



McGill Engineering Services Pty Ltd

Engineering, Adjudication & Arbitration Services ABN 45 106 691 169

ESPERANCE POWER STATION PTY LTD

GAS DISTRIBUTION LICENCE GDL 10 PERFORMANCE AUDIT REPORT

Prepared By Kevan McGill
Date 11 January 2011



Lawrence Teo
Business Manager
WorleyParsons Asset Management Pty Ltd
as Regulatory Manager for Esperance Power Station Pty Ltd
Perth WA 6000

Dear Mr Teo

Performance Audit Gas Licences

The fieldwork on the performance audit of Gas Distribution licence GDL 10 for the audit period (1 September 2007 to 31 August 2010) is complete and I am pleased to submit the report to you. The report reflects my findings and opinions.

In my opinion, the Licensee (Esperance Power Station) maintained, in all material aspects, effective control procedures in relation to the Distribution licence (GDL 10) for the audit period on the relevant clauses referred to within the scope section of this report.

Consistent with the scope limitation, the reports are accurate.

In my opinion, the Licensee has maintained a good level of compliance with the licence conditions. There are 3 non compliances which are important but not significant.

Yours sincerely

Kevan McGill
Director

Date **11 January 2011**

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2 Executive Summary

This performance audit was conducted in accordance with the guidelines¹ issued by the Economic Regulation Authority (*Authority*) for the audit period (1 September 2007 to 31 August 2010).

The Licensee has a gas distribution system (GDS) at Esperance. Constructed in 2005, the GDS is relatively new comprising approximately 40 kilometres of low pressure polyethylene mains which supply natural gas to about 300 residential and business customers. The Licence covers the central business district and adjoining suburbs of Chadwick, Nulsen and Sinclair. The distribution network sources gas from the Kambalda to Esperance Gas Pipeline (KEGP) through a pressure reducing station (PRS) at KEGP Main Line Valve No. 4. The PRS is important in maintaining supply pressure, meeting gas consumer demands and monitoring natural gas delivery into the Esperance GDS. During the audit period the ownership of the Licensee changed but that did not affect the capacity to carry out the licence obligations.

2.1 OVERALL CONCLUSION

In my opinion, the Licensee maintained control procedures in relation to the Distribution licence (GDL 10) for the audit period on the relevant clauses referred to within the scope section of this report. Consistent with the scope limitation, the reports are accurate.

In my opinion, the Licensee has maintained a good level of compliance with the licence conditions. There are 3 non compliances which are important but not significant. The non compliances were items 23, 102 and 245.

2.2 PERFORMANCE AUDIT

A summary of the findings of the performance audit are set out below.

2.2.1 COMPLIANCE SUMMARY

The audit report will provide a table that summarises the compliance rating for each Obligation using the 7-point rating scale (5 for numerical rating score and 2 not rated/not applicable scales) described in table below and as determined by the auditor.

Compliance status	Rating	Description of compliance
COMPLIANT	5	Compliant with no further action required to maintain compliance
COMPLIANT	4	Compliant apart from minor or immaterial recommendations to improve the strength internal controls to maintain compliance

¹ Economic Regulation Authority: Audit guidelines: Electricity, Gas and Water Licences Aug 2010

COMPLIANT	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
NON-COMPLIANT	2	Does not meet minimum requirements
SIGNIFICANTLY NON-COMPLIANT	1	Significant weaknesses and/or serious action required
NOT APPLICABLE	N/A	Determined that the compliance obligation does not apply to the Licensee's business operations
NOT RATED	N/R	No relevant activity took place during the audit period, therefore it is not possible to assess compliance

The results are summarised below.

Assessment	Licence obligations	Audit priority 2	Audit priority 4	Audit priority 5
Compliant 5	39	5	21	13
Compliant 4	3		3	
Compliant 3				
Non-compliant 2	3	1	2	
Significantly non compliant 1				
Not Applicable	4		4	
Not rated	13	1	10	2

* Note Where an obligation was not exercised in the audit period, it was not possible to form an opinion about compliance and the item was not rated.

3 PERFORMANCE AUDIT

3.1 PERFORMANCE AUDIT OBJECTIVES

Under section 11ZA(1) of the *Energy Coordination Act 1994* (the Act), it is a requirement that every Licensee provide the Economic Regulation Authority (*Authority*) not less than once in every period of 2 years with a performance audit conducted by an independent expert acceptable to the *Authority* and in accordance with the guidelines².

The primary objective of the performance audit is to audit the effectiveness of measures taken by the Licensee to maintain quality and performance standards. Clause 15 of the gas distribution licence identifies performance criteria for the purposes of section 11ZA(2)(b) of the Act to be audited as:

performance criteria means:

- (a) the terms and conditions of the *licence*; and
- (b) any other relevant matter in connection with the *applicable legislation* that the *Authority* determines should form part of the *performance audit*.

The Act also requires the technical standards in the *Gas Standards Act 1972* to be audited.

The *Authority* has summarised the performance requirements in various legislation in its Gas compliance reporting manual (September 2009)³.

The Licensee appointed McGill Engineering Services Pty Ltd to conduct the audit of its Gas Distribution Licence with approval from the Authority. A preliminary assessment was conducted with the Licensee's management to determine the inherent risk and the state of control for each compliance element of the Licence obligation. McGill Engineering Services Pty Ltd then prioritised the audit coverage based on the risk profile of the Licensee with an emphasis on providing greater focus and depth of testing for areas of higher risk to provide reasonable assurance that the Licensee had complied with the standards, outputs and outcomes under the Licence obligations.

The audit was conducted in a manner consistent with Australian Auditing Standards (AUS) 808 "Planning Performance Audits" and AUS 806 "Performance Auditing". McGill Engineering Services Pty Ltd evaluated the adequacy and effectiveness of the controls and performance by the Licensee relative to the standards referred in the Distribution Licence through a combination of enquiries, examination of documents and detailed testing for Gas Distribution Licence GDL 10 for the Licensee.

² Economic Regulation Authority: Audit guidelines: Electricity, Gas and Water Licences Aug 2010

³ Economic Regulation Authority: Gas Compliance Reporting Manual, September 2009

3.2 STATEMENT OF INDEPENDENCE

To the best of my knowledge and belief, there is no basis for contraventions of any professional code of conduct in respect of the audit.

I have not done or contemplate undertaking any other work with the Licensee.

There are no independence threats due to:

- self-interest – as the audit company or a member of the audit team have no financial or non-financial interests in the Licensee or a related entity;
- self-review – no circumstance has occurred where:
 - the audit company or a member of the audit team has undertaken other non-audit work for the Licensee that is being evaluated in relation to the audit/review; or
 - when a member of the audit team was previously an officer or director of the Licensee; or
 - where a member of the audit team was previously an employee of the Licensee who was in a position to exert direct influence over material that will be subject to audit during an audit/review.

There is no risk of a self-review threat as:

- no work has been
 - undertaken by the auditor, or a member of the audit/review team, for the Licensee within the previous 24 months; or
 - the auditor is currently undertaking for the Licensee; or
 - the auditor has submitted an offer, or intends to submit an offer, to undertake for the Licensee within the next 6 months; and
- familiarity – there is no close family relationship with a Licensee, its directors, officers or employees,
- the auditor is not nor is perceived to be too sympathetic to the Licensee's interests.

3.3 AUDIT PERIOD

The audit period is 1 September 2007 to 31 August 2010.

3.4 SCOPE LIMITATION

The audit was undertaken by examination of documents, interviews with key persons and observations and is not a detailed inspection of physical items.

Assessment of accuracy of computations is limited to inspection of spreadsheets and the like with an overview of the calculations and random inspection of formulae. Because of the nature of this type of inspection no conclusion can be made that all calculations are correct nor can assurance that data entry errors have not occurred be drawn. The form

and nature of financial statements have been examined but no detailed examination of the calculations therein.

3.4.1 EXCLUDED CONDITIONS

Conditions relating to the Gas Corporations are not applicable (29-31). As there is no other persons trading (retail) on the Licensee's distribution systems there is no need for a retail market scheme (the Act s 11ZOE) therefore conditions relating to a retail scheme are not applicable (18-22). As there has been no designation as supplier of last resort, conditions relating to carrying out supplier of last resort functions are not applicable (11, 12, 14, 15 & 16).

3.5 INHERENT LIMITATIONS

Because of the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected.

An audit is not designed to detect all weaknesses in compliance measures as an audit is not performed continuously throughout the period and the audit procedures performed on the compliance measures are undertaken on a test basis.

Any projection of the evaluation of the licences to future periods is subject to the risk that the compliance measures in the plans may become inadequate because of changes in conditions or circumstances, or that the degree of compliance with them may deteriorate.

The audit opinion expressed in this report has been formed on the above basis.

3.6 SCOPE OF THE AUDIT

The audit was conducted in 3 phases.

1. RISK AND MATERIALITY ASSESSMENT

With reference to AS/NZS4360 Risk Management a preliminary assessment was made of the risk and materiality of non-compliance with the required licence conditions in order to focus the audit effort on areas of higher compliance risk and identify areas for testing and analysis.

2. SYSTEM ANALYSIS, ASSERTION SETTING AND REVIEW

Through discussion, observation and review, a sample of cases or data was analysed relating to the Licensee's quality and performance systems and standards against requirements of the Licence conditions to be audited.

3. FIELDWORK: TESTING AND ANALYSIS

Using the results of the risk assessment and systems analysis, detailed testing and analysis was performed to compare those standards maintained by the Licensee with the relevant clauses of the Licence.

During this audit the Esperance office and licence area were visited.

3.7 ACTIONS FROM PREVIOUS AUDIT

The actions to follow up previous audits are detailed below.

Audit Item	Recommendation	Actions Taken Further action Required
Item 28	Periodic checks to be carried out on the EnergySafety web site on the licence status of gas fitters operating in the network be performed to reduce that chance the risk of unlicensed work occurring.	An examination of a statistical sample of gas fitter's certificates did not indicate any unlicensed gas fitting.
		No further action required.
Item 86	That a revised meter tolerance in accordance with the standard for in service compliance testing be introduced. EnergySafety should be approached to incorporate ASA/NZS 4944 as an alternative process for meter accuracy.	EnergySafety requirements have been satisfied. Maintenance has been aligned with current EnergySafety requirements.
		No further action required.
Item 92	That the processes for updating emergency plans and scheduling of exercises be more formalised.	Emergency plans are routinely exercised.
		No further action required.

The report to the Licensee clearly expresses the opinion of the auditor in respect of the findings of the audit.

The key contacts were:

- Licensee
 - Lawrence Teo [Business Manager], Brendon Schoknecht [Esperance Area Manager], Debbie O'Shaughnessy – [Administrative Officer], Alan Shackleton – [Financial Controller]
 - Cornelius De Groote Principal Gas Supply Engineer EnergySafety;
- McGill Engineering Services Pty Ltd
 - Kevan McGill,

The audit was conducted during September 2010. The audit took 120 hours.

3.8 AUDIT REQUIREMENTS

Compliance with licence conditions was examined according to the likely inherent risk and the adequacy of controls to manage that risk.

Nature of audit work conducted

The *Authority* guidelines for performance audits require that the audit considers:

- a) **Process compliance** - the effectiveness of systems and procedures in place throughout the audit period, including the adequacy of internal controls.
- b) **Outcome compliance** – the actual performance against standards prescribed in the licence throughout the audit period.
- c) **Output compliance** – the existence of the output from systems and procedures throughout the audit period (that is, proper records exist to provide assurance that procedures are being consistently followed and controls are being maintained).
- d) **Integrity of performance reporting** – the completeness and accuracy of the performance reporting to the Authority.
- e) **Compliance with any individual licence conditions** - the requirements imposed on the specific Licensee by the Authority or specific issues for follow-up that are advised by the Authority.

Stage	Auditor	Standard
1. Risk & Materiality Assessment Outcome - Operational/ Performance Audit Plan	K McGill	ASA 300 Planning ASA 315: Risk Assessments and Internal Controls AUS 808: Planning Performance Audits AS/NZS 4360:2004: Risk Management ERA Guidelines
2. System Analysis	K McGill	AUS 810: Special Purpose Reports on Effectiveness of Control Procedures
3. Fieldwork Assessment and testing of; <ul style="list-style-type: none"> • The control environment • Information system • Compliance procedures • Compliance attitude 	K McGill	AUS 502: Audit Evidence AUS 806: Performance Auditing
4. Reporting	K McGill	ASA 300 Planning AUS 806: Performance Auditing

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3.9 FINDINGS

The conclusions of each of the elements of the licence are summarised in the following table. The audit risk as determined for each licence condition is also shown. The details of the audit can be seen in Detailed Audit Findings (Page 16)

3.9.1 SUMMARY OF FINDINGS

Item	Obligations under condition	Licence Clause/Condition reference (Cl.=clause, Sch.=schedule)	Type	Consequences (3=Major, 2=Moderate, 1=Minor)	Likelihood (A=likely, B=Probable, C=Unlikely)	Inherent Risk	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Review priority	Rating							
									1	2	3	4	5	N ^a	N ^r	
1	Act ⁴ s. 11Q(1-2)	DL ⁵ CI 4.1	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
6	Act s. 11X(3)	DL CI 5.1	NR	1	C	Low	M	5						<input checked="" type="checkbox"/>		
7	Act s. 11Y(1)(a)	DL CI 14.1	NR	1	C	Low	M	5						<input checked="" type="checkbox"/>		
8	Act s. 11Y(1)(b)	DL CI 14.1 & 14.2	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
9	Act s. 11Y(1)(c)	DL CI 14.3	NR	1	C	Low	M	5						<input checked="" type="checkbox"/>		
10	Act s. 11ZA(1)	DL CI 15.1	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
17	Act s. 11ZK(3)	DL CI 5.1	NR	1	C	Low	M	5								<input checked="" type="checkbox"/>
23	Act sch 3, s. 2(1)	DL CI 5.1	2	2	C	Medium	M	4		<input checked="" type="checkbox"/>						
24	Act s. 11ZQH	DL CI 17	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
25	Act s. 11Z	DL CI 5.1	1	3	C	High	S	2						<input checked="" type="checkbox"/>		
26	Act s. 11Z GSA S.8(1)	DL CI 5.1	1	3	C	High	S	2						<input checked="" type="checkbox"/>		
27	Act s. 11Z GSA S.9(1)	DL CI 5.1	1	3	C	High	S	2						<input checked="" type="checkbox"/>		

⁴ Energy Coordination Act 2004

⁵ Distribution Licence

28	Act s. 11Z GSA S. 13(1)	DL CI 5.1	1	3	C	High	S	2										<input checked="" type="checkbox"/>	
85	EC(CC) Reg 28, clause 3.1.1(a) AGA Code	DL CI 5.1	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
86	EC(CC) Reg 28, clause 3.1.1(a) AGA Code	DL CI 5.1	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
87	EC(CC) Reg 28, clause 3.1.2 AGA Code	DL CI 5.1	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
88	Act s. 11M, EC(CC) Reg 28, clause 3.1.3.1 AGA Code	DL CI 5.1, DL Sch 3 CI 2	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
89	EC(CC) Reg 33 (3), clause 3.5.2.1 AGA Code	DL CI 5.1	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
90	EC(CC) Reg 33 (3), clause 3.5.2.2 AGA Code	DL CI 5.1	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
92.	Act s. 11M	DL CI 12	1	3	C	High	S	2											<input checked="" type="checkbox"/>
93.	Act s. 11M	DL CI 13	2	2	C	Medium	M	4											<input checked="" type="checkbox"/>
94.	Act s. 11M	DL CI 14.4	2	2	C	Medium	M	4										<input checked="" type="checkbox"/>	
95.	Act s. 11M	DL CI 14.6	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
96.	Act s. 11M	DL CI 15.2	2	2	C	Medium	M	4										<input checked="" type="checkbox"/>	
97.	Act s. 11M	DL CI 15.4	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
98.	Act s. 11M	DL CI 16	NR	1	C	Low	M	5											<input checked="" type="checkbox"/>
99.	Act s. 11M	DL CI 18,	NR	1	C	Low	M	5										<input checked="" type="checkbox"/>	
100	Act s. 11M	DL CI 19.1,	2	2	C	Medium	M	4										<input checked="" type="checkbox"/>	
101	Act s. 11M	DL CI 20,	2	2	C	Medium	M	4					<input checked="" type="checkbox"/>						
102	Act s. 11M	DL CI 21.1,	2	3	C	High	S	2		<input checked="" type="checkbox"/>									
103	Act s. 11M	DL CI 22	2	2	C	Medium	M	4											<input checked="" type="checkbox"/>
104	Act s. 11M	DL Sch 3 CI 1	2	2	C	Medium	M	4										<input checked="" type="checkbox"/>	
105	Act s. 11M	DL Sch 3 CI 2	2	2	C	Medium	M	4										<input checked="" type="checkbox"/>	
223	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 7.5	2	2	C	Medium	M	4											<input checked="" type="checkbox"/>
224	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 7.6	1	3	C	High	S	2										<input checked="" type="checkbox"/>	
227	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 8.2	2	2	C	Medium	M	4										<input checked="" type="checkbox"/>	
239	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 10.6	2	2	C	Medium	M	4											<input checked="" type="checkbox"/>

240	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 10.9	NR	1	C	Low	M	5						<input checked="" type="checkbox"/>		
241	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 10.10(1)	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>
242	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 10.10(2)	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
243	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI10.10 (3)	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
244	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 10.11(1)	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
245	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 10.11(2)	2	2	C	Medium	M	4		<input checked="" type="checkbox"/>						
246	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
247	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 11.1(2)	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
248	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 11.2(1)	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>
249	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 11.2(2)	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>
250	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 12.1(1)	2	2	C	Medium	M	4					<input checked="" type="checkbox"/>			
251	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 12.1(2)	2	2	C	Medium	M	4					<input checked="" type="checkbox"/>			
252	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 12.1(3)	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>
254	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 12.3	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
255	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 12.4	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
256	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 13.1	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>
262	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 13.8	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
263	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 13.10(2)	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
264	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 13.12	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
265	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 13.14	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>
266	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 13.15(1)	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
267	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 13.15(3)	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>
268.	Act s. 11M	DL CI 2.1 & Sch 2 GCC CI 13.10(2)	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>
A	Act s. 11Z (old licence item)	DL 5.1	2	2	C	Medium	M	4						<input checked="" type="checkbox"/>		
B	Act s. 11Z/13A (old licence item)	DL 5.1	2	2	C	Medium	M	4								<input checked="" type="checkbox"/>

3.10 ESTABLISHING THE CONTEXT

The key legislation that governs the licensing of providers of gas is the Energy Coordination Act 1994. In turn, the compliance elements in the Licence were examined and referred to throughout the audit process.

3.10.1 AUDIT RESULTS AND RECOMMENDATIONS

Summary of significant results

Three non compliances have been recorded.

3.10.2 COMPLIANCE ELEMENTS REQUIRING CORECTIVE MEASURES

Item 23	Distribution Licence Clause 5.1	Compliance rating Not Compliant 2
Licence: <i>Distribution</i>		
<i>Energy Coordination Act Schedule section 2(1)</i>		
The requirement is that a Licensee, as the operator of a supply system, must notify the Minister if a state of emergency exists in relation to a supply system as soon as practicable after becoming aware of it.		
Recommendations		
Add advice to Minister to emergency plans.		

Item 102	Distribution Licence Clause 25.1	Compliance rating Not Compliant - 2
Licence: <i>Distribution</i>		
<i>Energy Coordination Act section 11M</i>		
The requirement is that a Licensee must provide to the <i>Authority</i> any information that the <i>Authority</i> may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the <i>Authority</i> .		
Recommendations		
Develop a compliance manual that has scheduled reminders for regulatory compliance items.		

Item 245	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 10.11(2)	Compliance rating Not compliant 2
Licence: <i>Distribution</i>		
<i>Energy Coordination Act section 11M</i>		
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.		
Recommendations		
Add required TTY service information to bill, reminder and disconnection notices.		

3.10.3 SUGGESTIONS FOR IMPROVEMENT

Item 101	Distribution Licence Clause 20	Compliance rating Compliant - 4
Licence: <i>Distribution</i>		

<i>Energy Coordination Act section 11M</i>
The requirement is that a Licensee must report to the <i>Authority</i> if the Licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances.
Recommendations
Advise the Authority of the change in ownership.

Item 250	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 12.1(1)	Compliance rating Compliant - 4
Licence:	<i>Distribution</i>	
<i>Energy Coordination Act section 11M</i>		
A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.		
Recommendations		
Amend the complaints handling process to include a reference to the Distributor.		

Item 251	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 12.1(2)	Compliance rating Compliant - 4
Licence:	<i>Distribution</i>	
<i>Energy Coordination Act section 11M</i>		
A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements.		
Recommendations		
Amend the complaints handling process to include a reference to the Distributor.		

3.10.4 POST AUDIT IMPLEMENTATION PLAN

The post audit implementation plan is provided by Licensee.

3.11 DETAILED FINDINGS

3.11.1 AUDIT WORK UNDERTAKEN

We conducted interviews and enquiries and:

- Understood the control environment by determining the responsibility matrix and key control points
- Obtained the policies and procedures for managing licensed areas; and

- Identified the information systems and processes employed to manage licensed areas
- Determined the level of understanding of the systems and processes for managing licensed areas
- In reviewing the procedures and protocols for managing provision of services within a licensed area, where applicable, we obtained flowcharts of the processes and assessed the reasonableness of the decision matrix and the adequacy of the control points implemented by the Licensee.

3.12 AUDIT EVIDENCE

The following audit evidence has been considered.

- Gas Distribution Licence
- Gas quality test certificates
- Complaints handling manual
- Complaints handling procedure
- Compliance and statistical returns
- Energy ombudsman membership list
- Licence fees payment details
- Sample Notices of Completion
- Sample training records
- Example connection quotation
- Sample bill
- Pipeline maintenance schedule
- Inspectors orders issued
- Asset Management Plan Philosophy and Strategy
- Pipeline Emergency response plan
- Financial reports
- Risk management plans
- Asset Management System Operating procedure
- Asset Management operating plan
- Asset Management maintenance plan

- Disconnection notice set
- Customer Register
- Reporting datasheets
- Gas quality analysis report sample
- Fees and charges rates
- Bad debt policy (draft)
- Financial hardship policy
- New customer pack
- Standard form contract
- Customer service charter

3.13 DETAILED AUDIT FINDINGS

The following sets out the audit findings

3.13.1 LICENCE CONDITIONS

Item 1	Distribution Licence Clause 5.1	Compliance rating Compliant - 5			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11Q(1-2)</i> The requirement is that a Licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 & 5).					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Licence fee invoices and receipts.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
The fees have been paid and on time. The licence requires at clause 4 that the fees be paid according to the regulations which set the values but not the payment time. Clause 5 of the licence requires compliance with applicable legislation including the Act, which requires payment within a month.					
Issues					
None					
Recommendations					
None					

Item 6	Distribution Licence Clause 5.1	Compliance rating Compliant - 5			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11X (3)</i> 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.					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Not applicable					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
There have been no interruptions other than third party damage and the extent of the duration of the interruption was minimised. No loss of supply to customers occurred. No complaints have been received about gas interruptions.					

Issues
None
Recommendations
None

Item 7	Distribution Licence Clauses 14.1	Compliance rating Compliant - 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11Y(1)(a)</i>									
The requirement is that a licensee must provide for an asset management system in respect of its assets.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Asset management documents, correspondence.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The Licensee has provided an asset management system and the efficacy is examined in the review.									
Issues									
None									
Recommendations									
None									

Item 8	Distribution Licence Clauses 14.1 & 14.2	Compliance rating Compliant - 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11Y(1)(b)</i>									
The requirement is that a Licensee must notify details of the asset management system and any substantial changes to it to the <i>Authority</i> .									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Asset management documents, correspondence.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The Licensee notified the <i>Authority</i> of details of the asset management system in licence application and in previous audit periods and there have been no substantial changes. The system installation commenced under the old licence and not in this audit period and notification requirements related to that period.									
Issues									
None									

Recommendations
None

Item 9	Distribution Licence Clause 14.3	Compliance rating Compliant - 5			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11Y(1) (c)</i>					
A Licensee must provide the Authority with a report by an independent expert acceptable to the Authority within 24 months of commencement and every 24 months thereafter (or longer if the Authority allows) as to the effectiveness of the asset management system.					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: The Licensee provided documents to the ERA when obtaining approval of reviewer.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
This review satisfies this requirement. The last review satisfied the requirements.					
Issues					
None					
Recommendations					
None					

Item 10	Trading Licence Clause 18.1 / Distribution Licence Clause 15.1	Compliance rating Compliant - 5			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11ZA(1)</i>					
The requirement is that a Licensee must provide the <i>Authority</i> with a performance audit by an independent expert acceptable to the <i>Authority</i> within 24 months of commencement and every 24 months thereafter (or longer if the <i>Authority</i> allows).					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: The Licensee provided documents to the ERA when obtaining approval of auditor.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input type="checkbox"/>
This audit satisfies the requirement. The last audit also satisfied the requirements.					
Issues					
None					
Recommendations					
None					

Item 17	Distribution & Trading Licence Clause 5.1	Compliance rating Not Rated			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11ZK (3)</i>					
A Licensee must pay the costs and expenses incurred in the taking of an interest or easement in respect of land held by a public authority.					
Observations					
Documents	<input type="checkbox"/>	Compliance <input type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Not applicable.					
Process	<input type="checkbox"/>	Outcome <input type="checkbox"/>	Output <input type="checkbox"/>	Reporting <input type="checkbox"/>	Compliance <input type="checkbox"/>
There is no land held by a public authority. The services are at the standard alignment on roads and these were part of the sub division process. The pressure reducing station is on the easement for the Kambalda/ Esperance natural gas pipeline.					
Issues					
None					
Recommendations					
None					

Item 23	Distribution Licence Clause 5.1	Compliance rating Not Compliant 2			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act Schedule section 2(1)</i>					
The requirement is that a Licensee, as the operator of a supply system, must notify the Minister if a state of emergency exists in relation to a supply system as soon as practicable after becoming aware of it.					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Not applicable.					
Process	<input type="checkbox"/>	Outcome <input type="checkbox"/>	Output <input type="checkbox"/>	Reporting <input type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
No state of emergency has occurred and therefore responses cannot be tested. The Emergency plans do not include advice to Minister.					
Issues					
The Emergency plans do not include advice to Minister.					
Recommendations					
Add advice to Minister to emergency plans.					

Item 24	. Distribution Licence Clause 17	Compliance rating Compliant 5
Licence: <i>Distribution</i>		

<i>Energy Coordination Act section 11ZQH</i>									
The requirement is that 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.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas industry Ombudsmen register of members.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The Licensee is a member of an approved Gas Industry Ombudsman Scheme and there are no complaints about not meeting by any decision or direction of the Ombudsman under the Scheme.									
Issues									
None									
Recommendations									
None									

Item 25	Distribution Licence Clauses 5.1							Compliance rating Compliant 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11Z</i>									
The requirement is that a Licensee must comply with the standards of the <i>Gas Standards Act 1972</i> .									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, Energy Safety Principal Gas Supply Engineer, inspected sample installations. Documents: Gas quality specifications and analysis reports.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The standards in the <i>Gas Standards Act 1972</i> are contained in regulations, principally the <i>Gas Standards (Gas Supply And System Safety) Regulations 2000</i> .									
Issues									
The <i>Gas Standards (Gas Supply And System Safety) Regulations 2000</i> are managed by EnergySafety and they have advised that there are no issues with the Licensee.									
EnergySafety have not reported any deviations from the required gas quality specifications. A sample of the quality control gas analyses has also not revealed any deviations from gas quality requirements.									
Recommendations									
None									

Item 26	Distribution Licence Clause 5.1							Compliance rating Compliant 5	
Licence: <i>Distribution</i>									

<i>Energy Coordination Act section 11Z</i>									
The requirement is that a Licensee must not supply gas at less than the relevant approved minimum heating value.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, Energy Safety Principal Gas Supply Engineer, inspected sample installations. Documents: Gas quality specifications and analysis reports.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The specification of gas (including chemical mix) is regulated by EnergySafety. Gas out of specification may be less / more efficient (lower/higher calorific value) and provide different gas quality from that required. Gas far from specification can lead to incorrect combustion and may be unsafe. As a safety measure the gas is required to have an odorant added.									
EnergySafety have not reported any deviations from the required gas quality specifications. A sample of the internal quality control has also not revealed any deviations from gas quality requirements.									
Issues									
None.									
Recommendations									
None.									

Item 27	Distribution Licence Clause 5.1								Compliance rating Compliant - 5
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11Z</i>									
The requirement is that the Licensee shall not cause or permit any alteration to be made in the specific gravity, flame speed or other prescribed characteristic of gas supplied by him unless he has first applied for, and obtained, the written approval of the Minister.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, Energy Safety Principal Gas Supply Engineer, inspected sample installations. Documents: Gas quality specifications and analysis reports.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
No deviations from the prescribed characteristics of gas have been reported from EnergySafety. A sample of gas quality certificates has indicated no deviations from the standard.									
Issues									
None.									
Recommendations									
None.									

Item 28	Distribution Licence Clause 5.1							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11Z</i>									
The requirement is that the Licensee shall not commence to supply gas to a consumer's gas installation unless that installation meets the requirements prescribed in respect of that installation.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, Energy Safety Principal Gas Supply Engineer, inspected sample installations. Documents: Gas quality specifications and analysis reports. Inspector's orders									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The <i>Gas Standards Act 1972</i> requires that a gas supplier not commence supply unless the installation meets prescribed requirements which are prescribed in regulations. The Licensee does not have an inspection plan and inspects all work prior to connection to gas supply. Samples of inspector's orders have been sighted and comply with requirements.									
Issues									
None.									
Recommendations									
None.									

Item 85	Distribution Licence Clause 5.1							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(a) AGA Code.</i>									
A licensee must provide, install and maintain equipment for the supply of gas up to the point of supply.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, Energy Safety Principal Gas Supply Engineer, inspected sample installations. Documents: Repair information.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
There have been small installations of supply mains in the audit period to facilitate customer connections. There has been installation of service connections and meters. – (the output of the meter is point of supply). The only maintenance is repair of third party damage. There have been incidents with supply equipment where a third party installing other services damaged a supply main but this did not cause a loss of supply to customers.									
Issues									
None.									
Recommendations									
None.									

Item 86	Distribution Licence Clause 5.1	Compliance rating Compliant - 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(b) AGA Code.</i>									
A licensee must provide, install and maintain metering and necessary equipment at the supply address.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, Energy Safety Principal Gas Supply Engineer, inspected sample installations. Documents: Complaints records.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Meters have been installed for 99 new connections. The equipment is too new to require maintenance (18 years is required for residential customers) and there are no operations required (apart from reading). There have been no complaints.									
Issues									
None.									
Recommendations									
None.									

Item 87	Distribution Licence Clause 5.1	Compliance rating Compliant 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination (Customer Contracts) Regulation 28 AGA Code 3.1.2</i>									
The Licensee must re-connect to a supply address (subject to supply, available gas installations, adherence to regulatory requirements and a meter) within 1 business day or period agreed with the customer from the date of the application and subject to the customer meeting the requirements in clause 3.1.2.2 of the AGA Code.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Complaints documents.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been 15 reconnections in the audit period. Reconnections were on time. There have been no complaints about reconnections. There was a complaint but it related to the cost of a new connection (40 metre extension of service).									
Issues									
None									
Recommendations									
None									

Item 88	Distribution Licence Clause 5.1 Schedule 3 Clause 2	Compliance rating Compliant - 5							
Licence: <i>Distribution</i>									

<i>Energy Coordination Act section 11M Energy Coordination (Customer Contracts)Regulation 28</i> AGA Code 3.1.3.1									
A Licensee must connect a new supply address (subject to supply, available gas installations, adherence to regulatory requirements and a meter) within 20 business days from the date of the application.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Customer Code/Charter.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
All connections are within time requirements. There have been no complaints about connections. There have been 99 new connections. Staff has information on time requirements for connections (and disconnections).									
Issues									
None									
Recommendations									
None									

Item 89	Distribution Licence Clause 5.1							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination (Customer Contracts)Regulation 33(3) AGA Code 3.5.2.1</i>									
A Licensee must give at least four days notice to a customer of its intentions to undertake inspections, repairs, testing or maintenance at the customer's supply address.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Not Applicable.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
There have been no complaints about failing to give notice. Advice is not required for EnergySafety inspections or repairs for safety or pressure requirements and testing for same. There has been no work on the distribution system at a supply address other than 99 new connections and that has separate time requirements as do disconnections. Staff are aware of notice requirements for any non EnergySafety work.									
Issues									
None									
Recommendations									
None									

Item 90	Distribution Licence Clause 5.1							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination (Customer Contracts)Regulation 33(3) AGA Code 3.5.2.2</i>									

A Licensee must ensure that any representatives seeking access to the supply address on its behalf wear, carry and show official identification.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Not Applicable. Procedure on carrying identification sighted.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
There has been no work on site addresses by the Licensee's personnel. There have been no repairs on site by the Licensee's contractor. The only access is for meter reading or connection requirements. The contractors wear the Licensee's badges and there has been community advertising that they are contracting for the Licensee. There have been no complaints about failing to show identification requirements.									
Issues									
None									
Recommendations									
None									

Item 92	Distribution Licence Clause 12						Compliance rating Compliant - 5		
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
The requirement is that the Licensee must continuously operate those parts of the distribution system required to meet its obligations to supply gas, except to the extent necessary for compliance with the <i>Gas Standards (Gas Supply and System Safety) Regulations 2000</i> .									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, Energy Safety Principal Gas Supply Engineer, inspected sample installations. Documents: Gas quality specifications and analysis reports, sample emergency plans.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
This requires that the gas supplier has sufficient supply to match demand, sufficient capacity in the distribution system to maintain the required flow at the designated pressure, processes to maintain the system to deliver the required supply and processes to manage emergency situations. The Licensee must have sufficient supply for the distribution system to handle reasonable contingencies. The system is operated at 200Kpa and the load is relatively low such that at full load the pressure drop across the system is very small.									
Issues									
The Licensee has operated the system continuously. The Licensee has no control over upstream supply interruptions from the Goldfields Gas Pipeline or the Kambalda to Esperance pipeline extension. In these circumstances the Licensee has to curtail supply and has contingency plans for example to use liquid fuel in the power station and stop commercial use to allow residential use to continue for a period. These contingencies should be documented (covered in the asset management review). These contingencies would be necessary to meet the requirements of EnergySafety under curtailment situations (gas shortages) as the system would not then be able to supply gas at the required pressures for residential use. That is the curtailment would be necessary for compliance with the <i>Gas Standards (Gas Supply and System Safety) Regulations 2000</i> .									

Recommendations
None.

Item 93	Distribution Licence Clause 13	Compliance rating Not Rated			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
The requirement is that a Licensee must give the <i>Authority</i> written notice where it proposes to permanently cease or substantially decrease its activities under the licence 6 months before the cessation or decrease or, if this is not practicable, as soon as possible.					
Observations					
Documents	<input type="checkbox"/>	Compliance <input type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Distribution licence.					
Process	<input type="checkbox"/>	Outcome <input type="checkbox"/>	Output <input type="checkbox"/>	Reporting <input type="checkbox"/>	Compliance <input type="checkbox"/>
Licensee has not proposed to permanently cease or substantially decrease its activities under the licence and therefore notice requirement has not arisen.					
Issues					
None.					
Recommendations					
None.					

Item 94	Distribution Licence Clause 14.4	Compliance rating Compliant - 5			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
The requirement is that a Licensee must comply and require its expert to comply with the <i>Authority's</i> standard guidelines dealing with the asset management review.					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: The Licensee provided documents for approval of reviewer.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
This review satisfies the requirement. The last review also met the requirements.					
Issues					
None					
Recommendations					
None					

Item 95	Distribution Licence Clause 15.2	Compliance rating Compliant - 5			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
A Licensee's independent expert must be approved by the Authority prior to reviewing the effectiveness of the asset management system.					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: The Licensee provided documents for approval of reviewer.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
This review meets the requirements. The last review also met the requirements.					
Issues					
None					
Recommendations					
None					

Item 96	Distribution Licence Clause 15.1	Compliance rating Compliant - 5			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
The requirement is that a Licensee must comply and require its expert to comply with the Authority's standard guidelines dealing with the performance audit.					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: The Licensee provided documents for approval of auditor.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
The audit meets the requirements. The last audit also met the requirements.					
Issues					
None					
Recommendations					
None					

Item 97	Distribution Licence Clause 15.4	Compliance rating Compliant - 5
Licence: <i>Distribution</i>		
<i>Energy Coordination Act section 11M</i>		
A Licensee's independent auditor must be approved by the Authority prior to the audit.		
Observations		

Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: The Licensee provided documents for approval of auditor.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
The audit meets the requirements. The last audit also met the requirements.									
Issues									
None									
Recommendations									
None									

Item 98	Distribution Licence Clause 16							Compliance rating Not Rated	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A Licensee may be subject to individual performance standards.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Not Applicable.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input type="checkbox"/>
There are no individual performance standards.									
Issues									
None									
Recommendations									
None									

Item 99	Distribution Licence Clause 18							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Sample communication with ERA.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
All notices are in writing. All material communication with the ERA is in writing.									
Issues									
None									

Recommendations
None

Item 100	Distribution Licence Clause 19.1	Compliance rating Compliant - 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
The requirement is that a Licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Annual Report									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The financial auditor's statements in the Licensee's annual report confirm compliance with the required accounting standards.									
Issues									
None									
Recommendations									
None									

Item 101	Distribution Licence Clause 20	Compliance rating Compliant - 4							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
The requirement is that a Licensee must report to the <i>Authority</i> if the Licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Esperance Power station Annual Report.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The administration status of the Licensee and in its corporate, financial or technical circumstances has not had any significant change. There has been a change in ownership of the Licensee but this has not affected the ability to carry out the obligations. The Licence requires notification only where there is an effect on the ability to carry out the obligations of the Licence.									
Issues									
The Licensee should notify the <i>Authority</i> of the change in ownership.									
Recommendations									
Advise the <i>Authority</i> of the change in ownership.									

Item 102	Distribution Licence Clause 25.1	Compliance rating Not Compliant - 2			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
The requirement is that a Licensee must provide to the <i>Authority</i> any information that the <i>Authority</i> may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the <i>Authority</i> .					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Licensee's annual compliance and statistical reports to ERA.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
The Licensee has provided the information returns required by the <i>Authority</i> in the manner and form required but 2 year compliance reports were late. (The compliance reports are due 31 August whereas the statistical reports are due 30 September). Consistent with the scope limitation, the reports and the indicators are accurate.					
Issues					
Two of the compliance reports were late.					
Recommendations					
Develop a compliance manual that has scheduled reminders for regulatory compliance items.					

Item 103	/Distribution Licence Clause 22	Compliance rating Not Rated			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
The requirement is that a Licensee must publish any information it is directed by the <i>Authority</i> to publish, within the timeframes specified.					
Observations					
Documents	<input type="checkbox"/>	Compliance <input type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Not Applicable.					
Process	<input type="checkbox"/>	Outcome <input type="checkbox"/>	Output <input type="checkbox"/>	Reporting <input type="checkbox"/>	Compliance <input type="checkbox"/>
The <i>Authority</i> has not required any information to be published.					
Issues					
None					
Recommendations					
None					

Item 104	Distribution Licence Schedule 3 Clause 1								Compliance rating Not Applicable	
Licence: <i>Distribution</i>										
<i>Energy Coordination Act section 11M</i>										
A Licensee must, in relation to pipelines not covered by the National Access Code, exchange information with a trading Licensee under section 9.5 of the National Access Code as if they were covered pipelines.										
Observations										
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>							
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Not applicable.										
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>	
The distribution licence and the trading licence are closely related entities. There is no other trader on the network that would require even handed treatment of traders.										
Issues										
None										
Recommendations										
None										

Item 105	Distribution Licence Clause Schedule 3 Clause 2								Compliance rating Compliant - 5	
Licence: <i>Distribution</i>										
<i>Energy Coordination Act section 11M</i>										
The requirement is that a Licensee must offer to connect residential premises located within the licence area to the distribution system if requested by a trader, subject to certain defined conditions.										
Observations										
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>							
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Customer Charter.										
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>	
Policy on time requirements for connections is in the customer charter. Quotations are provided where service line exceeds 20m or costs exceed good industry practice (such as rock encountered). All connections have been made where the customer has paid for extra service line costs. There have been a small number of connections where mains extensions were required. No complaints have been received by the Licensee about connection requirements.										
Issues										
None										
Recommendations										
None										

Item 223	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 7.5	Compliance rating Not Rated			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
A distributor who disconnects a customer's supply address for emergency reasons must provide a 24 hour emergency line providing the information specified and use its best endeavours to restore supply as soon as possible.					
Observations					
Documents	<input type="checkbox"/>	Compliance <input type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Customer Code/Charter.					
Process	<input type="checkbox"/>	Outcome <input type="checkbox"/>	Output <input type="checkbox"/>	Reporting <input type="checkbox"/>	Compliance <input type="checkbox"/>
There have not been any emergency disconnections. There is a 24 hour available emergency line (given in Customer Charter) and on public website.					
Issues					
None					
Recommendations					
None					

Item 224	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 7.6	Compliance rating Compliant 5			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Customer Code/Charter, complaints.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
There have been 16 disconnections. There have been no complaints received about disconnections. The disconnections were not done in the proscribed times required for discontinuation of supply.					
Issues					
None					
Recommendations					
None					

Item 227	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 8.2	Compliance rating Compliant 5
Licence: <i>Distribution</i>		
<i>Energy Coordination Act section 11M</i>		

Subject to the retailer complying with applicable retail market rules, a distributor must reconnect the customer's supply address upon the request of a retailer, within the timeframes specified.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Customer Code/Charter.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
There have been 15 reconnections. These were done in the required timeframes. There have been no complaints received about reconnections.									
Issues									
None									
Recommendations									
None									

Item 239	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 10.6	Compliance rating Not rated							
Licence:	<i>Distribution</i>								
<i>Energy Coordination Act section 11M</i>									
A distributor must give, or direct the customer to person(s) who can give, a customer on request, at no charge, the specified information.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Customer Code/charter.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no requests for information. There have been no complaints received about information. The information is on the public web site and copies are readily available in Licensee's office.									
Issues									
None									
Recommendations									
None									

Item 240	Licence clause 2.1 and Schedule 2 Gas Customer Code clause 10.9	Compliance rating Compliant - 5
Licence:	<i>Distribution</i>	
<i>Energy Coordination Act section 11M</i>		
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.		

Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas Customer Code, customer charter, web site.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Customer information provided – sample sighted which was clear simple and concise. There have been no complaints received about information.									
Issues									
None									
Recommendations									
None									

Item 241	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 10.10(1)	Compliance rating Not Rated							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Gas Customer Code.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas Customer Code, customer charter, web site.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
No requests for Code have been made. Information is on web site. Code will be supplied by mail or in person if requested by telephone or in person Customer information provided – sample sighted. There have been no complaints received about information.									
Issues									
None									
Recommendations									
None									

Item 242	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 10.10(2)	Compliance rating Compliant - 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A retailer and distributor must make electronic copies of the Gas Customer Code available, at no charge, on their web sites.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas Customer Code, customer charter, web site.									

Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Customer information such as the Code is on public (and ERA) web site. There have been no complaints received about Code.									
Issues									
None									
Recommendations									
None									

Item 243	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 10.10(3)							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A retailer and distributor must make a copy of the Gas Customer Code available for inspection, at no charge, at their offices.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Copy is available in offices and will be printed on request. There have been no complaints received about Code.									
Issues									
None									
Recommendations									
None									

Item 244	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 10.11(1)							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
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.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The customer charter gives information where to get a free translation service. There have been no requests for interpreting. The customer charter is provided in the introductory pack and is on the public web site. There have been no complaints received about interpreting service.									

Issues
None
Recommendations
None

Item 245	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 10.11(2)	Compliance rating Not compliant 2	
Licence:	<i>Distribution</i>		
	<i>Energy Coordination Act section 11M</i>		
	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.		
Observations			
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Evidence:	interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, sample bill, reminder and disconnection notices, public web site.		
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
	Information provided on bill and customer charter about special information needs service and TTY service given in customer charter. There have been no complaints about special information needs.		
Issues			
	TTY service is not given on bill, and TTY and special information needs is not on reminder and disconnection notices as required by Code. Have been added to templates.		
Recommendations			
	Add required TTY service information to bill, reminder and disconnection notices and special information needs on reminder and disconnection notices.		

Item 246	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 11.1(1)	Compliance rating Compliant - 5	
Licence:	<i>Distribution</i>		
	<i>Energy Coordination Act section 11M</i>		
	A retailer and distributor must produce and publish a Customer Service Charter.		
Observations			
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Evidence:	interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter.		
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>
	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
	Customer Service Charter is on web site and linked to ERA. There have been no complaints received about Customer Service Charter.		
Issues			
	None		
Recommendations			

None

Item 247	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 11.1(2)	Compliance rating Compliant - 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i> A retailer and distributor must address the specified information in their Customer Service Charters.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Specified information is provided. There have been no complaints received about Customer Service Charter.									
Issues									
None									
Recommendations									
None									

Item 248	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 11.2(1)	Compliance rating Not Rated							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i> A retailer and distributor must give a customer on request, at no charge, a copy of the Customer Service Charter.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There have been no requests for Customer Service Charter. The Customer Service Charter is provided in the introductory pack. There have been no complaints received about Customer Service Charter.									
Issues									
None									
Recommendations									
None									

Item 249	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 11.2(2)	Compliance rating Not Rated			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
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.					
Observations					
Documents	<input type="checkbox"/>	Compliance <input type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter.					
Process	<input type="checkbox"/>	Outcome <input type="checkbox"/>	Output <input type="checkbox"/>	Reporting <input type="checkbox"/>	Compliance <input type="checkbox"/>
There have been no requests for Customer Service Charter. There have been no complaints received about Customer Service Charter.					
Issues					
None					
Recommendations					
None					

Item 250	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 12.1(1)	Compliance rating Compliant - 4			
Licence: <i>Distribution</i>					
<i>Energy Coordination Act section 11M</i>					
A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.					
Observations					
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>			
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.					
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>	Output <input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
Complaints process manual sighted but the process is badged as applying to the trader when it equally applies to the Distributor. There have been no complaints received about complaints process.					
Issues					
The Complaints process needs to be badged as applying to the Distributor.					
Recommendations					
Amend the complaints handling process to include a reference to the Distributor.					

Item 251	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 12.1(2)	Compliance rating Compliant - 4
Licence: <i>Distribution</i>		
<i>Energy Coordination Act section 11M</i>		
A retailer and distributor must develop, maintain and implement a complaints handling process that		

meets the specified requirements.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Complaints process manual sighted which meets specified requirements but the process is badged as applying to the trader when it equally applies to the Distributor. There have been no complaints received about complaints process.									
Issues									
The Complaints process needs to be badged as applying to the Distributor.									
Recommendations									
Amend the complaints handling process to include a reference to the Distributor.									

Item 252	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 12.1(3)	Compliance rating Not Rated							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A retailer or distributor must at least provide the specified advice to a customer when handling a complaint.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
Complaints process manual sighted. There has been one complaint and it was resolved satisfactorily. There have been no complaints received about complaints process.									
Issues									
None									
Recommendations									
None									

Item 254	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 12.3	Compliance rating Compliant - 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
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.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents:									

Gas customer Code, customer charter, Complaints process manual.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Complaints process sighted and provides information to assist the customer in utilising the respective complaints handling processes. There have been no complaints received about complaints process. The complaints information is available free on web site.									
Issues									
None									
Recommendations									
None									

Item 255	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 12.4							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
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.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
Complaints process manual sighted. The Licensee is closely related with the trader and communication with the trader is communication with the distributor is to the same person so there is no need to refer to the other organisation. However there is information on referral to Ombudsman (and contact details of ERA). There have been no complaints received about complaints process.									
Issues									
None									
Recommendations									
None									

Item 256	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.1							Compliance rating Not Rated	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
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.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									

Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
There has been one complaint and that was only a year old, so could not test if records of complaints kept for 2 years. There have been no complaints received about complaints process.									
Issues									
None									
Recommendations									
None									

Item 262	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.8							Compliance rating Compliant - 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A distributor must keep a record of the total number of connections provided and connections not provided on or before the agreed date.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Connection asset records.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The asset records have been sighted. There are records of total connections provided and records of those not provided in time.									
Issues									
None									
Recommendations									
None									

Item 263	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.10(1)							Compliance rating Compliant 5	
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A distributor must keep a record of the customer complaint indicators specified.									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
There have been one complaints and records of customer complaints indicators sighted.									
Issues									
None									
Recommendations									

None

Item 264	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.10(2)	Compliance rating Compliant 5							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i> A distributor must keep a copy of each customer complaint referred to in clause 13.10(1).									
Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
There has been one complaint and this is in a record of customer complaints.									
Issues									
None									
Recommendations									
None									

Item 265	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.12	Compliance rating Not Applicable							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i> A distributor must keep a record of the call centre performance indicators specified.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
Then Licensee does not use a call centre as the business is too small to justify the expenditure.									
Issues									
None									
Recommendations									
None									

Item 266	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.14	Compliance rating Compliant - 5
Licence: <i>Distribution</i>		
<i>Energy Coordination Act section 11M</i> A distributor must keep a record of the total number of delivery points on the distributor's distribution system.		

Observations									
Documents	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual, asset data sheets.									
Process	<input checked="" type="checkbox"/>	Outcome	<input checked="" type="checkbox"/>	Output	<input checked="" type="checkbox"/>	Reporting	<input checked="" type="checkbox"/>	Compliance	<input checked="" type="checkbox"/>
The asset records have been sighted.									
Issues									
None									
Recommendations									
None									

Item 267	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.15(1)	Compliance rating Not applicable							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A retailer and a distributor must prepare a report setting out the information required by Part 13 of the Gas Customer Code, in respect of each year ending on 30 June. The report must be published no later than the following 1 October.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
These reports are not yet required by the Authority for a distribution Licensee.									
Issues									
None									
Recommendations									
None									

Item 268	Distribution Licence clause 2.1 and Schedule 2 Gas Customer Code clause 13.15(3)	Compliance rating Not applicable							
Licence: <i>Distribution</i>									
<i>Energy Coordination Act section 11M</i>									
A copy of each report must be given to the Minister and the Authority not less than 7 days before it is published.									
Observations									
Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Gas customer Code, customer charter, Complaints process manual.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
These reports are not yet required by the Authority for a distribution Licensee.									

Issues
None
Recommendations
None

3.13.2 ITEMS FROM EARLIER LICENCE REQUIREMENTS

A	Distribution Licence clause 5.1	Compliance rating Compliant 5
Licence:	<i>Distribution</i>	
<i>Energy Coordination Act section 11Z & Gas Standards Act S 13A</i>		
<p>The <i>Gas Standards Act 1972</i> requires that prescribed work of the nature of gas fitting be licensed. The gas supplier is to monitor the standards of gas fitters as an inspection obligation. The licensed gas fitter issues a certificate (notice of completion) to the gas supplier when gas fitting work is completed and this certificate is used by the gas supplier as part of complying with s 13 of the <i>Gas Standards Act 1972</i>. The gas supplier cannot commence supply unless they have a valid certificate.</p>		
Observations		
Documents	<input checked="" type="checkbox"/>	Compliance <input checked="" type="checkbox"/>
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Sample certificates of completion, inspectors orders.		
Process	<input checked="" type="checkbox"/>	Outcome <input checked="" type="checkbox"/>
Output	<input checked="" type="checkbox"/>	Reporting <input checked="" type="checkbox"/>
Compliance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<p>The licensee does not have an inspection plan but inspects 100% of installations on receipt of a certificate from the gas fitter. A sample of certificates has been examined and complies and a sample of inspector's orders also complies with the requirements. This obligation is enforced by EnergySafety. While Item 25 covers standards of the Gas Standards Act it does not specifically call up GSA s13A which is a quality assurance method rather than a standard.</p>		
Issues		
None		
Recommendations		
None		

B	Distribution Licence clause 5.1	Compliance rating Not Rated
Licence:	<i>Distribution</i>	
<i>Energy Coordination Act section 11Z & Gas Standards Act S 13D</i>		
<p><i>Standards Act 1972</i> to the extent that those standards apply to the supply of gas by the licensee. The <i>Gas Standards Act 1972</i> requires that prescribed work of the nature of gas fitting be licensed. The gas supplier is to monitor the standards of gas fitters as an inspection obligation. The licensed gas fitter issues a certificate (notice of completion) to the gas supplier when gas fitting work is completed and this certificate is used by the gas supplier as part of complying with s 13 of the <i>Gas Standards Act 1972</i>. The gas supplier cannot commence supply unless they have a valid certificate.</p>		
Observations		

Documents	<input type="checkbox"/>	Compliance	<input type="checkbox"/>						
Evidence: interviewed Lawrence Teo, listed staff, inspected sample installations. Documents: Sample certificates of completion, inspectors orders.									
Process	<input type="checkbox"/>	Outcome	<input type="checkbox"/>	Output	<input type="checkbox"/>	Reporting	<input type="checkbox"/>	Compliance	<input type="checkbox"/>
<p>The licensee does not have an inspection plan but inspects 100% of installations on receipt of a certificate from the gas fitter. No issues have been found about issue of certificates or unlicensed work from an examination of certificates.</p> <p>There have been no type B gas appliances installed to assess compliance.</p> <p>This obligation is enforced by EnergySafety. While Item 25 covers standards of the Gas Standards Act it does not specifically call up GSA s13D which is a licence compliance method rather than a standard.</p>									
Issues									
None									
Recommendations									
None									