

POST-AUDIT IMPLEMENTATION PLAN – Wesfarmers Kleenheat Gas Pty Ltd – 12 October 2021

ERL5 2021 Performance Audit Report

Reference Number	Non-compliance	Auditor's Recommendation	Action proposed to be taken by Kleenheat	Responsible person(s)	Target completion date
Issue 01/2021	<p>B2/131</p> <p>In twelve (12) instances during the audit period, Kleenheat failed to include bill particulars as required under subclause 2.2(2)(a)(i) of the Code, which provides that a retailer or marketing agent must advise the customer on how they may obtain a copy of the Code. As an action to resolve this issue, Kleenheat has updated its standard form contract (SFC) billing template to include the missing requirements in April 2021. We decided to test one sample of SFC issued in June 2021 to confirm Kleenheat's compliance with the requirements of subclause 2.2(2)(a)(i) of the Code.</p> <p>Our testing revealed that general information on the safe use of electricity does not appear on the updated template. We also reviewed the SFC terms and conditions and noted that general information on the safe use of electricity is not mentioned, which confirms non-compliance with clause 2.2(2)(i) of the Code, which provides that a retailer or marketing agent must give general information on the safe use of electricity to the customer no later than or with the customer's first bill.</p>	<p>Kleenheat to include general information on the safe use of electricity on the standard form contract billing template, or issue a copy of the customer charter along with the first standard form contract bill issued to the customer.</p>	<p>Kleenheat will amend the electricity small use customer invoice template to include the Kleenheat website URL directing the customer to the landing page on the safe use of electricity.</p>	<p>Wayne McCrae (Commercial Manager - Natural Gas and Electricity)</p>	<p>31 March 2022</p>

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Issue 02/2021	<p>B3/133</p> <p>In 104 instances during the audit period, Kleenheat failed to include bill particulars as required under subclause 2.3(2)(b)(i) of the Code, which provides that a retailer or marketing agent must advise the customer on how they may obtain a copy of the Code. Through discussion with the Business Operations and Process Analyst and the Regulatory Manager, Natural Gas and Electricity, and testing of 25 non-standard form contracts (NSFC) entered into during the audit period, it was found that for all samples tested, no evidence could be obtained to verify that prior to a NSFC being entered into, the following was provided to the customer:</p> <ul style="list-style-type: none"> • Information on how to obtain a copy of the Code as self-identified by Kleenheat through the 2020/2021 annual compliance report; • The distributor's 24 hour telephone number for faults and emergencies, which constitutes a non-compliance with clause 2.3(2)(g) of the Code; and • General information on the safe use of electricity, which constitutes a non-compliance with clause 2.3(2)(j) of the Code. 	<p>Kleenheat to include the distributor's 24 hour telephone number for faults and emergencies and general information on the safe use of electricity on the non-standard form contract template, as part of the non-standard form contract terms and conditions, or issue a copy of the customer charter along with the offer for the customer to sign.</p>	<p>Kleenheat will update the electricity 'Offer to Treat' email template, which is sent to the customer prior to entering into the contract, to include the distributor's 24 hour telephone number for faults and emergencies and, the Kleenheat website URL directing the customer to the landing page on the safe use of electricity.</p>	<p>Linley Plowman (Sales Manager)</p>	<p>31 October 2021</p>

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Issue 03/2021	<p>C3/155</p> <p>For 2,136 invoices during the audit period, Kleenheat failed to include bill particulars (daily cost of consumption, usage graphs, loss adjusted volume associated with customer usage and customer name on occupier bills) as required under subclauses 4.5(1)(m), 4.5(1)(dd), 4.5(1)(d)(ii) and 4.5(1)(y) of the Code.</p> <p>As an action to resolve the issue in relation to subclause 4.5(1)(dd) requiring a usage graph to be displayed on the invoice, Kleenheat updated its billing template to meet the requirement. This change was implemented in April 2021. As such, we have tested 25 invoices issued from April 2021 to June 2021 confirmed Kleenheat's compliance with that particular requirement as of April 2021. Our sample testing also included procedures to verify every other requirement prescribed under subclause 4.5(1) of the Code. No further non-compliances were identified through our testing other than Kleenheat self-identified non-compliances.</p>	<p>Kleenheat to update the billing template and billing engine rules, to include all bill particulars in customer invoices as prescribed under subclause 4.5(1) of the Code.</p>	<p>An improvement is currently being developed to remedy the billing system in order to comply with the obligations set out in subclauses 4.5(1)(m), 4.5(1)(d)(ii) and 4.5(1)(y) of the Code. The improvement involves system developers updating the billing engine with the appropriate business rules to comply with these Code of Conduct obligations.</p>	<p>Wayne McCrae (Commercial Manager - Natural Gas and Electricity)</p>	<p>31 March 2022</p>
Issue 04/2021	<p>B2/280</p> <p>In four (4) instances during the audit period, Kleenheat failed to disclose the amounts entitled by customers under a service standard payment as required by clause 10.3A of the Code.</p>	<p>Kleenheat to update the billing template to specify the amounts entitled by a customer eligible for a service standard payment as described as follows:</p>	<p>Kleenheat will develop a new communication template, which will address this requirement in relation to service standard payments and this communication will be sent to all small use electricity customers once a year.</p>	<p>Wayne McCrae (Commercial Manager - Natural Gas and Electricity)</p>	<p>31 March 2022</p>

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	<p>Through discussion with the Regulatory Manager, Natural Gas and Electricity and the Business Operations and Process Analyst, and examination of the updated billing template, it was found that despite the update, the billing template failed to disclose the amounts entitled to customers under a service standard payment as required by clause 10.3A of the Code, as follows:</p> <ul style="list-style-type: none"> • Up to \$300 for late reconnections; • \$100 per day of wrongful disconnection; and • \$20 for responding to a complaint outside of the specified timeframe. <p>As such, four (4) instances of non-compliances were identified as Kleenheat failed to provide customers at least once a year, with the specified information as pursuant to Part 14 of the Code, for 4 consecutive years (2017 to 2021).</p>	<ul style="list-style-type: none"> • Up to \$300 for late reconnections; • \$100 per day of wrongful disconnection; and • \$20 for responding to a complaint outside of the specified timeframe. 			