



# Notice

15 March 2017

## Alinta Sales Pty Ltd

### 2016 PERFORMANCE AUDIT

The Economic Regulation Authority (**ERA**) has published the [2016 performance audit report](#) for Alinta Sales Pty Ltd's (trading as **Alinta Energy**) gas trading licence GTL9. The report includes the post-audit implementation plan prepared by Alinta Energy.

### Action by the ERA

The ERA considers that Alinta Energy has demonstrated adequate compliance with its licence conditions and has decided to retain the audit period at 36 months.

The next audit will cover the period 1 October 2016 to 30 September 2019, with the report due by 31 December 2019.

### BACKGROUND

The auditor assessed 255 obligations: 61 obligations were not rated for controls or compliance (NP/NR) due to a lack of relevant activity during the audit period.

Of the remaining 194 obligations, 185 were rated compliant (ratings of NP/1 - B1) and nine were rated non-compliant (rated A2 or B2).

Of the nine obligations rated non-compliant, one was fully addressed during the audit period. Three other non-compliances did not require remedial action, because they no longer apply following an amendment to the *Gas Marketing Code of Conduct* in January 2014. The details are in the audit report.

Although Alinta has complied with the majority of its licence conditions, the audit disclosed two areas of concern: customer billing and Alinta Energy's reliance on key personnel.

#### *Billing*

Some customers received bills more or less often than the prescribed billing interval.<sup>1</sup> Late billing issues were predominantly due to Alinta Energy receiving meter reading data from the distributor (ATCO Gas Australia) outside of the prescribed timeframes. Issuing bills too frequently sometimes occurred where customers were issued re-bills or final bills.

A number of customers did not receive a bill based upon actual metering data at least once in every 12 months. Alinta monitors the number of consecutive estimated meter reads, but has chosen to allow an additional estimated meter read (making four in total) before it takes action against the customer for denial of access to the meter.

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<sup>1</sup> The prescribed billing intervals are in part 4.1 of the *Compendium of Gas Customer Licence Obligations*.

### *Reliance on key personnel*

In addition to the billing issues, the auditor expressed concern about Alinta Energy's reliance on the knowledge and experience of key managers, and on operational staff following written procedures. In this environment, staff movements present an increased risk of non-compliance. Alinta Energy could reduce this risk by improving its customer information systems, enhancing its staff training materials, as well as updating its relevant policies and procedures.

### *Audit recommendations*

The auditor made six recommendations. Three recommendations address the five unresolved non-compliances, and three recommendations address 15 improvement opportunities. The recommendations are scheduled to be addressed by 30 June 2017.

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