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Ms Lanie Chopping
Assistant Director, Customer Protection
Economic Regulatory Authority
PO Box 8469, PERTH BC WA 6849

By email: publicsubmissions@erawa.com.au

Dear Lanie

INVITATION FOR PUBLIC SUBMISSIONS ON PROPOSED AMENDMENTS TO THE COMPENDIUM OF GAS CUSTOMER LICENCE OBLIGATIONS

I refer to the Economic Regulation Authority's (the Authority) invitation to comment on proposed amendments to the Compendium of Gas Customer Licence Obligations (also known as the Gas Customer Code). Alinta Sales Pty Ltd (Alinta) is the holder of Gas Trading Licence GTL9, and the Code forms Schedule 2 of this licence.

Alinta understand that the proposed changes to the Gas Customer Code are intended to maintain consistency with changes to the *Code of Conduct for the Supply of Electricity to Small Use Customers*, which are to take effect on 1 July 2010.

Alinta recognises it is desirable to ensure consistency in customer protection measures between the gas and electricity retail markets in Western Australia, and on the whole is supportive of the changes being proposed by the Authority to the Gas Customer Code.

However, one area that Alinta would draw to the Authority's attention is in relation to late payments, and the limitation on the number of late payment fees in a year under clause 5.6. Under clause 4.1 of the Gas Customer Code, customers must be billed at least every three months, but may be billed as frequently as monthly. It appears that the limitation on 12 late payment fees in a year is based on an assumption that residential customers are billed every three months.

While this assumption is correct in the vast majority of cases, there are (increasing) instances of residential meters being read monthly by WA Gas Networks, the owner of the gas distribution system, due to the size of their connection to the network. In such cases, Alinta also bills these residential customers on a monthly basis. While Alinta's current operating practices would not permit more than 3 late payment fees per bill, it would limit the number of late payment fees in any year to the aggregate of 3 times the number of bills issued during the year, which in these cases may be greater than 12.



Consequently, Alinta suggests that in cases where a residential customer is billed more frequently than every three months, **for reasons other than a shortened bill cycle under clause 4.2 of the Gas Customer Code**, the Authority may wish to consider not restricting the number of late payment fees to 12. For example, this could be achieved through amending clause 5.6(3) as follows.

Where a residential customer is billed no more frequently than every three months under section 4.1, a retailer must not charge a residential customer more than 3 late payment fees in relation to the same bill and 12 late payment fees in a year.

If you require any further information, or wish to discuss the above comments on more detail, I can be contacted on 9486 3749.

Yours sincerely

Corey Dykstra
Manager Regulatory Affairs
Alinta Sales Pty Ltd