

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

21 October 2010

Dear Corey

**Gas Trading Licence (GTL9) 2010 Performance Audit Report**

We have completed the Gas Trading Licence Performance Audit for Alinta Sales Pty Ltd for the period 1 February 2007 to 30 June 2010, and are pleased to submit our report to you.

I confirm that this report is an accurate presentation of 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

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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 (**Alinta**) compliance with the conditions of its Licence. The audit was conducted in accordance with the requirements of the July 2009 issue of the *Audit Guidelines: Electricity, Gas and Water Licences* (**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 6 August 2010 and set out in Appendix A.

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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.

<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.

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.

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 February 2007 to 30 June 2010.

## Exceptions

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

Reporting manual no. & Licence condition		Issue
1	<b>Energy Coordination Act s.11Q(1-2)</b> - A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Reg Clause 4 & 5)	For the three licence fee periods subject to audit, the annual licence fees were not paid within the timeframe required by the Act (i.e. by 1 August each year, being one month after the anniversary of the Licence issue).  We recognise that the licence fee invoices for the 2008/09 and 2009/10 periods were not received by Alinta until after the due date required by the Act.
80	<b>Customer Contract Reg 44</b> - When a non-standard contract is due to expire a licensee must issue a notice in writing to a customer at least 2 months prior to the expiry date (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.	Alinta has processes in place for the renewal of non-standard form contract customers. We understand that on a monthly basis, Alinta produces and reviews a listing of customers whose contracts are due to expire in a month's time.  However, Alinta's procedures do not currently ensure customers on non-standard form contracts are notified that the contract is due to expire at least 2 months prior to the expiry date.
82	<b>Customer Contract Reg 45(2)</b> - A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	Alinta has not: <ul style="list-style-type: none"> <li>• Previously provided advice on customer bills that a Customer Service Charter is available free of charge</li> <li>• Scheduled such a notice to be made.</li> </ul>

Reporting manual no. & Licence condition		Issue
116	<b>Energy Coordination Act s.11ZPP</b> - A licensee must comply with the Gas Marketing Code of Conduct. <b>2007-09 ref 134</b>	Alinta has not fully complied with s.2.4(2)(b) of the Gas Marketing Code of Conduct (Gas Marketing Code), which requires a standard set of information to be provided to customers. Specifically, the "Welcome to Alinta" pack did not include the scope of the Gas Marketing Code (obligation 124).  The annual compliance reports prepared by Alinta also list instances where Alinta has not been fully compliant with the requirements of the Gas Marketing Code.
124	<b>Gas Marketing Code clause 2.4(2)</b> - 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. <b>2007/09 ref 141</b>	As part of a "Welcome to Alinta" pack, Alinta provides a standard set of information to the customer upon connection. The scope of the Gas Marketing Code, as mandated by s.2.4(2)(b) of the Code, is not included in this standard set of information.
148	<b>Gas Customer Code clause 3.1(2)</b> - A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise.	Alinta's existing practices and operating circumstances do not provide for all requests for gas to be processed and forwarded to WAGN in the timeframes required by the Code (on the same day when received before 3pm or the next business day, if received after 3pm, or otherwise with the client's consent).
162	<b>Gas Customer Code clause 4.7</b> - 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 Gas Customer Code.	Alinta's current procedures rely on estimated billing exception reports produced by WAGN, identifying those customers who have received four estimated reads in a row.  The June 2010 "4 in a row" report identified a number of residential customers who have not had their meter read for a 12 month period.
183	<b>Gas Customer Code clause 5.1</b> - 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.	Prior to a system correction implemented in February 2010, CIS-OV was programmed to issue bills with due dates based on 14 calendar days, not 12 business days from the date of bill as required by the Code.  Prior to the system correction, as the bill timeframe incorporated weekends and public holidays bill due dates were less than 12 business days from the date of bill.  Section 6.2(j) of the standard form contract outlines that the due date of a bill will be at least 14 business days after the date of the bill. This statement is at odds with current billing arrangements.

Reporting manual no. & Licence condition		Issue
215	<b>Gas Customer Code clause 6.10(2)</b> - A retailer must ensure that the hardship policy complies with the specified criteria.	The September 2009 version of the Hardship Policy complies with the requirements of s.6.10(2) of the Code, except for: <ul style="list-style-type: none"> <li>Alinta's position on the reduction and/or waiver of a customers' debt (s.6.10(2)(d)(iv))</li> <li>Debt recovery procedures (s.6.10(2)(d)(v)).</li> </ul>
219 33, 34	<b>Gas Customer Code clause 7.1</b> - 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.	Prior to a system correction implemented in February 2010, CIS-OV was set up to initiate reminder and disconnection notices based on calendar days, not business days (as required by the Code). Sample testing of the disconnection process identified the following instances of non-compliance prior to the system correction: <ul style="list-style-type: none"> <li>1 invoice reminder notice sent 12 business days from the date of bill, in breach of the 14 day requirement</li> <li>6 disconnection warnings sent prior to the minimum 22 day timeframe from the date of bill</li> </ul> We also observed that the current reminder and disconnection templates do not comply with the Code, specifically: <ul style="list-style-type: none"> <li>The reminder template does not specify that payment is required to be made on or before the day not less than 20 business days after the bill date (s.7.1(1)(a)(iii))</li> <li>The disconnection warning template does not specify that the customer will be disconnected not less than 10 business days from date of the disconnection warning (s.7.1(1)(b)(ii)).</li> </ul> <i>This issue also relates to Customer Contracts Regulation 12(4) (obligations 33, 34).</i>
222 42	<b>Gas Customer Code clause 7.4</b> 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.	Alinta's current service standards provide for customers not to be disconnected for denying access to meters unless a period of 12 months has elapsed. However, in the event that a customer is disconnected for denying access to the meter, the "meter obstructed" note left by the meter reader does not contain all mandatory information as prescribed by s.7.1(1)(b) of the code.
247	<b>Gas Customer Code clause 11.1(2)</b> - A retailer and distributor must address the specified information in their Customer Service Charters.	The February 2010 version of the Customer Service Charter does not address specific information on the connection procedure of new customer as specified by s.11.1(2)(b) of the Gas Customer Code.

DELOITTE TOUCHE TOHMATSU

**Richard Thomas**

Partner

Perth, 21 October 2010

**Deloitte:** Alinta GTL9 2010 Performance Audit

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## 2 Executive summary

### 2.1 Introduction and background

The Economic Regulation Authority (the **Authority**) has under the provisions of the Energy Coordination Act 1994 (the **Act**), issued to Alinta Sales Pty Ltd (**Alinta**) a Gas Trading Licence (the **Licence**). The Licence relates to Alinta's gas trading operations.

Alinta is a gas retailer in the Western Australian market licensed to sell gas transported through gas distributions systems to residential and commercial customers in the Coastal, Great Southern and Goldfields – Esperance supply areas as shown in Plan ERA-Gas-00C7.

The Government introduced full gas retail contestability in May 2004. However Synergy, the only other licensed gas retailer operating in Alinta's supply areas, is currently prohibited under the gas market moratorium from supplying gas to customers consuming less than 0.18TJ per annum. As a result, Alinta is the sole gas trader licensed to sell gas to small use residential customers in its three supply areas.

Alinta's customer base comprises approximately 595,000 residential and non residential small use customers, being approximately 99.8% of the small use customers in Alinta's supply areas.

Section 11ZA 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 (or any longer period that the Authority allows).

### 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 full support for its Customer Information System – Open Vision (CIS-OV)
- 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 implement 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		2		3	1	6	1	13
Priority 3						2	2	4
Priority 4		32		8		18	102	160
Priority 5		19		5	4	11	32	71
N/A								1
Total	1	53		16	5	37	137	249

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 2007 performance audit report.

Our assessment of Alinta's progress in implementing those action plans is that Alinta has completed each of the three action plans. 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
1	<b><i>Energy Coordination Act s.11Q(1-2)</i></b> - A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Reg Clause 4 & 5)	Audit priority 4	Non-compliant - 2	<p>For the three licence fee periods subject to audit, the annual licence fees were not paid within the timeframe required by the Act (i.e. by 1 August each year, being one month after the anniversary of the Licence issue).</p> <p>We recognise that the licence fee invoices for the 2008/09 and 2009/10 periods were not received by Alinta until after the due date required by the Act.</p>
	<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> <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 2/10
35, 36 and 37	<p><b>Customer Contract Reg 12(5)(a, b, c)</b> - A licensee must reconnect supply to a customer within 10 business days after disconnection:</p> <ul style="list-style-type: none"> <li>• For non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee</li> <li>• For denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee</li> <li>• For unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.</li> </ul>	Audit priority 5	Compliant - 4	<p>Alinta has a number of obligations under the Customer Contract Regulations, which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Alinta is exposed to breaching its obligations if its standard business processes are not upheld.</p> <p>Alinta's service standard is to process reconnections to ensure customers are reconnected within two to three business days from the date of request. However, Alinta does not report on reconnection timeframes and therefore is not actively demonstrating compliance with these timeframes.</p> <p>An effective exception reporting arrangement would provide Alinta with greater certainty that breaches had not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.</p>
<p><b>Recommendation 2/10</b></p> <p>Alinta:</p> <ol style="list-style-type: none"> <li>Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</li> <li>Refine its existing repertoire of standard reports to support effective monitoring of its business operations.</li> </ol>			<p><b>Action Plan 2/10</b></p> <p>Alinta will:</p> <ol style="list-style-type: none"> <li>Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</li> <li>Refine its existing repertoire of standard reports to support effective monitoring of its business operations.</li> </ol> <p><b>Responsible Person:</b> Manager Customer Service  <b>Target Date:</b> 31 March 2011</p>	

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 3/10
39	<b>Customer Contract Reg 12(5)(e)</b> - A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.	Audit priority 5	Compliant - 3	Alinta does not currently have processes in place to: <ul style="list-style-type: none"><li>• Ensure that it is aware of disconnections performed by WAGN for emergency, health, safety or maintenance reasons</li><li>• Monitor reconnection timeframes for rectification of such disconnections.</li></ul>
<b>Recommendation 3/10</b> Alinta establish appropriate arrangements with WAGN for communicating details of disconnections performed by WAGN for emergency, health, safety or maintenance reasons and for monitoring reconnection of customers within the timeframe required by s.12(5)(e) of the Customer Contract Regulations.				<b>Action Plan 3/10</b> Alinta will establish appropriate arrangements with WAGN to ensure it receives: <ul style="list-style-type: none"><li>(a) Details of disconnections performed by WAGN for emergency, health, safety or maintenance reasons; and</li><li>(b) Reconnection timeframes of these customers to facilitate it monitoring whether the reconnection occurs within the timeframe required by s.12(5)(e) of the Customer Contract Regulations.</li></ul> <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 March 2011

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 4/10
80	<b>Customer Contract Reg 44</b> - When a non-standard contract is due to expire a licensee must issue a notice in writing to a customer at least 2 months prior to the expiry date (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.	Audit priority 5	Non-compliant - 2	Alinta has processes in place for the renewal of non-standard form contract customers. We understand that on a monthly basis, Alinta produces and reviews a listing of customers whose contracts are due to expire in a month's time  However, Alinta's procedures do not currently ensure customers on non-standard form contracts are notified that the contract is due to expire at least 2 months prior to the expiry date.
<b>Recommendation 4/10</b> Alinta update current procedures, so that customers on a non-standard form contracts are notified at least 2 months prior to the expiry date of the contract.				<b>Action Plan 4/10</b> Alinta will update current procedures so that customers on non-standard form contracts are notified at least 2 months prior to the expiry date of the existing contract.  <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 30 September 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 5/10
82	<b>Customer Contract Reg 45(2)</b> - A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	Audit priority 4	Non-compliant - 2	Alinta has not: <ul style="list-style-type: none"> <li>Previously provided advice on customer bills that a Customer Service Charter is available free of charge</li> <li>Scheduled such a notice to be made.</li> </ul>
<b>Recommendation 5/10</b> Alinta develop practices, which ensure notices appear on customers' bills on a periodic basis, or otherwise satisfying the need for the advice to be provided "from time to time".				<b>Action Plan 5/10</b> Alinta will include the following statement on its bill template: <b>"Gas Customer Service Charter"</b> You can obtain a copy of Alinta's Gas Customer Service Charter by phoning 13 13 58 or at <a href="http://www.alinta.net.au">www.alinta.net.au</a>  <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 6/10
116	<b>Energy Coordination Act s.11ZPP</b> - A licensee must comply with the Gas Marketing Code of Conduct. <b>2007-09 ref 134</b>	Audit priority 2	Non-compliant - 2	Alinta has not fully complied with s.2.4(2)(b) of the Gas Marketing Code of Conduct (Gas Marketing Code), which requires a standard set of information to provided to customers. Specifically, the “Welcome to Alinta” pack did not include the scope of the Gas Marketing Code (obligation 124).  The annual compliance reports prepared by Alinta also list instances where Alinta has not been fully compliant with the requirements of the Gas Marketing Code.
<b>Recommendation 6/10</b> In addition to Action plan 9/10 listed for obligation 124, Alinta implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.				<b>Action Plan 6/10</b> Alinta will implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations. <b>Responsible Person:</b> Manager Sales & Marketing <b>Target Date:</b> 31 March 2011

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 7/10
117	<b>Energy Coordination Act 11M and s.11ZPP</b> - A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct. <b>2007-09 ref 135</b>	Audit priority 2	Compliant - 4	We recognise that Alinta does not engage in ‘outbound’ marketing (i.e. Alinta initiating contact with a customer), unless specifically requested by the customer. However, as the definition of marketing under the Gas Marketing Code encapsulates any discussions relating to negotiations or dealings with contracts (e.g. relating to moving house, payments terms etc) the obligations of the Gas Marketing Code are applicable to Alinta’s employees.  Alinta has not developed training processes that specifically relate to the requirements under the Gas Marketing Code. Although Alinta has a structured training program relating to the requirements of the Gas Customer Code, that training only touches on the standards of conduct relating to marketing material. Therefore it is difficult for Alinta to demonstrate staff awareness of the Gas Marketing Code.  Alinta also has not yet established a mechanism for active monitoring of the performance of relevant staff against the requirements of the Gas Marketing Code.
118	<b>Gas Marketing Code clause 2.1</b> - A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.			
119 to 121 123 127 128 132 to 137 139	<b>Gas Marketing Code - various clauses 2.1 to 2.7</b> – various obligations relating to standards of marketing to customers.	Audit priority 2,3,4	Compliant - 4	

	<p><b>Recommendation 7/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>• Ensure that it fully addresses the intent of the Gas Marketing Code relevant to Alinta's activities</li> <li>• Develop an appropriate training package that outlines the key Gas Marketing Code requirements with which all Customer Service personnel must comply</li> <li>• Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.</li> </ul>	<p><b>Action Plan 7/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Ensure that it fully addresses the intent of the Gas Marketing Code relevant to its activities</li> <li>(b) Develop an appropriate training package that outlines the key Gas Marketing Code requirements with which all Customer Service personnel must comply</li> <li>(c) Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.</li> </ul> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing</p> <p><b>Target Date:</b> 31 March 2011</p>
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Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 8/10
120	<p><b>Gas Marketing Code 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>2007-09 ref 141</b></p>	Audit priority 2	Compliant - 4	Alinta does not currently maintain via CIS-OV or otherwise specific records of information given to customers before entering into a contract and therefore is not able to actively demonstrate compliance with s.2.3(1) of the Gas Marketing Code.
	<p><b>Recommendation 8/10</b></p> <p>Alinta implement procedures which require staff to record details of information provided to customers to enable demonstration of compliance with s.2.3(1) of the Gas Marketing Code.</p>			<p><b>Action Plan 8/10</b></p> <p>Alinta will implement procedures that require staff to record details of information provided to customers to enable demonstration of compliance with s.2.3(1) of the Gas Marketing Code.</p> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing and Manager Customer Service</p> <p><b>Target Date:</b> 31 March 2011</p>



Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 9/10
124	<p><b>Gas Marketing Code clause 2.4(2)</b> - 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.</p> <p><b>2007/09 ref 141</b></p>	Audit priority 4	Non-compliant - 2	<p>As part of a “Welcome to Alinta” pack. Alinta provides a standard set of information to the customer upon connection. The scope of the Gas Marketing Code, as mandated by s.2.4(2)(b) of the Code, is not included in this standard set of information.</p> <p>As a minor observation, page 19 of Alinta’s Customer Service Charter incorrectly refers to the Gas Customer Code as regulating the conduct of gas marketing agents. The Customer Service Charter should refer to the Gas Marketing Code of Conduct.</p>
<p><b>Recommendation 9/10</b></p> <p>Update the Customer Services Charter to:</p> <ul style="list-style-type: none"> <li>• Include the required elements of s.2.4(2) of the Gas Marketing Code of Conduct</li> <li>• Correctly refer to the required Code.</li> </ul>		<p><b>Action Plan 9/10</b></p> <p>Alinta will update the Gas Customer Service Charter to:</p> <ul style="list-style-type: none"> <li>(a) Include the required elements of s.2.4(2) of the Gas Marketing Code of Conduct</li> <li>(b) Correctly refer to the required Code.</li> </ul> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2010</p>		

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 10/10
178	<b>Gas Customer Code clause 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.	Audit priority 4	Compliant - 4	<p>Alinta has a number of obligations under the Gas Customer Code, which have associated target timeframes or require action to be taken in a specified sequence. For example, clause 4.19(3) of the Gas Customer Code 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. During the period subject to audit, examples of such breaches noted by this audit related to obligations 148 (Alinta forwarding a request to the distributor to arrange for customer connections in the required timeframe) and 219 (customers being sent a disconnection reminder notice outside the timeframe requirements).</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 Gas Customer Code.</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>
181	<b>Gas Customer Code clause 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.	Audit priority 4		
182	<b>Gas Customer Code clause 4.19(4)</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 by the customer.	Audit priority 5		
199	<b>Gas Customer Code clause 6.1(1)</b> - 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 the customer is experiencing payment problems.	Audit priority 2		
220	<b>Gas Customer Code clause 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.	Audit priority 4		
226	<b>Gas Customer Code clause 8.1(2)</b> - A retailer must forward the request for reconnection to the relevant distributor within the timeframe specified.	Audit priority 4		

	<p><b>Recommendation 10/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>(a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</li> <li>(b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.</li> </ul>	<p><b>Action Plan 10/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Implement an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</li> <li>(b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.</li> </ul> <p><b>Responsible Person:</b> Manager Customer Service  <b>Target Date:</b> 31 March 2011</p>
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Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 11/10
148 <i>Gas Customer Code clause 3.1(2)</i> - A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise.	Audit priority 4	Non-compliant - 2	Alinta's existing practices and operating circumstances do not provide for all requests for gas to be processed and forwarded to WAGN in the timeframes required by the Code (on the same day when received before 3pm or the next business day, if received after 3pm), or otherwise with the customer's consent.
<p><b>Recommendation 11/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>• Implement a mechanism for further monitoring and controlling instances where a request for connection received before 3pm on a weekday is not forwarded to WAGN on the same day</li> <li>• Update its request for gas/account templates to provide for the customer's verifiable consent to be obtained on the timeframe for submitting the request to WAGN.</li> </ul>			<p><b>Action Plan 11/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Implement a mechanism for further monitoring and controlling instances where requests for connection received before 3pm on a weekday are not forwarded to WAGN on the same day</li> <li>(b) Update the current 'request for gas' (RFG) and the 'request for account' (RFA) process and/or templates to obtain the customer's verifiable consent on the timeframes for submitting the details to WAGN.</li> </ul> <p><b>Responsible Person:</b> Manager Customer Service  <b>Target Date:</b> 31 December 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 12/10
149	<b>Gas Customer Code clause 4.1</b> - A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist.	Audit priority 4	Compliant - 4	As Alinta has not clearly defined the term 'approximately', it is not able to explicitly demonstrate that it has billed in accordance with its standard terms and conditions, which provide for customers to normally be billed (approximately) once every three months. <i>This issue also relates to Customer Contracts Regulation 15(1) (obligation 59)</i>
	<b>Recommendation 12/10</b> Alinta clarify its reference to the term 'approximately' in its terms and conditions of contract to ensure consistency with the requirement to issue a bill at least once every three months unless the circumstances specified exist.			<b>Action Plan 12/10</b> Alinta will meet with the Authority to discuss more clearly defining the term 'approximately' in its standard form contract so that it is able to demonstrate that it has billed customers no more than once a month and at least once every three months (unless the specified circumstances exist).  <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 March 2011

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 13/10
162 64	<b>Gas Customer Code clause 4.7</b> - 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 Gas Customer Code.	Audit priority 5	Non-compliant - 2	Alinta's current procedures rely on estimated billing exception reports produced by WAGN, identifying those customers who have received four estimated reads in a row.  The June 2010 "4 in a row" report identified a number of residential customers who have not had their meter read for a 12 month period. <i>This issue also relates to Customer Contracts Regulation 15(1) (obligation 64).</i>
	<b>Recommendation 13/10</b> Alinta update current procedures so that customers who have had three or more estimated bills in a row are contacted and/or sent a letter requesting access to the meter.			<b>Action Plan 13/10</b> Alinta will update current procedures so that customers who have had three or more estimated bills in a row are contacted and/or sent a letter requesting access to the meter.  <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 14/10
183	<b>Gas Customer Code clause 5.1</b> - 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.	Audit priority 4	Non-compliant 2	<p>Prior to a system correction implemented in February 2010, CIS-OV was programmed to issue bills with due dates based on 14 calendar days, not 12 business days from the date of bill as required by the Code.</p> <p>Prior to the system correction, as the bill timeframe incorporated weekends and public holidays bill due dates were less than 12 business days from the date of bill.</p> <p>Section 6.2(j) of the standard form contract outlines that the due date of a bill will be at least 14 business days after the date of the bill. This statement is at odds with current billing arrangements.</p>
<b>Recommendation 14/10</b> Alinta:			<b>Action Plan 14/10</b> Alinta will:	
<ul style="list-style-type: none"><li>Update s.6.2(j) of its standard form contract to match current service standards</li><li>Submit the amended standard form contract to the Authority for approval.</li></ul>			<ul style="list-style-type: none"><li>(a) Update s.6.2(j) of its standard form contract to match current service standards</li><li>(b) Submit the amended standard form contract to the Authority for approval.</li></ul> <p><b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 30 September 2010</p>	

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 15/10
207	<b>Gas Customer Code clause 6.4(2)</b> - 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.	Audit priority 4	Compliant - 4	<p>Alinta's payment difficulty/financial hardship procedures provide for trained staff to methodically assess customers' circumstances and to communicate all information relating to an offered instalment plan to the customer at the point of contact (via phone) and later confirmed via mail. Such practices are not detailed in the Hardship Policy, or in a formal training program.</p> <p>Although it is not an explicit requirement of the Code for Alinta's Hardship Policy to reflect all of the requirements of the Code, as the Policy is designed to provide guidance to staff, there is merit in the Policy specifying the information staff are required to provide customers in accordance with s.6.4(2) of the Code when offering instalment plans.</p>
<b>Recommendation 15/10</b> Alinta consider both or either:			<b>Action Plan 15/10</b> Alinta will:	
<ul style="list-style-type: none"><li>Enhancing its Hardship Policy to specify the information staff are required to provide customers in accordance with s.6.4(2) of the Code</li><li>Incorporating those requirements into staff training programs.</li></ul>			<ul style="list-style-type: none"><li>(a) Enhance its Hardship Policy to specify the information staff are required to provide customers in accordance with s.6.4(2) of the Code</li><li>(b) Incorporate those requirements into staff training programs.</li></ul> <p><b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010</p>	

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 16/10
215	<b>Gas Customer Code clause 6.10(2)</b> - A retailer must ensure that the hardship policy complies with the specified criteria.	Audit priority 4	Non-Compliant - 2	The September 2009 version of the Hardship Policy complies with the requirements of s.6.10(2) of the Code, except for: <ul style="list-style-type: none"><li>Alinta’s position on the reduction and/or waiver of a customers’ debt (s.6.10(2)(d)(iv))</li><li>Debt recovery procedures (s.6.10(2)(d)(v)).</li></ul>
	<b>Recommendation 16/10</b> Alinta update its Hardship policy to include the required information specified at s.6.10(2) of the Code.			<b>Action Plan 16/10</b> Alinta will update its Hardship policy to include the required information specified at s.6.10(2) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 17/10
219 33, 34	<b>Gas Customer Code clause 7.1</b> - 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.	Audit priority 2	Non-Compliant - 2	<p>Prior to a system correction implemented in February 2010, CIS-OV was set up to initiate the reminder and disconnection notices based on calendar days, not business days (as required by the Code). Sample testing of the disconnection process identified the following instances of non-compliance occurring prior to the system correction:</p> <ul style="list-style-type: none"><li>• 1 invoice reminder notice being sent 12 business days from the date of bill, in breach of the 14 day requirement</li><li>• 6 disconnection warnings being sent prior to the minimum 22 day timeframe from the date of bill</li></ul> <p>We also observed that the current reminder and disconnection templates do not comply with the Code, specifically:</p> <ul style="list-style-type: none"><li>• The current reminder template does not specify that payment is required to be made on or before the day not less than 20 business days after the bill date (s.7.1(1)(a)(iii))</li><li>• The disconnection warning template does not specify that the customer will be disconnected not less than 10 business days from date of the disconnection warning (s.7.1(1)(b)(ii)).</li></ul> <p><i>This issue also relates to Customer Contracts Regulation 12(4) (obligations 33, 34).</i></p>
<b>Recommendation 17/10</b> Alinta update the current reminder and disconnection warning templates to include the required information as outlined by s.7.1(1) of the Code.				<b>Action Plan 17/10</b> Alinta will update the current reminder and disconnection warning templates to include the required information as outlined by s.7.1(1) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 18/10
222 42	<b>Gas Customer Code clause 7.4</b> - 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.	Audit priority 2	Non-compliant - 2	<p>Alinta's current service standards provide for customers not to be disconnected for denying access to meters unless a period of 12 months has elapsed.</p> <p>However, in the event that a customer is disconnected for denying access to the meter, the "meter obstructed" note left by the meter reader does not contain the mandatory information as prescribed by s.7.1(1)(b) of the code, specifically:</p> <ul style="list-style-type: none"> <li>• Advising the customer of the next date or timeframe of a scheduled meter reading</li> <li>• Requesting access to the meter at the supply address for the purpose of the scheduled meter reading</li> <li>• Advising the customer of the retailer's ability to arrange for disconnection if the customer fails to provide access to the meter.</li> </ul> <p><i>This issue also relates to Customer Contracts Regulations 12(6) (obligation 42).</i></p>
<b>Recommendation 18/10</b> Alinta update the current letter templates to include the required information as outlined by s.7.4(1) of the Code.				<b>Action Plan 18/10</b> Alinta will update the current letter templates to include the required information as outlined by s.7.4(1) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 19/10
224 32, 48, 51	<b>Gas Customer Code clause 7.6</b> - A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	Audit priority 2	Compliant - 3	<p>Alinta's standard business practices provide for customers not to be disconnected:</p> <ul style="list-style-type: none"> <li>• After 3pm Monday to Thursday</li> <li>• On a Friday, Saturday, Sunday, public holiday or on the day before a public holiday.</li> </ul> <p>However, Alinta's current procedures do not provide for the time at which a disconnection is performed by either AMRS or WAGN to be recorded on the completed Service Order and therefore that information is not captured in system records.</p> <p>Although we did not observe any evidence to indicate non-compliance with requirements of the code, without the disconnection time being recorded, it is difficult for Alinta to demonstrate that the timing requirements are met for all disconnections.</p> <p><i>This issue also relates to Customer Contracts Regulations 12(2) and 12(6) (obligations 32, 48, 51).</i></p>



	<p><b>Recommendation 19/10</b></p> <p>Introduce the following procedures in consultation with WAGN and AMRS:</p> <ul style="list-style-type: none"> <li>(a) Field staff to record the time of the disconnection</li> <li>(b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.</li> </ul>	<p><b>Action Plan 19/10</b></p> <p>In consultation with WAGN and AMRS, Alinta will explore the introduction of the following procedures:</p> <ul style="list-style-type: none"> <li>(a) Field staff to record the time of the disconnection; and</li> <li>(b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.</li> </ul> <p><b>Responsible Person:</b> Manager Customer Service  <b>Target Date:</b> 31 December 2010</p>
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Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 20/10
247	<p><b>Gas Customer Code clause 11.1(2)</b> - A retailer and distributor must address the specified information in their Customer Service Charters.</p>	Audit priority 4	Non-Compliant - 2	<p>The February 2010 version of the Customer Service Charter does not address specific information on the connection procedure of new customer as specified by s.11.1(2)(b) of the Gas Customer Code.</p> <p>As an additional minor observation, Alinta's "At your service" document may be confusing for customers as a number of pages are under the specific heading of "Customer Service Charter". This heading does not match Alinta's position that the 'At your service' document represents the Customer Service Charter.</p>
	<p><b>Recommendation 20/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>(a) Include a statement that the 'At your service' document, in its entirety, is considered the Alinta Customer Service Charter</li> <li>(b) Update the Customer Service Charter to address the requirements of s.11.1(2) of the Gas Customer Code of Conduct.</li> </ul>			<p><b>Action Plan 20/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Rename the document to 'Gas Customer Service Charter, Your guide to Alinta'</li> <li>(b) Update the document to address the requirements of s.11.1(2) of the Gas Customer Code of Conduct.</li> </ul> <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 21/10
251 and 252	<p><b>Gas Customer Code clause 12.1(2)</b> - A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements. <i>2007-09 ref 106</i></p> <p><b>Gas Customer Code clause 12.1(3)</b> – A retailer or distributor must at least provide the specified advice to a customer when handling a complaint. <i>2007-09 ref 108, 110, 111</i></p>	Audit priority 2	Compliant - 4	<p>Although we did not observe any evidence to indicate Alinta’s complaints handling process does not comply with the Gas Customer Code, we observed the following aspects of the process and formal documentation which can be strengthened to enable Alinta to better demonstrate its compliance:</p> <ul style="list-style-type: none"><li>• The information that will be provided to a customer when a complaint is made (s.12.1(2)(b)(ii)(B) of the Code)</li><li>• How Alinta Sales 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>
<p><b>Recommendation 21/10</b></p> <p>Alinta:</p> <p>(a) Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code</p> <p>(b) Formally communicate the updated Complaints Handling Process to staff.</p>				<p><b>Action Plan 21/10</b></p> <p>Alinta will:</p> <p>(a) Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code</p> <p>(b) Formally communicate the updated Complaints Handling Process to staff.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>

Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 22/10
258 and 259	<p><b>Gas Customer Code clause 13.3(1)</b> - A retailer must keep a record of the customer complaint indicators specified.</p> <p><b>Gas Customer Code clause 13.3(2)</b> - A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints made directly to a marketer).</p>	Audit priority 4	Compliant - 4	<p>Alinta’s CIS-OV enables Customer Service Representatives to categorise a complaint based on its type (e.g. connection, marketing). Currently, reports produced from CIS-OV are not automatically broken into type of complaint as defined by the Customer Service Representative. On a monthly basis, the Team Leader – Customer Services is required to manually review complaints and categorise them into relevant types.</p> <p>There is potential for the manual categorisation to be different to that maintained within CIS-OV.</p>
	<p><b>Recommendation 22/10</b></p> <p>Alinta consider automating the current process to enable the categorisation of complaints from CIS-OV to be used for reporting purposes.</p>			<p><b>Action Plan 22/10</b></p> <p>Alinta will investigate automating the current process to enable the categorisation of complaints from CIS-OV to be used for reporting purposes.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>

## 2.5 Potential changes to Licence conditions

### **Obligations 43-45, Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.3.1, 5.1.3.2, 5.1.4.1 & 5.1.4.2, 5.1.5.1 & 5.1.5.2 AGA Code**

Section 11X of the Energy Coordination Act states that a licensee may interrupt, suspend or restrict supply of gas if necessary to do so because of an accident, emergency, potential danger or other unavoidable cause.

Section 7.5 of the Gas Customer Code provides only for gas distributors to disconnect customers for emergency reasons. While there is no contractual arrangement between customers and the gas distributor, only between customer and the retailer, there is no obligation on Alinta as a retailer to disconnect for emergency reasons. Although the retailer retains the power to interrupt, suspend or restrict supply of gas in such circumstances, current market arrangements are for the distributor to effect all such disconnections.

It appears that the provisions of section 7.5 of the Gas Customer Code are inconsistent with section 11X of the Energy Coordination Act and Customer Contract Regulation 12(6).

We recommend that the Office of Energy and the Authority consider the applicability and relevance of the disconnection obligations of Customer Contract Regulations 12(6) to holders of a gas trading licence.

## 2.6 Scope and objectives

The audit is designed to provide reasonable assurance regarding Alinta's compliance with the conditions of its Licence during the period 1 February 2007 to 30 June 2010.

The Authority has summarised the requirements of the applicable legislation that it expects to be reported upon and included in the scope of this audit in its *Gas Compliance Reporting Manual (Reporting Manual)*. The two Reporting Manuals relevant to this audit period are the March 2008 edition, which covers the period 1 July 2007 to 30 June 2009 and the September 2009 edition, which covers the period 1 July 2009 to 30 June 2010.

As agreed with the Authority, for the period 1 February to 30 June 2007 the scope of the audit is limited to an examination of compliance with the obligations outlined in GTL9, as outlined in the September 2009 version of the Reporting Manual and which are relevant to the substituted licences GTL1, GTL2 and GTL3.

During the period subject to audit, there have been changes made to the regulations and codes from which Alinta's compliance obligations are derived. The main changes reflected in the Reporting Manual are:

- To accommodate the new Gas Customer Code and Gas Marketing Code of Conduct incorporated into the September 2009 Reporting Manual, which by intent replace elements of the Gas Marketing Standard
- Revisions of Licence Conditions as a result of the implementation of the Gas Customer Code and Gas Marketing Code of Conduct. A number of these obligations are incorporated in the Gas Customer Code and Gas Marketing Code of Conduct
- Additions, updates or removal of obligations resulting from structural revisions and corrections to the 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.

## 2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period 1 June to 30 August 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 an 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 accordance with 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).

Note that other than as described at section 2.5.1. of this report, 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
8 Type 1 Reporting Obligations for all Licence Types												
Obligation is relevant for the full audit period 1 February 2007 to 30 June 2010												
25	11Z	The requirements of the Gas Standards Act do not apply to Alinta's operations as a gas trader										
Obligation is relevant for the period 1 July 2009 to 30 June 2010 only												
224	7.6	Major	Likely	High	Moderate	Priority 2				✓		
9 Licence Compliance Requirements - Energy Coordination Act 1994												
All obligations are relevant for the full audit period 1 February 2007 to 30 June 2010												
1	11Q(1-2)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
2	11WG(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
3	11WG(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
4	11WK(1-2)	Minor	Probable	Low	Moderate	Priority 5						✓
5	11WK(3)	Minor	Probable	Low	Moderate	Priority 5						✓
6	11X(3)	Minor	Probable	Low	Moderate	Priority 5						✓
10	11ZA(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
11	11ZAF(a)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
12	11ZAF(b)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
13	11ZAF(c)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
14	11ZAH(2)	Minor	Probable	Low	Moderate	Priority 5	✓					
15	11ZAJ	Moderate	Probable	Medium	Moderate	Priority 4	✓					
16	11ZAJ Reg 38A (4)	Minor	Probable	Low	Moderate	Priority 5	✓					
17	11ZK(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
19	11ZOR(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
20	11ZOV(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
21	11ZOV(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
22	11ZOZ(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
24	11ZQH	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
10 Licence Compliance Requirements - Gas Standards Act 1972 (applicable from 1 July 2007)												
Obligation is relevant for the full audit period 1 February 2007 to 30 June 2010												
25	11Z	The requirements of the Gas Standards Act do not apply to Alinta's operations as a gas trader.										
11 Licence Compliance Requirements - Energy Coordination (Gas Tariffs) Regulations 2000 (applicable from 1 July 2007)												
All obligations are relevant for the full audit period 1 February 2007 to 30 June 2010												
29	5(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
30	6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
31	6(4)	Moderate	Probable	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
<b>12 Licence Compliance Requirements - Energy Coordination (Customer Contracts) Regulations 2004</b>												
All obligations are relevant for the full audit period 1 February 2007 to 30 June 2010												
32	12(2)	Minor	Probable	Low	Strong	Priority 5				✓		
33	12(4)(a)	Minor	Probable	Low	Strong	Priority 5			✓			
34	12(4)(b)	Minor	Probable	Low	Strong	Priority 5			✓			
35	12(5)(a)	Minor	Probable	Low	Strong	Priority 5					✓	
36	12(5)(b)	Minor	Probable	Low	Strong	Priority 5					✓	
37	12(5)(c)	Minor	Probable	Low	Strong	Priority 5					✓	
38	12(5)(d)	Minor	Probable	Low	Strong	Priority 5	✓					
39	12(5)(e)	Minor	Probable	Low	Strong	Priority 5				✓		
40	12(6)	Minor	Probable	Low	Strong	Priority 5					✓	
41	12(6)	Minor	Probable	Low	Strong	Priority 5					✓	
42	12(6)	Minor	Probable	Low	Strong	Priority 5			✓			
43	12(6)	Minor	Probable	Low	Strong	Priority 5	✓					
44	12(6)	Minor	Probable	Low	Strong	Priority 5	✓					
45	12(6)	Minor	Probable	Low	Strong	Priority 5	✓					
46	12(6)	Minor	Probable	Low	Strong	Priority 5	✓					
47	12(6)	Minor	Probable	Low	Strong	Priority 5						✓
48	12(6)	Minor	Probable	Low	Strong	Priority 5				✓		
49	12(6)	Minor	Probable	Low	Strong	Priority 5					✓	
50	12(6)	Minor	Probable	Low	Strong	Priority 5					✓	
51	12(6)	Minor	Probable	Low	Strong	Priority 5				✓		
52	12(6)	Minor	Probable	Low	Strong	Priority 5					✓	
53	13(1)	Minor	Probable	Low	Strong	Priority 5	✓					
54	13 (3)	Minor	Probable	Low	Strong	Priority 5	✓					
55	13 (4)	Minor	Probable	Low	Strong	Priority 5	✓					
56	14 (2)	Minor	Probable	Low	Strong	Priority 5						✓
57	14 (3)	Minor	Probable	Low	Strong	Priority 5						✓
58	14	Minor	Probable	Low	Strong	Priority 5						✓
59	15 (1)	Minor	Probable	Low	Strong	Priority 5					✓	
60	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
61	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
62	15 (1) & (2)	Minor	Probable	Low	Strong	Priority 5						✓
63	15 (1) ,47 (2) &(4)	Minor	Probable	Low	Strong	Priority 5						✓
64	15 (1)	Moderate	Probable	Medium	Strong	Priority 4			✓			
65	15 (1)	Moderate	Probable	Medium	Strong	Priority 4	✓					
66	15 (1)	Moderate	Probable	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
67	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
68	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
69	15 (1)	Minor	Probable	Low	Strong	Priority 5						✓
70	16 (3)	Minor	Probable	Low	Strong	Priority 5						✓
71	19	Minor	Probable	Low	Strong	Priority 5						✓
72	20 (2)	Minor	Probable	Low	Strong	Priority 5						✓
73	27 (4) & 40 (3)	Minor	Probable	Low	Strong	Priority 5	✓					
74	20 (3) & 48	Minor	Likely	Medium	Moderate	Priority 4						✓
75	22 & 49 (2)	Minor	Likely	Medium	Moderate	Priority 4	✓					
76	49 (3)	Minor	Likely	Medium	Moderate	Priority 4	✓					
77	49 (4)	Minor	Likely	Medium	Moderate	Priority 4	✓					
78	49 (5)	Minor	Likely	Medium	Moderate	Priority 4	✓					
79	50	Minor	Likely	Medium	Moderate	Priority 4						✓
80	44	Minor	Probable	Low	Strong	Priority 5			✓			
81	45 (1)	Minor	Likely	Medium	Moderate	Priority 4						✓
82	45 (2)	Minor	Likely	Medium	Moderate	Priority 4			✓			
83	46 (1) & (2)	Minor	Likely	Medium	Moderate	Priority 4						✓
84	46 (4)	Minor	Likely	Medium	Moderate	Priority 4						✓
90	33(3)	Minor	Probable	Low	Strong	Priority 5						✓
91	42	Minor	Probable	Low	Strong	Priority 5						✓
<b>13 Licence Compliance Requirements - Licence Conditions</b>												
All obligations are relevant for the full audit period 1 February 2007 to 30 June 2010												
96	18.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
97	18.4	Minor	Unlikely	Low	Strong	Priority 5						✓
98	19	Minor	Unlikely	Low	Strong	Priority 5	✓					
99	22	Minor	Probable	Low	Moderate	Priority 5						✓
100	23.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
101	24	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
102	25.1	Moderate	Probable	Medium	Weak	Priority 3						✓
103	26	Moderate	Probable	Medium	Moderate	Priority 4	✓					
106	12.2	Minor	Unlikely	Low	Moderate	Priority 5	✓					
107	12.3	Minor	Unlikely	Low	Moderate	Priority 5	✓					
108	13.1	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
109	14.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
110	14.2	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
111	17.1 and 17.2	Moderate	Probable	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
112	1.5	Moderate	Probable	Medium	Moderate	Priority 4	✓					
113	1.7	Moderate	Probable	Medium	Moderate	Priority 4	✓					
114		Moderate	Probable	Medium	Moderate	Priority 4	✓					
115	3.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>12 (2007-09) Licence Compliance Requirements - Licence Conditions (referencing per previous Gas Compliance Reporting Manual)</b>												
Obligations listed below are applicable for the period 1 February 2007 to 30 June 2009 only as they are not reflected in the updated Regulations and Codes, which came into effect from 1 July 2009												
107	3.2	Minor	Probable	Low	Moderate	Priority 5						✓
109	3.2	Minor	Probable	Low	Moderate	Priority 5						✓
123	2.1	Minor	Probable	Low	Moderate	Priority 5					✓	
124	2.3	Moderate	Probable	Medium	Moderate	Priority 4						✓
125	2.5	Moderate	Probable	Medium	Moderate	Priority 4						✓
126	2.6	Moderate	Probable	Medium	Moderate	Priority 4						✓
127	2.7	Moderate	Probable	Medium	Moderate	Priority 4						✓
128	2.8 to 2.9	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>14 Licence Compliance Requirements - Gas Marketing Code of Conduct</b>												
116	11ZPP	Moderate	Likely	High	Moderate	Priority 2			✓			
117	11ZPP and 11M	Moderate	Likely	High	Moderate	Priority 2					✓	
118	2.1	Moderate	Likely	High	Moderate	Priority 2					✓	
119	2.2	Moderate	Likely	High	Moderate	Priority 2					✓	
120	2.3(1)	Moderate	Likely	High	Moderate	Priority 2					✓	
121	2.3(2)	Moderate	Probable	Medium	Strong	Priority 4					✓	
122	2.3(3)	Moderate	Probable	Medium	Strong	Priority 4	✓					
123	2.4(1)	Moderate	Probable	Medium	Strong	Priority 4					✓	
124	2.4(2)	Moderate	Probable	Medium	Strong	Priority 4			✓			
125	2.4(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
126	2.4(4)	Moderate	Probable	Medium	Strong	Priority 4						✓
127	2.5(1)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
128	2.5(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
129	2.5(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
130	2.5(4)	Moderate	Probable	Medium	Strong	Priority 4	✓					
131	2.5(5)	Moderate	Probable	Medium	Moderate	Priority 4						✓
132	2.6(1)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
133	2.6(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
134	2.6(3)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
135	2.6(4)	Moderate	Probable	Medium	Weak	Priority 3					✓	
136	2.6(5)	Moderate	Probable	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
137	2.6(6)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
138	2.6(7) and 2.6(8)	Minor	Probable	Low	Moderate	Priority 5						✓
139	2.7(1)	Moderate	Probable	Medium	Weak	Priority 3					✓	
140	2.7(2)	Moderate	Probable	Medium	Weak	Priority 3						✓
141	2.7(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
142	2.7(4)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
143	2.7(5)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
144	2.8	Moderate	Probable	Medium	Strong	Priority 4						✓
145	2.11(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
146	2.11(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>15 Licence Compliance Requirements - Gas Customer Code (applicable from 1 July 2009)</b>												
<b>Part 3 - Connection</b>												
147	3.1(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
148	3.1(2)	Moderate	Probable	Medium	Strong	Priority 4			✓			
<b>Part 4 - Billing</b>												
149	4.1	Moderate	Probable	Medium	Strong	Priority 4					✓	
150	4.2(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
151	4.2(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
152	4.2(4)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
153	4.2(5)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
154	4.2(6)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
155	4.3(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
156	4.3(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
157	4.4	Moderate	Unlikely	Medium	Strong	Priority 4						✓
158	4.5(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
159	4.5(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
160	4.6(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
161	4.6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
162	4.7	Minor	Probable	Low	Moderate	Priority 5			✓			
163	4.8(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
164	4.8(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
165	4.8(3)	Moderate	Probable	Medium	Strong	Priority 4						✓
166	4.9	Moderate	Probable	Medium	Strong	Priority 4						✓
167	4.10	Minor	Probable	Low	Strong	Priority 5						✓
168	4.11(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
169	4.11(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
170	4.12(1)	Moderate	Probable	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
171	4.13	Moderate	Probable	Medium	Strong	Priority 4	✓					
172	4.14(1)	Minor	Probable	Low	Strong	Priority 5	✓					
173	4.14(2)	Moderate	Likely	High	Moderate	Priority 2	✓					
174	4.15(1)	Minor	Unlikely	Low	Moderate	Priority 5						✓
175	4.15(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
176	4.16	Moderate	Probable	Medium	Strong	Priority 4						✓
177	4.17(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
178	4.17(2)	Moderate	Probable	Medium	Strong	Priority 4					✓	
179	4.18(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
180	4.19(2)	Minor	Probable	Low	Moderate	Priority 5						✓
181	4.19(3)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
182	4.19(4)	Minor	Probable	Low	Moderate	Priority 5					✓	
<b>Part 5 - Payment</b>												
183	5.1	Moderate	Probable	Medium	Strong	Priority 4			✓			
184	5.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
185	5.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
186	5.3	Moderate	Probable	Medium	Moderate	Priority 4						✓
187	5.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
188	5.5	Moderate	Probable	Medium	Moderate	Priority 4						✓
189	5.6(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
190	5.6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
191	5.6(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
192	5.7(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
193	5.7(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
194	5.7(4)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
195	5.8(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
196	5.8(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
197	5.8(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
198	5.9	Moderate	Probable	Medium	Moderate	Priority 4	✓					
<b>Part 6 - Payment Difficulties and Financial Hardship</b>												
199	6.1(1)	Moderate	Likely	High	Moderate	Priority 2					✓	
200	6.1(2)	Minor	Probable	Low	Moderate	Priority 5						✓
201	6.1(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
202	6.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
203	6.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
204	6.2(3)	Minor	Probable	Low	Moderate	Priority 5						✓
205	6.3	Moderate	Probable	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
206	6.4(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
207	6.4(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
208	6.6(1)	Minor	Probable	Low	Moderate	Priority 5						✓
209	6.6(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
210	6.7	Minor	Probable	Low	Moderate	Priority 5						✓
211	6.8	Moderate	Probable	Medium	Moderate	Priority 4						✓
212	6.9(1)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
213	6.9(2)	Minor	Probable	Low	Moderate	Priority 5	✓					
214	6.10(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
215	6.10(2)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
216	6.10(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
217	6.10(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
218	6.11	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 7 - Disconnection</b>												
219	7.1	Moderate	Likely	High	Moderate	Priority 2			✓			
220	7.2	Moderate	Probable	Medium	Moderate	Priority 4					✓	
221	7.3	Moderate	Likely	High	Moderate	Priority 2	✓					
222	7.4	Moderate	Likely	High	Moderate	Priority 2			✓			
224	7.6	Major	Likely	High	Moderate	Priority 2				✓		
<b>Part 8 - Reconnection</b>												
225	8.1(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
226	8.1(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
<b>Part 10 - Information and Communication</b>												
228	10.1(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
229	10.1(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
230	10.1(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
231	10.2(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
232	10.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
233	10.2(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
234	10.2(4)	Moderate	Probable	Medium	Moderate	Priority 4						✓
235	10.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
236	10.4	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
237	10.5	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
238	10.5A	Moderate	Probable	Medium	Moderate	Priority 4						✓
240	10.9	Minor	Unlikely	Low	Moderate	Priority 5						✓
241	10.10(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
242	10.10(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
243	10.10(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
244	10.11(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
245	10.11(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 11 - Customer Service Charter</b>												
246	11.1(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
247	11.1(2)	Moderate	Probable	Medium	Strong	Priority 4			✓			
248	11.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
249	11.2(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 12 - Complaints and Dispute Resolution</b>												
250	12.1(1)	Moderate	Likely	High	Moderate	Priority 2						✓
251	12.1(2)	Moderate	Likely	High	Moderate	Priority 2					✓	
252	12.1(3)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
253	12.2	Moderate	Probable	Medium	Moderate	Priority 4						✓
254	12.3	Moderate	Probable	Medium	Moderate	Priority 4						✓
255	12.4	Moderate	Probable	Medium	Moderate	Priority 4						✓
<b>Part 13 - Record Keeping</b>												
256	13.1	Moderate	Probable	Medium	Moderate	Priority 4						✓
257	13.2	Moderate	Probable	Medium	Moderate	Priority 4						✓
258	13.3(1)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
259	13.3(2)	Moderate	Probable	Medium	Moderate	Priority 4					✓	
260	13.5	Moderate	Probable	Medium	Moderate	Priority 4						✓
261	13.6	Moderate	Probable	Medium	Moderate	Priority 4						✓
267	13.15(1)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
268	13.15(3)	Moderate	Probable	Medium	Moderate	Priority 4	✓					

## 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. Energy Coordination Act 1994
3. Gas Standards Act 1972
4. Energy Coordination (Customer Contracts) Regulations 2004
5. Licence Conditions
6. Gas Marketing Code of Conduct
7. Gas Customer Code.

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 for all licence types

### Obligations determined to be not applicable

The following obligation is not applicable to Alinta's operations:

Obligation	Reason
25	<p>The requirements of the Gas Standards Act do not apply to Alinta's operations as a gas trader as:</p> <ul style="list-style-type: none"> <li>The requirements on the undertaker, for the purposes of the Act (relating to the quality, pressure, purity and safety standards of gas supplied), are applicable to the distributor, not Alinta as a trader. This interpretation means sections 8 to 11 are not applicable to Alinta's operations</li> <li>Section 13 of the Act relates to consumers' installations. Alinta is not licensed to install appliances or fit gas installations</li> <li>Sections 14 to 16 are therefore not applicable as they relate to those previous sections of the Act, which are not applicable to Alinta's operations.</li> </ul>

### 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 the 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.

Also note that as Type 1 obligations are included in the corresponding section of this report, the detailed findings for obligation 224 below are a direct copy of the detailed findings provided at section 4.8 of this report.

No	Obligation under Condition	Compliance Rating	Findings
224	<p>A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.</p> <p><i>Also relates to Customer Contracts Regulation 12(2) and 12(6) (obligations 32, 48 and 51).</i></p>	Compliant - 3	<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 Fridays, 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: <ul style="list-style-type: none"> <li>Not arrange disconnections on a Friday</li> <li>Perform disconnections using the disconnection Service Order produced by the CIS-OV system, which is forwarded to AMRS or WAGN for processing.</li> </ul> </li> </ul> <p>We observed that the time at which a disconnection is performed by either AMRS or WAGN is not recorded on the completed Service Order and therefore not captured in system records. Although we did not observe any evidence to indicate non-compliance with requirements of the code, without the disconnection time being recorded, it is difficult for Alinta to demonstrate that the timing requirements are met for all disconnections.</p>
	<p><b>Recommendation 19/10</b></p> <p>Introduce the following procedures in consultation with WAGN and AMRS:</p> <p>(a) Field staff to record the time of the disconnection</p> <p>(b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.</p>		<p><b>Action Plan 19/10</b></p> <p>In consultation with WAGN and AMRS, Alinta will explore the introduction of the following procedures:</p> <p>(a) Field staff to record the time of the disconnection</p> <p>(b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>

## 4.2 Energy Coordination Act 1994

### 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
3	The Manager Regulatory Affairs confirmed that Alinta has not been required to amend its standard form contract during the period subject to audit.
11 - 16	The Manager Regulatory Affairs confirmed that Alinta has not been designated as a supplier of last resort. Therefore the requirements for the development, maintenance and enactment of the 'last resort supply plan' are not relevant to Alinta's operations for the period 1 February 2007 to 30 June 2010.
17	The Manager Regulatory Affairs confirmed that for the purposes of the Gas Trading Licence, Alinta does not have an interest in or an easement over land.
22	The Manager Regulatory Affairs confirmed that the Authority has made no request of Alinta to amend the retail market scheme.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Energy Coordination Act 1994.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	9		1			9	19

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
1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Reg Clause 4 & 5)	Non-compliant - 2	<p>For the three licence fee periods subject to audit, the annual licence fees were not paid within the timeframe required by the Act (i.e. by 1 August each year, being one month after the anniversary of the Licence issue).</p> <p>We recognise that the licence fee invoices for the 2008/09 and 2009/10 periods were not received by Alinta until after the due date required by the Act.</p>
	<p><b>Recommendation 1/10</b></p> <p>Alinta implement stronger controls to ensure that Licence fees are paid in compliance with the Act.</p>		<p><b>Action plan 1/10</b></p> <p>Alinta will implement stronger controls to ensure that Licence fees are paid in compliance with the Act. Specifically, the Manager Regulatory Affairs will:</p> <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> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2010</p>
2	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract.	Compliant - 5	<p>Through discussions with the Team Leader – Customer Service and walkthrough of Alinta’s customer account set up procedures, we determined that:</p> <ul style="list-style-type: none"> <li>• Alinta only provides gas to small use residential customers under the Standard Form Contract approved by the Authority. The latest version of the Standard Form Contract (May 2009) is located on each of the Authority’s and Alinta’s websites</li> <li>• For small use business customers, Alinta contracts supply via a non-standard form contract.</li> </ul>
4	Gas is deemed to be supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the holder of a trading licence.	Compliant - 5	<p>Through discussions with the Team Leader – Credit Management we determined that Alinta’s procedures provide for:</p> <ul style="list-style-type: none"> <li>• Should a customer be identified as having consumed gas without having established an account with Alinta, the customer is required to register an account</li> <li>• The Customer to be disconnected should the customer not register an account</li> <li>• Customers to be identified as having consumed gas without entering into an account with Alinta where meter reads do not match an active account within CIS-OV</li> <li>• All supply of gas being deemed to be made under the standard form contract.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
5	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier.	Compliant - 5	Section 27 of Alinta's standard form contract states that the contract is in place for a period of one year unless the customer or Alinta ends the contract earlier.  The standard form contract also provides for the event that if one year passes without either party ending the relationship, the contract will automatically be renewed for an additional one year period, and so on, until ended.
6	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.	Compliant - 5	Alinta, as the sole gas retailer servicing small use residential customers, has the following arrangements in place which are designed to minimise the extent or duration of interruption or restriction of supply: <ul style="list-style-type: none"> <li>• Long term contractual arrangements for securing gas supply</li> <li>• Contractual arrangements with commercial customers enabling Alinta to manage supply in the event of a disruption that threatens continuous supply to small use residential customers</li> <li>• Working arrangements with WAGN (as required) to coordinate liaison with customers</li> <li>• Recognition of WAGN's responsibility to maintain the 24 hour emergency service hotline.</li> </ul>
10	A licensee must provide the Authority with a performance audit by an independent expert acceptable to the Authority within 24 months of commencement and every 24 months thereafter (or longer if the Authority allows).	Compliant - 5	Deloitte was appointed with the Authority's approval to undertake the audit. The period subject to audit is 1 February 2007 to 30 June 2010, as allowed by the Authority.
19	A licensee that sells gas that is transported through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	Compliant - 5	The Retail Energy Market Company Ltd (REMCo) was appointed as the administrator of the approved retail market scheme covering the distribution systems in which Alinta is licensed to operate.  From an examination of the REMCo website, and confirmation from the Manager Regulatory Affairs, we confirmed that Alinta is a member of REMCo.
20	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	Compliant - 5	<i>Obligations 20 and 21</i> Prohibited conduct is defined by the Energy Coordination Act s.11ZOV as preventing or hindering the operation of the retail market scheme.
21	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme.	Compliant - 5	The Manager Regulatory Affairs advised that for the period 1 February 2007 to 30 June 2010, he is not aware of Alinta engaging or assisting another party to engage in prohibited conduct relating to the operation of the retail market scheme.

No	Obligation under Condition	Compliance Rating	Findings
24	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme.	Compliant - 5	<p>Alinta:</p> <ul style="list-style-type: none"> <li>• Has been granted a GTL</li> <li>• Is precluded by the licence from supplying gas to small use customers unless it is a member of the approved gas industry ombudsman scheme to which it is bound to comply with requirements in relation to customer complaints handling</li> <li>• Is a gas industry member of the ombudsman scheme (admitted to membership on 12 May 2004).</li> </ul>

## 4.3 Gas Standards Act 1972

### Obligations determined to be not applicable

The following obligation is not applicable to Alinta's operations as a gas trader:

Obligation	Reason
25	<p>The requirements of the Gas Standards Act do not apply to Alinta's operations as a gas trader as:</p> <ul style="list-style-type: none"> <li>The requirements on the undertaker, for the purposes of the Act (relating to the quality, pressure, purity and safety standards of gas supplied), are applicable to the distributor, not Alinta as a trader. This interpretation means sections 8 to 11 are not applicable to Alinta's operations</li> <li>Section 13 of the Act relates to consumers' installations. Alinta is not licensed to install appliances or fit gas installations</li> <li>Sections 14 to 16 are therefore not applicable as they relate to those previous sections of the Act, which are not applicable to Alinta's operations.</li> </ul>

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Gas Standards Act 1972.

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

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.

## 4.4 Energy Coordination (Gas Tariffs) Regulations 2000

### 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 Gas Tariffs Regulations.

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

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
29	A licensee supplying gas in an area referred to in Regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area.	Compliant - 5	Alinta supplies the Mid-West/South West, Albany and Kalgoorlie-Boulder areas. Our examination of Alinta's tariffs effective 1 July 2008, 1 July 2009 and 1 April 2010 confirmed that Alinta has distinct capped tariffs for each area of supply.
30	A licensee is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff.	Compliant - 5	<i>Obligations 30 and 31</i> Through discussions with the Manager Customer Service and Team Leader – Customer Service and consideration of Alinta's customer connection processes, we determined that Alinta has processes and procedures in place to manage the application of tariffs. We note that those processes and procedures provide for:
31	When offering to supply gas to a new customer, a licensee is to offer to supply gas under an approved contract but at a capped tariff.	Compliant - 5	<ul style="list-style-type: none"> <li>• All small use residential customers to be supplied gas under a standard form contract</li> <li>• The tariffs applicable to small use customers to be automatically set up within CIS-OV and attached to a customer's account when the Customer Service Representative finalises the account set-up process</li> <li>• The tariff charged to relate to suburb, geographical area (i.e. Mid-West/South West, Albany and Kalgoorlie-Boulder areas) and post code.</li> </ul> <p>We examined a customer account and compared the tariff within CIS-OV at 1 July 2009 rates and 1 April 2010, confirming that CIS-OV's tariff records are consistent with the applicable tariff for that area.</p>

## 4.5 Energy Coordination (Customer Contracts) Regulations 2000

### Background

The Energy Coordination (Customer Contracts) Regulations 2000 (**Contract Regulations**) were introduced in 2000 to outline the responsibility of gas traders in respect of their customers. The Gas Customer Code for Small Use Customers (**Gas Customer Code**) was introduced from 1 July 2009, to regulate and control the conduct of gas retailers, distributors and marketing agents in relation to the supply and marketing of gas to customers.

With the introduction of the Gas Customer Code, a large number of the Contract Regulations are directly addressed in the requirements of the new Gas Customer Code. As such, those obligations outlined in Table 4 are referenced to the audit work performed for the relevant obligation of the Gas Customer Code.

It is important to note that the Contract Regulations are applicable for the entire audit period 1 February 2007 to 30 June 2010, whereas the Gas Customer Code is applicable from 1 July 2009 to 30 June 2010 only. For consistency and to avoid duplication within this report, for those Contract Regulations obligations that directly match obligations of the Gas Customer Code, the audit considered Alinta's relevant processes for the full audit period the results of which are detailed in the Gas Customer Section of this report. Those obligations that are not matched to obligations of the Gas Customer Code are separately assessed for the full audit period in this section.

Obligations that are common between the Contract Regulations and the Gas Customer Code relate to:

- Disconnection
- Reconnection
- Payments
- Billing
- Information and Communication.

Throughout the remainder of this report, common obligations under the Gas Customer Code are referenced to the relevant Contract Regulation. Accordingly, the compliance rating for the relevant Contract Regulation obligation is based on the corresponding Gas Customer Code obligation compliance rating. In cases where the Contract Regulation relates to more than one Gas Customer Code obligation, the compliance rating is based on the lowest compliance rating of the Gas Customer Code obligations.

**Table 4 – Contract Regulations matched to Gas Customer Code**

Customer Contracts	Gas Customer Code
32, 48, 51	224
33, 34	219
42	222
40, 41, 49, 50	220
52	226
57	229
58	228
59	149
60	158
63	231
64	160
	162
66	166
67	167
68	184
69	187
	188
72	206
	211
74	196
81	249

## 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
43, 44, 45	Alinta has not disconnected, or requested the disconnection of, any customers for maintenance, emergency, health or safety reasons. Such disconnections and subsequent reconnections are performed by the network operator.
38, 46, 53, 54, 55	The Manager Customer Service confirmed that Alinta does not require customers to pay a refundable advance as security over consumption in case of default.
65	Through discussions with the Team Leader – Billing & Payments, we determined that Alinta does not accept a customer meter reading, as an actual read. WAGN require a read performed by a meter reader before a customer's read will be updated.
73	The Manager Regulatory Affairs confirmed that Alinta, for the period 1 February 2007 to 30 June 2010, did not engage in door to door marketing.
75 – 78	The Team Leader – Credit Management, confirmed that for the period 1 February 2007 to 30 June 2010 Alinta did not currently default list customers.

## Assessment of compliance

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

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	14		6	4	9	22	55

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
35	A licensee must reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee.	Compliant – 4	<p><i>Obligations 35 to 37</i></p> <p><u>For the period 1 February 2007 to 30 June 2009</u></p> <p>Through discussions with the Team Leader – Credit Management and consideration of Alinta's disconnection and reconnection process, we determined that Alinta has the following procedures to arrange for customers to be reconnected:</p> <ul style="list-style-type: none"> <li>• A customer who has failed to pay a bill is to be reconnected if the customer has paid the balance owing, has agreed to a payment plan, or has been assessed as being in financial hardship (i.e. remedied the breach)</li> <li>• Alinta not to initiate disconnection for failure to access a meter unless a period of 12 months has elapsed, and Alinta has attempted to make contact with the customer</li> <li>• A customer who has been unlawfully consuming gas and has subsequently set up an account with Alinta will be reconnected and invoiced for the gas consumed</li> <li>• Alinta processes a service order which is forwarded to either AMRS or WAGN dependent on the type of disconnection previously performed (e.g. soft, lock, regulator or squeeze). For 'soft' disconnections, customers are typically connected the same day of request</li> </ul> <p><u>For the period 1 July 2009 to 30 June 2010</u></p> <p>From 1 July 2009, these obligations are effectively superseded by the requirements of the Gas Customer Code, specifically obligation 226.</p> <p>The CIS-OV system currently does not generate an exception report to identify instances where a reconnection was not performed within the timeframes specified by s.8.1(2) of the Gas Customer Code (or the requirements of the Customer Contract Regulations prior to 30 June 2009). <i>Refer to the summary observation and recommendation 8/10 regarding Alinta's reporting and monitoring controls in relation to its Gas Customer Code obligations.</i></p>
36	A licensee must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee.	Compliant – 4	
37	A licensee must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.	Compliant - 4	
<p><b>Recommendation 2/10</b></p> <p>Alinta:</p> <p>(a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</p> <p>(b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.</p>			<p><b>Action Plan 2/10</b></p> <p>Alinta will:</p> <p>(a) Investigate the feasibility of implementing an exception reporting and monitoring regime, particularly for obligations where a time frame is prescribed</p> <p>(b) Refine its existing repertoire of standard reports to support effective monitoring of its business operations.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 March 2011</p>

No	Obligation under Condition	Compliance Rating	Findings
39	A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.	Compliant - 3	<p>Through discussions with the Manager Customer Service and the Team Leader – Credit Management, and consideration of Alinta's disconnection and reconnection processes, we determined that:</p> <ul style="list-style-type: none"> <li>Sections 20.4 and 20.6 of the standard form contract commit Alinta and/or the network operator to reconnecting supply to customers within the 20 business day timeframe where disconnections have been performed for health and safety reasons or for planned maintenance</li> <li>Alinta has not performed any disconnections for emergency, health, safety or maintenance reasons</li> <li>Alinta does not currently have processes in place to: <ul style="list-style-type: none"> <li>Ensure that it is aware of disconnections performed by WAGN for emergency, health, safety or maintenance reasons</li> <li>Monitor reconnection timeframes for rectification of such disconnections.</li> </ul> </li> </ul>
	<p><b>Recommendation 3/10</b></p> <p>Alinta establish appropriate arrangements with WAGN for communicating details of disconnections performed by WAGN for emergency, health, safety or maintenance reasons and for monitoring reconnection of customers within the timeframe required by s.12(5)(e) of the Customer Contracts Regulations.</p>		<p><b>Action Plan 3/10</b></p> <p>Alinta will establish appropriate arrangements with WAGN to ensure it receives:</p> <p>(a) Details of disconnections performed by WAGN for emergency, health, safety or maintenance reasons; and</p> <p>(b) Reconnection timeframes of these customers to facilitate it monitoring whether the reconnection occurs within the timeframe required by s.12(5)(e) of the Customer Contract Regulations.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 March 2011</p>
47	A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.	Compliant - 5	The Team Leader – Credit Management confirmed that Alinta's protocols are to not disconnect supply to a customer if the customer has agreed to pay amounts owing (any amount).

No	Obligation under Condition	Compliance Rating	Findings
56	A licensee must inform customers that the supply charge is either for residential or non residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs.	Compliant - 5	From discussions with the Team Leader – Billing & Payments and consideration of Alinta's customer account establishment process, we determined that: <ul style="list-style-type: none"> <li>Customer Service Representatives discuss with customers the type of supply required at the supply address i.e. either residential or commercial</li> <li>Based on these discussions, the Customer Service Representatives will inform the customer to refer to the standard terms and conditions for information on the fees and charges. The Team Leader – Customer Service advised that if customers request information on the charges over the phone, Customer Service Representatives are trained to provide the information</li> <li>The standard terms and conditions provided as part of the welcome pack issued to all new customers identifies the consumption type, i.e. residential or commercial.</li> </ul>
61	A licensee must apply payments received from a customer as directed by the customers (if the bill includes charges for other goods and services).	Compliant - 5	<i>Obligations 61 and 62</i> The Team Leader – Billing & Payments advised that: <ul style="list-style-type: none"> <li>Alinta's processes provide for payments received from customers to be applied to supply and other service charges as requested by the customer</li> <li>Customers requesting payments to be attached in a specified manner is a rare circumstance</li> <li>Payment received from customers to be applied to the charges for supply of gas before being applied to other fees or charges</li> <li>Alinta does not offer dual fuel contracts; therefore items relating to the supply of electricity are not relevant to Alinta's current operations.</li> </ul>
62	If a customer does not direct how a payment is to be allocated, a licensee must apply the payment — (i) to charges for the supply of gas before applying any portion of it to such goods or services; or (ii) if such goods or services include electricity, to the charges for gas and the charges for electricity in equal proportion before applying any portion of it to any other such goods or services.	Compliant - 5	
70	A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless — (a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code; and (b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract.	Compliant - 5	Through discussions with the Team Leader – Credit Management and consideration of Alinta's disconnection processes, we determined that Alinta's processes provide for: <ul style="list-style-type: none"> <li>Disconnecting a customer to be the last resort Alinta will employ</li> <li>Disconnection to only be affected if a customer breaches the conditions of the contract</li> <li>Credit management staff to only disconnect customers for specified reasons</li> <li>Customer's not to be disconnected for amounts owing that do not relate to the supply of gas.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
71	A licensee must provide a customer (a) a copy of their customer service charter; (b) copies of regulations or any relevant code; (c) information about fees and charges payable under the contract; (d) with information on energy efficiency; (e) billing data; and (f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer.	Compliant - 5	Through discussions with the Manager Customer Service, and consideration of Alinta's processes, we determined that all information required by Regulation 19 is available to customers on request.
79	A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.	Compliant - 5	Our examination of the disconnection warning notices determined that information relating to Alinta's complaints handling process and the contact details of the Gas Industry Ombudsman are included on the disconnection warning notice.
80	When a non-standard contract is due to expire a licensee must issue a notice in writing to a customer at least 2 months prior to the expiry date (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.	Non-compliant - 2	<p>Through discussions with the Manager Customer Service, we determined that Alinta's processes for the renewal of non-standard form contract customers include:</p> <ul style="list-style-type: none"> <li>On a monthly basis, Alinta produces and reviews a listing of customers whose contracts are due to expire in a month's time</li> <li>Alinta's analytics team reviews the customers usage and determines the new pricing</li> <li>The new pricing information, new contract and terms and conditions are sent to the customer for review.</li> </ul> <p>However, Alinta's procedures do not currently ensure customers on non-standard form contracts are notified that the contract is due to expire at least 2 months prior to the expiry date.</p>
	<p><b>Recommendation 4/10</b></p> <p>Alinta update current procedures, so that customers on a non-standard form contracts are notified at least 2 months prior to the expiry date of the contract.</p>		<p><b>Action Plan 4/10</b></p> <p>Alinta will update current procedures so that customers on non-standard form contracts are notified at least 2 months prior to the expiry date of the existing contract.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 30 September 2010</p>
82	A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	Non-compliant - 2	<p>Through discussions with the Team Leader – Billing &amp; Payments and consideration of Alinta's processes to provide information to customers, we determined that Alinta has not:</p> <ul style="list-style-type: none"> <li>Previously provided advice on customer bills that a Customer Service Charter is available free of charge</li> <li>Scheduled such a notice to be made.</li> </ul> <p>We recognise that all new customers and customers who move address receive a copy of the Customer Service Charter and that the Customer Service Charter is available on line.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 5/10</b> Alinta develop practices, which ensure notices appear on customers' bills on a periodic basis, or otherwise satisfying the need for the advice to be provided "from time to time".		<b>Action plan 5/10</b> Alinta will include the following statement on its bill template: <b>"Gas Customer Service Charter"</b> You can obtain a copy of Alinta's Gas Customer Service Charter by phoning 13 13 58 or at <a href="http://www.alinta.net.au">www.alinta.net.au</a> <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010
83	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code.	Compliant – 5	<b>Obligations 83 and 84</b> Through discussions with the Manager Customer Service, an examination of s.9 of the standard form contract and observation of available references we determined that: <ul style="list-style-type: none"> <li>A copy of the Energy Coordination (Customer Contract) Regulations 2000 is available to customers on request</li> <li>A copy of the Regulations is available at Alinta's premises for viewing, upon request</li> <li>The provision of the information is available at no cost.</li> </ul>
84	A licensee must ensure that a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices at no charge.	Compliant – 5	
90	A licensee must ensure that any representatives seeking access to the supply address on its behalf wear carry and show official identification.	Compliant - 5	The Manager Customer Service confirmed that staff who perform meter reading and field related activities wear and carry official identification, including the staff member's photo, name and identification number.
91	A licensee must notify a customer of any amendment to a non-standard contract.	Compliant - 5	Through discussions with the Manager Customer Service and consideration of the non-standard contract review process, we determined that Alinta's procedures for managing amendments to contractual terms includes (among others): <ul style="list-style-type: none"> <li>Customers who are contracted through a non-standard form contract and an update/amendment to the terms and conditions is made, the customer is not changed onto the new terms until the contractual period expires, and the contract is renewed.</li> </ul>

## 4.6 Licence Conditions

### 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
98	The Manager Regulatory Affairs confirmed that Alinta has not been prescribed individual performance standards by the Authority.
101	During the period 1 February 2007 to 30 June 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. Note that this position was reflected in the Authority's decision to renew Alinta's Licence from 1 July 2010. Accordingly there was no obligation to report to the Authority.
103	The Manager Regulatory Affairs confirmed that for the period 1 February 2007 to 30 June 2010, the Authority made no directions for Alinta to publish information.
106, 107 <i>2007-09 ref 115, 116</i>	The Manager Regulatory Affairs confirmed that for the period 1 February 2007 to 30 June 2010, the Authority had not directed Alinta to review its standard form contract.
112 <i>2007-09 ref 121</i>	The Manager Regulatory Affairs confirmed that the Authority had not made a request for information relating to the refusal of supply to a customer.
113 <i>2007-09 ref 122</i>	The Manager Regulatory Affairs confirmed that the Authority had not made a direction to supply a customer during the period 1 February 2007 to 30 June 2010.
114 <i>2007-09 ref 132</i>	The Manager Regulatory Affairs and Manager Customer Service confirmed that the distributor i.e. WAGN, had not made any information requests of Alinta during the period 1 February 2007 to 30 June 2010.

### Assessment of compliance

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

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	8				1	17	26

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.

**The following obligations are applicable to Alinta's operations for the period 1 February 2007 to 30 June 2010**

No	Obligation under Condition	Compliance Rating	Findings
96	A licensee must comply and require its expert to comply with the Authority's standard guidelines dealing with the performance audit.	Compliant - 5	The Audit Plan approved by the Authority on 6 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.  Deloitte has undertaken the audit utilising the <i>Audit Guidelines: Electricity, Gas and Water Licences</i> , dated July 2009.
97	A licensee's independent auditor must be approved by the Authority prior to the audit.	Compliant - 5	Deloitte was appointed as the independent auditor by Alinta, and approved by the Authority on 6 May 2010.
99	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.	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.
100	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	Compliant - 5	The Financial Controller confirmed that: <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> 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.



No	Obligation under Condition	Compliance Rating	Findings
102	A licensee must provide to the Authority any information that the Authority may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the Authority.	Compliant - 5	<p>We understand that Alinta's datasheets presented in support of the 2008/09 Performance Reports required correction on the Authority's advice.</p> <p>In addition to correcting the 2008/09 data, Alinta has strengthened its controls relating to the provision of data to the Authority by:</p> <ul style="list-style-type: none"> <li>• The Manager Regulatory Affairs and Manager Customer Service reviewing the annual datasheet and applicable definitions to ensure adequate understanding of the requirements</li> <li>• Involving Alinta IT personnel in discussions on the data requirements, to ensure that staff conducting the data extraction from CIS-OV 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 February 2007 to 30 June 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, asset management system report and annual compliance and performance reports).</p>
108	A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations. <i>2007-09 ref 117</i>	Compliant - 5	The Manager Regulatory Affairs confirmed that Alinta has only amended the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.
109	A licensee must prepare a customer service charter. <i>2007-09 ref 118</i>	Compliant - 5	Alinta has developed a Customer Service Charter in the form of an 'At your Service' document (the Charter), which is publically available on the Alinta website. <i>Refer to obligation 246.</i>
110	A licensee must, unless otherwise notified in writing by the Authority, review the customer service charter at least once every 36 months and submit the results of that review to the Authority within 5 days after it is completed. <i>2007-09 ref 119</i>	Compliant - 5	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.  The Charter was last reviewed in late 2009, and was submitted to the Authority within 5 days of the completion of the review.
111	A licensee must maintain supply to a customer if it supplies, or within the last 12 months supplied, gas to that customer's premises unless another supplier starts supplying the customer. <i>2007-09 ref 120</i>	Compliant - 5	The Manager Customer Service confirmed that Alinta's procedures and service standards provide for Alinta to continue to supply to a customer unless the customer breaches the standard terms and conditions, or cancels their account.



No	Obligation under Condition	Compliance Rating	Findings
115	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect. <i>2007-09 ref 133</i>	Compliant - 5	The Manager Customer Service confirmed that, in relation to any changes to price, price structure, fee or interest rate effected under the standard form contract during the period 1 February 2007 to 30 June 2010, Alinta had notified the Minister at least one month prior to the changes being affected.

**The following obligations are applicable to Alinta's operations for the period 1 February 2007 to 30 June 2009 only**

#	Obligation under Condition	Compliance Rating	Findings
<u>107</u>	A licensee must ensure that it publishes information which will assist its customers in utilising its complaints handling process. <i>2007-09 obligation only</i>	Compliant - 5	Through discussions with the Manager Customer Service and an examination of the Customer Services Charter, we determined that Alinta publishes information to assist customers in relation to utilising the complaints handling process. Section 12 of the standard form contract also provides information on Alinta's complaints handling process.
<u>109</u>	A licensee must ensure that its complaints handling process provides for the customer to make a complaint to the licensee about the licensee's acts or omissions. <i>2007-09 obligation only</i>	Compliant - 5	Through discussions with the Team Leader – Customer Service and consideration of Alinta's complaints handling process, we determined that Alinta has procedures in place to accept and deal with complaints for all matters concerning Alinta's operations.

#	Obligation under Condition	Compliance Rating	Findings
<u>123</u>	Subject to specified conditions, a licensee must use its best endeavours to maintain a level of customer service at least consistent with the customer service code. <i>2007-09 obligation only</i>	Compliant - 4	<p>The April 1998 version of the Australian Gas Association Customer Service Code (AGA Code) includes provision for a gas trader's customer service obligations relating to:</p> <ul style="list-style-type: none"> <li>• Connections, disconnections and reconnections</li> <li>• Provision of information</li> <li>• Complaints and dispute resolution</li> <li>• Billing, payments and tariffs.</li> </ul> <p>For the purpose of Alinta's Licence obligations, those elements of the AGA Code are now predominately incorporated into the requirements of the Customer Contracts Regulations, the Gas Customer Code and the Gas Marketing Code of Conduct resulting in the AGA Code being superseded.</p> <p>The findings of this audit, in relation to Alinta's compliance with the Customer Contract Regulations, Gas Customer Code and Gas Marketing Code suggest that Alinta has used its best endeavours to maintain a level of customer service consistent with the AGA Code. However, this audit has identified opportunities for Alinta to better demonstrate its compliance with the Licence requirements.</p> <p><i>These matters are addressed at recommendations and action plans 2/10, 6/10, 7/10 and 10/10.</i></p>
<u>124</u>	A licensee must make available to the Authority a copy of its customer service charter which must at least include a statement of the general principles upon which it will provide services to its customers. <i>2007-09 obligation only</i>	Compliant - 5	<p>The Manager Customer Service confirmed that the Authority has been provided with a copy of the Customer Service Charter provided for comment whenever amendments have been made.</p> <p>The April 2009 version of the Charter is published on the Authority's website and addressed the general principles upon which Alinta will provide service to its customers.</p>
<u>125</u>	A licensee must make certain information available to its customers whether under its customer service charter or otherwise. <i>2007-09 obligation only</i>	Compliant - 5	<p><i>Obligation 125 and 126</i></p> <p>This audit recognises that the requirements of clause 2.5 of the Standard Customer Contract are reflected in clause 10(5) of the substituted Gas Trading Licences (GTL 1, 2 and 3).</p> <p>Through discussions with the Manager Customer Service and consideration of Alinta's processes relating to the provision of information to customers, we determined that for the period 1 February 2007 to 30 June 2009, Alinta's processes provided for the information required by s.10(5) of the substituted Gas Trading Licences (information for the standard customer contract, billing, changes to the code, relevant powers in the event of an emergency, customer complaints handling and enquiries) to be provided to the customer as part of the "Welcome to Alinta" pack with the customers' first bill, which includes the standard form contract and Customer Service Charter.</p>
<u>126</u>	A licensee must make the information referred to in Schedule 3, clause 2.5, or a list of that information, available to each customer either on, or before, the date of the first gas invoice. <i>2007-09 obligation only</i>	Compliant - 5	

#	Obligation under Condition	Compliance Rating	Findings
<u>127</u>	A licensee must make available at its own expense a copy of the terms of the standard form contract to any customer or prospective customer who requests them. <i>2007-09 obligation only</i>	Compliant - 5	The Manager Customer Service confirmed that Alinta's procedures for the period 1 February 2007 to 30 June 2009 provided for a copy of: <ul style="list-style-type: none"> <li>• The standard form contract to be provided to either a customer or prospective customer by mail or email, upon request</li> <li>• The standard form contract to be maintained for review at Alinta's premises</li> <li>• A copy of the standard form contract to be published on its website.</li> </ul>
<u>128</u>	A licensee must provide a copy of any changed terms of its standard form contract to each affected customer. <i>2007-09 obligation only</i>	Compliant - 5	Section 19 and 32 of Alinta's standard form contract commits Alinta to inform affected customers of any changed terms of the standard form contract by: <ul style="list-style-type: none"> <li>• Advertising the change in the standard form contract in The West Australian newspaper (except where the change relates solely to the Kalgoorlie-Boulder customers, in which case Alinta will advertise the change in the Kalgoorlie Miner newspaper)</li> <li>• Placing details of the change on the Alinta website</li> <li>• Informing the customer of details of the change, either with or on the next bill.</li> </ul> <p>Through discussions with the Manager Customer Service, we determined that Alinta's processes also provide that if a customer requests a copy of the changed standard form contract, Alinta will provide the new contract at no cost to the customer.</p>

## 4.7 Gas Marketing Code of Conduct

### Context

In considering the breadth and nature of Alinta's obligations under the Gas Marketing Code of Conduct (**Gas Marketing Code**) the following definitions are relevant:

Term	Gas Marketing Code definition (s.1.5 of the Gas Marketing Code)	Application to Alinta's operations
Marketer	"Marketer means: (a) A retailer who engages in marketing; or (b) A gas marketing agent, other than a marketing representative."	The Gas Marketing Code identifies the Alinta entity as the 'retailer' (or trader) to be the marketer.
Marketing	"Include engaging or attempting to engage in any of the following activities by any means, including door to door or by telephone or other electronic means— (a) Negotiations for, or dealings in respect of, a contract for the supply of gas to a customer; or (b) Advertising, promotion, market research or public relations in relation to the supply of gas to customers."	Alinta activities captured by this definition are: <ul style="list-style-type: none"> <li>• Phone negotiations with residential customers relating to customer contracts</li> <li>• Negotiations with small use business customers in person and by phone relating to customer contracts</li> <li>• Flyers and newsletters provided in customers' bills.</li> </ul>
Marketing representative	"Marketing representative means: (a) A person who is referred to in paragraph (a) of the definition of gas marketing agent and who is an employee of a retailer; or (b) A representative, agent or employee of a person in paragraph (a)."	The Gas Marketing Code definition relates to individuals, being: <ul style="list-style-type: none"> <li>• Alinta staff</li> <li>• Any third party marketing representatives engaged by Alinta (not applicable for this audit period).</li> </ul>

### 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 obligation could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
122, 130 143 <b>2007-09 ref 149</b>	The Manager Regulatory Affairs confirmed that Alinta has not engaged in door-to-door marketing activities for the period 1 February 2007 to 30 June 2010. Therefore obligations that relate to the provision of information and service standards for door-to-door marketing are not relevant to Alinta's operations until such time that this marketing medium is undertaken.

Obligation	Reason
129	The Team Leader – Billing & Payments confirmed that Alinta does not offer concessions to its customers.
141 <i>2007-09 ref 148</i>	The Manager Customer Service confirmed that neither the Gas Ombudsman nor the Authority has requested information relating to customers requesting not to be contacted for the purposes of marketing.
142	The Manager Customer Service confirmed that for the period 1 February 2007 to 30 June 2010, Alinta had not received a request from a small use customer for written confirmation that they will not be contacted for a period of 2 years.

### Assessment of compliance

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

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	6		2		15	8	31

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
116	A licensee must comply with the Gas Marketing Code of Conduct. <b>2007-09 ref 134</b>	Non-compliant - 2	Alinta has not fully complied with s.2.4(2)(b) of the Gas Marketing Code of Conduct (Gas Marketing Code), which requires a standard set of information to be provided to customers. Specifically, the “Welcome to Alinta” pack did not include the scope of the Gas Marketing Code (obligation 124).  The annual compliance reports prepared by Alinta list instances where Alinta has not been fully compliant with the requirements of the Gas Marketing Code.  Through discussions with the Manager Regulatory Affairs, we determined that Alinta has not yet implemented a fully effective mechanism to continuously monitor compliance with the Gas Marketing Code.
	<b>Recommendation 6/10</b> In addition to Action plan 9/10 listed for obligation 124, Alinta implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.		<b>Action Plan 6/10</b> Alinta will implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations. <b>Responsible Person:</b> Manager Sales & Marketing <b>Target Date:</b> 31 March 2011
117	A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct. <b>2007-09 ref 135</b>	Compliant - 4	<b>Obligations 117 and 118</b> We recognise that Alinta does not engage in ‘outbound’ marketing (i.e. Alinta initiating contact with a customer), unless specifically requested by the customer. However, as the definition of marketing under the Gas Marketing Code encapsulates any discussions relating to negotiations or dealings with contracts (e.g. relating to moving house, payments terms etc) the obligations of the Gas Marketing Code are applicable to Alinta’s employees. The Manager Customer Service confirmed: <ul style="list-style-type: none"> <li>Alinta staff are trained to provide services to customers in accordance with the Gas Customer Code</li> <li>Alinta expects all agents and employees to comply with both the Gas Customer Code and the Gas Marketing Code</li> <li>There have been no breaches of the Gas Marketing Code for the period 1 February 2007 to 30 June 2010.</li> </ul> Our examination of the complaints register for the period 1 February 2007 to 30 June 2010 indicated that there is no evidence of an Alinta staff member not complying with the Gas Marketing Code. Although Alinta has a structured training program relating to the requirements of the Gas Customer Code, that training only touches on the standards of conduct relating to marketing material. Without training processes that specifically relate to the requirements under the Gas Marketing Code it is difficult for Alinta to demonstrate staff awareness of the Gas Marketing Code.
118	A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.	Compliant - 4	

No	Obligation under Condition	Compliance Rating	Findings
			<p>Alinta also has not yet established a mechanism for active monitoring of the performance of relevant staff against the requirements of the Gas Marketing Code.</p> <p><i>The opportunity to strengthen training and performance monitoring practices (and associated recommendation and action plan) also relates to obligations 119 – 121, 123, 127, 128, 132 – 137 and 139.</i></p>
	<p><b>Recommendation 7/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>Ensure that it fully addresses the intent of the Gas Marketing Code relevant to Alinta's activities</li> <li>Develop an appropriate training package that outlines the key Gas Marketing Code requirements with which all relevant employees and agents must comply</li> <li>Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.</li> </ul>		<p><b>Action plan 7/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Ensure that it fully addresses the intent of the Gas Marketing Code relevant to its activities</li> <li>(b) Develop an appropriate training package that outlines the key Gas Marketing Code requirements with which all Customer Service personnel (and any other relevant employees and agents) must comply</li> <li>(c) Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.</li> </ul> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing</p> <p><b>Target Date:</b> 31 March 2011</p>
119	A marketer must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified.	Compliant - 4	<p>Through discussions with the Manager Customer Service and Team Leader – Customer Service and consideration of Alinta's customer connection processes, we determined that Alinta has the following processes in place for ensuring customers are contracted using standard and non-standard form contracts:</p> <ul style="list-style-type: none"> <li>A customer is required to contact the Alinta call centre to initiate the customer connection process. Alinta does not engage in door-to-door marketing</li> <li>The date that the customer enters into the contract with Alinta is recorded in CIS-OV</li> <li>The customer is provided with a copy of the contract and customer service charter as part of the welcome pack forwarded to all customers on the establishment of a customer's account</li> <li>Alinta offers only non-standard form contracts to small use business customers.</li> </ul> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
120	<p>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>2007-09 ref 141</b></p>	Compliant - 4	<p>Through discussions with the Manager Customer Service and the Team Leader – Customer Service and walkthrough of Alinta's CIS-OV system and processes for accepting new customers, we determined that:</p> <ul style="list-style-type: none"> <li>Residential customers are offered supply of gas via the standard form contract, on the applicable residential tariff</li> <li>Alinta determines customers' eligibility for the residential tariff by assessing whether the supply address is a dwelling</li> <li>Small use business customers are first offered a standard form contract on the applicable commercial tariff</li> <li>On request, small use business customers may be offered a non-standard form contract at a negotiated pricing structure. The customer is then made aware of the difference between the standard and non-standard form contract</li> <li>CIS-OV contains an automated process for providing a copy of the standard form contract (included within the Alinta welcome pack) to the customer with the first bill. This process includes CIS-OV recognising those customers identified as receiving the bill for the first time, or having moved house, then instructing the mailing agent to include a copy of the standard form contract with the bill</li> <li>A copy of the standard or non-standard form contract is available to the customer on request, at no charge. It is also available for review on Alinta's website and at Alinta's premises</li> <li>Customer Service Representatives are trained to provide the relevant information to the customer.</li> </ul> <p>Alinta does not currently maintain via CIS-OV or otherwise specific records of information given to customers before entering into a contract and therefore is not able to actively demonstrate compliance with s.2.3(1) of the Gas Marketing Code.</p> <p><i>Also refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
	<p><b>Recommendation 8/10</b></p> <p>Alinta implement procedures which require staff to record details of information provided to customers to enable demonstration of compliance with s.2.3(1) of the Gas Marketing Code.</p>		<p><b>Action plan 8/10</b></p> <p>Alinta will implement procedures that require staff to record details of information provided to customers to enable demonstration of compliance with s.2.3(1) of the Gas Marketing Code.</p> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing and Manager Customer Service</p> <p><b>Target Date:</b> 31 March 2011</p>



No	Obligation under Condition	Compliance Rating	Findings
121	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.	Compliant – 4	<p>Through discussions with the Team Leader – Customer Service and walkthrough of Alinta's processes for accepting new customers, we determined that:</p> <ul style="list-style-type: none"> <li>Customer Service Representatives are instructed to obtain customer consent when entering into a contract</li> <li>Customer consent is given orally and recorded</li> <li>Customer consent is also documented within CIS-OV by the Customer Service Representative</li> <li>All small use business non-standard form contracts are signed by the applicant and maintained on Alinta's premises.</li> </ul> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
123	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 – 4	<p>Through discussions with the Team Leader – Customer Service we determined that Alinta's procedures for accepting new customers require:</p> <ul style="list-style-type: none"> <li>Customer Service Representatives to inform the customer that a copy of the contract is included in the welcome pack, which is to be sent to the customer with the first bill</li> <li>Should the customer request a copy of the contract earlier, Customer Service Representatives are to forward a copy of the standard form contract via email or post, or direct the customer to the Alinta website.</li> </ul> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
124	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. <b>2007-09 ref 141</b>	Non-compliant – 2	<p>Through discussions with the Team Leader – Customer Service and consideration of Alinta's processes for accepting new customers, we determined that Alinta's processes provide for the provision of information to the customer specified by s.2.4(2) of the Gas Marketing Code through the 'Welcome to Alinta' pack, with the exception of the scope of the Gas Marketing Code, per s.2.4(2)(b).</p> <p>As a minor observation, page 19 of Alinta's Customer Service Charter incorrectly refers to the Gas Customer Code as regulating the conduct of gas marketing agents. The Customer Service Charter should refer to the Gas Marketing Code of Conduct.</p>
	<p><b>Recommendation 9/10</b></p> <p>Update the Customer Services Charter to:</p> <ul style="list-style-type: none"> <li>Include the required elements of s.2.4(2) of the Gas Marketing Code of Conduct</li> <li>Correctly refer to the Gas Marketing Code.</li> </ul>		<p><b>Action plan 9/10</b></p> <p>Alinta will update the Gas Customer Service Charter to:</p> <p>(a) Include the required elements of s.2.4(2) of the Gas Marketing Code of Conduct; and</p> <p>(b) Correctly refer to the required Code.</p> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2010</p>

No	Obligation under Condition	Compliance Rating	Findings
125	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 and a copy of the contract if requested by the customer (and the customer has not previously received a copy). <i>2007-09 ref 142</i>	Compliant - 5	Notwithstanding the specified information required to be given to customers (refer to obligation 124), Alinta has the following systems in place to provide information to customers no later than with or on the customer's first bill: <ul style="list-style-type: none"> <li>CIS-OV contains an automated process for providing a copy of the standard form contract (included within the Alinta welcome pack) to the customer with the first bill. This process includes CIS-OV recognising those customers identified as receiving the bill for the first time, or having moved house, then instructing the mailing agent to include a copy of the standard form contract with the bill</li> <li>A copy of the standard or non-standard form contract is available to the customer on request, at no charge. It is also available for review on Alinta's website, and at Alinta's premises.</li> </ul>
126	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	The Manager Regulatory Affairs confirmed that Alinta has not, for the period 1 February 2007 to 30 June 2010 engaged in door to door marketing. Through discussions with the Manager Customer Service 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 prior to signing the contractual terms: <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> 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.
127	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>Obligations 127 and 128</i> Through discussions with the Team Leader – Customer Service and consideration of Alinta's training provided to Customer Service Representatives, we determined that Alinta has the

No	Obligation under Condition	Compliance Rating	Findings
128	A marketing representative must not exert undue pressure on a customer, nor harass or coerce a customer. <b>2007-09 ref 137</b>	Compliant – 4	<p>following processes in place to maintain a standard of conduct:</p> <ul style="list-style-type: none"> <li>As part of the induction process, staff are introduced and provided with a copy of the Gas Customer Code</li> <li>Staff are tested on the specific elements of the code, in particular the standards of conduct.</li> </ul> <p>We also observed that sales and customer services staff appear to display knowledge of appropriate behaviour in relation to dealing with customers. However, Alinta has not developed a structured training program to address the requirements of the Gas Marketing Code, or an effective mechanism or an active monitoring of staff performance.</p> <p>Our examination of the complaints register for the period 1 February 2007 to 30 June 2010 indicated that there is no evidence of an Alinta staff member not complying with the Gas Marketing Code.</p> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
131	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	The Manager Customer Service confirmed that Alinta customer call centre is open from 8am to 5pm (WST), Monday to Friday. During this time, customers are able to contact the call centre for all queries.
132	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. <b>2007-09 ref 143</b>	Compliant - 4	<p>The Manager Customer Service and the Manager Sales &amp; Marketing confirmed that Alinta staff are trained when making contact with customers in dealing with contracts or for other marketing purposes to:</p> <ul style="list-style-type: none"> <li>Provide his/her first name</li> <li>State that they are calling from Alinta</li> <li>Detail the purpose of the contact</li> <li>Ask if the customer wishes to proceed.</li> </ul> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
133	A marketing representative must, on request, provide the customer with its and the retailer's complaints telephone number and marketing identification number.	Compliant - 4	<p>Through discussions with the Manager Customer Service and consideration of Alinta's customer interaction procedures, we determined that those procedures require Alinta staff (i.e. marketing representatives) to provide the customer with Alinta's complaints handling telephone number and marketing identification number.</p> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
134	<p>A marketing representative who meets with a customer face to face must:</p> <ul style="list-style-type: none"> <li>As soon as practicable tell the customer the purpose of the visit;</li> <li>Wear a clearly visible and legible identity card showing the information specified; and</li> <li>As soon as practicable provide the information specified in writing to the customer.</li> </ul> <p><b>2007-09 ref 144</b></p>	Compliant - 4	<p>Through discussions with the Manager Customer Service and consideration of Alinta's customer interaction procedures, we determined that Alinta's processes provide for:</p> <ul style="list-style-type: none"> <li>Alinta staff to inform the customer of the reasons for the contact</li> <li>Alinta staff to wear clearly visible and legible identity card that shows his or her first name, photograph, marketing identification number and Alinta's logo</li> <li>Provide the customer, in writing, with his or her first name and marketing identification number, Alinta's logo, complaints handling telephone number and Alinta's business address and ABN/ACN.</li> </ul> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
135	<p>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.</p> <p><b>2007-09 ref 145</b></p>	Compliant - 4	<p>The 2008/09 Alinta GTL 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 Service and Manager Sales &amp; Marketing and walkthrough of Alinta's customer contact records, we determined that:</p> <ul style="list-style-type: none"> <li>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</li> <li>Alinta's revised processes to manage communications with customers include staff: <ul style="list-style-type: none"> <li>Ending the contact with a customer if requested</li> <li>Agreeing a suitable time with a customer for making subsequent contact to resolve the matter</li> <li>Recording details of such contact and customer requests.</li> </ul> </li> </ul> <p>The Manager Customer Service confirmed that Alinta has not, for the period 1 February 2007 to 30 June 2010, initiated contact with customers unless specifically requested by the customer.</p> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>
136	<p>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.</p>	Compliant - 4	<p><i>Obligations 136 and 137</i></p> <p>Through discussions with the Manager Customer Service and the Team Leader - Customer Service and consideration of Alinta's customer contact processes, we determined that:</p> <ul style="list-style-type: none"> <li>Alinta staff not to initiate contact with the customer for the purposes of marketing, unless requested by the customer</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
137	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	<ul style="list-style-type: none"> <li>Alinta staff to call the customer during call centre operational hours (i.e. permitted call times) and not to continue past those hours unless otherwise agreed with the customer.</li> </ul> <i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i>
138	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	Through discussions with the Manager Customer Service and consideration of Alinta's marketing procedures and records we determined that Alinta's procedures provide for maintaining records relating to marketing activity that has been undertaken.

No	Obligation under Condition	Compliance Rating	Findings
139	<p>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 gas for a period of two years unless:</p> <ul style="list-style-type: none"> <li>• The customer requests contact; or</li> <li>• The customer has moved premises; or</li> <li>• A marketer has a legal obligation to contact the customer.</li> </ul>	Compliant - 4	<p>The 2008/09 Alinta GTL 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 (note that no actual breaches were identified). Through discussions with the Manager Customer Service and Manager Sales &amp; Marketing and walkthrough of Alinta's CIS-OV customer contact records, we determined that Alinta augmented its processes in December 2008 so as to capture such requests for small use customers and for Alinta staff to review CIS-OV records for customer instructions prior to making marketing related contact with a customer.</p> <p>Through discussions with the Manager Customer Service and Manager Sales &amp; Marketing we determined that Alinta has the following processes in place to manage requests from customers not to be contacted for the purposes of marketing:</p> <ul style="list-style-type: none"> <li>• Alinta does not actively market to its customers i.e. Alinta does not initiate contact with customers unless requested</li> <li>• On occasion Alinta will include materials (such as promotional flyers, newsletters, Alinta information) into the bills provided to customers for information purposes</li> <li>• Should a customer request not to be contacted for marketing purposes, e.g. no bill inserts, Customer Service Representatives are trained to remove the bill inserts check box on the customer profile within CIS-OV. Alinta's use of the bill inserts check box is also intended to capture instances where the customer is not to be contacted for marketing purposes</li> <li>• For each bill run, Alinta's download of the billing information to the mailing agents highlights those who have elected not to receive bill inserts</li> <li>• Staff will replace the checkbox on the customer profile within CIS-OV: <ul style="list-style-type: none"> <li>○ On customer request</li> <li>○ When the customer moves house (this is an automatic process as a new account is established).</li> </ul> </li> </ul> <p>We examined a sample of customer accounts who have elected to not receive marketing material and determined that those customer accounts correctly reflect the request, i.e. the check box is unchecked. Our examination of contact logs also indicates the selected customers have not lodged a complaint in regards to receiving unwanted marketing material.</p> <p><i>Refer to issue 7/10 at obligations 117 and 118 above relating to the opportunity to strengthen training and performance monitoring practices.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
140	<p>A marketer must keep a record of each customer who has requested not to be contacted, that includes the name, address and telephone number of the customer at the time the customer made the request.</p> <p><b>2007-09 ref 147</b></p>	Compliant - 5	<p>The 2008/09 Alinta GTL 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 customers.</p> <p>Through discussions with the Manager Customer Service and Manager Sales &amp; Marketing and walkthrough of Alinta's CIS-OV customer contact records, we determined that Alinta augmented its processes in December 2008 so as to capture such requests for small use customers and for Alinta staff to review CIS-OV records for customer instructions prior to making marketing related contact with a customer.</p> <p>For customers who request not to receive material that may be sent with customer bills, a 'no bill inserts' register has been developed. We examined the register and determined that it includes customer:</p> <ul style="list-style-type: none"> <li>• Account details</li> <li>• First and last name</li> <li>• Address information</li> <li>• Phone contact details.</li> </ul> <p>The register is a report produced from CIS-OV, highlighting those customer accounts where the 'bill inserts' check box is un-checked.</p>
144	<p>A retailer and a marketer 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.</p> <p><b>2007-09 ref 136</b></p>	Compliant - 5	<p>The Manager Customer Service confirmed that Alinta's processes are designed to comply with the National Privacy Principles as set out in the Privacy Act 1998.</p> <p>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".</p>
145	<p>A marketer must keep a record of each complaint made by a customer or a person contacted for the purposes of marketing and, on request, give all information relating to the complaint to the Gas Ombudsman.</p> <p><b>2007-09 ref 138 and 139</b></p>	Compliant - 5	<p>Based on discussions with the Team Leader – Customer Service and consideration of Alinta's processes for managing customer complaints, we determined that Alinta's processes for maintaining a record of customer complaints relating to marketing include:</p> <ul style="list-style-type: none"> <li>• All customer complaints are logged into the CIS-OV system and are categorised according to the type of complaint. For example, direct debit, terms and conditions, hardship, payment, meter reading and marketing</li> <li>• The Team Leader – Customer Service is responsible for reviewing complaints on a weekly basis as well as producing an 'end of month report'. The end of month report includes total number of complaints for each area (e.g. coastal, business, Goldfields to Esperance and Albany), a breakdown of the different types of complaints logged and Energy Ombudsman escalations</li> <li>• Information is to be provided to the Gas Ombudsman as requested.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
146	A marketer must keep a record or other information required by the Code to be kept for at least 2 years. <i>2007-09 ref 140 and 146</i>	Compliant - 5	The Manager Customer Service confirmed that all records and information required by the Gas Marketing Code is maintained within CIS-OV indefinitely.



## 4.8 Gas Customer 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
150 – 154	Through discussions with the Team Leader – Credit Management and an examination of Alinta's Hardship Policy, we determined that Alinta does not offer shortened billing cycles as described by the Code. Accordingly, these obligations cannot be rated for the period subject to audit.
170 – 173	Through discussions with the Manager Customer Service and Team Leader – Billing & Payments, we determined that alternative tariffs are not offered to small use customers. Customers are charged a standard tariff based on their geographic area and gas supply type. These tariffs are setup at the time of customer application and do not change unless required by the distributor as an authorised tariff adjustment.  A customer may be eligible for a change in type of supply, e.g. changing from a residential customer to a small use business customer; however such a change does not constitute an alternative tariff.
198, 221	Manager Regulatory Affairs confirmed that Alinta, for the period 1 February 2007 to 30 June 2010, did not maintain dual fuel contracts for residential customers.
212, 213	The Team Leader – Credit Management confirmed that for the purposes of payment difficulties or financial hardship, Alinta does not place a customer onto a payment in advance program. Customers who are experiencing payment difficulties or financial hardship have the ability to extend the due date of their bill, or request to be placed onto an instalment plan. These options functionally relate to a historical debt as compared to payment in advance.
235	The Manager Customer Service confirmed that Alinta does not offer concessions to its customers as energy concessions available to customers is a government initiative, administered by Synergy.  Alinta provides customers with Synergy's contact number.
267, 268	As Alinta's obligations under the Gas Customer Code commenced on 1 July 2009, the first reporting requirement under clause 13.15 of the Gas Customer Code relates to the period 1 July 2009 to 30 June 2010, due on October 2010. Accordingly, Alinta had no obligation during the period subject to audit and a compliance rating cannot be made.

## Audit period

The Gas Customer Code was introduced and became applicable to Licence holders from 1 July 2009 to regulate and control the conduct of gas retailers, distributors and marketing agents in relation to the supply and marketing of gas to customers. As such, for the purpose of this audit the requirements of the Gas Customer Code are applicable for the period 1 July 2009 to 30 June 2010.

However, a number of the Gas Customer Code obligations have identical obligations under the Customer Contract Regulations. Where this audit matches Customer Contract Regulations to the applicable Gas Customer Code obligations, the audit period extends to the full period 1 February 2007 to 30 June 2010.

Those matched obligations are referenced as “**Customer Contract Regulation**” within the “obligation under condition” column of this report’s detailed findings. A summary table is also included at section 4.5 of this report.

A small number of obligations that were captured under the Licence Conditions elements prior to the July 2009 update of the Codes now form part of the Gas Customer Code. These obligations are marked with a “**2007-09 reference**” and are subject to audit for the full period 1 February 2007 to 30 June 2010.

## Assessment of compliance

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

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
	16		7	1	12	78	114

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
<b>Summary finding regarding Alinta’s exception reporting – Gas Customer Code obligations</b> Alinta has a number of obligations under the Gas Customer Code, which have associated target timeframes or require action to be taken in a specified sequence. For example, clause 4.19(3) of the Gas Customer Code 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. During the period subject to audit, examples of such breaches noted by this audit related to obligations 148 (Alinta forwarding a request to the distributor to arrange for customer connections in the required timeframe) and 219 (customers being sent a disconnection reminder notice outside the timeframe requirements). 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 Gas Customer Code. 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>This issue and associated recommendation and action plan relates to obligations 148, 178, 181, 182, 199, 219, 220, 224 and 226.</i>			
<b>Recommendation 10/10</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 10/10</b> Alinta will: (a) Implement 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 Service <b>Target Date:</b> 31 March 2011	
<b>PART 3 – CONNECTION</b>			
147	If a retailer agrees to sell gas to a customer or arrange for the connection of the customer’s supply address, the retailer must forward the customer’s request for the connection to the relevant distributor.	Compliant - 5	Through discussion with the Team Leader – Billing & Payments and walkthrough of Alinta’s customer connection processes, we determined that Alinta has the following processes and systems in place to ensure applicable customers’ requests for connection are forwarded to the distributor: <ul style="list-style-type: none"><li>Customer Service Representatives review the Gas Mapping System to identify if gas supply is available at the customer’s location</li><li>If gas is available, Customer Service Representatives identify whether the connection request relates to an existing or new supply address</li><li>Request for Gas forms, when uploaded into Alinta’s CIS-OV system, are automatically work-flowed to WAGN to initiate connection.</li></ul>

No	Obligation under Condition	Compliance Rating	Findings
148	A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise.	Non-compliant - 2	<p>Section 3.1(2) of the Code defines the 'timeframe' to be the same day, if the request is received before 3pm, or the next business day, if received after 3pm, on a Saturday, Sunday or Public Holiday.</p> <p>Through discussions with the Team Leader – Billing &amp; Payments and consideration of Alinta's connection processes, we determined that Alinta's procedures for customers' request for connection within the required timeframe include:</p> <ul style="list-style-type: none"> <li>• The connection process is not initiated until a Gas Fitter has reviewed the property and connections and the request for gas form has been submitted</li> <li>• Alinta staff are required to manually log the information of the request for gas form into CIS-OV to generate a Service Order</li> <li>• All requests for gas are entered into Alinta's CIS-OV workflow to WAGN in batches. These batches are automatically forwarded four times each day (approximately 7am, 11am, 2pm and 4pm). Requests for gas entered after the last batch are forwarded the next business day.</li> </ul> <p>These procedures do not provide for requests for gas to be forwarded to WAGN within the timeframe specified by the Code as:</p> <ul style="list-style-type: none"> <li>• Not all requests for gas received before 3pm on week days are processed and forwarded to WAGN to initiate the connection process on the same day. Alinta has not monitored such specific instances</li> <li>• Alinta does not obtain customers' verifiable consent for the timeframe for processing the request for gas form.</li> </ul> <p>Examination of the customer complaints register for the period 1 July 2009 to 30 June 2010 indicates there were no complaints in relation to a request for gas not being processed within the required timeframe.</p> <p>We also note that the CIS-OV system currently does not generate exception reports to identify instances where a connection was not performed within the required timeframe. <i>Refer to the summary observation and recommendation 10/10 regarding Alinta's reporting and monitoring controls in relation to its Gas Customer Code obligations.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 11/10</b> Alinta: <ul style="list-style-type: none"> <li>Implement a mechanism for further monitoring and controlling instances where a request for connection received before 3pm on a weekday is not forwarded to WAGN on the same day</li> <li>Update its request for gas/account templates to provide for the customer's verifiable consent to be obtained on the timeframe for submitting the request to WAGN.</li> </ul>		<b>Action Plan 11/10</b> Alinta will: <ol style="list-style-type: none"> <li>Implement a mechanism for further monitoring and controlling instances where requests for connection received before 3pm on a weekday are not forwarded to WAGN on the same day</li> <li>Update the current 'request for gas' (RFG) and the 'request for account' (RFA) process and/or templates to obtain the customer's verifiable consent on the timeframes for submitting the details to WAGN.</li> </ol> <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010
<b>PART 4 - BILLING</b>			
149	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist. <i>Also relates to Customer Contracts Regulation 15(1) (obligation 59)</i>	Compliant - 4	Section 4.1 of the Gas Customer Code requires Alinta to bill each customer no more than once a month, and at least once every three months unless the customer has provided verifiable consent to bill more or less frequently. As customers have agreed to the terms and conditions of the standard form contract, Alinta's current contracting arrangements enable it to bill the customer less frequently, or more frequently as required. Through discussions with the Team Leader – Billing & Payments, we determined that Alinta has the following systems and procedures in place to managing the timeliness of billing customers: <ul style="list-style-type: none"> <li>The standard form contract, which all residential customers are contracted to Alinta with outlines that Alinta will normally bill the customer, approximately, once every three months or once every month (section 6.1 of the standard form contract)</li> <li>On a monthly basis, a report outlining customer accounts that have not been billed for a period of 100 days or more is generated. Billing staff are responsible for reviewing the report, and identifying why customers are not being issued a bill. Typical reasons for customers appearing on the 100 day report include: <ul style="list-style-type: none"> <li>Where the customers payment has been suspended, due to a request for extension, or financial hardship</li> <li>Change to the scheduled meter read route, resulting in a delay of meter read.</li> </ul> </li> </ul> As Alinta has not clearly defined the term 'approximately', it is not able to explicitly demonstrate that it has billed in accordance with its standard terms and conditions.

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 12/10</b> Alinta clarify its reference to the term ‘approximately’ in its terms and conditions of contract to ensure consistency with the requirement to issue a bill at least once every three months unless the circumstances specified exist.		<b>Action Plan 12/10</b> Alinta will meet with the Authority to discuss more clearly defining the term ‘approximately’ in its standard form contract so that it is able to demonstrate that it has billed customers no more than once a month and at least once every three months (unless the specified circumstances exist). <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 March 2011
155	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.	Compliant - 5	Through discussion with the Team Leader – Credit Management we determined that Alinta has processes and systems in place to offer a customer a bill smoothing arrangement, upon request, enabling the provision of estimated bills.
156	If a retailer provides a customer with estimated bills under a bill smoothing arrangement the retailer must ensure that the conditions specified are met.	Compliant - 5	Through discussion with the Team Leader – Credit Management and walkthrough of Alinta’s bill smoothing processes, we determined that Alinta has processes and systems in to manage bill smoothing arrangements. We note that: <ul style="list-style-type: none"> <li>• Customers are able to choose from a fortnightly or monthly arrangement. No other timeframes are offered by Alinta</li> <li>• Customers who are facing financial hardship are not offered a bill smoothing arrangement</li> <li>• The first bill under a bill smoothing arrangement is the value agreed upon with the customer, and communicated to the customer via the bill smoothing arrangement letter</li> <li>• Bill smoothing estimates are based on the customers historical billing data or relevant historical data</li> <li>• All customer accounts on a bill smoothing arrangement are reviewed on a quarterly basis. CIS-OV facilitates the review by identifying those accounts (based on a 4 month period) whose smoothed bill amount is less than the ‘average’ consumption</li> <li>• Where the amount under the bill smoothing arrangement is not appropriate, Alinta will contact the customer to reach agreement on any change to the billing amount</li> <li>• Customer’s meters are still read on a quarterly basis to coincide with typical billing arrangements. The identification of under and over charges are dealt with by the Payments and Billing team</li> <li>• In all instances, for customers requesting bill smoothing arrangements the terms (value and frequency) are agreed with the customer up front.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
157	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	Through examination of Alinta's billing process and discussions with Team Leader Billing & Payments, we determined that Alinta's procedures provide for: <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 when the customer establishes an account with Alinta, or when customer requests gas supply</li> <li>Customers to have the bill emailed directly to a nominated address.</li> </ul>
158	A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise. <i>Also relates to Customer Contracts Regulation 15(1) (obligation 60)</i>	Compliant - 5	Examination of Alinta's current standard bill template indicates that the template contains the minimum information required by section 4.4 of the Code.
159	A retailer must advise the customer of the amount of historical debt and its basis before, with or on the customer's next bill, if the retailer wishes to bill the customer for the historical debt.	Compliant - 5	Through discussion with the Team Leader – Credit Management and consideration of Alinta's billing processes, we understand that in the event a historical debt is identified, Alinta's processes provide for either: <ul style="list-style-type: none"> <li>The amount to be recovered through the standard bill with the debt appearing under the previous balance</li> <li>A special bill for the outstanding amount to be raised and sent to the customer along with a cover letter.</li> </ul>
160	A retailer must base the customer's bill on the distributors or metering agent's reading of the meter, or the customer's reading of the meter in the circumstances specified. <i>Also relates to Customer Contracts Regulation 15(1) (obligation 64)</i>	Compliant - 5	Through discussion with the Team Leader – Billing & Payments and the Retail Services Officer - Billing 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 agent's reads: <ul style="list-style-type: none"> <li>Alinta customers' meters are read by the network operator's (WAGN) contractor, AMRS. AMRS uploads meter reads into the database, which is maintained by WAGN</li> <li>Alinta uploads the daily batch of meter reads into CIS-OV, which reconciles to customer accounts based on MIRN number and meter number.</li> </ul> Through discussions with the Team Leader Billing & Payments, we determined that Alinta does not accept customer self-reads under any circumstance. The Network Operation (WAGN) requires a meter read undertaken by a meter reader.
161	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.	Compliant - 5	Through discussions with the Retail Services Officer – Billing, we determined that Alinta Customer Service Representatives are trained to walk a customer through a self read, in the event that a customer queries an actual read. However, the customer self-read will not replace the actual read, until a meter reader has conducted an additional read.



No	Obligation under Condition	Compliance Rating	Findings
162	<p>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 Gas Customer Code.</p> <p><i>Also relates to Customer Contracts Regulation 15(1) (obligation 64)</i></p>	Non-compliant - 2	<p>Alinta's reading schedules are managed by WAGN and AMRS, with meters scheduled to be read on a quarterly basis to coincide with Alinta's current billing arrangements.</p> <p>Through discussion with the Team Leader – Billing &amp; Payments and Retail Services Officer - Billing, we determined that Alinta has procedures in place to identify customers who have not had their meters read for four billing cycles i.e. have received four estimated reads in a row. We understand that:</p> <ul style="list-style-type: none"> <li>Where meter access is denied or unavailable, for that billing cycle an estimated bill is produced. The meter reader is required to document the reason for being unable to read the meter, for recording in CIS-OV</li> <li>The meter readers are required to leave an 'unable to read' card in the customers mail box, requesting the customer to make contact with the meter reader</li> <li>Alinta's billing team receives a report from WAGN identifying those customers who have had four estimated meter reads in a row, thereby indicating that their meters have not been read for a 12 month period</li> <li>The Retail Services Officer – Billing is responsible for reviewing the report and contacting the customer</li> </ul> <p>The June 2010 "4 in a row" report identified a number of residential customers who have not had their meter read for a 12 month period.</p>
	<p><b>Recommendation 13/10</b></p> <p>Alinta update current procedures so that customers who have had three or more estimated bills in a row are contacted and/or sent a letter requesting access to the meter.</p>		<p><b>Action plan 13/10</b></p> <p>Alinta will update current procedures so that customers who have had three or more estimated bills in a row are contacted and/or sent a letter requesting access to the meter.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>
163	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.	Complaint - 5	<p>Through discussions with the Retail Services Officer - Billing and consideration of Alinta's billing processes, we determined that Alinta's procedures provide for :</p> <ul style="list-style-type: none"> <li>WAGN to generate an estimated value in the event that a meter reading is not received</li> <li>The bill to clearly display that it is an estimated bill and that the amount is based on estimation.</li> </ul> <p>We also observed that clause 5 of Alinta's standard form contract states that an estimate will be billed should (for whatever reason) an actual meter read not be obtained.</p>
164	A retailer must specify the stated information in circumstances where the customer's bill is estimated.	Compliant - 5	Examination of the current bill template indicates that the estimated bill template used by Alinta contains the minimum information required by section 4.8(2) of the Code.



No	Obligation under Condition	Compliance Rating	Findings
165	A retailer must tell a customer, on request, the basis and reason for the estimation.	Complaint - 5	Through discussions with the Retail Services Officer - Billing and consideration of Alinta's billing processes, we determined that Customer Service Representatives are trained to advise customers on the basis and reason for estimations. We also observed that the customer profile in CIS-OV provides relevant information required by the Customer Service Representatives require.
166	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. <b>Customer Contracts Regulation ref 66</b>	Complaint - 5	Through discussions with the Retail Services Officer - Billing and consideration of Alinta's billing and account management processes, we determined that Alinta's processes provide for: <ul style="list-style-type: none"> <li>Where an account is in credit (i.e. Alinta has overcharged the customer) the balance to be automatically adjusted on the customer's account. Should the customer prefer a refund, the refund can be processed</li> <li>Where an account is in debit (i.e. Alinta has undercharged the customer) the balance to be automatically attached to the customer's account. The customer is then advised of the balance.</li> </ul> We also observed evidence of adjustments made to bills after an actual meter reading is obtained.
167	A retailer must replace an estimated bill with a bill based on an actual reading if the customer satisfies the requirements as specified. <b>Customer Contracts Regulation ref 67</b>	Complaint - 5	Through discussions with the Retail Services Officer – Billing, we determined that Alinta has processes and procedures in place to replace an estimated bill with a bill based on actual meter read if requested by a customer.
168	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	<b>Obligations 168 and 169</b> Through discussions with the Retail Services Officer – Billing, we determined that Alinta has the following arrangements in place to engage the distributor to perform a meter test, at a customer's request:
169	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 current processes require upfront payment of the fee to perform the meter test. Once received, the Retail Services Officer – Billing forwards the request to WAGN</li> <li>Section 4.2 of Alinta's standard form contract outlines customers' right to request a meter test</li> <li>If the meter is found to be defective, the fee for the meter test is either credited to the customer's account, or refunded via direct payment.</li> </ul>
174	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 Team Leader – Billing & Payments and Team Leader – Credit Management 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. In these circumstances, a final meter read service order is arranged from which a final bill is generated.

No	Obligation under Condition	Compliance Rating	Findings
175	A retailer must repay the customer any amount in credit at the time of account closure.	Compliant - 5	<p>Through discussions with the Team Leader – Billing &amp; Payments and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures in place to manage the account finalisation process:</p> <ul style="list-style-type: none"> <li>Alinta's default approach is to transfer any credits to the customer's new supply address (if applicable) unless the customer specifically requested the amount to be refunded</li> <li>Alinta's billing staff produce a report, which identifying accounts in credit on a weekly basis. Those accounts that are in credit are reviewed and appropriately dealt with.</li> </ul> <p>We examined the customer complaint register and did not identify any complaints in relation to refund of credits after account closure.</p>
176	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	<p><i>Obligation 176 to 178</i></p> <p>Through discussions with the Team Leader – Billing &amp; Payments and Retail Services Officer – Billing 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:</p> <ul style="list-style-type: none"> <li>Alinta's Customer Service Representatives 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 Customer Service Representative 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> <p>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.</p> <p>We also note that the CIS-OV system currently does not generate exception reports to identify instances where a review was performed within the required timeframe. <i>Refer to the summary observation and recommendation 10/10 regarding Alinta's reporting and monitoring controls in relation to its Gas Customer Code obligations.</i></p>
177	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 (as applicable).	Compliant - 5	
178	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	

No	Obligation under Condition	Compliance Rating	Findings
179	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	<p>Through discussions with the Team Leader Billing &amp; Payments and the Retail Services Officer - Billing and consideration of Alinta's billing processes, we determined that Alinta has the following procedures in place to manage accounts requiring adjustments:</p> <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</li> <li>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>Alinta does not charge interest or fees for the amount being recovered from the customer</li> <li>Alinta's default process is to cancel the bills in question and issue a revised account with an accompanying letter.</li> </ul>
180	A retailer must use its best endeavours to inform the customer (including a customer who has vacated the supply address) of an overcharge, 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 - 5	<p>Through discussions with the Team Leader – Billing &amp; Payments and consideration of Alinta's billing processes, 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 of any overcharge and offering resolution alternatives</li> <li>Customer Service Representatives attempting to make contact with customers who have been overcharged and have moved address.</li> </ul>
181	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 181 and 182</i></p> <p>Through discussions with the Team Leader – Billing &amp; Payments and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for managing the refunds process include:</p>

No	Obligation under Condition	Compliance Rating	Findings
182	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 by the customer.	Compliant - 4	<ul style="list-style-type: none"> <li>Alinta's default approach is to transfer any credits to the customer's supply address unless the customer specifically requests the amount to be refunded</li> <li>Alinta's billing staff produce a report, which identifies accounts in credit on a weekly basis. Those accounts that are in credit are reviewed and appropriately dealt with</li> <li>If the amount is to be refunded, the Customer Service Representative is to submit a request for work flow approval. Refunds are then processed via weekly cheque run</li> <li>Standard business requirements are seven 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 the CIS-OV system currently does not generate exception reports to identify instances where refund has been performed within the required timeframe. <i>Refer to the summary observation and recommendation 10/10 regarding Alinta's reporting and monitoring controls in relation to its Gas Customer Code obligations.</i></p>
<b>PART 5 - PAYMENT</b>			
183	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.	Non-compliant - 2	<p>Based on discussions with the Team Leader – Credit Management and Team Leader – Billing &amp; Payments, we understand that prior to a system correction implemented in February 2010, CIS-OV was programmed to issue bills with due dates based on 14 calendar days, not 12 business days from the date of bill as required by the Gas Customer Code. Prior to the correction, as the bill timeframe incorporated weekends and public holidays bill due dates were less than 12 business days from the date of bill.</p> <p>An examination of the standard form contract identified that s.6.2(j) incorrectly outlines that the due date of a bill will be at least 14 business days after the date of the bill. This statement is at odds with current billing arrangements.</p> <p>We examined both a current standard bill and an estimated bill and observed that both had due dates of at least 12 business days from the date of the bill.</p> <p><i>Links to system issue identified for obligation 219</i></p>
	<p><b>Recommendation 14/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>Update s.6.2(j) of its standard form contract to match current service standards</li> <li>Submit the amended standard form contract to the Authority for approval.</li> </ul>		<p><b>Action Plan 14/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Update s.6.2(j) of its standard form contract to match current service standards</li> <li>(b) Submit the amended standard form contract to the Authority for approval.</li> </ul> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 30 September 2010</p>

No	Obligation under Condition	Compliance Rating	Findings
184	A retailer must as a minimum offer the specified payment methods to the customer. <b>Customer Contracts Regulation 68</b>	Compliant - 5	We examined a sample bill and observed that the minimum payment methods prescribed in s.5.2(1) of the Code are offered by Alinta.
185	A retailer must comply with the Electronic Funds Transfer Code of Conduct with respect to an electronic payment arrangement.	Compliant - 5	Section 5.2(2) of the Gas Customer Code states that ‘all electronic payment arrangements must comply with the Electronic Funds Transfer Code of Conduct’. The Manager Customer Service confirmed that Alinta complies with the Electronic Funds Transfer Code of Conduct.
186	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.	Compliant - 5	The Team Leader - Customer Service confirmed the process for obtaining a customer’s verifiable consent prior to commencing a direct debit is either: <ul style="list-style-type: none"> <li>• By asking a routine set of questions providing consent through a voice recording of the customer agreeing to those questions.</li> <li>• Issuing an application containing all relevant information for the customer to complete, sign and return to Alinta.</li> </ul> The Team Leader – Customer Service confirmed that all voice recordings are maintained for minimum of 6 months, after which they are archived.
187	A retailer must accept payment in advance from a customer on request, in the circumstances specified. <b>Customer Contracts Regulation 69</b>	Compliant - 5	Through discussion with the Team Leader Billing & Payments and walkthrough of Alinta’s payments process, we determined that Alinta: <ul style="list-style-type: none"> <li>• Accepts payment in advance for any amount (i.e. no minimum amount)</li> <li>• Place the customer’s account into credit, where applicable.</li> </ul>
188	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. <b>Customer Contracts Regulation 69</b>	Compliant - 5	Through examination of Alinta’s billing process and discussions with Team Leader Billing & Payments, we determined that Alinta’s procedures provide for customers to have bills sent to either the supply address or an alternative mailing address nominated by the customer.
189	A retailer must not charge a residential customer a late payment fee in the circumstances specified.	Compliant - 5	<b>Obligations 189 to 191</b> Through discussions 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 procedures to manage the application of late payment fees:
190	A retailer must not charge a residential customer 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.	Compliant - 5	<ul style="list-style-type: none"> <li>• Alinta’s CIS-OV system will not permit the charging of fees to customer accounts whilst a moratorium is in place. A moratorium is attached to a customer account when payment</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
191	A retailer must not charge a residential customer more than three late payment fees in relation to the same bill.	Compliant - 5	<p>arrangements are agreed to, or a customer complaint is being dealt with</p> <ul style="list-style-type: none"> <li>Alinta charges late payment fees on the issue of the relevant reminder notices and disconnection warnings each of which are at least 5 days apart. The process is automated, i.e. the letter is produced and fee charged</li> <li>The approved late payment fee is currently \$7</li> <li>A maximum of three late payment fees can be attached to a customer account in relation to reminder/warning notices</li> <li>Should a customer contact Alinta and be assessed as suffering from payment difficulties or financial hardship, all fees are reversed.</li> </ul>
192	A retailer must not require a customer who has vacated a supply address to pay for gas consumed at the customer's supply address in the circumstances specified.	Compliant - 5	<p>Through discussions with the Team Leader – Credit Management and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for finalisation of customer accounts include:</p> <ul style="list-style-type: none"> <li>A customer is required to notify Alinta to request account closure</li> <li>Customer Service Representatives initiate the account finalisation process, and submit a service order in CIS-OV requesting a final meter read of the supply address</li> <li>AMRS reads the meter within 3 business days of request, or a date agreed upon with the customer</li> <li>Customers are charged for consumption up to the final meter read.</li> </ul>
193	A retailer must not require a customer who was evicted or otherwise required to vacate a supply address to pay for gas consumed at the customer's supply address in the circumstances specified.	Compliant - 5	<p>Through discussions with the Team Leader – Credit Management 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:</p> <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>Section 16 of the standard form contract outlines that Alinta will not require a customer to pay for gas consumption beyond the period of notice if the customer is forced to vacate the supply address with less than 3 business days notice and if the customer notifies Alinta immediately.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
194	<p>A retailer must not require a previous customer to pay for gas consumed at the supply address in the circumstances specified.</p> <p>A previous retailer must not require the customer to pay for gas consumed at the supply address in the circumstance specified.</p> <p>A retailer must not require the customer to pay for gas consumed at a disconnected supply address in the circumstances specified.</p>	Compliant - 5	<p>Through discussions with the Team Leader – Billing &amp; Payments and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures to manage the account finalisation process:</p> <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 CIS-OV, the system does not permit an amount to be billed to the previous customer of the same supply address</li> <li>• Section 16 of the standard form contract commits Alinta to not charging the previous customer gas consumption after the new customer becomes obliged to pay.</li> </ul>
195	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	<p>Section 5.8 (1) of the Gas 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'.</p> <p>The Manager Customer Service confirmed that Alinta complies with the Conduct Principles set out in the guidelines on debt collection issued by the ACCC.</p>
196	<p>A retailer must not commence proceedings for recovery of a debt in the circumstances specified.</p> <p><b>Customer Contracts Regulation 74</b></p>	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:</p> <ul style="list-style-type: none"> <li>• Customers to be contacted prior to being referred to debt collection</li> <li>• Customers not to be referred to debt collection if they are: <ul style="list-style-type: none"> <li>○ Experiencing payment difficulties or financial hardship</li> <li>○ Making payments under the agreed payment plans.</li> </ul> </li> </ul>
197	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of gas to that supply address.	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 which incurred the debt</li> <li>• The CIS-OV system only allows one account to be attached to a supply address; as such it is only possible to bill for the consumption from a supply address to one customer at any given time.</li> </ul>



No	Obligation under Condition	Compliance Rating	Findings
<b>PART 6 – PAYMENT DIFFICULTIES AND FINANCIAL HARDSHIP</b>			
199	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 the customer is experiencing payment problems.	Compliant - 4	<p>Through discussion with the Team Leader – Credit Management and examination of documents and walkthrough testing, we determined that Alinta has the following processes and procedures in place to facilitate the assessment of customer's financial situation within three days:</p> <ul style="list-style-type: none"> <li>Alinta has developed a Continuous Energy Program (incorporating Hardship Policy) document (Hardship Policy). The Hardship Policy assists Alinta staff in performing a preliminary assessment of a customer's financial situation</li> <li>Customer Service Representatives are responsible for performing the initial assessment in line with the Hardship Policy</li> <li>An initial assessment is to be performed immediately (while the customer is on the phone) and if the customer is determined to be experiencing financial hardship, the customer is referred to a relevant government agency or financial counsellor</li> <li>Where a customer has contacted Alinta via email or letter, the contact is printed out on a daily basis and distributed to the call centre staff to action when customer calls are low. The Team Leader – Credit Management recognised that communicating via this medium may likely result in assessments being performed outside the three day timeframe, however for the period 1 February 2007 to 30 June 2010, we understand that no customers have contacted Alinta for the purpose of payment difficulties/financial hardship via email or letter</li> <li>When a preliminary assessment of a customer has been performed, the Customer Service Representative is required to document the discussion and outcomes on the customer's profile within CIS-OV by categorising the contact log as 'HUGS'</li> <li>Customer Service Representatives are trained in relation to the Hardship Policy</li> <li>The Team Leader – Credit Management is responsible for reviewing the customer logs in categorised as 'HUGS'.</li> </ul> <p>The CIS-OV system currently does not generate exception reports to identify customers undergoing an assessment in accordance with the requirements of the Gas Customer Code. <i>Refer to the summary observation and recommendation 10/10 regarding Alinta's reporting and monitoring controls in relation to its Gas Customer Code obligations.</i></p>



No	Obligation under Condition	Compliance Rating	Findings
200	A retailer must give reasonable consideration to the information and advice specified when undertaking an assessment regarding payment difficulties or financial hardship.	Compliant - 5	<p>Based on discussions with the Team Leader – Credit Management we determined that Alinta has procedures in place to assist staff in making preliminary assessments of a customer's financial situation. The assessment is completed using:</p> <ul style="list-style-type: none"> <li>• Information provided by the customer</li> <li>• The information held by Alinta</li> <li>• Information from relevant third parties, e.g. financial counsellors.</li> </ul> <p>Where Alinta staff assesses the customer as being under financial hardship, the customer is referred to a financial counsellor for a formal assessment.</p> <p>Based on discussions with the Manager Customer Service, Team Leader – Credit Management, and consideration of the Hardship Policy, we understand that:</p> <ul style="list-style-type: none"> <li>• Customer Service Representatives are trained on how to assess a customer's situation</li> <li>• Most customers, who advise Alinta that they are experiencing payment difficulties, will be given a payment extension.</li> </ul>
201	A retailer must advise a residential customer on request of the details of an assessment.	Compliant - 5	<p>Through discussion with the Team Leader – Credit Management and Team Leader – Customer Service, we determined that Customer Service Representatives are aware that customers are entitled to information regarding their assessment.</p> <p>The Team Leader – Credit Management advised that Alinta staff are not provided with the details of the Financial Counsellor's assessment, other than a decision as to whether the customer is suffering from financial hardship. If a customer requests information regarding the detailed Financial Counsellor's assessment, Alinta will direct the customer to the respective Financial Counsellor.</p> <p>Our examination of the complaints register for the period 1 July 2009 to 30 June 2010 indicated that no customers had complained in relation to not being provided details of a financial hardship assessment.</p>
202	A retailer may not unreasonably deny a residential customer's request for a temporary suspension of actions in the circumstances specified.	Compliant - 5	<p><i>Obligations 202 to 204</i></p> <p>Through discussion with the Team Leader – Credit Management and examination of the Hardship Policy, we determined that Alinta has procedures in place to enable a customer's account to be suppressed from any credit or disconnection actions for a period of 10 business days if requested by the customer, or if the customer has yet to be assessed by the financial counsellor or the</p>
203	A retailer must allow a temporary suspension of actions for a period of at least 10 days.	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
204	A retailer must give reasonable consideration to a request by a residential customer in the manner specified to allow a relevant consumer representative organisation additional time to assess a residential customer's capacity to pay.	Compliant - 5	relevant government agency. The length of suspension of actions is for a minimum of 10 business days and can be extended where an authorised Customer Representative Organisation or financial counsellor requires more time to assess the customers' situation. Customer Service Representatives are authorised to approve an extension of up to 4 weeks. Should a greater period of time be required, Customer Service Representatives are required to seek the approval of the Team Leader – Credit Management.
205	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.	Compliant - 5	Through examination of section 4 of the Hardship Policy and discussion with the Team Leader – Credit Management, we determined that Alinta offers alternative payment arrangements such as payment extensions or payment instalment plans to customers who are experiencing payment difficulties or financial hardship.
206	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the specified payment arrangements. <b><i>Customer Contracts Regulation 72</i></b>	Compliant - 5	Through discussion with the Team Leader – Credit Management and examination of the Hardship Policy, we determined that: <ul style="list-style-type: none"> <li>Alinta has procedures in place to offer payment extensions or payment instalment plans to customers experiencing payment difficulties or financial hardship</li> <li>Any payment instalment plan is fee and interest free.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
207	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.	Compliant - 4	<p>Through discussions with the Team Leader – Credit Management, we determined that Alinta has the following procedures in place for placing customers onto a payment instalment plan:</p> <ul style="list-style-type: none"> <li>When Alinta determines whether the instalment plan is applicable to the customer, the customer's usage needs and capacity to pay are taken into account</li> <li>Information relating to an instalment plan is communicated to the customer over the phone, at the time of contact. Such information includes how amounts are calculated, actual amount, timeframe, number of instalments and the impact of seasonal fluctuations, which may result (at times) in accounts being in debit or credit</li> <li>The instalment plan is agreed with the customer and noted on the customer profile on CIS-OV</li> <li>The details of the instalment plan are sent to the customer by mail</li> <li>Provision for re-calculation of an instalment plan.</li> </ul> <p>Alinta's payment difficulty/financial hardship procedures provide for trained staff to methodically assess customers' circumstances and to communicate all information relating to an offered instalment plan to the customer at the point of contact (via phone) and later confirmed via mail. Such practices are not detailed in the Hardship Policy, or in a formal training program.</p> <p>Although it is not an explicit requirement of the Code for Alinta's Hardship Policy to reflect all of the requirements of the Code, as the Policy is designed to provide guidance to staff, there is merit in the Policy specifying the information staff are required to provide customers in accordance with s.6.4(2) of the Code when offering instalment plans.</p>
	<p><b>Recommendation 15/10</b></p> <p>Alinta consider both or either:</p> <ul style="list-style-type: none"> <li>Enhancing its Hardship Policy to specify the information staff are required to provide customers in accordance with s.6.4(2) of the Code</li> <li>Incorporating those requirements into staff training programs.</li> </ul>		<p><b>Action Plan 15/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>Enhance its Hardship Policy to specify the information staff are required to provide customers in accordance with s.6.4(2) of the Code</li> <li>Incorporate those requirements into staff training programs.</li> </ul> <p><b>Responsible Person:</b> Manager Customer Service  <b>Target Date:</b> 31 December 2010</p>
208	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.	Compliant - 5	<p><i>Obligations 208 and 209</i></p> <p>From an examination of the Hardship Policy and discussions with the Team Leader – Credit Management, we determined that Alinta's policy and procedures include:</p>

No	Obligation under Condition	Compliance Rating	Findings
209	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)(d).	Compliant - 5	<ul style="list-style-type: none"> <li>All customers who are assessed as being under financial hardship have all fees and charges deleted from their account</li> <li>If a customer or relevant third party requests that a debt be reduced, it will be referred to the Team Leader who will then make an assessment in accordance with the provisions of Alinta's hardship policy</li> </ul>
210	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.	Compliant - 5	From an examination of the Hardship Policy and discussions with Team Leader – Credit Management, we determined that Alinta's processes require its staff to give reasonable consideration to offering a customer an instalment plan or revise an existing plan, if requested.
211	A retailer must advise the customer of the specified assistance information. <b>Customer Contracts Regulation 72</b>	Compliant - 5	Section 5 of the Hardship Policy outlines customers' rights and responsibilities and specifically outlines the provision of information requirements of s.6.8 of the Code. Through discussion with the Team Leader – Customer Service, we also determined that Alinta provides the necessary advice to a customer, either over the phone, by email or in writing.
214	A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer.	Compliant - 5	<p>Alinta developed a Hardship Policy in December 2007 to accommodate instances where individual customers experience payment difficulties or financial hardship. The Hardship Policy is:</p> <ul style="list-style-type: none"> <li>Applicable to those customers that are assessed as experiencing payment difficulties or financial hardship</li> <li>Designed to assist customers in meeting their financial obligations to Alinta</li> <li>Applicable only to residential gas customers who consume not more than 1 terajoule of gas per annum.</li> </ul> <p>The Team Leader - Credit Management is responsible for the development and maintenance of the Hardship Policy. The document was last updated in September 2009, to reflect WACOSS and FCAWA recommendations.</p>
215	A retailer must ensure that the hardship policy complies with the specified criteria.	Non-Compliant - 2	<p>Our examination of the September 2009 version of the Hardship Policy indicates that it complies with the requirements of s.6.10(2) of the Code, except for:</p> <ul style="list-style-type: none"> <li>Alinta's position on the reduction and/or waiver of a customers' debt (s.6.10(2)(d)(iv))</li> <li>Debt recovery procedures (s.6.10(2)(d)(v)).</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
	<b>Recommendation 16/10</b> Alinta update its Hardship policy to include the required information specified at s.6.10(2) of the Code.		<b>Action Plan 16/10</b> Alinta will update its Hardship policy to include the required information specified at s.6.10(2) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010
216	A retailer must give a customer, financial counsellor or relevant consumer representative organisation, on request, details of the financial hardship policy, at no charge.	Compliant - 5	Through discussions with the Team Leader – Credit Management, we determined that Alinta: <ul style="list-style-type: none"> <li>Has protocols in place for providing details of the Hardship Policy to a customer, financial counsellor or welfare agency upon request</li> <li>Made the decision not to publish the policy on its website, as it prefers the customer to make contact with the call centre.</li> </ul> We examined the customer complaint register for the 2009/10 year and did not identify any complaints relating to the provision of Hardship Policy information.
217	A retailer must keep a record of the specified information related to the hardship policy.	Compliant - 5	Through discussion with the Manager Customer Service and consideration of the Continuous Energy Program (including hardship policy), we determined that Alinta maintains the records as prescribed by s.6.10(4) of the Code.
218	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	Compliant - 5	Section 1 of the Hardship Policy states that the policy is only applicable ‘to residential gas customers who consume not more than 1 terajoule of gas per annum’. However, from discussions with the Team Leader – Credit Management, we determined that: <ul style="list-style-type: none"> <li>Assistance offered by Alinta to customers experiencing payment difficulties or financial hardship extends to small use business customers</li> <li>Staff are aware that if small use business customers are experiencing payment problems, alternative payment arrangements are available.</li> </ul> We examined the customer complaint register for the 2009/10 year and did not identify any complaints relating to a business customer’s treatment in arranging alternate payment arrangements.
<b>PART 7 - DISCONNECTION</b>			
219  33, 34	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.  <i>This issue also relates to Customer Contracts</i>	Non-compliant - 2	Through examination of Alinta’s billing process and discussions with Team Leader – Credit Management and Team Leader Billing & Payments, we determined that Alinta’s current processes provide for: <ul style="list-style-type: none"> <li>An overdue account notice (not a requirement under the Code) to be sent to customers who are considered not a credit risk thereby delaying the formal requirements under the code (17 days after issue to bill)</li> <li>A reminder notice to be sent to the customers. For those customers considered a credit risk</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
	<i>Regulation 12(4) (obligations 33, 34).</i>		<p>the notice will be sent 17 days after the issue of the bill. Those non-credit risk customers who have received the initial overdue account letter receive the notice 22 days after date of bill</p> <ul style="list-style-type: none"> <li>• A disconnection warning notice to be sent to the customer outlining that the account is overdue. For those customers considered a credit risk the notice will be sent 22 days after the date of bill. Those non-credit risk customers receive the notice 27 days after date of bill</li> <li>• Disconnection not to be performed unless the above reminder notices and warnings have been issued.</li> </ul> <p>Prior to a system correction implemented in February 2010, CIS-OV was set up to initiate the reminder and disconnection notices based on calendar days, not business days (as required by the Code). Sample testing of the disconnection process identified the following instances of non-compliance occurring prior to the system correction:</p> <ul style="list-style-type: none"> <li>• 1 invoice reminder notice being sent 12 business days from the date of bill, in breach of the 14 day requirement</li> <li>• 6 disconnection warnings being sent prior to the minimum 22 day timeframe from the date of bill</li> </ul> <p>We also observed that the current reminder and disconnection templates do not comply with the Code, specifically:</p> <ul style="list-style-type: none"> <li>• The current reminder template does not specify that payment is required to be made on or before the day not less than 20 business days after the bill date (s.7.1(1)(a)(iii))</li> <li>• The disconnection warning template does not specify that the customer will be disconnected not less than 10 business days from date of the disconnection warning (s.7.1(1)(b)(ii)).</li> </ul> <p>The CIS-OV system currently does not generate exception reports to identify customers which have not received reminder notices and/or disconnection warning letters in accordance with the requirements of the Gas Customer Code. <i>Refer to the summary observation and recommendation 10/10 regarding Alinta's reporting and monitoring controls in relation to its Gas Customer Code obligations.</i></p>
	<p><b>Recommendation 17/10</b></p> <p>Alinta update the current reminder and disconnection warning templates to include the required information as outlined by s.7.1(1) of the Code.</p>		<p><b>Action Plan 17/10</b></p> <p>Alinta will update the current reminder and disconnection warning templates to include the required information as outlined by s.7.1(1) of the Code.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>

No	Obligation under Condition	Compliance Rating	Findings
220  40, 41, 49, 50	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.  <i>This issue also relates to Customer Contracts Regulation 12(6) (obligations 40, 41, 49 and 50).</i>	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 gas</li> <li>• If the supply address does not relate to the bill</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>Through audit testing performed, we did not observe any customers who were disconnected outside of the limitations prescribed in this clause.</p> <p>The CIS-OV system currently does not generate exception reports to identify instances where a reminder notice and/or disconnection warning letter was not issued prior to the disconnection. <i>Refer to the summary observation and recommendation 10/10 regarding Alinta's reporting and monitoring controls in relation to its Gas Customer Code obligations.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
222 42	<p>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.</p> <p><i>This issue also relates to Customer Contracts Regulation 12(6) (obligation 42)</i></p>	Non-compliant - 2	<p>Through an examination of Alinta's disconnection process and discussions with Team Leader – Credit Management and Retail Services Officer - Billing, we determined that Alinta's processes provide for:</p> <ul style="list-style-type: none"> <li>• Meter readers to leave notification at the clients address for failure to gain access to the customers meters on the day of meter read</li> <li>• Customers not to be disconnected for denying access to the meter unless the customer has had four estimated meter reads in a row, as a minimum. It is not general practice for Alinta to disconnect supply to customers' for denying access to a meter</li> <li>• A letter to be issued to the customer in relation to inaccessibility of their meter after four estimated reads has been identified. The letter advises the customer of the requirements to disconnect supply should the customer not contact Alinta or AMRS.</li> </ul> <p>From discussions with the Retail Services Officer – Billing, we determined that:</p> <ul style="list-style-type: none"> <li>• The "meter obstructed" note left by the meter reader does not contain the mandatory information as prescribed by s.7.1(1)(b) of the code, specifically: <ul style="list-style-type: none"> <li>○ Advising the customer of the next date or timeframe of a scheduled meter reading</li> <li>○ Requesting access to the meter at the supply address for the purpose of the scheduled meter reading</li> <li>○ Advising the customer of the retailer's ability to arrange for disconnection if the customer fails to provide access to the meter.</li> </ul> </li> <li>• For the period subject to audit, one customer had been disconnected for failure to provide access to the meter. The customer was informed in line with the above process.</li> </ul> <p>Our examination of the complaints register for the period 1 July 2009 to 30 June 2010 indicated that no customers had complained in relation to being disconnected for denying access to the property's meter.</p>
	<p><b>Recommendation 18/10</b></p> <p>Alinta update the current letter templates to include the required information as outlined by s.7.4(1) of the Code.</p>		<p><b>Action Plan 18/10</b></p> <p>Alinta will update the current letter templates to include the required information as outlined by s.7.4(1) of the Code.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>



No	Obligation under Condition	Compliance Rating	Findings
224	<p>A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.</p> <p><i>Also relates to Customer Contracts Regulation 12(2) and 12(6) (obligations 32, 48 and 51).</i></p>	Compliant - 3	<p>Through discussions with the Team Leader – Credit Management, walkthrough and sample testing 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 Fridays, 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: <ul style="list-style-type: none"> <li>Not arrange disconnections on a Friday</li> <li>Perform disconnections using the disconnection Service Order produced by the CIS-OV system, which is forwarded to AMRS or WAGN for processing.</li> </ul> </li> </ul> <p>We observed that the time at which a disconnection is performed by either AMRS or WAGN is not recorded on the completed Service Order and therefore not captured in system records. Although we did not observe any evidence to indicate non-compliance with requirements of the code, without the disconnection time being recorded, it is difficult for Alinta to demonstrate that the timing requirements are met for all disconnections.</p>
	<p><b>Recommendation 19/10</b></p> <p>Introduce the following procedures in consultation with WAGN and AMRS:</p> <p>(a) Field staff to record the time of the disconnection</p> <p>(b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.</p>		<p><b>Action Plan 19/10</b></p> <p>In consultation with WAGN and AMRS, Alinta will explore the introduction of the following procedures:</p> <p>(a) Field staff to record the time of the disconnection</p> <p>(b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>
<b>PART 8 - RECONNECTION</b>			
225	<p>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.</p>	Compliant - 5	<p>Through discussion with the Team Leader – Credit Management and consideration of Alinta's disconnection and reconnection procedures, we determined that Alinta has the following procedures in place to arrange for customers to be reconnected:</p> <ul style="list-style-type: none"> <li>A customer who has failed to pay a bill will be reconnected if the customer has paid the balance owing, has agreed to a payment plan, or has been assessed as being in financial hardship</li> <li>A customer who has been unlawfully consuming gas, and has subsequently setup an account with Alinta (i.e. remedied the breach), will be reconnected, and invoiced for the gas consumed.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
226  52	A retailer must forward the request for reconnection to the relevant distributor within the timeframe specified.  <i>Also relates to Customer Contracts Regulation 12(6) (obligation 52).</i>	Compliant - 4	<p>Section 8.1(2) of the Code defines the 'timeframe' to be the same day, if the request is received before 3pm, or the next business day, if received after 3pm, on a Saturday, Sunday or Public Holiday.</p> <p>Through discussion with the Team Leader – Credit Management and consideration of Alinta's reconnection processes, we determined that Alinta has the following processes and procedures in place to arrange for customers to be reconnected:</p> <ul style="list-style-type: none"> <li>Alinta processes service orders, which are forwarded to either AMRS or WAGN, dependent on the type of disconnection previously performed (e.g. soft, lock, regulator or squeeze)</li> <li>The service order will be processed immediately based on the conversation/request from the customer and is submitted to the relevant party on the same day (if received by 3pm), or the next morning.</li> </ul> <p>Examination of the customer complaints register for the period 1 July 2009 to 30 June 2010, indicates that there were no complaints in relation to a customer not being reconnected within an appropriate timeframe.</p> <p>The CIS-OV system currently does not generate an exception report to identify instances where a reconnection was not performed within the timeframes specified by s.8.1(2). <i>Refer to the summary observation and recommendation 10/10 regarding Alinta's reporting and monitoring controls in relation to its Gas Customer Code obligations.</i></p>
<b>PART 10 – INFORMATION AND COMMUNICATION</b>			
228	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, in the timeframes specified.  <b><i>Customer Contracts Regulation 58</i></b>	Compliant – 5	<p>Alinta has amended its tariffs on an annual basis with the variations being effective as of 1 July 2007, 2008 and 2009. In 2010, the amendment was effective in April.</p> <p>The Gas Customer Code requires customers affected by the variation to be notified no later than the customers' next bill, after the date the variation is published.</p> <p>Through discussions with the Manager Customer Service, and examination of documentation, we determined that Alinta has the following procedures in place for providing notice of variations in tariffs:</p> <ul style="list-style-type: none"> <li>Variations in tariffs are noted in the 'Important Information' section on the first bill following implementation of the new tariff</li> <li>Alinta advertises in the West Australian and the Kalgoorlie Boulder newspapers one week before the tariff variation is implemented</li> <li>When a variation occurs that is considered significant (i.e. greater than CPI), for additional exposure, a leaflet may be included with the first bill following the tariff increase.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
229	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including alternative tariffs (if any). <b>Customer Contracts Regulation 57</b>	Compliant – 5	The Manager Customer Service confirmed that should a customer contact the Alinta Call Centre requesting tariff information, Customer Service Representatives are trained to: <ul style="list-style-type: none"> <li>• Provide information over the phone</li> <li>• Direct the customer to Alinta's website</li> <li>• Send an e-mail to the customer (if requested).</li> </ul> All services are provided to the customer at no charge.
230	A retailer must give a customer the information requested on tariffs in the manner and within the timeframes specified.	Compliant – 5	The Manager Customer Service 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 Gas Customer Code</li> <li>• Should the customer request the information in writing, the information will be sent the day of request.</li> </ul>
231	A retailer must, on request, give a customer its billing data. <b>Customer Contracts Regulation 63</b>	Compliant – 5	<b>Obligations 231 to 233</b> The Manager Customer Service confirmed that should a customer contact the Alinta Call Centre requesting billing data, the Customer Services Representatives have been trained to: <ul style="list-style-type: none"> <li>• Resolve the customer query whilst they are on the phone, therefore complying with the 10 business day requirement of the Code</li> <li>• Direct the customer to the Alinta's website, where if the customer is a registered user, they are able to view copies of their bills</li> <li>• Should the customer request the information in writing, the information will be sent the day of request.</li> </ul> All information is provided to the customer at no charge.
232	A retailer must give the requested billing data at no charge in the circumstances specified.	Compliant – 5	
233	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.	Compliant – 5	
234	A retailer must keep a customer's billing data for seven years.	Compliant – 5	Through discussions with the Manager Customer Service and observation of customer data in CIS-OV, we determined that customer consumption data is kept in CIS-OV and is not removed. The Manager Customer Service advised that CIS-OV data is not archived.

No	Obligation under Condition	Compliance Rating	Findings
236	A retailer must give a customer on request, at no charge, the general energy efficiency information specified.	Compliant – 5	The Manager Customer Service confirmed that Alinta's procedures provide for: <ul style="list-style-type: none"> <li>• Upon request, the Customer Service Representatives to provide gas consumption and costing information to customers and also refer the customer to the gas usage efficiency information located in the Customer Charter and on Alinta's website</li> <li>• If a customer requests information on an energy efficiency audit, the Customer Services Representatives is to direct the call to Alinta Assist</li> <li>• Any specific requests for appliance efficiency ratings to be directed to the Sustainable Energy Development Office (SEDO).</li> </ul>
237	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 gas.	Compliant – 5	The Manager Customer Service confirmed that all requests for distribution related information are directed to WAGN. The direct number is provided to the customer and they are transferred. If requested, the customer is transferred directly to WAGN.
238	A retailer must lodge with the Authority a gas customer safety awareness program in the manner and timeframes specified. <i>2007-09 ref 129 - 131</i>	Compliant - 5	Through discussion with the Manager Regulatory Affairs and examination of documentation, we determined: <ul style="list-style-type: none"> <li>• That the customer safety awareness program submitted to the Coordinator of Energy on 28 September 2000 remains relevant to Alinta's operations</li> <li>• The customer safety awareness program addresses the requirements of s.10.5A of the Gas Customer Code.</li> </ul>
240	A retailer, distributor and marketer must, to the extent practicable, ensure that any written information that must be given to a customer under the Gas Customer Code is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.	Compliant - 5	The Manager Customer Service 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 32.3 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.
241	A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Gas Customer Code.	Compliant - 5	<i>Obligations 241 to 243</i> The Manager Customer Service confirmed that a customer's request for information about the Gas Customer Code will generally be forwarded to a Team Leader.
242	A retailer and distributor must make electronic copies of the Gas Customer Code available, at no charge, on their web sites.	Compliant - 5	Through discussion with the Manager Customer Service, we determined that Alinta has: <ul style="list-style-type: none"> <li>• Trained its Customer Service Representatives to provide the Gas Customer Code to</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
243	A retailer and distributor must make a copy of the Gas Customer Code available for inspection, at no charge, at their offices.	Compliant - 5	<p>customers when requested</p> <ul style="list-style-type: none"> <li>Published the Gas Customer Code on its website</li> <li>Electronic copies of the Gas Customer Code which can be sent to customers via email.</li> <li>Copies of the Gas Customer Code available at its designated customer service premises for inspection as required.</li> </ul>
244	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 Service and examination of customer bills, we determined that Alinta provides an interpreting service for its customers, at no charge.
245	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	Our examination of customer bills, reminder notices, disconnection warnings and the Customer Service Charter, indicates that the Telephone Interpreter Services information is included on those documents.
<b>PART 11 – CUSTOMER SERVICE CHARTER</b>			
246	A retailer and distributor must produce and publish a Customer Service Charter.	Compliant - 5	<p>Through examination of documents and discussions with the Manager Regulatory Affairs we determined that Alinta has developed a Customer Service Charter in the form of an ‘At your Service’ document (the Charter).</p> <p>For the period 1 July 2009 to 30 June 2010, there have been two Customer Service Charters in effect. The current Charter was recognised by the Authority on 18 February 2010 and is available of the website. The superseded Charter was recognised by the Authority on 3 April 2009.</p>

No	Obligation under Condition	Compliance Rating	Findings
247	A retailer and distributor must address the specified information in their Customer Service Charters.	Non-Compliant - 2	<p>The February 2010 version of the Charter does not provide specific information on the connection procedures of new customers as required by s.11.1(2)(b) of the Gas Customer Code.</p> <p>The February 2010 version of the Charter addressed a number of the non-compliant aspects of the April 2009 version, including:</p> <ul style="list-style-type: none"> <li>• Specific information on the connection procedure of new customers</li> <li>• Reconnection processes (s.11.1(2)(b))</li> <li>• Customer complaints handling process (s.11.1(2)(c))</li> <li>• An explanation of the difference between retail and distribution functions (s.11.1(2)(d))</li> <li>• Contact details for distributor, the Authority, Energy Safety and the Gas Ombudsman (s.11.1(2)(f)).</li> </ul> <p>As an additional minor observation, Alinta's "At your service" document may be confusing for customers as a number of pages are under the specific heading of "Customer Service Charter". This heading does not match Alinta's position that the 'At your service' document represents the Customer Service Charter.</p>
	<p><b>Recommendation 20/10</b></p> <p>Alinta:</p> <p>(a) Include a statement that the 'At your service' document, in its entirety, is considered the Alinta Customer Service Charter</p> <p>(b) Update the Customer Service Charter to address the requirements of s.11.1(2) of the Gas Customer Code of Conduct.</p>		<p><b>Action plan 20/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>• Rename the document to 'Gas Customer Service Charter, Your guide to Alinta'</li> <li>• Update the document to address the requirements of s.11.1(2) of the Gas Customer Code of Conduct.</li> </ul> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2010</p>
248	A retailer and distributor must give a customer on request, at no charge, a copy of the Customer Service Charter.	Compliant - 5	<p>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 'Alinta Welcome Pack' which is provided with their first bill.</p> <p>The Team Leader – Customer Service confirmed that Alinta's has the following procedures for providing the Customer Service Charter, at no charge, when requested by customers:</p> <ul style="list-style-type: none"> <li>• A customer must call the Alinta Customer Call Centre and 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>

No	Obligation under Condition	Compliance Rating	Findings
249	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. <i>Customer Contracts Regulation ref 81</i>	Compliant - 5	The Team Leader – Customer Service 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.
<b>PART 12 – COMPLAINTS AND DISPUTE RESOLUTION</b>			
250	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes. <i>2007-09 ref 105</i>	Compliant - 5	<p>Through:</p> <ul style="list-style-type: none"> <li>Discussions with the Manager Customer Service and the Team Leader – Customer Services</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 CIS-OV</li> </ul> <p>we determined that Alinta has developed a Customer Complaints Handling Process specifically for Gas related activities designed to comply with AS ISO 10002 – 2006 (which replaced AS4269 – Australian Standard on Complaints Handling 1995), and includes:</p> <ul style="list-style-type: none"> <li>All customer complaints are logged into the CIS-OV system, and are able to be categorised according to the type of complaint. For example, direct debit, terms and conditions, hardship, payment, meter reading and marketing</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>Customer Service Representatives have been trained in dealing with Customer Complaints</li> <li>The Team Leader – Customer Service is responsible for reviewing complaints on a weekly basis as well as producing an ‘end of month report’. The end of month report includes total number of complaints for each area (e.g. coastal, business, Goldfields to Esperance and Albany), a breakdown of the different types of complaints logged and Energy Ombudsman escalations</li> <li>Where a customer is not satisfied with the resolution offered by Alinta, an external party will be involved. The Customer Complaints Handling Process requires that the Manager Customer Service to inform the customer that they can seek assistance from the Energy Ombudsman.</li> </ul>



No	Obligation under Condition	Compliance Rating	Findings
251	A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements. <b>2007-09 ref 106</b>	Compliant - 4	Although we did not observe any evidence to indicate Alinta's complaints handling process does not comply with the Gas Customer Code, we observed the following aspects of the process and formal documentation which can be strengthened to enable Alinta to better demonstrate its compliance:
252	A retailer or distributor must at least provide the specified advice to a customer when handling a complaint. <b>2007-09 108, 110, 111</b>	Compliant - 4	<ul style="list-style-type: none"> <li>The information that will be provided to a customer when a complaint is made (s.12.1(2)(b)(ii)(B) of the Code)</li> <li>How Alinta Sales 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> <p>The Manager Customer Service and the Team Leader – Customer Service confirmed that:</p> <ul style="list-style-type: none"> <li>Staff trained to handle customer complaints and to provide information as required</li> <li>In relation to marketing complaints, the complaint is logged, categorised as marketing related, then reviewed by the Team Leader – Customer Service.</li> </ul>
	<b>Recommendation 21/10</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</li> <li>Formally communicate the updated Complaints Handling Process to staff.</li> </ul>		<b>Action Plan 21/10</b> Alinta will: <ul style="list-style-type: none"> <li>Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code</li> <li>Formally communicate the updated Complaints Handling Process to staff.</li> </ul> <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010
253	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 Service 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>



No	Obligation under Condition	Compliance Rating	Findings
254	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. <i>2007-09 ref 108</i>	Compliant - 5	Alinta's Customer Service Charter includes information relating to the complaints process. The Team Leader – Customer Service also confirmed that Customer Service Representatives are trained to: <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>
255	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. WAGN)</li> <li>The customer to be made aware of the reason for the referral.</li> </ul> The Team Leader – Customer Service 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>			
256	A retailer, distributor or marketer must keep a record or other information as required to be kept by the Gas Customer Code 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 CIS-OV system and/or relevant manual files. The Manager Customer Service confirmed that the information required by the Gas Customer Code is maintained for a minimum of two years.
257	A retailer must keep a record of the total number and percentage of customers under the affordability and access indicators specified.	Compliant - 5	The Manager Customer Service confirmed that: <ul style="list-style-type: none"> <li>The affordability and access indicators specified at s.13.2(1) of the Code are maintained within CIS-OV</li> <li>Those indicators, including relevant percentages are reported on a monthly basis as part of the Alinta Monthly Operational Report.</li> </ul>
258	A retailer must keep a record of the customer complaint indicators specified.	Compliant - 4	<i>Obligations 258 and 259</i> Through discussions with the Team Leader – Customer Service 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 CIS-OV according to the type of complaint</li> <li>Types of customer complaints recorded by Alinta include the specified items of s.13.3(1)(b)</li> </ul>
259	A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints	Compliant - 4	

No	Obligation under Condition	Compliance Rating	Findings
	made directly to a marketer).		<p>of the Code</p> <ul style="list-style-type: none"> <li>The Team Leader – Customer Service is responsible for reviewing the customer complaints on a monthly basis, and producing a customer complaints report for management</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> <p>Through discussions with the Team Leader – Customer Service and consideration of Alinta's complaints reporting processes, we determined that although Alinta's CIS-OV enables Customer Service Representatives to categorise a complaint based on its type (e.g. connection, marketing), currently, reports produced from CIS-OV are not automatically broken into type of complaint as defined by the Customer Service Representative. On a monthly basis, the Team Leader – Customer Services is required to manually review complaints and categorise them into relevant types. There is potential for the manual categorisation to be different to that maintained within CIS-OV.</p>
	<p><b>Recommendation 22/10</b></p> <p>Alinta consider automating the current process to enable the categorisation of complaints from CIS-OV to be used for reporting purposes.</p>		<p><b>Action Plan 22/10</b></p> <p>Alinta will investigate automating the current process to enable the categorisation of complaints from CIS-OV to be used for reporting purposes.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>
260	A retailer must keep a record of the call centre performance indicators specified.	Compliant - 5	<p>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:</p> <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>
261	A retailer must keep a record of the total number of residential and business accounts specified.	Compliant - 5	Through discussions with the Manager Customer Service, we determined that the total number of residential and business customers is recorded and reported to management on a monthly basis.

## 5 Follow-up of previous audit action plans

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
2.2	GTL Cl. 10 Sch. 1 - 8	We recommend as a minor improvement point that a formal version control process should be established that requires clear labelling of documents detailing revision dates and printing dates.	AGS will implement an internal version control process to ensure that a record of changes to key documents is maintained. <b>Responsibility</b> Full Retail Competition (FRC) Co-ordinator <b>Due Date</b> 30 September 2007	<b>Complete</b> Key procedural documentation obtained through the 2010 performance audit evidences Alinta's introduction of a version control process.	N/A
2.3	GTL Cl. 11 Sch. 1 - 2	<p>(a) <b>Review and Update of the Complaints Handling Procedure</b> Alinta should seek to clarify with ERA as to whether the Complaints Handling Procedure document should be lodged with ERA following any amendments to the document and if appropriate lodge the updated document.</p> <p>(b) <b>Monitoring of Outstanding Complaints</b> To enhance AGS' complaints handling process, it is recommended that AGS reviews its existing business processes and reporting systems to identify opportunities to improve the process for monitoring outstanding complaints (e.g. develop a system generated monthly report to automatically extract the detail required to identify complaints that have not been resolved within 7 working days).</p>	<p>(a) AGS will clarify with the ERA when and/or if changes to the Complaints Handling Procedure should be lodged with the ERA for review and approval.</p> <p>(b) AGS will review its current processes for monitoring outstanding complaints and will implement improvements where appropriate.</p> <p><b>Responsibility</b> FRC Co-ordinator <b>Due Date</b> 30 September 2007</p>	<p>(a) <b>Complete</b> Alinta had determined that the changes made to its Customer Complaints Handling Procedure did not require the Authority's approval. The Gas Customer Code obligates Alinta to develop, maintain and implement an internal process for handling complaints and resolving disputes, however does not require Alinta to submit amendments for review and approval.</p> <p>(b) <b>Complete</b> Since the 2007 performance audit, Alinta has twice reviewed and updated its Customer Complaints Handling Procedure.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
2.4	GTL Cl. 14 Sch. 1 - 3	<p>AGS should undertake a full review of the Customer Safety Awareness Program (CSAP) and update where appropriate. When updated it should be submitted to the ERA for approval.</p> <p>AGS should include the following information in the customer charter that is provided to all new customers in the 'Welcome Pack':</p> <ul style="list-style-type: none"> <li>• A notice of the requirement for proper installation and use of approved appliances and Equipment</li> <li>• A notice of the requirement to use only qualified trades persons for gas connection and appliance and equipment installation.</li> </ul>	<p>AGS will undertake a full review of the CSAP and update where appropriate. When updated it will be submitted to the revised CSAP for approval.</p> <p>AGS will include such safety information as outlined in GTL clause 14 (3b,c) in the next 12 months when the Customer Charter is due for reprint.</p> <p><b>Responsibility</b> FRC Co-ordinator</p> <p><b>Due Date</b> 30 April 2008</p>	<p><b>Complete</b></p> <p>The Manager Regulatory Affairs confirmed that a review of the CSAP has been undertaken. Alinta received confirmation from the Authority's Manager Customer Protection that Alinta is not required to submit an amended/updated CSAP.</p> <p>The safety information as required by GTL clause 14 (3 b, c) has been incorporated into Alinta's customer service charter on pages 24 to 27.</p>	N/A

# Appendix A – Audit Plan

# Appendix B – References

## Key Alinta staff participating in the audit

- Corey Dykstra                      Manager Regulatory Affairs
- Ray Myles                          Manager Customer Services
- Geoff White                        Manager Sales & Marketing
- John Chomiak                      Financial Controller
- Team Leader – Credit Management
- Team Leader – Billing & Payments
- Team Leader – Customer Service
- Retail Sales Officer – Billing
- Call Centre Business Analyst

## Deloitte staff participating in the audit

Name	Position	Hours
• Richard Thomas	Partner	12.5
• Andrew Baldwin	Account Director	106
• Ben Fountain	Senior Analyst	292
• Michael Genever	Analyst	62.5
• Don Gillespie	Account Director (Quality Assurance Review)	2
• Matt Thomson	Partner (Quality Assurance Review)	2

## Key Documents and other information sources examined

- Gas standard form contract
- Gas Customer Service Charter (Dec 2008 edition)
- Gas Customer Service Charter (Jan 2010 edition)
- 2007/08 ERA annual performance report
- 2008/09 ERA annual performance report
- Bill template
- Estimated bill template
- Instalment plan statement
- Hardship Policy
- Payment Plan Schedule
- Customer Complaint Handling Process
- Complaints Procedure – training material for staff
- Accounts in credit report
- Request for Gas form
- Request for Account form
- CIS-OV daily payment by method summary
- COGNOS payment by method summary
- Reminder Notice template
- Final Warning Notice template
- Disconnection Warning Notice template
- Final Account Reminder Notice template
- Legal Action Advice Letter template
- Sample of complaints end of month report
- Estimate read codes used by meter readers
- Estimate meter read letter template
- Letters templates for accounts in debit or credit
- Sample of meter test results sent to customer

**Deloitte:** Alinta GTL9 2010 Performance Audit

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*This report is intended solely for the use of Alinta for the purpose of its reporting requirements under section 11ZA 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*

- Estimated meter read email form (WAGN)
- AMRS “unable to read” notification card
- Customer disconnections process log (CIS-OV)
- 2009/10 Customer complaints register
- 2008/09 Customer complaints register
- 2007/08 Customer complaints register
- Customer complaints register Feb 2007- Jun 2007
- Tariff Charges by suburb and geographic location
- Call centre performance indicators
- Gas Code of Conduct Training materials
- Alinta Sales monthly operational report template
- ‘No Bill Insert’ instructions
- No Bill inserts register
- Gas marketing – no bill inserts customer contact log sample
- ERA Licence fee invoices
- Gas non-standard form contract
- Letter to ERA re status of 2007 performance audit PAIPs
- Customer Safety Awareness Program
- Email confirmations from Financial Controller, Manager Customer Service, Manager Regulatory Affairs
- 2008-09 BBP Annual Report
- Alinta training matrix
- Alinta induction PowerPoint slides
- Gas Code of Conduct Participant training questionnaire
- Alinta Gas Trading Licences 1 to 3
- Alinta Gas Trading Licence 9.

# Appendix C – Post Audit Implementation Plan

## Issue 1/10

### Obligation 1 - *Energy Coordination Act s.11Q(1-2)*

For the three licence fee periods subject to audit, the annual licence fees were not paid within the timeframe required by the Act (i.e. by 1 August each year, being one month after the anniversary of the Licence issue).

We recognise that the licence fee invoices for the 2008/09 and 2009/10 periods were not received by Alinta until after the due date required by the Act.

### Recommendation 1/10

Alinta implement stronger controls to ensure that Licence fees are paid in compliance with the Act.

### Action Plan 1/10

Alinta will implement stronger controls to ensure that Licence fees are paid in compliance with the Act. Specifically, the Manager Regulatory Affairs will:

- (a) Diarise the due date for the Licence fee
- (b) Ensure an invoice has been received from the Authority
- (c) Ensure payment is processed by Accounts so that payment is made within the specified timeframe required by the Act.

**Responsible Person:** Manager Regulatory Affairs

**Target Date:** 31 December 2010

## Issue 2/10

### Obligations 35, 36 and 37 - *Customer Contract Reg 12(5)(a, b, c)*

Alinta has a number of obligations under the Customer Contract Regulations, which have associated target timeframes or require action to be taken in a specified sequence. In these cases, Alinta is exposed to breaching its obligations if its standard business processes are not upheld.

Alinta's service standard is to process reconnections to ensure customers are reconnected within two to three business days from the date of request. However, Alinta does not report on reconnection timeframes and therefore is not actively demonstrating compliance with these timeframes.

An effective exception reporting arrangement would provide Alinta with greater certainty that breaches had not occurred, as well as the opportunity to forecast transactions at risk of breaching target timeframes.

### Recommendation 2/10

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.

### Action Plan 2/10

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.

**Responsible Person:** Manager Customer Service

**Target Date:** 31 March 2011



<p><b>Issue 3/10</b></p> <p><b>Obligation 39 - Customer Contract Reg 12(5)(e)</b></p> <p>Alinta does not currently have processes in place to:</p> <ul style="list-style-type: none"> <li>• Ensure that it is aware of disconnections performed by WAGN for emergency, health, safety or maintenance reasons</li> <li>• Monitor reconnection timeframes for rectification of such disconnections.</li> </ul>	
<p><b>Recommendation 3/10</b></p> <p>Alinta establish appropriate arrangements with WAGN for communicating details of disconnections performed by WAGN for emergency, health, safety or maintenance reasons and for monitoring reconnection of customers within the timeframe required by s.12(5)(e) of the Customer Contracts Regulations.</p>	<p><b>Action Plan 3/10</b></p> <p>Alinta will establish appropriate arrangements with WAGN to ensure it receives:</p> <ul style="list-style-type: none"> <li>(a) Details of disconnections performed by WAGN for emergency, health, safety or maintenance reasons; and</li> <li>(b) Reconnection timeframes of these customers to facilitate it monitoring whether the reconnection occurs within the timeframe required by s.12(5)(e) of the Customer Contract Regulations.</li> </ul> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 March 2011</p>

  

<p><b>Issue 4/10</b></p> <p><b>Obligation 80 - Customer Contract Reg 44</b></p> <p>Alinta has processes in place for the renewal of non-standard form contract customers. We understand that on a monthly basis, Alinta produces and reviews a listing of customers whose contracts are due to expire in a month's time</p> <p>However, Alinta's procedures do not currently ensure customers on non-standard form contracts are notified that the contract is due to expire <b>at least</b> 2 months prior to the expiry date.</p>	
<p><b>Recommendation 4/10</b></p> <p>Alinta update current procedures, so that customers on a non-standard form contracts are notified at least 2 months prior to the expiry date of the contract.</p>	<p><b>Action Plan 4/10</b></p> <p>Alinta will update current procedures so that customers on non-standard form contracts are notified at least 2 months prior to the expiry date of the existing contract.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 30 September 2010</p>

  

<p><b>Issue 5/10</b></p> <p><b>Obligation 82 - Customer Contract Reg 45(2)</b></p> <p>Alinta has not:</p> <ul style="list-style-type: none"> <li>• Previously provided advice on customer bills that a Customer Service Charter is available free of charge</li> <li>• Scheduled such a notice to be made.</li> </ul>	
<p><b>Recommendation 5/10</b></p> <p>Alinta develop practices, which ensure notices appear on customers' bills on a periodic basis, or otherwise satisfying the need for the advice to be provided "from time to time".</p>	<p><b>Action Plan 5/10</b></p> <p>Alinta will include the following statement on its bill template:</p> <p><b>"Gas Customer Service Charter</b></p> <p>You can obtain a copy of Alinta's Gas Customer Service Charter by phoning 13 13 58 or at <a href="http://www.alinta.net.au">www.alinta.net.au</a>"</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>

<p><b>Issue 6/10</b></p> <p><b>Obligation 116 - Energy Coordination Act s.11ZPP</b></p> <p>Alinta has not fully complied with s.2.4(2)(b) of the Gas Marketing Code of Conduct (Gas Marketing Code) which requires a standard set of information to be provided to customers. Specifically, the “Welcome to Alinta” pack did not include the scope of the Gas Marketing Code (obligation 124).</p> <p>The annual compliance reports prepared by Alinta list instances where Alinta has not been fully compliant with the requirements of the Gas Marketing Code.</p>	
<p><b>Recommendation 6/10</b></p> <p>In addition to Action plan 9/10 listed for obligation 124, Alinta implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.</p>	<p><b>Action Plan 6/10</b></p> <p>Alinta will implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.</p> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing</p> <p><b>Target Date:</b> 31 March 2011</p>

  

<p><b>Issue 7/10</b></p> <p><b>Obligation 117 - Energy Coordination Act 11M and s.11ZPP</b></p> <p><b>Obligations 118 – 121, 123, 127, 128, 132 – 137 and 139 - Gas Marketing Code clause 2.1 to 2.7</b></p> <p>We recognise that Alinta does not engage in ‘outbound’ marketing (i.e. Alinta initiating contact with a customer), unless specifically requested by the customer. However, as the definition of marketing under the Gas Marketing Code encapsulates any discussions relating to negotiations or dealings with contracts (e.g. relating to moving house, payments terms etc) the obligations of the Gas Marketing Code are applicable to Alinta’s employees.</p> <p>Alinta has not developed training processes that specifically relate to the requirements under the Gas Marketing Code. Although Alinta has a structured training program relating to the requirements of the Gas Customer Code, that training only touches on the standards of conduct relating to marketing material. Therefore it is difficult for Alinta to demonstrate staff awareness of the Gas Marketing Code.</p> <p>Alinta also has not yet established a mechanism for active monitoring of the performance of relevant staff against the requirements of the Gas Marketing Code.</p>	
<p><b>Recommendation 7/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>• Ensure that it fully addresses the intent of the Gas Marketing Code relevant to Alinta’s activities</li> <li>• Develop an appropriate training package that outlines the key Gas Marketing Code requirements with which all relevant employees and agents must comply</li> <li>• Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.</li> </ul>	<p><b>Action Plan 7/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Ensure that it fully addresses the intent of the Gas Marketing Code relevant to its activities</li> <li>(b) Develop an appropriate training package that outlines the key Gas Marketing Code requirements with which all Customer Service personnel (and any other relevant employees and agents) must comply</li> <li>(c) Implement a mechanism to facilitate effective monitoring to provide greater assurance of compliance with Gas Marketing Code obligations.</li> </ul> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing</p> <p><b>Target Date:</b> 31 March 2011</p>

<b>Issue 8/10</b> <b>Obligation 120 - Gas Marketing Code clause 2.3(1)</b> <p>Alinta does not currently maintain via CIS-OV or otherwise specific records of information given to customers before entering into a contract and therefore is not able to actively demonstrate compliance with s.2.3(1) of the Gas Marketing Code.</p>	
<b>Recommendation 8/10</b> <p>Alinta implement procedures which require staff to record details of information provided to customers to enable demonstration of compliance with s.2.3(1) of the Gas Marketing Code.</p>	<b>Action Plan 8/10</b> <p>Alinta will implement procedures that require staff to record details of information provided to customers to enable demonstration of compliance with s.2.3(1) of the Gas Marketing Code.</p> <p><b>Responsible Person:</b> Manager Sales &amp; Marketing and Manager Customer Service</p> <p><b>Target Date:</b> 31 March 2011</p>
<b>Issue 9/10</b> <b>Obligation 124 - Gas Marketing Code clause 2.4(2)</b> <p>As part of a “Welcome to Alinta” pack, Alinta provides a standard set of information to the customer upon connection. The scope of the Gas Marketing Code, as mandated by s.2.4(2)(b) of the Code, is not included in this standard set of information.</p> <p>As a minor observation, page 19 of Alinta’s Customer Service Charter incorrectly refers to the Gas Customer Code as regulating the conduct of gas marketing agents. The Customer Service Charter should refer to the Gas Marketing Code of Conduct.</p>	
<b>Recommendation 9/10</b> <p>Update the Customer Services Charter to:</p> <ul style="list-style-type: none"> <li>• Include the required elements of s.2.4(2) of the Gas Marketing Code of Conduct</li> <li>• Correctly refer to the required Code.</li> </ul>	<b>Action Plan 9/10</b> <p>Alinta will update the Gas Customer Service Charter to:</p> <ul style="list-style-type: none"> <li>(a) Include the required elements of s.2.4(2) of the Gas Marketing Code of Conduct</li> <li>(b) Correctly refer to the required Code.</li> </ul> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2010</p>

**Issue 10/10**

**Obligations 178, 181, 182, 199, 220 and 226 - Gas Customer Code clauses 4.17(2), 4.19(3), 4.19(4), 6.1(1), 7.2 and 8.1(2)**

*Also relates to obligations 40, 41, 49, 50 and 52 - Customer Contracts Regulation 12(6)*

Alinta has a number of obligations under the Gas Customer Code, which have associated target timeframes or require action to be taken in a specified sequence. For example, clause 4.19(3) of the Gas Customer Code 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. During the period subject to audit, examples of such breaches noted by this audit related to obligations 148 (Alinta forwarding a request to the distributor to arrange for customer connections in the required timeframe) and 219 (customers being sent a disconnection reminder notice outside the timeframe requirements).

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 Gas Customer Code.

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.

**Recommendation 10/10**

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.

**Action Plan 10/10**

Alinta will:

- (a) Implement 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.

**Responsible Person:** Manager Customer Service

**Target Date:** 31 March 2011

**Issue 11/10**

**Obligation 148 - Gas Customer Code clause 3.1(2)**

Alinta's existing practices and operating circumstances do not provide for all requests for gas to be processed and forwarded to WAGN in the timeframes required by the Code (on the same day when received before 3pm or the next business day, if received after 3pm), or otherwise with the customer's consent.

**Recommendation 11/10**

Alinta:

- Implement a mechanism for further monitoring and controlling instances where a request for connection received before 3pm on a weekday is not forwarded to WAGN on the same day
- Update its request for gas/account templates to provide for the customer's verifiable consent to be obtained on the timeframe for submitting the request to WAGN.

**Action Plan 11/10**

Alinta will:

- (a) Implement a mechanism for further monitoring and controlling instances where requests for connection received before 3pm on a weekday are not forwarded to WAGN on the same day
- (b) Update the current 'request for gas' (RFG) and the 'request for account' (RFA) process and/or templates to obtain the customer's verifiable consent on the timeframes for submitting the details to WAGN.

**Responsible Person:** Manager Customer Service

**Target Date:** 31 December 2010

<p><b>Issue 12/10</b></p> <p><b>Obligation 149 - Gas Customer Code clause 4.1</b></p> <p>As Alinta has not clearly defined the term ‘approximately’, it is not able to explicitly demonstrate that is has billed in accordance with its standard terms and conditions, which provide for customers to normally be billed (approximately) once every three months.</p>	
<p><b>Recommendation 12/10</b></p> <p>Alinta clarify its reference to the term ‘approximately’ in its terms and conditions of contract to ensure consistency with the requirement to issue a bill at least once every three months unless the circumstances specified exist.</p>	<p><b>Action Plan 12/10</b></p> <p>Alinta will meet with the Authority to discuss more clearly defining the term ‘approximately’ in its standard form contract so that it is able to demonstrate that is has billed customers no more than once a month and at least once every three months (unless the specified circumstances exist).</p> <p><b>Responsible Person:</b> Manager Regulatory Affairs  <b>Target Date:</b> 31 March 2011</p>

  

<p><b>Issue 13/10</b></p> <p><b>Obligation 162 - Gas Customer Code clause 4.7</b></p> <p>Alinta’s current procedures rely on estimated billing exception reports produced by WAGN, identifying those customers who have received four estimated reads in a row.</p> <p>The June 2010 “4 in a row” report identified a number of residential customers who have not had their meter read for a 12 month period.</p>	
<p><b>Recommendation 13/10</b></p> <p>Alinta update current procedures so that customers who have had three or more estimated bills in a row are contacted and/or sent a letter requesting access to the meter.</p>	<p><b>Action Plan 13/10</b></p> <p>Alinta will update current procedures so that customers who have had three or more estimated bills in a row are contacted and/or sent a letter requesting access to the meter.</p> <p><b>Responsible Person:</b> Manager Customer Service  <b>Target Date:</b> 31 December 2010</p>

  

<p><b>Issue 14/10</b></p> <p><b>Obligation 183 - Gas Customer Code clause 5.1</b></p> <p>Prior to a system correction implemented in February 2010, CIS-OV was programmed to issue bills with due dates based on 14 calendar days, not 12 business days from the date of bill as required by the Code.</p> <p>Prior to the system correction, as the bill timeframe incorporated weekends and public holidays bill due dates were less than 12 business days from the date of bill.</p> <p>Section 6.2(j) of the standard form contract outlines that the due date of a bill will be at least 14 business days after the date of the bill. This statement is at odds with current billing arrangements.</p>	
<p><b>Recommendation 14/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>Update s.6.2(j) of its standard form contract to match current service standards</li> <li>Submit the amended standard form contract to the Authority for approval.</li> </ul>	<p><b>Action Plan 14/10</b></p> <p>Alinta will:</p> <ol style="list-style-type: none"> <li>Update s.6.2(j) of its standard form contract to match current service standards</li> <li>Submit the amended standard form contract to the Authority for approval.</li> </ol> <p><b>Responsible Person:</b> Manager Regulatory Affairs  <b>Target Date:</b> 30 September 2010</p>

**Issue 15/10****Obligation 207 - Gas Customer Code clause 6.4(2)**

Alinta's payment difficulty/financial hardship procedures provide for trained staff to methodically assess customers' circumstances and to communicate all information relating to an offered instalment plan to the customer at the point of contact (via phone) and later confirmed via mail. Such practices are not detailed in the Hardship Policy, or in a formal training program.

Although it is not an explicit requirement of the Code for Alinta's Hardship Policy to reflect all of the requirements of the Code, as the Policy is designed to provide guidance to staff, there is merit in the Policy specifying the information staff are required to provide customers in accordance with s.6.4(2) of the Code when offering instalment plans.

**Recommendation 15/10**

Alinta consider both or either:

- (a) Enhancing its Hardship Policy to specify the information staff are required to provide customers in accordance with s.6.4(2) of the Code
- (b) Incorporating those requirements into staff training programs.

**Action Plan 15/10**

Alinta will:

- (a) Enhance its Hardship Policy to specify the information staff are required to provide customers in accordance with s.6.4(2) of the Code
- (b) Incorporate those requirements into staff training programs.

**Responsible Person:** Manager Customer Service

**Target Date:** 31 December 2010

**Issue 16/10****Obligation 215 - Gas Customer Code clause 6.10(2)**

The September 2009 version of the Hardship Policy complies with the requirements of s.6.10(2) of the Code, except for:

- Alinta's position on the reduction and/or waiver of a customers' debt (s.6.10(2)(d)(iv))
- Debt recovery procedures (s.6.10(2)(d)(v)).

**Recommendation 16/10**

Alinta update its Hardship policy to include the required information specified at s.6.10(2) of the Code.

**Action Plan 16/10**

Alinta will update its Hardship policy to include the required information specified at s.6.10(2) of the Code.

**Responsible Person:** Manager Customer Service

**Target Date:** 31 December 2010

**Issue 17/10****Obligation 219 - Gas Customer Code clause 7.1**

*Obligations 33, 34 - Customer Contracts Regulation 12(4)*

Prior to a system correction implemented in February 2010, CIS-OV was set up to initiate the reminder and disconnection notices based on calendar days, not business days (as required by the Code). Sample testing of the disconnection process identified the following instances of non-compliance occurring prior to the system correction:

- 1 invoice reminder notice being sent 12 business days from the date of bill, in breach of the 14 day requirement
- 6 disconnection warnings being sent prior to the minimum 22 day timeframe from the date of bill

We also observed that the current reminder and disconnection templates do not comply with the Code, specifically:

- The current reminder template does not specify that payment is required to be made on or before the day not less than 20 business days after the bill date (s.7.1(1)(a)(iii))
- The disconnection warning template does not specify that the customer will be disconnected not less than 10 business days from date of the disconnection warning (s.7.1(1)(b)(ii)).



<b>Recommendation 17/10</b> Alinta update the current reminder and disconnection warning templates to include the required information as outlined by s.7.1(1) of the Code.	<b>Action Plan 17/10</b> Alinta will update the current reminder and disconnection warning templates to include the required information as outlined by s.7.1(1) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010
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<b>Issue 18/10</b> <b>Obligation 222 - Gas Customer Code clause 7.4</b> <i>(Also obligation 42 - Customer Contracts Regulation 12(6))</i> Alinta's current service standards provide for customers not to be disconnected for denying access to meters unless a period of 12 months has elapsed. However, in the event that a customer is disconnected for denying access to the meter, the "meter obstructed" note left by the meter reader does not contain the mandatory information as prescribed by s.7.1(1)(b) of the code, specifically: <ul style="list-style-type: none"> <li>• Advising the customer of the next date or timeframe of a scheduled meter reading</li> <li>• Requesting access to the meter at the supply address for the purpose of the scheduled meter reading</li> <li>• Advising the customer of the retailer's ability to arrange for disconnection if the customer fails to provide access to the meter.</li> </ul>	
<b>Recommendation 18/10</b> Alinta update the current letter templates to include the required information as outlined by s.7.4(1) of the Code.	<b>Action Plan 18/10</b> Alinta will update the current letter templates to include the required information as outlined by s.7.4(1) of the Code. <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010

<b>Issue 19/10</b> <b>Obligation 224 - Gas Customer Code clause 7.6</b> <i>(Also obligations 32, 48, 51 - Customer Contracts Regulations 12(2) and 12(6))</i> Alinta's standard business practices provide for customers not to be disconnected: <ul style="list-style-type: none"> <li>• After 3pm Monday to Thursday</li> <li>• On a Friday, Saturday, Sunday, public holiday or on the day before a public holiday.</li> </ul> However, Alinta's current procedures do not provide for the time at which a disconnection is performed by either AMRS or WAGN to be recorded on the completed Service Order and therefore that information is not captured in system records. Although we did not observe any evidence to indicate non-compliance with requirements of the code, without the disconnection time being recorded, it is difficult for Alinta to demonstrate that the timing requirements are met for all disconnections.	
<b>Recommendation 19/10</b> Introduce the following procedures in consultation with WAGN and AMRS: <ol style="list-style-type: none"> <li>(a) Field staff to record the time of the disconnection</li> <li>(b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.</li> </ol>	<b>Action Plan 19/10</b> In consultation with WAGN and AMRS, Alinta will explore the introduction of the following procedures: <ol style="list-style-type: none"> <li>(a) Field staff to record the time of the disconnection</li> <li>(b) Reporting on actual disconnection times, so as to monitor compliance with the requirements.</li> </ol> <b>Responsible Person:</b> Manager Customer Service <b>Target Date:</b> 31 December 2010

<p><b>Issue 20/10</b></p> <p><b>Obligation 247 - Gas Customer Code clause 11.1(2)</b></p> <p>The February 2010 version of the Customer Service Charter does not address specific information on the connection procedure of new customer as specified by s.11.1(2)(b) of the Gas Customer Code.</p> <p>As an additional minor observation, Alinta's "At your service" document may be confusing for customers as a number of pages are under the specific heading of "Customer Service Charter". This heading does not match Alinta's position that the 'At your service' document represents the Customer Service Charter.</p>	
<p><b>Recommendation 20/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>(a) Include a statement that the 'At your service' document, in its entirety, is considered the Alinta Customer Service Charter</li> <li>(b) Update the Customer Service Charter to address the requirements of s.11.1(2) of the Gas Customer Code of Conduct.</li> </ul>	<p><b>Action Plan 20/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Rename the document to 'Gas Customer Service Charter, Your guide to Alinta'</li> <li>(b) Update the document to address the requirements of s.11.1(2) of the Gas Customer Code of Conduct.</li> </ul> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2010</p>
<p><b>Issue 21/10</b></p> <p><b>Obligation 251 and 252 - Gas Customer Code clause 12.1(2) and (3)</b></p> <p>Although we did not observe any evidence to indicate Alinta's complaints handling process does not comply with the Gas Customer Code, we observed the following aspects of the process and formal documentation which can be strengthened to enable Alinta to better demonstrate its compliance:</p> <ul style="list-style-type: none"> <li>• The information that will be provided to a customer when a complaint is made (s.12.1(2)(b)(ii)(B) of the Code)</li> <li>• How Alinta Sales 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>	
<p><b>Recommendation 21/10</b></p> <p>Alinta:</p> <ul style="list-style-type: none"> <li>(a) Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code</li> <li>(b) Formally communicate the updated Complaints Handling Process to staff.</li> </ul>	<p><b>Action Plan 21/10</b></p> <p>Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Update the Customer Complaints Handling Policy to include the requirements of s.12.1 of the Code</li> <li>(b) Formally communicate the updated Complaints Handling Process to staff.</li> </ul> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>
<p><b>Issue 22/10</b></p> <p><b>Obligation 258 and 259 - Gas Customer Code clause 13.3(1) and (2)</b></p> <p>Alinta's CIS-OV enables Customer Service Representatives to categorise a complaint based on its type (e.g. connection, marketing). Currently, reports produced from CIS-OV are not automatically broken into type of complaint as defined by the Customer Service Representative. On a monthly basis, the Team Leader – Customer Services is required to manually review complaints and categorise them into relevant types.</p> <ul style="list-style-type: none"> <li>• There is potential for the manual categorisation to be different to that maintained within CIS-OV.</li> </ul>	
<p><b>Recommendation 22/10</b></p> <p>Alinta consider automating the current process to enable the categorisation of complaints from CIS-OV to be used for reporting purposes.</p>	<p><b>Action Plan 22/10</b></p> <p>Alinta will investigate automating the current process to enable the categorisation of complaints from CIS-OV to be used for reporting purposes.</p> <p><b>Responsible Person:</b> Manager Customer Service</p> <p><b>Target Date:</b> 31 December 2010</p>