



Office of Energy
Government of Western Australia

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DRAFT GAS COMPLIANCE REPORTING MANUAL

Thank you for the opportunity to comment on the draft Gas Compliance Reporting Manual (Manual).

It is commendable that the ERA has provided a useful resource for licensees in drafting the Manual. The Office of Energy is supportive of the Economic Regulation Authority's (ERA) aim to develop a compliance culture among licensees through the introduction of the Manual that also seeks to reduce unnecessary regulatory burden on licensees.

Comments on the proposed Manual are as follows:

1. Appropriateness of the reporting arrangements.

It is appropriate that the Manual distinguishes between the types of breaches, as categorised by Type 1 and Type 2 breaches, based on the degree to which the impact is of a major or minor nature, and those that are Type NR (non-reportable). However, it may be beneficial to reclassify certain Type NR breaches as Type 2 or to create an additional category, particularly in relation to those affecting small use gas customers.

The ERA has indicated the *Australian Gas Association's Natural Gas Customer Service Code AG755-1998* does not safeguard the interests of small use gas customers to the same extent as electricity customers are protected by the *Code of Conduct for the Supply of Electricity to Small Use Customers 2004*. In light of this discrepancy, the ERA has recommended that a Gas Code of Conduct be created and modelled on the code for electricity.

Given that small use gas customers are not as well protected, consideration could be given to reclassifying certain Type NR breaches as Type 2, or to include a new class of breaches, as per Table 1 presented at the end of this letter. As foreshadowed by the ERA, this type of reporting can later be reviewed when the proposed Gas Code of Conduct comes into effect.

The Office recognises that the Energy Ombudsman is an effective dispute resolution mechanism for small use customers, but it may also be useful to have readily available data on some of the Type NR breaches to determine if there is a need for reclassification.

2. Timeframe to report on each licence obligation.

The Office has no issue with the timeframe outlined in the Manual. After the first round of new reporting arrangements, the ERA may wish to seek comment from licensees on the appropriateness of the reporting timeframe and adjust if there is a recognised need to do so. It may also be worthwhile to hold reviews at appropriate regular intervals.

3. Completeness of the licence conditions and obligations as identified.

The Office has no issues with the conditions and obligations to be placed on gas licensees as set out in the proposed Manual.

Yours sincerely

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Table 1 – Possible reclassification of Type NR to Type 2

Draft Gas Compliance Manual			
Type NR breaches below to be reclassified as Type 2 (or a new different category)			
16	88	104	106
107	108	109	110
111	123		