

Perth Energy Electricity Retail Licence Performance Audit - Post Audit Plan – 18 October 2016

Table of Current Audit Non Compliances/Recommendations (Unresolved)				
B. Unresolved during current Audit period				
Ref no/ 2016	Obl	Non Compliance/Controls Improvement (Rating / Legislative Obligation / ► Details of Non Compliance or inadequacy of controls)	Auditors' Recommendation	Post Audit Action Plan
1	235	<p>Rating: B2 Lic Ref: C5.1, Code of Conduct clause 7.7(1) Where a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment, the retailer must comply with subclause 7.7(1).</p> <p>The register does not include details of the life support equipment required by each customer, as per the registration form requirements. Accordingly, the audit could not confirm that these details were being maintained, despite being requested from customers.</p>	<p>1/2016 Ensure the life support register is fully compliant with the revised Code of Conduct, effective 1 July 2016.</p>	<p>Perth Energy will add the life support equipment details to the life support register. Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake Target Date: December 2016</p>
2	236	<p>Rating: B1 Lic Ref: C5.1, Code of Conduct clause 7.7(2) Where a customer registered with a retailer under subclause 7.7(1) notifies the retailer of a change of the customer's supply address or contact details the retailer must undertake the actions specified in subclause 7.7(2).</p> <p>There is no documented process to notify Western Power (WP) of changes to the register in the timeframes required by the Code.</p>	<p>2/2016 [OFI] Document process to ensure Western Power (WP) is notified of additions / changes to the life support equipment register as per Code timeframes.</p>	<p>Perth Energy will develop and implement a procedure to ensure that Western Power is notified as per the Code requirements. Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake Target Date: November 2016</p>

3	16, 23, 118, 132, 143, 171, 281	<p>Rating: B1</p> <p>Lic Ref: C5.1, Electricity Industry Customer Transfer Code clause 3.9(1)</p> <p>A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.</p> <p>The Perth Energy Information Security Policy has inadequate document control.</p>	<p>3/2016 [OFI] Review document control in accordance with PE's Document Control Procedure as part of the current work in progress.</p>	<p>Perth Energy is currently updating its document control across our whole business. The Information Security Policy will be included in this update to ensure that there is adequate control.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: November 2016</p>
4	78	<p>Rating: B2</p> <p>Lic Ref: C5.1, Electricity Industry (Customer Contracts) Regulations 2005</p> <p>Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with the licensee's approved standard form contract on the Authority's website.</p> <p>The version of Standard Form Electricity Contract published on the PE website may not be the Authority approved Standard Form Electricity Contract.</p>	<p>4/2016 PE to confirm differences between the two published versions of Standard Form Contract and ensure the Authority publishes and approves the most recent Standard Form Contract, as published on the PE website. Confirm procedures are in place to advise and have approved by the Authority any and all changes to the Standard Form Contract.</p>	<p>Perth Energy will resolve the differences between the two Standard Form Contracts and ensure that the correct document is published on our website. This will also be provided to the ERA for publication on its website. Perth Energy will review its procedures to ensure that any proposed future changes to the Standard form contract are advised to and approved by the ERA.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: November 2016</p>
5	84, 86, 89, 90, 94, 96, 98	<p>Rating: B2</p> <p>Lic Ref: C5.1, Electricity Industry (Customer Contracts) Regulations 2005, regulation 10</p> <p>A nonstandard contract must prohibit the customer from tampering with or bypassing network equipment or allowing any other person to do so.</p>	<p>5/2016 Update the Schedule to Electricity Supply Agreement, Standard Terms and Conditions for compliance with the Regulations.</p>	<p>Perth Energy will update the schedule of Terms and Conditions to ensure compliance with the Regulations.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: November 2016</p>

		The non-standard contract does not explicitly include provisions relating to this Regulation.		
6 & 7	100, 130	<p>Rating: B2</p> <p>Lic Ref: C5.1, Electricity Industry (Customer Contracts) Regulations 2005, regulation 38</p> <p>Where the licensee becomes aware of a customer taking a supply of electricity that is deemed to be supplied under the licensee's standard form contract, the licensee must, within 5 days after becoming aware notify the customer of the specified information.</p> <p>The audit found that PE may not, under certain circumstances, be aware (and inform customers) that the standard form contract is in effect, albeit for a short duration.</p>	<p>6/2016 [OFI] Include, as part of the change of entity process, references to scenarios under which the standard form contract applies. Also refer to the 5 business day notification requirement of the Regulations.</p> <p>7/2016 Ensure customers are made aware that until they sign a non-standard contract, the standard form contract is in force and will be used for any interim electricity consumption, should they decide to transfer to another retailer. This information could be added to the existing Small Use Customer Information Pack.</p>	<p>Perth Energy will review and update its procedures associated with the change of entity process as recommended. This procedure will include making customers aware that the standard form contract is in force and will be used for any interim electricity consumption.</p> <p>This information will be incorporated into the Small Use Customer Information Pack.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: November 2016</p>
8 & 9	132	<p>Rating: B2</p> <p>Lic Ref: C23.1, Code of Conduct clause 2.3(1)</p> <p>A retailer or electricity marketing agent must ensure that non-standard contracts, that are not unsolicited consumer agreements, are entered into in the manner set out, and the contract is provided as specified in clause 2.3(1).</p> <p>Verifiable consent for a customer was requested, but unable to be located for the audit.</p>	<p>8/2016 Improve systems to recall (from archive if necessary) signed copies of non-standard contracts.</p> <p>9/2016 (OFI) Contract files could be subject to regular (eg. annual) internal audits to confirm compliance.</p>	<p>Perth Energy has implemented a process through which all contracts are scanned and held as electronic files thereby allowing them to be referred to immediately. This is progressively applied to all contracts at renewal – generally after no more than two years. This is a work in progress.</p> <p>Files are reviewed as part of the annual financial audit. Perth Energy will look into how regular compliance audits can be implemented.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: October 2016</p>
10	131, 133	Rating: B2	10/2016 Add general information on the safe use of electricity to the	Perth Energy will contact EnergySafety, at the Department of Commerce, to seek guidance on development of a safety information pack. This will then

		<p>Lic Ref: C23.1, Code of Conduct clause 2.3(2)</p> <p>A retailer or electricity marketing agent must ensure that the information specified in subclause 2.3(2) is provided to the customer before entering into a non-standard contract.</p> <p>Through discussion with the licensee staff and review of documentation no evidence was found to show that general information on the safe use of electricity was given to customers (or how customers may obtain this information) before entering into non-standard contracts.</p>	Small Use Customer Information Pack.	<p>be added to the Small Use Information Pack.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p>
11	144, 243	<p>Rating: B1</p> <p>Lic Ref: C5.1, Code of Conduct clause 3.1(2)</p> <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>The PE process for new connections does not reference the submission time requirements of this clause.</p>	11/2016 [OFI] The specific requirements regarding time frames could be addressed as part of PE sales procedures.	<p>Perth Energy will review and revise its procedures to link to the Code.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p>
12	172, 300	<p>Rating: B2</p> <p>Lic Ref: C5.1, Code of Conduct clause 4.16(1)(a)</p> <p>If a review of a bill has been conducted and the retailer is satisfied that the bill is correct, the retailer may require a customer to pay the unpaid amount; must advise the</p>	12/2016 Include a template response covering Code requirements at the outcome of each and every bill review / complaint where no error is discovered. Ensure	<p>Perth Energy will update its procedures to ensure that this requirement is incorporated.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p>

		<p>customer that the customer may request the retailer to arrange a meter test in accordance with the applicable law; and must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.</p> <p>It does not appear that PE specifically reiterates the options available to customers with respect to meter testing and complaint handling in reply to each and every bill review.</p>	<p>customers are made aware that they have the right to have their complaint considered internally by a senior PE employee and at their discretion, externally by the Ombudsman.</p>	
13 & 14	174, 301	<p>Rating: B1 Lic Ref: C5.1, Code of Conduct clause 4.16(2)</p> <p>The retailer must inform a customer of the outcome of the review of a bill as soon as practicable.</p> <p>Although the acknowledgement date for an original enquiry is missing from the Complaints Registers and the date received of 1 Apr 2015 seems different to the dates of the emails audited, response times were Code compliant.</p>	<p>13/2016 [OFI] Examine and update if necessary the procedure for completing all dates associated with the Customer Complaints Register (ensure information is both accurate and complete).</p> <p>14/2016 [OFI] Include the 10 and 20 day acknowledgement and response timeframe requirements in the Complaints Decision Process.</p>	<p>Perth Energy will review its procedures and implement the recommended opportunities for improvements, including the 10 and 20 day acknowledgement and response timeframes.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p>
15 & 16	187	<p>Rating: B2 Lic Ref: C5.1, Code of Conduct clause 5.1</p> <p>The due date on the bill must be at least 12 business days from the date of that bill. Unless a retailer specifies a later date, the date of dispatch is the date of the bill.</p>	<p>15/2016 Update billing systems to ensure actual payment terms are consistent with what has been agreed with each customer.</p> <p>16/2016 Reflect requirements in the Billing Procedures Overview document.</p>	<p>Perth Energy will review and update its procedures to ensure full compliance with this requirement</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: November 2016</p>

		<ul style="list-style-type: none"> ▶ The PE "Electricity Supply Agreement: Application and Commercial Terms", being part of the non-standard contract, has a provision for a Payment Due Date that amends the requirements of this obligation on a per customer basis, however, we understand for standard customers 12 business days is offered. ▶ Bill Statement No. 2046793, 25 Jul 14 allowed for 10 business days from the date of the bill – this falls short of the default 12 business days offered. ▶ Bill Statement No. 2061905, 25 Jun 15 allowed for 12 business days from the date of the bill – this complies with the default 12 business days offered. <p>PE's Billing Procedures Overview does not reference due date requirements.</p>		
17	188	<p>Rating: B1 Lic Ref: C5.1, Code of Conduct clause 5.2</p> <p>A retailer must offer the following specified minimum payment methods: in person at one or more payment outlets located within the Local Government District of the customer's supply address; by mail; for residential customers, by Centrepay; electronically by means of BPay or credit card; and by telephone by means of credit card.</p> <ul style="list-style-type: none"> ▶ As part of the non-standard contract, the "Small Use Customer Information Pack" amends the requirements of this obligation, restricting payment methods to electronic funds transfer, cheque and direct debit. <p>Although direct debit is offered, this is not found on bills.</p>	17/2016 [OFI] Include direct debit as a payment option on bill templates.	Perth Energy will implement this opportunity for improvement. Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake Target Date: December 2016
18	240	<p>Rating: B2 Lic Ref: C5.1, Code of Conduct clause 7.7(6)</p>	18/2016 Contact life support customers annually in accordance with	Perth Energy will add this requirement to the life support procedure. Manager Responsible: General Manager HSEQ, Risk & Compliance -

	<p>A retailer must contact the customer to ascertain whether life support equipment is required or to request recertification in the manner and circumstances specified in subclause 7.7(6).</p> <ul style="list-style-type: none"> ▶ The letter template used to update life support details annually does not allow for requesting re-certification every 3 years. ▶ PE is not currently using the letter template for updating life support details – customers are not being contacted annually in accordance with Code requirements. <p>The life support register does not include details on customer anniversary date (for a letter to be sent out within the window required by the Code) and re-certification date (so it is known when re-certification details must be requested).</p>	<p>Code requirements. This process could be assisted by including both the customer's anniversary and re-certification dates as part of the life support register.</p>	<p>Patrick Peake Target Date: October 2016</p>
19 & 20	<p>Rating: B1 Lic Ref: C5.1, Code of Conduct clause 7.7(7)</p> <p>A retailer or a distributor must remove the customer's details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).</p> <ul style="list-style-type: none"> ▶ The schedule of Standard Terms and Conditions does not explicitly require for a person no longer requiring life support equipment to advise PE. ▶ Evidence of the one removal from the life support register was outside the audit period; however, it did not appear that this was confirmed by the customer in 	<p>19/2016 [OFI] Amend Schedule of Standard Terms and Conditions such that customers are obligated to advise PE in writing when a person no longer requires life support equipment.</p> <p>20/2016 [OFI] Update life support register to include the full date of removal as evidence to ensure compliance with Code timeframes.</p>	<p>Perth Energy will amend the schedule as recommended. Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake Target Date: December 2016</p> <p>Perth Energy will update the life support register as recommended. Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake Target Date: November 2016.</p>

		<p>writing.</p> <p>The PE life support register only records date removed as month and year.</p>		
21	281	<p>Rating: B / NR</p> <p>Lic Ref: C5.1, Code of Conduct clause 10.4</p> <p>Upon request and at no charge, a retailer must provide a customer with general information on cost effective and efficient ways to utilise electricity; and the typical running costs of major domestic appliances.</p> <p>The PE Account Management Procedure has inadequate document control and includes references to Code requirements not applicable to PE.</p>	<p>21/2016 [OFI] Review PE Account Management Procedure and remove irrelevant references, such as those that only apply to retailers with residential customers.</p>	<p>Perth Energy will review and update the procedure as recommended</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p>
22 & 23	92, 299	<p>Rating: B2</p> <p>Lic Ref: C5.1, Code of Conduct clause 12.1(2)</p> <p>The complaints handling process under subclause 12.1(1) must comply with the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost.</p> <p>► The Schedule of Standard Terms and Conditions and Small Use Customer Information Pack (non-standard contract) do not refer to ASO ISO 10002-2006 or PE's Complaints Decision Process.</p> <p>The standard and non-standard contracts do not refer to the right of a customer to have their complaint considered by a senior PE employee, the information that will be</p>	<p>22/2016 Finalise and include, in the non standard contract, the right of a customer to have their complaint considered by a senior PE employee, the information that will be provided to a customer and the method of response in the Complaints Decision Process.</p> <p>23/2016 Refer to the Complaints Decision Process and ASO ISO 10002-2006 in the non-standard form contract.</p>	<p>Perth Energy will modify the Complaints decision process as required.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p> <p>Perth Energy will revise the non-standard form contract as required.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p>

		provided to a customer and the method of response.		
24	307	<p>Rating: B2 Lic Ref: C5.1, Code of Conduct clause 13.3</p> <p>The report specified in clause 13.1 must be published by the date specified by the Authority. In accordance with clause 13.3(2), a report is published if:</p> <ul style="list-style-type: none"> - 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 the retailer or distributor's website. <p>▶ A request to publish the 2013 report was made on 27 Sep 2013 and actioned the same day.</p> <p>▶ A request to publish the 2014 report was made on 6 Feb 2015, outside of the 1 Oct 2014 requirement.</p> <p>The 2015 report was published in June 2016.</p>	<p>24/2016 Amend internal processes to ensure that website publishing dates are as per Code requirements. As part of this, ensure evidence of website publishing dates is maintained for auditing / compliance purposes.</p>	<p>Perth Energy will review and update its procedures to ensure that website publishing dates match the Code requirements. .</p> <p>Perth Energy has recently upgraded its website to include version control which will log when updates are posted.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p>
		Uncompleted from previous audit and unresolved during current Audit period		
25		<p>Rating 4 Retail Licence condition 15.2</p> <p>A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter within the timeframe specified, and submit to the Authority the results of that review within 5 days after it is completed.</p> <p>▶ The Authority has removed the requirement for electricity and gas retailers and distributors to produce</p>	<p>25/2016 Remove any remaining references to the Customer Service Charter throughout all current PE documents. Examples include: Account Management Procedure, Billing Procedures Overview and Standard Form Contract (OFI). (Was 4/2013)</p>	<p>Perth Energy will review and remove reference to the Customer Service Charter throughout all current documentation.</p> <p>Manager Responsible: General Manager HSEQ, Risk & Compliance - Patrick Peake</p> <p>Target Date: December 2016</p>

		and review a customer service charter. It is noted that reference to the customer service charter is still made on the Perth Energy Website and their bills in the additional information section. (OFI)		
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