An electricity marketing agent acting on behalf of Electricity Retail Corporation or Regional Power Corporation must ensure that the information specified in subclasses 2.3(1)(a)-(b) is provided to the customer before arranging a contract.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Compliance Coordinator and the Manager of Business Sales and Support indicated that the information specified in the subclasses is provided to customers either via phone or e-mail before the contract is entered into.</p> <p>Review of the call instructions designed for marketing agents revealed that the agents are required to provide customers with the information as specified in the subclasses.</p> <p>Sample based testing of recorded calls revealed that the marketing agents were adhering to the instructions required by the Code.</p> <p>Review of a sample non-standard form contracts revealed that each customer was provided with the Customer Service Charter through e-mail before the contract was entered into. This Charter provided the key differences between a standard and non-standard form contract as required in the subclasses.</p> <p>Based on our enquiries, review of the instructions and sampled voice recordings, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.3(1)(c)-(d) Retail Licence condition 23.1
Compliance Manual Reference	132
Obligation Description	An electricity marketing agent must ensure that the information specified in subclasses 2.3(1)(c)-(d) is provided to the customer before arranging a contract.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Compliance Coordinator and review of the call instructions designed for marketing agents, indicated that the agents are required to provide customers with the information specified in subclasses 2.3(1)(c) – (d) before arranging the contract.</p> <p>Review of the call instructions revealed it contained the following declaration, to be read in all instances where a customer has called to arrange a contract:</p> <p><i><Customer Name> we are opening a new <Home Plan tariff/ Business Plan tariff> electricity account for you at <Address> effective <Date>. This account will be established under a Synergy Standard Agreement. Terms and conditions are available on the website or I can send you a copy.</i></p> <p>Sample based testing of recorded calls indicated that the marketing agents were stating this declaration without exception and customers were provided with a copy of the contract, if requested.</p> <p>Based on our enquiries, review of the instructions and our sampling of voice recordings, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.3(2) Retail Licence condition 23.1
Compliance Manual Reference	133 130
Obligation Description	For a standard form contract that is not an unsolicited consumer agreement or for a non-standard contract initiated by the customer, an electricity marketing agent must obtain and make a record of the customer's verifiable consent that the specified information in sub clause 2.3(1), as applicable, has been given.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Contact Centre Compliance Coordinator indicated that Synergy's Contact Centre handles customers who request a new connection under a standard form contract. Non-standard form contracts are handled separately by the Energy Markets department.</p> <p>Review of a set of instructions produced by the Corporate Services department revealed a declaration to obtain consent in all circumstances. These instructions are provided to the agents within the departments who are required to recite a declaration on all calls. The declaration outlines the terms and ends with the following statement, to ensure that verifiable consent is obtained:</p> <p><i>"Do you agree to enter into these arrangements?"</i></p> <p>Review of a sample of recordings revealed that the declaration was recited in all cases.</p> <p>Further, testing revealed that the NICE Perform system recorded each customer call to ensure that the record of consent is retained.</p> <p>Based on our enquiries, review of the instructions and sampled voice recordings, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.3(3) Retail Licence condition 23.1
Compliance Manual Reference	134 131
Obligation Description	When a standard form contract is an unsolicited consumer agreement or a non-standard contract (other than that initiated by the customer), an electricity marketing agent must obtain the customer's written acknowledgement that the specified information in sub clause 2.3(1), as applicable, has been given.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel indicated that Synergy does not engage a standard form contract as a result of door to door marketing.</p> <p>Further, Synergy's policies state that all non-standard contracts must be in writing and the customers' execution of the contract provides written acknowledgement that the information specified has been provided to the customer. Our sampling of non-standard contracts confirmed evidence that substantiated customers has signed the contract and acknowledged the receipt of items such as a copy of the Code of Conduct.</p> <p>Based on our enquiries, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.4(2) Retail Licence condition 23.1
Compliance Manual Reference	136 133
Obligation Description	Where the customer has entered into a new contractual relationship with a retailer or electricity marketing agent, the retailer or electricity marketing agent must give to the customer the information specified in sub clause 2.4(2).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Business Sales and Support and Contact Centre Manager, review of policies and processes indicated that each customer receives a package upon entering into a contract. The package includes the contract as well as Synergy's Customer Service Charter. Walkthrough of the process with a focus on small use customers revealed that once the customer enters into a contractual relationship, the contact centre staff select a task within the SAP protocol which instructs its mail house to prepare and communicate the documents by post. The customer is also afforded the option of having the information emailed to them. Sampled emails confirmed the provision of the specified information.</p> <p>Further, review of the Customer Service Charter revealed it contained all information specified in sub clause 2.4(2).</p> <p>Based on our enquiries, review of the process, procedures, and of sampled contracts, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.4(4) Retail Licence condition 23.1
Compliance Manual Reference	135
Obligation Description	Subject to clause 2.4(5), 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 electricity marketing agent must give the specified information and a copy of the contract before the customer has entered into the contract and the electricity marketing agent must obtain a written acknowledgement that the information has been given.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel indicated that Synergy does not engage a standard form contract as a result of door to door marketing.</p> <p>The establishment of the standard form contract with a customer usually results from a customer contacting Synergy and seeking the supply of electricity. Based on this request and the account set-up process, the customer is provided a copy of the contract. The customer is also advised that they are able to access a copy of the standard form contract at no charge from Synergy's website.</p> <p>In the event the customer is a contestable customer, the Contract Manager was found to enter into negotiations which then results in the development of the attributes of the non-standard form contract. The customer is provided with a copy for their review and consent. Once the contract is signed, a copy of the contract as signed is also communicated to the customer within the timeframes specified.</p> <p>For contestable customers, we note that they are provided the specified information and are required to sign a declaration to acknowledge of receipt of information.</p> <p>Based on our enquiries, we have concluded that there are adequate</p>

	and effective controls in place to support compliance with this licence obligation.
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(2) Retail Licence condition 23.1
Compliance Manual Reference	137
Obligation Description	An electricity marketing agent must not exert undue pressure on a customer, nor harass or coerce a customer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with Synergy personnel revealed that all marketing material is to be submitted to the Corporate Affairs and Corporate Services departments prior to being released to the public.</p> <p>Marketing staff are required to undertake continuous online training programs to ensure that they are aware and understand the requirements of the Code of Conduct. Further, staff are required to pass an annual test surrounding misleading and deceptive conduct, via Safetrac.</p> <p>Walkthrough of process revealed that Synergy has preventative mechanisms in place to ensure an electricity marketing agent does not engage in conduct that is misleading or deceptive.</p> <p>Based on our enquiries and walkthrough of process, we conclude that Synergy has adequate and effective controls in place to support compliance.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(1) Retail Licence condition 23.1
Compliance Manual Reference	138 138
Obligation Description	An electricity marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries made with Corporate Services, review of information provided to customers and review of bills sent to concession holders revealed that each bill provides for a breakdown of the cost of electricity.</p> <p>The bill was observed to contain those charges that included and excluded from concession consideration. Further, the customer is provided with concession related information along with the Code of Conduct that discusses the topic of concessions.</p> <p>Based on our enquiries, review of procedures and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(2) Retail Licence condition 23.1
Compliance Manual Reference	139 139
Obligation Description	An electricity marketing agent must ensure that non-standard contracts that are not unsolicited consumer agreements are in writing.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel indicated that Synergy does not engage a standard form contract as a result of door to door marketing and all non-standard form contracts are entered into are in writing.</p> <p>Further, walkthrough of the process revealed that the Customer Service Representative must obtain written consent from a customer who enters into a non-standard contract. The Customer Service Representative will communicate consent form to the customer for completion and request its return to Synergy for review. The non-standard contract is then offered to the customer and a copy of the contract sent to the customer. Once the contract has been signed an “Agreement Application” is sent to the customer.</p> <p>Sample based testing of non-standard contracts revealed that all contracts entered into were in writing.</p> <p>Based on our enquiries and sample based testing, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(3) Retail Licence condition 23.1
Compliance Manual Reference	140 140
Obligation Description	A retailer or other party must ensure that a customer is able to contact the retailer or other party on the retailer's or other party's telephone number during normal business hours for the purposes of enquiries, verifications and complaints.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Senior Workforce Planning Analyst indicated that the Contact Centre department operates during the hours, between 7am and 7pm, Monday to Friday excluding public holidays. The Contact Centre is able to handle all enquiries, verifications and complaints.</p> <p>Review of the Contact Centre rosters confirmed staff was scheduled to facilitate customers contacting Synergy during these times. Synergy offers a 13 13 53 telephone number as its primary call centre number. Calls are managed through a telephonic system where the customers are put through to available operators.</p> <p>Review of the Employee Check in – Detail Report revealed that on a randomly selected day within the scope period the Call Centre employees were working during the hours specified above.</p> <p>Based on our enquiries and review of company hours, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(1) Retail Licence condition 23.1
Compliance Manual Reference	141 142
Obligation Description	An electricity marketing agent must, on request, provide a customer with the information specified in sub clause 2.6(1).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Our enquiries with the Retail Sales Compliance Coordinator revealed that Synergy had not engaged in direct marketing campaigns that required the business to directly contact customers.</p> <p>Further if Retail Sales were to engage in direct contact marketing campaigns, Synergy would prepare call scripts by which marketing agents are required to adhere to.</p> <p>Review of the complaints handling policy indicated that Synergy provided a 13 13 53 telephone number for residential customers wishing to make a complaint.</p> <p>Further, the customer can contact Synergy via email, specifically advocate@synergy.net.au, fill out an online form through Synergy's website or write to Synergy at GPO Box K851 Perth 6842.</p> <p>The Retail Sales Compliance Officer demonstrated that, Contact Centre staff has the ability to refer customers with a complaint to Synergy's website where that can obtain the complaints handling policy. Further, Customer Service Representatives are aware that they must provide their identification number to a customer over the telephone, if requested and if required to respond to electronic communication include their marketing identification number.</p> <p>Based on our enquiries and review of policies and procedures, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(2) Retail Licence condition 23.1
Compliance Manual Reference	142 143
Obligation Description	<p>An electricity marketing agent who meets with a customer face to face must:</p> <ul style="list-style-type: none"> • when negotiating a contract that is not an unsolicited consumer agreement, as soon as practicable tell the customer the purpose of the visit; • wear a clearly visible and legible identity card showing the information specified in sub clause 2.6(2)(b); and • as soon as practicable provide the written information specified in sub clause 2.6(2)(c).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Manager Business Sales and Support, indicated that marketing representatives may only meet with customers face to face for the purpose of marketing campaigns at events such as trade exhibitions and displays. We understand that Synergy does not engage in door to door marketing.</p> <p>Review of policies and procedures require Synergy Marketing Representatives to wear their identity card. Further, they are briefed before marketing campaigns and the requirements to inform the customer as soon as practicable the purpose of the campaign.</p> <p>If a visitor attends a Synergy stand they are provided with marketing material available at the stand. It is at the discretion of customer as to whether they take the information made available.</p> <p>Based on our enquiries and review of marketing material issued to staff prior to campaign plans we conclude that Synergy has effective and adequate controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(4) Retail Licence condition 23.1
Compliance Manual Reference	144
Obligation Description	If, when marketing to a customer, the customer indicates that they wish to end the contact, the electricity marketing agent 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.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Business Sales and Support and Retail Sales Compliance Coordinator, indicated that Synergy's marketing representatives did not call prospective new customers, through direct telemarketing campaigns during the audit period.</p> <p>However, if Synergy decided to conduct marketing through direct telemarketing campaign, the Retail Sales department have a monitoring mechanism in place to ensure that CSRs act in accordance with this licence clause.</p> <p>Further, the Retail Sales Compliance Coordinator provided that there had been no requests for any further contact in regards to marketing material.</p> <p>However, Synergy does not consider the 30 day no contact limitation to apply with respect to its obligations to contact a customer in relation to issuing a bill, reminder notice or disconnection warning as these contacts (and associated timeframes) are specifically legislated under the Code of Conduct.</p> <p>In the instance a customer requests no further contact in relation to marketing products or promotional offerings Synergy will consider these on a case by case basis to ensure that Synergy's obligation under clause 2.6(4) has been met.</p> <p>Walkthrough of process and review of Synergy's "Do Not Contact</p>

	<p>List” for the period 1 January 2012 – 30 June 2013 revealed no exceptions where Synergy had contacted a customer on the list.</p> <p>Based on our enquiries, review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 2.6(5) Retail Licence condition 23.1	Code of Conduct clause 2.6(6) Retail Licence condition 23.1
Compliance Manual Reference	145	146
Obligation Description		
145	Unless requested by the customer, an electricity marketing agent 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.	
146	An electricity marketing agent 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.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>The Manager Business Sales and Support and Retail Sales Compliance Coordinator, provided that Synergy marketing representatives and Contact Centre staff did not contact prospective new customers through direct telemarketing.</p> <p>Review of Synergy's outbound sales script and call monitoring protocols indicated that, if Synergy participates in direct telemarketing campaigns, there are mechanisms in place to ensure a marketing representative does not make contact with a customer outside the specified time frames.</p> <p>Further, marketing representatives are provided that they must not continue a phone call for more than 15 minutes past the end of the specified call times without the customer's verifiable consent, unless the contact is by electronic means.</p>	

	<p>Review of Synergy's website revealed that Synergy's business hours are 7:00 am – 7:00 pm Monday to Friday. However, the Manager Business Sales and Support provided that Synergy does not commence telephone cold calling until 9:00 am and no later than 7:00 pm Monday to Friday. Further, enquiries indicated that any telephone cold calling on the weekend occurred within the permitted call times under sub clause 2.6(6).</p> <p>Based on our enquiries and review of the protocols, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(3) and 2.6(4) Retail Licence condition 23.1
Compliance Manual Reference	143 147
Obligation Description	Except when responding to a customer request or query, a retailer or other party must keep the specified records in sub clause 2.6(3) each time it initiates contact with a customer for the purposes of marketing.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Risk and Compliance Manager Energy Markets revealed that Synergy does not engage in door to door marketing, but may use telephonic marketing and/or marketing at trade exhibitions.</p> <p>Telephone conversations are recorded and customer's details are kept automatically within SAP. During trade exhibitions the details of customers who engage with Synergy for an extended period of time will be taken down on a "potential contact list". This list details the name of the customer, name of the marketer, location of the exhibition and the date and time of the contact.</p> <p>Review of the potential customer list revealed that the details contained within the document are in accordance with clause 2.6(3) of the Code of Conduct.</p> <p>Based on enquiries and review of documentation we conclude that Synergy has adequate and effective controls in place to support compliance with this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 2.7(1) Retail Licence condition 23.1	Code of Conduct clause 2.7(2) Retail Licence condition 23.1
Compliance Manual Reference	148	149
Obligation Description		
148	<p>Where the customer requests not to be contacted for the purposes of marketing a retailer or other party must ensure that a customer is not contacted on its behalf in relation to the supply of electricity for a period of two years unless:</p> <ul style="list-style-type: none"> the customer requests contact; or the customer has moved premises; or a retailer or other party has a legal obligation to contact the customer. 	
149	A retailer or other party must keep a record of each customer who has requested not to be contacted, that includes the specified information.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Discussions with the Retail Sales Team indicated that Synergy undertakes a process to exclude a customer that does not wish to be contacted for marketing purposes before marketing campaigns and materials are issued.</p> <p>When an existing customer is placed on the “Do Not Contact” register records the relevant details of a customer who has requested not to be contacted. The “Do Not Contact” register is extracted from SAP and retained within a Microsoft Excel spread sheet.</p> <p>Grant Thornton understands that Synergy has mechanisms in place to ensure that, upon request, a customer may not be contacted in</p>	

	<p>relation to the supply of electricity for a period of 2 years.</p> <p>Review of the “Do Not Contact” register revealed that it was complete and has been maintained throughout the audit period.</p> <p>Based on our enquiries and review of documentation, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.7(3) Retail Licence condition 23.1
Compliance Manual Reference	150
Obligation Description	A retailer or other party must give a copy of the record to the Electricity Ombudsman or the Authority on request.
Reporting Type	NR
Compliance Rating	N/R
Audit Observations	<p>Discussions with the Regulatory and Compliance Analyst indicated that Synergy has mechanisms and processes in place to ensure a copy of the “Do Not Contact” register is given to the Electricity Ombudsman or the Authority on request.</p> <p>Further, the Regulatory and Compliance Analyst provided that neither the Electricity Ombudsman nor the Authority had requested a copy of the “Do Not Contact” register during the scope period.</p> <p>Due to the absence of audit activity within the scope period we are unable to rate the compliance of this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.7(4) Retail Licence condition 23.1
Compliance Manual Reference	151
Obligation Description	A retailer or other party must provide the customer on request with written confirmation that the customer will not be contacted for the next two years.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Enquiries with the Contact Centre Compliance Coordinator indicated that if a customer advises that they do not wish to be contacted for purposes other than billing, the customer would be provided with a written confirmation that they will not be contacted for the next two years.</p> <p>Review of the “Do Not Contact Register” revealed that no customers had advised Synergy that they do not wish to be contacted within the scope period.</p> <p>Due to the lack of audit activity, we are unable to rate the compliance of this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.7(5) Retail Licence condition 23.1
Compliance Manual Reference	152
Obligation Description	An electricity marketing agent must comply with a notice on or near premises indicating that the customer does not wish to receive unsolicited mail or other marketing information.
Reporting Type	2
Compliance Rating	N/A
Audit Observations	Discussions with Synergy personnel provided that Synergy does not visit or issue marketing information to a premise unsolicited. Due to Synergy not engaging in the activities described in this licence condition, we are unable to assess the compliance of this licence condition.
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.9(1) Retail Licence condition 23.1
Compliance Manual Reference	144 154
Obligation Description	An electricity marketing agent must keep a record of complaints about marketing carried out by or on behalf of the electricity marketing agent made by a customer or person contacted for the purposes of marketing, and, upon request, must give to the electricity ombudsman, within 28 days of receiving the request, all information that the electricity marketing agent has relating to the complaint.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel indicated that any complaints about marketing are recorded in the customer's interaction log within SAP.</p> <p>Walkthrough of procedures and a sample of complaints revealed that customer complaints are recorded accurately and upon request, all information that the electricity marketing agent has relating to the complaint is given to the Electricity Ombudsman within 28 days.</p> <p>Based on our enquiries walkthrough of procedures and sample based testing, we have concluded that Synergy has adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.9(2) Retail Licence condition 23.1
Compliance Manual Reference	145 155
Obligation Description	A record or other information that an electricity marketing agent is required by the Code to keep must be kept for at least two (2) years after the last time the person to whom the information relates was contacted by or on behalf of the electricity marketing agent, or after receipt of the last contact from or on behalf of the electricity marketing manager, whichever is the later.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel indicated that the customer's details within SAP are labelled Business Partner (BP). Business Partner is where the customer's details such as preferred method of communication, relationships to other BPs and interaction records are stored.</p> <p>Further, our enquiries with Synergy staff provided that there has been no archiving of data stored within SAP and the data is available to be extracted within the scope period and therefore we determine that customer information has been stored and retained over 2 years.</p> <p>The following SAP applications are used to monitor customer interaction and activity with Synergy. They include, change history, this application records changes to Business Partner details, BP Snapshot Notes History, this application allows Synergy personnel to observe system generated messages and manual notes added to Business Partner Contract Management, this application is utilised by Synergy staff to view the contacts entered into by the Business Partner.</p> <p>Based on our enquiries and review of systems, we conclude that Synergy has adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 3.1(1)	Code of Conduct clause 3.1(2)
Compliance Manual Reference	146 156	147 157
Obligation Description		
146	If a retailer agrees to sell electricity 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.	
147	Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day if the request is received after 3pm or on a weekend or public holiday.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Discussions with the New Connections Manager indicated that the processes within Synergy's information systems ensure that, upon setting up a customer and arranging connection, the request is sent to the distributor.</p> <p>Walkthrough of the connection process revealed that the new connection request was sent to the Network Operator automatically.</p> <p>Fieldwork demonstrated the forwarding of the customer's request to the distributor within the timeframes specified and the distributor's acceptance of the request.</p> <p>Based on our enquiries and walkthrough of process, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82					
Obligations Under	Code of Conduct clause 4.2(1)	Code of Conduct clause 4.2(2)	Code of Conduct clause 4.2(3)	Code of Conduct clause 4.2(4)	Code of Conduct clause 4.2(5)	Code of Conduct clause 4.2(6)
Compliance Manual Reference	149	150 159	151 160	152 161	153 162	154 163
Obligation Description						
149	For the purposes of sub clause 4.1(a)(ii), a retailer has given a customer notice, if, prior to placing a customer on a shortened billing cycle, the retailer advises the customer of the information specified in sub clause 4.2(1).					
150	A retailer must not place a residential customer on a shortened billing cycle without the customer's verifiable consent if the customer informs the retailer that the customer is experiencing payment difficulties or financial hardship.					
151	A retailer must give the customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.					
152	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.					
153	Upon request, a retailer must return a customer who is subject to a shortened billing cycle and has paid three (3) consecutive bills by the due date to the billing cycle that previously applied to the customer.					
154	At least once every three (3) months, a retailer must inform a customer who is subject to a shortened billing cycle of the conditions upon which a customer can be returned to the customer's previous billing cycle.					

Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Based on discussions with Manager Credit Management, it was determined that Synergy has a policy in place to ensure that customers are not placed on a shortened billing cycle.</p> <p>Based on a review of the policies in place, we determined that Synergy's Customer Service Staff are trained (upon appointment) that customers are not to be placed on a shortened billing cycle.</p> <p>Based on a sample test of customer's accounts we did not identify any exceptions.</p> <p>Due to the absence of activity within the scope period, we are unable to rate the compliance of this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 4.3(1)	Code of Conduct clause 4.3(2)
Compliance Manual Reference	155 164	156 165
Obligation Description		
155	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide a customer with a bill which reflects a bill-smoothing arrangement.	
156	If a retailer provides a customer with a bill under a bill-smoothing arrangement, the retailer must ensure that the conditions specified in sub clause 4.3(2) are met.	
Reporting Type	2	
Compliance Rating	N/R	
Audit Observations	<p>Discussions with Synergy personnel indicated that Synergy does not offer bill smoothing to its customers.</p> <p>Due to the lack of audit activity within the scope period, we are unable to rate the compliance of this licence condition.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.5(3)
Compliance Manual Reference	159 168
Obligation Description	If a retailer identifies and wishes to bill a customer for a historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with or on the customer's next bill.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>The Manager Credit Management provided that when Synergy becomes aware of a historical debt, a historical debt letter or a telephone call is made to the customer to inform them of the debt. The debt is then billed to the customer on the next billing cycle.</p> <p>Our review of customer bills also provided for the identification of the historical debt as a separate line item.</p> <p>Based on our discussions and sample testing of customer's accounts we are satisfied that a historical debt letter (detailing the amount of historical debt and the basis of the debt) is sent out to the customer and the historical debt is billed on the next billing cycle.</p> <p>Based on the review of the procedures above, we are satisfied that Synergy has the policies, procedures and mechanisms in place to facilitate its compliance with this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.6(2)
Compliance Manual Reference	161 170
Obligation Description	Prior to a customer reading a meter under sub clause 4.6(1)(b), a retailer must give the customer information that explains how to read a meter correctly in clear, simple and concise language.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Team Leader revealed that, upon entering into a contract with a customer, the Customer Service Charter is provided which directs the customer to Synergy's website, more specifically the webpage entitled: "How can I Read My Meter" and brochure entitled, "How to Read Your Meter". We verified the existence of the webpage and noted that it gave clear, simple, and concise instructions. Further, we noted if a customer requests a hard copy of meter read information this is mailed to the customer.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.7
Compliance Manual Reference	162 171
Obligation Description	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that meter reading data is obtained as frequently as is required to prepare its bills; and, in any event, at least once every 12 months.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>If a meter reading cannot be obtained due an absence of accessibility to a customer's meter or other circumstances, the customer's bill is based on an estimate.</p> <p>Discussions with Synergy personnel provided that if a customer receives a 5th bill estimate within 12 months, a mechanism within SAP alerts Synergy to contact the customer to obtain a meter read.</p> <p>Further, the estimation notice sent to the customer, details an actual meter read is required to be performed. If a customer ignores the notice to provide a meter reading, the customer will continue to receive bill estimates to avoid disconnection. Our fieldwork did not reveal any instances where a customer received an estimated bill beyond 12 months. Sample based testing of customer's bills confirmed the reading type "normal" denoting an actual read was used to prepare a bill and the meter reading type "estimated" was not as prevalent.</p> <p>Synergy has in place a number of contractual arrangements under its Electricity Transfer Access Contract (ETAC) and Model Service Level Agreement (MSLA) with the Network Operator to obtain metering data (both the ETAC and the MSLA have been approved by the Authority).</p> <p>Grant Thornton understand that the Authority advised Synergy within the scope period that they are no longer required to submit a report in respect to situations when metering data has not been provided by Network Operator which has impacted on Synergy's ability to bill within 90 days.</p>

	Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.8(1)
Compliance Manual Reference	163 172
Obligation Description	If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of customer bills revealed that customers had been issued with an estimated bill, within the scope period, where Synergy was unable to base a bill on a reading of the meter.</p> <p>Based on review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.8(2)
Compliance Manual Reference	164 173
Obligation Description	In circumstances where the customer's bill is estimated, a retailer must specify in a visible and legible manner on the customer's bill the information detailed in sub clause 4.8(2).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Customer Support Team indicated that the reason for the issuance of an estimated bill was maintained within SAP's customer account interaction field. Review of the process to identify whether a customer was receiving estimated bill revealed that attribute within SAP would clearly show "estimation".</p> <p>Our review of Synergy's Customer Charter also confirmed that if the customer requires information surrounding the basis of the estimation and the reason for the estimation they can contact Synergy for any bill related enquiry.</p> <p>Sample based testing of a number of customer accounts revealed that the basis for estimation had been recorded with SAP.</p> <p>Further, we noted that Synergy has policies and procedures in place to provide customers the information prescribed in clause 4.8(2) of the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.8(3)
Compliance Manual Reference	165 174
Obligation Description	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Team Leader indicated that the estimation of a bill and subsequent recording of the estimate details in the SAP system requires the reason and basis for the estimate to be entered. With this performed, a Synergy Contact Centre agent can access the customer's file and provide this information upon request.</p> <p>Sample based testing of customer bills that contain estimates revealed that the reason and basis for the estimate were retained in SAP.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.9
Compliance Manual Reference	166 175
Obligation Description	If a retailer gives a customer an estimated bill, and the meter is subsequently read, the retailer must include an adjustment on the next bill to take account of the actual meter reading in accordance with clause 4.19.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussion held with the Manager Credit Management, Manager Billing and walkthrough of processes for adjusting a customer's bill revealed that Synergy has developed and implemented mechanisms to include the adjustment factor on the customer's next bill.</p> <p>Upon identification of the requirement to adjust a customer's bill, Synergy performs a number of validation processes to determine the adjustment required and the accuracy of the adjustment.</p> <p>Through sample based review of customer bills we determined that adjustments have been made and identified on the customer's bill in accordance with this clause.</p> <p>Based on our enquiries and review of documentation, we have concluded that Synergy has adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.10
Compliance Manual Reference	167 176
Obligation Description	A retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading if the customer satisfies the requirements as specified in subclause 4.10.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>In conjunction with a review of Synergy's policies and procedures relating to bill replacements and interviews with the Credit Management Team and Billing Team Leaders , we determined that Synergy has adequate and effective processes and practices in place to ensure that in the instance a customer's bill is required to re-issued as a result of an actual meter reading.</p> <p>The adjustment process is performed by the Customer Support Team as a result of Customer Contact Centre follow up, check reads and meter data validation process occurs.</p> <p>Sample based testing of customer bills and review of the customer transaction history in SAP, confirmed that a replacement bill is issued when an actual read has been obtained and the customer satisfies the requirements specified.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 4.11(1)	Code of Conduct clause 4.11(2)
Compliance Manual Reference	168 177	169 178
Obligation Description		
168	If a customer requests the meter to be tested and pays a retailer's reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.	
169	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.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>The Billing Team Leader provided that Synergy has mechanisms in place to ensure that if a customer requests and pays a reasonable charge for a meter data validation or check read the request is made to the distributor. Our review of policies and procedures relating to the meter test process and sampling of a number of meter test requests indicated that customers had not been charged for a meter test, where the meter had been determined to be faulty.</p> <p>Review of a sample of meter test requests from customers revealed the request for meter data was sent to the distributor without any exceptions noted.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.12(1)
Compliance Manual Reference	170 179
Obligation Description	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff (and demonstrates to the retailer that they satisfy the conditions of eligibility), a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Team Leader indicated that Knowledge Base instructions are designed to ensure that Contact Centre staff are determining the eligibility of customers with respect to alternate tariffs. Once a customer's eligibility has been confirmed, systems and controls were observed to be in place such that a response is provided within the timeframe specified.</p> <p>Sample based testing of requests revealed that these processes were functioning adequately, and that the obligation was being met without exception.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.13
Compliance Manual Reference	171 180
Obligation Description	If a customer's electricity use changes and the customer are no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Customer Transaction Officer and Billing Team Leader indicated that Synergy has mechanisms in place to provide a customer with a written notice prior to changing the customer to an alternative tariff.</p> <p>Walkthrough of the process to change a customer to an alternative tariff indicated that where a tariff change is to be made, the customer receives a written notice clearly identifying the change in tariff.</p> <p>Based on our discussions and walkthrough of process, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.14(1)
Compliance Manual Reference	181
Obligation Description	A retailer may recover any amounts undercharged to a customer as a result of a change in the customer's electricity use for the period of up to 12 months prior to the date on which the retailer provided notice in the specified manner.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Our review of Synergy's policies and procedures around the billing process revealed that there mechanisms in place to ensure that Synergy does not try to recover undercharged amounts outside the timeframe specified in the Code of Conduct.</p> <p>Sample based testing of customer bills revealed that Synergy had recovered the undercharged amount within the specified timeframe. There were no instances noted where the recovery of the undercharged amount exceeded the specified timeframe.</p> <p>Based on our review of documentation and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.14(2)
Compliance Manual Reference	182
Obligation Description	A retailer must repay any amounts overcharged to a customer as a result of a change in the customer's electricity use.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of Synergy's policies and procedures indicated that there were controls in place to ensure a customer was repaid any amount overcharged.</p> <p>Sample based testing of customer accounts revealed that Synergy had repaid any amount overcharged to a customer as a result of a change in the customers electricity use.</p> <p>Further, we noted that Synergy had repaid a customer the overcharged amount through the payment methods specified by the customer.</p> <p>Based on sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.14(1)
Compliance Manual Reference	172 183
Obligation Description	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Review of policies and procedures indicated that there are mechanisms in place to ensure Synergy uses reasonable endeavours to arrange for a final bill in accordance with the customer's request.</p> <p>Discussions with Synergy personnel revealed that the issuance of a final bill is automated within SAP.</p> <p>Sample based testing of a number of customers final bills revealed Synergy had used reasonable endeavours to arrange for an issue of a final bill at the customers supply address.</p> <p>Based on our enquiries, review of documentation and sample based testing, we conclude that Synergy has adequate and effective controls in place to determine compliance with this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.14(2)
Compliance Manual Reference	173 184
Obligation Description	A retailer must repay the customer any amount in credit at the time of the account's closure.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager of Credit Management and a review of the policies and procedures relating to credit management indicated that Synergy has controls in place to identify the final account balance of a customer's account at the time of closure.</p> <p>Synergy will refund a customer through the same payment method utilised by the customer to pay Synergy. Payments made by customers through credit card and debit transfers are refunded in accordance with the payment methods. Should a customer have paid by cheque/cash deposit, the customer will be contacted and a method of repayment will be set up as agreed with the customer. If Synergy cannot contact the customer, a cheque will be sent to the last registered address. Synergy is understood to use their best endeavours to contact the customer in order to process a refund. If cheques are not presented the money will be kept in an "unclaimed money account" and will be transferred to the Department of Treasury after a 6 year period.</p> <p>Through sample based testing on customers closed accounts with debit balances, we determined that Synergy had sent out cheques or refunded customers, and used best endeavours to contact the customer in order to process a refund.</p> <p>Based on our enquiries, review of documentation and sample based testing, we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.15
Compliance Manual Reference	174 185
Obligation Description	Subject to a customer paying that portion of the bill under review that a customer and a retailer agree is not in dispute, or an amount equal to the average amount of the customer's bill over the previous 12 months (excluding the bill in dispute, whichever is less), and paying any future bills that are properly due, a retailer must review the customer's bill on request by the customer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team Leader and Complaints Team Leader, revealed sufficient policies and procedures to support compliance.</p> <p>Sample based testing of customer bill enquiries, logged during the audit period, and revealed that Synergy did not require the customer to pay any amount due for a billing enquiry that was under investigation.</p> <p>Further, an amount outstanding on a customer's account is clearly visible in an alert field within SAP. This preventative mechanism ensures that a customer does not pay a bill that is under investigation.</p> <p>Based on our enquiries and review of documentation, we have concluded that Synergy has adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.16(1)(a)
Compliance Manual Reference	175 186
Obligation Description	If a review of a bill has been conducted and the retailer is satisfied that the bill is correct, the retailer may require a customer to pay the unpaid amount; must advise the customer that the customer may request the retailer to arrange a meter test in accordance with the applicable law; and must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Customer Support Team indicated that Synergy has policies and procedures in place to support compliance with this licence condition.</p> <p>Walkthrough of procedure revealed once Synergy is satisfied that the bill is correct, the customer is informed of the outcome of the bill review and the findings are made available to the customer.</p> <p>Further, where a customer requests a meter test and the meter is deemed to be working correctly the customer may be charged with the costs associated with performing the meter test.</p> <p>This process includes the customer's right to be provided information with regard to Synergy's complaints handling process and the Energy Ombudsman contact details.</p> <p>Based on our enquiries, review of documentation, and testing we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.16(1)(b)
Compliance Manual Reference	176
Obligation Description	If a review of the bill has been conducted and a retailer is satisfied that the bill is incorrect, a retailer must adjust the bill in accordance with clauses 4.17 and 4.18.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with the Credit Management Team indicated that Synergy has policies and procedures in place to satisfy this licence condition.</p> <p>Sample based testing revealed instances where customers had been identified as undercharged or overcharged when a bill review had been conducted.</p> <p>In respect to bill reviews which customers had been identified as uncharged, we did not observe any instances of recovery periods exceeding the 12 month restriction.</p> <p>Review of letters and bills for those samples confirmed that interest was not charged and payment options were provided to enable the recovery of the undercharged amount. From our testing of a sample of customers who have been undercharged, the instalment plans agreed by Synergy with the customer are consistent with clause 4.17.</p> <p>Sample based testing of such instances where a customer had been overcharged and review of correspondence between customers confirmed that Synergy identifies the amount to be repaid, how the amount was determined and request for instructions from the customer with regards to their preferred payment method.</p> <p>Observation of dates on the letters communicated to customers, SAP interaction transcripts and the ability for Synergy to detect an overcharged amount confirmed that Synergy utilised its best endeavours to inform the customer accordingly within 10 business days. Further, we noted that the repayment of the overcharged</p>

	<p>amount occurs within 12 business days and if the customer fails to provide repayment instructions to Synergy, Synergy utilises their best endeavours to credit the amount overcharged to the customer's account.</p> <p>Based on our enquiries, review of documentation and sample based testing we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 4.16(2)	Code of Conduct clause 4.16(3)
Compliance Manual Reference	177 187	178
Obligation Description		
177	The retailer must inform a customer of the outcome of the review of a bill as soon as practicable.	
178	If the retailer has not informed a customer of the outcome of the review of a bill within 20 business days from the date of receipt of the request for review, the retailer must provide the customer with notification of the status of the review as soon as practicable.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Discussions with Manager Credit Management, Team Leader Customer Resolutions and Billing Team Leader indicated that Synergy has mechanisms in place to advise the customer the outcome of the review and where Synergy has not informed the customer of the outcome of the review within 20 business days. Synergy provides a notification of the status of the review as soon as practicable.</p> <p>Grant Thornton understands that Synergy treats a customer requesting a bill review to be a complaint as the customer requesting a bill review involves an expression of dissatisfaction requiring a response.</p> <p>A bill review request is typically received by a CSR. The CSR is then required to refer the customer to the Complaints department, this will in turn trigger a task to be raised with the Billing Team to review the bill.</p> <p>Sample based testing of customer bill review requests did not reveal any exceptions and Synergy had advised the customer of the outcome of the review within the 20 business day timeframe, as</p>	

	<p>specified by the Code of Conduct.</p> <p>Based on our enquiries, review of documentation and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 4.18(2)	Code of Conduct clause 4.18(6)
Compliance Manual Reference	180 189	183
Obligation Description		
180	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must use its best endeavours to inform the customer within 10 business days of a retailer becoming aware of the error, defect, or default, and, subject to sub clause 4.18(6), ask the customer for instructions as to whether the amount should be credited to the customer's account or repaid to the customer.	
183	Where the amount overcharged is less than \$75, refer to sub clause 4.18(6) as to how a retailer may proceed to deal with the matter.	
Reporting Type	NR	
Compliance Rating	5	
Audit Observations	<p>Discussions with Synergy personnel revealed that in the instance Synergy identifies and confirms a customer has been under or over charged, Synergy utilises its best endeavours to contact the customer and seek the customer preferred payment method to enable repayment.</p> <p>Further, Synergy has policies and procedures in place that detail how the retailer may deal with an amount overcharged less than \$75.</p> <p>Review of a number of customer's interaction log, who has been overcharged, confirmed that Synergy identified the amount to be repaid, how the amount was determined and a request for the preferred repayment method.</p>	

	<p>Review of written communication with customers, SAP interaction logs and the ability for Synergy to detect overcharged amounts confirmed that Synergy utilised its best endeavours to contact customers within 10 business days as a result of error, defect, or default on a customer's account.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.18(3)
Compliance Manual Reference	181 190
Obligation Description	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management indicated that Synergy had policies and procedures in place to ensure the customer is refunded the overcharged amount and notified of the overcharged amount within the timeframes specified. Synergy will then seek the customers preferred repayment method. In the case that a customer does not respond, Synergy's policy states they will credit the customer's account the amount overcharged.</p> <p>Sample based testing of repayments to customer's accounts of overcharged amounts and the correspondence between Synergy and its customers revealed that the repayments had been made within 12 business days of receiving the instructions.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.18(4)
Compliance Manual Reference	182 191
Obligation Description	In circumstances where instructions regarding repayment of an overcharged bill are not received within 20 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management indicated that in circumstances where an instruction regarding the repayment of an overcharged bill is not received, Synergy has an automated process in place to ensure that a repayment occurs within 20 business days.</p> <p>Our fieldwork indicated that Synergy had used reasonable endeavours to credit an amount overcharged to a customer who did not provide instructions regarding repayment within 20 business days.</p> <p>Based on our enquiries, review of documentation and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.19(1)
Compliance Manual Reference	184
Obligation Description	If a retailer proposes to recover from a customer an amount of an adjustment which does not arise due to any act or omission of the customer, a retailer must comply with subclause 4.19(1).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Walkthrough of the recovery process with the Manager Credit Management revealed that Synergy has a process in place for the recovery of undercharged amounts and the approach was observed to align with the manner as specified under this clause.</p> <p>Our review of Synergy's recovery process confirmed that Synergy does not seek to recover amounts outside of the prescribed timeframe. If such action is detected by Synergy, we understand that it will review the recovery amount to the maximum allowable period being 12 months.</p> <p>We were able to view a sample of adjusted accounts and confirm that the customer had been informed of the adjustment as a separate line item on their bill with a very short explanatory note. Further, Synergy revealed that it does not charge a late fee with respect to this activity.</p> <p>Through discussions with the Credit Management Team and Customer Service Representative Teams' we determined that the customer is offered an opportunity to pay those amounts due in an instalment plan agreed between the customer and Synergy. We understood that the opportunity to repay any amounts owing to be at least equal to the period with which the adjustment related.</p> <p>Sample based testing did not detect any exceptions in this regard. Discussions with Corporate Services revealed a sound understanding and application of this obligation.</p> <p>Based on our enquiries and review of the systems, we have concluded that Synergy has adequate and effective controls in place</p>

	to support its compliance with this licence obligation.
Recommendation	Nil

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.19(2)
Compliance Manual Reference	185
Obligation Description	If the meter is read pursuant to either clause 4.6 or clause 4.3(2)(d) and the amount of the adjustment is an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days and, subject to subclause (5), ask the customer for instructions about the repayment of the amount owing.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Quality Assurance and Performance Manager revealed that Synergy's practice relating to refunding a customer an overcharged amount, due to an adjustment, included notifying the customer of the amount to be repaid. Synergy then seeks the customers preferred repayment method.</p> <p>Our review of correspondence between customers, who have been overcharged, due to an adjustment, confirmed that Synergy identified the amount to be repaid, how the amount was determined and a requested instructions from the customer with regards to how they wished the repayment to be made.</p> <p>Review of correspondence with customers, SAP interaction logs and the ability for Synergy to identify an overcharged amount, due to an adjustment confirmed that Synergy utilised its best endeavours to inform the customers within the timeframe specified.</p> <p>Based on our enquiries, reviews, and testing, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.19(3)
Compliance Manual Reference	186
Obligation Description	If a retailer received instructions under sub clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Quality Assurance and Performance Manager indicated that Synergy notifies a customer of an amount overcharged due to an adjustment. Synergy then seeks further instructions from the customer in regards to their preferred repayment method. In the event a customer does not respond, Synergy will credit the customer's account the amount overcharged.</p> <p>Review of Synergy's policies and procedures indicated an alignment of the timeframes specified under sub clause 4.19(3).</p> <p>Further, review of a sample of repayments to customer's accounts of overcharged amounts and the correspondence between Synergy and its customers relating to the repayment of overcharged amounts to a customer verified that the repayments had been performed within the timeframes specified under the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.19(4)
Compliance Manual Reference	187
Obligation Description	If a retailer does not receive instructions under sub clause 4.19(2), within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Quality Assurance and Performance Manager indicated that if a customer does not provide Synergy instructions as to how a repayment is to be made, Synergy has an automated process in place to ensure that a repayment of the adjustment occurs within 20 business days.</p> <p>Review of policies and procedures indicated that the repayment process occurred within the timeframes specified within the Code of Conduct.</p> <p>Sample based testing of overcharged customer accounts and review of customers' billing data within SAP confirmed that Synergy used reasonable endeavours to provide credit within 20 business days where repayment instructions had not been received.</p> <p>Based on our enquiries, review of documentation and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.1
Compliance Manual Reference	188 192
Obligation Description	The due date on the bill must be at least 12 business days from the date of that bill. Unless a retailer specifies a later date, the date of dispatch is the date of the bill.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Billing Team leader indicated that the due date of a bill is an automated function with SAP.</p> <p>Further, it was provided that any changes required to be made to the due date was the responsibility of the T&T Team and any changes required to be made, would be reviewed by Corporate Services as it affects Synergy's compliance with the Code of Conduct.</p> <p>We noted that SAP restricted access to users who do not have the required authority to change the due date on customer bills.</p> <p>Sample based testing of a number of customer bills revealed no exceptions to the timeframe specified in the Code.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.2
Compliance Manual Reference	189 193
Obligation Description	A retailer must offer the following specified minimum payment methods in person at one or more payment outlets located within the Local Government District of the customer's supply address; by mail; for residential customers, by Centrepay, electronically by means of BPay or credit card; and by telephone by means of credit card.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Billing Team leader, walkthrough of the options offered to customers for the payment of bills identified that Synergy did offer the minimum payment options.</p> <p>Review of Synergy's webpage "pay my bill" confirmed the notification to its customers of the different methods by which they could make payment.</p> <p>We were able to select the preferred option which then provided further information or opportunity to transact electronically. Customers are able to make payment at their local Australia Post office.</p> <p>This information was also observed on a customer's bill.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.2(2)
Compliance Manual Reference	194
Obligation Description	A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Manager Business Partnership indicated that Synergy has implemented a web validation application via the Zumba project and IVR validation process via the PCI project in July 2012.</p> <p>Grant Thornton understands that Synergy engaged independent external consultants to determine their compliance around this licence obligation. Further, Synergy is required to complete a survey, annually, to maintain their SAQ compliance. This review process is a preventative control to monitor the integrity of the validation process.</p> <p>Review of policies and a training documentation, indicated that Synergy personnel were conversant with the Electronic Funds Transfer Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.4
Compliance Manual Reference	191 196
Obligation Description	Upon request, a retailer must accept payment in advance from a customer. Acceptance of an advance payment will not require a retailer to credit any interest to the amounts paid in advance. The minimum amount for which a retailer will accept an advance payment is \$20.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Manager Credit Management, walkthrough of the payment methods made available to customers and review of a sample of customer accounts indicated that Synergy is able to accept customer payments in advance.</p> <p>Manager Credit Management provided that whilst Synergy is able to accept the specified minimum amount of \$20 from customers who have been classified as experiencing financial hardship, Synergy has implemented a business decision not to require advance payments from these customers.</p> <p>We understand that customers have the ability to make advance payments without first obtaining approval from Synergy. Further, we note that the current payment methodologies available provide for customers to pay any amount greater than the debt owed to Synergy. Any amount deemed to be paid in advance is credited to the customer's next bill cycle.</p> <p>Based on our review of the policies and procedures in place, and the Centrepay and Auspost website, we are satisfied that Synergy offers to its customers the ability to make advanced payments in accordance with the prescribed conditions of this licence clause.</p> <p>Based on our walkthrough of policies, procedures, review of bill payment methodologies and review a sample of customers determined to be experiencing financial hardship, we have</p>

	concluded that there are adequate and effective controls in place to support compliance with the licence obligation.
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.5
Compliance Manual Reference	192 197
Obligation Description	If a customer is unable to pay by way of the methods described in clause 5.2, due to illness or absence, a retailer must offer a residential customer a redirection of the customer's bill to a third person at no charge.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of Synergy's processes and enquiries with the Contact Centre Team Leader, indicated that there is flexibility within SAP to alter the customer's billing address if requested due to illness or absence. Instructions are provided to the Customer Service Representatives that note a change to the billing address is to be provided free of charge.</p> <p>Based on these enquiries and a review of the processes and instructions, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.6(1)
Compliance Manual Reference	193 198
Obligation Description	A retailer must not charge a residential customer a late payment fee in the circumstances specified in subclause 5.6(1).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management, walkthrough of the financial hardship policy and procedures and a sample based testing of financial hardship customer accounts who had been sent late payment notices, indicated that Synergy does not charge a customer a late payment fee in the circumstances specified and in subclause 5.6 (1) of the Code of Conduct.</p> <p>The Manager Credit Management evidenced that a financial hardship customer incurs a late payment fee in SAP when a late payment letter is sent out however, the fee is simultaneously reversed. This is understood to be a SAP control measure to ensure the automatic SAP late payment notice is sent to the customer which then provides for a record of the date and time the notice was sent. The charge is simultaneously credited from the customer's account and thus an effective \$0 is charged to the customer.</p> <p>A sample of the late payment fee's charged to financial hardship customers demonstrated that these charges were charged and simultaneously credited to the customer's account. This confirmed the functional operation as described by the Manager of Credit Management.</p> <p>Based on the above information we are satisfied that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.6(2)
Compliance Manual Reference	194 199
Obligation Description	A retailer must not charge an additional late payment fee in relation to the same bill within five (5) business days from the date of receipt of the previous late payment fee notice.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management, walkthrough of the late payment fee policies and processes determined that Synergy does not charge residential customers more than one late payment fee within a 5 day period.</p> <p>The Manager Credit Management evidenced that SAP automatically sends out a late payment notice. There is a timeline automatically set up on SAP, that restricts a second late payment notice or legal letter to be sent out to the customer in relation to the same bill 7 business days after the previous late payment notice was sent out.</p> <p>Based on our review of the policies and procedures and sample testing of the customers' accounts that had dunning (collection) charges charged within 5 business days of each other, we determined that Synergy has adequate and effective controls in place to facilitate its compliance with this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.6(3)
Compliance Manual Reference	195 200
Obligation Description	A Retailer must not charge a residential customer more than two (2) late payment fees in relation to the same bill and no more than 12 late payment fees in a year.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management, walkthrough of the late payment fee policies and processes determined that Synergy has mechanisms in place to restrict the charging of residential customers more than two late payment fees with regards to the same bill and no more than 12 late payment fees in a year.</p> <p>The Manager Credit Management evidenced that SAP automatically sends out a late payment notice. There is an automated functionality built into SAP that restricts the charging of a late payment fee to a maximum of two fees for the same bill. Further, we understand that there is a control in place that restricts late payment fees to 12 in a one year period. Sample based testing did not reveal any exceptions in this regard.</p> <p>Based on our review of the policies and procedures and sample based testing of the customer's accounts that had late payment fees charged, we determined that Synergy has adequate and effective controls in place to comply with this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.6(4)
Compliance Manual Reference	196 201
Obligation Description	If a residential customer has been assessed by a Retailer as being in financial hardship, a Retailer must retrospectively waive any late payment fee charged to the residential customer's last bill prior to the assessment being made.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management and walkthrough of the late payment fee policies and processes determined that Synergy waives any late payment fee that were charged to the residential customer's last bill until an assessment for financial hardship has been made.</p> <p>The Manager Credit Management evidenced that the Customer Service Representatives (CSRs) are trained in Synergy's financial hardship policies which instruct them to process a reversal of any late payment fees that were charged prior to the customer being assessed as experiencing financial hardship.</p> <p>Based on our review of the policies and procedures and sample based testing of the customer's accounts who had late payment fees charged to their accounts prior to being designated as in financial hardship, we were able to determine that Synergy had reversed such charges. In this regard we have concluded that Synergy has adequate and effective controls in place to comply with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82		
Obligations Under	Code of Conduct clause 5.7(1)	Code of Conduct clause 5.7(2)	Code of Conduct clause 5.7(4)
Compliance Manual Reference	197 202	198 203	199 204
Obligation Description			
197	A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified in sub clause 5.7(1).		
198	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require a customer to pay for electricity consumed at the customer's supply address from the date the customer gave the retailer notice.		
199	Notwithstanding subclasses 5.7(1) and (2), a retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified in sub clause 5.7(4).		
Reporting Type	2		
Compliance Rating	5		
Audit Observations	<p>Discussions held with the Manager Credit Management revealed that Synergy records the vacation date within SAP. Further, the Manager Credit Management provided that a customer is not required to pay for electricity consumed at a supply address where the customer has advised Synergy of their vacation or Synergy has confirmed their vacation through alternative means.</p> <p>In the event that the customer indicates they have vacated the supply address and Synergy did not receive a notification, Synergy will contact the relevant real estate agent who will provide the vacation date. If a customer advises Synergy within 3 business days that they are vacating the supply address, a disconnection process is initiated which requires a final read and bill to be issued to the customer. The date on which this occurs is recorded within SAP</p>		

	<p>and logged in the customer's interaction notes. This process evidences Synergy's practice to not charge a customer for further electricity usage past the vacation date, including 5 days after the customer gave notice.</p> <p>Synergy has policies and procedures in place that instruct Synergy billing staff to deal with customers who have vacated the supply address in the manner prescribed by the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we are satisfied that Synergy has effective and adequate controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.8(1)
Compliance Manual Reference	200 205
Obligation Description	A Retailer must comply with Part 2 of the debt collection guideline issued by the Australian Competition and Consumer Commission concerning section 50 of the Australian Consumer Law (WA).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>The Credit Management Team has been provided the training to communicate effectively with customers throughout the debt recovery process. Further, Synergy's policies and procedures pertaining to debt collection indicated that a customer will receive written notification if the amount of debt exceeds the specified threshold.</p> <p>Grant Thornton understands that all customer involved in the debt recovery process are treated fairly, are not harassed, coerced or mislead regarding their debt.</p> <p>In the event Synergy is unable to recover the amount of debt owed by a customer, Synergy will refer the case to an outsourced debt recovery specialist.</p> <p>We sampled a number of recorded telephone conversations and no exceptions were detected to the prescribed mandates.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.8(2)
Compliance Manual Reference	201 206
Obligation Description	A Retailer must not commence proceedings for recovery of a debt from a residential customer who meets the criteria in sub clause 5.8(2).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management revealed that Synergy had policies and procedures in place to ensure it does not enforce the debt recovery process on customers who are making payments under an alternative payment arrangement for payment difficulty customers or experiencing financial hardship.</p> <p>Sample based testing of a number of customers who are experiencing financial hardship or making alternative payment arrangements for payment difficulty customers revealed that Synergy had not subjected these customers to the debt recovery process.</p> <p>Synergy has mechanisms in place to monitor updates of information for customers to ensure recovery actions do not occur under these conditions.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.8(3)
Compliance Manual Reference	202 207
Obligation Description	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 electricity to that supply address.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management indicated that Synergy does not recover or attempt to recover a debt relating to a supply address from a person other than the customer whom the retailer has entered into a contract for the supply of electricity. Sample based testing of those customers who are under debt recovery from Synergy revealed that all these customers were indeed account holders.</p> <p>Review of the incident register indicated that there were no cases that evidenced a debt recovery action had been taken on a person who did not have a contract in place for the supply of electricity.</p> <p>Based on our enquiries and review of documentation, we have concluded that Synergy has adequate and effective controls in place to support its compliance with the licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.1(2)
Compliance Manual Reference	204 209
Obligation Description	When undertaking an assessment regarding payment difficulties or financial hardship, a retailer must give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by an independent financial counsellor or relevant consumer representative organisation.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team indicated that Synergy Contact Centre staff gives reasonable consideration to the information given by a residential customer or advice given by an independent financial counsellor or relevant consumer representative organisation when providing an assessment for financial hardship or payment difficulties.</p> <p>Observation of case files revealed that all communication between Synergy and the customer was in written or electronic form. Further, any information that the customer provides to Synergy is presented in a timeline format for assessment by an authorised staff member.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.1(3)
Compliance Manual Reference	205 210
Obligation Description	Upon request, a Retailer must advise a residential customer of the details and outcome of an assessment carried out under sub clause 6.1(1).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management indicated that Synergy has policies and procedures in place to ensure that, on request, a residential customer is advised of the details and outcome of an assessment carried out under sub clause 6.1.(1)</p> <p>Further, the Manager Credit Management provided that the outcome and status of a financial hardship assessment is stored within SAP in the customer's interaction log.</p> <p>Sample based testing of a number of customer calls pertaining to financial hardship revealed that when a customer requests the details of their financial hardship assessment Synergy is able to provide this information as prescribed in the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82		
Obligations Under	Code of Conduct clause 6.2(1)	Code of Conduct clause 6.2(2)	Code of Conduct clause 6.2(3)
Compliance Manual Reference	206 211	207 212	208 213
Obligation Description			
206	A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer demonstrates to the retailer that the customer has made an appointment with a relevant consumer representative organisation.		
207	A Retailer must allow a temporary suspension of actions for a period of at least 15 business days.		
208	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation to allow additional time to assess a residential customer's capacity to pay.		
Reporting Type	2		
Compliance Rating	5		
Audit Observations	<p>Discussions with the Manager Credit Management indicated that Synergy has policies and procedures in place pertaining the temporary suspension of actions.</p> <p>If a customer has made an appointment with a relevant consumer representative organisation Synergy will temporary suspend their actions for a minimum of 15 business day to allow the consumer representative organisation to assess the customers capacity to pay.</p> <p>Further, Synergy will consider a request made by the customer or the consumer representative organisation to allow additional time for the customer's capacity to pay to be assessed.</p> <p>Review of a number of cases revealed that Synergy had complied with the above mandates pertaining to the temporary suspension</p>		

	<p>of actions.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 6.3(1)(a)	Code of Conduct clause 6.3(1)(b)
Compliance Manual Reference	209 214	210 214
Obligation Description		
209	In circumstances where a residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in sub clause 6.4(1) and advise the residential customer that additional assistance may be available if, due to financial hardship, the residential customer would be unable to meet its obligations under an agreed alternative payment arrangement	
210	In circumstances where a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in sub clause 6.4(1) and assistance in accordance with clauses 6.6 to 6.9	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Discussions with the Manager Credit Management indicated that the Customer Service Representatives and the Credit Management Officers have the ability to assess a customer for financial hardship and therefore offer alternative payment arrangements.</p> <p>Review of Synergy's policies and procedures confirmed that alternative payment arrangements must be offered to a customer experiencing financial hardship and additional assistance may be available.</p> <p>Further, review of Synergy's financial hardship policy revealed that Synergy can offer an extensive list of assistance options to customers in financial hardship. Synergy is able to provide information and support pertaining to the following programs:</p>	

	<ul style="list-style-type: none"> • Synergy's Keeping Connected Program; • Hardship Utility Grant Scheme (HUGS) and Home Energy Savers Scheme (HESS) provided by the State and Federal Governments. <p>Sample based testing of a number of customers who had been assessed as being in financial hardship revealed that the customers were offered alternative payment arrangements and additional information for assistance that may be provided.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.4(1)
Compliance Manual Reference	211 215
Obligation Description	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the following two (2) payment arrangements: additional time to pay a bill; and an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions held with the Manager Credit Management, revealed that Synergy has policies and procedures in place that instructs its Customer Service Representatives and Credit Management Team of the requirement to offer two payment arrangements, including an interest-free and fee-free instalment plan or other arrangement and additional time to pay a bill when a customer has been assessed as experiencing payment difficulties or financial hardship.</p> <p>Review of the financial hardship policy indicated that there were clear concise procedures to be followed by the Credit Management Team with regards to offering and establishing payment arrangements for these customers.</p> <p>Based on a review of a sample of customers who were determined to be experiencing payment difficulty or financial hardship, we observed that the customers were offered alternative payment arrangements in line with this obligation.</p> <p>Based on our enquiries, review of documentation, and sampled based testing, we have concluded that Synergy has adequate and effective controls in place to support its compliance with the licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.4(2)
Compliance Manual Reference	212 216
Obligation Description	When offering an installment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with sub clause 6.4(2).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team indicated that Synergy had policies and procedures in place to ensure a customer experiencing financial hardship or payment difficulties was offered an instalment plan detailing the requirements listed in sub clause 6.4(2).</p> <p>The Credit Management Officers provided that they determine the customer's usage needs and capacity to pay when calculating the period of the plan and the amount of the instalments to be made.</p> <p>Further, the period of the instalment plan, the number of instalments, the amount of the instalments which will pay the residential customer's arrears, if any, and estimated consumption during the period of the plan and how the amount of the instalments is calculated is noted within the customer notes within SAP and the customer is notified due to seasonal fluctuations in the customers usage, paying in instalments may result in the customer being in credit or debit during the period of the plan.</p> <p>Synergy provided that an instalment plan would not be calculated on the basis that the customer will be in credit at the end of the plan. Synergy has procedures in place to address payment difficulties a residential resident may face on the plan and has a provision for re-calculation in place to alter the amount of the instalment due to estimated consumption versus actual consumption.</p> <p>Sample based testing of customers on instalment plans revealed that Synergy had prescribed to information specified in sub clause</p>

	6.4(2). Based on our review of documentation and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.6(1)
Compliance Manual Reference	213 217
Obligation Description	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative organisation, for a reduction of the customer's fees, charges or debt.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Enquiries with the Credit Management Team revealed that Synergy has policies and procedures in place to ensure reasonable consideration is given to a request by a customer experiencing financial hardship for the reduction of fees, charges or debt.</p> <p>Review of Synergy's financial hardship policy revealed a statement pertaining to the consideration of a reduction in fees, charges and debt, on request.</p> <p>Our fieldwork revealed cases where Synergy had provided reasonable consideration to a customer experiencing financial hardship to reduce their fees, charges or debt.</p> <p>Further, we observed instances where Synergy had reduced a customer's debt.</p> <p>Based on our enquiries, review of documentation and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.6(2)
Compliance Manual Reference	214 218
Obligation Description	In giving reasonable consideration under sub clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in sub clause 6.10(2)(d).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team indicated that there were procedures in place to ensure that Synergy gives reasonable consideration under 6.6(1) and refers to the guidelines in its hardship policy.</p> <p>Further, Synergy personnel provided that the Credit Management Team receive training in Synergy's financial hardship policy on a regular basis. Walkthrough of a number of calls indicated that Credit Management Officers (CMOs) had complied with this licence condition under 6.6(2).</p> <p>Based on our fieldwork, we observed a monitoring mechanism in place to ensure that CMOs are aligning their actions to Synergy's policies and procedures. If a CMO is suspected to have deviated from standard practice, Synergy undertakes actions to ensure the CMO is aware of the misalignment to policies and procedures and the Corporate Services Team is notified of the potential breach.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.7
Compliance Manual Reference	215 219
Obligation Description	Where it is reasonably demonstrated to the retailer that the customer experiencing financial hardship is unable to meet the customer's obligations under the previously elected payment arrangement, a retailer must give reasonable consideration to offering the customer an installment plan or offering to revise an existing installment plan.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Enquiries with the Credit Management Team indicated that Synergy had policies and procedures in place to ensure that a customer who is experiencing financial hardship and cannot meet previously elected payment arrangements, reasonable consideration is given to alter or offer an instalment plan.</p> <p>The Manager Credit Management provided that CMOs are given flexibility to alter an instalment plan when they believe a customer's circumstances may have changed. Further, Synergy's standard practice alludes to each customer being assessed on an individual basis.</p> <p>Our fieldwork revealed instances where Synergy had provided reasonable consideration to customers experiencing financial hardship who requested a review of their instalment plan.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.8
Compliance Manual Reference	216 220
Obligation Description	A retailer must advise a customer experiencing financial hardship of the following: a customer's right to have the bill redirected to a third person, at no charge; payment methods available to the customer; concessions available to the customer and how to access them; different types of meters available to the customer; energy efficiency information available to the customer, including the option of an energy efficiency audit; independent financial counselling available to the customer; and the availability of any other financial assistance and grants schemes.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Credit Management determined that Synergy's financial hardship customers are referred to the financial hardship policy which can be sent through the post or is available online, when they are assessed as being in financial hardship.</p> <p>Based on our review of this policy we are satisfied that the policy documents the customer's right to have:</p> <ul style="list-style-type: none"> • Their bill directed to a third person at no charge; • Varied payment methods available; • Concessions available and how to access them; • Different types of meters available; • Energy efficient information available, including the option of an energy efficiency audit; • Independent financial counselling available; and • The availability of any other financial assistance and grants schemes. <p>Based on our enquiries and a sample of the calls from financial</p>

	hardship customers we concluded that there are adequate and effective controls in place to support compliance with this licence condition in terms of information provision to its customers.
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 6.9(1)	Code of Conduct clause 6.9(2)
Compliance Manual Reference	217 221	222
Obligation Description		
217	A retailer must determine the minimum payment in advance amount, as referred to in sub clause 5.4(3), for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representative organisations.	
222	A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Synergy personnel provided that a customer experiencing financial hardship may not have the capacity to pay the minimum amounts prescribed in advance.</p> <p>Discussions with Manager Credit Management indicated that Synergy does not prescribe a minimum fee in advance to a customer experiencing payment difficulties.</p> <p>Sample based testing of a number of calls confirmed that Synergy did not seek minimum payments from those customers experiencing financial hardship or payment difficulties.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 6.10(1)	Code of Conduct clause 6.10(2)
Compliance Manual Reference	218 223	219 224
Obligation Description		
218	A retailer must develop a hardship policy to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer	
219	A retailer must ensure that its hardship policy complies with the criteria specified in sub clause 6.10(2).	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Discussions with the Manager Credit Management indicated that Synergy had developed a financial hardship policy. Further, we obtained a copy of the financial hardship policy through Synergy's website.</p> <p>Review of the policy revealed that it complied with the criteria specified in sub clause 6.10(2) and Synergy undertook a review of the policy on a regular basis.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.10(3)
Compliance Manual Reference	220 225
Obligation Description	A retailer must give residential customers, financial counselors and relevant consumer representative organisations details of the retailer's hardship policy, at no charge. The retailer must provide all residential customers identified as experiencing financial hardship with details of its hardship policy, including by post, if requested.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Walkthrough of process revealed that CSRs and CMOs are aware of the requirement to provide residential customers, financial counsellors and relevant consumer representative organisations details of the hardship policy free of charge.</p> <p>Further, we were able to obtain a copy of the financial hardship policy through Synergy's website, at no charge.</p> <p>Synergy personnel further provided that a customer can obtain a copy of the financial hardship policy at Synergy's head office or, if the customer requests, the policy can be mailed to one of the parties mentioned in the clause.</p> <p>Based on our enquiries, walkthrough of process and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.10(4)
Compliance Manual Reference	221 226
Obligation Description	A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy; the date the hardship policy was established; the dates the hardship policy was reviewed; and the dates the hardship policy was amended.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of Synergy's Financial Hardship Policy and surrounding documentation indicated that Grant Thornton was able to obtain a record of the:</p> <ul style="list-style-type: none"> • Date the hardship policy was established; • Date the hardship policy was reviewed; and • Relevant consumer representative organisations consulted on the contents of its hardship policy. <p>Based on review of the documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 6.10(5)	Code of Conduct clause 6.10(7)
Compliance Manual Reference	222 227	223 228
Obligation Description		
222	Unless otherwise notified in writing by the Authority, a retailer must review its hardship policy at least annually and submit to the Authority the results of that review within five (5) business days of its completion.	
223	Any review of a retailer's hardship policy must have regard to the Authority's Financial Hardship Policy Guidelines.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Review of documentation surrounding the financial hardship policy review process indicated that Synergy undertakes an annual review of the financial hardship policy giving consideration to the Authority's Financial Hardship Policy Guidelines.</p> <p>Further, we understand that Synergy engages with relevant agencies and customer bodies through our review process.</p> <p>Review of correspondence between the Authority and Synergy indicated the policy and report detailing the review process and outcome was sent to the Authority with the prescribed timeframe.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support this licence condition.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.11
Compliance Manual Reference	224 229
Obligation Description	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Manager Credit Management indicated that Synergy utilises the same policies and procedures whether dealing with a business or residential customer experiencing financial hardship. Further, we understand that Synergy offers alternative payment arrangements to businesses that are facing payment difficulties.</p> <p>Review of a number of business accounts who were experiencing payment difficulty indicated that Synergy had considered any reasonable request for alternative payment arrangements.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.2(1)
Compliance Manual Reference	226 231
Obligation Description	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in sub clause 7.2(1).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team revealed Synergy has processes and procedures in place to ensure that disconnection does not occur for failure to pay bill in the circumstances specified in sub clause 7.2(1)</p> <p>Sample based testing of disconnections undertaken confirmed that customers have not been disconnected for failure to pay a bill in conditions provided within the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.3
Compliance Manual Reference	227 232
Obligation Description	In relation to dual fuel contracts, a retailer must not arrange for disconnection of the customer's supply address for failure to pay a bill within 15 business days from arranging for disconnection of the customer's gas supply.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team indicated that Synergy has policies and procedures in place to ensure that a customer's electricity supply is not disconnected for failure to pay a bill within 15 business days from arranging for the disconnection of the customer's gas supply.</p> <p>Sample based testing of disconnection work orders during the audit period, revealed that Synergy had adhered to the condition specified in clause 7.3.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.4(1)
Compliance Manual Reference	228 233
Obligation Description	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in sub clause 7.4(1) are satisfied.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team indicated that Synergy had policies and procedures in place to ensure that Synergy does not arrange for a disconnection for denying access to the meter unless the conditions under 7.4(1) have been met.</p> <p>Our fieldwork revealed that Synergy had monitoring mechanisms in place to ensure a disconnection does not occur for denying access to a meter.</p> <p>Sample based testing of disconnection work orders performed with the audit period revealed no instances where a customer was disconnected for denying access to a meter.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.7(1)
Compliance Manual Reference	231 236
Obligation Description	Where a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment, the retailer must comply with sub clause 7.7(1).
Reporting Type	1
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team indicated that Synergy has policies and procedures in place to satisfy the conditions under sub clause 7.7(1).</p> <p>Walkthrough of the life support registration process revealed the customer would advise Synergy of a customer requiring life support through telephone, email or fax. A member of the life support team will then flag the customer's account, put the relevant details on the life support register and require the customer to complete an "Application for Life Support Identification" form and return to Synergy within 4 – 6 weeks. If the customer does not return the application form within the specified timeframe Synergy will activate a process to remove the customer from the life support register. If the Medical Practitioner's confirmation is received after the 4-6 week expiry period, the life support registration is updated to reflect the medical certification that has been provided and Western Power notified accordingly in accordance with the timeframes specified in the Code of Conduct.</p> <p>Sample based testing of life support listings received by Synergy revealed that Synergy had registered the person for life support, notified the distributor of the customers supply address within the time frames specified and had not arranged for disconnection for failure to pay a bill.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to</p>

	support compliance with this licence obligation.
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 8.1(1)
Compliance Manual Reference	235 238
Obligation Description	A retailer must arrange for reconnection of the customer's supply address if the customer remedies their breach, makes a request for reconnection, and pays the retailer's reasonable charges (if any) for reconnection, or accepts an offer of an installment plan for the retailer's reasonable charges.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Walkthrough of the reconnection process with the Credit Management Team revealed that Synergy as developed and implemented procedures to ensure that it forwards a reconnection request upon a customer remedying the cause behind the disconnection at their address.</p> <p>Sample based testing and review of customers' interaction history for disconnected supply addresses revealed that if a customer had remedied their breach, made a request for reconnection, paid the retailer's reasonable charge for reconnection or has accepted an offer of an instalment plan for reconnection, Synergy had arranged for reconnection within the specified timeframes.</p> <p>Based on sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.1(2)
Compliance Manual Reference	238 243
Obligation Description	A distributor may only operate a pre-payment meter and a retailer may only offer a pre-payment meter service in an area that has been declared by the Minister by notice published in the Government Gazette.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of the Western Australian Government Gazette dated the 29 June 2010 indicated the Minister for Energy declared the Ninga Mia Community as an area that may be offered pre-payment meter services.</p> <p>Review of Synergy's customer list revealed that 17 customers, of the Ninga Mia Community, were listed as being on pre-payment meter services, within the audit period.</p> <p>Based on our examination of documentation and enquiries we are satisfied that Synergy has effective and adequate controls in place to comply with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.2(1)
Compliance Manual Reference	239 244
Obligation Description	A retailer must not provide a pre-payment meter service at a residential customer's supply address without the verifiable consent of the customer or the customer's nominated representative.
Reporting Type	2
Compliance Rating	NR
Audit Observations	Discussions with Synergy staff revealed that whilst a pre-payment meter had been replaced by a like meter, there were no further activities with respect to providing customers with a pre-payment meter during the audit period. Based on the absence of activity, we are unable to rate this obligation.
Recommendation	Nil

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.2(2)
Compliance Manual Reference	240 245
Obligation Description	A retailer must establish an account for each pre-payment meter operating at a residential customer's supply address.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel indicated that an account for each prepayment meter operating in the Ninga Mia Community had been established.</p> <p>Review of the customer list on, as at 30 June 2013, revealed 17 pre-payment meter customers, each referenced with a unique account number.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.2(3)
Compliance Manual Reference	241 246
Obligation Description	A retailer must not, in relation to the offer of, or provision of a pre-payment meter service, engage in conduct that is misleading, deceptive or likely to mislead or deceive, or that is unconscionable, or exert undue pressure on a customer, nor harass or coerce a customer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Billing Team Leader, Product Manager and Quality and Process Coordinator indicated that Synergy personnel with involvement with pre-payment meters are required to complete the Code of Conduct training. We understand that no complaints were received from pre-payment customers during the audit period.</p> <p>Review of marketing materials and notifications provided to prepayment meter customers did not indicate any such conduct which is prohibited under this license condition.</p> <p>Based on review of documentation and enquiries we are satisfied that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82			
Obligations Under	Code of Conduct clause 9.3(1)	Code of Conduct clause 9.3(2)	Code of Conduct clause 9.3(3)	Code of Conduct clause 9.3(4)
Compliance Manual Reference	242 247	243 247	244 247	245 247
Obligation Description				
242	A retailer must advise a residential customer who requests information on the use of a pre-payment meter, at no charge, and in clear, simple and concise language, the information specified in sub clause 9.3(1).			
243	At the time a residential customer enters into a pre-payment meter contract at a residential customer's supply address, a retailer must give the customer (at no charge) the information specified in sub clause 9.3(1), as well as that in sub clause 9.3(2).			
244	A retailer must ensure that the following information is shown on or directly adjacent to a residential customer's pre-payment meter: the positive or negative financial balance of the pre-payment meter within one dollar (\$1) of the actual balance; whether the pre-payment meter is operating on normal credit or emergency credit; a telephone number for enquiries; the distributor's 24-hour telephone number for faults and emergencies; and details of recharge facilities.			
245	Upon request and at no charge, a retailer must give a pre-payment meter customer the following information: total energy consumption; average daily consumption; and the average daily cost of consumption for the previous two (2) years, or since the commencement of the pre-payment meter contract (whichever is shorter), divided into quarterly segments.			
Reporting Type	2			
Compliance Rating	5			

Audit Observations	<p>Enquiries with Synergy personnel indicated that the marketing material provided to pre-payment customers is developed in a manner that is simple, clear and concise, at no charge to the customer.</p> <p>Sample testing did not reveal any instances where a customer had requested information in accordance with clause 9.3(1). However, we observed that Synergy has mechanisms in place to provide the information if requested.</p> <p>Further, Synergy has policies and procedures in place to ensure pre-payment customers are provided the information specified in sub clause 9.3(2).</p> <p>Sample based testing of consumption data for prepayment meters, verified such information as required by the Code of Conduct is available to the customer, without exception.</p> <p>Based on our enquiries, review of documentation, and sample based testing we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	<p>Nil.</p>

Licence Clause	Electricity Industry Act section 82			
Obligations Under	Code of Conduct clause 9.4(1)	Code of Conduct clause 9.4(2)	Code of Conduct clause 9.4(4)	Code of Conduct clause 9.4(5)
Compliance Manual Reference	246 248	247	248	249 250
Obligation Description				
246	If a pre-payment meter customer notifies a retailer that it wants to replace or switch the pre-payment meter to a standard meter, within one (1) business day of the request the retailer must send the specified information to the customer and arrange with the relevant distributor to remove or render non-operational the pre-payment meter, and replace or switch the pre-payment meter to a standard meter.			
247	A retailer must not require payment of a charge for reversion to a standard meter if the pre-payment customer is a residential customer and that customer, or their nominated representative, requests reversion of a pre-payment meter within three (3) months of its installation or the date the customer agreed to enter into the pre-payment contract, whichever is the latter.			
248	If a retailer requests the distributor to revert a pre-payment meter, the distributor must do so within five (5) business days of receipt of the request for supply addresses within the metropolitan region; and within 10 days for supply addresses within regional areas.			
249	Not less than 20 business days and not more than 40 business days prior to the expiry of the initial three (3) month period, a retailer must send a notice in writing or by electronic means to a residential pre-payment meter customer advising the customer of the date of the expiry of the customer's rights to revert to a standard meter at no charge, as well as the options available to the residential pre-payment meter customer.			
Reporting Type	2			

Compliance Rating	N/R
Audit Observations	<p>Discussions with Synergy personnel and review of documentation available to pre-payment meter customers confirmed that the prescribed information was presented in a manner that is clear, simple and concise and the information was available at no charge.</p> <p>As at 30 June 2013, Synergy had 17 customers listed on the pre-payment meter scheme. Further, we were provided that Synergy had not engaged any new customers to the pre-payment meter scheme.</p> <p>Our fieldwork indicated that Synergy has policies, procedures and contractual arrangements, in place, with the Network Operator for the provision of metering services to manage the pre-payment meter scheme. We were advised that Synergy has not had any requests from the Ninga Mia Community to switch from pre-payment meters to a standard meter during the audit period.</p> <p>Due to the absence of activity within the audit period, we are unable to rate the compliance of this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 9.5(1)	Code of Conduct clause 9.5(2)
Compliance Manual Reference	250 251	251 252
Obligation Description		
250	A retailer must not provide a pre-payment meter service if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment.	
251	If a pre-payment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must, or must immediately arrange to, remove or render non-operational the pre-payment meter at no charge; replace or switch the pre-payment meter to a standard meter at no charge; and provide information to the pre-payment meter customer about the contract options available to the customer.	
Reporting Type	1	
Compliance Rating	5	
Audit Observations	<p>As at 30 June 2013, Synergy had 17 customers on the pre-payment meter scheme.</p> <p>Enquiries with the Pre-payment Team revealed that the GIHO was advised that a pre-payment meter may not be installed or operated at a residential address where a resident requires life support equipment.</p> <p>Review of policies and procedures relating to the above obligations revealed that Synergy has mechanisms in place to ensure that a pre-payment meter is not operated nor installed at a supply address where the resident requires life support equipment.</p> <p>Further, if Synergy is notified of a resident at a supply address requiring life support where a pre-payment meter is installed, Synergy will immediately arrange to, remove or render non-operational the pre-payment meter at no charge.</p>	

	<p>Testing of the pre-payment customer list and the life support register revealed no exceptions where a pre-payment customer appeared on the life support register.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.6
Compliance Manual Reference	253 254
Obligation Description	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in sub clause 9.6.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Discussions with Synergy indicated that a pre-payment meter service complies with sub clause 9.6 of the Code of Conduct.</p> <p>Further, enquiries indicated that Synergy has not requested the Network Operator to install any new pre-payment meters within the scope period.</p> <p>Due to the absence of audit activity, we are unable to rate the compliance of this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.7(a), (b), and (d)
Compliance Manual Reference	254 255
Obligation Description	A retailer must ensure that: at least one recharge facility is located as close as practicable to a pre-payment meter, and in any case no further than 40 kilometres away; a pre-payment meter customer can access a recharge facility at least three (3) hours per day, five (5) days a week; and the minimum amount to be credited by a recharge facility does not exceed \$10 per increment.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of the agreement between Synergy and the recharge facility revealed that prepayment meter customers have the ability to access the facility in the time frames as specified by the Code of Conduct. Further, minimum amounts to be credited and hours of operations were specified and are in line with the Code of Conduct.</p> <p>We acquired the addresses of all prepayment meters and the mapped the location of the recharge facility and confirmed that the meters were no more than 40 kilometres away from the recharge facility.</p> <p>Discussions with Synergy revealed that the recharge increments do not exceed the prescribed amount. However the customer is able to obtain multiple increments if required.</p> <p>Based on our enquiries and review of documentation, we conclude that there are effective and adequate controls in place to support compliance with this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.8
Compliance Manual Reference	255 256
Obligation Description	If a pre-payment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, a retailer must ensure that the pre-payment meter customer receives the benefit of the concession.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Review of Synergy's policies and procedures revealed a number of concessions listed that entitle a pre-payment customer to receive a benefit. Discussions with the Manager Retail, Regulatory and Compliance further revealed that concession rates (supply charge rebate and subsequently the cost of living assistance) are applied to the applicable tariff. If the customer was entitled to multiple concessions and applied for those concessions, the concessions would be paid by Synergy into the nominated customer's bank account.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.9(1)
Compliance Manual Reference	256 257
Obligation Description	If requested by a pre-payment meter customer, a retailer must make immediate arrangements to check the metering data, test the pre-payment meter, and/or arrange for a test of the metering installation at the connection point.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Discussions with the Pre-payment Meter Team indicated Synergy has processes in place which support compliance with the requirements of clause 9.9(1) of the Code of Conduct.</p> <p>Further, Grant Thornton was advised that for the audit period, Synergy has not received a request by a pre-payment meter customer to check the metering data, test the prepayment meter or to arrange a test of the metering installation.</p> <p>Due to the absence of audit activity within the scope period, we are unable to rate the compliance of this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.10(1)
Compliance Manual Reference	259 260
Obligation Description	Subject to the pre-payment meter customer notifying a retailer of the proposed vacation date, a retailer must ensure that a pre-payment customer can retrieve all remaining credit at the time the pre-payment meter customer vacates the supply address.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel revealed that there policies and procedures in place to ensure a pre-payment customer can retrieve all remaining credit at the time the pre-payment customer vacates the supply address.</p> <p>Walkthrough of process indicated that when Synergy receives notification that a pre-payment customer is vacating a supply address Synergy obtains a final meter reading to calculate the amount of credit due to the customer.</p> <p>Further, we understand that there have been no instances, within the scope period, where a pre-payment meter customer requires a refund on vacation of a supply address.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82			
Obligations Under	Code of Conduct clause 9.10(2)	Code of Conduct clause 9.10(3)	Code of Conduct clause 9.10(4)	Code of Conduct clause 9.10(6)
Compliance Manual Reference	260 261	261 262	262 263	263 264
Obligation Description				
260	If a pre-payment meter customer (including a pre-payment meter customer who has vacated the address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must (except in the circumstances in 9.10(7)) use its best endeavours to inform the pre-payment meter customer accordingly within 10 business days of the retailer becoming aware of the error and seek reimbursement instructions from the customer or credit the customer’s account if permitted.			
261	The retailer must pay the amount in accordance with the pre-payment meter customer’s instructions within 12 business days of receiving the instructions			
262	If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer’s account			
263	If a retailer proposes to recover an amount undercharged to a pre-payment meter customer as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified in sub clause 9.10(6).			
Reporting Type	Type NR – 260, 262		Type 2 – 261, 263	
Compliance Rating	5			
Audit Observations	Discussions with Synergy personnel indicated that there were policies and procedures in place to support compliance of the above obligations.			

	<p>We understand that if a pre-payment customer was overcharged due an act or omission from Synergy or the Network Operator, Synergy would seek the customer's preferred repayment method to refund the customer in the timeframes specified. In the event a pre-payment meter customer requires a refund, and does not provide their preferred payment method, Synergy will offer the customer a pre-paid card rounded up to the nearest \$10 or a cheque.</p> <p>Further, Synergy provided that if a pre-payment meter was overcharging, it would be due a fault or the incorrect tariff information was programmed into the meter.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.11
Compliance Manual Reference	264 265
Obligation Description	Where a customer owes a debt to a retailer, the retailer may only adjust the tariff payable by a pre-payment meter customer to recover any amount owing at a maximum of \$10 on the first day, and then at a rate of no more than \$2 per day thereafter, unless otherwise authorised by an applicable law.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Credit Management Team Leader, and review of Synergy's policies and procedures, indicated that Synergy only recovers a maximum \$10 from a pre-payment meter customer on the first day and a rate of no more than \$2 thereafter.</p> <p>Further, Synergy personnel appeared to be well versed with the requirements of this obligation.</p> <p>Sample based testing of pre-payment meter customer accounts did not reveal any non-compliance with this obligation.</p> <p>Based on our enquiries, review of documentation and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.12(1)
Compliance Manual Reference	265 266
Obligation Description	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation for a waiver of any fee to replace or switch a pre-payment meter to a standard meter.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Discussions with Synergy personnel indicated that Synergy has policies and procedures in place to waive any fee to replace or switch a pre-payment meter to a standard meter.</p> <p>Review of the contract between Synergy and the Network Operator confirmed the existence of this requirement as specified in the Code of Conduct.</p> <p>Further, Synergy provided that they had not had any request from pre-payment customers to replace or switch a pre-payment meter to a standard meter.</p> <p>Due to the absence of audit activity within the scope period, we are unable to rate the compliance of this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clauses 9.12(2) and (3)
Compliance Manual Reference	266 267
Obligation Description	Where a retailer is informed by a pre-payment meter customer that the customer is experiencing payment difficulties or financial hardship, or the retailer identifies the customer as having been disconnected in the manner specified in sub clause 9.12(2)(b), the retailer must use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in sub clause 9.12(2)(c)-(g) and in the manner stated in sub clause 9.12(3).
Reporting Type	NR
Compliance Rating	N/R
Audit Observations	<p>Enquiries with Synergy indicated that there were policies and procedures in place to ensure that Synergy uses its best endeavours to help a pre-payment meter customer experiencing financial hardship.</p> <p>Discussions with Manager Financial Hardship revealed that Synergy does not disconnect pre-payment meter customers. By the very nature of the pre-payment meter, the only time supply of electricity may be interrupted is when the credit amount on the prepayment card has been consumed.</p> <p>Where a pre-payment meter customer advises Synergy of financial hardship, the customer would be escalated to the Credit Management Team. The customer would then be assessed in accordance with the payment difficulties and financial hardship policies.</p> <p>The Credit Management Team has identified that it is able to provide the pre-payment meter customer with a pre-paid card with a credit balance to facilitate the supply of electricity that can be used in the pre-payment meter.</p> <p>Synergy has provided that there have been no requests for assistance or by pre-payment customers.</p>

	Due to the absence of audit activity within the scope period, we are unable to rate the compliance of this licence obligation.
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.13(3)
Compliance Manual Reference	267 268
Obligation Description	Where a grandfathered pre-payment meter is upgraded or modified, the modified or upgraded pre-payment meter must comply with the applicable requirements of Part 9.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Based on sample testing and the discovery of the replacement prepayment meter activity that had occurred during the audit period, we noted that a pre-payment meter was replaced with an identical meter.</p> <p>Discussions with Manager Retail Regulatory and Compliance confirmed sound understanding of both the implication and application of the grand-father clause.</p> <p>Through enquiries made and explanatory notes provided with respect to the specifications of the pre-payment meter used to replace the existing pre-payment meter, we determined that Synergy has processes in place to address the requirements of Part 9 of the Code of Conduct.</p> <p>Metering staff also confirmed their understanding and the obligations of the Part 9 and the impact of selecting any pre-payment meter that does not meet the grandfathering clause.</p> <p>Based on review of documentation, walkthrough of process and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.1(1)
Compliance Manual Reference	268 269
Obligation Description	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation as soon as practicable after the variation is published and no later than the next bill in the customer's billing cycle.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel indicated that there were policies and procedures in place to notify customers affected by a variation in tariff as soon as practicable and no later than the next bill in the customers billing cycle</p> <p>Sample based testing of customers with tariff variations within the scope period confirmed the controls operating effectiveness.</p> <p>Walkthrough of process revealed that Synergy had given notice of tariffs variations in accordance with the licence obligation.</p> <p>Based on review of documentation, walkthrough of process and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.1(2)
Compliance Manual Reference	269 270
Obligation Description	Upon request and at no charge, a retailer must provide a customer with reasonable information on the retailer's tariffs, including alternative tariffs.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Team Leader, indicated the information is easily provided upon request as Customer Service Representatives are instructed to provide the information or guide the customer to Synergy's website, where the information is clearly laid out. Navigation of Synergy's website noted the information is available under:</p> <p>https://www.synergy.net.au/at_home/prices.xhtml.</p> <p>Based on enquiries and review of information available on Synergy's website, we have concluded that there are adequate and effective controls in place to support compliance with the licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.1(3)
Compliance Manual Reference	270 271
Obligation Description	A retailer must give a customer the information requested on tariffs within eight (8) business days of the date of receipt, and, if requested, a retailer must provide the information in writing.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of the relevant procedures, processes and instructions revealed that all requests for tariff information is to be logged and followed up on within the 8 day business rule, in writing.</p> <p>Sample based testing of requests demonstrated that the tariff information was being provided, in writing via a brochure, within 8 business days of the request.</p> <p>Based on our review of the processes and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with the licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.2(1)
Compliance Manual Reference	271 272
Obligation Description	Upon request, a retailer must provide a non-contestable customer with their billing data.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Contact Centre staff indicated that Synergy has policies and procedures in place to provide a non-contestable customer with their billing data.</p> <p>Walkthrough of process revealed instances where CSR's have provided non-contestable customers with their billing data, on request.</p> <p>Based on our enquiries, review of documentation and walkthrough, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.2(2)
Compliance Manual Reference	272 273
Obligation Description	If a non-contestable customer requests billing data for a period less than the previous two (2) years and no more than once a year, or in relation to a dispute with the retailer, a retailer must provide the data at no charge.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Billing Team Leader, Customer Contact Centre Manager, Credit Management Team Leader, and the Customer Resolutions Team Leader indicated that Synergy has processes and practices to enable the provision of providing such billing data in accordance with this clause.</p> <p>Our fieldwork revealed that historical billing data was available in SAP.</p> <p>Walkthrough of process revealed that if a customer requests billing data for a period less than 2 years or in relation to a dispute and no more than once per year a CSR has the ability to provide this information on the completion of a three-point identity check.</p> <p>Further, review of Synergy's web portal revealed that a customer's billing data is available to the customer at no charge.</p> <p>Based on our enquiries, sample based testing and walkthrough of process, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.2(3)
Compliance Manual Reference	273 274
Obligation Description	A retailer must give the requested billing data under sub clause 10.2(1) within 10 business days of the receipt of the request or upon the payment of the retailer's reasonable charge for providing the billing data.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with Contact Centre staff indicated that Synergy has policies and a procedure in place to ensure Synergy provides a customer with the requested billing data under sub clause 10.2(1) within 10 business days of receiving the request.</p> <p>Review of Synergy's policies and procedures revealed BAU process to provide customers billing data free of charge.</p> <p>Sample based testing of customers who had requested billing data revealed that Synergy did not charge for the provision of this information.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.2(4)
Compliance Manual Reference	274 275
Obligation Description	A retailer must keep a non-contestable customer's billing data for seven (7) years.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Team Leader Billing indicated that Synergy has processes and practices in place to ensure a non-contestable customer's billing data is maintained for a minimum period of 7 years within SAP and in the legacy system Valhalla.</p> <p>Our fieldwork revealed that billing data for the previous 7 years could be obtained on request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.3
Compliance Manual Reference	275 276
Obligation Description	Upon request and at no charge, a retailer must provide a residential customer with information on the types of concessions available to the residential customer and the name and contact details of the organisation responsible for administering those concessions (if not the retailer).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Team Leader revealed that Synergy has several mediums to provide information on the types of concessions as well as the name and contract details of the organisation that is responsible for administering those concessions – Centrelink.</p> <p>We confirmed the existence of those mediums, free of charge, as follows:</p> <ul style="list-style-type: none"> • Review of Synergy's website, where the information was available specifically at https://www.synergy.net.au/at_home/concessions_and_rebates.xhtml; and https://www.synergy.net.au/docs/Concession_and_Rebates_Terms_and_Conditions.pdf. • Review of the Synergy Customer Service Charter, revealed that contact information is provided with concession information. • Review of Synergy's life support equipment application forms, noting concession information provided. <p>Further, review of Synergy's website confirmed that it provided information and linkages to a range of concessions that are available to customers. Key information was able to be sourced from the Hardship Policy which is also made available on its website.</p>

	<ul style="list-style-type: none"> • http://www.synergy.net.au/docs/Financial_Hardship_Policy_MSFE.pdf <p>Synergy also made available information with regards to a range of other concession available including contact details for those who may require further assistance.</p> <p>Based on our review of the above mediums, we have concluded that there is adequate information available on concessions and the organisation responsible for administering those concessions, to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.3A
Compliance Manual Reference	276 277
Obligation Description	At least once a year, a retailer must provide a customer with written details of the retailer's and distributor's obligations to make payments to the customer under Part 14 of this Code and under any other legislation in Western Australia, including the amount of the payment and the eligibility criteria for the payment.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Customer Service Team indicated that Synergy produces a quarterly magazine outlining Synergy's and the Network Operator's obligation to provide Service Standard Payments under Part 14 of the Code.</p> <p>Review of the "Synergy Life" magazine revealed this information was published in the magazine on a yearly basis.</p> <p>Based on the above observations, enquiries and review of documentation we have concluded that Synergy has adequate and effective controls in place to support its compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.4
Compliance Manual Reference	277 278
Obligation Description	Upon request and at no charge, a retailer must provide a customer with general information on cost effective and efficient ways to utilise electricity; how a customer may arrange for an energy efficiency audit at the customer's supply address; and the typical running costs of major domestic appliances.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Team Leader revealed that the entity has several mediums of communicating energy efficient information to its customers. Per review of Synergy's instructions and processes, Customer Service Representatives are to provide information to customers upon request and at no charge.</p> <p>We confirmed the existence of those mediums, free of charge, as follows:</p> <ul style="list-style-type: none"> • Review of Synergy's website, where the information was available specifically at https://www.synergy.net.au/at_home/energy_saving_tips.xhtml. • Review of an external site, of which Customer Service Representatives are instructed to inform their callers of, at www.switchthefuture.com.au. • Review of instructions for Customer Service Representatives to suggest the customer invest in a home energy audit and how they can go about obtaining this service. <p>Based on our review of the above mediums, we have concluded that there is adequate information available, to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.5
Compliance Manual Reference	278 279
Obligation Description	If asked by a customer for information relating to the distribution of electricity, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with Contact Centre personnel indicated that Synergy has mechanisms in place to provide the customer with the relevant information or refer the customer to the distributor.</p> <p>Review of Synergy's website revealed that the information is readily available at: https://www.synergy.net.au/faults_and_emergencies.xhtml. This information can be communicated to any customers or can be emailed or posted to the customer in a timely manner.</p> <p>Based on our enquiries and review of Synergy's website, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.9
Compliance Manual Reference	286 287
Obligation Description	To the extent practicable, a retailer and distributor must ensure that any written information that must be given to a customer by the retailer or distributor or its electricity marketing agent under the Code of Conduct is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with the Customer Service and Marketing department revealed that written information provided to a customer is expressed in accordance with the specified requirements under the Code of Conduct. Quality review and compliance is managed through mapping the Code's requirements by Synergy's Corporate Services department who provide advice on the material to be printed. Synergy also utilises the expertise of external legal partners to check and make necessary amendments to written information.</p> <p>Review of documents provided to customers by Synergy and records of the drafting of the documentation revealed that written information given to customers is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.</p> <p>Through the above enquiries, observations and sample based testing of documents, we have concluded that Synergy has adequate and effective controls in place to manage its compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 10.10(1)	Code of Conduct clause 10.10(3)
Compliance Manual Reference	287 288	289 290
Obligation Description		
287	Upon request, a retailer and a distributor must tell a customer how the customer can obtain a copy of the Code of Conduct.	
289	A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Enquiries with the Manager Contact Centre indicated that Synergy has procedures in place to provide customers with a copy of the Code of Conduct, free of charge.</p> <p>We observed that CSR's and the reception staff at Synergy's head office were well conversant in the provision of the Code of Conduct to customers, free of charge.</p> <p>Based on our enquiries and review of documents, we have concluded that Synergy has adequate and effective controls in place to support its compliance with the licence obligation.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.11(1)
Compliance Manual Reference	290 291
Obligation Description	Upon request and at no charge, a retailer and a distributor must make available to a residential customer services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Compliance Coordinator and the Contact Centre indicated that Synergy has mechanisms in place to provide the customer, services that assist in interpreting information.</p> <p>Walkthrough of process revealed that if a customer requests assistance in interpreting information the CSR would refer the customer to their interpretative services. This service is available on Synergy's Knowledge Base and provides the CSR with the tools to communicate with a customer requiring interpretative services.</p> <p>Review of Synergy's Customer Service Charter, customer bill and website revealed the inclusion of information such as, multi-lingual and TTY telephone numbers.</p> <p>Based on our enquiries, we are satisfied that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.11(2)
Compliance Manual Reference	291 292
Obligation Description	A retailer and, where appropriate, a distributor, must include in relation to residential customers the telephone number for their TTY services and for independent multi-lingual services, as well as the National Interpreter Symbol with the words “Interpreter Services”, on the bill and bill-related information, reminder notices and disconnection warnings.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with Contact Centre staff indicated the listed requirements are visible on Synergy’s bill, bill related information, reminder notices and disconnection warnings.</p> <p>Further, review of Synergy’s bill, bill related information, reminder notices and disconnection warnings revealed that the specified information was included and no exceptions were noted.</p> <p>Based on our enquiries, review of documentation, and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.12(2)
Compliance Manual Reference	293 294
Obligation Description	If requested, a retailer must advise the customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Team Leader provided that this type of information is made available to the customer in the Customer Service Charter as well as online at: https://www.synergy.net.au/at_home/your_electricity_meter.xhtml.</p> <p>Review of instructions indicated that Customer Service Representatives are required to provide these items where requested.</p> <p>Based on our review of the Charter, website, and instructions, we conclude that there are adequate and effective controls in place and information available to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.1(1)
Compliance Manual Reference	294 295
Obligation Description	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Walkthrough of the methodology and approach utilised by Synergy for the management and maintenance of its complaint handling process confirmed the existence of a mechanism to address the requirements of this obligation.</p> <p>Synergy performs a regular reviews of its complaint handling and dispute resolution processes, in some instances involved input from external parties. Where improvements to the process are identified, Synergy would consider and where appropriate implement or adjust its complaint handling or dispute resolution approach.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.1(2)
Compliance Manual Reference	295 296
Obligation Description	The complaints handling process under sub clause 12.1(1) must comply with the requirements specified in subclasses 12.1(2)(a), (b) and (c) and be made available at no cost.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Our review of the complaint handling process revealed the existence of a reference made to AS ISO 10002-2006 and the criteria specified in clause 12.2(b), (c) & (d). Further, we noted that the definition of a complaint was consistent with AS ISO 10002-2006.</p> <p>Discussions with Synergy personnel revealed that Contact Centre staff were conversant with the complaints handling process and attended training on a regular basis.</p> <p>Based on our discussions and review documentation, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.1(3)
Compliance Manual Reference	296 297
Obligation Description	A retailer or a distributor must advise the customer in accordance with sub clause 12.1(3).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of Synergy's complaint handling policy made available to its customers revealed that the document addressed:</p> <ul style="list-style-type: none"> • Where a complaint has not been resolved internally to a manner acceptable to the customer, Synergy will advise the customer the reasons for the outcome and if requested the response will be in writing; • The customer's right to escalate their complaint to a senior employee or the Electricity Ombudsman; and • How the customer can contact the Electricity Ombudsman on a freecall telephone number. <p>We observed the complaint handling policy was made available to customers on the Synergy website at no charge. Further, review of Synergy's website revealed that the Electricity Ombudsman's freecall telephone number was evident throughout a number of pages within the website.</p> <p>Sample based testing revealed that customers were advised that they can escalate their complaint to a senior employee, with the Customer Advocate, or Electricity Ombudsman.</p> <p>Based on our discussions and review documentation, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.2
Compliance Manual Reference	297 298
Obligation Description	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of Synergy's complaints handling process revealed that the document addressed the criteria specified and aligned with AS/ISO 10002:2006 and the definition of a complaint is consistent with the standard.</p> <p>Sample based testing indicated that Synergy was able to distinguish between a customer query and a customer complaint in accordance with the Authority's Customer Complaint's Guidelines.</p> <p>Based on review of documentation and sample based testing, we conclude that there are effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.3
Compliance Manual Reference	298 299
Obligation Description	Upon request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer in utilising the respective complaints handling processes.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Manager Retail Operations Support indicated that Synergy had policies and procedures in place to ensure that information is provided to the customer that will assist in utilising the respective complaints handling process.</p> <p>Review of Synergy's website revealed that the complaints handling process was available free of charge.</p> <p>Walkthrough of a sample of calls revealed that all customers were provided the relevant information that will assist the customer in utilising the respective complaints handling processes free of charge.</p> <p>Based on our enquiries and walk through of process, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.4
Compliance Manual Reference	299 300
Obligation Description	When a retailer, distributor or electricity marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Customer Resolution Team indicated that Synergy had policies and procedures in place to advise and refer a customer to the appropriate entity, if their complaint does not relate to Synergy's functions.</p> <p>Our fieldwork throughout the audit period revealed all complaints received by Synergy that do not relate to their functions were referred to the appropriate entity and the customer was advised.</p> <p>Based on our enquiries, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.1(1)
Compliance Manual Reference	300 301
Obligation Description	Unless expressly provided otherwise, a retailer, distributor or electricity marketing agent must keep a record or other information as required to be kept by the Code of Conduct for at least two (2) years from the last date on which the information was recorded.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with Synergy personnel and review of policies and procedures indicated that Synergy has processes and practices in place to ensure records, specified in clause 13.1(2) are maintained for a minimum period of 7 years within SAP and in the legacy system Valhalla.</p> <p>Review of Synergy's website indicated that the annual performance reports are published on the website dating back to 2007/2008, http://www.synergy.net.au/about_us/annual_report.xhtml</p> <p>Review of Synergy's annual performance report revealed the inclusions of information as required by clauses 13.2, 13.3, 13.4, 13.5, 13.6 and 13.7 of the Code of Conduct.</p> <p>Based on our enquiries and review of Synergy's website we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.1(2)
Compliance Manual Reference	301
Obligation Description	For the purposes of sub clause 13.1(1), a retailer must keep the information specified in sub clause 13.1(2).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Based on our fieldwork, review of the functionality of key systems and databases, as well as access to documents within all departments across the scope period, we viewed evidence of record keeping and data retention in line with clause 13.1(1).</p> <p>For example, when sampling calls received by the Contact Centre, we noted that all calls were being retained for the purpose of record keeping as well as quality monitoring.</p> <p>Retention of the appropriate information was best achieved through system edits, which require the user to enter critical information. Otherwise, the system would call for that information in order to proceed with data entry.</p> <p>Sample based testing of data received by the various departments at Synergy revealed that data retained was in-line with the clause.</p> <p>Based on our review of relevant documentation, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 13.2(a) and (b)	Code of Conduct clause 13.4
Compliance Manual Reference	303 302	307 305
Obligation Description		
303	A retailer must keep a record of the items specified in subclasses 13.2(a) and (b).	
307	A retailer must keep a record of the payments made under clauses 14.1, 14.2 and 14.3.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Enquiries with the T & T Team indicated that a number of reports have been created within SAP to facilitate reporting under sub clause 13.2 and 13.4.</p> <p>Review of a data extract used in the preparation of the 2011/2012 performance report revealed that the records for compensation payments and affordability and access are accurate.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.2(c)
Compliance Manual Reference	304
Obligation Description	Where the retailer has issued a bill outside of the time-frame set out in sub clause 4.1(b), a retailer must keep a record of the actions it undertook, and the responses from the distributor to those actions, to obtain metering data.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Quality Assurance & Performance Manager indicated that Synergy has record retention processes in place to support compliance.</p> <p>Review of Synergy's record of unbilled accounts over 3 months revealed details of actions undertaken to obtain metering data.</p> <p>We understand that there were instances where meter read requests were sent to the Network Operator were recorded in SAP. Review of bills issued outside the timeframe set out in sub clause 4.1(b) indicated the processes in place to be operating effectively.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with this licence condition.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 13.3(1)	Code of Conduct clause 13.3(2)
Compliance Manual Reference	305 303	306 304
Obligation Description		
305	A retailer must keep a record of the complaints information specified in sub clause 13.3(1).	
306	A retailer must keep a record of the details of each complaint referred to in sub clause 13.3(1).	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Enquiries with the Customer Service Department indicated that the details of a verbal complaint are recorded in the interaction notes within SAP. A written complaint is documented with Synergy's document management system and a reference made in SAP. The record of complaints information entered into via a feedback form on Synergy's website are recorded within notes section of the customer's account on SAP.</p> <p>Further, discussions indicated that Synergy undertake an extensive training program around the identification of a complaint and the complaints handling process.</p> <p>Sample based testing of customer complaints revealed that the details of the complaint were easily accessible and the record of complaint information was complete.</p> <ul style="list-style-type: none"> • Walkthrough of Synergy's performance reporting and record keeping process indicated that the following information is recorded in an Excel spread sheet. The total number of complaints received from residential customers and business customers, other than complaints received under clause 13.7(1)(b); • The number of complaints in sub clause (1)(a) that relate to 	

	<ul style="list-style-type: none"> ○ Billing/Credit complaints; ○ Transfer complaints; ○ Marketing complaints (including complaints made directly to a retailer); and ○ Other complaints; • The time taken by a retailer to address a complaint; • The percentage of complaints from residential customers concluded within 15 business days and 20 business days; and • The percentage of complaints from business customers concluded within 15 business days and 20 business days. <p>Based on our enquiries and sample based testing, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.5
Compliance Manual Reference	308 306
Obligation Description	A retailer must keep a record of the call centre performance indicators specified in sub clause 13.5.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Senior Workforce Planning Analyst and review of systems indicated that call centre performance monitoring and data retention is performed by ASPECT, an external database agency. From the ASPECT database, Business Objects (Crystal) Reporting is utilised to extract the data into a format that can be analysed.</p> <p>Sample based testing of call centre performance indicators revealed that throughout the audit period all data was accurately captured as required under sub clause 13.5.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.6
Compliance Manual Reference	309 307
Obligation Description	A retailer must keep a record of the total number of residential and business customer accounts held by contestable and non-contestable customers.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Process Partner indicated that the total number of residential and business customers accounts held by contestable and non-contestable customers can be obtained from the SAP system at any time. We were able to obtain the numbers of residential and business customer accounts held by contestable and non-contestable customers which were:</p> <ul style="list-style-type: none"> • Total number of residential accounts held by contestable customers – 1,749*; • Total number of residential accounts held by non-contestable customers – 893,055*; • Total number of business accounts held by contestable customers – 7,849*; and • Total number of business accounts held by non-contestable customers – 79,801*. <p>(*Sourced from Synergy's Performance Report – which is reflective of the data extracted from SAP at a particular point in time.)</p> <p>Walkthrough of process revealed the number of residential and business accounts on the SAP system was consistent with the data being reported to the Authority.</p> <p>Based on our enquiries and walkthrough of process, we conclude that there are adequate and effective controls in place to support compliance with this obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.7(2)
Compliance Manual Reference	311
Obligation Description	A retailer must keep a record of the details of each complaint relating to a pre-payment meter customer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Customer Resolution Team and sample based review of prepayment meter customer interaction fields within SAP did not reveal any complaints from pre-payment meter customers within the scope period.</p> <p>Review of SAP and other relevant documentation indicated that Synergy has policies and procedures in place to retain records as specified in sub clause 13.7(1).</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the licence obligation.</p>
Recommendation	Nil.

Licence Clause	Code of Conduct clause 13.15	Code of Conduct clause 13.17(1)
Obligations Under	Electricity Industry Act section 82	
Compliance Manual Reference	322 318	324 318
Obligation Description		
322	A retailer must prepare a report in respect of each reporting year setting out the information in the records specified in sub clause 13.15.	
324	The annual retailer and distributor reports specified in subclasses 13.15 and 13.16 are to be published no later than the following October 1.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Walkthrough of the report preparation process with Corporate Services revealed the existence of an approach and methodology for compiling the annual electricity compliance report.</p> <p>Our review of the date of publication for this report noted that the report was published on the 2 October 2012 which was outside of the prescribed timeframe. However, correspondence between the Authority and Synergy revealed the publication date of the 2 October 2012 was approved due to a public holiday.</p> <p>Based on walkthrough performed and review of documentation, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.17(3)
Compliance Manual Reference	325 319
Obligation Description	A copy of each report must be given to the Minister and the Authority not less than seven (7) days before it is published.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions with Corporate Services, we determined that Synergy manages its compliance requirements by referencing the Regulatory and Compliance Calendar, which sets the dates and deadlines to be met with respect to reporting. We reviewed the calendar and noted that key reporting dates and deadlines were established in a checklist format.</p> <p>A copy of this report was shown to be provided to the Authority on 24 September 2012, which is not less than (7) days before publication.</p> <p>Based on our enquiries and review of documents, we have concluded that Synergy has adequate and effective controls in place to support its compliance with the licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.18
Compliance Manual Reference	326
Obligation Description	A retailer and distributor must provide the information in the records in sub clause 13.15 and 13.16, as applicable, to the Authority in a format acceptable to the Authority not later than the following September 23.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>This obligation came into effect on the 1st January 2013.</p> <p>Discussions with Corporate Services revealed that Synergy had developed and implemented processes and procedures to ensure that its report contains the specified information and submitted within the prescribed timeframe.</p> <p>Synergy was observed to be in the process of collating the information required to be provided within its reports. However, due to this requirement being identified as a recent addition to Synergy's reporting requirements and the timing of the submission of the report, being outside of the audit period, we could not determine Synergy's compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82	
Obligations Under	Code of Conduct clause 14.1(1)	Code of Conduct clause 14.2(1)
Compliance Manual Reference	327 320	329 322
Obligation Description		
327	Subject to clause 14.6, a retailer must pay the stated compensation to a customer where the customer is not reconnected in accordance with the timeframes specified in Part 8.	
329	Subject to clause 14.6, if a retailer fails to comply with any of the procedures specified in Part 6 and Part 7 prior to arranging for disconnection or disconnecting a customer for failure to pay a bill, or arranges for disconnection or disconnects a customer in contravention of clauses 7.2, 7.3, 7.6 or 7.7 for failure to pay a bill, the retailer must pay the specified compensation to the customer.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Discussions with Customer Resolutions indicated that Synergy had policies and procedures in place to ensure that a customer is paid the stated compensation where a customer is not reconnected in accordance with the timeframes specified or disconnected in contravention of clauses 7.2, 7.3, 7.6 or 7.7.</p> <p>Further, Synergy provided that in some instances the customer was paid an amount greater than the stated compensation as a gesture of goodwill.</p> <p>Sample base testing of customer accounts revealed in all cases the stated compensation was paid to the customer for the circumstances specified.</p> <p>Based on our enquiries, review of documentation and sample based testing we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>	
Recommendation	Nil.	

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 14.3(2)
Compliance Manual Reference	332 325
Obligation Description	Subject to clause 14.6, a retailer must pay the customer \$20 where the retailer has failed to acknowledge or respond to a written query or complaint within the timeframes prescribed in sub clause 14.3(1).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Customer Resolution Team indicated that Synergy had policies and procedures in place to pay a customer \$20 where Synergy has failed to acknowledge or respond to a written query or complaint within the timeframes prescribed.</p> <p>Sample based testing of customer accounts revealed in all instances a customer received the stated compensation when Synergy failed to acknowledge a written complaint in the timeframes specified.</p> <p>Based on our enquiries and sample based testing, we conclude that Synergy has adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 14.7(1)
Compliance Manual Reference	336 328
Obligation Description	A retailer who is required to make a compensation payment for failing to satisfy a service standard under clauses 14.1, 14.2 or 14.3 must do so in the manner specified in sub clause 14.7(1).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Customer Resolution Team indicated that Synergy had policies and a procedure in place to ensure a customer receives the stated compensation in the manner specified in sub clause 14.7(1).</p> <p>Further, the Credit Management Team provided that once Synergy have identified the need to pay a customer compensation, Synergy will advise the customer of the compensation payment and that Synergy prefer to credit the amount on the customers' account. In the event where the customer would prefer the amount to be paid out directly, Synergy will seek the customers' preferred payment method.</p> <p>Sample based testing of customers' account who received compensation revealed that the compensation payments were paid in the manner specified by the Code of Conduct.</p> <p>Based on our enquiries and sample based testing, we conclude that Synergy has adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.3B
Compliance Manual Reference	345
Obligation Description	A user who is aware of bi-directional flows at a metering point which was not previously subject to a bi-directional electricity flows or any changes in a customer's or user's circumstances in a metering point which will result in bi-directional electricity flows must notify the Network Operator within 2 business days.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Metering revealed that Synergy is normally downstream to this activity. That is, customers who install any equipment that may contribute to bi-directional flow must do so through an authorised agent and provide evidence to the Network Operator that the installation was in accordance with pre-determined mandates.</p> <p>It is understood that Synergy may become aware of a bi-directional flow as a result of a meter read or customer enquiry/complaint as examples. Synergy advises the Network Operator of the discovery of the bi-directional flow within the timeframe specified.</p> <p>Whilst Synergy has communicated to the Network Operator the discovery of bi-directional flow, it has been identified that the Network Operator may have been previously aware of the existence of a bi-directional flow at a meter.</p> <p>Based on our enquiries and sample based testing, we conclude that Synergy has adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil

Licence Clause	Electricity Industry Act section 82
Obligations Under	Electricity Industry Metering Code clause 3.11(3)
Compliance Manual Reference	360 349
Obligation Description	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the Network Operator as soon as practicable.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Team Leader indicated that problems reported by a customer or the Energy Ombudsman are picked by the Contact Centre Staff and logged into SAP. The result is an automated response whereby a work order is forwarded to the Network Operator. This process is part of the Metering Communication Rules that has been approved by the Authority.</p> <p>Sample based testing revealed that the logged requests resulted in work orders being acknowledged as received by the Network Operator in all cases.</p> <p>Based on our enquiries and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.16(5)
Compliance Manual Reference	361
Obligation Description	A Network Operator or a user may require the other to negotiate and enter into a written service level agreement in respect of the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Review of clause 3.16(4) of the Metering Code requires the Network Operator to specify how it has attained the “National Wholesale Meter” value.</p> <p>Based on discussions held with Synergy and our understanding of the requirements of clause 3.16(5) within the Metering Code, we determined that during the applicable period in which this obligation was in force, Synergy was not required to perform any negotiations with the Network Operator in this regard.</p> <p>The revised version of the Metering Code dated 7th December 2012 saw the removal of clause 3.16(4) and (5).</p> <p>As there an absence of activity during the audit period and the removal of this clause, we could not rate the compliance of this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Electricity Industry Act section 82
Obligations Under	Electricity Industry Metering Code clause 3.18(1)
Compliance Manual Reference	375 363
Obligation Description	If the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract, and in circumstances where immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract, then the metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Partner Liaison Manager revealed that there are policies and procedures in place to identify when a contestable customer is changing from a non-regulated contract to a regulated contract, a meter change needs to occur.</p> <p>A request for a meter change is sent through to the Network Operator and upon completion of the meter change the Network Operator sends a confirmation back to Synergy to confirm the installation has taken place in accordance with the prescribed installation requirements.</p> <p>Sample based testing of contestable customer accounts where they have changed from a non-regulated contract to a regulated contract revealed that in all cases the meter change had occurred in line with the prescribed installation requirements.</p> <p>Based on our enquiries and sample based testing, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.24A(1)
Compliance Manual Reference	383
Obligation Description	If a retailer requests a network operator to install a pre-payment meter at a connection point, then the prepayment meter must be sufficient to enable the retailer to comply with the retailer's obligations under the Code of Conduct.
Reporting Type	2
Compliance Rating	N/R
Audit Observations	<p>Discussions with the Manager Retail Regulatory and Compliance revealed that a process exists which facilitates the communication of the requirement to install a pre-payment meter.</p> <p>However, there has been no such request made by Synergy during the audit period. We understand that the Network Operator is also required to operate under the same mandate as the Retailer, notwithstanding the obligations may vary with respect to each utility.</p> <p>The installations of pre-payment meters are only permitted at gazetted sites. Currently only one such site exists and both the retailer and the Network Operator are aware of this area, and the type of meter used at this location.</p> <p>Synergy demonstrated strong knowledge of the obligations that relate to pre-payment meters, we also understand that a line of communication is maintained with the Network Operator which would facilitate the execution of an installation request.</p> <p>Based on the absence of activity during the audit period, we could not rate Synergy's compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.27
Compliance Manual Reference	385 372
Obligation Description	A person must not install a metering installation on a Network unless the person is the Network Operator or a registered metering installation provider for the Network Operator doing the type of work authorised by its registration.
Reporting Type	2
Compliance Rating	N/A
Audit Observations	<p>Review of this licence condition revealed that the activities performed under this obligation are that of the Network Operator and do not apply to Synergy.</p> <p>Based on our enquiries, we have concluded that we are unable to assess Synergy's compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 4.4(1)
Compliance Manual Reference	392 379
Obligation Description	If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the Network Operator must liaise together to determine the most appropriate way to resolve a discrepancy
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with Synergy personnel indicated that staff undertakes a validation process of the data held by Synergy against data held by the Network Operator. If variances are identified through the validation process, they are communicated to the Network Operator through the Build Pack.</p> <p>Our sample review of minutes between the Network Operator and Synergy confirmed evidence of dialogue between the two parties, however, there were no discrepancies noted.</p> <p>Sample based testing of Meter Data Verifications, processed during the scope period, revealed that the verification process had been completed and the Build Pack system was operating correctly for each sample tested.</p> <p>Based on our discussions and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 4.5(1)
Compliance Manual Reference	393 380
Obligation Description	A Code participant must not knowingly permit the registry to be materially inaccurate
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussion with Synergy revealed that multiple systems and controls exist to ensure compliance with this licence obligation. Walkthrough of the processes employed revealed that Synergy undertakes verification processes to ensure the data on the registry is accurate. If at any stage during the verification process a variance is located Synergy will update its registry.</p> <p>Based on Grant Thornton's understanding of Synergy's compliance to a number other obligations, we conclude the existence and operating effectiveness of controls and processes, which safeguard against Synergy knowingly permitting the registry to be materially inaccurate.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 4.5(2)
Compliance Manual Reference	394 381
Obligation Description	Subject to sub clause 5.19(6), if a Code participant, other than a Network Operator, becomes aware of a change to, or an inaccuracy in, an item of standing data in the registry, then it must notify the Network Operator and provide details of the change or inaccuracy within the timeframes prescribed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with personnel revealed that Synergy staff undertakes a verification process to detect any inaccuracies in the standing data in the registry. Further, Synergy provided that there are policies and procedures in place to notify the Network Operator of any change or inaccuracy in the register in the timeframes specified.</p> <p>Our fieldwork revealed that after the verification process had been completed the Network Operator was informed of any inaccuracies in the registry within the 2 business days.</p> <p>Based on our enquiries and sample based testing, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.5(3)
Compliance Manual Reference	395
Obligation Description	A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Customer Service Representatives indicated that they had access to customer data, which would then be communicated to customers over the phone after a three point identity check had been performed. If requested, a hard copy of the bill will be posted out at no charge to the customer.</p> <p>Further, review of Synergy's website revealed that all customer billing data is available free of charge through Synergy's web portal.</p> <p>Review of the Electricity Metering Code revealed that this clause has since been removed.</p> <p>Based on our enquiries and review of website, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.4(2)
Compliance Manual Reference	409 393
Obligation Description	A user must, when reasonably requested by a Network Operator, assist the Network Operator to comply with the Network Operator's obligation under sub clause 5.4(1).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with Synergy personnel indicated that multiple systems and controls are in place to support compliance with this licence obligation. Further, Synergy receives requests from the Network Operator on a daily basis.</p> <p>Sample based testing completed on a number service notifications to and from the Network Operator revealed that a there is an effective system in place to facilitate communication between the Network Operator and Synergy.</p> <p>Based on our enquiries and sample based testing, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.16
Compliance Manual Reference	422 406
Obligation Description	If a user collects or receives energy data from a metering installation then the user must provide the Network Operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.
Reporting Type	2
Compliance Rating	N/A
Audit Observations	Discussions with personnel indicated that Synergy has policies and procedures in place to support standard business practice to decline the receipt of energy data from customer for metering installation. Further, we understand that this activity lies with the Network Operator. Due to the above, we are unable to assess Synergy's compliance with this licence obligation.
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.18
Compliance Manual Reference	426 408
Obligation Description	If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the Network Operator with the prescribed information, including the stated attributes, within the timeframes prescribed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Credit Management team indicated that there is a policy in place to notify the Network Operator of a change in the energisation status at a metering point.</p> <p>Sample based testing of SAP work orders revealed that the system was issuing energisation notifications within the timeframes specified.</p> <p>Based on our enquiries and sample based testing, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1	
Obligations Under	Electricity Industry Metering Code clause 5.19(1)	Electricity Industry Metering Code clause 5.19(2)
Compliance Manual Reference	427 409	428 410
Obligation Description		
427	A user must, when requested by the Network Operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the Network Operator in meeting its obligations described in the Code and elsewhere, and provide that information to the Network Operator.	
428	A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Enquiries with the Billing Team indicated that there are mechanisms in place to assist the Network Operator to meet their obligations described in the Code.</p> <p>Further, Synergy provided that customer details are stored within SAP and any request for customer details are facilitated through the Build Pack system.</p> <p>A request for customer details from the Network Operator is flagged within SAP and a Customer Details Notification is sent to the Network Operator automatically.</p> <p>Sample based testing of confirmed that in all cases the Customer Detail Notification was automatically sent and confirmed.</p> <p>Further, Synergy is dependent on their customers to advise them of any change in their details.</p> <p>Sample based testing of Customer Detail Notifications revealed</p>	

	<p>that customer information was being captured and retained accurately.</p> <p>Our review of the customer attributes retained by Synergy confirmed that to the extent it is able to, the address attributes as detailed under 5.19(2) were being collected and maintained. This information was observed to exist within Synergy's billing system and at a high level, the information was also noted on a customer's bill. Further, we were able to interrogate SAP to identify matters such as multiple phone numbers, life support classification, postal and residential address (if different).</p> <p>Based on our enquiries and sample based testing, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1	
Obligations Under	Electricity Industry Metering Code clause 5.19(3)	Electricity Industry Metering Code clause 5.19(4)
Compliance Manual Reference	429 411	412
Obligation Description		
429	Subject to subclasses 5.19(3A) and 5.19(6), the user must, within 1 business day after becoming aware of any change in an attribute described in sub clause 5.19(2), notify the Network Operator of the change.	
412	A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the Network Operator's Network Operations Control Centre of the fact.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Discussions with the Call Centre Team Leader and review of systems indicated that all customer details are retained within SAP. When an attribute change is effected, notifications are created through the Build Pack software whereby an automated process is initiated and any changes are relayed to the Network Operator instantly.</p> <p>Further, Synergy relies on its customers to advise them if there is a sensitive load at their site. Once Synergy has been made aware of this the system will automatically generate a Change Details Notification to be sent directly to the Network Operator. The Network Operation Control Centre ("NOCC") receives batches of CDN's via email twice per day. The NOCC is then required to receipt these emails to Synergy for each transfer of information.</p> <p>Sample based testing of attribute changes and review of coding within SAP revealed that the date of the log and attribute change, as well as the date that the change was made was sent to the Network Operator. In all circumstances, the two dates were</p>	

	<p>identical. Therefore, each change was within the timeframe specified within the clause.</p> <p>Based on our enquiries, review of the processes and sample based testing, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.19(6)
Compliance Manual Reference	431 414
Obligation Description	The user must use reasonable endeavours to ensure that it does not notify the Network Operator of a change in an attribute described in sub clause 5.19(2) that results from the provision of standing data by the Network Operator to the user.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Enquiries with Synergy indicated that there are policies and procedures in place to ensure when a customer attribute has changed, Synergy does not notify the Network Operator of such change.</p> <p>Walkthrough of process revealed an automated control in place to avoid the looping of information from occurring. Based on our enquiries, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1	
Obligations Under	Electricity Industry Metering Code clause 5.21(5)	Electricity Industry Metering Code clause 5.21(6)
Compliance Manual Reference	437 420	438 421
Obligation Description		
437	A Code participant must not request a test or audit under sub clause 5.21(1) unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	
438	A Code participant must not make a request under sub clause 5.21(1) that is inconsistent with any access arrangement or agreement.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Enquiries with Synergy personnel revealed that Synergy has policies and procedures in place to ensure that Synergy would identify if a Code Participant was a Financially Responsible Market Participant.</p> <p>If the Code Participant was not a FRMP the request for data during the period of which the audit had been requested, would not be granted and the request would be rejected. Further, Synergy provided that a request for an audit under 5.21(1) would not be conducted inconsistently with any access arrangements.</p> <p>Whilst our fieldwork revealed that Synergy has not requested audit under 5.21(1) during the audit period, it has requested meter tests with respect to energy data and standing data based on a number of drivers for example, a customer's request.</p> <p>Based on our enquiries and fieldwork, we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>	
Recommendation	Nil.	

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.27
Compliance Manual Reference	456 439
Obligation Description	Upon request from a Network Operator, the current user for a connection point must provide the Network Operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy provided that when a customer advises of a change in their details, SAP flags the customer attribute and automatically generates a Customer Detail Notification ('CDN') to be sent to the Network Operator.</p> <p>Further, the CDN is sent to the Network Operator through the Build Pack system within the 2 business day timeframe.</p> <p>Sample based testing of the CDNs sent to the Network Operator revealed that the Build Pack system is operating effectively and adhering to the timeframes specified in the Code of Conduct.</p> <p>Walkthrough of the communication protocols between the Network Operator and Synergy and sample based testing of information requests confirmed that Synergy did provide to the network operator, missing, updated or corrected attribute information which was available to them.</p> <p>Based on our enquiries and sample based testing we have concluded that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 6.1(2)
Compliance Manual Reference	469 446
Obligation Description	A user must, in relation to a Network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Networks Regulatory and Compliance indicated that Synergy had policies and procedures in place to support this licence condition. Further, Synergy provided that compliance with this obligation extends across several departments within the business.</p> <p>Synergy facilitates compliance through training programs run on a regular basis. Further, attributes within SAP and SAP business rules are designed to comply with the access contract rules, procedures, agreements and criteria prescribed.</p> <p>Obligation 469 requires Synergy to comply with the documents under the Metering Code. Specifically, the following documents approved by the Authority under clause 6.1(2) of the Metering Code:</p> <ul style="list-style-type: none"> • Communications Rules • Model Service Level Agreement (MSLA) • Metrology Procedure • Mandatory Link Criteria <p>Review of the Mandatory Link Criteria and Metrology Procedure indicated that the documents purpose is to facilitate the certain Metering Code obligations.</p> <p>Synergy provided that in order to meet the MSLA with the Network Operator, Synergy must comply with the Communication Rules approved by the Authority. If Synergy did not comply with</p>

	<p>the Communication Rules in turn they would not be able to meet other obligations under the Code of Conduct. Further, Synergy indicated that they undertake internal audits to ensure their compliance with the Communication Rules.</p> <p>Based on our enquiries and review of relevant documentation, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1		
Obligations Under	Electricity Industry Metering Code clause 7.2(1)	Electricity Industry Metering Code clause 7.2(4)	Electricity Industry Metering Code clause 7.2(5)
Compliance Manual Reference	472 448	474 450	475 451
Obligation Description			
472	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the Network Operator of a telephone number for voice communication in connection with the Code.		
474	If requested by a Network Operator with whom it has entered into an access contract, the Code participant must notify its contact details to a Network Operator within 3 business days after the request.		
475	A Code participant must notify any affected Network Operator of any change to the contact details it notified to the Network Operator under sub clause 7.2(4) at least 3 business days before the change takes effect.		
Reporting Type	Type 2 – 474, 475		Type NR - 472
Compliance Rating	5		
Audit Observations	<p>Discussions with Synergy staff indicated that there are policies and procedures in place to support compliance with these licence obligations.</p> <p>Synergy has mechanisms in place to ensure they can send and receive a notice by post, facsimile and electronic communication. Synergy provided that electronic communication between the Network Operator and itself is facilitated through the Build Pack. Further, Synergy provided the Network Operator with a range of contact numbers to facilitate verbal communication.</p>		

	<p>Synergy indicated if they receive a request from the Network Operator, Synergy will notify the Network Operator of their contact details within the timeframes specified. Further, if Synergy's contact details were to change they would notify the Network Operator within the specified timeframe.</p> <p>Based on our discussions and sample based testing, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>
Recommendation	Nil.

Licence Clause	Retail Licence condition 5.1	
Obligations Under	Electricity Industry Metering Code clause 7.5	Electricity Industry Metering Code clause 7.6(1)
Compliance Manual Reference	476 452	477 453
Obligation Description		
476	A Code participant must subject to subclasses 5.17A and 7.6 not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	
477	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	
Reporting Type	2	
Compliance Rating	5	
Audit Observations	<p>Discussions with Manager of Retail Regulatory and Compliance revealed that there were policies and procedures in place which explicitly stated how confidential information is to be managed and the process for disclosing information if there is a requirement.</p> <p>Review of electronic correspondence between Western Power and Synergy revealed that the mechanisms in place were operating in accordance with Synergy's policies and procedures.</p> <p>Based on our enquiries and review of documentation, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>	
Recommendation	Nil.	

Licence Clause	Retail Licence condition 5.1				
Obligations Under	Electricity Industry Metering Code clause 8.1(1)	Electricity Industry Metering Code clause 8.1(2)	Electricity Industry Metering Code clause 8.1(3)	Electricity Industry Metering Code clause 8.1(4)	Electricity Industry Metering Code clause 8.3(2)
Compliance Manual Reference	478 454	479 455	480 456	481 457	482 458
Obligation Description					
478	If any dispute arises between any Code participants then (subject to sub clause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.				
479	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.				
480	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.				
481	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.				
482	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in sub clause 8.3(1).				

Reporting Type	Type NR – 478, 479, 480, 482	Type 2 - 481
Compliance Rating	NR	
Audit Observations	<p>Discussions with Synergy personnel indicated that a process was in place to resolve/escalate any disputes with Code Participants.</p> <p>Further, Synergy maintains a calendar with certain dates and times to meet with Western Power, within the timeframes specified, to resolve any disputes that may arise.</p> <p>Enquiries with the Business Partner Liaison Manager indicated that all Synergy personnel are trained in Synergy's Culture and Values. Synergy's Culture and Values outline the basis for appropriate employee conduct.</p> <p>Discussions with Manager Retail Regulatory and Compliance revealed that Synergy was not involved in any disputes during the audit period.</p> <p>Based on our enquiries and review of the governance framework, we conclude that Synergy has effective and adequate controls in place to support compliance with this licence obligation.</p>	
Recommendation	Nil.	

Licence Clause	Synergy Retail Licence Schedule 2 condition 2.1	Synergy Retail Licence Schedule 2 condition 2.6	Synergy Retail Licence Schedule 2 condition 3.1 and 3.2	Synergy Retail Licence Schedule 2 condition 3.3
Obligations Under	Electricity Industry (Licence Conditions) Regulations regulation 8		Electricity Industry (Licence Conditions) Regulations regulation 6	Electricity Industry (Licence Conditions) Regulations regulation 7
Compliance Manual Reference	507 483	508 484	509 485	510 486
Obligation Description				
507	The licensee must submit to the Coordinator a draft renewable source electricity contract by the time specified in the Act or by the Coordinator.			
508	The licensee must comply with a direction by the Coordinator to submit an amendment to the renewable source electricity contract by the time specified.			
509	The licensee must offer to purchase renewable source electricity from a renewable source electricity customer under an approved renewable source electricity contract.			
510	The licensee must submit to the Coordinator a written report detailing the amount of renewable source electricity purchased by the licensee and the cost of purchasing that renewable source electricity as soon as practicable at the end of each financial year.			
Reporting Type	2			
Compliance Rating	5			

Audit Observations	<p>Discussions with the Corporate Services department indicated the renewable source electricity contract was submitted in 2005 and a new contract has not been directed to be submitted since that time.</p> <p>Further, one amendment was directed by the Coordinator within the scope period. Review of the written direction as well as email correspondence between Synergy and the Coordinator confirmed that the amendment was submitted within the timeframe specified.</p> <p>Corporate Services also indicated that Synergy offers to purchase renewable source electricity under an approved contract from an eligible customer who wishes to sell electricity to Synergy.</p> <p>Review of the date Synergy submitted the 2011/2012 report detailing the amount of renewable energy and the cost consideration confirmed that it had been lodged in accordance with the timeframes specified.</p> <p>Based on our enquiries and review of documentation, we conclude that there are adequate and effective controls in place to support compliance with this licence obligation.</p>
Recommendation	<p>Nil.</p>

Appendix 1 – Audit Evidence – Documents Examined

Documents Examined
Regulatory Compliance Calendar 2014/2015 (DMS3048830)
Corporate Services Retail and Access Regulatory Operational Manual (DMS3034021)
Standard Electricity Agreement
Business Continuity Management System Framework and Standards (DMS3291868)
Business Continuity Strategy (DMS3588751)
Electricity Transfer Access Contract (Contestable Customer)(DMS3426644)
Electricity Transfer Access Contract (Franchise Customer)(DMS3426648)
Supplier of Last Resort Implementation Group Terms of Reference (DMS3322967)
Consultancy Agreement (DMS3564207)
Regulatory Incident Register Standard Operating Procedure and User Guide (DMS3427209)
Invitation for Submission (DMS3595004)
Customer Support Procedures

Documents Examined
Internal Audit Charter (DMS3605360)
Training Documentation – Metering Code Introduction (DMS3610955)
Training Documentation – Metering Code Metering Data (DMS3610960)
Renewable Energy Buyback Scheme (DMS3590106)
Networks Process and Procedures (DMS3128749)
Disaster Recovery Process (DMS3490736)
Incident Management (DMS3495304)
Code Compliant Outbound Sales Script (DMS3320282)
Sample Bill (DMS3365376)
Standard Electricity Bill Review Checklist (DMS3588692)
Debt Procedure (DMS3492400)
Marketing Process (DMS3609776)
Do Not Contact Register (DMS3296736)
Verifiable Consent Form (DMS352238)
Governance Framework (DMS3422152)
Ninga Mia BAU Process (DMS3287476)
Life Support Process (DMS3142142)
Retail Sales Team Process – Coaching Checksheet Code Compliant (DMS2535292)
Complaint Statistics (DMS3565475)
SAP Navigation Overview (DMS3256714)
Tariff Migration Process (DMS3586965)

Documents Examined
Complaints Process (DMS3306906)
Financial Hardship Policy (DMS3533313)
Customer Resolutions Process (DMS3336989)
Annual Compliance Report 2011/2012
Business Plans Small Use TOU (DMS3409617)
Business Plans Large Use TOU (DMS3464624)
Business Plans Small Use Flat (DMS3486027)
Business Plans Large Use Flat (DMS3486065)
Business Plans Terms & Conditions (DMS3461809)
Electricity Sales Agreements Unbundled (DMS3562352)
Electricity Sales Agreements Bundled (DMS3562342)
Electricity Sales Agreements Terms & Conditions (DMS3562376)
Customer Charter
Disconnection for Non Application Policy (DMS3382973)
Synergy Business Continuity Framework (DMS3291868)
Business Continuity Management Strategy (DMS3585751)
Metering Code Model Service Level Agreement (DMS3076854)
Terms of Reference for SOLR working group (DMS3322967)
Electricity Marketing Agent Code Compliance Form. (DMS3268362)
Electricity Marketing Agent Code Compliance Form Cover letter (DMS3079994)
Register of Finance Policies Maintained (DMS3350114)

Documents Examined
Business Services Manual (DMS3554178)

Appendix 2 – Audit Evidence – Personnel who Assisted in the Audit

Business Area	Name
Business Process Expectations Manager	Maria Marsh
Billing Services	Fiona McCormack
Business Services	Rachel Turner
Continuous Improvement	Jenny Harvey
Corporate Services – Retail Regulatory	Talitha Halliday
Corporate Services – Retail Regulatory	Simon Thackray
Corporate Services – Retail Regulatory	Karthi Mahalingham
Corporate Services – Retail Regulatory	Suzanne Lloyd
Manager Credit Management	Craig Butler
Customer Service	Priscilla Peters
Energy Markets	Sean Davies
Energy Markets	Sacha Green
Retail Products and Markets	Steven Robinson

Retail Products and Markets	Peter Lampkin
Strategy and Corporate Affairs	Natasha Mutch
Synergy Contact Centre	Simmone Trerea
Synergy Contact Centre	David Morgan
Synergy Contact Centre	Suellen Covenay
Synergy Contact Centre	Kate Simcock
T & T	Kiri Niwa
T & T	Sue Hopkins
Credit Management	Carmen Williams
Senior Manager Credit Management	Carolyn Peel
	Katrina Novacsek