



Notice

10 December 2019

ATCO Gas Australia Pty Ltd 2019 performance audit

The Economic Regulation Authority has published the 2019 [performance audit report](#) and the [post-audit implementation plan](#) for ATCO Gas Australia Pty Ltd's gas distribution licence GDL8.

ATCO owns and operates the largest gas distribution network in Western Australia, delivering gas to approximately 750,000 end users and covering approximately 14,000 kilometres. The gas distribution network services Geraldton, Kalgoorlie, Albany, Bunbury, Busselton, Harvey, Pinjarra, Brunswick Junction, Capel and the wider Perth metropolitan area.

The ERA's decision

The ERA considers that ATCO has achieved an adequate level of compliance with its licence.

The ERA has decided to maintain the audit period at 36 months. The next audit will cover the period 1 July 2019 to 30 June 2022, with the report due by 30 September 2022.

Background to the ERA's decision

Audit ratings

The auditor assessed 49 licence obligations applicable to ATCO's licence and found:

- 35 obligations were rated A1 (adequate controls, compliant);
- Two obligations were rated A2 (adequate controls, minor non-compliance)
- Six obligations were rated B2 (generally adequate controls, non-compliant – minor impact);
- Six obligations were rated NP/NR (controls not performed; not rated for compliance due to lack of relevant activity).

The audit found eight non-compliances:

- ATCO failed to pay the gas license renewal fee to the ERA within one month of the licence anniversary.
- There were three instances where ATCO disconnected customers outside the times prescribed in clause 7.6 of the *Compendium of Gas Customer Licence Obligations*.¹ All three instances were identified and self-reported by ATCO during the audit period.
- There were 31 instances where ATCO failed to reconnect a customer within the timeframes prescribed in clauses 8.2(1)-(3) of the compendium. All 31 instances were identified and self-reported by ATCO during the audit period.
- ATCO self-reported one instance where it failed to inform the relevant retailer when it became aware there had been unauthorised utilisation of gas at the customer's supply address.
- Sample testing by the auditor of 45 complaints found one instance where the customer was not advised of their right to have their complaint considered by a senior employee of ATCO, and a further 36 instances where there were insufficient records to demonstrate compliance with this obligation.
- There were two instances where ATCO failed to inform a customer who was dissatisfied with the outcome of their complaint of their right to refer their complaint to the gas ombudsman.
- There was a single instance where ATCO failed to respond to a customer complaint within the 20 business days prescribed in clause 12.4 of the compendium. The instance was self-reported by ATCO during the audit period.
- Sample testing by the auditor of 45 complaints found a single instance where ATCO received a complaint about a matter that did not relate to its functions and failed to advise the customer of the appropriate entity to deal with the complaint, as required by clause 12.4 of the compendium.

Audit recommendations

The auditor made six recommendations to address the eight non-compliances.²

The post-audit implementation plan states the recommendations will be addressed between now and March 2022.

Further information

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¹ Disconnection outside the timeframes in clause 7.6 of the compendium is a type 1 obligation that is immediately reportable to the ERA. ATCO reported these disconnections to the ERA when it became aware of them.

² The auditor did not make recommendations for obligations 230B and 255A. The ERA is satisfied that recommendations are not required for these non-compliances.