

Alinta Sales Pty Ltd
Gas Trading Licence (GTL9)
2013 Performance Audit
(Independent Assurance) Report
January 2014

Ms Michelle Shepherd
General Manager Regulatory Affairs
Alinta Energy
(on behalf of Alinta Sales Pty Ltd)
Level 13 The Quadrant
1 William Street
PERTH WA 6000

23 January 2014

Dear Ms Shepherd

Gas Trading Licence (GTL9) 2013 Performance Audit Report

We have completed the Gas Trading Licence Performance Audit for Alinta Sales Pty Ltd for the period 1 October 2011 to 30 September 2013 and are pleased to submit our draft report to you.

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

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

Yours sincerely

Richard Thomas
Partner
Deloitte Touche Tohmatsu

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1. Independent auditor's report

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

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

Alinta is responsible for ensuring compliance with the conditions of the Licence. This responsibility includes the following:

- Establishing and maintaining policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority
- Implementing corrective actions for instances of non-compliance (if any).

Deloitte's responsibility

Our responsibility is to express a conclusion on Alinta's compliance with the conditions of the Licence based on our audit procedures. We conducted our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3500 *Performance Engagements*¹ issued by the Australian Auditing and Assurance Standards Board (**AASB**), in order to state whether, in our opinion, Alinta has complied, in all material respects, with the conditions of its Licence.

Our engagement provides reasonable assurance as defined in ASAE 3500.

Our procedures consisted primarily of:

- Development of a risk assessment, which involved discussions with key staff and document review to assess controls (the Audit Guidelines and Reporting Manuals were used as a guide)
- Development of an Audit Plan for approval by the Authority and an associated work program
- Interviews with and representations from relevant Alinta staff to gain understanding of process controls
- Review of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness in accordance with Licence obligations
- Reporting of findings to Alinta for review and response.

Limitations of use

This report is intended solely for the information and internal use of Alinta and is not intended to be, and should not be, used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report. We do not accept or assume responsibility to anyone other than Alinta for our work, for this report, or for any reliance which may be placed on this report by any party other than Alinta.

Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent

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

limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

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

The ASAE standards also require us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Independence

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

Conclusion

In our opinion, based on the procedures performed, except for the effect of any issues set out below, Alinta has, in all material respects, complied with the conditions of its Licence for the period 1 October 2011 to 30 September 2013.

Exceptions

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

Reporting manual no. & Licence condition		Issue
1	<i>Energy Coordination Act section 11Q(1-2)</i> A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 & 5)	Alinta is required to pay its gas trading licence fee within one month after the date of renewal of the licence each year. Alinta did not pay its 2013 licence fee by the due date of 1 August 2013.
102	<i>Trading Licence clause 23.1</i> A licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the Authority.	Alinta is required to submit compliance reports to the Authority by 31 August each year. Although Alinta emailed a copy of the 2012 compliance report to the Authority by 31 August 2012, the required hard copy was submitted one business day late.
113	<i>Trading Licence schedule 3, clause 3.1</i> A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.	Alinta is required to formally notify the Minister of any change in price, price structure, fee or interest rate at least one month before that change takes effect. Alinta did not formally notify the Minister prior to its implementation of increased gas tariffs as at 1 May 2012 and 21 May 2013.
114 120	<i>Energy Coordination Act section 11ZPP</i> A licensee must comply with the Gas Marketing Code of Conduct. <i>Gas Marketing Code of Conduct clause 2.3(3)</i> For a standard form contract that is an unsolicited consumer agreement or a non-standard contract other than in accordance with clause 2.2(2) of the Code of Conduct, the gas marketing agent must obtain the customer's written acknowledgement that the specified information was given. <i>Obligation 120 applicable to 30 June 2012:</i>	Since August 2013, residential customers who have ceased or indicated an intention to cease their contract with Alinta have been approached by Alinta with discounted offers via an unsolicited non-standard contract in a targeted marketing initiative. Prior to entering into the contract with some of the customers, Alinta has not obtained a written acknowledgement from the customer on having received the information specified in clause

Reporting manual no. & Licence condition		Issue
	<i>Where a standard form contract is entered into as a result of door to door marketing or for a non-standard contract (other than that initiated by the customer by telephone or electronic means), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.</i>	2.3(1). We acknowledge that this requirement has been removed from the revised Gas Marketing Code of Conduct gazetted to come into effect on 1 January 2014.
137 59	<i>Gas Compendium clause 4.1(b)</i> <i>Customer Contracts Regulation 15(1)</i> A licensee must issue a bill at least every 110 days unless the licensee has obtained a customer's consent to issue a bill less frequently or the customer has a pre-payment meter installed at the customer's supply address.	Despite the revision to Alinta's Licence (effective from 18 September 2012), allowing bills to be issued at least every 110 days (increased from 3 months) Alinta has continued to experience a small number of instances where a customer has not been billed within the 110 day requirement.
227 51	<i>Gas Compendium clause 7.6</i> A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6. <i>Customer Contracts Regulation 12(6)</i> A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.	Alinta experienced an instance of non-compliance with the requirements in clause 7.6 of the Compendium, where Alinta's field services provider had inadvertently disconnected two customers on a Friday instead of the following Monday, per the work order schedule. The non-compliance was immediately recognised by Alinta staff and both customers were reconnected the same day.

The 2011 Performance Audit report rated the licence condition in the table below as non-compliant (rating 2). As the relevant process was not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this current audit retains the non-compliant rating.

In April 2012, Alinta addressed the cause of this non-compliance by implementing the action plan included in the 2011 post audit implementation plan. This audit focussed on testing the controls and processes since the implementation of that action plan and determined that no further recommendation or action plan is required to address the past non-compliance.

#	Licence condition
135	Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day, if the request is received after 3pm or on a weekend or public holiday. <i>Gas Compendium clause 3.1(2)</i>

DELOITTE TOUCHE TOHMATSU

Richard Thomas

Partner

Perth, January 2014

2. Executive summary

2.1 Introduction and background

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

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

As at 30 June 2012, Alinta's customer base comprised of approximately 637,000 residential and non-residential small use customers (customers consuming less than 1TJ of gas per annum), being approximately 99.8% of all small use customers in Alinta's trading licence areas². The Government introduced full gas retail contestability in May 2004, however Synergy is prohibited under the Gas Market Moratorium Ministerial Direction from selling or supplying gas to customers in Alinta's trading licence areas who consume less than 0.18TJ per annum, and other licensees had not elected to contest Alinta's small use customers. In March 2013 and within the existing provisions of its gas trading licence, Wesfarmers Kleenheat Gas commenced offering to supply gas to customers within Alinta's trading licence areas.

Section 11ZA of the Act requires Alinta to provide the Authority with an audit (the **audit**) conducted by an independent expert acceptable to the Authority not less than once in every 24 month period (or any longer period that the Authority allows). The Authority set Alinta's audit period at 24 months, being for the period 1 October 2011 to 30 September 2013

At the request of Alinta, Deloitte Touche Tohmatsu (**Deloitte**) has undertaken a reasonable assurance audit relating to Alinta's compliance with the relevant conditions of the Licence.

The reasonable assurance audit was undertaken in order to express a conclusion whether, in our opinion, Alinta has complied, in all material respects, with the relevant conditions of the License.

The objective of this report is to:

- (a) Provide a summary of the background to the audit and of the procedures performed by us
- (b) Communicate our audit findings and associated recommendations to you.

Our independent auditor's report is also contained in section 1 of this report.

2.2 Observations

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

- Maintained consistent procedures and controls designed to:
 - Meet its customer service standards relating to customer connections, billing, payment and complaints handling
 - Uphold the integrity of its reporting to the Authority and other statutory organisations on matters specific to its Licence obligations
- Maintained its delegation of responsibilities to specific managers and staff for meeting key Licence obligations

² Refer to the 2011/12 Annual Energy Retailer Performance Report (the most recent report available)

- Maintained full support for its Customer Information System – Open Vision (**CIS-OV**)
- Demonstrated an awareness of and commitment to regulatory compliance
- Implemented applicable controls within its increased focus on customer marketing activities for making offers to customers who have ceased or indicated an intention to cease their contract with Alinta
- Implemented control improvements associated with elements of non-compliance and areas for improvement since the last audit.

2.3 Findings

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

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

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

No. of Obligations	Compliance Rating							Total
			Non-compliant		Compliant			
Audit Priority ³	N/A ⁴	Not rated ⁵	1	2	3	4	5	
Priority 1		-	-	-	-	-	-	-
Priority 2		-	-	3	-	-	7	10
Priority 3		-	-	4	-	-	2	6
Priority 4		26	-	3	-	6	130	165
Priority 5		22	-	-	-	1	62	85
N/A								2
Total	2	48	-	10	-	7	201	268

* The number of obligations listed at Table 1 includes 15 obligations that were applicable for part of the audit period only. Refer to Appendix A – Audit Plan for further detail.

For the audit period 1 October 2011 to 30 September 2013, a total of 10 licence obligations were rated as non-compliant. Of those non-compliant ratings:

- Six related to four new instances of non-compliance occurring during the current audit period (two instances each impacted two separate obligations)
- Three related to two instances of recurring (from the previous audit period) non-compliances during the current audit period (one instance impacted two separate obligations)

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

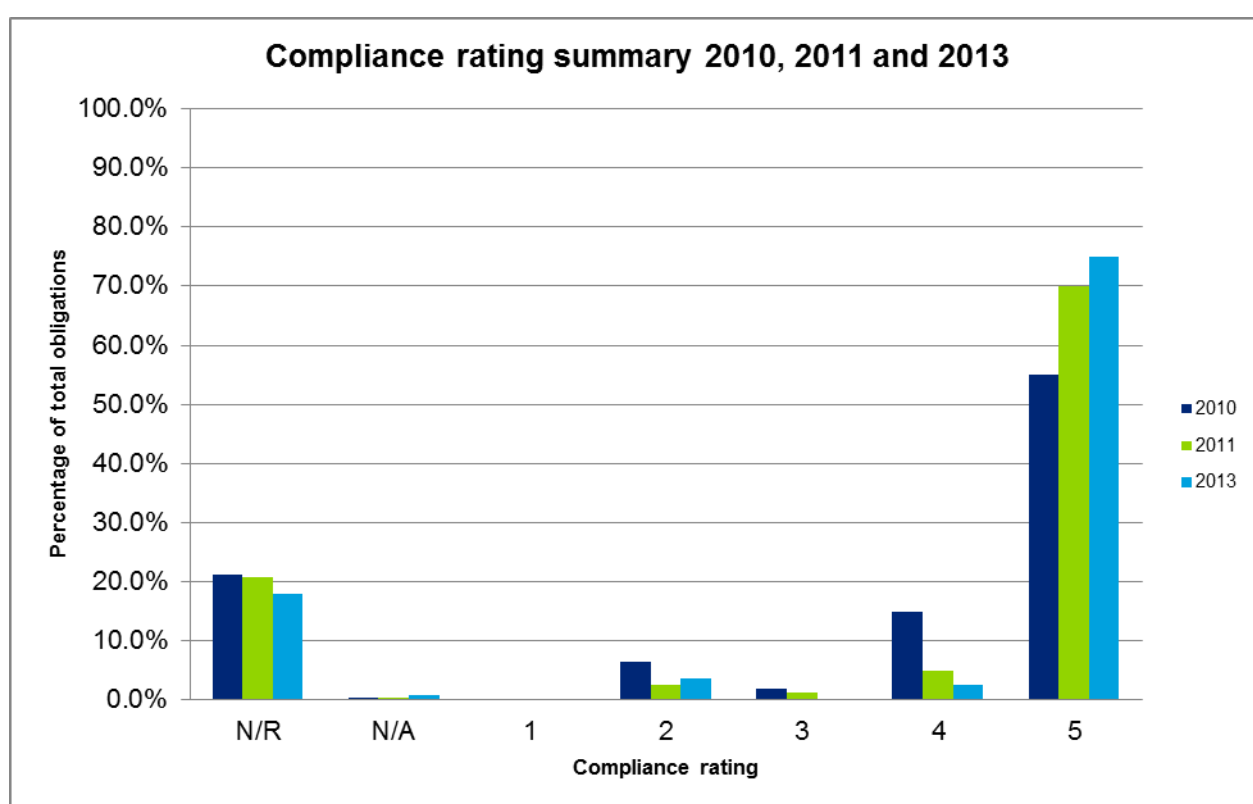
⁴ Obligations assessed as not applicable to Alinta's operations are detailed in the Audit Plan at Appendix A

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

- One related to a non-compliance that was effectively carried forward from the 2011 performance audit. In this case, the cause of the non-compliance was identified (via the 2011 performance audit) and subsequently not corrected until part way through the current audit period. Therefore the non-compliant rating also applies to this current audit period. As Alinta addressed the cause of this non-compliance by implementing the relevant action plan, no further recommendation or action plan is required.

Graph 1 below compares Alinta's overall compliance position, by compliance rating, for the current audit (2013) and the previous two audits (2010 and 2011). In order to draw a normalised comparison between the three audit periods, the total for each compliance rating has been calculated as a percentage of the total number of obligations for each respective audit period.

Graph 1: Summary of findings, by compliance rating (2010, 2011 and 2013)



Overall, this audit observed:

- In comparison with the results of the 2011 Performance Audit:
 - An increase in the total number of assessable licence obligations from 240 to 268
 - A continued increase in the number of licence obligations rated as compliant with no further action required to maintain compliance.
 - A small increase in the number of licence obligations rated as non-compliant from six to nine (after taking account of those non-compliant ratings carried forward from the 2011 performance audit). Five of those instances of non-compliance were of a technical nature and/or have a minor (if any) impact on Alinta's customer service obligations
 - A continued reduction in the number of licence obligations rated as compliant (compliant - 4), but with recommendations to improve the strength of internal controls to maintain compliance
- Alinta's implementation of action plans designed to address the cause of two non-compliances raised by the 2011 Performance Audit, resulting in an improved level of compliance

- Alinta's deferral of the implementation of its new billing system, resulting in closing out two action plans and superseding one action plan from the 2011 performance audit.

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

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

2.4 Alinta's response to previous audit recommendations

This audit considered how Alinta has progressed against the action plans detailed in the 2011 performance audit report. Our assessment of Alinta's progress in implementing those action plans is that:

- Four of the eight action plans have been completed or closed out
- The remaining four action plans have not been closed out and are considered to have been superseded by the findings of this audit, with a new recommendation and action plan being captured in the 2013 performance audit.

Refer to section 5 of this report for further detail.

2.5 Recommendations and action plans

Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 1/2013
1 A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 & 5) <i>Energy Coordination Act section 11Q(1-2)</i>	4	Non-compliant 2	Alinta did not pay its 2013 gas trading licence fee until 12 August 2013, which did not comply with the requirement of the Act for the fee to be paid by 1 August 2013 (within one month after the date of renewal of the licence). It appears that Alinta has: <ul style="list-style-type: none"> Over-relied on the responsible Accounts Officer to recognise the need to make the payment by 1 August Not effectively applied its compliance calendar to ensure this requirement was met.
Recommendation 1/2013 Alinta: (a) Update its compliance calendar so that all invoices received from the Authority are entered and monitored for payment (b) Assign responsibility to a dedicated person for payment of licence fees.			Action Plan 1/2013 Alinta will: (a) Update its compliance calendar so that all invoices received from the Authority are entered and monitored for payment (b) Assign responsibility to a dedicated person for payment of licence fees. Responsible Person: Manager Regulatory Compliance & Projects Target Date: 31 March 2014

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 2/2013
102	A licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the Authority. <i>Trading Licence clause 23.1</i>	3	Non-compliant 2	Alinta is required to submit compliance reports to the Authority by 31 August each year. Although Alinta emailed a copy of the 2012 compliance report to the Authority by 31 August 2012, the required hard copy was submitted one business day late. Alinta's processes now appropriately address this requirement as: <ul style="list-style-type: none"> • The Authority now provides for annual compliance reports to be delivered via email (in a suitable format) • Alinta's Regulatory Obligations Register captures the annual requirement for submitting compliance reports • Alinta submitted the required 2013 compliance report to the Authority by the 31 August 2013 due date.
Recommendation 2/2013 n/a – no further action is required.				Action Plan 2/2013 n/a – no further action is required.

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 3/2013
113	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect. <i>Trading Licence schedule 3, clause 3.1</i>	3	Non-compliant 2	Alinta increased its gas tariffs as at 1 May 2012 and 21 May 2013 after the State Government's public announcement of the allowable price change. Alinta had not formally notified the Minister of its implementation of the increased tariff and had relied on the Minister's involvement in the deliberations for arriving at the new tariff rates. In this case, Alinta has technically not complied with the requirement of Licence clause 3.1 for the Minister to be notified of any change in price, price structure, fee or interest rate at least one month before that change. We understand that the intent of the Licence requirement is for the Minister to be notified in a timely manner before a change in tariff is affected, to preserve the Government's ability to consider and respond to the impact of price increases on small use customers. We believe the intent of the Licence requirement has not been offended as senior Government ministers and other Government representatives were involved in deliberations regarding the amount and timing of the tariff increase. The 2011 performance audit also noted this same scenario occurred for the 2011 tariff increase. Although Alinta had documented its internal processes for communicating the tariff increase to customers, it has not yet addressed the mechanism for ensuring the Minister receives notification in a manner, which complies with the Licence.
Recommendation 3/2013 Alinta establish a communications protocol for ensuring that the Minister receives notification in a manner that complies with the Licence.				Action Plan 3/2013 Alinta will establish a communications protocol for ensuring that the Minister receives notification in a manner that complies with the Licence. Responsible Person: General Manager Regulatory and Government Affairs Target Date: 31 March 2014

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 4/2013
114	A licensee must comply with the Gas Marketing Code of Conduct. <i>Energy Coordination Act section 11ZPP</i>	2	Non-compliant 2	Through discussion with Customer Care Coordinator and examination of Alinta's processes for marketing to customers, we determined that: <ul style="list-style-type: none"> Since August 2013, residential customers who have ceased or indicated an intention to cease their contract with Alinta have been approached by Alinta with discounted offers via an unsolicited non-standard contract in a targeted marketing initiative Such customers are mailed a pack of documents containing information required by clause 2.3(1) of the Gas Marketing Code. In particular, the pack contains an acceptance form requiring the customer's signed consent to having received that information and agreed to the terms and conditions of the non-standard contract. <p>Whilst some customers have signed the acceptance form and returned it to Alinta, the more common practice has been for Alinta to follow up offers made to customers with a telephone call. In these cases, the customer's verbal acknowledgement is obtained at the time Alinta staff have made the relevant arrangements with the customer via telephone. Evidence of that acknowledgement is retained through voice recordings of all telephone contacts with customers. This practice technically breaches the current requirement of clause 2.3(3) of the Gas Marketing Code of Conduct. We acknowledge however, that this particular requirement has been removed from the next revision of the Gas Marketing Code of Conduct gazetted to come into effect on 1 January 2014.</p>
120	For a standard form contract that is an unsolicited consumer agreement or a non-standard contract other than in accordance with clause 2.2(2) of the Code of Conduct, the gas marketing agent must obtain the customer's written acknowledgement that the specified information was given. <i>Obligation 120 applicable to 30 June 2012:</i> <i>Where a standard form contract is entered into as a result of door to door marketing or for a non-standard contract (other than that initiated by the customer by telephone or electronic means), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.</i> <i>Gas Marketing Code of Conduct clause 2.3(3)</i>	4		
Recommendation 4/2013 n/a – no further action is required.				Action Plan 4/2013 n/a – no further action is required.

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 5/2013
135	<p>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.</p> <p><i>Gas Compendium clause 3.1(2)</i></p>	2	Non-compliant 2 (*)	<p>The non-compliant rating is carried forward from the previous audit period. Although Alinta implemented stronger processes from May 2012, which were designed to achieve compliance, this audit identified the following additional process improvement opportunities (without the carried forward non-compliant rating, this audit would assess this obligation as "Compliant 4" from May 2012):</p> <ul style="list-style-type: none"> • Requests for gas (RFGs) received by post continue to be at risk of not being processed in the required timeframe because: <ul style="list-style-type: none"> ○ The time of receipt is not recorded consistently, so in some instances Alinta is unable to effectively demonstrate whether mail is received before or after 3pm on any given day. Our sample testing noted two RFGs that were received by post but had no indication of the time of receipt, it may be possible that these requests were received before 3pm and therefore not processed on the right day ○ Alinta's processes continue to be unable to readily distinguish between original RFGs and those already received via fax or online. We understand that the majority of RFGs received by post are copies of RFGs already submitted by fax or online. We also understand that gas fitters have been encouraged to send RFGs by fax or online and that has contributed to a significant reduction in the number of RFGs received by post. • Alinta continues to lack clear processes for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner. We also recognise that the majority of requests for gas connection are made during the construction of new premises with the customer not actually requiring the supply of gas for a number of weeks or months later. However, Alinta should be in a position to demonstrate that it has not unduly delayed the processing of completing/validating RFGs.

Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 5/2013
<p>Recommendation 5/2013</p> <p>Alinta:</p> <p>(a) Further strengthen its time stamping process so that all postal RFGs are time stamped as they are received</p> <p>(b) Ensure its staff are adequately trained to time stamp RFGs received by post</p> <p>(c) Consider documenting its processes for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner.</p>			<p>Action Plan 5/2013</p> <p>Alinta will strengthen its new connection processes in accordance with the recommended action plan by:</p> <p>(a) Recording the delays in processing RFGs in the appropriate reporting system with commentary that will be managed by the relevant new- connection staff member on a daily basis and verified and signed off daily by the Team Leader</p> <p>(b) Providing refresher training to all staff relating to RFGs received by post in order to re-enforce the date and time stamping requirement</p> <p>(c) Conducting a review of the new connection process from an end to end perspective to ensure that all RFGs are actioned in an appropriate and timely manner, particularly RFGs that are held pending the provision of further information</p> <p>(d) Generating and reviewing a detailed report of findings and identified business improvement opportunities.</p> <p>Responsible Person: Manager Customer Services</p> <p>Target Date: 31 March 2014</p>

Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 6/2013
<p>137 <i>Gas Compendium clause 4.1(b)</i></p> <p>59 <i>Customer Contracts Regulation 15(1)</i></p> <p>A licensee must issue a bill at least every 110 days unless the licensee has obtained a customer's consent to issue a bill less frequently or the customer has a pre-payment meter installed at the customer's supply address.</p>	<p>4</p> <p>3</p>	<p>Non-compliant 2</p>	<p>Despite the revision to Alinta's Licence (effective from 18 September 2012), allowing bills to be issued at least every 110 days (increased from 3 months) Alinta has continued to experience a relatively small number of instances (9,256 accounts out of over 632,669) where a customer has not been billed within the 110 day requirement.</p> <p>Via a daily report of accounts not billed within 100 days, Alinta identifies those accounts that are at risk of breaching the 110 day requirement and attempts to take the necessary action to resolve the issue. There are a limited number of reasons for accounts remaining unbilled for more than 110 days, some of which are appear to be not within Alinta's control (e.g. where a meter has not yet been installed).</p> <p>Although these daily reports continue to record those instances where the 110 requirements has been exceeded, Alinta processes do not currently provide for:</p> <ul style="list-style-type: none"> • Breaches to be specifically recognised and reported • A distinction to be made between avoidable and non-avoidable breaches • The customer's consent to be obtained for billing outside the required timeframe.

	<p>Recommendation 6/2013</p> <p>Alinta:</p> <p>(a) Further improve its billing exception reporting practices to:</p> <ul style="list-style-type: none"> • Further minimise the number of unprocessed bills in breach of the billing frequency requirements • Proactively identify those accounts at risk of breaching billing frequency requirements • Specifically recognise and report on all such breaches <p>(b) Consider providing for customer consent to be obtained for billing outside the required timeframe</p> <p>(c) Establish a plan for determining what may constitute an acceptable type and/or volume of unbilled accounts (breaches) in order to achieve effective compliance with clause 4.1 of the Compendium.</p>	<p>Action Plan 6/2013</p> <p>Alinta will:</p> <p>(a) Implement new exception reporting to identify accounts at risk of breaching this requirement</p> <p>(b) Compile weekly/monthly/annual reporting to ensure reporting of such breaches are conducted</p> <p>(c) Implement procedures and appropriate plans to investigate further the types of delays, the causes in order to determine those that may be acceptable types, along with reporting of volumes in order to achieve compliance.</p> <p>Responsible Person: Manager Customer Services</p> <p>Target Date: 28 February 2014</p>
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Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 7/2013
227	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6. <i>Gas Compendium clause 7.6</i>	2	Non-compliant 2
51	A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption. <i>Customer Contracts Regulation 12(6)</i>	3	<p>We note that Alinta reported to the Authority, in accordance with type 1 obligation reporting requirements, two instances of non-compliance with the requirements in clause 7.6 of the Compendium, where Alinta's field services provider, SSL, had inadvertently disconnected customers on a Friday instead of the following Monday, per the work order schedule. The non-compliance was immediately recognised by Alinta staff and both customers were reconnected the same day.</p> <p>Of a further sample of disconnections tested:</p> <ul style="list-style-type: none"> • No customers had been disconnected where they had lodged a complaint specific to the reason for disconnection (clause 7.6(d)) • No disconnections had been performed on a Friday, Saturday, Sunday, public holiday or on the day before a public holiday (clause 7.6(f)). <p>However, for one of the disconnections tested by this audit, the time of disconnection was not recorded and we were unable to confirm whether the disconnection had been performed before 3pm.</p> <p>Examination of the customer complaints register did not identify instances of complaints in relation to being disconnected in the circumstances specified under the Gas Compendium clause 7.6.</p>

	<p>Recommendation 7/2013</p> <p>Alinta seek assurances from its contracted field services provider that its disconnection procedures are adequate for fully complying with the requirements for disconnection timing. In particular, those procedures should include:</p> <ul style="list-style-type: none"> (a) Ensuring that the time of disconnection is always recorded (b) Implementing sufficient checks and restrictions instead of placing sole reliance on the training and awareness of individual staff carrying out the disconnection service order. 	<p>Action Plan 7/2013</p> <p>Alinta will adopt the following procedures and processes to monitor compliance:</p> <ul style="list-style-type: none"> (a) The responsible Manager from the contracted field services company will be required to provide a written monthly assurance regarding compliance for this area (b) Alinta's Credit Manager will <ul style="list-style-type: none"> • Monitor compliance by conducting monthly audits • Sign-off on a monthly basis to confirm compliance (c) Alinta will investigate the implementation of new technology and equipment for service orders which will replace the existing manual processes by automated processes. The new technology will enable programming and configuration of equipment to prevent disconnections from being performed outside of permitted timeframes. <p>Responsible Person: Manager Customer Services Target Date: 30 June 2014</p>
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Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 8/2013
266	A retailer must keep a record of the details of each complaint referred to in clause 13.3(1). <i>Gas Compendium clause 13.3(2)</i>	4	Compliant - 4	Although Alinta’s processes and systems appear to provide for details of all complaints records required by clause 13.3(1) to be kept, we observed that some of those complaints records are not retained in a structured and easily traceable manner, increasing the likelihood that the records are incomplete or inaccurate. For example, the time taken to conclude the complaint can be difficult to identify from existing records. The spreadsheet extract from CIS-OV relating to complaints received and handled by Alinta was also not structured in a user friendly manner. Alinta does not maintain a separate customer complaints handling system or register.
Recommendation 8/2013 Alinta: (a) Consider implementing a designated Customer Complaints system, which records details of all complaints records required by clause 13.3(1) in a readily accessible manner (b) Prior to any new system implementation, consider making practical modifications to its existing customer complaints records to improve the accessibility of details of all complaints records required by clause 13.3(1). A structured complaints register may be a viable improvement.				Action Plan 8/2013 Alinta will: (a) Review options for a Customer Complaints Management and Reporting system which interfaces to the Customer Information System, therefore removing the reliance on manual reporting (b) Modify existing processes, procedures and reports to enable records to be more accessible along with modifying this into a structured complaints register, which will improve the existing reporting process. Responsible Person: Manager Customer Services Target Date: 30 June 2014

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 9/2013
135	<i>Gas Compendium</i>	2	Compliant - 4	<p>Alinta has a number of obligations under the Gas Compendium (listed above), which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Alinta is exposed to breaching its obligations in the event that its standard business processes are not upheld. An effective monitoring and exception reporting arrangement will provide Alinta with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.</p> <p>Previous performance audit reports recommended Alinta investigate the feasibility of implementing an exception reporting and monitoring regime. As Alinta had expected to replace its existing customer information system CIS-OV, it decided not to further update or change its existing systems. However, Alinta's plans for the development and implementation of a new customer information system and associated processes have now been deferred, with no timeframe set for completion.</p> <p>We acknowledge that Alinta's standard business processes and existing system protocols minimise the risk of compliance breaches relevant to these obligations. Alinta has also not recognised any specific complaints by customers in relation to possible breaches of the obligations. In lieu of system driven exception reports, Alinta is in a position where it can supplement its reliance on the effectiveness of its standard business processes and existing system protocols with more targeted monitoring of customer complaints, in order to recognise any such complaints that may be an indicator of actual or potential compliance breach</p>
170	<i>Clause 3.1(2)</i>	4		
173	<i>Clause 4.16(3)</i>	4		
174	<i>Clause 4.18(5)</i>	4		
198	<i>Clause 4.18(6)</i>	5		
222	<i>Clause 6.1(1)</i>	4		
229	<i>Clause, 7.1</i>	4		
	<i>Clause 8.1(2)</i>	4		
Recommendation 9/2013 Alinta enhance its customer complaints monitoring practices to identify and monitor those complaints that may be an indicator of actual or potential compliance breach.			Action Plan 9/2013 Alinta will investigate options for business and system improvements, including an automated solution, along with enhancing the existing complaints monitoring practices and reports, with a view to implementing processes to identify timeframes, therefore identifying those complaints that have the potential to be a breach, or where a breach may have occurred. Responsible Person: Manager Customer Services Target Date: 31 March 2014	

2.6 Scope and objectives

As described in our engagement letter dated 25 July 2013, we have conducted a reasonable assurance audit in order to express a conclusion whether, in our opinion, Alinta has complied, in all material respects, with the conditions of its Licence during the period 1 October 2011 to 30 September 2013.

Our engagement was conducted in accordance with Australian Standard on Assurance Engagements ASAE 3500 Performance Engagements, issued by the Australian Auditing and Assurance Standards Board and provides reasonable assurance as defined in ASAE 3500. The procedures we performed are described in more detail in section 2.7 below.

ASAE 3500 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

The Authority has summarised the requirements of the applicable legislation that it expects to be reported upon and included in the scope of this audit in its *Gas Compliance Reporting Manual (Reporting Manual)*.

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

2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period October to December 2013:

- Utilising the Audit Guidelines and Reporting Manual (November 2010, March 2013 and June 2013 versions) as a guide, development of a risk assessment which involved discussions with key staff and document review to assess controls
- Development of an Audit Plan (see **Appendix A**) for approval by the Authority and an associated work program
- Interviews with relevant site level Alinta staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Review of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness of those processes and controls in accordance with Licence obligations (see **Appendix B** for reference listing)
- Sample testing for obligations assessed as an audit priority 3 (or below) and where there was relevant activity to determine whether transactions complied with the requirements of the obligation
- Reporting of findings to Alinta for review and response.

2.8 Inherent limitations

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

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

3. Summary of findings

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

Table 2: Compliance rating scale

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

The remainder of this report provides:

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

Note that the risk assessment presented in the audit plan remains unchanged. No issues or concerns were identified that would indicate a need to modify the nature and levels of testing.

The risk assessment has been included in this summary to give context to the ratings that have been determined.

Table 3: Compliance Summary

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

							Compliance rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
8 TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES												
25	11Z	The requirements of the Gas Standards Act do not apply to Alinta’s operations as a gas trader.										
227	7.6	Major	Probable	High	Moderate	Priority 2			✓			
9 LICENCE COMPLIANCE REQUIREMENTS - ENERGY COORDINATION ACT 1994												
1	11Q(1-2)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
2	11WG(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
3	11WG(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
4	11WK(1-2)	Minor	Probable	Low	Strong	Priority 5						✓
5	11WK(3)	Minor	Probable	Low	Strong	Priority 5						✓
6	11X(3)	Minor	Probable	Low	Strong	Priority 5						✓
10	11ZA(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
11	11ZAF(a)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
12	11ZAF(b)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
13	11ZAF(c)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
14	11ZAH(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
15	11ZAJ	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
16	11ZAJ	Minor	Unlikely	Low	Moderate	Priority 5	✓					
17	11ZK(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
19	11ZOR(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
20	11ZOV(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
21	11ZOV(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
22	11ZOZ(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
24	11ZQH	Moderate	Unlikely	Medium	Strong	Priority 4						✓
10 LICENCE COMPLIANCE REQUIREMENTS - GAS STANDARDS ACT 1972												
25	11Z	The requirements of the Gas Standards Act do not apply to Alinta’s operations as a gas trader.										
11 LICENCE COMPLIANCE REQUIREMENTS - ENERGY COORDINATION (GAS TARIFFS) REGULATIONS 2000												
29	5(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
30	6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
31	6(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
12 LICENCE COMPLIANCE REQUIREMENTS - ENERGY COORDINATION (CUSTOMER CONTRACTS) REGULATIONS 2004												
32	12 (2)	Minor	Probable	Low	Moderate	Priority 5						✓
33	12 (4)(a)	Minor	Probable	Low	Moderate	Priority 5						✓
34	12 (4)(b)	Minor	Probable	Low	Moderate	Priority 5						✓
35	12 (5)(a)	Minor	Probable	Low	Moderate	Priority 5						✓
36	12 (5)(b)	Minor	Unlikely	Low	Moderate	Priority 5						✓
37	12 (5)(c)	Minor	Probable	Low	Moderate	Priority 5						✓
38	12 (5)(d)	Minor	Unlikely	Low	Strong	Priority 5	✓					
39	12 (5)(e)	Minor	Unlikely	Low	Moderate	Priority 5						✓
40	12 (6)	Minor	Probable	Low	Weak	Priority 5						✓
41	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
42	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓

							Compliance rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
43	12 (6)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
44	12 (6)	Minor	Unlikely	Low	Strong	Priority 5	✓					
45	12 (6)	Minor	Unlikely	Low	Strong	Priority 5	✓					
46	12 (6)	Minor	Unlikely	Low	Strong	Priority 5	✓					
47	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
48	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
49	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
50	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
51	12 (6)	Minor	Likely	Medium	Weak	Priority 3			✓			
52	12 (6)	Minor	Probable	Low	Moderate	Priority 5						✓
53	13 (1)	Minor	Unlikely	Low	Strong	Priority 5	✓					
54	13 (3)	Minor	Unlikely	Low	Strong	Priority 5	✓					
55	13 (4)	Minor	Unlikely	Low	Strong	Priority 5	✓					
56	14 (2)	Minor	Probable	Low	Strong	Priority 5						✓
57	14 (3)	Minor	Probable	Low	Strong	Priority 5						✓
58	14	Minor	Probable	Low	Strong	Priority 5						✓
59	15 (1)	Minor	Likely	Medium	Weak	Priority 3			✓			
60	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
61	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
62	15 (1) & (2)	Minor	Probable	Low	Strong	Priority 5						✓
63	15 (1), 47 (2) & (4)	Minor	Probable	Low	Strong	Priority 5						✓
64	15 (1)	Minor	Probable	Low	Moderate	Priority 5						✓
65	15 (1)	Minor	Unlikely	Low	Strong	Priority 5	✓					
66	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
67	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
68	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
69	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
70	16 (3)	Minor	Probable	Low	Strong	Priority 5						✓
71	19	Minor	Probable	Low	Strong	Priority 5						✓
72	20 (2)	Minor	Probable	Low	Strong	Priority 5						✓
73	27 (4) & 40 (3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
74	20 (3) & 48	Minor	Probable	Low	Strong	Priority 5						✓
75	22 & 49 (2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
76	49 (3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
77	49 (4)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
78	49 (5)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
79	50	Minor	Probable	Low	Strong	Priority 5						✓
80	44	Minor	Probable	Low	Moderate	Priority 5						✓
81	45 (1)	Minor	Probable	Low	Moderate	Priority 5						✓
82	45 (2)	Minor	Probable	Low	Moderate	Priority 5						✓
83	46 (1) & (2)	Minor	Probable	Low	Moderate	Priority 5						✓
84	46 (4)	Minor	Probable	Low	Strong	Priority 5						✓
85	28	Minor	Probable	Low	Moderate	Priority 5						✓

							Compliance rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
86	28	Minor	Probable	Low	Moderate	Priority 5						✓
90	33 (3)	Minor	Probable	Low	Moderate	Priority 5						✓
91	42	Minor	Probable	Low	Moderate	Priority 5						✓
13 LICENCE COMPLIANCE REQUIREMENTS - LICENCE CONDITIONS												
96	16.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
97	16.4	Minor	Unlikely	Low	Strong	Priority 5						✓
98	17	Minor	Unlikely	Low	Strong	Priority 5	✓					
99	20	Minor	Probable	Low	Strong	Priority 5						✓
100	21.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
101	22.1	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
102	23.1	Moderate	Probable	Medium	Weak	Priority 3			✓			
103	24	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
106	12.2	Minor	Probable	Low	Moderate	Priority 5						✓
107	12.3	Minor	Probable	Low	Moderate	Priority 5						✓
108	13.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
109	15.1 & 15.2	Moderate	Probable	Medium	Moderate	Priority 4						✓
110	3 1.4 & 1.5	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
111	3 1.1 to 1.3, 1.7 to 1.10	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
112	3 2.1 to 2.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
113	3 3.1	Moderate	Probable	Medium	Weak	Priority 3			✓			
14 LICENCE COMPLIANCE REQUIREMENTS - GAS MARKETING CODE OF CONDUCT												
114	11ZPP	Moderate	Likely	High	Moderate	Priority 2			✓			
115	11ZPP and 11M	Moderate	Likely	High	Moderate	Priority 2						✓
116	2.1	Moderate	Likely	High	Moderate	Priority 2						✓
117	2.2	Moderate	Likely	High	Moderate	Priority 2						✓
118	2.3(1)	Moderate	Likely	High	Moderate	Priority 2						✓
119	2.3(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
120	2.3(3)	Moderate	Unlikely	Medium	Moderate	Priority 4			✓			
121	2.4(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
122	2.4(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
123	2.4(3)	Moderate	Likely	High	Moderate	Priority 2						✓
124	2.4(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
125	2.5(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
126	2.5(2)	Moderate	Likely	High	Moderate	Priority 2						✓
127	2.5(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
128	2.6(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
129	2.6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
130	2.6(3)	Moderate	Likely	High	Moderate	Priority 2						✓
131	2.7	Moderate	Probable	Medium	Moderate	Priority 4						✓
132	2.8 (1)	Moderate	Probable	Medium	Strong	Priority 4						✓
133	2.8(2)	Moderate	Probable	Medium	Strong	Priority 4						✓

							Compliance rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
15 LICENCE COMPLIANCE REQUIREMENTS - GAS COMPENDIUM												
Part 3 Connection												
134	3.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
135	3.1(2)	Moderate	Likely	High	Weak	Priority 2			✓			
Part 4 Billing												
136	4.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
137	4.1(b)	Moderate	Probable	Medium	Weak	Priority 3			✓			
138	4.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
139	4.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
140	4.2(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
141	4.2(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
142	4.2(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
143	4.2(6)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
144	4.3(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
145	4.3(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
146	4.4	Moderate	Probable	Medium	Strong	Priority 4						✓
147	4.5(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
148	4.5(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
149	4.5(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
150	4.6(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
151	4.6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
152	4.7 (1)	Minor	Probable	Low	Moderate	Priority 5						✓
153	4.7(2)	Minor	Probable	Low	Moderate	Priority 5						✓
154	4.8(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
155	4.8(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
156	4.8(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
157	4.9	Moderate	Probable	Medium	Strong	Priority 4						✓
158	4.1	Minor	Probable	Low	Moderate	Priority 5						✓
159	4.11(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
160	4.11(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
161	4.12(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
162	4.12(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
163	4.13	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
164	4.14(1)	Minor	Probable	Low	Strong	Priority 5						✓
165	4.14(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
166	4.15	Minor	Probable	Low	Strong	Priority 5						✓
167	4.16(1)(a)	Moderate	Probable	Medium	Strong	Priority 4						✓
168	4.16(1)(b)	Moderate	Probable	Medium	Strong	Priority 4						✓
169	4.16(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
170	4.16(3)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
171	4.17(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
172	4.18(2)	Minor	Probable	Low	Strong	Priority 5						✓
173	4.18(3)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
174	4.18(4)	Minor	Probable	Low	Moderate	Priority 5					✓	
175	4.18(6)	Minor	Probable	Low	Moderate	Priority 5						✓

							Compliance rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
176	4.19(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
177	4.19(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
178	4.19(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
179	4.19(4)	Minor	Probable	Low	Moderate	Priority 5						✓
180	4.19(5)	Minor	Probable	Low	Moderate	Priority 5						✓
Part 5 Payment												
181	5.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
182	5.2(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
183	5.3	Moderate	Probable	Medium	Strong	Priority 4						✓
184	5.4	Moderate	Probable	Medium	Strong	Priority 4						✓
185	5.5	Moderate	Probable	Medium	Strong	Priority 4						✓
186	5.6(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
187	5.6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
188	5.6(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
189	5.6(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
190	5.7(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
191	5.7(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
192	5.7(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
193	5.7(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
194	5.8(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
195	5.8(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
196	5.8(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
197	5.9	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
Part 6 Payment Difficulties and Financial Hardship												
198	6.1(1)	Moderate	Probable	Medium	Strong	Priority 4					✓	
199	6.1(2)	Minor	Unlikely	Low	Moderate	Priority 5						✓
200	6.1(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
201	6.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
202	6.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
203	6.2(3)	Minor	Probable	Low	Moderate	Priority 5						✓
204	6.3(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
205	6.4(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
206	6.4(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
207	6.4(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
208	6.6(1)	Minor	Probable	Low	Strong	Priority 5						✓
209	6.6(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
210	6.7	Minor	Probable	Low	Strong	Priority 5						✓
211	6.8	Moderate	Probable	Medium	Strong	Priority 4						✓
212	6.9(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
213	6.9(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
214	6.10(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
215	6.10(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
216	6.10(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
217	6.10(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
218	6.10(5)	Moderate	Probable	Medium	Strong	Priority 4						✓

							Compliance rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
219	6.10(6)	Moderate	Probable	Medium	Moderate	Priority 4						✓
220	6.10(7)	Moderate	Probable	Medium	Strong	Priority 4						✓
221	6.11	Moderate	Probable	Medium	Moderate	Priority 4						✓
Part 7 Disconnection												
222	7.1	Moderate	Probable	Medium	Moderate	Priority 4					✓	
223	7.2(1)	Moderate	Probable	Medium	Weak	Priority 3						✓
224	7.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
225	7.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
227	7.6	Major	Probable	High	Moderate	Priority 2			✓			
Part 8 Reconnection												
228	8.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
229	8.1(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
230	8.2	Alinta did not act as a distributor during the period 1 October 2011 to 30 September 2013.										
Part 10 Information and Communication												
231	10.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
232	10.1(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
233	10.1(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
234	10.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
235	10.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
236	10.2(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
237	10.2(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
238	10.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
239	10.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
240	10.5	Moderate	Probable	Medium	Moderate	Priority 4						✓
241	10.5A(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
242	10.5A(2)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
243	10.5A(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
245	10.1	Minor	Probable	Low	Strong	Priority 5						✓
246	10.10(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
247	10.10(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
248	10.10(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
249	10.11(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
250	10.11(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
Part 12 Complaints and Dispute Resolution												
251	12.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
252	12.1(2)(a) & (b)	Moderate	Probable	Medium	Moderate	Priority 4						✓
253	12.1(2)(c) & (d)	Moderate	Probable	Medium	Moderate	Priority 4						✓
254	12.1(3)(a)	Moderate	Probable	Medium	Moderate	Priority 4						✓
255	12.1(3)(b)	Moderate	Probable	Medium	Moderate	Priority 4						✓
256	12.2	Moderate	Probable	Medium	Strong	Priority 4						✓
257	12.3	Moderate	Probable	Medium	Strong	Priority 4						✓
258	12.4	Moderate	Probable	Medium	Strong	Priority 4						✓

							Compliance rating					
#	Obligation reference	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority	NR	1	2	3	4	5
Part 13 Record Keeping and Reporting												
259	13.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
260	13.1(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
262	13.2(a)(ii)-(xv)	Moderate	Probable	Medium	Strong	Priority 4						✓
263	13.2(b)(ii)-(ix)	Moderate	Probable	Medium	Moderate	Priority 4						✓
264	5.2	Moderate	Probable	Medium	Moderate	Priority 4						✓
265	13.3(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
266	13.3(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
267	13.5	Moderate	Probable	Medium	Strong	Priority 4						✓
268	13.6	Moderate	Probable	Medium	Strong	Priority 4						✓
275	13.15 (b)-(d) and 5.3	Moderate	Probable	Medium	Moderate	Priority 4						✓
277	13.17(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
278	13.17(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
279	13.17(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
280	13.18	Moderate	Probable	Medium	Strong	Priority 4						✓
Gas Code of Conduct obligations applicable for the period 1 October 2011 to 30 June 2012 only												
125	2.5(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
126	2.5(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
130	2.6(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
133	2.6(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
134	2.6(5)	Moderate	Probable	Medium	Moderate	Priority 4						✓
135	2.6(6)	Moderate	Probable	Medium	Moderate	Priority 4						✓
137	2.7(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
138	2.7(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
139	2.7(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
140	2.7(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
141	2.7(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
142	2.8	Moderate	Probable	Medium	Strong	Priority 4						✓
Gas obligations applicable for the period 1 October 2011 to 31 December 2012 only												
170	4.14(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
171	4.14(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
183	5.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓

4. Detailed findings, recommendations and action plans

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

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

Each section contains:

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

4.1 Type 1 Reporting obligations for all licence types

Obligations determined to be not applicable

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

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

Assessment of compliance

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

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

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

Also note that as Type 1 obligations are included in the corresponding section of this report, the detailed findings for obligation 227 below are a direct copy of the detailed findings provided at section 4.8 of this report.

No	Obligation under Condition	Compliance Rating	Findings
227	<p>A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.</p> <p><i>Gas Compendium clause 7.6</i></p>	Non-compliant 2	<p>Through discussions with the Credit Controller and walkthrough of Alinta's disconnection processes, we observed that Alinta's processes and procedures provide for:</p> <ul style="list-style-type: none"> • Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection • Disconnections not to be arranged for Fridays, Saturday, Sunday, a public holiday, the day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to: <ul style="list-style-type: none"> ○ Not arrange disconnections on a Friday ○ Perform disconnections using the disconnection service order produced by CIS-OV, which is forwarded to AMRS or ATCO Gas for processing. <p>From discussion with the Credit Controller we determined that, owing to system constraints, Alinta has implemented the following manual process:</p> <ul style="list-style-type: none"> • AMRS and ATCO Gas are required to document the time disconnection is effected on a completed service order, which is then returned to Alinta • An ATCO Gas representative sends Alinta an email each month confirming ATCO Gas' and AMRS' compliance with the requirements of clause 7.6 of the Code, for all disconnections performed that month • Alinta performs on-going 'spot checks' of disconnection service orders to determine whether disconnection times are being recorded. Any service orders without documented times are raised at monthly management meetings. <p>We note that Alinta reported to the Authority, in accordance with type 1 obligation reporting requirements, two instances of non-compliance with the requirements in clause 7.6 of the Compendium, where Alinta's field services provider, SSL, had inadvertently disconnected customers on a Friday instead of the following Monday, per the work order schedule. The non-compliance was immediately recognised by Alinta staff and both customers were reconnected the same day.</p> <p>Of a further sample of disconnections tested:</p> <ul style="list-style-type: none"> • No customers had been disconnected where they had lodged a complaint specific to the reason for disconnection (clause 7.6(d)) • No disconnections had been performed on a Friday, Saturday, Sunday, public holiday or on the day before a public holiday (clause 7.6(f)). <p>However, for one of the disconnections tested by this audit, the time of disconnection was not recorded and we were unable to confirm whether the disconnection had been performed before 3pm.</p> <p>Examination of the customer complaints register did not identify any instances of complaints in relation to being disconnected in the circumstances specified under the Gas Compendium clause 7.6.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p>Recommendation 7/2013</p> <p>Alinta seek assurances from its contracted field services provider that its disconnection procedures are adequate for fully complying with the requirements for disconnection timing. In particular, those procedures should include:</p> <ul style="list-style-type: none"> (a) Ensuring that the time of disconnection is always recorded (b) Implementing sufficient checks and restrictions instead of placing sole reliance on the training and awareness of individual staff carrying out the disconnection service order. 		<p>Action Plan 7/2013</p> <p>Alinta will adopt the following procedures and processes to monitor compliance:</p> <ul style="list-style-type: none"> (a) The responsible Manager from the contracted field services company will be required to provide a written monthly assurance regarding compliance for this area (b) Alinta's Credit Manager will <ul style="list-style-type: none"> • Monitor compliance by conducting monthly audits • Sign-off on a monthly basis to confirm compliance (c) Alinta will investigate the implementation of new technology and equipment for service orders which will replace the existing manual processes by automated processes. The new technology will enable programming and configuration of equipment to prevent disconnections from being performed outside of permitted timeframes. <p>Responsible Person: Manager Customer Services Target Date: 30 June 2014</p>

4.2 Energy Coordination Act 1994

Obligations determined to be not applicable

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

Obligations determined to be not rateable

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

Obligation	Reason
11 to 16	The Manager Regulatory Compliance & Projects confirmed that Alinta has not been designated as a supplier of last resort. Therefore the requirements for the development, maintenance and enactment of the 'last resort supply plan' are not relevant to Alinta's operations for the period 1 October 2011 to 30 September 2013.
17	The Manager Regulatory Compliance & Projects confirmed that for the purposes of the Gas Trading Licence, Alinta does not have an interest in or an easement over land.
22	The Manager Regulatory Compliance & Projects confirmed that, for the period 1 October 2011 to 30 September 2013, the Authority has made no request of Alinta to amend the retail market scheme.

Assessment of compliance

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

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
-	8	-	1	-	-	10	19

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

No	Obligation under Condition	Compliance Rating	Findings
1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 & 5) <i>Energy Coordination Act section 11Q(1-2)</i>	Non-compliant 2	In accordance with section 11Q(1-2) of the Energy Coordination Act, Alinta is required to pay the GTL annual licence fee within one month after the date of renewal of the licence, being 1 August each year. For the two licence fees payable during the period subject to audit, we obtained evidence of payment of the: <ul style="list-style-type: none"> • 2012 licence fee on 20 July 2012, which complied with the requirement of the Act • 2013 licence fee on 12 August 2013, which did not comply with the requirement of the Act. In relation to the late payment of the 2013 licence fee, we observed that: <ul style="list-style-type: none"> • The invoice from the Economic Regulation Authority was received for payment by Alinta's Accounts Payable function on 25 July 2013 • Alinta's procedures and compliance calendar were not effective in ensuring that the licence fee was paid on time • Alinta appears to have over-relied on the responsible Accounts Officer to recognise the need to make an urgent (fast tracked) payment.
	Recommendation 1/2013 Alinta: (a) Update its compliance calendar so that all invoices received from the Authority are entered and monitored for payment (b) Assign responsibility to a dedicated person for payment of licence fees.		Action Plan 1/2013 Alinta will: (a) Update its compliance calendar so that all invoices received from the Authority are entered and monitored for payment (b) Assign responsibility to a dedicated person for payment of licence fees. Responsible Person: Manager Regulatory Compliance & Projects Target Date: 31 March 2014
2	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract. <i>Energy Coordination Act section 11WG(1)</i>	Compliant - 5	Through discussions with the Customer Care Coordinator, Team Leader - Customer Service and walkthrough of Alinta's customer account set up procedures, we determined that: <ul style="list-style-type: none"> • Alinta supplies gas to small use residential customers under a Standard Form Contract • The latest version of the Standard Form Contract (February 2013) has been approved by the Authority and located on each of the Authority's and Alinta's websites • From 13 August 2013 Alinta has also used a Non-Standard Contract to supply gas to small use residential customers at discounted rates • For small use business customers, Alinta contracts supply via a non-standard form contract only.

No	Obligation under Condition	Compliance Rating	Findings
3	A licensee must comply with a direction given to the licensee under section 11WI. <i>Energy Coordination Act section 11WG(2)</i>	Compliant - 5	<p>Through discussion with Manager Regulatory Compliance and Projects and examination of the Authority's letter containing a detailed review of Alinta's standard form contract and Alinta's subsequent response to the Authority, we determined that:</p> <ul style="list-style-type: none"> On 5 November 2012 Alinta initiated a review of its standard form contract to amend specific terms and conditions relating to privacy as contained in clause 28 of the contract In addition to considering Alinta's amended standard form contract for approval, the Authority conducted a full review of the contract against requirements of the Energy Coordination (Customer Contracts) Regulations 2004 and directed Alinta for further consideration or clarification of 25 other requirements of the standard contract, including: <ul style="list-style-type: none"> Meter reading Calculation of consumption Contents of a bill Additional goods and services Instalment payments Termination of contract Definitions and special conditions. <p>We examined correspondence and evidence to determine that after discussions with the Authority, Alinta has considered the proposed amendments and provided further clarifications in accordance with the Authority's directions.</p> <p>The Authority approved Alinta's amended standard form contract on 28 February 2013.</p>
4	Gas is deemed to be supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the holder of a trading licence. <i>Energy Coordination Act section 11WK(1-2)</i>	Compliant - 5	<p>Through discussions with the Team Leader - Customer Service we determined that Alinta's procedures provide for:</p> <ul style="list-style-type: none"> Should a customer be identified as having consumed gas without having established an account with Alinta, the customer is required to register an account The customer to be disconnected should the customer not register an account Customers to be identified as having consumed gas without entering into an account with Alinta where meter reads do not match an active account within CIS-OV All supply of gas being deemed to be made under the standard form contract.
5	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier. <i>Energy Coordination Act section 11WK(3)</i>	Compliant - 5	<p>Section 27 of Alinta's standard form contract states that the contract is in place for a period of one year unless the customer or Alinta ends the contract earlier.</p> <p>The standard form contract also provides for the event that if one year passes without either party ending the relationship, the contract will automatically be renewed for an additional one year period, and so on, until ended.</p>

No	Obligation under Condition	Compliance Rating	Findings
6	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause. <i>Energy Coordination Act section 11X(3)</i>	Compliant - 5	Alinta has the following arrangements in place, which are designed to minimise the extent or duration of interruption or restriction of supply: <ul style="list-style-type: none"> • Long term contractual arrangements for securing gas supply • Contractual arrangements with commercial customers enabling Alinta to manage supply in the event of a disruption that threatens continuous supply to small use residential customers • Working arrangements with ATCO Gas (as required) to coordinate liaison with customers • Recognition of ATCO Gas' responsibility to maintain the 24 hour emergency service hotline.
10	A licensee must provide the Authority with a performance audit by an independent expert acceptable to the Authority within 24 months of commencement and every 24 months thereafter (or longer if the Authority allows). <i>Energy Coordination Act section 11ZA(1)</i>	Compliant - 5	On 30 July 2013, Deloitte was appointed with the Authority's approval to undertake the audit for the period 1 October 2011 to 30 September 2013. The previous performance audit for the period 1 July 2010 to 30 September 2011 was performed in accordance with Authority's requirements.
19	A licensee that sells gas that is transported through a distribution system must be a member of an approved retail market scheme if a scheme is in force. <i>Energy Coordination Act section 11ZOR(2)</i>	Compliant - 5	The Retail Energy Market Company Ltd (REMCo) was appointed as the administrator of the approved retail market scheme covering the distribution systems in which Alinta is licensed to operate. From an examination of the REMCo website, and discussion with the Manager Regulatory Compliance and Projects, we confirmed that Alinta was a member of REMCo for the duration of the period subject to audit.
20	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme. <i>Energy Coordination Act section 11ZOV(1)</i>	Compliant - 5	<i>Obligations 20 and 21</i> Prohibited conduct is defined by the Energy Coordination Act s.11ZOV as preventing or hindering the operation of the retail market scheme.
21	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme. <i>Energy Coordination Act section 11ZOV(2)</i>	Compliant - 5	The Manager Regulatory Compliance and Projects advised that for the period 1 October 2011 to 30 September 2013, she is not aware of Alinta engaging or assisting another party to engage in prohibited conduct relating to the operation of the retail market scheme.
24	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme. <i>Energy Coordination Act section 11ZQH</i>	Compliant - 5	Through our discussion with Manager Regulatory Compliance and Projects and examination of Alinta's Gas Trading Licence, we determined that Alinta: <ul style="list-style-type: none"> • Has been granted a GTL • Is precluded by the licence from supplying gas to small use customers unless it is a member of the approved gas industry ombudsman scheme • Is a gas industry member of the ombudsman scheme (admitted to membership on 12 May 2004).

4.3 Gas Standards Act 1972

Obligations determined to be not applicable

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

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

Assessment of compliance

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

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

4.4 Energy Coordination (Gas Tariffs) Regulations 2000

Obligations determined to be not applicable

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

Assessment of compliance

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

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

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

No	Obligation under Condition	Compliance Rating	Findings
29	A licensee supplying gas in an area referred to in Regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area. <i>Energy Coordination (Gas Tariffs) Regulation 5(1)</i>	Compliant - 5	The Manager Customer Services confirmed that Alinta supplies gas to the Mid-West/South West, Albany and Kalgoorlie-Boulder areas. Our examination of Alinta's tariffs effective 1 May 2012 and 21 May 2013, confirmed that Alinta has distinct capped tariffs for each area of supply.
30	A licensee is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff. <i>Energy Coordination (Gas Tariffs) Regulation 6(2)</i>	Compliant - 5	<i>Obligations 30 and 31</i> Through discussions with the Team Leader – Customer Services and the Team Leader – Billing Services, and consideration of Alinta's customer connection processes, we determined that Alinta has processes and procedures in place to manage the application of tariffs. We note that those processes and procedures provide for:
31	When offering to supply gas to a new customer under a standard form contract, a licensee is to offer to supply gas at a capped tariff. <i>Energy Coordination (Gas Tariffs) Regulation 6(4)</i>	Compliant - 5	<ul style="list-style-type: none"> • Small use residential customers to be supplied gas under either a standard form contract or a non-standard contract (called the Residential Market Contract) • The tariffs applicable to small use customers to be automatically set up within CIS-OV, and attached to a customer's account when the Customer Service Representative finalises the account set-up process • The tariff charged relates to suburb, geographical area (i.e. Mid-West/South West, Albany and Kalgoorlie-Boulder areas) and post code. <p>We observed a customer account and compared the tariff within CIS-OV, confirming that CIS-OV's tariff records are consistent with the applicable tariff for that area including any amendments in the tariff throughout the audit period.</p>

4.5 Energy Coordination (Customer Contracts) Regulations 2000

Background

The Energy Coordination (Customer Contracts) Regulations 2000 (**Contract Regulations**) were

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

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

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

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

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

Table 4 – Contract Regulations matched to Gas Compendium

Customer Contracts Regulations	Gas Compendium	Rating
32, 48	227	5
51	227	2
33, 34	222	5
42	225	5
40, 41, 49, 50	223	5
52	229	5
57, 58	231	5
57	232	5
59	137	2
60	147	5
63	234	5
64	150	5
	152	5
66	157	5
67	158	5
68	182	5
69	184	5
	185	5
72	205	5
	211	5
74	195	5

Obligations determined to be not applicable

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

Obligations determined to be not rateable

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

Obligation	Reason
43, 44, 45	Alinta has not disconnected, or requested the disconnection of, any customers for maintenance, emergency, health or safety reasons. Such disconnections and subsequent reconnections are performed by the network operator.
38, 46, 53, 54, 55	The Customer Services Manager confirmed that Alinta does not require customers to pay a refundable advance as security over consumption in case of default.
65	Through discussions with the Customer Services Manager, we determined that Alinta does not accept a customer meter reading as an actual read. ATCO Gas require a read performed by a meter reader before a customer's read will be updated.
73	The Customer Services Manager and Small and Medium Enterprises (SME) Sales and Channel Manager confirmed that Alinta, for the period 1 October 2011 to 30 September 2013, did not engage in door to door marketing.
75 – 78	The Customer Services Manager confirmed that for the period 1 July 2010 to 30 September 2011 Alinta did not default list any customers.

Assessment of compliance

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

Obligation	N/A	N/R	Non-compliant		Compliant			Total
			1	2	3	4	5	
Compendium and Customer Contracts ⁶	-	-	-	2	-	-	21	23
Customer Contracts specific ⁷	-	14	-	-	-	-	20	34
Total	-	14	-	2	-	-	41	57

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

⁶ Customer Contracts obligations that relate to a clause in the Compendium and assessed in a Compendium obligation. For the two non-compliances, refer to obligations 51 and 59 in Table 4

⁷ Customer Contracts obligations that do not relate to any other obligation

No	Obligation under Condition	Compliance Rating	Findings
35	A licensee must reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee. <i>Customer Contracts Regulation 12(5)(a)</i>	Compliant - 5	<p><i>Obligations 35 and 37 (links to obligation 228, however as there is no timeframe requirement under the Gas Compendium, obligations 35 and 37 have been assessed separately)</i></p> <p>Current market arrangements provide for ATCO Gas (as the distributor) to physically reconnect the customer's gas supply at the request of Alinta (refer to obligation 228 findings). Under these market rules and the Gas Compendium clause 8.1(2), Alinta must send reconnection service orders to ATCO Gas in a specified timeframe (obligation 229). Customer Contracts Regulation 12(5)(a) requires Alinta, considering the market relationship, to monitor the timing of reconnection of a customer's gas supply.</p> <p>Through discussions with the Credit Controller and examination of CIS-OV reports, we determined that the Credit Controller monitors the following reports in an excel spreadsheet, adding comments and following up where required:</p> <ul style="list-style-type: none"> • Daily to identify service orders not completed within 3 business days of the issue date • Each Friday to identify service orders not completed within 7 business days of the issue date • Each Friday to identify service orders not completed within 10 business days of the issue date. <p>Examination of a sample of reports did not identify any instances where the timeframe of 10 business days was exceeded.</p>
36	A licensee must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee. <i>Customer Contracts Regulation 12(5)(b)</i>	Compliant - 5	
37	A licensee must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee. <i>Customer Contracts Regulation 12(5)(c)</i>	Compliant - 5	
39	A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee. <i>Customer Contracts Regulation 12(5)(e)</i>	Compliant - 5	<p>Through discussions with the Credit Controller and consideration of Alinta's disconnection and reconnection processes, we determined that:</p> <ul style="list-style-type: none"> • Alinta now receives a monthly report from ATCO Gas that lists disconnections performed for emergency, health, safety or maintenance reasons • The report: <ul style="list-style-type: none"> ○ Identifies disconnections of supply addresses where a fault is located downstream of the gas meter, as the Regulation requires reconnection where the customer has required the disconnection to be performed ○ Details location, description, service order number and planned start date for each disconnection effected throughout the month. ○ Has been operational since February 2011. • The timeframe within which the gas supply to a supply address is reconnected is at the discretion of the owner/occupier of each individual supply address.

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

No	Obligation under Condition	Compliance Rating	Findings
70	A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless — (a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code; and (b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract. <i>Customer Contracts Regulation 16(3)</i>	Compliant - 5	Through discussions with the Coordinator Contact Centre and consideration of Alinta's disconnection processes, we determined that Alinta's processes provide for: <ul style="list-style-type: none"> • Disconnection of a customer to be Alinta's last resort • Disconnection to only be effected if a customer breaches the conditions of the contract • Credit Management staff to only disconnect customers for specified reasons, in accordance with the Gas Compendium • Customers not to be disconnected for amounts owing that do not relate to the supply of gas.
71	A licensee must provide a customer (a) a copy of their customer service charter; (b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer. <i>Customer Contracts Regulation 19</i>	Compliant - 5	Through discussions with the Customer Services Manager, and consideration of Alinta's customer liaison processes, we determined that all information required by Regulation 19 is available to customers, on request.
79	A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer. <i>Customer Contracts Regulation 50</i>	Compliant - 5	Our examination of the disconnection warning notices determined that information relating to Alinta's complaints handling process and the contact details of the Gas Industry Ombudsman are included on the disconnection warning notice.
80	When a non-standard contract is due to expire a licensee must issue a notice in writing to a customer within a period of one and two months prior to the expiry date (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry. <i>Customer Contracts Regulation 44</i>	Compliant - 5	Regulation 44(2) states that the licensee is to provide the notice "...not more than 2 months and not less than one month before the day on which the contract is due to expire". Through discussions with the Customer Services Manager, we determined that Alinta's processes for the renewal of non-standard form contracts are designed to meet the timeframe requirements of Regulation 44(2). Specifically: <ul style="list-style-type: none"> • On a monthly basis, Alinta produces and reviews a listing of customers whose contracts are due to expire in a month's time • Alinta's analytics team reviews the customer's usage and determines the new pricing to be included in the contract • The new pricing information, new contract and terms and conditions are sent to the customer at the time of review (i.e. within the period of one and two months prior to the expiry date).

No	Obligation under Condition	Compliance Rating	Findings
81	Upon request, a licensee must provide a customer free of charge with a copy of its customer service charter within 2 business days of the request. <i>Customer Contracts Regulation 45(1)</i>	Compliant - 5	The Team Leader – Customer Service confirmed that call centre staff are trained to post a copy of the Customer Service Charter the day of customer request, thereby meeting the two business day requirement.
82	A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge. <i>Customer Contracts Regulation 45(2)</i>	Compliant - 5	Through discussions with the Team Leader – Billing Services and consideration of Alinta's processes to provide information to customers, we determined: <ul style="list-style-type: none"> All new customers and customers who move address receive a copy of the Customer Service Charter, and that the Customer Service Charter is available online Alinta's current bill templates advise a Customer Service Charter is available online or the customer can request a free copy.
83	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code. <i>Customer Contracts Regulation 46(1) and (2)</i>	Compliant - 5	Obligations 83 and 84 Through discussions with the Customer Services Manager and examination of section 9 of the standard form contract and observation of available references, we determined that: <ul style="list-style-type: none"> A copy of the Energy Coordination (Customer Contract) Regulations 2000 is available to customers on request A copy of the Regulations is available at Alinta's premises for viewing, upon request The provision of the information is available at no cost.
84	A licensee must ensure that a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices at no charge. <i>Customer Contracts Regulation 46(4)</i>	Compliant - 5	
85	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain equipment for the supply of gas up to the point of supply. <i>Customer Contracts Regulation 28, clause 3.1.1(a) AGA Code</i>	Compliant - 5	Obligations 85 and 86 Section 13 of the standard form contract states "We, or the network operator, in accordance with the relevant regulations and relevant codes, will provide, install and maintain network equipment. In particular, we or the network operator will install and maintain the meter, including the necessary ancillary equipment at the supply address, taking into account your wishes...All equipment located after [downstream of] the point where gas leaves the meter at your supply address that is used to transport, control or consume gas is your equipment [except any network equipment]." The above provision advises the customer that the retailer or distributor owns all equipment up to gas leaving the meter (including the meter) and will also maintain this equipment, in accordance with the Regulation.
86	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain metering and necessary equipment at the supply address. <i>Customer Contracts Regulation 28, clause 3.1.1(b) AGA Code</i>	Compliant - 5	

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

4.6 Licence Conditions

Obligations determined to be not applicable

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

Obligations determined to be not rateable

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

Obligation	Reason
98	The Manager Regulatory Compliance & Projects confirmed that Alinta has not been prescribed individual performance standards by the Authority.
101	During the period 1 October 2011 to 30 September 2013, Alinta was not under external administration and had not undergone any significant change in circumstances upon which its Licence was granted, which may affect its ability to meet its licence obligations. Accordingly there was no obligation to report to the Authority.
103	The Manager Regulatory Compliance & Projects confirmed that for the period 1 October 2011 to 30 September 2013, the Authority made no directions for Alinta to publish information
110	The Manager Regulatory Compliance & Projects confirmed that the Authority has not made a request for information relating to the refusal of supply to a customer.
111	The Manager Regulatory Compliance & Projects confirmed that the Authority has not made a direction to supply a customer during the period 1 October 2011 to 30 September 2013.
112	The Manager Regulatory Compliance & Projects and Customer Services Manager confirmed that the distributor i.e. ATCO Gas, has not made any information requests of Alinta during the period 1 October 2011 to 30 September 2013

Assessment of compliance

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

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
-	6	-	2	1	-	7	16

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

No	Obligation under Condition	Compliance Rating	Findings
96	A licensee must comply and require its expert to comply with the Authority's standard guidelines dealing with the performance audit. <i>Trading Licence clause 16.2</i>	Compliant - 5	The Audit Plan approved by the Authority on 19 November 2013 commits Alinta and Deloitte (independent expert) to complying with the prescribed audit guidelines and reporting manual issued by the Authority. Deloitte confirms that this audit was undertaken utilising the framework from the audit guidelines. Deloitte has undertaken the audit utilising the Audit Guidelines: Electricity, Gas and Water Licences, dated August 2010.
97	A licensee's independent auditor must be approved by the Authority prior to the audit. <i>Trading Licence clause 16.4</i>	Compliant - 5	Deloitte was appointed as the independent auditor by Alinta, and approved by the Authority on 30 July 2013.
99	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters. <i>Trading Licence clause 20</i>	Compliant - 5	The Manager Regulatory Compliance & Projects maintains manual and scanned records to evidence formal communications with the Authority, which have been made via post or email. During the audit, we sighted evidence of records of Alinta's correspondence with the Authority including emails, acknowledgement letters and written notices.
100	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards. <i>Trading Licence clause 21.1</i>	Compliant - 5	As at 17 March 2011, a group of institutional investors led by Texas Pacific Group (TPG) acquired the Alinta assets from Redbank Energy Limited under a debt for equity swap. The investors, established a holdings company, Alinta Holdings (formerly Amber Holdings), to be the parent company for the Alinta entities. Alinta Holdings is not listed on the Australian Stock Exchange. The Accounting and Planning Manager confirmed that: <ul style="list-style-type: none"> • To the best of his knowledge, Alinta Holdings is compliant with Australian Accounting Standards • Alinta Holdings' financial reporting period is from 1 July to 30 June. Alinta Holdings financial statements were audited by PricewaterhouseCoopers • There are no significant accounting transactions or items that would currently jeopardise Alinta Holdings' compliance with accounting standards. The 2011/12 and 2012/13 annual statements for Alinta Holdings were sighted. The reports confirmed compliance with Australian Accounting Standards and were unqualified.

No	Obligation under Condition	Compliance Rating	Findings
102	A licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the Authority. <i>Trading Licence clause 23.1</i>	Non-compliant – 2	Through discussions with the Manager Regulatory Compliance & Projects, we determined that Alinta has processes in place to respond to requests for information from the Authority. We note that: <ul style="list-style-type: none"> The Manager Regulatory Compliance & Projects is responsible for: <ul style="list-style-type: none"> Maintaining a log of communication with the Authority, including timing for submission of required information and reports by means of a Regulatory Obligations Register Monitoring compliance with Alinta's licence obligations. Alinta is required to submit compliance reports to the Authority by 31 August each year. Although Alinta emailed a copy of the 2012 compliance report to the Authority by 31 August 2012, the required hard copy was submitted one business day late. Alinta's processes now appropriately address this requirement as: <ul style="list-style-type: none"> The Authority now provides for annual compliance reports to be delivered via email (in a suitable format) Alinta's Regulatory Obligations Register captures the annual requirement for submitting compliance reports Alinta submitted the required 2013 compliance report to the Authority by the 31 August 2013 due date Each year, Alinta is required to provide information on its retail activity utilising the performance data sheets provided by the Authority. The reports were due to be published by 1 October each year and due to be submitted to the Minister and the Authority at least seven days prior to publishing the report. We noted that Alinta published the reports on its website on 27 September each year and submitted the reports to the Minister and the Authority at least seven days beforehand For the period subject to audit, the Authority has made ad hoc enquiries, but has not required formal reporting of information.
	Recommendation 2/2013 n/a – no further action is required.		Action Plan 2/2013 n/a – no further action is required.
106	A licensee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that review within the time specified by the Authority. <i>Trading Licence clause 12.2</i>	Compliant - 5	Obligations 106 and 107 Through discussion with Manager Regulatory Compliance and Projects and examination of the Authority's letter containing a detailed review of Alinta's standard form contract and Alinta's subsequent response to the Authority, we determined that: <ul style="list-style-type: none"> On 5 November 2012 Alinta initiated a review of its standard form contract to amend specific terms and conditions relating to privacy as contained in clause 28 of the contract In addition to considering Alinta's amended standard form contract for approval, the
107	A licensee must comply with any direction given by	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
	the Authority in relation to the scope, process and methodology of the standard form contract review. <i>Trading Licence clause 12.3</i>		<p>Authority conducted a full review of the contract against requirements of the Energy Coordination (Customer Contracts) Regulations 2004 and directed Alinta for further consideration or clarification of 25 other requirements of the standard contract, including:</p> <ul style="list-style-type: none"> ○ Meter reading ○ Calculation of consumption ○ Contents of a bill ○ Additional goods and services ○ Instalment payments ○ Termination of contract ○ Definitions and special conditions. <p>We examined correspondence and evidence to determine that after discussions with the Authority, Alinta has considered the proposed amendments and provided further clarifications in accordance with the Authority's directions.</p> <p>The Authority approved Alinta's amended standard form contract on 28 February 2013.</p>
108	A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations. <i>Trading Licence clause 13.1</i>	Compliant - 5	The Manager Regulatory Compliance & Projects confirmed that Alinta has only amended the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.
109	A licensee must maintain supply to a customer if it supplies, or within the last 12 months supplied, gas to that customer's premises unless another supplier starts supplying the customer. <i>Trading Licence clause 15.1 and 15.2</i>	Compliant - 5	The Customer Service Manager confirmed that Alinta's procedures and service standards provide for Alinta to continue to supply to a customer unless the customer breaches the standard terms and conditions, or cancels their account.
113	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect. <i>Trading Licence schedule 3, clause 3.1</i>	Non-compliant - 2	<p><u>1 May 2012 and 21 May 2013 tariff increase (non-compliant)</u></p> <p>Alinta increased its gas tariffs as at 1 May 2012 and 21 May 2013 after the State Government's public announcement of the allowable price change. Alinta had not formally notified the Minister of its implementation of the increased tariff and had relied on the Minister's involvement in the deliberations for arriving at the new tariff rates.</p> <p>In this case, Alinta has technically not complied with the requirement of Licence clause 3.1 for the Minister to be notified of any change in price, price structure, fee or interest rate at least one month before that change. We understand that the intent of the Licence requirement is for the Minister to be notified in a timely manner before a change in tariff is affected, to preserve the Government's ability to consider and respond to the impact of price increases on small use customers. We believe the intent of the Licence requirement has not been offended as senior Government ministers and other Government representatives were involved in deliberations</p>

No	Obligation under Condition	Compliance Rating	Findings
			<p>regarding the amount and timing of the tariff increase.</p> <p>The 2011 performance audit also noted this same scenario occurred for the 2011 tariff increase. Although Alinta had documented its internal processes for communicating the tariff increase to customers, it has not yet addressed the mechanism for ensuring the Minister receives notification in a manner, which complies with the Licence.</p> <p><u>July 2012 and September 2013 fee structure change (compliant)</u></p> <p>We sighted evidence of Alinta's notification of the change to Alinta's fee structure (effective from 1 July 2012) on 31 May 2012, which was more than one month prior to the effective date. The Manager Regulatory Compliance & Projects confirmed that the Minister was notified of the change to Alinta's fee structure (effective from 1 September 2013) at least one month prior to the effective date.</p>
	<p>Recommendation 3/2013</p> <p>Alinta establish a communications protocol for ensuring that the Minister receives notification in a manner that complies with the Licence.</p>		<p>Action Plan 3/2013</p> <p>Alinta will establish a communications protocol for ensuring that the Minister receives notification in a manner that complies with the Licence.</p> <p>Responsible Person: General Manager Regulatory and Government Affairs</p> <p>Target Date: 31 March 2014</p>

4.7 Gas Marketing Code of Conduct

Context

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

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

Obligations determined to be not applicable

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

Obligations determined to be not rateable

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

Obligation	Reason
125	The Customer Services Manager confirmed Alinta does not offer concessions to its customers.
139-141 ⁸	The Manager Regulatory Compliance & Projects and the SME Sales and Channel Manager confirmed Alinta has not engaged in door-to-door marketing activities for the period 1 October 2011 to 30 June 2012.

Assessment of compliance

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

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
-	4	-	-	-	-	28	32

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

⁸ Applicable only from 1 October 2011 to 30 June 2012

No	Obligation under Condition	Compliance Rating	Findings
114	A licensee must comply with the Gas Marketing Code of Conduct. <i>Energy Coordination Act section 11ZPP</i>	Non-compliant 2	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and examination of Alinta's marketing activities, procedures and monitoring processes we determined that Alinta has implemented checking processes and staff training to demonstrate compliance with the Gas Marketing Code of Conduct.</p> <p>As detailed in the remainder of our findings on Alinta's compliance with the Gas Marketing Code of Conduct, this audit:</p> <ul style="list-style-type: none"> • Examined the customer complaints register for the period 1 October 2011 to 30 September 2013, which did not indicate evidence of complaints in relation to Alinta staff members' compliance with the Gas Marketing Code • Examined a sample of newly implemented contracts and confirmed that Alinta provided the customer with a contract, terms and conditions and a copy of the Gas Customer Charter, which contain information as specified by s.2.4(2)(b) of the Gas Marketing Code • Tested a sample of new small use contract entered into by the Sales team (i.e. for a small business customer) and determined that the information required by clause 2.4(2) of the Gas Compendium was provided to the customer • Observed that sales and customer services staff appear to display knowledge of appropriate behaviour in relation to dealing with customers • Examined a sample of customers who have elected not to receive marketing material and determined that those customer accounts correctly reflect the request. <p><i>Instance of non-compliance</i></p> <p>Refer to findings for obligation 120, which identify an instance of technical non-compliance with the requirement to obtain a customer's written acknowledgment of having received information specified in clause 2.3(1).</p>
115	A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct. <i>Energy Coordination Act section 11ZPP</i>	Compliant - 5	<p><i>Obligations 115 and 116</i></p> <p>Through discussions with Customer Services Manager and Customer Care Coordinator, we determined that from 13 August 2013 Alinta commenced targeted marketing to customers who have ceased or indicated an intention to cease their contract with Alinta in favour of Kleenheat Gas. The marketing activity has been conducted via telephone calls and post mail but not door to door marketing.</p> <p>We also recognise that as the definition of marketing under the Gas Marketing Code encapsulates any discussions relating to negotiations or dealings with contracts (e.g. relating to moving house, payments terms etc.), the obligations of Gas Marketing Code are applicable to Alinta's employees from that perspective.</p> <p>Through confirmations from the Customer Care Coordinator and the SME Sales and Channel Manager and examination of training materials, we determined that :</p> <ul style="list-style-type: none"> • Alinta staff for marketing calls are specifically trained and provided with call scripts that have been specifically designed to comply with the requirements of Gas Marketing Code
116	A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct. <i>Gas Marketing Code of Conduct clause 2.1</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> Regular team meetings are held to update and train the call staff on any improvements in call script or to discuss appropriate responses to any specific queries from customers Alinta call centre staff are trained to provide services to customers in accordance with the Gas Compendium, which specifically encapsulates the standards required under the Gas Marketing Code As part of the performance review process, staff are supervised and 'spot checked' on a daily and weekly basis to determine whether the conversations with customers are in line with the Gas Marketing Code Alinta expects all agents and employees to comply with both the Gas Compendium and the Gas Marketing Code There have been no known breaches of the Gas Marketing Code for the period 1 October 2011 to 30 September 2013. <p>As part of our audit testing, we:</p> <ul style="list-style-type: none"> Evidenced the use of the 'spot checks' being performed and recorded by the Customer Care Coordinator and the SME Sales and Channel Manager Evidenced staff training records and confirmed that staff had been provided with the newly implemented Gas Marketing Code training Examined the complaints register for the period 1 October 2011 to 30 September 2013, which did not indicate evidence of complaints in relation to Alinta staff members' compliance with the Gas Marketing Code.
117	<p>A retailer must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified.</p> <p><i>Gas Marketing Code of Conduct clause 2.2</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and consideration of Alinta's customer connection processes, we determined that Alinta has the following processes in place for ensuring customers are contracted using standard and non-standard form contracts:</p> <p><i>Standard contract for residential customers and non-standard contract for business customers</i></p> <ul style="list-style-type: none"> All small use customers are required to contact the Alinta call centre to initiate the customer connection process, during which they are provided with the information specified by clause 2.3(1) of the Gas Marketing Code. Residential customers are not required to physically sign the contract and their verifiable consent is obtained and recorded via phone. However, business customers are required to sign the non-standard contract The date that the customer enters into the contract with Alinta is recorded in CIS-OV. All incoming calls are recorded for verification purposes. Information relating to the connection (if a small use business customer) is also stored in the Customer Relationship Management (CRM) system (by the Sales team) The customer is provided with a copy of the contract and customer service charter as part of the 'Welcome Pack', which is provided to all customers on the establishment of a customer's account. <p><i>Non-Standard contract for residential customers(since August 2013):</i></p>

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> Where Alinta engages in telemarketing to customers, a telephone call to the customer is preceded by an information pack mailed to the customer containing information required by clause 2.3(1) of the Gas Marketing Code, including: <ul style="list-style-type: none"> Details of the offer under the non-standard contract (called Residential Market Contract), accompanied by a cover letter and a copy of the contract A document explaining the difference between a standard and non-standard contract.
118	<p>A gas marketing agent must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.</p> <p><i>Gas Marketing Code of Conduct clause 2.3(1)</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and walkthrough of Alinta's CIS-OV and CRM systems and processes for accepting new customers, we determined that:</p> <ul style="list-style-type: none"> Alinta determines customers' eligibility for the residential tariff by assessing whether the supply address is a dwelling Residential customers are first offered supply of gas via the standard form contract, on the applicable residential tariff. On request, they may be offered a non-standard form contract at a discounted pricing structure and are then made aware of the difference between the standard and non-standard form contract A targeted group of residential customers who are approached by Alinta with discounted offers in a non-standard contract to win them back from Kleenheat are mailed a pack of documents containing the specified information prescribed by clause 2.3(1) of the Gas Marketing Code, including a copy of the non-standard contract. Small use business customers are first offered a standard form contract on the applicable commercial tariff. However, on request, small use business customers may be offered a non-standard form contract at a negotiated pricing structure. The customer is then made aware of the difference between the standard and non-standard form contract CIS-OV contains an automated process for providing a copy of the standard form contract (included within the Alinta welcome pack) to the customer with the first bill. This process includes CIS-OV recognising those customers identified as receiving the bill for the first time, or having moved house, then instructing the mailing agent to include a copy of the standard form contract with the bill Customer Service Representatives are trained to provide relevant information to the customer, including advice that: <ul style="list-style-type: none"> The terms of the standard contract will be provided with the first bill as part of the Alinta welcome pack A copy of the standard or non-standard form contract is available to the customer on request, at no charge, and that it is also available for review on Alinta's website and at Alinta's premises. <p>Through discussions with the Customer Care Coordinator, we also determined that Alinta has implemented the following processes for ensuring that customers are provided with information as required by section 2.3(1) of the Gas Compendium:</p>

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> Staff are required to record what information is provided to customers as required under the Gas Marketing Code. For: <ul style="list-style-type: none"> Residential customers on standard contract, information is provided automatically due to the auto configuration of CIS-OV Residential customers on non-standard contract, information is mailed in an information pack to the customer Small use business customers, copies of these emails are maintained in the CRM system against the customer profile and backed up onto McAfee Vault For residential or business contracts that are negotiated through marketing, Alinta has implemented 'spot checks' to confirm that the required information is being provided to customers. These spot checks are recorded and performed on a periodic basis. <p>Examination of a sample of newly implemented contracts confirmed that Alinta provided the customer with a contract, terms and conditions and a copy of the Gas Customer Charter, which contains information as specified by s.2.4(2)(b) of the Gas Marketing Code.</p>
119	<p>For a standard form contract that is not an unsolicited consumer agreement or for a non-standard contract in accordance with clause 2.2(2) of the Code of Conduct, the gas marketing agent must obtain and record the customer's verifiable consent that the specified information was given.</p> <p>Obligation (119), applicable to 30 June 2012: Where a standard form contract is not entered into as a result of door to door marketing or for a non-standard contract initiated by telephone, a marketing representative must obtain and make a record of the customer's verifiable consent that the specified information has been given.</p> <p><i>Gas Marketing Code of Conduct clause 2.3(2)</i></p>	Compliant - 5	<p>Through discussions with Customer Care Coordinator, SME Sales and Channel Manager and Team Leader – Customer Service and walkthrough of Alinta's processes for accepting new customers, we determined that:</p> <ul style="list-style-type: none"> Customer Service Representatives are instructed to obtain customer consent when entering into a contract Customer consent: <ul style="list-style-type: none"> For standard contracts is given orally, recorded and documented within CIS-OV by the Customer Service Representative For non-standard business contracts (in accordance with clause 2.2) is received in signed form from the customer by mail/email/fax. Evidence of verifiable consent is placed on the customers' manual file, stored in CRM and backed up onto McAfee Vault All non-standard form contracts are signed by the applicant and maintained on Alinta's premises. <p>Alinta's SME Sales and Channel Manager confirmed that during the audit period, Alinta has not engaged in any unsolicited consumer agreement or unsolicited non-standard contract with a business customer other than in accordance with clause 2.2(2) of the Gas Marketing Code.</p>
120	<p>For a standard form contract that is an unsolicited consumer agreement or a non-standard contract other than in accordance with clause 2.2(2) of the Code of Conduct, the gas marketing agent must obtain the customer's written acknowledgement that the specified information was given.</p> <p>Obligation (120), applicable to 30 June 2012: Where a standard form contract is entered into as a</p>	Non-compliant - 2	<p>Through discussion with Customer Care Coordinator and examination of Alinta's processes for marketing to customers, we determined that:</p> <ul style="list-style-type: none"> Residential customers who have ceased or indicated an intention to cease their contract with Alinta in favour of Kleenheat have been approached by Alinta with discounted offers via an unsolicited non-standard contract in a targeted marketing initiative since August 2013 The customers are mailed a pack of documents containing information required by clause 2.3(1) of the Gas Marketing Code. In particular, the pack contains an acceptance form requiring the customer's signed consent to having received that information and agreed to the terms and conditions of the non-standard contract.

No	Obligation under Condition	Compliance Rating	Findings
	<p><i>result of door to door marketing or for a non-standard contract (other than that initiated by the customer by telephone or electronic means), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.</i></p> <p><i>Gas Marketing Code of Conduct clause 2.3(3)</i></p>		<p>However, Alinta's common practice has been to not obtain the customer's written acknowledgement that the specified information was given. Instead, the customer's verbal acknowledgement is obtained at the time Alinta staff have made the relevant arrangements with the customer via telephone. That acknowledgement is retained through voice recordings of all telephone contacts with customers. This practice technically breaches the current requirement of clause 2.3(3) of the Gas Marketing Code of Conduct. We understand, however that this particular requirement is proposed to be removed in the next revision to the Gas Marketing Code of Conduct. Alinta's SME Sales and Channel Manager confirmed that during the audit period, Alinta has not engaged in any unsolicited consumer agreement or unsolicited non-standard contract with a business customer other than in accordance with clause 2.2(2) of the Gas Marketing Code.</p>
	<p>Recommendation 4/2013</p> <p>n/a – no further action is required.</p>		<p>Action Plan 4/2013</p> <p>n/a – no further action is required.</p>
121	<p>When a customer enters into a new contract that is not an unsolicited consumer agreement with a retailer or gas marketing agent, a retailer or gas marketing agent must, at the time the contract is entered into, offer to give or make available to the customer a copy of the contract. If the customer accepts the offer, the retailer or gas marketing agent must, at the time the contract is entered into, or as soon as possible thereafter, but no more than 28 days later, give or make available to the customer a copy of the contract.</p> <p><i>Gas Marketing Code of Conduct clause 2.4(1)</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager, we determined that Alinta has implemented the following procedures for entering into contracts with customers that are not unsolicited consumer agreements:</p> <ul style="list-style-type: none"> • Customer Service Representatives inform the customer that a copy of the contract is included in the welcome pack, which is sent to the customer with the first bill • Should the customer request a copy of the contract earlier, Customer Service Representatives forward a copy of the standard form contract via email or post, or direct the customer to the Alinta website • Small use business customers are provided with a copy of the contract, signed by both the customer and an Alinta representative (General Manager Retail), upon finalisation of the agreement.
122	<p>Where the customer has entered into a new contractual relationship with a retailer, a retailer or gas marketing agent must give the information specified to the customer.</p> <p><i>Gas Marketing Code of Conduct clause 2.4(2)</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and consideration of Alinta's processes for accepting new customers, we determined that Alinta's processes provide for the provision of all information to the customer specified by clause 2.4(2) of the Gas Marketing Code through the 'Welcome to Alinta' pack. We:</p> <ul style="list-style-type: none"> • Examined the 'Welcome to Alinta' pack and determined that each of the requirements of clause 2.4(2) are included • Tested a sample of new small use contracts entered into by the Sales team (i.e. for a small business customer) and determined that the information required by clause 2.4(2) of the Gas Marketing Code was provided to the customer no later than with the contract or on the customer's first bill • Tested a sample of new residential unsolicited non-standard contracts entered into as part of Alinta's targeted marketing initiative and determined that the information required by clause 2.4(2) of the Gas Marketing Code was provided to the customer before the customer entered

No	Obligation under Condition	Compliance Rating	Findings
			into the contract.
123	<p>For a standard form contract, the retailer must give the information specified to the customer no later than with the customer's first bill. For a non-standard form contract or a standard form contract that is an unsolicited consumer agreement, the specified information must be given before the customer has entered into the contract. The gas marketing agent must obtain the customer's written acknowledgement that the specified information has been given.</p> <p><i>Gas Marketing Code of Conduct clause 2.4(3)</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and consideration of Alinta's processes for accepting new customers, Alinta has the following systems in place to provide information to customers no later than with or on the customer's first bill:</p> <ul style="list-style-type: none"> For residential customers on a standard form contract, Alinta's CIS-OV system contains an automated process for providing a copy of the standard form contract (included within the 'Welcome to Alinta' pack) to the customer with the first bill. This process includes CIS-OV recognising those customers identified as receiving the bill for the first time, or having moved house, then instructing the mailing agent to include a copy of the standard form contract with the bill For small use business customers, it is the responsibility of the Sales Executive to provide the customer a copy of the non-standard form contract when issuing the price proposal. Evidence of communication is stored on the customers' manual file, in CRM and backed-up to McAfee vault. Prior to signing the contractual terms, the customer is also provided with: <ul style="list-style-type: none"> The terms and conditions The customer service charter A provision for the customer to acknowledge that the customer has received the relevant information and the customer agrees to contract. For residential customers on an unsolicited non-standard contract, a pack of documents is mailed to the customer containing information required by clause 2.3(1) of the Gas Marketing Code, including: <ul style="list-style-type: none"> Details of the offer under the non-standard contract (called Residential Market Contract), accompanied by a cover letter and a copy of the contract A document explaining the difference between standard and non-standard contract An acceptance form requiring customer's signed consent to having: <ul style="list-style-type: none"> Received the information required under clause 2.3(1) of the Gas Marketing Code Agreed to the terms and conditions contained in the non-standard contract. A copy of the standard or non-standard form contract is available to the customer on request, at no charge. It is also available for review on Alinta's website and at Alinta's premises.
124	<p>The retailer is not obliged to provide the information to a customer if the retailer has provided the information to that customer within the preceding 12 months; or if the retailer informs the customer how the customer may obtain the information and, if requested, gives the information to the customer.</p>	Compliant - 5	<p>The Customer Care Coordinator and the SME Sales and Channel Manager confirmed that Alinta has not engaged in door to door marketing for the period 1 October 2011 to 30 September 2013. Through examination of Alinta's processes to enter into new contracts with customers, we also determined that for the purposes of contracting with customers through the non-standard form contract, those processes provide for the customer to be provided with the following prior to signing the contractual terms:</p> <ul style="list-style-type: none"> A copy of the contract

No	Obligation under Condition	Compliance Rating	Findings
	<p><i>Obligation (124), applicable to 30 June 2012:</i></p> <p><i>In circumstances where a standard form contract is entered into as a result of door to door marketing or a non-standard contract, a retailer or marketing representative must give the specified information and a copy of the contract before the customer has entered into the contract and must obtain a written acknowledgement that the information has been given.</i></p> <p><i>Gas Marketing Code of Conduct clause 2.4(4)</i></p>		<ul style="list-style-type: none"> • The terms and conditions • The customer service charter • A document explaining the difference between standard and non-standard contract (for residential customers contacted under unsolicited marketing activity) <p>Alinta's non-standard form contract includes provision for the customer to acknowledge that the customer has received the relevant information and the customer agrees to re-contract.</p>
126	<p>A gas marketing agent must ensure that all non-standard contracts that are not unsolicited consumer agreements are in writing.</p> <p><i>Gas Marketing Code of Conduct clause 2.5(2)</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and SME Sales and Channel Manager and examination of Alinta's processes for entering into new contracts with customers, we determined that:</p> <ul style="list-style-type: none"> • All non-standard contracts with business customers that are not unsolicited are in writing and required to be signed by both the customer and Alinta's representative (GM Retail). During the audit period 1 October 2011 to 30 September 2013, Alinta has not engaged in unsolicited agreements with any business customer • Non-unsolicited contracts with residential customers are undertaken only by means of standard form contracts, which are in writing and approved by the Authority <p>Through examination of Alinta's processes relating to the targeted marketing commenced from August 2013, we determined that the contracts entered into via those marketing activities are unsolicited agreements and take the form of written non-standard contracts.</p> <p>As part of our audit testing, we selected a sample of newly implemented non-standard contracts with business customers (non-unsolicited) and checked that they were in writing.</p>
127	<p>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 the normal business hours of the retailer or other party for the purposes of enquiries, verifications and complaints.</p> <p><i>Gas Marketing Code of Conduct clause 2.5(3)</i></p>	Compliant - 5	<p>The Customer Care Coordinator and the SME Sales and Channel Manager confirmed that Alinta customer call centre is open from 8am to 5pm (WST), Monday to Friday. During this time, customers are able to contact the call centre for all queries.</p> <p>We also observed that sales and customer services staff appear to display knowledge of appropriate behaviour in relation to dealing with customers.</p> <p>Our examination of the complaints register for the period 1 October 2011 to 30 September 2013 indicated that there is no evidence of customer complaints directly in relation to an instance of Alinta staff member's non-compliance with the Gas Marketing Code.</p>
128	<p>A gas marketing agent must, on request, provide the customer with its and the retailer's complaints telephone number and marketing identification number.</p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and consideration of Alinta's customer interaction procedures, we determined that those procedures require Alinta's marketing representatives to provide the customer with Alinta's complaints handling telephone number (on the bill) and marketing identification number.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<i>Gas Marketing Code of Conduct clause 2.6(1)</i>		
129	<p>A gas marketing agent who meets with a customer face to face must:</p> <ul style="list-style-type: none"> As soon as practicable tell the customer the purpose of the visit Wear a clearly visible and legible identity card showing the information specified; and as soon as practicable provide the information specified in writing to the customer. <p><i>Gas Marketing Code of Conduct clause 2.6(2)</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and consideration of Alinta's customer interaction procedures, we determined that Alinta has not engaged in door to door marketing to its residential or business customer during the period 1 October 2011 to 30 September 2013.</p> <p>The targeted marketing initiative commenced in August 2013 has been limited to Alinta's staff contacting the customers by mail and/or telephone.</p> <p>Where a request for face to face contact is initiated by the customer, Alinta's processes provide for Alinta's staff to:</p> <ul style="list-style-type: none"> Inform the customer of the reasons for the contact Wear clearly visible and legible identity card that shows his or her first name, photograph, marketing identification number and Alinta's logo Provide the customer, in writing, with his or her first name and marketing identification number, Alinta's logo, complaints handling telephone number and Alinta's business address and ABN/ACN.
130	<p>A retailer or other party must keep the specified records each time it initiates contact with a customer for the purposes of marketing.</p> <p><i>Gas Marketing Code of Conduct clause 2.6(3)</i></p>	Compliant - 5	<p>Through discussions with the Customer Services Manager and SME Sales and Channel Manager and consideration of Alinta's marketing procedures and records we determined that Alinta's procedures provide for maintaining records in CRM system in relation to marketing activity that has been undertaken, such as copies of emails, record of verifiable consents, and no-marketing material-insert requests.</p>
131	<p>A person who carries out any marketing activity in the name of or for the benefit of a retailer or a gas marketing agent is to be taken to have been employed or authorised by the retailer or gas marketing agent, unless the contrary is proved.</p> <p><i>Gas Marketing Code of Conduct clause 2.7</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and examination of training materials, we determined that :</p> <ul style="list-style-type: none"> Alinta staff for marketing calls are specifically trained and informed that any marketing activity conducted by them would be regarded as having conducted on behalf of Alinta Staff are provided with call scripts that have been specifically designed to comply with the requirements of Gas Marketing Code Regular team meetings are held to update and train the call staff on any improvements in call script or to discuss appropriate responses to any specific queries from customers Alinta call centre staff are also trained to provide services to customers in accordance with the Gas Compendium, which specifically encapsulates the standards required under the Gas Marketing Code As part of the performance review process, staff are supervised and 'spot checked' on a daily and weekly basis to determine whether the conversations with customers are in line with the Gas Marketing Code <p>Alinta expects all agents and employees to comply with both the Gas Compendium and the Gas</p>

No	Obligation under Condition	Compliance Rating	Findings
			Marketing Code
132	<p>A gas marketing agent must:</p> <ul style="list-style-type: none"> Keep a record of each complaint made by a customer, or person contacted for the purposes of marketing, about the marketing carried out by or on behalf of the gas marketing agent; and On request by the gas ombudsman in relation to a particular complaint, give to the gas ombudsman all information that the gas marketing agent has relating to the complaint within 28 days of receiving the request. <p><i>Obligation (143), applicable to 30 June 2012:</i> <i>A marketer must keep a record of each complaint made by a customer or a person contacted for the purposes of marketing and, on request, give all information relating to the complaint to the Gas Ombudsman.</i> <i>Gas Marketing Code of Conduct clause 2.8(1)</i></p>	Compliant - 5	<p>Based on discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and consideration of Alinta's processes for managing customer complaints, we determined that Alinta's processes for maintaining a record of customer complaints relating to marketing include:</p> <ul style="list-style-type: none"> All customer complaints are logged into the CIS-OV system and are categorised according to the type of complaint. For example, direct debit, terms and conditions, hardship, payment, meter reading and marketing The Team Leader – Customer Service is responsible for reviewing complaints on a weekly basis as well as producing an 'end of month report'. The end of month report includes total number of complaints for each area (e.g. coastal, business, Goldfields to Esperance and Albany), a breakdown of the different types of complaints logged and Energy Ombudsman escalations <p>Information is provided to the Gas Ombudsman as requested.</p>
133	<p>Any record that a gas marketing agent is required to keep by the Code of Conduct, must be kept for at least 2 years after the last time the person to whom the information relates was contacted by or on behalf of the gas marketing agent.</p> <p><i>Gas Marketing Code of Conduct clause 2.8(2)</i></p>	Compliant - 5	<p>The Customer Services Manager confirmed that all records and information required by the Gas Marketing Code is maintained within CIS-OV indefinitely. After 6 months calls are archived.</p>

The following obligations are applicable to Alinta's operations for the period 1 October 2011 to 30 June 2012 only

No	Obligation under Condition	Compliance Rating	Findings
125	A marketing representative must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable. <i>Gas Marketing Code clause 2.5(1)</i>	Compliant - 5	<i>Obligations 125 and 126</i> Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and consideration of Alinta's training provided to Customer Service Representatives, we determined that Alinta has the following processes in place to maintain a standard of conduct for its marketing activities:
126	A marketing representative must not exert undue pressure on a customer, nor harass or coerce a customer. <i>Gas Marketing Code of Conduct clause 2.5(2)</i>	Compliant - 5	<ul style="list-style-type: none"> As part of the induction process, staff are introduced to and provided with a copy of Alinta's Gas Code of Conduct and participant handbook, which includes training material on the Gas Marketing Code and the Gas Compendium Staff are tested on the specific elements of the code, in particular the standards of conduct Expectations of staff performance with regards to engaging in appropriate conduct and not exerting undue pressure, nor harassing or coercing the customer is outlined at employee induction The SME Sales and Channel Manager and Team Leaders review performance of telesales staff on a daily and weekly basis by 'listening in' and rating their performance using a call feedback sheet. <p>We also observed that sales and customer services staff appear to display knowledge of appropriate behaviour in relation to dealing with customers.</p> <p>Our examination of the complaints register for the period 1 October 2011 to 30 June 2012 indicated that there is no evidence of customer complaints in relation to an Alinta staff member's compliance with the Gas Marketing Code.</p> <p>The Customer Services Manager confirmed Alinta's customer call centre is open from 8am to 5pm (WST), Monday to Friday. During this time, customers are able to contact the call centre for all queries.</p>
130	A marketing representative must provide the information specified to the customer when marketing by means other than face to face and after having identified the purpose of the contact, if the contact is not by electronic means, the marketing representative must ask the customer whether they wish to proceed further. <i>Gas Marketing Code of Conduct clause 2.6(1)</i>	Compliant - 5	<p>The Customer Care Coordinator and the SME Sales and Channel Manager confirmed Alinta Sales Executives and Customer Service Representatives are provided with training regarding the 'call flow', when making contact with customers, to:</p> <ul style="list-style-type: none"> Provide his/her first name State that they are calling from Alinta Detail the purpose of the contact Ask if the customer wishes to proceed.

No	Obligation under Condition	Compliance Rating	Findings
133	If, when marketing to a customer, the customer indicates that they wish to end the contact, the marketing representative must end the contact as soon as practicable and not attempt to contact the customer for the next 30 days unless the customer agrees otherwise. <i>Gas Marketing Code of Conduct clause 2.6(4)</i>	Compliant - 5	Through discussions with the SME Sales and Channel Manager and walkthrough of Alinta's customer contact records, we determined: <ul style="list-style-type: none"> Alinta's processes to manage communications with customers include staff: <ul style="list-style-type: none"> Ending the contact with a customer if requested Agreeing a suitable time with a customer for making subsequent contact to resolve the matter Recording details of such contact and customer requests. Alinta has provided training to staff on how and where to record requests for Alinta to not attempt to contact the customer. The Customer Care Coordinator and SME Sales and Channel Manager confirmed that Alinta has not, for the period 1 October 2011 to 30 June 2012, initiated contact with customers unless specifically requested by the customer.
134	Unless requested by the customer, a marketing representative must not make contact with a customer outside the permitted call times, unless the contact is by electronic means or the contact arises outside the customer's premises in circumstances where the customer initiates contact. <i>Gas Marketing Code of Conduct clause 2.6(5)</i>	Compliant - 5	<i>Obligations 134 and 135</i> Through discussions with the Customer Care Coordinator and the SME Sales and Channel Manager and consideration of Alinta's customer contact processes, we determined that Alinta staff are trained and required to: <ul style="list-style-type: none"> Not initiate contact with the customer for the purposes of marketing during the period 1 October 2011 to 30 June 2012 Call the customer during call centre operational hours (i.e. permitted call times) and not to continue past those hours unless otherwise agreed with the customer Not send emails to customers outside of call centre operational hours.
135	A marketing representative must ensure that contact for the purposes of marketing does not continue for more than 15 minutes past the end of the permitted call times without the customer's verifiable consent unless the contact is by electronic means. <i>Gas Marketing Code of Conduct clause 2.6(6)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
137	<p>Where the customer requests not to be contacted for the purposes of marketing a marketer must ensure that a customer is not contacted on its behalf in relation to the supply of gas for a period of two years unless:</p> <ul style="list-style-type: none"> • The customer requests contact • The customer has moved premises • A marketer has a legal obligation to contact the customer. <p><i>Gas Marketing Code of Conduct clause 2.7(1)</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and SME Sales and Channel Manager we determined that Alinta has the following processes in place to manage requests from customers not to be contacted for the purposes of marketing:</p> <ul style="list-style-type: none"> • Alinta has not actively marketed to its customers i.e. Alinta has not initiated contact with customers unless requested during the period 1 October 2011 to 30 June 2012 • On occasion Alinta will include materials (such as promotional flyers, newsletters, Alinta information) into the bills provided to customers for information purposes • Should a small use residential customer request not to be contacted for marketing purposes: <ul style="list-style-type: none"> ○ Customer Service Representatives are trained to remove the bill inserts check box on the customer profile within CIS-OV. Alinta's use of the bill inserts check box is also intended to capture instances where the customer is not to be contacted for marketing purposes ○ The 'do not call' request is logged into CRM. CRM is then checked before contact is made. • For each bill run, Alinta's download of the billing information to the mailing agents highlights those who have elected not to receive bill inserts • Staff will update the customer's request in either CIS-OV or CRM: <ul style="list-style-type: none"> ○ On customer request ○ When the customer moves house (this is an automatic process as a new account is established). <p>We examined a sample of customer accounts who have elected not to receive marketing material and determined that those customer accounts correctly reflect the request, i.e. the check box is unchecked. Our examination of complaints register for the period 1 October 2011 to 30 June 2012 also indicates the selected customers have not lodged a complaint in regards to receiving unwanted marketing material.</p>

No	Obligation under Condition	Compliance Rating	Findings
138	<p>A marketer must keep a record of each customer who has requested not to be contacted, that includes the name, address and telephone number of the customer at the time the customer made the request.</p> <p><i>Gas Marketing Code of Conduct clause 2.7(2)</i></p>	Compliant - 5	<p>Through discussions with the Customer Care Coordinator and SME Sales and Channel Manager and walkthrough of Alinta's CIS-OV and CRM customer contact records, we determined that Alinta has processes in place to record requests from customers for Alinta not to contact the customer.</p> <p>For customers who have requested not to receive material that may be sent with customer bills, a 'no bill inserts' register has been developed. We examined the register and determined that it includes customer:</p> <ul style="list-style-type: none"> • Account details • First and last name • Address information • Phone contact details. <p>The register is a report produced from CIS-OV and CRM, highlighting those customer accounts where the 'bill inserts' check box is un-checked and they are registered as 'do not allow calls' respectively.</p>
142	<p>A retailer and a marketer must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct.</p> <p><i>Gas Marketing Code of Conduct clause 2.8</i></p>	Compliant - 5	<p>The Customer Services Manager and SME Sales and Channel Manager confirmed that Alinta's processes are designed to comply with the National Privacy Principles as set out in the Privacy Act 1998.</p> <p>Alinta's Privacy Policy states "Alinta respects and protects the privacy of its customers and is bound by, and complies with, the National Privacy Principles contained in the Privacy Act 1988 and any similar state legislation applicable to Alinta's operations".</p>

4.8 Gas Compendium

Obligations determined to be not applicable

The following obligation is not applicable to Alinta's operations for the period subject to audit.

Obligation	Reason
230	Alinta did not act as a distributor during the period 1 October 2011 to 30 September 2013.

Obligations determined to be not rateable

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

Obligation	Reason
139-143	Through discussions with the Team Leader – Billing Services and Retail Service Officer – Billing and examination of Alinta's Hardship Policy, we determined that during the audit period 1 October 2011 to 30 September 2013 Alinta has not placed any customers on shortened billing cycles as described by the Code. Accordingly, these obligations cannot be rated for the period subject to audit.
161 – 163 (170 and 171) ⁹	Through discussions with the Team Leader – Billing Services and Retail Service Officer – Billing, we determined that alternative tariffs are not offered to small use customers. Customers are charged a standard tariff based on their geographic area and gas supply type. These tariffs are setup at the time of customer application and do not change unless required by the distributor as an authorised tariff adjustment. A customer may be eligible for a change in type of supply, e.g. changing from a residential customer to a small use business customer, however such a change does not constitute an alternative tariff. Through discussions with the Manager Regulatory Compliance & Projects, we confirmed that the discounted fares made available via non-standard contracts as part of targeted marketing to customers, who have ceased or indicated an intention to cease their contract with Alinta in favour of Kleenheat Gas, are not regarded as alternative tariffs.
197, 224	The Customer Services Manager confirmed that, for the period 1 October 2011 to 30 September 2013, Alinta did not maintain dual fuel contracts for residential customers.
212, 213	The Customer Services Manager confirmed that for the purposes of payment difficulties or financial hardship, Alinta does not place a customer onto a payment in advance program. Customers who are experiencing payment difficulties or financial hardship have the ability to extend the due date of their bill, or request to be placed onto an instalment plan. These options functionally relate to a historical debt as compared to payments in advance.
238	The Customer Services Manager confirmed that Alinta does not offer concessions to its customers as energy concessions available to customers is a government initiative, administered by Synergy. Alinta provides customers with Synergy's contact number.

⁹ Applicable until 31 December 2012, numbering based on November 2010 Reporting Manual

Obligation	Reason
242	<p>The Manager Regulatory Compliance & Projects confirmed that the gas safety awareness program included in the Gas Customer Charter has not been subject to any changes since it was submitted to the Coordinator of Energy on 28 September 2000.</p> <p>The Gas safety awareness program continues to:</p> <ul style="list-style-type: none"> • Remain relevant to Alinta's operations • Address the requirements of s.10.5A of the Gas Compendium.

Assessment of compliance

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

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
1	16	-	2	-	7	185	211

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

No	Obligation under Condition	Compliance Rating	Findings
Issue 9/2013 - Summary finding re Alinta’s monitoring of compliance with Gas Compendium obligations <i>This issue and associated recommendation and action plan relates to obligations 135, 170, 173, 174, 198, 222, 229 (Gas Customer Code clauses 3.1(2), 4.16(3), 4.18(5), 4.18(6), 6.1(1), 7.1 and 8.1(2)). Except for obligation 135 that is separately rated as non-compliant, each of these obligations is rated as Compliant-4”.</i> Alinta has a number of obligations under the Gas Compendium (listed above), which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Alinta is exposed to breaching its obligations in the event that its standard business processes are not upheld. An effective monitoring and exception reporting arrangement will provide Alinta with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes. Previous performance audit reports recommended Alinta investigate the feasibility of implementing an exception reporting and monitoring regime. As Alinta had expected to replace its existing customer information system CIS-OV, it decided not to further update or change its existing systems. However, Alinta’s plans for the development and implementation of a new customer information system and associated processes have now been deferred, with no timeframe set for completion. We acknowledge that Alinta’s standard business processes and existing system protocols minimise the risk of compliance breaches relevant to these obligations. Alinta has also not recognised any specific complaints by customers in relation to possible breaches of the obligations. In lieu of system driven exception reports, Alinta is in a position where it can supplement its reliance on the effectiveness of its standard business processes and existing system protocols with more targeted monitoring of customer complaints, in order to recognise any such complaints that may be an indicator of actual or potential compliance breach.			
Recommendation 9/2013 Alinta enhance its customer complaints monitoring practices to identify and monitor those complaints that may be an indicator of actual or potential compliance breach.		Action Plan 9/2013 Alinta will investigate options for business and system improvements, including an automated solution, along with enhancing the existing complaints monitoring practices and reports, with a view to implementing processes to identify timeframes, therefore identifying those complaints that have the potential to be a breach, or where a breach may have occurred. Responsible Person: Manager Customer Services Target Date: 31 March 2014	
PART 3 – CONNECTION			
134	If a retailer agrees to sell gas to a customer or arrange for the connection of the customer’s supply address, the retailer must forward the customer’s request for the connection to the relevant distributor. <i>Gas Compendium clause 3.1(1)</i>	Compliant - 5	Through discussion with the Team Leader – Billing Services and walkthrough of Alinta’s customer connection processes, we determined that Alinta has the following processes and systems in place to ensure applicable customers’ requests for connection are forwarded to the distributor: <ul style="list-style-type: none">Customer Service Representatives review the Gas Mapping System to identify if gas supply is available at the customer’s locationIf gas is available, Customer Service Representatives identify whether the connection request relates to an existing or new supply addressRequest for Gas forms, when manually processed into Alinta’s CIS-OV system, are automatically work-flowed to ATCO Gas daily at pre-set intervals to initiate connection.
135	Unless the customer agrees otherwise, a retailer must forward the customer’s request for the connection to the relevant distributor that same day,	Non-compliant – 2 (*)	Clause 3.1(2) of the Gas Compendium requires Alinta to process requests for gas connection on the: <ul style="list-style-type: none">Day of receipt, if the request is received before 3pm and if alternate arrangements are not

No	Obligation under Condition	Compliance Rating	Findings
	<p>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.</p> <p><i>Gas Compendium clause 3.1(2)</i></p>		<p>made with the customer</p> <ul style="list-style-type: none"> • Next business day if the request is received after 3pm. <p>The 2011 performance audit report rated this obligation as non-compliant as Alinta's processes for processing new customer RFGs did not ensure all requests for new connections received were dealt with in the required timeframe. In April 2012 and in accordance with Action Plan 3/2011, Alinta addressed the cause of the non-compliance by strengthening its processes for handling customer requests for gas. As Alinta's new connection processes were not identified as non-compliant and subsequently corrected until part way through the current audit period (effectively carried forward), this audit is required to retain the non-compliant rating.</p> <p>This audit focussed on the controls and processes maintained since they were strengthened in April 2012. Specifically, those controls and processes included:</p> <ul style="list-style-type: none"> • Ensuring the cause of any delay in processing an RFG is appropriately recorded • Ensuring RFGs which are held pending the provision of additional information are addressed and actioned in a timely manner • Date and time stamping all RFGs received by post. <p>Alinta also considered implementing a separate New Connections mailing address to streamline RFG receipt and processing, however with improved internal mailing processes the need for a separate mailing address (locked box) was not considered to add any further benefit.</p> <p>Implementation of any future automated processes will be deferred until implementation of a replacement billing system. Note that at this point in time the CIS-OV upgrade has been deferred.</p> <p>Sample testing of new connections completed during the period 1 May 2012 to 30 September 2013, identified that two of 30 RFGs tested were received by post but not stamped for time and date after the implementation of the stamping process in September 2012. Alinta is unable to demonstrate whether those RFGs were processed within the required time frame.</p> <p><u>Process improvement matters</u></p> <p>Our examination and testing also observed that:</p> <ul style="list-style-type: none"> • RFGs received by post continue to be at risk of not being processed in the required timeframe because: <ul style="list-style-type: none"> ○ The time of receipt is not recorded consistently, so in some instances Alinta is unable to effectively demonstrate whether mail is received before or after 3pm on any given day. Our sample testing noted two RFGs that were received by post but had no indication of the time of receipt, it may be possible that these requests were received before 3pm and therefore not processed on the right day ○ Alinta's processes continue to be unable to readily distinguish between original RFGs and those already received via fax or online. We understand that the majority of RFGs received by post are copies of RFGs already submitted by fax or online. We also understand that gas fitters have been encouraged to send RFGs by fax or online and that has contributed to a significant reduction in the number of RFGS

No	Obligation under Condition	Compliance Rating	Findings
			<p>received by post.</p> <ul style="list-style-type: none"> Alinta continues to lack clear processes in place for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner. We recognise that the majority of requests for gas connection are made during the construction of new premises with the customer not actually requiring the supply of gas for a number of weeks or months later. However, Alinta should be in a position to demonstrate that it has not unduly delayed the processing of completing/validating RFG. <p><i>Refer also to summary finding and recommendation 9/2013 at the introduction to section 4.8 findings above, which outlines the opportunity for Alinta to further strengthen its monitoring of compliance with Gas Compendium obligations.</i></p>
	<p>Recommendation 5/2013</p> <p>Alinta:</p> <ul style="list-style-type: none"> (a) Further strengthen its time stamping process so that all postal RFGs are time stamped as they are received (b) Ensure its staff are adequately trained to time stamp RFGs received by post (c) Consider documenting its processes for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner. 		<p>Action Plan 5/2013</p> <p>Alinta will strengthen its new connection processes in accordance with the recommended action plan by:</p> <ul style="list-style-type: none"> (a) Recording the delays in processing RFGs in the appropriate reporting system with commentary that will be managed by the relevant new- connection staff member on a daily basis and verified and signed off daily by the Team Leader (b) Providing refresher training to all staff relating to RFGs received by post in order to re-enforce the date and time stamping requirement (c) Conducting a review of the new connection process from an end to end perspective to ensure that all RFG's are actioned in an appropriate and timely manner, particularly RFG's that are held pending the provision of further information (d) Generating and reviewing a detailed report of findings and identified business improvement opportunities. <p>Responsible Person: Manager Customer Services Target Date: 31 March 2014</p>
PART 4 - BILLING			
136	<p>A retailer must issue a bill no more than once a month unless the conditions specified in subclause 4.1(a)(i)(ii) are met.</p> <p><i>Gas Compendium clause 4.1(a)</i></p>	Compliant - 5	<p>Section 4.1 of the Code requires Alinta to bill each customer no more than once a month, and at least once every three months unless the customer has provided verifiable consent to bill more or less frequently. As customers have agreed to the terms and conditions of the standard form contract, Alinta's contracting arrangements enable it to bill the customer less frequently, or more frequently as required.</p> <p>Effective from 18 September 2012, Alinta's Gas Trading Licence was amended to allow Alinta to issue a bill at least once every 110 days instead of the three month period specified in clause 4.1 of the Compendium of Gas Customer Licence Obligations.</p> <p>Through discussions with the Team Leader – Billing Services, we determined that Alinta has the</p>

No	Obligation under Condition	Compliance Rating	Findings
			<p>following systems and procedures in place to managing the timeliness of billing customers:</p> <ul style="list-style-type: none"> Section 6.1 of the standard form contract (February 2013 version, approved by the Authority on 28 February 2013), which covers all residential customers contracted to Alinta, states: “We can decide how often we bill you. It will normally be either [approximately] once every three months or once every month. We can change how often we bill”. <p>This standard form contract was updated following the previous licence audit</p>
137	<p><u>Obligation applicable from 18 September 2012</u> A retailer must issue a bill at least every 110 days unless the licensee has obtained a customer’s consent to issue bills less frequently or the customer has a pre-payment meter installed at the customer’s supply address.</p> <p><u>Obligation applicable to 17 September 2012</u> A retailer must issue a bill at least every 3 months unless the conditions specified in subclause 4.1(b)(i)-(iii) are met.</p> <p><i>Gas Compendium clause 4.1(b)</i></p>	Non-compliant – 2	<p>Through discussions with the Team Leader – Billing Services, and Retail Services Officer – Billing, we determined that Alinta has the following systems and procedures in place to ensure billing of customers at least every 110 days:</p> <ul style="list-style-type: none"> On a daily basis, a report (called Billing Activity Queues) (refer 4720-22) captures customer accounts that were not billed in the normal monthly billing cycle and is reviewed by the Billing staff. The reasons for non-billing are identified and attempted to be resolved on a daily basis. These can vary from: <ul style="list-style-type: none"> No Billable readings (most recent read is in a non-billable status and needs to be updated; which can occur when backdating an account) Insufficient Data to Bill (previous account holder needs to have been issued a final bill before billing can be commenced to the new account holder. A bill trigger is required to be applied in such instance) The report is designed to enable Alinta to proactively manage the billing cycle to prevent or minimise the extent of breaches. <p>During the period 1 October 2011 to 30 September 2013 we found that Alinta did not bill a number of customers at least once in 110 days, without the customer’s consent. In these instances, Alinta is in breach of the Gas Compendium. Alinta’s compliance report for the period 1 July 2012 to 30 June 2013 also indicates instances of non-compliance with obligation 137.</p>
	<p>Recommendation 6/2013</p> <p>Alinta:</p> <p>(a) Further improve its billing exception reporting practices to:</p> <ul style="list-style-type: none"> Further minimise the number of unprocessed bills in breach of the billing frequency requirements Proactively identify those accounts at risk of breaching billing frequency requirements Specifically recognise and report on all such breaches <p>(b) Consider providing for customer consent to be obtained for billing outside the required timeframe</p> <p>(c) Establish a plan for determining what may constitute an acceptable type and/or volume of unbilled accounts (breaches) in</p>		<p>Action Plan 6/2013</p> <p>Alinta will:</p> <p>(a) Implement new exception reporting to identify accounts at risk of breaching this requirement</p> <p>(b) Compile weekly/monthly/annual reporting to ensure reporting of such breaches are conducted</p> <p>(c) Implement procedures and appropriate plans to investigate further the types of delays, the causes in order to determine those that may be acceptable types, along with reporting of volumes in order to achieve compliance.</p> <p>Responsible Person: Manager Customer Services</p> <p>Target Date: 28 February 2014</p>

No	Obligation under Condition	Compliance Rating	Findings
	order to achieve effective compliance with clause 4.1 of the Compendium.		
144	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide a customer with estimated bills under a bill smoothing arrangement. <i>Gas Compendium clause 4.3(1)</i>	Compliant - 5	Through discussion with the Team Leader – Billing Services, we determined that Alinta has processes and systems in place to offer a customer a bill smoothing arrangement, upon request, enabling the provision of estimated bills.
145	If a retailer provides a customer with estimated bills under a bill smoothing arrangement the retailer must ensure that the conditions specified in subclause 4.3(2)(a)-(e) are met. <i>Gas Compendium clause 4.3(2)</i>	Compliant - 5	Through discussion with the Team Leader – Billing Services and walkthrough of Alinta's bill smoothing processes, we determined that Alinta has processes and systems in place to manage bill smoothing arrangements in line with the requirements of clause 4.3(2)(a) to (e) of the Code. We note that: <ul style="list-style-type: none"> • Customers are able to choose from a fortnightly or monthly arrangement. No other timeframes are offered by Alinta • Customers who are facing financial hardship are not offered a bill smoothing arrangement • The first bill under a bill smoothing arrangement is the value agreed upon with the customer, and communicated to the customer via the bill smoothing arrangement letter • Bill smoothing estimates are based on the customers historical billing data or relevant historical data • All customer accounts on a bill smoothing arrangement are reviewed on a quarterly basis. CIS-OV facilitates the review by identifying those accounts (based on a four month period) whose smoothed bill amount is less than the 'average' consumption • Where the amount under the bill smoothing arrangement is not appropriate, Alinta will contact the customer to reach agreement on any change to the billing amount • Customer meters are read on a quarterly basis to coincide with typical billing arrangements. The identification of under and over charges are dealt with by the Payments and Billing team • In all instances, for customers requesting bill smoothing arrangements the terms (value and frequency) are agreed with the customer up front.
146	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address. <i>Gas Compendium clause 4.4</i>	Compliant - 5	Through examination of Alinta's billing process and discussions with the Team Leader – Billing Services, we determined that Alinta's procedures provide for: <ul style="list-style-type: none"> • Customers to have their bills sent to either the supply address or an alternative mailing address nominated by the customer • The customers' mailing address to be recorded when the customer establishes an account with Alinta, or when customer requests gas supply • Customers to have the bill emailed directly to a nominated address.
147	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information	Compliant - 5	Examination of Alinta's current standard bill templates indicates compliance with the minimum information required by section 4.5 of the Code.

No	Obligation under Condition	Compliance Rating	Findings
	in subclause 4.5(1)(a)-(cc) on the customer's bill <i>Gas Compendium clause 4.5(1)</i>		
148	A retailer is not obliged to include a graph or bar chart on the bill, if the bill is not indicative of the customer's actual consumption or based upon a meter reading. <i>Gas Compendium clause 4.5(2)</i>	Compliant - 5	Through discussion with the Team Leader – Billing Services and examination of Alinta's current standard bill templates, we determined that although Alinta is not obliged to include a graph or bar chart on the bill, where the bill is not indicative of the customer's actual consumption/meter reading, Alinta's bills have always included graphs and charts indicating customer's usage history, particularly illustrating the usage for: <ul style="list-style-type: none"> • Previous three months • Previous year.
149	If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with or on the customer's next bill. <i>Gas Compendium clause 4.5(3)</i>	Compliant - 5	Through discussion with the Team Leader – Billing Services and consideration of Alinta's billing processes, we understand that in the event a historical debt is identified, Alinta's processes provide for either: <ul style="list-style-type: none"> • The amount to be recovered through the standard bill with the debt appearing under the previous balance • A special bill for the outstanding amount to be raised and sent to the customer along with a cover letter.
150	A retailer must base the customer's bill on the distributor's or metering agent's reading of the meter, or the customer's reading of the meter in the circumstances specified in subclause 4.6(1)(a)(b). <i>Gas Compendium clause 4.6(1)</i>	Compliant - 5	Through discussion with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta has the following processes and systems in place for generating bills based on metering agent's reads: <ul style="list-style-type: none"> • Alinta customers' meters are read by the network operator's (ATCO Gas) contractor, SSL, which uploads meter reads into the database (called ARMA) that is maintained by ATCO Gas • Alinta uploads the daily batch of meter reads into CIS-OV, which reconciles to customer accounts based on Meter Installation Registration Number (MIRN) and meter number • ATCO Gas requires a meter read to be undertaken by a meter reader and Alinta does not accept customer self-reads under any circumstance.
151	Prior to a customer reading a meter, a retailer must give the customer information that explains how to read a meter correctly in clear, simple and concise language. <i>Gas Compendium clause 4.6(2)</i>	Compliant - 5	Through discussions with the Team Leader – Billing Services, we determined that Alinta Customer Service Representatives are trained to walk a customer through a self-read, in the event that a customer queries an actual read. However, the customer self-read will not replace the actual read, until a meter reader has conducted an additional read.
152	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills. <i>Gas Compendium clause 4.7(1)</i>	Compliant - 5	<i>Obligations 152 and 153:</i> Alinta's reading schedules are managed by ATCO Gas and SSL, with meters scheduled to be read on a quarterly basis to coincide with Alinta's current billing arrangements. Through discussions with the Team Leader – Billing Services and examination of Alinta's estimated billing process,

No	Obligation under Condition	Compliance Rating	Findings
153	A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1)(a). <i>Gas Compendium clause 4.7(2)</i>	Compliant - 5	<p>we determined that Alinta has implemented the following processes for managing its estimated billing to meet the requirements of clause 4.7 of the Compendium of Gas Customer Licence Obligations and ensuring that all Alinta's customers' meters are read at least at least once in every 12 months:</p> <ul style="list-style-type: none"> • Where meter access is denied or unavailable, for that billing cycle an estimated bill is produced. The meter reader is required to document the reason for being unable to read the meter, which is then recorded in CIS-OV • The meter readers are required to leave an 'unable to read' card in the customers mail box, requesting the customer to make contact with the meter reader • The first three accompanying letters advise the customer that access to the gas meter could not be obtained and to contact Alinta to arrange access for the next scheduled visit. The accompanying letters also outline the requirement for the meter to be made available at least once in a 12 month period, with the potential consequence of disconnection if it is not made available • On the third estimated read, Alinta sends a further notice requesting the customer to arrange a suitable time to access the meter within the next 14 days. If the meter is not available for the next meter read, the customer is warned disconnection may be carried out • Alinta has implemented a monthly report identifying customers with three consecutive estimated reads to facilitate further follow-up with those customers • After the fourth estimate read, ATCO Gas automatically sends the customer a reminder notice to allow access to the meter. Also, Alinta sends a disconnection warning letter giving the customer 14 days until disconnection action will commence. <p>In the event that an actual meter reading cannot be obtained in the 12 month period, ATCO and Alinta work together and arrange for the disconnection of the gas supply, in accordance with the requirements of the Gas Compendium and Retail Market Rules.</p>
154	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter. <i>Gas Compendium clause 4.8(1)</i>	Compliant - 5	<p>Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta's procedures provide for:</p> <ul style="list-style-type: none"> • ATCO Gas to generate an estimated value in the event that a meter reading is not received • The bill to clearly display that it is an estimated bill and that the amount is based on estimation. <p>We also observed that section 5 of Alinta's standard form contract states that an estimate will be billed should (for whatever reason) an actual meter read not be obtained.</p>
155	In circumstances where the customer's bill is estimated, a retailer must specify in a visible and legible manner the information specified in subclause 4.8(2)(a)-(c).The customer may request a verification of a meter reading and a meter reading.	Compliant - 5	<p>Examination of the current bill templates indicates that an estimated bill complies with the minimum information required by section 4.8(2) of the Code. In particular, the estimated bill:</p> <ul style="list-style-type: none"> • Informs the customer that the invoice is based on an estimated meter reading • Provides a contact number for Alinta if the customer wishes to: <ul style="list-style-type: none"> ○ Discuss the basis and reason for the meter reading estimate

No	Obligation under Condition	Compliance Rating	Findings
	<i>Gas Compendium clause 4.8(2)</i>		<ul style="list-style-type: none"> Request meter verification or reading.
156	Upon request, a retailer must inform a customer of the basis and the reason for the estimation. <i>Gas Compendium clause 4.8(3)</i>	Compliant - 5	Through discussions with the Team Leader – Billing Services and consideration of Alinta’s billing processes, we determined that Customer Service Representatives are trained to advise customers on the basis and reason for estimations. We also observed that the customer profile in CIS-OV provides relevant information required by the Customer Service Representatives when advising customers.
157	Where the retailer gives a customer an estimated bill and the meter is subsequently read the retailer must include an adjustment on the next bill to take account of the actual meter reading. <i>Gas Compendium clause 4.9</i>	Compliant - 5	Through discussions with the Team Leader – Billing Services and consideration of Alinta’s billing and account management processes, we determined that Alinta’s processes provide for: <ul style="list-style-type: none"> Where an account is in credit (i.e. Alinta has overcharged the customer) the balance to be automatically adjusted on the customer’s account. Should the customer prefer a refund, the refund can be processed Where an account is in debit (i.e. Alinta has undercharged the customer) the balance to be automatically attached to the customer’s account. The customer is then advised of the balance. We evidenced adjustments made to estimate bills after an actual meter reading was obtained.
158	If a retailer has based a bill upon an estimation because the customer failed to provide access to the meter, and the customer subsequently requests the retailer to provide a bill based on a reading of the meter and provides access to the meter, and pays the retailer’s reasonable charge for reading the meter (if any), the retailer must do so. <i>Gas Compendium clause 4.10</i>	Compliant - 5	Through discussions with the Team Leader – Billing Services and Retail Services Officer – Billing, we determined that Alinta has processes and procedures in place to replace an estimated bill with a bill based on actual meter read if requested by a customer.
159	If a customer requests the meter to be tested and pays a retailer’s reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so. <i>Gas Compendium clause 4.11(1)</i>	Compliant - 5	<i>Obligations 159 and 160</i> Through discussions with the Team Leader – Billing Services and Retail Services Officer – Billing, we determined that Alinta has the following arrangements in place to engage the distributor to perform a meter test, at a customer’s request: <ul style="list-style-type: none"> Alinta charges an upfront fee (currently \$175, of which \$169.98 relates to the fee charge by ATCO Gas) for performing a meter test, which requires the removal and replacement of the meter prior to testing. Alinta considers this fee to cover the reasonable costs involved in removing, replacing and testing meters Alinta’s current processes require upfront payment of the fee to perform the meter test. Once received, the Team Leader – Billing Services forwards the request to ATCO Gas Section 4.3 of Alinta’s standard form contract outlines customers’ right to request a meter test If the meter is found to be defective and the fault relates to the measurement of the customer’s consumption, the fee for the meter test is either credited to the customer’s
160	If the meter is tested and found to be defective, the retailer’s reasonable charge for testing the meter (if any) is to be refunded to the customer. <i>Gas Compendium clause 4.11(2)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
			account, or refunded via direct payment.
164	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request. <i>Gas Compendium clause 4.14(1)</i>	Compliant - 5	Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta has processes and procedures in place to finalise customer accounts at the customer's request. In these circumstances, a final meter read service order is arranged, from which a final bill is generated.
165	If the customer's account is in credit at the time of account closure, the retailer must repay the amount to the customer. <i>Gas Compendium clause 4.14(2)</i>	Compliant - 5	Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures in place to manage the account finalisation process: <ul style="list-style-type: none"> Alinta's default approach is to transfer any credits to the customer's new supply address (if applicable) unless the customer specifically requested the amount to be refunded, in which case the refund is processed Alinta's billing staff produce a weekly report, which identifies accounts in credit. Accounts in credit are reviewed and appropriately dealt with. We examined the customer complaint register and did not identify any complaints in relation to refund of credits after account closure.
166	A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due. <i>Gas Compendium clause 4.15</i>	Compliant - 5	<i>Obligations 166 to 170</i> Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta has the following processes in place to facilitate the review of a customer account on request: <ul style="list-style-type: none"> Alinta's Customer Service Representatives are trained to deal with customer requests to review a bill, enabling a to be performed on request Requests for review of a customer's bill are resolved immediately, or referred to a relevant team for resolution
167	If a retailer is satisfied after conducting a review of a bill that the bill is correct, the retailer <ul style="list-style-type: none"> May require a customer to pay the unpaid amount Must advise the customer that the customer may request the retailer to arrange a meter test in accordance with applicable law 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. <i>Gas Compendium clause 4.16(1)(a)</i>	Compliant - 5	<ul style="list-style-type: none"> Where the bill is assessed as correct by Alinta, depending on the issue relating to the bill, the Customer Service Representative informs the customer of the options available where the customer is not happy with the assessment, including the use of the complaints handling processes Where the bill is assessed as incorrect by Alinta, the default process is for a credit to be applied to the customer's account. Alternatively, the customer may request a refund. Such practices provide for customers to be informed of the outcome of a review within 20 business days from the date of receipt of the request, or a notification of the status of the review where the outcome has not been informed within 20 business days. Examination of the customer complaints register did not identify instances of complaints in relation to Alinta's response (and the timing of the response) to a request to review a customer account.

No	Obligation under Condition	Compliance Rating	Findings
168	If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18. <i>Gas Compendium clause 4.16(1)(b)</i>	Compliant - 5	<i>Refer also to summary finding and recommendation 9/2013 at the introduction to section 4.8 findings above, which outlines the opportunity for Alinta to further strengthen its monitoring of compliance with Gas Compendium obligations.</i>
169	The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable. <i>Gas Compendium clause 4.16(2)</i>	Compliant - 5	
170	If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable. <i>Gas Compendium clause 4.16(3)</i>	Compliant - 4	
171	If a retailer proposes to recover an amount undercharged as a result of an error, defect or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must follow the procedure specified in subclauses 4.17.(2)(a)-(e). Obligation (177), applicable to 31 December 2012: A retailer must recover an amount undercharged as a result of an act or omission by a retailer or distributor in the manner specified. <i>Gas Compendium clause 4.17(2)</i>	Compliant - 5	Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta has the following procedures in place to manage accounts requiring adjustments: <ul style="list-style-type: none"> Where an account is in debit (i.e. Alinta has undercharged the customer) the balance is automatically attached to the customer's next account. The customer is then advised of the balance In the event of an undercharging, Alinta recognises that it can only recover the undercharged amount for up to 12 months from the date the customer is notified of the undercharge Alinta does not charge interest or fees for the amount being recovered from the customer Alinta's default process is to cancel the bills in question and issue a revised account with an accompanying letter.
172	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the error, defect or default and ask the customer for instructions as to whether the amount should be credited to the	Compliant - 5	Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures in place for managing the process of recognising and refunding overcharges include: <ul style="list-style-type: none"> Immediately notifying the customer of any overcharge (including for amounts less than \$75) and offering resolution alternatives. This practice meets the 10 business day requirement of the Code Customer Service Representatives making best endeavours to contact customers who have been overcharged and have moved address.

No	Obligation under Condition	Compliance Rating	Findings
	customer's account; or repaid to the customer. <i>Gas Compendium clause 4.18(2)</i>		
173	If a retailer receives instructions under subclause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions. No interest shall accrue to a credit or refund referred to in this subclause. <i>Gas Compendium clause 4.18(3) & (5)</i>	Compliant - 4	<p><i>Obligations 173 to 175</i></p> <p>Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for managing the refunds process include:</p> <ul style="list-style-type: none"> Alinta's default approach is to transfer any credits (including less than \$75) to the customer's supply address account in the next bill unless the customer specifically requests the amount to be refunded Alinta's billing staff produce a weekly report, which identifies accounts in credit. Those accounts that are in credit are reviewed and dealt with If the amount is to be refunded, the Customer Service Representative submits a request for work flow approval. Refunds are then processed via weekly cheque runs Applying the standard business requirement of seven business days to credit any overcharge. <p>Examination of the customer complaints register did not identify instances of complaints in relation to repayment of an overcharged amount.</p> <p><i>Refer also to summary finding and recommendation 9/2013 at the introduction to section 4.8 findings above, which outlines the opportunity for Alinta to further strengthen its monitoring of compliance with Gas Compendium obligations.</i></p>
174	If a retailer does not receive instructions under subclause 4.18(2) within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account. No interest shall accrue to a credit or refund referred to in this subclause. <i>Gas Compendium clause 4.18(4) & (5)</i>	Compliant - 4	
175	Where the overcharged amount is less than \$75 the retailer may notify the customer of the overcharge by no later than the next bill after the retailer became aware of the error, and <ul style="list-style-type: none"> Ask the customer for instructions in accordance with subclause 4.18(2) Credit the amount to the customer's account. <i>Gas Compendium clause 4.18(6)</i>	Compliant - 5	
176	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of the customer, the retailer must follow the procedure specified in subclause 4.19(1)(a)-(d). <i>Gas Compendium clause 4.19(1)</i>	Compliant - 5	<p>Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures in place to manage accounts requiring debit adjustments:</p> <ul style="list-style-type: none"> Alinta's initial approach is to cancel the bills in question and issue a revised account with an accompanying letter to explain to the customer Alinta recognises that it can only recover the undercharged amount for up to 12 months from the date on which the meter was read Alinta does not charge interest or fees for the amount being recovered from the customer <p>The accompanying letter with the revised bill also offers a bill smoothing arrangement to the customer to enable payment of the bill in instalments.</p>

No	Obligation under Condition	Compliance Rating	Findings
177	<p>If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to subclause (5), ask the customer for instructions as to whether the amount should be:</p> <ul style="list-style-type: none"> • Credited to the customer's account • Repaid to the customer • Included as a part of the new bill smoothing arrangement where the adjustment arises under clause 4.3(2)(a)-(b). <p><i>Gas Compendium clause 4.19(2)</i></p>	Compliant - 5	<p><i>Obligations 177 to 180:</i></p> <p>Through discussions with the Team Leader – Billing Services and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures in place for managing the process of recognising and refunding overcharges include:</p> <ul style="list-style-type: none"> • Immediately notifying the customer of any overcharge (including for amounts less than \$75) and offering resolution alternatives. This practice meets the 10 business day requirement of the Code • Customer Service Representatives making best endeavours to contact customers who have been overcharged and have moved address. • Alinta's default approach is to transfer any credits (including less than \$75) to the customer's supply address account in the next bill unless the customer specifically requests the amount to be refunded • Alinta's billing staff produce a weekly report, which identifies accounts in credit. Those accounts that are in credit are reviewed and dealt with • If the amount is to be refunded, the Customer Service Representative is to submit a request for work flow approval. Refunds are then processed via weekly cheque run • Applying the standard business requirement of seven business days to credit any overcharge. <p>Examination of the customer complaints register did not identify instances of complaints in relation to repayment of an overcharged amount.</p>
178	<p>If a retailer received instructions under subclause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions. No interest shall accrue to an adjustment amount.</p> <p><i>Gas Compendium clause 4.19(3) & (6)</i></p>	Compliant - 5	
179	<p>If a retailer does not receive instructions under subclause 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. No interest shall accrue to an adjustment amount.</p> <p><i>Gas Compendium clause 4.19(4) & (6)</i></p>	Compliant - 5	
180	<p>Where the adjustment amount owing to the customer is less than \$75, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read and</p> <ul style="list-style-type: none"> • Ask the customer for instructions in accordance with subclause 4.19(2) • Credit the amount to the customer's account. <p><i>Gas Compendium clause 4.19(5)</i></p>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
PART 5 - PAYMENT			
181	<p>The due date on the bill must be at least 12 business days from the date of the bill. Unless a retailer specifies a later date, the date of dispatch deemed to be the date of the bill.</p> <p><i>Gas Compendium clause 5.1</i></p>	Compliant - 5	<p>Through discussions with the Payments Officer and walkthrough of payments processes, we determined that Alinta has the following in place to manage the payments cycle of customer bills:</p> <ul style="list-style-type: none"> Section 6.2(k) of the standard form contract (September 2011 edition) states that “each bill will show the due date, which will be at least 12 business days after the date of the bill” The due date of a bill is calculated automatically by CIS-OV with the due date being at least 12 business days from the date of the bill as one of the pre-set conditions Credit management policies and procedures acknowledge the requirement for customer bills to be at least 12 business days. <p>We obtained both a current standard bill and an estimated bill and observed that both had due dates of 12 business days from the date of the bill.</p>
182	<p>A retailer must offer a customer at least the following payment methods:</p> <ul style="list-style-type: none"> In person at 1 or more payment outlets located within the Local Government District of the customer’s supply address By mail For residential customers, by Centrepay Either electronically or by telephone by means of a debit facility or a credit card. <p><i>Gas Compendium clause 5.2(1)</i></p>	Compliant - 5	<p>Through discussions with the Payments Officer and examination of a sample bill, we determined that Alinta offers for the minimum payment methods prescribed in s.5.2 (1) of the Compendium.</p>
183	<p>Prior to commencing a direct debit, a retailer must obtain the customer’s verifiable consent and agree with the customer, wherever possible, on the amount to be debited, and the date and frequency of the direct debit.</p> <p><i>Gas Compendium clause 5.3</i></p>	Compliant - 5	<p>The Payments Officer confirmed the process for obtaining a customer’s verifiable consent prior to commencing a direct debit is either:</p> <ul style="list-style-type: none"> By asking a routine set of questions providing consent through a voice recording of the customer agreeing to those questions Issuing an application containing all relevant information for the customer to complete, sign and return to Alinta. <p>The Payments Officer confirmed that all voice recordings are maintained for a minimum of 6 months, after which they are archived.</p>
184	<p>A retailer must accept payment in advance from a customer on request. 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.</p> <p><i>Gas Compendium clause 5.4</i></p>	Compliant - 5	<p>Through discussion with the Payments Officer and walkthrough of Alinta’s payments process, we determined that Alinta:</p> <ul style="list-style-type: none"> Accepts payment in advance for any amount, where no minimum amount applies Places the customer’s account into credit and will not pay interest on any accounts in credit.

No	Obligation under Condition	Compliance Rating	Findings
185	If a customer is unable to pay by way of the methods described in clause 5.2, due to illness or absence, a retailer must offer a residential customer a redirection of the customer's bill to a third person, at no charge. <i>Gas Compendium clause 5.5</i>	Compliant - 5	Through walkthrough of Alinta's billing process and discussions with the Credit Controller, we determined that Alinta's procedures provide for customers to have bills sent to either the supply address or an alternative mailing address nominated by the customer, at no charge.
186	A retailer must not charge a residential customer a late payment fee in the circumstances specified in subclause 5.6(1)(a)-(d). <i>Gas Compendium clause 5.6(1)</i>	Compliant - 5	<i>Obligations 186 to 189</i> Through discussions with the Credit Controller and consideration of Alinta's disconnection and credit management processes, we determined that Alinta has the following processes and procedures to manage the application of late payment fees:
187	If a retailer has charged a residential customer a late fee, a retailer must not charge a residential customer an additional late payment fee in relation to the same bill within five business days from the date of receipt of the previous late payment fee notice. <i>Gas Compendium clause 5.6(2)</i>	Compliant - 5	<ul style="list-style-type: none"> The approved late payment fee increased from \$8 to \$8.40 on 1 September 2013 Alinta's CIS-OV system will not permit the charging of fees to customer accounts whilst a moratorium is in place. A moratorium is attached to a customer account when: <ul style="list-style-type: none"> Payment arrangements are in place Customer complaint is being dealt with Customer's application for financial hardship is in progress.
188	A retailer must not charge a residential customer more than three late payment fees in relation to the same bill, and 12 late payment fees in a year. <i>Gas Compendium clause 5.6(3)</i>	Compliant - 5	<ul style="list-style-type: none"> Alinta charges late payment fees on the issue of the relevant reminder notices and disconnection warnings each of which are at least 5 days apart. The process is automated so that when a late payment fee letter is produced, the corresponding fee is charged A maximum of three late payment fees can be attached to a customer account in relation to reminder/warning notices before the disconnection process is initiated
189	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. <i>Gas Compendium clause 5.6(4)</i>	Compliant - 5	<ul style="list-style-type: none"> Alinta does not offer shortened billing cycles to residential customers. The standard billing cycle is every 90 days, therefore in conjunction with the above, no more than 12 late payment fees can be charged within a year <ul style="list-style-type: none"> Small use business customers may apply for shortened billing cycles These customers are managed to ensure that no more than 12 late payment fees are charged within a year. Should a customer contact Alinta and be assessed as suffering from payment difficulties or financial hardship, all fees are reversed.
190	A retailer must not require a customer who has vacated a supply address, and who has given the retailer notice, to pay for gas consumed at the customer's supply address in the circumstances specified in subclause 5.7(1). <i>Gas Compendium clause 5.7(1)</i>	Compliant - 5	<i>Obligation 190 to 192</i> Through discussions with the Credit Controller and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for finalisation of customer accounts include:
191	If a customer reasonably demonstrates to a retailer	Compliant - 5	<ul style="list-style-type: none"> A customer is required to notify Alinta to request account closure Customer Service Representatives initiate the account finalisation process and submit a service order in CIS-OV requesting a final meter read of the supply address

No	Obligation under Condition	Compliance Rating	Findings
	that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require a customer to pay for gas consumed at the customer's supply address from the date the customer gave the retailer notice. <i>Gas Compendium clause 5.7(2)</i>		<ul style="list-style-type: none"> • SSL (previously AMRS, which changed its name in June 2012) reads the meter within three business days of request • Customers are charged for consumption up to the final meter read • For customers that have been evicted, Alinta stops charges to the customer from the day of eviction and will backdate the bill to the date the customer vacated the supply address, provided that the customer can provide reasonable evidence
192	Notice is given if a customer informs a retailer of the date on which the customer intends to vacate, or has vacated the supply address, and gives the retailer a forwarding address to which a final bill may be sent. <i>Gas Compendium clause 5.7(3)</i>	Compliant - 5	<ul style="list-style-type: none"> • Section 16 of standard form contract states that "if you [the customer] are forced to move out [for example, by eviction] with less than three business days' notice and you let us know immediately, we will not ask you to pay for gas used at the supply address beyond the period of notice you were given".
193	If a retailer and a customer enter into a new contract for the supply address, a retailer must not require the previous customer to pay for gas consumed at the customer's supply address from the date the new contract becomes effective and in circumstances specified in subclause 5.7(4).13. <i>Gas Compendium clause 5.7(4)</i>	Compliant - 5	<p>Through discussions with the Credit Controller and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures to manage the account finalisation process:</p> <ul style="list-style-type: none"> • The debt is recoverable only from the customer who entered into the contract with Alinta • Once a contract is established and formalised in CIS-OV, the system does not permit an amount to be billed to the previous customer of the same supply address • Section 16 of the standard form contract commits Alinta to not charging the previous customer gas consumption after the new customer becomes obliged to pay.
194	A retailer must comply with the Conduct Principles set out in the debt collection guideline issued by the Australian Competition and Consumer Commission concerning section 50 of the Australian Consumer Law (WA). <i>Gas Compendium clause 5.8(1)</i>	Compliant - 5	<p>Section 5.8 (1) of the Gas Compendium states that "A retailer must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission concerning section 50 of the Australian Consumer Law (WA).".</p> <p>Though discussions with the Credit Controller and examination of Alinta's Hardship Policy, we determined that Alinta has established practices to demonstrate compliance with the Conduct Principles set out in the guideline on debt collection issued by the ACCC:</p> <ul style="list-style-type: none"> • Alinta utilises Dun and Bradstreet and Pro-mercantile (changed from BayCorp due to expiration of contract re-tendering) as its debt collection agencies for all unpaid debt greater than \$20 • Only accounts that are inactive (i.e. had final invoices issues) are referred to debt collection. No active accounts are referred to debt collection services as these accounts will be captured within the standard disconnection process. <p>The Customer Services Manager confirmed that Alinta complies with the Conduct Principles set out in the guidelines on debt collection issued by the ACCC.</p>
195	A retailer must not commence proceedings for recovery of a debt from a residential customer who has informed a retailer that the customer is	Compliant - 5	<p>Through discussions with the Credit Controller and consideration of Alinta's credit management processes, we determined that Alinta's procedures provide for:</p>

No	Obligation under Condition	Compliance Rating	Findings
	experiencing payment difficulties or financial hardship; or while a residential customer continues to make payments under an alternative payment arrangement. <i>Gas Compendium clause 5.8(2)</i>		<ul style="list-style-type: none"> Customers to be contacted prior to being referred to debt collection If the customer advises Alinta that they are experiencing payment difficulties or financial hardship, Alinta will refer the customer to a Customer Service Representative with the skill set to perform a financial hardship assessment A suspend collections flag is placed on the customers' accounts who have: <ul style="list-style-type: none"> Been referred for a financial hardship assessment (as above) Are on a payment plan Have a bill smoothing arrangement in place. The suspend collections flag stops all actions made on the account (e.g. disconnection warnings and late payment fees) Customers who make part payments of outstanding debt are not to be referred to debt collection.
196	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of gas to that supply address. <i>Gas Compendium clause 5.8(3)</i>	Compliant - 5	<p>Through discussions with the Credit Controller and consideration of Alinta's credit management processes, we determined that Alinta's procedures provide for collection of customer debt. We note that:</p> <ul style="list-style-type: none"> Alinta has processes in place to ensure that any debt is only recovered from the customer of the supply address which incurred the debt The CIS-OV system only allows one account to be attached to a supply address; as such it is only possible to bill for the consumption from a supply address to one customer at any given time.
PART 6 – PAYMENT DIFFICULTIES AND FINANCIAL HARDSHIP			
198	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within three business days from when the residential customer informs a retailer that the customer is experiencing payment problems. <i>Gas Compendium clause 6.1(1)</i>	Compliant - 4	<p>Through discussion with the Team Leader – Customer Services and examination of Alinta's Hardship Policy, we determined that Alinta has the following processes and procedures in place to facilitate the assessment of customer's financial situation within three days:</p> <ul style="list-style-type: none"> Alinta has developed a Continuous Energy Program, incorporated in the Hardship Policy document. The Hardship Policy assists Alinta staff in performing a preliminary assessment of a customer's financial situation Customer Service Representatives are responsible for performing the initial assessment in line with the Hardship Policy An initial assessment is to be performed immediately (while the customer is on the phone) and if the customer is determined to be experiencing financial hardship, the customer is referred to a: <ul style="list-style-type: none"> Relevant government agency Financial counsellor Appropriately trained Level 2 Customer Service Representative, provided that the customer's debt is below specified limits.

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> Where a customer has contacted Alinta via email or letter, the staff member responsible for opening the mail or reading the email will look out to see if the mail or email relates to financial hardship. <ul style="list-style-type: none"> Following identification of such a mail or email, the customer contact will be immediately escalated to a Team Leader The Team Leader – Customer Services commented that such an escalation was a very rare occurrence There is no tracking process for payment difficulties or financial hardship letters as to whether they were assessed within three business days. As Alinta's standard response time for mail and email is seven days, there is a possibility for customer contacts via these means requesting a hardship assessment to not be conducted within the specified time frame. When a preliminary assessment of a customer has been performed, the Customer Service Representative is required to document the discussion and outcomes on the customer's profile within CIS-OV by categorising the contact log as 'Hardship Utility Grant Scheme (HUGS)' or 'special condition' Customer Service Representatives are trained in relation to the Hardship Policy The Credit Management team is responsible for reviewing the customer logs categorised as 'HUGS' for any changes to HUGS applicability. <p><i>Refer also to summary finding and recommendation 9/2013 at the introduction to section 4.8 findings above, which outlines the opportunity for Alinta to further strengthen its monitoring of compliance with Gas Compendium obligations.</i></p>
199	<p>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.</p> <p><i>Gas Compendium clause 6.1(2)</i></p>	Compliant - 5	<p>Based on discussions with the Team Leader – Customer Services, we determined that Alinta has procedures in place to assist staff in making preliminary assessments of a customer's financial situation. The assessment is completed using:</p> <ul style="list-style-type: none"> Information provided by the customer The information held by Alinta Information from relevant third parties, e.g. financial counsellors. <p>Where a Financial Counsellor requests for information regarding a customer's assessment (e.g. billing detail), Alinta will endeavour to assist the Financial Counsellor with their request.</p> <p>From 28 March 2012, appropriately trained level 2 Customer Service Representatives were able to perform formal financial hardship assessments and HUGS applications, provided that:</p> <ul style="list-style-type: none"> Total customer debt is less than \$605 The amount being applied for is less than \$515 The customer has not had a previous HUGS application in the last 12 months. <p>Based on discussions with the Team Leader – Customer Services and consideration of the Hardship Policy, we understand that:</p>

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> Customer Service Representatives are trained on how to assess a customer's situation Most customers, who advise Alinta that they are experiencing payment difficulties, will be given a payment extension.
200	A retailer must advise a residential customer on request of the details of an assessment. <i>Gas Compendium clause 6.1(3)</i>	Compliant - 5	<p>Through discussion with the Team Leader – Customer Services, we determined that:</p> <ul style="list-style-type: none"> Customer Service Representatives are aware that customers are entitled to information regarding their assessment Customer Service Representatives will inform customers if their application has been denied and will advise them of additional payment options available such as payment plans or time extensions The customer will not be notified by Alinta if the application for a HUGS grant has been approved. As a result, the customer will become aware of the approval of the grant via a reduction of debt on the next bill. <p>The Team Leader – Customer Services advised that Alinta staff are not provided with the details of the Financial Counsellor's assessment. If a customer requests information regarding the financial counsellor's assessment, Alinta will direct the customer to the respective financial counsellor.</p> <p>Our examination of the complaints register for the period 1 October 2011 to 30 September 2013 indicated that no customers had complained in relation to being disconnected for denying access to the property's meter.</p>
201	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 an appointment with a relevant consumer representative organisation to assess the customer's capacity to pay. <i>Gas Compendium clause 6.2(1)</i>	Compliant - 5	<p><i>Obligations 201 to 203</i></p> <p>Through discussion with the Team Leader – Customer Services and examination of the Hardship Policy, we determined that Alinta has procedures in place to enable a customer's account to be suppressed from any credit or disconnection actions for a minimum period of 15 business days. The customer account will be suppressed if:</p> <ul style="list-style-type: none"> Requested by the customer Requested by the financial counsellor if more time is required to make an assessment of the customers financial position A request is received from a relevant government agency.
202	A retailer must allow a temporary suspension of actions for a period of at least 15 business days. <i>Gas Compendium clause 6.2(2)</i>	Compliant - 5	<p>The length of suspension of actions is for a minimum of 15 business days and can be extended where an authorised Customer Representative Organisation or financial counsellor requires more time to assess the customers' situation. Customer Service Representatives (other than trainee Customer Service Representatives) are authorised to extend the suppression for up to 4 weeks. Should a greater period of time be required, Customer Service Representatives are required to escalate the request to a Team Leader.</p>
203	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation in the manner specified to allow a relevant consumer representative organisation additional time to assess a residential customer's capacity to pay. <i>Gas Compendium clause 6.2(3)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
204	If the assessment carried out under clause 6.1 indicates to the retailer that the residential customer is experiencing payment difficulties or financial hardship, the retailer must follow the procedure specified in subclause 6.3(1).14 <i>Gas Compendium clause 6.3(1)</i>	Compliant - 5	From an examination of section 5 of the Hardship Policy and discussions with the Team Leader – Customer Services, we determined that Alinta offers alternative payment arrangements such as payment extensions or payment instalment plans to customers who are experiencing payment difficulties or financial hardship.
205	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the payment arrangements that are specified in subclause 6.4(1). <i>Gas Compendium clause 6.4(1)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Services and examination of the Hardship Policy, we determined that: <ul style="list-style-type: none"> Alinta has procedures in place to offer payment extensions or payment instalment plans to customers experiencing payment difficulties or financial hardship Any payment instalment plan is provided at no cost to the customer and is interest free.
206	When offering an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must take into account the information and take the specified actions detailed in subclause 6.4(2). <i>Gas Compendium clause 6.4(2)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Services, we determined that Alinta has the following processes for placing customers on to a payment instalment plan: <ul style="list-style-type: none"> When Alinta determines whether the instalment plan is applicable to the customer, the customer's usage needs and capacity to pay are taken into account Information relating to an instalment plan is communicated to the customer over the phone, at the time of contact The instalment plan information (including amounts, timeframe, number of instalments) is agreed with the customer and noted on the customer profile on CIS-OV Details on how to reduce energy (such as energy reduction initiatives on Alinta's website) are provided to the customer The details of the instalment plan are sent to the customer by mail. Alinta's payment difficulty/financial hardship procedures provide for trained staff to methodically assess customers' circumstances and to communicate all information relating to an offered instalment plan to the customer at the point of contact (via phone) and later confirmed via mail. The Hardship Policy outlines the steps Alinta takes when offering an Instalment plan to a residential customer in line with s.6.4(2) of the Compendium.
207	If a residential customer has in the previous 12 months had 2 instalment plans cancelled due to non-payment, a retailer does not have to offer that residential customer another instalment plan, unless the retailer is satisfied that the residential customer will comply with the proposed plan. <i>Gas Compendium clause 6.4(3)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Services and consideration of Alinta's financial hardship and payment difficulties process, we determined that Alinta: <ul style="list-style-type: none"> Provides instalment plans to all customers experiencing payment difficulties Will generally allow a customer to break and re-enter up to four plans each year, although, at a minimum, will provide the customer one additional plan each year, in the event the customer has failed to make payments under the original plan.
208	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer	Compliant - 5	<i>Obligations 208 and 209</i>

No	Obligation under Condition	Compliance Rating	Findings
	representative organisation, for a reduction of the customer's fees, charges, or debt. <i>Gas Compendium clause 6.6(1)</i>		From an examination of the Hardship Policy and discussions with the Team Leader – Customer Services, we determined that Alinta's policy and procedures provide for: <ul style="list-style-type: none"> All customers who are assessed as being under financial hardship have all fees and charges deleted from their account If a customer or relevant third party requests that a debt be reduced, it will be referred to a Team Leader who will then make an assessment in accordance with the provisions of Alinta's hardship policy.
209	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in clause 6.10(2)(d). <i>Gas Compendium clause 6.6(2)</i>	Compliant - 5	
210	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 instalment plan or offering to revise an existing instalment plan. <i>Gas Compendium clause 6.7</i>	Compliant - 5	From an examination of the Hardship Policy and discussions with the Team Leader – Customer Services, we determined that Alinta's processes require its staff to provide: <ul style="list-style-type: none"> A payment extension to all customers on request (or the customer can extend the due date via automated options on the Alinta call centre number) An instalment plan, or revise a current instalment plan, to all customers on request.
211	A retailer must advise a customer experiencing financial hardship of the options specified in subclause 6.8. <i>Gas Compendium clause 6.8</i>	Compliant - 5	Section 6 of the Hardship Policy outlines customers' rights and responsibilities and specifically outlines the provision of information requirements of clause 6.8 of the Compendium. Through discussions with the Team Leader – Customer Services, we also determined that Alinta provides the necessary advice to a customer, either over the phone, by email or in writing.
214	A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer. <i>Gas Compendium clause 6.10(1)</i>	Compliant - 5	Alinta developed a Hardship Policy, last reviewed in November 2012, to accommodate instances where individual customers experience payment difficulties or financial hardship. The Hardship Policy is: <ul style="list-style-type: none"> Applicable to those customers who are assessed as experiencing payment difficulties or financial hardship Designed to assist customers in meeting their financial obligations to Alinta Applicable only to residential gas customers who consume not more than 1 terajoule of gas per annum. However, payment arrangements and payment plans can be applied for by small use business customers. A Hardship Policy Review Committee has been established and is responsible for the development, review and maintenance of the Hardship Policy.
215	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2). <i>Gas Compendium clause 6.10(2)</i>	Compliant - 5	Based on examination of the Hardship Policy, dated November 2012, we determined that the policy complied with all requirements of s.6.10 (2) of the Compendium. The Hardship Policy has had four revisions since the last audit (2011) including amendments to reflect: <ul style="list-style-type: none"> ERA feedback Realignment with current processes

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> Additional offerings (such as Customer Service Representatives HUGS applications).
216	<p>A retailer must give residential customers, financial counsellors and relevant consumer representative organisations, details of the financial hardship policy, at no charge. The retailer must provide all residential customers experiencing financial hardship details of the hardship policy.</p> <p><i>Gas Compendium clause 6.10(3)</i></p>	Compliant - 5	<p>Through discussions with the Credit Controller, we determined that Alinta:</p> <ul style="list-style-type: none"> Has protocols in place for providing details of the Hardship Policy to a customer, financial counsellor or welfare agency upon request Hardship Policy has been made available on Alinta's website.
217	<p>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.</p> <p><i>Gas Compendium clause 6.10(4)</i></p>	Compliant - 5	<p>Through discussion with the Credit Controller and consideration of the Continuous Energy Program (including hardship policy), we determined that Alinta maintains the records as prescribed by s.6.10 (4) of the Compendium.</p>
218	<p>A retailer must, unless notified in writing by the Authority, review its hardship policy at least annually and submit the review to the Authority within (5) business days after it is completed.</p> <p><i>Gas Compendium clause 6.10(5)</i></p>	Compliant - 5	<p>Through discussions with the Credit Controller and examination of the Hardship Policy (November 2012 version), we determined that:</p> <ul style="list-style-type: none"> Alinta has processes in place to review its Hardship Policy on an annual basis, with the results being submitted to the Authority within five business days. The due date for submission of review results to the Authority is tracked via the Regulatory Obligations Register The annual review includes input from WACOSS, and other agencies The Credit Controller is delegated as responsible for performing the annual review of the Hardship Policy, supported by the Customer Service Manager and Manager Regulatory Compliance & Projects. <p>Examination of the Hardship Policy indicates annual reviews are being conducted, with input from relevant parties.</p>
219	<p>The retailer may, at any time, review its hardship policy and submit to the Authority the results of that review within 5 business days after it is completed.</p> <p><i>Gas Compendium clause 6.10(6)</i></p>	Compliant - 5	<p>Through discussions with the Credit Controller, we determined that Alinta reviewed its Hardship Policy in 2011 and 2012 in accordance with the Authority's Hardship Policy Guidelines. The Authority has extended the submission date for Alinta's review of its Hardship Policy to 31 December 2014, with no review submission required in 2013.</p>
220	<p>A retailer must have regard to the Authority's Financial Hardship Policy Guidelines when updating their hardship policy.</p> <p><i>Gas Compendium clause 6.10(7)</i></p>	Compliant - 5	<p>Through discussions with the Credit Controller and examination of the Hardship Policy (March 2013 version), we determined that Alinta reviewed its Hardship Policy with consideration to the Authority's October 2012 Financial Hardship Policy Guidelines.</p>

No	Obligation under Condition	Compliance Rating	Findings
221	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties. <i>Gas Compendium clause 6.11</i>	Compliant - 5	Alinta is not obliged to include business customers in its Hardship Policy, however from discussions with the Credit Controller and the Team Leader – Customer Services, we determined that: <ul style="list-style-type: none"> Assistance offered by Alinta to customers experiencing payment difficulties extends to small use business customers (e.g. payment arrangements and extensions to bills) Staff have been trained to offer small use business customers experiencing payment problems alternative payment arrangements. Following our findings during the previous audit regarding the applicability of the Hardship Policy to small use business customers, Alinta liaised with the Authority over the need to specifically reflect small use business customers within the policy. The Authority has issued a decision resulting in Alinta not being required to include small use business customers in the Hardship Policy. As a result, the latest version of the Hardship policy does not make reference to small use business customers. We examined the customer complaint register for the period 1 October 2011 to 30 September 2013 and did not identify any complaints relating to a business customer's treatment in arranging alternative payment arrangements.
PART 7 - DISCONNECTION			
222 33 34	A retailer must follow the procedures specified in subclause 7.1(1) prior to arranging for disconnection of a customer's supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in subclause 7.1(2). <i>Gas Compendium clause 7.1</i> <i>Customer Contracts Regulations 12(4)(a)-(b)</i>	Compliant - 4	Through examination of Alinta's billing process and discussions with the Credit Controller, we determined that Alinta's current processes provide the customer with the following notices: <ul style="list-style-type: none"> An overdue account notice (not a requirement under the Code) to be sent to customers who are considered not to be a credit risk, thereby delaying the formal requirements under the code (17 days after issue to bill) A reminder notice to be sent to customers: <ul style="list-style-type: none"> For those customers considered a credit risk, the notice will be sent 17 days after the issue of the bill For those customers not considered to be a credit risk, the notice will be sent 22 days after date of bill. A disconnection warning notice to be sent to the customer outlining that the account is overdue: <ul style="list-style-type: none"> For those customers considered a credit risk, the notice will be sent 26 days after the date of bill For those customers not considered to be a credit risk, the notice will be sent 31 days after date of bill. A door knock is performed to provide a final reminder notice of impending disconnection: <ul style="list-style-type: none"> For those customers considered a credit risk the notice will be sent 40 days after the date of bill

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> ○ For those customers not considered to be a credit risk the notice will be send 45 days after date of bill. ● Disconnection not to be performed unless the above reminder notices and warnings have been issued <ul style="list-style-type: none"> ○ All disconnection warnings are given 10 business days to make payment ○ For those customers considered a credit risk, disconnection will be performed 45 days after the date of bill ○ For those customers not considered to be a credit risk, disconnection will be performed 50 days after date of bill. <p>The Credit Controller commented that Alinta does not disconnect any customers with debt under \$100, although customers may still receive a door knock. Customers with debt under \$20 are not captured within the disconnection process by the system; therefore the above process will not be initiated.</p> <p>We examined Alinta's reminder and disconnection templates and can confirm that they meet the requirements of clauses 7.1(1)(a) and 7.1(1)(c) of the Compendium.</p> <p><i>Refer also to summary finding and recommendation 9/2013 at the introduction to section 4.8 findings above, which outlines the opportunity for Alinta to further strengthen its monitoring of compliance with Gas Compendium obligations.</i></p>
223 40 41 49 50	<p>A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in subclause 7.2(1).</p> <p><i>Gas Compendium clause 7.2(1)</i></p> <p><i>Energy Coordination (Customer Contracts) Regulations 2004, regulation 12 (6)</i></p> <p><i>Clauses 5.1.1.2, 5.1.1.3 and 5.1.8.1 (c-d) AGA Code</i></p>	Compliant - 5	<p>Through discussion with the Credit Controller and consideration of Alinta's disconnection and credit management processes, we determined that Alinta has the following processes and systems in place for managing the disconnection of customers:</p> <ul style="list-style-type: none"> ● Disconnecting a customer is the last resort Alinta will employ ● Credit management staff are aware to only disconnect customers for specified reasons ● A customer will not be disconnected where amounts owing do not relate to the supply of gas or the supply address does not relate to the bill ● Alinta does not offer customers concessions, however will offer alternative payment arrangements in accordance with clause 6.4(1) ● As the Authority has not prescribed a minimum amount of the balance outstanding, below which Alinta is not permitted to process a disconnection, Alinta has implemented a minimum amount for disconnection of \$100. <p>Our sample testing did not identify disconnections in breach of:</p> <ul style="list-style-type: none"> ● Clause 7.2 of the Compendium ● Regulation 12(6) of the Customer Contract Regulations, specifically relating to: <ul style="list-style-type: none"> ○ Business customers being disconnected in contravention of the specified requirements (obligation 41) ○ Customers being disconnected before an application for a Government concession

No	Obligation under Condition	Compliance Rating	Findings
			<p>(e.g. HUGS) had been decided (obligation 49)</p> <ul style="list-style-type: none"> Disconnections for amounts other than supply charges (obligation 50). <p>Examination of Alinta's customer complaints register for the period 1 October 2011 to 30 September 2013 did not identify any complaints in relation a customer being disconnected in contravention of the Gas Compendium and Customer Contract Regulations (obligations 223 and 40, 41, 49 and 50).</p>
225 42	<p>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 subclause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in subclause 7.4(1) on behalf of the retailer.</p> <p><i>Gas Compendium clause 7.4</i> <i>Energy Coordination (Customer Contracts) Regulations 2004, regulation 12 (6)</i> <i>Clauses 5.1.2.1 & 5.1.2.2 AGA Code</i></p>	Compliant - 5	<p>Based on examination of Alinta's disconnection process and discussions with the Credit Controller, we determined Alinta's processes provide for:</p> <ul style="list-style-type: none"> Meter readers to leave notification at the clients address for failure to gain access to the customers' meter on the day of meter read advising, as a consequence, the next account will be estimated Each estimated bill issued prior to a disconnection warning by door knock is accompanied by a series of reminder letters that represent Alinta's attempts at advising the customer of the requirement to contact Alinta for arranging a meter read, failing which a disconnection may be carried out It is not general practice for Alinta to disconnect supply for denying access to a meter unless safety concerns of the meter (e.g. tampering with a meter) have been identified by ATCO or AMRS <p>We:</p> <ul style="list-style-type: none"> Examined the template accompanying letter advising the customer of the need to arrange for a meter read and confirmed that its contents complies with clause 7.1(1)(b) of the Gas Compendium Sample tested seven customers who were disconnected and confirmed that they were not disconnected for failing to provide access to the meter Examined the complaints register for the period 1 October 2011 to 30 September 2013, which indicated that no customers had complained about being disconnected for denying access to the meter. <p>The Team Leader – Billing Services confirmed that for the period the 1 October 2011 to 30 September 2013, no customers have been disconnected solely for failure to provide access to the meter.</p>
227	<p>A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.</p> <p><i>Gas Compendium clause 7.6</i></p> <p><i>Energy Coordination (Customer Contracts)</i></p>	<p>(227, 51) Non-compliant 2</p> <p>(32, 48)</p>	<p>Through discussions with the Credit Controller and walkthrough of Alinta's disconnection processes, we observed that Alinta's processes and procedures provide for:</p> <ul style="list-style-type: none"> Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection Disconnections not to be arranged for Fridays, Saturday, Sunday, a public holiday, the day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to:

No	Obligation under Condition	Compliance Rating	Findings
32	<i>Regulations 2004, regulation 12 (2)</i>	Compliant 5	<ul style="list-style-type: none"> ○ Not arrange disconnections on a Friday ○ Perform disconnections using the disconnection service order produced by CIS-OV, which is forwarded to AMRS or ATCO Gas for processing.
48	<i>Energy Coordination (Customer Contracts) Regulations 2004, regulation 12 (6) Clause 5.1.8.1(b)</i>		<p>From discussion with the Credit Controller we determined that owing to system constraints, Alinta has implemented the following manual process:</p> <ul style="list-style-type: none"> • AMRS and ATCO Gas are required to document the time disconnection is effected on a completed service order, which is then returned to Alinta • An ATCO Gas representative sends Alinta an email each month confirming ATCO Gas' and AMRS' compliance with the requirements of clause 7.6 of the Code, for all disconnections performed that month • Alinta performs on-going 'spot checks' of disconnection service orders to determine whether disconnection times are being recorded. Any service orders without documented times are raised at monthly management meetings.
51	<i>Energy Coordination (Customer Contracts) Regulations 2004, regulation 12 (6) Clauses 5.1.8.1(e) and (f)</i>		<p>We note that Alinta reported to the Authority, in accordance with type 1 obligation reporting requirements, two instances of non-compliance with the requirements in clause 7.6 of the Compendium, where Alinta's field services provider, SSL, had inadvertently disconnected customers on a Friday instead of the following Monday, per the work order schedule. The non-compliance was immediately recognised by Alinta staff and both customers were reconnected the same day.</p> <p>Of a further sample of disconnections tested:</p> <ul style="list-style-type: none"> • No customers had been disconnected where they had lodged a complaint specific to the reason for disconnection (clause 7.6(d)) • No disconnections had been performed on a Friday, Saturday, Sunday, public holiday or on the day before a public holiday (clause 7.6(f)). <p>However, for one of the disconnections tested by this audit, the time of disconnection was not recorded and we were unable to confirm whether the disconnection had been performed before 3pm.</p> <p>Examination of the customer complaints register did not identify any instances of complaints in relation to being disconnected in the circumstances specified under the Gas Compendium clause 7.6.</p>
Recommendation 7/2013 Alinta seek assurances from its contracted field services provider that its disconnection procedures are adequate for fully complying with the requirements for disconnection timing. In particular, those procedures should include: (a) Ensuring that the time of disconnection is always recorded (b) Implementing sufficient checks and restrictions instead of placing sole reliance on the training and awareness of individual			Action Plan 7/2013 Alinta will adopt the following procedures and processes to monitor compliance: (a) The responsible Manager from the contracted field services company will be required to provide a written monthly assurance regarding compliance for this area (b) Alinta's Credit Manager will <ul style="list-style-type: none"> • Monitor compliance by conducting monthly audits • Sign-off on a monthly basis to confirm compliance (c) Alinta will investigate the implementation of new technology and equipment for service

No	Obligation under Condition	Compliance Rating	Findings
	staff carrying out the disconnection service order.		orders which will replace the existing manual processes by automated processes. The new technology will enable programming and configuration of equipment to prevent disconnections from being performed outside of permitted timeframes. Responsible Person: Manager Customer Services Target Date: 30 June 2014
PART 8 - RECONNECTION			
228	In the circumstances specified in clause 8.1(1)(a)-(c), a retailer must arrange for reconnection of the customer's supply address if the customer makes a request for reconnection, and pays the retailer's reasonable charges for reconnection (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges for reconnection. <i>Gas Compendium clause 8.1(1)</i>	Compliant - 5	Through discussion with the Credit Controller and consideration of Alinta's reconnection procedures, we determined that Alinta has the following procedures in place to arrange for customers to be reconnected: <ul style="list-style-type: none"> A customer who has failed to pay a bill will be reconnected if the customer has paid the balance owing, has agreed to a payment plan, or has been assessed as being in financial hardship A customer who has been unlawfully consuming gas, and has subsequently set up an account with Alinta (i.e. remedied the breach), will be reconnected, and invoiced for the gas consumed <ul style="list-style-type: none"> Alinta will work out the amount owing by contacting the customer's landlord or agent to assess when the customer moved into the premises Alinta may also request evidence of the date when the customer moved in to calculate the period to backdate from.
229 52	A retailer must forward the request for reconnection to the relevant distributor that same business day if the request is received before 3pm on a business day; or no later than the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday. <i>Gas Compendium clause 8.1(2)</i> <i>Energy Coordination (Customer Contracts) Regulations 2004, regulation 12 (6)</i> <i>Clause 5.2.2.2 AGA Code</i>	Compliant - 4	Section 8.1(2) of the Code defines the 'timeframe' to be the same day, if the request is received before 3pm, or the next business day, if received after 3pm, on a Saturday, Sunday or Public Holiday. Through discussion with the Credit Controller and consideration of Alinta's reconnection processes, we determined Alinta has the following processes and procedures in place to arrange for customers to be reconnected: <ul style="list-style-type: none"> Alinta processes service orders, which are forwarded to either AMRS or ATCO Gas, dependent on the type of disconnection previously performed (e.g. soft, lock, regulator or squeeze) The service order will be processed immediately based on the conversation/request from the customer and is submitted to the relevant party on the same day (if received by 3pm), or the next morning. <p>Examination of the customer complaints register for the period 1 October 2011 to 30 September 2013 indicates that there were no complaints in relation to a customer not being reconnected within an appropriate timeframe.</p> <p><i>Refer also to summary finding and recommendation 9/2013 at the introduction to section 4.8 findings above, which outlines the opportunity for Alinta to further strengthen its monitoring of</i></p>

No	Obligation under Condition	Compliance Rating	Findings
			<i>compliance with Gas Compendium obligations.</i>
PART 10 – INFORMATION AND COMMUNICATION			
231	A retailer must give notice to each of its customers affected by a variation in its tariffs as soon as practicable after the variation is published and no later than the next bill in the customer's billing cycle. <i>Gas Compendium clause 10.1(1)</i>	Compliant - 5	Alinta (historically) has amended tariffs on an annual basis. During the period 1 October 2011 to 30 September 2013, Alinta amended its tariffs twice, being effective on 1 May 2012 and 21 May 2013. Clause 10.1(1) of the Gas Compendium requires customers affected by the variation to be notified no later than the customers' next bill, after the date the variation is published. Through discussions with the Customer Services Manager, and examination of documentation, we determined that Alinta has the following procedures in place for providing notice of variations in tariffs: <ul style="list-style-type: none"> • Variations in tariffs are noted in the 'Important Information' section on the first bill following implementation of the new tariff • Alinta advertises in the West Australian and the Kalgoorlie Boulder newspapers one week before the tariff variation is implemented.
232	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including any alternative tariffs that may be available to the customer. <i>Gas Compendium clause 10.1(2)</i>	Compliant - 5	The Team Leader – Customer Service confirmed that should a customer contact the Alinta Call Centre requesting tariff information, Customer Service Representatives are trained to: <ul style="list-style-type: none"> • Provide information over the phone • Direct the customer to Alinta's website • Send an e-mail to the customer (if requested). All services are provided to the customer at no charge.
233	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt of the request and, if requested, a retailer must provide the information in writing. <i>Gas Compendium clause 10.1(3)</i>	Compliant - 5	The Team Leader – Customer Service confirmed that: <ul style="list-style-type: none"> • Customer Service Representatives are trained to resolve the customer query whilst they are on the phone, therefore complying with the 8 business day requirement of the Code • Should the customer request the information in writing, the policy is to send the information on the day of request.
234	A retailer must, on request, give a customer their billing data. <i>Gas Compendium clause 10.2(1)</i>	Compliant - 5	<i>Obligations 234 to 236</i> The Team Leader – Customer Service confirmed that should a customer contact the Alinta Call Centre requesting billing data, the Customer Services Representatives have been trained to:
235	A retailer must give the requested billing data at no charge if a customer requests their billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with the retailer. <i>Gas Compendium clause 10.2(2)</i>	Compliant - 5	<ul style="list-style-type: none"> • Resolve the customer query whilst they are on the phone, therefore complying with the 10 business day requirement of the Code • Direct the customer to Alinta's website, where if the customer is a registered user, they are able to view copies of their bills • Should the customer request the information in writing, the policy is to send the information

No	Obligation under Condition	Compliance Rating	Findings
236	A retailer must give the requested billing data within 10 business days of the date of receipt of either the request, or payment of the retailer's reasonable charge for providing the billing data. <i>Gas Compendium clause 10.2(3)</i>	Compliant - 5	on the day of request. All information is provided to the customer at no charge.
237	A retailer must keep a customer's billing data for (7) years. <i>Gas Compendium clause 10.2(4)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Service and observation of customer data in CIS-OV, we determined that customer consumption data is retained in CIS-OV and will not be removed for at least seven years. The Customer Services Manager advised that CIS-OV data is backed up onto McAfee Vault.
239	A retailer must give a customer on request, at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source); 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. <i>Gas Compendium clause 10.4</i>	Compliant - 5	The Team Leader – Customer Service confirmed that Alinta's procedures provide for: <ul style="list-style-type: none"> • Upon request, Customer Service Representatives to provide gas consumption and costing information to customers and also refer the customer to the gas usage efficiency information located in the Customer Charter and on Alinta's website • If a customer requests information on an energy efficiency audit, the Customer Services Representative is to direct the call to Alinta Assist • Any specific requests for appliance efficiency ratings are to be directed to the Sustainable Energy Development Office.
240	If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response. <i>Gas Compendium clause 10.5</i>	Compliant - 5	The Team Leader – Customer Service confirmed that all requests for distribution related information are directed to ATCO Gas. The direct number is provided to the customer and if requested via phone, the customer is transferred directly to ATCO Gas.
241	The retailer must, within 3 months of being subject to the Compendium, lodge with the Authority, a gas customer safety awareness programme. <i>Gas Compendium clause 10.5A(1)</i>	Compliant - 5	Through discussion with the Team Leader – Customer Service and examination of Alinta's safety awareness documentation, we determined that the customer safety awareness program submitted to the Coordinator of Energy on 28 September 2000: <ul style="list-style-type: none"> • Remains relevant to Alinta's operations • Addresses the requirements of s.10.5A of the Gas Compendium.
243	The gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A (3)(a)-(e). <i>Gas Compendium clause 10.5A(3)</i>	Compliant - 5	Through discussion with the Team Leader – Customer Service and examination of Alinta's gas safety awareness documentation, as contained in the Gas Customer Charter, we determined that the gas safety documentation addresses the minimum information prescribed in clause 10.5A(3)(a)-(e) of the Gas Compendium, including: <ul style="list-style-type: none"> • Information on properties of the relevant gas • Requirement for proper use and installation of approved appliances and equipment by qualified trade persons • Safety procedures to be followed in the event of gas leak and appropriate telephone number

No	Obligation under Condition	Compliance Rating	Findings
			to call in case of emergency.
245	A retailer and distributor must, to the extent practicable, ensure that any written information that must be given to a customer by the retailer, distributor or gas marketing agent under the Gas Marketing Code and the Compendium is expressed in clear, simple and concise language and is in a format that makes it easy to understand. <i>Gas Compendium clause 10.10</i>	Compliant - 5	The Team Leader – Customer Service confirmed that the standard form contract was specifically prepared, with the guidance of a professional media organisation, to be presented in clear, simple, and concise language and in a format that made it easy to understand. Section 31.3 of the standard form contract also states that the terms and conditions are written in a ‘simple English’ style. Alinta’s Brand Manager is responsible for ensuring that marketing information is easy to understand.
246	A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Gas Marketing Code and the Compendium. <i>Gas Compendium clause 10.10(1)</i>	Compliant - 5	<i>Obligations 246 to 248</i> The Team Leader – Customer Service confirmed that a customer’s request for information about the Gas Compendium will generally be forwarded to a Team Leader. Through discussion with the Team Leader – Customer Service we determined that Alinta has:
247	A retailer and distributor must make electronic copies of the Gas Marketing Code and the Compendium available, at no charge, on their website. <i>Gas Compendium clause 10.10(2)</i>	Compliant - 5	<ul style="list-style-type: none"> Trained its Customer Service Representatives to provide Compendium of Gas Customer Licensing Obligations as well as the Gas Marketing Code of Conduct to customers when requested Published the Gas Compendium on its website Maintained electronic copies of the Gas Compendium, which can be sent to customers via email. Made copies of the Gas Compendium available at its designated customer service premises, for inspection if requested and at no charge.
248	A retailer and distributor must make a copy of the Gas Marketing Code and the Compendium available for inspection, at no charge, at their offices. <i>Gas Compendium clause 10.10(3)</i>	Compliant - 5	We observed that Alinta has published a copy of its Gas Customer Charter on its website that informs the customer that a copy of the Compendium of Gas Customer Licensing Obligations or the Gas Marketing Code of Conduct may be obtained from the Authority’s website.
249	A retailer and distributor must make available to a residential customer on request, at no charge, services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies). <i>Gas Compendium clause 10.11(1)</i>	Compliant - 5	Through discussions with the Team Leader – Customer Service and examination of customer bills, we determined that Alinta provides interpreting and TTY (teletypewriter) services for its customers and provides for large print copies to be issued on request, at no charge.
250	A retailer and, where appropriate, a distributor must include on a residential customer’s bill and bill related information, reminder notice and disconnection warning: the telephone number for their TTY services; the telephone number for	Compliant - 5	Our examination of customer bills, reminder notices and disconnection warnings indicates that the TTY number (with the words “Teletypewriter (National Relay Service)”), Telephone Interpreter Services information (with the words “Telephone Interpreter Services”) and National Interpreter Symbol are included on those documents.

No	Obligation under Condition	Compliance Rating	Findings
	independent multi-lingual services; the National Interpreter Symbol, with the words “Interpreter Services”. <i>Gas Compendium clause 10.11(2)</i>		
PART 12 – COMPLAINTS AND DISPUTE RESOLUTION			
251	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes. <i>Gas Compendium clause 12.1(1)</i>	Compliant - 5	<p>Through:</p> <ul style="list-style-type: none"> • Discussion with the Team Leader – Customer Services • Examination of Alinta’s Complaints Handling Policy, Customer Service Charter and standard form contract • Examination of records of complaints maintained in CIS-OV <p>we determined that Alinta has developed a Customer Complaints Handling process specifically for gas related activities designed to comply with AS ISO 10002 – 2006. That process includes the following:</p> <ul style="list-style-type: none"> • All customer complaints are logged into the CIS-OV system and are able to be categorised according to the type of complaint. For example, direct debit, terms and conditions, hardship, payment, meter reading and marketing • Alinta has a mature escalation process, whereby if a customer is not pleased with the outcome offered, the complaint can be escalated to relevant management representatives • Customer Service Representatives have been trained in dealing with customer complaints • The Team Leader – Customer Service is responsible for reviewing complaints on a weekly basis as well as producing an ‘end of month report’. The end of month report includes the total number of complaints for each area (e.g. coastal, business, Goldfields to Esperance and Albany), a breakdown of the different types of complaints logged and Energy Ombudsman escalations • Where a customer is not satisfied with the resolution offered by Alinta, an external party will be involved. The Customer Complaints Handling Process requires the Customer Services Manager to inform the customer that they can seek assistance from the Energy Ombudsman.
252	The complaints handling process must comply with AS ISO 10002 – 2006 and address, at the least, the criteria specified in clause 10.2(b). <i>Gas Compendium clause 12.1(2)(a) & (b)</i>	Compliant - 5	<p>Through examination of Alinta’s complaints handling process and discussion with the Team Leader – Customer Services, we determined that Alinta’s complaints handling process is created and designed to comply with AS ISO 10002-2006. The process document describes the complaints:</p> <ul style="list-style-type: none"> • Lodging and escalation process • Response time and method • Management and handling process. <p>The complaints handling process is available at no cost to Alinta’s customers. The Customer</p>

No	Obligation under Condition	Compliance Rating	Findings
			Services Manager confirmed that staff are trained to handle customer complaints and to provide information as required.
253	The complaints handling process must detail how the retailer will handle complaints about a retailer or marketing, and be available at no cost to customers. <i>Gas Compendium clause 12.1(2)(c) & (d)</i>	Compliant - 5	Through examination of Alinta's complaints handling process and discussion with the Team Leader – Customer Services, we determined that: <ul style="list-style-type: none"> Alinta's complaints handling process informs the customer that the process is also used to record and manage complaints about Alinta's marketing; marketing agents and marketing activities. The process is available at no cost to the customers.
254	A retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor, when responding to a customer complaint. <i>Gas Compendium clause 12.1(3)(a)</i>	Compliant - 5	<i>Obligations 254 and 255:</i> Through examination of Alinta's complaints handling process document and its complaints register, we determined that Alinta's complaints handling process provides for: <ul style="list-style-type: none"> Information to be provided to a customer in accordance with clause 12.1(2) of the Gas Compendium Escalation to a senior figure if the first line of contact was unsuccessful in resolving the complaint to a satisfactory manner (clause 12.1(3)(a) of the Gas Compendium) The customer to be notified of the outcome and the reason for the outcome in written form, upon request (clause 12.1(3)(b) of the Gas Compendium), where the complaint has not been resolved to the customer's satisfaction Notifying customers of their right to refer their complaints to the Ombudsman if they are still unsatisfied with Alinta's response, and providing Freecall and Freefax number of the Ombudsman to the customer. Alinta's Gas Customer Service Charter also notifies customers of their right to refer their complaints to the Ombudsman if they are unsatisfied with Alinta's response.
255	When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the gas ombudsman. <i>Gas Compendium clause 12.1(3)(b)</i>	Compliant - 5	
256	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints. <i>Gas Compendium clause 12.2</i>	Compliant - 5	Section 3 of the Customer Complaints Guidelines (Guidelines) issued by the Authority in October 2008, provides energy retailers and distributors with guiding principles on how complaints should be distinguished from enquiries. Through discussions with the Team Leader – Customer Service and an examination of Alinta's Complaints Handling Process and records, we determined that Alinta distinguishes between customer queries and customer complaints as required by the Guidelines. The relevant provision of Alinta's Complaints Handling Process is: <ul style="list-style-type: none"> A complaint is defined as "any expression of dissatisfaction made to an organisation, related to its products, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected".
257	A retailer, distributor and gas marketing agent must	Compliant - 5	Alinta's Customer Service Charter includes information relating to Alinta's complaints handling

No	Obligation under Condition	Compliance Rating	Findings
	give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes. <i>Gas Compendium clause 12.3</i>		process. The Team Leader – Customer Service also confirmed that Customer Service Representatives are trained to: <ul style="list-style-type: none"> • Provide information relating to the complaints handling process to customers upon request, at no charge • Refer the customer to the Customer Service Charter, which is available online. If requested, a copy of the Customer Service Charter can be mailed, at no charge.
258	When a retailer, distributor or gas marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known). Obligation (252), applicable to 31 December 2012: A retailer, distributor or marketer who receives a complaint that does not relate to its functions, must refer the complaint to the appropriate entity and inform the customer of the referral. <i>Gas Compendium clause 12.4</i>	Compliant - 5	Through discussion with Alinta staff and examination of recorded complaints (written and via telephone), we observed Alinta's customer service and complaints handling processes provide for: <ul style="list-style-type: none"> • Staff to recognise instances where a complaint does not relate to Alinta's functions • The matter to be referred to the relevant entity (e.g. ATCO Gas) • The customer to be made aware of the reason for the referral. The Team Leader – Customer Service confirmed that when a call is identified not relating to Alinta's functions, the customer is offered the appropriate entity's direct line or the call is transferred.
PART 13 – RECORD KEEPING			
259	Unless expressly provided otherwise, a retailer, distributor or gas marketing agent must keep a record or other information as required to be kept by the Code of Conduct and the Compendium for at least 2 years from the last date on which the information was recorded. <i>Gas Compendium clause 13.1(1)</i>	Compliant - 5	At the time of the audit, we observed that information required to be maintained by Alinta in accordance with each of the sub-clauses 13.2 to 13.6, has been retained in Alinta's CIS-OV system and/or relevant manual files. The Customer Services Manager confirmed: <ul style="list-style-type: none"> • The information required by the Gas Compendium has been maintained since inception of Alinta, fulfilling the minimum two year requirement • Information is backed-up daily via a batch process to a secure offsite data centre.
260	For the purposes of clause 13.1(1), a retailer must keep records or other information specified in clause 13.1(2)(a)-(g). <i>Gas Compendium clause 13.1(2)</i>	Compliant - 5	Through discussion with Coordinator Contact Centre and Team Leaders for Billing and Customer Services and examination of records maintained by Alinta in its CIS-OV, CRM and Gentrack systems, we determined that record keeping requirements of clause 13.1(2) (a) – (g) are addressed by those systems. In particular, Alinta's record-keeping includes information such as: <ul style="list-style-type: none"> • Review and amendment dates of Alinta's financial hardship policy, including organisations consulted with • Number and percentage of both residential customer accounts and business customer accounts along with required information on those customers relating to:

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> ○ Billing cycle ○ Instalment plans ○ Disconnections and reconnections ○ Metering data requests • Number and percentage of customer complaints from both residential and business customers that were concluded within the required time frames • Alinta's call centre performance records including the number and percentage of calls received and answered within 30 seconds • Marketing contact with customers including date, time, means and location of contact.
262	<p>A retailer must keep a record of the total number and percentage of its residential customer accounts under the affordability and access indicators specified in clause 13.2(a)(i)-(xv) and Schedule 3 clause 4.1 of the Licence.</p> <p><i>Obligation (254), applicable to 31 December 2012:</i> <i>A retailer must keep a record of the total number and percentage of customers under the affordability and access indicators specified.</i> <i>Gas Compendium clause 13.2(a)(i)-(xv)</i></p>	Compliant - 5	<p><i>Obligations 262 and 263:</i> The Customer Services Manager confirmed that:</p> <ul style="list-style-type: none"> • The affordability and access indicators specified at s.13.2(a) and s.13.2 (b) of the Code are maintained within CIS-OV • Those indicators, including relevant percentages are reviewed weekly by Customer Services Manager and reported on a monthly basis by Alinta as part of the Alinta Monthly Operational Report. <p>We sighted the relevant customer account details reported for the financial year ending 30 June 2013.</p>
263	<p>A retailer must keep a record of the total number and percentage of its business customer accounts under the affordability and access indicators specified in clause 13.2(b)(i)-(ix) and Schedule 3 clause 4.1 of the Licence.</p> <p><i>Gas Compendium clause 13.2(b)(i)-(ix)</i></p>	Compliant - 5	
264	<p>A retailer must keep a record of the actions it undertook, and the responses from the distributor to those actions, to obtain metering data where the retailer has issued a bill outside of the time frame set out in Schedule 3 clause 4.1 of the Licence.</p> <p><i>Gas Compendium clause 13.2(c)</i></p>	Compliant - 5	<p>The Team Leader – Billing Services confirmed that Alinta keeps a record of all actions and related correspondence with ATCO Gas in relation to obtaining metering data where a bill could not be issued within 110 days due to non-availability of metering data.</p>
265	<p>A retailer must keep a record of the total number of complaints received from residential and business customers, as well as keeping a record of the complaint indicators specified in clause 13.3(1)(b)-(f).</p>	Compliant - 5	<p><i>Obligations 265 and 266:</i> Through discussions with the Team Leader – Customer Service, consideration of Alinta's customer complaints processes and examination of customer complaints records maintained within CIS-OV, we determined that Alinta has processes in place to maintain the customer complaints data (for both residential and business customer) required by s.13.3(1) of the Code.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<i>Obligation (255), applicable to 31 December 2012: A retailer must keep a record of the customer complaint indicators specified. Gas Compendium clause 13.3(1)</i>		We note that: <ul style="list-style-type: none"> Customer complaints are logged within CIS-OV according to the type of complaint Types of customer complaints recorded by Alinta include the specified items of s.13.3(1)(b) of the Code
266	A retailer must keep a record of the details of each complaint referred to in clause 13.3(1). <i>Gas Compendium clause 13.3(2)</i>	Compliant - 4	<ul style="list-style-type: none"> Details of action taken by Alinta to address a complaint, including the time taken for the complaint to be addressed are captured in customer complaints records available within CIS-OV, attached to the relevant customer profile as a contact log. These records are maintained indefinitely The Team Leader – Customer Service is responsible for reviewing the customer complaints on a monthly basis and producing a customer complaints report for management. This report includes the categorisation of complaint types that the Team Leader – Customer Services manually prepares as a suitable report of such data is still not available from CIS-OV (confirmed with the CIS-OV vendor by Manager Customer Services) Details of the time taken to conclude complaints are recorded, enabling Alinta to calculate the percentage of complaints concluded within 15 and 20 business days Alinta does not maintain a separate customer complaints handling system or register. <p>Although Alinta's processes and systems appear to provide for details of all complaints records required by clause 13.3(1) to be kept, we observed that some of those complaints records are not retained in a structured and easily traceable manner, increasing the likelihood that the records are incomplete or inaccurate. For example, the time taken to conclude the complaint can be difficult to identify from existing records. The spreadsheet extract from CIS-OV relating to complaints received and handled by Alinta was also not structured in a user friendly manner.</p>
	Recommendation 8/2013 Alinta: (a) Consider implementing a designated Customer Complaints system, which records details of all complaints records required by clause 13.3(1) in a readily accessible manner (b) Prior to any new system implementation, consider making practical modifications to its existing customer complaints records to improve the accessibility of details of all complaints records required by clause 13.3(1). A structured complaints register may be a viable improvement.		Action Plan 8/2013 Alinta will: (a) Review options for a Customer Complaints Management and Reporting system which interfaces to the Customer Information System, therefore removing the reliance on manual reporting (b) Modify existing processes, procedures and reports to enable records to be more accessible along with modifying this into a structured complaints register, which will improve the existing reporting process. <p>Responsible Person: Manager Customer Services Target Date: 30 June 2014</p>
267	A retailer must keep a record of the call centre performance indicators specified in clause 13.5(a)-(e).	Compliant - 5	Through discussions with the Customer Service Manager and observation of Alinta's call centre records, we determined that the following call centre metrics are maintained and reported:

No	Obligation under Condition	Compliance Rating	Findings
	<i>Obligation (257), applicable to 31 December 2012: A retailer must keep a record of the call centre performance indicators specified. Gas Compendium clause 13.5</i>		<ul style="list-style-type: none"> Total number of telephone calls made to Alinta Alinta's Grade of Service (GOS) which is the total number and percentage of calls answered in less than 20 seconds. For reporting requirements to the Authority, the Call Centre Business Analyst maintains statistics on calls answered within 30 seconds Average time taken to answer a call (in seconds) Percentage of calls unanswered/abandoned.
268	A retailer must keep a record of the total number of residential accounts held by customers and business customer accounts held by customers. <i>Gas Compendium clause 13.6</i>	Compliant - 5	Through discussions with the Customer Services Manager, we determined that the total number of residential and business customers is recorded and reported to management on a weekly, monthly and annual basis.
275	A retailer must prepare a report in respect of each reporting year setting out the information in the records specified in clause 13.15(a)-(d) and the variations to clause 13.2 as specified in Schedule 3 clauses 5.1 and 5.2 of the licence. <i>Obligation (265), applicable to 17 September 2012: A retailer and a distributor must prepare a report setting out the information required by Part 13 of the Gas Compendium, in respect of each year ending on 30 June. The report must be published no later than the following 1 October. Gas Compendium clause 13.15</i>	Compliant - 5	<i>Obligations 275 and 277:</i> Through discussion with the Manager Regulatory Compliance & Projects and examination of Alinta's annual performance reports, we determined that Alinta has prepared a report as required by Part 13 of the Code of Conduct for each of 2011/12 and 2012/13 years and has published the reports on its website on 27 September each year, thereby complying with the 1 October timeframe requirement.
277	The annual retailer and distributor reports specified in clauses 13.15 and 13.16 are to be published not later than the following October 1. <i>Gas Compendium clause 13.17(1)</i>	Compliant - 5	
278	A report is published for the purposes of subclause 13.17(1) if copies of it are available to the public, without cost, at places where the retailer or distributor transacts business with the public, and a copy of it is posted on a website maintained by the retailer or distributor. <i>Gas Compendium clause 13.17(2)</i>	Compliant - 5	Through discussion with the Customer Services Manager and examination of Alinta's annual performance reports, we determined that Alinta has prepared annual performance reports for each of 2011/12 and 2012/13 years, as required by Part 13 of the Code and: <ul style="list-style-type: none"> Published the reports on its website Maintained electronic copies of the reports, which can be sent to customers via email Made copies of the reports available at its designated customer service premises, for inspection if requested and at no charge.
279	A copy of each report must be given to the Minister and the Authority not less than 7 days before it is	Compliant - 5	The Manager Regulatory Compliance & Projects confirmed that the 2011/12 and 2012/13 annual performance report subject to audit were given to the Minister and the Authority on 17 September

No	Obligation under Condition	Compliance Rating	Findings
	published. <i>Gas Compendium clause 13.17(3)</i>		and 19 September respectively for the two years prior to publishing the reports on 27 September each year.
280	A retailer and distributor must provide the information in the records in clauses 13.15 and 13.16 to the Authority in a format acceptable to the Authority no later than the following 23 September. <i>Gas Compendium clause 13.18</i>	Compliant - 5	The Manager Regulatory Compliance & Projects confirmed that the 2011/12 and 2012/13 annual performance reports were provided to the Authority on 17 September 2012 and 19 September 2013 respectively, therefore complying with the 23 September timeframe requirement.

The following obligation is applicable to Alinta's operations for the period 1 October 2011 to 31 December 2012 only

No	Obligation under Condition	Compliance Rating	Findings
183	A retailer must comply with the Electronic Funds Transfer Code of Conduct with respect to an electronic payment arrangement. <i>Gas Compendium clause 5.2(2)</i>	Compliant - 5	Section 5.2(2) of the Gas Compendium states that 'all electronic payment arrangements must comply with the Electronic Funds Transfer Code of Conduct'. The Customer Services Manager confirmed that Alinta complies with the Electronic Funds Transfer Code of Conduct. Alinta's bank for the period subject to audit changed from Westpac Banking Corporation to ANZ. Both banks are listed on the Australian Securities and Investments Commission website as organisations that have adopted the EFT Code of Conduct.

5. Follow-up of previous audit action plans

Reference and recommendation	Action plan	Current status	Revised action plan
1/2011 – Obligation 113 Alinta review and document its processes for announcing tariff increases, which are dependent on the Government's determination and approval, in accordance with the requirement to notify the Minister at least one month prior to the price increase.	Alinta will: (a) Document its processes concerning tariff increases (b) Diarise key notification dates in its newly-implemented Regulatory Obligations Register. Responsible Person: General Manager Regulatory Affairs Target Date: 31 March 2012	Superseded – refer to Issue 3/2013 Alinta has: <ul style="list-style-type: none"> • Diarised key notification dates concerning tariff increases in its Regulatory Obligations Register • Documented processes concerning gas tariffs. However, Alinta has continued to not comply with this obligation as it has not maintained evidence of the required notification to the Minister.	<i>Refer to obligation 113 for detailed findings, recommendation and action plan 3/2013.</i>
2/2011 – Obligations 146, 176, 179, 180, 198, 220, 221, 227 Within the design and implementation of the new customer information system and associated processes, Alinta design and implement an exception reporting and monitoring regime, which accounts for those Gas Compendium obligations where a time frame is prescribed.	Alinta has incorporated these exception reporting and monitoring requirements into the system design phases of the Customer Information Systems replacement project. This project is expected to be a 12 month project commencing early 2012 with a planned implementation date early 2013. Responsible Person: Customer Services Manager Target Date: 31 December 2012	Superseded – refer to Issue 9/2013 The CIS-OV upgrade, including implementation of an exception reporting regime, has been deferred. Existing business processes and reports are monitored and reviewed to ensure relevant obligations, where a timeframe is prescribed, are being met.	<i>Refer to section 4.8 for detailed findings, recommendation and action plan 9/2013.</i>

Reference and recommendation	Action plan	Current status	Revised action plan
<p>3/2011 – Obligation 146</p> <p>1. Alinta strengthen its new connection processes for:</p> <p>(a) Demonstrating the reasons for RFGs not being processed on the same business day of receipt</p> <p>(b) Addressing and auctioning those RFGs, which are held pending the provision of additional information, in a timely manner</p> <p>(c) RFGs received by mail to be:</p> <ul style="list-style-type: none"> Collected by or forwarded to the New Connections team in sufficient time for the team to meet its obligations under clause 3.1(2) of the Code. One possible solution is for Alinta to establish a different mailing address for New Connections, to be directly received by the relevant team Stamped with the time of receipt to enable effective monitoring of timeframe requirements. <p>2. Alinta investigate automating the processing of RFG forms, to reduce manual handling, as part of its new customer information system.</p>	<p>Alinta will strengthen its new connection processes by:</p> <p>(a) Ensuring the cause of any delay in processing an RFG is appropriately recorded</p> <p>(b) Ensuring RFGs which are held pending the provision of additional information are addressed and actioned in a timely manner</p> <p>(c) Date and time stamping all RFGs received by post to ensure processing within the required timeframe and to distinguish between duplicates of faxes and on-line requests already received</p> <p>(d) Considering a separate New Connections mailing address to streamline RFG receipt and processing</p> <p>(e) Reviewing the existing processes as part of the Customer Information System project and incorporate automated processes to manage new connections in line with requirements.</p> <p>Responsible Person: Customer Services Manager</p> <p>Target Date: 30 April 2012</p>	<p>Complete</p> <p>In April 2012, Alinta strengthened its new connection process in accordance with the action plan prepared in response to the 2011 audit, by:</p> <p>(a) Ensuring the cause of any delay in processing an RFG is appropriately recorded</p> <p>(b) Ensuring RFGs which are held pending the provision of additional information are addressed and actioned in a timely manner</p> <p>(c) Date and time stamping all RFGs received by post.</p> <p>Alinta also considered implementing a separate New Connections mailing address to streamline RFG receipt and processing, however with improved internal mailing processes the need for a separate mailing address (locked box) was not considered to add any further benefit.</p> <p>Implementation of any future automated processes will be deferred until implementation of a replacement billing system. Note that at this point in time the CIS-OV upgrade has been deferred.</p>	N/A

Reference and recommendation	Action plan	Current status	Revised action plan
4/2011 – Obligation 147 Alinta: (a) Investigate a potential solution to remedy billing frequencies being outside of the requirements of clause 4.1 (b) Update its exception reporting practices to proactively identify those accounts ‘at risk’ of breaching billing frequency requirements (e.g. a countdown report) to enable active management of Code requirements (c) Assign responsibility for monitoring billing timeframe compliance to an appropriate team member.	Alinta will: (a) Investigate a potential solution to remedy billing outside the required frequency (b) During the design and implementation of the new Customer Information System, investigate updating its billing exception reporting practices to proactively identify those accounts ‘at risk’ of breaching billing frequency requirements (c) Assign responsibility for billing timeframe monitoring. Responsible Person: Customer Services Manager Target Date: 30 June 2012	<i>Superseded – refer to Issue 6/2013</i> In July 2012, Alinta sought to amend its Gas Trading Licence obligation to allow for bills to be issued not less than every 110 days, in line with the requirements of the distributor to provide the required data to Alinta and to accommodate any delay in receiving the data. The Authority agreed to this amendment and the amendment was included in Schedule 3 clause 4.1 of GTL9 version 7, 17 September 2012. During the current audit period, Alinta continued to experience instances of non-compliance in relation to the billing frequency requirement under the amended licence conditions.	Refer to obligation 137 for detailed findings, recommendation and action plan 6/2013.
5/2011 – Obligation 219 Alinta either: <ul style="list-style-type: none"> Update the Hardship Policy to specifically expand its applicability to small use business customers, or Otherwise document its arrangements for dealing with business customer requests for alternative payment arrangements. 	Alinta will review its policies and arrangements for dealing with business customers who are experiencing payment difficulties. Responsible Person: Customer Services Manager Target Date: 30 April 2012	<i>Complete</i> Alinta received confirmation from the Authority that there is no requirement to change Alinta’s Hardship Policy to include business customers.	N/A

Reference and recommendation	Action plan	Current status	Revised action plan
6/2011 – Obligations 40, 41, 49, 50, 221 Alinta: (a) Update its processes to ensure that only designated and sufficiently trained staff can approve disconnection service orders (b) Reinforce the need for all staff to perform disconnections in compliance with the Gas Compendium and to recognise and immediately report any breaches.	Alinta will: (a) Update its processes to ensure that only specially trained staff can approve disconnection service orders (b) Ensure all relevant staff complete the “Connection and Disconnection” SALT training module, developed specifically for Alinta in conjunction with law firm Blake Dawson. Consistent with Alinta's training approach, training will be on-going and reviewed at regular intervals and refresher training will be provided at least annually. Responsible Person: Customer Services Manager Target Date: 31 March 2012	Complete Alinta has strengthened its processes and all compliance training has been carried out to staff.	N/A
7/2011 – Obligation 225 Alinta: (a) Reinforce the requirement for ATCO Gas and AMRS to perform disconnections in-line with clause 7.6 and to appropriately record the timing of disconnection (b) Investigate the potential for including automated processes in the new customer billing engine to reduce reliance on manual procedures.	Alinta will: (a) Reinforce the limitations on disconnection with ATCO Gas and AMRS, including the requirement to record disconnection times (b) Investigate automated disconnection processes as part of its new customer information system to reduce manual processing errors. Responsible Person: Customer Services Manager Target Date: (a) 31 March 2012 (b) 31 December 2012	Complete (a) The limitations for disconnection, including the requirements to record disconnection times, have been reinforced with AMRS and ATCO Gas Closed out (b) Alinta has not progressed with automated disconnections due to the deferral in the replacement billing system.	N/A

Reference and recommendation	Action plan	Current status	Revised action plan
8/2011 – Obligations 255, 256 Within the design of a new customer information system, Alinta consider automating the current complaint categorisation process.	Alinta will incorporate into system specifications for the Customer Information System replacement project, automated customer complaint management modules as part of its requirements to reduce manual processing errors. Responsible Person: Customer Services Manager Target Date: 31 December 2012	<i>Superseded – refer to Issue 8/2013</i> Due to the deferral of the replacement billing system, Manager of Customer Services is considering alternative options to manage the complaint categorisation process. During the audit period, Alinta continued to be unable to demonstrate that complaints records are retained in a structured and easily traceable manner.	<i>Refer to obligation 266 for detailed findings, recommendation and action plan 8/2013.</i>

Appendix A – Audit Plan

Appendix B – References

Key Alinta staff participating in the audit

- Catherine Rousch Manager Regulatory Compliance and Projects
- Ray Myles Customer Services Manager
- Ngaire Weldrake Customer Care Coordinator
- Shannon Mizen SME Sales and Channel Manager
- Credit Controller
- Team Leader – Billing Services
- Team Leader – Customer Services
- Financial Controller
- Regulatory Advisor
- SME Operations Coordinator
- Payments Officer

Deloitte staff participating in the audit

Name	Position	Hours
• Richard Thomas	Partner	20
• Andrew Baldwin	Account Director	78
• Amit Grover	Senior Analyst	230
• Emlyn King	Analyst	114
• David Herbert	Analyst	32
• Darren Gerber	Partner (Quality Assurance Review)	2

Key Documents and other information sources examined

- Standard form contract for supply of gas
- Non-standard contract and terms and conditions
- Gas customer charter
- Compliance Report for 2011-12 and 2012-13
- Performance Report for 2011-12 and 2012-13
- Financial Hardship Policy
- Complaints handing process
- Tariff sheets for 2012 and 2013
- Notification of Fees and charges for 2012 and 2013
- Report showing correct tariffs on customer accounts
- Adjustment notice (bill) and accompanying letter
- CIS-OV tariff screenshots
- Financial statements for 2012 and 2013
- Regulatory Obligations Register
- Induction training documents
- Marketing information for *Fair Go Bonus* and *Fair Go Advantage* offers
- Information pack mailed to customers for marketing
- Request for Account (RFA) form template
- Request for Gas (RFG) form template
- Spreadsheet for tracking RFGs
- Standard bill - example
- Standard bill with balance outstanding - example
- Estimated bill - example
- Smoothing instalment plan bill - example
- Estimated read codes - example
- Meter obstruction card - example
- Letter for inclusion with estimated accounts - example

- Current three-in-a-row letter - example
- Four-in-a-row letter - example
- BOF037 report
- BOF038 report
- Lost connections letter - example
- Credit report
- Rebill on previous misread - example
- Standard delay letter with bill smoothing - example
- Billing AQ daily report
- Cognos and CIS-OV daily payment summary report
- Hardship refresher training documents
- Legal action advice letter
- HUGS assessment procedure
- Credit management procedure
- Continuous Energy Program (CEP) information brochure
- HUGS contact logs
- HUGS guidelines training
- BCR-REMIT report
- Complaints register for 2011-12 and 2012-13
- Disconnection reminder notice - example
- Overdue account reminder notice - example
- Account oversight notice - example
- 'No access to meter' letter - example
- Door knock letter - example
- Disconnection warning notice - example
- Compliance register from ATCO
- Monthly confirmation correspondence from ATCO - example
- Alinta's website screenshots
- Complaints procedure training document
- Listing of disconnections performed during the audit period
- Weekly dashboard report - example
- End of month complaints report - example
- Correspondence with ERA on various matters
- Representations from Customer Services Manager
- Representations from Manager Regulatory Compliance and Projects
- Representations from SME Sales and Channel Manager
- Representations from Team Leader – Billing Services
- Representations from Financial Controller.

Appendix C – Post Audit Implementation Plan

Issue 1/2013

Obligation 1 – Energy Coordination Act section 11Q(1-2)

Alinta did not pay its 2013 gas trading licence fee until 12 August 2013, which did not comply with the requirement of the Act for the fee to be paid by 1 August 2013 (within one month after the date of renewal of the licence).

It appears that Alinta has:

- Over-relied on the responsible Accounts Officer to recognise the need to make the payment by 1 August
- Not effectively applied its compliance calendar to ensure this requirement was met.

Recommendation 1/2013

Alinta:

- Update its compliance calendar so that all invoices received from the Authority are entered and monitored for payment
- Assign responsibility to a dedicated person for payment of licence fees.

Action Plan 1/2013

Alinta will:

- Update its compliance calendar so that all invoices received from the Authority are entered and monitored for payment
- Assign responsibility to a dedicated person for payment of licence fees.

Responsible Person: Manager Regulatory Compliance & Projects

Target Date: 31 March 2014

Issue 2/2013

Obligation 102 – Trading Licence clause 23.1

Alinta is required to submit compliance reports to the Authority by 31 August each year. Although Alinta emailed a copy of the 2012 compliance report to the Authority by 31 August 2012, the required hard copy was submitted one business day late.

Alinta's processes now appropriately address this requirement as:

- The Authority now provides for annual compliance reports to be delivered via email (in a suitable format)
- Alinta's Regulatory Obligations Register captures the annual requirement for submitting compliance reports
- Alinta submitted the required 2013 compliance report to the Authority by the 31 August 2013 due date.

Recommendation 2/2013

n/a – no further action is required.

Action Plan 2/2013

n/a – no further action is required.

Issue 3/2013**Obligation 113 – Trading Licence schedule 3, clause 3.1**

Alinta increased its gas tariffs as at 1 May 2012 and 21 May 2013 after the State Government's public announcement of the allowable price change. Alinta had not formally notified the Minister of its implementation of the increased tariff and had relied on the Minister's involvement in the deliberations for arriving at the new tariff rates.

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

The 2011 performance audit also noted this same scenario occurred for the 2011 tariff increase. Although Alinta had documented its internal processes for communicating the tariff increase to customers, it has not yet addressed the mechanism for ensuring the Minister receives notification in a manner, which complies with the Licence.

Recommendation 3/2013

Alinta establish a communications protocol for ensuring that the Minister receives notification in a manner that complies with the Licence.

Action Plan 3/2013

Alinta will establish a communications protocol for ensuring that the Minister receives notification in a manner that complies with the Licence.

Responsible Person: General Manager Regulatory and Government Affairs

Target Date: 31 March 2014

Issue 4/2013**Obligation 114 – Gas Energy Coordination Act section 11ZPP****Obligation 120 – Gas Marketing Code of Conduct clause 2.3(3)**

Through discussion with Customer Care Coordinator and examination of Alinta's processes for marketing to customers, we determined that:

- Since August 2013, residential customers who have ceased or indicated an intention to cease their contract with Alinta have been approached by Alinta with discounted offers via an unsolicited non-standard contract in a targeted marketing initiative
- Such customers are mailed a pack of documents containing information required by clause 2.3(1) of the Gas Marketing Code. In particular, the pack contains an acceptance form requiring the customer's signed consent to having received that information and agreed to the terms and conditions of the non-standard contract.

Whilst some customers have signed the acceptance form and returned it to Alinta, the more common practice has been for Alinta to follow up offers made to customers with a telephone call. In these cases, the customer's verbal acknowledgement is obtained at the time Alinta staff have made the relevant arrangements with the customer via telephone. Evidence of that acknowledgement is retained through voice recordings of all telephone contacts with customers. This practice technically breaches the current requirement of clause 2.3(3) of the Gas Marketing Code of Conduct. We acknowledge however, that this particular requirement has been removed from the next revision of the Gas Marketing Code of Conduct gazetted to come into effect on 1 January 2014.

Recommendation 4/2013

n/a – no further action is required.

Action Plan 4/2013

n/a – no further action is required.

Issue 5/2013**Obligation 135 – Gas Compendium clause 3.1(2)**

The non-compliant rating is carried forward from the previous audit period. Although Alinta implemented stronger processes from May 2012, which were designed to achieve compliance, this audit identified the following additional process improvement opportunities (without the carried forward non-compliant rating, this audit would assess this obligation as “Compliant 4” from May 2012):

- Requests for gas (RFGs) received by post continue to be at risk of not being processed in the required timeframe because:
 - The time of receipt is not recorded consistently, so in some instances Alinta is unable to effectively demonstrate whether mail is received before or after 3pm on any given day. Our sample testing noted two RFGs that were received by post but had no indication of the time of receipt, it may be possible that these requests were received before 3pm and therefore not processed on the right day
 - Alinta’s processes continue to be unable to readily distinguish between original RFGs and those already received via fax or online. We understand that the majority of RFGs received by post are copies of RFGs already submitted by fax or online. We also understand that gas fitters have been encouraged to send RFGs by fax or online and that has contributed to a significant reduction in the number of RFGs received by post.
- Alinta continues to lack clear processes for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner. We also recognise that the majority of requests for gas connection are made during the construction of new premises with the customer not actually requiring the supply of gas for a number of weeks or months later. However, Alinta should be in a position to demonstrate that it has not unduly delayed the processing of completing/validating RFGs.

Recommendation 5/2013

Alinta:

- (a) Further strengthen its time stamping process so that all postal RFGs are time stamped as they are received
- (b) Ensure its staff are adequately trained to time stamp RFGs received by post
- (c) Consider documenting its processes for ensuring those RFGs, which are held pending the provision of additional information, are addressed and actioned in a timely manner.

Action Plan 5/2013

Alinta will strengthen its new connection processes in accordance with the recommended action plan by:

- (a) Recording the delays in processing RFGs in the appropriate reporting system with commentary that will be managed by the relevant new- connection staff member on a daily basis and verified and signed off daily by the Team Leader
- (b) Providing refresher training to all staff relating to RFGs received by post in order to re-enforce the date and time stamping requirement
- (c) Conducting a review of the new connection process from an end to end perspective to ensure that all RFG’s are actioned in an appropriate and timely manner, particularly RFG’s that are held pending the provision of further information
- (d) Generating and reviewing a detailed report of findings and identified business improvement opportunities.

Responsible Person: Manager Customer Services

Target Date: 31 March 2014

Issue 6/2013**Obligation 137 – Gas Compendium clause 4.1(b)****Obligation 59 – Customer Contracts Regulation 15(1)**

Despite the revision to Alinta's Licence (effective from 18 September 2012), allowing bills to be issued at least every 110 days (increased from 3 months) Alinta has continued to experience a small number of instances where a customer has not been billed within the 110 day requirement.

Via a daily report of accounts not billed within 100 days, Alinta identifies those accounts that are at risk of breaching the 110 day requirement and attempts to take the necessary action to resolve the issue. There are a limited number of reasons for accounts remaining unbilled for more than 110 days, some of which appear to be not within Alinta's control (e.g. where a meter has not yet been installed).

Although these daily reports continue to record those instances where the 110 requirements has been exceeded, Alinta processes do not currently provide for:

- Breaches to be specifically recognised and reported
- A distinction to be made between avoidable and non-avoidable breaches
- The customer's consent to be obtained for billing outside the required timeframe.

Recommendation 6/2013

Alinta:

- (a) Further improve its billing exception reporting practices to:
 - Further minimise the number of unprocessed bills in breach of the billing frequency requirements
 - Proactively identify those accounts at risk of breaching billing frequency requirements
 - Specifically recognise and report on all such breaches
- (b) Consider providing for customer consent to be obtained for billing outside the required timeframe
- (c) Establish a plan for determining what may constitute an acceptable type and/or volume of unbilled accounts (breaches) in order to achieve effective compliance with clause 4.1 of the Compendium.

Action Plan 6/2013

Alinta will:

- (a) Implement new exception reporting to identify accounts at risk of breaching this requirement
- (b) Compile weekly/monthly/annual reporting to ensure reporting of such breaches are conducted
- (c) Implement procedures and appropriate plans to investigate further the types of delays, the causes in order to determine those that may be acceptable types, along with reporting of volumes in order to achieve compliance.

Responsible Person: Manager Customer Services

Target Date: 28 February 2014

Issue 7/2013**Obligation 227 – Gas Compendium clause 7.6****Obligation 51 – Customer Contracts Regulation 12(6)**

We note that Alinta reported to the Authority, in accordance with type 1 obligation reporting requirements, two instances of non-compliance with the requirements in clause 7.6 of the Compendium, where Alinta's field services provider, SSL, had inadvertently disconnected customers on a Friday instead of the following Monday, per the work order schedule. The non-compliance was immediately recognised by Alinta staff and both customers were reconnected the same day.

Of a further sample of disconnections tested:

- No customers had been disconnected where they had lodged a complaint specific to the reason for disconnection (clause 7.6(d))
- No disconnections had been performed on a Friday, Saturday, Sunday, public holiday or on the day before a public holiday (clause 7.6(f)).

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

Examination of the customer complaints register did not identify instances of complaints in relation to being disconnected in the circumstances specified under the Gas Compendium clause 7.6.

Recommendation 7/2013

Alinta seek assurances from its contracted field services provider that its disconnection procedures are adequate for fully complying with the requirements for disconnection timing. In particular, those procedures should include:

- (a) Ensuring that the time of disconnection is always recorded
- (b) Implementing sufficient checks and restrictions instead of placing sole reliance on the training and awareness of individual staff carrying out the disconnection service order.

Action Plan 7/2013

Alinta will adopt the following procedures and processes to monitor compliance:

- (a) The responsible Manager from the contracted field services company will be required to provide a written monthly assurance regarding compliance for this area
- (b) Alinta's Credit Manager will
 - Monitor compliance by conducting monthly audits
 - Sign-off on a monthly basis to confirm compliance
- (c) Alinta will investigate the implementation of new technology and equipment for service orders which will replace the existing manual processes by automated processes. The new technology will enable programming and configuration of equipment to prevent disconnections from being performed outside of permitted timeframes.

Responsible Person: Manager Customer Services

Target Date: 30 June 2014

Issue 8/2013**Obligation 266 – Gas Compendium clause 13.3(2)**

Although Alinta's processes and systems appear to provide for details of all complaints records required by clause 13.3(1) to be kept, we observed that some of those complaints records are not retained in a structured and easily traceable manner, increasing the likelihood that the records are incomplete or inaccurate. For example, the time taken to conclude the complaint can be difficult to identify from existing records. The spreadsheet extract from CIS-OV relating to complaints received and handled by Alinta was also not structured in a user friendly manner.

Alinta does not maintain a separate customer complaints handling system or register.

Recommendation 8/2013

Alinta:

- (a) Consider implementing a designated Customer Complaints system, which records details of all complaints records required by clause 13.3(1) in a readily accessible manner
- (b) Prior to any new system implementation, consider making practical modifications to its existing customer complaints records to improve the accessibility of details of all complaints records required by clause 13.3(1). A structured complaints register may be a viable improvement.

Action Plan 8/2013

Alinta will:

- (a) Review options for a Customer Complaints Management and Reporting system which interfaces to the Customer Information System, therefore removing the reliance on manual reporting
- (b) Modify existing processes, procedures and reports to enable records to be more accessible along with modifying this into a structured complaints register, which will improve the existing reporting process.

Responsible Person: Manager Customer Services

Target Date: 30 June 2014

Issue 9/2013**Obligations 135, 170, 173, 174, 198, 222, 229 – Gas Customer Code clauses 3.1(2), 4.16(3), 4.18(5), 4.18(6), 6.1(1), 7.1 and 8.1(2)**

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

Previous performance audit reports recommended Alinta investigate the feasibility of implementing an exception reporting and monitoring regime. As Alinta had expected to replace its existing customer information system CIS-OV, it decided not to further update or change its existing systems. However, Alinta's plans for the development and implementation of a new customer information system and associated processes have now been deferred, with no timeframe set for completion.

We acknowledge that Alinta's standard business processes and existing system protocols minimise the risk of compliance breaches relevant to these obligations. Alinta has also not recognised any specific complaints by customers in relation to possible breaches of the obligations.

In lieu of system driven exception reports, Alinta is in a position where it can supplement its reliance on the effectiveness of its standard business processes and existing system protocols with more targeted monitoring of customer complaints, in order to recognise any such complaints that may be an indicator of actual or potential compliance breach.

Recommendation 9/2013

Alinta enhance its customer complaints monitoring practices to identify and monitor those complaints that may be an indicator of actual or potential compliance breach.

Action Plan 9/2013

Alinta will investigate options for business and system improvements, including an automated solution, along with enhancing the existing complaints monitoring practices and reports, with a view to implementing processes to identify timeframes, therefore identifying those complaints that have the potential to be a breach, or where a breach may have occurred.

Responsible Person: Manager Customer Services

Target Date: 30 June 2014