



Performance Audit Report

**Alinta Sales Pty Ltd
Gas Trading Licence (GTL9)**



235 St Georges Terrace
Perth WA 6000

GPO Box A29
Perth WA 6837
Australia

ABN: 51 194 660 183
Telephone: +61 8 9263 7171
Facsimile: +61 8 9263 7129
www.kpmg.com.au

Ms Catherine Rousch
Manager Regulatory Compliance
Alinta Sales Pty Ltd
Level 18 Raine Square
300 Murray Street
PERTH WA 6000

Our ref Alinta Performance Audit

10 February 2020

Dear Catherine

Alinta Sales Pty Ltd – Gas Trading Licence (GTL9) – 2019 Performance Audit Report

We have completed the performance audit of Alinta Sales' ERL6 for the period 1 October 2016 to 30 September 2019 and are pleased to submit our report to you.

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

If you have any questions or wish to discuss anything raised in the report, please contact Susan King on 9263 7431 or me on 9263 7271.

Yours sincerely

Travis McAuliffe
Partner

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Abbreviations

| Abbreviation | Definition |
|---------------------|-----------------------------------|
| AEMO | Australian Energy Market Operator |
| CRM | Client Relationship Management |
| CSR | Customer Service Representative |
| CTR | Customer Transfer Request |
| EIC | Explicit Informed Consent |
| ERA | Economic Regulation Authority |
| EWOWA | Energy and Water Ombudsman WA |
| ID | Identity Document |
| NSC | Non-Standard Contract |
| RFA | Request for Account |
| SFC | Standard Form Contract |

1. Independent Auditor's Report

Modified Conclusion

In our opinion, based on the procedures performed as outlined in the Audit Plan approved by the Economic Regulation Authority (dated 2 October 2019), except for the effect of the issues set out in the Basis for Modified Conclusion section below, Alinta Sales Pty Ltd ("Alinta") has complied, in all material respects, with the conditions of its Gas Trading Licence (GTL9) for the period 1 October 2016 to 30 September 2019.

Basis for modified conclusion

The Licence obligations listed on page 3 were assessed as non-compliant (rating 2, 3 or 4).

Scope

We have performed a reasonable assurance engagement over Alinta's compliance, in all material respects, with the performance criteria specified in its Gas Trading Licence (GTL9) (the "compliance requirements") throughout the period being 1 October 2016 to 30 September 2019 ("the specified period").

The assurance engagement was undertaken in accordance with the Economic Regulation Authority's ("the Authority") Audit and Review Guidelines: Electricity and Gas Licences April 2019 ("the Audit Guidelines")

The scope of the assurance work required relates to assessing Alinta's systems and effectiveness of processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the Gas Trading Licence (GTL9) ("the Licence") issued under *Energy Coordination Act 1994 (WA)*.

Basis of Our Conclusion

We conducted our engagement in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements (ASAE 3100). We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

In accordance with ASAE 3100 we have:

- Used our professional judgement to plan our procedures and assess the risks that may cause material non-compliance with each of the compliance requirements to be concluded upon;
- Considered internal controls implemented to meet the compliance requirements; however, we do not express a conclusion on their effectiveness; and
- Ensured that the engagement team possess the appropriate knowledge, skills and professional competencies.

Summary of Procedures

Our procedures consisted primarily of:

- Utilising the Audit Guidelines and the Gas Compliance Reporting Manual 2017 and 2015 ("the Reporting Manual") as a guide for development of a risk assessment and document review to assess controls.
- Development of an Audit Plan for approval by the ERA and an associated work program, approved by the ERA on 2 October 2019.

- Interviews with and representations from relevant Alinta staff to gain an understanding of process controls.
- Review of documents and walkthrough of processes and controls to support the assessment of compliance and the effectiveness of the control environment in accordance with Licence obligations.
- Sample testing or walkthroughs based on the sample size guide in the approved Audit Plan.

How We Define Reasonable Assurance and Material Non-Compliance

- Reasonable assurance is a high level of assurance, but is not a guarantee that it will always detect a material non-compliance with the compliance requirements.
- Instances of non-compliance are considered material if, individually or in the aggregate, they could reasonably be expected to influence relevant decisions of the intended users taken on the basis of Alinta's compliance with the compliance requirements.

Inherent Limitations

- Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with the compliance requirements may occur and not be detected.
- A reasonable assurance engagement throughout the specified period does not provide assurance on whether compliance with the compliance requirements will continue in the future.

Use of this Assurance Report

This report has been prepared for the Directors of Alinta for the purpose of assisting them to meet the compliance requirements of Section 11ZA of the *Energy Coordination Act 1994 (WA)* and may not be suitable for another purpose.

We understand that a copy of this report will be provided to the Authority for the purpose of reporting on the reasonable assurance engagement for the Licence. We agree that a copy of this report may be provided to the Authority in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the Authority in relation to the report. We disclaim any assumption of responsibility for any reliance on this report, to any person other than the Directors of Alinta, or for any other purpose other than that for which it was prepared.

Alinta's responsibility

Management are responsible for:

- the compliance activities undertaken to meet the requirements of the licence;
- identification of risks that threaten the compliance requirements identified above being met and identifying, designing and implementing controls to enable the compliance requirements to be met and, monitoring ongoing compliance;
- Ensuring that it has complied in all material respects with the requirements of the Licence;
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements;
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA;
- Implementing corrective actions for instances of non-compliance (if any).

KPMG's responsibility

Our responsibility is to perform a reasonable assurance engagement in relation to Alinta's compliance with the compliance requirements of Section 11ZA of the *Energy Coordination Act 1994 (WA)* throughout the period and to issue an assurance report that includes our conclusion.

Our Independence and Quality Control

We have complied with our independence and other relevant ethical requirements of the *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, and complied with the applicable requirements of Australian Standard on Quality Control 1 to maintain a comprehensive system of quality control.

Table of non-compliances:

| Reporting Manual number and Licence obligation | Issue |
|--|---|
| <p>Legislative Obligation 74: 74 - A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.</p> | <p>Details: Through review of the NSC, we note there is no reference to the requirement that Alinta Energy must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.</p> <p>Per discussions with the Customer Operations Manager, we confirmed that Alinta Energy do not take legal action for customers if they continue to honour their agreement to pay. The Credit Matrix built into CIS-OV will not allow for legal action if a customer is on financial hardship and maintaining the arrangement to pay.</p> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however Alinta Energy has not complied with the licence condition during the audit period resulting in minor impact to customers or third parties.</p> |
| <p>Legislative Obligation 80: 80 - When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (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.</p> | <p>Details: Through review of the NSC, we noted that there is no explicit reference to the issuing of a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (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.</p> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however Alinta Energy has not complied with the licence condition during the audit period resulting in minor impact to customers or third parties.</p> |

| Reporting Manual number and Licence obligation | Issue |
|--|---|
| <p>Legislative Obligation 82: 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.</p> | <p>Details: Through discussion with the Manager Regulatory Compliance and the ERA, we note that the ERA has removed the requirement for a retailer to develop a customer service charter from 1 July 2010. However, through further discussion with the ERA, it has been confirmed that if a retailer opts to retain their customer service charter, they must, from time to time, provide information on the customer's bill that it is available free of charge.</p> <p>We obtained relevant documentation and held discussions with the Manager Regulatory Compliance and the Manager Customer Service and noted the following observations:</p> <ul style="list-style-type: none"> • Currently, the Gas Customer Service Charter is available for download on Alinta Energy's website. Customers are informed of this under clause 9 of the SFC. This information is not available in the NSC. • The current Alinta Energy bill template does not state that the Gas Customer Service Charter is available to customers on request. This was removed on 1 July 2018. • Call centre scripts do not contain reference to the Gas Customer Service Charter for new connections or move orders. <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> |
| <p>Legislative Obligation 84: 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.</p> | <p>Details: Through discussion with the Manager Regulatory Compliance and observation of publicly available references we determined that at the time of the audit (October 2019) Alinta Energy did not have a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code available for inspection at its offices.</p> <p>It was confirmed with the both the Manager Regulatory Compliance and the Manager Customer Services, that ad-hoc customer requests are predominately dealt with by the contact centre. The relevant regulations and codes are made publicly available on the ERA website and Alinta Energy would provide this documentation to any customer upon request free of charge in their preferred format.</p> <p>We were advised there have been no circumstances within the audit period where a customer has come to the Alinta office to view the Regulations or a relevant code, however, such a request would be dealt with by the Regulatory Team so as to ensure the most up-to-date copy is provided to the customer.</p> <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> |
| <p>Legislative Obligation 136: 136 – A retailer must issue a bill no more than once a month unless the conditions specified in 4.1(a) (i)-(iii) apply.</p> | <p>Details: Through discussion with the Billing Team Leader, we noted that Alinta Energy's customers are billed either monthly or quarterly, with the majority of residential customers opting for the latter, while non-residential generally opt for the former. A customer may be billed outside of the cycle if it is for the issuance of a final bill. We observed the following processes and controls which ensure bills are not issued more than once a month:</p> <ul style="list-style-type: none"> • Bills are automatically issued to customers based off scheduled reads and are issued based on a customer's billing cycle. Bills issued not in line with a scheduled read are required to be manually entered by the billing team. This can occur if a customer requests an actual read to be obtained subsequent to an estimated read being provided. However, in this instance, bills are either cancelled and re-issued or adjusted in the next bill. • If data is issued to Fuji Xerox for billing and it is for a quarterly account with a billing period of less than or equal to 20 days or a monthly account with a billing period of less than or equal to ten days, an error code will be flagged and the bill returned to Alinta Energy for review by the Billing Team. Once reviewed and adjusted (if applicable), the data will be reissued to Fuji Xerox for processing. It was noted through discussion that Alinta Energy does not currently have any controls in |

| Reporting Manual number and Licence obligation | Issue |
|---|--|
| | <p>place to return quarterly accounts with billing period of less than a month but greater than 20 days or monthly accounts with billing period of less than a month but greater than 10 days.</p> <ul style="list-style-type: none"> Customers with bills issued more than once a month are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2017-18 Annual Compliance Report that Alinta Energy had approximately 1,700 customers affected over the reporting period due to delays in ATCO Gas providing actual reads. Customers were issued with estimated bills and were subsequently re-billed once the distributor provided the actual meter reading data to Alinta Energy. Each bill was accompanied by a letter of explanation. <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> |
| <p>Legislative Obligation 137: 137 - A retailer must issue a bill at least every 105 days unless the conditions specified are met.</p> | <p>Details: Through discussion with the Billing Team Leader, we noted that Alinta Energy’s customers are billed either monthly or quarterly, with the majority of residential customers opting for the latter, while non-residential generally opt for the former. We observed the following processes and controls which ensure bills are issued at least every 105 days:</p> <ul style="list-style-type: none"> The billing process is automatically triggered when a scheduled read is conducted. The bill will then be issued in line with the customer’s billing cycle as noted in CIS-OV. The billing team will run a report through Cognos on a daily basis to identify customers on a quarterly billing cycle who have not been billed within 100 days. A similar report is run for customers on a monthly billing cycles to capture any customers not billed within 40 days. Reading schedules for the accounts identified are reviewed in CIS-OV and compared to the data pulled through ARMA. Any discrepancies identified will be resolved on a daily basis to ensure customers receive their bills within the prescribed timeframe. Where a customer is issued a bill outside of the 105 day period, the customer will be provided a ‘delay’ notice attached to their bill informing them of said delayed bill and offering payment plans and bill smoothing arrangements. If data is issued to Fuji Xerox for billing and it is for a quarterly account with a billing period of greater than or equal to 120 days, an error code will be flagged and the bill returned to Alinta Energy for review by the Billing Team. <p>Through discussion with the Regulatory Compliance Manager, and examination of the Annual Compliance Reports, we note that Alinta Energy continues to issue a small number of bills (approximately 0.5%) outside the prescribed 105 day timeframe. These non-compliances are reported through to the ERA in the Annual Compliance Reports. A review of the reports confirmed these were due to billing system delays and exception issues.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> |
| <p>Legislative Obligation 147: 147 – Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1) (a) - (cc) on the customer’s bill.</p> | <p>Details: Through discussion with the Manager Regulatory Compliance and examination of sample bills, it was found that the bills included information prescribed in subclause 4.5(1) (a)-(cc).</p> <p>It was, however, noted by the Manager Regulatory Compliance that a recent review of billing templates in February 2019 found the following information was not included on initial bills sent to customers:</p> <ul style="list-style-type: none"> Initial bills issued to new residential and non-residential customers did not include the average daily cost of consumption and the average daily consumption due to billing templates being formatted incorrectly. <p>This was reported to the ERA in the 2018-2019 Annual Compliance Report.</p> |

| Reporting Manual number and Licence obligation | Issue |
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| | Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties. |
| <p>Legislative Obligation 153: 153 - A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1) (a).</p> | <p>Details: Through discussions with the Billing Team Leader, we noted that the majority of Alinta Energy's customers are placed on a quarterly billing cycle with a small portion billed monthly. Meter read schedules are managed by the network operator (ATCO Gas) and are aligned with customers' billing arrangements. Meter reads are obtained by the network operator's contractor (SSL) and are uploaded onto a database (ARMA) by the metering agent. This is then automatically uploaded onto Alinta Energy's internal database (CIS-OV) on a daily basis.</p> <p>If a metering agent is unable to read a customer's meter, an estimated read, based off published data from ATCO, would be provided for billing purposes. When uploading meter reads into ARMA, metering agents will classify the read as either an 'Actual' or 'Estimated Reading'. Bills are then automatically generated by CIS-OV based off actual or estimated reads and sent to Fuji Xerox for printing. To ensure all meter reads are captured in CIS-OV, the billing team would reconcile the total amount of reads in ARMA to CIS-OV on a daily basis. Any exceptions or missing reads are manually inputted into CIS-OV.</p> <p>To ensure metering data is obtained at least once per year, the billing team obtain a weekly report identifying customers with three or more consecutive estimated reads from Cognos, an analytics software which interfaces with CIS-OV. If a customer is billed using an estimated read, a bill insert will be provided to the customer, informing them an estimated read was taken.</p> <p>Customers who have had three consecutive estimated reads will be sent an additional notice instructing them to contact Alinta Energy to organise a meter read. It was noted that Alinta Energy allows four estimated reads before initiating the disconnection process for denying access to a meter. Customers with four estimated reads in a row are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2016-17 Annual Compliance Report that Alinta Energy had approximately 800 residential customers affected over the reporting period due to the inability of ATCO Gas to access a customer's property to perform a meter read.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> |
| <p>Legislative Obligation 165, 165A: 165 – If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2) (a) or (b)), and pay the credit in accordance with the customer's instructions within 12 business days or another time agreed with the customer.</p> <p>165A - If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt.</p> <p>If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).</p> | <p>Details: Where a customer requests to have their account closed, Alinta Energy must obtain a forwarding mailing address from the customer and require a minimum of two business days' notice before issuing a final bill to a customer. Through discussion with the Customer Service Training Specialist, Customer Service Representatives will raise a service order within Alinta Energy's CIS-OV system to the network operator to obtain a final meter read and will bill the customer based on this read. If a customer owes a debt to Alinta Energy and the customer's account is in credit at the time of account closure, Alinta Energy's CIS-OV system will automatically offset the debt and adjust the account accordingly. Through observation of Alinta Energy's final bill, it was noted that final bills clearly state that a final read was taken.</p> <p>The Credit Manager confirmed that, if at the time of final bill the customer's account is in credit, Alinta Energy will not directly contact the customer for instructions on transferring the amount to be credited. Rather, it is the responsibility of the customer to contact Alinta Energy if they wish to receive a refund. Additionally, it was noted that this information is not included on a customer's final bill. Should a customer contact Alinta Energy for a refund, Customer Service Representatives will ask the customer on their preferred refund method and have been trained to process these immediately via CIS-OV. As noted through a walkthrough of Alinta Energy's Vault system, refunds can be processed via three different methods; EFT refunds, cheque refunds and credit card reversals.</p> |

| Reporting Manual number and Licence obligation | Issue |
|--|---|
| | Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place with significant improvement required. Alinta Energy has not complied with the licence condition resulting in a moderate impact on customers or third parties during the audit period. |
| <p>Legislative Obligation 181: 181 – The due date on the bill must be at least 12 business days from the date of that bill, unless otherwise agreed with the customer. The date of the dispatch is the date of the bill, unless the retailer specifies a later date.</p> | <p>Details: Through discussion with the Billing Team Leader and observation of Alinta Energy’s sample bills, it was noted that the due date on the bill is set to at least 12 business days from the date of issue (dispatch date) of the bill. Due dates are calculated automatically by Alinta Energy’s CIS-OV system.</p> <p>Bills issued with a due date of less than 12 business days from the date of dispatch are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2017-18 and 2018-19 Annual Compliance Reports that Alinta Energy had, on two occasions, issued bills with a due date of 11 business days from date of dispatch to a number of customers due to a Fuji Xerox systems error.</p> <p>On the first occasion, due to a configuration error of the calendar, Monday 2 October 2017 was marked as a public holiday instead of Monday 25 September 2017. The 44,346 bills issued between these days provided 11 business days until the payment date was due instead of 12 business days.</p> <p>On the second occasion, a systems error meant the bill run for Thursday 13 Sept 2018 could not be printed. The 4,563 print bills were sent out one day late, providing 11 business days until the payment date.</p> <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> |
| <p>Legislative Obligation 250: 250 – A retailer and, if appropriate, a distributor must include on a residential customer’s bill and bill related information, reminder notice and disconnection warning the telephone numbers for:</p> <ul style="list-style-type: none"> · its TTY services; · independent multi-lingual services; and · interpreter services with the National Interpreter Symbol and the words “Interpreter Services”. | <p>Details: Examination of bills, reminder notices and disconnection warnings noted the following observations:</p> <ul style="list-style-type: none"> • The services’ telephone numbers are included on the residential customers’ bills; however • The services’ telephone numbers are not provided on reminder notices and disconnections warnings. <p>As such, it is noted Alinta Energy is not fully compliant with this obligation. In consideration of the adequacy of controls and compliance ratings (i.e. the impact on customers), weighting was provided to the following:</p> <ul style="list-style-type: none"> • Customer bills, the Alinta Energy website and the Customer Charter all provide the telephone numbers; and • Staff are able to provide the telephone numbers upon request from the customers. <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> |
| <p>Legislative Obligation 281: 281 – A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.</p> | <p>Details: Alinta Energy are required to annually prepare and submit a Performance Report and a Compliance Report.</p> <p><i>Compliance Report</i> The Compliance Report is updated throughout the reporting year as breaches are identified. This is compiled by the Manager Regulatory Compliance and contains the following information:</p> <ul style="list-style-type: none"> • Confirmation that Alinta Energy has complied with all applicable Type 1 and 2 licence obligations during the period, other than those specifically referred to in Schedule A; • Identified any Type 1 or Type 2 licence obligations that have been breached during the period and provided details of: |

| Reporting Manual number and Licence obligation | Issue |
|--|---|
| | <ul style="list-style-type: none"> o the licence obligation that has been breached; o the nature and extent of the breach; o the impact of the breach including the number of customers and other licensees affected; o the reasons for the breach; o the actions that the licensee has taken to rectify the breach; o the actions taken by the licensee to prevent recurrence of the breach; and o the date the licensee has, or expects to, comply again fully with the licence obligation that has been breached. <p>We conducted sample testing over two Compliance Reports and noted they contained the information specified by the ERA in the GTL Reporting Manual.</p> <p><i>Performance Report</i></p> <p>Each year, the ERA will provide Alinta Energy with a template GTL Performance Reporting Datasheet (the "Datasheet") which sets out the information required to be submitted. Guidance for completing the Datasheet is provided within the GTL Performance Reporting Handbook.</p> <p>Discussion with the Manager Regulatory Compliance noted the following internal process:</p> <ol style="list-style-type: none"> 1. The Manager Customer Operations, Manager Customer Service and the Team Leader Billing will prepare the report based on the template Datasheet using data from system queries. 2. Sense check the data by comparing to historical reports and expected results for the year. 3. Provide to the Manager Regulatory Compliance who will also perform a sense-check and ensure the information provided aligns to what was requested by the ERA. <p>We conducted sample testing of two GTL Performance Reports noted they utilised the datasheet published by the ERA.</p> <p>We obtained the data used to compile the 2019 GTL9 Performance Report and conducted sample testing over 11 of the 51 data sets across Hardship, Energy Bill Debt and Customer Complaints. We observed the following:</p> <ul style="list-style-type: none"> • The total reported number of residential customers on Alinta Energy's hardship program as at 30 June could not be reconciled to the data provided, with the reported amount 8.4% lower than the data provided. • The average reported energy bill debt of hardship customers as at 30 June could not be reconciled to the data provided. • The average reported energy bill debt (as at the time of entering the hardship program) for those hardship customers who entered the hardship program during the reporting year could not be reconciled to the data provided. • The total reported number of hardship customers who entered the hardship program during the reporting year, with an energy bill debt (as at the time of entering the hardship program) that was over \$500 but less than \$1,500 could not be reconciled to the number extracted by the data provided. • The average reported amount of energy bill debt for residential customers (excluding hardship customers) as at 30 June could not be reconciled to the data provided. • The total reported number of business customers repaying an energy bill debt as at June 30 could not be reconciled to the number extracted by the data provided. • The total reported number of residential customers (excluding hardship customers) with energy bill debt that is over \$500 but less than \$1,500 as at June 30 could not be reconciled to the number extracted by the data provided. |

| Reporting Manual number and Licence obligation | Issue |
|---|--|
| | <ul style="list-style-type: none"> • The total reported number of complaints received from residential customers could not be reconciled to the number extracted by the data provided. • The total reported number of residential customer complaints that are billing/credit complaints could not be reconciled to the number extracted by the data provided. • The total reported number of residential customer complaints that are marketing complaints (including complaints made directly to a retailer) could not be reconciled to the number extracted by the data provided. • We were unable to obtain the data file used to compile the 2019 GTL9 Performance Report as the original was not retained by Alinta Energy. As a result, we were unable to reperform the indicators using original data, instead obtained an extract from the IT team. <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there are inadequate controls in place with significant improvement required. Alinta Energy has not complied with the licence condition resulting in a moderate impact on customers or third parties during the audit period.</p> |

Travis McAuliffe

Partner, KPMG

10 February 2020

2. Executive Summary

2.1. Introduction

This document presents the findings emanating from Alinta Sales Pty Ltd trading as Alinta Energy ("Alinta Energy") Gas Trading Licence ("GTL9") Performance Audit ("Audit").

Alinta Energy, parent entity of Alinta Sales, is a leading Australian utility, with an owned and contracted generation portfolio of around 1,800 MW, over 1 million electricity and gas retail customers and around 700 employees across Australia and New Zealand. Alinta Energy is a gas retailer in Western Australia and is licensed to supply gas to customers in Kalgoorlie, Albany and the Mid-West South-West Gas Distribution System, including Perth, through gas distribution systems which are owned and operated by the network operator, ATCO.

On 29 July 2019, the Authority approved the appointment of KPMG to undertake the Audit for the period 1 October 2016 to 30 September 2019 for GTL9. The Audit was undertaken in accordance with the Audit Plan that was presented and approved by the Authority on 2 October 2019.

2.2. Objectives

The Audit objective was to evaluate the adequacy and effectiveness of the measures taken by Alinta Energy to meet the performance obligations and quality standards referred to in GTL9. To this end, the Audit focused on Alinta Energy's systems, processes, governance structures and reporting regimes to ensure compliance with the obligations, standards, outputs and outcomes consistent with Australian Standard on Assurance Engagements (ASAE) 3100 "Compliance Engagements", the Audit and Review Guidelines: Electricity and Gas Licences: March 2019 "Guidelines", Gas Compliance Reporting Manual: January 2017 and June 2015 and Gas Trading Licence Performance Reporting Handbook: April 2019.

2.3. Scope

The scope of the audit work required an assessment of Alinta Energy's systems, the effectiveness of its processes and regulatory controls to ensure compliance with the obligations, standards, outputs and outcomes required by the GTL9. The Audit aimed to identify areas where remedial action is required for breaches of Gas Trading Licence conditions and recommend corrective action as necessary. In addition, the Audit separately identified and proposed opportunities to enhance Alinta Energy's culture of regulatory compliance.

The scope required an assessment of the adequacy and effectiveness of Alinta Energy's performance against the licence requirements for the period 1 October 2016 to 30 September 2019 for GTL9. These were assessed by considering:

- Process compliance – the effectiveness of systems and procedures in place throughout the audit period including the adequacy of internal controls.
- Outcome compliance – the actual performance against standards prescribed in the licence throughout the audit period.
- Output compliance - the existence of the output from systems prescribed in the licence throughout the audit period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained).
- Integrity of compliance and performance reporting – the completeness and accuracy of the reporting to the Authority.
- Compliance with any individual licence conditions – the requirements imposed on the specific licensee or specific issues to follow up that are advised by the Authority.

The Audit was limited to Alinta Energy's head office on Murray Street, Perth.

The key legislation, regulations and codes that govern Alinta Energy's gas retail operations are:

- Energy Coordination Act 1994
- Energy Coordination (Gas Tariffs) Regulations 2000
- Energy Coordination (Customer Contracts) Regulations 2004
- Energy Coordination (Ombudsman Scheme) Regulations 2004
- Energy Coordination (Last Resort Supply) Regulations 2005
- Licence conditions
- Gas Marketing Code of Conduct
- Compendium of Gas Customer Licence Obligations (Gas Compendium)
- Economic Regulation Authority (Licensing Funding) Regulations 2014

2.4. Audit Planning Approach

In developing the Audit plan, KPMG adopted a risk based approach, consistent with the Authority’s mandatory methodology for assessing risk, which is based the AS/NZ 31000 Risk Management Standards (previously AS/NZ 4670).

The diagram below provides a snapshot of the approach adopted in arriving at the Plan.



Step 1 – Establish the context

This step was undertaken in order to understand Alinta Energy’s business objectives, organisational structure, the regulatory framework, underlying systems and processes. Furthermore, this step allowed KPMG to understand management’s risk management culture and appetite. The key output from this step was the understanding and validation of Alinta Energy’s GTL9 compliance obligation registers that were used as the basis in carrying out subsequent steps, as noted below.

Step 2 – Identify Risks

KPMG examined the licence conditions, and identified the risks that may affect compliance with these conditions. As part of this, KPMG considered where, when, why and how events could prevent, degrade or delay compliance with the licence obligations. Risk analysis was centred on the compliance risks as tabled below:

| Type of Risk | Description |
|--------------|-------------|
|--------------|-------------|

| | |
|--------------------------------|---|
| Supply quality and reliability | Delays in new connections, excessive supply interruptions, supply quality standards not met. |
| Consumer protection | Customer service levels not met, incorrect bills, disconnection and reconnection standards not met, customers unable to access financial hardship assistance. |
| Legislation/ licence | Breach of industry Acts, regulations and codes, contravention of licence conditions. |

Table 1: Compliance Risks

Step 3 – Risk Analysis

A two stage approach was adopted in analysing compliance risks:

- Firstly, KPMG identified the consequences and likelihood of the inherent risks to give an overall inherent risk rating.
- Secondly, KPMG identified and assessed the strength of the existing internal controls that mitigate the inherent risks.

2.5. Consequence

The consequences of the risk occurring was assessed using the 3-point rating scale described in the table below. The more significant the consequences, the higher the rating value allocated.

| Rating | | Non-compliance | | |
|--------|----------|---|--|---|
| | | Supply quality and reliability | Consumer protection | Breaches of legislation or other licence conditions |
| 1 | Minor | Breaches of supply quality or reliability standards – affecting small number of customers. Delays in providing a small proportion of new connections. | Customer complaints procedures not followed in a few instances. Small percentage of disconnections or reconnections not completed on time. Small percentage of bills not issued on time. | Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties. Compliance framework generally fit for purpose and operating effectively. |
| 2 | Moderate | Supply quality breach events that significantly impact customers; large number of customers affected and/or extended duration and/or damage to customer equipment. Supply interruptions affecting significant proportion of customers on the network for up to one day. Significant number of customers experiencing excessive number of interruptions per annum. Significant percentage of new connections not provided on time/ some customers experiencing extended delays. | Significant percentage of complaints not being correctly handled. Customers not receiving correct advice regarding financial hardship. Significant percentage of bills not issued on time. Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective. Instances of wrongful disconnection. | More widespread breaches of legislative obligations or licence conditions over time. Compliance framework requires improvement to meet minimum standards. |
| 3 | Major | Supply interruptions affecting significant proportion of customers on the network for more than one day. Majority of new connections not completed on time/ large number of customers experiencing extended delays. | Significant failure of one or more customer protection processes leading to ongoing breaches of standards. Ongoing instances of wrongful disconnection. | Wilful breach of legislative obligation or licence condition. Widespread and/or ongoing breaches of legislative obligations or licence conditions. |

| | | | | |
|--|--|--|--|---|
| | | | | Compliance framework not fit for purpose, requires significant improvement. |
|--|--|--|--|---|

Table 2: Consequence Rating

2.6. Likelihood

The likelihood was assessed using the 3-point rating scale described in the table below:

| | Level | Criteria |
|---|----------|---|
| A | Likely | Non-compliance is expected to occur at least once or twice a year |
| B | Probable | Non-compliance is expected to occur once every three years |
| C | Unlikely | Non-compliance is expected to occur once every 10 years or longer |

Table 3: Likelihood Rating

2.7. Inherent Risk

The inherent risk was arrived through the combination of the consequence rating and the likelihood rating. The inherent risk rating that was used is depicted in the table below:

| Likelihood | Consequence | | |
|-------------|-------------|-------------|-------|
| | 1. Minor | 2. Moderate | Major |
| A. Likely | Medium | High | High |
| B. Probable | Low | Medium | High |
| C. Unlikely | Low | Medium | High |

Table 4: Inherent Risk Rating - Consequence

Described below are the inherent risk ratings:

| Level | Description |
|--------|---|
| High | Likely to cause major damage, disruption or breach of licence obligations |
| Medium | Unlikely to cause major damage but may threaten the efficiency and effectiveness of service |
| Low | Unlikely to occur and consequences are relatively minor |

Table 5: Inherent Risk Rating

Step 4 - Identify and assess internal controls

Once the inherent risks were identified and classified, KPMG undertook a high level assessment of the internal controls that are in place to mitigate each inherent risk.

The table below describes the preliminary adequacy rating for existing controls:

| Level | Description |
|----------|--|
| Strong | Controls that mitigate the identified risks to an appropriate level |
| Moderate | Controls that only cover significant risks; improvement required |
| Weak | Controls are weak or non-existent and have minimal impact on the risks |

Table 6: Adequacy Rating

Step 5 – Assign audit priority ratings

The next stage in the audit planning process was to determine audit priorities for each of the licence conditions based on the combined rating for inherent risk and control adequacy. The prescribed 5 level audit priority scale was used:

| | | Preliminary Adequacy of Existing Controls | | |
|---------------|--------|---|------------------|--------|
| | | Weak | Moderate | Strong |
| Inherent Risk | High | Audit priority 1 | Audit priority 2 | |
| | Medium | Audit priority 3 | Audit priority 4 | |
| | Low | Audit priority 5 | | |

Table 7: Audit Priority

KPMG has adopted a singular approach by considering Alinta Energy' control register which maps each licence condition to an associated control(s), undertook a risk assessment which included consideration and past compliance performance to determine an audit priority for each licence obligation.

| Risk Rating | GTL9 Risk Ranking by Obligation |
|----------------|---------------------------------|
| High | 8 |
| Medium | 154 |
| Low | 81 |
| Not Applicable | 54 |
| TOTAL | 297 |

Table 8: Risk Assessment Outcomes

The table below summarises the outcome of the audit priority assessment process.

| Audit Priority Rating | GTL9 Audit Priority by Obligation |
|-----------------------|-----------------------------------|
| Priority 1 | 1 |
| Priority 2 | 9 |
| Priority 3 | 25 |
| Priority 4 | 132 |
| Priority 5 | 76 |
| Not Applicable | 54 |
| TOTAL | 297 |

Table 9: Audit Priority by Obligation

2.8. Audit Plan Approval

Following the completion of the risk workshops and supporting activities, each obligation was reviewed and risk prioritised according to its inherent risk rating using the Authority's methodology. The relevant management team members confirmed the applicable risk and control ratings prior to completion of the Audit plan.

The final Audit Plan was approved by the Authority on 2 October 2019.

2.9. Execution of the Audit Plan

The execution stage comprised a singular audit priority assessment of each obligation. Testing took the form of interviews, walkthroughs, document reviews, process and system output reviews, observations and discussion, and substantive testing within requisite areas, with the testing being based on our sample test population. The nature of our testing and various sample sizes are detailed below:

| Audit Priority | Nature of Testing | Sample Size (where relevant) |
|----------------|---|------------------------------|
| 1 | Inquiry, inspection and re-performance (where possible) | 5 |
| 2 | Inquiry, observation and inspection | 4 |

| | | |
|---|-------------------------------------|---|
| 3 | Inquiry, observation and inspection | 3 |
| 4 | Inquiry and observation | 2 |
| 5 | Inquiry and observation | 1 |

Table 10: Nature of Testing and Sample Size

A list of the licensee’s representatives who participated in the Audit is provided in Appendix 1.

A list of key documents and other information sources examined during the course of the Audit is provided in Appendix 2.

We have reported an adequacy of controls rating and compliance rating for applicable obligations using the following structure in line with the Authority’s guidelines:

| Performance audit compliance and controls rating scales | | | |
|--|---|--------------------------|--|
| Adequacy of Controls Rating | | Compliance Rating | |
| Rating | Description | Rating | Description |
| A | Adequate controls – no improvement needed | 1 | Compliant |
| B | Generally adequate controls – improvement needed | 2 | Non-compliant – minor impact on customers or third parties |
| C | Inadequate controls – significant improvement required | 3 | Non-compliant – moderate impact on customers or third parties |
| D | No controls evident | 4 | Non-compliant – major impact on customers or third parties |
| N/P | No activity has taken place to exercise the obligation during the audit period therefore not performed. | N/R | No relevant activity during the audit period therefore obligation not rated. |
| N/A | Obligation was identified as not being applicable during the course of the audit | N/A | Obligation identified as not being applicable during the course of the audit |

Table 11: Compliance and Controls Rating Scales

2.10. Audit Team Members and Time Undertaken

The following table outlines the auditor's personnel who undertook the audit and time taken to complete the audit procedures. Fieldwork commenced on 7 October 2019 and was completed on 5 December 2019.

| Audit Members | Hours |
|--------------------------------------|--------------|
| Travis McAuliffe, Engagement Partner | 15 |
| Gemma Modra, Senior Manager | 50 |
| Adrian Pearce, Senior Consultant | 85 |
| Oliver Tjeuw, Senior Accountant | 50 |
| Sarah McCague, Consultant | 200 |
| Gabriella Allsop, Consultant | 150 |
| Tsuyoshi Takashima, Consultant | 150 |
| Tim Andrew, Accountant | 60 |
| Total | 760 |

Table 12: Audit Members and Hours

2.11. Culture of Compliance

Through conducting the 2019 GTL9 Performance Audit, we note that Alinta Energy management and staff have displayed a positive attitude towards compliance and have adopted a proactive approach towards identifying and addressing areas of potential improvement.

A number of recommendations concern the ability of current customer systems to provide sufficient detailed information in a timely manner to test compliance. We note that Alinta Energy is currently in the process of migrating to a new system that should support this capability.

To enhance the culture of compliance Alinta Energy could further develop the awareness and understanding by the respective staff of the compliance obligations relevant to their role and the evidence required to be able to demonstrate compliance.

2.12. Areas of Special Focus

The Authority has nominated two areas of special focus for the 2019 GTL9 Performance Audit, namely, Annual Performance Data and Payment Difficulties and Financial Hardship.

Annual Performance Data

Annual Performance Data covered two obligations (being 102 and 281). Obligation 281 was rated as inadequate controls and non-compliant with a moderate impact on customers or third parties. Further information can be found in section 2.16 of this audit report. Obligation 102 was rated as adequate controls and compliant for the audit period.

Payment Difficulties and Financial Hardship

Of the 19 obligations under special focus for Payment Difficulties and Financial hardship, Alinta Energy were unable to provide data to enable sample testing of compliance for 15 obligations due to system limitations with regards to there not being unique identifiers concerning payment difficulties and financial difficulties. Of these, all were rated as inadequate controls with significant improvement required (198, 199, 200, 200A – 205, 206A – 208, 211 – 212 and 221).

2.13. Summary of action for previous audit non-compliances and recommendations

The table below illustrates the profile of action taken by the licensee in response to the recommendations in the previous audit report dated 17 February 2017. Further details can be found in Section 3 previous non-compliances and audit recommendations.

| Rating | A. Resolved during current audit period | B. Unresolved at the end of the current audit period | Total |
|--|---|--|-----------|
| Significant weaknesses and/or serious action required | - | - | - |
| Does not meet minimum requirements | 2 | 3 | 5 |
| Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance | - | - | - |
| Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance | 2 | 13 | 15 |
| Compliant with no further action required to maintain compliance | - | - | - |
| Total | 4 | 16 | 20 |

Table 13: Actions in Response to Previous Report Recommendations

2.14. Compliance summary from current audit

This performance audit involved testing 243 out of a total of 297 licence obligations related to the 2017 Compliance Manual. Of the 243 obligations tested there were 38 obligations with a Not Performed control rating due to no testable events occurring during the audit period. This is consistent with the requirements stipulated within the Audit Guidelines.

The table below provides a summary of the audit outcome. There are 13 obligations rated as non-compliant for the audit period. There are further 25 obligations rated as compliant with recommendations for control improvement and 19 obligations Not Rated with recommendations for control improvement.

| GTL9 | | Adequacy of controls | | | | | | Subtotal |
|-------------------|----------------------------|-----------------------|---------------------------------|-------------------------|-------------------------|---------------------|----------------------|------------|
| | | A – Adequate controls | B – Generally adequate controls | C – Inadequate controls | D – No controls evident | N/P – Not Performed | N/A – Not Applicable | |
| Compliance Rating | 1 – Compliant | 148 | 20 | 4 | - | - | - | 172 |
| | 2 – Non-compliant minor | 2 | 8 | - | - | - | - | 10 |
| | 3 – Non-compliant moderate | - | - | 3 | - | - | - | 3 |
| | 4 – Non-compliant major | - | - | - | - | - | - | - |
| | N/R - Not Rated | - | 3 | 15 | - | 40 | - | 58 |
| | N/A – Not Applicable | - | - | - | - | - | - | - |
| | Total | 150 | 31 | 22 | - | 40 | - | 243 |

Table 14: Compliance Profile

The table below illustrates the obligations where non-compliances or inadequate controls have been identified. Further details can be found in Section 2.16.

| Current Audit Non-Compliances and Recommendations | Resolved during current audit period | Unresolved at the end of the current audit period | Total |
|---|--------------------------------------|---|-----------|
| Obligations - Non-compliant | 3 | 10 | 13 |
| Obligations - Compliant with inadequate controls | - | 4 | 4 |
| Obligations – Not-rated with inadequate controls | - | 15 | 15 |
| Total | 3 | 29 | 32 |

Table 15: Current Audit Non-Compliances and Recommendations

Further details of the overall compliance rating applied to each licence condition or obligation and adequacy of controls is detailed in Section 4 compliance summary and Section 5 observations – performance audit details.

2.15 Current Audit Non-Compliances and Recommendations resolved during current Audit Period

| Manual Ref. | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Date resolved (and management action taken) | Auditor comments |
|-------------|---|---|---|
| 84 | <p>Controls Improvement/Non-compliance Rating: B / 2</p> <p>Legislative Obligation: 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.</p> <p>Details: Through discussion with the Manager Regulatory Compliance and observation of publicly available references we determined that at the time of the audit (October 2019) Alinta Energy did not have a hard (printed) copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code available for inspection at its offices. It was confirmed with the both the Manager Regulatory Compliance and the Manager Customer Services, that ad-hoc customer requests are predominately dealt with by the contact centre. The relevant regulations and codes are made publicly available and Alinta Energy would provide this documentation to any customer upon request free of charge in their preferred format. We were advised there have been no circumstances within the audit period where a customer has come to the Alinta office to view the Regulations or a relevant code, however, such a request would be dealt with by the Regulatory Team so as to ensure the most up-to-date copy is provided to the customer. Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> | <p>25 October 2019</p> <p>A printed and bound copy of the Energy Coordination (Customer Contracts) Regulations, Gas Marketing Code of Conduct and Gas Compendium are now available for inspection at the Call Centre.</p> | <p>The breach issue has been resolved during the current audit period. No further action required.</p> |
| 147 | <p>Controls Improvement/Non-compliance Rating: B / 2</p> <p>Legislative Obligation: 147 – Unless the customer agrees otherwise, a retailer must include the</p> | <p>10 April 2019</p> <p>Management Action taken was that billing template was updated to include Average Daily Consumption and Average Daily Cost of Gas.</p> | <p>The breach issue has been resolved during the current audit period. No further action required.</p> |

| Manual Ref. | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Date resolved (and management action taken) | Auditor comments |
|-------------|---|---|--|
| | <p>minimum prescribed information in clauses 4.5(1) (a) - (cc) on the customer's bill.</p> <p>Details: Through discussion with the Manager Regulatory Compliance and examination of sample bills, it was found that the bills included information prescribed in subclause 4.5(1) (a)-(cc).</p> <p>It was, however, noted by the Manager Regulatory Compliance that a recent review of billing templates in February 2019 found the following information was not included on initial bills sent to customers:</p> <ul style="list-style-type: none"> Initial bills issued to new residential and non-residential customers did not include the average daily cost of consumption and the average daily consumption due to billing templates being formatted incorrectly. <p>This was reported to the ERA in the 2018-2019 Annual Compliance Report.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> | | |
| 181 | <p>Controls Improvement/Non-compliance Rating: B / 2</p> <p>Legislative Obligation: 181 – The due date on the bill must be at least 12 business days from the date of that bill, unless otherwise agreed with the customer. The date of the dispatch is the date of the bill, unless the retailer specifies a later date.</p> <p>Details: Through discussion with the Billing Team Leader and observation of Alinta Energy's sample bills, it was noted that the due date on the bill is set to at least 12 business days from the date of issue (dispatch date) of the bill. Due dates are calculated automatically by Alinta Energy's CIS-OV system.</p> | <p>2 October 2017 & 14 September 2018</p> <p>For the first occurrence, the issue self-corrected from 2 Oct 2017. Public holiday configurations for future dates were checked and confirmed by Alinta Energy.</p> <p>For the second occurrence, Alinta Energy worked with Fuji Xerox to employ a one-off work-around so that the late invoices could be printed overnight on 13 Sept and sent out 14 Sept.</p> <p>Alinta Energy systems are configured so that the due date of bills is set to 12 Business Days, To ensure there are no flow-on effects if there is an issue with billing systems, Alinta Energy applies a 3 business day grace period prior to sending our reminder notices .</p> | <p>The breach issue has been resolved during the current audit period. No further action required.</p> |

| Manual Ref. | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Date resolved (and management action taken) | Auditor comments |
|-------------|---|---|------------------|
| | <p>Bills issued with a due date of less than 12 business days from the date of dispatch are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2017-18 and 2018-19 Annual Compliance Reports that Alinta Energy had, on two occasions, issued bills with a due date of 11 business days from date of dispatch to a number of customers due to a Fuji Xerox systems error.</p> <p>On the first occasion, due to a configuration error of the calendar, Monday 2 October 2017 was marked as a public holiday instead of Monday 25 September 2017. The 44,346 bills issued between these days provided 11 business days until the payment date was due instead of 12 business days.</p> <p>On the second occasion, a systems error meant the bill run for Thursday 13 Sept 2018 could not be printed. The 4,563 print bills were sent out one day late, providing 11 business days until the payment date.</p> <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> | | |

2.16 Current Audit Non-Compliances and Recommendations unresolved at end of current Audit Period

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
|-----------------------|---|---|--|
| 1/2019 | <p>Non-compliance Rating: A / 2</p> <p>Legislative Obligation: 74 – A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.</p> <p>Details: Through review of the NSC, we note there is no reference to the requirement that Alinta Energy must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.</p> <p>Per discussions with the Customer Operations Manager, we confirmed that Alinta Energy do not take legal action for customers if they continue to honour their agreement to pay. The Credit Matrix built into CIS-OV will not allow for legal action if a customer is on financial hardship and maintaining the arrangement to pay.</p> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however Alinta Energy has not complied with the licence condition during the audit period resulting in minor impact to customers or third parties.</p> | <p>Alinta Energy to update the NSC to contain reference to the requirement that Alinta Energy must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.</p> | <p>Action Plan: Alinta Energy will review and update the NSC to contain reference to the requirement that Alinta Energy must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.</p> <p>Responsible Officer: Legal Advisor</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
|-----------------------|---|---|---|
| 2/2019 | <p>Non-compliance Rating: A / 2</p> <p>Legislative Obligation: 80 – When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (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.</p> <p>Details: Through review of the NSC, we noted that there is no explicit reference to the issuing of a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (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.</p> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however Alinta Energy has not complied with the licence condition during the audit period resulting in minor impact to customers or third parties.</p> | Alinta Energy to update the NSC to include the requirement to issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (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. | <p>Action Plan: Alinta Energy will review and update the NSC to contain specific reference to the requirement that Alinta Energy will issue a notice, with the information required, to a customer not more than two months and not less than one month before a customer's contract is due to expire.</p> <p>Responsible Officer: Legal Advisor</p> <p>Due Date: 30 June 2020</p> |
| 3/2019 | <p>Controls Improvement/Non-compliance Rating: B / 2</p> | Alinta Energy to update the current bill template to provide the customer advice that a customer charter is available free of charge. | <p>Action Plan: Alinta Energy will update the Important Information section on its billing</p> |

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| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
|-----------------------------|---|--|---|
| | <p>Legislative Obligation: 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.</p> <p>Details: Through discussion with the Manager Regulatory Compliance and the ERA, we note that the ERA has removed the requirement for a retailer to develop a customer service charter from 1 July 2010. However, through further discussion with the ERA, it has been confirmed that if a retailer opts to retain their customer service charter, they must, from time to time, provide information on the customer's bill that it is available free of charge.</p> <p>We obtained relevant documentation and held discussions with the Manager Regulatory Compliance and the Manager Customer Service and noted the following observations:</p> <ul style="list-style-type: none"> • Currently, the Gas Customer Service Charter is available for download on Alinta Energy's website. Customers are informed of this under clause 9 of the SFC. This information is not available in the NSC. • The current Alinta Energy bill template does not state that the Gas Customer Service Charter is available to customers on request. This was removed on 1 July 2018. • Call centre scripts do not contain reference to the Gas Customer Service Charter for new connections or move orders. <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> | | <p>template to advise customers that the Customer Charter is available on its website.</p> <p>Responsible Officer: Manager Regulatory Compliance</p> <p>Due Date: 31 March 2020</p> |
| 4/2019 | <p>Controls improvement Rating: C / 1</p> <p>Legal Obligation: 124 - A retailer or gas marketing agent who contacts a customer for the purposes of marketing must, on request, provide the customer with the retailer's complaints telephone number, the gas ombudsman's telephone number and, for contact by a gas marketing agent, the gas marketing agent's marketing identification number</p> | <p>Alinta Energy should increase their level of oversight and involvement with external marketing agents to obtain greater assurance over compliance with this obligation.</p> <ol style="list-style-type: none"> 1) We recommend that they maintain their own training register and only issue marketing ID badges once evidence of training has been obtained and updated within the training register. 2) Alinta Energy need to develop and maintain a list of external marketing agents authorised and terminated and ensure that their Official ID badges are appropriately retained. | <p>Action Plan: Alinta Energy will develop a process for maintaining better oversight of external marketing agents.</p> <p>Alinta Energy will update training material to include specific references to canvassing</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>125 - A retailer or gas marketing agent who meets with a customer face to face for the purposes of marketing must:</p> <ul style="list-style-type: none"> · wear a clearly visible and legible identity card showing the information specified; and · as soon as practicable provide the customer, in writing, the information specified. <p>126 - A retailer or gas marketing agent who visits a person's premises for the purposes of marketing, must comply with any clearly visible signs at the premises indicating that canvassing is not permitted or no advertising material is to be left at the premises.</p> <p>Details: Gas Marketing Agents that conduct both Face to Face and Kiosk Marketing are required to wear marketing ID badges for the duration of their marketing activity. The Western Australian Sales Manager confirmed that:</p> <ul style="list-style-type: none"> • Agents are trained to walk up and show their identification badges when they introduce themselves to customers as part of face to face marketing. • Alinta Energy Gas Marketing Agents are required to wear clearly logoed polo shirts in addition to their lanyards with their marketing ID badges. • Marketing ID Badges are provided to all agents by Alinta Energy with a record of the ID's issued retained on file. • Agent visibility of marketing IDs is included within their Quality Assurance and Compliance kiosk audits, and monitored through check-in photos prior to them beginning work and mystery shop surveys on their Kiosk agents. • Marketing agents are required to send a check-in photo daily to the type form system. <p>Upon review of a marketing ID badge we confirmed that they include the information specified and this information is provided to a customer upon request, as soon as practicably possible. In addition to this, we reviewed a check-in photo and confirmed that although worn, the check-in photos could be improved to increase the visibility of the gas marketing agent's identification badge.</p> | <p>3) Daily check in photos are required but Alinta Energy should insist on all marketing agents to check-in with these ID badges visible and follow up where they are not.</p> <p>4) Alinta Energy should update their training materials to explicitly outline the requirement that the must comply with clearly visible signs at the premises indicating that canvassing is not permitted or that no advertising material is to be left at the premises.</p> | <p>and advertising material. Training material will be signed off by Legal and Regulatory before being delivered.</p> <p>Responsible Officer: WA Sales Manager</p> <p>Due Date: 31 March 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>Through our discussions we determined the following is provided to marketing agents to inform them of the requirements of the Marketing Code of Conduct:</p> <ul style="list-style-type: none"> • Training is conducted prior to commencing any sales activity for Alinta Energy, with quarterly refresher training provided. • The Sales Manager and Team Leaders are responsible for the delivery internal training and providing training materials that have been approved by the Regulatory Compliance Team. • Alinta Energy also engage with an external marketing agency to facilitate with their Face to Face sales marketing, these Agents are not trained by Alinta Energy but they are provided with the related training materials. • All training materials are reviewed and signed off by the Marketing, Legal and Regulatory Compliance teams which ensures consistency of messaging. <p>Based on our discussions we noted that although training is provided to gas marketing agents, Alinta Energy does not have oversight of those who have completed the training due to the absence of a training register. Alinta Energy gas marketing agents are trained to comply with any clearly visible signs at the premises indicating that canvassing is not permitted or that no advertising material is to be left at the premises. Upon review of the training material we determined that this requirement was not explicit and training materials could be improved to more clearly address the requirements of the Gas Marketing Code of Conduct. Alinta Energy have a comprehensive complaints handling process whereby sales complaints are responded to by the Advocacy team and reviewed / reported on weekly by the Team Leader Customer Service. Therefore any complaints of non-compliance would be identified through this process and dealt with internally. Upon review of the complaints handling data provided we could not identify any non-compliance with the relevant obligations.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have inadequate controls with significant improvement needed and they have complied with this obligation during the audit period.</p> | | |
| 5/2019 | <p>Controls Improvement/Non-compliance Rating: B / 2</p> | <p>Alinta Energy to improve billing processes to ensure billing return codes are aligned with legislation requirements and to update their bill return codes for quarterly accounts from 20 days to 30 days with Fuji Xerox.</p> | <p>Action Plan: Alinta Energy will work together with Fuji Xerox to amend billing return codes for quarterly</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>Legislative Obligation: 136 – A retailer must issue a bill no more than once a month unless the conditions specified in 4.1(a) (i)-(iii) apply.</p> <p>Details: Through discussion with the Billing Team Leader, we noted that Alinta Energy's customers are billed either monthly or quarterly, with the majority of residential customers opting for the latter, while non-residential generally opt for the former. A customer may be billed outside of the cycle if it is for the issuance of a final bill. We observed the following processes and controls which ensure bills are not issued more than once a month:</p> <ul style="list-style-type: none"> • Bills are automatically issued to customers based off scheduled reads and are issued based on a customer's billing cycle. Bills issued not in line with a scheduled read are required to be manually entered by the billing team. This can occur if a customer requests an actual read to be obtained subsequent to an estimated read being provided. However, in this instance, bills are either cancelled and re-issued or adjusted in the next bill. • If data is issued to Fuji Xerox for billing and it is for a quarterly account with a billing period of less than or equal to 20 days or a monthly account with a billing period of less than or equal to ten days, an error code will be flagged and the bill returned to Alinta Energy for review by the Billing Team. Once reviewed and adjusted (if applicable), the data will be reissued to Fuji Xerox for processing. It was noted through discussion that Alinta Energy does not currently have any controls in place to return quarterly accounts with billing period of less than a month but greater than 20 days or monthly accounts with billing period of less than a month but greater than 10 days. • Customers with bills issued more than once a month are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2017-18 Annual Compliance Report that Alinta Energy had approximately 1,700 customers affected over the reporting period due to delays in ATCO Gas providing actual reads. Customers were issued with estimated bills and were subsequently re-billed once the distributor provided the actual meter reading data to Alinta Energy. Each bill was accompanied by a letter of explanation. | | <p>accounts such that bills issued within 30 days are flagged for review.</p> <p>Alinta Energy notes that changes to the Gas Compendium from 1 January 2020 excludes this obligation for final bills or if the retailer receives metering data from ATCO for the purposes of preparing the customer's next bill.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 March 2020</p> |

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| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties. | | |
| 6/2019 | <p>Controls Improvement/Non-compliance Rating: B / 2</p> <p>Legislative Obligation: 137 - A retailer must issue a bill at least every 105 days unless the conditions specified are met.</p> <p>Details: Through discussion with the Billing Team Leader, we noted that Alinta Energy's customers are billed either monthly or quarterly, with the majority of residential customers opting for the latter, while non-residential generally opt for the former. We observed the following processes and controls which ensure bills are issued at least every 105 days:</p> <ul style="list-style-type: none"> The billing process is automatically triggered when a scheduled read is conducted. The bill will then be issued in line with the customer's billing cycle as noted in CIS-OV. The billing team will run a report through Cognos on a daily basis to identify customers on a quarterly billing cycle who have not been billed within 100 days. A similar report is run for customers on a monthly billing cycle to capture any customers not billed within 40 days. Reading schedules for the accounts identified are reviewed in CIS-OV and compared to the data pulled through ARMA. Any discrepancies identified will be resolved on a daily basis to ensure customers receive their bills within the prescribed timeframe. Where a customer is issued a bill outside of the 105 day period, the customer will be provided a 'delay' notice attached to their bill informing them of said delayed bill and offering payment plans and bill smoothing arrangements. If data is issued to Fuji Xerox for billing and it is for a quarterly account with a billing period of greater than or equal to 120 | Alinta Energy to improve billing processes to ensure billing return codes are aligned with legislation requirements and to update their bill return codes for quarterly accounts from 120 days to 105 days with Fuji Xerox. | <p>Action Plan: Alinta Energy will liaise with Fuji Xerox to ensure the bill return code for quarterly accounts is reduced from 120 days to 105 days. Additionally, Alinta Energy will review its billing processes to determine other approaches for reducing the number of bills issued outside the 105 day period.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 31 March 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>days, an error code will be flagged and the bill returned to Alinta Energy for review by the Billing Team.</p> <p>Through discussion with the Regulatory Compliance Manager, and examination of the Annual Compliance Reports, we note that Alinta Energy continues to issue a small number of bills (approximately 0.5%) outside the prescribed 105 day timeframe. These non-compliances are reported through to the ERA in the Annual Compliance Reports. A review of the reports confirmed these were due to billing system delays and exception issues.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> | | |
| 7/2019 | <p>Controls Improvement/Non-compliance Rating: B / 2</p> <p>Legislative Obligation: 153 - A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1) (a).</p> <p>Details: Through discussions with the Billing Team Leader, we noted that the majority of Alinta Energy's customers are placed on a quarterly billing cycle with a small portion billed monthly. Meter read schedules are managed by the network operator (ATCO Gas) and are aligned with customers' billing arrangements. Meter reads are obtained by the network operator's contractor (SSL) and are uploaded onto a database (ARMA) by the metering agent. This is then automatically uploaded onto Alinta Energy's internal database (CIS-OV) on a daily basis.</p> <p>If a metering agent is unable to read a customer's meter, an estimated read, based off published data from ATCO, would be provided for billing purposes. When uploading meter reads into ARMA, metering agents will classify the read as either an 'Actual' or 'Estimated Reading'. Bills are then automatically generated by CIS-OV based off actual or estimated reads and sent to Fuji Xerox for printing. To ensure all meter reads are captured in CIS-OV, the billing team would reconcile the total amount of reads in</p> | Alinta Energy to maintain communication with ATCO Gas in relation to estimated reads and to consider other means of communication with customers such as phone calls to ensure ability for ATCO Gas to access a customer's property to perform a meter read within the required timeframe. | <p>Action Plan: Alinta Energy notes that, from 1 January 2020, it will be exempt from the requirement under the Gas Compendium to ensure metering data is obtained at least once every 12 months as this is a network operator obligation under the Retail Market Procedures (WA). However, Alinta Energy will continue to assist ATCO obtain meter readings as required e.g. by communicating with customers etc.</p> <p>Responsible Officer: Team Leader Billing</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>ARMA to CIS-OV on a daily basis. Any exceptions or missing reads are manually inputted into CIS-OV.</p> <p>To ensure metering data is obtained at least once per year, the billing team obtain a weekly report identifying customers with three or more consecutive estimated reads from Cognos, an analytics software which interfaces with CIS-OV. If a customer is billed for an estimated read, a bill insert will be provided to the customer, informing them an estimated read was taken.</p> <p>Customers who have had three consecutive estimated reads will be sent an additional notice instructing them to contact Alinta Energy to organise a meter read. It was noted that Alinta Energy allows four estimated reads before initiating the disconnection process for denying access to a meter. Customers with four estimated reads in a row are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2016-17 Annual Compliance Report that Alinta Energy had approximately 800 residential customers affected over the reporting period due to the inability of ATCO Gas to access a customer's property to perform a meter read.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> | | |
| 8/2019 | <p>Controls Improvement/Non-compliance Rating: C / 3</p> <p>Legislative Obligation: 165 – If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2) (a) or (b)), and pay the credit in accordance with the customer's instructions within 12 business days or another time agreed with the customer. 165A - If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt. If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).</p> | <ol style="list-style-type: none"> 1) Alinta Energy to create a more robust process around closure of customers' accounts to allow the monitoring of final account balance to ensure customers are contacted for instructions on where to transfer credited amounts at the time of the final bill. 2) Alinta Energy to include information on available account credits on the customer's final bill. | <p>Action Plan: Alinta Energy will update its final bill processes so that (1) if a customer's account is in credit at the time of account closure and the customer owes a debt to Alinta Energy, the customer will be advised by notice that the credit will be used to offset the debt; (2) if a customer's account remains in credit, the customer is asked for instructions concerning the credit amount.</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>Details:</p> <p>Where a customer requests to have their account closed, Alinta Energy must obtain a forwarding mailing address from the customer and require a minimum of two business days' notice before issuing a final bill to a customer. Through discussion with the Customer Service Training Specialist, Customer Service Representatives will raise a service order within Alinta Energy's CIS-OV system to the network operator to obtain a final meter read and will bill the customer based on this read. If a customer owes a debt to Alinta Energy and the customer's account is in credit at the time of account closure, Alinta Energy's CIS-OV system will automatically offset the debt and adjust the account accordingly. Through observation of Alinta Energy's final bill, it was noted that final bills clearly state that a final read was taken.</p> <p>The Credit Manager confirmed that, if at the time of final bill the customer's account is in credit, Alinta Energy will not directly contact the customer for instructions on transferring the amount to be credited. Rather, it is the responsibility of the customer to contact Alinta Energy if they wish to receive a refund. Additionally, it was noted that this information is not included on a customer's final bill. Should a customer contact Alinta Energy for a refund, Customer Service Representatives will ask the customer on their preferred refund method and have been trained to process these immediately via CIS-OV. As noted through a walkthrough of Alinta Energy's Vault system, refunds can be processed via three different methods; EFT refunds, cheque refunds and credit card reversals.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place with significant improvement required. Alinta Energy has not complied with the licence condition resulting in a moderate impact on customers or third parties during the audit period.</p> | | <p>Responsible Officer: Manger Customer Operations</p> <p>Due Date: 30 June 2020</p> |
| 9/2019 | <p>Controls improvement</p> <p>Rating: C / NR</p> <p>Legislative Obligation:</p> <p>198 - A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business days from when the residential customer informs the retailer about the payment problems.</p> | <ol style="list-style-type: none"> 1) In the absence of system controls and the ability to identify financial hardship assessments conducted we recommend that Alinta Energy should develop and maintain a record of all customers who have informed the retailer of payment difficulties and had an assessment on financial status performed. 2) Alinta Energy to explore CIS-OV limitations and applicability of adding payment difficulties within customer accounts to ensure | <p>Action Plan: Alinta Energy will review its systems to consider whether they can be enhanced to readily identify all customers who contact Alinta Energy concerning a hardship assessment, including those who are identified</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>If the retailer cannot make the assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment.</p> <p>Details: Through discussions with a Hardship Officer and the Team Leader Customer Service we noted that the contact centre communicates with the majority of customers experiencing payment problems. The level to which the Customer Service Representative is trained (CSR Level 2 or above) would determine their ability to assess the application. If they do not have the training, it will be internally referred to relevant team members (internal hunt group for Hardship Utilities Grant Scheme (HUGS), or Hardship Team).</p> <p>A preliminary assessment is conducted when the customer contacts Alinta Energy, to determine if they are in financial difficulty or financial hardship. The CSR uses an assessment document to determine the customer's eligibility, with work instructions on Alinta Energy's Vault system.</p> <p>Sample testing was conducted on three financial hardship customers through which we confirmed that a financial hardship assessment was made within five business days from when the customer informed the retailer about the payment problems. Through our discussions with the Manager Customer Operations we noted that Alinta Energy have no way of readily identifying customers who were assessed to ensure that these customers were also assessed within five business days of informing the Alinta Energy of their financial situation. We established that whilst this information is recorded within contact logs, CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted. Sample testing was unable to be conducted as Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>We confirmed with the Hardship Officer that Alinta Energy would refer the customer to a relevant consumer representative if the customer couldn't agree to make any payments. In these instances, they would refer them to the National Debt helpline or a Financial Counsellor. This referral would be made following an assessment of their financial position</p> | <p>they can readily provide data on request and have comfort over compliance to the obligation.</p> | <p>as not meeting the hardship criteria and/or referred to a financial councillor.</p> <p>Responsible Officer: Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |

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| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>within five business days. We noted that the system limitation extends to flagging or identifying which customers have been referred to a relevant consumer representative to make an assessment. As a result we were unable to identify whether Alinta Energy have complied with the requirement to refer the customer to a relevant consumer representative to make the assessment if the retailer cannot make the assessment within the required timeframe.</p> <p>Previous performance audit reports recommended Alinta Energy enhance its customer complaints monitoring practices to identify and monitor those complaints that may be an indicator of actual or potential compliance breach. Through our review of audit performance between October 2016 and September 2019 we have recognised that Alinta Energy have a robust complaints management process which is reviewed and categorised by the Team Leader Customer Service within CIS-OV and reported on weekly.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 10/2019 | <p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 199 - When undertaking an assessment regarding payment difficulties or financial hardship, the retailer must, unless the retailer adopts an assessment from a relevant consumer representative, give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by a relevant consumer representative.</p> <p>Details: Through our discussions with the Hardship Officer and the Team Leader Customer Services, we determined that Alinta Energy have procedures in place to assist in making preliminary assessments of a customer's financial situation and note the following:</p> | <p>Alinta Energy should amend their process documentation stored within the Vault system to:</p> <ol style="list-style-type: none"> 1) Formalise the requirement to reasonably consider all information provided and obtained in their assessment of a customer's financial situation when undertaking an assessment regarding payment difficulties or financial hardship. 2) To state that this information must be outlined within CIS-OV. 3) Alinta Energy to explore CIS-OV limitations and applicability of adding payment difficulties within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | <p>Action Plan: Alinta Energy will:</p> <ol style="list-style-type: none"> (1) Update Vault to ensure all assessment instructions are included and there are directions on what information needs to be recorded for each assessment and where this should be recorded; (2) Update processes so information about an assessment is recorded against a |

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| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <ul style="list-style-type: none"> • Alinta Energy will not adopt an assessment from a relevant consumer representative, they will make their own assessment of a customer's situation; • Customer Service Representatives (CSR's) and Hardship Officers are trained on how to assess a customer's situation; • CSR's and Hardship Officers will give reasonable consideration to the information given by the customer and requested or held by the retailer; • Alinta Energy has a Financial Hardship Assessment document that is followed to ensure the customer meets the eligibility criteria; • Reasonable consideration to all of the above will determine the outcome of the assessment. Based on this outcome, the customer will be offered the most appropriate arrangement (i.e. weekly fortnightly, or monthly instalments) to facilitate their financial situation; and • When a preliminary assessment of a customer has been performed, the CSR is required to document the discussion and outcomes on the customer's profile within CIS-OV. <p>Sample testing was conducted on three financial hardship customers through which we confirmed that a financial hardship assessment was made and documented within the customers contact log through which we were able to identify that reasonable consideration is given to the information provided by the residential customer and requested or held by the retailer.</p> <p>Through our discussions with the Manager Customer Operations we noted that CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted to identify customers in financial difficulty to ensure that reasonable consideration of information was given to these customers. Sample testing was unable to be conducted for customer's experiencing payment difficulties as Alinta Energy was unable to provide the necessary information.</p> <p>Through review of supporting documentation we noted that although CSR's are trained to reasonably consider all information provided and obtained in their assessment of a customer's financial situation there is currently no formalised documentation which outlines this requirement.</p> <p>The Financial Hardship Program started in August 2017, a dedicated Hardship team and a structured program, providing more options to a</p> | | <p>customer's account, including when a customer does not meet the criteria for experiencing payment difficulties or financial hardship and when the customer is referred to a financial counsellor.</p> <p>Responsible Officer: Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>customer experiencing payment difficulties developed. Prior to this, the only option available was the Government's Hardship Utility Grant Scheme. Prior to the Financial Hardship Program, an initial assessment would 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 the relevant government agency or a financial counsellor.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 11/2019 | <p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 200 - A retailer must advise a residential customer on request of the details of an assessment.</p> <p>Details: Through discussions with a Hardship Officer, we confirmed that:</p> <ul style="list-style-type: none"> • Customer Service Representatives (CSR Level 2 or above) and Hardship Officers have been trained in financial hardship and how to conduct financial hardship assessments. These assessments are conducted over the phone and the customer is appraised of both the details of the assessment and the outcome. • While there is an assumed knowledge that Customer Service Representatives or Hardship Officers who have conducted the assessment would communicate to the customer details of the assessment, we note there is currently no script for this and there is no formalised documentation outlining this requirement. • Should a customer request the details of an assessment in written form, Alinta Energy would provide this information in the customers preferred format. | <ol style="list-style-type: none"> 1) Alinta Energy need to establish a standardised process through which they can advise customers of the details of a financial assessment upon request. To facilitate with this we recommend that Alinta Energy develop: <ul style="list-style-type: none"> • A script including the details of an assessment and the outcome; • A task flow should be created within Vault to ensure that any call with an assessment is made is finalised with an overview of what has been advised; • A template that outlines the details and outcome of an assessment that can be provided to a customer in written form upon request; and • Documentation should be distributed to CSR's and Hardship Officers through training and uploaded to Vault to support the assessment process. 2) Alinta Energy to explore CIS-OV limitations and applicability of adding financial hardship assessments within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | <p>Action Plan: Alinta Energy will:</p> <ol style="list-style-type: none"> (i) Develop formal scripting for financial assessments and include in Vault; (ii) Update processes so information about an assessment is recorded against a customer's account, including when a customer does not meet the criteria for experiencing payment difficulties or financial hardship, so it can be provided to the customer upon request; (iii) Establish an assessment template that can be provided to a customer in written form upon request |

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| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | <p>(iv) Prepare training documentation and provide training for CSRs and Hardship Officers as required.</p> <p>Responsible Officer: Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |
| 12/2019 | <p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation:</p> <p>200A - If a retailer refers a residential customer to a relevant consumer representative under clause 6.1(1) (b), the retailer must grant the residential customer a temporary suspension of actions.</p> <p>201 - If a residential customer informs a retailer that the customer is experiencing payment problems, the 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 to assess the customer's capacity to pay.</p> <p>202 - A retailer must allow a temporary suspension of actions for a period of at least 15 business days.</p> <p>Details: Through discussions with a Hardship officer we determined that Alinta Energy has a procedure in place to enable a customer's account to be temporarily suspended to prevent any debt recovery or disconnections. Based on our discussion and process walkthrough we confirmed the following:</p> <ul style="list-style-type: none"> If Alinta Energy refers a residential customer to a relevant consumer representative (National Debt Helpline or Financial Counsellor), they will apply a temporary three week suspension | <p>Alinta Energy to explore CIS-OV limitations and applicability of adding 'suspend collect due to consultation to consumer representatives' within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation.</p> | <p>Action Plan: Alinta Energy will update processes so information concerning any temporary suspension of actions is recorded against a customer's account.</p> <p>Responsible Officer: Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>to the customer's account to ensure that there is enough time to obtain an assessment of their financial status. After the three week period, the suspension will automatically end on the account and they will be subject to credit and disconnection action. The customer is required to contact Alinta Energy to update them with the assessment result or to request for an extension.</p> <ul style="list-style-type: none"> If a residential customer informs Alinta Energy that they are experiencing payment problems, they will not deny a residential customer's request for a temporary suspension of actions for three weeks, if the customer demonstrates to the retailer that the customer has an appointment with a relevant consumer representative. Should a greater period of time be required, Customer Service Representatives (CSR's) are required to escalate the request to a Team Leader. The procedure allows for the suspension to be extended beyond the three weeks. This will generally occur if their appointment is outside said timeframe. Once the suspension has expired, the customer will be subject to the standard disconnection process. A temporary suspension when applied to the customer's account within CIS-OV lasts for a minimum of three weeks, satisfying the requirement for a period of at least 15 business days. <p>A 'Suspended Collections' report is produced weekly which details those customers that have had credit activity placed on hold/ suspended for various reasons (this includes but is not exclusive to the requirements set by this obligation). We noted that this report does not identify what the reason for suspension is.</p> <p>We established that this information would be recorded within contact logs but CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted and accounts that have been referred to a consumer representative and suspended for the reasons outlined by this requirements. Whilst CSR's are trained to update contact logs to reflect this Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed.</p> | | |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 13/2019 | <p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 203 - If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, a retailer must give reasonable consideration to the request.</p> <p>Details: Through discussions with a Hardship officer we determined that Alinta Energy have a procedure in place to enable a customer's account to be temporarily suspended to prevent any debt recovery or disconnection actions from being applied and allow additional time to complete the assessment. Based on our discussion we confirmed that:</p> <ul style="list-style-type: none"> • It would be unlikely that a customer would be referred to a consumer representative for a financial assessment. Generally, the only circumstances in which a customer would be referred to a consumer representative would be following an internal assessment of the customer's financial situation and it was determined that the customer is unable to make a financial contribution or commit to a payment plan; • However, if referred to a relevant consumer representative who is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, then Alinta Energy will give reasonable consideration to the request; • The customer's account would be temporarily suspended during this consideration period. If the request is accepted the temporary suspension would apply for the determined period of time, if the request is rejected temporary suspension would | <p>Alinta Energy to explore CIS-OV limitations and applicability of adding 'suspend collect due to consultation to consumer representatives' within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation.</p> | <p>Action Plan: Alinta Energy will review CISOV to determine whether a flag can be added to readily identify customers who have had collection suspended because they are seeking a financial assessment from a relevant consumer representative.</p> <p>Responsible Officer: Manager Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>be removed and the debt recovery and disconnection process would occur;</p> <ul style="list-style-type: none"> It would be unlikely that Alinta Energy would deny this request for additional time but would be dependent on how long the account had already been suspended and reason for the delay; and These circumstances would be referred to and dealt with by a Customer Service Team Leader or Hardship Officer and documented within the customers contact log. <p>The Manager Customer Operations confirmed that it is possible that this situation has occurred within the audit period, however, we established that CIS-OV does not flag or readily identify customers who require additional time for a consumer representatives to complete an assessment. Whilst CSR's are trained to update contact logs to reflect these scenarios Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 14/2019 | <p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 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 clause 6.3(1) 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 clauses 6.4(1) (a) and (b).</p> <p>Details:</p> | Alinta Energy should update the Vault to include explicit work instructions and supporting task flows for all of the payment arrangements offered to a customer depending on their eligibility. | <p>Action Plan: Alinta Energy will update Vault to include all work instructions concerning the financial hardship assessment process.</p> <p>Responsible Officer: Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 Mar 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>Through discussions with a Hardship Officer and the Manager Customer Operations we determined there is a financial hardship assessment process that occurs when a customer contacts Alinta Energy directly indicating that they are experiencing financial difficulties. It is generally the Customer Service Representatives (CSR's) who will make this assessment as they are usually the customer's first contact point. The assessment is conducted over the phone upon recognising that the residential customer is experiencing payment difficulties. The CSR's are trained to determine at that point in time, whether the residential customer is experiencing payment difficulties or financial hardship. The outcome will determine the assistance offered as specified within the Gas Compendium.</p> <p>Through sample testing we determined that Alinta Energy offer a range of alternative payment arrangements as well as advice and additional assistance to customers experiencing payment difficulties or financial hardship. Sample testing was unable to be conducted for customer's experiencing payment difficulties as Alinta Energy was unable to provide the necessary information.</p> <p>The assistance offered to customers with payment difficulties or in financial hardship are outlined in the Hardship Policy which has been in place for the duration of the audit period. These options include:</p> <ul style="list-style-type: none"> • Additional time to pay a bill; • Temporary suspension of recovery actions; • Interest free instalment plans; • Reduction and/or waiver of fees, charges and debt. • Alternative payment options, including Centrepay or Income Management or payment in advance; • Referral to a free local and registered Financial Counselling Service; and • Access to the Hardship Utilities Grant Scheme (HUGS) <p>However, a system walkthrough of Vault identified that there are currently no work instructions that explicitly outline all of the payment arrangements available to customers, when they may be applicable and task flows to support their implementation.</p> <p>Through our discussions we determined that if it is reasonably demonstrated that a customer experiencing financial hardship is unable to meet their obligations under a previously elected payment arrangement, Alinta Energy would review the customer financial situation and amend</p> | | |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>their payment arrangement accordingly. We confirmed that Alinta Energy introduced their Financial Hardship Program in August 2017 and currently have a dedicated Hardship team who oversee and monitor all customers who qualify for financial hardship and have been accepted on to the program. Prior to creation of the Financial Hardship Program, the only option available to a residential customer identified as being in financial hardship, was a referral to a relevant consumer representative and/or help applying for the Government's Hardship Utilities Grant Scheme, 'HUGS'.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 15/2019 | <p>Controls improvement Rating: C / 1</p> <p>Legislative Obligation: 206 - When offering or amending an instalment plan to a residential customer a retailer must ensure that the instalment plan is fair and reasonable taking into account the customer's capacity to pay and consumption history, and comply with clause 6.4(3).</p> <p>Details: Through discussions with a Hardship Officer we confirmed that prior to offering or amending an instalment plan to a residential customer, Alinta Energy would determine whether the plan is fair and reasonable taking into account the customer's capacity to pay and their consumption history.</p> <p>The financial hardship assessment conducted includes questions through which the assessor would use to determine if the plan is appropriate. Only following a financial hardship assessment will an instalment plan be set up. Through our discussions and a process walkthrough we determined that instalment plans are the arrangements applied to a customer's account (identified as the Debt Class within CIS-OV) that determine the frequency of payments.</p> | <ol style="list-style-type: none"> 1) Alinta Energy must establish a consistent process whereby they provide any residential customer who has created or amended an instalment plan with the relevant information in writing or by electronic means, within 5 business days of when the customer verbally accepts the payment arrangement. 2) Alinta Energy to explore CIS-OV limitations and applicability of searching for customers on instalment plans to ensure they can readily provide data on request and have comfort over compliance to the obligation. | <p>Action Plan: Alinta Energy will:</p> <ol style="list-style-type: none"> (i) ensure the hardship program welcome letter includes the required information and is sent to all customers who enter the financial hardship program within 5 business days; (ii) review its systems to consider whether they can be enhanced to readily capture information concerning hardship assessments. <p>Responsible Officer: Manger Customer Operations & Manager Customer Service</p> |

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| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>The Hardship Officer informed us that Customer Service Representatives (CSR's) and Hardship Officers are trained to relay the information relating to the instalment plan to the customer over the phone at the point of contact to confirm their agreement. The specifics agreed are also noted on the customer's account through CIS-OV. Through testing we were able to identify information related to various instalment plans and sighted the customer contact logs to confirm that CSRs have documented their consideration of what is fair and reasonable based on the customers capacity to pay and consumption history. Alinta Energy are compliant in relation to this component of the obligation.</p> <p>A walkthrough of the instalment plan process and review of documentation identified that Alinta Energy have a standardised "welcome to Alinta Energy's Hardship Assistance Program" letter for hardship customers who are offered an instalment plan. This letter, along with the payment schedule, contains all the requirements outlined in 6.4(3)(a): stating the terms of the instalment plan, the consequences of not honouring the instalment plan, and the importance of contacting Alinta Energy if their circumstances change. However, the Hardship Officer established that this letter is not consistently in use and the obligation to, within 5 business days of the residential customer accepting the instalment plan, provide the residential customer with information in writing or by electronic means is therefore not being complied with.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have inadequate controls with significant improvement needed and they have complied with this obligation during the audit period.</p> | | <p>Due Date: 30 June 2020</p> |
| 16/2019 | <p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 206A – If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3) (a) (i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed</p> | <ol style="list-style-type: none"> 1) Alinta Energy must establish a consistent process whereby they provide any residential customer who has created or amended an instalment plan with the relevant information in writing or by electronic means, within 5 business days of when the customer verbally accepts the payment arrangement. 2) Alinta Energy to explore CIS-OV limitations and applicability of searching for customers on instalment plans to ensure they can readily provide data on request and have comfort over compliance to the obligation. | <p>Action Plan: Alinta Energy will:</p> <ol style="list-style-type: none"> (i) ensure the hardship program welcome letter includes the required information and is sent to all customers who enter the financial hardship program |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>otherwise with the customer) and provide the customer with information explaining the changes.</p> <p>Details: Through discussions with a Hardship Officer we confirmed that Alinta Energy have a standardised "welcome to Alinta Energy's Hardship Assistance Program" letter for hardship customers who are offered an instalment plan. This letter, along with the payment schedule, contains all the requirements outlined in 6.4(3)(a): stating the terms of the instalment plan, the consequences of not honouring the instalment plan, and the importance of contacting Alinta Energy if their circumstances change. However, the Hardship Officer established that this letter is not consistently in use and the obligation to, within 5 business days of the residential customer accepting the instalment plan provide the residential customer with information in writing or by electronic means is therefore potentially not compliant.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | <p>within 5 business days;</p> <p>(ii) review its systems to consider whether they can be enhanced to readily capture information concerning hardship assessments.</p> <p>Responsible Officer: Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |
| 17/2019 | <p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 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.</p> <p>Details: Through discussion with the Hardship Officer, we noted that where a customer has in the previous 12 months had 2 instalment plans cancelled</p> | Alinta Energy to explore CIS-OV limitations and applicability of searching for customers on instalment plans to ensure they can readily provide data on request and have comfort over compliance to the obligation. | <p>Action Plan: Alinta Energy will review its systems to consider whether they can be enhanced to readily capture information concerning a customer's compliance with their hardship plan and any required payments.</p> <p>Responsible Officer:</p> |

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| | <p>due to non-payment, Alinta Energy will generally offer a third instalment plan. The following customer requirements are in place for customers on their third instalment plan:</p> <ul style="list-style-type: none"> • Where appropriate, Alinta Energy will request the customer to set up Centrepay; and • The customer must cover at least one missed instalment; and • The customer is to make a one off manual payment prior to re-entering the Hardship Program. <p>Alinta Energy customers will generally have three chances to comply with the financial hardship program, following that they will be ineligible for the program.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | <p>Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |
| 18/2019 | <p>Controls improvement Rating: C / NR</p> <p>Legislative Obligation: 208 – A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative, for a reduction of the customer's fees, charges, or debt.</p> <p>Details: Through discussions with a Hardship Officer we determined that Alinta Energy will assess the specific circumstances of each customer prior to making a determination regarding the waiving of any fees, charges or debt. The financial hardship assessment conducted ensures that reasonable consideration is given to a customer's financial situation. Through our discussion of the process and a system walkthrough of Vault and CIS-OV we note the following:</p> | <p>Alinta Energy to explore CIS-OV limitations and applicability of searching for customers on instalment plans to ensure they can readily provide data on request and have comfort over compliance to the obligation.</p> | <p>Action Plan: Alinta Energy will:</p> <p>(i) Update Vault to include all work instructions concerning the financial hardship assessment process, including any reduction in fees, charges or debt.</p> <p>(ii) Review its systems to consider whether they can be enhanced to readily capture a customer's hardship information.</p> <p>Responsible Officer:</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <ul style="list-style-type: none"> • Any residential customer who is assessed as being in financial hardship will have special conditions applied to their account within CIS-OV which prevents any further disconnection and debt recovery procedures. The special condition is entered by the Customer Service Representative (CSR) or person responsible for initial assessment. • Any account with special conditions applied will be flagged when the account is opened, notifying the Alinta Energy employee that they are a hardship customer. The system will not allow anyone to proceed without clicking "OK". This ensures the condition has been read by the employee; • The special condition ensures that any enquiries on this account will be transferred to the hardship team member looking after the account; • The debt class in CIS-OV will be changed to reflect the payment plan agreed; • The debt class stops any credit activity that comes through as the system recognises this and waives all late fees, reconnection fees or charges. However, Alinta Energy does not waive previous debt and this will remain on the account; • Any customer on the Financial Hardship program will have any fees prior to and during the program waived; and • Contact logs are manually added in CIS-OV by a CSR each time a customer's account is monitored. <p>We also noted that if a customer enquires about a discount, CSR's and Hardship Officers are trained to refer them to the product team who can discuss options to reduce customer fees and charges from a product perspective.</p> <p>We established that this information would be recorded within contact logs but CIS-OV does not flag or readily identify accounts with customer requests or requests that have been made by a consumer representative. Whilst CSR's are trained to update contact logs to reflect this Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed.</p> | | <p>Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 19/2019 | <p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation: 211 – A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8.</p> <p>Details: Through discussions with a Hardship Officer and the Team Leader Customer Service we confirmed that Alinta Energy will advise customers experiencing financial hardship of the following options as specified within the Gas Compendium where they are appropriate to the customer's situation:</p> <ul style="list-style-type: none"> • Customer's right to have the bill redirected at no charge to a third person; • Payment methods available to the customer; • Concessions available to the customer and how to access them; • Different types of tariffs available to the customer; • Independent financial counselling services and relevant consumer representatives available to assist the customer; and • Availability of any other financial assistance and grants schemes that the retailer should reasonably be aware of and how to access them. <p>However, the Team Leader Customer Service confirmed that it is unlikely that a Customer Service Representative (CSR) would advise a customer of all six options as it will be dependent on the customer's situation. We established that this information will be provided by a CSR over the phone and the payment arrangement agreed documented within the contact log within CIS-OV. However, CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted.</p> | <p>Alinta Energy to explore CIS-OV limitations and applicability of adding customer or consumer representative requests within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation.</p> | <p>Action Plan: Alinta Energy will:</p> <ul style="list-style-type: none"> (i) Update Vault to include all work instructions concerning the financial hardship options available to customers. (ii) Review its systems to consider whether they can be enhanced to readily capture a customer's hardship information. <p>Responsible Officer: Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Customer Service Representatives are trained to ensure they are aware of the options available, with an implied understanding that these options will be advised to customers experiencing financial hardship, but this could not be confirmed through the course of fieldwork.</p> <p>As part of our review of the Hardship Policy we noted that all options within the Gas Compendium are explicitly outlined within the range of options that Alinta Energy have available to assist their customers experiencing payment difficulties.</p> <p>A walkthrough of Vault was conducted, through which we noted that information is available for some options but not all which are available to assist a customer experiencing payment difficulties. There are currently no work instructions for Customer Service Representatives which explicitly outline the options specified for the purpose of this regulation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 20/2019 | <p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation: 212 – A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives.</p> <p>Details: Through our discussions with a Hardship Officer and the Manager Customer Operations we confirmed that Alinta Energy do accept and have a process in place to establish payments in advance for residential customers, however due to the nature of customers financial situation when experiencing payment difficulties or financial hardship it is unlikely that payment in advance would be feasible and would not be offered. We established that a payment in advance arrangement is more likely to be</p> | <ol style="list-style-type: none"> 1) Alinta Energy to document the circumstances in which minimum payment in advance amounts are established for residential customers experiencing payment difficulties or financial hardship. This should include the requirement to consult with relevant consumer representatives to provide assurance of the assessment. 2) Alinta Energy to explore CIS-OV limitations and applicability of adding minimum payment in advance functionality within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | <p>Action Plan: Alinta Energy will:</p> <ol style="list-style-type: none"> (i) Update Vault to include all work instructions concerning payment in advance for customers experiencing payment difficulties or financial hardship. (ii) Review its systems to consider whether they can be enhanced to readily capture a customer's hardship information. <p>Responsible Officer:</p> |

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| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>agreed after hardship or as a mitigating strategy to avoid a state of hardship.</p> <p>We confirmed that trained Customer Service Representatives (CSR) and the Hardship team are responsible for consulting with customers experiencing payment difficulties or financial hardship.</p> <p>Alinta Energy's payment in advance process would require them to:</p> <ul style="list-style-type: none"> • Complete a financial hardship assessment to determine the minimum payment in advance amount and the frequency in which the payments are to be made with each customer based on what the customer can reasonably afford to pay at the point in time. • Based on the financial hardship assessment questions there is a CIS-OV calculator that will guide the minimum payment in advance amount. • They will try to push customers for consumption so that their debt doesn't get higher. • They will consult with relevant consumer representatives where applicable. • This arrangement is developed in consultation with the customer and recorded in the contact log within CIS-OV. <p>Our discussions identified that relevant consumer representatives are not consulted in every instance where an assessment is made to determine an appropriate minimum payment in advance amount, however this could not be confirmed through sample testing. We also noted that Alinta Energy do not use consumer representative guidance documents or standards to help determine the minimum payment to ensure that it is appropriate to the customers situation.</p> <p>We established that this information would be recorded within contact logs but CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed.</p> | | <p>Manger Customer Operations & Manager Customer Service</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
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| | <p>However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 21/2019 | <p>Controls improvement Rating: C/NR</p> <p>Legislative Obligation: 221 – A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.</p> <p>Details: Through discussions with the Manager Customer Operations and a Hardship Officer we established that Alinta Energy do not and would not accept business customers into their financial hardship program, however:</p> <ul style="list-style-type: none"> • Alinta Energy do allow for alternative payment arrangements to be made for customers experiencing payment difficulties (e.g. bill smoothing and extensions to bills); • Business customers would be considered and offered alternative payment arrangement depending on the circumstances of their financial difficulty; • Relevant staff have been trained to offer small use business customers experiencing payment problems alternative payment arrangements; and • Alternative payment arrangements for small use business customer would be established by looking at their payment history and their next read date. If Alinta Energy need to extend payments past the next read date and they have good history on adhering to payment plans, then approval will be given by the Credit Team Leader. <p>Through review of key documentation we noted that the latest version of the Hardship Policy does not make reference to small use business customers. It was established that during the previous audit period, Alinta Energy liaised with the Authority over the need to specifically refer to small use business customers within the Hardship Policy. The Authority</p> | <ol style="list-style-type: none"> 1) Alinta Energy should update their work instructions and process documentation to provide guidance to relevant staff to explicitly address the requirement to consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties, and outline the alternative payment arrangements available to business customers experiencing payment difficulties. 2) Alinta Energy to explore CIS-OV limitations and applicability of adding alternative payment arrangement for business customers within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | <p>Action Plan: Alinta Energy will:</p> <ol style="list-style-type: none"> (i) Update work instructions to guide staff concerning requests from business customers experiencing payment difficulties. (ii) Review CISOV to determine whether a flag can be added to readily identify business customers who have advised of financial difficulties. <p>Responsible Officer: Manager Customer Operations</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
|-----------------------|--|--|--|
| | <p>issued a decision resulting in Alinta Energy not being required to include small use business customers in the Hardship Policy.</p> <p>Through our review we were unable to identify any work instructions or process documentation to support relevant staff in their adherence to this obligation and alternative payment arrangements available to small use business customers.</p> <p>We established that CIS-OV does not flag or readily identify information on small use business customer experiencing payment difficulties. Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| 22/2019 | <p>Controls improvement/Non-Compliance Rating: B / 2</p> <p>Legislative Obligation: 250 – A retailer and, if appropriate, a distributor must include on a residential customer's bill and bill related information, reminder notice and disconnection warning the telephone numbers for:</p> <ul style="list-style-type: none"> · its TTY services; · independent multi-lingual services; and · interpreter services with the National Interpreter Symbol and the words "Interpreter Services". <p>Details: Examination of bills, reminder notices and disconnection warnings noted the following observations:</p> <ul style="list-style-type: none"> • The services' telephone numbers are included on the residential customers' bills; however • The services' telephone numbers are not provided on reminder notices and disconnections warnings. | <p>Alinta Energy to update the templates for reminder notices and disconnection warnings to provide the telephone numbers for:</p> <ul style="list-style-type: none"> · its TTY services; · independent multi-lingual services; and · interpreter services with the National Interpreter Symbol and the words "Interpreter Services". | <p>Action Plan: Alinta Energy will update reminder notices and disconnection warnings to include telephone numbers for TTY and interpreter services.</p> <p>Responsible Officer: Customer Experience Coordinator</p> <p>Due Date: 30 March 2020</p> |

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| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
|-----------------------|---|--|---|
| | <p>As such, it is noted Alinta Energy is not fully compliant with this obligation. In consideration of the adequacy of controls and compliance ratings (i.e. the impact on customers), weighting was provided to the following:</p> <ul style="list-style-type: none"> Customer bills, the Alinta Energy website and the Customer Charter all provide the telephone numbers; and Staff are able to provide the telephone numbers upon request from the customers. <p>Therefore, it was determined that the impact on customers is only minor, due to compensating controls.</p> <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> | | |
| 23/2019 | <p>Controls improvement/Non-Compliance Rating: C / 3</p> <p>Legislative Obligation: 281 – A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.</p> <p>Details: Through discussion with the Manager Regulatory compliance, we note that Alinta Energy are required to annually prepare and submit a Performance Report and a Compliance Report. <i>Compliance Report</i> The Compliance Report is updated throughout the reporting year as breaches are identified. This is compiled by the Manager Regulatory Compliance and contains the following information:</p> <ul style="list-style-type: none"> Confirmation that Alinta Energy has complied with all applicable Type 1 and 2 licence obligations during the period, other than those specifically referred to in Schedule A; Identified any Type 1 or Type 2 licence obligations that have been breached during the period and provided details of: <ul style="list-style-type: none"> the licence obligation that has been breached; the nature and extent of the breach; | <p>We recommend Alinta Energy does the following in reference to Performance Reports:</p> <ul style="list-style-type: none"> Centralise the data reporting to one team; Create a process document for the extraction of Performance Reporting data; and Ensure data used for the Performance Reports is retained and stored on their online document management system. | <p>Action Plan: Alinta Energy will improve the data extraction and collation processes for its annual performance reporting requirements by:</p> <ol style="list-style-type: none"> Centralising data reporting to the west coast IT team; Create a process document for extracting the data required for performance reporting; Ensure performance reporting data is retained and stored in a format that can be readily extracted and audited. <p>Responsible Officer:</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
|-----------------------------|--|--------------------------|---|
| | <ul style="list-style-type: none"> o the impact of the breach including the number of customers and other licensees affected; o the reasons for the breach; o the actions that the licensee has taken to rectify the breach; o the actions taken by the licensee to prevent recurrence of the breach; and o the date the licensee has, or expects to, comply again fully with the licence obligation that has been breached. <p>We conducted sample testing over two Compliance Reports and noted they contained the information specified by the ERA in the GTL Reporting Manual.</p> <p><i>Performance Report</i></p> <p>Each year, the ERA will provide Alinta Energy with a template GTL Performance Reporting Datasheet (the "Datasheet") which sets out the information required to be submitted. Guidance for completing the Datasheet is provided within the GTL Performance Reporting Handbook.</p> <p>Discussion with the Manager Regulatory Compliance noted the following internal process:</p> <ol style="list-style-type: none"> 1. The Manager Customer Operations, Manager Customer Service and the Team Leader Billing will prepare the report based on the template Datasheet using data from system queries. 2. Sense check the data by comparing to historical reports and expected results for the year. 3. Provide to the Manager Regulatory Compliance who will also perform a sense-check and ensure the information provided aligns to what was requested by the ERA. <p>We conducted sample testing of two GTL Performance Reports noted they utilised the datasheet published by the ERA.</p> <p>We obtained the data used to compile the 2019 GTL9 Performance Report and conducted sample testing over 11 of the 51 data sets across Hardship, Energy Bill Debt and Customer Complaints. We observed the following:</p> <ul style="list-style-type: none"> • The total reported number of residential customers on Alinta Energy's hardship program as at 30 June could not be | | <p>Solutions Delivery Manager, West Coast Information Technology</p> <p>Due Date: 30 June 2020</p> |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
|-----------------------------|---|--------------------------|----------------------|
| | <p>reconciled to the data provided, with the reported amount 8.4% lower than the data provided.</p> <ul style="list-style-type: none"> • The average reported energy bill debt of hardship customers as at 30 June could not be reconciled to the data provided. • The average reported energy bill debt (as at the time of entering the hardship program) for those hardship customers who entered the hardship program during the reporting year could not be reconciled to the data provided. • The total reported number of hardship customers who entered the hardship program during the reporting year, with an energy bill debt (as at the time of entering the hardship program) that was over \$500 but less than \$1,500 could not be reconciled to the number extracted by the data provided. • The average reported amount of energy bill debt for residential customers (excluding hardship customers) as at 30 June could not be reconciled to the data provided. • The total reported number of business customers repaying an energy bill debt as at June 30 could not be reconciled to the number extracted by the data provided. • The total reported number of residential customers (excluding hardship customers) with energy bill debt that is over \$500 but less than \$1,500 as at June 30 could not be reconciled to the number extracted by the data provided. • The total reported number of complaints received from residential customers could not be reconciled to the number extracted by the data provided. • The total reported number of residential customer complaints that are billing/credit complaints could not be reconciled to the number extracted by the data provided. • The total reported number of residential customer complaints that are marketing complaints (including complaints made directly to a retailer) could not be reconciled to the number extracted by the data provided. • We were unable to obtain the data file used to compile the 2019 GTL9 Performance Report as the original was not retained | | |

| Reference (no./ year) | Non Compliance/ Controls improvement (Rating/ Legislative Obligation/ Details of Non Compliance or inadequacy of controls) | Auditors' Recommendation | Management action |
|-----------------------------|--|--------------------------|----------------------|
| | <p>by Alinta Energy. As a result, we were unable to reperform the indicators using original data, instead obtained an extract from the IT team.</p> <p>Based on enquiries, examination of documentation and sample testing, it was concluded that there are inadequate controls in place with significant improvement required and Alinta Energy has not complied with the licence condition resulting in a moderate impact on customers or third parties during the audit period.</p> | | |

3 Previous Non Compliances and Audit Recommendations

1.1 Previous audit non-compliances resolved during current Audit Period

| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Date Resolved | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|--------|--|---|--|---|
| 3/2016 | <p>Controls Improvement Rating: B/1</p> <p>Legislative Obligation: 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></p> <p>Details: Through discussion with the Credit Manager we determined that owing to system constraints, Alinta has implemented the following manual process:</p> <ul style="list-style-type: none"> • SSL (independent meter reading contractor) and ATCO Gas are required to document the time disconnection is effected on a completed service order, which is then returned to Alinta • 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>Alinta previously received monthly reports from the distributor and its contractors confirming compliance with the 3pm requirements.</p> | <p>Recommendation 3/2016: Alinta:</p> <p>a) Reconfirm its reporting requirements of ATCO Gas and its independent contractors</p> <p>Consider recording the actual disconnection time within its systems</p> | <p>The ERA advised that this obligation was incorrectly assessed in the 2016 audit and a B1 rating was not appropriate. This obligation has been rated as A1 in the 2019 audit and no further action is required. Refer to section 5.2 of this report for further information.</p> | <p>Not Applicable</p> |

| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Date Resolved | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|--------|--|--|---|---|
| | <p>From December 2013, the reporting process ceased and was not enforced by Alinta.</p> <p>Of the 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>Note: Upon performing sample testing we identified that Alinta does not maintain the actual time of disconnections within CIS-OV. CIS-OV logs the time when a user has logged into the system to update disconnection status. Where a user has updated the status beyond 3pm, the actual service order was sighted to support that the disconnection had been performed before 3pm.</p> <p>Alinta maintains completed service orders in physical form in archived boxes. In the event Alinta could not locate the physical service order, it would not be able to demonstrate that the disconnection occurred before 3pm.</p> | | | |
| 1/2016 | <p>Controls Improvement/Non-compliance Rating: B/2</p> <p>Legislative Obligation: 59 – A licensee must issue a bill to a customer at least once every 110 days, unless agreed otherwise. <i>Energy Coordination (Customer Contract) Regulations 2004 Reg 15 (1) Clause 4.2.4.1 AGA Code</i></p> <p>Details:</p> | <p>Recommendation 1/2016 Alinta Energy will update its billing procedure to:</p> <ol style="list-style-type: none"> Ensure its billing practices are aligned with contractual terms; Include a process to manage bills identified as being issued outside the required billing timeframe. Alinta Energy notes amendments to the Compendium clause 4.1 will require a retailer to issue a bill at least once every 105 days from 1 Jan 2017; | The ERA advised that this obligation was incorrectly assessed in the 2016 audit and a B1 rating was not appropriate. This obligation has been rated as A1 in the 2019 audit and no further action is required. Refer to section 5.2 of this report for further information. | Not Applicable |

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| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Date Resolved | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|--------|--|--|---|---|
| | <p>Through discussion with the Team Leader – Billing Services and Retail Services Officer – Billing, examination of Alinta Energy's late billing reports provided to the Authority, we determined that:</p> <ul style="list-style-type: none"> During the period 1 October 2013 to 30 September 2016 Alinta Energy reported that it did not bill, on average per quarter –0.3% (expressed as a percentage of invoices processed during the quarter) of customers at least once in 110 days. Alinta Energy did not report the non-compliance in its 2014 and 2015 compliance reports, but has since included the noncompliance in its 2016 compliance report. <p>Alinta Energy has daily reporting processes in place designed to minimise the number of customers being billed in intervals in excess of 110 days</p> | Differentiate non-compliances beyond Alinta Energy's control. | | |
| 2/2016 | <p>Controls Improvement/Non-compliance Rating: B/2</p> <p>Legislative Obligation: 64 – A licensee must base a customer's bill on a meter reading and meters must be read at least once per year. <i>Energy Coordination (Customer Contract) Regulations 2004 Reg 15 (1) Clause 4.2.4.1AGA Code</i></p> <p>Details: Alinta Energy has experienced ongoing noncompliance with its obligation to obtain actual metering data and bill accordingly at least once a year for a small number of customers. The non-compliance is driven by the inability of the distributor to access a customer's property to perform a meter reading.</p> | <p>Recommendation 2/2016 Alinta Energy:</p> <ul style="list-style-type: none"> (a) Reconfirm its reporting requirements of ATCO Gas (b) Recognise the technical non-compliance in its Annual Compliance Report (similar to late billing) and provides context for the noncompliance and statistics on the number of customers affected. | The ERA advised that this obligation was incorrectly assessed in the 2016 audit and a B1 rating was not appropriate. This obligation has been rated as A1 in the 2019 audit and no further action is required. Refer to section 5.2 of this report for further information. | Not Applicable |

| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Date Resolved | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|--------|---|---|---------------|---|
| | <p>While Alinta Energy monitors when customers have had three consecutive estimated meter reads (and initiates a communication process to obtain a priority actual read), in the interest of customer service, Alinta Energy allows for four estimated reads before initiating the disconnection process for "denied access" to a meter.</p> <p>From our discussions with the Team Leader – Billing Services we determined that between July 2013 and March 2016 ATCO Gas ceased its reporting on 'Four in a row' meter readings.</p> | | | |
| 4/2016 | <p>Controls Improvement Rating: B/1</p> <p>Legislative Obligation: 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>Compendium Clause 3.1(2)</i></p> <p>Details: From discussions with the Retail Service Officer – New Connections, examination of Alinta Energy's new connection monitoring spreadsheets and walkthrough of the new connections process we determined that:</p> <ul style="list-style-type: none"> Alinta Energy continues to lack clear processes for ensuring those Requests for Gas (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 | <p>Recommendation 4/2016 Alinta Energy develops an internal reporting mechanism to identify the time taken to resolve failed and pending requests (and whether it falls within obligation requirements). <i>Also refer to recommendation 5/2016.</i></p> | January 2017 | No |

| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Date Resolved | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|-------|---|--------------------------|---------------|---|
| | <p>premises with the customer not actually requiring the supply of gas for a number of weeks or months later. However, Alinta Energy should strengthen its capability to demonstrate that it has not unduly delayed the processing of completed/validated RFGs.</p> <ul style="list-style-type: none"> Alinta Energy runs daily exception reports to identify failed service requests in the system, however as the system could not produce an audit history of closed out reports we were unable to identify whether failed requests had been actioned in a timely manner. <p>From our testing of 15 new connection requests and the data listing of customer complaints we did not identify any instances where a new connection was not processed in the timeframe required.</p> | | | |

1.2 Unresolved at the end of current Audit Period

| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|--------|---|--|---|
| 1/2016 | <p>Controls Improvement/Non-compliance Rating: B/2</p> <p>Legislative Obligation: 137 – A retailer must issue a bill at least every 110 days unless the conditions specified are met. <i>Compendium clause 4.1</i></p> <p>Details: Through discussion with the Team Leader – Billing Services and Retail Services Officer – Billing, examination of Alinta Energy's late billing reports provided to the Authority, we determined that:</p> <ul style="list-style-type: none"> • During the period 1 October 2013 to 30 September 2016 Alinta Energy reported that it did not bill, on average per quarter ~0.3% (expressed as a percentage of invoices processed during the quarter) of customers at least once in 110 days. Alinta Energy did not report the non-compliance in its 2014 and 2015 compliance reports, but has since included the noncompliance in its 2016 compliance report. <p>Alinta Energy has daily reporting processes in place designed to minimise the number of customers being billed in intervals in excess of 110 days</p> | <p>Recommendation 1/2016 Alinta Energy will update its billing procedure to:</p> <ul style="list-style-type: none"> (c) Ensure its billing practices are aligned with contractual terms; (d) Include a process to manage bills identified as being issued outside the required billing timeframe. Alinta Energy notes amendments to the Compendium clause 4.1 will require a retailer to issue a bill at least once every 105 days from 1 Jan 2017; <p>Differentiate non-compliances beyond Alinta Energy's control.</p> | Refer to Recommendation 7/2019 |
| 2/2016 | <p>Controls Improvement/Non-compliance Rating: B/2</p> <p>Legislative Obligation: 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>Compendium Clause 4.7(2)</i></p> <p>Details:</p> | <p>Recommendation 2/2016 Alinta Energy:</p> <ul style="list-style-type: none"> (c) Reconfirm its reporting requirements of ATCO Gas (d) Recognise the technical non-compliance in its Annual Compliance Report (similar to late billing) and provides context for the | Refer to Recommendation 8/2019 |

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| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|--------------------------|---|--|---|
| | <p>Alinta Energy has experienced ongoing noncompliance with its obligation to obtain actual metering data and bill accordingly at least once a year for a small number of customers.</p> <p>The non-compliance is driven by the inability of the distributor to access a customer's property to perform a meter reading. While Alinta Energy monitors when customers have had three consecutive estimated meter reads (and initiates a communication process to obtain a priority actual read), in the interest of customer service, Alinta Energy allows for four estimated reads before initiating the disconnection process for "denied access" to a meter.</p> <p>From our discussions with the Team Leader – Billing Services we determined that between July 2013 and March 2016 ATCO Gas ceased its reporting on 'Four in a row' meter readings.</p> | <p>noncompliance and statistics on the number of customers affected.</p> | |
| <p>4/2016 5/2016</p> | <p>Controls Improvement</p> <p>Rating: 135 - B/1, 165, 170, 172-174, 176, 178, 179, 198, 222, 229, 255A – NP/1</p> <p>Legislative Obligation:</p> <p><u>Compendium of Gas Customer Licence Obligations</u></p> <p>135 - Compendium clause 3.1(2)</p> <p><u>Gas Compendium</u></p> <p>165 - Compendium clause 4.14(2)</p> <p>170 - Compendium clause 4.16(3)</p> <p>172 - Compendium clause 4.18(2) and 4.18(5)</p> <p>173 – Clause 4.18(5)</p> <p>174 – Clause 4.18 (6)</p> <p>176 – Clause 4.19 (1)</p> <p>178 – Clause 4.19 (3)</p> <p>179 – Clause 4.19 (4)</p> <p>198 – Clause 6.1 (1)</p> <p>222 – Clause 7.1</p> <p>229 – Clause 8.1 (2)</p> | <p>Recommendation 5/2016</p> <p>Alinta Energy:</p> <ul style="list-style-type: none"> (a) Continue to examine its system reporting capabilities (b) Update its staff training modules to provide focus on timeframe requirements (c) Update its suite of policies and procedures to include explicit alignment to timeframes as detailed by the obligations. | <p>Refer to Recommendation 9/2019.</p> |

| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|--------|--|--|---|
| | <p>255A – Clause 12.1 (4)</p> <p>Details:</p> <p>Alinta Energy 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 Energy is exposed to breaching its obligations in the event that its standard business processes are not upheld.</p> <p>Previous performance audit reports recommended Alinta Energy investigate the feasibility of implementing an exception reporting and monitoring regime. During the current fieldwork period, the Manager Customer Services advised that Alinta Energy is reviewing options to replace its existing customer information system CIS-OV within the next twelve months and has decided not to further update or change its existing systems whilst this review is underway.</p> <p>We acknowledge that Alinta Energy's standard business processes and existing system protocols minimise the risk of compliance breaches relevant to these obligations. Alinta Energy has also not recognised any specific complaints by customers in relation to possible breaches of the obligations.</p> <p>While Alinta Energy benefits from long-serving management, there remains an underlying risk of key person reliance. In the event of management turnover, Alinta Energy may have increased exposure to non-compliance.</p> <p>In the absence of immediate system improvement, Alinta Energy is in a position where it can enhance its training materials and an update of its suite of policies and procedures to provide explicit alignment with its compliance obligations.</p> | | |
| 6/2016 | <p>Controls Improvement/Non-compliance</p> <p>Rating: B/2</p> <p>Legislative obligation:</p> | <p>Recommendation 6/2016</p> <p>Alinta Energy reviews and where necessary, amends its practices to ensure customers provide verifiable consent to be billed more than once a month in specific circumstances such as re-bills of final bills.</p> | Refer to Recommendation 6/2019 |

| Issue | Compliance Rating/ Legislative Obligation/ Details of the issue) | Auditors' Recommendation | Further action required (Yes/ No/ Not Applicable) & Details of further action required including current recommendation reference if applicable |
|-------|--|--------------------------|---|
| | <p>136 – A retailer must issue a bill no more than once a month unless the conditions specified are met. <i>Energy Coordination Act section 11M, Compendium clause 4.1</i></p> <p>Details: Section 4.1(a) of the Compendium requires Alinta Energy 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.</p> <p>From discussions with the Team Leader – Billing Services and examination of Alinta Energy's SFC, if a customer has agreed to the terms and conditions of the SFC, Alinta Energy can bill the customer more frequently as required.</p> <p>Under the Compendium definition, verifiable consent requires "the gas marketing agent or retailer (whichever is relevant) has in plain language appropriate to that customer disclosed all matters materially relevant to the giving of the consent, including each specific purpose for which the consent will be used."</p> <p>The SFC does not explicitly detail instances where a customer may be billed more than once a month (e.g. for re-bills or final bills).</p> <p>As there have been instances during the period subject to audit where Alinta Energy has issued re-bills or final bills within a one month period of the previous bill, Alinta Energy has not fully complied with the requirements to issue a bill no more than once a month.</p> | | |

2. Compliance summary

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|---|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 1 | Energy Coordination Act section 11Q(1-2) | 2 | | X | | | | | | X | | | | | |
| 2 | Energy Coordination Act section 11WG(1) | 4 | X | | | | | | | X | | | | | |
| 3 | Energy Coordination Act section 11WG(2) | 4 | | | | | | X | | | | | | X | |
| 4 | Energy Coordination Act section 11WK(1-2) | 5 | X | | | | | | | X | | | | | |
| 5 | Energy Coordination Act section 11WK(3) | 5 | X | | | | | | | X | | | | | |
| 6 | Energy Coordination Act section 11X(3) | 5 | X | | | | | | | X | | | | | |
| 10 | Energy Coordination Act section 11ZA(1) | 4 | X | | | | | | | X | | | | | |
| 11 | Energy Coordination Act section 11ZAF(a) | 5 | | | | | | X | | | | | | X | |
| 12 | Energy Coordination Act section 11ZAF(b) | 5 | | | | | | X | | | | | | X | |
| 13 | Energy Coordination Act section 11ZAF(c) | 4 | | | | | | X | | | | | | X | |
| 14 | Energy Coordination Act section 11ZAH(2) | 5 | | | | | | X | | | | | | X | |
| 15 | Energy Coordination Act section 11ZAJ | 4 | | | | | | X | | | | | | X | |
| 16 | Energy Coordination Act section 11ZAJ Energy Coordination (Customer Contracts) Reg 38A (4) | 5 | | | | | | X | | | | | | X | |
| 17 | Energy Coordination Act section 11ZK(3) | 5 | | | | | | X | | | | | | X | |
| 19 | Energy Coordination Act section 11ZOR(2) | 4 | X | | | | | | | X | | | | | |
| 20 | Energy Coordination Act | 4 | | | | | | X | | | | | | X | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | |
|-------------------------------------|---|----------------|--|---|---|---|----|----|--|---|---|---|----|----|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA |
| | section 11ZOV(1) | | | | | | | | | | | | | |
| 21 | Energy Coordination Act section 11ZOV(2) | 4 | | | | | | X | | | | | | X |
| 22 | Energy Coordination Act section 11ZOZ(3) | 4 | | | | | | X | | | | | | X |
| 24 | Energy Coordination Act section 11ZQH | 4 | X | | | | | | | X | | | | |
| 29 | Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 5(1) | 4 | X | | | | | | | X | | | | |
| 30 | Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(2) | 4 | X | | | | | | | X | | | | |
| 31 | Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(4) | 4 | X | | | | | | | X | | | | |
| 32 | Energy Coordination (Customer Contracts) Reg 12 (2) | 5 | X | | | | | | | X | | | | |
| 33 | Energy Coordination (Customer Contracts) Reg 12 (4)(a) | 5 | X | | | | | | | X | | | | |
| 34 | Energy Coordination (Customer Contracts) Reg 12 (4)(b) | 5 | X | | | | | | | X | | | | |
| 35 | Energy Coordination (Customer Contracts) Reg 12 (5)(a) | 5 | X | | | | | | | X | | | | |
| 36 | Energy Coordination (Customer Contracts) Reg 12 (5)(b) | 5 | X | | | | | | | X | | | | |
| 37 | Energy Coordination (Customer | 5 | X | | | | | | | X | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|---|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| | Contracts) Reg 12 (5)(c) | | | | | | | | | | | | | | |
| 38 | Energy Coordination (Customer Contracts) Reg 12 (5)(d) | 5 | X | | | | | | | X | | | | | |
| 39 | Energy Coordination (Customer Contracts) Reg 12 (5)(e) | 5 | X | | | | | | | X | | | | | |
| 40 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.1.2 AGA Code | 4 | X | | | | | | | X | | | | | |
| 41 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.1.3 AGA Code | 5 | X | | | | | | | X | | | | | |
| 42 | Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.2.1 & 5.1.2.2 AGA Code | 5 | X | | | | | | | X | | | | | |
| 43 | Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.3.1 & 5.1.3.2 AGA Code | 5 | X | | | | | | | X | | | | | |
| 44 | Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.4.1 & 5.1.4.2 AGA Code | 5 | X | | | | | | | X | | | | | |
| 45 | Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.5.1 & 5.1.5.2 AGA Code | 5 | X | | | | | | | X | | | | | |
| 46 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.7.2 AGA Code | 5 | X | | | | | | | X | | | | | |
| 47 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause | 5 | X | | | | | | | X | | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | |
|-------------------------------------|---|----------------|--|---|---|---|----|----|--|---|---|---|----|----|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA |
| | 5.1.8.1(a) AGA Code | | | | | | | | | | | | | |
| 48 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(b) AGA Code | 5 | X | | | | | | | X | | | | |
| 49 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(c) AGA Code | 5 | X | | | | | | | X | | | | |
| 50 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(d) AGA Code | 5 | X | | | | | | | X | | | | |
| 51 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(e) and (f) AGA Code | 3 | X | | | | | | | X | | | | |
| 52 | Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.2.2.2 AGA Code | 5 | X | | | | | | | X | | | | |
| 53 | Energy Coordination (Customer Contracts) Reg 13 (1), Clause 4.4.6.2 AGA Code | 5 | X | | | | | | | X | | | | |
| 54 | Energy Coordination (Customer Contracts) Reg 13 (3) | 5 | X | | | | | | | X | | | | |
| 55 | Energy Coordination (Customer Contracts) Reg 13 (4) | 5 | X | | | | | | | X | | | | |
| 56 | Energy Coordination (Customer Contracts) Reg 14 (2), | 5 | X | | | | | | | X | | | | |
| 57 | Energy Coordination (Customer Contracts) Reg 14 (3), Clauses 4.1.2.1 & 4.1.2.2 AGA Code | 5 | X | | | | | | | X | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|---|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 58 | Energy Coordination (Customer Contracts) Reg 14, Clause 4.1.3.1 & 4.1.3.2 AGA Code | 5 | X | | | | | | | X | | | | | |
| 59 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.1 AGA Code | 3 | X | | | | | | | X | | | | | |
| 60 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.3.1, 4.2.3.2 & 4.2.3.3 AGA Code | 5 | X | | | | | | | X | | | | | |
| 61 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.3.2 AGA Code | 5 | X | | | | | | | X | | | | | |
| 62 | Energy Coordination (Customer Contracts) Reg 15 (1) and (2) | 5 | X | | | | | | | X | | | | | |
| 63 | Energy Coordination (Customer Contracts) Reg 15 (1) and 47 (2) and (4), Clause 4.2.3.4 AGA Code | 5 | X | | | | | | | X | | | | | |
| 64 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.1 AGA Code | 3 | X | | | | | | | X | | | | | |
| 65 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.2 AGA Code | 5 | X | | | | | | | X | | | | | |
| 66 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.4 AGA Code | 5 | X | | | | | | | X | | | | | |
| 67 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause | 5 | X | | | | | | | X | | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | |
|-------------------------------------|--|----------------|--|---|---|---|----|----|--|---|---|---|----|----|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA |
| | 4.2.4.5 AGA Code | | | | | | | | | | | | | |
| 68 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.3.2.1 AGA Code | 5 | X | | | | | | | X | | | | |
| 69 | Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.3.2.2 AGA Code | 5 | X | | | | | | | X | | | | |
| 70 | Energy Coordination (Customer Contracts) Reg 16 (3) | 5 | X | | | | | | | X | | | | |
| 71 | Energy Coordination (Customer Contracts) Reg 19 | 5 | X | | | | | | | X | | | | |
| 72 | Energy Coordination (Customer Contracts) Reg 20 (2) Clause 4.3.5.1 AGA Code | 5 | X | | | | | | | X | | | | |
| 73 | Energy Coordination (Customer Contracts) Reg 27 (4) and 40 (3) | 5 | X | | | | | | | X | | | | |
| 74 | Energy Coordination (Customer Contracts) Reg 20 (3) and 48 | 5 | X | | | | | | | | X | | | |
| 75 | Energy Coordination (Customer Contracts) Reg 22 and 49 (2) | 5 | X | | | | | | | X | | | | |
| 76 | Energy Coordination (Customer Contracts) Reg 49 (3) | 5 | | X | | | | | | X | | | | |
| 77 | Energy Coordination (Customer Contracts) Reg 49 (4) | 5 | | X | | | | | | X | | | | |
| 78 | Energy Coordination (Customer Contracts) Reg 49 (5) | 5 | | X | | | | | | X | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|--|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 79 | Energy Coordination (Customer Contracts) Reg 50 | 5 | X | | | | | | | X | | | | | |
| 80 | Energy Coordination (Customer Contracts) Reg 44 | 5 | X | | | | | | | | X | | | | |
| 81 | Energy Coordination Act section 11M, Energy Coordination (Customer Contracts) Reg 45 (1) | 5 | | X | | | | | | | | | | X | |
| 82 | Energy Coordination Act section 11M, Energy Coordination (Customer Contracts) Reg 45 (2) | 5 | | X | | | | | | | X | | | | |
| 83 | Energy Coordination (Customer Contracts) Reg 46 (1) & (2) | 5 | | X | | | | | | | | | | X | |
| 84 | Energy Coordination (Customer Contracts) Reg 46 (4) | 5 | | X | | | | | | | X | | | | |
| 85 | Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(a) AGA Code | 5 | X | | | | | | | X | | | | | |
| 86 | Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(b) AGA Code | 5 | X | | | | | | | X | | | | | |
| 90 | Energy Coordination (Customer Contract) Reg 33 (3), clause 3.5.2.2 AGA Code | 5 | | | | | | X | | | | | | X | |
| 91 | Energy Coordination (Customer Contract) Reg 42 | 5 | X | | | | | | | X | | | | | |
| 96 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 97 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | |
|-------------------------------------|--|----------------|--|---|---|---|----|----|--|---|---|---|----|----|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA |
| 98 | Energy Coordination Act section 11M | 5 | | | | | X | | | | | | X | |
| 99 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | |
| 100 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |
| 101 | Energy Coordination Act section 11M | 4 | | | | | X | | | | | | X | |
| 102 | Energy Coordination Act section 11M | 2 | X | | | | | | | X | | | | |
| 103 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |
| 106 | Energy Coordination Act section 11M | 5 | | | | | X | | | | | | X | |
| 107 | Energy Coordination Act section 11M | 5 | | | | | X | | | | | | X | |
| 108 | Energy Coordination Act section 11M | 4 | | | | | X | | | | | | X | |
| 109 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |
| 110 | Energy Coordination Act section 11M | 4 | | | | | X | | | | | | X | |
| 111 | Energy Coordination Act section 11M | 4 | | | | | X | | | | | | X | |
| 112 | Energy Coordination Act section 11M | 4 | | | | | X | | | | | | X | |
| 113 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | |
| 114 | Energy Coordination Act section 11ZPP | 2 | X | | | | | | | X | | | | |
| 115 | Energy Coordination Act sections 11ZPP and 11M | 2 | X | | | | | | | X | | | | |
| 116 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.1 | 2 | X | | | | | | | X | | | | |
| 117 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(1) | 2 | X | | | | | | | X | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|--|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 118 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(2) and clause 2.2(3) | 2 | X | | | | | | | X | | | | | |
| 119 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(1) | 4 | X | | | | | | | X | | | | | |
| 120 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(2) | 4 | X | | | | | | | X | | | | | |
| 121 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(3) and clause 2.3(4) | 4 | X | | | | | | | X | | | | | |
| 122 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(1) | 4 | | | | | | X | | | | | | X | |
| 123 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(2) | 4 | X | | | | | | | X | | | | | |
| 124 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(1) | 4 | | | X | | | | | X | | | | | |
| 125 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(2) | 4 | | | X | | | | | X | | | | | |
| 126 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.6 | 4 | | | X | | | | | X | | | | | |
| 127 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.8 | 4 | | | | | | X | | | | | | X | |
| 128 | Energy Coordination Act section 11ZPP | 4 | X | | | | | | | X | | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | |
|--|---|-------------------|--|---|---|---|----|----|--|---|---|---|----|----|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA |
| | Code of Conduct clause 2.9 | | | | | | | | | | | | | |
| 129 | Energy Coordination Act section 11ZPP Code of Conduct clause 2.10 | 4 | X | | | | | | | X | | | | |
| 134 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |
| 135 | Energy Coordination Act section 11M | 1 | | X | | | | | | X | | | | |
| 136 | Energy Coordination Act section 11M | 4 | | X | | | | | | | X | | | |
| 137 | Energy Coordination Act section 11M | 3 | | X | | | | | | | X | | | |
| 138 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X |
| 139 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X |
| 140 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X |
| 141 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X |
| 142 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X |
| 143 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X |
| 144 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |
| 145 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |
| 146 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |
| 147 | Energy Coordination Act section 11M | 4 | | X | | | | | | | X | | | |
| 148 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |
| 149 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | |
| 150 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|-------------------------------------|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 152 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | | |
| 153 | Energy Coordination Act section 11M | 3 | | X | | | | | | | X | | | | |
| 154 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 155 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 156 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | | |
| 157 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 158 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | | |
| 159 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 160 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 161 | Energy Coordination Act section M | 4 | | | | | | X | | | | | | X | |
| 162 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 163 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 164 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | | |
| 165 | Energy Coordination Act section 11M | 4 | | | X | | | | | | | X | | | |
| 165A. | Energy Coordination Act section 11M | 4 | | | X | | | | | | | X | | | |
| 166 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | | |
| 167 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 168 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 169 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 170 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|-------------------------------------|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 171 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 171A. | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 172 | Energy Coordination Act section 11M | 5 | | X | | | | | | X | | | | | |
| 173 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | | |
| 174 | Energy Coordination Act section 11M | 5 | | X | | | | | | X | | | | | |
| 175 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | | |
| 175A. | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 176 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | | |
| 177 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 178 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | | |
| 179 | Energy Coordination Act section 11M | 5 | | X | | | | | | X | | | | | |
| 180 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | | |
| 180A. | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 181 | Energy Coordination Act section 11M | 4 | | X | | | | | | | X | | | | |
| 182 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 183 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 184 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 185 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | | |
| 186 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 186A. | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|-------------------------------------|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 187 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 188 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 189 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 190 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 191 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 192 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 193 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 195 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 196 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 196A. | Energy Coordination Act section 11M | 4 | | X | | | | | | | | | | X | |
| 197 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 198 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 198A. | Energy Coordination Act section 11M | 3 | | | | | | X | | | | | | X | |
| 199 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 200 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 200A | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 201 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 202 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 203 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 204 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|-------------------------------------|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 205 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 206 | Energy Coordination Act section 11M | 3 | | | X | | | | X | | | | | | |
| 206A. | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 207 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 208 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 209 | Energy Coordination Act section 11M | 3 | X | | | | | | X | | | | | | |
| 210 | Energy Coordination Act section 11M | 3 | X | | | | | | X | | | | | | |
| 211 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 212 | Energy Coordination Act section 11M | 3 | | | X | | | | | | | | | X | |
| 213 | Energy Coordination Act section 11M | 3 | | | | | | X | | | | | | X | |
| 214 | Energy Coordination Act section 11M | 4 | X | | | | | | X | | | | | | |
| 215 | Energy Coordination Act section 11M | 4 | X | | | | | | X | | | | | | |
| 215A. | Energy Coordination Act section 11M | 4 | X | | | | | | X | | | | | | |
| 216 | Energy Coordination Act section 11M | 4 | X | | | | | | X | | | | | | |
| 217 | Energy Coordination Act section 11M | 4 | | X | | | | | X | | | | | | |
| 219 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 220 | Energy Coordination Act section 11M | 4 | | X | | | | | X | | | | | | |
| 220A. | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 221 | Energy Coordination Act section 11M | 4 | | | X | | | | | | | | | X | |
| 222 | Energy Coordination Act section 11M | 4 | X | | | | | | X | | | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|-------------------------------------|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 223 | Energy Coordination Act section 11M | 3 | X | | | | | | | X | | | | | |
| 224 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 225 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 227 | Energy Coordination Act section 11M | 2 | X | | | | | | | X | | | | | |
| 228 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 229 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | | |
| 231 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 232 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 233 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 234 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 235 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 236 | Energy Coordination Act section 11M | 4 | | X | | | | | | X | | | | | |
| 237 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 238 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 239 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 240 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 241 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 242 | Energy Coordination Act section 11M | 4 | | | | | | X | | | | | | X | |
| 243 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 245 | Energy Coordination Act section 11M | 5 | X | | | | | | | X | | | | | |

| Compliance Obligation Reference No. | Obligations Under | Audit Priority | Adequacy of Controls Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | Compliance Rating (Refer to the 5 point rating scale on page 15 for details) | | | | | | |
|-------------------------------------|-------------------------------------|----------------|--|---|---|---|----|----|--|---|---|---|----|----|--|
| | | | A | B | C | D | NP | NA | 1 | 2 | 3 | 4 | NR | NA | |
| 246 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 249 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 250 | Energy Coordination Act section 11M | 4 | | X | | | | | | | X | | | | |
| 251 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 252 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 253 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 254 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 255 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 255A. | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 256 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 257 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 258 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 281 | Energy Coordination Act section 11M | 2 | | | X | | | | | | | X | | | |
| 282 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |
| 283 | Energy Coordination Act section 11M | 4 | X | | | | | | | X | | | | | |

3. Observations – Performance Audit Details

The following sets out the audit findings. The obligations are listed as these appear in the Gas Compliance Reporting Manual: January 2017.

The management responses to this section provided by Alinta Energy are found in Section 2.16, 6 and Appendix 4. This constitutes the post implementation plan and does not form part of the audit report prepared by KPMG.

3.1 Observations during the audit period (non-compliance or controls improvements ratings)

| | | |
|---|--|------------------------------------|
| Compliance Manual Reference: 1 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11Q(1-2) | | |
| Obligation under Condition: Distribution Licence clause 4.1 Trading Licence clause 4.1 | | Reporting Type 2 |
| Description | | |
| 1 | A licensee must pay the applicable fees in accordance with the Regulations. (Economic Regulation Authority (Licensing Funding) Regulations 2014) | |
| Observations | | |
| <p>Discussion with the Manager Regulatory Compliance noted Licence obligations, including payment dates of license fees, are tracked with the Regulatory Obligations Register; access is restricted to the regulations team (nationally). We noted that there is one type of licence fee payment applicable under the Regulations required to be made: an annual charge due within one month from 1 July. The excel document is a manual control that does not automatically alert the regulatory team for upcoming obligations due. The ERA issues Alinta Energy with an invoice prior to the payment due date. This is emailed through to the General Manager Regulatory Affairs for approval and issued to Accounts Payable for payment.</p> <p>Discussion further noted Alinta Energy is moving to improve the license fee tracking process through compliance software INX InControl which will contain a calendar with alert functionality. Currently this system is being used for logging compliance issues with the calendar application to follow.</p> <p>Sample testing of three payments of licence fees confirmed that the prescribed licence fees were paid in accordance with the Licensing Fees Regulations, within the required time, and were recorded in the Regulatory Obligations Register.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|---|--|-----------------------------------|
| Compliance Manual Reference: 74 | | Compliance Rating A / 2 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 20 (3) and 48 | | Reporting Type NR |
| Obligation under Condition: Trading Licence clause 5.1 | | |
| Description | | |
| 74 | A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement. | |
| Observations | | |
| <p>Through review of the NSC, we note there is no reference to the requirement that Alinta Energy must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.</p> <p>Per discussions with the Customer Operations Manager, we confirmed that Alinta Energy do not take legal action for customers if they continue to honour their agreement to pay. The Credit Matrix built into CIS-OV will not allow for legal action if a customer is on financial hardship and maintaining the arrangement to pay.</p> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however Alinta Energy has not complied with the licence condition during the audit period resulting in minor impact to customers or third parties.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy to update the NSC to contain reference to the requirement that Alinta Energy must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement. | | |

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|--|--|------------------------------------|
| Compliance Manual Reference: 76, 77, 78 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 22 and 49 (3)(4)(5) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 76 | A licensee must notify a credit reporting agency immediately if a customer has cleared their debt. | |
| 77 | If a customer remedies a default and demonstrates extenuating circumstances, a licensee must request the credit reporting agency to remove the default record. | |
| 78 | A licensee must not refer a default to a credit reporting agency that is the subject of a complaint or matter of review. | |
| Observations | | |
| Through discussion with Manager Customer Operations, we noted the following controls are in place: | | |
| <ul style="list-style-type: none"> <i>Provide a credit reporting agency with only default information</i> All information provided to a credit reporting agency is generated by default through CIS-OV on outstanding finalised accounts. <i>Immediately notify credit reporting agency of cleared debt</i> Alinta Energy cannot monitor the payment of their outstanding customers. Alinta Energy rely on the customer contacting them to clear the debt and Alinta Energy will immediately alert the mercantile agent. <i>Remove default if extenuating circumstances are demonstrated</i> In the case of a customer demonstrating extenuating circumstances, Alinta Energy will request removal of the customer's default record from the Equifax portal. The process for Equifax to remove the default record can take up to 14 days to complete, so at the time of requesting the removal, the Alinta Energy employee generates a PDF of confirmation which is passed onto the customer. <i>No referral to credit reporting agency if a complaint is unresolved</i> If a customer has complained, their bill retrieval will be suspended within CIS-OV and therefore the credit matrix will not allow them to be referred to a credit agency. | | |
| There is currently no documentation in place to support this process. | | |
| Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period. | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|--|--|-----------------------------------|
| Compliance Manual Reference: 80 | | Compliance Rating A / 2 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 44 | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 80 | When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (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. | |
| Observations | | |
| <p>Through review of the NSC, we noted that there is no explicit reference to the issuing of a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (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.</p> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place, however Alinta Energy has not complied with the licence condition during the audit period resulting in minor impact to customers or third parties.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement: | | |
| Alinta Energy to update the NSC to include the requirement to issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (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. | | |

| | | |
|--|--|-------------------------------------|
| Compliance Manual Reference: 81 | | Compliance Rating B / NR |
| Licence Condition: Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Reg 45 (1) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussions with the Manager Customer Service we established that Alinta Energy have a Customer Service Charter that is published on their website and can be provided to the customer free of charge within 2 business days of a request.</p> <ul style="list-style-type: none"> Alinta Energy have an internal service level agreement for providing a customer with the information requested within 48hours of the request – compliant with the obligations timeframe requirements. Alinta Energy have trained their Customer Service Representatives to understand and action this requirement – directing a customer upon request to the document on their website, or alternatively, providing a copy of the document to the customer in their preferred format. This will be actioned on the same day as the customer’s request, thereby (subject to postal restrictions) meeting the two business day requirement. Any customer requests will be recorded within the customer contact log notes. <p>The Manager Customer Service is not aware of any instances within the audit period where this has been requested, due to limitations in the ability to identify a customer request for a copy of the customer service charter within CIS-OV this obligation could not be tested and thus not rated for compliance during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have generally adequate controls with improvement needed, however, compliance during the audit period could not be rated.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|---|---|-----------------------------------|
| Compliance Manual Reference: 82 | | Compliance Rating B / 2 |
| Licence Condition: Trading Licence clause 5.1 | | |
| Obligation under Condition: Energy Coordination Act section 11M Energy Coordination (Customer Contracts) Reg 45 (2) | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Manager Regulatory Compliance and the ERA, we note that the ERA has removed the requirement for a retailer to develop a customer service charter from 1 July 2010. However, through further discussion with the ERA, it has been confirmed that if a retailer opts to retain their customer service charter, they must, from time to time, provide information on the customer's bill that it is available free of charge.</p> <p>We obtained relevant documentation and held discussions with the Manager Regulatory Compliance and the Manager Customer Service and noted the following observations:</p> <ul style="list-style-type: none"> • Currently, the Gas Customer Service Charter is available for download on Alinta Energy's website. Customers are informed of this under clause 9 of the SFC. This information is not available in the NSC. • The current Alinta Energy bill template does not state that the Gas Customer Service Charter is available to customers on request. This was removed on 1 July 2018. • Call centre scripts do not contain reference to the Gas Customer Service Charter for new connections or move orders. <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy to update the current bill template to provide the customer advice that a customer charter is available free of charge. | | |

| | | |
|---|--|-------------------------------------|
| Compliance Manual Reference: 83 | | Compliance Rating B / NR |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 46 (1) & (2) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 83 | Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code. | |
| Observations | | |
| <p>Through discussion with both the Manager Customer Services, Manager Regulatory Compliance and observation of publically available references we determined that:</p> <ul style="list-style-type: none"> • Customer Service Representatives (CSR) are trained to provide a copy of the Energy Coordination (Customer Contract) Regulations 2004 to customers on request; • Alinta Energy have an internal service level agreement for providing a customer with the information requested within 48hours of the request; • A CSR would obtain the regulations of relevant code directly from the ERA website or through the Regulatory Compliance team; • This information would be provided / made available to customers in their preferred form, at no cost. • Any customer requests will be recorded within the customer contact log notes. <p>The Manager Customer Service is not aware of any instances within the audit period where this has been requested, due to limitations in the ability to identify a customer request for a copy of the Energy Coordination (Customer Contract) Regulations 2004, this obligation could not be tested and thus rated for compliance during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have generally adequate controls with improvement needed, however, compliance during the audit period could not be rated.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Oppportunity for Improvement | | |
| N/A | | |

| | | |
|---|--|-----------------------------------|
| Compliance Manual Reference: 84 | | Compliance Rating B / 2 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 46 (4) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Manager Regulatory Compliance and observation of publically available references we determined that at the time of the audit (October 2019) Alinta Energy did not have a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code available for inspection at its offices.</p> <p>It was confirmed with the both the Manager Regulatory Compliance and the Manager Customer Services, that ad-hoc customer requests are predominately dealt with by the contact centre. The relevant regulations and codes are made publically available on the ERA website and Alinta Energy would provide this documentation to any customer upon request free of charge in their preferred format.</p> <p>We were advised there have been no circumstances within the audit period where a customer has come to the Alinta office to view the Regulations or a relevant code, however, such a request would be dealt with by the Regulatory Team so as to ensure the most up-to-date copy is provided to the customer.</p> <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| Action resolved during audit period. No further action required. | | |

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|--|---|-----------------------------------|
| Compliance Manual Reference: 113 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence Schedule 3 clause 3.1 | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Upon discussion with the Manager Regulatory Compliance, it was noted that the Regulatory Affairs team utilises the Regulatory Obligations Register in order to monitor all key obligatory requirements, This is an excel sheet divided into the months of the Calendar year, with due dates and team member responsibilities assigned to each. We obtained the Register for 2018 and 2019 noted the following:</p> <ul style="list-style-type: none"> • The 2018 Register did not list the requirement to inform the Minister for Energy of any changes to price, price structure, fee or interest rate under the SFC. We sighted communication to the Minister and noted it was issued on 31 May 2018, with effect of the new tariffs commencing on 1 July 2018. • The 2019 Register did list the requirement to inform the Minister for Energy of any changes to price, price structure, fee or interest rate under the SFC. We sighted communication to the Minister and noted it was issued on 31 May 2019, with effect of the new tariffs commencing on 1 July 2019. • As the excel spreadsheet is a manual control, it does not automatically alert the Regulatory Affairs team when upcoming obligations are due. <p>Discussion further noted Alinta Energy is moving to improve the license fee tracking process through compliance software – InControl, which will contain a calendar with alert functionality. Currently this system is being implemented for logging compliance issues with the calendar application to follow.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|--|--|--|
| Compliance Manual Reference: 124, 125, 126 | | Compliance Rating C / 1 |
| Licence Condition: Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(1) and (2) Code of Conduct clause 2.6 | | |
| Obligation under Condition: Trading Licence clause 19 | | Reporting Type 2 |
| Description | | |
| 124 | A retailer or gas marketing agent who contacts a customer for the purposes of marketing must, on request, provide the customer with the retailer's complaints telephone number, the gas ombudsman's telephone number and, for contact by a gas marketing agent, the gas marketing agent's marketing identification number. | |
| 125 | A retailer or gas marketing agent who meets with a customer face to face for the purposes of marketing must: <ul style="list-style-type: none"> · wear a clearly visible and legible identity card showing the information specified; and · as soon as practicable provide the customer, in writing, the information specified. | |
| 126 | A retailer or gas marketing agent who visits a person's premises for the purposes of marketing, must comply with any clearly visible signs at the premises indicating that canvassing is not permitted or no advertising material is to be left at the premises. | |
| Observations | | |
| <p>Gas Marketing Agents that conduct both Face to Face and Kiosk Marketing are required to wear marketing ID badges for the duration of their marketing activity. The Western Australian Sales Manager confirmed that:</p> <ul style="list-style-type: none"> • Agents are trained to walk up and show their identification badges when they introduce themselves to customers as part of face to face marketing. • Alinta Energy Gas Marketing Agents are required to wear clearly logoed polo shirts in addition to their lanyards with their marketing ID badges. • Marketing ID Badges are provided to all agents by Alinta Energy with a record of the ID's issued retained on file. • Agent visibility of marketing IDs is included within their Quality Assurance and Compliance kiosk audits, and monitored through check-in photos prior to them beginning work and mystery shop surveys on their Kiosk agents. • Marketing agents are required to send a check-in photo daily to the type form system. <p>Upon review of a marketing ID badge we confirmed that they include the information specified and this information is provided to a customer upon request, as soon as practicably possible. In addition to this, we reviewed a check-in photo and confirmed that although worn, the check-in photos could be improved to increase the visibility of the gas marketing agent's identification badge. Through our discussions we determined the following is provided to marketing agents to inform them of the requirements of the Marketing Code of Conduct:</p> <ul style="list-style-type: none"> • Training is conducted prior to commencing any sales activity for Alinta Energy, with quarterly refresher training provided. • The Sales Manager and Team Leaders are responsible for the delivery internal training and providing training materials that have been approved by the Regulatory Compliance Team. • Alinta Energy also engage with an external marketing agency to facilitate with their Face to Face sales marketing, these Agents are not trained by Alinta Energy but they are provided with the related training materials. • All training materials are reviewed and signed off by the Marketing, Legal and Regulatory Compliance teams which ensures consistency of messaging. <p>Based on our discussions we noted that although training is provided to gas marketing agents, Alinta Energy does not have oversight of those who have completed the training due to the absence of a training register.</p> <p>Alinta Energy gas marketing agents are trained to comply with any clearly visible signs at the premises indicating that canvassing is not permitted or that no advertising material is to be left at the premises. Upon review of the training material we determined that this requirement was not explicit and training materials could be improved to more clearly address the requirements of the Gas Marketing Code of Conduct. Alinta Energy have a comprehensive complaints handling process whereby sales complaints are responded to by the Advocacy team and reviewed / reported on weekly by the Team Leader Customer Service. Therefore any complaints of non-compliance would be identified through this process and dealt with internally. Upon review of the complaints handling data provided we could not identify any non-compliance with the relevant obligations.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have inadequate controls with significant improvement needed and they have complied with this obligation during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate controls – significant improvement required | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy should increase their level of oversight and involvement with external marketing agents to obtain greater assurance over compliance with this obligation. | | |

- 1) We recommend that they maintain their own training register and only issue marketing ID badges once evidence of training has been obtained and updated within the training register.
- 2) Alinta Energy need to develop and maintain a list of external marketing agents authorised and terminated and ensure that their Official ID badges are appropriately retained.
- 3) Daily check in photos are required but Alinta Energy should insist on all marketing agents to check-in with these ID badges visible and follow up where they are not.
- 4) Alinta Energy should update their training materials to explicitly outline the requirement that the must comply with clearly visible signs at the premises indicating that canvassing is not permitted or that no advertising material is to be left at the premises.

| | | |
|---|---|-----------------------------------|
| Compliance Manual Reference: 135 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 3.1(2) | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with Manager Customer Service, a request for connection, or a request for gas occurs when a residential or business customer first creates an account with Alinta Energy. An RFG can occur either over the phone or through a manual form downloaded from Alinta Energy's website. A request for gas can also be used in the event that the customer requires a pressure upgrade or a meter upgrade.</p> <p>Once the request for gas is received, Alinta Energy staff will scrutinize the request to ensure that all applicable and mandatory information is included. Once a check is performed by Alinta Energy staff, a connection request to ATCO will be created.</p> <p>During the current audit period a spreadsheet was created by Alinta Energy which would document the timing of incoming RFG's (between 8am to 3pm each business day), and on the same day how many RFG's were forwarded to ATCO for a connection request. The control is highly manual and reliant on the team checking the system to process the request. Additionally, if a request comes in at 3pm, there is no guarantee that it will be processed.</p> <p>Sample testing was conducted over five RFG's with no issues noted.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally Adequate – Improvement Needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 136 | | Compliance Rating B / 2 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.1(a) | | |
| Description | | |
| 136 | A retailer must issue a bill no more than once a month unless the conditions specified in 4.1(a) (i)-(iii) apply. | |
| Observations | | |
| <p>Through discussion with the Billing Team Leader, we noted that Alinta Energy's customers are billed either monthly or quarterly, with the majority of residential customers opting for the latter, while non-residential generally opt for the former. A customer may be billed outside of the cycle if it is for the issuance of a final bill.</p> <p>We observed the following processes and controls which ensure bills are not issued more than once a month:</p> <ul style="list-style-type: none"> • Bills are automatically issued to customers based off scheduled reads and are issued based on a customer's billing cycle. Bills issued not in line with a scheduled read are required to be manually entered by the billing team. This can occur if a customer requests an actual read to be obtained subsequent to an estimated read being provided. However, in this instance, bills are either cancelled and re-issued or adjusted in the next bill. • If data is issued to Fuji Xerox for billing and it is for a quarterly account with a billing period of less than or equal to 20 days or a monthly account with a billing period of less than or equal to ten days, an error code will be flagged and the bill returned to Alinta Energy for review by the Billing Team. Once reviewed and adjusted (if applicable), the data will be reissued to Fuji Xerox for processing. It was noted through discussion that Alinta Energy does not currently have any controls in place to return quarterly accounts with billing period of less than a month but greater than 20 days or monthly accounts with billing period of less than a month but greater than 10 days. • Customers with bills issued more than once a month are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2017-18 Annual Compliance Report that Alinta Energy had approximately 1,700 customers affected over the reporting period due to delays in ATCO Gas providing actual reads. Customers were issued with estimated bills and were subsequently re-billed once the distributor provided the actual meter reading data to Alinta Energy. Each bill was accompanied by a letter of explanation. <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy to improve billing processes to ensure billing return codes are aligned with legislation requirements and to update their bill return codes for quarterly accounts from 20 days to 30 days with Fuji Xerox. | | |

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| Compliance Manual Reference: 137 | | Compliance Rating B / 2 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.1(b) | | Reporting Type 2 |
| Description | | |
| 137 | A retailer must issue a bill at least every 105 days unless the conditions specified are met. | |
| Observations | | |
| <p>Through discussion with the Billing Team Leader, we noted that Alinta Energy’s customers are billed either monthly or quarterly, with the majority of residential customers opting for the latter, while non-residential generally opt for the former. We observed the following processes and controls which ensure bills are issued at least every 105 days:</p> <ul style="list-style-type: none"> • The billing process is automatically triggered when a scheduled read is conducted. The bill will then be issued in line with the customer’s billing cycle as noted in CIS-OV. • The billing team will run a report through Cognos on a daily basis to identify customers on a quarterly billing cycle who have not been billed within 100 days. A similar report is run for customers on a monthly billing cycles to capture any customers not billed within 40 days. Reading schedules for the accounts identified are reviewed in CIS-OV and compared to the data pulled through ARMA. Any discrepancies identified will be resolved on a daily basis to ensure customers receive their bills within the prescribed timeframe. Where a customer is issued a bill outside of the 105 day period, the customer will be provided a ‘delay’ notice attached to their bill informing them of said delayed bill and offering payment plans and bill smoothing arrangements. • If data is issued to Fuji Xerox for billing and it is for a quarterly account with a billing period of greater than or equal to 120 days, an error code will be flagged and the bill returned to Alinta Energy for review by the Billing Team. <p>Through discussion with the Regulatory Compliance Manager, and examination of the Annual Compliance Reports, we note that Alinta Energy continues to issue a small number of bills (approximately 0.5%) outside the prescribed 105 day timeframe. These non-compliances are reported through to the ERA in the Annual Compliance Reports. A review of the reports confirmed these were due to billing system delays and exception issues.</p> <p>Sample testing of three bills and observation of Alinta Energy’s ARMA and CIS-OV system confirmed that Alinta Energy had issued a bill to a customer at least once every 105 days.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy to improve billing processes to ensure billing return codes are aligned with legislation requirements and to update their bill return codes for quarterly accounts from 120 days to 105 days with Fuji Xerox. | | |

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| Compliance Manual Reference: 147 | | Compliance Rating B / 2 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5(1) | | Reporting Type 2 |
| Description | | |
| 147 | Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1) (a) - (cc) on the customer's bill. | |
| Observations | | |
| <p>Through discussion with the Regulatory Compliance Manager and examination of sample bills, it was found that the bills included information prescribed in subclause 4.5(1) (a)-(cc).</p> <p>It was, however, noted by the Regulatory Compliance Manager that a recent review of billing templates in February 2019 found the following information was not included on initial bills sent to customers:</p> <ul style="list-style-type: none"> Initial bills issued to new residential and non-residential customers did not include the average daily cost of consumption and the average daily consumption due to billing templates being formatted incorrectly. <p>This was reported to the ERA in the 2018-2019 Annual Compliance Report.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| N/A – Issue has been resolved during the audit period | | |

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| Compliance Manual Reference: 149 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5(3) | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Customer Operations Manager and the Customer Service Manager, Alinta Energy will reinstate a historical debt, incurred up to six years prior. During the account set up process, Customer Service Representatives will identify whether a customer has had a previous account with Alinta Energy and any previous debt. Customer Service Representatives are trained to reinstate customer's debt with amounts less than \$500 in Alinta Energy's CIS-OV system and amounts over \$500 will be referred to the credit control team for assessment. The reinstated historical debt amount will appear on the customer's account and on the issuance of the customer's first bill.</p> <p>Whilst Alinta Energy does not currently have any written processes around advising customers of the amount and basis of historical debt being reinstated, it was confirmed by the Customer Service Manager that information on historical debts will be confirmed with the customer over the phone by a Customer Service Representative.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 153 | | Compliance Rating B / 2 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.1 AGA Code Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.7(2) | | Reporting Type NR |
| Description | | |
| 153 | A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1) (a). | |
| Observations | | |
| <p>Through discussions with the Billing Team Leader, we noted that the majority of Alinta Energy's customers are placed on a quarterly billing cycle with a small portion billed monthly. Meter read schedules are managed by the network operator (ATCO Gas) and are aligned with customers' billing arrangements. Meter reads are obtained by the network operator's contractor (SSL) and are uploaded onto a database (ARMA) by the metering agent. This is then automatically uploaded onto Alinta Energy's internal database (CIS-OV) on a daily basis.</p> <p>If a metering agent is unable to read a customer's meter, an estimated read, based off published data from ATCO, would be provided for billing purposes. When uploading meter reads into ARMA, metering agents will classify the read as either an 'Actual' or 'Estimated Reading'. Bills are then automatically generated by CIS-OV based off actual or estimated reads and sent to Fuji Xerox for printing. To ensure all meter reads are captured in CIS-OV, the billing team would reconcile the total amount of reads in ARMA to CIS-OV on a daily basis. Any exceptions or missing reads are manually inputted into CIS-OV.</p> <p>To ensure metering data is obtained at least once per year, the billing team obtain a weekly report identifying customers with three or more consecutive estimated reads from Cognos, an analytics software which interfaces with CIS-OV. If a customer is billed using an estimated read, a bill insert will be provided to the customer, informing them an estimated read was taken.</p> <p>Customers who have had three consecutive estimated reads will be sent an additional notice instructing them to contact Alinta Energy to organise a meter read. It was noted that Alinta Energy allows four estimated reads before initiating the disconnection process for denying access to a meter. Customers with four estimated reads in a row are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2016-17 Annual Compliance Report that Alinta Energy had approximately 800 residential customers affected over the reporting period due to the inability of ATCO Gas to access a customer's property to perform a meter read.</p> <p>Sample testing of three bills and observation of Alinta Energy's ARMA and CIS-OV system confirmed that Alinta Energy had obtained metering data at least once every 12 months and had based a customer's bill on a meter reading.</p> <p>Based on enquiries and examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has been non-compliant with the obligation during the audit period, resulting in a minor impact on customers or third parties.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy to maintain communication with ATCO Gas in relation to estimated reads and to consider other means of communication with customers such as phone calls to ensure ability for ATCO Gas to access a customer's property to perform a meter read within the required timeframe. | | |

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| Compliance Manual Reference: 156 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.8(3) | | Reporting Type 2 |
| Description | | |
| 156 | Upon request, a retailer must inform a customer of the basis and the reason for the estimation. | |
| Observations | | |
| <p>Through discussions with the Billing Team Leader and the Customer Service Training Specialist, Customer Service Representatives are trained to advise customers on the basis and reason for estimations. When providing an estimated read to Alinta Energy, metering agents are required to submit a code which specify the reasoning behind being unable to access a customer's meter. Customer Service Representatives are able to view the reasoning through Alinta Energy's CIS-OV system and will email the network operator if the customer requests further information regarding the estimation.</p> <p>It was confirmed by the Customer Service Manager that Alinta Energy does not currently have any written processes in Vault around informing customers of the reason for an estimation.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 165, 165A | | Compliance Rating C / 3 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.14(2)(3) | | |
| Description | | |
| 165 | If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2) (a) or (b)), and pay the credit in accordance with the customer's instructions within 12 business days or another time agreed with the customer. | |
| 165A | If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt. If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2). | |
| Observations | | |
| <p>Where a customer requests to have their account closed, Alinta Energy must obtain a forwarding mailing address from the customer and require a minimum of two business days' notice before issuing a final bill to a customer. Through discussion with the Customer Service Training Specialist, Customer Service Representatives will raise a service order within Alinta Energy's CIS-OV system to the network operator to obtain a final meter read and will bill the customer based on this read. If a customer owes a debt to Alinta Energy and the customer's account is in credit at the time of account closure, Alinta Energy's CIS-OV system will automatically offset the debt and adjust the account accordingly. Through observation of Alinta Energy's final bill, it was noted that final bills clearly state that a final read was taken.</p> <p>The Credit Manager confirmed that, if at the time of final bill the customer's account is in credit, Alinta Energy will not directly contact the customer for instructions on transferring the amount to be credited. Rather, it is the responsibility of the customer to contact Alinta Energy if they wish to receive a refund. Additionally, it was noted that this information is not included on a customer's final bill. Should a customer contact Alinta Energy for a refund, Customer Service Representatives will ask the customer on their preferred refund method and have been trained to process these immediately via CIS-OV. As noted through a walkthrough of Alinta Energy's Vault system, refunds can be processed via three different methods; EFT refunds, cheque refunds and credit card reversals.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are inadequate controls in place with significant improvement required. Alinta Energy has not complied with the licence condition resulting in a moderate impact on customers or third parties during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate controls – significant improvement required | |
| Compliance Rating | 3 – Non-compliant – moderate impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| <ol style="list-style-type: none"> 1) Alinta Energy to create a more robust process around closure of customers' accounts to allow the monitoring of final account balance to ensure customers are contacted for instructions on where to transfer credited amounts at the time of the final bill. 2) Alinta Energy to include information on available account credits on the customer's final bill. | | |

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| Compliance Manual Reference: 170 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.16(3) | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Billing Team Leader and the Manager of Customer Service, it was noted that Customer Service Representatives are trained to review a customer's bill on request and are given specific training on high bill enquiries. It was noted that Alinta Energy's Vault system provides Customer Service Representatives guidance on high bill scenarios and assists them when reviewing a customer's bill. Review of bills are resolved immediately by the Customer Service Team and any enquiries unable to be resolved will be referred to either an SSO or Team Leader for further investigation.</p> <p>It was noted that Alinta Energy does not currently have any controls in place to flag any reviews not completed within 20 business days from the date of receipt of the review request.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 172 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(2) and 4.18(5) | | Reporting Type NR |
| Description | | |
| 172 | <p>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, subject to clauses 4.18(6) and (7) ask the customer for instructions as to whether the amount should be credited to the customer's account; or repaid to the customer.</p> <p>No interest shall accrue to a credit or refund referred to in this clause.</p> | |
| Observations | | |
| <p>The Billing Team leader confirmed that bills are adjusted either through a re-bill process or absorbed into the next bill. If the customer was overcharged and Alinta Energy was responsible for the overcharge (actual meter read was lower than the previous estimated read), the previous estimated bill would be cancelled and a new bill with the actual meter read will be issued to the customer for all overcharged amounts including amounts less than \$100. An 'Adjustment Notice' is clearly stated on all re-issued bills and a bill insert is attached to the bill informing customers that a credit balance has been applied to the customer's account and provides customers the option to have the credited amount refunded. Bills are cancelled and re-issued within Alinta Energy's CIS-OV system by a member of the Customer Service team and if requested by the customer, Customer Service Representatives have also been trained to process refunds. Alinta Energy does not accrue interest to a credit or refund amount from the customer. It was noted that all bills including reissued bills are triggered automatically by CIS-OV and dispatched to customers within 1 business day from when metering data is received from the network operator. Therefore, customers are informed of overcharged amounts within 10 business days of Alinta Energy becoming aware of the adjustment.</p> <p>However, through observation of Alinta Energy's Vault system, it was noted that there were no written processes in place to ensure relevant timeframe requirements are complied with.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 173 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(3) | | Reporting Type 2 |
| Description | | |
| 173 | If a retailer receives instructions under clause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions. | |
| Observations | | |
| <p>The Billing Team leader confirmed that bills are adjusted either through a re-bill process or absorbed into the next bill. If the customer was overcharged (actual meter read was lower than the previous estimated read), the previous estimated bill would be cancelled and a new bill with the actual meter read will be issued to the customer. An 'Adjustment Notice' is clearly stated on all re-issued bills and a bill insert is attached to the bill informing customers that a credit balance has been applied to the customer's account and provides customers the option to have the credited amount refunded. Bills are cancelled and re-issued within Alinta Energy's CIS-OV system by a member of the Customer Service team and if requested by the customer, Customer Service Representatives have also been trained to process refunds. It was noted that all bills including reissued bills are triggered automatically by CIS-OV and dispatched to customers within 1 business day from when metering data is received from the network operator. Therefore, customers are informed of overcharged amounts within 10 business days of Alinta Energy becoming aware of the adjustment as well as the option for the amount to be refunded.</p> <p>However, through observation of Alinta Energy's Vault system, it was noted that there were no written processes in place to ensure relevant timeframe requirements are complied with.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 174 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(4) | | Reporting Type NR |
| Description | | |
| 174 | If a retailer does not receive instructions under clause 4.18(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account. | |
| Observations | | |
| <p>The Billing Team leader confirmed that bills are adjusted either through a re-bill process or absorbed into the next bill. If the customer was overcharged and Alinta Energy was responsible for the overcharge (actual meter read was lower than the previous estimated read), the previous estimated bill would be cancelled and a new bill with the actual meter read will be issued to the customer for all overcharged amounts including amounts less than \$100. An 'Adjustment Notice' is clearly stated on all re-issued bills and a bill insert is attached to the bill informing customers that a credit balance has been applied to the customer's account and provides customers the option to have the credited amount refunded. Bills are cancelled and re-issued within Alinta Energy's CIS-OV system by a member of the Customer Service team and if requested by the customer, Customer Service Representatives have also been trained to process refunds. Alinta Energy does not accrue interest to a credit or refund amount from the customer. It was noted that all bills including reissued bills are triggered automatically by CIS-OV and dispatched to customers within 1 business day from when metering data is received from the network operator. Therefore, customers are informed of overcharged amounts within 10 business days of Alinta Energy becoming aware of the adjustment.</p> <p>However, through observation of Alinta Energy's Vault system, it was noted that there were no written processes in place to ensure relevant timeframe requirements are complied with.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 176 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(1) | | Reporting Type 2 |
| Description | | |
| 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 clauses 4.19(1) (a)-(d). | |
| Observations | | |
| <p>If the customer was undercharged (actual meter read was higher than the previous estimated read), the undercharged amount will be absorbed in the customer's next bill and the balance automatically attached to the customer's account. A bill insert will be attached together with the customer's next bill informing them that an adjustment has been applied to their account and provides payment difficulty information and payment options such as bill smoothing. Customer Service Representatives have also been trained to provide customers with alternative payment options such as bill smoothing, payment arrangement or payment extension. It was noted that Customer Service Representatives are aware that undercharged amounts can only be recovered for up to 12 months from the date the customer is notified of the undercharge and will not charge interest for amounts being recovered from the customer. However late payment fees may be issued where a customer fails to pay the amount to be recovered by the due date and has not entered into an instalment plan.</p> <p>However, through observation of Alinta Energy's Vault system, it was noted that there were no written processes in place to ensure relevant timeframe requirements are complied with.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 178 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(3) | | Reporting Type 2 |
| Description | | |
| 178 | If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions. | |
| Observations | | |
| <p>The Billing Team leader confirmed that bills are adjusted either through a re-bill process or absorbed into the next bill. If the customer was overcharged (actual meter read was lower than the previous estimated read), the previous estimated bill would be cancelled and a new bill with the actual meter read will be issued to the customer. An 'Adjustment Notice' is clearly stated on all re-issued bills and a bill insert is attached to the bill informing customers that a credit balance has been applied to the customer's account and provides customers the option to have the credited amount refunded. Bills are cancelled and re-issued within Alinta Energy's CIS-OV system by a member of the Customer Service team and if requested by the customer, if a customer is on a bill smoothing arrangement, the amount of the credit can be used as part of this. Customer Service Representatives have also been trained to process refunds. It was noted that all bills including reissued bills are triggered automatically by CIS-OV and dispatched to customers within 1 business day from when metering data is received from the network operator. Once the customer informs Alinta Energy of their preference for payment, the order is raised in CIS-OV by the CSR and processed on the same business day, satisfying the 12 business day requirement of the obligation.</p> <p>However, through observation of Alinta Energy's Vault system, it was noted that there were no written processes in place to ensure relevant timeframe requirements are complied with.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 179 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(4) | | Reporting Type NR |
| Description | | |
| 179 | If a retailer does not receive instructions under clause 4.19(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account. | |
| Observations | | |
| <p>The Billing Team leader confirmed that bills are adjusted either through a re-bill process or absorbed into the next bill. If the customer was overcharged and Alinta Energy was responsible for the overcharge (actual meter read was lower than the previous estimated read), the previous estimated bill would be cancelled and a new bill with the actual meter read will be issued to the customer for all overcharged amounts including amounts less than \$100. An 'Adjustment Notice' is clearly stated on all re-issued bills and a bill insert is attached to the bill informing customers that a credit balance has been applied to the customer's account and provides customers the option to have the credited amount refunded. Bills are cancelled and re-issued within Alinta Energy's CIS-OV system by a member of the Customer Service team and if requested by the customer, Customer Service Representatives have also been trained to process refunds. Alinta Energy does not accrue interest to a credit or refund amount from the customer. It was noted that all bills including reissued bills are triggered automatically by CIS-OV and dispatched to customers within 1 business day from when metering data is received from the network operator. Unless a customer informs Alinta Energy of their desire to receive a refunded amount, a credit is automatically applied when they are informed of the adjustment via the Adjustment Notice.</p> <p>However, through observation of Alinta Energy's Vault system, it was noted that there were no written processes in place to ensure relevant timeframe requirements are complied with.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|---|-----------------------------------|
| Compliance Manual Reference: 181 | | Compliance Rating B / 2 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.1 | | Reporting Type 2 |
| Description | | |
| 181 | The due date on the bill must be at least 12 business days from the date of that bill, unless otherwise agreed with the customer. The date of the dispatch is the date of the bill, unless the retailer specifies a later date. | |
| Observations | | |
| <p>Through discussion with the Billing Team Leader and observation of Alinta Energy's sample bills, it was noted that the due date on the bill is set to at least 12 business days from the date of issue (dispatch date) of the bill. Due dates are calculated automatically by Alinta Energy's CIS-OV system.</p> <p>Bills issued with a due date of less than 12 business days from the date of dispatch are reported as a breach to the ERA as part of the annual compliance report. It was noted in the 2017-18 and 2018-19 Annual Compliance Reports that Alinta Energy had, on two occasions, issued bills with a due date of 11 business days from date of dispatch to a number of customers due to a Fuji Xerox systems error.</p> <p>On the first occasion, due to a configuration error of the calendar, Monday 2 October 2017 was marked as a public holiday instead of Monday 25 September 2017. The 44,346 bills issued between these days provided 11 business days until the payment date was due instead of 12 business days.</p> <p>On the second occasion, a systems error meant the bill run for Thursday 13 Sept 2018 could not be printed. The 4,563 print bills were sent out one day late, providing 11 business days until the payment date.</p> <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 2 – Non-compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| N/A – Issue has been resolved during the audit period. | | |

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|---|---|-----------------------------------|
| Compliance Manual Reference: 185 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.5 | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>We obtained Alinta Energy's Standard and Non-Standard Terms and Conditions and noted Terms 7.2 and 7.4 outline the process a customer can take to redirect their bill to another address in the event they are absent for a long period of time or are having difficulties paying their bill. However, no reference is made where a customer is unable to pay due to illness.</p> <p>Through discussion with the Customer Service Manager and observation of Alinta Energy's Vault system, it was noted that Alinta Energy does not currently have any written processes or procedures on the redirection of customer's bills for customers who are ill or absent. It was confirmed that Customer Service Representatives generally offer customers alternate payment arrangements such as a direct debit or payment extension in the event that a customer was ill or absent, unless a customer specifically requests for their bill to be redirected. However, we note Customer Service Representatives are trained to redirect a customer's bills on request by attaching an alternative mailing address to a customer's account in CIS-OV free of charge.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|---|------------------------------------|
| Compliance Manual Reference: 196A | | Compliance Rating B / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.9 | | Reporting Type 2 |
| Description | | |
| 196A | If a customer with a debt owing to a retailer requests the retailer to transfer the debt to another customer, the retailer must obtain the other customer's verifiable consent to the transfer of debt. | |
| Observations | | |
| <p>Through discussion with the Customer Service Manager and observation of Alinta Energy's Vault system, it was identified that Alinta Energy does not currently have any written processes around the transfer of customer's debt to another customer. However, it was noted that Alinta Energy has since updated Vault to include work instructions around this process and require Customer Service Representatives to obtain both parties verifiable consent when transferring a customer's debt. It was confirmed by the Customer Service Manager that Alinta Energy has not transferred debt to another customer during the audit period.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have generally adequate controls with improvement needed, however, compliance during the audit period could not be rated.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| Compliance Manual Reference: 198 | | Compliance Rating C / NR |
|--|---|-----------------------------|
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.1(1) | | |
| Description | | |
| 198 | A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business days from when the residential customer informs the retailer about the payment problems. If the retailer cannot make the assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment. | |
| Observations | | |
| <p>Through discussions with a Hardship Officer and the Team Leader Customer Service we noted that the contact centre communicates with the majority of customers experiencing payment problems. The level to which the Customer Service Representative is trained (CSR Level 2 or above) would determine their ability to assess the application. If they do not have the training, it will be internally referred to relevant team members (internal hunt group for Hardship Utilities Grant Scheme (HUGS), or Hardship Team).</p> <p>A preliminary assessment is conducted when the customer contacts Alinta Energy, to determine if they are in financial difficulty or financial hardship. The CSR uses an assessment document to determine the customer's eligibility, with work instructions on Alinta Energy's Vault system.</p> <p>Sample testing was conducted on three financial hardship customers through which we confirmed that a financial hardship assessment was made within five business days from when the customer informed the retailer about the payment problems. Through our discussions with the Manager Customer Operations we noted that Alinta Energy have no way of readily identifying customers who were assessed as being in financial difficulty to ensure that these customers were also assessed within five business days of informing the Alinta Energy of their financial situation. We established that this information would be recorded within contact logs CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted. Sample testing was unable to be conducted for customer's experiencing payment difficulties as Alinta Energy was unable to provide the necessary information.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation. We confirmed with the Hardship Officer that Alinta Energy would refer the customer to a relevant consumer representative if the customer couldn't agree to make any payments. In these instances, they would refer them to the National Debt helpline or a Financial Counsellor. This referral would be made following an assessment of their financial position within five business days. We noted that the system limitation extends to flagging or identifying which customers have been referred to a relevant consumer representative to make an assessment. As a result we were unable to identify whether Alinta Energy have complied with the requirement to refer the customer to a relevant consumer representative to make the assessment if the retailer cannot make the assessment within the required timeframe.</p> <p>Previous performance audit reports recommended Alinta Energy enhance its customer complaints monitoring practices to identify and monitor those complaints that may be an indicator of actual or potential compliance breach. Through our review of audit performance between October 2016 and September 2019 we have recognised that Alinta Energy have a robust complaints management process which is reviewed and categorised by the Team Leader Customer Service within CIS-OV and reported on weekly.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Required | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| <ol style="list-style-type: none"> 1) In the absence of system controls and the ability to identify financial hardship assessments conducted we recommend that Alinta Energy should develop and maintain a record of all customers who have informed the retailer of payment difficulties and had an assessment on financial status performed. 2) Alinta Energy to explore CIS-OV limitations and applicability of adding payment difficulties within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

| Compliance Manual Reference: 199 | | Compliance Rating C / NR |
|---|--|-----------------------------|
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type NR |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.1(3) | | |
| Description | | |
| 199 | When undertaking an assessment regarding payment difficulties or financial hardship, the retailer must, unless the retailer adopts an assessment from a relevant consumer representative, give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by a relevant consumer representative. | |
| <p>Observations</p> <p>Through our discussions with the Hardship Officer and the Team Leader Customer Services, we determined that Alinta Energy have procedures in place to assist in making preliminary assessments of a customer's financial situation and note the following:</p> <ul style="list-style-type: none"> Alinta Energy will not adopt an assessment from a relevant consumer representative, they will make their own assessment of a customer's situation; Customer Service Representatives (CSR's) and Hardship Officers are trained on how to assess a customer's situation; CSR's and Hardship Officers will give reasonable consideration to the information given by the customer and requested or held by the retailer; Alinta Energy has a Financial Hardship Assessment document that is followed to ensure the customer meets the eligibility criteria; Reasonable consideration to all of the above will determine the outcome of the assessment. Based on this outcome, the customer will be offered the most appropriate arrangement (i.e. weekly fortnightly, or monthly instalments) to facilitate their financial situation; and When a preliminary assessment of a customer has been performed, the CSR is required to document the discussion and outcomes on the customer's profile within CIS-OV. <p>Sample testing was conducted on three financial hardship customers through which we confirmed that a financial hardship assessment was made and documented within the customers contact log through which we were able to identify that reasonable consideration is given to the information provided by the residential customer and requested or held by the retailer. Through our discussions with the Manager Customer Operations we noted that CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted to identify customers in financial difficulty to ensure that reasonable consideration of information was given to these customers. Sample testing was unable to be conducted for customer's experiencing payment difficulties as Alinta Energy was unable to provide the necessary information.</p> <p>Through review of supporting documentation we noted that although CSR's are trained to reasonably consider all information provided and obtained in their assessment of a customer's financial situation there is currently no formalised documentation which outlines this requirement.</p> <p>The Financial Hardship Program started in August 2017, a dedicated Hardship team and a structured program, providing more options to a customer experiencing payment difficulties developed. Prior to this, the only option available was the Government's Hardship Utility Grant Scheme. Prior to the Financial Hardship Program, an initial assessment would 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 the relevant government agency or a financial counsellor.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Required | |
| Compliance Rating | NR – Not Rated | |
| <p>Corrective Action/Opportunity for Improvement</p> <p>Alinta Energy should amend their process documentation stored within the Vault system to:</p> <ol style="list-style-type: none"> Formalise the requirement to reasonably consider all information provided and obtained in their assessment of a customer's financial situation when undertaking an assessment regarding payment difficulties or financial hardship. To state that this information must be outlined within CIS-OV. Alinta Energy to explore CIS-OV limitations and applicability of adding payment difficulties within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 200 | | Compliance Rating C / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.1(4) | | Reporting Type 2 |
| Description | | |
| 200 | A retailer must advise a residential customer on request of the details of an assessment. | |
| Observations | | |
| <p>Through discussions with a Hardship Officer, we confirmed that:</p> <ul style="list-style-type: none"> Customer Service Representatives (CSR Level 2 or above) and Hardship Officers have been trained in financial hardship and how to conduct financial hardship assessments. These assessments are conducted over the phone and the customer is apprised of both the details of the assessment and the outcome. While there is an assumed knowledge that Customer Service Representatives or Hardship Officers who have conducted the assessment would communicate to the customer details of the assessment, we note there is currently no script for this and there is no formalised documentation outlining this requirement. Should a customer request the details of an assessment in written form, Alinta Energy would provide this information in the customers preferred format. <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Required | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| <ol style="list-style-type: none"> Alinta Energy need to establish a standardised process through which they can advise customers of the details of a financial assessment upon request. To facilitate with this we recommend that Alinta Energy develop: <ul style="list-style-type: none"> A script including the details of an assessment and the outcome; A task flow should be created within Vault to ensure that any call with an assessment is made is finalised with an overview of what has been advised; A template that outlines the details and outcome of an assessment that can be provided to a customer in written form upon request; and Documentation should be distributed to CSR's and Hardship Officers through training and uploaded to Vault to support the assessment process. Alinta Energy to explore CIS-OV limitations and applicability of adding financial hardship assessments within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 200A, 201, 202 | | Compliance Rating C / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.2(1), (2) and (3) | | Reporting Type 2 |
| Description | | |
| 200A | If a retailer refers a residential customer to a relevant consumer representative under clause 6.1(1) (b), the retailer must grant the residential customer a temporary suspension of actions. | |
| 201 | If a residential customer informs a retailer that the customer is experiencing payment problems, the 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 to assess the customer's capacity to pay. | |
| 202 | A retailer must allow a temporary suspension of actions for a period of at least 15 business days. | |
| Observations | | |
| <p>Through discussions with a Hardship officer we determined that Alinta Energy has a procedure in place to enable a customer's account to be temporarily suspended to prevent any debt recovery or disconnections. Based on our discussion and process walkthrough we confirmed the following:</p> <ul style="list-style-type: none"> • If Alinta Energy refers a residential customer to a relevant consumer representative (National Debt Helpline or Financial Counsellor), they will apply a temporary three week suspension to the customer's account to ensure that there is enough time to obtain an assessment of their financial status. After the three week period, the suspension will automatically end on the account and they will be subject to credit and disconnection action. The customer is required to contact Alinta Energy to update them with the assessment result or to request for an extension. • If a residential customer informs Alinta Energy that they are experiencing payment problems, they will not deny a residential customer's request for a temporary suspension of actions for three weeks, if the customer demonstrates to the retailer that the customer has an appointment with a relevant consumer representative. Should a greater period of time be required, Customer Service Representatives (CSR's) are required to escalate the request to a Team Leader. The procedure allows for the suspension to be extended beyond the three weeks. This will generally occur if their appointment is outside said timeframe. Once the suspension has expired, the customer will be subject to the standard disconnection process. • A temporary suspension when applied to the customer's account within CIS-OV lasts for a minimum of three weeks, satisfying the requirement for a period of at least 15 business days. <p>A 'Suspended Collections' report is produced weekly which details those customers that have had credit activity placed on hold/suspended for various reasons (this includes but is not exclusive to the requirements set by this obligation). We noted that this report does not identify what the reason for suspension is.</p> <p>We established that this information would be recorded within contact logs but CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted and accounts that have been referred to a consumer representative and suspended for the reasons outlined by this requirements. Whilst CSR's are trained to update contact logs to reflect this Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Required | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy to explore CIS-OV limitations and applicability of adding 'suspend collect due to consultation to consumer representatives' within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 203 | | Compliance Rating C / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.2(4) | | Reporting Type NR |
| Description | | |
| 203 | If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, a retailer must give reasonable consideration to the request. | |
| Observations | | |
| <p>Through discussions with a Hardship officer we determined that Alinta Energy have a procedure in place to enable a customer's account to be temporarily suspended to prevent any debt recovery or disconnection actions from being applied and allow additional time to complete the assessment.</p> <p>Based on our discussion we confirmed that:</p> <ul style="list-style-type: none"> • It would be unlikely that a customer would be referred to a consumer representative for a financial assessment. Generally, the only circumstances in which a customer would be referred to a consumer representative would be following an internal assessment of the customer's financial situation and it was determined that the customer is unable to make a financial contribution or commit to a payment plan; • However, if referred to a relevant consumer representative who is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, then Alinta Energy will give reasonable consideration to the request; • The customer's account would be temporarily suspended during this consideration period. If the request is accepted the temporary suspension would apply for the determined period of time, if the request is rejected temporary suspension would be removed and the debt recovery and disconnection process would occur; • It would be unlikely that Alinta Energy would deny this request for additional time but would be dependent on how long the account had already been suspended and reason for the delay; and • These circumstances would be referred to and dealt with by a Customer Service Team Leader or Hardship Officer and documented within the customers contact log. <p>The Manager Customer Operations confirmed that it is possible that this situation has occurred within the audit period, however, we established that CIS-OV does not flag or readily identify customers who require additional time for a consumer representatives to complete an assessment. Whilst CSR's are trained to update contact logs to reflect these scenarios Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Required | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy will review CISOV to determine whether a flag can be added to readily identify customers who have had collection suspended because they are seeking a financial assessment from a relevant consumer representative. | | |

| Compliance Manual Reference: 204, 205 | | Compliance Rating C / NR |
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| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.3(1) Compendium clause 6.4(1) | | |
| Description | | |
| 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 clause 6.3(1) | |
| 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 clauses 6.4(1) (a) and (b). | |
| Observations <p>Through discussions with a Hardship Officer and the Manager Customer Operations we determined there is a financial hardship assessment process that occurs when a customer contacts Alinta Energy directly indicating that they are experiencing financial difficulties. It is generally the Customer Service Representatives (CSR's) who will make this assessment as they are usually the customer's first contact point. The assessment is conducted over the phone upon recognising that the residential customer is experiencing payment difficulties. The CSR's are trained to determine at that point in time, whether the residential customer is experiencing payment difficulties or financial hardship. The outcome will determine the assistance offered as specified within the Gas Compendium.</p> <p>Through sample testing we determined that Alinta Energy offer a range of alternative payment arrangements as well as advice and additional assistance to customers experiencing payment difficulties or financial hardship. Sample testing was unable to be conducted for customer's experiencing payment difficulties as Alinta Energy was unable to provide the necessary information.</p> <p>The assistance offered to customers with payment difficulties or in financial hardship are outlined in the Hardship Policy which has been in place for the duration of the audit period.</p> <p>These options include:</p> <ul style="list-style-type: none"> • Additional time to pay a bill; • Temporary suspension of recovery actions; • Interest free instalment plans; • Reduction and/or waiver of fees, charges and debt. • Alternative payment options, including Centrepay or Income Management or payment in advance; • Referral to a free local and registered Financial Counselling Service; and • Access to the Hardship Utilities Grant Scheme (HUGS) <p>However, a system walkthrough of Vault identified that there are currently no work instructions that explicitly outline all of the payment arrangements available to customers, when they may be applicable and task flows to support their implementation.</p> <p>Through our discussions we determined that if it is reasonably demonstrated that a customer experiencing financial hardship is unable to meet their obligations under a previously elected payment arrangement, Alinta Energy would review the customer financial situation and amend their payment arrangement accordingly. We confirmed that Alinta Energy introduced their Financial Hardship Program in August 2017 and currently have a dedicated Hardship team who oversee and monitor all customers who qualify for financial hardship and have been accepted on to the program. Prior to creation of the Financial Hardship Program, the only option available to a residential customer identified as being in financial hardship, was a referral to a relevant consumer representative and/or help applying for the Government's Hardship Utilities Grant Scheme, 'HUGS'.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Required | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement Alinta Energy should update the Vault to include explicit work instructions and supporting task flows for all of the payment arrangements offered to a customer depending on their eligibility. | | |

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| Compliance Manual Reference: 206 | | Compliance Rating C / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.4(2) | | Reporting Type 2 |
| Description | | |
| 206 | When offering or amending an instalment plan to a residential customer a retailer must ensure that the instalment plan is fair and reasonable taking into account the customer's capacity to pay and consumption history, and comply with clause 6.4(3). | |
| Observations | | |
| <p>Through discussions with a Hardship Officer we confirmed that prior to offering or amending an instalment plan to a residential customer, Alinta Energy would determine whether the plan is fair and reasonable taking into account the customer's capacity to pay and their consumption history.</p> <p>The financial hardship assessment conducted includes questions through which the assessor would use to determine if the plan is appropriate. Only following a financial hardship assessment will an instalment plan be set up. Through our discussions and a process walkthrough we determined that instalment plans are the arrangements applied to a customer's account (identified as the Debt Class within CIS-OV) that determine the frequency of payments.</p> <p>The Hardship Officer informed us that Customer Service Representatives (CSR's) and Hardship Officers are trained to relay the information relating to the instalment plan to the customer over the phone at the point of contact to confirm their agreement. The specifics agreed are also noted on the customer's account through CIS-OV. Through testing we were able to identify information related to various instalment plans and sighted the customer contact logs to confirm that CSRs have documented their consideration of what is fair and reasonable based on the customers capacity to pay and consumption history. Alinta Energy are compliant in relation to this component of the obligation.</p> <p>A walkthrough of the instalment plan process and review of documentation identified that Alinta Energy have a standardised "welcome to Alinta Energy's Hardship Assistance Program" letter for hardship customers who are offered an instalment plan. This letter, along with the payment schedule, contains all the requirements outlined in 6.4(3)(a): stating the terms of the instalment plan, the consequences of not honouring the instalment plan, and the importance of contacting Alinta Energy if their circumstances change.</p> <p>Sample testing was conducted over three customer contact logs and were found to be compliant, with communication clear and accurate.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have inadequate controls with significant improvement needed and they have complied with this obligation during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| <ol style="list-style-type: none"> Alinta Energy must establish a consistent process whereby they provide any residential customer who has created or amended an instalment plan with the relevant information in writing or by electronic means, within 5 business days of when the customer verbally accepts the payment arrangement. Alinta Energy to explore CIS-OV limitations and applicability of searching for customers on instalment plans to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 206A | | Compliance Rating C / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.4(3) | | Reporting Type 2 |
| Description | | |
| 206A | If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3) (a) (i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and provide the customer with information explaining the changes. | |
| Observations | | |
| <p>Through discussions with a Hardship Officer we confirmed that Alinta Energy have a standardised “welcome to Alinta Energy’s Hardship Assistance Program” letter for hardship customers who are offered an instalment plan. This letter, along with the payment schedule, contains all the requirements outlined in 6.4(3)(a): stating the terms of the instalment plan, the consequences of not honouring the instalment plan, and the importance of contacting Alinta Energy if their circumstances change. However, the Hardship Officer established that this letter is not consistently in use and the obligation to, within 5 business days of the residential customer accepting the instalment plan provide the residential customer with information in writing or by electronic means is therefore potentially not compliant.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Needed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| <ol style="list-style-type: none"> Alinta Energy must establish a consistent process whereby they provide any residential customer who has created or amended an instalment plan with the relevant information in writing or by electronic means, within 5 business days of when the customer verbally accepts the payment arrangement. Alinta Energy to explore CIS-OV limitations and applicability of searching for customers on instalment plans to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 207 | | Compliance Rating C / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.4(4) | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Hardship Officer, we noted that where a customer has in the previous 12 months had 2 instalment plans cancelled due to non-payment, Alinta Energy will generally offer a third instalment plan. The following customer requirements are in place for customers on their third instalment plan:</p> <ul style="list-style-type: none"> • Where appropriate, Alinta Energy will request the customer to set up Centrepay; and • The customer must cover at least one missed instalment; and • The customer is to make a one off manual payment prior to re-entering the Hardship Program. <p>Alinta Energy customers will generally have three chances to comply with the financial hardship program, following that they will be ineligible for the program.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Needed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy to explore CIS-OV limitations and applicability of searching for customers on instalment plans to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 208 | | Compliance Rating C / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.6(1) | | Reporting Type NR |
| Description | | |
| 208 | A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative, for a reduction of the customer's fees, charges, or debt. | |
| Observations | | |
| <p>Through discussions with a Hardship Officer we determined that Alinta Energy will assess the specific circumstances of each customer prior to making a determination regarding the waiving of any fees, charges or debt. The financial hardship assessment conducted ensures that reasonable consideration is given to a customer's financial situation.</p> <p>Through our discussion of the process and a system walkthrough of Vault and CIS-OV we note the following:</p> <ul style="list-style-type: none"> Any residential customer who is assessed as being in financial hardship will have special conditions applied to their account within CIS-OV which prevents any further disconnection and debt recovery procedures. The special condition is entered by the Customer Service Representative (CSR) or person responsible for initial assessment. Any account with special conditions applied will be flagged when the account is opened, notifying the Alinta Energy employee that they are a hardship customer. The system will not allow anyone to proceed without clicking "OK". This ensures the condition has been read by the employee; The special condition ensures that any enquiries on this account will be transferred to the hardship team member looking after the account; The debt class in CIS-OV will be changed to reflect the payment plan agreed; The debt class stops any credit activity that comes through as the system recognises this and waives all late fees, reconnection fees or charges. However, Alinta Energy does not waive previous debt and this will remain on the account; Any customer on the Financial Hardship program will have any fees prior to and during the program waived; and Contact logs are manually added in CIS-OV by a CSR each time a customer's account is monitored. <p>We also noted that if a customer enquires about a discount, CSR's and Hardship Officers are trained to refer them to the product team who can discuss options to reduce customer fees and charges from a product perspective.</p> <p>We established that this information would be recorded within contact logs but CIS-OV does not flag or readily identify accounts with customer requests or requests that have been made by a consumer representative. Whilst CSR's are trained to update contact logs to reflect this Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Needed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| Alinta Energy to explore CIS-OV limitations and applicability of adding customer or consumer representative requests within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 211 | | Compliance Rating C / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.8 | | Reporting Type 2 |
| Description | | |
| 211 | A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8. | |
| Observations | | |
| <p>Through discussions with a Hardship Officer and the Team Leader Customer Service we confirmed that Alinta Energy will advise customers experiencing financial hardship of the following options as specified within the Gas Compendium where they are appropriate to the customer's situation:</p> <ul style="list-style-type: none"> • Customer's right to have the bill redirected at no charge to a third person; • Payment methods available to the customer; • Concessions available to the customer and how to access them; • Different types of tariffs available to the customer; • Independent financial counselling services and relevant consumer representatives available to assist the customer; and • Availability of any other financial assistance and grants schemes that the retailer should reasonably be aware of and how to access them. <p>However, the Team Leader Customer Service confirmed that it is unlikely that a Customer Service Representative (CSR) would advise a customer of all six options as it will be dependent on the customer's situation. We established that this information will be provided by a CSR over the phone and the payment arrangement agreed documented within the contact log within CIS-OV. However, CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Customer Service Representatives are trained to ensure they are aware of the options available, with an implied understanding that these options will be advised to customers experiencing financial hardship, but this could not be confirmed through the course of fieldwork.</p> <p>As part of our review of the Hardship Policy we noted that all options within the Gas Compendium are explicitly outlined within the range of options that Alinta Energy have available to assist their customers experiencing payment difficulties.</p> <p>A walkthrough of Vault was conducted, through which we noted that information is available for some options but not all which are available to assist a customer experiencing payment difficulties. There are currently no work instructions for Customer Service Representatives which explicitly outline the options specified for the purpose of this regulation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Needed | |
| Compliance Rating | NR – Not rated | |
| Corrective Action/Opportunity for Improvement | | |
| <p>Although Customer Service Representatives are trained to present the options for financial hardship, there is no supporting process documentation in place to guide them. Alinta Energy should consider updating the Vault to include a work instruction which explicitly outlines the range of options available to a customer experiencing financial hardship to ensure the customer is appropriately advised of the options available to them.</p> | | |

| Compliance Manual Reference: 212 | | Compliance Rating C / NR |
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| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.9(1) | | |
| Description | | |
| 212 | A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives. | |
| Observations | | |
| <p>Through our discussions with a Hardship Officer and the Manager Customer Operations we confirmed that Alinta Energy do accept and have a process in place to establish payments in advance for residential customers, however due to the nature of customers financial situation when experiencing payment difficulties or financial hardship it is unlikely that payment in advance would be feasible and would not be offered. We established that a payment in advance arrangement is more likely to be agreed after hardship or as a mitigating strategy to avoid a state of hardship.</p> <p>We confirmed that trained Customer Service Representatives (CSR) and the Hardship team are responsible for consulting with customers experiencing payment difficulties or financial hardship.</p> <p>Alinta Energy's payment in advance process would require them to:</p> <ul style="list-style-type: none"> • Complete a financial hardship assessment to determine the minimum payment in advance amount and the frequency in which the payments are to be made with each customer based on what the customer can reasonably afford to pay at the point in time. • Based on the financial hardship assessment questions there is a CIS-OV calculator that will guide the minimum payment in advance amount. • They will try to push customers for consumption so that their debt doesn't get higher. • They will consult with relevant consumer representatives where applicable. • This arrangement is developed in consultation with the customer and recorded in the contact log within CIS-OV. <p>Our discussions identified that relevant consumer representatives are not consulted in every instance where an assessment is made to determine an appropriate minimum payment in advance amount, however this could not be confirmed through sample testing. We also noted that Alinta Energy do not use consumer representative guidance documents or standards to help determine the minimum payment to ensure that it is appropriate to the customers situation.</p> <p>We established that this information would be recorded within contact logs but CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted.</p> <p>Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Needed | |
| Compliance Rating | NR- Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| <ol style="list-style-type: none"> 1) Alinta Energy to document the circumstances in which minimum payment in advance amounts are established for residential customers experiencing payment difficulties or financial hardship. This should include the requirement to consult with relevant consumer representatives to provide assurance of the assessment. 2) Alinta Energy to explore CIS-OV limitations and applicability of adding minimum payment in advance functionality within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 217 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.10(5) | | |
| Description | | |
| 217 | A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the date the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended. | |
| Observations | | |
| <p>Through discussion with the Manager Regulatory Compliance and review of supporting documentation we determined that Alinta Energy do and could provide evidence of the relevant consumer representative organisations consulted on the contents of its hardship policy and procedures, including the following:</p> <ul style="list-style-type: none"> • The date the hardship policy and hardship procedures were established; • The dates the hardship policy and hardship procedures were reviewed; and • The dates the hardship policy and hardship procedures were amended. <p>However, as a result of our review we noted that these records are not kept or stored in a central location for easy reference. We also note that Alinta Energy do not have a set date for the continuous review (annual / biannual) of the Financial Hardship policy and procedures.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 220 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.10(7) | | Reporting Type 2 |
| Description | | |
| 220 | A retailer must comply with the ERA's Financial Hardship Policy Guidelines. | |
| Observations | | |
| <p>Through discussions with the Manager Customer Operations and Manager Regulatory Compliance and examination of the Hardship Policy, we determined that:</p> <ul style="list-style-type: none"> Alinta Energy are aware of the requirement that they must comply with the ERA's Financial Hardship Policy Guidelines; Alinta Energy last formally updated their Financial Hardship Policy in 2015 and this is publically available on their corporate website; Alinta Energy have developed internal Financial Hardship Procedures to ensure that work practices align to the ERA's Guidelines and this was last formally updated in June 2015; Alinta Energy developed a dedicated Hardship team in 2017 that with the support of Customer Service Representatives, who oversee all financial hardship customers; Alinta Energy have not had a regular review process in place over the duration of the audit period; and Alinta Energy have recently reviewed its Financial Hardship Policy in line with the amendments to the ERA Guidelines (August 2019). <p>Upon review of the relevant documentation Alinta Energy have policies and procedures in place that align to the ERA's guidelines, however, CIS-OV does not flag or readily identify Alinta Energy's financial hardship practices for compliance with the ERAs Financial Hardship Policy Guidelines.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally Adequate Controls – Improvement Needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 221 | | Compliance Rating C / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.11 | | Reporting Type 2 |
| Description | | |
| 221 | A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties. | |
| Observations | | |
| <p>Through discussions with the Manager Customer Operations and a Hardship Officer we established that Alinta Energy do not and would not accept business customers into their financial hardship program, however:</p> <ul style="list-style-type: none"> Alinta Energy do allow for alternative payment arrangements to be made for customers experiencing payment difficulties (e.g. bill smoothing and extensions to bills); Business customers would be considered and offered alternative payment arrangement depending on the circumstances of their financial difficulty; Relevant staff have been trained to offer small use business customers experiencing payment problems alternative payment arrangements; and Alternative payment arrangements for small use business customer would be established by looking at their payment history and their next read date. If Alinta Energy need to extend payments past the next read date and they have good history on adhering to payment plans, then approval will be given by the Credit Team Leader. <p>Through review of key documentation we noted that the latest version of the Hardship Policy does not make reference to small use business customers. It was established that during the previous audit period, Alinta Energy liaised with the Authority over the need to specifically refer to small use business customers within the Hardship Policy. The Authority issued a decision resulting in Alinta Energy not being required to include small use business customers in the Hardship Policy.</p> <p>Through our review we were unable to identify any work instructions or process documentation to support relevant staff in their adherence to this obligation and alternative payment arrangements available to small use business customers.</p> <p>We established that CIS-OV does not flag or readily identify information on small use business customer experiencing payment difficulties. Alinta Energy was unable to provide the necessary information to test the compliance with this obligation.</p> <p>Based on enquiries, examination of documentation, a walkthrough of the system and limited sample testing, it was concluded that there are inadequate controls in place with significant improvement needed. However, Alinta Energy was unable to provide the necessary information to undertake sample testing of financial hardship we were unable to rate compliance with this licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | C – Inadequate Controls – Significant Improvement Needed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| <ol style="list-style-type: none"> Alinta Energy should update their work instructions and process documentation to provide guidance to relevant staff to explicitly address the requirement to consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties, and outline the alternative payment arrangements available to business customers experiencing payment difficulties. Alinta Energy to explore CIS-OV limitations and applicability of adding alternative payment arrangement for business customers within customer accounts to ensure they can readily provide data on request and have comfort over compliance to the obligation. | | |

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| Compliance Manual Reference: 229 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 8.1(2) | | Reporting Type 2 |
| Description | | |
| 229 | 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 3pm on the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday. | |
| Observations | | |
| <p>Through discussion with Retail Credit Officer, reconnections go through the CSR team and are forwarded through to the Retail Credit Officers for a service order to be created. The requests come via email and there is no specific control to ensure that the service order is sent by 3pm, although the Retail Credit Team are vigilant in ensuring that this has occurred. At least one member of the Retail Credit Team must be onsite until close of business to ensure that requests arriving after 3pm are processed before 3pm the following business day.</p> <p>We sighted and example this process from CSR request through to the reconnection and service order creation within CIS-OV to confirm the process occurred in the specified time period.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 236 | | Compliance Rating B / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.2(3) | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussions with the Billing Team Leader, it was noted that upon request, the billing team will provide customers, free of charge, all available bill data over the phone, through email or by post, regardless of the requested timeframe i.e. beyond two years prior. Billing data is stored within Alinta Energy's customer information system 'CIS-OV' and customers are able to obtain all available bill data from the date the customer created their account.</p> <p>Customer's billing data is retrieved from Cognos by entering in the customer's account number and the date range the customer has requested. A report will be generated which shows relevant billing data for the period with information including:</p> <ol style="list-style-type: none"> 1. Reading Date 2. Reading Amount 3. Usage Amount 4. Billing Period 5. Bill Amount <p>This report can be extracted and sent to the customer upon request.</p> <p>Customer Service Representatives have been trained to provide customers with their previous bills upon request. Through discussion with the Customer Service Manager, previous bills can be generated through Fuji Xerox. However, it was noted that Fuji Xerox only stores 6 years' worth of customers' bills. Alternatively, if the customer has an Alinta Energy 'my account', Customer Service Representatives will direct customers to Alinta Energy's website. It was confirmed by the Customer Service Manager that requests for bill data are usually received and provided to the customer over the phone, however larger amounts of data can be provided via email. There is a 2 business day turn-around period for providing this data, therefore complying with the 10 business day requirement of the Compendium.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are generally adequate controls in place with some improvement needed and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 250 | | Compliance Rating B / 2 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.11(2) Schedule 2 Distribution Licence clause 2.1 | | Reporting Type 2 |
| Description | | |
| 250 | A retailer and, if appropriate, a distributor must include on a residential customer's bill and bill related information, reminder notice and disconnection warning the telephone numbers for: <ul style="list-style-type: none"> · its TTY services; · independent multi-lingual services; and · interpreter services with the National Interpreter Symbol and the words "Interpreter Services". | |
| Observations | | |
| <p>Examination of bills, reminder notices and disconnection warnings noted the following observations:</p> <ul style="list-style-type: none"> • The services' telephone numbers are included on the residential customers' bills; however • The services' telephone numbers are <i>not</i> provided on reminder notices and disconnections warnings. <p>As such, it is noted Alinta Energy is not fully compliant with this obligation. In consideration of the adequacy of controls and compliance ratings (i.e. the impact on customers), weighting was provided to the following:</p> <ul style="list-style-type: none"> • Customer bills, the Alinta Energy website and the Customer Charter all provide the telephone numbers; and • Staff are able to provide the telephone numbers upon request from the customers. <p>Therefore, it was determined that the impact on customers is only minor, due to compensating controls.</p> <p>Based on examination of documentation, it was concluded that there were generally adequate controls with improvement needed, however Alinta Energy has not complied with the obligation during the audit period, resulting in a minor impact on customers and third parties.</p> | | |
| Adequacy of Controls Rating | B – Generally adequate controls – improvement needed | |
| Compliance Rating | 2 – Non compliant – minor impact on customers or third parties | |
| Corrective Action/Opportunity for Improvement | | |
| <p>Update the templates for reminder notices and disconnection warnings to provide the telephone numbers for:</p> <ul style="list-style-type: none"> · its TTY services; · independent multi-lingual services; and · Interpreter services with the National Interpreter Symbol and the words "Interpreter Services". | | |

| Compliance Manual Reference: 281 | | Compliance Rating C / 3 |
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| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 13.1 Schedule 2 Distribution Licence clause 2.1 | | |
| Description | | |
| 281 | A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA. | |
| Observations | | |
| <p>Through discussion with the Manager Regulatory compliance, we note that Alinta Energy are required to annually prepare and submit a Performance Report and a Compliance Report.</p> <p><i>Compliance Report</i></p> <p>The Compliance Report is updated throughout the reporting year as breaches are identified. This is compiled by the Manager Regulatory Compliance and contains the following information:</p> <ul style="list-style-type: none"> • Confirmation that Alinta Energy has complied with all applicable Type 1 and 2 licence obligations during the period, other than those specifically referred to in Schedule A; • Identified any Type 1 or Type 2 licence obligations that have been breached during the period and provided details of: <ul style="list-style-type: none"> ○ the licence obligation that has been breached; ○ the nature and extent of the breach; ○ the impact of the breach including the number of customers and other licensees affected; ○ the reasons for the breach; ○ the actions that the licensee has taken to rectify the breach; ○ the actions taken by the licensee to prevent recurrence of the breach; and ○ the date the licensee has, or expects to, comply again fully with the licence obligation that has been breached. <p>We conducted sample testing over two Compliance Reports and noted they contained the information specified by the ERA in the GTL Reporting Manual.</p> <p><i>Performance Report</i></p> <p>Each year, the ERA will provide Alinta Energy with a template GTL Performance Reporting Datasheet (the "Datasheet") which sets out the information required to be submitted. Guidance for completing the Datasheet is provided within the GTL Performance Reporting Handbook.</p> <p>Discussion with the Manager Regulatory Compliance noted the following internal process:</p> <ol style="list-style-type: none"> 1. The Manager Customer Operations, Manager Customer Service and the Team Leader Billing will prepare the report based on the template Datasheet using data from system queries. 2. Sense check the data by comparing to historical reports and expected results for the year. 3. Provide to the Manager Regulatory Compliance who will also perform a sense-check and ensure the information provided aligns to what was requested by the ERA. <p>We conducted sample testing of two GTL Performance Reports noted they utilised the datasheet published by the ERA.</p> <p>We obtained the data used to compile the 2019 GTL9 Performance Report and conducted sample testing over 11 of the 51 data sets across Hardship, Energy Bill Debt and Customer Complaints. We observed the following:</p> <ul style="list-style-type: none"> • The total reported number of residential customers on Alinta Energy's hardship program as at 30 June could not be reconciled to the data provided, with the reported amount 8.4% lower than the data provided. • The average reported energy bill debt of hardship customers as at 30 June could not be reconciled to the data provided. • The average reported energy bill debt (as at the time of entering the hardship program) for those hardship customers who entered the hardship program during the reporting year could not be reconciled to the data provided. • The total reported number of hardship customers who entered the hardship program during the reporting year, with an energy bill debt (as at the time of entering the hardship program) that was over \$500 but less than \$1,500 could not be reconciled to the number extracted by the data provided. • The average reported amount of energy bill debt for residential customers (excluding hardship customers) as at 30 June could not be reconciled to the data provided. • The total reported number of business customers repaying an energy bill debt as at June 30 could not be reconciled to the number extracted by the data provided. • The total reported number of residential customers (excluding hardship customers) with energy bill debt that is over \$500 but less than \$1,500 as at June 30 could not be reconciled to the number extracted by the data provided. • The total reported number of complaints received from residential customers could not be reconciled to the number extracted by the data provided. | | |

- The total reported number of residential customer complaints that are billing/credit complaints could not be reconciled to the number extracted by the data provided.
- The total reported number of residential customer complaints that are marketing complaints (including complaints made directly to a retailer) could not be reconciled to the number extracted by the data provided.
- We were unable to obtain the data file used to compile the 2019 GTL9 Performance Report as the original was not retained by Alinta Energy. As a result, we were unable to reperform the indicators using original data, instead obtained an extract from the IT team.

Based on enquiries, examination of documentation and sample testing, it was concluded that there are inadequate controls in place with significant improvement required and Alinta Energy has not complied with the licence condition resulting in a moderate impact on customers or third parties during the audit period.

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| Adequacy of Controls Rating | C – Inadequate controls – significant improvement required |
| Compliance Rating | 3 – Non-compliant – moderate impact on customers or third parties |

Corrective Action/Opportunity for Improvement

We recommend Alinta Energy does the following in reference to Performance Reports:

- Centralise the data reporting to one team;
- Create a process document for the extraction of Performance Reporting data; and
- Ensure data used for the Performance Reports is retained and stored on their online document management system.

5.2 Observation detail on obligations (adequate controls and compliant)

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| Compliance Manual Reference: 2 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11WG(1) | | |
| Obligation under Condition: Trading Licence clause 12.1 | | Reporting Type 2 |
| Description | | |
| 2 | A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract. | |
| Observations | | |
| <p>Alinta Energy currently offers customers two types of contracts, the SFC and the NSC. Alinta Energy predominantly supplies gas to small use residential customers under an SFC, which was approved by the ERA in June 2016, and located on Alinta Energy's and the ERA's website. The NSC was developed using the SFC as a template and is offered to customers who wish to negotiate the gas tariff charges. There are a number of terms and conditions applicable to each with differences explained in the Comparison document, available to customers on request.</p> <p>ATCO will conduct regular meter reads on properties and if usage is recorded at a vacant property, they will inform Alinta Energy to contact the registered owner of the address. Alinta Energy will send a letter to the homeowner to notify them of the usage. If the homeowner does not contact Alinta Energy, they are legally allowed to be disconnected through Alinta Energy's normal disconnection process. Once the homeowner agrees to the connection, they will be placed on a SFC unless otherwise requested.</p> <p>Through discussion with the Manager Customer Service, we note that system controls in CIS-OV (Alinta Energy's customer information system) prevent customers from not being placed on either a SFC or NSC. When a service order is raised, the Customer Service Representative must select the contract type or the order will not proceed.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 4 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11WK(1-2) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussions with the Team Leader Billing and Manager Customer Operations, we noted that should a customer be identified as having consumed gas without having established an account with Alinta Energy, the customer is sent a letter requiring the customer to register an account. A disconnection service order is raised if the customer does not register an account within ten days of the letter being sent. In the absence of an agreement, all supply of gas is made under the terms and conditions of a standard contract.</p> <p>The Loss Consumption report is run weekly to identify properties using gas with no account. The billing team manually determine whether there needs to be a Loss Consumption letter sent to the client detailing the process of opening an account. If an account is not opened within ten days then the disconnections process begins.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 5 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11WK(3) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 5 | A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier. | |
| Observations | | |
| In accordance with Standard Supply Terms and Conditions, an SFC will continue to operate unless it is discontinued by entering into a contract with another provider, or entering into a different contact with Alinta Energy. | | |
| Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 6 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11X(3) | | |
| Obligation under Condition: Distribution Licence clause 5.1 Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Manager Regulatory Compliance, we noted that communication of interruption, suspension or restriction of the supply of gas due to an accident, emergency or potential danger or other unavoidable cause comes directly from the distributor, ATCO. Once notification is received, Alinta Energy will contact customers via their preferred communication method if they will be directly impacted. The communication process is outlined in the Alinta Energy Gas Supply Disruption internal Procedure document. If a customer wishes to report a fault, they will contact ATCO directly with the contact number listed on their bill. This number is also listed on the Alinta Energy webpage.</p> <p>During the audit period, there was one instance of restriction to gas supply due to a fault in the pipeline. ATCO informed Alinta Energy via email of the fault and subsequent resolution. As the issue was resolved within a few hours, Alinta Energy did not contact any affected customers due to the short timeframe between the initial notification from ATCO and resolution of the fault.</p> <p>Based on enquiry and examination of documentation, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 10 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11ZA(1) | | |
| Obligation under Condition: Distribution Licence clause 15.1 Trading Licence clause 16.1 | | Reporting Type 2 |
| Description | | |
| 10 | A licensee must provide the ERA with a performance audit by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows). | |
| Observations | | |
| <p>Examination of the Notice of the 2016 GTL9 Performance Audit for Alinta Energy from the ERA noted the next audit period would cover 1 October 2016 to 30 September 2019 (36 months). It is noted this is consistent with the audit plan for the 2019 GTL9 Performance Audit that was approved in writing by the ERA on 2 October 2019.</p> <p>Examination of the Approval of Auditor Letter from the ERA for the 'independent expert acceptable to the ERA' (KPMG) noted approval was given in writing on 29 July 2019.</p> <p>Regulatory audits are tracked by the Manager Regulatory Compliance within an excel tracker. Examination of the tracker noted the correct period for the Audit had been recorded.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have complied with this obligation during the audit period that there are adequate controls with no improvement needed.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 19 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11ZOR(2) | | |
| Obligation under Condition: Trading Licence clause 18.1 | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>The Australian Energy Market Operator (AEMO) was appointed as the administrator of the WA Retail Market Scheme covering the distribution systems in which Alinta Energy is licensed to operate. The appointment took effect from 31 October 2016. Prior to this, the Retail Energy Market Company Ltd (REMCo) was the approved administrator.</p> <p>In order to remain a member of the AEMO, Alinta Energy is required to pay a membership fee. An invoice is issued to Alinta Energy annually, with 12 days to pay.</p> <p>From an examination of the AEMO website, discussion with the Manager Regulatory Compliance, and review of invoice payments made to AEMO, Alinta Energy was a member of AEMO for the period of 31 October 2016 to 30 September 2019. We obtained email communication of the change from REMCo to AEMO and for the period 1 October 2016 to 31 October 2016 and noted Alinta Energy was a member of REMCo. Alinta Energy is also a signatory to the WA Gas Retail Market Agreement (WAGRMA), the agreement under which the Retail Market Scheme operates.</p> <p>Based on enquiry and examination of documentation, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 24 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11ZQH | | Reporting Type 2 |
| Obligation under Condition: Distribution Licence clause 17 Trading Licence clause 18.1 | | |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussions with the Manager Regulatory Compliance and examination of the Gas Trading Licence we established that Alinta Energy are a member of the Energy and Water Ombudsman WA (EWOWA) and represented on its Board by the General Manager Commercial and Industrial</p> <p>We obtained relevant documentation and noted the following:</p> <ul style="list-style-type: none"> • Further review of the EWOWA Annual Reports (2016 - 2018) confirmed that Alinta Energy have been members of an approved Gas Industry Ombudsman Scheme throughout the audit period. • Alinta Energy have a complaints handling procedure which clearly indicates to customers their right to escalate a complaint to the EWOWA, with contact details clearly available on the Alinta Energy website and customer bills. <p>As a result of their membership, Alinta Energy are not prohibited from supplying gas to its customers and they are aware they are bound by any decision or direction of the Ombudsman under the scheme. Sample testing confirmed that Alinta Energy has complied with a direction given by the Ombudsman within the audit period.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 29 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 5(1) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Under the <i>Energy Coordination (Gas Tariffs) Regulations 2000</i>, at least one capped gas tariff must be applied to the following areas:</p> <ul style="list-style-type: none"> • The Mid-West/South-West area; or • The Albany area; or • The Kalgoorlie-Boulder area. <p>Discussions with the Manager Regulatory Compliance confirmed that Alinta Energy supplies gas to small use and non-residential customers in the Mid-West/South-West, Albany and Kalgoorlie-Boulder areas. Tariffs are capped and published on the Alinta Energy website, with customers informed of any changes via their bill or email notification. Tariff rates are reviewed annually as per the <i>Energy Coordination (Gas Tariffs) Regulations 2000</i> and submitted to the Minister for Energy in writing one month prior to the effective date. The tariffs are usually adjusted on 1 July and are in line with CPI increases.</p> <p>In 2019, the Manager Regulatory Compliance developed a formalised project plan with the Alinta Energy project team to improve the efficiency of tariff rate increases across all aspects of the business, including gas. It details the steps that need to be taken prior to 1 July, with responsible owners assigned to each. Prior to this, the approach was the same, however it was not formalised in a clear and concise document.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 30, 31 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(2)(4) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type 2 |
| Description | | |
| 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. | |
| 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. | |
| Observations | | |
| <p>Through discussion with Officer Retail Services (Billing), we have confirmed that Alinta Energy receive approval for tariff rates annually from the government. These rates are manually entered into CIS-OV.</p> <p>When a team member opens an account and an SFC, the tariff will be applied by selecting the appropriate region and contract type. This will automatically apply the rate approved by the Minister.</p> <p>Alinta Energy employees cannot change the tariff rates of standard contract. We have sighted Minister approval of the tariff rates and agreed these to the rates in CIS-OV.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 32 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (2) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 32 | Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if — (a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer’s supply address; and (b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied. | |
| Observations | | |
| <p>Through discussions with the Manager Customer Operations we identified that the Retail Credit Team are responsible for disconnections, with the overarching process managed by the Credit and Payments Team Leader. Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 21:</p> <ul style="list-style-type: none"> ● <i>“Your gas cannot be turned off:</i> <ul style="list-style-type: none"> ● <i>where you have provided us with a written statement from a medical practitioner that continued supply of gas is necessary to protect the health of a person living at the supply address and you have entered into arrangements acceptable to us in relation to payment for gas; or</i> ● <i>where you have agreed to an alternative payment plan under clause 20 and you have not deviated from this plan;”</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| Compliance Manual Reference: 33, 34 | | Compliance Rating A / 1 |
|---|---|----------------------------|
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (4)(a)(b) | | Reporting Type NR |
| Obligation under Condition: Trading Licence clause 5.1 | | |
| Description | | |
| 33 | Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day). | |
| 34 | Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given). | |
| <p>Observations</p> <p>Through discussion with the Manager Customer Operations and review of the NSC, we noted that Alinta Energy inform customers of the following under clause 20.1:</p> <ul style="list-style-type: none"> • <i>“Before your gas can be turned off for non-payment of a bill, we will:</i> <ul style="list-style-type: none"> • <i>give you [in writing]:</i> <ul style="list-style-type: none"> • <i>a “reminder notice” at least 14 business days after the date the bill was issued, advising that payment is overdue and requiring you to pay by a specified date [which will be at least 20 business days after the date the bill was issued]; and</i> • <i>if you then fail to pay by the date specified in the reminder notice, a “disconnection warning notice” at least 22 business days after the date the bill is issued, requiring you to pay by a specified date [which will be at least ten [10] business days after the date of the disconnection warning notice];”</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| Compliance Manual Reference: 35, 36, 37, 39 | | Compliance Rating A / 1 |
|---|--|----------------------------|
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (5)(a)(b)(c)(e) | | Reporting Type NR |
| Obligation under Condition: Trading Licence clause 5.1 | | |
| Description | | |
| 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. | |
| 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. | |
| 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. | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Manager Customer Operations, we noted that Alinta Energy will raise a Service Order to ATCO to reconnect a customer where they have proved payment or arranged for payment after a disconnection. Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 20:</p> <ul style="list-style-type: none"> • <i>“20.1 Unpaid bills: If your gas is turned off for this reason and you either pay the amount due or agree to an alternative payment plan within ten [10] business days after your gas is turned off, we will turn your gas back on or arrange for the network operator to turn your gas back on.</i> • <i>20.2 Not allowing access to the meter: If your gas is turned off for this reason and you provide access to the meter within ten [10] business days after your gas is turned off, we will turn your gas back on or arrange for the network operator to turn your gas back on. We can charge you a fee for turning your gas back on [or for arranging for the network operator to turn your gas back on].</i> • <i>20.7 Unauthorised use of gas: If we or the network operator turn off your gas for this reason and you stop obtaining your gas in the unauthorised way and pay all amounts owing within ten [10] business days after your gas is turned off, we will turn your gas back on or arrange for the network operator to turn your gas back on.</i> • <i>20.3 Emergencies: We will try to turn your gas on or arrange for the network operator to turn your gas on again as soon as possible [and in any case, within 20 business days after the situation has been rectified]. Nothing in the contract limits our statutory powers in relation to emergencies and safety.”</i> <p>Through discussions with key personnel we noted there are currently no processes or reporting in place to ensure that reconnection occurs within the specified timeframe for each of the above situations.</p> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 38, 46 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (5)(d)(6) Clause 5.1.7.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 38 | A licensee must reconnect supply to a customer within 10 business days after disconnection for refusal to pay a refundable advance, if the customer pays the refundable advance and the customer has paid any applicable reconnection fee. | |
| 46 | A licensee must not disconnect supply for failure by a customer to pay a refundable advance without giving a written notice to the customer of its intention to disconnect at least 5 business days prior to the disconnection date. | |
| Observations | | |
| <p>Discussions with the Manager Regulatory Compliance confirmed that Alinta Energy do not accept or require their customers to pay refundable advances. Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 20.8:</p> <ul style="list-style-type: none"> • <i>"We can turn off your gas or arrange for the network operator to turn off your gas if you haven't paid your refundable advance or provided any other security as required under clause 15. Before your gas is turned off for this reason, we will give you a written disconnection notice five [5] business days before your gas is actually turned off.</i> • <i>If you pay the refundable advance within ten [10] business days after we turn your gas off, we will turn your gas back on."</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 40, 41 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (6) Clause 5.1.1.2 AGA Code Clause 5.1.1.3 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 40 | A licensee must not disconnect supply to a customer who is unable to pay until: alternative payment options have been offered to the customer; the customer is given information on government funded concessions; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it. | |
| 41 | A licensee must not disconnect supply to a business customer until: it has used its best endeavours to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it. | |
| Observations | | |
| <p>Through discussion with Customer Service Team Leader and review of the NSC, we noted that Alinta Energy inform customers of the following under clauses 7 and 20:</p> <ul style="list-style-type: none"> • <i>"Paying your bill:</i> <ul style="list-style-type: none"> • <i>If you qualify to pay the residential price, within three [3] business days of you informing us that you can't afford to pay your bill, we will assess your situation and if we consider that you are experiencing payment difficulties or financial hardship, we will then offer you:</i> <ul style="list-style-type: none"> • <i>the option of paying by instalments that are interest-free and fee-free; and/or</i> • <i>additional time to pay your bill; and/or</i> • <i>the option of getting us to redirect your bill to a third person; and/or</i> • <i>information about Government assistance programs or concessions; and/or</i> • <i>information about independent financial counselling services and other relevant consumer representative organisations available to you.</i> • <i>When your gas can be turned off, and when it will be turned on again:</i> <ul style="list-style-type: none"> • <i>We can turn off your gas or arrange for the network operator to turn off your gas if:</i> <ul style="list-style-type: none"> • <i>you haven't agreed to an offer by us of an alternative payment plan for the amount you owe us; or</i> • <i>we have agreed to an alternative payment plan for the amount you owe us but you don't keep to that plan.</i> • <i>Before your gas can be turned off for non-payment of a bill, we will:</i> <ul style="list-style-type: none"> • <i>give you [in writing]:</i> <ul style="list-style-type: none"> • <i>a "reminder notice" at least 14 business days after the date the bill was issued, advising that payment is overdue and requiring you to pay by a specified date [which will be at least 20 business days after the date the bill was issued]; and</i> • <i>if you then fail to pay by the date specified in the reminder notice, a "disconnection warning notice" at least 22 business days after the date the bill is issued, requiring you to pay by a specified date [which will be at least ten [10] business days after the date of the disconnection warning notice]; and</i> • <i>do our best to contact you [in person, by telephone, by electronic means or in writing];"</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 42 | | Compliance Rating A /1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (6) Clauses 5.1.2.1 & 5.1.2.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 42 | A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date. | |
| Observations | | |
| <p>Through discussion with the Manager Customer Operations and review of the NSC, we noted that Alinta Energy inform customers of the following under clause 20.2:</p> <ul style="list-style-type: none"> • <i>“If you don’t give us or the network operator safe and unrestricted access to the supply address to read the meter, we can turn off your gas or arrange for the network operator to turn off your gas. Before your gas is turned off for this reason: we or the network operator will try to access the meter on at least three [3] consecutive meter readings; and</i> <ul style="list-style-type: none"> • <i>we will give you a written notice each time we or the network operator can’t get access; and</i> • <i>we will give you a chance to give us or the network operator access by some other reasonable means; and</i> • <i>we will try to contact you personally, by telephone or in writing; and we will give you a written disconnection notice five [5] business days before your gas is actually turned off.</i> • <i>We can charge you a fee for turning off your gas or arranging for the network operator to turn it off.</i> • <i>If your gas is turned off for this reason and you provide access to the meter within ten [10] business days after your gas is turned off, we will turn your gas back on or arrange for the network operator to turn your gas back on. We can charge you a fee for turning your gas back on [or for arranging for the network operator to turn your gas back on]. “</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 43 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (6) Clauses 5.1.3.1 & 5.1.3.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 43 | A licensee who disconnects in the event of an emergency must provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavours to restore supply when the emergency is over. | |
| Observations | | |
| <p>Discussions with Manager Customer Operations we identified that Alinta Energy liaise with the network operator, ATCO regarding any emergencies. ATCO will provide, by way of a 24 hour emergency line, Information on the nature of the emergency and an estimated time when supply will be restored. Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 20.3:</p> <ul style="list-style-type: none"> • <i>"We can always turn off your gas or arrange for the network operator to turn off your gas without giving notice to you in an emergency, or if necessary to reduce the risk of fire or to comply with a law. In this case, you can get information on the nature of the emergency and an estimate of when gas supply is likely to be restored by contacting the 24 hour emergency line.</i> • <i>We will try to turn your gas on or arrange for the network operator to turn your gas on again as soon as possible [and in any case, within 20 business days after the situation has been rectified]."</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 44 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (6) Clauses 5.1.4.1 & 5.1.4.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 44 | A licensee who disconnects supply for health and safety reasons must provide the customer written notice of the reason; allow the customer 5 business days to remove the reason where the customer is able to; and after the 5 business days issued a notice to the customer of its intention to disconnect supply at least 5 business days' notice prior to the disconnection date. | |
| Observations | | |
| <p>Discussion with the Manager Customer Operations, we noted that a disconnection for health and safety reasons will generally occur if ATCO identify a safety issue while performing a meter reading. Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 20.4:</p> <ul style="list-style-type: none"> • <i>"We can always turn off your gas or arrange for the network operator to turn off your gas for other health or safety reasons, but before your gas is turned off for this reason:</i> <ul style="list-style-type: none"> • <i>we will give you a written notice explaining what the health or safety problem is; and</i> • <i>where we think it possible, we will give you five [5] business days to fix the problem, if we think it is a problem you can fix; and</i> • <i>where we think it possible, we will give you a written disconnection notice of a further five [5] business days before your gas is actually turned off.</i> • <i>We can charge you a fee for turning off [or arranging for the network operator to turn off] your gas if the problem is your fault or is in your equipment.</i> • <i>If we or the network operator have turned your gas off, after we are satisfied that you have fixed the problem, we will try to turn your gas on or arrange for the network operator to turn your gas on again as soon as possible [and in any case, within 20 business days after the situation has been rectified].</i> • <i>We can charge you a fee for turning your gas back on [or for arranging for the network operator to turn your gas back on] if the problem was your fault or was in your equipment."</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 45 | | Compliance Rating A / 1 | |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (6) Clauses 5.1.5.1 & 5.1.5.2 AGA Code | | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR | |
| Description | | | |
| 45 | A licensee who disconnects supply for planned maintenance must provide the customer 4 days written notice; and used best endeavours to minimise disruption and restore supply. | | |
| Observations | | | |
| Discussions with the Manager Customer Operations it was confirmed that disconnections for planned maintenance are managed by ATCO and therefore this is an obligation that is not performed directly by Alinta Energy. Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 20.6: | | | |
| <ul style="list-style-type: none"> <i>"We can turn off or interrupt your gas supply or arrange for the network operator to turn off or interrupt your gas supply when it is necessary for the network operator to carry out work on the gas network. We will use our best endeavours to ensure that any such interruptions to supply are minimised. Subject to any relevant regulations, we will give you at least four [4] day's notice before interrupting or disconnecting your gas supply due to planned work on the gas network.</i> <i>We will do our best to restore your gas supply or arrange for the network operator to turn your gas on as soon as reasonably practicable [and in any case within 20 business days after the situation that caused your gas to be turned off has been rectified]"</i>. | | | |
| The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change. | | | |
| The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA. | | | |
| Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period. | | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | | |
| Compliance Rating | 1 - Compliant | | |
| Corrective Action/Opportunity for Improvement | | | |
| N/A | | | |

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| Compliance Manual Reference: 47, 48, 49, 50 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (6) Clause 5.1.8.1(a)(b)(c)(d) AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| 48 | A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved. | |
| 49 | A licensee must not disconnect supply where an application for a government concession has not been decided. | |
| 50 | A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clauses 20 and 21:</p> <ul style="list-style-type: none"> • <i>“When your gas can be turned off, and when it will be turned on again:</i> <ul style="list-style-type: none"> • <i>Your gas cannot be turned off if the unpaid amount of your bill:</i> <ul style="list-style-type: none"> • <i>is less than your average bill over the past 12 months and you have agreed with us to repay the amount;</i> • <i>doesn’t relate to the supply of gas but relates to some other good or service.</i> • <i>When your gas cannot be turned off:</i> <ul style="list-style-type: none"> • <i>Your gas cannot be turned off:</i> <ul style="list-style-type: none"> • <i>if you have made a complaint, directly related to the reason for your gas being turned off, to the gas industry ombudsman, and the complaint remains unresolved; or if you have made an application for a Government concession or grant and the application has not been decided;”</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Oppportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 51 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (6) Clause 5.1.8.1(e) and (f) AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Discussions with the Manager Customer Operations we confirmed that Alinta Energy use a third party, the Network provider (ATCO), to perform disconnection activity. Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 21:</p> <ul style="list-style-type: none"> • <i>"Your gas cannot be turned off:</i> <ul style="list-style-type: none"> • <i>after 3.00pm on a weekday, or on a Friday or the day before a public holiday or a weekend or public holiday [except where required for a planned interruption]."</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 52 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 12 (6) Clause 5.2.2.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 52 | If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day. | |
| Observations | | |
| Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 23: | | |
| <ul style="list-style-type: none"> • <i>If you ask us to turn your gas back on before 3.00pm on a business day, then we will try to have your gas back on, on the same day.</i> • <i>If you ask us to turn your gas back on after 3.00pm on a business day, or on a day which is not a business day. then we will try to have your gas back on, on the next business day</i> | | |
| The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change. | | |
| The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA. | | |
| Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 53, 54, 55 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 13 (1)(3)(4) Clause 4.4.6.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 53 | If a licensee uses a refundable advance to offset an amount owed, it must provide to the customer an account of its use and pay any balance within 10 business days to the customer. | |
| 54 | A licensee must place refundable advances in separate trust accounts and separately identify the amounts in its accounting records. | |
| 55 | A licensee must return interest earned on refundable advances accounts to customers. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 15.2:</p> <ul style="list-style-type: none"> • <i>“Where we use the refundable advance in accordance with this clause, we will provide you with an account of its use and pay the balance [if any] of the refundable advance together with remaining interest to you within ten [10] business days.”</i> • <i>The refundable advance will be kept in a separate account and separately identified in our accounting records.</i> • <i>Where you have provided a refundable advance as security in accordance with this clause and you have completed two [2] years of payment of our bills by the due date of the initial bill we will, within ten [10] business days, inform you of the amount of the refundable advance including any interest payable and use this to credit your account unless otherwise instructed by you. “</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 56 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 14 (2) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 56 | A licensee must inform customers that the supply charge is either for residential or non-residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 3.2 and 3.3:</p> <ul style="list-style-type: none"> • <i>“There are two types of standard price: a residential price and a non-residential price.</i> • <i>A standard price can include a fixed component and a usage component that consists of a number of “steps”, where the cost of gas changes depending on how much gas you use.</i> • <i>To qualify to pay the residential price, the supply address must be a “dwelling”, and you must use your gas only for residential use. We can decide whether you qualify to pay the residential price. A “dwelling” is a house, flat, home unit or other place of residence. ”</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 57, 58 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 14 (3) Clauses 4.1.2.1, 4.1.2.2, 4.1.3.1 & 4.1.3.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 57 | A licensee must give notice of the tariffs charged and provide these notices to customers without charge upon request. | |
| 58 | A licensee must give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 3.6:</p> <ul style="list-style-type: none"> “If you pay the standard price any change to the standard price will be in accordance with the Gas Tariffs Regulations. When we do so, we will notify you as soon as practicable after the variation is gazetted or published [as applicable] and, in any event, no later than your next bill.” <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 59 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.1 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 59 | A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 6.1:</p> <ul style="list-style-type: none"> • <i>"We can decide how often we bill you. It will normally be [approximately] once every 3 months. We can change how often we bill you. "</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A - Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 60 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.3.1, 4.2.3.2 & 4.2.3.3 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 60 | A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the terms specified in the AGA Code as well as the details of any refundable advance as specified under clause 6.2.</p> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 61, 62 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) and (2) Clause 4.2.3.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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). | |
| 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. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 6.2:</p> <ul style="list-style-type: none"> • <i>“If we provide any additional goods or services to you and we choose to include them in your bill [together with a description of those goods and services], we will itemise the charges for such goods and services separately, and:</i> <ul style="list-style-type: none"> • <i>if you tell us how you wish to apply any payments received from you for the goods and services – we will apply those payments in accordance with your wishes; or</i> • <i>otherwise – we will apply those payments, to the prices, fees, charges or adjustments due for gas supplied to you under this contract, before allocating the payments to the goods and services.”</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 63 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) and 47 (2) and (4) Clause 4.2.3.4 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 63 | A licensee must provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 9:</p> <ul style="list-style-type: none"> “billing data for the previous two [2] years [you may also request billing data for the period prior to this time subject to a reasonable charge]” <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| Compliance Manual Reference: 64 | | Compliance Rating A / 1 |
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| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.4.1 AGA Code | | Reporting Type NR |
| Obligation under Condition: Trading Licence clause 5.1 | | |
| Description | | |
| 64 | A licensee must base a customer's bill on a meter reading and meters must be read at least once per year. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 4.2:</p> <ul style="list-style-type: none"> "We or the network operator will ensure that your meter is read at the supply address at least once every 12 months, subject to an inability to read the meter or you performing and us accepting [at our discretion] a customer meter read. The reading on your meter is conclusive evidence of the volume of gas you have used, unless there is a metering inaccuracy." <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 65 | | Compliance Rating A /1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.4.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 65 | A licensee, who accepts a customer reading of the meter, must not adjust the bill in favour of the licensee if the licensee subsequently discovers the reading was incorrect in favour of the customer. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 8.2:</p> <ul style="list-style-type: none"> • <i>“If we overcharge you, then:</i> <ul style="list-style-type: none"> • <i>we will tell you within ten [10] business days after we discover the overcharging; and</i> • <i>we will give you a correcting refund; and</i> • <i>we will not pay you interest on the correcting refund.”</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 66 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.4.4 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 66 | A licensee, who provides a customer with an estimated bill and is subsequently able to read the meter, must adjust the estimated bill in accordance with the meter reading. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 5:</p> <ul style="list-style-type: none"> “except in the case of a final bill, we will adjust your bill if an actual meter reading subsequently becomes available.” <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 67 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.2.4.5 AGA Code | | |
| Obligation under Condition: Trading Licence clause 2.1, 5.1 | | Reporting Type NR |
| Description | | |
| 67 | A licensee must read a customer's meter upon request and may impose a fee for doing so. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 4.3:</p> <ul style="list-style-type: none"> • <i>"You can ask to have your meter tested, to ensure it is measuring accurately. If it is measuring accurately, you must pay a meter testing fee. If it is not measuring accurately:</i> <ul style="list-style-type: none"> • <i>you do not need to pay a meter testing fee; and</i> • <i>the network operator will decide whether the meter needs to be repaired or replaced; and</i> • <i>clause 8 explains how we will deal with any undercharging or overcharging caused by the inaccurate meter.</i> • <i>There is no fee for having an inaccurate meter repaired or replaced, unless you have damaged or interfered with the network equipment."</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 68 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.3.2.1 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 68 | A licensee must offer payment in person and payment by mail. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 7.1:</p> <ul style="list-style-type: none"> • <i>"The bill will show the options available, which include:</i> <ul style="list-style-type: none"> • <i>paying in person; and</i> • <i>paying by mail; and</i> • <i>paying by direct debit; and</i> • <i>paying by BPay; and</i> • <i>any other methods agreed by us."</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 69 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 15 (1) Clause 4.3.2.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 69 | A licensee must offer customers who are absent for a long period, payment in advance facilities and the option of redirecting the bill. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 7.2:</p> <ul style="list-style-type: none"> • <i>"If you are going on holidays or will be absent for a long period you may wish to pay your bill in advance or redirect your bill to another address."</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|---|-----------------------------------|
| Compliance Manual Reference: 70 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 16 (3) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 70 | <p>A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless</p> <p>(a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code; and</p> <p>(b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract.</p> | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 24.2A:</p> <ul style="list-style-type: none"> “Other than if you commit a substantial breach of the contract [for example, if you bypass your meter or allow gas delivered to your supply address to be used at another supply address], we will not end the contract if you commit a breach of the contract unless: <ul style="list-style-type: none"> we have a right to disconnect supply under the contract, a written law, or a relevant code; and we have disconnected supply to all supply addresses covered by the contract.” <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| Compliance Manual Reference: 71 | | Compliance Rating A / 1 |
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| Licence Condition: Energy Coordination (Customer Contracts) Reg 19 | | Reporting Type NR |
| Obligation under Condition: Trading Licence clause 5.1 | | |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 9:</p> <ul style="list-style-type: none"> • <i>“If you request it we will supply you with a copy of:</i> • <i>the customer service charter;</i> • <i>the Energy Coordination [Customer Contracts] Regulations 2004 [WA] or any relevant code; or</i> • <i>the fees and prices payable under the contract; or</i> • <i>information about how you can use energy more efficiently; or</i> • <i>your billing data for the previous two [2] years [you may also request billing data for the period prior to this time subject to a reasonable charge]; or</i> • <i>information about Government assistance programs or financial counselling services [see clause 7.3 above]; or</i> • <i>information about our complaints handling process and how to contact the gas industry ombudsman if you are not satisfied with our handling of your complaint [see clause 12 below]; or combination of any or all of the above.”</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 72 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 20 (2) Clause 4.3.5.1 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 72 | A licensee must offer a customer who is experiencing payment difficulties: instalment plan options; right to have bill redirected to third person; information or referral on government assistance programs; and information on independent financial counselling services. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 7.3:</p> <ul style="list-style-type: none"> • <i>"If you are having trouble paying your bills, you should let us know as soon as possible. You can write to us, call our Customer Service Centre, or email us. Our contact details appear in clause 32 and will appear on each bill.</i> • <i>Within three [3] business days of you informing us that you are having trouble paying your bill, we will assess your situation and if we consider that you are experiencing payment difficulties or financial hardship, we will then offer you the following options:</i> <ul style="list-style-type: none"> • <i>instalment plan options that are interest-free and fee-free under clause 7.2</i> • <i>additional time to pay your bill; and/or</i> • <i>the option of getting us to redirect your bill to a third person; and/or</i> • <i>information about Government assistance programs or concessions; and/or</i> • <i>information about independent financial counselling services and other relevant consumer representative organisations available to you."</i> <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 73 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 27 (4) and 40 (3) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 73 | A licensee must not supply gas to the customer under a door to door contract during the cooling-off period unless the customer requests supply. | |
| Observations | | |
| <p>Through discussions with the Western Australian Sales Manager and the Manager Customer Service we established that Alinta Energy have commenced Door to Door marketing and that the cooling-off period is applied to all Door to Door sign-ups. Alinta Energy have three internal marketing agents and engage with an external party to facilitate agents in the field. Alinta Energy will provide the external party with the relevant data and addresses for agents to visit. Additionally, they use a third party group to finalise any face to face marketing over the phone with the customer.</p> <p>To ensure they do not supply gas to a customer under a door to door contract during the cooling off period, Alinta Energy have established the following process controls:</p> <ul style="list-style-type: none"> • The customer is required to complete the sale over the phone. This can be completed internally within Customer Service team or through the Telemarketing Partner. • The completion of the sale includes the pre-recorded Explicit Informed Consent (EIC) which outlines amongst other things the cooling off requirement. • The sale is entered into Alinta Energy's CRM system, triggering the Customer Service team to commence the transaction. • Customer Service will obtain the sale details via CRM on day nine of the cooling off period. They will then submit the request to raise a churn with ATCO for the transfer of supply. For compliance with the market regulations Alinta Energy must give five business days' notice for this type of transfer (in-situ) otherwise the request is rejected. Training and supporting information is provided to relevant staff for these requirements. <p>A walkthrough of the CRM confirmed that sufficient time is given between the sale and the request to raise a churn to ensure compliance with the obligation that there is no supply during the 10 day cooling off period.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 75 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 22 and 49 (2) | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 75 | A licensee must only provide a credit reporting agency with default information relevant to one of their bills. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 28:</p> <ul style="list-style-type: none"> • <i>We will comply with all relevant privacy legislation in relation to your personal information. We will keep information about you secure and only disclose such information about you to an officer, employee or legal or financial adviser of Alinta Energy if:</i> • <i>the disclosure is necessary to enable the recipient to perform its obligations or to exercise its rights under this contract; and</i> • <i>prior to the disclosure, the recipient is informed of their obligations in relation to the use of confidential information.</i> <p>Through discussion with the Manager Customer Operations, we noted the following control is in place:</p> <ul style="list-style-type: none"> • <i>Provide a credit reporting agency with only default information</i> All information provided to a credit reporting agency is generated by default through CIS-OV on outstanding finalised accounts. <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy's address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 79 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contracts) Reg 50 | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| Through discussions with the Manager Customer Operations and examination of a disconnection warning given to a customer, it was confirmed that Alinta Energy include information about its compliant handling process and contact detail of the Energy and Water Ombudsman Western Australia (EWOWA). | | |
| Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 85, 86 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination (Customer Contract) Reg 28 Clause 3.1.1(a)&(b) AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| 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. | |
| Observations | | |
| <p>Through discussions with key personnel and supplementary review of the SFC, it was noted that Alinta Energy do include a provision within their SFC that directly addresses these obligations.</p> <p>Alinta Energy SFC contains the following relevant provision under clause 13:</p> <ul style="list-style-type: none"> • <i>“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.</i> • <i>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].”</i> <p>The above provisions advises the customer that the retailer (Alinta Energy) or distributor will install and maintain all required equipment up to the point of supply at the supply address.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| Compliance Manual Reference: 91 | | Compliance Rating A / 1 |
|--|---|----------------------------|
| Licence Condition: Energy Coordination (Customer Contract) Reg 42 | | Reporting Type NR |
| Obligation under Condition: Trading Licence clause 5.1 | | |
| Description | | |
| 91 | A licensee must notify a customer of any amendment to a non- standard contract. | |
| Observations | | |
| <p>Through review of the NSC, we noted that Alinta Energy inform customers of the following under clause 19:</p> <ul style="list-style-type: none"> “We can change these terms and conditions. We will publish the changed terms and conditions and the date from which the change commences [see clause 31.2 about how we publish things]. The terms and conditions will change on the published date. If you do not agree with any amendment to these terms and conditions, you may terminate this contract in accordance with clause 24.1 of these terms and conditions or elect to be supplied under our Gas Supply Standard Form Contract Terms and Conditions. From time to time at our sole discretion we may make available to you promotions or bonus offers. If you choose to register for a promotion or bonus offer any terms of the promotion or bonus will be incorporated in and form part of this contract.” <p>The Manager Regulatory Compliance confirmed that the NSC was updated in March 2018, and alignment with the relevant regulations was confirmed by comparing the ERA approved SFC to the new NSC. Note, the change in March 2018 was to update Alinta Energy’s address. It was confirmed with the ERA that the SFC would not need to be reviewed and approved post this change.</p> <p>The ERA confirmed that a walkthrough of this process was not required as the regulations only require the retailer to ensure their NSC addresses these matters. Additionally, this requirement does not apply to the SFC as this has already been subject to review and approval by the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 96 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Distribution Licence clause 15.2 Trading Licence clause 16.2 | | Reporting Type 2 |
| Description | | |
| 96 | A licensee must comply and require its expert to comply with the ERA's standard guidelines dealing with the performance audit. | |
| Observations | | |
| <p>As per the Performance Audit Plan GTL9 approved by the ERA on 2 October 2019, the Auditors (KPMG) prepared the Plan in accordance with the ERA's <i>2019 Audit and Review Guidelines: Electricity and Gas Licences</i>. Alinta Energy and KPMG were committed to complying with the prescribed audit guidelines and reporting manual as issued by the ERA under this plan.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 97 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Distribution Licence clause 15.4 Trading Licence clause 16.4 | | Reporting Type NR |
| Description | | |
| 97 | A licensee's independent auditor must be approved by the ERA prior to the audit. | |
| Observations On 29 July 2019, the ERA approved Alinta Energy's independent auditor, KPMG, to undertake the 2019 gas trading licence performance audit. The audit was not commenced until October 2019. Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement N/A | | |

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| Compliance Manual Reference: 99 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Distribution Licence clause 18 Trading Licence clause 20 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Manager Regulatory Compliance and review of email and letter notifications, it was determined that any notice issued by Alinta Energy is subject to review by the Legal team and the Regulatory Affairs team. Once approved by both, notices will be issued to the relevant recipient by the Manager Regulatory Compliance via email, unless required to issue by post. We have obtained and reviewed example of notices between Alinta Energy and the ERA.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|---|-----------------------------------|
| Compliance Manual Reference: 100 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Distribution Licence clause 19.1 Trading Licence clause 21.1 | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with Alinta Energy Finance Team, it was confirmed that the financial statements are prepared in line with the Australian Accounting Standards Board (AASB). Alinta Energy's financial reporting period is 30 June. Financial statements are prepared by Alinta Group in Sydney. There had been no adverse findings from the audit in the previous years noted.</p> <p>The 30 June 2017 and 30 June 2018 Consolidated Annual Financial Report for Alinta Holdings Group were obtained. Through assessment of these documents, it has been identified that Alinta Sales Pty Ltd (trading as Alinta Energy is included within the consolidation and the accounts have been maintained and prepared in compliance with AASB. Both these financial statements were issued with an unmodified audit report.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|--|-----------------------------------|
| Compliance Manual Reference: 102, 103 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Distribution Licence clause 21.1 & 22 Trading Licence clause 23.1 & 24 | | Reporting Type 2 |
| Description | | |
| 102 | A licensee must provide to the ERA any information that the ERA may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA. | |
| 103 | A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified. | |
| Observations | | |
| <p>Discussions with the Manager Regulatory Compliance noted the Regulatory team utilise an excel spreadsheet to record compliance and regulatory requirements. This includes reporting, audits, licence fee payments and other information requested by the ERA. For the Western Australian operations, the Manager Regulatory Compliance is required to review and maintain the register, and ensure compliance.</p> <p>Sample testing was performed over compliance and performance reporting that is required by the ERA and the following observations were made:</p> <ul style="list-style-type: none"> • Sample testing of two years of correspondence and GTL Compliance Reports between Alinta Energy and the ERA noted the reports were provided by the due date and in the manner and form specified by the ERA. GTL Compliance Reports are not required to be published. • Sample testing of two years of correspondence and Performance Reports between Alinta Energy and the ERA noted they were provided by the due date, and in the manner and form specified by the ERA. They were also published on the Alinta Energy website within the timeframe specified by the ERA. <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|--|---|-----------------------------------|
| Compliance Manual Reference: 109 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 15.1 and 15.2 | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations Per discussion with Manager Customer Operations, under the NSC clause 23.3, Alina Energy will continue to supply gas unless the customer enters into an agreement with another supplier, at which point the contract ends when the transfer has been completed. The agreement may terminate in circumstances that the customer breaches the terms and conditions of the agreement or cancels their account. Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement N/A | | |

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| Compliance Manual Reference: 114, 115, 116 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act sections 11ZPP & 11M Code of Conduct clause 2.1 | | |
| Obligation under Condition: Trading Licence clauses 19.1 & 19.2 | | Reporting Type 2 |
| Description | | |
| 114 | A licensee must comply with the Gas Marketing Code of Conduct. | |
| 115 | A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct. | |
| 116 | A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct. | |
| Observations | | |
| <p>It is noted from clause 1.7 and 1.8 of the Code that the Code regulates and controls the conduct of gas marketing agents and retailers in the conducting of marketing activities. Furthermore, Part 2 of the Code documents all the obligations and conduct to be abided with.</p> <p>Through discussion with Manager Regulatory Compliance, Alinta Energy has processes and controls in place in order to ensure that the company, employees and gas marketing agents comply with the Gas Marketing Code of Conduct. These controls include training packs for employees and in-house and outsourced gas marketing agents as well as scripts for in-house and outsourced call centre staff which provide guidance to abide with the code.</p> <p>Sample testing was performed over four of the clauses in the Code to ensure appropriate processes and training was provide for available Alinta Energy employees and gas marketing agents. No non-compliances were noted.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|--|-----------------------------------|
| Compliance Manual Reference: 117, 118 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(1)(2)(3) | | |
| Obligation under Condition: Trading Licence clause 19 | | Reporting Type 2 |
| Description | | |
| 117 | A retailer or gas marketing agent must ensure that standard form contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified. | |
| 118 | A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information). | |
| Observations | | |
| <p>Per discussion with Manager Regulatory Compliance, we have identified the following controls in place to ensure Alinta Energy provide their SFC in the conditions specified:</p> <ul style="list-style-type: none"> • <i>Date entered into</i> When a customer calls the Customer Service Representatives to enter into a contract, this is recorded in the contact log in CIS-OV which is date and template stamped. • <i>Standard Form Contract is available at no charge to the customer</i> The SFC is available on the Alinta Energy website which is advised in the Explicit Informed Consent (EIC). If a customer requests a hard copy Alinta Energy will mail this to the address provided. • Information available to the customer prior to or on their first bill The following information is provided to the customer by the CSR when they enter into a contract with Alinta Energy: <ul style="list-style-type: none"> • The customer can request a copy of the relevant Code as well as the scope of the Code • They will inform the customer that Alinta Energy must comply with this Code The following information is provided to the customer by the CSR on their first bill: <ul style="list-style-type: none"> • How Alinta Energy may assist if the customer is having financial difficulties. • Any concessions that may apply to the residential customer • The distributor's 24 hour telephone number for faults and emergencies. • How the customer may access Alinta Energy's TTY services, Multi-lingual services • How the customer can make an enquiry or complaint to Alinta Energy. <p>This process is documented in the Vault and relevant EIC scripts.</p> <p>Based on our enquiries and examination of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|--|---|-----------------------------------|
| Compliance Manual Reference: 119, 120, 121 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(1)(2)(3)(4) | | |
| Obligation under Condition: Trading Licence clause 19 | | Reporting Type 2 |
| Description | | |
| 119 | A retailer or gas marketing agent must ensure that non- standard contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified. | |
| 120 | A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract. | |
| 121 | A retailer or gas marketing agent must obtain a customer’s verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information). | |
| Observations | | |
| Details: | | |
| Per discussion with Manager Regulatory Compliance, we have identified that all NSCs are offered on signup as part of documented work instructions. It is part of Alinta Energy policy that a clear ‘yes’ must be obtained per the Explicit Informed Consent and the NSC must also be offered to the customer. | | |
| Per discussion with Manager Regulatory Compliance, we have identified the following controls in place to ensure Alinta Energy provide NSCs in the conditions specified: | | |
| <ul style="list-style-type: none"> • <i>Date entered into</i> When a customer calls the Customer Service Representatives to enter into a contract, this is recorded in the contact log in CIS-OV which is date and template stamped. • <i>Standard Form Contract is available at no charge to the customer</i> The SFC is available on the Alinta Energy website which is advised in the Explicit Informed Consent. If a customer requests a hard copy Alinta Energy will mail this to the address provided. • <i>Information available to the customer prior to agreeing to the contract</i> The following information is provided to the customer by the CSR when they enter into a contract with Alinta Energy: <ul style="list-style-type: none"> • The customer is able to choose a SFC • The difference between an SFC and NSC • The contract may be cancelled within the first 10 day cooling off period • Account establishment fee. | | |
| Under clause 2.3(3) of the Code of Conduct, the retailer or gas marketing agent is taken to have given the customer the required information if they have informed the customer on how the customer may obtain the information. The EIC script states the customer can obtain further information the offer pack, which will be issued within five business days. | | |
| Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 123 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(2) | | |
| Obligation under Condition: Trading Licence clause 19 | | Reporting Type 2 |
| Description | | |
| 123 | A retailer or gas marketing agent must ensure that a customer is able to contact the retailer or gas marketing agent on the retailer's or gas marketing agent's telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints. | |
| Observations Per discussion with Manager Customer Service, Alinta Energy has employees rostered during business hours throughout the call centre. These opening hours are advertised on the Alinta Energy website as well as the SFC and NSC. Based on enquiries and examination of documentation it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement N/A | | |

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| Compliance Manual Reference: 128 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11ZPP Code of Conduct clause 2.9 | | |
| Obligation under Condition: Trading Licence clause 19 | | Reporting Type 2 |
| Description | | |
| 128 | A gas marketing agent must: <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. | |
| Observations | | |
| <p>Per discussion with Customer Advocate, all complaints made to Alinta Energy are recorded in CIS-OV. From here, Alinta Energy can run a report of all complaints, including who raised the complaint and what it is about. They are further categorised by the following:</p> <ul style="list-style-type: none"> • Billing • Credit • Sales • Electricity • Ombudsman; and • Other <p>Upon request, Customer Advocates will liaise with the ombudsman and support an investigation with all information required if available. Alinta Energy received customer complaints the audit period and liaised with the gas ombudsman when required.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|--|-----------------------------------|
| Compliance Manual Reference: 129 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11ZPP Code of Conduct clause 2.10 | | |
| Obligation under Condition: Trading Licence clause 19 | | Reporting Type 2 |
| Description | | |
| 129 | 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. | |
| Observations Per discussions with the Solutions Delivery Manager we confirmed that there are no system restrictions on the amount or length of time information is stored on CIS-OV. Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement N/A | | |

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|---|---|-----------------------------------|
| Compliance Manual Reference: 134 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 3.1(1) | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Manager Customer Service, we noted that following a Request for Account (RFA), the customer will have their account setup by the CSR and request will be raised with ATCO for connection. This is raised via CIS-OV, and the order will be processed by ATCO within four business days.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |

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| Compliance Manual Reference: 144, 145 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.3(1)(2) | | Reporting Type 2 |
| Description | | |
| 144 | In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide the customer with estimated bills under a bill smoothing arrangement. | |
| 145 | If a retailer provides a customer with a bill under a bill-smoothing arrangement pursuant to clause 4.3(1), the retailer must ensure that the conditions specified in clauses 4.3(2) (a)-(e) are met. | |
| Observations | | |
| <p>It was noted through discussion with the Billing Team Leader that Alinta Energy offers customers the option to be placed on a bill smoothing arrangement as directed on a customer's bill. Bill smoothing require customers to make equal monthly or fortnightly payments with instalments amounts based off of a customer's 12 months gas consumption history. If a customer does not have any historical billing data, Alinta Energy will automatically place the customer on a \$25 fortnightly or \$50 monthly instalment plan.</p> <p>Whilst customers are placed on fortnightly or monthly arrangement, customer's meters are read on a quarterly basis to reflect a typical billing cycle and customers are billed based off actual reads provided by the network operator. If a metering agent is unable to access a customer's meter, Alinta Energy will arrange for an estimated read to be provided to the customer.</p> <p>Customer Service Representatives are required to obtain a customer's verifiable consent prior to placing a customer on a bill smoothing arrangement and will confirm the amount and frequency of the payment plan. Once confirmed, customers will also receive a bill smoothing payment schedule outlining the customer's 12 month scheduled payment plan. As noted as part of the EIC, all outstanding charges and adjustments will be included on a customer's final bill.</p> <p>It was confirmed by the Credit and Payments Team Leader that Alinta Energy's CIS-OV system will automatically review a customer's plan at the end of the 12 month period. If the customer is within a tolerance level of between 80% - 125% of actual consumption, the customer will be automatically rolled over with an increase of 5% to take into account CPI increases. Customers who fall out of tolerance levels will have their payment plan cancelled by CIS-OV and are contacted by a Customer Service Representative to set up a new payment schedule.</p> <p>It was confirmed by the Credit and Payments Team Leader that CIS-OV will also review a customer's payments at every bill to take into consideration seasonality changes. It was noted that tolerance level will vary dependant on each month. If a customer falls above the tolerance level, CIS-OV will automatically debit the customer's account and an 'Underpay' letter will be sent to the customer notifying them of the adjustment. Where a customer fall below the tolerance level, the customer's account will be credited and are sent an 'Overpay' letter.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|---|-----------------------------------|
| Compliance Manual Reference: 146 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.4 | | Reporting Type 2 |
| Description | | |
| 146 | A retailer must issue a bill to a customer at the address nominated by the customer, which may be an email address. | |
| Observations | | |
| <p>It was noted through discussion with the Billing Team Leader and the Customer Service Manager that bills are sent to a customer's supply address unless an alternative mailing address has been nominated by the customer. The mailing address of a customer is recorded in Alinta Energy's CIS-OV system by the Customer Service Representative as part of the account set up process. Alternatively, if requested by the customer, Customer Service Representatives have been trained to attach an email address to a customer's account in CIS-OV allowing bills to be issued to a nominated email address. It was noted by the Customer Service Manager that a customer may only have bills sent to one nominated address and where a customer provides both a mailing address and an email address, bills will be issued to the customer's email address.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 148 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.5(2) | | Reporting Type 2 |
| Description | | |
| 148 | Notwithstanding clause 4.5(1)(bb), a retailer is not obliged to include a graph or bar chart on the bill, if the bill meets the criteria specified in clauses 4.5(2)(a)-(c). | |
| Observations | | |
| Through discussion with the Billing Team Leader and observation of Alinta Energy's sample bills, it was noted that Alinta Energy's bills will always include graphs or bar charts illustrating customer's usage for the period covering the bill and the consumption for the previous four quarters. | | |
| Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 150, 154, 157 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.6(1), 4.8(1), 4.9 | | |
| Description | | |
| 150 | A retailer must base a customer's bill on the distributor's or metering agent's reading of the meter at the customer's supply address, or the customer's reading of the meter provided the retailer and the customer agreed that the customer will read the meter. | |
| 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. | |
| 157 | If a retailer gives a customer an estimated bill, and the meter is subsequently read, the retailer must include an adjustment on the next bill to take account of the actual meter reading. | |
| Observations | | |
| <p>Through discussions with the Billing Team Leader, we noted that the majority of Alinta Energy's customers are placed on a quarterly billing cycle with a small portion billed monthly. Meter read schedules are managed by the network operator (ATCO Gas) and are aligned with customers' billing arrangements. Meter reads are obtained by the network operator's contractor (SSL) and are uploaded onto a database (ARMA) by the metering agent. This is then automatically uploaded onto Alinta Energy's internal database (CIS-OV) on a daily basis and customer's bill will be generated based off this read.</p> <p>If a metering agent is unable to read a customer's meter, an estimated read, based off published data from ATCO, would be provided for billing purposes. When uploading meter reads into ARMA, metering agents will classify the read as either an 'Actual' or 'Estimated Reading'. Bills are then automatically generated by CIS-OV based off actual or estimated reads and sent to Fuji Xerox for printing. To ensure all meter reads are captured in CIS-OV, the billing team would reconcile the total amount of reads in ARMA to CIS-OV on a daily basis. Any exceptions or missing reads are manually inputted into CIS-OV.</p> <p>Where access to a meter is denied, the metering agent will provide an estimated read and customers are sent an estimated bill with an attached insert informing customers that an estimated read was taken. Unless contacted by the customer, Alinta Energy will arrange to have the next scheduled read during the next billing cycle. If on the next scheduled read, the metering agent is able to access the customer's gas meter, the metering agent will provide an actual meter reading and the customer's bill will be adjusted accordingly.</p> <p>Upon receiving an estimated bill and the customer does not agree with the read, the customer may provide their own reading to Alinta Energy subject to the network operator validating the read. To verify a customer's read, Customer Service Representatives have been trained to raise a 'Meter Data Verify Request' in Alinta Energy's CIS-OV system. The network operator will then provide a validated read through ARMA and the customer's read will be adjusted accordingly.</p> <p>The Billing Team leader confirmed that estimated bills are adjusted either through a re-bill process or absorbed into the next bill. If the customer was overcharged (actual meter read was lower than the previous estimated read), the previous estimated bill would be cancelled and a new bill with the actual meter read will be issued to the customer. An 'Adjustment Notice' is clearly stated on all re-issued bills and a bill insert is attached to the bill informing customers that a credit balance has been applied to the customer's account. Bills are cancelled and re-issued within Alinta Energy's CIS-OV system by a member of the Customer Service team and if requested by the customer, Customer Service Representatives have also been trained to process refunds. If the customer was undercharged (actual meter read was higher than the previous estimated read), the undercharged amount will be absorbed in the customer's next bill and the balance automatically attached to the customer's account. A bill insert will be attached together with the customer's next bill informing them that an adjustment has been applied to their account and provides payment difficulty information and payment options such as bill smoothing.</p> <p>The above processes are documented within the Vault system and accessible when required.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 152 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.7(1) | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussions with the Billing Team Leader, we noted that the majority of Alinta Energy's customers are placed on a quarterly billing cycle with a small portion billed monthly. Meter read schedules are managed by the network operator (ATCO Gas) and are aligned with customers' billing arrangements. Meter reads are obtained by the network operator's contractor (SSL) and are uploaded onto a database (ARMA) by the metering agent. This is then automatically uploaded onto Alinta Energy's internal database (CIS-OV) on a daily basis.</p> <p>If a metering agent is unable to read a customer's meter, an estimated read, based off published data from ATCO, would be provided for billing purposes. When uploading meter reads into ARMA, metering agents will classify the read as either an 'Actual' or 'Estimated Reading'. Bills are then automatically generated by CIS-OV based off actual or estimated reads and sent to Fuji Xerox for printing. To ensure all meter reads are captured in CIS-OV, the billing team would reconcile the total amount of reads in ARMA to CIS-OV on a daily basis. Any exceptions or missing reads are manually inputted into CIS-OV.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 155 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.8(2) | | Reporting Type 2 |
| Description | | |
| 155 | Where the customer's bill is estimated, a retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2) (a)-(c). | |
| Observations | | |
| <p>Through discussion with the Billing Team Leader and through observation of a sample estimated bill, it was noted that estimated bills clearly specifies that:</p> <ul style="list-style-type: none"> The bill is based upon an estimation Alinta Energy will tell the customer on request the basis and reason for the estimation The customer may request a verification of the estimation and a meter reading <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 158 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Schedule 2 Compendium clause 4.10 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Billing Team Leader, we observed that Customer Service Representatives will raise a service order within CIS-OV upon receiving a request from a customer to have their meter read. The service order is sent to the network operator ATCO via Alinta Energy's CIS-OV system requesting for a meter read to be performed at the customer's supply address. Prior to raising a service order, the representative will ensure that the customer provides access to allow the metering agent to read the meter. A 'Special Meter Reading Fee' of \$20.70 (as stipulated on Alinta Energy's website) is attached to the service order, however it was noted that Alinta Energy will waive the meter read fee for most customers. This process is documented in the billing system PANVIVA.</p> <p>We obtained Alinta Energy's Standard and Non-Standard Terms and Conditions and noted the following:</p> <ul style="list-style-type: none"> • Clause 5 outlines that a customer may request Alinta Energy to replace the estimated bill with an actual meter reading, if the customer allows Alinta Energy access to the customer's meter and if the customer pays a reasonable charge. <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 159, 160 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.11(1)(2) | | Reporting Type 2 |
| Description | | |
| 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. | |
| 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. | |
| Observations | | |
| <p>Where a customer requests a meter to be tested, Alinta Energy will charge the customer a 'Meter Testing Fee' of \$215.70 as stipulated on Alinta Energy's website and noted as part of Customer Service Representative's 'Explicit Informed Consent' (EIC) process. However, it was noted through discussion with the Billing Team Leader that for the majority of cases, this fee will be waived. Upon request, Customer Service Representatives will alert the billing team via email to raise a service order to the network operator for the arrangement of a meter test. At the discretion of the Customer Service Team Leader or SSO, the email will also indicate whether to waive the Meter Testing Fee. The billing team will raise a meter test service order through Alinta Energy's CIS-OV system which provides the option to waive any charges. A confirmation email will also be sent directly to ATCO to ensure service order has been received.</p> <p>ATCO will send an email to the billing team the results of the meter test which is then forwarded to the relevant Customer Service Representative. A notice letter is also sent to the customer informing them about the test results. If the meter test finds the meter to be defective, the fee for the meter test is manually credited to the customer's account through a reverse adjustment in CIS-OV, or refunded via direct payment if requested.</p> <p>Walkthroughs confirmed that meter tests were requested during the audit period and the above process was adhered to.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 164 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.14(1) | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| <p>Where a customer requests to have their account closed, Alinta Energy must obtain a forwarding mailing address from the customer and require a minimum of two business days' notice before issuing a final bill to a customer. Through discussion with the Customer Service Training Specialist, Customer Service Representatives will raise a service order within Alinta Energy's CIS-OV system to the network operator to obtain a final meter read and will bill the customer based on this read. If a customer owes a debt to Alinta Energy and the customer's account is in credit at the time of account closure, Alinta Energy's CIS-OV system will automatically offset the debt and adjust the account accordingly. Through observation of Alinta Energy's final bill, it was noted that final bills clearly state that a final read was taken. This process is documented in the Vault system and relevant EIC scripts.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 166, 167, 168, 169 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.15, 4.16(1)(a)(b)(2) | | Reporting Type 2 |
| Description | | |
| 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. | |
| 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; 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. | |
| 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. | |
| 169 | The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable. | |
| Observations | | |
| <p>Through discussion with the Billing Team Leader and the Manager of Customer Service, it was noted that Customer Service Representatives are trained to review a customer's bill on request and are given specific training on high bill enquiries. It was noted that Alinta Energy's Vault system provides Customer Service Representatives guidance on high bill scenarios and assists them when reviewing a customer's bill. Review of bills are resolved immediately by the Customer Service Team and any enquiries unable to be resolved will be referred to either an SSO or Team Leader for further investigation.</p> <p>Where the bill is assessed as being correct, Alinta Energy will require customers to pay the unpaid amount or offer different payment options such as bill smoothing, payment arrangement or payment extension where needed. Dependant on the situation, Customer Service Representatives are able to arrange a meter test if requested by the customer. Customer Service Representatives have also been trained to be familiar with Alinta Energy's internal and external Complaints Handling Process and are required to advise customers of the existence the process. It was noted through walkthrough of Alinta Energy's Vault system that the Contact Service Team have an internal escalation process whereby complaints are initially dealt by the Customer Service Representative and escalated to the SSO, Team Leader or Contact Centre Manager where required. Where the bill is assessed as being incorrect, Alinta Energy's default process is to cancel and re-bill the customer and adjust their account accordingly. Adjustments are done in Alinta Energy's CIS-OV system and if requested, Customer Service Representatives may alternatively provide a refund to the customer. For a breakdown of the adjustment process, please refer to obligations 150, 154 and 157.</p> <p>Bill reviews were conducted during the audit period and the above process was adhered to.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 171, 171A | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.17(2)(3) | | Reporting Type 2 |
| Description | | |
| 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 clauses 4.17(2) (a)-(e). | |
| 171A | A retailer may charge the customer interest or require the customer to pay a late payment fee only if, after notifying a customer of the amount to be recovered under subclause (2)(c), the customer has failed to pay the amount and has not entered into an instalment plan under subclause (2)(e). | |
| Observations | | |
| <p>If the customer was undercharged (actual meter read was higher than the previous estimated read), the undercharged amount will be absorbed in the customer's next bill and the balance automatically attached to the customer's account. A bill insert will be attached together with the customer's next bill informing them that an adjustment has been applied to their account and provides payment difficulty information and payment options such as bill smoothing. Customer Service Representatives have also been trained to provide customers with alternative payment options such as bill smoothing, payment arrangement or payment extension. It was noted that Customer Service Representatives are aware that undercharged amounts can only be recovered for up to 12 months from the date the customer is notified of the undercharge and will not charge interest for amounts being recovered from the customer. However late payment fees may be issued where a customer fails to pay the amount to be recovered by the due date and has not entered into an instalment plan. For more information on the late payment fee process, please refer to obligations 186, 186A, 187, 188 and 189.</p> <p>This process is documented within the Vault system.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|---|-----------------------------------|
| Compliance Manual Reference: 175, 175A, 180 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.18(6)(7), 4.19(5) | | Reporting Type NR |
| Description | | |
| 175 | If the overcharged amount is less than \$100, the retailer may notify a customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions under clause 4.18(2), or credit the amount to the customer's next bill. | |
| 175A | If a customer has been overcharged by the retailer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.18(2); or 4.18(6) where the amount is less than \$100. | |
| 180 | If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and · ask the customer for instructions under clause 4.19(2); or · credit the amount to the customer's next bill. | |
| Observations | | |
| <p>The Billing Team leader confirmed that bills are adjusted either through a re-bill process or absorbed into the next bill. If the customer was overcharged and Alinta Energy was responsible for the overcharge (actual meter read was lower than the previous estimated read), the previous estimated bill would be cancelled and a new bill with the actual meter read will be issued to the customer for all overcharged amounts including amounts less than \$100. An 'Adjustment Notice' is clearly stated on all re-issued bills and a bill insert is attached to the bill informing customers that a credit balance has been applied to the customer's account and provides customers the option to have the credited amount refunded. Bills are cancelled and re-issued within Alinta Energy's CIS-OV system by a member of the Customer Service team and if requested by the customer, Customer Service Representatives have also been trained to process refunds. Alinta Energy does not accrue interest to a credit or refund amount from the customer. It was noted that all bills including reissued bills are triggered automatically by CIS-OV and dispatched to customers within 1 business day from when metering data is received from the network operator. Therefore, customers are informed of overcharged amounts within 10 business days of Alinta Energy becoming aware of the adjustment.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 177, 180A | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(2) and 4.19(6)(7) | | Reporting Type 2 |
| Description | | |
| 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 clauses 4.19(5) and 4.19(7), 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; or · included as a part of the new bill smoothing arrangement if the adjustment arises under clauses 4.3(2)(a)-(b). <p>No interest shall accrue to a credit or refund referred to in this clause.</p> | |
| 180A | <p>If the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer.</p> <p>If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.19(2); or 4.19(5) where the amount is less than \$100.</p> | |
| Observations | | |
| <p><i>Overcharging</i></p> <p>The Billing Team leader confirmed that bills are adjusted either through a re-bill process or absorbed into the next bill. If the customer was overcharged (actual meter read was lower than the previous estimated read), the previous estimated bill would be cancelled and a new bill with the actual meter read will be issued to the customer. An 'Adjustment Notice' is clearly stated on all re-issued bills and a bill insert is attached to the bill informing customers that a credit balance has been applied to the customer's account and provides customers the option to have the credited amount refunded. Bills are cancelled and re-issued within Alinta Energy's CIS-OV system by a member of the Customer Service team and if requested by the customer, Customer Service Representatives have also been trained to process refunds. It was noted that all bills including reissued bills are triggered automatically by CIS-OV and dispatched to customers within 1 business day from when metering data is received from the network operator. Therefore, customers are informed of overcharged amounts within 10 business days of Alinta Energy becoming aware of the adjustment.</p> <p><i>Undercharging</i></p> <p>If the customer was undercharged (actual meter read was higher than the previous estimated read), the undercharged amount will be absorbed in the customer's next bill and the balance automatically attached to the customer's account. A bill insert will be attached together with the customer's next bill informing them that an adjustment has been applied to their account and provides payment difficulty information and payment options such as bill smoothing. Customer Service Representatives have also been trained to provide customers with alternative payment options such as bill smoothing, payment arrangement or payment extension.</p> <p>The above processes are documented within the Vault system.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 182 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.2 | | Reporting Type 2 |
| Description | | |
| 182 | Unless otherwise agreed with a customer, a retailer must offer the customer at least the following payment methods: <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; · electronically by means of BPay or credit card; and · by telephone by means of credit card or debit card. | |
| Observations | | |
| Through discussion with the Billing Team Leader and observation of Alinta Energy's sample bills and templates, it was noted that Alinta Energy offers the minimum payment methods as stated in Clause 5.2 of the Compendium. It was also noted by the Manager of Customer Service and Customer Service Training Specialist that Customer Service Representatives have been trained to provide customers with all payment options. | | |
| Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 183 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.3 | | Reporting Type 2 |
| Description | | |
| 183 | Prior to a direct debit facility commencing, a retailer must obtain the customer's verifiable consent and agree with the customer the date of commencement of the direct debit facility and the frequency of the direct debits. | |
| Observations | | |
| <p>It was noted through discussion with the Customer Service Manager that direct debits can be offered through either a bill smoothing plan or a 'direct debit on demand'. For bill smoothing, customers may choose from a fortnightly or monthly arrangement. Customers on a 'direct debit on demand' arrangement are required to make quarterly payments. Through review of Alinta Energy's Vault system, Customer Service Representatives are required to obtain a customer's verifiable consent prior to commencing a direct debit. It was also noted that the date of commencement and frequency of the direct debit are agreed with the customer up front and inputted into Alinta Energy's CIS-OV system. The bill smoothing payment plan including the commencement date and frequency are also included as part of the bill smoothing 'Explicit Informed Consent'.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 186, 186A, 187, 188, 189 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.6(1)(2)(3)(4)(5) | | |
| Description | | |
| 186 | A retailer must not charge a residential customer a late payment fee in the circumstances specified in clauses 5.6(1) (a)-(d). | |
| 186A | If a retailer has charged a late payment fee in the circumstances set out in clause 5.6(1) (c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill. | |
| 187 | If a retailer has charged a residential customer a late fee, a retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice. | |
| 188 | A retailer must not charge a residential customer more than 3 late payment fees in relation to the same bill, or more than 12 late payment fees in a year. | |
| 189 | If a residential customer has been assessed 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. | |
| Observations | | |
| <p>The following was noted through discussion with the Credit and Payments Team Leader in regards to late payment fees:</p> <ul style="list-style-type: none"> For bills over \$100, Alinta Energy charges a late payment fee on the issue of a 'Reminder Notice' and 'Turn Off Quarterly Letter'. Turn Off Quarterly Letters are sent to customers 9 business days after the Reminder Notice. For bills under \$100, Alinta Energy charges a late payment fee on the issue of an 'Overdue Notice' and 'Reminder Notice'. Reminder Notices are sent 5 business days after an Overdue Notice. All notices are automatically triggered and charged to the customer's account through Alinta Energy's CIS-OV system based on the schedule of a credit treatment cycle. As noted by the credit treatment cycle, Alinta Energy will not charge a customer an additional late payment fee in relation to the same bill within 5 business days of each other. Alinta Energy will only charge customers a maximum of 2 late payment fees per bill. Customers are charged with an \$8.60 late payment fee per notice as stipulated on Alinta Energy's Website. Overdue Notices, Reminder Notices and Turn Off Quarterly Letters are sent to customers informing them of amounts overdue as well as information on payment assistance. <p>Customers on a hardship program, under a complaint review or under an agreed instalment plan such as bill smoothing or a payment extension are flagged in the system and exempt from receiving notices and charged with a late payment fee. Through discussion with the Hardship Officer and Customer Advocate Team Leader, customers will have any late payment fees manually waived by the hardship team as part of the on boarding process for customers entered into the hardship program as well as by the Advocacy Team regarding customer complaints to Alinta Energy and the Ombudsman. Waiving of late payment fees are conducted in Alinta Energy's CIS-OV system. It was noted that Alinta Energy does not offer gas customers any government concessions.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 190, 191, 192, 193 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.7(1)(2)(3)(4) | | |
| Description | | |
| 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 clause 5.7(1), unless the retailer and the customer have agreed to an alternative date. | |
| 191 | If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require a customer to pay for gas consumed at the customer's supply address from the date the customer gave the retailer notice. | |
| 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. | |
| 193 | Notwithstanding clauses 5.7(1) and 5.7(2), a retailer must not require a customer to pay for gas consumed at the customer's supply address in the circumstances specified in clauses 5.7(4) (a)-(c). | |
| Observations | | |
| <p>It was noted through discussions with the Customer Service Training Specialist and observation of Alinta Energy's Vault system that customers are required to provide Alinta Energy with a minimum of 2 business days' notice when vacating a supply address. Customers must inform Alinta Energy the date they intend to vacate or have vacated the supply address and provide a forwarding postal address. Prior to the 2 business days, customers are still required to pay for gas consumed at the supply address. This is to ensure sufficient time is provided to the network provider to provide Alinta Energy with a final read. To obtain a final read, Customer Service Representatives will raise a service order within Alinta Energy's CIS-OV system to the network operator.</p> <p>Where a customer was evicted or otherwise required to vacate a supply address, Alinta Energy will backdate the bill to the date the customer vacated the address, provided they receive sufficient evidence. This may include a lease agreement or eviction notice.</p> <p>Once a contract has been established and customer's information inputted into Alinta Energy's CIS-OV system, the system will automatically bill to the address nominated by the current account holder and therefore not permit an amount to be billed to the previous customer of the same supply address. Refer to obligation 146 for the process of issuing bills to a customer's nominated address.</p> <p>It was noted that once another retailer becomes responsible for the supply of gas to a customer, the network operator will alert Alinta Energy through ARMA automatically creating a trigger within Alinta Energy's CIS-OV system to finalise a customer's account and issue a final bill. An exception report provided by the IT department is reviewed daily to identify any customers not automatically processed by ARMA. All exceptions are manually inputted into CIS-OV by a member of the billing team and actioned within the day. Accounts automatically processed within ARMA are denoted by the text "SYSTEM – CIS-OV UPDATED" and accounts manually inputted are denoted by a blank text. Therefore, Alinta Energy will not require previous customers to pay for gas consumed from the date that another retailer becomes responsible.</p> <p>It was confirmed by the Credit and Payments Team Leader that Alinta Energy will not bill a customer for gas consumed at a supply address after disconnection occurred as per the Credit Treatment Cycle. The network operator performs a meter reading approximately two weeks following the disconnection to ensure no gas has been used. If unlawful supply has occurred, then Alinta Energy will attempt to make contact with the customer before further action is taken.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 195 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.8(1) | | Reporting Type 2 |
| Description | | |
| 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 experiencing payment difficulties or financial hardship; or while a residential customer continues to make payments under an alternative payment arrangement. | |
| Observations | | |
| <p>Through discussion with the Credit and Payments Team Leader, it was noted that Alinta Energy will only commence proceedings for recovery of a customer's debt where a customer has failed to make payments under a final bill and will use its best endeavours to notify customers prior to referring the collection to a debt recovery agent. Therefore, Alinta Energy will not recover debt from a customer who is experiencing payment difficulties or financial hardship, or while a customer continues to make payment under an alternative payment arrangement.</p> <p>All notices are automatically issued through Alinta Energy's CIS-OV system based on the schedule of a credit treatment cycle. The credit treatment cycle is populated by the Credit Team which is pulled directly from CIS-OV. Debt amounts over \$100 will follow a 'harder' debt recovery path whereby customers are sent a 6Q and 21D notice, are subsequently default listed and referred to a debt recovery agent. The 6Q notice is a written notice informing customers of the overdue payment requesting the customer to pay the amount of the overdue payment. The 21D notice is a written notice informing customers that Alinta Energy intends to disclose default information to a Credit Reporting Body. 6Q and 21D notices are both defined in the Privacy (Credit Reporting) Code. Amounts under \$100 as well as customers experiencing payment difficulties or financial hardship will follow a 'softer' path whereby customers are sent a notice and not default listed.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 196 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.8(2) | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Customer Service Manager and the Customer Operations Manager, once a contract has been established and customer's information inputted into Alinta' Energy's CIS-OV system, the system will automatically recover debt from the account holder and therefore not permit a debt amount to be recovered from a previous customer of the same supply address. Refer to obligation 146 for the process of setting up a customer's account in CIS-OV. The Credit Treatment Cycle outlines the debt recovery path of a customer. Refer to obligation 195 for the debt recovery process.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|---|-----------------------------------|
| Compliance Manual Reference: 209 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.6(2) | | Reporting Type NR |
| Description | | |
| 209 | In giving reasonable consideration under clause 6.6(1), a retailer should refer to the hardship procedures referred to in clause 6.10(3). | |
| Observations | | |
| <p>From examination of documentation and discussions with the Hardship Officer and the Manager Regulatory Compliance we determined that Alinta Energy have in accordance with the Gas Compendium, developed a hardship policy and hardship procedures. Alinta Energy's policy and procedures require all customers who are assessed as being under financial hardship to have all fees and charges deleted from their account. However, Alinta Energy does not waive previous debt and this will remain on the account.</p> <p>Based on our review of the relevant documentation, we note the following:</p> <ul style="list-style-type: none"> Both the policy and procedures were last updated in October 2015 and submitted to the ERA in June 2015. These were developed in consultation with relevant consumer representatives (<i>Financial Counsellors' Association of Western Australia, Jacaranda Community Centre and the Department for Child Protection and Family Support</i>); and Staff training is provided to all call centre staff with additional training for those Customer Service Representatives (CSR' Level 2) and Hardship Officers who are permitted to conduct financial assessments. Additionally, Vault system provides continuous guidance to CSRs to support work practices. Staff are instructed to refer to the Vault system if they require guidance for any work practices, including financial hardship, within Alinta Energy. <p>Through our discussions with the Manager Regulatory Compliance and the Manager Customer Operations we noted that following ERA amendments to its Financial Hardship Policy Guidelines earlier this year (August 2019) Alinta Energy have taken a proactive approach to reviewing their policy and procedures in alignment with the ERA updates.</p> <p>When a customer contacts and explains they are in financial difficulty, CSRs are trained to refer to the hardship team. If they are confused about how to proceed, they are instructed to use the Vault system to search "hardship" or contact their line manager.</p> <p>Sample testing was conducted for three customers on financial hardship with no issues noted.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate Controls – No Improvement Needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 210 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.9(1) | | Reporting Type NR |
| Description | | |
| 210 | If 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. | |
| Observations | | |
| <p>Through discussions with a Hardship Officer we confirmed that if a customer experiencing financial hardship is unable to meet their obligations under the previously elected payment arrangement, Alinta Energy will give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.</p> <p>The Hardship Officer confirmed that this situation occurs frequently and the following process is in place to facilitate with these circumstances:</p> <ul style="list-style-type: none"> • The internal hardship procedure outlines what is considered to be a change of circumstances; • Customers are encouraged to contact Alinta Energy if their circumstances change and they cannot maintain their current instalment plan obligations. However, in practice it is usually identified through a missed payment which prompts the Hardship team to call the customer and enquire; • Any customers who are identified as being in financial hardship and put on the program are overseen by the Hardship team, whereby the individual accounts are monitored by Hardship Officers; • All circumstances and details discussed are recorded in the contact log and stored within CIS-OV; • The Hardship Officer will reassess the customer's capacity to pay prior to setting up or revising an instalment plan; and • The Hardship team will consider revision and renegotiate payment arrangements if the customer cannot afford what was originally agreed. Alinta Energy may request a secondary opinion of the customer's financial situation from a financial counsellor. <p>Testing confirmed that for customers who are unable to meet the customer's obligations under the previously elected payment arrangement are given reasonable consideration to offering an instalment plan or revising an existing instalment plan, this consideration is demonstrated through documentation of the conversation within the contact log.</p> <p>Based on enquiries, examination of documentation, and a walkthrough of the system and testing, it was concluded that there are adequate controls in place and Alinta Energy is compliant with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 214, 215, 215A, 216 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.10(1), (2), (3) and (4) | | |
| Description | | |
| 214 | A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer. | |
| 215 | A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2). | |
| 215A | A retailer must ensure that its hardship procedures comply with the criteria specified in clause 6.10(3). | |
| 216 | If requested, a retailer must give residential customers and relevant consumer representatives a copy of the hardship policy, including by post at no charge. | |
| Observations | | |
| <p>Based on examination of documentation we confirmed that Alinta Energy have developed a hardship policy and procedures to assist customers experiencing financial hardship. Both the Policy and the Procedures were last updated in October 2015 and submitted to the ERA for review in June 2015.</p> <p>Alinta Energy's Hardship Policy and Procedures have been developed in consultation with relevant consumer representatives (Financial Counsellors' Association of Western Australia, Jacaranda Community Centre and the Department for Child Protection and Family Support). The document is publically available on their corporate website and available in large print copies upon request. Through our examination of the Hardship Policy (October 2015), we determined that the policy includes statements referring to all of the criteria specified within Clause 6.10 of the Gas Compendium including:</p> <ul style="list-style-type: none"> • Encouraging the customer to contact Alinta Energy as soon as a possible to work with them to provide a solution; • Clearly stating the customer will be treated sensitively and with respect; • Alinta Energy may reduce or waive fees, charges and debt; • Providing a list of how Financial Hardship may be cause, but noting the list is not exhaustive; • Providing an overview of assistance available to the customer in financial hardship or payment difficulties; • Advising the customer of the right to pay via Centrepay or Income Management; • Alinta Energy can provide further detail on request; • The Interpreter Services, including multi-lingual and TTY; and • Concessions available to the customer. <p>Through discussions with the Manager Customer Service we confirmed that all Customer Service Representatives are trained to manage any customer requests and to provide upon request, a copy of the hardship policy, in their preferred format at no charge.</p> <p>Discussions with both Manager Customer Operations and Manager Regulatory Compliance informed us that Alinta Energy commenced an internal review of its Hardship Policy and Hardship Procedures in 2018, however this review was put on hold following the commencement of the ERA's review of the Financial Hardship Policy Guidelines in Oct 2018. The ERA has recently (Aug 2019) released its revised Guidelines and Alinta Energy will now consider review of these documents.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy is compliant with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 222 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 7.1 | | Reporting Type 2 |
| Description | | |
| 222 | A retailer must follow the procedures specified in clause 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 clause 7.1(2). | |
| Observations | | |
| <p>Through observation of clauses with the Manager Customer Operations is was identified that these requirements all form part of the credit matrix. There is a system control that ensures that these notifications are issued in the following timeframes and methods:</p> <ul style="list-style-type: none"> • <i>A customer reminder notice, on day 18 (not less than 14 days) from the date of dispatch of the bill via SMS, email or voice blast</i> The reminder notice issued includes – <ul style="list-style-type: none"> i. the retailer's telephone number for billing and payment enquiries; ii. advice on how the retailer may assist in the event the customer is experiencing payment difficulties or financial hardship; and iii. requiring payment to be made on or before the day not less than 20 business days after the day on which the bill was issued; • <i>A customer a disconnection warning, on day 32 (not less than 22 business days) from the date of dispatch of the bill, advising the customer via SMS, email or voice blast</i> <ul style="list-style-type: none"> i. that the retailer may disconnect the customer not less than 10 business days after the day on which the disconnection warning is given; and ii. of the existence and operation of complaint handling processes including the existence and operation of the gas ombudsman and the free-call telephone number of the gas ombudsman. <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
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| Compliance Manual Reference: 223 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 7.2(1) | | Reporting Type 2 |
| Description | | |
| 223 | A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1). | |
| Observations | | |
| <p>When the debt matrix triggers a disconnection with ATCO, the account will be placed in the Activity Queue for review by a Credit Officer. Alinta Energy do not offer concessions, and do not bill for anything that does not relate to the supply of gas. During the review of the Activity Queue, the Credit Officers are trained to suspend any account which is related to a customer with financial difficulty or hardship. Once notice is issued for disconnection, the order is flagged in CIS-OV and processed automatically after 10 business days.</p> <p>The Retail Credit team would ensure that these requirements are met upon their disconnections review of the account in the Activity Queue, to make sure that the account is eligible and can be disconnected. If so they will action a service order to ATCO to disconnect. This process is documented within the Vault system.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 225 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 7.4 | | Reporting Type 2 |
| Description | | |
| 225 | 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 clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in clause 7.4(1) on behalf of the retailer. | |
| Observations | | |
| <p>Per discussion with Retail Credit Officer, we confirmed Alinta Energy will not disconnect supply before access is denied on three consecutive billing periods. On each occasion, notifications will be left by field agents regarding missed reading and an attempt to make alternative arrangements will be made. They will call the customer via their preferred contact number, issue an email and send an SMS.</p> <p>A disconnection warning is triggered by the debt matrix within CIS-OV and occurs five days prior to disconnection. If the account is placed in the Activity Queue, the requirements of this clause are reviewed by the credit team before a disconnection service order is raised. The retail credit officer confirmed that supply would not be disconnected unless a payment agreement is dishonoured. On a weekly basis, the Team Leader Billing Services extracts a report from CIS-OV which details the pending disconnections. They will review to ensure those pending are in line with the obligation and completed in five business days.</p> <p>A notice is issued to the customer each time they refuse to allow access to the meter informing them of the following:</p> <ul style="list-style-type: none"> • advising the customer of the next date or timeframe of a scheduled meter reading at the supply address; • requesting access to the meter at the supply address for the purpose of the scheduled meter reading; and • advising the customer of the retailer's ability to arrange for disconnection if the customer fails to provide access to the meter; <p>These notices are issued within five business days of the customer denying access to the meter, and are triggered by the debt matrix within CIS-OV.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 227 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 7.6 Schedule 2 Distribution Licence clause 2.1 | | Reporting Type 1 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with the Manager Customer Operations, we noted that if a complaint is made to Alinta Energy or the Ombudsman, the account will be suspended in CIS-OV and the Advocacy team will create a note in the special conditions section of the account. This suspended status will remain until it is manually removed by the Advocacy team when the complaint is resolved.</p> <p>By suspending the account, the credit matrix process is stopped on the account. This will halt any overdue notifications and will stop an account from being disconnected. The account will not be placed on the Activity Queue while it is suspended.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 228 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 8.1(1) | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussion with Manager Customer Operations, we confirmed Alinta Energy will:</p> <ul style="list-style-type: none"> reconnect a customer who was disconnected for non-payment, if they have paid or agreed to pay the outstanding bill; reconnect a customer who was disconnected for not allowing access to a meter, if the customer has subsequently allowed access; and reconnect a customer who was disconnected for illegal consumption of gas, if the illegality has been rectified and the customer has paid for gas consumed illegally. <p>A reconnect order is processed by the CSR once with above has been demonstrated by the customer.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 231, 232, 233 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.1(1)(2)(3) | | Reporting Type 2 |
| Description | | |
| 231 | A retailer must give notice to each of its customers affected by a variation in its tariffs no later than the next bill in the customer's billing cycle. | |
| 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. | |
| 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. | |
| Observations | | |
| <p>Through discussions with the Regulatory and Compliance Manager, amendments to tariff rates commence on the 1st July of every year in accordance with the Gas Tariffs Regulations. Notice of tariff rate changes are communicated on customers' bills under 'Important Information' and on Alinta Energy's website. Alinta Energy has an internal process document, listing all relevant activities that require completion prior to the commencement of a tariff rate change. It was noted by the Customer Service Training Specialist that Customer Service Representatives get a FAQ alert on Alinta Energy's Vault system advising them of tariff changes as well as email communication and a tariff rate change hand-out sheet prior to a rate change.</p> <p>It was noted through discussion with the Regulatory Compliance Manager and the Billing Team Leader that Alinta Energy only offers one standard tariff for residential and non-residential customers and therefore does not offer any alternative tariffs. Alternative tariff relates to a tariff that charges two or more rates for the same supply of gas to and from the same supply address.</p> <p>The Manager of Customer Service confirmed that upon request, Customer Service Representatives are trained to provide information on Alinta Energy's standard tariffs. If a customer requests information on discounted tariffs (NSCs), representatives can direct the customer to a product specialist within the Customer Service team. Customer Service Representatives ensure that information is provided to customers on the spot and if a customer's query cannot be resolved, it will be directed to a team leader or SSO for resolution. Information can be provided over the phone, through email or sent to a postal address if information is requested in writing by the customer at no charge. Alternatively, the representative may direct the customer to Alinta Energy's website which contain all necessary tariff information. This information is given over the phone at the time of the call, unless redirected to the team leader or SSO. CIS-OV has a follow up functionality to remind CSRs to contact the customer within the timeframe.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 234, 235, 237 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.2(1)(2)(4) | | |
| Description | | |
| 234 | A retailer must, on request, give a customer their billing data. | |
| 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. | |
| 237 | A retailer must keep a customer's billing data for 7 years. | |
| Observations | | |
| <p>Through discussions with the Billing Team Leader, it was noted that upon request, the billing team will provide customers, free of charge, all available bill data over the phone, through email or by post, regardless of the requested timeframe i.e. beyond two years prior. Billing data is stored within Alinta Energy's customer information system 'CIS-OV' and customers are able to obtain all available bill data from the date the customer created their account.</p> <p>Customer's billing data is retrieved from Cognos by entering in the customer's account number and the date range the customer has requested. A report will be generated which shows relevant billing data for the period with information including:</p> <ol style="list-style-type: none"> 1. Reading Date 2. Reading Amount 3. Usage Amount 4. Billing Period 5. Bill Amount <p>This report can be extracted and sent to the customer upon request.</p> <p>Customer Service Representatives have been trained to provide customers with their previous bills upon request. Through discussion with the Customer Service Manager, previous bills can be generated through Fuji Xerox. However, it was noted that Fuji Xerox only stores 6 years' worth of customers' bills. Alternatively, if the customer has an Alinta Energy 'my account', Customer Service Representatives will direct customers to Alinta Energy's website. CIS-OV stores all billing data indefinitely. It was confirmed by the Customer Service Manager that requests for bill data are managed over the phone, therefore complying with the 10 business day requirement of the Compendium. The Team Leader Billing confirmed if information is requested, there is a two business day turnaround from the request to the information being issued from Alinta Energy's office.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place with no improvement needed and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 238 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.3 | | Reporting Type 2 |
| Description | | |
| 238 | A retailer must give a residential customer on request, at no charge, information on the types of concessions available to the customer, and the names and contact details of the organisation responsible for administering those concessions (if not the retailer). | |
| Observations Through discussion with the Manager Customer Services, we confirmed that Alinta Energy do not offer concessions for gas consumption. The CSR team are trained to provide customers with contact details for Synergy, and direct them to the relevant website for information on Synergy concessions. This information is also recorded in Vault and on the Alinta Energy website. Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement N/A | | |

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| Compliance Manual Reference: 239, 246, 249 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.4, 10.10(1) & 10.11(1) Schedule 2 Distribution Licence clause 2.1 | | |
| Description | | |
| 239 | A retailer must give, or make available, to a customer on request and at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances. | |
| 246 | A retailer must advise a customer on request how the customer can obtain a copy of the Gas Marketing Code and the Compendium; and make a copy of the Gas Marketing Code and the Compendium available on the retailer'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). | |
| Observations | | |
| Discussion with the Manager Regulatory Compliance and the Manager Customer Service, and examination of relevant documentation and systems noted the following: | | |
| <ol style="list-style-type: none"> 1. <i>Information regarding energy use is provided by Alinta Energy</i> Customer service staff are trained to provide information on cost-effective and efficient ways to utilise gas. Staff can readily access information on their system while on calls with customers. Additionally, information is made available on the Alinta Energy website and within the Customer Service Charter. 2. <i>Alinta Energy provide the Gas Marketing Code and Compendium</i> Customer service staff are trained to direct customers upon request to the Alinta Energy website where they have made the Code and Compendium available. 3. <i>Communication services information provided upon request</i> Customer service staff are trained to make available information regarding its TTY services, independent multilingual services, interpreter services and large print copies. Staff can readily access information regarding communication services and provide large print copies when required. Additionally, information is made available on the Alinta Energy website and within the Customer Service Charter. | | |
| Based on enquiries and examination of documentation, it was concluded that Alinta Energy have complied with this obligation during the audit period that there are adequate controls with no improvement needed. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 240 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.5 | | Reporting Type 2 |
| Description | | |
| 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. | |
| Observations | | |
| <p>Through discussions with Manager Customer Services and Team Leader – Customer Services, it is noted that Alinta Energy staff have received training to answer any questions around distribution to a reasonable extent.</p> <p>In the event that the customer requests to be referred to the distributor, Alinta Energy staff would liaise with ATCO (the distributor) on behalf of the customer. This information is also recorded in Vault and on the Alinta Energy website.</p> <p>Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 243 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.5A(3) | | Reporting Type 2 |
| Description | | |
| 243 | A 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). | |
| Observations | | |
| <p>Through discussion with the Manager Regulatory Compliance and examination of Alinta Energy's safety awareness documentation, we determined that the customer safety awareness program submitted to the Coordinator of Energy on 28 September 2000 and is still current.</p> <p>Examination of Alinta Energy's website and Customer Service Charter confirmed the following key safety information as per the Gas Compendium was readily available to customers and interested parties:</p> <ul style="list-style-type: none"> • Information on the properties of gas relevant to customers i.e. the difference between Natural and LP gas; • Guidance on engaging a licensed gas fitter to install a new appliance; • Advice on how to determine if the gas appliance is approved by the Australian gas Association; and • How to determine if there is a gas leak or equipment defect, as well as the contact details to report the possible fault. <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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| Compliance Manual Reference: 245 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.9 Schedule 2 Distribution Licence clause 2.1 | | Reporting Type NR |
| Description | | |
| 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. | |
| Observations | | |
| Discussions with the Manager Regulatory Compliance noted all amendments to letters, bills, and publicly available documents are reviewed by Legal and Regulatory teams prior to release to ensure they are expressed in clear, simple, concise language and in a format that is easy to understand. Review of the Customer Service Charter bills, terms and conditions (both standard and non-standard), and particulars of contract noted they are presented in simple English and are easy to understand. In addition, Clauses 31.3 and 34.3 of the SFC and NSC respectively, refer to the terms and conditions being written in a "simple English" style. | | |
| Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period. | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 - Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| Compliance Manual Reference: 251, 252, 253, 254, 255, 255A, 256, 257, 258 | | Compliance Rating A / 1 |
|--|---|----------------------------|
| Licence Condition: Energy Coordination Act section 11M | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 12.1(1)(2)(c)(3)(a)(b)(4), 12.2, 12.3, 12.4 Schedule 2 Distribution Licence clause 2.1 | | |
| Description | | |
| 251 | A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes. | |
| 252 | The complaints handling process under clause 12.1(1) must comply with AS/NZS 10002:2014 and address, at the least, the criteria specified in subclauses 12.1(2) (b) - (c). The complaints handling process must be available at no cost to customers. | |
| 253 | The complaints handling process must detail how the retailer will handle complaints about a retailer, gas marketing agents or marketing, and be available at no cost to customers. | |
| 254 | When responding to a complaint, 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 (in accordance with its complaints handling process). | |
| 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. | |
| 255A | A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days. | |
| 256 | A retailer must comply with any guideline developed by the ERA relating to distinguishing customer queries from customer complaints. | |
| 257 | A retailer, distributor and gas marketing agent must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes. | |
| 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). | |
| Observations | | |
| <p>Upon request from Alinta Energy, we sighted the internal process for complaints and dispute resolutions in their 'Vault' system. Through this process, it is evident that the document has been created and designed to:</p> <ul style="list-style-type: none"> • Comply with AS 2014 standard; • Addresses the criteria set out in sub-clause 12.1(2)(b)- (c) of the Gas Compendium December 2016; • Details complaints handling process where complaint is about the retailer, gas marketing agents or general marketing; • Include details of and phone number of the relevant Ombudsman (external dispute resolution body); and • Include details specifying that all complaints must be acknowledged within 24 hours of receipt, and will be responded to no later than 5 business days after receipt. <p>From discussion with staff from the Advocacy and Customer Services teams, it is noted there are no processes in place whereby any form of consideration is required for the provision of this information to customer, and therefore all information regarding the complaints handling process is available at no cost to customers.</p> <p>Through discussions with Manager Customer Service, it is understood that complaints can be escalated to a more senior member of the Advocacy and Customer Services teams should the need arise. This is documented in the Vault system and accessible if required. The customer is informed of this option and this was confirmed through the EIC call script.</p> <p>We also note that Vault has a definition of a 'complaint' which has been checked and corroborated against the definition of a complaint, and the difference to a query as set out per the ERA guidelines.</p> <p>The Advocacy and Customer Services teams regularly monitor the complaints timeframes through the Complaints and Compliments spreadsheet. This is extracted on a weekly basis and reviewed by the Manager customer Service to ensure the timeframes of acknowledgement and responses are in line with the regulations. Sample testing confirmed that complaints were closed in the appropriate timeframe.</p> <p>Although no process notes are present, in the event that the CSRs receive a call which is in relation to another entity, the CSRs are trained to provide the customer with adequate direction in order to reach the entity who is able to answer the question.</p> <p>Therefore, based on enquiries, observations and an understanding of internal processes, it was concluded that there are adequate controls in place, and that Alinta Energy were compliant within the audit period.</p> | | |
| Adequacy of Controls Rating | 1 – Adequate controls – no improvement needed | |

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| Compliance Rating | 1 – Compliant |
| Corrective Action/Opportunity for Improvement N/A | |

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|---|--|-----------------------------------|
| Compliance Manual Reference: 282, 283 | | Compliance Rating A / 1 |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 13.2 & 13.3 | | Reporting Type 2 |
| Description | | |
| 282 | A report referred to in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA. | |
| 283 | A report referred to in clause 13.1 must be published by the date specified by the ERA. | |
| Observations | | |
| <p>Through discussions with the Manager Regulatory Compliance, we note that submission of the annual performance reports is the responsibility of the Manager Regulatory Compliance. The required submission dates are tracked via the Regulatory Obligations Register.</p> <p><i>GTL Compliance Report</i></p> <p>The ERA has published the GTL Compliance Reporting Manual which specifies within 5.2.1 that reports must be submitted to the ERA by 31 August following the 30 June year end. Schedule 2 of the Manual provides the template for the report.</p> <p>Once the report is submitted, it is reviewed by the ERA who will subsequently provide a required publish date in writing. Alinta Energy will then publish the report on its website.</p> <p>Sample testing of two years of correspondence and GTL Compliance Reports between Alinta Energy and the ERA noted the reports were provided by the due date and in the manner and form specified by the ERA. GTL Compliance Reports are not required to be published.</p> <p><i>GTL Performance Report</i></p> <p>Each year, the ERA publish the GTL Performance Reporting Handbook which outlines the required performance indicators and how and when the data must be provided to the ERA. For the applicable reporting years (reporting year refers to 30 June, within that year) within the requirement, the following dates were prescribed:</p> <ul style="list-style-type: none"> • 2 October 2017 • 1 October 2018 • 30 September 2019 <p>In addition to this, each year, the ERA provide a template GTL Performance Reporting Datasheet that is required to be used. When the Handbook is released, the Manager Regulatory Compliance updates the Register with the required date, ERA contact, and required submission address (email).</p> <p>Sample testing of two years of correspondence and Performance Reports between Alinta Energy and the ERA noted they were provided by the due date, and in the manner and form specified by the ERA. They were also published on the Alinta Energy website within the timeframe specified by the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that there are adequate controls in place and Alinta Energy has complied with the licence condition, during the audit period.</p> | | |
| Adequacy of Controls Rating | A – Adequate controls – no improvement needed | |
| Compliance Rating | 1 – Compliant | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

5.3 Obligations rated Not Performed or Not Applicable during the audit period

| Compliance Manual Reference: 3 | | Compliance Rating NP / NR |
|--|---|------------------------------|
| Licence Condition: Energy Coordination Act section 11WG(2) | | Reporting Type 2 |
| Obligation under Condition: Trading Licence clause 13.1 | | |
| Description | | |
| 3 | A licensee must comply with a direction given to the licensee under section 11WI. | |
| Observations | | |
| Section 11WI only applies in the event that the ERA requests an SFC to be amended where the clause(s) of the SFC do not meet the regulation requirements. | | |
| The Manager Regulatory Compliance confirmed that the ERA has not requested Alinta Energy to amend its SFC during the audit period. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for this audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|---|--|-------------------------------------|
| Compliance Manual Reference: 11, 12, 14, 16 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11ZAF(a)(b), 11ZAH(2), 11ZAJ Energy Coordination (Customer Contracts) Reg 38A (4) | | |
| Obligation under Condition: Trading Licence clause 14.1 | | Reporting Type NR |
| Description | | |
| 11 | A licensee must submit a draft last resort supply plan to the ERA within 3 months (or longer if the ERA allows) of being designated with that role. | |
| 12 | A licensee must consult with the ERA with a view to obtaining approval of its draft last resort supply plan. | |
| 14 | A licensee must submit any proposed amendment to its last resort supply plan to the ERA for approval. | |
| 16 | A licensee, (supplier of last resort) must supply a transferred customer for at least 3 months after the date of transfer unless the transferred customer terminates the contract. | |
| Observations The Manager Regulatory Compliance confirmed that Alinta Energy 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 rateable or performed during Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | | NP – Not Performed |
| Compliance Rating | | NR – Not Rateable |
| Corrective Action/Oppportunity for Improvement N/A | | |

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|--|--|-------------------------------------|
| Compliance Manual Reference: 13, 15 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11ZAF(c), 11ZAJ | | |
| Obligation under Condition: Trading Licence clause 14.1 | | Reporting Type 2 |
| Description | | |
| 13 | A licensee must carry out the arrangements and other provisions in the approved last resort supply plan if it comes into operation. | |
| 15 | A licensee, who is designated as a supplier of last resort, must perform the functions of the supplier of last resort and carry out the arrangements and provisions of the last resort supply plan if it comes into operation. | |
| Observations The Manager Regulatory Compliance confirmed that Alinta Energy 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 rateable or performed during Alinta Energy's operations for the audit period | | |
| Adequacy of Controls Rating | | NP – Not Performed |
| Compliance Rating | | NR – Not Rateable |
| Corrective Action/Opportunity for Improvement N/A | | |

| | | |
|--|---|-------------------------------------|
| Compliance Manual Reference: 17 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11ZK(3) | | |
| Obligation under Condition: Trading Licence clause 5.1 Distribution Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 17 | A licensee must pay the costs and expenses incurred in the taking of an interest or easement in respect of land held by a public authority. | |
| Observations The Manager Regulatory Compliance confirmed that for the purposes of the Gas Trading Licence, Alinta Energy has not taken an interest in or an easement over land held by a public authority during the period subject to audit. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

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|---|---|-------------------------------------|
| Compliance Manual Reference: 20, 21 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11ZOV(1) Energy Coordination Act section 11ZOV(2) | | |
| Obligation under Condition: Distribution Licence clause 5.1 Trading Licence clause 5.1 | | Reporting Type 2 |
| Description | | |
| 20 | A licensee must not engage in prohibited conduct relating to the operation of a 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. | |
| Observations The Manager Regulatory Compliance advised that she is not aware of Alinta Energy engaging or assisting another party to engage in prohibited conduct relating to the operation of the retail market scheme. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

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|---|--|-------------------------------------|
| Compliance Manual Reference: 22 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11ZOZ(3) | | |
| Obligation under Condition: Distribution Licence clause 5.1 Trading Licence clause 5.1 | | Reporting Type 2 |
| Description | | |
| 22 | A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time. | |
| Observations The Manager Regulatory Compliance confirmed that Alinta Energy has not been given a direction by the Authority to amend the scheme within a timeframe within the period subject to audit. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

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|--|--|-------------------------------------|
| Compliance Manual Reference: 90 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination (Customer Contract) Reg 33 (3) Clause 3.5.2.2 AGA Code | | |
| Obligation under Condition: Trading Licence clause 5.1 Distribution Licence clause 5.1 | | Reporting Type NR |
| Description | | |
| 90 | A licensee must ensure that any representatives seeking access to the supply address on its behalf wear, carry and show official identification. | |
| Observations | | |
| <p>Through discussions with the Manager Regulatory Compliance and review of the SFC we confirmed that Alinta Energy notify customers of the following in clause 14 of the SFC:</p> <ul style="list-style-type: none"> • <i>You must allow access to the supply address</i> • <i>“A person coming onto the supply address on our behalf must show you official identification that he or she is our agent”</i> <p>The current SFC was subject to review and approval by the ERA in June 2016.</p> <p>As the obligation only requires for this information to be in the SFC, rather than an operational requirement for Alinta Energy, it is not rateable or performed in Alinta Energy’s operations for the audit period.</p> | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|--|-------------------------------------|
| Compliance Manual Reference: 98 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Distribution Licence clause 16 Trading Licence clause 17 | | Reporting Type NR |
| Description | | |
| 98 | A licensee may be subject to individual performance standards. | |
| Observations The Manager Regulatory Compliance confirmed that Alinta Energy has not been subject to individual performance standards set by the Authority. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

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|--|--|-------------------------------------|
| Compliance Manual Reference: 101 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Distribution Licence clause 20 Trading Licence clause 22.1 | | Reporting Type 2 |
| Description | | |
| 101 | A licensee must report to the ERA if the licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances that may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring. | |
| Observations The Manager Regulatory Compliance confirmed that Alinta Energy was not under external administration and did not experience a significant change in its corporate or financial or technical circumstances that may affect its ability to meet its licence obligations. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

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|--|---|-------------------------------------|
| Compliance Manual Reference: 106, 107 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 12.2, 12.3 | | Reporting Type NR |
| Description | | |
| 106 | A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified by the ERA. | |
| 107 | A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review. | |
| Observations The Manager Regulatory Compliance confirmed that the ERA has not requested Alinta Energy to review its SFC during the audit period. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for this audit period. | | |
| Adequacy of Controls Rating | | NP – Not Performed |
| Compliance Rating | | NR – Not Rateable |
| Corrective Action/Opportunity for Improvement N/A | | |

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|---|--|-------------------------------------|
| Compliance Manual Reference: 108 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 13.1 | | Reporting Type 2 |
| Description | | |
| 108 | A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations. | |
| Observations The Manager Regulatory Compliance confirmed that the ERA has not requested Alinta Energy to amend its SFC during the audit period. Alinta Energy did not request any update to the SFC during this period. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for this audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

| Compliance Manual Reference: 110, 111, 112 | | Compliance Rating NP / NR |
|--|--|------------------------------|
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence Schedule 3 clause 1.5, 1.7, 2.1, 2.2 | | Reporting Type 2 |
| Description | | |
| 110 | A licensee must provide the ERA within 3 business days of a request by the ERA with reasons for refusing to commence supply to a customer if requested by the ERA. | |
| 111 | A licensee must comply with a direction from the ERA to supply a customer, subject to specified conditions. | |
| 112 | A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the rateable distribution system, provided such disclosure does not prejudice the commercial interests of the licensee. | |
| Observations | | |
| <p>The Manager Regulatory Compliance confirmed that the Authority has not made a request for information relating to the refusal of supply to a customer during the period subject to audit. Therefore, the obligation is not rateable or performed in Alinta Energy's operations during the audit period.</p> <p>The Manager Regulatory Compliance confirmed that the Authority has not made a direction to supply a customer during the period subject to audit. Therefore, the obligation is not rateable or performed in Alinta Energy's operations during the audit period.</p> <p>The Manager Regulatory Compliance confirmed that the distributor i.e. ATCO Gas, has not made any such information requests of Alinta during the period subject to audit. Therefore, the obligation is not rateable or performed in Alinta Energy's operations during the audit period.</p> | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|--|---|-------------------------------------|
| Compliance Manual Reference: 122 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(1) | | |
| Obligation under Condition: Trading Licence clause 19 | | Reporting Type 2 |
| Description | | |
| 122 | A retailer or gas marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed. | |
| Observations Per discussion with Manager Customer Service, Alinta Energy do not provide concessions, although Customer Service Representatives are trained to direct customers to the appropriate contact for concessions. All information for enquiry, verification and complaints is available on the Alinta Energy website. Based on enquiries, examination of documentation and a walkthrough of the system, it was concluded that there are adequate controls in place however, no relevant activity has occurred during the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

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|--|---|-------------------------------------|
| Compliance Manual Reference: 127 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11ZPP Code of Conduct clause 2.8 | | |
| Obligation under Condition: Trading Licence clause 19 | | Reporting Type 2 |
| Description | | |
| 127 | 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 to carry out that activity, unless the contrary is proved. | |
| Observations | | |
| <p>Through discussions with the Western Australia Sales Manager we determined that Alinta Energy have agreements in place with marketing agents to conduct certain marketing activity on behalf of Alinta Energy. This agreement provides security over the obligation that anyone who carries out any marketing activity in the name of or for the benefit of Alinta Energy or a gas marketing agent is to be taken to have been employed or authorised by the retailer or gas marketing agent to carry out that activity, unless the contrary is proved.</p> <p>Through the Western Australia Sales Manager, we confirmed that Alinta Energy have:</p> <ul style="list-style-type: none"> • Three internal employees who carry out marketing activity on the behalf of the organisation; • External marketing agents that are contracted from a third party group to conduct Face to Face and some Kiosk marketing; and • External telemarketing agents from a third party group to complete sales over the phone. <p>Alinta Energy's Sales team are responsible for issuing the addresses, uniforms and marketing IDs to authorised agents.</p> <p>The ERA have advised that this obligation does not place an obligation on Alinta Energy to do something, it is a statement in the code that applies to a retailer.</p> <p>Based on enquiries and examination of documentation, it was concluded that due to the nature of the requirement this obligation was not performed and compliance not rated during the audit period.</p> | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|---|--|-------------------------------------|
| Compliance Manual Reference: 138, 139, 140, 141, 142, 143 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.2(1)(2)(3)(4)(5)(6) | | Reporting Type 2 |
| Description | | |
| 138 | Prior to placing the customer on a shortened billing cycle, a retailer is considered to have given a customer notice if the retailer has advised the customer of the information specified in clauses 4.2(1)(a)-(d). | |
| 139 | Notwithstanding clause 4.1(a) (ii), a retailer must not place a residential customer on a shortened billing cycle without the customer's verifiable consent in circumstances specified in clauses 4.2(2) (a)-(b). | |
| 140 | A retailer must give the customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision. | |
| 141 | A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days. | |
| 142 | Upon request, a retailer must return a customer who is subject to a shortened billing cycle and has paid 3 consecutive bills by the due date, to the billing cycle that previously applied to the customer. | |
| 143 | At least once every 3 months, a retailer must inform a customer who is subject to a shortened billing cycle of the conditions upon which a customer can be returned to the customer's previous billing cycle. | |
| Observations Through discussions with the Billing Team Leader, it was noted that during the audit period Alinta Energy did not place any customers on a shortened billing cycle. Therefore, the obligation is not relevant or performed in Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

| | | |
|---|--|-------------------------------------|
| Compliance Manual Reference: 161, 162, 163 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 4.12(1)(2), 4.13 | | Reporting Type 2 |
| Description | | |
| 161 | If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff (and demonstrates to the retailer that they satisfy the conditions of eligibility), a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions. | |
| 162 | For the purpose of clause 4.12(1), the effective date of change in the tariff will be the date on which the last meter reading at the previous tariff was obtained; or, if the change requires an adjustment to the meter at the customer's supply address, the date the meter adjustment is completed. | |
| 163 | If a customer's gas use changes and the customer is no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff. | |
| Observations It was noted through discussion with the Regulatory Compliance Manager and the Billing Team Leader that Alinta Energy only offers one standard tariff for residential and non-residential customers and does not offer any alternative tariffs. Therefore, the requirements for alternative tariffs are not applicable during Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | | NP – Not Performed |
| Compliance Rating | | NR – Not Rateable |
| Corrective Action/Opportunity for Improvement N/A | | |

| | | |
|---|--|-------------------------------------|
| Compliance Manual Reference: 184 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.4 | | Reporting Type 2 |
| Description | | |
| 184 | A retailer must accept payment in advance from a customer on request. The minimum amount a retailer will accept an advance payment is \$20, unless otherwise agreed with a customer. | |
| Observations | | |
| <p>Through discussions with the Billing Team Leader and the Customer Operations Manager, it was determined that Alinta Energy will accept payment in advance for any amount with no minimum payment requirement. Customer's account will be automatically credited and will appear on the customer's next bill. It was noted that no interest will be payable on credited amount.</p> <p>It was confirmed by the Customer Service Manager that during the audit period, Alinta Energy did not receive a request from a customer to make an advance payment. Therefore, the obligation is not relevant or performed in Alinta Energy's operations during the audit period.</p> | | |
| Adequacy of Controls Rating | NP – Not performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

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|--|--|-------------------------------------|
| Compliance Manual Reference: 197 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 5.10 | | Reporting Type 2 |
| Description | | |
| 197 | Where a retailer and residential customer have entered into a dual fuel contract, or separate contracts for the supply of electricity and gas, the retailer must apply a payment received from a residential customer for charges for the supply of electricity or gas in the circumstances specified in clause 5.9. | |
| Observations The Manager Regulatory Compliance confirmed that Alinta Energy does not maintain dual fuel contracts for residential customers. This is due to the legal limitations of supplying electricity to residential customers using less than 50MWh. Therefore, the obligation and control is not rateable or performed in Alinta Energy's operations during the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

| | | |
|--|---|-------------------------------------|
| Compliance Manual Reference: 198A | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 6.1(2) | | Reporting Type NR |
| Description | | |
| 198A | If a residential customer provides the retailer with an assessment from a relevant consumer representative, the retailer may adopt that assessment as its own assessment for the purposes of clause 6.1(1) (a). | |
| Observations | | |
| <p>Through discussions with Manager Customer Service we determined that Alinta Energy would not use or adopt an assessment from a relevant consumer representative. Our discussions and review of relevant source material confirmed that Alinta Energy conduct their own preliminary assessment of a customer experiencing payment problems to ensure they are transferred to the most suitable course of action.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy do not accept or adopt anything other than their own preliminary assessment. Therefore, this obligation was not performed throughout the duration of the audit period and cannot be rated for compliance.</p> | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|--|--|-------------------------------------|
| Compliance Manual Reference: 213 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.9(2) | | Reporting Type NR |
| Description | | |
| 213 | A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers. | |
| Observations | | |
| <p>Through our discussions with a Hardship Officer and the Manager Customer Operations we confirmed that Alinta Energy's payment in advance process would require them to:</p> <ul style="list-style-type: none"> • Complete a financial hardship assessment to determine the minimum payment in advance amount and the frequency in which the payments are to be made on a case by case basis; • Each assessment will be based on what the customer can reasonably afford to pay at the point in time and therefore different minimum payment in advance amounts apply; • Based on the financial hardship assessment questions there is a CIS-OV calculator that will guide the minimum payment in advance amount; • They will try to push customers for consumption so that their debt doesn't get higher; • They will consult with relevant consumer representatives where applicable; • This arrangement is developed in consultation with the customer and recorded in the contact log within CIS-OV. <p>We established that this information would be recorded within contact logs but CIS-OV does not flag or readily identify customers who have had a financial hardship assessment conducted.</p> <p>As this obligation is a provision for the retailer to give discretion to the minimum payment amount, this obligation is rated as not relevant or not performed in Alinta Energy's operations during the audit period.</p> | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|--|---|-------------------------------------|
| Compliance Manual Reference: 219 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.10(6) | | Reporting Type 2 |
| Description | | |
| 219 | If directed by the ERA, the retailer must review its hardship policy and hardship procedures and submit to the ERA the results of that review within 5 business days after it is completed. | |
| Observations | | |
| <p>Through discussions with the Manager Regulatory Compliance and the Manager Customer Operations and review of supporting documentation we confirmed Alinta Energy have not been directed by the ERA to review its hardship policy and procedures within the audit period. Alinta Energy are aware of this requirement and were last directed by the ERA to review its Hardship Policy or Hardship Procedures and submit the updated version to the Authority by the 1 July 2015.</p> <p>It should be noted that Alinta Energy commenced an internal review of its Hardship Policy and Hardship Procedures in 2018, however this review was put on hold following the commencement of the ERA's review of the Financial Hardship Policy Guidelines in Oct 2018. The ERA has recently (Aug 2019) released its revised Guidelines and despite not being required to submit an updated policy, Alinta Energy intend to now review of these documents in light of the amended Guidelines.</p> <p>Based on enquiries, examination of documentation, it was concluded that the ERA has not directed Alinta Energy to review its Hardship Policy or Hardship Procedures. Therefore, this obligation was not performed throughout the duration of the audit period.</p> | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|---|--|-------------------------------------|
| Compliance Manual Reference: 220A | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.10(8) | | Reporting Type 2 |
| Description | | |
| 220A | If a retailer makes a material amendment to its hardship policy, the retailer must submit a copy of the amended policy to the ERA within 5 business days of the amendment. | |
| Observations | | |
| <p>Through discussions with the Managers of both the Regulatory Compliance and the Customer Operations teams we established that Alinta Energy has not made a material amendment to its hardship policy within the audit period. Through our discussions we noted that:</p> <ul style="list-style-type: none"> Alinta Energy are aware of the requirement that an amended policy must be submitted to the ERA within 5 business days of the amendment. Any amendments and the submission of the policy would be dealt with by the Regulatory Compliance team with the support of the Hardship Team and the Manager Customer Operations. <p>Through discussions with the Manager Customer Operations we established that the policy is currently under review with minor amendments following the ERA's updates to their Financial Hardship Guidelines in August 2019 and are awaiting approval from the ERA.</p> <p>Based on enquiries and examination of documentation, it was concluded that Alinta Energy have not amended their Hardship Policy since previous assessment by the ERA. Therefore, this obligation was not performed throughout the duration of the audit period.</p> | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rated | |
| Corrective Action/Opportunity for Improvement | | |
| N/A | | |

| | | |
|---|--|-------------------------------------|
| Compliance Manual Reference: 224 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 7.3 | | Reporting Type 2 |
| Description | | |
| 224 | In relation to dual fuel contracts or separate contracts for the supply of electricity and gas (under which a single bill for energy, or separate simultaneous bills for electricity and gas are issued to the customer), if a retailer is permitted to and wishes to arrange for disconnection of the supply of electricity and gas to the residential customer's supply address for failure to pay a bill, the retailer must arrange for disconnection of the supply of gas in priority to the disconnection of the supply of electricity. | |
| Observations The Manager Customer Service confirmed that for the purposes of the Gas Trading Licence, Alinta Energy has not traded in dual fuel contracts during the period subject to audit. Although there are customers with gas and electricity accounts with Alinta, these are housed within separate systems and offered under separate contracts. Therefore, the obligation is not rateable or performed in Alinta Energy's operations for the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

| | | |
|---|---|-------------------------------------|
| Compliance Manual Reference: 241, 242 | | Compliance Rating NP / NR |
| Licence Condition: Energy Coordination Act section 11M | | |
| Obligation under Condition: Trading Licence clause 2.1 Schedule 2 Compendium clause 10.5A(1)(2) | | Reporting Type 2 |
| Description | | |
| 241 | A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme. | |
| 242 | A retailer must consult with the ERA when preparing the gas customer safety awareness programme. | |
| Observations Through discussion with the Manager Regulatory Compliance and examination of Alinta Energy' safety awareness documentation, we determined that the customer safety awareness program submitted to the Coordinator of Energy on 28 September 2000 and is still current. As the gas customer safety awareness program was not introduced or amended during the audit period, it was concluded that no activity has taken place to exercise the obligations during the audit period, therefore the controls were not performed or rated for the audit period. | | |
| Adequacy of Controls Rating | NP – Not Performed | |
| Compliance Rating | NR – Not Rateable | |
| Corrective Action/Opportunity for Improvement N/A | | |

Appendix 1

Licensee's representatives who participated in the audit

The table below outlines key personnel who were involved in discussions and contributed to the findings detailed in this Audit Report.

| # | Name | Title |
|----|---------------------|------------------------------------|
| 1 | Catherine Rousch | Manager Regulatory Compliance |
| 2 | Ryan Mckenzie | Team Leader Billing |
| 3 | Troy Mulder | Manager Customer Operations |
| 4 | Charlotte Garlick | Manager Customer Service |
| 5 | Matt Andel | WA Sales Manager |
| 6 | Audrea Woolgar | Marketing & Communications Manager |
| 7 | Julia Barallon | Retail Services – Officer |
| 8 | Tamera Parker | Credit and Payments Team Leader |
| 9 | Nicole Morariu | Retail Service Officer – Billing |
| 10 | Nikki Aquino | Hardship Officer |
| 11 | Anisah Abdul-Rahman | Training Specialist |
| 12 | Kelly Smith | Team Leader – Customer Services |
| 13 | Roslyn Earnshaw | Retail Services Officer – Billing |
| 14 | Cathy Weber | Retail Credit Officer |
| 15 | Emma Sweet | Customer Advocate |

Appendix 2

Key Documentation and information sources

The table below outlines all documents used in this Audit Report.

| # | Name |
|----|--|
| 1 | Energy Coordination Act 1994 |
| 2 | Gas Customer Charter 2012 |
| 3 | Gas Trading Licence 9 – Alinta Sales Pty Ltd trading as Alinta Energy |
| 4 | Gas Marketing Code of Conduct 2017 |
| 5 | Energy Coordination (Customer Contracts) Regulations 2004 |
| 6 | Natural Gas Customer Service Code |
| 7 | Energy Coordination (Gas Tariffs) Regulations 2000 |
| 8 | Energy Coordination (Licensing Fees) Regulations 1999 |
| 9 | Gas Trading Licence Performance Reporting Handbook |
| 10 | Gas Compliance Reporting Manual |
| 11 | Compendium of Gas Customer Licence Obligations (Compendium) |
| 12 | Energy and Water Ombudsman Constitution |
| 13 | Gas Trading Licence Performance Reporting Datasheets 2019 template |
| 14 | Alinta Energy Retail Regulatory Compliance Framework |
| 15 | Regulatory Obligations Register 2019 |
| 16 | Alinta Energy Standard Terms and Conditions |
| 17 | Alinta Energy Non-Standard Terms and Conditions |
| 18 | Alinta Energy GTL9 Gas Reporting Datasheets 2017 |
| 19 | Alinta Energy GTL9 Gas Reporting Datasheets 2018 |
| 20 | Alinta Energy GTL9 Gas Reporting Datasheets 2019 |
| 21 | Alinta Energy GTL9 Annual Compliance Report 2016-2017 |
| 22 | Alinta Energy GTL9 Annual Compliance Report 2017-2018 |
| 23 | Alinta Energy GTL9 Annual Compliance Report 2018-2019 |
| 24 | Alinta Energy Gas Customer Charter 2018 |
| 25 | Alinta Energy Hardship Procedure 2015 |
| 26 | Alinta Energy Corporate Crisis Management Plan |
| 27 | Alinta Energy Pty Ltd Annual Report for the Year Ended 30 June 2019 |
| 28 | Energy and Water Ombudsman of Western Australia Annual Report 2016-2017 |
| 29 | Energy and Water Ombudsman of Western Australia Annual Report 2017-2018 |
| 30 | Comparison of the Alinta Energy Gas Supply Standard Form and Non-Standard Contract |
| 31 | Alinta Energy Continuous Energy Program (Hardship Policy) |
| 32 | Alinta Energy Gas Supply Disruption Internal Procedure |
| 33 | Alinta Energy Gas Supply Residential Market Contract |

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Contact us

Travis McAuliffe

Partner

(08) 9263 7271

tmcauliffe@kpmg.com.au

Gemma Modra

Manager

(08) 9278 2171

gmodra@kpmg.com.au

kpmg.com.au

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