

**Alinta Sales Pty Ltd**  
**Electricity Retail Licence (ERL6)**  
**2010 Performance Audit**  
**(Independent Assurance) Report**  
**October 2010**

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Mr Corey Dykstra  
Manager Regulatory Affairs  
Alinta Sales Pty Ltd  
Level 9, 12-14 The Esplanade  
Perth WA 6000

20 October 2010

Dear Corey

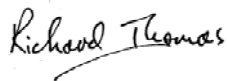
## **Electricity Retail Licence (ERL6) 2010 Performance Audit Report**

We have completed the Electricity Retail Licence Compliance Audit for Alinta Sales Pty Ltd for the period 1 June 2008 to 31 May 2010 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 Andrew Baldwin on 9365 7236 or myself on 9365 7024.

Yours sincerely



**Richard Thomas**  
Partner

# Contents

1	Independent Auditor's report	5
	Conclusion	6
2	Executive Summary	8
	2.1 Introduction and background	8
	2.2 Findings	8
	2.3 Alinta's response to previous audit recommendations	9
	2.4 Recommendations and action plans	10
	2.5 Scope and objectives	19
	2.6 Approach	19
3	Summary of findings	20
4	Detailed findings, recommendations and action plans	29
	4.1 Type 1 Reporting obligations	30
	4.2 Electricity Industry (Customer Transfer) Code	33
	4.3 Electricity Industry (Licence Conditions) Regulations	39
	4.4 Electricity Industry Act	40
	4.5 Electricity Licences – Licence Conditions and Obligations	42
	4.6 Code of Conduct	46
	4.7 Electricity Industry Metering Code	79
5	Follow-up of previous audit action plans	85
	Appendix A – Audit plan	88
	Appendix B – References	89
	Appendix C – Post Audit Implementation Plan	91

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# 1 Independent Auditor's report

With the Authority's approval, Deloitte Touche Tohmatsu (**Deloitte**) was engaged to conduct a reasonable assurance audit of Alinta Sales Pty Ltd's (**Alinta**) compliance with the conditions of its Electricity Retail Licence (**Licence**). The audit was conducted in accordance with the specific requirements of the Licence and the July 2009 issue of the *Audit Guidelines: Electricity, Gas and Water Licences* issued by the Authority (**Audit Guidelines**).

## Alinta's responsibility for compliance with the conditions of the Licence

Alinta is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority.

## Our responsibility

Our responsibility is to express a conclusion on Alinta's compliance with the conditions of the Licence based on our procedures. We conducted our engagement in accordance with the Audit Guidelines and Australian Standard on Assurance Engagements ASAE 3500 *Performance Engagements*<sup>1</sup> issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in our opinion, based on the procedures performed, the conditions of the Licence have been complied with.

Our engagement provides reasonable assurance as defined in ASAE 3500. Our procedures were set out in the Audit Plan reviewed by and agreed with the Authority on 12 August 2010 and set out in Appendix A.

## Limitations of use

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## Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and its responsibility to prevent and detect irregularities, including fraud. Accordingly, readers of our reports should not rely on the report to identify all potential instances of non-compliance which may occur.

<sup>1</sup> ASAE 3500 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3100 Compliance Engagements and ASAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

## Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

## Conclusion

In our opinion, based on the procedures performed, except for the effect of any issues set out below, Alinta has, in all material respects, complied with the conditions of its Licence for the period 1 June 2008 to 31 May 2010.

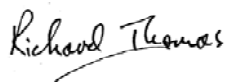
## Exceptions

The following performance criteria were assessed as non-compliant (rating 2):

Reporting manual no. & Licence condition		Issue
85	<b>Electricity Industry Acts.17(1)</b> - A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	For the two licence fee periods subject to audit, the annual licence fees were not paid within the timeframe required by the Act (i.e. by 19 June each year, being one month after the anniversary of the Licence issue).
110	<b>Retail Licence condition 24.1</b> - A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	Although all required compliance and performance reports were submitted to the Authority and published by Alinta where required for the year ending 30 June 2008, Alinta's ERL: <ul style="list-style-type: none"> <li>• Performance and compliance reports were submitted to the Authority after the respective due dates</li> <li>• Performance report was not published on Alinta's website by 1 October 2008.</li> </ul> As Alinta has since appointed a specific resource and implemented procedures to accommodate these reporting obligations, this audit considers that no further action is required to address the 2008 non-compliance.
289	<b>Code of Conduct clause 13.15(1)</b> - A retailer and distributor must prepare a report setting out the information required by Part 13 of the Code of Conduct, in respect of each year ending on 30 June. The report must be published no later than the following 1 October.	
115	<b>Code of Conduct clause 2.3 (1)</b> - A marketing representative must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.	115-117 Alinta's sales and contract establishment processes and procedures do not include the offering of a standard form contract to prospective customers. Accordingly: <ul style="list-style-type: none"> <li>• Customers are not notified of the availability of the standard form contract or the differences between a standard form and a non-standard contract</li> <li>• Alinta does not obtain the customers verifiable consent or written acknowledgement that the information as specified in clause 2.3(1) has been provided.</li> </ul>
116	<b>Code of Conduct clause 2.3 (2)</b> - Where a standard form contract is not entered into as a result of door to door marketing or for a non-standard contract initiated by telephone, a marketing representative must obtain and make a record of the customer's verifiable consent that the specified information has been given.	

Reporting manual no. & Licence condition	Issue
117 <b>Code of Conduct clause 2.3 (3)</b> - Where a standard form contract is entered into as a result of door to door marketing or for a non-standard contract (other than that initiated by telephone), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.	As above.
151 <b>Code of Conduct clause 4.5(1)</b> - A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise.	<p>Alinta's bill templates include the specified information required by clause 4.5(1) of the Code of Conduct except for:</p> <ul style="list-style-type: none"> <li>• The date of the current meter reading or estimate (cl.4.5(1)(a))</li> <li>• The current meter reading or estimate (cl. 4.5(1)(b)).</li> </ul> <p>As Alinta's entire electricity customer base is subject to consumption calculations via 30 minute interval meter reads, up to 1448 meter reads are aggregated for each monthly bill. In these circumstances, Alinta's ability to provide "current" meter reads or estimates is unclear.</p> <p>Alinta's 2008/09 ERL compliance report describes non-compliance with this requirement and outlines Alinta's consideration of a resolution through amendment to the non-standard contract (to enable the customer's agreement to the exclusion of the requirement). The most recent amendment to Alinta's non-standard contract (November 2009 edition) does not accommodate this matter.</p>
156 <b>Code of Conduct clause 4.8(1)</b> - 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.	<p>Alinta's billing processes provide for estimated bills to be generated based on Western Power's relevant calculations in accordance with the requirements of the Code.</p> <p>However those processes currently do not:</p>
157 <b>Code of Conduct clause 4.8(2)</b> - A retailer must specify the stated information in circumstances where the customer's bill is estimated.	<ul style="list-style-type: none"> <li>• Identify which bills contain estimations to facilitate printing on the relevant bill</li> <li>• Provide for customers to be notified that their bill has been calculated using estimated metering data.</li> </ul>
238 <b>Code of Conduct clause 10.1(1)</b> - A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, in the timeframes specified.	During the period subject to audit, Alinta had not communicated increases in Western Power network charges to customers subject to an unbundled contract.

DELOITTE TOUCHE TOHMATSU



**Richard Thomas**  
Partner  
Perth, 20 October 2010

# 2 Executive Summary

## 2.1 Introduction and background

The Economic Regulation Authority (the **Authority**) has under the provisions of the Electricity Industry Act 2004 (the **Act**) issued to Alinta Sales Pty Ltd (**Alinta**) an Electricity Retail Licence (the **Licence**).

The Licence relates to Alinta's operation of selling retail electricity to contestable customers who are connected to the South West Interconnect Systems (SWIS). Approximately 50% of Alinta's electricity customers are small use customers.

Section 13 of the Act requires Alinta to provide the Authority with an audit (the **audit**) conducted by an independent expert acceptable to the Authority not less than once in every 24 month period.

## 2.2 Findings

In considering Alinta's internal control procedures, structure and environment, its compliance attitude and its information systems specifically relevant to those licence obligations subject to audit, we observed that Alinta has:

- Maintained consistent procedures and controls designed to meet its customer service standards relating to customer connections, billing, payment and complaints handling
- Maintained support for its Gentrack customer information system
- Demonstrated a continuously improving awareness of and commitment to regulatory compliance
- Allocated responsibilities to specific Managers and staff for meeting key Licence obligations
- Recognised a number of elements of non-compliance throughout the audit period and implemented associated control improvements.

The following tables summarise the assessments made by the audit on Alinta's compliance with the obligations of the Licence. On a scale of 1 to 5, "5" is the highest compliance rating possible (defined as "Compliant with no further action required to maintain compliance") with the rating scale moving down through lower levels of compliance to "1", the lowest compliance rating possible (defined as "Significantly non-compliant: Significant weaknesses and/or serious action required").

**Table 2** at section 3 of this report provides further detail to the compliance rating scale.

**Table 1: Summary of findings, by audit priority and compliance rating**

No. of Obligations	Compliance Rating							Total
			Non-compliant		Compliant			
Audit Priority <sup>2</sup>	N/A <sup>3</sup>	Not rated <sup>4</sup>	1	2	3	4	5	
Priority 1								
Priority 2		1			1		3	
Priority 3		5		4	1	6	5	
Priority 4		55		6		11	95	
Priority 5		20				2	15	
N/A								
Total		24	81		10	2	19	118

Specific assessments for each licence obligation are summarised at **Table 3** in the "Summary of findings" section of this report.

Detailed findings, including relevant observations, recommendations and action plans are located in section 4 "Detailed findings, recommendations and action plans" of this report.

## 2.3 Alinta's response to previous audit recommendations

This audit considered how Alinta has progressed against the action plans detailed in the 2008 performance audit report.

Our assessment of Alinta's progress in implementing those action plans is that Alinta has completed three out of the seven action plans, with the remainder currently in progress. Each of those action plans which remain in progress are re-emphasised and superseded by issues, recommendations and action plans raised by this audit. Refer to section 5 of this report for further detail.

<sup>2</sup> Audit priority for each licence obligation was determined as an outcome of the risk assessment approach outlined in the Audit Plan at Appendix A

<sup>3</sup> Obligations assessed as not applicable to Alinta's operations are detailed in the Audit Plan at Appendix A

<sup>4</sup> Obligations for which there was no relevant activity during the audit period; therefore a compliance assessment could not be made

## 2.4 Recommendations and action plans

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 1/10
85	<b><i>Electricity Industry Acts.17(1)</i></b> - A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	Priority 3	Non-compliant - 2	For the two licence fee periods subject to audit, the annual licence fees were not paid within the timeframe required by the Act (i.e. by 19 June each year, being one month after the anniversary of the Licence issue).
<b>Recommendation 1/10</b> Alinta implement stronger controls to ensure that Licence fees are paid in compliance with the Act.				<b>Action Plan 1/10</b> Alinta will implement stronger controls to ensure that Licence fees are paid in compliance with the Act. Specifically, the Manager Regulatory Affairs will: <ul style="list-style-type: none"> <li>(a) Diarise the due date for the Licence fee</li> <li>(b) Ensure an invoice has been received from the Authority</li> <li>(c) Ensure payment is processed by Accounts so that payment is made within the specified timeframe required by the Act.</li> </ul> <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2010
Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 2/10
113	<b><i>Code of Conduct 2.1</i></b> - A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.	Priority 3	Compliant - 4	Although Alinta has provided training to its employees on the marketing requirements of the Code of Conduct, its training program is not structured to accommodate the ongoing needs of its Customer Service and Sales & Marketing teams. For example, the training register prepared for the Customer Service team does not provide a clear or consistent record of the training provided to employees.  Alinta also has not yet established a mechanism for active monitoring of the performance of relevant staff against the requirements of the Code of Conduct. Therefore it is difficult for Alinta to demonstrate staff awareness of the Code of Conduct.
122	<b><i>2.5(1)</i></b> - A marketing representative must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.	Priority 4		
123	<b><i>2.5(2)</i></b> - A marketing representative must not exert undue pressure on a customer, nor harass or coerce a customer.	Priority 4		

	<p><b>Recommendation 2/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>• Ensure that it fully addresses the intent of the Code of Conduct marketing related clauses relevant to Alinta's marketing activities</li> <li>• Develop an appropriate training package that outlines the key marketing related Code requirements with which all relevant employees must comply</li> <li>• Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with the Code of Conduct obligations.</li> </ul>	<p><b>Action Plan 2/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Ensure it fully addresses the intent of the Code of Conduct marketing related clauses relevant to Alinta's marketing activities</li> <li>(b) Appoint a trainer within the Customer Services Branch in late October 2010</li> <li>(c) Develop an appropriate training package that outlines the key marketing related Code of Conduct requirements with which all relevant employees must comply on an on-going basis</li> <li>(d) Implement a mechanism to facilitate the effective monitoring to provide greater assurance of compliance with the Code of Conduct obligations</li> </ul> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing and Manager Customer Services</p> <p><b>Target Date:</b> 31 March 2011</p>
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Note: The combined issues, recommendations and action plans detailed for obligations 113, 122 and 123 above also relate to the obligations 97, 98, 115, 116, 117, 127, 128, 129, 130, 131, 132, 134, 135, 137 and 138.

	<b>Reporting manual no. &amp; Licence condition ref.</b>	<b>Audit Priority</b>	<b>Compliance Rating</b>	<b>Issue 3/10</b>
115 to 117	<p><b>Code of Conduct clause 2.3 (1)</b> A marketing representative must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.</p> <p><b>(2)</b> Where a standard form contract is not entered into as a result of door to door marketing or for a non-standard contract initiated by telephone, a marketing representative must obtain and make a record of the customer's verifiable consent that the specified information has been given.</p> <p><b>(3)</b> Where a standard form contract is entered into as a result of door to door marketing or for a non-standard contract (other than that initiated by telephone), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.</p>	Priority 4	Non-compliant - 2	<p>Alinta's sales and contract establishment processes and procedures do not include the offering of a standard form contract to prospective customers. Accordingly:</p> <ul style="list-style-type: none"> <li>• Customers are not notified of the availability of the standard form contract or the differences between a standard form and a non-standard contract</li> <li>• Alinta does not obtain the customers verifiable consent or written acknowledgement that the information as specified in clause 2.3(1) has been provided.</li> </ul>

	<p><b>Recommendation 3/10</b></p> <p>Alinta strengthen its contract establishment procedures to ensure compliance with clause 2.3 of the Code of Conduct.</p>	<p><b>Action Plan 3/10</b></p> <p>Alinta will strengthen its contract establishment procedures to ensure compliance with clause 2.3 of the Code of Conduct, <b>except for</b> notifying customers of the availability of a standard form contract or the differences between a standard form and a non-standard contract, as Alinta is not obliged to supply any small use customer under the approved standard form contract.</p> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing  <b>Target Date:</b> 31 December 2010</p>
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Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 4/10
151	<p><b>Code of Conduct clause 4.5(1)</b> - A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise.</p>	Priority 3	Non-compliant - 2	<p>Alinta's bill templates include the specified information required by clause 4.5(1) of the Code of Conduct except for:</p> <ul style="list-style-type: none"> <li>The date of the current meter reading or estimate (cl.4.5(1)(a))</li> <li>The current meter reading or estimate (cl. 4.5(1)(b)).</li> </ul> <p>As Alinta's entire electricity customer base is subject to consumption calculations via 30 minute interval meter reads, up to 1448 meter reads are aggregated for each monthly bill. In these circumstances, Alinta's ability to provide "current" meter reads or estimates is unclear.</p> <p>Alinta's 2008/09 ERL compliance report describes non-compliance with this requirement and outlines Alinta's consideration of a resolution through amendment to the non-standard contract (to enable the customer's agreement to the exclusion of the requirement). The most recent amendment to Alinta's non-standard contract (November 2009 edition) does not accommodate this matter.</p>
	<p><b>Recommendation 4/10</b></p> <p>Alinta update the non-standard form contract to enable customers to provide verifiable consent for the information specified by 4.5(1) of the Code to not be listed on bills.</p>			<p><b>Action Plan 4/10</b></p> <p>Alinta will amend its non-standard form contract so that by entering the contract, customers consent to the information specified by 4.5(1) of the Code not being provided on bills.</p> <p><b>Responsible Person:</b> Manager Regulatory Affairs  <b>Target Date:</b> 31 December 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 5/10
156	<b>Code of Conduct</b> <b>4.8(1)</b> - 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.	Priority 4	Non-compliant - 2	Alinta's billing processes provide for estimated bills to be generated based on Western Power's relevant calculations in accordance with the requirements of the Code. However those processes currently do not:
157	<b>4.8(2)</b> - A retailer must specify the stated information in circumstances where the customer's bill is estimated.	Priority 3		<ul style="list-style-type: none"> <li>Identify which bills contain estimations to facilitate printing on the relevant bill</li> <li>Provide for customers to be notified that their bill has been calculated using estimated metering data.</li> </ul>
<b>Recommendation 5/10</b> Alinta implement a procedure to address the requirements of s.4.8(2) of the Code by notifying customers when an estimation has been used to produce a bill.			<b>Action plan 5/10</b> Alinta will implement a procedure to notify customers when estimated metering data has been used to produce a bill, addressing the requirements of s.4.8(2) of the Code. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 December 2010	

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 6/10
171	<b>Code of Conduct</b> <b>4.17(2)</b> - A retailer must inform the customer of the outcome of the review of a bill as soon as practicable, but, in any event, within 20 business days from the date of receipt of the request for review.	Priority 4	Compliant - 4	<p>Alinta has a number of obligations under the Electricity Code of Conduct, which have associated target timeframes or require action to be taken in a specified sequence. For example, clause 4.19(3) of the Electricity Code of Conduct requires Alinta to repay any overcharged amount to a customer within 12 days of receiving instructions from the customer. In these cases, Alinta is exposed to breaching its obligations if its standard business processes are not upheld.</p> <p>Alinta uses a standard set of reports to facilitate the monitoring of its business operations; however those reports do not encapsulate monitoring of Alinta’s timeframe requirements under the Electricity Code of Conduct.</p> <p>An effective exception reporting arrangement will provide Alinta with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.</p>
173	<b>4.19(2)</b> - A retailer must use its best endeavours to inform the customer (including a customer who has vacated the supply address) and repay or credit any amount overcharged as a result of an act or omission by a retailer or distributor, in the manner and period specified.	Priority 5		
174	<b>4.19(3)</b> - A retailer must pay the amount overcharged in accordance with the customer’s instructions within 12 business days of receiving the instructions.	Priority 4		
175	<b>4.19(5)</b> - A retailer must use reasonable endeavours to credit the amount overcharged within 20 business days of the customer making the request, in circumstances where instructions as to payment are not received.	Priority 5		
212	<b>7.2</b> - A retailer must not arrange for disconnection of a customer’s supply address for failure to pay a bill in the circumstances specified.	Priority 4		
<b>Recommendation 6/10</b> Alinta: (a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed (b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.				<b>Action Plan 6/10</b> Alinta will: (a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed (b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 March 2011

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 7/10
211	<p><b>Code of Conduct clause 7.1</b></p> <p>- A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address for failure to pay a bill.</p>	Priority 4	Compliant - 4	<p>We determined that:</p> <ul style="list-style-type: none"> <li>Alinta has manual processes in place to manage the issuance of reminder notices and disconnection warnings to customers</li> <li>The single disconnection that took place during the audit period was handled in a manner that complied with the timeframes specified by the Code.</li> </ul> <p>As Alinta's existing manual processes are exposed to breaching the required timeframes, Alinta can strengthen its processes and its ability to demonstrate compliance with the requirements of the Code.</p>
	<p><b>Recommendation 7/10</b></p> <p>Alinta either:</p> <p>(a) Automate the reminder notice and disconnection warning processes within Gentrack</p> <p>(b) Update its procedures to:</p> <ul style="list-style-type: none"> <li>Formalise the reminder notices and disconnection warnings process, so that customers are only sent a disconnection warning once a reminder notice has been issued</li> <li>Ensure that the customer profile is updated to reflect communication with the customer so as to facilitate monitoring and reporting.</li> </ul>			<p><b>Action Plan 7/10</b></p> <p>Alinta will:</p> <p>(a) Update its procedures to</p> <ul style="list-style-type: none"> <li>Formalise the reminder notices and disconnection warnings process</li> <li>Ensure that the customer profile is updated to reflect communication with the customer so as to facilitate monitoring and reporting.</li> </ul> <p>(b) Investigate the automation of reminder notices and disconnection warning notices within its replacement customer system (proposed for December 2011)</p> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> 31 December 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 8/10
217	<p><b>Code of Conduct clause 7.7(1)</b></p> <p>- A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.</p>	Priority 2	Compliant - 3	<p>As Alinta has no records of customers providing confirmation that a person residing at the customer's supply address requires life support equipment, this obligation was not triggered during the audit period. However, we observed that Alinta has the following opportunities to be in a better position to demonstrate its compliance in future:</p> <ul style="list-style-type: none"> <li>The current contract establishment process does not prompt Alinta staff to obtain the customer's advice on whether life support equipment is required by a person residing at the customer's premises. We recognise that Alinta's current non-standard contract informs customers of the customer's obligation to inform Alinta in such circumstances</li> <li>The critical code requirement on the Gentrack customer account profile is not a mandatory field to be completed (either at or subsequent to the contract establishment)</li> <li>Alinta has not developed a formal policy or procedural guidance to records of customers requiring life support equipment.</li> </ul>

	<p><b>Recommendation 8/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>(a) Update current account connection procedures to specifically request confirmation from the client that there are no life support requirements connected to the supply address</li> <li>(b) Update Gentrack to require the 'critical code' option on a customer profile to be a mandatory field</li> <li>(c) Train staff in the requirements of establishing, monitoring and reporting on life support requirements.</li> </ul>	<p><b>Action Plan 8/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Update current account connection and contract renewal procedures to specifically require confirmation from the customer that there are no life support requirements connected to the supply address</li> <li>(b) Update Gentrack to require the 'critical code' option on a customer profile to be a mandatory field</li> <li>(c) Train staff in the requirements of establishing, monitoring and reporting on life support requirements.</li> </ul> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing and Manager Customer Services</p> <p><b>Target Date:</b> 31 December 2010</p>
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Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 9/10
238	<b>Code of Conduct clause 10.1(1)</b> - A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, in the timeframes specified.	Priority 4	Non-Compliant - 2	During the period subject to audit, Alinta had not communicated increases in Western Power network charges to customers subject to an unbundled contract.
	<p><b>Recommendation 9/10</b></p> <p>Alinta implement a method of communicating to customers any changes that will affect the customer.</p>			<p><b>Action Plan 9/10</b></p> <p>Alinta will include the following statement on the bills of affected customers in the billing cycle following an adjustment to prices:</p> <p><b>“Adjustment to prices</b> If provided for in your contract, the prices charged under the contract have been adjusted to reflect movements in the Consumer Price Index and/or network charges. Please call Alinta on 13 13 58 for further information.”</p> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> 31 December 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 10/10
267	<b>Code of Conduct clause 12.1(1)</b> - A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Priority 4	Compliant - 3	<p>Alinta has developed a Customer Complaints Handling Policy specifically for electricity related activities and designed to comply with AS ISO 10002 – 2006. We also recognise that the volume of complaints received from Alinta's electricity customers is low, enabling staff and management to have greater visibility of all complaints received. However, we note the following opportunities for Alinta to better monitor its complaints related activities and to manage compliance with specific requirements of the Code of Conduct:</p> <ul style="list-style-type: none"> <li>• The policy document does not reflect the complaint acknowledgement and response service standards to be achieved (we note the general service standard to respond to all complaints within 7 days)</li> <li>• The responsibility for reviewing complaints has not been delegated to a responsible person</li> <li>• Complaints handling data/performance for electricity customers does not form part of management reporting</li> <li>• Complaints were not recorded in a consistent manner within Gentrack, which resulted in an incomplete complaints report being presented to the audit.</li> </ul>
<b>Recommendation 10/10</b> Alinta: (a) Designate responsibility for reviewing complaints data (b) Update the Customer Complaints Handling Policy so that: <ul style="list-style-type: none"> <li>• The service standards required by the Code of Conduct are acknowledged</li> <li>• Complaints are reviewed on a monthly basis by the designated staff member</li> </ul> (c) Update the Management Operational report so that electricity complaints indicators are reported (d) Roll out complaints handling training to relevant staff member to ensure complaints are correctly handled and recorded in the system.				<b>Action Plan 10/10</b> Alinta will: (a) Designate responsibility for reviewing electricity complaints data on a monthly basis to an appropriate senior officer (b) Update its Complaints Handling Policy to explicitly recognise the service standards specified in the Code of Conduct (c) Update the Management Operational report to include electricity complaints indicators (d) Provide ongoing complaints handling training to relevant staff member to ensure complaints are correctly handled and recorded <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 December 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 11/10
268	<b>Code of Conduct s.12.1(2)</b> - A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements.	Priority 3	Compliant - 4	Although we did not observe any evidence to indicate Alinta’s complaints handling process does not comply with the specific requirements of the Code of Conduct, we observed the following aspects of the process and formal documentation which can be strengthened to enable Alinta to better demonstrate its compliance with the requirements of the Code of Conduct: <ul style="list-style-type: none"><li>• The information that will provided to a customer when a complaint is made (s.12.1(2)(b)(ii)(B))</li><li>• How Alinta will handle complaints about a marketer or marketing activities (s.12.1(2)(c))</li><li>• Providing the reasons for an outcome relating to a customer complaint and on request providing such reasons in writing (s.12.1(3)(b)).</li></ul>
269	<b>Code of Conduct s.12.1(3)</b> - A retailer or distributor must at least provide the specified advice to a customer when handling a complaint.			
<b>Recommendation 11/10</b> Alinta: <ul style="list-style-type: none"><li>• Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code of Conduct</li><li>• Formally communicate the updated Customer Complaints Handling Policy to staff.</li></ul>				<b>Action Plan 11/10</b> Alinta will: <ul style="list-style-type: none"><li>• Update its Customer Complaints Handling Policy to explicitly detail the requirements of s.12.1 of the Code of Conduct</li><li>• Formally communicate the updated Customer Complaints Handling Policy to staff.</li></ul> <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 January 2011

## 2.5 Scope and objectives

The audit is designed to gain reasonable assurance regarding Alinta's compliance with the conditions of its Licence during the period 1 June 2008 to 31 May 2010.

The Authority has summarised the requirements of the applicable legislation that it expects to be reported and included in the scope of the audit in its Electricity Compliance Reporting Manual (**Reporting Manual**).

The Audit Plan set out at Appendix A lists those Licence conditions confirmed to be included in the scope of the audit, along with the risk assessments made for and audit priority assigned to each licence obligation.

### 2.5.1 Risk assessment revisions

Although Code of Conduct clause 13.15 (obligation 289) relating to the timely submission of performance reports is relevant to retail licence holders, this obligation was not captured in the audit plan. The audit planning process referenced the Compliance Reporting Manual, which does not specify the obligation as relevant to Retail licences, without otherwise recognising the obligation as being relevant to retail licence holders. Accordingly, obligation 289 was re-assessed as an audit priority 4, appropriate audit work was performed and corresponding results are included in this report.

## 2.6 Approach

Our approach for this audit involved the following activities, which were undertaken during the period August to September 2010:

- Utilising the Audit Guidelines and Reporting Manual as a guide, development of a risk assessment, which involved discussions with key staff and document review to assess controls
- Development of an Audit Plan (see **Appendix A**) for approval by the Authority and associated work program
- Interviews with relevant site level Alinta staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Review of documents, processes and controls to assess the overall compliance and effectiveness of those processes and controls in line with the Licence obligations (see **Appendix B** for reference listing)
- Reporting of findings to Alinta for review and response.

### 3 Summary of findings

Table 2 sets out the rating scale defined by the Authority in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, Alinta was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

**Table 2: Compliance rating scale**

Level	Rating	Description
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
Non-compliant	2	Does not meet minimum requirements
Significantly non-compliant	1	Significant weaknesses and/or serious action required
Not applicable	N/A	Determined that the compliance obligation does not apply to Alinta's business operations
Not rated	N/R	No relevant activity took place during the audit period; therefore it is not possible to assess compliance.

The remainder of this report provides:

- A summary of the findings for the compliance obligations (at **Table 3** below).
- Detailed findings, including relevant observations, recommendations and action plans (at section 4).

The risk assessment that was presented in the audit plan remains unchanged as no issues or concerns were identified that would indicate a need to modify the nature and levels of testing. The risk assessment has been included in this summary to give context to the ratings that have been determined.

**Table 3: Compliance summary**

Refer to Detailed Findings at section 4 and Audit Plan at Appendix A for descriptions of the obligations.

							Compliance Rating					
No.	Obligation (clause/section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	NR	1	2	3	4	5
6 Type 1 Reporting Obligations												
216	7.6	Major	Unlikely	High	Strong	Priority 2						✓
217	7.7(1)	Major	Unlikely	High	Moderate	Priority 2				✓		
7 Electricity Industry Customer Transfer Code - Licence Conditions and Obligations												
Part 3 - Customer/connection information/data												
6	3.2(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
7	3.4(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
8	3.5(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
9	3.6(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
16	3.9(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
17	3.9(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
18	3.9(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
19	3.9(4)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
Part 4 - Transfer of contestable customers												
23	4.2(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
24	4.3	Moderate	Unlikely	Medium	Strong	Priority 4						✓
25	4.4(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
26	4.4(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
27	4.5(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
28	4.6(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
29	4.7	Moderate	Unlikely	Medium	Strong	Priority 4						✓
30	4.8(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
34	4.9(6)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
39	4.11(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
40	4.12(3)	Minor	Unlikely	Low	Moderate	Priority 5						✓
43	4.15	Minor	Unlikely	Low	Moderate	Priority 5						✓
44	4.16	Moderate	Unlikely	Medium	Strong	Priority 4						✓
45	4.17	Moderate	Unlikely	Medium	Strong	Priority 4						✓
Part 5 - Communication rules												
48	5.1(4)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
Part 6 - Notices												
49	6.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
52	6.4(1)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
53	6.4(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					

							Compliance Rating					
No.	Obligation (clause/section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	NR	1	2	3	4	5
54	6.6	Moderate	Unlikely	Medium	Strong	Priority 4						✓
Part 7 - Dispute resolution												
55	7.1(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
56	7.1(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
57	7.1(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
58	7.2(4)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
59	7.3(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
Annex 6 - Electronic Communications Protocol												
68	A6.2(a)	Minor	Unlikely	Low	Strong	Priority 5						✓
69	A6.2(b)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
70	A6.6	Minor	Unlikely	Low	Moderate	Priority 5						✓
71	A6.7	Minor	Unlikely	Low	Moderate	Priority 5						✓
11 Electricity Industry (Licence Conditions) Regulations - Licence Conditions and Obligations												
78	6	Not applicable - the obligations relates to former Western Power entities only.										
79	7											
80	8(8)											
12 Electricity Industry Act - Licence Conditions and Obligations												
81	13(1)	Minor	Unlikely	Low	Strong	Priority 5						✓
85	17(1)	Minor	Likely	Medium	Weak	Priority 3			✓			
86	31(3)	Minor	Unlikely	Low	Strong	Priority 5						✓
87	41(6)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
88	54(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
89	54(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
93	76	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
94	101	Moderate	Unlikely	Medium	Strong	Priority 4						✓
96	115(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
13 Electricity Licences - Licence Conditions and Obligations												
97	6.1	Moderate	Probable	Medium	Weak	Priority 3					✓	
98	6.2	Moderate	Unlikely	Medium	Moderate	Priority 4					✓	
99	13.2	Minor	Unlikely	Low	Moderate	Priority 5	✓					
100	13.3	Minor	Probable	Low	Moderate	Priority 5	✓					
101	14.1	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
102	15.2	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
105	20.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
106	21.4	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
107	22.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓

							Compliance Rating					
No.	Obligation (clause/section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	NR	1	2	3	4	5
109	23.1	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
110	24.1	Moderate	Probable	Medium	Weak	Priority 3			✓			
111	25.2	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
112	26.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
14 Code of Conduct - Licence Conditions and Obligations												
Part 2 - Marketing												
113	2.1	Moderate	Probable	Medium	Weak	Priority 3					✓	
114	2.2	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
115	2.3(1)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
116	2.3(2)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
117	2.3(3)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
118	2.4(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
119	2.4(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
120	2.4(3)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
121	2.4(4)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
122	2.5(1)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓	
123	2.5(2)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓	
124	2.5(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
125	2.5(4)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
126	2.5(5)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
127	2.6(1)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓	
128	2.6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
129	2.6(3)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
130	2.6(4)	Moderate	Probable	Medium	Weak	Priority 3					✓	
131	2.6(5)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓	
132	2.6(6)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓	
133	2.6(7), 2.6(8)	Moderate	Probable	Medium	Moderate	Priority 4						✓
134	2.7(1)	Moderate	Probable	Medium	Weak	Priority 3					✓	
135	2.7(2)	Moderate	Probable	Medium	Weak	Priority 3						✓
136	2.7(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
137	2.7(4)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
138	2.7(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
139	2.8	Moderate	Unlikely	Medium	Strong	Priority 4						✓
Part 3 - Connection												
140	3.1(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
141	3.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓

							Compliance Rating					
No.	Obligation (clause/section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	NR	1	2	3	4	5
Part 4 - Billing												
142	4.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
143	4.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
144	4.2(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
145	4.2(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
146	4.2(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
147	4.2(6)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
148	4.3(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
149	4.3(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
150	4.4	Moderate	Unlikely	Medium	Strong	Priority 4						✓
151	4.5(1)	Moderate	Probable	Medium	Weak	Priority 3			✓			
152	4.5(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
153	4.6(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
154	4.6(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
155	4.7	Minor	Unlikely	Low	Strong	Priority 5						✓
156	4.8(1)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
157	4.8(2)	Moderate	Probable	Medium	Weak	Priority 3			✓			
158	4.8(3)	Moderate	Probable	Medium	Weak	Priority 3	✓					
159	4.9	Moderate	Probable	Medium	Weak	Priority 3	✓					
160	4.10	Minor	Unlikely	Low	Strong	Priority 5	✓					
161	4.11(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
162	4.11(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
163	4.12(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
164	4.13	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
165	4.14(1)	Minor	Unlikely	Low	Strong	Priority 5	✓					
166	4.14(2)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
167	4.15(1)	Minor	Unlikely	Low	Strong	Priority 5						✓
168	4.15(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
169	4.16	Moderate	Unlikely	Medium	Strong	Priority 4						✓
170	4.17(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
171	4.17(2)	Moderate	Unlikely	Medium	Strong	Priority 4					✓	
172	4.18(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
173	4.19(2)	Minor	Unlikely	Low	Strong	Priority 5					✓	
174	4.19(3)	Moderate	Unlikely	Medium	Moderate	Priority 4					✓	
175	4.19(4)	Minor	Unlikely	Low	Moderate	Priority 5					✓	
Part 5 - Payment												
176	5.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓

No.	Obligation (clause/section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							NR	1	2	3	4	5
177	5.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
178	5.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
179	5.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
180	5.4	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
181	5.5	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
182	5.6(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
183	5.6(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
184	5.6(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
185	5.7(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
186	5.7(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
187	5.7(4)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
188	5.8(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
189	5.8(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
190	5.8(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
191	6.1(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
192	6.1(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
193	6.1(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
194	6.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
195	6.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
196	6.2(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
197	6.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
198	6.4(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
199	6.4(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
200	6.6(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
201	6.6(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
202	6.7	Minor	Unlikely	Low	Moderate	Priority 5	✓					
203	6.8	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
204	6.9(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
205	6.9(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
206	6.10(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
207	6.10(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
208	6.10(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
209	6.10(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
Part 6 - Payment difficulties and financial hardship												
210	6.11	Moderate	Unlikely	Medium	Strong	Priority 4						✓
Part 7 - Disconnection												
211	7.1	Moderate	Unlikely	Medium	Strong	Priority 4					✓	

							Compliance Rating					
No.	Obligation (clause/section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	NR	1	2	3	4	5
212	7.2	Moderate	Unlikely	Medium	Strong	Priority 4					✓	
213	7.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
214	7.4	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
216	7.6	Major	Unlikely	High	Strong	Priority 2						✓
217	7.7(1)	Major	Unlikely	High	Moderate	Priority 2				✓		
Part 8 - Reconnection												
219	8.1(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
220	8.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
Part 8 - Pre-payment meters												
224	9.3(1)	Not applicable. Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant										
225	9.3(2)											
226	9.4											
227	9.5(1)											
228	9.5(2)											
229	9.6											
230	9.7											
231	9.8											
232	9.9(1)											
233	9.9(2)											
234	9.9(3)											
235	9.9(4)											
236	9.9(6)											
237	9.10											
Part 10 - Information and communication												
238	10.1(1)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
239	10.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
240	10.1(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
241	10.2(1)	Not applicable. Clause applies to non-contestable customers only - Alinta is precluded from supplying non-contestable customers										
242	10.2(2)											
243	10.2(3)											
244	10.2(4)											
245	10.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
246	10.4	Moderate	Unlikely	Medium	Strong	Priority 4						✓
247	10.5	Moderate	Unlikely	Medium	Strong	Priority 4						✓
255	10.9	Minor	Unlikely	Low	Moderate	Priority 5						✓
256	10.10(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
257	10.10(2)	Moderate	Probable	Medium	Weak	Priority 3						✓
258	10.10(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
259	10.11(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓

							Compliance Rating					
No.	Obligation (clause/section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	NR	1	2	3	4	5
260	10.11(2)	Moderate	Probable	Medium	Weak	Priority 3						✓
262	10.12(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
Part 11 - Customer service charter												
263	11.1(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
264	11.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
265	11.2(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
266	11.2(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
Part 12 - Complaints and dispute resolution												
267	12.1(1)	Moderate	Probable	Medium	Weak	Priority 3				✓		
268	12.1(2)	Moderate	Probable	Medium	Weak	Priority 3					✓	
269	12.1(3)	Moderate	Probable	Medium	Weak	Priority 3					✓	
270	12.2	Moderate	Probable	Medium	Moderate	Priority 4						✓
271	12.3	Moderate	Probable	Medium	Weak	Priority 3						✓
272	12.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
Part 13 - Record keeping												
273	13.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
274	13.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
275	13.3(1)	Moderate	Likely	High	Moderate	Priority 2						✓
276	13.3(2)	Moderate	Likely	High	Moderate	Priority 2						✓
277	13.4	Moderate	Likely	High	Moderate	Priority 2	✓					
278	13.5	Moderate	Probable	Medium	Moderate	Priority 4						✓
279	13.6	Moderate	Probable	Medium	Strong	Priority 4						✓
280	13.7	Not applicable. Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant										
289	13.15(1)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
Part 14 - Service standard payment												
291	14.1(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
293	14.2	Moderate	Unlikely	Medium	Weak	Priority 3	✓					
294	14.3(1)	Moderate	Probable	Medium	Weak	Priority 3						✓
295	14.3(2)	Moderate	Unlikely	Medium	Weak	Priority 3	✓					
298	14.6(1)	Moderate	Unlikely	Medium	Weak	Priority 3	✓					
15 Electricity Industry Metering Code - Licence Conditions and Obligations												
309	3.5(6)	Not applicable to Alinta's operations - Alinta does not operate as a network operator										
319	3.11(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
331	3.16(5)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
333	3.18(1)	Not applicable – clause applies to the Electricity Retail Corporation (Synergy) only										
342	3.27	Moderate	Unlikely	Medium	Strong	Priority 4						✓

No.	Obligation (clause/section)	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Risk/Priority	Compliance Rating					
							NR	1	2	3	4	5
349	4.4(1)	Minor	Unlikely	Low	Moderate	Priority 5						✓
350	4.5(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
351	4.5(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
363	5.4(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
365	5.5(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
376	5.16	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
377	5.17(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
378	5.18	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
379	5.19(1)	Minor	Unlikely	Low	Moderate	Priority 5						✓
380	5.19(2)	Minor	Unlikely	Low	Moderate	Priority 5						✓
381	5.19(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
382	5.19(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
384	5.19(6)	Minor	Unlikely	Low	Strong	Priority 5						✓
390	5.21(5)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
391	5.21(6)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
409	5.27	Moderate	Unlikely	Medium	Strong	Priority 4						✓
416	6.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
418	7.2(1)	Minor	Unlikely	Low	Strong	Priority 5						✓
420	7.2(4)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
421	7.2(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
422	7.5	Moderate	Unlikely	Medium	Strong	Priority 4						✓
423	7.6(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
424	8.1(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
425	8.1(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
426	8.1(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
427	8.1(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
428	8.3(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					

## 4 Detailed findings, recommendations and action plans

The following sections are broken into the relevant Codes that require an assessment of Alinta's compliance. The sections are:

1. Type 1 Reporting obligations for all licence types
2. Electricity Industry Customer Transfer Code 2004
3. Electricity Industry (Licence Conditions) Regulations
4. Electricity Industry Act 2004
5. Licence Conditions and Obligations
6. Code of Conduct for the Supply of Electricity to Small Use Customers
7. Electricity Industry Metering Code 2005.

Each section contains:

- **Background** – where it is deemed appropriate, a brief background is provided to assist in developing the context for the assessed levels of compliance
- **Not applicable obligations** – an outline of and the reasons as to why the obligations were assessed as not applicable
- **Not rateable obligations** – the obligations assessed as not rated for the audit period and reasons for this assessment
- **Assessment of compliance** – the conclusions from our audit procedures and a determination of Alinta's compliance with the applicable obligations. These tables include:
  - **Findings** – the auditor's understanding of the process and any issues that have been identified during the audit
  - **Recommendations** – recommendations for improvement or enhancement of the process or control
  - **Action plans** – Alinta's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit.

## 4.1 Type 1 Reporting obligations

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Type 1 Reporting Obligations for all Licence Types.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
				1		1	2

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance.

Also note that as Type 1 obligations are included in the corresponding section of this report, the detailed findings for obligation 216 and 217 below are a direct copy of the detailed findings provided at section 4.6 of this report.

No	Obligation under Condition	Compliance Rating	Findings
216	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	Compliant - 5	<p>Through discussions with the Team Leader – Credit Management and walkthrough of Alinta's disconnection processes, we observed that Alinta's processes and procedures are designed for:</p> <ul style="list-style-type: none"> <li>• Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection</li> <li>• Disconnections not to be arranged for a Friday, Saturday, Sunday, a public holiday, a day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to arrange disconnections using the disconnection service order within the Metering Service Centre web portal maintained by Western Power, which also performs the physical disconnection.</li> </ul> <p>The one instance of disconnection arranged by Alinta during the audit period related to a failure to pay. We confirmed that the disconnection was arranged in accordance with the requirements of the Code of Conduct.</p>

No	Obligation under Condition	Compliance Rating	Findings
217	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.	Compliant - 3	<p>Through discussions with the Team Leader – Credit Management and the Energy Billing Officer, and examination of the customer account establishment and disconnection process, we determined that Alinta has the following processes in place to manage life support customers:</p> <ul style="list-style-type: none"> <li>Section 21(a) of Alinta's non-standard form contract states that a customer will not be disconnected if they have failed to pay a bill if the customer has notified Alinta they require supply for life support equipment</li> <li>Alinta is to update the network operator via the Western Power portal of the supply addresses life support status</li> <li>Alinta does not process service orders to disconnect supply from customers who are designated as life support.</li> </ul> <p>As Alinta has no records of customers providing confirmation that a person residing at the customer's supply address requires life support equipment, this obligation was not triggered during the audit period. However, we observed that Alinta has the following opportunities to be in a better position to demonstrate its compliance in future:</p> <ul style="list-style-type: none"> <li>The current contract establishment process does not prompt Alinta staff to obtain the customer's advice on whether life support equipment is required by a person residing at the customer's premises. We recognise that Alinta's current non-standard contract informs customers of the customer's obligation to inform Alinta in such circumstances</li> <li>The critical code requirement on the Gentrack customer account profile is not a mandatory field to be completed (either at or subsequent to the contract establishment)</li> <li>Alinta has not developed policy or procedural guidance to records of customers requiring life support equipment.</li> </ul>
	<p><b>Recommendation 8/10</b></p> <p>Alinta:</p> <ol style="list-style-type: none"> <li>Update current account connection procedures to specifically request confirmation from the client that there are no life support requirements connected to the supply address</li> <li>Update Gentrack to require the 'critical code' option on a customer profile to be a mandatory field</li> <li>Train staff in the requirements of establishing, monitoring and reporting on life support requirements.</li> </ol>		<p><b>Action plan 8/10</b></p> <p>Alinta will:</p> <ol style="list-style-type: none"> <li>Update current account connection and contract renewal procedures to specifically require confirmation from the customer that there are no life support requirements connected to the supply address</li> <li>Update Gentrack to require the 'critical code' option on a customer profile to be a mandatory field</li> <li>Train staff in the requirements of establishing, monitoring and reporting on life support requirements.</li> </ol> <p><b>Responsible Person:</b> Manager Sales and Marketing and Manager Customer Services</p> <p><b>Target Date:</b> 30 June 2011</p>

## 4.2 Electricity Industry (Customer Transfer) Code

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
52, 53	The Manager Customer Services confirmed that Western Power has not requested for Alinta's contact details and there has been no change to Alinta's contact details during the period 1 June 2008 to 31 May 2010. Accordingly, there was no relevant activity to assess during this audit period.
55 - 59	The Manager Customer Services confirmed that there were no such disputes in relation to customer transfers during the period 1 June 2008 to 31 May 2010. Accordingly, an assessment of compliance with these clauses for the period subject to audit cannot be made.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Customer Transfer Code.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	7					29	36

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligation that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
6	A retailer must submit a separate data request for each exit point unless otherwise agreed.	Compliant - 5	<p><i>Obligation 6 and 7</i></p> <p>Through discussion with the Energy Billing Officer and walkthrough of the Metering Service Centre web portal, we determined that:</p> <ul style="list-style-type: none"> <li>Alinta submits a separate data request for each exit point through the Metering Service Centre web portal (maintained by Western Power), for which a unique identification is assigned</li> <li>The web portal has been configured to limit data requests submissions to the prescribed 20 requests per day.</li> </ul>
7	A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.	Compliant - 5	
8	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.	Compliant - 5	<p><i>Obligation 8 and 9</i></p> <p>Through discussion with the Energy Billing Officer and consideration of Alinta's customer transfer procedures, we determined that:</p> <ul style="list-style-type: none"> <li>Alinta requires the contestable customer's verifiable consent before submitting a request for historical consumption data. If the customer consent ceases to apply, the pending request is withdrawn</li> <li>Western Power applies a standard charge designed to recover costs incurred for work performed</li> <li>Alinta pays the reasonable costs incurred by Western Power.</li> </ul>
9	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a withdrawn request for historical consumption data.	Compliant - 5	
16	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.	Compliant - 5	<p>Through discussion with the Manager Sales and Marketing and consideration of Alinta's customer pricing preparation process, we determined that Alinta's procedures provide for:</p> <ul style="list-style-type: none"> <li>Customer consent to be obtained prior to Alinta reviewing customer's data and providing a quotation</li> <li>Requests for the customer's consumption data to be made of Western Power before providing a quote.</li> </ul>
17	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	Compliant - 5	<p>Through discussion with the Manager Sales and Marketing and consideration of Alinta's customer transfer procedures, we determined that Alinta's internal business development activity does not use aggregated historical consumption data.</p>

No	Obligation under Condition	Compliance Rating	Findings
18	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	Compliant - 5	<i>Obligation 18 and 19</i> Through discussion with the Energy Billing Officer and consideration of Alinta's customer transfer procedures and privacy requirements, we determined that those procedures and requirements provide for:
19	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	Compliant - 5	<ul style="list-style-type: none"> <li>Alinta to not disclose customer information to any other person or entity without the customer's consent</li> <li>Records of customer consent are maintained in Gentrack. Alinta's record retention protocols currently provide for those records to be retained indefinitely.</li> </ul>
23	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.	Compliant - 5	Alinta submits separate customer transfer requests for each exit point through the Metering Service Centre web portal, for which a unique identification is assigned.
24	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.	Compliant - 5	Through walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal and discussion with the Energy Billing Officer, we observed that when submitting a customer transfer request, the web portal requires the "transfer type" of customer transfer requests to be nominated as either a new customer transfer or as a reversal of an erroneous transfer.
25	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's customer transfer procedures, we observed that existing procedures require Alinta to have the required network access contracts in place at the time of submitting customer transfer requests, except when an erroneous transfer is being corrected.
26	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's customer transfer procedures, we observed that Alinta is informed by Western Power, the alternate retailer or the customer of erroneous transfers. Alinta's practices require the erroneous transfer to be reversed as soon as practicable.
27	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date.	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal, we observed that Alinta submits customer transfer requests electronically through the web portal and that the web portal does not allow more than the prescribed 20 requests per day to be entered.

No	Obligation under Condition	Compliance Rating	Findings
28	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's customer transfer procedures, we observed that those procedures require: <ul style="list-style-type: none"> <li>Alinta to withdraw a customer transfer request involving contestable customers before the transfer date if the customer's verifiable consent ceases</li> <li>Contracts to be completed and signed before a customer transfer request can be acted upon.</li> </ul>
29	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.	Compliant - 5	Through walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal and discussion with the Energy Billing Officer, we observed that: <ul style="list-style-type: none"> <li>Existing procedures require Alinta to nominate a transfer date in a customer transfer request that complies with the specified timelines stated in the code</li> <li>The web portal denies a customer transfer request if a date is entered into the portal is less than three business days (in the case of an exit point in the metropolitan area) following the customer transfer request.</li> </ul>
30	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	Compliant - 5	Through walkthrough of Alinta's customer transfer procedures and discussion with the Energy Billing Officer, we observed that existing procedures require Alinta to pay the reasonable costs to Western Power for providing and/or installing a meter associated with a withdrawn customer transfer request.
34	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	Compliant - 5	Through walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal and discussion with the Energy Billing Officer, we observed that: <ul style="list-style-type: none"> <li>Existing procedures provide for Alinta to agree with Western Power on a revised nominated transfer date in circumstances where any objection to the customer transfer request is resolved in a timeframe which would not otherwise meet the requirement for the original nominated transfer date to be within 50 business days of the transfer request</li> <li>The web portal is used as the mechanism for nominating and agreeing to a revised nominated transfer date.</li> </ul>
39	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	Compliant - 5	Through walkthrough of Alinta's customer transfer procedures and discussion with the Energy Billing Officer, we observed that existing procedures require Alinta to set a new nominated transfer date with Western Power in the event that the customer's meter is not read on the nominated transfer date.
40	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	Compliant - 5	Through walkthrough of Alinta's customer transfer procedures and discussion with the Energy Billing Officer, we observed that those procedures provide for Alinta to negotiate any necessary amendments to an access contract to facilitate the transfer in good faith using the web portal as the primary means of communication.

No	Obligation under Condition	Compliance Rating	Findings
43	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.	Compliant - 5	Through walkthrough of Alinta's customer transfer procedures and discussion with the Energy Billing Officer, we observed that those procedures require Alinta, in the event of an erroneous transfer (for example due to NMI entry error): <ul style="list-style-type: none"> <li>To act in good faith while working with Western Power and the other retailer to maintain the customer's rights and obligations</li> <li>To submit a customer transfer request dated when the customer was erroneously churned.</li> </ul>
44	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	Compliant - 5	Through walkthrough of Alinta's customer transfer procedures and discussion with the Team Leader-Telesales, we observed that Alinta's procedures provide for: <ul style="list-style-type: none"> <li>Customer consent to be obtained through the customer's signing of the Alinta Commercial Electricity Sale Agreement Application and Contract</li> <li>Contracts to be scanned and details stored on Alinta's CRM system for a minimum of two years</li> <li>Physical copies of contracts to be archived.</li> </ul>
45	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	Compliant - 5	Through walkthrough of Alinta's customer transfer procedures and discussion with the Energy Billing Officer, we observed that: <ul style="list-style-type: none"> <li>Existing procedures require Alinta to cease billing customers after the transfer date</li> <li>The web portal notifies Alinta when details of transferring customers are released to the incoming retailer's system</li> <li>Alinta's procedures prevent the receipt of any data after a customer's churn date, in turn preventing Alinta from invoicing the customer.</li> </ul>
48	A network operator and a retailer must comply with approved communication rules.	Compliant - 5	The Manager Customer Services confirmed that Alinta accepted and complied with the approved communication rules, which were submitted to the Authority in October 2005. We also observed that Alinta's Work Procedures and Western Power's Metering Service Centre procedures manual address the key procedures and intent of the approved communication rules.
49	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal, we observed that those procedures require Alinta to identify customer transfer requests via the relevant exit point NMI number and site address.

No	Obligation under Condition	Compliance Rating	Findings
54	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	Compliant - 5	In relation to customer transfer activity, Alinta and Western Power communicate through the Metering Service Centre web portal on a daily basis. We observed that the web portal maintains current electronic communication addresses.
68	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.	Compliant - 5	Through walkthrough of the Metering Service Centre web portal and discussion with the Energy Billing Officer, we observed that Western Power operates the Metering Service Centre web portal 24 hours/day and seven days/week.
69	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	Compliant - 5	<p><i>Obligation 69 to 71</i></p> <p>The Metering Service Centre web portal acts as the electronic communication mechanism for acknowledging and recording all customer transfer communications. The web portal provides for:</p> <ul style="list-style-type: none"> <li>• Issue of email alerts to confirm transactions</li> <li>• All communication information, including the originator of the communication, to be loaded on to a market transaction list, which indicates where information has been changed or updated.</li> </ul>
70	The originator of an electronic communication must identify itself in the communication.	Compliant - 5	
71	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.	Compliant - 5	

## 4.3 Electricity Industry (Licence Conditions) Regulations

### Obligations determined to be not applicable

The following obligations are not applicable to Alinta's operations as an electricity retailer.

Obligation	Reason
78 - 80	These obligations relate to the former Western Power entities only.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Regulations.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
3							3

As all obligations have been assessed as not applicable, Alinta's compliance is therefore not assessable.

## 4.4 Electricity Industry Act

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
87	The Manager Regulatory Affairs confirmed that for the purposes of the Electricity Retail Licence, Alinta did not have an interest in or an easement over land for the period subject to audit.
89	The Manager Regulatory Affairs confirmed that Alinta has not been required to amend its standard form contract during the period subject to audit.
93	During the period 1 June 2008 to 31 May 2010 Alinta had not been designated as a supplier of last resort.
96	For the purpose of this obligation, Alinta as an electricity retailer does not have access to services and is unable to hinder/prohibit access to services belonging to Western Power.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Electricity Industry Act.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	4		1			4	9

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
81	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	Compliant - 5	This is the second audit conducted by an independent expert since the granting of the Licence in 2006. Deloitte was appointed with the Authority's approval to undertake this audit for the period 1 June 2008 to 31 May 2010.
85	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	Non-compliant - 2	For each of the two licence fee periods subject to audit, the annual licence fees were not paid within the timeframe required by the Act (i.e. by 19 June each year, being one month after the anniversary of the Licence issue).
	<b>Recommendation 1/10</b> Alinta implement stronger controls to ensure that Licence fees are paid in compliance with the Act.		<b>Action plan 1/10</b> Alinta will implement stronger controls to ensure that Licence fees are paid in compliance with the Act. Specifically, the Manager Regulatory Affairs will: <ul style="list-style-type: none"> <li>(a) Diarise the due date for the Licence fee</li> <li>(b) Ensure an invoice has been received from the Authority</li> <li>(c) Ensure payment is processed by Accounts so that payment is made within the specified timeframe required by the Act.</li> </ul> <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2010
86	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	Compliant - 5	Alinta, as an electricity retailer servicing small use business and commercial customers has access to Western Power's supply outage procedures, which outline Western Power's overriding responsibilities for managing outages and the role of retailers in the event of a supply interruption, suspension or restriction.
88	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract	Compliant - 5	Through discussions with the Manager Customer Services and walkthrough of Alinta's customer account set up procedures, we determined that Alinta only provides electricity to customers under the 'Alinta Commercial Electricity Sales Agreement' (i.e. non-standard form contract).
94	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.	Compliant - 5	Alinta: <ul style="list-style-type: none"> <li>• Has been granted an electricity retail licence, which precludes Alinta from supplying electricity to small use contestable customers unless it is a member of an approved electricity ombudsman scheme</li> <li>• Is an industry member of the energy industry ombudsman scheme (admitted 12 May 2004).</li> </ul>

## 4.5 Electricity Licences – Licence Conditions and Obligations

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
99, 100	The Manager Regulatory Affairs confirmed that for the period 1 June 2008 to 31 May 2010, the Authority had not directed Alinta to review its standard form contract.
101	The Manager Regulatory Affairs confirmed that for the period 1 June 2008 to 31 May 2010, Alinta had not reviewed its standard form contract.
106	The Manager Regulatory Affairs confirmed that Alinta has not been prescribed individual performance standards by the Authority.
109	During the period 1 June 2008 to 31 May 2010, Alinta was not under external administration and had not undergone any significant change in circumstances upon which its Licence was granted, which may affect its ability to meet its Licence obligations. Accordingly, there was no obligation to report to the Authority.
111	The Manager Regulatory Affairs confirmed that, for the period 1 June 2008 to 31 May 2010, the Authority did not direct Alinta to publish any information with regards to its Licence (other than information associated with the annual compliance and performance reports).

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Licence Conditions.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	6		1		2	4	13

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
97	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable Codes.	Compliant - 4	<i>Obligation 97 and 98</i> Through discussion with the Manager Customer Services and examination of relevant training records, we determined that:
98	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	Compliant - 4	<ul style="list-style-type: none"> <li>Alinta had engaged a single electricity marketing agent for the month of October 2009 only</li> <li>The electricity marketing agent had completed training on the marketing related obligations of the Code of Conduct.</li> </ul> <p>The Manager Customer Services also confirmed:</p> <ul style="list-style-type: none"> <li>Alinta staff are trained to provide services to customers in accordance with the Electricity Customer Code of Conduct</li> <li>Alinta expects all marketing representatives to comply with both the Electricity Customer Code of Conduct</li> <li>There have been no known breaches of the Electricity Customer Code of Conduct for the period 1 June 2008 to 31 May 2010.</li> </ul> <p><i>Refer to issue 2/10 at obligation 113 below relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
102	A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter within the timeframe specified, and submit to the Authority the results of that review within 5 days after it is completed.	Compliant - 5	<p>Through discussions with the Manager Regulatory Affairs, we determined that Alinta has an established process to produce and publish a Customer Service Charter, with reviews conducted on an annual basis and updated as necessary.</p> <p>The Customer Service Charter was last reviewed in June 2009, and was submitted to the Authority within 5 days of the completion of review.</p>
105	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	Compliant - 5	<p>The Financial Controller confirmed that:</p> <ul style="list-style-type: none"> <li>To the best of his knowledge, Alinta is compliant with Australian Accounting Standards</li> <li>Alinta's financial reporting period is from 1 July to 30 June. Alinta (for financial purposes) incorporates Alinta Sales Pty Ltd, Alinta Cogeneration (Pinjarra) Pty Ltd and Alinta Cogeneration (Wagerup) Pty Ltd</li> <li>There are no significant accounting transactions or items that would currently jeopardise Alinta's compliance with accounting standards.</li> </ul> <p>Babcock and Brown Power Pty Ltd's (Alinta's previous parent company) published financial statements for the year ending 30 June 2009 were sighted. These financial statements were unqualified.</p>

No	Obligation under Condition	Compliance Rating	Findings
107	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	Compliant - 5	<p>The Audit Plan approved by the Authority on 12 August 2010 commits Alinta and Deloitte (independent expert) to complying with the prescribed audit guidelines and reporting manual issued by the Authority. Deloitte confirms that this audit was undertaken utilising the framework from the audit guidelines.</p> <p>Deloitte has undertaken the audit utilising the <i>Audit Guidelines: Electricity, Gas and Water Licences</i>, dated July 2009.</p>
110	A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	Non-compliant – 2	<p>During the period 1 June 2008 to 31 May 2010, Alinta provided the Authority with information associated with the 2008 performance audit report (the Authority allowed an extension to the due date) and annual compliance and performance reports.</p> <p>However, for the year ending 30 June 2008, Alinta's ERL:</p> <ul style="list-style-type: none"> <li>• Performance report was submitted to the Authority on 2 October 2008, after the due date of 23 September 2008</li> <li>• Compliance report was submitted to the Authority on 1 September 2008, after the due date of 31 August 2008.</li> </ul> <p>In November 2008, Alinta appointed a Manager Regulatory Affairs who has responsibility for:</p> <ul style="list-style-type: none"> <li>• Maintaining a log of communication with the Authority, including timing for submission of required information and reports</li> <li>• Monitoring compliance with Alinta's licence obligations.</li> </ul> <p><i>This audit considers that no further action is required to address the 2008 non-compliance.</i></p> <p>In relation to the provision of performance data, through discussion with the Manager Regulatory Affairs and Manager Customer Services and consideration of Alinta's annual compliance and performance reporting processes, we also determined that since the provision of the 2008/09 performance report, Alinta has further strengthened its controls over the provision of performance data to the Authority by:</p> <ul style="list-style-type: none"> <li>• The Manager Regulatory Affairs and Manager Customer Services reviewing the annual datasheet and applicable definitions to ensure adequate understanding of the requirements</li> <li>• Where necessary, involving Alinta IT personnel in discussions on data requirements, to ensure that staff conducting data extractions are aware of those requirements</li> <li>• Documenting the above in a formal procedure.</li> </ul> <p>The Manager Regulatory Affairs confirmed that, for the period 1 June 2008 to 31 May 2010, the Authority did not make any information requests of Alinta in regards to its Licence (other than information associated with the performance audit report and annual compliance and performance reports).</p>

**Deloitte:** Alinta 2010 ERL Performance Audit

*This report is intended solely for the use of Alinta for the purpose of its reporting requirements under section 13 of the Act. We do not accept or assume responsibility to anyone other than Alinta for our work, for this report, or for any reliance which may be placed on this report by any third party for any other purpose.*

No	Obligation under Condition	Compliance Rating	Findings
112	Unless otherwise specified, all notices must be in writing.	Compliant - 5	The Manager Regulatory Affairs maintains manual and scanned records to evidence formal communications with the Authority, which have been made via post or email.

## 4.6 Code of Conduct

### Obligations determined to be not applicable

The following obligations are not applicable to Alinta's operations.

Obligation	Reason
224 – 237, 280	Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant.
241 - 244	Clause applies to non-contestable customers only - Alinta is precluded from supplying non-contestable customers

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
120	As Alinta does not offer a standard form contract to its electricity customers, there are no relevant activities to allow the assessment of this clause.
124	As Alinta currently does not supply electricity to residential customers, concessions do not apply to any of Alinta's customers.
136	The Manager Customer Services confirmed that during the period 1 June 2008 to 31 May 2010, Alinta had not received a request from the Electricity Ombudsman or the Authority for a record of customers who have requested not to be contacted.
137	The Manager Customer Services confirmed that Alinta had not received any request from an electricity customer for written confirmation that the customer will not be contacted for the next two years.
138	Through discussion with Manager Sales and Marketing and consideration of Alinta's sales and contract establishment processes, we determined that Alinta does not perform any mailbox dropping of unsolicited mail or marketing information.
143 - 147	Through discussions with the Team Leader – Credit Management and consideration of Alinta's billing processes, we determined that Alinta does not offer shortened billing cycles to small use electricity customers.
148 - 149	Through discussions with the Team Leader – Credit Management and examination of the Financial Hardship Policy, we determined that Alinta does not offer bill smoothing arrangements for small use electricity customers.
154	Through discussions with the Energy Billing Officer and consideration of Alinta's metering arrangements, we determined that due to the use of interval meters for all customers (which customers are unable to read), obligations relating to customer self reads are not relevant to Alinta's operations for the period subject to audit.
158	The Energy Billing Officer confirmed that no customers, during the period 1 June 2008 to 31 May 2010 have requested information relating to estimated reads.
159 - 160	Through discussions with the Energy Billing Officer and consideration of Alinta's interval metering and estimated billing arrangements, we determined that as the nature of an interval meter is to record consumption for that interval period (in Alinta's case, a 30 minute period) and then re-set, there is no actual meter read retained to confirm or correct the estimated bill.

Obligation	Reason
163 - 166	Through discussions with the Energy Billing Officer, consideration of Alinta's non-standard form contract and tariff arrangements, we determined that obligations referring to alternative tariffs (i.e. Division 5 of the Code) are not relevant to Alinta's operations.
179	The Energy Billing Officer confirmed that, for the period 1 June 2008 to 31 May 2010, Alinta did not offer a direct debit facility to its electricity customers. Therefore, obligations relating to direct debts are not relevant to Alinta's operations for the period subject to audit.
181 – 184	<p>We understand that:</p> <ul style="list-style-type: none"> <li>Alinta is precluded from supplying small use non-contestable customers (i.e. customers who consume less than 50MWh's per annum)</li> <li>Customers who consume more than 50MWh's and less than 160MWh's are deemed small use contestable customers and therefore are customers Alinta is entitled to supply</li> <li>Alinta does not currently supply small use residential customers who are deemed contestable (i.e. consume more than 50MWh's per annum).</li> </ul> <p>Therefore, clauses relating to the supply of residential customers are not relevant to Alinta's operations for the period 1 June 2008 to 31 May 2010.</p>
189, 191 - 209	<ul style="list-style-type: none"> <li>Section 5.8 (re. obligation 189) and Sections 6.1 to 6.10 (re. obligations 191 to 209) directly refer to residential customers</li> <li>Residential customers are defined by s.1.5 of the Code as customers who consume electricity solely for domestic use</li> <li>Alinta does not currently service residential customers.</li> </ul> <p>Accordingly, obligations referring to residential customers are not relevant to Alinta's operations for the period 1 June 2008 to 31 May 2010.</p>
213	The Manager Regulatory Affairs confirmed that, for the period 1 June 2008 to 31 May 2010, Alinta did not maintain any dual fuel contracts.
214	Through discussions with the Manager Customer Services and the Team Leader – Credit Management and examination of the one disconnection performed during the audit period, we determined that Alinta has not disconnected any customers during the period 1 June 2008 to 31 May 2010 for denying access to a meter.
245	The Manager Customer Services confirmed that Alinta does not offer concessions to its customers as energy concessions available to customers is a government initiative, administered by Synergy.
277	The Manager Customer Services confirmed that Alinta has not made any service standard payments for the period 1 June 2008 to 31 May 2010.
291, 293	We determined that for the period 1 June 2008 to 31 May 2010, as Alinta has not reconnected customers outside the required timeframes or wrongfully disconnected customers, no consideration of compensation was required.
295	As written queries or complaints received for the period between 1 June 2008 and 31 May 2010 were acknowledged and responded in accordance with the timeframes prescribed by the Code, no consideration of compensation payments was required.
298	<p>As Alinta has not, for the period 1 June 2008 to 31 May 2010:</p> <ul style="list-style-type: none"> <li>Reconnected customers outside the required timeframes</li> <li>Wrongfully disconnected customers</li> <li>Received any written queries or complaints.</li> </ul> <p>This obligation is not relevant to Alinta's operations.</p>

## Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Code of Conduct.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
19	53		8	2	17	62	161

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that are not applicable or cannot be rated, as detailed in the tables above.

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 2 - Marketing</b>			
113	A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.	Compliant - 4	<p>During the period September 2009 to April 2010, Alinta's call centre embarked on a marketing campaign that involved making phone calls to customers for the purposes of signing up new customers (acquisitions) as well as re-signing existing customers (renewals). Other than this specific marketing campaign, Alinta's call centre normal activities do not include cold calling customers.</p> <p>We examined a training register that was maintained by the Team Leader – Customer Sales, which records training attendance and completion of the training workbook by relevant sales staff. We observed that the register does not clearly outline the purpose and contents of the training provided and also that it appeared to be incomplete.</p> <p>Other than the specific marketing campaign addressed above, all sales and marketing activities are handled by the Sales and Marketing team. Through discussions with the Energy Sales Executive and the Team Leader - Telesales, we determined that staff are required to be familiar with the marketing related obligations of the Code of Conduct however there is no structured training and refresher course available.</p> <p>The Manager Customer Services confirmed:</p> <ul style="list-style-type: none"> <li>• Alinta staff are trained to provide services to customers in accordance with the Code of Conduct</li> <li>• Alinta expects all marketing representatives to comply with the Code of Conduct</li> <li>• There have been no breaches of the Code of Conduct for the period 1 June 2008 to 31 May 2010.</li> </ul> <p>Although Alinta has provided training to its employees on the marketing requirements of the Code of Conduct, its training program is not structured to accommodate the ongoing needs of its Customer Services and Sales &amp; Marketing teams. Alinta also has not yet established a mechanism for active monitoring of the performance of relevant staff against the requirements of the Code of Conduct. Therefore it is difficult for Alinta to demonstrate staff awareness of the Code of Conduct.</p> <p><i>The opportunity to strengthen training and performance monitoring practices (and associated recommendation and action plan) also relates to obligations 97-98, 115-117, 122-123, 127-132, 134-135, 137 and 138.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 2/10</b> Alinta: <ul style="list-style-type: none"> <li>Ensure that it fully addresses the intent of the Code of Conduct marketing related clauses relevant to Alinta's marketing activities</li> <li>Develop an appropriate training package that outlines the key marketing related Code requirements with which all relevant employees must comply</li> <li>Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Code of Conduct obligations.</li> </ul>		<b>Action plan 2/10</b> Alinta will <ul style="list-style-type: none"> <li>(a) Ensure it fully addresses the intent of the Code of Conduct marketing related clauses relevant to Alinta's marketing activities</li> <li>(b) Appoint a trainer within the Customer Services Branch in late October 2010</li> <li>(c) Develop an appropriate training package that outlines the key marketing related Code of Conduct requirements with which all relevant employees must comply on an on-going basis</li> <li>(d) Implement a mechanism to facilitate the effective monitoring to provide greater assurance of compliance with the Code of Conduct obligations</li> </ul> <b>Responsible Person:</b> Manager Customer Services and Manager Sales and Marketing <b>Target Date:</b> 31 March 2011
114	A marketer must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified.	Compliant - 5	Through discussion with Manager Sales and Marketing, Team Leader – Telesales and Team Leader – Customer Sales and consideration of Alinta's sales and contract establishment processes, we determined that those processes provide for: <ul style="list-style-type: none"> <li>Customers to be offered Alinta's non-standard contract "Alinta Commercial Electricity Sale Agreement Application and Contract" and associated terms and conditions</li> <li>All customer contracts, regardless of how they were entered into, to be in writing and signed prior to any transfers taking place</li> <li>The date the contract is signed to be deemed as the start date of the contract</li> <li>Customer's verifiable consent to be obtained when the customer signs the contract</li> <li>The terms and conditions and customer service charter to be provided together with the contract to the customer at no charge</li> <li>The terms and conditions of the contract to be available on Alinta's website at no charge. The final contract signed by Alinta to be mailed out to the customer if requested.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
115	A marketing representative must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.	Non-compliant - 2	<p>We observed that Alinta's sales and contract establishment processes and procedures require one of its established non-standard contracts, "Alinta Commercial Electricity Sale Agreement Application and Contract" or "Alinta Electricity Sale Agreement" and associated terms and conditions to be applied to each of its customers.</p> <p>Through discussion with Manager Sales and Marketing, Team Leader – Telesales and Team Leader – Customer Sales and consideration of Alinta's customer acquisition and renewal processes, we determined that Alinta's standard form contract is not offered to customers as the contract provides for a higher rate to the customer compared to the non-standard form contract. Customers are not informed of the availability of a standard form contract or the differences between a standard and a non-standard form contract.</p> <p><i>Recommendation 3/10 also applies to obligations 116 and 117.</i></p>
	<p><b>Recommendation 3/10</b></p> <p>Alinta strengthen its contract establishment procedures to ensure compliance with clause 2.3 of the Code of Conduct.</p>		<p><b>Action Plan 3/10</b></p> <p>Alinta will strengthen its contract establishment procedures to ensure compliance with clause 2.3 of the Code of Conduct, <b>except for</b> notifying customers of the availability of a standard form contract or the differences between a standard form and a non-standard contract, as Alinta is not obliged to supply any small use customer under the approved standard form contract.</p> <p><b>Responsible Person:</b> Manager Sales and Marketing</p> <p><b>Target Date:</b> 31 December 2010</p>
116	Where a standard form contract is not entered into as a result of door to door marketing or for a non-standard contract initiated by telephone, a marketing representative must obtain and make a record of the customer's verifiable consent that the specified information has been given.	Non-compliant - 2	<p><i>Obligations 116 and 117</i></p> <p>As detailed at obligations 115 above, Alinta does not offer a standard form contract to customers as part of its sales and contract establishment processes and procedures. Accordingly, Alinta does not obtain a customer's verifiable consent or written acknowledgement that the information, as specified in clause 2.3(1) of the Code of Conduct, has been provided.</p> <p><i>Refer to obligations 115 above relating to the offer of standard form contract to customers.</i></p>
117	Where a standard form contract is entered into as a result of door to door marketing or for a non-standard contract (other than that initiated by telephone), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.	Non-compliant - 2	

No	Obligation under Condition	Compliance Rating	Findings
118	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must offer to provide the customer with a copy of the contract and, where this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible thereafter.	Compliant - 5	<p><i>Obligations 118 and 119</i></p> <p>As detailed at obligation 115 above, Alinta's sales and contract establishment processes require all contracts to be in writing, via its established non-standard form contract and associated terms and conditions. Further, those procedures provide for all potential customers to be presented with an up-to-date a copy of the related terms and conditions prior to agreeing to the contract.</p>
119	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must give the information specified to the customer	Compliant - 5	
121	In circumstances where a standard form contract is entered into as a result of door to door marketing or a non-standard contract, a retailer or marketing representative must give the specified information and a copy of the contract before the customer has entered into the contract and must obtain a written acknowledgement that the information has been given.	Compliant - 5	<p>Through discussions with the Energy Sales Executive and Team Leader – Customer Sales, we determined that for the purposes of contracting with customers through the non-standard form contract, Alinta's processes provide for the customer to be provided with the following information prior to signing the contractual terms:</p> <ul style="list-style-type: none"> <li>• A copy of the contract</li> <li>• The terms and conditions</li> <li>• The customer service charter.</li> </ul> <p>Alinta's non-standard form contract includes provision for the customer to acknowledge that the customer has received the relevant information and the customer agrees to re-contract.</p>

No	Obligation under Condition	Compliance Rating	Findings
122	A marketing representative must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.	Compliant - 4	<i>Obligation 122 and 123</i> As detailed at obligations 113 above, Alinta's staff are required to complete compliance training on the Code of Conduct, which covers the requirements for sales staff not to engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.
123	A marketing representative must not exert undue pressure on a customer, nor harass or coerce a customer.	Compliant - 4	Through discussion with Team Leader – Customer Sales, we determined that Alinta does not engage in “hard sales” tactics and sales staff have been directed not to exert undue pressure on a customer, nor harass or coerce a customer. Sales staff are not given additional incentives for signing up customers.  We examined Alinta's customer complaints register for the period 1 June 2008 to 31 May 2010 and did not observe any complaints in relation to misconduct when marketing.  However, Alinta has not developed a structured training program to address the requirements of the Electricity Marketing Code, or an effective mechanism or an active monitoring of staff performance.  <i>Refer to issue 2/10 at obligation 113 above relating to the opportunity to strengthen training and performance monitoring practices.</i>
125	A marketing representative must ensure that all standard form contracts that are entered into as a result of door to door marketing and all non-standard contracts are in writing.	Compliant - 5	The Manager Customer Services confirmed that during the period 1 June 2008 to 31 May 2010, Alinta's call centre: <ul style="list-style-type: none"><li>• Did not engage in door to door marketing, other than an electricity marketing campaign conducted between September 2009 to April 2010, which involved marketing via telephone calls</li><li>• Utilised non-standard contracts for each of its customers.</li></ul> Through discussion with the Energy Sales Executive and walkthrough of Alinta's sales and contract establishment processes, we determined that Alinta requires all contracts to be in writing using one of Alinta's non-standard contracts and associated terms and conditions.
126	A marketer must ensure that a customer is able to contact the marketer on the marketer's telephone number during normal business hours for the purposes of enquiries, verifications and complaints.	Compliant - 5	Through discussion with the Team Leader - Telesales and examination of customer service charter and Alinta's website, we determined that Alinta's Sales and Marketing team are contactable on the advertised 13 13 58 number during normal business hours (8am-5pm).

No	Obligation under Condition	Compliance Rating	Findings
127	A marketing representative must provide the information specified to the customer when marketing by means other than face to face and after having identified the purpose of the contact, if the contact is not by electronic means, the marketing representative must ask the customer whether they wish to proceed further.	Compliant - 4	<p>Through discussion with the Team Leader – Customer Sales and examination of standard telephone scripts provided to sales staff, we observed that Alinta’s sales staff provide the following information to a customer in their conversation:</p> <ul style="list-style-type: none"> <li>• Staff member’s first name</li> <li>• Name of the Company represented (i.e. Alinta)</li> <li>• Purpose of the contact.</li> </ul> <p>Alinta’s procedures provide for sales staff to enquire with the customer if it is convenient to proceed with the contact.</p> <p><i>Refer to issue 2/10 at obligation 113 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
128	A marketing representative must, on request, provide the customer with the information specified.	Compliant - 5	<p>Through discussion with the Team Leader – Telesales and Team Leader – Customer Sales, we determined that Alinta has procedures in place to provide the following information to a customer, if requested:</p> <ul style="list-style-type: none"> <li>• Alinta’s complaints telephone number</li> <li>• The staff member’s marketing identification number.</li> </ul> <p>Alinta’s procedures provide for, when meeting a client face to face, the customer to be provided with the following:</p> <ul style="list-style-type: none"> <li>• Alinta’s non-standard contract “Alinta Commercial Electricity Sale Agreement Application and Contract”</li> <li>• Terms and Conditions of contract</li> <li>• Alinta’s Customer Service Charter, which contains Alinta’s complaints telephone number.</li> </ul> <p><i>Refer to issue 2/10 at obligation 113 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
129	A marketing representative who meets with a customer face to face must: as soon as practicable tell the customer the purpose of the visit; wear a clearly visible and legible identity card showing the information specified; and as soon as practicable provide the information specified in writing to the customer.	Complaint - 4	<p>Through discussion with the Manager Sales and Marketing, Energy Sales Executive and the Team Leader – Telesales and examination of staff badge ID, we determined that Alinta’s procedures provide for the following to occur when meeting with a customer face to face:</p> <ul style="list-style-type: none"> <li>• Initial advice to the customer of the purpose of the visit (if meeting not initiated by the customer)</li> <li>• Staff to wear a badge that clearly displays the following information: <ul style="list-style-type: none"> <li>▪ Staff member’s first name</li> <li>▪ Staff member’s photograph</li> <li>▪ Staff member’s marketing identification number</li> </ul> </li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
			<ul style="list-style-type: none"> <li>▪ Company the staff member is representing (i.e. Alinta).</li> <li>• A follow up email to be sent to the customer, which contains the following information: <ul style="list-style-type: none"> <li>▪ Staff member's first name</li> <li>▪ Staff member's marketing identification number</li> <li>▪ Company the staff member is representing (i.e. Alinta)</li> <li>▪ Alinta's ABN.</li> </ul> </li> <li>• The customer to be provided with Alinta's non-standard contract, terms and conditions and the customer service charter, which contains Alinta's complaints telephone number.</li> </ul> <p><i>Refer to issue 2/10 at obligation 113 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
130	If, when marketing to a customer, the customer indicates that they wish to end the contact, the marketing representative must end the contact as soon as practicable and not attempt to contact the customer for the next 30 days unless the customer agrees otherwise.	Compliant - 4	<p>A specific electricity marketing campaign was conducted by the call centre and led by the Team Leader – Customer Sales between September 2009 and April 2010. Through discussion with the Team Leader – Customer Sales and examination of documentation which records the call list and activities, we determined that Alinta's procedures provide for:</p> <ul style="list-style-type: none"> <li>• Contact with customers to be ended as soon as possible when requested by a customer</li> <li>• Customers who have expressed their disinterest in Alinta's electricity supply services to be not contacted by Alinta again during that marketing campaign.</li> </ul> <p>Other than the specific marketing campaigns conducted by the call centre, sales activities are performed by the Energy Sales Executives. Through discussion with the Energy Sales Executives and examination of documentation, we observed that:</p> <ul style="list-style-type: none"> <li>• A spreadsheet is maintained to record details of customer contacts</li> <li>• Customers who request the contact to end are not to be contacted again in the next 30 days unless the customer agrees otherwise.</li> </ul> <p>The 2008/09 Alinta ERL compliance report identified potential breaches in relation to Alinta's documentation of a customer's wish not to be contacted for marketing purposes and therefore its ability to ensure no attempt is made to contact such a customer within the next 30 days.</p> <p>Through discussions with the Manager Customer Services and Manager Sales &amp; Marketing and walkthrough of Alinta's customer contact records, we determined that Alinta augmented its processes in December 2008 so as to capture such requests made by small use customers (within a designated spreadsheet) and for Alinta staff to review those records of customer requests/instructions prior to making contact with a customer.</p> <p><i>Refer to issue 2/10 at obligation 113 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
131	Unless requested by the customer, a marketing representative must not make contact with a customer outside the permitted call times, unless the contact is by electronic means or the contact arises outside the customer's premises in circumstances where the customer initiates contact.	Compliant - 4	<p><i>Obligation 131 and 132</i></p> <p>Through discussion with the Team Leader – Customer Sales and examination of reports from Mi-Audio (telephone system), we determined that while the call centre is open between 8am and 5pm Monday to Friday, Alinta's practice is for calls to customers to only be made between 9am and 4pm.</p> <p><i>Refer to issue 2/10 at obligation 113 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
132	A marketing representative must ensure that contact for the purposes of marketing does not continue for more than 15 minutes past the end of the permitted call times without the customer's verifiable consent unless the contact is by electronic means.	Compliant - 4	
133	Except in response to a customer request or query, a marketer must keep the specified records each time it initiates contact with a customer for the purposes of marketing.	Compliant - 5	<p>Through discussion with the Team Leader – Customer Sales and examination of Alinta's call list for the electricity marketing campaign conducted between September 2009 and April 2010, we observed that the following records are recorded each time Alinta initiates contact with a customer for the purposes of marketing:</p> <ul style="list-style-type: none"> <li>• Customer's name and contact number</li> <li>• Name of the staff member who made contact with the customer</li> <li>• Date and time of contact (recorded separately in the phone recording system)</li> </ul> <p>We also observed that a separate register is maintained by the Sales and Marketing team for recording sales staff contact with customers at their premises. Such visits to customers made at the request of a customer are excluded from this obligation of the Code.</p>
134	Where the customer requests not to be contacted for the purposes of marketing a marketer must ensure that a customer is not contacted on its behalf in relation to the supply of electricity for a period of 2 years unless: the customer requests the contact; or the customer has moved premises; or a marketer has a legal obligation to contact the customer.	Compliant - 4	<p>The 2008/09 Alinta ERL compliance report identified potential breaches in relation to Alinta's documentation of a customer's wish not to be contacted for marketing purposes and therefore its ability to ensure no attempt is made to contact such a customer within the next two years.</p> <p>Through discussions with the Manager Customer Services and Manager Sales &amp; Marketing and walkthrough of Alinta's electricity customer contact records, we determined that Alinta augmented its processes in December 2008 so as to manually capture such requests for customers and for Alinta staff to review records for customer instructions prior to making marketing related contact with a customer. We examined Alinta's records for customers who have requested not to be contacted and observed one customer on the list since December 2008.</p> <p>We understand that Alinta is further developing its CRM to capture information such as when a customer requests not to be contacted.</p> <p><i>Refer to issue 2/10 at obligation 113 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
135	A marketer must keep a record of each customer who has requested not to be contacted, that includes specified information.	Compliant - 5	Through discussion with Manager Sales and Marketing, Team Leader – Customer Sales and Team Leader – Telesales and examination of documentation, we observed that the register that records customer who has requested not to be contacted for marketing purposes includes the following information: <ul style="list-style-type: none"> <li>• Customer's name</li> <li>• Customer's address and telephone number at the time the request was made.</li> </ul>
139	A retailer must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct.	Compliant - 5	The Manager Customer Services confirmed that Alinta's processes are designed to comply with the National Privacy Principles as set out in the Privacy Act 1998. Alinta's Privacy Policy states "Alinta respects and protects the privacy of its customers and is bound by, and complies with, the National Privacy Principles contained in the Privacy Act 1988 and any similar state legislation applicable to Alinta's operations".
<b>Part 3 - Connection</b>			
140	If a retailer agrees to sell electricity 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.	Compliant - 5	<i>Obligation 140 and 141</i> Through discussions with Energy Billing Officer and Energy Sales Executive and walkthrough of Alinta's customer transfer and connection processes, we determined that those processes provide for Customer connection/transfer requests to: <ul style="list-style-type: none"> <li>• Have priority over other administration tasks and to be forwarded to Western Power via the Metering Service Centre web portal on the same day the requests are received</li> <li>• Only be processed if the contract application is complete and co-signed by both the customer and Alinta.</li> </ul>
141	A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise.	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 4 - Billing</b>			
142	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist.	Compliant - 5	<p>Through discussions with the Team Leader – Billing &amp; Payments and the Energy Billing Officer and walkthrough of Alinta's billing processes, we determined that Alinta has the following systems and procedures in place to bill customers within the required timeframes:</p> <ul style="list-style-type: none"> <li>• Gentrack is programmed to bill customers on a monthly calendar basis</li> <li>• Section 6.1 of the non-standard form contract states that Alinta will bill the customer within 7 business days of the end of each billing period</li> <li>• To facilitate monitoring, Alinta uses an unbilled installation report, which identifies accounts that are unbilled for the previous month. Billing staff are responsible for reviewing the report and resolving billing discrepancies as required, including manual preparation of bills.</li> </ul> <p>The Energy Billing Officer confirmed that during the period 1 June 2008 to 31 May 2010 there were no customers who were not billed for a period greater than three months.</p>
150	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.	Compliant - 5	<p>Through examination of Alinta's billing process and discussions with the Energy Billing Officer, we determined that Alinta's procedures provide for:</p> <ul style="list-style-type: none"> <li>• Customers to have their bills sent to either the supply address or an alternative mailing address nominated by the customer</li> <li>• The customers' mailing address to be recorded in Gentrack when the customer establishes an account with Alinta</li> <li>• Customers to have the bill emailed directly to a nominated address.</li> </ul>
151	A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise.	Non-compliant - 2	<p>From an examination of Alinta's current bill template, we determined that the template includes the specified information as required by clause 4.5(1) of the Code, except for:</p> <ul style="list-style-type: none"> <li>• The date of the current meter reading or estimate (s.4.5(1)(a))</li> <li>• The current meter reading or estimate (s.4.5(1)(b)).</li> </ul> <p>As Alinta's entire electricity customer base is subject to consumption calculations via 30 minute interval meter reads, up to 1448 meter reads are aggregated for each monthly bill. In these circumstances, Alinta's ability to provide "current" meter reads or estimates is unclear.</p> <p>Alinta's 2008/09 ERL compliance report describes non-compliance with this requirement and outlines Alinta's consideration of a resolution through amendment to the non-standard contract (to enable the customer's agreement to the exclusion of the requirement). The most recent amendment to Alinta's non-standard contract (November 2009 edition) does not accommodate this matter.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 4/10</b> Alinta update the non-standard form contract to enable customers to provide verifiable consent for the information specified by 4.5(1) of the Code to not be listed on bills.		<b>Action plan 4/10</b> Alinta will amend its non-standard form contract so that by entering the contract, customers consent to the information specified by 4.5(1) of the Code not being provided on bills. <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2010
152	A retailer must advise the customer of the amount of historical debt and its basis before, with or on the customer's bill, if the retailer wishes to bill the customer for the historical debt.	Compliant - 5	Through discussion with the Energy Billing Officer and Team Leader – Credit Management and consideration of Alinta's billing processes and examination of the non-standard form contract, we determined that in the event a historical debt is identified, Alinta's processes provide for: <ul style="list-style-type: none"> <li>• In instances where the debt relates to the customer's current supply address, the debt to be recovered is to appear under "other charges" on the standard bill</li> <li>• The customer to be notified the basis for the historical debt.</li> </ul>
153	A retailer must base the customer's bill on the distributor's or metering agent's reading of the meter, or the customer's reading of the meter in the circumstances specified.	Compliant - 5	<b>Obligations 153 and 155</b> Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following processes and systems in place for generating bills based on metering reads:
155	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills and, in any event, at least once every twelve months in accordance with clause 4.6(1)(a) of the Code of Conduct.	Compliant - 5	<ul style="list-style-type: none"> <li>• Alinta requires all electricity customers to have interval meters installed</li> <li>• Interval meter data is received by Western Power on a 30 minute basis for those installations with a communications link</li> <li>• For interval meters without a communications link (approximately 5% of Alinta's customers), a Western Power meter reader is required to download the interval data directly from the meter on a monthly basis</li> <li>• Alinta downloads interval meter data on a daily basis (which includes both the data obtained via the communications link and data uploaded from the meter reader) from the Western Power portal, which is then uploaded into Gentrack for billing purposes</li> <li>• Alinta does not accept customer self reads</li> <li>• An 'Unbilled Installations' report is produced every month identifying those installations that require billing.</li> </ul> Examination of the May 2010 Unbilled Installations report produced in Gentrack indicated that there were no small use customers without a meter read in the previous 12 month period.

No	Obligation under Condition	Compliance Rating	Findings
156	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.	Non-compliant -2	<i>Obligations 156 and 157</i> Through discussions with the Energy Billing Officer and walkthrough of Alinta's billing processes, we determined that Alinta has the following arrangements in place for estimated bills:
157	A retailer must specify the stated information in circumstances where the customer's bill is estimated.	Non-compliant - 2	<ul style="list-style-type: none"> <li>Alinta's procedures provide for Western Power to generate an estimated value based on previous billed amounts in the event that a meter reading is not received</li> <li>The estimated data provided by Western Power (via the web portal) is to be uploaded into Gentrack</li> <li>Gentrack is to identify those interval periods where an estimation has been performed.</li> </ul> <p>However those processes currently do not:</p> <ul style="list-style-type: none"> <li>Identify which bills contain estimations to facilitate printing on the relevant bill</li> <li>Provide for customers to be notified that their bill has been calculated using estimated metering data.</li> </ul>
<b>Recommendation 5/10</b> Alinta implement a procedure to address the requirements of s.4.8(2) of the Code by notifying customers when an estimation has been used to produce a bill.			<b>Action plan 5/10</b> Alinta will implement a procedure to notify customers when estimated metering data has been used to produce a bill, addressing the requirements of s.4.8(2) of the Code. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 December 2010
161	A retailer must request the distributor or metering agent to test the meter if a customer requests the meter to be tested and pays any reasonable charge of the retailer for testing the meter.	Compliant - 5	<i>Obligations 161 and 162</i> Through discussions with the Energy Billing Officer, we determined that Alinta has the following arrangements in place to engage Western Power to perform a meter test, at a customer's request:
162	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.	Compliant - 5	<ul style="list-style-type: none"> <li>Alinta's current processes require Alinta staff to inform customers of the fees involved with performing a meter test</li> <li>A service order is to be forwarded to Western Power requesting a meter test</li> <li>Section 4.2 of Alinta's non-standard form contract outlines customers' right to request a meter test</li> <li>If the meter is found to not be defective, it is up to the discretion of the Sales Account Manager whether or not to charge the meter test fee</li> <li>If the meter test fee was charged upfront and the meter is found to be defective, the fee is to be either credited to the customer's account, or refunded via direct payment.</li> </ul>
167	A retailer must use reasonable endeavours to arrange for a final bill if a customer requests the retailer to issue a final bill at the customer's supply address.	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has processes and procedures in place to finalise customer accounts at the customer's request.

No	Obligation under Condition	Compliance Rating	Findings
168	A retailer must repay the customer any amount in credit at the time of account closure.	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's approach is to refund the customer any amount owing at the time of account closure and after the final bill has been issued.  We examined the customer complaint register and did not identify any complaints in relation to refund of credits after account closure.
169	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.	Compliant - 5	<i>Obligations 169 to 171</i> Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following processes in place to facilitate the review of a customer account on request: <ul style="list-style-type: none"> <li>Alinta's Energy Billing Officer's are trained to deal with customer requests to review a bill, enabling a review to be performed on request</li> <li>Requests for review of a customer's bill are resolved immediately, or referred to a relevant team for resolution</li> <li>Where the bill is assessed as correct by Alinta, depending on the issue relating the bill, the Energy Billing Officer informs the customer of the options available where they are not happy with the assessment, including the use of the complaints handling processes</li> <li>Where the bill is assessed as incorrect by Alinta, the default process is for a credit to be applied to the customer account. Alternatively, the customer may request a refund.</li> </ul> Such practices provide for customers to be informed of the outcome of a review within 20 business days from the date of receipt of the request. Examination of the customer complaints register did not identify instances of complaints in relation to requesting a review of a customer account. <i>Obligation 171 only</i>
170	A retailer must follow the procedures specified if a review of a bill has been conducted and the retailer is satisfied that the bill is correct or incorrect.	Compliant - 5	Where Alinta has obligations under the Code of Conduct, which has an associated target timeframe, Alinta is exposed to breaching its obligations if its standard business processes are not upheld.
171	A retailer must inform the customer of the outcome of the review of a bill as soon as practicable, but, in any event, within 20 business days from the date of receipt of the request for review.	Compliant - 4	Alinta uses a standard set of reports to facilitate the monitoring of its business operations; however those reports do not encapsulate monitoring of Alinta's timeframe requirements under the Code of Conduct. An effective exception reporting arrangement will provide Alinta with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.  <i>The opportunity to implement exception reporting and improve existing reports (and associated recommendation and action plan) also relates to obligations 173-175 and 212.</i>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 6/10</b> Alinta: (a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed (b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.		<b>Action plan 6/10</b> Alinta will: (a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed (b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 March 2011
172	A retailer must recover an amount undercharged as a result of an act or omission by a retailer or distributor in the manner specified.	Compliant - 5	Through discussions with the Team Leader Billing & Payments and the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following procedures in place to manage accounts requiring adjustments: <ul style="list-style-type: none"> <li>Where an account is in debit (i.e. Alinta has undercharged the customer) the balance is automatically attached to the customer's next account. The customer is then advised of the balance. In the event of an undercharging, Alinta recognises that it can only recover the undercharged amount for up to 12 months from the date the customer is notified of the undercharge</li> <li>No interest or fee to be paid relevant to the correcting payment</li> <li>Alinta offers the customer to have either: <ul style="list-style-type: none"> <li>The current bill cancelled, and re-issued with the correct value</li> <li>The current bill to remain unchanged and the adjusting amount to be included as an itemised portion of the next bill.</li> </ul> </li> <li>When agreeing the relevant payment terms Alinta offers the customer further time to pay, either by an extension of the due date of the bill, or via an instalment plan (in accordance with s.6.4(2) of the Code).</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
173	A retailer must use its best endeavours to inform the customer (including a customer who has vacated the supply address) and repay or credit any amount overcharged as a result of an act or omission by a retailer or distributor, in the manner and period specified.	Compliant - 4	<p>Through discussions with the Energy Billing Officer and consideration of Alinta's billing activities, we determined that Alinta has processes and procedures in place to manage the refund process including:</p> <ul style="list-style-type: none"> <li>• Immediately notifying the customer within 10 business days of any overcharge and either offering a credit to the customer's account, or repayment of any overcharged amounts as resolution alternatives</li> <li>• Energy Billing Officers attempting to make contact with customers who have been overcharged and have moved address.</li> </ul> <p>We also note that Gentrack currently does not generate exception reports to identify instances where a refund has not been performed within the required timeframe.</p> <p><i>Refer to obligation 171 and recommendation/action plan 6/10 above relating to the opportunity for Alinta to strengthen its reporting and monitoring controls in relation to its specific Code of Conduct obligations.</i></p>
174	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	Compliant - 4	<p><i>Obligations 174 and 175</i></p> <p>Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for managing the refunds process are designed to credit any relevant amount overcharged within 20 business days of the customer making the request. Those processes and procedures specifically include:</p> <ul style="list-style-type: none"> <li>• Alinta's default approach is to refund the amounts overcharged by crediting the customer account, having immediate effect</li> <li>• Should a customer request a refund, the Energy Billing Officer is to submit a request for work flow approval. Refunds are then to be processed via weekly cheque run. Alinta's service standard is to process cheque refunds within 7 business days.</li> </ul> <p>Examination of the customer complaint register did not identify instances of complaints in relation to repayment of an overcharged amount.</p> <p>We also note that Gentrack currently does not generate exception reports to identify instances where a refund has not been performed within the required timeframe.</p> <p><i>Refer to obligation 171 and recommendation/action plan 6/10 above relating to the opportunity for Alinta to strengthen its reporting and monitoring controls in relation to its specific Code of Conduct obligations.</i></p>
175	A retailer must use reasonable endeavours to credit the amount overcharged within 20 business days of the customer making the request, in circumstances where instructions as to payment are not received.	Compliant - 4	<p>Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for managing the refunds process are designed to credit any relevant amount overcharged within 20 business days of the customer making the request. Those processes and procedures specifically include:</p> <ul style="list-style-type: none"> <li>• Alinta's default approach is to refund the amounts overcharged by crediting the customer account, having immediate effect</li> <li>• Should a customer request a refund, the Energy Billing Officer is to submit a request for work flow approval. Refunds are then to be processed via weekly cheque run. Alinta's service standard is to process cheque refunds within 7 business days.</li> </ul> <p>Examination of the customer complaint register did not identify instances of complaints in relation to repayment of an overcharged amount.</p> <p>We also note that Gentrack currently does not generate exception reports to identify instances where a refund has not been performed within the required timeframe.</p> <p><i>Refer to obligation 171 and recommendation/action plan 6/10 above relating to the opportunity for Alinta to strengthen its reporting and monitoring controls in relation to its specific Code of Conduct obligations.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 5 - Payment</b>			
176	The due date on the bill must be at least 12 business days from the date of the bill, with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.	Compliant - 5	<p>As permitted by clause 1.10 of the Code, Alinta's non-standard form contract amends clause 5.1(1) "Due Dates for Payment" to an agreed upon timeframe between the customer and Alinta. Section 7.1 of Alinta's non-standard form contract states that the amount payable is 14 days of the date of bill.</p> <p>Based on discussions with the Team Leader – Billing &amp; Payments and the Energy Billing Officer, we determined that Gentrack is programmed to issue bills with due dates based on 14 calendar days.</p> <p>We examined both a current standard bill and an estimated bill and observed that both had a minimum of 14 calendar days as their due dates.</p>
177	A retailer must offer the specified minimum payment methods.	Compliant - 5	<p>As permitted by clause 1.10 of the Code, Alinta's non-standard form contract amends clause 5.2(1) "Minimum payment methods" to a set of agreed upon payment methods. Section 7.1 of Alinta's non-standard form contract outlines the following payment methods:</p> <ul style="list-style-type: none"> <li>• Paying by Electronic Funds Transfer (EFT)</li> <li>• Paying by BPay</li> <li>• Paying by credit card over the telephone and online</li> <li>• Any other payment options Alinta may decide to make available to customer from time to time.</li> </ul> <p>Examination of the current bill template indicated that Alinta offers the payment methods outlined by the non-standard form contract.</p>
178	A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment.	Compliant - 5	<p>Section 5.2(2) of the Electricity Customer Code states that 'all electronic payment arrangements must comply with the Electronic Funds Transfer Code of Conduct'.</p> <p>The Manager Customer Services confirmed that Alinta complies with the Electronic Funds Transfer Code of Conduct.</p>
180	A retailer must accept payment in advance from a customer on request, in the circumstances specified.	Compliant - 5	<p>Through discussion with the Team Leader Billing &amp; Payments and walkthrough of Alinta's payments process, we determined that Alinta:</p> <ul style="list-style-type: none"> <li>• Accepts payment in advance for any amount (i.e. no minimum amount)</li> <li>• Places the customer's account into credit, where applicable.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
185	A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for finalisation of customer accounts include: <ul style="list-style-type: none"> <li>• A customer is required to notify Alinta to request account closure</li> <li>• Energy Billing Officers initiate the account finalisation process, requesting a final meter read of the supply address</li> <li>• Customers are charged for consumption up to the account closure date, which is the date from which the customer can provide evidence of vacating the supply address and which is no later than five days from the customer's notification.</li> </ul>
186	A retailer must not require a customer who was evicted or otherwise required to vacate a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has processes and procedures to manage circumstances where customers are evicted or otherwise required to vacate a supply includes: <ul style="list-style-type: none"> <li>• Credit management processes are designed to stop charges from the day the customer is evicted provided the customer can provide reasonable evidence</li> <li>• Alinta will not require a customer to pay for usage beyond the period of notice if the customer is forced to vacate the supply address and the customer notifies Alinta.</li> </ul>
187	A retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified.	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures to manage the account finalisation process: <ul style="list-style-type: none"> <li>• The debt is recoverable only from the customer who entered into a contract with Alinta</li> <li>• Once a contract is established and formalised in Gentrack, the system does not permit an amount to be billed to the previous customer of the same supply address</li> <li>• Alinta to not charging the previous customer electricity consumption after the new customer becomes obliged to pay</li> <li>• For any consumption after a customer has been disconnected, the debt is not recoverable.</li> </ul>
188	A retailer must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission.	Compliant - 5	Section 5.8 (1) of the Electricity Customer Code states that 'a retailer must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission concerning Section 60 of the Trade Practices Act 1974'. The Manager Customer Services confirmed that Alinta complies with the Conduct Principles set out in the guidelines on debt collection issued by the ACCC.

No	Obligation under Condition	Compliance Rating	Findings
190	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 electricity to that supply address.	Compliant - 5	<p>Through discussions with the Team Leader – Credit Management and consideration of Alinta’s credit management processes, we determined that Alinta’s procedures provide for collection of customer debt. We note that:</p> <ul style="list-style-type: none"> <li>Alinta has processes in place to ensure any debt is only recovered from the customer of the supply address who incurred the debt</li> <li>The Gentrack system provides for consumption from a supply address to be billed to only one customer at any given time.</li> </ul>
<b>Part 6 – Payment difficulties and financial hardship</b>			
210	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	Compliant - 5	<p>Section 1 of the Hardship Policy states that the policy applies to customers who consume not more than 160MWh of electricity per annum.</p> <p>Through discussions with the Team Leader – Credit Management and walkthrough of Alinta’s customer billing and collections processes, we determined that Alinta has the following processes and procedures in place to deal with small use business customer requests for alternative payment arrangements. In the event that Alinta determines that the customer is experiencing payment difficulties, Alinta offers:</p> <ul style="list-style-type: none"> <li>As the first option, an extension of time to pay the bill. The Team Leader – Credit Management advised that this is the most common arrangement offered to small use business customer experiencing financial difficulty</li> <li>Payment instalment plans.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 7 - Disconnection</b>			
211	A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address for failure to pay a bill.	Compliant - 4	<p>Through discussions with the Team Leader – Credit Management we understand that the reminder notices and disconnection warnings process was formalised in September 2009 so that notices and warnings were to be completed on a monthly basis by the Retail Services Officer – Credit Control.</p> <p>Through discussions with the Retail Services Officer – Credit Control and consideration of Alinta's Gentrack system, we determined that Alinta has the following processes to manage notices and warnings issued to customers:</p> <ul style="list-style-type: none"> <li>• The Retail Services Officer – Credit Control is responsible for producing and reviewing a reminder notices report on a monthly basis. A reminder notices report is designed to highlight customers with bills which are outstanding for greater than 10 business days. Alinta's process is to not action any notices or warnings till the timeframes required by the Code</li> <li>• The Retail Service Officer – Credit Control is to utilise the reminder notices report to identify any customers that require disconnection warnings</li> <li>• Reminder notices are to be printed and posted by the mailing agent, whereas disconnection warnings are printed in house</li> <li>• Notices and warnings are to be sent to customers using a standard template, matching the criteria specified by the Code of Conduct.</li> </ul> <p>We determined that for the one disconnection that took place during the audit period, reminder notices and disconnection warnings were provided to the customer in the manner and timeframes specified by the Code.</p> <p>We note that there is no communication log maintained on Gentrack to facilitate monitoring and reporting. As Alinta's existing manual processes are exposed to breaching the required timeframes, Alinta can strengthen its processes and its ability to demonstrate compliance with the requirements of the Code.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 7/10</b></p> <p>Alinta either:</p> <p>(a) Automate the reminder notice and disconnection warning processes within Gentrack</p> <p>(b) Update its procedures to:</p> <ul style="list-style-type: none"> <li>Formalise the reminder notices and disconnection warnings process in line with the requirements of clause 7.1 of the Code</li> <li>Ensure that the customer profile is updated to reflect communication with the customer so as to facilitate monitoring and reporting.</li> </ul>		<p><b>Action Plan 7/10</b></p> <p>Alinta will:</p> <p>(a) Update its procedures to</p> <ul style="list-style-type: none"> <li>Formalise the reminder notices and disconnection warnings process</li> <li>Ensure that the customer profile is updated to reflect communication with the customer so as to facilitate monitoring and reporting.</li> </ul> <p>(b) Investigate the automation of reminder notices and disconnection warning notices within its replacement customer system (due in December 2011)</p> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> 31 December 2010</p>
212	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.	Compliant - 4	<p>Through discussion with the Team Leader – Credit Management and consideration of Alinta's disconnection and credit management processes, we determined that Alinta has the following processes and systems in place for managing the disconnection of customers:</p> <ul style="list-style-type: none"> <li>Disconnecting a customer is the last resort Alinta will employ</li> <li>Credit management staff are aware to only disconnect customers for specified reasons</li> <li>A customer will not be disconnected for amounts owing that do not relate to the supply of electricity</li> <li>If the supply address does not relate to the bill, the customer will not be disconnected</li> <li>Alinta does not offer customers concessions</li> <li>The Authority has not prescribed a minimum amount that if the balance outstanding is less than the approved amount; Alinta is not permitted to process the disconnection.</li> </ul> <p>We determined that for the one disconnection (for failure to pay a bill) that took place during the period 1 June 2008 to 31 May 2010, none of the limitations outlined in clause 7.2 of the Code of Conduct were relevant.</p> <p><i>Refer to obligation 171 and recommendation/action plan 6/10 above relating to the opportunity for Alinta to strengthen its reporting and monitoring controls in relation to its specific Code of Conduct obligations.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
216	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	Compliant - 5	<p>Through discussions with the Team Leader – Credit Management and walkthrough of Alinta's disconnection processes, we observed that Alinta's processes and procedures are designed for:</p> <ul style="list-style-type: none"> <li>Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection</li> <li>Disconnections not to be arranged for a Friday, Saturday, Sunday, a public holiday, a day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to arrange disconnections using the disconnection service order within the Metering Service Centre web portal maintained by Western Power, which also performs the physical disconnection.</li> </ul> <p>The one instance of disconnection arranged by Alinta during the audit period related to a failure to pay. We confirmed that the disconnection was arranged in accordance with the requirements of the Code of Conduct.</p>
217	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.	Compliant - 3	<p>Through discussions with the Team Leader – Credit Management and the Energy Billing Officer, and examination of the customer account establishment and disconnection process, we determined that Alinta has the following processes in place to manage life support customers:</p> <ul style="list-style-type: none"> <li>Section 21(a) of Alinta's non-standard form contract states that a customer will not be disconnected if they have failed to pay a bill if the customer has notified Alinta they require supply for life support equipment</li> <li>Alinta is to update the network operator via the Western Power portal of the supply addresses life support status</li> <li>Alinta does not process service orders to disconnect supply from customers who are designated as life support.</li> </ul> <p>As Alinta has no records of customers providing confirmation that a person residing at the customer's supply address requires life support equipment, this obligation was not triggered during the audit period. However, we observed that Alinta has the following opportunities to be in a better position to demonstrate its compliance in future:</p> <ul style="list-style-type: none"> <li>The current contract establishment process does not prompt Alinta staff to obtain the customer's advice on whether life support equipment is required by a person residing at the customer's premises. We recognise that Alinta's current non-standard contract informs customers of the customer's obligation to inform Alinta in such circumstances</li> <li>The critical code requirement on the Gentrack customer account profile is not a mandatory field to be completed (either at or subsequent to the contract establishment)</li> <li>Alinta has not developed policy or procedural guidance to records of customers requiring life support equipment.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 8/10</b> Alinta: (a) Update current account connection procedures to specifically request confirmation from the client that there are no life support requirements connected to the supply address (b) Update Gentrack to require the ‘critical code’ option on a customer profile to be a mandatory field (a) Train staff in the requirements of establishing, monitoring and reporting on life support requirements.		<b>Action plan 8/10</b> Alinta will: (a) Update current account connection and contract renewal procedures to specifically require confirmation from the customer that there are no life support requirements connected to the supply address (b) Update Gentrack to require the ‘critical code’ option on a customer profile to be a mandatory field (c) Train staff in the requirements of establishing, monitoring and reporting on life support requirements. <b>Responsible Person:</b> Manager Sales and Marketing and Manager Customer Services <b>Target Date:</b> 30 June 2011
Part 8 - Reconnection			
219	A retailer must arrange for reconnection of the customer’s supply address if the customer has remedied its breach, makes a request for reconnection, pays the retailer’s reasonable charges (if any) or accepts an offer of an instalment plan for the retailer’s reasonable charges.	Compliant - 5	<i>Obligations 219 and 220</i> Through examination of Alinta’s records, discussions with the Manager Customer Services and consideration of Alinta’s disconnection and reconnection processes we determined that for the one reconnection that took place during the period 1 June 2008 to 31 May 2010: <ul style="list-style-type: none"><li>The relevant disconnection was due to the customer’s failure to pay a bill</li><li>The customer addressed Alinta’s request for payment on the same day of disconnection</li><li>The reconnection was requested and forwarded to Western Power on the same day of disconnection.</li></ul>
220	A retailer must forward the request for reconnection to the relevant distributor within the timeframe specified.	Compliant - 5	
Part 10 – Information and communication			
238	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, in the timeframes specified.	Non-Compliant - 2	Through discussions with the Manager Customer Services and consideration of Alinta’s customer set-up process, we determined that Alinta has processes to offer customers either a bundled or unbundled contract. We understand that: <ul style="list-style-type: none"><li>A bundled contract is where the consumption tariff and network charges (i.e. Western Power’s charge) are included in the price quoted the customer. The amounts include any projections for variation therefore is not subject to change during the contract term</li><li>An unbundled contract is where the contract establishes the consumption tariff, however the network charge is set by Western Power and is subject to change.</li></ul> Customers who are contracted via an unbundled contract are not informed of any network charge variation.

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 9/10</b> Alinta implement a method of communicating to customers any changes that will affect the customer.		<b>Action plan 9/10</b> Alinta will include the following statement on the bills of affected customers in the billing cycle following an adjustment to prices: <b>“Adjustment to prices</b> If provided for in your contract, the prices charged under the contract have been adjusted to reflect movements in the Consumer Price Index and/or network charges. Please call Alinta on 13 13 58 for further information.” <b>Responsible person:</b> Manager Customer Services <b>Target date:</b> 31 December 2010
239	A retailer must give a customer on request, at no charge, reasonable information on the retailer’s tariffs, including alternative tariffs.	Compliant - 5	The Manager Customer Services confirmed that should a customer contact the Alinta Call Centre requesting tariff information, the Customer Service Representatives have been trained to: <ul style="list-style-type: none"> <li>• Provide information over the phone</li> <li>• Send an e-mail to the customer (if requested).</li> </ul> All services are provided to the customer at no charge.
240	A retailer must give a customer the information requested on tariffs in the manner and within the timeframes specified.	Compliant - 5	The Manager Customer Services confirmed that: <ul style="list-style-type: none"> <li>• Customer Service Representatives are trained to resolve the customer query whilst they are on the phone, therefore complying with the 8 business day requirement of the Code</li> <li>• Should the customer request the information in writing, the information will be sent the day of request.</li> </ul>
246	A retailer must give a customer on request, at no charge, the general energy efficiency information specified.	Compliant - 5	The Manager Customer Services confirmed that: <ul style="list-style-type: none"> <li>• Upon request, Energy Billing Officers are to provide electricity consumption and costing information to customers at no charge</li> <li>• If a customer requests for information on an energy efficiency audit, Energy Billing Officers are to direct the call to Alinta Assist, who is able to assist customers by conducting energy audit</li> <li>• Any specific requests for efficiency ratings are directed to the Sustainable Energy Development Office (SEDO).</li> </ul>
247	A retailer must give information to the customer, or refer the customer to the relevant distributor for a response, if asked by a customer for information relating to the distribution of electricity.	Compliant - 5	The Manager Customer Services confirmed that all requests for distribution related information are directed to Western Power. The direct number is provided to the customer, or if requested, the customer is transferred directly to Western Power.

No	Obligation under Condition	Compliance Rating	Findings
255	A retailer, distributor and marketer must, to the extent practicable, ensure that any written information that must be given to a customer under the Code of Conduct is expressed in clear, simple and concise language and is in a format that makes it easy to understand.	Compliant - 5	The Manager Customer Services confirmed that the standard form contract was specifically prepared (with the guidance of a professional media organisation) to be presented in clear, simple, and concise language and in a format that made it easy to understand. Section 36.3 of the standard form contract also confirms that the terms and conditions are written in a 'simple English' style.  Alinta's Brand Manager is responsible for ensuring that marketing information is easy to understand.
256	A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Code of Conduct	Compliant - 5	<i>Obligations 256 to 258</i> The Manager Customer Services confirmed that a customer's request for information about the Code of Conduct will generally be forwarded to a Team Leader.
257	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their web sites.	Compliant - 5	Through discussion with the Manager Customer Services, and review of Alinta's website, we determined that Alinta has:
258	A retailer and distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their offices.	Compliant - 5	<ul style="list-style-type: none"> <li>Trained its Customer Service Representatives to provide the Electricity Customer Code to customers when requested</li> <li>Published the Code of Conduct on its website</li> <li>Electronic copies of the Code of Conduct which can be sent to customers via email.</li> <li>Copies of the code available at its premises for review as required.</li> </ul>
259	A retailer and distributor must make available to the customer on request, at no charge, services that assist the customer in interpreting information provided by the retailer or distributor.	Compliant - 5	Through discussions with the Manager Customer Services and examination of customer bills, we determined that Alinta provides an interpreting service for its customers, at no charge.
260	A retailer and, where appropriate a distributor, must include the telephone number for their special information services and for independent multi-lingual services, on the documents specified.	Compliant - 5	Through discussions with the Manager Customer Services and examination of Alinta's standard templates, we determined that Alinta provides interpreting services for its customers, at no charge.
262	A retailer must, if requested by a customer, advise the customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	Compliant - 5	The Manager Customer Services confirmed that Alinta's customer contact protocols provide for queries relating to meters to be directly referred to Western Power.

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 11 – Customer service charter</b>			
263	A retailer and distributor must produce and publish a Customer Service Charter.	Compliant - 5	Alinta has developed a Customer Service Charter for small use customers. For the period 1 July 2008 to 31 May 2010, there have been two Customer Service Charters in effect. The current Customer Service Charter was recognised by the Authority on 1 July 2009 and is available on the website. The superseded Customer Service Charter was recognised by the Authority on 12 March 2009.
264	A retailer and distributor must address the specified information in their Customer Service Charters.	Compliant - 5	Alinta's Electricity Customer Charter addresses the following issues: <ul style="list-style-type: none"> <li>• A summary of the customer's rights and obligations under the Code of Conduct</li> <li>• A summary of Alinta's and Western Power's rights and obligations under the Code of Conduct (including, billing, connection, disconnection and reconnection procedures</li> <li>• An explanation of the complaints handling process</li> <li>• An explanation of the difference between distribution and retail functions</li> <li>• Reference to key documents such as applicable legislation and forms of contract</li> <li>• Contact details for Alinta's Customer Services and Electrical Emergencies services, the Authority, Director of Energy Safety and the electricity ombudsman.</li> </ul>
265	A retailer and distributor must give a customer on request, at no charge, a copy of the Customer Service Charter.	Compliant - 5	Through discussions with the Team Leader – Billing and Payments, we determined that Alinta provides a copy of the Customer Charter to all customers as part of the contractual sign-off process. The Team Leader – Customer Services confirmed that Alinta's has the following procedures for providing the Customer Service Charter, at no charge, when requested by customers: <ul style="list-style-type: none"> <li>• A customer may call the Alinta Customer Call Centre to request a copy</li> <li>• The Customer Service Representative will then direct the customer to Alinta's website, or ask if the customer would like a physical copy posted to their residence.</li> </ul>
266	A retailer and distributor must dispatch a copy of the Customer Service Charter to a customer who requests a copy, within two business days of the request.	Compliant - 5	The Team Leader – Customer Services confirmed that Call Centre staff are trained to post a copy of the Customer Service Charter the day of customer request, thereby meeting the two business day requirement.

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 12 – Complaints and dispute resolution</b>			
267	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Compliant - 3	<p>Through:</p> <ul style="list-style-type: none"> <li>• Discussion with the Manager Customer Services and the Energy Billing Officer</li> <li>• Examination of Alinta's Complaints Handling Policy, Customer Service Charter and standard form contract</li> <li>• Examination of records of complaints maintained in Gentrack</li> </ul> <p>we determined that Alinta has developed a Customer Complaints Handling Policy specifically for Electricity related activities designed to comply with AS ISO 10002 – 2006 (which replaced AS4269 – Australian Standard on Complaints Handling 1995), which includes:</p> <ul style="list-style-type: none"> <li>• All customer complaints are to be logged into the Gentrack system</li> <li>• Alinta has a mature escalation process, whereby if a customer is not pleased with the outcome offered, it can be escalated to relevant management representatives</li> <li>• Energy Billing Officers have been trained in dealing with Customer Complaints</li> <li>• Where a customer is not satisfied with the resolution offered by Alinta, an external party will be involved. The Customer Complaints Handling Policy requires the Manager Customer Services to inform the customer that they can seek assistance from the Energy Ombudsman.</li> </ul> <p>Through discussions with the Manager Customer Services we understand that:</p> <ul style="list-style-type: none"> <li>• The responsibility for reviewing complaints has not been delegated to a responsible person</li> <li>• Complaints data for electricity customers does not form part of management reporting.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 10/10</b> Alinta: (a) Designate responsibility for reviewing complaints data (b) Update the Customer Complaints Handling Policy so that: <ul style="list-style-type: none"> <li>The service standards required by the Code of Conduct are acknowledged</li> <li>Complaints are reviewed on a monthly basis by the designated staff member.</li> </ul> (c) Update the Management Operational report so that electricity complaints indicators are reported (d) Roll out complaints handling training to relevant staff member to ensure complaints are correctly handled and recorded in the system.		<b>Action Plan 10/10</b> Alinta will: (a) Designate responsibility for reviewing electricity complaints data on a monthly basis to an identified position (b) Update its Complaints Handling Policy to explicitly recognise the service standards specified in the Code of Conduct (c) Update the Management Operational report to include electricity complaints indicators (d) Provide ongoing complaints handling training to relevant staff member to ensure complaints are correctly handled and recorded. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 December 2010
268	A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements.	Compliant - 4	<b>Obligations 268 and 269</b> Refer also to findings detailed at obligation 267 above for a description of Alinta's complaints handling process, with reference to the requirements of s12.1(2) of the Code of Conduct.
269	A retailer or distributor must at least provide the specified advice to a customer when handling a complaint.	Compliant - 4	Although we did not observe any evidence to indicate Alinta's complaints handling process does not comply with the Code of Conduct, we observed the following aspects of the process and formal documentation which can be strengthened to enable Alinta to better demonstrate its compliance: <ul style="list-style-type: none"> <li>The information that will provided to a customer when a complaint is made (s.12.1(2)(b)(ii)(B) of the Code)</li> <li>How Alinta will handle complaints about a marketer or marketing activities (s.12.1(2)(c) of the Code)</li> <li>Providing the reasons for an outcome relating to a customer complaint and on request providing such reasons in writing (s.12.1(3)(b) of the Code).</li> </ul> The Manager Customer Services confirmed that staff are trained to handle customer complaints and to provide information as required.

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 11/10</b> Alinta: <ul style="list-style-type: none"> <li>Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code of Conduct</li> <li>Formally communicate the updated Customer Complaints Handling Policy to staff.</li> </ul>		<b>Action Plan 11/10</b> Alinta will: <ul style="list-style-type: none"> <li>Update its Customer Complaints Handling Policy to explicitly detail the requirements of s.12.1 of the Code of Conduct</li> <li>Formally communicate the updated Customer Complaints Handling Policy to staff.</li> </ul> <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 January 2011
270	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints.	Compliant - 5	<p>Section 3 of the Customer Complaints Guidelines (Guidelines) issued by the Authority in October 2008, provides energy retailers and distributors with guiding principles on how complaints should be distinguished from enquiries.</p> <p>Through discussions with the Team Leader – Customer Services and an examination of Alinta’s Customer Complaints Policy and records, we determined that Alinta distinguishes between customer queries and customer complaints as required by the Guidelines. Relevant elements of the Customer Complaints Policy are:</p> <ul style="list-style-type: none"> <li>A complaint is defined as any expression of dissatisfaction made to an organisation, related to its products, or the complaints handling process itself, where a response or resolution is explicitly or implicitly expected</li> <li>Provision for “if a customer initially has an enquiry and their enquiry is resolved through the provision of information, then it is not logged as a complaint”.</li> </ul>
271	A retailer, distributor and marketer must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	Compliant - 5	<p>Alinta’s Customer Service Charter includes information relating to the complaints process. The Manager Customer Services confirmed that Alinta staff are trained to:</p> <ul style="list-style-type: none"> <li>Provide information relating to complaints and the process to customers upon request , at no charge</li> <li>Refer the customer to the Customer Service Charter which is available online. If requested, a copy of the Customer Service Charter can be posted, at no charge.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
272	A retailer, distributor or marketer who receives a complaint that does not relate to its functions, must refer the complaint to the appropriate entity and inform the customer of the referral.	Compliant - 5	Through discussion with Alinta staff and examination of records of complaints maintained, we observed that Alinta's customer service and complaints handling processes provide for: <ul style="list-style-type: none"> <li>• Staff to recognise instances where a complaint does not relate to Alinta's functions</li> <li>• The matter to be referred to the relevant entity (e.g. Western Power)</li> <li>• The customer to be made aware of the reason for the referral.</li> </ul> The Manager Customer Services confirmed that when it is identified that a call does not relate to Alinta's functions, the customer is offered the appropriate entity's direct line or the call is transferred.
<b>Part 13 – Record keeping</b>			
273	A retailer, distributor or marketer must keep a record or other information as required to be kept by the Code of Conduct for at least two years from the last date on which the information was recorded, unless expressly provided otherwise.	Compliant - 5	At the time of the audit, we observed that information required to be maintained by Alinta in accordance with each of the sub-clauses 13.2 to 13.6, has been retained in Alinta's Gentrack system and/or relevant manual files. The Manager Customer Services confirmed that the information required by the Code is maintained for a minimum of two years.
274	A retailer must keep a record of the total number of customers under the affordability and access indicators specified.	Compliant - 5	The Manager Customer Services confirmed that the affordability and access indicators specified at s.13.2(1)(b) of the Code are maintained within Gentrack.
275	A retailer must keep a record of the customer complaint indicators specified.	Compliant - 5	<b>Obligations 275 and 276</b> Through discussions with the Manager Customer Services and consideration of Alinta's customer complaints processes, we determined that Alinta has processes in place to maintain the customer complaints data required by s.13.3(1) of the Code. We note that: <ul style="list-style-type: none"> <li>• Customer complaints are logged within Gentrack</li> <li>• Types of customer complaints recorded by Alinta include the specified items of s.13.3(1)(b) of the Code. This is a manual process completed once the complaint has been lodged</li> <li>• Customer complaints data is available within CIS-OV, attached to the relevant customer profile as a contact log. These records are maintained indefinitely.</li> </ul>
276	A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints made directly to a marketer).	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
278	A retailer must keep a record of the call centre performance indicators specified.	Compliant - 5	Through discussions with the Call Centre Business Analyst and observation of Alinta's call centre records, we determined that the following call centre metrics are maintained and reported: <ul style="list-style-type: none"> <li>• The total number of telephone calls made to Alinta</li> <li>• Alinta's Grade of Service (GOS) which is the total number and percentage of calls answered in less than 20 seconds. For reporting requirements to the Authority, the Call Centre Business Analyst maintains statistics on calls answered within 30 seconds</li> <li>• The average duration (in seconds) of calls before a call is answered</li> <li>• The percentage of calls that were unanswered/abandoned.</li> </ul>
279	A retailer must keep a record of the total number of residential and business accounts specified.	Compliant - 5	Through discussions with the Manager Customer Services, we determined that the total number of business customers is recorded and reported to management on a monthly basis. Alinta does not currently service any residential customers.
289	A retailer and a distributor must prepare a report setting out the information required by Part 13 of the Code of Conduct, in respect of each year ending on 30 June. The report must be published no later than the following 1 October.	Non-compliant – 2	For each of the years ending 30 June 2008 and 30 June 2009, Alinta prepared reports setting out the information in the records required to be kept by Part 13 of the Code and published those reports on its website. However the report for the year ending 30 June 2008 was not submitted to the Authority or published on Alinta's website until after 1 October 2008, breaching the requirement of the Code.  In late 2008, Alinta created and appointed a resource to the position of Manager Regulatory Affairs. Since this appointment, the Manager Regulatory Affairs has: <ul style="list-style-type: none"> <li>• Maintained a log of communication with the Authority, including timing requirements for submission of information</li> <li>• Monitored the submission of reports to the Authority and subsequent publication on Alinta's website.</li> </ul> <i>This audit considers that no further action is required to address the earlier non-compliance.</i>
294	A retailer must acknowledge and respond to a written query or complaint by a customer within the timeframes prescribed.	Compliant - 5	Through discussions with the Energy Billing Officer, consideration of Alinta's complaints handling process and examination of customer records in Gentrack, we determined that the single written customer complaint that Alinta received for the period between 1 June 2008 and 31 May 2010 was acknowledged and responded to within the timeframes prescribed in the code.

## 4.7 Electricity Industry Metering Code

### Obligations determined to be not applicable

The following obligations are not applicable to Alinta's operations.

Obligation	Reason
309	Alinta does not operate as a network operator
333	Clause applies to the Electricity Retail Corporation (Synergy) only

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
350, 351	The Manager Customer Services confirmed that Alinta has not knowingly permitted the registry to be materially inaccurate and it has not needed to notify Western Power due to becoming aware of a change to or inaccurate standing data in the registry for the period between 1 June 2008 and 31 May 2010. Accordingly, an assessment of compliance with these clauses for the period subject to audit cannot be made.
363	The Manager Customer Services confirmed that Western Power has not requested for Alinta's assistance in relation to performing a meter read for the period between 1 June 2008 and 31 May 2010. Accordingly, an assessment of compliance with these clauses for the period subject to audit cannot be made.
376	The Manager Customer Services confirmed that Alinta does not collect or receive energy data from a metering installation other than from Western Power for the period between 1 June 2008 and 31 May 2010. Accordingly, an assessment of compliance with these clauses for the period subject to audit cannot be made.
378	The Manager Customer Services confirmed that Alinta has not collected or received information regarding a change in the energisation status of a metering point, other than from Western Power, the network operator for the period between 1 June 2008 and 31 May 2010. Alinta's compliance with this obligation cannot be rated for the period subject to audit.
382	The Manager Customer Services confirmed that during the period 1 June 2008 to 31 May 2010, Alinta had not become aware of a sensitive load at a customer's site, other than for the customers already known to have sensitive loads.
421	The Manager Energy Sales confirmed that Alinta's contact details did not change during the period 1 June 2008 to 31 May 2010. Accordingly, there was no relevant activity during this audit period.
424 - 428	Alinta has not engaged in any metering disputes with Western Power, other retailer or the IMO during the period 1 June 2008 to 31 May 2010.

## Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Metering Code.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
2	12					18	32

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for those obligations that are not applicable or cannot be rated, as detailed in the tables above.

No	Obligation under Condition	Compliance Rating	Findings
319	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	Compliant - 5	Through discussion with the Energy Billing Officer, we determined that Alinta's procedures provide that in the event that Alinta receives information from a customer regarding an outage or malfunction of a metering installation; <ul style="list-style-type: none"> <li>The notification is recorded in the customer's account screen in Gentrack</li> <li>Alinta notifies Western Power via the web portal and requests the meter to be investigated.</li> </ul>
331	A network operator or a user may require the other to negotiate and enter into a written service level agreement in respect to the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.	Compliant - 5	Western Power has established a Metering Code service level agreement with Alinta, addressing metrology procedures outlined in the Code.
342	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.	Compliant - 5	Alinta is not a registered metering installation provider. For the purpose of its electricity retail operations, Alinta relies on Western Power to install all required metering installations. Nothing has come to our attention that indicates Alinta has breached this obligation.
349	A network operator and affected Code participants must liaise together to determine the most appropriate way to resolve a discrepancy between energy data held in a metering installation and data held in the metering database.	Compliant - 5	Through discussion with the Energy Billing Officer, we determined that Alinta and Western Power communicate via phone and email in order to resolve discrepancies between energy data held in a metering installation and data held in the metering database. Specific procedures include: <ul style="list-style-type: none"> <li>For discrepancies in energy data, Alinta investigates the trend of the site and investigate</li> <li>Once the data is determined to be incorrect, Alinta requests Western Power to investigate the meter or verify the data.</li> </ul>
365	A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment.	Compliant - 5	The Manager Customer Services confirmed that Alinta does not charge for the provision of any information under the Metering Code.
377	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	Compliant - 5	Through discussion with Energy Billing Officer and walkthrough of Alinta's billing procedures, we observed that those procedures provide for validated energy data and standing data to be provided to the customer on the monthly bill.

No	Obligation under Condition	Compliance Rating	Findings
379	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere.	Compliant - 5	<i>Obligations 379 and 380</i> Through discussion with the Energy Billing Officer and walkthrough of Alinta's customer transfer, connection and billing procedures, we observed that those procedures provide for: <ul style="list-style-type: none"> <li>Relevant information regarding the attributes of the customer and metering installation to be obtained from the customer and recorded in Gentrack</li> <li>Alinta to provide necessary assistance to Western Power upon request.</li> </ul>
380	A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.	Compliant - 5	
381	A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.	Compliant - 5	The Metering Service Centre web portal acts as the electronic communication mechanism for Alinta to notify Western Power in the event of any changes relevant to attributes of Alinta customers' within 1 business day.
384	A user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.	Compliant - 5	The Metering Service Centre web portal acts as the electronic communication mechanism for Alinta to notify Western Power in the event of any changes relevant to Alinta customers' attributes, with the exception of changes to standing data already notified by Western power.
390	A Code participant must not request a test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	Compliant - 5	<i>Obligations 390 and 391</i> Through discussion with the Energy Billing Officer and consideration of Alinta's procedures for utilising the Metering Service Centre web portal, we determined that Alinta, as a code participant/user is entitled to request a test or audit of the accuracy of, energy data from, or the standing data for a metering installation that relates to a time when Alinta was the current user. The Metering Code Service Level Agreement with Western Power also provides for Alinta to request a test or audit.
391	A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.	Compliant - 5	
409	Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's customer transfer, connection and billing procedures, we observed that those procedures provide for, if requested by Western Power, additional relevant information regarding customer attributes to be obtained from the customer and submitted to Western Power via the web portal within two business days.

No	Obligation under Condition	Compliance Rating	Findings
416	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	Compliant - 5	<p>The prescribed obligations relate to:</p> <ul style="list-style-type: none"> <li>• The Metering Code Communications Rules</li> <li>• The Metrology Procedure</li> <li>• A relevant Service Level Agreement</li> <li>• Mandatory Link Criteria.</li> </ul> <p>Alinta's application of those rules and procedures relevant to its activities are demonstrated in its:</p> <ul style="list-style-type: none"> <li>• Use of the Metering Service Centre web portal, in accordance with the instructions built into the system</li> <li>• Adherence to the requirements of the Metering Code Service Level Agreement with Western Power, which accommodate the Metering Code Communication Rules and the Approved Metrology Procedure.</li> </ul> <p>Nothing has come to our attention that indicates non-compliance with these obligations.</p>
418	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	Compliant - 5	<p>Via discussion with the Energy Billing Officer and consideration of the role of the Metering Service Centre web portal, we observed that Alinta communicates with Western Power via telephone, email, facsimile and the web portal. Western Power has been notified of Alinta's relevant telephone number through the web portal registration.</p>
420	A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.	Compliant - 5	<p>Western Power was notified of Alinta's contact details through the web portal registration and the Metering Code Service Level Agreement.</p> <p>As determined at obligation 52 above, Alinta's contact details have not changed during the period subject to audit.</p>

No	Obligation under Condition	Compliance Rating	Findings
422	A Code participant must not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	Compliant - 5	<p>Sub-clause 7.4 of the Code defines “confidential information” as:</p> <p>(a) metering database information</p> <p>(b) other information which is confidential or commercially sensitive.</p> <p>Through walkthrough of the Metering Service Centre web portal, we observed that security measures are in place to limit unauthorised use of metering database information or commercially sensitive information.</p> <p>Through discussion with the Energy Billing Officer, we understand Alinta’s confidentiality requirements are addressed in training provided to new staff, which address the need to verify customer identify over the phone prior to disclosing any details.</p> <p>Nothing has come to our attention that indicates non-compliance with this clause.</p>
423	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	Compliant - 5	<p>Sub-clause 7.6(2) of the Code outlines the circumstances in which confidential information may or must be disclosed, including to staff and advisors who have in place appropriate confidentiality arrangements.</p> <p>Through discussion with the Energy Billing Officer, we understand that:</p> <ul style="list-style-type: none"> <li>Alinta applies a consistent approach to establishing confidentiality arrangements with staff and third party advisors and consultants</li> <li>Alinta’s confidentiality requirements are addressed in training provided to new staff.</li> </ul>

# 5 Follow-up of previous audit action plans

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
1/08	217	(a) Additional procedures be implemented to enable sales staff to determine whether current and new customers' supply addresses are or should be registered as a life support equipment address (b) The Alinta Electricity Customer Charter be updated to clarify customers' and Alinta's responsibilities in relation to records of life support equipment.	(a) Alinta will amend its procedures to require sales staff to determine whether current and new customers' supply addresses should be registered as a life support equipment address (b) The Alinta Electricity Customer Charter will be updated to clarify customers' and Alinta's responsibilities in relation to records of life support equipment. <b>Responsible Person:</b> General Manager - Retail Sales and Manager Customer Services <b>Target Date:</b> 31 March 2009	(a) <b>In progress</b> (b) <b>Complete</b> – The Electricity Customer Service Charter now specifies customers' and Alinta's responsibilities in relation to records of life support equipment.	Refer to issue 8/10 of this report. <b>Responsible Person:</b> Manager Sales & Marketing and Manager Customer Services <b>Target Date:</b> 30 June 2011
2/08	85	Alinta's Licence compliance procedures be strengthened to ensure payment of prescribed licence fees by 20 June each year.	Alinta will amend internal payment system controls to ensure that the prescribed licence fee is paid by 20 June each year. <b>Responsible Person:</b> WA Controller - Finance <b>Target Date:</b> 31 March 2009	<b>In Progress</b>	Refer to issue 1/10 of this report. <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2010

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
3/08	97	Alinta's training, development and performance assessment programs be strengthened to better demonstrate the competency of staff and other marketing agents in discharging their responsibilities under the Code of Conduct.	<p>Alinta will identify opportunities to strengthen its training and development programs, including providing an effective training structure for marketing agents, to better demonstrate the competency of staff and marketing agents in discharging their responsibilities under the Code of Conduct.</p> <p>The absence of breaches of the Code of Conduct suggests existing recruitment, training and development practices and programs provide a sound basis for ensuring staff and marketing agents comply with the applicable codes.</p> <p><b>Responsible Person:</b> General Manager - Retail Sales</p> <p><b>Target Date:</b> 31 March 2009</p>	<b>In Progress</b>	<p>Refer to issue 2/10 of this report.</p> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing</p> <p><b>Target Date:</b> 31 March 2011</p>
4/08	122	In addition to improvements to Alinta's training, development and performance assessment programs as detailed at Recommendation 3 above, Alinta's core values and expected behaviours be formalised and communicated to all members of staff.	<p>Alinta will identify opportunities to strengthen its training and development programs, including providing an effective training structure for marketing agents, to better communicate its core values and expected behaviours when discharging responsibilities under the Code of Conduct.</p> <p>The absence of breaches of the Code of Conduct suggests existing recruitment, training and development practices and programs provide a sound basis for ensuring staff and marketing agents comply with the applicable codes.</p> <p><b>Responsible Person:</b> General Manager - Retail Sales</p> <p><b>Target Date:</b> 31 March 2009</p>	<b>In Progress</b>	<p>Refer to issue 2/10 of this report.</p> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing</p> <p><b>Target Date:</b> 31 March 2011</p>

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
		Note: The combined issues, recommendations and action plans detailed for obligations 97 and 122 above also relate to the following obligations: <ul style="list-style-type: none"> <li>113, 123, 127, 128, 129, 130, 131, 132, 134, 135, 137, and 138 – each relevant from 8 January 2008</li> <li>114, 115, 116 – each relevant to 7 January 2008.</li> </ul>			
5/08	257	Provide a copy of the Code of Conduct on the Alinta website.	Alinta will provide a copy of the Code of Conduct on its website. <b>Responsible Person:</b> General Manager - Retail Sales <b>Target Date:</b> 31 December 2008	<b>Complete</b> The web site now contains a copy of the Code of Conduct.	N/A
6/08	260	Establish instructions and templates which ensure notices and communications with customers include telephone numbers for Alinta's special information services and independent multi-lingual services.	Alinta will include telephone numbers for its special information services and independent multi-lingual services on the required notices. <b>Responsible Person:</b> Manager - Customer Services <b>Target Date:</b> 31 December 2008	<b>Complete</b> TTY and multilingual services are included on all templates. This has been demonstrated through the current period audit.	N/A
7/08	267	A procedure for recognising, recording and handling customer complaints in accordance with the requirements of the Code of Conduct be effectively implemented through communication to all staff and where necessary, marketing agents.	In January 2008, Alinta developed a Customer Complaint Handling Process for its electricity business. The Customer Complaint Handling Process was updated in August 2008 for: <ul style="list-style-type: none"> <li>ISO 10002 – 2006 Guiding principles replaced AS4269 Essential Elements</li> <li>Updated methods of contact</li> <li>Updated CSM involvement in process.</li> </ul> Alinta will identify opportunities to strengthen its communication to ensure staff are aware of the procedure for recognising, recording and handling customer complaints in accordance with the requirements of the Code. <b>Responsible Person:</b> General Manager - Retail Sales <b>Target Date:</b> 31 March 2009	<b>Complete</b> The Customer Complaint Handling Policy was implemented in 2009. Note that this audit raises additional issues relating to the effectiveness of the Policy and complaint handling procedures (refer to issue 10/10 of this report).	N/A
Note: The issue, recommendation and action plan detailed for obligation 267 also relates to obligations 268, 269, 271, 272, 275, 276 and 294.					

# Appendix A – Audit plan

**Alinta Sales Pty Ltd**  
**Electricity Retail Licence (ERL6)**  
**2010 Performance Audit**  
**Audit Plan**  
**August 2010**

# Contents

1	Introduction	4
	Overview	4
	Objective	4
	Scope	4
	Responsibility	6
2	Approach	7
	Risk assessment	7
	Systems analysis	9
	Testing and review	9
	Reporting	10
3	General information	11
	Key Alinta contacts	11
	Deloitte staff	11
	Timing	11
	Appendix A – Risk assessment key	12
	Appendix B – Risk assessment	14
	Appendix C – Previous audit recommendations	37

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# 1 Introduction

## Overview

The Economic Regulation Authority (**the Authority**) has under the provisions of the Electricity Industry Act 2004 (**Electricity Act**), issued to Alinta Sales Pty Ltd (**Alinta**) an Electricity Retail Licence (**the Licence**).

Section 13 of the Electricity Act requires Alinta to provide to the Authority a performance audit (**the audit**) conducted by an independent expert acceptable to the Authority not less than and in every 24 month period. With the Authority's approval, Deloitte Touche Tohmatsu (**Deloitte**) has been appointed to conduct the audit for the period 1 June 2008 to 31 May 2010. The Authority has also approved a one month extension to the due date of the audit report, to 30 September 2010

The Licence relates to Alinta's operation of selling electricity to contestable customers who are connected to the South West Interconnected System (SWIS).

The audit will be conducted in accordance with the July 2009 issue of the *Audit Guidelines: Electricity, Gas and Water Licences* (**Audit Guidelines**). In accordance with the Audit Guidelines this document represents the Audit Plan (**the Plan**) that is to be agreed upon by Deloitte and Alinta and presented to the Authority for approval.

## Objective

The performance audit is defined as an examination of the measures taken by Alinta to meet the performance criteria specified in its Licence.

The audit is designed to provide reasonable assurance regarding the assessment of appropriateness, effectiveness and efficiency associated with Alinta's compliance with its Licence. The audit will specifically consider the following:

- Process compliance - the effectiveness of systems and procedures in place throughout the audit period, including assessing 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 and procedures 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 performance - the completeness and accuracy of the performance reporting to the Authority
- Compliance with any individual licence conditions - the requirements imposed on Alinta by the Authority or specific issues for follow-up that are advised by the Authority.

## Scope

The Authority provides guidance on those aspects of the Licence and Alinta's performance criteria, which it expects to be reported upon and included in the scope of the performance audit in its *Electricity Compliance Reporting Manual* (**Reporting Manual**).

The audit applies the singular audit priority assessment approach to identify all applicable licence obligations. Each of the compliance requirements identified in the Reporting Manual have been evaluated for applicability to Alinta and used as the basis for determining the performance criteria to be considered for the audit.

The audit period is 1 June 2008 to 31 May 2010.

Table 1 below provides an outline of the compliance requirements that apply to Alinta's operations during the period subject to audit. Where necessary, further explanations are provided for the extent of the application of those obligations.

**Table 1 – Application of legislative elements to Alinta's electricity retail operations**

Legislative element	Application to Alinta's operations
Type 1 reporting obligations for all licence types	All type 1 obligations fall under the Code of Conduct for the Supply of Electricity to small Use Customers (Code of Conduct), which is designed to address standards of conduct in the supply and marketing of electricity to customers. Four of the seven obligations are applicable to Alinta as a Retailer.
Electricity Industry Customer Transfer Code	Each of the 36 obligations are applicable to Alinta's operations.
Electricity Industry (Licence Conditions) Regulations	Each of the three obligations are not applicable to Alinta's operations as they relate to the former Western Power Corporation entities only.
Electricity Industry Act	Each of the nine obligations are applicable to Alinta's operations.
Licence conditions and obligations	Each of the 13 obligations are applicable to Alinta's operations.
Code of Conduct	Of the 160 Code of Conduct obligations relevant to holders of an ERL: <ul style="list-style-type: none"> <li>• 14 are not applicable to Alinta's operations as Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant</li> <li>• Four are not applicable to Alinta's operations as they relate to the supply of electricity to non-contestable customers, to whom Alinta is not licensed to supply</li> <li>• The balance are applicable to Alinta's operations.</li> </ul>
Electricity Industry Metering Code	Of the 32 Metering Code obligations relevant to holders of an ERL <ul style="list-style-type: none"> <li>• One is not applicable to Alinta's operations as Alinta is not the network operator</li> <li>• One specifically relates to the Electricity Retail Corporation (Synergy) therefore is not applicable to Alinta's operations</li> <li>• The balance are applicable to Alinta's operations.</li> </ul>

# Responsibility

## Alinta's responsibility for compliance with the conditions of the Licence

Alinta is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority.

## Deloitte's responsibility

Our responsibility is to express a conclusion on Alinta's compliance with the conditions of the Licence based on our procedures. We will conduct our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (ASAE) 3500 *Performance Engagements*<sup>1</sup> issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in our opinion, based on the procedures performed, the conditions of the Licence have been complied with. Our engagement will provide reasonable assurance as defined in ASAE 3500.

## Limitations of use

Our report will be produced solely for the management of Alinta, for the purpose of their reporting requirements under section 13 of the Act. We disclaim any assumption of responsibility for any reliance on our report to any person other than the management of Alinta, or for any purpose other than that for which it was prepared. We disclaim all liability to any other party for all costs, loss, damages, and liability that the other party might suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party, or the reliance on our report by the other party.

## Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, readers of our report should not rely on the report to identify all potential instances of non-compliance which may occur.

## Independence

In conducting our engagement, we will comply with the independence requirements of the Australian professional accounting bodies.

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<sup>1</sup> ASAE 3500 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3100 *Compliance Engagements* and ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

## 2 Approach

The audit will be conducted in three distinct phases, being a risk assessment, system analysis and testing and review. From the audit results, a report will be produced to outline findings, overall compliance assessments and recommendations for improvement in line with the Audit Guidelines. Each step of the audit is discussed in detail below.

### Risk assessment

The audit will focus on identifying or assessing those activities and management control systems to be examined and the matters subject to audit. Therefore, the purpose of conducting the risk assessment as a preliminary phase enables the auditor to focus on pertinent/high risk areas of Alinta's licence obligations. The risk assessment gives specific consideration to the status of post audit action plans devised in response to previous audit recommendations, changes to Alinta's systems and processes and any matters of significance raised by the Authority and/or Alinta. The level of risk and materiality of the process determine the level of audit required i.e. the greater the materiality and the higher the risk, the more audit effort to be applied.

The first step of the risk assessment is the rating of the potential consequences of Alinta not complying with its licence obligations, in the absence of mitigating controls. As the Reporting Manual is prescriptive in its criteria for classifying the consequences of non-compliance (refer to **Appendix A-1**) the risk assessment applies the Reporting Manual's classifications for each obligation subject to audit. Reference is also made to the consequence rating descriptions listed at Table 10 of the Audit Guidelines (refer to **Appendix A-2**), providing the risk assessment with context to ensure the appropriate consequence rating is applied to each obligation subject to audit.

Once the consequence has been determined, the likelihood of Alinta not complying with its obligations is assessed using the likelihood rating listed at Table 11 of the Audit Guidelines (refer to **Appendix A-3**). The assessment of likelihood is based on the expected frequency of Alinta's non-compliance with the relevant licence obligation over a period of time.

Table 2 below (sourced from Table 12 of the Audit Guidelines) outlines the combination of consequence and likelihood ratings to determine the level of inherent risk associated with each individual obligation.

**Table 2: Inherent risk rating**

Likelihood	Consequence		
	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

Once the level of inherent risk has been determined, the adequacy of existing controls is assessed in order to determine the level of control risk. Controls are assessed and prioritised as weak, moderate or strong dependant on their suitability to mitigate the risks identified. The control adequacy ratings used by this risk assessment are aligned to the ratings listed at Table 14 of the Audit Guidelines (refer to **Appendix A-4**).

Once inherent risks and control risks are established, the audit priority can then be determined using the matrix listed at Table 15 of the Audit Guidelines (refer to **Table 3** below). Essentially, the higher the level of risk the more substantive testing is required.

**Table 3: Assessment of Audit Priority**

	Adequacy of existing controls		
Inherent Risk	Weak	Moderate	Strong
High	Audit priority 1	Audit priority 2	
Medium	Audit priority 3	Audit priority 4	
Low	Audit priority 5		

The following table outlines the audit requirement for each level of audit priority. Testing can range from extensive substantive testing around the controls and activities of particular processes to confirming the existence of controls through discussions with relevant staff.

**Table 4: Audit Priority Table**

Priority Rating and Resulting Audit Procedures	
Rating	Audit requirement
Audit Priority 1	<ul style="list-style-type: none"> <li>Controls testing and extensive substantive testing of activities and/or transactions</li> <li>Follow-up and if necessary, re-test matters previously reported.</li> </ul>
Audit Priority 2	<ul style="list-style-type: none"> <li>Controls testing and moderate substantive testing of activities and/or transactions</li> <li>Follow-up and if necessary, re-test matters previously reported.</li> </ul>
Audit Priority 3	<ul style="list-style-type: none"> <li>Limited controls testing (moderate sample size). Only substantively test transactions if further control weakness found</li> <li>Follow-up of matters previously reported.</li> </ul>
Audit Priority 4	<ul style="list-style-type: none"> <li>Confirmation of existing controls via observation and walk through testing</li> <li>Follow-up of matters previously reported.</li> </ul>
Audit Priority 5	<ul style="list-style-type: none"> <li>Confirmation of existing controls via observation, discussions with key staff and/or reliance on key references (“desktop review”).</li> </ul>

The risk assessment has been discussed with stakeholders to gain their input as to the appropriateness and factual accuracy of risk and control ratings and associated explanations. The key sources considered in reaching our preliminary assessment of the risk and control ratings were:

- The previous performance audit report (December 2008) and associated audit plan and risk assessment
- 2008 and 2009 compliance reports provided to the Authority
- Initial interviews with key Alinta staff
- Communications with the Authority’s Secretariat
- Consideration of relevant documentation.

At this stage, the risk assessment can only be a preliminary assessment based on reading of documentation and interviews by the auditors. It is possible that the ratings and risk assessment comments may be revised as we conduct our work and new evidence comes to light. Accordingly the risk assessment for the performance audit is a preliminary draft, not a final report, and no reliance should be placed on its findings. It is however an invaluable tool for focussing the audit effort.

The performance audit risk assessment is attached at **Appendix B**.

## Systems analysis

The systems analysis required will be determined utilising the aforementioned audit priority scale. Once the priority level has been defined the testing component will take place by way of interviewing key operational and administrative staff who will outline information that displays compliance with the Licence.

Where required, an observation of processes, procedures and operations and review of key documents will occur to assist in the determination of Alinta's compliance with Licence obligations. Key documents, which may be subject to audit, are not specifically disclosed in this plan. A list of documents examined will be included in the audit report.

## Testing and review

Using the results of the risk assessment and systems analysis, detailed testing and analysis will be performed to compare those standards maintained by Alinta with the relevant sections and schedules of the Licence. In assessing the extent of compliance, we will consider the following:

- The control environment: Alinta's management philosophy and operating style, organisational structure, assignment of authority and responsibilities, the use of internal audit, the use of information technology and the skills and experience of key staff members
- Information systems: the appropriateness of Alinta's information systems (in particular, those relating to customer service, customer relationship management, customer billing and financial management) to record the information needed to comply with the licence, the accuracy of data, the security of data and documentation describing the information system
- Control procedures: the presence of systems and procedures to ensure compliance with the licence, effectiveness of Alinta's internal control structure to detect and correct non-compliance.
- Compliance attitude: action taken by Alinta in response to any previous audit recommendations. Consideration will be given to the timing of action taken during the period subject to audit and whether the action has a permanent impact on Alinta's level of compliance
- Outcome compliance: actual performance against standards prescribed in the Licence throughout the audit period.

In circumstances where the population of relevant transactions to be tested are large, sampling techniques will be utilised to provide adequate assurance that test results are representative of Alinta's operations.

A full work program will be completed to record the specific aspects of our testing and analyses for each licence obligation. This work program will be based on:

- The audit priority determined by the risk assessment to be applicable each licence obligation
- The results of the systems analysis performed, as described above
- Deloitte's pre-determined sampling methodology, which takes account of the volume and frequency (e.g. daily, weekly, monthly, annual) of relevant transactions. Sample sizes typically range from 1 to 30, increasing with the volume and frequency of transactions
- The location of personnel and transactions to be tested.

## Reporting

In accordance with the Audit Guidelines, all aspects of compliance with the Licence will be assessed according to the rating scale based on the work performed. Refer to **Table 5** for the compliance levels that will be used for the performance audit.

**Table 5: Operational/performance compliance rating scale**

Name	Rating	Description
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
Non-compliant	2	Does not meet minimum requirements
Significantly non-compliant	1	Significant weaknesses and/or serious action required
Not applicable	N/A	Determined that the compliance obligation does not apply to the licensee's business operations
Not rated	N/R	No relevant activity took place during the audit period; therefore it is not possible to assess compliance.

The performance audit report will also be structured to address all key components expected by the Audit Guidelines, including:

- Response to previous audit recommendations (refer to Appendix C)
- Performance/compliance summary and rating for each licence condition – in tabular form
- Audit observations
- Where appropriate, recommendations on actions required to address areas of non-compliance.

Where appropriate, Alinta will provide post audit implementation plans for incorporation into the report as an appendix.

# 3 General information

All aspects of the audit will undergo quality assurance and review procedures as outlined in our previous communications. Before delivery of a final report, full quality procedures will be applied, including second partner review.

## Key Alinta contacts

The key contacts for this audit are:

- Corey Dykstra                      Manager Regulatory Affairs
- Ray Myles                           Customer Services Manager
- Geoff White                         Manager Sales and Marketing

The audit also expects to receive assistance from the following Alinta Sales functions/teams:

- Customer Service Centre
- Sales and Marketing
- Finance.

Note that all work is expected to be completed at Alinta Sales' Perth offices, located at Alinta Plaza and The Quadrant.

## Deloitte staff

Deloitte staff who will be involved with this assignment are:

- Richard Thomas                      Partner
- Andrew Baldwin                      Account Director
- Shaun Sia                               Manager (IT)
- Ben Fountain                          Senior Analyst
- Jin Sua                                   Senior Analyst
- Michael Genever                      Analyst
- Matt Thomson                         Partner, Energy Advisory Group (Quality Assurance Review)

Resumes for key Deloitte staff are outlined in the proposal accepted by Alinta and subsequently presented to the Authority.

## Timing

The initial risk assessment phase was completed on 30 July 2010. On 2 August 2010 the audit plan and detailed risk assessment were presented in a state suitable for submission to the Authority for review and comment.

The remainder of the fieldwork phase is scheduled to be performed in August 2010.

Deloitte's time and staff commitment to the completion of the audit is outlined in the proposal accepted by Alinta and subsequently presented to the Authority.

# Appendix A – Risk assessment key

## A-1 Criteria for classification

Source: *Electricity Compliance Reporting Manual March 2008*

Rating (type)	Classification of Non-Compliance	Criteria for classification
1	Major	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> <li>the consequences of non-compliance would cause major damage, loss or disruption to customers; or</li> <li>the consequences of non-compliance would endanger or threaten to endanger the safety or health of a person.</li> </ul>
2	Moderate	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> <li>the consequences of non-compliance impact the efficiency and effectiveness of the licensee's operations or service provision but do not cause major damage, loss or disruption to customers; or</li> <li>the regulatory obligation is not otherwise classified as a Type 1 or a Type NR non-compliance.</li> </ul> <p>Reclassification of Type 2 as a Type 1 may occur in circumstances of systematic non-compliance.</p>
NR	Minor	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> <li>the consequences of non-compliance are relatively minor – i.e. non-compliance will have minimal impact on the licensee's operations or service provision and do not cause damage, loss or disruption to customers; or</li> <li>compliance with the obligation is immeasurable; or</li> <li>the non-compliance is required to be reported to the Regulator under another instrument, guideline or code 6; or</li> <li>the non-compliance is identified by a party other than the licensee ; or</li> <li>the licensee only needs to use its reasonable endeavours or best endeavours to achieve compliance or where the obligation does not otherwise impose a firm obligation on the licensee.</li> </ul> <p>Reclassification of Type NR as a Type 2 may occur in circumstances of:</p> <ul style="list-style-type: none"> <li>systemic non-compliance; or</li> <li>a failure to resolve non-compliance promptly.</li> </ul>

## A-2 Consequence ratings

Source: Audit Guidelines – Electricity, Gas and Water Licences July 2009

	Rating	Examples of non-compliance			
		Supply Quality	Supply Reliability	Consumer Protection	Breaches of legislation or other licence conditions
1	Minor	Minor public health and safety issues.  Breach of quality standards minor - minimal impact on customers.	System failure or connection delays affecting only a few customers.  Some inconvenience to customers.	Customer complaints procedures not followed in a few instances.  Nil or minor costs incurred by customers.	Licence conditions not fully complied with but issues have been promptly resolved.
2	Moderate	Event is restricted in both area and time e.g., supply of service to one street is affected up to one day.  Some remedial action is required.	Event is restricted in both area and time e.g., supply of service to one street is affected up to one day. Some remedial action is required.	Lapse in customer service standards is clearly noticeable but manageable.  Some additional costs may be incurred by some customers.	Clear evidence of one or more breaches of legislation or other licence conditions and/or sustained period of breaches.
3	Major	Significant system failure.  Life-threatening injuries or widespread health risks.  Extensive remedial action required.	Significant system failure.  Extensive remedial action required.		

## A-3 Likelihood ratings

Source: Audit Guidelines – Electricity, Gas and Water Licences July 2009

	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 every three years
C	Unlikely	Non-compliance is expected to occur at least once every 10 years or longer

## A-4 Adequacy ratings for existing controls

Source: Audit Guidelines – Electricity, Gas and Water Licences July 2009

Rating	Description
Strong	Strong controls that are sufficient for the identified risks
Moderate	Moderate controls that cover significant risks; improvement possible
Weak	Controls are weak or non-existent and have minimal impact on the risks

# Appendix B – Risk assessment

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
Section 6 TYPE 1 REPORTING OBLIGATIONS							
<b>Related Risks</b> - Customers with life support equipment are wrongfully disconnected			<b>Controls</b> - Customer database - Gentrack - Customer connection protocol - Customer disconnection policies and procedures - Assigned responsibility for monitoring compliance.				
216	Code of Conduct clause 7.6	A retailer or a distributor must not arrange for disconnection or disconnect a customer’s supply address in the circumstances specified.	Major	Unlikely	High	Strong	Priority 2
217	Code of Conduct clause 7.7(1)	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer’s supply address requires life support equipment.	Major	Unlikely	High	Moderate	Priority 2
Section 7 ELECTRICITY INDUSTRY CUSTOMER TRANSFER CODE - LICENCE CONDITIONS AND OBLIGATIONS							
<b>Related Risks</b> - Consumption data is inaccurate - Customer transfer details are incorrect  - Errors in customer transfer request - Staff are unaware of their responsibilities related to the Code - Confidential data is released - Information is sent to the wrong customer - Disputes are not adequately resolved - Failure to communicate effectively - Customer unduly prevented from transfer			<b>Controls</b> - Western Power portal - Customer Transfer Procedures - Procedures for the correction of customer transfers - Code of conduct training - Confidentiality protocols - Gentrack system - Complaints procedure (not formal)				
Part 3 - Customer/connection information/data							
6	Customer Transfer Code clause 3.2(2)	A retailer must submit a separate data request for each exit point unless otherwise agreed.	Moderate	Unlikely	Medium	Strong	Priority 4
7	Customer Transfer Code clause 3.4(1)	A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.	Moderate	Unlikely	Medium	Strong	Priority 4
8	Customer Transfer Code clause 3.5(3)	A retailer must withdraw a request for historical consumption data if the contestable customer’s verifiable consent ceases to apply before the network operator provides the historical consumption data.	Moderate	Unlikely	Medium	Moderate	Priority 4
9	Customer Transfer Code clause 3.6(2)	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a withdrawn request for historical consumption data.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
16	Customer Transfer Code clause 3.9(1)	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
17	Customer Transfer Code clause 3.9(2)	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
18	Customer Transfer Code clause 3.9(3)	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.	Moderate	Unlikely	Medium	Moderate	Priority 4
19	Customer Transfer Code clause 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>Part 4 - Transfer of contestable customers</b>							
23	Customer Transfer Code clause 4.2(2)	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.	Moderate	Unlikely	Medium	Strong	Priority 4
24	Customer Transfer Code clause 4.3	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.	Moderate	Unlikely	Medium	Strong	Priority 4
25	Customer Transfer Code clause 4.4(1)	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.	Moderate	Unlikely	Medium	Moderate	Priority 4
26	Customer Transfer Code clause 4.4(2)	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.	Moderate	Probable	Medium	Moderate	Priority 4
27	Customer Transfer Code clause 4.5(1)	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date.	Moderate	Unlikely	Medium	Strong	Priority 4
28	Customer Transfer Code clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	Moderate	Unlikely	Medium	Strong	Priority 4
29	Customer Transfer Code clause 4.7	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.	Moderate	Unlikely	Medium	Strong	Priority 4
30	Customer Transfer Code clause 4.8(2)	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.	Moderate	Unlikely	Medium	Strong	Priority 4
34	Customer Transfer Code clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
39	Customer Transfer Code clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	Moderate	Unlikely	Medium	Strong	Priority 4
40	Customer Transfer Code clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	Minor	Unlikely	Low	Moderate	Priority 5
43	Customer Transfer Code clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.	Minor	Unlikely	Low	Moderate	Priority 5
44	Customer Transfer Code clause 4.16	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	Moderate	Unlikely	Medium	Strong	Priority 4
45	Customer Transfer Code clause 4.17	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	Moderate	Unlikely	Medium	Strong	Priority 4
<b>Part 5 - Communication rules</b>							
48	Customer Transfer Code clause 5.1(4)	A network operator and a retailer must comply with approved communication rules.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>Part 6 - Notices</b>							
49	Customer Transfer Code clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.	Moderate	Unlikely	Medium	Strong	Priority 4
52	Customer Transfer Code clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request.	Moderate	Unlikely	Medium	Strong	Priority 4
53	Customer Transfer Code clause 6.4(2)	A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
54	Customer Transfer Code clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	Moderate	Unlikely	Medium	Strong	Priority 4
<b>Part 7 - Dispute resolution</b>							
55	Customer Transfer Code clause 7.1(1)	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.	Minor	Unlikely	Low	Moderate	Priority 5
56	Customer Transfer Code clause 7.1(2)	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.	Minor	Unlikely	Low	Moderate	Priority 5

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
57	Customer Transfer Code clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	Moderate	Unlikely	Medium	Moderate	Priority 4
58	Customer Transfer Code clause 7.2(4)	A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details.	Minor	Unlikely	Low	Moderate	Priority 5
59	Customer Transfer Code clause 7.3(2)	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.	Minor	Unlikely	Low	Moderate	Priority 5
<b>Annex 6 - Electronic Communications Protocol</b>							
68	Customer Transfer Code Annex 6 clause A6.2(a)	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.	Minor	Unlikely	Low	Strong	Priority 5
69	Customer Transfer Code Annex 6 clause A6.2(b)	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.	Moderate	Unlikely	Medium	Moderate	Priority 4
70	Customer Transfer Code Annex 6 clause A6.6	The originator of an electronic communication must identify itself in the communication.	Minor	Unlikely	Low	Moderate	Priority 5
71	Customer Transfer Code Annex 6 clause A6.7	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.	Minor	Unlikely	Low	Moderate	Priority 5
<b>11 ELECTRICITY INDUSTRY (LICENCE CONDITIONS) REGULATIONS - LICENCE CONDITIONS AND OBLIGATIONS</b>							
<b>Related Risks</b> - Coordinator requirements re energy source not met - Customer needs re energy source not met - Misleading reporting to the Coordinator			<b>Controls</b> - Customer relationship management protocols (to date, no customers have requested renewable source electricity)				
78	Electricity Industry (Licence Conditions) Regulations regulation 6	The electricity corporation must offer to purchase renewable source electricity, under an approved contract, from an eligible customer who wishes to sell such electricity to the corporation.	Not applicable - Relates to former Western Power entities.				
79	Electricity Industry (Licence Conditions) Regulations regulation 7	The electricity corporation must, as soon as practicable after the end of each financial year, submit a written report to the Coordinator regarding its costs in purchasing renewable source electricity under approved contracts.	Not applicable - Relates to former Western Power entities.				
80	Electricity Industry (Licence Conditions) Regulations regulation 8(8)	The electricity corporation must comply with a direction given by the Coordinator under regulation 8(5) of the Electricity Industry (Licence Conditions) Regulations to submit an appropriate amendment to its contract to provide for the purchase of renewable source electricity.	Not applicable - Relates to former Western Power entities.				

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
<b>12 ELECTRICITY INDUSTRY ACT – LICENCE CONDITIONS AND OBLIGATIONS</b>							
<b>Related Risks</b> - Failure to meet regulatory timeframes - Inappropriate access restrictions - Avoidable interruption to supply			<b>Controls</b> - Western Power portal - Compliance training - Customer Service charter				
81	Electricity Industry Act section 13(1)	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	Minor	Unlikely	Low	Strong	Priority 5
85	Electricity Industry Act section 17(1)	A licensee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.	Minor	Likely	Medium	Weak	Priority 3
86	Electricity Industry Act section 31(3)	A licensee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.	Minor	Unlikely	Low	Strong	Priority 5
87	Electricity Industry Act section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	Moderate	Unlikely	Medium	Moderate	Priority 4
88	Electricity Industry Act section 54(1)	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard for contract	Moderate	Unlikely	Medium	Strong	Priority 4
89	Electricity Industry Act section 54(2)	A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified	Moderate	Unlikely	Medium	Moderate	Priority 4
93	Electricity Industry Act section 76	If a designation under section 71(1) of the Electricity Industry Act is in force a licensee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.	Moderate	Unlikely	Medium	Moderate	Priority 4
94	Electricity Industry Act section 101	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.	Moderate	Unlikely	Medium	Strong	Priority 4
96	Electricity Industry Act section 115(2)	A licensee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>13 ELECTRICITY LICENCES - LICENCE CONDITIONS AND OBLIGATIONS</b>							
<b>Related Risks</b> - Failure to meet licence requirements - Breaches to codes are not identified - Failure to provide an adequate service - Standard contract formats are not suitable			<b>Controls</b> - Understanding of ERA guidelines - Breach reporting - Customer Service Charter - Non-standard contracts				

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
97	Retail Licence condition 6.1	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	Moderate	Probable	Medium	Weak	Priority 3
98	Retail Licence condition 6.2	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	Moderate	Unlikely	Medium	Moderate	Priority 4
99	Retail Licence condition 13.2	A licensee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that review within the time specified by the Authority.	Minor	Unlikely	Low	Moderate	Priority 5
100	Retail Licence condition 13.3	A licensee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review.	Minor	Probable	Low	Moderate	Priority 5
101	Retail Licence condition 14.1	A licensee may only amend the standard form contract with the Authority's approval.	Moderate	Unlikely	Medium	Moderate	Priority 4
102	Retail Licence condition 15.2	A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter within the timeframe specified, and submit to the Authority the results of that review within 5 days after it is completed.	Moderate	Unlikely	Medium	Moderate	Priority 4
105	Retail Licence condition 20.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	Moderate	Unlikely	Medium	Strong	Priority 4
106	Retail Licence condition 21.4	A licensee must comply with any individual performance standards prescribed by the Authority.	Moderate	Unlikely	Medium	Moderate	Priority 4
107	Retail Licence condition	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	Moderate	Unlikely	Medium	Strong	Priority 4
109	Retail Licence condition 23.1	A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	Moderate	Unlikely	Medium	Moderate	Priority 4
110	Retail Licence condition 24.1	A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	Moderate	Probable	Medium	Weak	Priority 3
111	Retail Licence condition 25.2	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
112	Retail Licence condition 26.1	Unless otherwise specified, all notices must be in writing.	Moderate	Unlikely	Medium	Strong	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
<b>14 CODE OF CONDUCT - LICENCE CONDITIONS AND OBLIGATIONS</b>							
<b>Related Risks</b> <ul style="list-style-type: none"> <li>- Marketing reps do not discharge their responsibilities</li> <li>- Confidential information is released</li> <li>- Confidential information is lost</li> <li>- Contracts do not meet Licence regulations</li> <li>- Incorrect information is supplied to customers</li> <li>- Incorrect customer information is recorded</li> <li>- Reputation is damaged through inadequate customer service</li> <li>- Insufficient communication with customers</li> <li>- Financial penalties through breach of Privacy legislation</li> <li>- Billing calculations are incorrect</li> <li>- Fees due are not recovered</li> <li>- Disconnection errors occur</li> <li>- Customer Service Charter is out of date</li> <li>- Complaints are not resolved effectively</li> </ul>			<b>Controls</b> <ul style="list-style-type: none"> <li>- Code of Conduct</li> <li>- Restricted access to information</li> <li>- Confidentiality procedures</li> <li>- Terms and conditions of contract</li> <li>- Customer Services Team competency</li> <li>- Data review procedures</li> <li>- Customer Service Team training</li> <li>- Customer relationship management protocols</li> <li>- Privacy procedure</li> <li>- Billing review procedures</li> <li>- Debt recovery procedures</li> <li>- Western Power portal</li> <li>- Annual review of Customer Service Charter</li> <li>- Complaints procedure</li> <li>- Marketing strategy (including no door to door marketing)</li> </ul>				
113	Code of Conduct clause 2.1 Retail Licence condition 6.1	A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.	Moderate	Probable	Medium	Weak	Priority 3
114	Code of Conduct clause 2.2 Retail Licence condition 6.1	A marketer must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
115	Code of Conduct clause 2.3(1) Retail Licence condition 6.1	A marketing representative must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.	Moderate	Unlikely	Medium	Strong	Priority 4
116	Code of Conduct clause 2.3(2) Retail Licence condition 6.1	Where a standard form contract is not entered into as a result of door to door marketing or for a non-standard contract initiated by telephone, a marketing representative must obtain and make a record of the customer's verifiable consent that the specified information has been given.	Moderate	Unlikely	Medium	Strong	Priority 4
117	Code of Conduct clause 2.3(3) Retail Licence condition 6.1	Where a standard form contract is entered into as a result of door to door marketing or for a non-standard contract (other than that initiated by telephone), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.	Moderate	Unlikely	Medium	Strong	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
118	Code of Conduct clause 2.4(1) Retail Licence condition 6.1	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must offer to provide the customer with a copy of the contract and, where this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible thereafter.	Moderate	Unlikely	Medium	Strong	Priority 4
119	Code of Conduct clause 2.4(2) Retail Licence condition 6.1	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must give the information specified to the customer	Moderate	Unlikely	Medium	Strong	Priority 4
120	Code of Conduct clause 2.4(3) Retail Licence condition 6.1	In circumstances where a standard form contract is not entered into as a result of door to door marketing, a retailer or marketing representative must give the specified information no later than with or on the customer's first bill.	Moderate	Unlikely	Medium	Strong	Priority 4
121	Code of Conduct clause 2.4(4) Retail Licence condition 6.1	In circumstances where a standard form contract is entered into as a result of door to door marketing or a non-standard contract, a retailer or marketing representative must give the specified information and a copy of the contract before the customer has entered into the contract and must obtain a written acknowledgement that the information has been given.	Moderate	Unlikely	Medium	Strong	Priority 4
122	Code of Conduct clause 2.5(1) Retail Licence condition 6.1	A marketing representative must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.	Moderate	Unlikely	Medium	Moderate	Priority 4
123	Code of Conduct clause 2.5(2) Retail Licence condition 6.1	A marketing representative must not exert undue pressure on a customer, nor harass or coerce a customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
124	Code of Conduct clause 2.5(3) Retail Licence condition 6.1	A marketing representative must ensure that the inclusion of concessions is made clear to customers and any prices that exclude concessions are disclosed.	Moderate	Unlikely	Medium	Moderate	Priority 4
125	Code of Conduct clause 2.5(4) Retail Licence condition 6.1	A marketing representative must ensure that all standard form contracts that are entered into as a result of door to door marketing and all non-standard contracts are in writing.	Moderate	Unlikely	Medium	Strong	Priority 4
126	Code of Conduct clause 2.5(5) Retail Licence condition 6.1	A marketer must ensure that a customer is able to contact the marketer on the marketer's telephone number during normal business hours for the purposes of enquiries, verifications and complaints.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
127	Code of Conduct clause 2.6(1) Retail Licence condition 6.1	A marketing representative must provide the information specified to the customer when marketing by means other than face to face and after having identified the purpose of the contact, if the contact is not by electronic means, the marketing representative must ask the customer whether they wish to proceed further.	Moderate	Unlikely	Medium	Moderate	Priority 4
128	Code of Conduct clause 2.6(2) Retail Licence condition 6.1	A marketing representative must, on request, provide the customer with the information specified.	Moderate	Probable	Medium	Moderate	Priority 4
129	Code of Conduct clause 2.6(3) Retail Licence condition 6.1	A marketing representative who meets with a customer face to face must: as soon as practicable tell the customer the purpose of the visit; wear a clearly visible and legible identity card showing the information specified; and as soon as practicable provide the information specified in writing to the customer.	Moderate	Probable	Medium	Moderate	Priority 4
130	Code of Conduct clause 2.6(4) Retail Licence condition 6.1	If, when marketing to a customer, the customer indicates that they wish to end the contact, the marketing representative must end the contact as soon as practicable and not attempt to contact the customer for the next 30 days unless the customer agrees otherwise.	Moderate	Probable	Medium	Weak	Priority 3
131	Code of Conduct clause 2.6(5) Retail Licence condition 6.1	Unless requested by the customer, a marketing representative must not make contact with a customer outside the permitted call times, unless the contact is by electronic means or the contact arises outside the customer's premises in circumstances where the customer initiates contact.	Moderate	Unlikely	Medium	Moderate	Priority 4
132	Code of Conduct clause 2.6(6) Retail Licence condition 6.1	A marketing representative must ensure that contact for the purposes of marketing does not continue for more than 15 minutes past the end of the permitted call times without the customer's verifiable consent unless the contact is by electronic means.	Moderate	Unlikely	Medium	Moderate	Priority 4
133	Code of Conduct clause 2.6(7) and 2.6(8) Retail Licence condition 6.1	Except in response to a customer request or query, a marketer must keep the specified records each time it initiates contact with a customer for the purposes of marketing.	Moderate	Probable	Medium	Moderate	Priority 4
134	Code of Conduct clause 2.7(1) Retail Licence condition 6.1	Where the customer requests not to be contacted for the purposes of marketing a marketer must ensure that a customer is not contacted on its behalf in relation to the supply of electricity for a period of 2 years unless: the customer requests the contact; or the customer has moved premises; or a marketer has a legal obligation to contact the customer.	Moderate	Probable	Medium	Weak	Priority 3

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
135	Code of Conduct clause 2.7(2) Retail Licence condition 6.1	A marketer must keep a record of each customer who has requested not to be contacted, that includes specified information.	Moderate	Probable	Medium	Weak	Priority 3
136	Code of Conduct clause 2.7(3) Retail Licence condition 6.1	A marketer must give a copy of the record to the Electricity Ombudsman or the Authority on request.	Minor	Unlikely	Low	Moderate	Priority 5
137	Code of Conduct clause 2.7(4) Retail Licence condition 6.1	A marketer must provide the customer on request with written confirmation that the customer will not be contacted for the next two years.	Moderate	Probable	Medium	Moderate	Priority 4
138	Code of Conduct clause 2.7(5) Retail Licence condition 6.1	A marketing representative must comply with a notice on or near premises indicating that the customer does not wish to receive unsolicited mail or other marketing information.	Moderate	Unlikely	Medium	Moderate	Priority 4
139	Code of Conduct clause 2.8 Retail Licence condition 6.1	A retailer must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct.	Moderate	Unlikely	Medium	Strong	Priority 4
140	Code of Conduct clause 3.1(1)	If a retailer agrees to sell electricity 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.	Moderate	Unlikely	Medium	Strong	Priority 4
141	Code of Conduct clause 3.1(2)	A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise.	Moderate	Unlikely	Medium	Strong	Priority 4
142	Code of Conduct clause 4.1	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist.	Moderate	Unlikely	Medium	Strong	Priority 4
143	Code of Conduct clause 4.2(2)	A retailer may only place a customer on a shortened billing cycle, without the customer's verifiable consent, in the circumstances specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
144	Code of Conduct clause 4.2(3)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
145	Code of Conduct clause 4.2(4)	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	Moderate	Unlikely	Medium	Moderate	Priority 4
146	Code of Conduct clause 4.2(5)	A retailer must return a customer, who is subject to a shortened billing cycle and has paid three consecutive bills by the due date, on request, to the billing cycle that previously applied to the customer.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
147	Code of Conduct clause 4.2(6)	A retailer must inform a customer, who is subject to a shortened billing cycle, at least once every three months, of the conditions upon which a customer can be returned to its previous billing cycle.	Moderate	Unlikely	Medium	Moderate	Priority 4
148	Code of Conduct clause 4.3(1)	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide a customer with estimated bills under a bill smoothing arrangement.	Moderate	Unlikely	Medium	Moderate	Priority 4
149	Code of Conduct clause 4.3(2)	If a retailer provides a customer with estimated bills under a bill smoothing arrangement the retailer must ensure that the conditions specified are met.	Moderate	Unlikely	Medium	Moderate	Priority 4
150	Code of Conduct clause 4.4	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.	Moderate	Unlikely	Medium	Strong	Priority 4
151	Code of Conduct clause 4.5(1)	A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise.	Moderate	Probable	Medium	Weak	Priority 3
152	Code of Conduct clause 4.5(3)	A retailer must advise the customer of the amount of historical debt and its basis before, with or on the customer's bill, if the retailer wishes to bill the customer for the historical debt.	Moderate	Unlikely	Medium	Strong	Priority 4
153	Code of Conduct clause 4.6(1)	A retailer must base the customer's bill on the distributor's or metering agent's reading of the meter, or the customer's reading of the meter in the circumstances specified.	Moderate	Unlikely	Medium	Strong	Priority 4
154	Code of Conduct clause 4.6(2)	A retailer must give the customer information that explains to that customer how to read a meter correctly (if applicable) in clear, simple and concise language.	Moderate	Unlikely	Medium	Moderate	Priority 4
155	Code of Conduct clause 4.7	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills and, in any event, at least once every twelve months in accordance with clause 4.6(1)(a) of the Code of Conduct.	Minor	Unlikely	Low	Strong	Priority 5
156	Code of Conduct clause 4.8(1)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
157	Code of Conduct clause 4.8(2)	A retailer must specify the stated information in circumstances where the customer's bill is estimated.	Moderate	Probable	Medium	Weak	Priority 3
158	Code of Conduct clause 4.8(3)	A retailer must tell a customer, on request, the basis and reason for the estimation.	Moderate	Probable	Medium	Weak	Priority 3
159	Code of Conduct clause 4.9	Where the 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.	Moderate	Probable	Medium	Weak	Priority 3
160	Code of Conduct clause 4.10	A retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading if the customer satisfies the requirements as specified.	Minor	Unlikely	Low	Strong	Priority 5

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
161	Code of Conduct clause 4.11(1)	A retailer must request the distributor or metering agent to test the meter if a customer requests the meter to be tested and pays any reasonable charge of the retailer for testing the meter.	Moderate	Unlikely	Medium	Strong	Priority 4
162	Code of Conduct clause 4.11(2)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
163	Code of Conduct clause 4.12(1)	A retailer must change the customer to an alternate tariff within the period specified if the customer applies to receive an alternate tariff and demonstrates to the retailer that they satisfy the conditions of eligibility.	Moderate	Unlikely	Medium	Moderate	Priority 4
164	Code of Conduct clause 4.13	A retailer must give the customer written notice prior to changing the customer to an alternative tariff if the customer's electricity use has changed and the customer is no longer eligible to continue to receive an existing, more beneficial tariff.	Moderate	Unlikely	Medium	Strong	Priority 4
165	Code of Conduct clause 4.14(1)	A retailer may recover any amounts undercharged to a customer as a result of a change in the customer's electricity use for the period of up to 12 months prior to the date on which the retailer provided notice in the specified manner.	Minor	Unlikely	Low	Strong	Priority 5
166	Code of Conduct clause 4.14(2)	A retailer must repay any amounts overcharged to a customer as a result of a change in the customer's electricity use.	Moderate	Unlikely	Medium	Strong	Priority 4
167	Code of Conduct clause 4.15(1)	A retailer must use reasonable endeavours to arrange for a final bill if a customer requests the retailer to issue a final bill at the customer's supply address.	Minor	Unlikely	Low	Strong	Priority 5
168	Code of Conduct clause 4.15(2)	A retailer must repay the customer any amount in credit at the time of account closure.	Moderate	Unlikely	Medium	Strong	Priority 4
169	Code of Conduct clause 4.16	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.	Moderate	Unlikely	Medium	Strong	Priority 4
170	Code of Conduct clause 4.17(1)	A retailer must follow the procedures specified if a review of a bill has been conducted and the retailer is satisfied that the bill is correct or incorrect.	Moderate	Unlikely	Medium	Strong	Priority 4
171	Code of Conduct clause 4.17(2)	A retailer must inform the customer of the outcome of the review of a bill as soon as practicable, but, in any event, within 20 business days from the date of receipt of the request for review.	Moderate	Unlikely	Medium	Strong	Priority 4
172	Code of Conduct clause 4.18(2)	A retailer must recover an amount undercharged as a result of an act or omission by a retailer or distributor in the manner specified.	Moderate	Unlikely	Medium	Strong	Priority 4
173	Code of Conduct clause 4.19(2)	A retailer must use its best endeavours to inform the customer (including a customer who has vacated the supply address) and repay or credit any amount overcharged as a result of an act or omission by a retailer or distributor, in the manner and period specified.	Minor	Unlikely	Low	Strong	Priority 5

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
174	Code of Conduct clause 4.19(3)	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	Moderate	Unlikely	Medium	Moderate	Priority 4
175	Code of Conduct clause 4.19(4)	A retailer must use reasonable endeavours to credit the amount overcharged within 20 business days of the customer making the request, in circumstances where instructions as to payment are not received.	Minor	Unlikely	Low	Moderate	Priority 5
176	Code of Conduct clause 5.1	The due date on the bill must be at least 12 business days from the date of the bill, with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.	Moderate	Unlikely	Medium	Strong	Priority 4
177	Code of Conduct clause 5.2(1)	A retailer must offer the specified minimum payment methods.	Moderate	Unlikely	Medium	Moderate	Priority 4
178	Code of Conduct clause 5.2(2)	A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment.	Moderate	Unlikely	Medium	Moderate	Priority 4
179	Code of Conduct clause 5.3	A retailer must, prior to commencing a direct debit, obtain the customer's verifiable consent and agree to the specified conditions for the direct debit.	Moderate	Unlikely	Medium	Moderate	Priority 4
180	Code of Conduct clause 5.4	A retailer must accept payment in advance from a customer on request, in the circumstances specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
181	Code of Conduct clause 5.5	A retailer must, at no charge, offer a residential customer a redirection of the customer's bill to a third person, if requested by a customer who is unable to pay by a minimum payment method, due to illness or absence.	Moderate	Unlikely	Medium	Moderate	Priority 4
182	Code of Conduct clause 5.6(1)	A retailer must not charge a residential customer a late payment fee in the circumstances specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
183	Code of Conduct clause 5.6(2)	A retailer must not charge an additional late payment fee in relation to the same bill within five business days from the date of receipt of the previous late payment fee notice.	Moderate	Unlikely	Medium	Moderate	Priority 4
184	Code of Conduct clause 5.6(3)	A retailer must not charge a residential customer more than two late payment fees in relation to the same bill.	Moderate	Unlikely	Medium	Moderate	Priority 4
185	Code of Conduct clause 5.7(1)	A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
186	Code of Conduct clause 5.7(2)	A retailer must not require a customer who was evicted or otherwise required to vacate a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
187	Code of Conduct clause 5.7(4)	A retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
188	Code of Conduct clause 5.8(1)	A retailer must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission.	Moderate	Unlikely	Medium	Strong	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
189	Code of Conduct clause 5.8(2)	A retailer must not commence proceedings for recovery of a debt in the circumstances specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
190	Code of Conduct clause 5.8(3)	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 electricity to that supply address.	Moderate	Unlikely	Medium	Moderate	Priority 4
191	Code of Conduct clause 6.1(1)	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within three business days from when the residential customer informs a retailer that they are experiencing payment problems.	Moderate	Unlikely	Medium	Moderate	Priority 4
192	Code of Conduct clause 6.1(2)	A retailer must give reasonable consideration to the information and advice specified when undertaking an assessment regarding payment difficulties or financial hardship.	Minor	Unlikely	Low	Moderate	Priority 5
193	Code of Conduct clause 6.1(3)	A retailer must advise a residential customer on request of the details of an assessment.	Moderate	Unlikely	Medium	Moderate	Priority 4
194	Code of Conduct clause 6.2(1)	A retailer may not unreasonably deny a residential customer's request for a temporary suspension of actions in the circumstances specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
195	Code of Conduct clause 6.2(2)	A retailer must allow a temporary suspension of actions for a period of at least 10 days.	Moderate	Unlikely	Medium	Moderate	Priority 4
196	Code of Conduct clause 6.2(3)	A retailer must give reasonable consideration to a request by a relevant consumer representative organisation to allow additional time to assess a residential customer's capacity to pay.	Minor	Unlikely	Low	Moderate	Priority 5
197	Code of Conduct clause 6.3	A retailer must offer the alternative payment arrangements, and advise the residential customers that additional assistance may be available, in circumstances where a residential customer is assessed as experiencing payment difficulties or financial hardship.	Moderate	Unlikely	Medium	Moderate	Priority 4
198	Code of Conduct clause 6.4(1)	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the specified payment arrangements.	Moderate	Unlikely	Medium	Moderate	Priority 4
199	Code of Conduct clause 6.4(2)	A retailer must take into account and specify the stated information and take the specified actions when offering an instalment plan to a residential customer experiencing payment difficulties or financial hardship.	Moderate	Unlikely	Medium	Moderate	Priority 4
200	Code of Conduct clause 6.6(1)	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative organisation, for a reduction of the customer's fees, charges, or debt.	Minor	Unlikely	Low	Moderate	Priority 5
201	Code of Conduct clause 6.6(2)	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in clause 6.10(2)(c) and 6.10(2)(d).	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
202	Code of Conduct clause 6.7	A retailer must give reasonable consideration to offering a customer an instalment plan or offering to revise an existing instalment plan, in circumstances where it is reasonably demonstrated to the retailer that the customer is unable to meet its previously elected payment arrangement.	Minor	Unlikely	Low	Moderate	Priority 5
203	Code of Conduct clause 6.8	A retailer must advise the customer of the specified assistance information.	Moderate	Unlikely	Medium	Moderate	Priority 4
204	Code of Conduct clause 6.9(1)	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representative organisations.	Moderate	Unlikely	Medium	Moderate	Priority 4
205	Code of Conduct clause 6.9(2)	A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.	Minor	Unlikely	Low	Moderate	Priority 5
206	Code of Conduct clause 6.10(1)	A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer.	Moderate	Unlikely	Medium	Moderate	Priority 4
207	Code of Conduct clause 6.10(2)	A retailer must ensure that the hardship policy complies with the specified criteria.	Moderate	Unlikely	Medium	Moderate	Priority 4
208	Code of Conduct clause 6.10(3)	A retailer must give a customer, financial counsellor or relevant consumer representative organisation, on request, details of the financial hardship policy, at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
209	Code of Conduct clause 6.10(4)	A retailer must keep a record of the specified information related to the hardship policy.	Moderate	Unlikely	Medium	Moderate	Priority 4
210	Code of Conduct clause 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	Moderate	Unlikely	Medium	Strong	Priority 4
211	Code of Conduct clause 7.1	A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address for failure to pay a bill.	Moderate	Unlikely	Medium	Strong	Priority 4
212	Code of Conduct clause 7.2	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.	Moderate	Unlikely	Medium	Strong	Priority 4
213	Code of Conduct clause 7.3	In relation to dual fuel contracts, a retailer must not arrange for disconnection of the customer's supply address for failure to pay a bill within 15 business days from arranging for disconnection of the customer's gas supply.	Moderate	Unlikely	Medium	Moderate	Priority 4
214	Code of Conduct clause 7.4	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified are satisfied.	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
216	Code of Conduct clause 7.6	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	Major	Unlikely	High	Strong	Priority 2
217	Code of Conduct clause 7.7(1)	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.	Major	Unlikely	High	Moderate	Priority 2
219	Code of Conduct clause 8.1(1)	A retailer must arrange for reconnection of the customer's supply address if the customer has remedied its breach, makes a request for reconnection, pays the retailer's reasonable charges (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges.	Moderate	Unlikely	Medium	Moderate	Priority 4
220	Code of Conduct clause 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor within the timeframe specified.	Moderate	Unlikely	Medium	Strong	Priority 4
224	Code of Conduct clause 9.3(1)	A retailer must not operate a pre-payment meter at a residential customer's supply address without the verifiable consent of the customer or its nominated representative.	Not applicable. Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant				
225	Code of Conduct clause 9.3(2)	A retailer must establish an account for each pre-payment meter operating at a residential customer's supply address.					
226	Code of Conduct clause 9.4	A retailer must provide the prescribed information to a pre-payment meter customer in the manner stated at no charge.					
227	Code of Conduct clause 9.5(1)	A retailer must not operate a pre-payment meter at the supply address of a residential customer if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment.					
228	Code of Conduct clause 9.5(2)	If a prepayment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must undertake the actions specified.					
229	Code of Conduct clause 9.6	A retailer must ensure that recharge facilities are located and capable of being accessed in the manner specified.					
230	Code of Conduct clause 9.7	A retailer must ensure that the pre-payment meter customer receives a benefit of a concession if the pre-payment meter customer demonstrates to the retailer that the customer is entitled to receive a concession.					
231	Code of Conduct clause 9.8	A retailer must ensure that a pre-payment meter provides an emergency credit amount to the value of at least ten dollars.					
232	Code of Conduct clause 9.9(1)	A retailer must ensure that a pre-payment meter customer (including a pre-payment meter customer who has vacated the supply address) can retrieve all remaining credit at the time the customer vacates the supply address, in circumstances where notification of the proposed vacation date has been provided.					

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
233	Code of Conduct clause 9.9(2)	If a pre-payment meter customer has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform the pre-payment meter customer accordingly within 10 business days of the retailer becoming aware of the error and seek reimbursement instructions from the customer.	Not applicable. Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant				
234	Code of Conduct clause 9.9(3)	The retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions.					
235	Code of Conduct clause 9.9(4)	If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.					
236	Code of Conduct clause 9.9(6)	If a retailer proposes to recover an amount undercharged as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified.					
237	Code of Conduct clause 9.10	A retailer must ensure that supply is recommenced through a pre-payment meter after self-disconnection as soon as information is communicated to the pre-payment meter that a payment causing a positive financial balance of the account has been made.					
238	Code of Conduct clause 10.1(1)	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, in the timeframes specified.	Moderate	Unlikely	Medium	Strong	Priority 4
239	Code of Conduct clause 10.1(2)	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including alternative tariffs.	Moderate	Unlikely	Medium	Strong	Priority 4
240	Code of Conduct clause 10.1(3)	A retailer must give a customer the information requested on tariffs in the manner and within the timeframes specified.	Moderate	Unlikely	Medium	Strong	Priority 4
241	Code of Conduct clause 10.2(1)	A retailer must, on request, give a non-contestable customer its billing data.	Not applicable. Clause applies to non-contestable customers only - Alinta is precluded from supplying non-contestable customers				
242	Code of Conduct clause 10.2(2)	A retailer must give the requested billing data at no charge in the circumstances specified.					
243	Code of Conduct clause 10.2(3)	A retailer must give the requested billing data within 10 business days of the receipt of the request or payment of the retailer's reasonable charge for providing the billing data.					
244	Code of Conduct clause 10.2(4)	A retailer must keep a non-contestable customer's billing data for seven years.					
245	Code of Conduct clause 10.3	A retailer must give a customer on request, at no charge, the concession information specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
246	Code of Conduct clause 10.4	A retailer must give a customer on request, at no charge, the general energy efficiency information specified.	Moderate	Unlikely	Medium	Strong	Priority 4

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
247	Code of Conduct clause 10.5	A retailer must give information to the customer, or refer the customer to the relevant distributor for a response, if asked by a customer for information relating to the distribution of electricity.	Moderate	Unlikely	Medium	Strong	Priority 4
255	Code of Conduct clause 10.9	A retailer, distributor and market must, to the extent practicable, ensure that any written information that must be given to a customer under the Code of Conduct is expressed in clear, simple and concise language and is in a format that makes it easy to understand.	Minor	Unlikely	Low	Moderate	Priority 5
256	Code of Conduct clause 10.10(1)	A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Code of Conduct	Moderate	Unlikely	Medium	Moderate	Priority 4
257	Code of Conduct clause 10.10(2)	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their web sites.	Moderate	Probable	Medium	Weak	Priority 3
258	Code of Conduct clause 10.10(3)	A retailer and distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their offices.	Moderate	Unlikely	Medium	Strong	Priority 4
259	Code of Conduct clause 10.11(1)	A retailer and distributor must make available to the customer on request, at no charge, services that assist the customer in interpreting information provided by the retailer or distributor.	Moderate	Unlikely	Medium	Strong	Priority 4
260	Code of Conduct clause 10.11(2)	A retailer and, where appropriate a distributor, must include the telephone number for their special information services and for independent multi-lingual services, on the documents specified.	Moderate	Probable	Medium	Weak	Priority 3
262	Code of Conduct clause 10.12(2)	A retailer must, if requested by a customer, advise the customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	Moderate	Unlikely	Medium	Strong	Priority 4
263	Code of Conduct clause 11.1(1) Retail Licence condition 15.1	A retailer and distributor must produce and publish a Customer Service Charter.	Moderate	Probable	Medium	Moderate	Priority 4
264	Code of Conduct clause 11.1(2)	A retailer and distributor must address the specified information in their Customer Service Charters.	Moderate	Unlikely	Medium	Strong	Priority 4
265	Code of Conduct clause 11.2(1)	A retailer and distributor must give a customer on request, at no charge, a copy of the Customer Service Charter.	Moderate	Unlikely	Medium	Strong	Priority 4
266	Code of Conduct clause 11.2(2)	A retailer and distributor must dispatch a copy of the Customer Service Charter to a customer who requests a copy, within two business days of the request.	Moderate	Unlikely	Medium	Strong	Priority 4
267	Code of Conduct clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Moderate	Probable	Medium	Weak	Priority 3
268	Code of Conduct clause 12.1(2)	A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements.	Moderate	Probable	Medium	Weak	Priority 3
269	Code of Conduct clause 12.1(3)	A retailer or distributor must at least provide the specified advice to a customer when handling a complaint.	Moderate	Probable	Medium	Weak	Priority 3

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
270	Code of Conduct clause 12.2	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints.	Moderate	Probable	Medium	Moderate	Priority 4
271	Code of Conduct clause 12.3	A retailer, distributor and marketer must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	Moderate	Probable	Medium	Weak	Priority 3
272	Code of Conduct clause 12.4	A retailer, distributor or marketer who receives a complaint that does not relate to its functions, must refer the complaint to the appropriate entity and inform the customer of the referral.	Moderate	Probable	Medium	Moderate	Priority 4
273	Code of Conduct clause 13.1	A retailer, distributor or marketer must keep a record or other information as required to be kept by the Code of Conduct for at least two years from the last date on which the information was recorded, unless expressly provided otherwise.	Moderate	Unlikely	Medium	Strong	Priority 4
274	Code of Conduct clause 13.2	A retailer must keep a record of the total number of customers under the affordability and access indicators specified.	Moderate	Unlikely	Medium	Strong	Priority 4
275	Code of Conduct clause 13.3(1)	A retailer must keep a record of the customer complaint indicators specified.	Moderate	Likely	High	Moderate	Priority 2
276	Code of Conduct clause 13.3(2)	A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints made directly to a marketer).	Moderate	Likely	High	Moderate	Priority 2
277	Code of Conduct clause 13.4	A retailer must keep a record of the total number of payments and data on the average amount of payments made under the compensation indicators specified.	Moderate	Likely	High	Moderate	Priority 2
278	Code of Conduct clause 13.5	A retailer must keep a record of the call centre performance indicators specified.	Moderate	Probable	Medium	Moderate	Priority 4
279	Code of Conduct clause 13.6	A retailer must keep a record of the total number of residential and business accounts specified.	Moderate	Probable	Medium	Strong	Priority 4
280	Code of Conduct clause 13.7	A retailer must keep a record of the number of pre-payment meter customers and complaints information specified.	Not applicable. Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant				
291	Code of Conduct clause 14.1(1)	A retailer must pay the stated compensation to a customer where the customer is not reconnected in the manner specified and an exception to payment does not apply.	Moderate	Unlikely	Medium	Moderate	Priority 4
293	Code of Conduct clause 14.2	A retailer must pay the stated compensation to a customer where the retailer has failed to follow any of the specified procedures prior to disconnection for a failure to pay and an exception to payment does not apply.	Moderate	Unlikely	Medium	Weak	Priority 3
294	Code of Conduct clause 14.3(1)	A retailer must acknowledge and respond to a written query or complaint by a customer within the timeframes prescribed.	Moderate	Probable	Medium	Weak	Priority 3
295	Code of Conduct clause 14.3(2)	A retailer must pay the stated compensation to a customer where the retailer has failed to acknowledge or respond to a query or complaint within the timeframes prescribed and an exception to payment does not apply.	Moderate	Unlikely	Medium	Weak	Priority 3

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
298	Code of Conduct clause 14.6(1)	A retailer who is required to make a compensation payment for failing to satisfy a service standard, must do so in the manner specified.	Moderate	Unlikely	Medium	Weak	Priority 3
15 Electricity Industry Metering Code - Licence Conditions and Obligations							
<b>Related Risks</b> <ul style="list-style-type: none"> <li>- Outages are not identified and rectified</li> <li>- Discrepancies are not resolved</li> <li>- Incorrect fees are charged</li> <li>- Timescales are not met</li> <li>- Confidential information is disclosed to parties</li> </ul>			<b>Controls</b> <ul style="list-style-type: none"> <li>- Western Power portal</li> <li>- Billing procedures</li> <li>- Confidentiality training</li> <li>- SLA with Western Power</li> </ul>				
309	Electricity Industry Metering Code clause 3.5(6)	A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.	Not applicable to Alinta's operations - Alinta does not operate as a network operator				
319	Electricity Industry Metering Code clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	Moderate	Unlikely	Medium	Strong	Priority 4
331	Electricity Industry Metering Code clause 3.16(5)	A network operator or a user may require the other to negotiate and enter into a written service level agreement in respect to the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.	Moderate	Unlikely	Medium	Moderate	Priority 4
333	Electricity Industry Metering Code clause 3.18(1)	If the Electrical Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract, and in circumstances where immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract, then the metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements.	Not applicable – clause applies to the Electricity Retail Corporation (Synergy Energy) only				
342	Electricity Industry Metering Code clause 3.27	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.	Moderate	Unlikely	Medium	Strong	Priority 4
349	Electricity Industry Metering Code clause 4.4(1)	A network operator and affected Code participants must liaise together to determine the most appropriate way to resolve a discrepancy between energy data held in a metering installation and data held in the metering database.	Minor	Unlikely	Low	Moderate	Priority 5
350	Electricity Industry Metering Code clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	Minor	Unlikely	Low	Moderate	Priority 5

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
351	Electricity Industry Metering Code clause 4.5(2)	If a Code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes	Moderate	Unlikely	Medium	Moderate	Priority 4
363	Electricity Industry Metering Code clause 5.4(2)	A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligation.	Minor	Unlikely	Low	Moderate	Priority 5
365	Electricity Industry Metering Code clause 5.5(3)	A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment.	Moderate	Unlikely	Medium	Strong	Priority 4
376	Electricity Industry Metering Code clause 5.16	A user that collects or receives energy data from a metering installation must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	Moderate	Unlikely	Medium	Moderate	Priority 4
377	Electricity Industry Metering Code clause 5.17(1)	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to the customer.	Moderate	Unlikely	Medium	Strong	Priority 4
378	Electricity Industry Metering Code clause 5.18	A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	Moderate	Unlikely	Medium	Moderate	Priority 4
379	Electricity Industry Metering Code clause 5.19(1)	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere.	Minor	Unlikely	Low	Moderate	Priority 5
380	Electricity Industry Metering Code clause 5.19(2)	A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.	Minor	Unlikely	Low	Moderate	Priority 5
381	Electricity Industry Metering Code clause 5.19(3)	A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.	Moderate	Unlikely	Medium	Strong	Priority 4
382	Electricity Industry Metering Code clause 5.19(4)	A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact.	Moderate	Unlikely	Medium	Moderate	Priority 4
384	Electricity Industry Metering Code clause 5.19(6)	A user must use reasonable endeavours to ensure that it does notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.	Minor	Unlikely	Low	Strong	Priority 5

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
390	Electricity Industry Metering Code clause 5.21(5)	A Code participant must not request a test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.	Moderate	Unlikely	Medium	Strong	Priority 4
391	Electricity Industry Metering Code clause 5.21(6)	A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.	Moderate	Unlikely	Medium	Strong	Priority 4
409	Electricity Industry Metering Code clause 5.27	Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	Moderate	Unlikely	Medium	Strong	Priority 4
416	Electricity Industry Metering Code clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	Moderate	Unlikely	Medium	Strong	Priority 4
418	Electricity Industry Metering Code clause 7.2(1)	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.	Minor	Unlikely	Low	Strong	Priority 5
420	Electricity Industry Metering Code clause 7.2(4)	A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request.	Moderate	Unlikely	Medium	Strong	Priority 4
421	Electricity Industry Metering Code clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
422	Electricity Industry Metering Code clause 7.5	A Code participant must not disclose, or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.	Moderate	Unlikely	Medium	Strong	Priority 4
423	Electricity Industry Metering Code clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	Moderate	Unlikely	Medium	Strong	Priority 4
424	Electricity Industry Metering Code clause 8.1(1)	Representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute under or in connection with the Electricity Industry Metering Code by the negotiations in good faith.	Minor	Unlikely	Low	Moderate	Priority 5
425	Electricity Industry Metering Code clause 8.1(2)	If a dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	Minor	Unlikely	Low	Moderate	Priority 5

No	Obligation	Obligation Description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
426	Electricity Industry Metering Code clause 8.1(3)	If a dispute is not resolved within 10 business days after the dispute is referred to the senior management officer, the disputing parties must refer the dispute to a senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.	Minor	Unlikely	Low	Moderate	Priority 5
427	Electricity Industry Metering Code clause 8.1(4)	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	Moderate	Unlikely	Medium	Moderate	Priority 4
428	Electricity Industry Metering Code clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code	Minor	Unlikely	Low	Moderate	Priority 5

# Appendix C – Previous audit recommendations

Recommendations are drawn from the Alinta Sales Pty Ltd 2008 Electricity Retail Licence Performance Audit Report dated 11 December 2008. The report includes the following seven recommendations and associated action plans.

<p><b>Recommendation 1</b></p> <p>(a) Additional procedures be implemented to enable sales staff to determine whether current and new customers' supply addresses are or should be registered as a life support equipment address.</p> <p>(b) The Alinta Electricity Customer Charter be updated to clarify customers' and Alinta's responsibilities in relation to records of life support equipment.</p>	<p><b>Action Plan 1</b></p> <p>(a) Alinta will amend its procedures to require sales staff to determine whether current and new customers' supply addresses should be registered as a life support equipment address.</p> <p>(b) The Alinta Electricity Customer Charter will be updated to clarify customers' and Alinta's responsibilities in relation to records of life support equipment.</p> <p><b>Responsible Person:</b> General Manager - Retail Sales and Manager Customer Services</p> <p><b>Target Date:</b> 31 March 2009</p>
<p><b>Recommendation 2</b></p> <p>Alinta's Licence compliance procedures be strengthened to ensure payment of prescribed licence fees by 20 June each year.</p>	<p><b>Action Plan 2</b></p> <p>Alinta will amend internal payment system controls to ensure that the prescribed licence fee is paid by 20 June each year.</p> <p><b>Responsible Person:</b> WA Controller - Finance</p> <p><b>Target Date:</b> 31 March 2009</p>
<p><b>Recommendation 3</b></p> <p>Alinta's training, development and performance assessment programs be strengthened to better demonstrate the competency of staff and other marketing agents in discharging their responsibilities under the Code of Conduct.</p>	<p><b>Action Plan 3</b></p> <p>Alinta will identify opportunities to strengthen its training and development programs, including providing an effective training structure for marketing agents, to better demonstrate the competency of staff and marketing agents in discharging their responsibilities under the Code of Conduct.</p> <p>The absence of breaches of the Code of Conduct suggests existing recruitment, training and development practices and programs provide a sound basis for ensuring staff and marketing agents comply with the applicable codes.</p> <p><b>Responsible Person:</b> General Manager - Retail Sales</p> <p><b>Target Date:</b> 31 March 2009</p>
<p><b>Recommendation 4</b></p> <p>In addition to improvements to Alinta's training, development and performance assessment programs as detailed at Recommendation 3 above, Alinta's core values and expected behaviours be formalised and communicated to all members of staff.</p>	<p><b>Action Plan 4</b></p> <p>Alinta will identify opportunities to strengthen its training and development programs, including providing an effective training structure for marketing agents, to better communicate its core values and expected behaviours when discharging responsibilities under the Code of Conduct.</p> <p>The absence of breaches of the Code of Conduct suggests existing recruitment, training and development practices and programs provide a sound basis for ensuring staff and marketing agents comply with the applicable codes.</p> <p><b>Responsible Person:</b> General Manager - Retail Sales</p> <p><b>Target Date:</b> 31 March 2009</p>

<p><b>Recommendation 5</b></p> <p>Provide a copy of the Code of Conduct on the Alinta website.</p>	<p><b>Action Plan 5</b></p> <p>Alinta will provide a copy of the Code of Conduct on its website.</p> <p><b>Responsible Person:</b> General Manager - Retail Sales</p> <p><b>Target Date:</b> 31 December 2008</p>
<p><b>Recommendation 6</b></p> <p>Establish instructions and templates which ensure notices and communications with customers include telephone numbers for Alinta's special information services and independent multi-lingual services.</p>	<p><b>Action Plan 6</b></p> <p>Alinta will include telephone numbers for its special information services and independent multi-lingual services on the required notices.</p> <p><b>Responsible Person:</b> Manager - Customer Service</p> <p><b>Target Date:</b> 31 December 2008</p>
<p><b>Recommendation 7</b></p> <p>A procedure for recognising, recording and handling customer complaints in accordance with the requirements of the Code of Conduct be effectively implemented through communication to all staff and where necessary, marketing agents.</p>	<p><b>Action Plan 7</b></p> <p>In January 2008, Alinta developed a Customer Complaint Handling Process for its electricity business. The Customer Complaint Handling Process was updated in August 2008 for:</p> <ul style="list-style-type: none"> <li>▪ ISO 10002 – 2006 Guiding principles replaced AS4269 Essential Elements</li> <li>▪ Updated methods of contact</li> <li>▪ Updated CSM involvement in process.</li> </ul> <p>Alinta will identify opportunities to strengthen its communication to ensure staff are aware of the procedure for recognising, recording and handling customer complaints in accordance with the requirements of the Code.</p> <p><b>Responsible Person:</b> General Manager - Retail Sales</p> <p><b>Target Date:</b> 31 March 2009</p>

# Appendix B – References

## Key Alinta staff participating in the audit

Name	Position
Corey Dykstra	Manager Regulatory Affairs
Ray Myles	Manager Customer Services
Geoff White	Manager Sales & Marketing
John Chomiak	Financial Controller

## Other Alinta staff participating in the audit

- Team Leader – Credit Management
- Team Leader – Billing & Payments
- Team Leader – Customer Services
- Team Leader – Customer Sales
- Team Leader – Telesales
- Energy Sales Executive
- Retail Sales Officer – Billing
- Energy Billing Officer
- Call Centre Business Analyst

## Deloitte staff participating in the audit

Name	Position	Hours
Richard Thomas	Partner	7
Andrew Baldwin	Account Director	64
Jin Sua	Senior Analyst	156
Ben Fountain	Senior Analyst	112
Michael Genever	Analyst	46
Matt Thomson	Partner (Quality Assurance Review)	2
Don Gillespie	Account Director (Quality Assurance Review)	2

## Key documents and other information sources examined

- Western Power Metering Service Centre (web portal) pages/screens relevant to customer transfers and connections
- Alinta Sales Pty Ltd Commercial Electricity Supply Small Use Commercial Customer - Standard Terms and Conditions
- Alinta Sales Pty Ltd Electricity Customer Service Charter
- Alinta Commercial Electricity Sale Agreement – Application and Contract
- Alinta Electricity Acquisition Record
- Alinta Sales Pty Ltd 2008/09 Annual Electricity Performance Report
- Alinta Sales Pty Ltd 2008/09 Annual Electricity Compliance Report
- Alinta Sales/Western Power Metering Code Service Level Agreement
- Alinta Sales Pty Ltd Customer Complaint Handling Process – Electricity (last revised August 2008)
- Electricity Complaints Procedure – Logging a complaint in Gentrack
- Customer complaints register June 2008- May 2010
- Representations from Manager Customer Services
- Compliance Training – Code of Conduct for the supply of electricity to small use customers 2008
- Examples of Alinta Commercial Electricity Sale Agreements
- Examples of Alinta marketing material

- Examples of invoices to customers
- Examples of reminder notices to customers
- Examples of disconnection warning notices to customers
- ERA Licence fee invoices
- Call centre performance indicators
- Examples of correspondence with customers
- 2008-09 BBP Annual Report
- Unbilled installations report from Gentrack
- Example of email payment plan
- Standard bill template
- Alinta Sales Hardship Policy – Electricity
- Sensitive load customer register
- Electricity Industry Metering Code 2005
- Code of Conduct for the Supply of Electricity to Small Use Customers
- Electricity Industry Customer Transfer Code 2004
- Electricity Industry Act 2004
- Alinta Electricity Retail Licence ERL6

# Appendix C – Post Audit Implementation Plan

<b>Issue 1/10</b> <b>Obligation 85 - Electricity Industry Acts.17(1)</b> For the two licence fee periods subject to audit, the annual licence fees were not paid within the timeframe required by the Act (i.e. by 19 June each year, being one month after the anniversary of the Licence issue).	
<b>Recommendation 1/10</b> Alinta implement stronger controls to ensure that Licence fees are paid in compliance with the Act.	<b>Action Plan 1/10</b> Alinta will implement stronger controls to ensure that Licence fees are paid in compliance with the Act. Specifically, the Manager Regulatory Affairs will: <ul style="list-style-type: none"> <li>(a) Diarise the due date for the Licence fee</li> <li>(b) Ensure an invoice has been received from the Authority</li> <li>(c) Ensure payment is processed by Accounts so that payment is made within the specified timeframe required by the Act.</li> </ul> <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2010

<b>Issue 2/10</b> <b>Obligation 113, 122, 123 – Code of Conduct clause 2.1, 2.5(1) and 2.5(2)</b> Although Alinta has provided training to its employees on the marketing requirements of the Code of Conduct, its training program is not structured to accommodate the ongoing needs of its Customer Service and Sales & Marketing teams. For example, the training register prepared for the Customer Service team does not provide a clear or consistent record of the training provided to employees. Alinta also has not yet established a mechanism for active monitoring of the performance of relevant staff against the requirements of the Code of Conduct. Therefore it is difficult for Alinta to demonstrate staff awareness of the Code of Conduct.	
<b>Recommendation 2/10</b> Alinta: <ul style="list-style-type: none"> <li>• Ensure that it fully addresses the intent of the Code of Conduct marketing related clauses relevant to Alinta's marketing activities</li> <li>• Develop an appropriate training package that outlines the key marketing related Code requirements with which all relevant employees must comply on an on-going basis</li> <li>• Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with the Code of Conduct obligations.</li> </ul>	<b>Action Plan 2/10</b> Alinta will <ul style="list-style-type: none"> <li>(a) Ensure it fully addresses the intent of the Code of Conduct marketing related clauses relevant to Alinta's marketing activities</li> <li>(b) Appoint a trainer within the Customer Services Branch in late October 2010</li> <li>(c) Develop an appropriate training package that outlines the key marketing related Code of Conduct requirements with which all relevant employees must comply on an on-going basis</li> <li>(d) Implement a mechanism to facilitate the effective monitoring to provide greater assurance of compliance with the Code of Conduct obligations.</li> </ul> <b>Responsible Person:</b> Manager Customer Services and Manager Sales and Marketing <b>Target Date:</b> 31 March 2011

Note: The combined issues, recommendations and action plans detailed for obligations 113, 122 and 123 above also relate to the following obligations:

- 97, 98, 115, 116, 117, 127, 128, 129, 130, 131, 132, 134, 135, 137 and 138

**Deloitte:** Alinta 2010 ERL Performance Audit

91

*This report is intended solely for the use of Alinta for the purpose of its reporting requirements under section 13 of the Act. We do not accept or assume responsibility to anyone other than Alinta for our work, for this report, or for any reliance which may be placed on this report by any third party for any other purpose.*

**Issue 3/10****Obligation 115, 116 and 117 - Code of Conduct clause 2.3(1), 2.3(2) and 2.3(3)**

Alinta's sales and contract establishment processes and procedures do not include the offering of a standard form contract to prospective customers. Accordingly:

- Customers are not notified of the availability of the standard form contract or the differences between a standard form and a non-standard contract
- Alinta does not obtain the customers verifiable consent or written acknowledgement that the information as specified in clause 2.3(1) has been provided.

**Recommendation 3/10**

Alinta strengthen its contract establishment procedures to ensure compliance with clause 2.3 of the Code of Conduct.

**Action Plan 3/10**

Alinta will strengthen its contract establishment procedures to ensure compliance with clause 2.3 of the Code of Conduct, **except for** notifying customers of the availability of a standard form contract or the differences between a standard form and a non-standard contract, as Alinta is not obliged to supply any small use customer under the approved standard form contract.

**Responsible Person:** Manager Sales and Marketing

**Target Date:** 31 December 2010

**Issue 4/10****Obligation 151 - Code of Conduct clause 4.5(1)**

Alinta's bill templates include the specified information required by clause 4.5(1) of the Code of Conduct except for:

- The date of the current meter reading or estimate (cl.4.5(1)(a))
- The current meter reading or estimate (cl. 4.5(1)(b)).

As Alinta's entire electricity customer base is subject to consumption calculations via 30 minute interval meter reads, up to 1448 meter reads are aggregated for each monthly bill. In these circumstances, Alinta's ability to provide "current" meter reads or estimates is unclear.

Alinta's 2008/09 ERL compliance report describes non-compliance with this requirement and outlines Alinta's consideration of a resolution through amendment to the non-standard contract (to enable the customer's agreement to the exclusion of the requirement). The most recent amendment to Alinta's non-standard contract (November 2009 edition) does not accommodate this matter.

**Recommendation 4/10**

Alinta update the non-standard form contract to enable customers to provide verifiable consent for the information specified by 4.5(1) of the Code to not be listed on bills.

**Action Plan 4/10**

Alinta will amend its non-standard form contract so that by entering the contract, customers consent to the information specified by 4.5(1) of the Code not being provided on bills.

**Responsible Person:** Manager Regulatory Affairs

**Target Date:** 31 December 2010

**Issue 5/10****Obligation 156 and 157 - Code of Conduct clause 4.8(1) and 4.8(2)**

Alinta's billing processes provide for estimated bills to be generated based on Western Power's relevant calculations in accordance with the requirements of the Code.

However those processes currently do not:

- Identify which bills contain estimations to facilitate printing on the relevant bill
- Provide for customers to be notified that their bill has been calculated using estimated metering data.

<b>Recommendation 5/10</b> Alinta implement a procedure to address the requirements of s.4.8(2) of the Code by notifying customers when an estimation has been used to produce a bill.	<b>Action plan 5/10</b> Alinta will implement a procedure to notify customers when estimated metering data has been used to produce a bill, addressing the requirements of s.4.8(2) of the Code. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 December 2010
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<b>Issue 6/10</b> <b>Obligation 171, 173-175 and 212 - Code of Conduct clause 4.17(2), 4.19(2), 4.19(3), 4.19(5) and 7.2</b> Alinta has a number of obligations under the Electricity Code of Conduct, which have associated target timeframes or require action to be taken in a specified sequence. For example, clause 4.19(3) of the Electricity Code of Conduct requires Alinta to repay any overcharged amount to a customer within 12 days of receiving instructions from the customer. In these cases, Alinta is exposed to breaching its obligations if its standard business processes are not upheld. Alinta uses a standard set of reports to facilitate the monitoring of its business operations; however those reports do not encapsulate monitoring of Alinta's timeframe requirements under the Electricity Code of Conduct. An effective exception reporting arrangement will provide Alinta with greater certainty that breaches have not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.	
<b>Recommendation 6/10</b> Alinta: (a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed (b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.	<b>Action Plan 6/10</b> Alinta will: (a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed (b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 March 2011

<b>Issue 7/10</b> <b>Obligation 211 - Code of Conduct clause 7.1</b> We determined that: <ul style="list-style-type: none"> <li>Alinta has manual processes in place to manage the issuance of reminder notices and disconnection warnings to customers</li> <li>The single disconnection that took place during the audit period was handled in a manner that complied with the timeframes specified by the Code.</li> </ul> As Alinta's existing manual processes are exposed to breaching the required timeframes, Alinta can strengthen its processes and its ability to demonstrate compliance with the requirements of the Code.	
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<p><b>Recommendation 7/10</b></p> <p>Alinta either:</p> <ul style="list-style-type: none"> <li>(a) Automate the reminder notice and disconnection warning processes within Gentrack</li> <li>(b) Update its procedures to: <ul style="list-style-type: none"> <li>• Formalise the reminder notices and disconnection warnings process, so that customers are only sent a disconnection warning once a reminder notice has been issued</li> <li>• Ensure that the customer profile is updated to reflect communication with the customer so as to facilitate monitoring and reporting.</li> </ul> </li> </ul>	<p><b>Action Plan 7/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Update its procedures to <ul style="list-style-type: none"> <li>• Formalise the reminder notices and disconnection warnings process</li> <li>• Ensure that the customer profile is updated to reflect communication with the customer so as to facilitate monitoring and reporting.</li> </ul> </li> <li>(b) Investigate the automation of reminder notices and disconnection warning notices within its replacement customer system (due in December 2011)</li> </ul> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> 31 December 2010</p>
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<p><b>Issue 8/10</b></p> <p><b>Obligation 217 - Code of Conduct clause 7.7(1)</b></p> <p>As Alinta has no records of customers providing confirmation that a person residing at the customer's supply address requires life support equipment, this obligation was not triggered during the audit period. However, we observed that Alinta has the following opportunities to be in a better position to demonstrate its compliance in future:</p> <ul style="list-style-type: none"> <li>• The current contract establishment process does not prompt Alinta staff to obtain the customer's advice on whether life support equipment is required by a person residing at the customer's premises. We recognise that Alinta's current non-standard contract informs customers of the customer's obligation to inform Alinta in such circumstances</li> <li>• The critical code requirement on the Gentrack customer account profile is not a mandatory field to be completed (either at or subsequent to the contract establishment)</li> <li>• Alinta has not developed policy or procedural guidance to records of customers requiring life support equipment.</li> </ul>	
<p><b>Recommendation 8/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>(a) Update current account connection procedures to specifically request confirmation from the client that there are no life support requirements connected to the supply address</li> <li>(b) Update Gentrack to require the 'critical code' option on a customer profile to be a mandatory field</li> <li>(c) Train staff in the requirements of establishing, monitoring and reporting on life support requirements.</li> </ul>	<p><b>Action Plan 8/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Update current account connection and contract renewal procedures to specifically require confirmation from the customer that there are no life support requirements connected to the supply address</li> <li>(b) Update Gentrack to require the 'critical code' option on a customer profile to be a mandatory field</li> <li>(c) Train staff in the requirements of establishing, monitoring and reporting on life support requirements.</li> </ul> <p><b>Responsible Person:</b> Manager Sales and Marketing and Manager Customer Services</p> <p><b>Target Date:</b> 30 June 2011</p>

<p><b>Issue 9/10</b></p> <p><b>Obligation 238 - Code of Conduct clause 10.1(1)</b></p> <p>During the period subject to audit, Alinta had not communicated increases in Western Power network charges to customers subject to an unbundled contract.</p>	
<p><b>Recommendation 9/10</b></p> <p>Alinta implement a method of communicating to customers any changes that will affect the customer.</p>	<p><b>Action Plan 9/10</b></p> <p>Alinta will include the following statement on the bills of affected customers in the billing cycle following an adjustment to prices:</p> <p><b>“Adjustment to prices</b></p> <p>If provided for in your contract, the prices charged under the contract have been adjusted to reflect movements in the Consumer Price Index and/or network charges.</p> <p>Please call Alinta on 13 13 58 for further information.”</p> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> 31 December 2010</p>
<p><b>Issue 10/10</b></p> <p><b>Obligation 267 - Code of Conduct clause 12.1(1)</b></p> <p>Alinta has developed a Customer Complaints Handling Policy specifically for electricity related activities and designed to comply with AS ISO 10002 – 2006. We also recognise that the volume of complaints received from Alinta’s electricity customers is low, enabling staff and management to have greater visibility of all complaints received.</p> <p>However, we note the following opportunities for Alinta to better monitor its complaints related activities and to manage compliance with specific requirements of the Code of Conduct:</p> <ul style="list-style-type: none"> <li>• The policy document does not reflect the complaint acknowledgement and response service standards to be achieved (we note the general service standard to respond to all complaints within 7 days)</li> <li>• The responsibility for reviewing complaints has not been delegated to a responsible person</li> <li>• Complaints handling data/performance for electricity customers does not form part of management reporting</li> <li>• Complaints were not recorded in a consistent manner within Gentrack, which resulted in an incomplete complaints report being presented to the audit.</li> </ul>	
<p><b>Recommendation 10/10</b></p> <p>Alinta:</p> <ol style="list-style-type: none"> <li>Designate responsibility for reviewing complaints data</li> <li>Update the Customer Complaints Handling Policy so that: <ul style="list-style-type: none"> <li>• The service standards required by the Code of Conduct are acknowledged</li> <li>• Complaints are reviewed on a monthly basis by the designated staff member</li> </ul> </li> <li>Update the Management Operational report so that electricity complaints indicators are reported</li> <li>Roll out complaints handling training to relevant staff member to ensure complaints are correctly handled and recorded.</li> </ol>	<p><b>Action Plan 10/10</b></p> <p>Alinta will:</p> <ol style="list-style-type: none"> <li>Designate responsibility for reviewing electricity complaints data on a monthly basis to an identified position</li> <li>Update its Complaints Handling Policy to explicitly recognise the service standards specified in the Code of Conduct</li> <li>Update the Management Operational report to include electricity complaints indicators</li> <li>Provide ongoing complaints handling training to relevant staff member to ensure complaints are correctly handled and recorded.</li> </ol> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> 31 December 2010</p>

<p><b>Issue 11/10</b></p> <p><b>Obligation 268 and 269 - Code of Conduct clause 12.1(2) and 12.1(3)</b></p> <p>Although we did not observe any evidence to indicate Alinta's complaints handling process does not comply with the specific requirements of the Code of Conduct, we observed the following aspects of the process and formal documentation which can be strengthened to enable Alinta to better demonstrate its compliance with the requirements of the Code of Conduct:</p> <ul style="list-style-type: none"> <li>• The information that will provided to a customer when a complaint is made (s.12.1(2)(b)(ii)(B))</li> <li>• How Alinta will handle complaints about a marketer or marketing activities (s.12.1(2)(c))</li> <li>• Providing the reasons for an outcome relating to a customer complaint and on request providing such reasons in writing (s.12.1(3)(b)).</li> </ul>	
<p><b>Recommendation 11/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>• Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code of Conduct</li> <li>• Formally communicate the updated Customer Complaints Handling Policy to staff.</li> </ul>	<p><b>Action Plan 11/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>• Update its Customer Complaints Handling Policy to explicitly detail the requirements of s.12.1 of the Code of Conduct</li> <li>• Formally communicate the updated Customer Complaints Handling Policy to staff.</li> </ul> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> 31 January 2011</p>