

Synergy
Electricity Retail Licence
Performance Audit Report

January 2011

Contents

Acronym List	1
1. Introduction	6
2. Objective	8
3. Scope	9
4. Our Approach and Methodology	10
5. Audit Team members and Hours Utilised in the Execution of the Audit	14
6. Compliance Summary	15
7. Review of Previous Findings	39
8. Audit Opinion	58
9. Detailed Findings – Compliance Elements which Require Corrective Measures	59
10. Detailed Findings – Compliance Elements which Require Minor Improvements	108
11. Detailed Findings – Compliance Elements which Do Not Require Further Action	130
Appendix 1 – Audit Evidence – Documents Examined	345
Appendix 1(Cont.) - Audit Evidence – Additional Documents Examined	364
Appendix 2 – Audit Evidence – Personnel who Assisted in the Audit	366

Acronym List

Acronym / Reference	Description
AS 4360:2004	Australian/New Zealand Standard 4360-2004 Risk Management
AQP	Applications Queuing Policy
Authority	Economic Regulation Authority
Business Manager	Synergy's customer account relationship managers for contestable customers
B2B	Business to Business
CCKB	Contact Centre Knowledge Base. A repository of reference material for business processes, procedures and general knowledge used by Customer Service Representatives
CIS	Synergy's Customer Information System used to record customer interactions including billing
COC	Code of Conduct for the Supply of Electricity to Small Use Customers 2004 and Code of Conduct for the Supply of Electricity to Small Use Customers 2008
CSR	Customer Service Representative
CTR	Customer Transfer Request used to transfer customers between retailers
Collections Notice	Notice used to recover payments not made by the due date

Acronym / Reference	Description
Columbus	Synergy's Project to develop and implement a new customer relationship management system
Compliance Coordinators	Senior Departmental representatives on the respective Retail and Wholesale Compliance Teams
Compliance Register	Synergy's listing of Licence Conditions with reporting type, risk analysis and internal controls for each condition
Compliance Teams	Wholesale and Retail Compliance Teams established with the function to ensure energy compliance across the business
Contact Centre Bulletin	Weekly notification of reminders, process changes, updates on matters affecting customer interactions, issued to Customer Service Representatives
Contact Centre Knowledge Base	A repository of reference material for business processes, procedures and general knowledge used by Customer Service Representatives
Credit Management	A team of employees within Synergy specifically assigned to recover outstanding payments
Culture of Compliance	The promotion of a positive attitude to compliance within Synergy
Customer and Brand Equity	A team of Synergy employees specifically assigned to development of strategic products and programs to deliver customer service that align with Synergy's brand
Customer Resolutions	A team of Synergy employees specifically assigned to work associated with resolving customer enquiries received via mail
Customer Transactions	A team of Synergy employees specifically assigned to work associated with customer transactions, particularly billing
Customer Transfer Code	Electricity Industry Customer Transfer Code 2004

Acronym / Reference	Description
Customer Service Officer	Customer Service Representative
DMS	Synergy's document management system. Document numbers are prefixed with "DMS"
DNC	Do not contact. Indicates a customer who does not want to be contacted for marketing purposes
Dual Fuel Contract	Contract for the supply of electricity and gas
EIA 2004	Electricity Industry Act 2004
ERA	Economic Regulation Authority
Field Credit Officers	Members of the credit management team assigned to contact customers at their premises with regard outstanding payments
GIHO	Goldfields Indigenous Housing Organisation
IBAAN	Customer Relationship Management system
IT	Synergy's Information Technology department
Incident	A situation or event if not addressed which may result in a regulatory breach
Internal Control	Process, policy or procedure that demonstrates a licence condition is met
LRA	Department of Legal Regulatory and Audit
LS	Life Support. Indicates a person who resides at a customer's premise who is registered as requiring life support equipment
Late Payment Fee	Charged levied to recover the cost of sending a payment reminder
MBS	Network Operator's Metering Business System
MDH	Market Data Hub. The system that facilitates customer data to be forwarded from Synergy's Customer Information System to Western Power's

Acronym / Reference	Description
	Metering Business System
Metering Code	Electricity Industry Metering Code 2005
NICE Perform system	The system that records calls for monitoring and quality assurance
NMI	National Metering Identifier
NR	Not reportable licence condition
NW	Network
Network Operator	During the review period the network operator was identified as Western Power.
Network Transaction	Transmittal of a request to the network operator
PWQ	Pending work queue in the Customer Information System used for authorising transactions
RBS	Retail Bridge Stabilisation project to determine solutions for transactions not occurring as required
REDS	Revenue Energy & Demand System
REBS	Renewable Energy By-back Scheme
ROCC	Register of Contestable Customers
Retail Sales	A department within Synergy delivering retail services to customers
SLA	Service Level Agreement
SAP	Systems and Applications Products operating system currently being used to develop Synergy's future customer relationship management
SOII	Acronym for a Service Order used to Issue an Investigation
SOLR	Supplier of Last Resort

Acronym / Reference	Description
Standard Terms of Conditions	Terms of conditions contained in Synergy's Standard Form Contract for the supply of electricity
TCS	Tata Consulting Services (External IT Service Provider)
T & T	Technology and Transformation
Type 1	Electricity Retail Licence condition requiring immediate reporting to the Economic Regulation Authority when non compliance occurs
Type 2	Electricity Retail Licence condition that requires annual reporting as part of the retailers annual Compliance Report when non compliance occurs
UER	Unbilled error report. Listing of accounts that require billing adjustments before being issued
WP	Western Power

1. Introduction

Synergy Background

Synergy is Western Australia's largest energy retailer with almost 1 million industrial, commercial and residential customer accounts. Synergy generates total revenue in excess of \$1.5 billion annually.

Since April 2006, Synergy has held an electricity retail licence (licence) granted by the Economic Regulation Authority (the "Authority"). The licence provides Synergy with the legal right to sell electricity to customers.

Audit Background

Synergy's licence is subject to a number of obligations contained within the licence itself; the Electricity Industry Act 2004 (Act), regulations and industry codes of practice.

Section 13 of the Act requires Synergy to provide the Authority with a performance audit conducted by an independent expert approved by the Authority not less than once every 24 months (or such later date approved by the Authority). The Authority approved Grant Thornton to conduct the performance audit for the period 1 April 2008 to 30 June 2010. This is the second performance audit undertaken by Synergy.

An audit plan was developed and approved by the Authority using a risk based approach to focus on key risk areas in accordance with the risk evaluation model, Australian/New Zealand Standard 4360:2004. Grant Thornton has assessed the controls and performance against those standards through a combination of interviews/enquiries, examination of documents and detailed testing.

The audit plan upon which the audit was completed was developed in accordance with ASAE 3000 and the Authority's "Audit Guidelines: Electricity, Gas and Water Licences (August 2010)" ("guidelines"). The performance audit plan outlined the approach for the nature, timing and extent of the evidence-gathering procedures to be performed and the reasons for selecting them.

The performance audit was conducted in a manner consistent with Standards on Assurance Engagements (ASAE) 3500 "Performance Engagements" and the Authority's guideline.

Preliminary analysis was performed on the licensing framework for the electricity retail licence to ascertain the performance and compliance audit requirements of Synergy and to determine the nature and extent of audit activity.

Columbus-SAP

During the scope of the audit period Synergy had undergone a business transformation process known as “SAP – Columbus.”

The objective for implementing SAP was to provide quality service and new product offerings to Synergy’s customers as well as reducing its cost to serve. Synergy provided that the investment made in the new billing system was a necessary and important step in that regard. Columbus supports electricity and gas transactions, billing, customer relationship management and an e-business channel.

The program covers the entirety of Synergy’s business process, the solution replaced more than 50 legacy systems (including CIS, CBS and IBAAN) enabling a complete technology separation from Western Power.

The SAP system, on which the Columbus project was built, went live on 1 September 2009.

During the period of the Audit, Synergy had not yet resolved all post-implementation SAP issues identified (*Report Reference: 2009/10 LAU-0006*). Issues included data integrity and exception reporting and the absence of compensatory controls at that time.

Our review noted that the data recorded prior to SAP implementation exists in a repository database called Valhalla, however, Synergy was not able to recover the SQLs necessary to request the applicable historical performance data. In response Synergy advised it still possesses the original code that was used against its Customer Information System. These SQLs would however, need to be modified be re-run against the Oracle database but the underlying logic of the code would not change. Although Synergy has not yet rewritten their legacy SQLs, there would be no way to confirm that rewritten SQLs and the data retrieved would be identical and comparable to historically reported performance data unless the SQLs were re-run.

Our audit testing confirmed that these issues have impacted on Synergy’s compliance with licence obligations as presented in this report.

Culture of Compliance

Due to the business transformation, we noted that Synergy personnel were familiarising and adapting to the new business process requirements and protocols set up within SAP. As part of this transformation, the compliance with Synergy’s licence conditions has been affected.

Based on our observations, we believe that Synergy should enhance their training program to enable staff to increase their knowledge and competencies on the SAP business protocols as they relate to Synergy’s licence conditions.

2. Objective

The audit objective was to evaluate the adequacy and effectiveness of controls implemented by Synergy to fulfil its obligations in complying with the performance and quality standards referred to in the licence.

The audit focused on the systems and processes used to ensure compliance with the standards, outputs and outcomes required by the licence.

[Link to Risk Assessment](#)

Our approach to adopt the Australian/New Zealand Standard 4360:2004 risk assessment framework ensured a consistent approach to determining areas of higher risk with the view of providing a greater focus and depth of testing to provide sufficient assurance of compliance and effective control.

As part of the risk evaluation methodology to assess Synergy's ability to manage its risks, Grant Thornton considered the following components:

- Control environment (corporate governance, organisation structure, assignment of authority and responsibility, documentation of policies and procedures, human resource practice, records management and compliance attitude);
- Synergy's risk assessment process (as demonstrated through the compliance register and incident log);
- Information systems (Customer Information System database, SAP, Lotus Notes);
- Control activities (authorisation, segregation of duties, physical controls and security); and
- Monitoring of controls (management review, internal audit, external audit).

During the conduct of the audit, as evidence was gathered on the effectiveness of the controls and where risks were determined to be high, extensive compliance and substantive testing was performed to provide adequate assurance that no major breaches of the relevant licence condition had occurred during the audit period.

3. Scope

The performance audit covers Synergy's electricity retail licence, ERL1, for the 27 month period 1 April 2008 to 30 June 2010 and examined a total of 249 licence obligations. The previous audit covered the period from 30 March 2006 to 31 March 2008.

The time period over which the audit was conducted was from July 2010 to November 2010 which included planning, fieldwork, reporting and the presentation of results to Synergy management and the Economic Regulation Authority.

The key legislation that governs the licensing of providers of retail electricity is the Electricity Industry Act 2004: Licence Conditions and Obligations. Grant Thornton have used the Authority's March 2008 Compliance Manual to perform the audit.

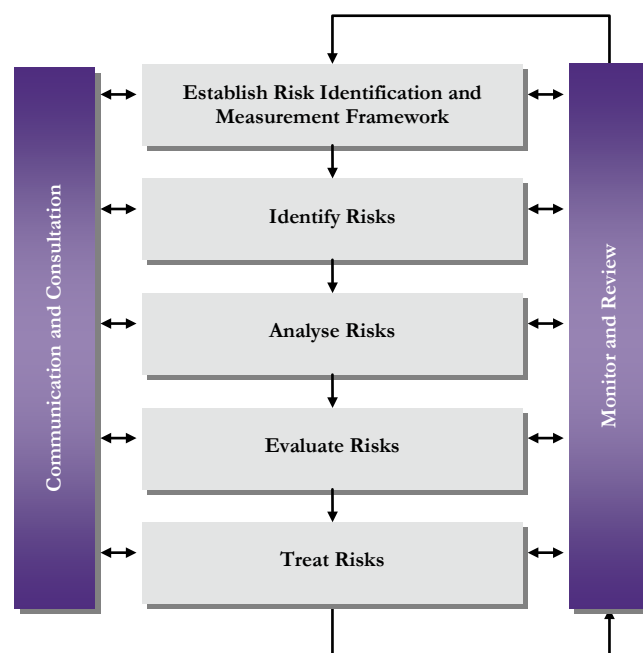
Where applicable, other regulatory requirements that supported the electricity retail licence conditions were examined. Specifically, the relevant sections of the following regulatory industry Codes were covered as part of this performance audit:

- Code of Conduct for the Supply of Electricity to Small Use Customers 2008;
- Trade Practices Act 1974;
- Electricity Industry Metering Code 2005; and
- Electricity Industry Customer Transfer Code 2004.

It is important to emphasise that not all licence conditions in the instrument are applicable to Synergy and accordingly with the permission of the Authority, the audit did not evaluate the performance of Synergy's compliance with those licence conditions.

4. Our Approach and Methodology

In performing the performance audit of the Synergy's electricity retail licence, Grant Thornton adopted a risk based audit approach based on the Australian/New Zealand Standard (AS/NZS) 4360:2004 as illustrated in the diagram below.



Establishing the context

The Authority granted Electricity Retail Corporation (Synergy) a retail licence on 30 March 2006.

The key legislation that governs the licensing of providers of retail electricity is the Electricity Industry Act 2004 and associated codes, regulations and licence obligations.

In addition, instruments pertaining to licence conditions are examined and referred to throughout the audit process.

Risk identification and assessment

Grant Thornton analysed each licence compliance element in terms of the inherent risk level, the rated controls and assigned the audit priorities based on the risk level and controls which management exercised over those risks.

Furthermore, we have considered and adopted the Authority's "Audit Guidelines: Electricity, Gas and Water Licences (August 2010)" in conducting the performance audit.

Our fieldwork involved extensive interviews and discussions with the process owner or delegated representative to obtain an understanding of the business environment and organisation structure. Through examination of documents, policies and procedures, we identified key controls. We have undertaken substantive testing to confirm the operational effectiveness of those controls.

The risk assessment reviewed during the fieldwork of the audit and where applicable, was updated in accordance with the audit findings in this report.

Risk evaluation

Risk evaluation for Synergy involved Grant Thornton assessing compliance with the requirements of the licence by examining:

- The design effectiveness of the controls through the evaluation of the:
 - Control environment;
 - Information system;
 - Control procedures; and
 - Compliance attitude of management.
- The operating effectiveness of controls throughout the period. Tests of operating effectiveness are concerned with how the controls were applied at relevant times during the period under audit, consistency with which they were applied and by whom or by what means they were applied. The focus is on the systems and effectiveness of processes employed to ensure compliance with the standards, outputs and outcomes required by the licence obligation.

In accordance with the Authority's guidelines, we used the following compliance rating scale to measure the extent of Synergy's compliance with the obligations.

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 of internal controls to maintain compliance.
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance.
Non-compliant	2	Does not meet minimum requirements.
Significantly Non-compliant	1	Significant weaknesses and/or serious action required.
Not Applicable	N/A	Determined that the compliance obligation does not apply to the licensee's business operations.
Not Rated	N/R	No relevant activity took place during the audit period, therefore it is not possible to assess compliance.

Risk treatment

If a control risk is identified, which in the Auditor's professional judgement was left untreated could cause Synergy to become non compliant with its obligation under the licence, Grant Thornton will provide recommendations to mitigate the risk to an appropriately low level. The treatment of risks could either involve reducing the likelihood of the risk materialising or mitigating the impact of the risk.

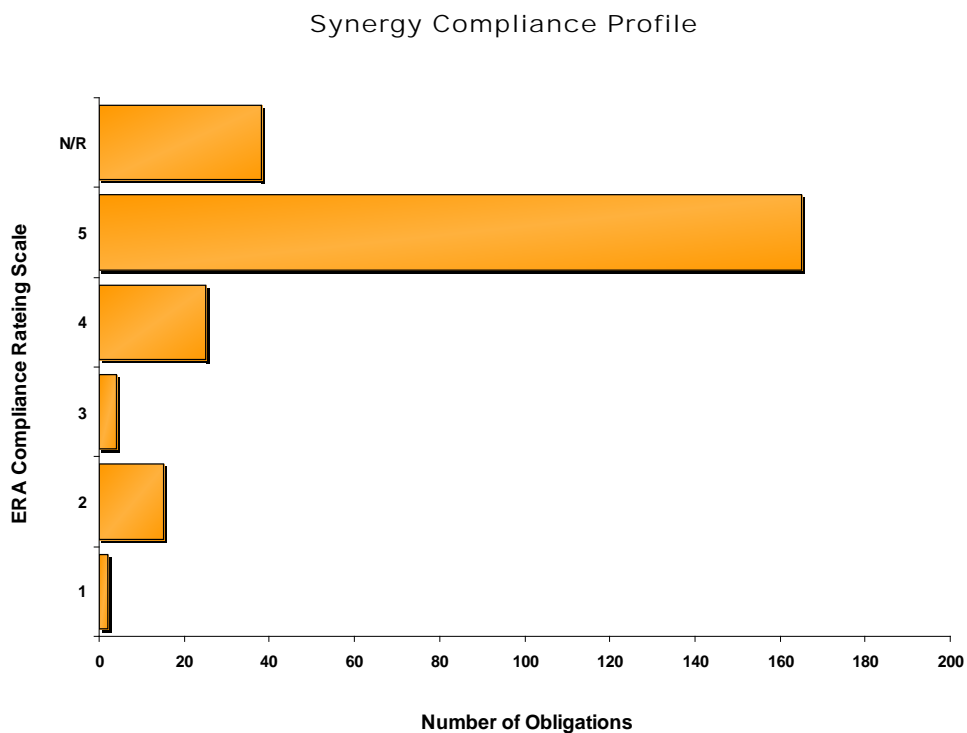
5. Audit Team members and Hours Utilised in the Execution of the Audit

Team Member	Hours
Campbell Ansell, Director	24
Duy Vo, Manager	24
Rudi James, Senior Consultant	377
Shukit Shah, Consultant	317
Henry Vu, Consultant	107
Kundai Mtsambiwa, Consultant	179
Total	1,028

6. Compliance Summary

The performance audit covers Synergy's electricity retail licence, ERL1, for the 27 month period 1 April 2008 to 30 June 2010 and tested a total of 249 licence obligations.

The following graph illustrates the compliance profile of Synergy.



Compliance Rating Scale	1	2	3	4	5	N/R
Number of Obligations	2	15	4	25	165	38

The table presents the audit compliance summary for each licence condition.

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Customer Transfer Code clause 3.2(2)	6	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 3.4(1)	7	Unlikely	Moderate	Medium	Strong		✓				
Electricity Industry Customer Transfer Code clause 3.5(3)	8	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 3.6(2)	9	Probable	Moderate	Medium	Strong					✓	
Electricity Industry Customer Transfer Code clause 3.9(1)	16	Probable	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 3.9(2)	17	Probable	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 3.9(3)	18	Probable	Moderate	Medium	Strong					✓	
Electricity Industry Customer Transfer Code clause 3.9(4)	19	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.2(2)	23	Unlikely	Moderate	Medium	Strong				✓		

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Customer Transfer Code clause 4.3	24	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.4(1)	25	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Customer Transfer Code clause 4.4(2)	26	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.5(1)	27	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.6(3)	28	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.7	29	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.8(2)	30	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Customer Transfer Code clause 4.9(6)	34	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.11(3)	39	Probable	Moderate	Medium	Strong				✓		

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Customer Transfer Code clause 4.12(3)	40	Unlikely	Minor	Low	Strong						✓
Electricity Industry Customer Transfer Code clause 4.15	43	Unlikely	Minor	Low	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.16	44	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 4.17	45	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 5.1(4)	48	Probable	Moderate	Medium	Strong					✓	
Electricity Industry Customer Transfer Code clause 6.2	49	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Customer Transfer Code clause 6.4(1)	52	Unlikely	Moderate	Medium	Strong						✓
Electricity Industry Customer Transfer Code clause 6.4(2)	53	Unlikely	Moderate	Medium	Strong						✓
Electricity Industry Customer Transfer Code clause 6.6	54	Unlikely	Moderate	Medium	Strong				✓		

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Customer Transfer Code clause 7.1(1)	55	Unlikely	Moderate	Low	Strong						✓
Electricity Industry Customer Transfer Code clause 7.1(2)	56	Unlikely	Minor	Low	Strong						✓
Electricity Industry Customer Transfer Code clause 7.1(3)	57	Unlikely	Moderate	Medium	Strong						✓
Electricity Industry Customer Transfer Code clause 7.2(4)	58	Unlikely	Minor	Low	Strong						✓
Electricity Industry Customer Transfer Code clause 7.3(2)	59	Unlikely	Minor	Low	Strong						✓
Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)	68	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)	69	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Customer Transfer Code Annex 6 clause A6.6	70	Unlikely	Minor	Low	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Customer Transfer Code Annex 6 clause A6.7	71	Unlikely	Minor	Low	Strong					✓	
Electricity Industry (Licence Conditions) Regulations regulation 6	78	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry (Licence Conditions) Regulations regulation 7	79	Unlikely	Minor	Low	Strong					✓	
Electricity Industry (Licence Conditions) Regulations regulation 8(8)	80	Unlikely	Minor	Low	Moderate					✓	
Electricity Industry Act section 13(1)	81	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Act section 17(1)	85	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Act section 31(3)	86	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Act section 54(1)	88	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Act section 54(2)	89	Unlikely	Moderate	Medium	Strong						✓
Electricity Industry Act section 76	93	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Act section 101	94	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Act section 115(2)	96	Unlikely	Moderate	Medium	Strong					✓	
Retail Licence condition 6.1	97	Probable	Moderate	Medium	Strong						✓
Retail Licence condition 6.2	98	Unlikely	Moderate	Medium	Strong						✓
Retail Licence condition 13.2	99	Unlikely	Minor	Low	Strong						✓
Retail Licence condition 13.3	100	Unlikely	Minor	Low	Strong						✓
Retail Licence condition 14.1	101	Unlikely	Moderate	Medium	Strong						✓
Retail Licence condition 15.2	102	Unlikely	Moderate	Medium	Strong					✓	
Retail Licence condition 20.1	105	Unlikely	Moderate	Medium	Strong					✓	
Retail Licence condition 21.4	106	Unlikely	Moderate	Medium	Strong						✓
Retail Licence condition 22.2	107	Unlikely	Moderate	Medium	Strong					✓	
Retail Licence condition 23.1	109	Unlikely	Moderate	Medium	Strong						✓
Retail Licence condition 24.1	110	Unlikely	Moderate	Medium	Strong				✓		
Retail Licence condition 25.2	111	Unlikely	Moderate	Medium	Strong						✓
Retail Licence condition 26.1	112	Unlikely	Moderate	Medium	Strong				✓		
Code of Conduct clause 2.1 Retail Licence condition 6.1	113	Likely	Moderate	High	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 2.2 Retail Licence condition 6.1	114	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.3(1) Retail Licence condition 6.1	115	Likely	Moderate	High	Strong					✓	
Code of Conduct clause 2.3(2) Retail Licence condition 6.1	116	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.3(3) Retail Licence condition 6.1	117	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.4(1) Retail Licence condition 6.1	118	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.4(2) Retail Licence condition 6.1	119	Likely	Moderate	High	Moderate		✓				
Code of Conduct clause 2.4(3) Retail Licence condition 6.1	120	Probable	Moderate	Medium	Moderate		✓				
Code of Conduct clause 2.4(4) Retail Licence condition 6.1	121	Unlikely	Moderate	Medium	Strong		✓				

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 2.5(1) Retail Licence condition 6.1	122	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.5(2) Retail Licence condition 6.1	123	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.5(3) Retail Licence condition 6.1	124	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.5(4) Retail Licence condition 6.1	125	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.5(5) Retail Licence condition 6.1	126	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.6(1) Retail Licence condition 6.1	127	Unlikely	Moderate	Medium	Strong						✓
Code of Conduct clause 2.6(2) Retail Licence condition 6.1	128	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.6(3) Retail Licence condition 6.1	129	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 2.6(4) Retail Licence condition 6.1	130	Unlikely	Moderate	Medium	Strong						✓
Code of Conduct clause 2.6(5) Retail Licence condition 6.1	131	Unlikely	Moderate	Medium	Strong						✓
Code of Conduct clause 2.6(6) Retail Licence condition 6.1	132	Unlikely	Moderate	Medium	Strong						✓
Code of Conduct clause 2.6(7) and 2.6(8) Retail Licence condition 6.1	133	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.7(1) Retail Licence condition 6.1	134	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.7(2) Retail Licence condition 6.1	135	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 2.7(3) Retail Licence condition 6.1	136	Unlikely	Minor	Low	Strong						✓
Code of Conduct clause 2.7(4) Retail Licence condition 6.1	137	Unlikely	Moderate	Medium	Strong						✓

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 2.7(5) Retail Licence condition 6.1	138	Unlikely	Moderate	Medium	Strong						✓
Code of Conduct clause 2.8 Retail Licence condition 6.1	139	Likely	Moderate	High	Moderate		✓				
Code of Conduct clause 3.1(1)	140	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 3.1(2)	141	Probable	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.1	142	Likely	Moderate	High	Weak	✓					
Code of Conduct clause 4.3(1)	148	Probable	Moderate	Medium	Moderate					✓	
Code of Conduct clause 4.3(2)	149	Probable	Moderate	Medium	Moderate		✓				
Code of Conduct clause 4.4	150	Likely	Moderate	High	Moderate				✓		
Code of Conduct clause 4.5(1)	151	Likely	Moderate	High	Moderate		✓				
Code of Conduct clause 4.5(3)	152	Likely	Moderate	High	Medium					✓	
Code of Conduct clause 4.6(1)	153	Probable	Moderate	Medium	Medium					✓	
Code of Conduct clause 4.6(2)	154	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 4.7	155	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 4.8(1)	156	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.8(2)	157	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.8(3)	158	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.9	159	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.10	160	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 4.11(1)	161	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.11(2)	162	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.12(1)	163	Probable	Moderate	Moderate	Moderate		✓				
Code of Conduct clause 4.13	164	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.14(1)	165	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 4.14(2)	166	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.15(1)	167	Unlikely	Minor	Low	Strong			✓			

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 4.15(2)	168	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.16	169	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.17(1)	170	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.17(2)	171	Probable	Moderate	Medium	Moderate		✓				
Code of Conduct clause 4.18(2)	172	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.19(2)	173	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 4.19(3)	174	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 4.19(4)	175	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 5.1	176	Likely	Moderate	High	Moderate					✓	
Code of Conduct clause 5.2(1)	177	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.2(2)	178	Probable	Moderate	Medium	Moderate			✓			
Code of Conduct clause 5.3	179	Unlikely	Moderate	Medium	Strong			✓			
Code of Conduct clause 5.4	180	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 5.5	181	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.6(1)	182	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.6(2)	183	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.6(3)	184	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.7(1)	185	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.7(2)	186	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.7(4)	187	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.8(1)	188	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.8(2)	189	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 5.8(3)	190	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.1(1)	191	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.1(2)	192	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 6.1(3)	193	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 6.2(1)	194	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.2(2)	195	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.2(3)	196	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 6.3	197	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.4(1)	198	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.4(2)	199	Probable	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.6(1)	200	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 6.6(2)	201	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.7	202	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 6.8	203	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.9(1)	204	Unlikely	Moderate	Medium	Strong						✓
Code of Conduct clause 6.9(2)	205	Unlikely	Minor	Low	Strong						✓
Code of Conduct clause 6.10(1)	206	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 6.10(2)	207	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.10(3)	208	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.10(4)	209	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 6.11	210	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 7.1	211	Likely	Moderate	High	Moderate		✓				
Code of Conduct clause 7.2	212	Likely	Moderate	High	Moderate		✓				
Code of Conduct clause 7.3	213	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 7.4	214	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 7.6	216	Unlikely	Major	High	Strong					✓	
Code of Conduct clause 7.7(1)	217	Unlikely	Major	High	Strong					✓	
Code of Conduct clause 8.1(1)	219	Probable	Moderate	Medium	Moderate					✓	
Code of Conduct clause 8.1(2)	220	Probable	Moderate	Medium	Strong					✓	
Code of Conduct clause 9.3(1)	224	Unlikely	Moderate	Medium	Strong			✓			

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 9.3(2)	225	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 9.4	226	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 9.5(1)	227	Probable	Major	High	Moderate					✓	
Code of Conduct clause 9.5(2)	228	Unlikely	Major	High	Strong					✓	
Code of Conduct clause 9.6	229	Probable	Moderate	Medium	Strong					✓	
Code of Conduct clause 9.7	230	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 9.8	231	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 9.9(1)	232	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 9.9(2)	233	Unlikely	Minor	Low	Strong						✓
Code of Conduct clause 9.9(3)	234	Unlikely	Moderate	Medium	Strong						✓
Code of Conduct clause 9.9(4)	235	Unlikely	Minor	Low	Strong						✓
Code of Conduct clause 9.9(6)	236	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 9.10	237	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 10.1(1)	238	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.1(2)	239	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.1(3)	240	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.2(1)	241	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.2(2)	242	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.2(3)	243	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.2(4)	244	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.3	245	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.4	246	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.5	247	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.9	255	Unlikely	Minor	Low	Strong					✓	
Code of Conduct clause 10.10(1)	256	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.10(2)	257	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 10.10(3)	258	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.11(1)	259	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.11(2)	260	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 10.12(2)	262	Unlikely	Moderate	Medium	Strong						✓
Code of Conduct clause 11.1(1) Retail Licence condition 15.1	263	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 11.1(2)	264	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 11.2(1)	265	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 11.2(2)	266	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 12.1(1)	267	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 12.1(2)	268	Likely	Moderate	High	Moderate					✓	
Code of Conduct clause 12.1(3)	269	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 12.2	270	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 12.3	271	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 12.4	272	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 13.1	273	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 13.2	274	Probable	Moderate	Medium	Moderate		✓				
Code of Conduct clause 13.3(1)	275	Probable	Moderate	Medium	Moderate		✓				
Code of Conduct clause 13.3(2)	276	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 13.4	277	Probable	Moderate	Medium	Moderate		✓				
Code of Conduct clause 13.5	278	Unlikely	Moderate	Medium	Strong				✓		
Code of Conduct clause 13.6	279	Probable	Moderate	Medium	Moderate		✓				
Code of Conduct clause 13.7	280	Probable	Moderate	Medium	Moderate					✓	
Code of Conduct clause 13.15(1)	289	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 13.15(2)	290	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 14.1(1)	291	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Code of Conduct clause 14.2	293	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 14.3(1)	294	Likely	Moderate	High	Weak	✓					
Code of Conduct clause 14.3(2)	295	Unlikely	Moderate	Medium	Strong					✓	
Code of Conduct clause 14.6(1)	298	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 3.5(6)	309	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 3.11(3)	319	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Metering Code clause 3.16(5)	331	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 3.18(1)	333	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 3.27	342	Unlikely	Moderate	Medium	Strong						✓
Electricity Industry Metering Code clause 4.4(1)	349	Unlikely	Minor	Low	Strong				✓		
Electricity Industry Metering Code clause 4.5(1)	350	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Metering Code clause 4.5(2)	351	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Metering Code clause 5.4(2)	363	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Metering Code clause 5.5(3)	365	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 5.16	376	Unlikely	Moderate	Medium	Strong				✓		
Electricity Industry Metering Code clause 5.17(1)	377	Likely	Moderate	High	Moderate					✓	
Electricity Industry Metering Code clause 5.18	378	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 5.19(1)	379	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Metering Code clause 5.19(2)	380	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Metering Code clause 5.19(3)	381	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 5.19(4)	382	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 5.19(6)	384	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Metering Code clause 5.21(5)	390	Unlikely	Moderate	Medium	Strong					✓	

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Metering Code clause 5.21(6)	391	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 5.27	409	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 6.1(2)	416	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 7.2(1)	418	Unlikely	Minor	Low	Strong					✓	
Electricity Industry Metering Code clause 7.2(4)	420.	Unlikely	Moderate	Medium	Strong						✓
Electricity Industry Metering Code clause 7.2(5)	421	Unlikely	Moderate	Medium	Strong						✓
Electricity Industry Metering Code clause 7.5	422	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 7.6(1)	423	Unlikely	Moderate	Medium	Strong					✓	
Electricity Industry Metering Code clause 8.1(1)	424	Unlikely	Minor	Low	Strong						✓
Electricity Industry Metering Code clause 8.1(2)	425	Unlikely	Minor	Low	Strong						✓
Electricity Industry Metering Code clause 8.1(3)	426	Unlikely	Minor	Low	Strong						✓

Obligations	Licence Condition	Likelihood (A=Likely, B=Probable, C=Unlikely)	Consequence (1=Minor, 2=Moderate, 3=Major)	Inherent Risk (Low, Medium, High)	Adequacy of Existing Controls (S=Strong, M=Moderate, W=Weak)	Compliance Rating					
						1	2	3	4	5	N / R
Electricity Industry Metering Code clause 8.1(4)	427	Unlikely	Moderate	Medium	Strong						✓
Electricity Industry Metering Code clause 8.3(2)	428	Unlikely	Minor	Low	Strong						✓

7. Review of Previous Findings

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Recommendation	Observation
17	Synergy does not have in place a methodology, procedure or process to communicate a contestable customer's request for their historical consumption data not to be aggregated for the purpose of internal business development.	<p>That Synergy design and implement a relevant process and procedure to ensure a contestable customer's historical consumption data is not aggregated as per the contestable customer's request.</p> <p>That Synergy implements an indicator flag which would alert the business unit that the contestable customer's data is not to be aggregated and used for the purposes of the internal business development.</p>	<p>Synergy has improved their documentation with regards to clearly identifying a customer's request for their consumption data not to be used for internal business development.</p> <p>Marketing Division retained a record of the customer's request in a marketing database.</p> <p>To strengthen the new process we recommend that the procedures be further updated to changes since the implementation of SAP.</p> <p>This recommendation has been addressed.</p>
170	Information pertaining to the status of accounts should be confidential and not divulged to unauthorised third parties.	That Synergy strengthens its protocols for disclosing personal information and account details to third parties.	Synergy has implemented a requirement for its Customer Service Representatives to request three points of identification prior to disclosing account information.

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Recommendation	Observation
			<p>Review of the incident register for the period under review and testing revealed information pertaining to an account had been divulged to a third party.</p> <p>With regard to this recommendation, matter has been addressed through the provision of extra training surrounding the National Privacy Principles.</p> <p>However, during the audit we noted that there were several breaches in relation to the provision of information to third parties which were reported to the ERA.</p>
173 & 202	During the audit period, there were inadequate continuous controls to manage compliance with the requirement of the licence condition and Code of Conduct. Enquiries indicated the drivers for the problem	<p>That Synergy continues to monitor and review the process to ensure compliance with requirement of the licence condition and Code of Conduct.</p> <p>That Synergy continues scheduling workshops with Western Power to resolve</p>	Synergy no longer receives an actual read direct from a customer. This is the responsibility of the Network Operator. An SLA exists between Synergy and the Network Operator with regards to conducting field visits,

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Recommendation	Observation
	<p>originated with the network operator's MBS system failing to automatically raise a special request for their metering staff to visit the premise to obtain an actual reading and in other instances, not fulfilling their obligation under the model SLA to provide actual meter reads on meters that have been connected in the field but are not connected in CIS billing system.</p> <p>It was acknowledged Synergy had been proactive to attempt to rectify the problem and remedy the breach. Initiatives include the formulation of the Retail Bridge Stabilisation Project taskforce in December 2007 to identify the source of the problem and ongoing workshops scheduled with Western Power to resolve emerging issues.</p>	<p>emerging issues to manage compliance requirement of the licence condition and Code of Conduct.</p>	<p>however discussions with the Billing Team identified that since the implementation of SAP, Synergy is able to ascertain actual reads from the IT interface.</p> <p>This recommendation has been addressed.</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Recommendation	Observation
240	A potential disconnection may occur of a dual fuel customer's gas supply within the 15 business days for failure to pay a bill from the arrangement of disconnection.	That Synergy establishes and maintains within the credit management process the requirement not to disconnect a dual fuel customer within 15 days of a disconnection notice of the customers gas supply.	<p>Review of Synergy's policies and procedures pertaining to disconnection for non-payment, revealed that a process has been established to ensure that dual fuel customers are not disconnected within 15 days of a disconnection notice of the customer's gas supply.</p> <p>This recommendation has been addressed.</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
9	<p>The descriptions of the service line in the Western Power annexure to the invoice do not appear to align with the schedule of rates in the SLA.</p> <p>Some of the invoices we examined did not have evidence of a review or analysis performed (such as the details of the reviewer).</p> <p>There does not appear to be a reporting mechanism in place to capture the withdrawn request for historical consumption data with the view of analysing the reasons or trends.</p>	<p>Essential to Synergy's ability to determine what reasonable cost has been incurred by Western Power, it is appropriate to request Western Power to render its invoice in terms of the service charge descriptions and rates outlined in the SLA.</p> <p>That Synergy considers an analysis mechanism over the withdrawn request for historical consumption data with the view of identifying the reasons or trends, to minimise the occurrence of unnecessary costs.</p> <p>That reconciliation of Western Power's invoice to the SLA be evidenced with the reviewer's initial and department or payroll number.</p>	<p>Synergy has implemented a review process to ensure the invoices provided by the Network Operator are in accordance with the established SLA.</p> <p>We observed communication between Synergy and the Network Operator, whereby Synergy challenged the amount invoiced.</p> <p>The Transaction Co-ordinator Customer Support Team is responsible for this activity.</p> <p>This recommendation has been addressed.</p>
19	Verifiable consent is provided to Synergy in a number of formats and structures.	Synergy currently uses a uniform pro-forma template for its dealings with gas, the electricity retail business does not. A uniform pro-forma template should be	Synergy has implemented a pro-forma template. However, training had not been provided to Synergy staff to increase the awareness of who is able

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
	<p>There is a lack of awareness to identify who is able to provide verifiable consent in different legal operating structures.</p>	<p>utilised throughout the business to capture the verifiable consent, identifying clearly the purpose of obtaining the verifiable consent, customer details, premise details, metering details as an example.</p> <p>Personnel who are required to obtain the verifiable consent from a contestable customer should be provided with training to identify who has the authority to provide the verifiable consent for a range of entity structures.</p>	<p>to provide verifiable consent in different legal operating structures.</p> <p>This recommendation remains outstanding.</p> <p>Response</p> <p>Synergy implemented a verifiable consent form in 2008, which is for both electricity and gas. Refer DM6 #3158430.</p> <p>A formal document defining authorised signatories will be distributed and will accompany a refresher training session on a yearly basis to the I&C sales force.</p>
156	<p>Synergy does not perform the “wash” process against both “do not contact” lists and therefore a customer who has indicated they do not want to be contacted for the</p>	<p>The “do not contact” lists are amalgamated to ensure the “wash” process is performed on the full “do not contact” in an effort to ensure those customers who have requested not to be contacted for the</p>	<p>Our review of Synergy’s response to the improvement opportunity revealed that separate “do-not-contact lists” are no longer maintained.</p> <p>Synergy has reviewed its marketing</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
	purposes of marketing may be contacted within 30 days.	purposes of marketing, respectively are not contacted.	<p>process to ensure that the do-not-contact list is “washed” against any proposed marketing activities which are to be conducted.</p> <p>This recommendation has been addressed.</p>
158 159 161	<p>A separate DNC list is maintained within IBAAN for non-contestable customers that is not utilised during the “wash” marketing process.</p> <p>There is scope that non-contestable customers on the DNC may be contacted by Synergy.</p>	That Synergy combines the DNC lists of small use customers and non-contestable customers.	<p>Synergy no longer retains separate do-not-contact list.</p> <p>Synergy has implemented a single do-not-contact list for both small use and non-contestable customers. Review of Synergy’s marketing process revealed that the single list is referred to prior to the undertaking of any marketing activity.</p> <p>This recommendation has been addressed.</p>
174	There is a lack of timely reporting mechanism to confirm that no	As part of the output compliance process and to strengthen the monitoring control,	Synergy undertook a review of the service provision “shortened billing

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
<p>175</p> <p>176</p> <p>177</p> <p>178</p>	<p>customers have been placed on shortened billing cycles. The current information system requires complex programming instruction to extract the specific information. Given the current organisation demand for Information Technology resources, the estimated time for production of such report is approximately 2 to 4 weeks.</p> <p>In this respect, the monitoring control is inadequate to ensure timely identification of customers who may have been placed on shortened billing cycles. As highlighted in the following paragraph, it appears that Synergy does have a policy of placing customers who have a poor credit history on shortened billing cycles. Therefore, policies, procedures and systems are necessary to enable</p>	<p>Synergy should consider a more timely reporting mechanism in relation to customers who may have been placed on shortened billing cycles.</p> <p>That Synergy considers establishing procedures and systems to monitor and manage customers who may have been placed on shortened billing cycles.</p>	<p>cycle” and has since removed it. Synergy no longer offers a shortened billing cycle.</p> <p>This recommendation has been addressed.</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
	<p>Synergy to effectively manage compliance with the operating licence requirements.</p> <p>Audit note in the document, “Assessment of Customer’s Financial Situation – Factors for Consideration”, with the DMS#2122874v1, bankrupt customers (second time and more) are placed on 14-day billing cycle. Thus support from the reporting function (as discussed above) is essential to effectively monitor the management of customers who have been placed on shortened billing cycles.</p>		
180	The bill does not contain part (a) of the minimum prescribed information i.e. the date of estimation or normal reading is identified.	The date of the estimation or the reading is included on the customer’s bill.	Review of customer’s bill revealed that the date of estimated reading is the date the bill is referred where the “to” has been provided.

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
			<p>Further discussions with the Legal, Regulatory and Audit Division confirmed this position.</p> <p>This recommendation has been addressed.</p>
184	Although Synergy contacts Western Power to facilitate a meter reading as required under clause 4.6 of the Code, in some instances a meter reading cannot occur because a customer has prevented access to a meter.	Synergy should consider contacting the customer requesting meter access be provided.	<p>Synergy has implemented a process whereby a customer is required to be contacted to arrange for access to the meter, where access has been prevented.</p> <p>This recommendation has been addressed.</p>
188	Through our enquiry, we noted an incident recorded in 2007 where an incorrect estimation code had been advised on the customer's bill due to Western Power providing the incorrect code.	That Synergy implemented the appropriate data validation mechanism to ensure that only certain estimation code can be used for a class of customers, for example H34 is not to be used for 'self read' customer readings.	<p>Synergy no longer uses customer meter readings as the primary source of information for estimating a bill. As there is a diminished reliance on customer's self-read, Synergy seeks confirmation from the network operator of energy utilisation and the</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
			<p>customer is billed against the validated data provided by the network operator.</p> <p>Synergy requires an actual read to be performed, this ability has been improved through the implementation of SAP.</p> <p>Meter readings are sourced directly through the Build Pack specifications.</p> <p>This recommendation has been addressed.</p>
196	<p>The Small Use Code does not disallow the final bill to be based on a customer's reading. The Contract Centre was offered a meter reading as part of the process for final reading, the CSR did not record the information in CIS.</p>	<p>That the Code requirements be communicated to the CSRs as part of the training process.</p> <p>That the CSRs record the information in the appropriate area in CIS where the customer offers a meter read.</p>	<p>Synergy has implemented a process improvement and Contact Centre Knowledge Base has been updated to reflect this.</p> <p>This recommendation has been addressed.</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
220	If the escalation is not conducted through SOII system, there is potential opportunity that the assessment may not be completed within the 3 day timeframe as required by the Code. In this respect, unless the escalation is performed through the work order system, SOII, there is no effective monitoring control to ensure compliance with the licence requirement and Code of Conduct.	That all escalations for assessment from the call centre to the Credit Management Group be performed through the SOII system.	<p>Our enquiry with the Credit Management Division and Manager Contact Centre re-affirmed that the assessments are performed on contact. Where a call is required to be escalated, Customer Service Representatives have been advised through training to forward the calls to Credit Management Officers.</p> <p>Manager Contact Centre indicated that the Customer Service Representative forwards the call immediately, and if Credit Management Officers are not available, the customer is informed and place on hold until a contact is made.</p> <p>This recommendation has been addressed.</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
237	<p>There is no separate framework to assess business customers. Non-residential/business customers have a different dimension to their financial circumstances with a diversity of complex indicators requiring separate financial assessment guidelines. Thus, it is not appropriate to adopt the same approach for business customers as residential customers.</p>	<p>That a policy framework be established in connection with assessing business customers who is experiencing payment difficulties.</p>	<p>Manager Credit Management provided that all financial hardship circumstances are assessed in accordance with the situations presented regardless of whether it is a residential customer or a business customer.</p> <p>The Manager Customer Service Manager provided that Credit Management Officers are trained in all facets of credit management and the primary issue relates to a debt due to Synergy. The assessment process is appropriate for both residential and business customers.</p> <p>Sample based testing confirmed Synergy did adopt a single process with regards to assessing those customers who have indicated payment difficulties and financial</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
			<p>hardship.</p> <p>This recommendation has been addressed.</p>
<p>238</p> <p>239</p>	<p>Audit enquiry noted a breach in relation to customers receiving disconnection warning that did not include reference to the Energy Ombudsman's contact details. Rectification of the breach involved immediate suspension of physical disconnection activities and cessation of issuance of disconnection warning letters. Correspondences issued to customers in relation to disconnection warnings are periodically reviewed for compliance with the Small Use Code.</p>	<p>That Synergy continues to review correspondences issued to customers in the payment arrears process, particularly disconnection warning letters, for compliance with the Small Use Code.</p>	<p>The requirement for the Ombudsman's contact details on warning letters has been addressed.</p> <p>Our review of the guidance provided by the Authority indicated that the Ombudsman's contact number was incorrect. Synergy has since rectified this matter.</p> <p>This recommendation has been addressed.</p>
243	<p>Testing revealed several instances of disconnections occurring after 15:00</p>	<p>That Synergy refrains from disconnection activities after 15:00 and adopts the</p>	<p>Synergy's business processes relating to performing actual disconnections</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
	<p>hours. Further enquiries indicated disconnection of these properties had been performed on the basis of the field officer's assessment of the status of the use of the property. In this regard, disconnection will only occur if the field officer determines the property is vacant based on his "experience and limited observations during the site visit.</p>	<p>timeframe for disconnection of supply address as prescribed in the Code of Conduct and its own Standard Terms and Conditions.</p> <p>That Synergy introduces additional monitoring controls to ensure that disconnection activities do not occur after the prescribed timeframe.</p>	<p>have been changed. Synergy no longer undertakes the physical disconnection of electricity to a supply address.</p> <p>Synergy has a SLA in place between itself and the Network Operator citing the Code requirements.</p> <p>The Network Operator communicates the disconnection times via the Build Pack. We did not detect any exceptions during sample based testing.</p> <p>As Synergy's field officers no longer undertake disconnection activities, of which has been handed over to the network operator. The SLA provides for a mechanism by which a service standard is required to be met. Further, Synergy monitors the performance of the network operator through the SLA and advises the</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
			network operator to implement corrective actions where appropriate. This recommendation has been addressed.
244	<p>The removal of the “LS” indicator flag on an account can be actioned unilaterally by Synergy personnel without secondary authorisation for verification purposes.</p> <p>Secondly, the account of a customer on life support system can be “forced” to finalise and thus closure through the request of a (unauthorised/unrelated) third party requests a new account to be established at the supply address.</p>	<p>That Synergy considers the requirement to have a secondary authorisation (such as pending items in “PWQ” for managerial approval) prior to removing the “LS” indicator flag from a life support customer’s account.</p> <p>That Synergy considers validation protocols to ensure that life support equipment is not longer required at the supply address prior to establishing a new account.</p>	<p>Synergy has implemented a separate authorisation requirement from the Manager Life Support prior to removal of a life support flag from any customer on the life support register.</p> <p>The ability to remove a life support flag has been restricted to senior team members who report directly to Manager Life Support.</p> <p>This recommendation has been addressed.</p>
357	The descriptions of the service line in the Western Power annexure to the invoice do not appear to align	Essential to Synergy’s ability to determine that the network operator has only imposed the correct charge, it is	Enquiries made with the Transaction Co-ordinator Customer Support Services we determined that Synergy

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
	<p>with the schedule of rates in the SLA.</p> <p>Some of the invoices we examined did not have evidence of a review or analysis performed (such as details of the reviewer).</p>	<p>appropriate to request Western Power to render its invoice in terms of the service charge descriptions outlined in the SLA.</p> <p>That Synergy considers an analysis mechanism over the withdrawn requests for historical consumption data with the new of identifying reasons or trends to minimise the occurrence of unnecessary costs.</p> <p>That reconciliation of Western Power's invoice to the SLA be evidenced with the reviewer's initial and department or payroll number.</p>	<p>has implement and performs a review of the invoices provided by Western Power.</p> <p>We observed correspondence between Synergy and Western Power to challenge a discrepancy noted.</p> <p>This recommendation has been addressed.</p>
413	<p>Our enquiry revealed Synergy personnel have an operational awareness in respect of the requirement of the Code, however, there is no written policy mapping the interaction of this clause (in the Metering Code) with other</p>	<p>That Synergy develops a policy in respect of the requirement of Clause 5.5(3) of the Metering Code, mapping the interaction of this clause with other enactments such as the Code of Conduct and the Customer Transfer Code where applicable to identify the circumstances that Synergy may charge</p>	<p>The SAP implementation project required Synergy to process map its business as usual processes. Discussions with T&T have indicated that in respect of this recommendation, mapping has been performed.</p>

Licence Condition Reference (January 2007 Electricity Compliance Reporting Manual)	Issue	Improvement Opportunity	Observation
	enactments such as the Code of Conduct and the Customer Transfer Code.	for the provision of the data.	<p>Further discussions with Synergy personnel revealed that process mapping has not been finalised in other areas and this is an ongoing process.</p> <p>In respect of manual reference 413, the recommendation has been addressed.</p>

8. Audit Opinion

In our opinion, except for the matters identified in Section 9 – Compliance Obligations Elements which Require Corrective Measures and any effects thereof, we are satisfied that Synergy had policies, procedures and systems in place to support compliance with the licence conditions and associated regulations and codes, for the period 1 April 2008 to 30 June 2010.

Grant Thornton Australia Ltd

Campbell George Ansell

Director
Perth

14 January 2011

9. Detailed Findings – Compliance Elements which Require Corrective Measures

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 3.4(1)
Compliance Manual Reference	7
Obligation Description	A retailer, unless otherwise agreed, must submit a data request electronically and must not submit more than a prescribed number of standing or historical data requests in a business day.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>The “Network Procedures and Process” manual is a user guide for the operation of customer transactions between the network operator and Synergy. Synergy requests data for each exit point through the network operator’s web portal.</p> <p>We identified an instance in 2008 where 50 requests for historical consumption data was made within one business day, which is greater than prescribed 20 requests for historical consumption data in a business day. We were unable to determine the cause as the staff member who made the data requests is no longer with Synergy.</p> <p>Under the current network operator’s system, if the number of requests for standing or historical consumption data is more than the prescribed amount within a business day, an error message will be displayed.</p> <p>We noted that the “Network Procedures and Process” manual did not identify the current author and reviewer of the manual. Further, there is reference to the old information system IBAAN and CIS.</p>
Recommendation	<ol style="list-style-type: none"> Although, the network operator’s web portal rejects any data requests that are more than the prescribed amount, Synergy should: <ul style="list-style-type: none"> Reconcile the number of data request submitted to the number of verifiable consents obtained on a daily basis;

	<p>and</p> <ul style="list-style-type: none"> • Ensure that a supervisory review is undertaken on a daily basis over the manual records of the data request history. <p>2. We recommend that Synergy update their “Network Procedures and Process” manual to reflect the current staff responsible for updating, managing and reviewing the document. Further, the manual should make reference to the current information system and be consolidated with the “Churn-In Process – Electricity” (DMS# 3304495v1) and “Churn out process” (DMS# 3302899v1) documents.</p>
Management Response	<p>1. Staff members are aware no greater than 20 requests can be sent per NMI to market.</p> <p>2. Synergy will review and rewrite its Networks Process and Procedure manual to reflect current processes and procedures and references to current systems being used. The existing manual is based on Synergy’s legacy system and processes (Customer Information System (CIS)). This work is extensive and needs to be undertaken whilst recognising current business (and government) workload and priorities. The manual also requires amendment to reflect end to end processes throughout the business involving multiple sections / departments across Synergy.</p> <p>3. As part of the current process, all data history requests are reviewed and manually reconciled with the verifiable consent forms on a daily basis.</p>
Management Actions	Update Networks Process and Procedures manual.
Implementation Date	To be completed by November 2011.
Responsible person	Manager Customer Service

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.4(2) Code of Conduct clause 2.4(4) Retail Licence condition 6.1
Compliance Manual Reference	119 & 121
Obligation Description	
119	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must give the information specified to the customer.
121	In circumstances where a standard form contract is entered into as a result of door to door marketing or a non- standard contract, a retailer or marketing representative must give the specified information and a copy of the contract before the customer has entered into the contract and must obtain a written acknowledgement that the information has been given.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Through enquiries made with the Contact Centre Manager, Contact Centre Compliance Coordinator, Retail Sales Manager and Retail Sales Compliance Coordinator, it was revealed that Synergy does not enter into standard - form contracts as a result of door to door marketing.</p> <p>Discussions with the Retail Sales Compliance Coordinator revealed a customer is provided a copy of the Customer Service Charter, a copy of the Contract and the terms and conditions through post or as attachments in an e-mail. The specified information is contained within the Customer Service Charter issued to new contractual customers. However, through our testing of non-standard contracts we identified an instance where the customer was not provided the information specified in Clause 2.4(2) of the Code of Conduct before entering into the contract. We also found that, in circumstances where a customer</p>

	<p>was sent mail through the post, Synergy does not retain copies of postal records to ensure the customer received the specified information.</p> <p>Our review of sample of non-standard contracts indicated that the written acknowledgement in the non-standard contract did not address the customer's acknowledgment for the provision of the specified information in Clause 2.4(2) of the Code of Conduct.</p>
Recommendation	<ol style="list-style-type: none"> 1. We recommend that Synergy personnel within the Retail Sales Team be reminded of the requirement to submit the specified information in clause 2.4(2) of the Code of Conduct. Further, the Area Manager should periodically review the e-mails prior to being sent to the customer and that postal records be retained to ensure the specified information is being sent. 2. The Code of Conduct was amended on 1 July 2010. There is now no requirement for a retailer to obtain written acknowledgement that the information in sub-clause 2.4(2) has been provided. The obligation is now limited to an electricity marketing agent and not a retailer. As a result of the change, there are no further recommendations in this regard.
Management Response	<p>Synergy has systems in place to record information that is sent to customers electronically in compliance with clause 2.4(4)(a) of the Code. Notwithstanding this, additional training will be undertaken on the matter.</p> <p>Within Synergy's SAP customer relationship management system a "task" is issued to the sales administration team with instructions to package and issue the specified information to customers. When this task has been actioned, the task is then recorded as closed: "completed status". All actions on CRM tasks are system date and time stamped, therefore providing appropriate records on information sent. (Sales Support within Synergy raise and action the task to provide the required information to customers.)</p>
Management Actions	<ol style="list-style-type: none"> 1. A training presentation will be provided to the Sales team. The contracts and cover letters are peer reviewed utilising a check list before being sent out. The documentation is saved in Synergy's document management system and recorded

	<p>against the customer in SAP. This process eliminates the requirement for the area manager to review periodically.</p> <p>2. Acknowledged.</p>
Implementation Date	A training presentation will be provided to the Sales team by 31 December 2010.
Responsible person	Manager Retail Sales

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.4(3) Retail Licence condition 6.1
Compliance Manual Reference	120
Obligation Description	In circumstances where a standard form contract is not entered into as a result of door to door marketing, a retailer or marketing representative must give the specified information no later than with or on the customer's first bill.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Discussions with the Contact Centre Compliance Coordinator and Brand and Communications Specialist revealed that:</p> <ul style="list-style-type: none"> • Synergy provides a Customer Service Charter to a new customer who has entered into a standard form contract. • For an existing customer who enters into a standard form contract as result of moving to a new supply address, the specified information is contained on their first bill. <p>Our review and testing revealed that Synergy failed to provide certain elements of the information specified in Clause 2.4(2) of the Code of Conduct to 175,000 existing customers who entered into a standard form contract as a result of moving to a new supply address. Specifically, the information relating to how they may obtain the Customer Service Code and information on the safe use of electricity, on or before the customer's first bill.</p>
Recommendation	No further recommendation is required as Synergy have undertaken remedial action in July 2010 to ensure that the customer has been provided the specified information. We reviewed the amended bill and confirm that the requirements have been addressed.
Management Response	The requirement for the omitted information to be provided to customers was addressed by amendments to Synergy's bill content.

Management Actions	Synergy amended its bill to ensure the previously omitted information was provided to all customers. This remedial action is beyond that required in the current Customer Service Code (2010).
Implementation Date	Full Compliance with licence obligation 6 August 2010.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.8 Retail Licence condition 6.1
Compliance Manual Reference	139
Obligation Description	A retailer must comply with the National Privacy Principles as set out in the Privacy Act 1998 in relation to information collected under Part 2 of the Code of Conduct.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Discussions with the Contact Centre Manager and Contact Centre Compliance Coordinator and review of the policies and procedures indicated that Synergy do have processes in place to ensure compliance with the National Privacy Principles as set out in the Privacy Act 1998. Synergy Contact Centre Team leaders monitor phone calls and provide ongoing coaching and training (Safetrac program) with regards to Code of Conduct requirements.</p> <p>Our review of the 2010 Incidence Register revealed that Synergy disclosed customer information to a third party that should not have been disclosed. Our testing confirmed that Synergy maintains Electricity Regulatory Incident Reporting logs for the 2009 – 2010 period and Safetrac training records (1 April 2008 – 30 June 2010). These records are all captured in Microsoft Excel.</p> <p>Discussions with the Contact Centre Compliance Coordinator revealed the cause behind this breach can be explained by high staff turnover, thus an increase in errors made by staff with less experience.</p>
Recommendation	<p>We recommend Synergy address the potential future breaches of the Privacy Act 1998 through:</p> <ul style="list-style-type: none"> • Continuous training ; and • Periodic review of privacy training programs, content and methods.

Management Response	<p>Synergy has an extensive training program in place for privacy matters which will continue to be enhanced and improved, especially in relation to new personnel. For example, Synergy staff and relevant contractors are required to undertake annual privacy training and attain designated pass marks. Privacy incidents experienced during the audit period have been used for training purposes to limit future occurrences. In situations where privacy incidents have occurred due to system issues, system change requests have been made and implemented.</p>
Management Actions	<p>In response to privacy incidents experienced during the audit period, Synergy has:</p> <ul style="list-style-type: none"> • issued bulletins, reminders and other communications to all contact centre staff highlighting the need to protect customer personal information; • designed, tested and implemented system changes to prevent further occurrence; • updated Synergy's knowledge base (reference centre); and • provided staff coaching and feedback to relevant Synergy employees and contractors on the correct procedure for dealing with the instances of privacy incidents.
Implementation Date	<ol style="list-style-type: none"> 1. Measures to correct privacy incidents during 2009/10 have been implemented in the period June 2009-August 2010. 2. Privacy training of staff contractors is on-going and continual.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.1
Compliance Manual Reference	142
Obligation Description	A retailer must issue a bill no more than once a month and at least once every three months unless the circumstances specified exist.
Reporting Type	2
Compliance Rating	1
Audit Observations	<p>Through interviews held with the Billing Team Leader, T & T, Transaction Co-ordinator Customer Support Team revealed that the implementation of SAP had adversely impacted Synergy's ability to issue a bill within the timeframes specified under the Code of the Conduct.</p> <p>Further discussions with the Transaction Co-ordinator Customer Support Team, review of the unbilled exception report and sampling of bills confirmed that Synergy issued bills for periods greater than 90 days without the consent of the customer.</p> <p>Review of previous internal audit report and further discussions with the Customer Transaction Team confirmed the findings, specifically:</p> <ul style="list-style-type: none"> • post “go-live” of SAP, there were no documented procedures for the billing process; • 70% of the 150 exception reports required had not been captured; • a training manual did not exist for the management of exceptions within SAP; • conversion issues from CIS to SAP prevented customers from being billed from SAP; and • the actions of removing a billing order which prevented a customer from being billed twice within one month, contributed to a bill being issued for a period greater than 90 days.

	<p>The Transaction Co-ordinator Customer Support indicated that some of the internal audit findings have been addressed, Synergy is investigating matters surrounding implausible reads, procedural documentation and other issues not previously identified.</p> <p>Further, the Team Leader Billing revealed that meter readings file NEM 12 and 13 provided by the network operator were not being communicated to Synergy on a timely manner. This impacted upon Synergy's ability to generate bills being within the timeframe specified.</p> <p>The Transaction Co-ordinator Customer Support indicated that, as Synergy staff familiarise themselves with SAP, it is expected that further issues may be brought to their attention. The Transaction Co-ordinator Customer Support advised that it would be difficult to attest to the accuracy and completeness of the unbilled report due to knowledge gaps on SAP functionality and user understanding.</p> <p>Examination of the incident register and compliance report revealed that customers had received more than one bill in a calendar month. Inadvertent removal of billing blocks by other staff has enabled SAP to issue two bills in a month where two meter readings had been obtained for the same period. It was noted that this incident was remedied in November 2009 via changes to Synergy's billing system.</p> <p>Enquiries made with the Transaction Co-ordinator, Customer Support revealed that billing blocks have been used by the Customer Resolution Team during investigation of bills under dispute. This has resulted in bills being issued greater than 90 days while investigations were undertaken.</p>
Recommendation	<p>Whilst we acknowledge that Synergy is exploring resolutions for process issues negatively impacting on the business' ability to issue bills to its customers within the timeframes specified under the Code of Conduct, Synergy should:</p> <ol style="list-style-type: none"> 1. Continue with the root cause analysis through the examination of SAP's configuration and reporting from SAP. 2. Assess and document the impact of the unidentified root causes which negatively impact the "business as usual" processes and escalate in accordance with the change management protocols.

	<p>3. Implement processes to monitor the application and timely removal of bill blocks by authorised Synergy staff.</p>
Management Response	<p>Over the audit period April 2008 to June 2010 Synergy issued approximately 12.7 million bills of which 116,000 bills were for a period greater than 90 days. This represents a billing on time accuracy of more than 99% during the audit period.</p> <p>Of the 116,000 bills issued greater than 90 days, approximately 93% of these occurred in the period September 2009 to June 2010. The implementation of the system changes in September 2009 involved the conversion of more than 1.4 million customer records necessary for Synergy to issue approximately 20,000 to 25,000 bills per day, resulted in technical issues which delayed the issue of bills greater than 90 days during the period September 2009 – June 2010.</p> <p>Unbilled accounts can arise due to circumstances both within and outside of Synergy's direct control for example when Synergy cannot issue a bill due to the absence of meter data from the network operator or a customer moves into a premise without notifying Synergy.</p> <p>Synergy has expended and continues to expend significant effort since September 2009 to reduce the occurrence of late bills and minimise the impact on our customers.</p> <p>With respect to the accuracy of the billing reports, the un-billed report was re-designed and re-built in July 2010 to provide for more accurate data capture arrangements and to enable a higher degree of reporting accuracy.</p> <p>Synergy has apologised to its customers for issuing late bills, offered and provided assistance (such as payment extensions) for those who require such extensions.</p> <p>Synergy's process for adding and removing bill blocks has been documented and rolled out to all billing teams. Billing related issues are communicated across the business and documentation recorded and stored.</p> <p>Synergy faced a challenging year in 2009/2010 with respect to unbilled accounts and the business has expended significant effort to remove the billing backlog and to reduce unbilled accounts at the end of each month to sustainable levels to mitigate customer impacts. The transitional issues associated with the new billing system have been progressively addressed throughout 2009/10.</p>

Management Actions	<p>Synergy has established business reporting, work practices and procedures as well as significantly increasing personnel dealing with this matter to minimise the incidence of not-billed performance.</p> <p>Synergy has provided monthly reports to the Authority on the unbilled accounts and related performance measures since March 2010.</p> <p>In response to:</p> <ul style="list-style-type: none"> Recommendations 1 and 2, Synergy will continue with its root cause analysis through the examination of system configuration and reporting, and has also engaged the services of SAP and Synergy's system implementation partner – Accenture, to perform analysis. Synergy will continue to assess and document the impact of the unidentified root causes which negatively impact the "business as usual" processes and escalate in accordance with our change management protocols to implement system or process changes as required. Recommendation 3 Synergy currently has a detailed billing greater than 90 days report which is updated daily in recognition of the customer and business impacts of the issue. In addition Synergy has a feedback log to record all billing incidents and uses these procedures to oversee the authorised use and application of billing blocks.
Implementation Date	<p>It is difficult for Synergy to accurately forecast a target rate of unbilled accounts as at the end of each month due to factors within its control which are unforeseen or factors which are outside of its control. Synergy considers a target level of 99.5% for bills issued within 90 days or less, to be reasonable. This target is based on factors within Synergy's control. Synergy has been achieving this target since October 2010.</p>
Responsible person	<p>Manager Customer Service</p>

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.3(2)
Compliance Manual Reference	149
Obligation Description	If a retailer provides a customer with estimated bills under a bill smoothing arrangement the retailer must ensure that the conditions specified are met.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Interviews with the Business Process Partner indicated that:</p> <ol style="list-style-type: none"> 1. Due to the inappropriate bill smoothing set-up within SAP customers are not being provided the correct amount of the estimated bill. A review undertaken by the Business Process Partner within the T & T division identified an instance where the estimation value differed by \$190 per month. 2. Bill smoothing requires Synergy to provide to a customer upon request estimated bill information, determined from the previous 12 months consumption to enable the establishment of a bill smoothing arrangement. The current set-up within SAP is not designed to Synergy's bill smoothing arrangement and has resulted in customers being issued with inaccurate estimated bills. 3. Interviews with the Business Process Partner team in the T & T division indicated that Synergy is unable to provide customers with an accurate estimation under the bill smoothing arrangement due to the incorrect set-up of the business rules within SAP. 4. SAP automatically re-estimates the amount payable as a result of a 6 month review and, if the amount is below 10%, a review notice is not recorded on the customer's account to denote that a review had been performed. 5. Although the direct debit was occurring on the date that the customer designated, the wrong date for the debit to occur was

	displayed in the bill. Rather than the bill specifying the date in which the customer nominated for the direct debit to occur, the bill specified the direct debit would occur on the due date of the bill.
Recommendation	<p>Whilst we acknowledge that, Synergy is currently investigating the bill smoothing specifications within SAP. We recommend that Synergy:</p> <ol style="list-style-type: none"> 1. Re-examine the formula responsible for calculating the estimates relating to bill smoothing and make the appropriate corrections. 2. Consider developing a customisation within SAP that would document when a review of a bill smoothing customer account had been performed. 3. Re-examine the business rules supporting the direct debit function relating to bill smoothing arrangements and make the necessary corrections to ensure that the direct debit date remains unchanged unless otherwise agreed.
Management Response	<p>Synergy ceased the recruitment of customers onto the bill smoothing product from August 2010 and will continue to suspend this product until the bill smoothing product is functioning correctly. All audit recommendations will to be considered as part of the review of bill smoothing arrangements.</p> <p>Synergy to establish a manual process to ensure compliance with this obligation with respect to legacy customers until such time as the product has been redeveloped to meet the conditions specified. The timeframe for implementation of the manual process is subject to the business case specified within “implementation date”.</p>
Management Actions	A comprehensive review of Synergy’s bill smoothing product, with recommendations to correct the product was undertaken in November 2010. The review included the three areas outlined within the recommendation. The review and recommendations has been developed for correcting and re-launching the product.
Implementation Date	Review of Synergy’s bill smoothing product and recommendations was made to the Synergy management team in November 2010. The implementation date for product changes and re-launch of the

	product was determined as a part of that review. The product will continue to be suspended with no recruitment of new customers in the interim period: A concept was approved for business case development to address recommendations presented in November 2010. The business case is scheduled for review/decision and funding approval on 25 th January 2011.
Responsible person	Manager Marketing

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.5(1)
Compliance Manual Reference	151
Obligation Description	A retailer must include minimum prescribed information on the customer's bill, unless the customer agrees otherwise.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Interviews with the Customer Support Team, LRA, T & T and review of the incident register revealed that breaches had occurred with regard to this licence obligation during the audit period.</p> <p>We confirmed through discussions that the breaches experienced in the 2009/2010 period were primarily SAP related issues. Interviewees indicated that staff were not fully conversant with SAP functionality, exception reporting and rectification processes. Synergy have engaged Tata Consulting Services to assist with identify issues, causes and developing customisations to enable SAP to perform the entire suite of "business as usual" activities required by Synergy, whilst complying to its electricity licence requirements.</p> <p>Through the sampling based testing of customer bills, we determined that Synergy has addressed the Authority's guidance in relation to the inclusion of information pertaining to the availability of Centrepay to entitled customers in November 2009 and the inclusion of a "from" and "to" format on the customer's bill was addressed by the ERA amending the Customer Service Charter on from 1 July 2010.</p> <p>The Authority identified that Synergy had not included the information on dependant child rebate on the customer's bill. We acknowledge that this matter is being addressed and that the cause of the incident was reported to the ERA in detail in October 2010 and the information is still outstanding.</p> <p>We note that Synergy reported to the ERA in its 2009/10 compliance report that:</p>

	<ul style="list-style-type: none"> • some customers did not receive a late payment waiver on their bill on the basis the “waive fee” flag was not set to enable the account establishment fee to be waived for eligible customers and that the matter was remedied in October 2009. • some customers with interval meters did not receive a bill with a meter read from those meters. Synergy advised that retailers who bill based on interval meter data cannot physically display a meter reading on the bill as the energy data provided by the network operator, consistent with the Electricity Industry Metering Code, is provided in half hourly intervals. Consequently, the ERA amended the Customer Service Charter on 1 July 2010 to require a meter reading to be displayed on a customer’s bill for an accumulation meter only. <p>The Business Process Partner T & T indicated that a number of customers on bill smoothing arrangements did not receive accurate account information on their bill. The Business Process Partner T & T provided that this matter was remedied by Synergy arranging the necessary fixes within SAP to provide a compliant bill for existing customers in October 2009. Our enquiries further revealed that while the issues surrounding bill smoothing are being investigated, Synergy has deferred offering bill smoothing to new customers.</p>
Recommendation	<ol style="list-style-type: none"> 1. Whilst we acknowledge that Synergy has committed resources towards addressing and rectifying the issues pertaining to providing the minimum prescribed information on a customer’s bill, we recommend that where practicable, Synergy adopts the following procedures for future changes to the bill: <ul style="list-style-type: none"> • Process map the licence obligation; • Compare SAP processes relevant to this licence obligation; • Identify the gap(s) and perform the customisation(s) necessary to address the gap; • Document and record the new process; • Test for accuracy and completeness of bill information as prescribed by the Code of Conduct. 2. Provide further SAP training to its staff.
Management Response	<p>Synergy administers on behalf of the state government a range of energy concessions and rebates to approximately 240,000 customers. Synergy’s new customer system was designed not only</p>

	<p>to provide customers with new product offerings, enhanced customer service and reduce Synergy's cost to serve but also introduce operational efficiencies in the delivery of government assistance programs.</p> <p>The concession validation functionality in the former customer information system carried significant overheads and was inefficient. The legacy system had a significant negative impact on customers, complaints and Synergy's contact centre work load due to its semi-manual functionality. As part of the new system implementation, the concession validation process was reviewed to improve concessions management for both customers and Synergy.</p> <p>The new system implementation has permitted the Centrelink concession card validation process to be improved from a semi manual to an automated process, correct inefficiencies and improve the customer experience. The system now enables concession data validation to occur nightly through an automated process between Synergy's and Centrelink's systems. Automation enables customer rebate data to be processed more quickly, kept up to date and be less prone to human error.</p> <p>A system coding error occurred during the audit period resulting in 7,500 customers incorrectly having their dependent child rebate (DCR) end dated (i.e. ceased) during the period September 2009 to January 2010. During this period affected customers continued to receive the supply charge rebate but not the DCR. The coding error impacted approximately 3% of customers who received a rebate in 2009/10</p> <p>As the DCR occurred on a random basis and only a small number of customers contacted Synergy in response to the issue the problem was not fully visible to Synergy. Given the number of customers affected Synergy would have expected a greater number of customers to raise the issue. The limited customer response may be explained due to the customer continuing to receive the supply charge rebate. Synergy re-credited the DCR to affected customer accounts in November 2010.</p> <p>All information as required by clause 4.5 is included on a small use customer's bill.</p> <p>Synergy will adopt these proposed recommendations for future changes to the bill.</p>
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Management Actions	Future bill changes to be managed in accordance with the recommendation.
Implementation Date	At time of the next change to the bill.
Responsible person	Manager Marketing

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.12(1)
Compliance Manual Reference	163
Obligation Description	A retailer must change the customer to an alternate tariff within the period specified if the customer applies to receive an alternate tariff and demonstrates to the retailer that they satisfy the conditions of eligibility.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Interviews held with the Customer Transaction Officer and Transaction Co-ordinator Customer Support Team revealed that post SAP implementation, Synergy is unable to change a customer to an alternative tariff within 10 business days, where the customer satisfied the eligibility criteria. Review of the incident register noted Synergy reported an instance of non-compliance in respect of this licence obligation.</p> <p>To affect a change to an alternative tariff, a task is required to be generated by the Contact Centre. The task is then communicated through SAP as a “back end” process. Due to the number of outstanding tasks within SAP and resource levels, the Transaction Co-ordinator Customer Support Team revealed that the task is not addressed within the prescribed timeframe. Further, SAP was found not to have the functionality to prioritise outstanding tasks based on code requirements.</p> <p>An exception report which details outstanding alternate tariff change requests is currently not available within SAP.</p>
Recommendation	<p>Where practicable, Synergy should:</p> <ol style="list-style-type: none"> 1. Engage additional resources to enable clearing of the back log of tasks. 2. Develop an exception report for the ongoing identification of outstanding tariff change requests.

	3. Consider developing a customisation that would provide for the prioritisation of tasks which are subject to specified timeframes under the Code of Conduct.
Management Response	Management acknowledge the recommendations which will be taken into account in determining actions.
Management Actions	<ol style="list-style-type: none"> 1. Synergy recruited 10 additional staff in September 2010 for the next six months to assist clearing backlog of tasks. 2. A change request will be submitted to the Change Council by December 2010 to develop an exception report for identification of outstanding tariff change requests. 3. Synergy considers implementation of items 1 and 2 should satisfactorily address the incident. However, Synergy will review recommendation 3 post implementation of items 1 and 2.
Implementation Date	<p>Item 1 has been implemented.</p> <p>Change request to establish reporting capability to be submitted to Change Council by December 2010. Timeframe for implementation of the reporting is subject to the outcome of the Change Council process with the recommendation that the reporting capability be established no later than September 2011.</p>
Responsible person	Manager Customer Service

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.15(1)
Compliance Manual Reference	167
Obligation Description	A retailer must use reasonable endeavours to arrange for a final bill if a customer requests the retailer to issue a final bill at the customer's supply address.
Reporting Type	NR
Compliance Rating	3
Audit Observations	<p>Through interviews held with Customer Services Officer and sample testing performed, an instance was identified where a customer had not received their final bill.</p> <p>The customer had requested the issue of their final bill 20 January 2010, the matter remained outstanding as at 30 June 2010. Enquiries made to the Customer Services Officer determined that the customer's contract was not replicated within ISU causing SAP not to issue the final bill.</p> <p>The Customer Service Officer indicated that SAP did not have a functionality that identified those matters which remain outstanding as a result of a request not passing the ISU interface. Further, discussions held with the Transaction Co-ordinator Customer Support confirmed that Synergy could not determine the extent of final bills or any other matter which may have not passed through the ISU interface. The Transaction Co-ordinator Customer Support revealed that SAP exception reporting is based on back end information. ISU which is situated in the front end of SAP is the separation point between front and back end of SAP.</p>
Recommendation	Synergy should investigate and develop an exception report function that would enable the business to detect final bill matters that remain outstanding due to failing to passing through the ISU interface to the back end of SAP.

Management Response	Synergy currently has a replication error report that is run and cleared daily. Matter is to be investigated and change request will be raised to have a specific report run to identify final bills failing due to replication issues.
Management Actions	Investigate and raise for development a change request for exception reporting capability to identify and monitor final bills failing to pass through ISU interface by December 2010/January 2011. Timeframe for implementation of the reporting capability is subject to the prioritisation of system changes managed through Synergy's Change Council process.
Implementation Date	Timeframe for implementation of the change request is subject to the prioritisation of system changes governed by Synergy's Change Council process with the recommendation that the reporting capability be established no later than June 2011.
Responsible person	Manager Customer Service

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.17(2)
Compliance Manual Reference	171
Obligation Description	A retailer must inform the customer of the outcome of the review of a bill as soon as practicable, but, in any event, within 20 business days from the date of receipt of the request for review.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Interviews held with Manager Credit Management, Team Leader Customer Resolutions, Billing Team Leader and review of policies and procedures, we determined that Synergy does have processes in place to manage compliance with regard to this requirement under the Code of Conduct.</p> <p>Due to the matters outstanding within the billing and complaints process, sampling has revealed instances where customers have not been provided an outcome of a review of a bill within 20 business days from the date of the request for review.</p> <p>Team Leader Customer Resolutions indicated that a large number of matters / customer requests requiring resolution remained outstanding at the end of 30 June 2010, including request for review of a bill by a customer. Team Leader Customer Resolutions provided that due to current resourcing levels, Customer Resolutions have not been able to review all outstanding matters including those related to bills.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy should implement a process within the SAP complaints specifications which would enable prioritisation for those matters that have a prescribed timeframe within the Code of Conduct. 2. In the short term, Synergy should consider allocating resources to enable bill reviews to be undertaken so a response can be provided to the customer.

Management Response	<p>Under the Code of Conduct a complaint is defined as an expression of dissatisfaction made to an organisation related to its products or services or its complaints handling process itself where a response or resolution is explicitly or implicitly expected.</p> <p>Operationally Synergy has treated a customer requesting a review of a bill to be a complaint in accordance with the Authority's complaints handling guideline as the customer request involves an expression of dissatisfaction requiring a response. The request for a bill is typically received by a customer service representative who will refer the matter to complaints who will then raise a task to billing to review the bill.</p> <p>While there is a separate requirement to advise customers of the outcome of a bill review within 20 business days, the same timeframe also exists with respect to complaints response and therefore Synergy manages both issues simultaneously as both matters are interrelated from a customer experience perspective.</p>
Management Actions	<ol style="list-style-type: none"> 1. Synergy considers recommendation 1 to be a longer term solution in the event that recommendation 2 is unsuccessful in addressing the matter. 2. Synergy is proposing system modifications to enable automated reporting of bill review performance. As an interim step improved Synergy manual reporting and review will occur commencing late December 2010.
Implementation Date	<p>Manual reporting 31 December 2010.</p> <p>Automated reporting 30 June 2011.</p>
Responsible person	Manager Customer Service

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.2(2)
Compliance Manual Reference	178
Obligation Description	A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment.
Reporting Type	2
Compliance Rating	3
Audit Observations	<p>Interviews held with the Cash Processing Officer, Manager of Compliance and Risk and input provided by the Chief Information Officer revealed that an “access account service” protocol is in place between Synergy and the Commonwealth Bank of Australia (the “account institution”) which is the nominated financial institution of Synergy.</p> <p>The account institution provides the platform under which an account holder is able to electronically transfer funds to Synergy for the consumption of electricity at a supply address. Synergy is reliant on the Commonwealth Bank to undertake the necessary safeguards and comply with the requirements prescribed within the Electronic Funds Transfer Code of Conduct.</p> <p>Enquiries with the Cash Processing Officer revealed that:</p> <ol style="list-style-type: none"> 1. Payment numbers entered by customers through Synergy's web portal undergo a validation check through Modulus 11 to determine if the payment number is valid. However, the payment number is not directly validated against the SAP database prior to payment acceptance. If a corresponding customer account cannot be located, the customer's payment is placed into suspense account for manual follow-up. As a result, customers have received a reminder notice for payment. 2. After customers had made payment, there appears to be payments being allocated incorrectly. The cause had not been determined at the time of the review.

	<p>Walkthrough performed of a customer's account sampled from the exception report with the Cash Processing Officer confirmed this observation.</p> <p>Further, discussions held with Synergy staff indicated their exposure to the Electronic Funds Transfer Code of Conduct was limited.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy should introduce a validation protocol that confirms the payment number against customer account details (such as the business partner agreement or the supply address) prior to processing the payment. 2. Training should be undertaken to ensure those responsible for the oversight of Electronic Funds Transfer are conversant with the Electronic Funds Transfer Code of Conduct.
Management Response	<ol style="list-style-type: none"> 1. Where payment transfers are made via the Web there are two steps of validation undertaken. As noted correctly the payment number entered by the customer is not validated by SAP but is validated using Modulus 11. This algorithm verifies the digits in the payment number by the use of a check digit to confirm a valid payment number has been entered. In addition to that step the customer is required to enter their contract account number. The validated payment number and the contract account number are then used to validate the correct allocation of the payment in SAP. If the records are not validated by SAP to assign the payment to a corresponding customer account, then the customer's payment is placed into a suspense account for manual follow-up. Both of these controls have been in place since Columbus implementation with further enhancements to the user interface implemented in 30 June 2010. As a further business enhancement Synergy will review during 2010/11 the auditor's suggestion that validation occurs via SAP prior to the acceptance / processing of a customer payment. 2. Management acknowledges the recommendation to undertake staff training on the EFT Code of Conduct.
Management Actions	<ol style="list-style-type: none"> 1. As a further business enhancement Synergy will review during 2010/11 the auditor's suggestion that validation occurs through SAP.

	2. Electronic Funds Transfer Code of Conduct training to be implemented by March 2011.
Implementation Date	1. 30 June 2011. 2. 31 March 2011.
Responsible person	1. Manager Business Partnership 2. Learning & Development Manager

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.3
Compliance Manual Reference	179
Obligation Description	A retailer must, prior to commencing a direct debit, obtain the customer's verifiable consent and agree to the specified conditions for the direct debit.
Reporting Type	2
Compliance Rating	3
Audit Observations	<p>Interviews with the Manager Credit Management and a Business Project Partner from the T & T Division revealed an instance where a customer on a direct debit arrangement had an amount deducted from his/her bank account which was different from what was agreed with Synergy in the verifiable consent.</p> <p>Enquiries revealed that for customers with historical debts linked to the current account, the direct debit would automatically clear all debts notwithstanding that the direct debit setup was intended for payment of future consumption.</p> <p>Further enquiries revealed that customers were not informed by the CSR on the effect of the direct debit clearing out historical debt attached to their current account.</p> <p>The Business Project Partner indicated that Customer Service Representatives may not be accurately setting-up a customer's account during the establishment of direct debit.</p> <p>Through our review of the establishment process for direct debit, we confirmed that Synergy did obtain the customer's verifiable consent. Examination of the application form and the information provided by Synergy revealed that the direct debit is for a payment that falls due. The direct debit information does not articulate that, this process will clear all debt balances linked to the customer's account prior to entering into a direct debit arrangement.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy should implement within the direct debit knowledge base a requirement for a Customer Service Representative to

	<p>advise the customer of the impact of historical debt which is due or open, that it is linked to the current account.</p> <p>2. Synergy should provide further training to Customer Service Representatives with regards to establishing direct debits and confirm the information required to be communicated to the customer prior to the customer's verifiable consent being obtained.</p>
Management Response	Management agrees with the recommendations.
Management Actions	<p>1. As at the end of November 2010 the direct debit terms and conditions, customer communications and interactions have been reviewed by Synergy. The direct debit declaration, service agreement terms and conditions and confirmation letters have all been updated to explicitly inform customers that if they have an overdue amount owing on their account, this amount will be debited in full immediately from their nominated bank account. These proposed updates have been submitted for internal approval and once approved will be put into production in December 2010.</p> <p>2. CSR training material to be updated and presented following item 1.</p>
Implementation Date	<p>1. 31 December 2010.</p> <p>2. 31 December 2010.</p>
Responsible person	<p>1. Manager Marketing</p> <p>2. Manager Customer Service</p>

License Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.1 Code of Conduct clause 7.2
Compliance Manual Reference	211 & 212
Obligation Description	
211	A retailer must give the customer a reminder notice, use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified, prior to arranging for disconnection of a customer's supply address for failure to pay a bill.
212	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified.
Reporting Type	2 2
Compliance Rating	2
Audit Observations	<p>Interviews held with the Manager Credit Management and Team Leader Credit Management revealed that the reminder notice process is automated within SAP.</p> <p>System specifications will automatically generate a reminder notice not less than 13 business days from the date of dispatch of the customer bill. The information required to be provided to the customer is printed on the bill as part of the automated function.</p> <p>Further SAP will send a disconnection reminder to the customer not less than 18 business days from the date of dispatch of the bill.</p> <p>The Manager Credit Management provided that the disconnection process also consists of Credit Management Officers who review pending disconnections. This information is supplied on a disconnection work-list and the Credit Management Officers reviews the customer interaction history in an effort to ascertain whether the customer has agreed to alternative payment arrangements.</p>

	<p>Synergy provides endeavours to establish contact with the customer through provision of reminder warnings, SMS, telephone calls, field officer contact and disconnection warnings prior to performing a disconnection.</p> <p>Sample based testing of disconnections undertaken confirmed that customers have been provided reminders, warnings, disconnection notices and performed disconnection of electricity at a supply address in accordance with Code of Conduct requirements. Further, that reminder and disconnection notices did contain the information with regards to Synergy's contact number for billing and payment enquiries. Synergy also provided information relating to its financial hardship policy and how Synergy may assist under such circumstances.</p> <p>We note that Synergy reported as part of its 2009/10 compliance report to the Authority that Synergy identified a small number of customers were disconnected in error due a number of reasons including the wrong person being identified for disconnection and in response coaching and feedback were provided to Synergy staff to mitigate future occurrences.</p> <p>As the breaches were as a result of human error and we have observed Synergy to have undertaken certain actions to mitigate the reoccurrence of wrongful disconnections including, increased supervision, increased review of CSR interaction, provision of notices relating to disconnections procedures, further call monitoring, increased training and coaching of its staff.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.3(1)
Compliance Manual Reference	224
Obligation Description	A retailer must not operate a pre-payment meter at a residential customer's supply address without the verifiable consent of the customer or its nominated representative.
Reporting Type	2
Compliance Rating	3
Audit Observations	<p>Discussion with Community Normalisation Project Team responsible for the establishment and monitoring of the supply of electricity through a pre-payment meter and review of policies, procedures, confirmed that Synergy has endeavoured to ensure its compliance by:</p> <ul style="list-style-type: none"> identifying the customer or the customer's nominated representative; documenting the requirement to obtain verifiable consent of the residential customer's for the operation of a pre-payment meter at the supply address; and seeking authority from the Goldfields Indigenous Housing Organisation (GIHO) in the instance a house was not occupied. GIHO as the responsible authority provided the verifiable consent to install a pre-payment meter at the supply address. sending a Synergy staff member to Kalgoorlie to obtain the customer's verifiable consent to enter into a pre-payment meter contract. <p>Enquiry revealed that the Community Normalisation Project Team could not locate the completed Residential Account Application Forms from either the pre-payment meter customer or GIHO. Synergy confirmed that one of its staff visited the community and obtained the required consent. However, the record of that consent was not located.</p>

Recommendation	That Synergy re-affirms document retention and record keeping requirements through training.
Management Response	Agreed.
Management Actions	Training module to cover records retention to be developed.
Implementation Date	31 March 2011.
Responsible person	Learning & Development Manager

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.2
Compliance Manual Reference	274
Obligation Description	A retailer must keep a record of the total number of customers under the affordability and access indicators specified.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Our discussions held with the T & T Team indicated that with the implementation of SAP in September 2009 all historic customer data from the legacy customer information system was retained in an Oracle database (Valhalla) inclusive of data used to produce the 2007/2008 and 2008/2009 performance indicator reports. All source code used to produce the performance indicator reports was retained.</p> <p>This information was not readily available during the audit period as it was on back-up tape. Synergy extracted the original reports from the tape back ups. Synergy indicated that the original reports cannot be run against the Oracle database without T&T rework of approximately 4 weeks with a cost of approximately \$20,000. The original SQLs used for the performance reports were not retained, therefore if the T&T team ran SQL queries against the CIS data retained in the Oracle database, the output may not be the same as the reported figures.</p> <p>Through our analysis, we revealed that in 2007/2008 that there were non-residential customers who had their direct debit plans terminated and this was not reported. Further, Synergy could not obtain the total number of residential and non- residential customers who have had direct debit plans terminated for 2008/2009.</p> <p>Our review of affordability and access indicators based on the reports extracted from the tape back ups noted immaterial differences for the following affordability and access indicators:</p> <ul style="list-style-type: none"> • Total number of residential customers who are subject to an instalment plan for 2007/2008;

	<ul style="list-style-type: none"> • Total number of residential customers who have been granted additional time to pay their bill under Part 6 {of the Code of Conduct} for 2007/2008; • Total number of residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill; for 2007/2008; • Total number of non-residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 {of the Code of Conduct} for failure to pay a bill for 2007/2008; and • Total number of non-residential customers who have lodged security deposits for 2007/2008 and 2008/2009).
Recommendation	<p>No further recommendation is required as Synergy replaced their previous CIS information system with SAP in 2009.</p> <p>We acknowledged that SAP business rules, technical specifications and a suite of reports have been developed to ensure that the indicators under Part 13 of the Code of Conduct are readily extracted. We confirmed this by obtaining a sample data extract from the system that was used for the preparation of the 2009/2010 performance report.</p>
Management Response	<p>With the implementation of SAP in September 2009 all historic customer data from the legacy customer information system was retained in an Oracle database (Valhalla) inclusive of data used to produce the 2007/2008 and 2008/2009 performance indicator reports. All source code and detailed reports used to produce the performance indicator reports was retained. This information was subsequently obtained and provided to the auditors towards the end of the audit process. However, the source code was not re-run to replicate the performance reports due to the time and cost involved.</p> <p>With respect to the audit observation that the data extracted from the back up tapes varies in some instances from the published data, explanations for this occurrence may include business analysis and critique of the system generated performance data as well as comparative assessments of monthly and annual data. However, Synergy has not had the ability to investigate the matter in detail due to the requirement to submit the audit within the Authority's designated timeframe. Furthermore, if this review required original reports to be re-run against the Oracle database this would require staff rework of approximately 4 weeks with a cost of circa \$20,000.</p>

Management Actions	No further action required.
Implementation Date	No further action required.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.3(1)
Compliance Manual Reference	275
Obligation Description	A retailer must keep a record of the customer complaint indicators specified.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Our discussions held with the T & T Team indicated that with the implementation of SAP in September 2009 all historic customer data from the legacy customer information system was retained in an Oracle database (Valhalla) inclusive of data used to produce the 2007/2008 and 2008/2009 performance indicator reports. All source code used to produce the performance indicator reports was retained.</p> <p>This information was not readily available during the audit period as it was on back-up tape. Synergy extracted the original reports from the tape back ups. Synergy indicated that the original reports cannot be run against the Oracle database without T&T rework of approximately 4 weeks with a cost of approximately \$20,000. The original SQLs used for the performance reports were not retained, therefore if the T&T team ran SQL queries against the CIS data retained in the Oracle database, the output may not be the same as the reported figures.</p> <p>Our review of the records of customer complaints revealed that there were material differences for the following:</p> <ul style="list-style-type: none"> • The percentage of total complaints received from non-residential customers that relate to marketing complaints for 2007/2008 (overstated); • The percentage of total complaints received from non-residential customers that relate to billing/credit complaints for 2007/2008 (understated); and • The percentage of total complaints from residential complaints that relate to transfer complaints for 2008/2009 (understated).

	<p>Our review also provided that there immaterial differences for the following:</p> <ul style="list-style-type: none"> • The total number of complaints received from residential customers for 2007/2008 and 2008/2009; • The total number of complaints received from non-residential customers for 2007/2008 and 2008/2009; • The percentage of total complaints from residential customers that relate to billing/credit complaints 2007/2008 and 2008/2009; • The percentage of total complaints from residential customers that relate to marketing complaints for 2007/2008; • The percentage of total complaints from residential customers that relate to other complaints for 2008/2009; and • The percentage of total complaints from non-residential customers that relate to billing/credit complaints 2008/2009 <p>Our review of complaint records noted that Synergy maintain a log of the action taken by Synergy to address a complaint and the timeframe taken to deal with the complaint within their information system.</p>
Recommendation	<p>No further recommendation is required as Synergy replaced their previous CIS information system with SAP in 2009.</p> <p>We acknowledged that SAP business rules, technical specifications and a suite of reports have been developed to ensure that the indicators under Part 13 of the Code of Conduct are readily extracted. We confirmed this by obtaining a sample data extract from the system that was used for the preparation of the 2009/2010 performance report.</p>
Management Response	<p>With the implementation of SAP in September 2009 all historic customer data from the legacy customer information system was retained in an Oracle database (Valhalla) inclusive of data used to produce the 2007/2008 and 2008/2009 performance indicator reports. All source code and detailed reports used to produce the performance indicator reports was retained. This information was subsequently obtained and provided to the auditors towards the end of the audit process. However, the source code was not re-run to replicate the performance reports due to the time and cost involved.</p>

	With respect to the audit observation that the data extracted from the back up tapes varies in some instances from the published data, explanations for this occurrence may include business analysis and critique of the system generated performance data as well as comparative assessments of monthly and annual data. However, Synergy has not had the ability to investigate the matter in detail due to the requirement to submit the audit within the Authority's designated timeframe. Furthermore, if this review required original reports to be re-run against the Oracle database this would require staff rework of approximately 4 weeks with a cost of circa \$20,000.
Management Actions	No further action required.
Implementation Date	No further action required.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.4
Compliance Manual Reference	277
Obligation Description	A retailer must keep a record of the total number of payments and data on the average amount of payments made under the compensation indicators specified.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Our discussions held with the T & T Team indicated that with the implementation of SAP in September 2009 all historic customer data from the legacy customer information system was retained in an Oracle database (Valhalla) inclusive of data used to produce the 2007/2008 and 2008/2009 performance indicator reports. All source code used to produce the performance indicator reports was retained.</p> <p>This information was not readily available during the audit period as it was on tape back-up. Synergy extracted the original reports from the tape back ups. Synergy indicated that the original reports cannot be run against the Oracle database without T&T rework of approximately 4 weeks with a cost of approximately \$20,000. The original SQLs used for the performance reports were not retained, therefore if the T&T team ran SQL queries against the CIS data retained in the Oracle database, the output may not be the same as the reported figures.</p> <p>Our review of the records of the payment revealed that there were material differences for the following:</p> <ul style="list-style-type: none"> • total number of payments made under clause 14.1 of the Code of Conduct for 2008/2009 (understated); • total number of payments made under clause 14.2 of the Code of Conduct for 2008/2009 (understated); and <p>We did not obtain the reports relating to the average amount of payments under clause 14.1, 14.2 and 14.3 of the Code of Conduct for 2007/2008 and 2008/2009.</p>

	<p>Our review also provided that there immaterial differences for the following:</p> <ul style="list-style-type: none"> • Total number of payments made under clause 14.1 of the Code of Conduct for 2007/2008.
Recommendation	<p>No further recommendation is required as Synergy replaced their previous CIS information system with SAP in 2009.</p> <p>We acknowledged that SAP business rules, technical specifications and a suite of reports have been developed to ensure that the indicators under Part 13 of the Code of Conduct are readily extracted. We confirmed this by obtaining a sample data extract from the system that was used for the preparation of the 2009/2010 performance report.</p>
Management Response	<p>With the implementation of SAP in September 2009 all historic customer data from the legacy customer information system was retained in an Oracle database (Valhalla) inclusive of data used to produce the 2007/2008 and 2008/2009 performance indicator reports. All source code and detailed reports used to produce the performance indicator reports was retained. This information was subsequently obtained and provided to the auditors towards the end of the audit process. However, the source code was not re-run to replicate the performance reports due to the time and cost involved.</p> <p>With respect to the audit observation that the data extracted from the back up tapes varies in some instances from the published data, explanations for this occurrence may include business analysis and critique of the system generated performance data as well as comparative assessments of monthly and annual data. However, Synergy has not had the ability to investigate the matter in detail due to the requirement to submit the audit within the Authority's designated timeframe. Furthermore, if this review required original reports to be re-run against the Oracle database this would require staff rework of approximately 4 weeks with a cost of circa \$20,000.</p>
Management Actions	No further action required.
Implementation Date	No further action required.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.6
Compliance Manual Reference	279
Obligation Description	A retailer must keep a record of the total number of residential and business accounts specified.
Reporting Type	2
Compliance Rating	2
Audit Observations	<p>Our discussions held with the T & T Team indicated that with the implementation of SAP in September 2009 all historic customer data from the legacy customer information system was retained in an Oracle database (Valhalla) inclusive of data used to produce the 2007/2008 and 2008/2009 performance indicator reports. All source code used to produce the performance indicator reports was retained.</p> <p>This information was not readily available during the audit period as it was on back-up tape. Synergy extracted the original reports from the tape back ups. Synergy indicated that the original reports cannot be run against the Oracle database without T&T rework of approximately 4 weeks with a cost of approximately \$20,000. The original SQLs used for the performance reports were not retained, therefore if the T&T team ran SQL queries against the CIS data retained in the Oracle database, the output may not be the same as the reported figures.</p> <p>Our review of the records of the total number of residential and business accounts specified revealed that there were customer account numbers appeared more than once for the total number of residential accounts held by contestable customers and total number of business accounts held by contestable customers for 2007/2008 and 2008/2009.</p>
Recommendation	<p>No further recommendation is required as Synergy replaced their previous CIS information system with SAP in 2009.</p> <p>We acknowledged that SAP business rules, technical specifications and a suite of reports have been developed to ensure that the</p>

	indicators under Part 13 of the Code of Conduct are readily extracted. We confirmed this by obtaining a sample data extract from the system that was used for the preparation of the 2009/2010 performance report.
Management Response	<p>With the implementation of SAP in September 2009 all historic customer data from the legacy customer information system was retained in an Oracle database (Valhalla) inclusive of data used to produce the 2007/2008 and 2008/2009 performance indicator reports. All source code and detailed reports used to produce the performance indicator reports was retained. This information was subsequently obtained and provided to the auditors towards the end of the audit process. However, the source code was not re-run to replicate the performance reports due to the time and cost involved.</p> <p>With respect to the audit observation that the data extracted from the back up tapes varies in some instances from the published data, explanations for this occurrence may include business analysis and critique of the system generated performance data as well as comparative assessments of monthly and annual data. However, Synergy has not had the ability to investigate the matter in detail due to the requirement to submit the audit within the Authority's designated timeframe. Furthermore, if this review required original reports to be re-run against the Oracle database this would require staff rework of approximately 4 weeks with a cost of circa \$20,000.</p>
Management Actions	No further action required.
Implementation Date	No further action required.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 14.3(1)
Compliance Manual Reference	294
Obligation Description	A retailer must acknowledge and respond to a written query or complaint by a customer within the timeframes prescribed.
Reporting Type	2
Compliance Rating	1
Audit Observations	<p>Discussions held with the Customer Resolution Team Leader revealed that the automated acknowledgement response functionality which produces an acknowledgement letter was not operating correctly within SAP during the audit period.</p> <p>Because SAP's automated acknowledgement functionality is not operating as intended, the acknowledgement of a complaint or query has reverted to a manual process. The Customer Resolution Team Leader indicated that due to the increase in the volume of complaints received, the Customer Resolution Division did not have resources to ensure that all written queries or complaints had been acknowledged or responded to within the timeframes specified.</p> <p>Sample testing of customer complaints or queries extracted from SAP confirmed that Synergy has not acknowledged all queries or complaints within 10 business days of receipt or provided a response to all queries or complaints within 20 business days since the implementation of SAP. Further we found that SAP does not have the functionality to establish priorities for outstanding queries or complaints.</p>
Recommendation	<ol style="list-style-type: none"> 1. Synergy should investigate the root cause of the automated acknowledgement functionality failure and where practicable correct such failure to enable the functionality to operate in accordance with business requirements. 2. Where feasible, Synergy should consider allocating temporary resources to the Customer Resolution Division to address the

	<p>outstanding complaints and queries.</p> <p>3. Synergy should consider the development of a customisation within the complaints functional specifications to provide for prioritisation of outstanding complaints or queries in accordance with Code of Conduct timeframe requirements.</p>
Management Response	<p>Synergy accepts it has not responded to all written customer complaints within 20 days of the date of receipt of the request. The reasons for the increase are not exclusively related to the implementation of Synergy's new customer care and billing system, but a range of issues including where Synergy requires the input of a third party to respond, such as the network operator in meter accuracy disputes, to address the complaint.</p> <p>Synergy also expects there will continue to be government policy changes, which Synergy has responsibility for implementing, which will impact Synergy's resourcing, and ultimately, the customer experience. Synergy expects there may be spikes in complaints when such changes occur.</p> <p>While there has been a significant increase in the volume of complaints received in 2009/10, Synergy has worked to respond expeditiously to these increases, and has resolved 83% of these complaints within Code requirements. Synergy's reporting was based on complaints received through a variety of channels, and not just written complaints.</p>
Management Actions	<p>1. A new letter has been drafted to automatically be sent to customers acknowledging receipt of their complaint to meet this timeframe, which will enable staff to focus on complaint investigations and resolution.</p> <p>2. Synergy has also established a whole of business working group to manage the current backlog of complaints. Additional complaints management staff were recruited in September 2010, with an additional 10 staff and an increased level of management and support currently being established to support the process over October and November 2010. Refresher training is being undertaken to improve Contact Centre - Customer Service Representative (CSR) knowledge and skills, to improve the resolution of enquiries at first contact. Procedures have also been established to prioritise activities (billing and related activities) that impact on the resolution of complaints. Synergy is committed to resolving</p>

	<p>its backlog of complaints by 28 February 2011 and by this date will ensure all further incoming complaints are resolved within 20 business days of being received, where Synergy has full control of the resolution outcome.</p> <p>3. Synergy considers recommendation 3 to be a longer term solution in the event that recommendations 1 and 2 are demonstrated to be unsuccessful in addressing the matter.</p>
Implementation Date	As at 31 December 2010 there were no outstanding written complaints.

10. Detailed Findings – Compliance Elements which Require Minor Improvements

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	<p>Electricity Industry Customer Transfer Code clause 3.2(2)</p> <p>Electricity Industry Customer Transfer Code clause 3.4(1)</p> <p>Electricity Industry Customer Transfer Code clause 3.9(1)</p> <p>Electricity Industry Customer Transfer Code clause 4.2(2)</p> <p>Electricity Industry Customer Transfer Code clause 4.3</p> <p>Electricity Industry Customer Transfer Code clause 4.4(2)</p> <p>Electricity Industry Customer Transfer Code clause 4.5(1)</p> <p>Electricity Industry Customer Transfer Code clause 4.6(3)</p> <p>Electricity Industry Customer Transfer Code clause 4.7</p> <p>Electricity Industry Customer Transfer Code clause 4.9(6)</p> <p>Electricity Industry Customer Transfer Code clause 4.11(3)</p> <p>Electricity Industry Customer Transfer Code clause 4.15</p> <p>Electricity Industry Customer Transfer Code clause 4.16</p> <p>Electricity Industry Customer Transfer Code clause 4.17</p> <p>Electricity Industry Customer Transfer Code clause 6.2</p> <p>Electricity Industry Customer Transfer Code clause 6.6</p>
Compliance Manual Reference	6, 8, 16, 23, 24, 26, 27, 28, 29, 34, 39, 43, 44, 45, 49 and 54.
Obligation Description	
6	A retailer must submit a separate data request for each exit point unless otherwise agreed.

8	A retailer must withdraw a request for historical consumption data if the contestable customer's verifiable consent ceases to apply before the network operator provides the historical consumption data.
16	A retailer may only use data relating to a contestable customer to provide a contestable customer with a quotation for the supply of electricity by the retailer to the contestable customer or to initiate a transfer in relation to the contestable customer.
23	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.
24	A retailer's reason for a transfer must be specified in the customer transfer request form as either to transfer a contestable customer to the retailer which submitted the customer transfer request or to reverse an erroneous transfer.
26	A retailer that submits a customer transfer request to reverse an erroneous transfer must ensure the transfer was made in error and, if it is an incoming retailer, confirm the identity of the previous retailer.
27	A retailer, unless otherwise agreed, must submit a customer transfer request electronically and must not submit more than a prescribed number of customer transfer requests in a business day or with the same nominated transfer date.
28	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.
29	A retailer must nominate a transfer date in a customer transfer request in accordance with specified timeframes, except if the customer transfer request is to reverse an erroneous transfer.
34	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.
39	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.

43	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected retailers (and the independent market operator if applicable) must act in good faith to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.
44	An incoming retailer must retain a copy of a verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request for two years, except in the case of a customer transfer request to reverse an erroneous transfer.
45	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.
49	A Licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.
54	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.
Reporting Type	
6	2
8	2
16	2
23	2
24	2
26	2
27	2
28	2
29	2
34	2
39	2

43	NR
44	2
45	2
49	2
54	2
Compliance Rating	4
Audit Observations	
6	<p>The “Network Procedures and Process” manual is a user guide for the operation of customer transactions between the network operator and Synergy.</p> <p>Synergy requests data for each exit point through the network operator’s web portal. Each exit point is identified by a unique market identifier, known as NMI. Therefore, any request for data, Synergy must provide the NMI.</p> <p>A request for data from the Contract Manager within the Retail Sales Team must identify the NMI and be provided to the Industrial and Commercial Transaction Officer.</p> <p>Through our enquiries with the Customer Transaction Officer we are satisfied that there are appropriate policies and procedures to ensure that data requests are made for each exit point.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p>
8	<p>The Retail Sales Team is responsible for communicating to the Industrial and Commercial Transactions Officer if a customer’s verifiable consent ceases to apply.</p> <p>We noted that the withdrawal for the request for historical consumption had not occurred during the audit scope period. We confirmed through examination of the data request log and discussions with the Customer Transactions Officer that there has not been a withdrawal of historical consumption data.</p>

	<p>Interviews with the Industrial and Commercial Transaction Officer revealed that once the request is sent to the network operator, the request is processed within a day. As a result, the Retail Sales Team must communicate to the Customer Transaction Officer within a day if they wish to withdraw a request for historical consumption data.</p> <p>Through our enquiries with the Industrial and Commercial Transactions Officer and Retail Sales Team we are satisfied that the Synergy has policies and procedures to ensure that the request for historical consumption data is withdrawn if the verifiable consent is withdrawn.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p>
16	<p>Discussions with the Industrial and Commercial Transactions Officer indicated that data request would only be made following a request from the Retail Sales Team. The Retail Sales Team uses the data to provide a quotation for the supply of electricity for a contestable customer that wishes to transfer to Synergy from another retailer.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Our examination and testing of contestable customers indicated that the data requested was used for the quotation for the supply of electricity.</p>
23	<p>Our interviews with the Industrial and Commercial Transaction Officer indicated that the application for a customer transfer request must have a NMI, which the unique identifier assigned to each exit point. The NMI number is supplied on the verifiable consent form or the notes on a task within SAP.</p> <p>Our review of the sampled customer transfer request forms revealed that each request had a NMI.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of</p>

	<p>the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our testing and enquiries we are satisfied that Synergy are compliant with this licence condition.</p>
24	<p>Our examination of customer transfer request forms and discussions with the Industrial and Commercial Transactions Officer indicated the network operator's web portal will only accept a transfer for a contestable customer or to reverse an erroneous transfer.</p> <p>The "drop down" menu within the customer transfer request form will only permit a customer transfer or an erroneous transfer.</p> <p>We noted that the "Network Procedures and Process" manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Based on our enquiries and review of the systems, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
26	<p>Enquiries made with the Industrial and Commercial Transactions Officer indicated that in order to reverse an erroneous transfer, the Industrial and Commercial Transactions Officer would have to submit an erroneous transfer through the network operator's web portal. Further, the submission for the erroneous transfer can be made by the incoming or outgoing retailer.</p> <p>If a contestable customer is transferring out and is erroneous, then the other retailer must submit the erroneous transfer and subsequent to that Synergy would receive an e-mail receipt from the network operator of the erroneous transfer. Contract Managers in the Retail Sales Team would verify that the transfer is an error and needs to be transferred back to Synergy. In some situations the network operator would advise Synergy if there was an erroneous transfer for a customer transferring out.</p> <p>If there is an erroneous transfer for a contestable customer that is coming into Synergy, the Contract Manager in Retail Sales Team would inform that the customer is not transferring in. Synergy would make the erroneous request through the web portal.</p>

	<p>The Industrial and Commercial and Transactions Officer advised that the previous retailer is not identified where the transfer has been made in error. The network operator would have knowledge of the previous retailer as it is the conduit between the retailers.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Based on the review of policies and procedures and examination of a sample of customer transfer requests we determined that Synergy has adequate and effective processes to verify the validity of the requests to reverse and erroneous transfer.</p>
27	<p>Examinations of customer transfer requests and discussions with the Industrial and Commercial Transactions Officer indicated that requests can only be made through the network operator’s web portal.</p> <p>Further, the network operator’s web portal has system controls to ensure that the number of customer transfer requests or same nominated transfer dates is rejected if the number exceeds the prescribed amount.</p> <p>Contract Managers within the Retail Sales Team would provide the nominated transfer date through an e-mail or through the task within SAP.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our testing and discussions we are satisfied that Synergy has complied with this licence condition.</p>
28	<p>The withdrawal of a customer transfer request must be initiated by the customer and the Retail Sales team would be the conduit to inform the Industrial and Commercial Transactions Officer.</p> <p>Our discussions with the Industrial and Commercial Transactions Officer provided that if a transfer has not been completed and Synergy who submitted the original transfer request can initiate the withdrawal by selecting the “Request Withdrawal” tab in the</p>

	<p>customer transfer request form. However, if the customer transfer request form has been processed, then Synergy would have to submit an erroneous transfer through the network operator's web portal.</p> <p>We noted that the "Network Procedures and Process" manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our testing and enquiries Synergy has complied with this licence condition.</p>
29	<p>Our discussions with the Industrial and Commercial Transactions Officer, review of policies and procedures and through testing, we confirmed that the network operator's web portal would automatically reject any nominated transfer dates that exceed the specified timeframes.</p> <p>The Retail Sales Team would provide the nominated transfer date. The Industrial and Commercial Transaction Officer would inform the Retail Sales Team if the nominated transfer date exceeds the specified timeframes and would require a revision of the nominated transfer date from the Contract Managers in the Retail Sales Team.</p> <p>We noted that the "Network Procedures and Process" manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our testing and enquiries Synergy has complied with this licence condition.</p>
34	<p>Interviews with the Industrial and Commercial Transactions Officer, we noted Synergy would have to withdraw the initial nominated transfer date and the customer transfer would have to be resubmitted through the web portal. The Contract Managers within the Retail Sales Team are responsible for providing the nominated transfer date and any revision of the nominated transfer date must be checked with the Contract Managers in the Retail Sales Team.</p> <p>The network operator's web portal is used as the gateway for nominating and agreeing to a revised nominated transfer date. The</p>

	<p>revised date must agree with the parameters set within the web portal.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our testing of customer transfers that required a revision of the nominated transfer date and enquiries we satisfied that Synergy has complied with this licence condition.</p>
39	<p>Our discussions with the Industrial and Commercial Transactions Officer revealed that once the customer request form is completed with nominated transfer date, meter readings from the network operator are provided in half hour intervals on the nominated transfer date.</p> <p>If there are any issues with the interval meter readings, it may be due to the inability of the network operator gaining access to the customer’s meter to change or reprogram it to an interval meter. The network operator would have to inform Synergy of the situation and subsequently inform the customer of the situation. As a result, the nominated transfer date would have to be revised.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our enquiries and testing, there has not been an incident where the network operator is unable to provide the meter readings.</p>
43	<p>Interviews with the Industrial and Commercial Transactions Officer advised that the communication between the network operator and Synergy would be conducted through e-mail and the web portal to ensure reasonable measures are taken to restore rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred . Further the Retail Sales Team would follow up with contestable customer to ensure that the transfer is consistent with the contestable customer’s request to transfer in or transfer out.</p>

	<p>Our review of the sampled erroneous transfers and the associated correspondence between the network operator and Synergy revealed that the parties to the erroneous transfer have taken reasonable steps to ensure that the rights and obligations of the affected contestable customer are as they would have been had the erroneous transfer not occurred.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our enquiries and testing we are satisfied that Synergy has complied with this licence condition.</p>
44	<p>Through our sample based testing and discussions with the Retail Sales Team revealed that they retained the verifiable consent for two years after the date the verifiable consent was given. The verifiable consent is saved into the Document Management System and Energy Sales Inbox.</p> <p>The verifiable consent in relation to the lodgement of a customer transfer request would be recorded in the pro - forma verifiable consent – customer transfer or on the pricing plan agreement.</p> <p>The Industrial and Commercial and Transactions Officer would not proceed with a customer transfer without sighting the verifiable consent.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our testing and enquiries we satisfied that Synergy has complied with this licence condition.</p>
45	<p>Enquiries with the Industrial and Commercial Transactions Officer indicated that within the information system, a note and a billing block is placed against the customer contract that is “churning out” to ensure that the customer transferring out is not billed until they are transferred out. Once transfer confirmation receipt is received from the network operator, the bill block is removed, enabling the last bill to be issued.</p>

	<p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our sampling we are satisfied that contestable customers who had transferred from Synergy to another retailer were not billed for incurred charges after the transfer time.</p>
49	<p>Interviews with the Industrial and Commercial Transactions Officer indicated that she would not be able to make a data request or customer transfer request without a NMI. The NMI is provided on the customer’s verifiable consent form.</p> <p>The NMI would be the unique identifier assigned to each exit point.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our enquiries and examination of data requests or customer transfer request we are satisfied that Synergy has complied with this licence condition.</p>
54	<p>Enquiries with the Industrial and Commercial Transactions Officer we noted that Synergy has set up a domain called Energy Sales Management Mailbox, which enables the network operator to submit Synergy’s data request, any pending customer/erroneous transfers or completed customer/erroneous transfers.</p> <p>Further, the Industrial and Commercial Transactions Officer has a personal e-mail address on which the Account Managers of the network operator can send required electronic communication.</p> <p>The network operator has provided dedicated electronic communication addresses to the Industrial and Commercial Transaction Officer. We noted that the electronic communication addresses were related to the Account Managers of the network operator and a generic address can be used if required.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information</p>

	<p>system IBAAN and CIS.</p> <p>Through our review of correspondence between the Industrial and Commercial Transactions Officer and the network operator we are satisfied that Synergy has complied with this licence condition.</p>
Recommendation	<p>We recommend that Synergy update their “Network Procedures and Process” manual to reflect the current staff responsible for updating, managing and reviewing the document. Further, the manual should make reference to the current information system and be consolidated with the “Churn-In Process – Electricity” (DMS# 3304495v1) and “Churn out process” (DMS# 3302899v1) documents.</p>
Management Response	<p>Agreed. Synergy will review and rewrite its Networks Process and Procedure manual to reflect current processes and procedures and references to current systems being used. The existing manual is based on Synergy’s legacy system and processes (Customer Information System (CIS)). This work is extensive and needs to be undertaken whilst recognising current business (and government) workload and priorities. The manual also requires amendment to reflect end to end processes throughout the business involving multiple sections / departments across Synergy.</p> <p>Given the quantity of structural changes within the business, coupled with the major system change from CIS to SAP, the previous manual has become redundant. An entirely new manual will be created in lieu of the previous Networks Process and Procedures manual.</p>
Management Actions	<p>Update Networks Process and Procedure manual.</p>
Implementation Date	<p>To be completed by November 2011.</p>
Responsible person	<p>Manager Customer Service</p>

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 3.9(2)
Compliance Manual Reference	17
Obligation Description	A retailer must not aggregate a contestable customer's historical consumption data with that of other contestable customers for the purposes of internal business development, if requested not to do so by the customer.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>Enquiries with the Retail Sales Team revealed that the verifiable consent form provides the contestable customer an opportunity to inform Synergy if the contestable customer does not want their data to be aggregated for internal business development purposes.</p> <p>The Retail Sales Team would inform the Marketing Division if the contestable customer communicated that they do not want their historical consumption data to be aggregated for the purposes of internal business development. The Marketing Division would ensure that the historical consumption data for these contestable customers is stored in an Access database. Further, an interaction note is put against the customer's account.</p> <p>The Marketing Division confirmed that to date there have been no request by the contestable customer not to aggregate the historical consumption data for internal business development purposes.</p> <p>We noted that the current procedures have not been updated and refers to the previous information system IBAAN.</p> <p>Through our enquiries, we are satisfied Synergy has procedures in place to ensure that a contestable customer's historical consumption data is not used for internal development purposes if requested by the contestable customer.</p>

Recommendation	We recommend that Synergy update the current documented process for the use of historical consumption data for internal business development purposes.
Management Response	Process to be updated to reflect SAP system changes.
Management Actions	Refer above.
Implementation Date	29 October 2010

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 3.9(4)
Compliance Manual Reference	19
Obligation Description	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>Through our testing and discussions with the Retail Sales Team revealed that Synergy retained the verifiable consent for two years after the date the verifiable consent was given. The verifiable consent is saved into the Document Management System and Energy Sales Inbox.</p> <p>The Industrial and Commercial Transactions Officer would not proceed to obtain the historical consumption without sighting the verifiable consent from the contestable customer.</p> <p>We noted that Synergy has adopted a pro-forma verifiable consent (for retrieving historical consumption data). However, training had not been provided to Synergy staff to increase the awareness of who is able to provide verifiable consent in different legal operating structures.</p> <p>We noted that the “Network Procedures and Process” manual identified previous staff members as the author and reviewers of the document. Further, there is reference to the old information system IBAAN and CIS.</p> <p>Through our testing and enquiries we satisfied that Synergy has complied with this licence condition.</p>
Recommendation	<ol style="list-style-type: none"> 1. We recommend that Synergy personnel who are required to obtain the verifiable consent from a contestable customer should be provided with training to identify who has the authority to provide the verifiable consent for different legal operating structures.

	2. We recommend that Synergy update their “Network Procedures and Process” manual to reflect the current staff responsible for updating, managing and reviewing the document. Further, the manual should make reference to the current information system and be consolidated with the “Churn-In Process – Electricity” (DMS# 3304495v1) and “Churn out process” (DMS# 3302899v1) documents.
Management Response	Agreed.
Management Actions	Training to be developed and implemented by March 2011.
Implementation Date	Training to be developed and implemented by March 2011.
Responsible person	Manager Retail Sales

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 26.1
Compliance Manual Reference	112
Obligation Description	Unless otherwise specified, all notices must be in writing.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>Although Synergy has a policy in place requiring that all notifications made to the Authority must be in writing (Fact Sheet No.12), Synergy does not define what constitutes a “notice.”</p> <p>An informal case-by-case judgement is made by the LRA team as to what information is required to be communicated in formal written notice.</p> <p>The sample of notifications obtained confirms that Synergy has provided formal written notification to the Authority during the audit period.</p>
Recommendation	That a definition of a “notice” be agreed and implemented in its policy to aid staff in identifying items that require written notification.
Management Response	It is not appropriate for Synergy to define a term within its electricity retail licence as the ERA may not agree with the definition which could result in instances of non-compliance. If the matter requires clarification, then the retail licence should be amended by the ERA to address the matter via a definition of “notice”.
Management Actions	Manager Retail Regulatory and Compliance to raise the issue identified by the auditor with the ERA as part of the performance audit review process.

Implementation Date	December 2010.
Responsible person	Manager Retail Regulatory and Compliance

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.6(2)
Compliance Manual Reference	154
Obligation Description	A retailer must give the customer information that explains to that customer how to read a meter correctly (if applicable) in clear, simple and concise language.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Products and Branding Division and review of the information available to customers that explain how to read a meter correctly confirmed that instructions were provided for in clear, simple and concise language.</p> <p>We undertook an exercise to follow the instructions on Synergy's website with regards to how to read a meter. We found the instructions easy to follow, the information relating to the pictorial representation of meter dials and the meter reading.</p>
Recommendation	To further improve the information regarding how to read a meter, Synergy places a letter under each meter number to denote the dial to which it refers.
Management Response	Agreed.
Management Actions	Synergy has previously proposed to revise its website material relating to metering to simplify the metering information to make it more customer friendly and easier to understand. The suggestion proposed by the auditor will be implemented as part of this wider initiative.
Implementation Date	By no later than June 2011.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.5
Compliance Manual Reference	278
Obligation Description	A retailer must keep a record of the call centre performance indicators specified.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>ASPECT is the information system that monitors the call centre performance data.</p> <p>ASPECT is managed by an external agency. ASPECT displays the status of calls and documents the performance of call responses, assisting contact centre management to monitor performance targets and allocate resources.</p> <p>All information related to customer call centre records is stored in the ASPECT system database. Crystal reports are extracted from the database to enable the analysis of the call centre performance indicators.</p> <p>We examined a sample of the Crystal reports to validate the records used for the performance reports. We confirmed that Synergy keeps a record of the call centre performance indicators specified. Our testing identified arithmetic errors (immaterial) for the following indicators were reported in the 2008/2009 performance reports:</p> <ul style="list-style-type: none"> • The total number of telephone calls to an operator; • The number of telephone calls to a operator responded to within 30 seconds; and • The average duration (in seconds) before a call is answered by an operator. <p>Quarterly audits are performed by the personnel in the contact centre. However, we noted that the documentation and outcomes of the audits was not retained in a central folder and were found to be in the Workforce Planning Analyst's personal draw.</p>

Recommendation	<ol style="list-style-type: none"> 1. We recommend that the documentation of the quarterly audits should be stored in a central folder with a DMS reference. Further, the quarterly audits should be accompanied with a check list to identify what the requirements of the audit should be captured. 2. The Workforce Team should review the completeness and accuracy of the call centre performance data as part of preparing the performance reports for the Authority and Minister.
Management Response	<ol style="list-style-type: none"> 1. The quarterly audits are stored in a centralised folder (DMS# 3307495). A checklist/process to identify the requirements of the quarterly audits will be documented by end November 2010. 2. The completeness and accuracy of the call centre performance data is reviewed daily prior to any daily reports being distributed. Any discrepancies are investigated on the spot and quarterly audits of the Call Reporting Systems will also highlight any discrepancies. There are currently is no check in place to ensure that all formulas within the historical data report are collecting the correct data. A new monthly audit will be developed to ensure that all formulas are correct before completion of the monthly reports.
Management Actions	Document check list/process to identify the requirements of the quarterly Call Reporting Systems.
Implementation Date	<ol style="list-style-type: none"> 1. End November 2010 – Complete. 2. A procedure will be documented for the new monthly audit by March 2011.
Responsible person	Manager Customer Service

11. Detailed Findings – Compliance Elements which Do Not Require Further Action

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 3.6(2)
Compliance Manual Reference	9
Obligation Description	A retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a withdrawn request for historical consumption data.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>The network operator would invoice Synergy for the different types of services offered within the country and metropolitan zones i.e. provision of various metering services as identified within the SLA. Also, the network operator would send a separate invoice in relation to network access charges.</p> <p>We noted that the request for historical consumption data less than 12 months is not charged whereas, a request for historical consumption data exceeding 12 months is separately charged. Synergy does not request historical consumption data for more than 12 months.</p> <p>We identified that there has been no withdrawn request for historical consumption data. If a withdrawal of historical consumption data were to occur, this would be noted in the data request Excel sheet that the Industrial and Commercial Transactions Officer maintains. The network operator would not separately charge for the withdrawal of historical consumption data as this would be incorporated in the network access charges.</p> <p>Through our examination and enquiry we are satisfied that Synergy complies with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 3.9(3)
Compliance Manual Reference	18
Obligation Description	A retailer must not disclose a contestable customer's data to any other person without the verifiable consent of the contestable customer, except in the circumstances defined.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussion with the Manager Networks Regulatory and Compliance and Senior Business Manager, Retail Sales Team and review of the customer transfer procedures, we observed that Synergy cannot disclose customer information to any person without a verifiable consent except in the circumstance defined.</p> <p>Our review also noted that Synergy requires a verifiable consent from the customer prior to providing the data to a consultant or agent.</p> <p>Synergy employees have confidentiality agreements with the requirement of not to disclose third party information to any other person.</p> <p>Testing confirmed that Synergy have processes in place to ensure that they do not disclose contestable customer's data to any other person without the verifiable consent of the contestable customer.</p>
Recommendation	Nil

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 4.4(1)
Compliance Manual Reference	25
Obligation Description	A retailer may only submit a customer transfer request if it has an access contract for the network, unless it is to reverse an erroneous transfer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Business Partner Liaison Manager and Manager Network Regulatory and Compliance and review of the signed access contract confirmed, that Synergy has valid access arrangements to submit customer transfer request forms.</p> <p>In the absence of valid access contracts, Synergy would not be able to submit customer transfer request forms through network operator's web portal. The access contract is only applicable to SWIS, therefore any customer transfer requests outside SWIS would be rejected.</p> <p>Based on our enquiries and review of the access contracts we are satisfied that Synergy has complied with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 4.8(2)
Compliance Manual Reference	30
Obligation Description	A retailer must pay any reasonable costs incurred by a network operator for providing and/or installing a meter if a customer transfer request is withdrawn.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy has entered into a Service Level Agreement (SLA) with the network operator to provide various metering services. The SLA includes information on the costs and timeframes of metering work and services – including scheduled and off-cycle meter reading, electricity meter upgrades and installations, retailer credit management work and the provision of metering data for these tasks</p> <p>The network operator would invoice Synergy on a monthly basis for the different types of services provided.</p> <p>We noted that the invoice would be reconciled by the Transaction Co-ordinator Customer Support Team by comparing the service orders raised by Synergy and the work undertaken by the network operator.</p> <p>Our discussions with the Manager Networks Regulatory and Compliance and the Transaction Co-ordinator Customer Support Team revealed that the SLA does not specifically cover the situation whereby the network operator charges for the installation or provision of a meter if a customer transfer request has withdrawn. We noted that the network operator will act upon the service request Synergy makes within the SLA and be charged accordingly.</p>

	Through our enquiries with Synergy staff and review of the SLA we are satisfied that Synergy has complied with this licence condition.
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 4.12(3)
Compliance Manual Reference	40
Obligation Description	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.
Reporting Type	NR
Compliance Rating	NR
Audit Observations	<p>Our discussions with the Manager Networks Regulatory and Compliance revealed that Synergy has an access contract with the network operator which has been approved by the Authority.</p> <p>During the audit period we noted that there has been no amendment to the access contract as it already gives effect to the requirements and objectives of the Customer Transfer Code.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 5.1(4)
Compliance Manual Reference	48
Obligation Description	A network operator and a retailer must comply with approved communication rules.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Our discussions with Business Process Partner indicated that the current information system has been developed to ensure that it complies with communication rules. The Market Data Hub is a fully integrated application handling Electricity and Gas transactions. It is a gateway that manages the communication protocols to the market place. Synergy's information system was built to translate information external to Synergy and vice versa. The "Retail Bridge" was used as the gateway between Synergy and the external marketplace.</p> <p>The Build Pack defines the procedures, processes and methods used to communicate between the network operator and Synergy.</p> <p>Synergy's Market Transactions System Landscape and functional specifications address the key processes and intent of the communication rules.</p> <p>We reviewed a sample of B2B transactions that relate to the requirements of the communication rules.</p> <p>Through our review of processes and discussions we are satisfied that Synergy complies with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 6.4(1)
Compliance Manual Reference	52
Obligation Description	A retailer must notify its contact details to a network operator within three business days of a request.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Discussions with the Industrial and Commercial Transactions Officer and review of policies and procedures we are satisfied that Synergy has processes in place to notify its contact details to a network operator within three business days of a request.</p> <p>Our enquiries revealed that no request had been made during the audit period.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 6.4(2)
Compliance Manual Reference	53
Obligation Description	A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Discussions with the Industrial and Commercial Transaction Officer and LRA and policy obtained, confirmed that controls are in place to ensure compliance with the requirement to advise the network operator of any changes to contact details should they occur.</p> <p>However, the contact details of Synergy have not changed during the audit period and therefore no action had been required.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 7.1(1) Electricity Industry Customer Transfer Code clause 7.1(2) Electricity Industry Customer Transfer Code clause 7.1(3) Electricity Industry Customer Transfer Code clause 7.2(4)
Compliance Manual Reference	55, 56, 57 & 58
Obligation Description	
55	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, any disputing party must meet within five business days of a request from another disputing party and attempt to resolve the dispute by negotiations in good faith.
56	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute by negotiations in good faith.
57	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.
58	A disputing party that refers a dispute to the Authority must give notice to the Authority of the nature of the dispute, including specified details.
Reporting Type	NR NR 2 NR

Compliance Rating	NR
Audit Observations	<p>Synergy has a framework in place that mirrors the obligations dispute resolution, escalation requirements specified under the code.</p> <p>Our enquiries during the audit period revealed that no notice of dispute had been issued.</p> <p>Through our examination of the framework and discussions with the Manager, Networks Regulatory and Compliance we are satisfied that Synergy has a dispute resolution framework in place to ensure compliance with the licence conditions specified.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code clause 7.3(2)
Compliance Manual Reference	59
Obligation Description	A disputing party must at all times conduct itself in a manner which is directed towards achieving the objectives in clause 7.3(1) of the Electricity Industry Customer Transfer Code.
Reporting Type	NR
Compliance Rating	NR
Audit Observations	<p>Discussions with the Business Partner Liaison Manager indicated that although no official policy exists to govern the behaviour of Synergy employees during disputes, Synergy employees are trained and measured against Synergy's Culture and Values.</p> <p>Synergy's Culture and Values outline a foundation for appropriate conduct, for which employees are bound.</p> <p>As there was no notice of disputes for the audit period, we were unable to test the conduct of employees.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)
Compliance Manual Reference	68
Obligation Description	A network operator and a retailer must use reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Our discussions with the Business Process Partner in the T & T Team provided that Synergy uses a contracted external agency to monitor the information system that Synergy operates on. The service level agreement requires the external agency to meet Synergy's business requirements and includes how the external agency monitors and resolves incidents to ensure the information system is operating 24 hours a day and 7 days a week.</p> <p>Through scheduled maintenance, monitoring processes and the review of responses to incidents of the information systems that support the electronic communication between the network operator and Synergy, we are satisfied that Synergy uses reasonable endeavours to ensure that its information system on which electronic communications are made is operational 24 hours a day and 7 days a week.</p>
Recommendation	Nil

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 5(2)
Obligations Under	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b) Electricity Industry Customer Transfer Code Annex 6 clause A6.6 Electricity Industry Customer Transfer Code Annex 6 clause A6.7
Compliance Manual Reference	69, 70 & 71
Obligation Description	
69	A network operator and a retailer must establish a mechanism to generate an automated response message for each electronic communication (other than an automated response message) received at the electronic communication address.
70	The originator of an electronic communication must identify itself in the communication.
71	The originator of an electronic communication must use reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.
Reporting Type	2 NR NR
Compliance Rating	5
Audit Observations	Interviews held with the Program Business Partner revealed Synergy's system generates an automated response message through the MDH within SAP which is a gateway that manages communication protocols and transactions between Synergy and the network operator. Enquiries with the Program Business Partner revealed Synergy's MDH system ensures that the originator is identified. Synergy's

	<p>transactions initiated by SAP ISU are sent to SAP XI, which transforms transactions from IDoc (SAP Specific format) to XML format, then validated, archived and delivered by MDH to the network operator. Transactions which are initiated by the network operator are work flowed in the opposite flow.</p> <p>Our review of the 2010 Incident Register indicated that Synergy's system did not generate an automated response message during the 2007/2008 audit period. The event occurred because Synergy's previous system, Retail Bridge, did not have the capability to generate an automated response message. Prior to the implementation of SAP, a minor customisation to the IT email system was developed to enable an automated response message to be provided. There were no further issues noted during the review period post the incident previously identified.</p> <p>Based on our review of the Business Process Definition (functional design on how MDH operates) and testing of a sample of automated response messages confirmed that Synergy have established a mechanism to generate an automated response message for electronic communication received.</p> <p>Sampling of automated response messages also confirmed that the electronic communication identified the originator used reasonable endeavours to adopt a consistent data format for information over time, to facilitate any automated processing of the information by the addressee.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 6
Obligations Under	Electricity Industry (Licence Conditions) Regulations regulation 6
Compliance Manual Reference	78
Obligation Description	The electricity corporation must offer to purchase renewable source electricity, under an approved contract, from an eligible customer who wishes to sell such electricity to the corporation.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Product Manager indicated Synergy offers to purchase renewable source electricity, under an approved contract, from an eligible customer who wishes to sell such electricity to the corporation. Renewable Energy Buyback Schemes are regulated under the State Government. The Terms and Conditions, application form and REBS Pricing Schedule Of REBS are available on the Synergy web site, and customers that meet the criteria are issued an acceptance letter through the post.</p> <p>Sampling of REBS contracts entered into confirmed Synergy purchases renewable source electricity from an eligible customer who wishes to sell such electricity.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 7
Obligations Under	Electricity Industry (Licence Conditions) Regulations regulation 7
Compliance Manual Reference	79
Obligation Description	The electricity corporation must, as soon as practicable after the end of each financial year, submit a written report to the Coordinator regarding its costs in purchasing renewable source electricity under approved contracts.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>LRA and Retail are primarily responsible for the compilation and submission of the REBS report. The annual submission date of the report is monitored through the regulatory calendar.</p> <p>The network operator provides the REBS data to Synergy, which is verified by Retail.</p> <p>We found that Synergy had submitted written reports to the Coordinator regarding its costs in purchasing renewable source electricity under approved contracts in a time considered practicable.</p> <p>The systems and processes in place were adequate and effective in managing the obligation requirement.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry (Licence Conditions) Regulations regulation 8(8)
Obligations Under	Electricity Industry (Licence Conditions) Regulations regulation 8(8)
Compliance Manual Reference	80
Obligation Description	The electricity corporation must comply with a direction given by the Coordinator under regulation 8(5) of the Electricity Industry (Licence Conditions) Regulations to submit an appropriate amendment to its contract to provide for the purchase of renewable source electricity.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Interviews held with LRA identified requests from the Coordinator will be processed by the General Director and disseminated through to Legal, LRA and Retail as prescribed in DMS# 3080047.</p> <p>The discussions indicated that no direction to submit amendments to the contract was provided during the audit period.</p> <p>Despite receiving no specific direction, Synergy has a strong review policy and had initiated its own internal review of the Contract; any amendments considered were forwarded to the Coordinator for approval.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 22.1
Obligations Under	Electricity Industry Act section 13(1)
Compliance Manual Reference	81
Obligation Description	A Licencee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>The LRA advised reporting requirements are monitored through both a regulatory calendar and weekly work programs.</p> <p>We obtained a copy of the calendar and observed scheduling of the specific activities pertaining to the reporting requirements.</p> <p>The engagement of the current performance audit occurred within 24 months of the previous audit. The Authority had approved the current performance auditors.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 4.1
Obligations Under	Electricity Industry Act section 17(1)
Compliance Manual Reference	85
Obligation Description	A Licencee must pay to the Authority the prescribed licence fee within one month after the day of grant or renewal of the licence and within one month after each anniversary of that day during the term of the licence.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>The LRA is responsible for receiving notification for payment and sending confirmation of payment of the prescribed licence fee.</p> <p>The Authority will send an invoice for payment, which the Manager of Regulatory and Compliance Retail will recommend for payment. Once recommendation has been made, the LRA Executive Assistant will forward the recommendation to Accounts for settlement. If Synergy has not yet received an invoice by a timeframe indicated within the regulatory calendar, Synergy will initiate a request for the invoice.</p> <p>We consider that the systems and processes in place adequate and effective in ensuring that licence fees would be paid as required.</p> <p>Our testing indicated that Synergy had been fully compliant in its payment requirements.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Act section 31(3)
Compliance Manual Reference	86
Obligation Description	A Licencee must take reasonable steps to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity due to an accident, emergency, potential danger or other unavoidable cause.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>LRA, Crisis Management Team and Wholesale are responsible for minimisation of interruption, suspension or restriction to the supply of energy.</p> <p>Synergy has contractual arrangements in place with the network operator to ensure that the network operator exercises the steps necessary to minimise any disruption to supply. If an event should occur whereby the network operator is unable to supply electricity, Wholesale will purchase supply from alternate providers to help minimise disruption.</p> <p>The existence of the Crisis Management Team, the crisis management policy and contractual considerations already made demonstrate that adequate steps have been taken to ensure a minimal impact on the extent and duration of supply interruption.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 13.1
Obligations Under	Electricity Industry Act section 54(1)
Compliance Manual Reference	88
Obligation Description	A retail or integrated regional Licencee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions confirmed that Retail and Contact Centre are responsible for handling new connections.</p> <p>The onus is on the customer to advise Synergy of new connections or the termination. Synergy confirmed that they would not supply electricity to a residence without a corresponding contract.</p> <p>We consider that the systems and processes in place were adequate and effective in ensuring that Synergy does not supply small use customers without a contract.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 14.4
Obligations Under	Electricity Industry Act section 54(2)
Compliance Manual Reference	89
Obligation Description	A Licencee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Interviews held with LRA confirmed that they would coordinate with Retail and Legal to amend the standard form contract as required.</p> <p>Synergy received no direction from the Authority to amend the standard form contract.</p> <p>Despite not having received direction from the Authority, Synergy reviewed the standard form contract internally in accordance with their review framework. Synergy will request that the Authority accept any amendments put forward. Once the Authority had approved the amendments put forward, Synergy completed the amendments to the Contract.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 17.1
Obligations Under	Electricity Industry Act section 76
Compliance Manual Reference	93
Obligation Description	If a designation under section 71(1) of the Electricity Industry Act is in force a Licencee must perform the functions of a retailer of last resort and must carry out the supplier of last resort plan if it comes into operation under section 70 of the Electricity Industry Act.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Manager Retail Regulatory and Compliance revealed that Synergy has a SOLR implementation group.</p> <p>We observed that the group had taken proactive measures in developing the SOLR and considered the triggers necessary for the plan to be implemented.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 19.1
Obligations Under	Electricity Industry Act section 101
Compliance Manual Reference	94
Obligation Description	A retail, distribution or integrated regional Licencee must not supply electricity to small use customers unless the Licencee is a member of an approved scheme and is bound by and compliant with any decision or direction of the electricity ombudsman under the approved scheme.
Reporting Type	2
Compliance Rating	5
Audit Observations	Through interviews held with the LRA and review of the electricity ombudsman report, we confirmed that Synergy is a member of the Ombudsman scheme and has a member of staff appointed as key liaison.
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Act section 115(2)
Compliance Manual Reference	96
Obligation Description	A Licencee that has, or is an associate of a person that has, access to services under an access agreement must not engage in conduct for the purpose of hindering or prohibiting access.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through our interviews held with the Manager Retail Regulatory and Compliance we determined that there were sufficient controls in place to ensure compliance with the obligation.</p> <p>Testing of Synergy's AQP internal audits show no evidence of non-compliance that could allow conduct for the purpose of hindering or prohibiting access.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 6.1 Retail Licence condition 6.2
Compliance Manual Reference	97 & 98
Obligation Description	
97	A Licencee must ensure that an electricity marketing agent of the Licencee complies with the applicable codes.
98	The Licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Discussions with Marketing, Branding and the LRA revealed that Knowledge Base policy and training exists in relation to these obligations. Contractors would also be bound to comply with these obligations through their contractual agreements.</p> <p>Synergy has in place a process which requires any suspected breaches of the applicable code conditions by a marketing agent to be reported to the LRA. The matter would then be investigated and, where LRA has determined that it is a confirmed breach, a report would be provided to the Authority within the prescribed timeframe.</p> <p>Branding and LRA advised that Synergy do not currently contract any marketing agents.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 13.2
Compliance Manual Reference	99
Obligation Description	A Licencee must, if directed by the Authority, review the standard form contract and submit to the Authority the results of that review within the time specified by the Authority.
Reporting Type	NR
Compliance Rating	NR
Audit Observations	Discussions with LRA confirmed that they would coordinate with Retail and Legal to review the standard form contract as required. Synergy has not received specific direction to review the standard form contract from the Authority.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 13.3
Compliance Manual Reference	100
Obligation Description	A Licencee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review.
Reporting Type	NR
Compliance Rating	NR
Audit Observations	Discussions with LRA confirmed that they would coordinate with Retail and Legal to review the standard form contract as required. Synergy has not received specific direction to review the standard form contract from the Authority.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 14.1
Compliance Manual Reference	101
Obligation Description	A Licencee may only amend the standard form contract with the Authority's approval.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Our enquiry with LRA and Legal revealed that only Legal is able to revise and amend the standard form contract and that no amendments will be made without the Authority's approval.</p> <p>The Executive Assistant of the Legal department is the documents custodian and is responsible for publishing the documents.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 15.2
Compliance Manual Reference	102
Obligation Description	A Licencee must, unless otherwise notified in writing by the Authority, review the customer service charter within the timeframe specified, and submit to the Authority the results of that review within 5 days after it is completed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with LRA confirmed that they would coordinate with Retail and Legal to review the standard form contract as required.</p> <p>The 36 month requirement for review was observed within the regulatory calendar and it was confirmed that the review had been completed.</p> <p>The Manager Retail Regulatory and Compliance provided that, no specific notification has been received by Synergy for the requirement to review the customer service charter for the audit period.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 20.1
Compliance Manual Reference	105
Obligation Description	A Licencee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with Finance and Business Support and examination of policies and procedures relating to financial management, references to specific AASB standards had been identified. Finance and Business Support management have also confirmed that Synergy recruit qualified CA and CPA whom undergo CPE training to ensure that finance staff are current with the AASB standards.</p> <p>Synergy financial statements are subject to independent audit and are available publicly.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 21.4
Compliance Manual Reference	106
Obligation Description	A Licencee must comply with any individual performance standards prescribed by the Authority.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Although Synergy has unique obligations outlined within the Electricity Industry Act, LRA confirmed that Synergy had no individual performance standards prescribed by the Authority for the current period.</p> <p>The LRA indicated that a framework exists to deal with individual performance standards if prescribed.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 22.2
Compliance Manual Reference	107
Obligation Description	A Licencee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Comprehensive audit plans are provided to the Authority for approval. The performance audit cannot be commenced without audit plan approval from the Authority.</p> <p>The requirement to comply with audit guidelines is also explicitly stated in the request for tender for which the auditor is contractually bound after becoming the successful tender applicant.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 23.1
Compliance Manual Reference	109
Obligation Description	A Licencee must report to the Authority, in the manner prescribed, if a Licencee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a Licencee's ability to meet its obligations.
Reporting Type	2
Compliance Rating	NR
Audit Observations	Interviews held with LRA revealed that Synergy is a Western Australian Government owned entity, it is unlikely that they would be placed under external administration. However, discussions with LRA indicated that there is policy in place to advise the Authority of any significant change in status.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 24.1
Compliance Manual Reference	110
Obligation Description	A Licencee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>Since March 2010, Synergy had been required to provide a monthly report for “Bills Issued Greater than 90 Days.”</p> <p>Enquiries made with LRA and evidence tested confirmed that Synergy had submitted the reports in the manner prescribed by the Authority.</p> <p>We noted that Synergy has adequate processes to ensure that the Authority is provided with the information requested in the manner specified.</p> <p>However, testing of billing data under licence condition 142 indicated that the information disclosed on the reports may not be complete. It was indicated that Synergy has already expressed the billing data integrity concerns to the Authority.</p> <p>Since the implementation of SAP, a number of issues have been encountered that have impacted on the accuracy and completeness of reports provided to the ERA. In this regard, Synergy has raised such matters with ERA.</p> <p>Discussions held with LRA and review of performance and compliance reports submitted to the Authority confirmed that Synergy had provided other information as required in connection with the performance of its function in the manner and timeframe specified.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>

Recommendation	Nil.
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Licence Condition	Electricity Industry Act section 11
Obligations Under	Retail Licence condition 25.2
Compliance Manual Reference	111
Obligation Description	A Licencee must publish any information it is directed by the Authority to publish, within the timeframes specified.
Reporting Type	2
Compliance Rating	NR
Audit Observations	Although adequate and effective systems and processes exist to process requests made by the Authority, LRA had advised that they received no direction to publish any information other than already required.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.1 Retail Licence condition 6.1
Compliance Manual Reference	113
Obligation Description	A marketer must ensure that its marketing representatives comply with Part 2 of the Code of Conduct.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Manager, Contact Centre Compliance Coordinator, Retail Sales Manager and Retail Sales Compliance Coordinator indicated that Synergy ensures marketers comply with Code of Conduct requirements by monitoring of marketing phone calls, provision of ongoing coaching and training with regard to the Code of Conduct requirements.</p> <p>Enquiries with the Contact Centre Manager indicated that marketing calls are monitored against a set of agreed standards as prescribed within Synergy's quality assurance manual. Call contact records are retained within the NICE Perform system.</p> <p>Sample testing of marketing calls confirmed that Synergy has processes in place to ensure marketing representatives comply with the licence obligation.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.2 Retail Licence condition 6.1
Compliance Manual Reference	114
Obligation Description	A marketer must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions with the Contact Centre Manager, Contact Centre Compliance Coordinator, Retail Sales Manager and Retail Sales Compliance Coordinator, and observation of business practice, we determined that the terms and conditions of a standard form contract are available at no charge and are posted on the Synergy website. Further, non standard contracts are all in writing with the associated terms and conditions. The non standard contracts are posted or e-mailed to the customer at no charge for approval from the customer.</p> <p>Synergy advised that they do not engage in door to door marketing and that non-standard form contracts entered into cannot be processed until the customer signs the contract.</p> <p>Standard form contracts are directly entered into over the phone and a customer signature is not required. The start date of the contract is confirmed as the date the customer signs up and enters into the contract which is recorded in the system by the CSR.</p> <p>Sample testing of voice recordings of standard form contracts and review of non-standard contracts within the audit scope period, indicated that Synergy marketing representatives satisfy Code of Conduct requirements.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.3(1) Retail Licence condition 6.1
Compliance Manual Reference	115
Obligation Description	A marketing representative must ensure that the information specified is provided to the customer before arranging a contract and that the customer is provided with a written copy of the contract on request.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Contact Centre Manager, Contact Centre Compliance Coordinator, Retail Sales Manager and Retail Sales Compliance Coordinator indicated that through knowledge based procedures Synergy's CSRs ensure that the information specified is provided to the customer.</p> <p>Enquiries with the Contact Centre Compliance Coordinator indicated that Synergy's Contact Centre department only handle inbound calls from customers and only engage in standard form contracts. The customer is advised that the contract and terms and conditions can be made available to the customer through the Synergy website or post if requested.</p> <p>Interviews with the Retail Sales Team that they assess and provide the necessary advice with regard to offering the customer a standard-form contract or non-standard contract. We determined through testing that the customer is provided with a written copy and terms and conditions of a non-standard contract before the contract has been entered into.</p> <p>Enquiries with the Retail Sales Manager revealed that Synergy does not contact potential new customers through direct telemarketing campaigns. However, in the case that Synergy does engage in direct telemarketing campaigns, the Retail Sales department have a sales script and a monitoring mechanism in place to ensure the specified information is provided to the customer.</p>

	Based on our testing and discussions we are satisfied that Synergy have complied with the Licence Condition requirements.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.3(2) Retail Licence condition 6.1
Compliance Manual Reference	116
Obligation Description	Where a standard form contract is not entered into as a result of door to door marketing or for a non-standard contract initiated by telephone, a marketing representative must obtain and make a record of the customer's verifiable consent that the specified information has been given.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Contact Centre Compliance Coordinator indicated that, Synergy's Contact Centre department only handle customers who request a new connection under a standard form contract.</p> <p>Verifiable consent is implied upon a customer request. Voice recordings are retained as proof of verifiable consent. Call contact records are retained within the NICE Perform system.</p> <p>Based on our enquiries, review of the protocols and the review of sampled voice recordings, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.3(3) Retail Licence condition 6.1
Compliance Manual Reference	117
Obligation Description	Where a standard form contract is entered into as a result of door to door marketing or for a non-standard contract (other than that initiated by telephone), a marketing representative must obtain the customer's written acknowledgement that the specified information has been given.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>The Manager Contact Centre, Contact Centre Compliance Coordinator, Retail Sales Manager and Retail Sales Compliance Coordinator advised that Synergy does not engage in standard form contracts as a result of door to door marketing.</p> <p>Through interviews with the Retail Sales Compliance Coordinator we ascertained that Synergy requires all non standard contracts to be in writing. The customer execution of the non standard contract provides written acknowledgement that the information provided in clause 2.3(1) of the Code of Conduct has been given to the customer.</p> <p>However, policies and procedures regarding the engagement of standard form contracts as a result of door to door marketing or for a non-standard-contract initiated by telephone exist within Knowledge Base.</p> <p>Based on our enquiries, review of the protocols and review of samples of non standard contracts, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.4(1) Retail Licence condition 6.1
Compliance Manual Reference	118
Obligation Description	Where the customer has entered into a new contractual relationship with a retailer, a retailer or marketing representative must offer to provide the customer with a copy of the contract and, where this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible thereafter.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions with the Manager Contact Centre, Contact Centre Compliance Coordinator, Manager Retail Sales and Retail Sales Compliance Coordinator, we determined that Synergy CSRs offer to provide the customer a copy of the contract. Where this offer is accepted, CSRs provide a copy of the contract at that time or as soon as possible thereafter through an automated process within SAP.</p> <p>Through enquiries with the Contact Centre Compliance Coordinator we ascertained that a customer who has entered into a new standard form contract is provided a copy of the contract through a CSR operator initially sending a request/task to the Customer Support Service back office team. The back office team then act upon the task and if they do not act upon it within the specified time frame, an alert function in the system flags the team member to ensure it is completed within that timeframe.</p> <p>Enquiries with the Retail Sales Compliance Coordinator revealed that a customer who has entered into a new non standard form contract is sent a copy of the contract through post or as attachments in an e-mail before the contract is entered into.</p> <p>Sample testing of voice recordings of standard form contracts and non-standard form contracts during the audit scope period confirmed that Synergy CSR's provide a copy of the contract in a timely manner.</p>

Recommendation	Nil.
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Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(1) Code of Conduct clause 2.5(2) Retail Licence condition 6.1
Compliance Manual Reference	122 & 123
Obligation Description	
122	A marketing representative must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.
123	A marketing representative must not exert undue pressure on a customer, nor harass or coerce a customer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Brand and Strategic Communications Manager (Compliance Coordinator) revealed that marketing material and campaigns are regulated through Synergy's Corporate Affairs and Legal and Regulatory departments. These departments sign off marketing material for approval.</p> <p>The segregation of duties and supervisory review elements helps ensure marketing representatives do not engage in unethical conduct. Additionally, staffs are provided ongoing Safetrac training programs regarding the Code of Conduct requirements.</p> <p>Enquiries with the Contact Centre Compliance Coordinator revealed that there have not been any complaints made by customers based on unethical behaviour by a Synergy staff member throughout the audit scope period.</p> <p>Based on our enquiries and review of approved Marketing material campaigns, we determined that Synergy has adequate and effective processes in place to ensure marketing representatives do not engage in unethical behaviour.</p>

Recommendation	Nil.
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Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(3) Retail Licence condition 6.1
Compliance Manual Reference	124
Obligation Description	A marketing representative must ensure that the inclusion of concessions is made clear to customers and any prices that exclude concessions are disclosed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Marketing indicated that a marketing representative would provide a copy of the Customer Service Charter to customers. The Customer Service Charter and the Synergy website include a clear list of rebate eligibility based on concessions held.</p> <p>Review of Knowledge Base confirmed that materials exist regarding the inclusions and exclusions of various concession cards.</p> <p>Additionally, sample testing of bills confirmed the inclusion of concession information.</p> <p>Based on our enquiries, reviews and testing we determined that Synergy has adequate and effective processes in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(4) Retail Licence condition 6.1
Compliance Manual Reference	125
Obligation Description	A marketing representative must ensure that all standard form contracts that are entered into as a result of door to door marketing and all non-standard contracts are in writing.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Manager, Contact Centre Compliance Coordinator, Retail Sales Manager, Retail Sales Compliance Coordinator indicated that Synergy does not enter into standard form contracts as a result of door to door marketing and all non-standard form contracts entered into are in writing.</p> <p>Enquiries with the Retail Sales Compliance Coordinator indicated that Synergy CSRs must obtain customer consent in writing when entering non-standard form contracts. The consent form is sent to the customer who then signs and sends it back to Synergy for assessment. The customer is then offered a contract and Synergy forwards a copy of the contract to the customer. Once the agreement is signed by the customer, a copy of the signed “Agreement Application” is emailed to the customer.</p> <p>Sampling of non-standard form contracts entered during the Audit Scope Period confirmed that all non-standard form contracts are in writing.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.5(5) Retail Licence condition 6.1
Compliance Manual Reference	126
Obligation Description	A marketer must ensure that a customer is able to contact the marketer on the marketer's telephone number during normal business hours for the purposes of enquiries, verifications and complaints.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Brand and Strategic Communications Manager (Compliance Coordinator) revealed that a customer is able to contact the marketer through the Contact Centre department during normal business hours between 7am and 7pm, Monday to Friday, for the specified purposes.</p> <p>Synergy's Contact Centre Department ensures that CSRs are available during operating business hours through their workforce planning schedules. The Synergy telephone number is quoted on the customer invoice, web, brochures and telephone directory.</p> <p>Our review of Synergy's marketing material/campaigns and forecasted Contact Centre staff rosters confirmed that a customer is able to contact Synergy during normal business hours for the purposes of enquiries, verifications and complaints.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(1) Retail Licence condition 6.1
Compliance Manual Reference	127
Obligation Description	A marketing representative must provide the information specified to the customer when marketing by means other than face to face and after having identified the purpose of the contact, if the contact is not by electronic means, the marketing representative must ask the customer whether they wish to proceed further.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Discussions with the Contact Centre Manager, Contact Centre Compliance Coordinator, Retail Sales Manager, Retail Sales Compliance Coordinator and the Brand and Strategic Communications Manager (Compliance Coordinator) revealed that Synergy does not contact potential new customers through direct telemarketing campaigns.</p> <p>However, in the case that Synergy engages in direct telemarketing campaigns, the Retail Sales department have a sales script and team leaders will be tasked to monitor phone calls to ensure that CSRs comply with Code of Conduct requirements.</p> <p>Based on our enquiries and review of the protocols, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(2) Retail Licence condition 6.1
Compliance Manual Reference	128
Obligation Description	A marketing representative must, on request, provide the customer with the information specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Contact Centre Compliance Coordinator, Retail Sales Compliance Coordinator and the Brand and Strategic Communications Manager (Compliance Coordinator) revealed that, Synergy CSRs are aware that they must refer the customer to the Synergy website where they may obtain the Synergy complaints telephone number.</p> <p>Synergy's CSRs are instructed to have their marketing identification number included on all electronic messages.</p> <p>Enquiries with the Retail Sales Compliance Coordinator indicated that Synergy does not engage in direct telemarketing campaigns. However, in the case that Synergy engages in direct telemarketing campaigns, the Retail Sales department have a sales script and team leaders monitor phone calls to ensure that CSRs provide the customer with the information specified in Clause 2.6(2) of the Code.</p> <p>Based on our enquiries and review of the protocols, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(3) Retail Licence condition 6.1
Compliance Manual Reference	129
Obligation Description	<p>A marketing representative who meets with a customer face to face must:</p> <ul style="list-style-type: none"> • as soon as practicable tell the customer the purpose of the visit; • wear a clearly visible and legible identity card showing the information specified; and • as soon as practicable provide the information specified in writing to the customer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions with the Brand and Strategic Communications Manager (Compliance Coordinator), we determined Synergy marketing representatives only meet with customers face to face for the purpose of marketing campaigns at Trade exhibitions and displays as Synergy does not engage in door to door marketing.</p> <p>Our discussions with the Brand and Strategic Communications Manager (Compliance Coordinator) revealed that Synergy marketing representatives are made aware that they must wear a clearly visible and legible identity card showing the specified information as they are briefed before marketing campaigns and as soon as practicable tell the customer the purpose of the campaign.</p> <p>Based on our enquiries and review of marketing material issued to staff prior to campaign plans we are satisfied that Synergy complies with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(3) Retail Licence condition 6.1
Compliance Manual Reference	130
Obligation Description	If, when marketing to a customer, the customer indicates that they wish to end the contact, the marketing representative must end the contact as soon as practicable and not attempt to contact the customer for the next 30 days unless the customer agrees otherwise.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Through enquiries made with the Brand and Strategic Communications Manager (Compliance Coordinator) and Marketing department Analyst and Retail Sales Compliance Coordinator, we determined Synergy marketing representatives do not contact potential new customers through direct telemarketing campaigns.</p> <p>However, in the case that Synergy engage in direct telemarketing campaigns, the Retail Sales department have a sales script and team leaders monitor phone calls to ensure that CSR's comply with Code of Conduct requirements.</p> <p>Through enquiries with the Marketing Department Analyst and observation, we confirmed that Synergy have a "Do Not Contact List" for the period 1 April 2008 – 30 June 2010 recorded on Microsoft Excel Spreadsheets and a "Do Not Call Register" that is maintained within the SAP system.</p> <p>Based on our enquiries, review of the protocols and "Do Not Contact List" we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(4) Retail Licence condition 6.1
Compliance Manual Reference	131
Obligation Description	Unless requested by the customer, a marketing representative must not make contact with a customer outside the permitted call times, unless the contact is by electronic means or the contact arises outside the customer's premises in circumstances where the customer initiates contact.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Through interviews held with the Brand and Strategic Communications Manager (Compliance Coordinator), we determined Synergy marketing representatives do not contact potential new customers through direct telemarketing campaigns and Synergy do not engage in door to door marketing and so these activities are not applicable.</p> <p>However, enquiries with the Retail Sales Compliance Coordinator and our review of Synergy's outbound sales script and call monitoring protocols indicated that, in the event that Synergy engages in direct telemarketing campaigns, Synergy has processes in place to ensure a marketing representative does not make contact with a customer outside the permitted call times.</p> <p>Based on our enquiries and review of the protocols, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(5) Retail Licence condition 6.1
Compliance Manual Reference	132
Obligation Description	A marketing representative must ensure that contact for the purposes of marketing does not continue for more than 15 minutes past the end of the permitted call times without the customer's verifiable consent unless the contact is by electronic means.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Through interviews held with the Retail Sales Manager, Retail Sales Compliance Coordinator, and Brand and Strategic Communications Manager (Compliance Coordinator) we determined that Synergy marketing representatives do not contact potential new customers through direct telemarketing campaigns.</p> <p>However, enquiries with the Retail Sales Compliance Coordinator revealed that in the case that Synergy engage in direct telemarketing campaigns, Synergy has processes in place to ensure that a marketing representative does not continue for more than 15 minutes past the end of the permitted call times without the customer's verifiable consent unless the contact is by electronic means. The Retail Sales team have an outbound sales script and team leaders monitor phone calls.</p> <p>Based on our enquiries and review of the protocols, we have concluded that there are adequate and effective controls in place to support compliance with the licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.6(6) and 2.6(7) Retail Licence condition 6.1
Compliance Manual Reference	133
Obligation Description	Except in response to a customer request or query, a marketer must keep the specified records each time it initiates contact with a customer for the purposes of marketing.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Retail Sales Manager, Retail Sales Compliance Coordinator and Brand and Strategic Communications Manager (Compliance Coordinator) indicated that Synergy initiates customer contact by electronic means and at trade exhibition displays and campaigns for the purposes of marketing. The customer's name, email address or facsimile number is maintained within the SAP system when a contact is by electronic means.</p> <p>However, enquiries with the Retail Sales Compliance Coordinator revealed that in the case that Synergy engages in direct telemarketing campaigns or door to door marketing, Synergy has processes in place to record the specified information. The marketing representative will input the specified details into interaction records after the phone call.</p> <p>Through our enquiry and review of electronic correspondence and marketing material we are satisfied that Synergy complies with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.7(1) Code of Conduct clause 2.7(2) Retail Licence condition 6.1
Compliance Manual Reference	134 & 135
Obligation Description	
134	<p>Where the customer requests not to be contacted for the purposes of marketing a marketer must ensure that a customer is not contacted on its behalf in relation to the supply of electricity for a period of two years unless:</p> <ul style="list-style-type: none"> • the customer requests contact; or • the customer has moved premises; or • a marketer has a legal obligation to contact the customer.
135	A marketer must keep a record of each customer who has requested not to be contacted, that includes the specified information.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Retail Sales Manager, Retail Sales Compliance Coordinator, Marketing department Analyst and Brand and Strategic Communications Manager (Compliance Coordinator) indicated that Synergy performs a “washing” process within the marketing department before marketing campaigns and materials are issued to customers.</p> <p>The “do not contact” process records the relevant details of a customer who has requested not to be contacted. A “Do Not Contact” register is extracted from SAP and maintained within a Microsoft Excel spreadsheet to facilitate the “wash” process.</p> <p>Discussions with the Retail Sales Compliance Coordinator revealed Synergy marketing representatives do not contact potential new</p>

	<p>customers through direct telemarketing campaigns. However, in the case that Synergy does engage in direct telemarketing campaigns, we noted that Synergy has processes in place to ensure that a customer is not contacted in relation to the supply of electricity for a period of 2 years.</p> <p>We obtained a copy of the “Do Not Contact” register extracted from SAP, confirming that a list had been maintained by Synergy.</p> <p>Based on our enquiries, review of the outbound telemarketing protocols and examination of the “Do not Contact List” Synergy maintains record of each customer who has requested not to be contacted.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.7(3) Retail Licence condition 6.1
Compliance Manual Reference	136
Obligation Description	A marketer must give a copy of the record to the Electricity Ombudsman or the Authority on request.
Reporting Type	NR
Compliance Rating	NR
Audit Observations	<p>Through enquires made with the Regulatory Compliance Analyst, revealed that Synergy have procedures in place to ensure a copy of the “Do Not Contact” register is given to the Electricity Ombudsman or the Authority on request. LRA would put forward a request to T & T to extract the register from SAP for it to be forwarded to the Ombudsman.</p> <p>Enquiries with the Regulatory Compliance Analyst revealed that the Electricity Ombudsman or the Authority has not requested a copy of the record during the audit period.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.7(4) Retail Licence condition 6.1
Compliance Manual Reference	137
Obligation Description	A marketer must provide the customer on request with written confirmation that the customer will not be contacted for the next two years.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Discussions held with the Contact Centre Compliance Coordinator and Products and Services Team Leader and our review of Synergy's do not contact protocols, revealed that a customer is provided with a written confirmation that the customer will not be contacted for the next two years upon request.</p> <p>This involves the CSR from the Contact Centre department issuing a task to the Products and Services department within Customer Support. The Products and Services department generate a "Do not contact" standard letter which is sent to the customer through e-mail or post. Quality checks are done by the Products and Services team leader before any letters are issued to customers.</p> <p>Based on our enquiries with the Products and Services team leader and our review of customer request templates revealed there have not been any customers who have requested written confirmation not to be contacted for the next two years.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 2.7(5) Retail Licence condition 6.1
Compliance Manual Reference	138
Obligation Description	A marketing representative must comply with a notice on or near premises indicating that the customer does not wish to receive unsolicited mail or other marketing information.
Reporting Type	2
Compliance Rating	NR
Audit Observations	The Retail Sales Manager, Retail Sales Compliance Coordinator and Brand and Strategic Communications Manager advised that Synergy do not engage in door to door marketing.
Recommendation	Nil.

License Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 3.1(1)
Compliance Manual Reference	140
Obligation Description	If a retailer agrees to sell electricity to a customer or arrange for the connection of the customer's supply address, the retailer must forward the customer's request for the connection to the relevant distributor.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Contact Centre Compliance Coordinator, New Connection Manager and Credit Management Officer revealed that Synergy forward's customer requests for connections to the relevant distributor.</p> <p>Customer Service Representative or Credit Management team member are responsible for forwarding the service notification to the distributor through an automated communication protocol within SAP. Each request has a customer identification number and can be tracked through the Market Data Hub (MDH), a sub-system within SAP. This enables the ability to monitor transactions between Synergy and the distributor.</p> <p>Through sample based testing of customer connection requests, we found that Synergy had forwarded customer reconnection requests to the distributor.</p> <p>Based on our enquiries and documentation reviewed, we have concluded that there are adequate and effective controls in place to support compliance with the Licence Condition.</p>
Recommendation	Nil.

License Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 3.1(2)
Compliance Manual Reference	141
Obligation Description	A retailer must forward the customer's request for the connection to the relevant distributor in the timeframe specified unless the customer agrees otherwise.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Team Leader Credit Management, Credit Management Officer, review of policies and procedures, we determined that Synergy has processes and practices in place to ensure that reconnection requests are forwarded to the relevant distributor within the timeframe specified.</p> <p>The Credit Management Officer responsible for monitoring reconnections indicated that there have been issues in relation to the portal used for communicating reconnection requests. Synergy has been forwarding reconnection requests as required, however the distributor has not been receiving the requests in a timely manner. The distributor has identified that the cause of the problem rests with the distributor's systems and has indicated the matter has since been addressed.</p> <p>Synergy has implemented a process to monitor reconnection requests, and in the instance a request has been identified as rejected, the Credit Management Officer contacts the distributor and re-affirms the information communicated to the distributor with the view of ensuring the timely provision of reconnection requests.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.3(1)
Compliance Manual Reference	148
Obligation Description	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide a customer with estimated bills under a bill smoothing arrangement.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy provided to customers under a bill smoothing arrangement an estimated bill upon requests. Synergy identified the bill smoothing arrangement as “even pay.”</p> <p>Enquiries made with Credit Management Division and T&T indicated that a customer would receive a bill based on estimated consumption over a 12 month period. The customer’s historical consumption was then extrapolated over the next twelve months to provide the estimated bill.</p> <p>The bill would then be sent to the customer as part of the business as usual process.</p> <p>However, further discussions with T&T identified that since the implementation of SAP, a number of issues have been encountered that have impacted on provision of estimated bills required under manual reference 149, Code of Conduct clause 4.3(2) requirement.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.4
Compliance Manual Reference	150
Obligation Description	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>Interviews held with the Customer Support Manager, Transaction Co-ordinator Customer Support Team and Contact Centre Compliance Team Leader revealed that during the customer account data migration to SAP, customers who had child accounts were linked in error. As a result, customer's bills and reminder notices were sent to incorrect addresses.</p> <p>We note Synergy had reported this breach to the Authority as part of its 2009/10 annual compliance report that customers who had two or more contract accounts received reminder notices at the incorrect address.</p> <p>Our enquiries revealed that Synergy undertook a manual reconciliation process through extracting a linked accounts report post SAP data migration. The Contact Centre staff contacted individual linked account customers to identify and record the correct billing address. Synergy had already addressed the issue prior to audit commencement.</p> <p>Our review of the <i>Business Partner Mailing Address</i> process noted the Contact Centre is required to confirm the mailing address prior to the conclusion of the contact with the Customer.</p> <p>Sample testing of bills issued to customers and further enquiries made with Customer Complaints did not identify any exceptions and we determined that Synergy was compliant with this licence obligation.</p>

	Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.5(3)
Compliance Manual Reference	152
Obligation Description	A retailer must advise the customer of the amount of historical debt and its basis before, with or on the customer's bill, if the retailer wishes to bill the customer for the historical debt.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Products and Branding, and T & T indicated that the bill provides the customer's historical debt, the basis of the debt and when Synergy wishes the customer to finalise the debt.</p> <p>We note Synergy reported to the Authority as part of its 2009/10 annual compliance report that a small number of customers on bill smoothing arrangements were advised of their historical debt on the first bill but the direct debit occurred prior to the issue of the bill, resulting in the new amount outstanding being paid immediately by direct debit and that the matter was remedied in May 2010 when the historical debt was refunded.</p> <p>Further enquiries revealed that customers had established direct debit and identified a direct debit date prior to the issuance of a bill. The customers were provided with a bill that detailed the historical debt, however, as a result of the date nominated by the customers, the direct debit had taken effect prior to the customers receiving their bills. Synergy assisted those customers who were not aware of the effect of nominating a date prior to the receipt of a bill.</p> <p>Enquiries made with the Credit Management Division revealed that in the instance where a customer had not finalised an outstanding debt, a debt recovery process is initiated. This process involves providing the customer with a separate letter notifying the customer of an amount outstanding due to non-payment.</p> <p>Sample testing of customers bills confirmed that both the historical debt amount and the basis for the debt were clearly identified on the customer's bill.</p>

	Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.6(1)
Compliance Manual Reference	153
Obligation Description	A retailer must base the customer's bill on the distributor's or metering agent's reading of the meter, or the customer's reading of the meter in the circumstances specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Customer Support Manager, Transaction Co-ordinator Customer Support Team, Business Partner Liaison Manager and review of policies, procedures and documentation, confirmed that a customer's bill was based on meter readings provided by the network operator and prior to the implementation of SAP, a bill was based on a customer's meter reading verified by the network operator.</p> <p>Prior to the implementation of SAP, Synergy had processes in place to enable a customer's bill to be based on the provision of energy data provided by the network operator .</p> <p>Enquiries made with Customer Transaction Division noted the metering data was communicated to Synergy through the "Retail Bridge" an information system protocol. The Retail Bridge did not have the functionality to provide electricity consumption data to Synergy for a non-metropolitan supply address.</p> <p>All energy data must be provided by a network operator to a user under the Metering Code for billing purposes. The network operator must obtain energy data from the meter and the model SLA (approved by the Authority) outlines the methods the network operator uses to obtain the energy data including a customer's self read. Self read customers would contact Synergy and provide a meter reading. Synergy would record the meter reading then forward a request to the network operator to validate the meter reading provided. The customer's bill would then be based on the validated meter reading only.</p>

	<p>The “Build Pack” and the technical specifications have enabled Synergy to obtain a customer’s consumption data directly from the network operator and enable a bill to be based on actual, estimated or substituted reads.</p> <p>Where a customer contacts Synergy with a self meter read the customer is advised to provide the meter reading to the network operator who then provides Synergy will validated energy data to Synergy for billing purposes.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.7
Compliance Manual Reference	155
Obligation Description	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills and, in any event, at least once every twelve months in accordance with clause 4.6(1)(a) of the Code of Conduct.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Through interviews held with Customer Support Manager, Transaction Co-ordinator Customer Support Team and Business Partner Liaison Manager, we determined that prior to the implementation of SAP, the network operator provided a meter reading of a customer's consumption data once every 12 month. The interviewees also indicated that meter readings supplied by customers have been used to prepare their bill.</p> <p>The implementation of SAP has enabled Synergy to obtain meter readings for the preparation of a bill at a greater frequency than once every 12 months. The Billing Team Leader indicated that the reliance on customer meter readings has also diminished. Sample testing of customer's bills confirmed the reading type "normal" denoting an actual read was used to prepare a bill and the meter reading type "estimated" was not as prevalent.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.8(1)
Compliance Manual Reference	156
Obligation Description	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Customer Support Manager, Transaction Co-ordinator Customer Support and Billing Team Leader revealed that prior to SAP, customers were provided a bill based on historical consumption at the supply address where an actual meter reading was not available.</p> <p>The interviewees provided that post SAP implementation, the requirement to estimate a customer's bill has been reduced and bills are based on actual meter readings.</p> <p>Sampling of customer bills confirmed customers had been issued with estimated bills during the audit period.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.8(2)
Compliance Manual Reference	157
Obligation Description	A retailer must specify the stated information in circumstances where the customer's bill is estimated.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Customer Support Team confirmed that records are maintained within SAP's customer account interaction field pertaining to the reason for estimation of a customer's bill.</p> <p>Sample testing of customer bills revealed that, for those bills estimated, reading type "estimation" was clearly visible. A review of the Customer Charter confirmed that the customer can contact Synergy for any bill related enquiry. Observation of sampled SAP's customer account interaction fields revealed the basis for estimation had been recorded.</p> <p>We observed that Synergy has policies, procedures and processes in place for the provision of information to customers relating to estimated bills.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.8(3)
Compliance Manual Reference	158
Obligation Description	A retailer must tell a customer, on request, the basis and reason for the estimation.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Contact Centre Division, observation of Valhalla (CIS archives), SAP and review of Synergy's billing processes, we confirm that reason for estimation is recorded within the SAP interaction field of the customer account.</p> <p>Observations noted that Customer Support Officers have the ability to access SAP customer interaction fields and review the basis for estimation. Our discussions with the Customer Service Representative confirmed that their understanding of the Code of Conduct requirements for the provision of information in this regard.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.9
Compliance Manual Reference	159
Obligation Description	Where the retailer gives a customer an estimated bill and the meter is subsequently read the retailer must include an adjustment on the next bill to take account of the actual meter reading.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Credit Management Division, Billing Team Leader and T & T and review of Synergy's policies and procedures relating to bill adjustments, we determined that Synergy have adequate and effective processes and practices to ensure that in the instance a customer's bill is required to be adjusted as a result of an actual meter reading, an adjustment is made to the customer's bill.</p> <p>The adjustment process is performed manually by the Customer Support Team as a result of customer contact centre follow-up, check reads and meter data validation process.</p> <p>Sample testing performed on customer bills and review of the customer transaction history in SAP confirmed that adjustments have occurred where a meter has been subsequently read and we have observed on the next bill.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.10
Compliance Manual Reference	160
Obligation Description	A retailer must use its best endeavours to replace an estimated bill with a bill based on an actual reading if the customer satisfies the requirements as specified.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Through discussions held with the Billing Team Leader and Senior Support Officer and review of billing policies and procedures, we determined that Synergy replaces a customer's bill with a bill based on actual meter reading where the customer satisfied the requirements specified.</p> <p>We examined billing and transaction history and found replacement bills had been provided to the customer in this regard.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.11(1)
Compliance Manual Reference	161
Obligation Description	A retailer must request the distributor or metering agent to test the meter if a customer requests the meter to be tested and pays any reasonable charge of the retailer for testing the meter.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions held with the Billing Team Leader and Senior Support Officer and review of the policies and procedures pertaining to meter data validation and check reads, we confirmed Synergy has a process in place to ensure that a request is made to the distributor if a customer requests a meter test.</p> <p>Observation of customer account transaction history demonstrated instances where a distributor or metering agent performed a test and the outcome of that test. Records were found to also be retained in SAP customer interaction interface.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.11(2)
Compliance Manual Reference	162
Obligation Description	If the meter is tested and found to be defective, the retailer's reasonable charge for testing the meter (if any) is to be refunded to the customer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries held with Billing Team Leader and Credit Management Team Leader, revealed that Synergy did not initially charge the customer for a meter test.</p> <p>The Billing Team Leader provided that, a customer would only be charged if the meter tests concluded that the meter was not defective and in some circumstances the test fee may be waived.</p> <p>Review of policies and procedures pertaining to meter test process and sample based testing confirmed that customers had not been charged for a meter test, where the meter had been determined to be defective.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.13
Compliance Manual Reference	164
Obligation Description	A retailer must give the customer written notice prior to changing the customer to an alternative tariff if the customer's electricity use has changed and the customer is no longer eligible to continue to receive an existing, more beneficial tariff.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through enquiries held with the Customer Transaction Officer, Billing Team Leader and review of billing policies and procedures, we ascertained that Synergy has a process in place to provide a customer with a written notice prior to changing the customer to an alternative tariff.</p> <p>Synergy customers are supplied electricity under a standard form contract. If a customer requests a tariff change or a non- standard form contract, Synergy has further processes in place to facilitate the request.</p> <p>Sampling check reads, meter tests and written notifications provided to customers confirmed that where a tariff change is to be effected, the current tariff and the new tariff had been clearly identified.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.14(1)
Compliance Manual Reference	165
Obligation Description	A retailer may recover any amounts undercharged to a customer as a result of a change in the customer's electricity use for the period of up to 12 months prior to the date on which the retailer provided notice in the specified manner.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Customer Transaction Officer and review of Synergy's policies and procedures relating to the billing process confirmed that the period in which Synergy seeks to recover any undercharged amount is limited to the timeframe specified within the Code of Conduct.</p> <p>Samplings of bills issued to customers confirmed that the recovery of undercharged amounts has not exceeded a 12 month period in accordance with policies, procedures and Code of Conduct requirements.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.14(2)
Compliance Manual Reference	166
Obligation Description	A retailer must repay any amounts overcharged to a customer as a result of a change in the customer's electricity use.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Credit Management Manager and the Customer Services Officer, review of billing policies and procedures referencing credit management (overcharging), revealed that detection of overcharging a customer is a reactionary process.</p> <p>Sampling based testing of customers accounts where overcharging has occurred, Synergy has repaid the customer the amount identified in accordance with its policies and procedures. Further, where instructions have been provided by the customer relating to the preferred repayment method, Synergy has complied with their request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.15(2)
Compliance Manual Reference	168
Obligation Description	A retailer must repay the customer any amount in credit at the time of account closure.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through enquiries held with the Credit Management Manager and Credit Management Team Leader, review of the policies and procedures pertaining to credit management, we were able to confirmed that Synergy has processes in place to identify the final balance of a customers account at the time of closure.</p> <p>Where the final read confirms a credit balance exists and the amount is under a nominated value, Synergy credits the amount to the customer's new account. If the amount is above the nominated value, Synergy offers the client the repayment options. If the customer has not responded to the notification provided by Synergy with regards to request for instruction for the management of the client's credit, an automated repayment process is initiated.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.16
Compliance Manual Reference	169
Obligation Description	A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Credit Management Manager, Credit Management Team Leader and Complaints Team Leader, review of credit management policies and procedures revealed that, where a customer has queried a bill, Synergy does not require the customer to pay any amount due until the query or complaint has been investigated.</p> <p>Enquiries made with Credit Management Team confirmed that Synergy does not require the customer to pay any amount of the queried bill. A notation identifying the amount outstanding is recorded on the alert field within the customer's account details in SAP. This provides for an automatic control to prevent the requirement of the customer paying the account under dispute.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.17(1)
Compliance Manual Reference	170
Obligation Description	A retailer must follow the procedures specified if a review of a bill has been conducted and the retailer is satisfied that the bill is correct or incorrect.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Manager Credit Management and Team Leader Customer Resolutions revealed that Synergy will review a customer's bill on requests as part of their business as usual protocols.</p> <p>Once Synergy is satisfied that the bill is correct, the customer is informed of the outcome of the review and requests that the customer pays the amount due. Synergy makes the review findings available to the customer.</p> <p>Further, the customer is advised that a meter test can be arranged and that where the meter test does not identify an issue with the meter, the customer may be charged for the meter test.</p> <p>As part of the informative process undertaken by Synergy, customers are provided information with regard to Synergy's complaints handling process. The customer is provided with Customer Resolution Team and the Ombudsman contact details.</p> <p>Sampling of bills under dispute and the chronology of events confirmed that Synergy had undertaken review of bills and provided a determination relating to the correctness of the bill.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.18(2)
Compliance Manual Reference	172
Obligation Description	A retailer must recover an amount undercharged as a result of an act or omission by a retailer or distributor in the manner specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Team Leader Credit Management, Manager Credit Management, Customer Services Officer and review of the policies and procedures for the recovery of an undercharged amount, Synergy has limited the time period under which an amount can be recovered to a 12 month period.</p> <p>Team Leader Credit Management indicated that a customer is provided a written notification of the recoverable amount in the form of another bill or a written letter and an explanation for the recoverable amount.</p> <p>Sampling based testing of instances where a customer has been identified as undercharged, we did not observe any instances of recovery periods exceeding the 12 month restriction. Review of letters and bills for those sample confirmed that interest was not charged and payment options were provided to enable the recovery of the undercharged amount.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.19(2)
Compliance Manual Reference	173
Obligation Description	A retailer must use its best endeavours to inform the customer (including a customer who has vacated the supply address) and repay or credit any amount overcharged as a result of an act or omission by a retailer or distributor, in the manner and period specified.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Our enquiries about the repayment or crediting of a customer any amount overcharged process revealed that in the instance Synergy has identified and confirmed a customer is due a repayment or credit as a result of overcharging, Synergy utilises its best endeavours to contact the customer and seek instructions to enable repayment.</p> <p>We noted that Synergy reported to the ERA as part of its 2009/10 compliance report where a number of its customers had been overcharged as a result of a rounding issue. Support was sought from the Minister of Energy for the total amount overcharged to be donated to an energy efficiency initiative. A system change had been tested and implemented and full compliance established in March 2010.</p> <p>The Manager Credit Manager stated that for those amounts reasonably low, the customer is provided a credit on their account. If a repayment amount is greater than a predetermined amount (\$45.00) the customer is contacted to seek instructions as to how they wish the repayment to be provided.</p> <p>Our review of correspondence between customers who have been overcharged external to the breach reported to the Authority, we confirmed that Synergy identified the amount to be repaid, how the amount was determined and request for instructions from the customer with regards to how they wished the repayment to be made. Observation of dates on the letters communicated to customers, SAP interaction transcripts and the awareness of an</p>

	<p>overcharge being detected by Synergy confirmed that Synergy utilised its best endeavours to contact customers within 10 business days as a result of a review of a bill.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.19(3)
Compliance Manual Reference	174
Obligation Description	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Review of correspondence between Synergy and its customers relating to the repayment of overcharged amounts to a customer, and review of customer's accounts confirmed repayments of overcharged amounts had been performed within the timeframes specified under the Code of Conduct.</p> <p>Enquiries made with the Manager Credit Management revealed that Synergy's practice relating to refunding a customer an overcharged amount included notifying the customer of the amount to be repaid. Synergy then seeks further instructions as to how the customer would prefer the repayment to be made. In the event a customer does not respond, Synergy will credit the customer's account the amount overcharged.</p> <p>Our review of the repayment of overcharging policies and procedures noted the alignment of timeframes specified under the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 4.19(4)
Compliance Manual Reference	175
Obligation Description	A retailer must use reasonable endeavours to credit the amount overcharged within 20 business days of the customer making the request, in circumstances where instructions as to payment are not received.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Interviews held with the Manager Credit Management and Team Leader Credit management indicated that in the absence of a customer providing instructions as to how a repayment is to be made, Synergy has an automated process in place to ensure that a repayment occurs within 20 business days.</p> <p>Review of Synergy's policies and procedures pertaining to crediting a customer revealed that an alignment existed between the repayment process and the timeframe specified under the Code of Conduct.</p> <p>The Team Leader Credit Management stated customers who are entitled to a repayment of an amount as a result of overcharging enquiry and no response has been provided, Synergy will credit the customer's account. This option is exercised as it was determined the most effective and efficient way to enable the customer to be repaid any amounts owing as a result of an overcharge.</p> <p>Observations of customers billing data within SAP confirmed that Synergy used reasonable endeavours to provide credit within 20 business days where an instruction had not been received.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.1
Compliance Manual Reference	176
Obligation Description	The due date on the bill must be at least 12 business days from the date of the bill, with the date of dispatch deemed to be the date of the bill, unless the retailer specifies a later date.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Billing Team Leader, T & T, Products and Branding indicated that the due date on a bill is an automated process within SAP.</p> <p>The Team Leader Billing indicated that, if a date was required to be changed, T & T would require instructions from an authorised delegate. As it is a Code of Conduct requirement, such requests would be communicated through Legal, Regulatory and Audit Division. Operation staff did not have access to SAP or authorisation to contact Computer Share to effect such a change.</p> <p>Sample testing of bills sent to customers confirmed that the due date of the bill was at least 12 business days from the date on the bill.</p> <p>We noted that Synergy reported to the Authority as part of its 2009/10 compliance report of an instance of delay in sending customers bills by one day which affected the due date for payment by one day and that, measures were established to mitigate the risk of future reoccurrence including the installation of new system software in May 2010.</p> <p>Further discussions with Synergy management revealed that its late payment process and reminder notification is not enacted until 4 business days after the due date of a bill. Based on its 4 business day buffer period prior to commencing collection proceedings, Synergy stated that there were no adverse customer impacts of issuing a bill with one day less to pay. Synergy advised its Contact Centre staff to be aware of the matter in the event that a customer</p>

	<p>called the Contact Centre and notified them of their dissatisfaction relating to having one day less to pay their bill. As a result Synergy has not been made aware of any adverse customer response to this matter.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.2(1)
Compliance Manual Reference	177
Obligation Description	A retailer must offer the specified minimum payment methods.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Team Leader Billing, Team Leader Credit Management and T & T revealed that the information required to be provided on a bill is automatically printed on the bill through the outsourced service provider, Computer Share.</p> <p>T & T are responsible for designing the field requirements the information required to be capture on the bill once an approved instruction has been communicated to them.</p> <p>Sample testing of customer bills confirmed that Synergy offers to its customers the payment methods specified within the Code of Conduct.</p> <p>We noted that Synergy reported to the Authority as part of its 2009/10 compliance report an instance in which a number of its customers had been not been advised of the Centrepay payment option. This was a result of customers who were entitled to a concession card choosing not to register for rebates with Centrelink. As a result, Synergy was unaware of those customers who had not registered with Centrelink. Synergy amended it's the minimum payment methods on its bills and achieved full compliance in November 2009.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.4
Compliance Manual Reference	180
Obligation Description	A retailer must accept payment in advance from a customer on request, in the circumstances specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Credit Management Division is the responsible division for the acceptance of payment in advance from customers. Review of credit management documents confirmed that Synergy has implemented a process for the management of customer requests in regard to advance payment. Synergy's minimum payment requirement coincides with the Code of Conduct's minimum amount.</p> <p>Our enquiries made with the Team Leader Credit Management confirmed that Synergy provides assistance to those customers who request advance payment arrangements.</p> <p>We performed a walk through of the advance payment process and observed the requirement and capturing of advance payment arrangement details recorded against the business partner details and within the interaction field.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.5
Compliance Manual Reference	181
Obligation Description	A retailer must, at no charge, offer a residential customer a redirection of the customer's bill to a third person, if requested by a customer who is unable to pay by a minimum payment method, due to illness or absence.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy offers to its customers the ability to redirect a bill to a third person at no charge. The Customer Contact Centre is the responsible division for addressing a customer's request for bill redirection.</p> <p>Interviews held with the Manager Customer Contact Centre revealed that prior to the redirection of a customer's bill, the Customer Service Representatives confirm the identity of the account holder, record the request within the client interaction field and capture the new postal address. The customer's bill is then sent automatically through Synergy's external service provider.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.6(1)
Compliance Manual Reference	182
Obligation Description	A retailer must not charge a residential customer a late payment fee in the circumstances specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy has implemented automated controls to ensure that a residential customer is not charged a late payment fee for those customers who receive a concession and have not received two or more reminder notices within the previous 12 months.</p> <p>Our review of policies and procedures relating to late charges and discussions with, Credit Management as the responsible division, we confirmed that Synergy has processes and practices in place to monitor late charges applied to customer bills.</p> <p>Credit Management Division has implemented a manual compensating control, whereby a report provided by Billing and Customer Resolutions is reviewed. Where a late fee has been charged, the amount is reversed by Credit Management staff prior to sending the bill to the customer.</p> <p>Sampling of bills which were part of a payment extension agreement, instalment plan or dispute revealed no exceptions.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.6(2)
Compliance Manual Reference	183
Obligation Description	A retailer must not charge an additional late payment fee in relation to the same bill within five business days from the date of receipt of the previous late payment fee notice.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Team Leader Credit Management revealed that the Code of Conduct's requirement of not charging an additional late payment fee in relation to the same bill within 5 business days is automated in SAP, as part of the business as usual process.</p> <p>Our review of policies and procedures relating to late fees confirmed that Synergy's guidelines do not permit the charging of an additional late payment fee within the specified timeframe.</p> <p>Sample based testing did not detect charging of an additional late payment fee in the circumstances specified.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.6(3)
Compliance Manual Reference	184
Obligation Description	A retailer must not charge a residential customer more than two late payment fees in relation to the same bill.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy has implemented an automated process, policies and procedures relating to late payment fee charges. The Credit Management division is responsible for all facets of late payment fees.</p> <p>We found that the late payment fee policies and procedures aligned with the Code of Conduct requirements.</p> <p>We noted that Synergy has a compensatory control, whereby, Credit Management division perform a review of late payment notifications and associated charges to ensure that a customer is not charged twice in relation to the same bill.</p> <p>Sampling based testing of late payment notifications and bills communicated to customers did not reveal any exceptions.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.7(1) Code of Conduct clause 5.7(2)
Compliance Manual Reference	185 & 186
Obligation Description	
185	A retailer must not require a customer who has vacated a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.
186	A retailer must not require a customer who was evicted or otherwise required to vacate a supply address to pay for electricity consumed at the customer's supply address in the circumstances specified.
Reporting Type	2 2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Credit Management division revealed Synergy does not require the customer to pay for electricity consumed at a supply address where the customer has provided notice or in the event the customer has not provided notice, confirmation of the vacation date through enquiry.</p> <p>The Team Leader Credit Management stated that customer's notification pertaining to vacating a premise is recorded in SAP's interaction field against the customer's account. This record serves as the notification date and used as the reference date. If a notification has not been provided, Synergy has a process for identifying the vacation date by contacting the respective Real Estate Agent in an effort to confirm the date.</p> <p>We observed Synergy's policies and procedures to be aligned with the Code of Conduct requirements.</p>

	Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.7(4)
Compliance Manual Reference	187
Obligation Description	A retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with Team Leader Credit Management and Customer Services Officer revealed that a customer is not required to pay for electricity consumed at the supply address in the circumstances specified in the Code of Conduct.</p> <p>Our review of policies and procedures found that Synergy has processes in place to enable the identification of consumption at a supply address and confirmation of periods for which the customer would be deemed as responsible for the consumption of electricity.</p> <p>The disconnection procedures require final reads and final bills to be issued to a customer and a disconnection work order communicated to the network provider. Once a disconnection has been effected, the date and time is recorded against the customer's account. Synergy utilises these records as evidence of disconnection and does not require the customer to pay for electricity consumed past this period.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.8(1)
Compliance Manual Reference	188
Obligation Description	A retailer must comply with the Conduct Principles set out in the guideline on debt collection issued by the Australian Competition and Consumer Commission.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with the Credit Management Division who is responsible for the debt management revealed that Synergy does not engage or condone any activity that involves the harassment or coercion of a customer in relation of a Synergy debt.</p> <p>Review of the debt management process noted that Synergy's debt recovery actions require the customer to be provided written notification of those amounts above a nominated threshold. In the event the customer has not responded, the customer is escalated to the Credit Management Team who has been provided the necessary training to manage the interaction with the customer throughout this process.</p> <p>If Synergy's recovery attempts have not been successful, the matter is referred to an approved outsource debt recovery professionals such as Dunn and Bradstreet.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.8(2)
Compliance Manual Reference	189
Obligation Description	A retailer must not commence proceedings for recovery of a debt in the circumstances specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy has policies, procedures and practices in place to ensure that it does not commence recovery of a debt from those customers who are experiencing payment difficulties or financial hardship and continue to make payments under an alternative payment arrangement.</p> <p>The Credit Management division who is responsible for debt recovery actions performs a review of customer interactions field of those customers identified as experiencing financial hardship or payment difficulties and credit management files.</p> <p>Synergy regularly monitors and updates information for such customers to ensure recovery actions do not occur under these conditions.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 5.8(3)
Compliance Manual Reference	190
Obligation Description	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of electricity to that supply address.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interview held with the Team Leader Credit Management and Manager Credit Management confirmed that recovery actions are undertaken only against those customers who entered into a contract for supply of electricity. Manager Credit Management provided that under contractual obligation Synergy can only seek recovery of a debt from the actual account holder.</p> <p>Review of credit management policies and procedures confirmed debt recovery action are only applicable to the account holder which is the customer who entered into the contract for supply of electricity.</p> <p>Sampling of debt recovery actions did not identify any exceptions in this regard.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.1(1)
Compliance Manual Reference	191
Obligation Description	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within three business days from when the residential customer informs a retailer that they are experiencing payment problems.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy has implemented a process whereby a customer who advises Credit Management they are experiencing payment difficulties or financial hardship participate in an assessment program immediately.</p> <p>Through interviews held with Team Leader Credit Management and Manager Credit Management we revealed that in the instance a customer advises Synergy of financial hardship, the customer is provided an opportunity to discuss the matter in confidence with a Credit Management Officer and their account is placed on hold for an automatic period.</p> <p>Examination of policies and procedures confirmed that Synergy has processes and procedures in place to ensure that any customer experiencing financial hardship or payment difficulties will be assessed, the timeframe under which the assessment is required to be carried out is aligned with the Code of Conduct requirements.</p> <p>Observation of a sample of customer accounts and interaction fields who have contacted Synergy demonstrated assessments have been made within the timeframe specified.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.1(2)
Compliance Manual Reference	192
Obligation Description	A retailer must give reasonable consideration to the information and advice specified when undertaking an assessment regarding payment difficulties or financial hardship.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Through interviews held with the Manager Credit Management, Team Leader Credit Management, and review of policies and procedures pertaining to financial hardship, we determined that Synergy has processes and practices in place to ensure that its Credit Management and Case Management Officers reasonably consider information provided by the residential customer and information held.</p> <p>Observation of case management files revealed that Synergy retains information in both written and electronic form. A chronology of interaction is maintained to enable authorised staff to review and consider information given by the residential customer or by a relevant consumer representative.</p> <p>Enquiries made to the Case Management Officers confirmed that all information provided is used to assess a financial situation of a residential customer who has indicated they are experiencing payment difficulties or financial hardship.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.1(3)
Compliance Manual Reference	193
Obligation Description	A retailer must advise a residential customer on request of the details of an assessment.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with Manager Credit Management, Team Leader Credit Management and review of policies and procedures relating to financial hardship confirmed that Synergy has process in place to ensure that residential customers are advised of the assessment carried out.</p> <p>Review of case files and observation of SAP client interaction notes revealed that customers are advised of the outcome of an assessment. Our observations also found communications between the customer, a consumer representative organisation and Synergy with regards to assessment outcomes and where applicable alternative action plans.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.2(1)
Compliance Manual Reference	194
Obligation Description	A retailer may not unreasonably deny a residential customer's request for a temporary suspension of actions in the circumstances specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with the Manager Credit Management, Team Leader Credit Management, Team Leader Case Management and review of policies and procedures relating to financial hardship, we determined that Synergy has a process and practice in place to provide for a request for temporary suspension of action in the circumstances specified.</p> <p>Sampling based testing of case management files found that Synergy has placed temporary suspension of actions where customers had been able to demonstrate that an appointment has been made by the customer with a relevant customer organisation.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.2(2)
Compliance Manual Reference	195
Obligation Description	A retailer must allow a temporary suspension of actions for a period of at least 10 days.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Upon request made by a customer and demonstration that the customer has made an appointment with a relevant consumer representative, Synergy temporarily suspends the customer's account for a minimum period of 10 days.</p> <p>Our enquiries made with Team Leader Credit Management and Manager Credit Management revealed that as part of Synergy's processes, the customer is provided with contact details of a relevant consumer representative organisation to assist with the assessment of a residential customer's capacity to pay. Further, Synergy has implemented a program called "HUGS" where customers can apply for financial assistance from the organisation itself.</p> <p>Sampling of customer accounts who have indicated financial hardship or experiencing payment difficulties confirmed that temporary suspensions have been put into place for the timeframes specified.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.2(3)
Compliance Manual Reference	196
Obligation Description	A retailer must give reasonable consideration to a request by a relevant consumer representative organisation to allow additional time to assess a residential customer's capacity to pay.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Through interviews held with Team Leader Credit Management, Manager Credit Management and review of policies and procedures, we determined that Synergy has processes in place to ensure that it provides reasonable consideration to the relevant consumer representative organisation's request.</p> <p>Manager Credit Management provided that Synergy will endeavour to provide opportunity for the assessment of a customer's capacity to pay and where practicable, provide such time necessary. This request for extra time has also been extended to relevant representative organisations who have indicated that they do not have the resources to address current demand.</p> <p>Review of email communications and sampling of customer accounts confirmed that Synergy has considered and provided extra time to enable financial hardship assessments to be carried out.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.3
Compliance Manual Reference	197
Obligation Description	A retailer must offer the alternative payment arrangements, and advise the residential customers that additional assistance may be available, in circumstances where a residential customer is assessed as experiencing payment difficulties or financial hardship.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of financial hardship policies and procedures confirmed that Synergy has processes and practices to ensure that where a customer has been identified as experiencing payment difficulties or financial hardship an alternative payment arrangement is offered.</p> <p>Discussions with the Manager Credit Management and Team Leader Credit Management revealed that the alternative payment arrangement is captured against the customer's account, information comprising of amounts to be paid, the time and frequency of payment is recorded.</p> <p>We determined through sampling of customers that have been assessed as experiencing payment difficulties or financial hardship, that they have been placed on an alternative arrangement plan that Synergy has provided an agreed alternative payment plan.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.4(1)
Compliance Manual Reference	198
Obligation Description	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the specified payment arrangements.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with the Credit Management Division which is responsible for alternative payment arrangements revealed that, Synergy has policies, procedures and processes in place to ensure that it offers residential customers who are experiencing payment difficulties or financial hardship additional time to pay a bill. Further, the customer is offered an instalment plan which is interest and fee free to enable the customer to pay their arrears.</p> <p>Sample testing performed did not reveal any instances where a customer's supply had been disconnected where an alternative instalment arrangements had been established, we did not observe any instances where customers who had identified as experiencing financial hardship or payment difficulties charged interest or fees.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.4(2)
Compliance Manual Reference	199
Obligation Description	A retailer must take into account and specify the stated information and take the specified actions when offering an instalment plan to a residential customer experiencing payment difficulties or financial hardship.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of policies and procedures for the management of alternative payment arrangements confirmed that Synergy has processes and practices in place to ensure when determining a customer's instalment plan, consideration is given to usage needs and capacity to pay.</p> <p>The Credit Management Officers discuss with customers, the period of the plan, number of instalments and the amount of each instalment required to pay the arrears and estimated consumption during the period of plan.</p> <p>Sampling of customer who had an instalment plan in place and review of the SAP customer interaction fields, we determined that Synergy has undertaken the actions prescribed within the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.6(1)
Compliance Manual Reference	200
Obligation Description	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative organisation, for a reduction of the customer's fees, charges, or debt.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Through interviews held with Team Leader Credit Management and Manager Credit Management we revealed that, Synergy has developed processes and practices which provides for reasonable consideration to a request for a reduction of the customer's fees, charges or debt to be undertaken.</p> <p>Our review of the financial hardship policies and procedures confirmed the alignment of the requirement for reasonable consideration to be provided to a customer or a relevant consumer representative organisation.</p> <p>Sampling of customer bills who have requested reduction of fees, charges and debt noted instances where Synergy demonstrated both consideration and reduced the customer's debt. Applications by customer for the HUGS program were also demonstrated.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.6(2)
Compliance Manual Reference	201
Obligation Description	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in clause 6.10(2)(c) and 6.10(2)(d).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with the Team Leader Credit Management and Manager Credit Management we revealed that all Credit Management Officers are familiarised with Synergy's hardship policy and are required to make reference when giving reasonable consideration to a customer.</p> <p>Team Leader Credit Management monitors Credit Management Officers through review of credit management files, customer interaction field and voice recordings to ensure that Synergy's policies and procedures are adhered. Further, that the information and actions undertaken by the Credit Management Officers are in accordance with Synergy's hardship guidelines.</p> <p>Our review of the financial hardship guidelines and customer files revealed that the Credit Management Officers had aligned their actions to both the guidelines and Synergy's policies and procedures relating to credit management.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.7
Compliance Manual Reference	202
Obligation Description	A retailer must give reasonable consideration to offering a customer an instalment plan or offering to revise an existing instalment plan, in circumstances where it is reasonably demonstrated to the retailer that the customer is unable to meet its previously elected payment arrangement.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Synergy has implemented policies and procedure for credit management. Synergy has provided its Credit Management Officers flexibility to provide for revision of alternative payment arrangement where a customer's circumstance may have changed.</p> <p>Through interviews held with the Team Leader Credit Management and Manager Credit Management, we found that Synergy assesses each customer in accordance with their individual circumstances. Credit Management Officers are authorised to re-assess a customers ability meet a previously elected payment arrangement and offer alternative or revised payment arrangements.</p> <p>Our sampling revealed that Synergy has provided reasonable consideration for those customers who have been on an instalment plan and requested a revision. We noted Synergy had offered instalment plans and revised instalment plans to those customers who demonstrated they were unable to meet the obligations under a previously elected payment arrangement.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.8
Compliance Manual Reference	203
Obligation Description	A retailer must advise the customer of the specified assistance information.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of the information available to customers through printed media, internet and contact centre knowledge base, we confirmed that Synergy is able to provide to its customers the specified assistance information prescribed in the Code of Conduct.</p> <p>Our enquiries made with the Manager Contact Centre, Manager Credit Management revealed that Customer Support and Credit Management Officers are provided training and access to assistance information. Further discussions held with Customer Support Officers confirmed their understanding of this licence obligation and the requirement to provide such information to a customer upon request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.9(1) and 6.9(2)
Compliance Manual Reference	204 & 205
Obligation Description	
204	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representative organisations.
205	A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.
Reporting Type	2 NR
Compliance Rating	NR
Audit Observations	<p>Interviews with the Manager Credit Management and Team Leader Credit Management indicated that Synergy does not seek payment in advance from customers who are experiencing payment difficulties or financial hardship.</p> <p>We found that Synergy's recognises where a customer who has indicated financial hardship or experiencing payment difficulties, those customers may not be in a position to make payments in advance.</p> <p>Sampling of case management files confirmed that Synergy did not require customers who have indicated financial hardship or payment difficulties to make payments in advance. Case files reviewed indicated communications had been made between the customer and consumer representative organisations.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.10(1)
Compliance Manual Reference	206
Obligation Description	A retailer must develop a hardship policy to assist customers in meeting their financial obligations and responsibilities to the retailer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Manager Credit Management, Team Leader Credit Management, review of policies and procedures relating to financial hardship, we confirmed that Synergy has developed a financial hardship policy.</p> <p>We obtained a copy of Synergy's financial hardship policy.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.10(2)
Compliance Manual Reference	207
Obligation Description	A retailer must ensure that the hardship policy complies with the specified criteria.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Our interviews with Manager Credit Management, Team Leader Credit Management, identified that Synergy consulted relevant consumer representative organisations such as Western Australian Council of Social Services (WACOSS) in the development phase of the hardship policy.</p> <p>Review of Synergy's processes and practices revealed that, all staff are provided with training surrounding financial hardship guidelines. Credit Management Officers are provided with further training with regards to interacting with customers who have indicated payment difficulties or financial hardship.</p> <p>The requirement to treat customers with sensitivity and respect has been captured within the hardship guidelines including other criteria prescribed within the Code of Conduct.</p> <p>We noted that the hardship guidelines had been communicated to all staff. An electronic version was available on Knowledge Base. .</p> <p>Our examination of the hardship policy confirmed the inclusion of a telephone number direct to the credit management staff. The hardship guidelines provides for consideration for reducing or waiving of any fees where appropriate. Credit Management Officers may consider suspending disconnection or recovery processes upon approval from the delegated authority. Further, internal review process requires that the hardship policy is reviewed on an annual basis. We have obtained documentation relating to submission of reviews by Synergy's executive in this regard.</p>

	Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.10(3)
Compliance Manual Reference	208
Obligation Description	A retailer must give a customer, financial counsellor or relevant consumer representative organisation, on request, details of the financial hardship policy, at no charge.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Manager Credit Management, Team Leader Credit Management, review of the processes relating to providing customers, financial counsellor or relevant consumer representative organisations, we confirmed that Synergy does not charge for a copy of the hardship policy at no charge.</p> <p>We were able to obtain a copy from the Synergy website and from the reception without charge.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.10(4)
Compliance Manual Reference	209
Obligation Description	A retailer must keep a record of the specified information related to the hardship policy.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with the Manager Credit Management, Team Leader Credit Management and review of hardship records, we were able to identify the:</p> <ul style="list-style-type: none"> • approval date, • review date; and • relevant consumer representative organisations consulted during the development and review of the hardship policy. <p>Based on our enquiries and review of the documentation, we have concluded that there are adequate and effective controls in place to support compliance with this Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 6.11
Compliance Manual Reference	210
Obligation Description	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Manager Credit Management, Team Leader Credit Management, review of policies and procedures relating to hardship provided that Synergy extends its residential customer hardship practices to businesses.</p> <p>Discussions with the Manager Credit Management identified that Synergy applies a uniform approach when considering reasonable requests for alternative payment arrangements for residential customers and businesses that may be experiencing payment difficulties and request for alternative payment arrangements. Our observation of case management files confirmed the application of this process.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.3
Compliance Manual Reference	213
Obligation Description	In relation to dual fuel contracts, a retailer must not arrange for disconnection of the customer's supply address for failure to pay a bill within 15 business days from arranging for disconnection of the customer's gas supply.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Manager Credit Management, Team Leader Credit Management, review of policies and procedures relating to disconnection of customers on dual fuel contracts, we determined that Synergy has process in place to ensure that disconnections of supply of electricity does not occur within 15 business days from arranging disconnection of customer's gas supply.</p> <p>Sample testing of de-energisations undertaken during the period of review did not detect any exceptions with regards to disconnection of customers who have entered into dual fuel contracts.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.4
Compliance Manual Reference	214
Obligation Description	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified are satisfied.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with Manager Credit Management, Team Leader Credit Management, Senior Credit Management Officer, revealed that Synergy has not disconnected a customer for denying access to a customer's supply address.</p> <p>Review of policies and procedures confirmed that Synergy has processes in place to ensure that it monitors reasons for disconnections.</p> <p>Sampling testing of disconnections conducted did not identify any exceptions in this regard.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.6
Compliance Manual Reference	216
Obligation Description	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.
Reporting Type	1
Compliance Rating	5
Audit Observations	<p>Interviews held with the Team Leader Credit Management, Business Partner Liaison Manager, and review of policies and procedures pertaining to disconnections and SLA between Synergy and the network operator, we determined that Synergy had processes in place to align the disconnection practices with the requirement under the Code of Conduct.</p> <p>Synergy has established a "business as usual" practice whereby disconnections are not conducted on a Friday, Saturday, Sunday or a public holiday. Sample testing of disconnections times did not reveal any exceptions with regard to this obligation.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 7.7(1)
Compliance Manual Reference	217
Obligation Description	A retailer must undertake the actions specified in circumstances where the customer provides the retailer with confirmation that a person residing at the customer's supply address requires life support equipment.
Reporting Type	1
Compliance Rating	5
Audit Observations	<p>Interviews with the Team Leader Credit Management, Manager Life Support, review of policies and procedures relating to life support, we determined that Synergy has processes and practices in place to ensure where a confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support, Synergy:</p> <ul style="list-style-type: none"> a) Has a register which records the customer's supply address as a life support equipment address; b) Gives the customer's distributor relevant information about the customer's supply address for the purposes of updating the distributor's records and registers; and c) Not arrange for disconnection for failure to pay a bill while the person continues to reside at the address and require the use of life support equipment. <p>We observed and obtained a copy of the register which recorded the customer's supply address as an address where the customer or a resident of the supply address requires life support equipment. Synergy's policies require that the register is communicated to the distributor on a monthly basis, which was confirmed through observation.</p> <p>Review of the disconnection policies and procedures provide for actions to be undertaken to ensure that it does not disconnect for failure to pay a bill where a customer has been identified as residing at a supply address and has been confirmed as requiring</p>

	<p>life support by a suitably qualified medical practitioner.</p> <p>Further, Synergy has segregated the process for the approval for removal of a life support flag, including access to life support flag at a supply address.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 8.1(1)
Compliance Manual Reference	219
Obligation Description	A retailer must arrange for reconnection of the customer's supply address if the customer has remedied its breach, makes a request for reconnection, pays the retailer's reasonable charges (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Credit Management Officer, Team Leader Credit Management, review of policies and procedures relating to the reconnection process, SLA between the network operator and Synergy, we determined that Synergy has a process in place for arranging for reconnection of a supply address within the circumstances specified.</p> <p>Review of customer interaction history for disconnected supply addresses revealed that in the event a customer had paid the reasonable charge for disconnection or has accepted an offer of an instalment plan for reconnection, Synergy had arranged for reconnection.</p> <p>Sample testing of reconnection confirmed Synergy had arranged for reconnection of a customer's supply address.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 8.1(2)
Compliance Manual Reference	220
Obligation Description	A retailer must forward the request for reconnection to the relevant distributor within the timeframe specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Team Leader Credit Management, Credit Management Officer, review of policies and procedures, we determined that Synergy has processes and practices in place to ensure that reconnection requests are forwarded to the relevant distributor within the timeframe specified.</p> <p>We note that Synergy reported as part of its 2009/10 compliance report to the Authority that Synergy identified a number of service orders raised prior to 3pm did not reach the network operator until the end of day. The issue was caused by the network operator's hardware. Synergy undertakes actions to advise customers of the possible delays in reconnection of supply as a result. Synergy obtained full compliance on 31 August 2010.</p> <p>Further our review of the incidents reported to the Authority revealed that the reconnection requests had been communicated to the network operator within the timeframe specified.</p> <p>The Credit Management Officer responsible for monitoring reconnections indicated that there have been issues with regards to the portal used for communicating reconnection requests. Synergy has been forwarding reconnection requests, however, the distributor has not been receiving the requests in a timely manner. The distributor has identified the cause and has indicated the matter has been addressed.</p> <p>Synergy has implemented a process to monitor reconnection requests, and in the instance a request has been identified as rejected, the Credit Management Officer contacts the distributor.</p>

	Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.3(2)
Compliance Manual Reference	225
Obligation Description	A retailer must establish an account for each pre-payment meter operating at a residential customer's supply address.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Community Normalisation Project Team and sampling of account profile set up for each pre-payment meter within SAP, we confirmed that an account for each prepayment meter operating at a residential customer's supply address had been established.</p> <p>Observation of the pre-payment meter account set-up, we noted that Synergy applied a unique identifier to enable a Customer Service Representative to distinguish a pre-payment meter account and a non pre-payment meter account.</p> <p>Discussions with the Community Normalisation Project Team and the Customer Service Officer indicated that pre-payment meters were operated in a remote community.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.4
Compliance Manual Reference	226
Obligation Description	A retailer must provide the prescribed information to a pre-payment meter customer in the manner stated at no charge.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Community Normalisation Project Team and our review of documentation available to pre-payment meter customers confirmed that the prescribed information was presented in a manner that is clear, simple and concise and the information was available at no charge.</p> <p>Our review of the information provided to the pre-payment meter customers confirmed that Synergy has provided the information specified under the Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.5(1)
Compliance Manual Reference	227
Obligation Description	A retailer must not operate a pre-payment meter at the supply address of a residential customer if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment.
Reporting Type	1
Compliance Rating	5
Audit Observations	<p>Discussions with the Community Normalisation Project Team indicated that, prior to the installation of pre-payment meters, GIHO was informed of the Code of Conduct's restriction relating to the operation of a pre-payment meter at supply address where a resident required life support equipment.</p> <p>Pre-payment meter applications were reviewed by the Project Team and GIHO to confirm that a person residing at a supply address did not require life support equipment. The Project Team compared the pre-payment meter applications to the life support register maintained by Synergy to ensure that a pre-payment meter was not installed at a supply address where resident required life support equipment was to reside.</p> <p>We reviewed policies and procedures pertaining to the restriction for the operation of a pre-payment meter at the supply address of a residential customer, or a person residing at the residential customer's supply address whom requires life support equipment. Through review, we determined that there were appropriate compensatory and preventative controls in place to ensure that a pre-payment meter is not operated at a supply address where life support equipment has been identified.</p> <p>Vouching of the pre-payment meter customers to the Life Support Register was performed and no exceptions were noted.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to</p>

	support compliance with the Licence condition.
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.5(2)
Compliance Manual Reference	228
Obligation Description	If a prepayment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must undertake the actions specified.
Reporting Type	1
Compliance Rating	5
Audit Observations	<p>Interviews held with the Manager Life Support and testing confirmed that, upon notification of life support dependency by a pre-payment meter customer, Synergy would notify the network operator of the requirement to change the pre-payment meter. Further, the pre-payment meter customer will be offered the standard form contract for the supply of electricity and Synergy's life support process will be initiated.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.6
Compliance Manual Reference	229
Obligation Description	A retailer must ensure that recharge facilities are located and capable of being accessed in the manner specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Examination of the agreement between Synergy and the recharge facility service provider confirmed that prepayment meter customers have the ability to access a recharge facility that is located within close vicinity to the pre-payment meter customer's supply address.</p> <p>Examination of the operating times of the recharge facility allowed for pre-payment meter customers to access re-charge facilities above the minimum requirements specified within the Code of Conduct.</p> <p>The recharge cards made available to prepayment meter customers are limited to \$10 and \$20 amounts. The recharge cards are fixed in value and do not provide for a prepayment meter customer to purchase cards that exceed \$10 per increment.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.7
Compliance Manual Reference	230
Obligation Description	A retailer must ensure that the pre-payment meter customer receives a benefit of a concession if the pre- payment meter customer demonstrates to the retailer that the customer is entitled to receive a concession.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Examination of policies, procedures and related documents confirmed that Synergy has in a place a process for a pre-payment meter customer to receive a benefit of a concession where a pre-payment customer could demonstrate their entitlement to receive such.</p> <p>A review performed on a sample of pre-payment meter customers confirmed Synergy had applied the process identified and pre-payment meter customer entitlements to concession had been captured within the customer's account profile.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.8
Compliance Manual Reference	231
Obligation Description	A retailer must ensure that a pre-payment meter provides an emergency credit amount to the value of at least ten dollars.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Community Normalisation Project Team confirmed that pre-payment meters have an emergency credit amount of \$10. Pre-payment meter customers can access the emergency amount by depressing the grey button.</p> <p>The Community Normalisation Project Team provided that the pre-payment meter emergency credit amount is recharged when a positive balance charge card is inserted into the pre-payment meter.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.9(1)
Compliance Manual Reference	232
Obligation Description	A retailer must ensure that a pre-payment meter customer (including a pre-payment meter customer who has vacated the supply address) can retrieve all remaining credit at the time the customer vacates the supply address, in circumstances where notification of the proposed vacation date has been provided.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of “<i>Pre-Payment Meters – Business As Usual Process</i>”, confirmed Synergy has a process in place that would enable a pre-payment meter customer the ability to retrieve all remaining credit at the time the customer vacated the supply address. Examination of procedural documentation revealed that Synergy obtains a final meter read upon notification by the customer of their intention to vacate the supply address. Based on the final read, Synergy resets the pre-payment meter and begins the credit process.</p> <p>Enquiries revealed that the Customer Resolution Centre is the responsible division for ensuring that pre-payment meter customers are forwarded their credit entitlement in accordance with customer’s instructions. The pre-payment meter customer may request a bank credit or a cheque to be raised.</p> <p>The Community Normalisation Project Team provided that pre-payment meters have been a recent addition and Synergy has not encountered any instances where pre-payment meter customers having been overcharged or requiring a refund.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.9(2)
Compliance Manual Reference	233
Obligation Description	If a pre-payment meter customer has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform the pre- payment meter customer accordingly within 10 business days of the retailer becoming aware of the error and seek reimbursement instructions from the customer.
Reporting Type	NR
Compliance Rating	NR
Audit Observations	<p>Interviews held with the Community Normalisation Project Team and review of procedure confirmed that in the event a customer is overcharged as a result of an act or omission by Synergy, the Credit Management Division is required to use its best endeavours to inform the pre-payment meter customer within 10 business days of becoming aware of the error.</p> <p>The Community Normalisation Project Team and the Credit Management Division advised that Synergy has not encountered an instance where a customer has been overcharged during the audit review period.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.9(3)2
Compliance Manual Reference	234
Obligation Description	The retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Review of Synergy's procedure and process for reimbursing a customer who has been overcharged, identified that the requirement for the overcharged amount to be reimbursed to the pre-payment meter customer within 12 business days was clearly defined.</p> <p>Interviews held with the Community Normalisation Project Team indicated that there has not been a requirement during the audit review period where a customer had required reimbursement due to overcharging.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.9(4)
Compliance Manual Reference	235
Obligation Description	If a retailer does not receive reimbursement instructions within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.
Reporting Type	NR
Compliance Rating	NR
Audit Observations	<p>Examination of the policies and procedures pertaining to pre-payment meters confirmed the existence of a reimbursement process of an amount overcharged to a pre-payment meter customer in the absence of their reimbursement instructions.</p> <p>Review of Synergy's policies revealed that in the circumstances reimbursement instructions from a customer has not been obtained within 20 business days, Synergy is to use reasonable endeavours to credit the overcharged amount to the customer's account. The Team Leader Credit Management indicated that the reimbursement process endeavours to get the overcharged amount back to the customer. If a credit value is low, Synergy may provide the customer a charge card to the amount overcharged or provide a cheque. Synergy has not encountered any instances whereby a pre-payment meter customer was required to be reimbursed as a result of an overcharge during the review period.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.9(6)
Compliance Manual Reference	236
Obligation Description	If a retailer proposes to recover an amount undercharged as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Our enquiry revealed that the Credit Management Division is responsible for the recovery of loss as a result of an act or omission by Synergy and that the period is restricted to 12 months. Further, the documented procedure described how an amount is to be recovered, and that no interest or late payment fees are to be applied. Further, an instalment plan for payment of an undercharged amount can be offered to a customer.</p> <p>Review of the undercharge recovery procedure within the <i>Pre-Payment Meter – Business As Usual Process based upon Ninga Mia</i> confirmed Synergy has identified the conditions specified within the Code of Conduct and has aligned its recovery processes with these requirements.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 9.10
Compliance Manual Reference	237
Obligation Description	A retailer must ensure that supply is recommenced through a pre-payment meter after self-disconnection as soon as information is communicated to the pre-payment meter that a payment causing a positive financial balance of the account has been made.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Community Normalisation Project Team indicated that once a positive financial balance is detected by the pre-payment meter as a result of inserting a positive balance charge card, supply of electricity is automatically recommenced.</p> <p>The Community Normalisation Project Team confirmed that a minimum value of \$10 is required to recommence supply of electricity through a pre-payment meter. In the circumstances where the emergency credit has been consumed and a \$10 charge card is inserted, the pre-payment customer may need to push the grey emergency credit button located at the pre-payment meter to re-commence supply of electricity.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.1(1)
Compliance Manual Reference	238
Obligation Description	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, in the timeframes specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Brand and Strategic Communications Manager (Compliance Coordinator) revealed that Synergy give notice of any variations in its tariffs to each of its customers affected by a variation through bill inserts and bill messages for a full bill cycle. If problems exist in issuing bills to customers, a public notice will be published in the newspaper as from the date the change in tariff rate was announced. Affected brochure packs will also be updated with the varied tariff rates. Further, we determined Synergy have made changes to tariffs in April 2009, July 2009, April 2010 and July 2010.</p> <p>Enquiries with the Brand and Strategic Communications Manager revealed that the bills and letters are sent to customers via Synergy mail houses, Salmat and Computershare. Customers are sent a notice as soon as practicable after the variation is published and in any event, no later than the next bill in a customer's billing cycle.</p> <p>Through testing we identified that customers who were directly affected by variation were given notice of variations in the specified timeframes.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.1(2)
Compliance Manual Reference	239
Obligation Description	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including alternative tariffs.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Contact Centre Compliance Coordinator revealed that Synergy give a customer on request, at no charge, reasonable information on the retailer's tariffs, including alternative tariffs. This condition can be observed in written consent on Synergy's web page. Synergy staff are conversant with the current tariff related information through knowledge based procedures they use within SAP system.</p> <p>Through testing we confirmed Synergy give at no charge, reasonable information on tariffs, including alternative tariffs upon request.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.1(3)
Compliance Manual Reference	240
Obligation Description	A retailer must give a customer the information requested on tariffs in the manner and within the timeframes specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with Team Leader Billing, Contact Centre Compliance Coordinator, review of policies and procedures relating to the provision of tariff information, we determined that Synergy has processes to ensure that customers are provided tariff related information within the timeframe specified.</p> <p>Examination of Contact Centre processes revealed where customer requests tariff related information, the Customer Service Representative can provide the information during the contact. Alternatively, the Customer Service Representative may select a mail out of requested information. This is processed by Computer Share an external mail house service provider. Computer Share dispatches mail 3 times per week to Synergy customers, the frequency by which the mail-out is conducted ensures that a customer is provided tariff related information within 8 business days.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.2(1)
Compliance Manual Reference	241
Obligation Description	A retailer must, on request, give a non-contestable customer its billing data.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with the Team Leader Billing, Contact Centre Compliance Coordinator, Transaction Co-ordinator Customer Support, review of policies and procedures pertaining to the provision of billing data, we confirmed that Synergy has processes in place to ensure that a customer is provided billing data upon request.</p> <p>Observation of information maintained within SAP customer accounts, we confirmed that Customer Service Representatives have the ability to provide billing data. Examination of customer account information revealed that billing data can be extracted from the customer account.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.2(2)
Compliance Manual Reference	242
Obligation Description	A retailer must give the requested billing data at no charge in the circumstances specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Our interviews held with the Team Leader Billing, Manager Customer Contact Centre, Team Leader Credit Management, Team Leader Customer Resolutions, review of billing policies and procedures, we determined that Synergy has processes and practices to enable the provision of billing data for a period less than the previous two years.</p> <p>Sample based testing of historical billing data confirmed that the data was available in both Valhalla and SAP. We determined that a customer can request their billing data regardless of whether it is related to a dispute or a general enquiry. The Manager Customer Contact Centre indicated that once the customer has been identified as the authorised access to account information, the Customer Service Representative can select a field for bill to be printed and sent.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.2(3)
Compliance Manual Reference	243
Obligation Description	A retailer must give the requested billing data within 10 business days of the receipt of the request or payment of the retailer's reasonable charge for providing the billing data.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with the Team Leader Billing, Manager Customer Contact Centre and review of billing policies and procedures we determined that Synergy has processes in place to enable the provision of billing data within 10 business days of the receipt of the request.</p> <p>Team Leader Billing indicated that Synergy does not charge a customer for the provision of billing data. Sample based testing of bills confirmed customers had not been charged for provision of billing data.</p> <p>Enquiries made with the Team Leader Billing and Manager Customer Contact Centre revealed that the process for provision of billing data required the Customer Service Representative to select reprint of a bill. This request is sent to Computer Share for printing and mail out. Mail out is performed 3 times per week.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.2(4)
Compliance Manual Reference	244
Obligation Description	A retailer must keep a non-contestable customer's billing data for seven years.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>As a result of our interviews with the Team Leader Billing, Manager Service Delivery, review of record keeping policies and procedures we determined that Synergy has processes and practices in place to ensure records are maintained for a minimum period of 7 years. Further examination of Synergy's record retention policy found that references are made to the State Records Act</p> <p>We were able to view billing transaction data and customer interaction records dating back to the year 2000 within Valhalla, confirming that records had been retained. Discussions with the Customer Support Team identified that in a number of instances, records had been retained pre 1990.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.3
Compliance Manual Reference	245
Obligation Description	A retailer must give a customer on request, at no charge, the concession information specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussion with Credit Management, Branding and Products, review of the information available of Synergy's website confirmed that the concession related information is provided at no charge.</p> <p>Examination of Synergy's processes relating to the provision of information to customers revealed that, in the event the customer requests concession related information, the information can be mailed or be provided during the contact. Further, the Customer Service Representative can direct the customer to the concession information page on its website.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.4
Compliance Manual Reference	246
Obligation Description	A retailer must give a customer on request, at no charge, the general energy efficiency information specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Branding and Products, review of energy efficiency information available to customers, we determined that Synergy has processes in place to enable the provision of energy efficiency advice at not charge to a customer.</p> <p>We performed a walkthrough of Synergy's website and we were able to obtain information relating to cost effective and efficient ways to use electricity. The website also provided typical running costs of major appliances.</p> <p>Discussions with various Customer Service Representatives confirmed their awareness of energy efficient information. The Customer Service Representatives were able to describe the process that would enable mailing of energy efficient information upon request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.5
Compliance Manual Reference	247
Obligation Description	A retailer must give information to the customer, or refer the customer to the relevant distributor for a response, if asked by a customer for information relating to the distribution of electricity.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Manager Customer Contact Centre, Team Leader Compliance Contact Centre, review of guidelines and procedures for providing customers information about a distributor, we confirmed that Synergy has a process for the provision of information.</p> <p>Review of Synergy's processes revealed that, any queries relating to the distribution of electricity is required to be referred to the distributor. Manager Customer Contact Centre indicated that Customer Service Representatives have access to distributor's general contact details and are free to provide the information to the customer upon request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.9
Compliance Manual Reference	255
Obligation Description	A retailer, distributor and marketer must, to the extent practicable, ensure that any written information that must be given to a customer under the Code of Conduct is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with Brand and Strategic Communications Manager (Compliance Coordinator) revealed that Synergy's written information given to a customer is expressed in the specified requirements under the Code of Conduct through regulation from Synergy's Corporate Affairs, Legal and Regulatory departments who sign off the material for approval. Synergy also makes use of external copy writers to check and make necessary amendments of written information.</p> <p>Sampling of information given to a customer by Synergy under the Code of Conduct and records surrounding the drafting of that information confirmed that written information given to customers under the Code of Conduct is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.10(1)
Compliance Manual Reference	256
Obligation Description	A retailer and distributor must tell a customer on request how the customer can obtain a copy of the Code of Conduct.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with the Manager Customer Contact Centre, Contact Centre Compliance Co-ordinator and Customer Service Representative confirmed that Synergy has practices in place to ensure that their staffs are able to advise its customers on how to obtain a copy of the Code of Conduct.</p> <p>Enquiries made with Customer Service Representatives, Customer Resolutions Officers and front reception revealed that staff were aware of where a customer could obtain a Code of Conduct.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.10(2)
Compliance Manual Reference	257
Obligation Description	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their web sites.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Brand and Strategic Communications Manager (Compliance Coordinator) revealed electronic copies of the Code of Conduct are available to customers, at no charge, on the Synergy website. Synergy ensures the current version of the Code of Conduct is available to customers through the Brand and Communications team initially running campaign plans and making the necessary updates if required. An e-mail is then sent to the E-channel team within the Marketing department who follow up and ensure the updated version of the Code of Conduct is on the Synergy website.</p> <p>Through testing we confirmed an electronic copy of the Code of Conduct has been made available on the Synergy website, at no charge.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.10(3)
Compliance Manual Reference	258
Obligation Description	A retailer and distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their offices.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with Brand and Strategic Communications Manager (Compliance Coordinator) revealed Synergy make a copy of the Code of Conduct available for inspection, at no charge, at Synergy premises.</p> <p>Enquiries with reception at Synergy Perth office, Adelaide Terrace, confirmed a copy of the Code of Conduct is available at no charge.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.11(1)
Compliance Manual Reference	259
Obligation Description	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.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews with the Brand and Strategic Communications Manager (Compliance Coordinator) and the Contact Centre Compliance Coordinator, we were advised that Synergy provide the customer, services that assist in interpreting information.</p> <p>If the customer requested interpretation services CSRs in the Contact Centre would direct the customer to their free of charge interpretative services. We observed the process was readily accessible on Knowledge Base. Further, the interpretation service contact phone number is provided on the Customer Service Charter, customer bill and Synergy's website.</p> <p>Through our enquiries, we are satisfied that Synergy complies with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.11(2)
Compliance Manual Reference	260
Obligation Description	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.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions with the Brand and Strategic Communications Manager (Compliance Coordinator), we determined that Synergy include the telephone number for their special information services and for independent multi-lingual services, on the documents specified.</p> <p>Sampling of the documents specified confirmed that Synergy include the telephone number for their special information services and for independent multi-lingual services.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 10.12(2)
Compliance Manual Reference	262
Obligation Description	A retailer must, if requested by a customer, advise the customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Interviews with Team Leader Billing, Transaction Co-ordinator Customer Support and Customer Support Officer indicated that Synergy does not possess information relating to different types of meters available to customers.</p> <p>Review of policies and procedures relating to the provision of metering information and discussions held with the Synergy personnel, we determined that Synergy has processes and practices in place to enable a customer to be referred to a relevant distributor for a response. Discussions with the Team Leader Billing revealed that Synergy has not received requests from customers pertaining to the availability of different types of meters during the review period.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 11.1(1) Retail Licence condition 15.1
Compliance Manual Reference	263
Obligation Description	A retailer and distributor must produce and publish a Customer Service Charter.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions with the Brand and Strategic Communications Manager (Compliance Coordinator), we determined Synergy revise and publish the Customer Service Charter on a yearly basis.</p> <p>Enquiries revealed the revised Customer Service Charter is regulated through the Synergy Regulatory, Legal and Corporate Affairs departments. The Electricity Retail Regulatory Manager approves the final draft before the Charter is communicated to Synergy's advertising agency (303) and updated on the Synergy web site.</p> <p>Through the revision of the draft "workings" of the Customer Service Charter, we confirmed the amendment and drafting of the Customer Charter have been adhered to. Synergy's Customer Service Charter has been produced in accordance with Synergy's policies and procedures and has been published.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 11.1(2)
Compliance Manual Reference	264
Obligation Description	A retailer and distributor must address the specified information in their Customer Service Charters.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>We performed a review of Synergy's Customer Service Charter and examined the document for those matters that are required to be addressed under the Code of Conduct.</p> <p>As a result of the review performed, we confirm that Synergy has addressed those matters specified within its Customer Service Charter as required by the Code of Conduct.</p> <p>Discussions held with Products and Branding revealed that prior to any items being printed or prepared for distribution appropriate approvals must be obtained including review by the Legal, Regulatory and Audit Division.</p> <p>We obtained a copy of the Customer Charter.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 11.2(1)
Compliance Manual Reference	265
Obligation Description	A retailer and distributor must give a customer on request, at no charge, a copy of the Customer Service Charter.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Manager Contact Centre revealed that Synergy does not charge for the provision of a copy of the Customer Service Charter to its customers upon request.</p> <p>Through discussions held with a Customer Services Representative and walk through performed of the process for the provision of a Customer Service Charter to a customer, we confirmed that Synergy does not charge its customers who request a copy.</p> <p>Furthermore, we were able to obtain a copy of the Customer Service Charter from reception, and from Synergy's website at no charge.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 11.2(2)
Compliance Manual Reference	266
Obligation Description	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.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Our review of Synergy's mailing process revealed that the function has been outsourced to Computer Share. Under a contract for the provision of mailing services, Computer Share distributes mail to Synergy's customers on three days of the week.</p> <p>We performed a scenario walk-through of SAP with a Customer Service Representative in the event a customer requested a Customer Service Charter. The Customer Service Representative demonstrated the ability to select a Customer Service Charter and upon selecting the mail-out request, it becomes an automated process.</p> <p>The Manager Customer Contact Centre indicated that once an item is selected for mail-out, the instruction is sent to Computer Share (through contractual obligation) for completion. As Computer Share conducts a mail-out three days per week, it is expected that a Customer Service Charter is sent out to a customer within 2 days of request.</p> <p>As a result of our reviews and discussions, we have determined that Synergy has processes and practices in place to ensure that a Customer Service Charter is mailed to a customer within 2 days of the request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.1(1)
Compliance Manual Reference	267
Obligation Description	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy has a complaints handling procedure which outlines the requirements, processes and actions for handling complaints.</p> <p>Our review of Synergy's complaints framework revealed that the complaints process encompasses both verbal and written complaints. Verbal complaints are normally received by the Contact Centre, who then escalates the complaints to the Customer Resolution Team.</p> <p>Where the Customer Resolution Team is unable to resolve the complaint, the complaint can be dealt with by a Team Leader or by senior managers, including the Customer Advocate. Further, the Ombudsman may forward complaints to Synergy, seeking further investigation and explanation. Customers are also advised that they may contact the Ombudsman as part of Synergy's complaint handling process.</p> <p>Complaint related information is retained in SAP and CIS (prior to SAP). Complaints are provided with individual identification numbers. For complaints received in written form, the complaints are retained in Synergy's DMS with a reference number.</p> <p>Synergy has in place, policies, procedures, guidelines and practices pertaining to maintaining, implementing of complaints and handling of disputes.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.1(2)
Compliance Manual Reference	268
Obligation Description	A retailer and distributor must develop, maintain and implement a complaints handling process that meets the specified requirements.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with the Customer Advocate, Complaints Team Leader and review of the policies and procedures, we determined that Synergy has developed and implemented an internal process for the handling of complaints and resolving disputes.</p> <p>We observed that Synergy's complaint handling process cited AS/ISO 10002:2006 and the definition of a complaint aligned with the Standard.</p> <p>Synergy's complaint handling procedure provides for a reference as to how complaints handling process operates. Contact Centre Knowledge Base is a source of reference to assist Customer Service Representatives through the complaints resolution process.</p> <p>Synergy provides complaints resolutions training to its Contact Centre staff. Customer Resolution Officers are provided further detailed training to enable those actions required to be undertaken for more complex issues.</p> <p>Examination of the complaints and dispute handling documentation, we confirmed that Synergy performs a regular review of the process to ensure that Synergy addresses and meets the requirements specified within the Code of Conduct.</p> <p>We note that Synergy reported as part of its 2009/10 compliance report to the Authority that Synergy identified two instances where staff failed to comply with the complaints handling procedure. Synergy addressed the matters through introduction of supervisory review, monitoring and further training. Synergy achieved</p>

	<p>compliance in July 2010 and that complaint resolution training had been reinforced for new Synergy staff to mitigate future occurrences.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.1(3)
Compliance Manual Reference	269
Obligation Description	A retailer or distributor must at least provide the specified advice to a customer when handling a complaint.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Review of the complaints and dispute handling documentation and our exposure to AS ISO 10002 – 2006 standard, we determined that Synergy has demonstrated its compliance through alignment of its definition and processes in accordance with the standard.</p> <p>Examination of complaint handling information available to Synergy’s customers, we confirm that Synergy has:</p> <ul style="list-style-type: none"> • articulated the Australian Standard compliance requirement, • identified how complaints can lodged; • the right to have a complaint considered by an senior employee; • the information that will be made available to a customer; • identified the response times; and • how it will respond to complaints. <p>We confirmed the information was available at not cost to customers through observation of Synergy’s website and independent requests made to Complaint Officers.</p> <p>Discussions with the Team Leader Customer Resolutions and review of Knowledge Base revealed that Synergy has a process in place that enables the customer to be provided in writing of the reasons for the outcome.</p>

	<p>Sample based testing of letters communicated to customers confirmed that customers had been advised of their rights to raise the complaint with either the customer advocate or electricity ombudsman and were provided with their respective contact information.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.2
Compliance Manual Reference	270
Obligation Description	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with the Complaints Team Leader, Customer Advocate, Contact Centre Manager and examination of both the Authority's guidelines, we determined that Synergy was conversant with the Australian Standards ISO 10002-2006 and the requirement of alignment to the Standards.</p> <p>We reviewed the definition of a complaint and query under the Standard and noted that Synergy's policies had distinguished a complaint and a query in accordance with the Standards.</p> <p>We observed Synergy had promulgated definition throughout the Contact Centre and Customer Resolutions as a means of reinforcing whether a matter is a complaint or a query.</p> <p>Synergy monitors its ongoing compliance through reviewing customer contacts, queries received, provision of ongoing training and scenario based training to strengthen staff understanding.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.3
Compliance Manual Reference	271
Obligation Description	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.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Complaints Team Leader, Customer Advocate and review of the complaints policies, procedures and Synergy's knowledge base, we confirm that Synergy has processes in place to provide for the provision of information of complaint handling information at no charge.</p> <p>As a result of our enquiries made, we identified that Contact Centre and Customer Resolutions understood the requirement for provision of complaint resolution information without charge.</p> <p>Enquiries and observations of the contact centre, we determined that customer's had been provided assistance with the complaints handling process.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 12.4
Compliance Manual Reference	272
Obligation Description	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.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Team Leader Customer Resolutions, Customer Advocate and review of the complaints handling procedures confirmed that Synergy has processes in place to ensure those complaints received which did not relate to Synergy's functions are referred on to the appropriate entity.</p> <p>Enquiries made with the Customer Resolution Officers revealed that they were aware of the requirement to refer a non-related complaint. Further, the Customer Resolution Officers were able to perform a walk through of the process on through SAP.</p> <p>Sampling of customer complaint records which had been referred to the appropriate entity revealed that customer's had been advised of the referral.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.1
Compliance Manual Reference	273
Obligation Description	A retailer, distributor or marketer must keep a record or other information as required to be kept by the Code of Conduct for at least two years from the last date on which the information was recorded, unless expressly provided otherwise.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Synergy has implemented systematic recordkeeping policies, procedures and practices to ensure the capture and management of all its records, irrespective of format. The T & T division is responsible for all facets of document management.</p> <p>We found that the recordkeeping policies and procedures manual are aligned with the code requirements.</p> <p>We noted that the records are also maintained in Synergy's SAP system and Valhalla database. The data within the SAP information system is not archived. The data is backed up by an external agency on a regular basis.</p> <p>Hard copy documents are archived in accordance with Synergy's archiving process. We were able to retrieve documents from archive which dated back to 2006.</p> <p>Synergy does not dispose or destroy their records at present. Synergy is in the process of developing a Retention and Disposal Policy in line with the State Records Act 2000 which requires the retention of records of a minimum of 7 years.</p>
Recommendation	Nil

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.3(2)
Compliance Manual Reference	276
Obligation Description	A retailer must keep a copy of each complaint referred to in clause 13.3(1) (including complaints made directly to a marketer).
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Examination of customer complaint records and discussions with Complaints Team Leader:</p> <ul style="list-style-type: none"> • Customer complaints are recorded and maintained in Synergy's information system; and • The categorisation of the complaints as per clause 13.3(1) of the Code of Conduct is recorded against each complaint. <p>We consider that the systems and processes in place were adequate and effective in maintaining a copy of each complaint identified in clause 13.3(1) of the Code of Conduct.</p>
Recommendation	Nil

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.7
Compliance Manual Reference	280
Obligation Description	A retailer must keep a record of the number of pre- payment meter customers and complaints information specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Our enquiries and review of the records revealed that Synergy did not have customers on a pre-payment meter during the period 2007/2008 and 2008/2009 and therefore there were no complaints from pre-payment meter customers.</p> <p>Our enquiries made with the Customer Resolution Team, the Community Normalisation Project Teams and sample based review of prepayment meter customer interaction fields within SAP did not reveal any complaints from pre-payment meter customers during the 2009/2010 period.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 13.15(1) Code of Conduct clause 13.15(2)
Compliance Manual Reference	289 & 290
Obligation Description	
289	A retailer must and a distributor must prepare a report setting out the information required by Part 13 of the Code of Conduct, in respect of each year ending 30 June. The report must be published no later than the following 1 October.
290	A copy of each report must be given to the Minister and the Authority not less than 7 days before it is published.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Examinations and enquiries with the Regulatory and Compliance Team, revealed that Synergy has a process in place to ensure that the performance reports are prepared for each year ending 30 June and are published no later than the following 1 October.</p> <p>Through our review of Synergy's e-mail and web log records we verified that the performance report for 2007/2008 and 2008/2009 was not published later than on 1 October 2008 and 2009 respectively on Synergy's web site.</p> <p>We also confirmed through correspondence that the Minister and the Authority received the performance reports 7 days before it was published on Synergy's web site.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 14.1(1)
Compliance Manual Reference	291
Obligation Description	A retailer must pay the stated compensation to a customer where the customer is not reconnected in the manner specified and an exception to payment does not apply.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through interviews held with the Customer Advocate, Team Leader Customer Resolutions and review of the policies and procedures pertaining to facilitation of reconnections, we determined that Synergy has processes and practices to ensure that, a customer is paid a service standard payment upon request for failure to comply with timeframes specified within the Code of Conduct.</p> <p>Sampling of service standard payments revealed that Synergy had provided a service standard payment for the circumstances specified. We noted that in some instances, Synergy paid a customer a value greater than the amount prescribed within the Code of Conduct. When queried, the Customer Advocate provided that it was a sign of goodwill.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 14.2
Compliance Manual Reference	293
Obligation Description	A retailer must pay the stated compensation to a customer where the retailer has failed to follow any of the specified procedures prior to disconnection for a failure to pay and an exception to payment does not apply.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions held with the Customer Advocate, Team Leader Customer Resolutions and review of the policies and procedures pertaining to wrongful disconnections, we confirmed that Synergy has processes and practices in place to ensure that where requested, a customer is paid a service standard payment for failing to follow procedure or wrongful disconnection.</p> <p>Sampling of service standard payment found that Synergy had provided a service standard payment to those customers for failure to comply with the disconnection process prescribed or as a result of being wrongfully disconnected. We noted that in some instances, Synergy paid a customer a value greater than the amount required under the Code of Conduct. When queried, the Customer Advocate stated that it was a sign of goodwill.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 14.3(2)
Compliance Manual Reference	295
Obligation Description	A retailer must pay the stated compensation to a customer where the retailer has failed to acknowledge or respond to a query or complaint within the timeframes prescribed and an exception to payment does not apply.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Team Leader Customer Resolutions and review of policies and procedures pertaining to service standard payment, specifically complaints, we determined that Synergy has processes and practices in place to ensure that a customer is paid a service standard payment upon request.</p> <p>Sampling of service standards payments made by Synergy, we found that customers had been paid a service standard payment in accordance with Code of Conduct requirements for the failure to acknowledge or respond to a query or complaint within the timeframes specified.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Electricity Industry Act section 82
Obligations Under	Code of Conduct clause 14.6(1)
Compliance Manual Reference	298
Obligation Description	A retailer who is required to make a compensation payment for failing to satisfy a service standard, must do so in the manner specified.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Through discussions with the Team Leader Customer Resolutions, Team Leader Credit Management, review of policies and procedures relating to crediting a customer an amount as a result of a service standard payment entitlement, we determined that Synergy has processes and practices in place to ensure such payments are made in the manner specified within the Code of Conduct.</p> <p>Discussions with the Team Leader Customer Resolutions revealed the customers are advised of their entitlement to a service standard payment and how the payment may be paid. The preferred method is a direct credit to the customer's next bill. Where an amount is of a significant value, the customer is advised of the service standard payment entitlement and Synergy requests instructions as to how they would prefer the payment to be made.</p> <p>Sampling of service standard payments, we found that Synergy utilised all methods specified within the Code of Conduct for service standard payments.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.5(6)
Compliance Manual Reference	309
Obligation Description	A network operator may only impose a charge for providing, installing, operating or maintaining a metering installation in accordance with the applicable service level agreement between it and the user.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries with the Transaction Coordinator Customer Support Team indicated that the Customer Support Team validate metering services charges data provided by the network operator.</p> <p>Testing of exceptions correspondence between Synergy and the network operator confirmed that systems controls were adequate and effective. Synergy staff validated received data and had corresponded with the network operator when exceptions were identified.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.11(3)
Compliance Manual Reference	319
Obligation Description	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>Discussions with the Business Partner Liaison Manager indicated that malfunctions of metering installations reported by a customer or the ombudsman were immediately reported to the network operator.</p> <p>Metering installation malfunctions reported by customers are manually input into the system by Contact Centre staff. Build Pack will then automatically generate a work order that is sent to the network operator.</p> <p>Sample based testing of Meter Tests Requests processed post SAP confirmed that the system was operating correctly and that the network operator had received notification of outages or malfunctioning of a metering installation.</p> <p>Although sample based testing was completed on pre SAP Meter Tests Requests, the Business Partner Liaison Manager indicated that the pre SAP data was incomplete and that not all historical data was retained by Synergy. However, the data could be accessed through the network operator upon request. This was a result of a legacy system whereby Synergy utilised elements of the network operator's IT systems prior to Synergy transitioning across to SAP as a stand alone system.</p> <p>The Business Partner Liaison Manager was able to demonstrate that data can be retrieved from the network operator upon request.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to</p>

	support compliance with the Licence condition.
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.16(5)
Compliance Manual Reference	331
Obligation Description	A network operator or a user may require the other to negotiate and enter into a written service level agreement in respect of the matters in the metrology procedure dealt with under clause 3.16(4) of the Code.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Partner Liaison Manager and evidence obtained confirmed instances where Synergy had negotiated into a Service Level Agreements with third parties.</p> <p>Testing confirmed that the policy regarding the negotiation of Service Level Agreements was adequate and operating effectively.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.18(1)
Compliance Manual Reference	333
Obligation Description	If the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract, and in circumstances where immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract, then the metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Business Partner Liaison Manager revealed that where a contestable customer at connection point under a non-regulated contract is being changed to a regulated contract, the requirement for meter change is identified.</p> <p>The request for meter change is communicated to the distributor as Synergy does not install meters. Once the meter has been changed to the correct meter, a confirmation of meter change is forwarded to Synergy from the distributor. The distributor confirms the metering installation has been installed in accordance with respective metering installation requirements.</p> <p>The Business Partner Liaison Manager provided the policies and procedures surrounding communicating protocols for new meter connection request.</p> <p>Testing confirmed that Synergy had advised the network provider instances where a requirement to convert the meter to an interval type and confirmation that the meter has changed in accordance with wholesale code requirements.</p> <p>Through our testing and enquiries we are satisfied that Synergy complies with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 3.27
Compliance Manual Reference	342
Obligation Description	A person must not install a metering installation on a network unless the person is the network operator or a registered metering installation provider for the network operator doing the type of work authorised by its registration.
Reporting Type	2
Compliance Rating	NR
Audit Observations	This obligation is not applicable as the network provider and not Synergy is responsible for the installation of the meter.
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 4.4(1)
Compliance Manual Reference	349
Obligation Description	A network operator and affected Code participants must liaise together to determine the most appropriate way to resolve a discrepancy between energy data held in a metering installation and data held in the metering database.
Reporting Type	NR
Compliance Rating	4
Audit Observations	<p>Discussions with the Business Partner Liaison Manager indicated that Synergy staff validate the data held by Synergy against data held by the network operator.</p> <p>Discrepancies identified through the validation process are communicated to the network operator through the Build Pack system.</p> <p>Sample based testing of Meter Read Verifications processed post SAP confirmed that the verification process had been completed and that the Build Pack system was operating correctly.</p> <p>Although sample based testing was completed on pre SAP Meter Read Verifications, the Business Partner Liaison Manager indicated that the pre SAP data was incomplete and that not all historical data was retained.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 4.5(1)
Compliance Manual Reference	350
Obligation Description	A Code participant must not knowingly permit the registry to be materially inaccurate.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Partner Liaison Manager indicated that the compliance requirement spans multiple systems and processes. As such, a number of separate controls and processes exist to ensure compliance with the obligation.</p> <p>The data itself comes from the network operator, however, Synergy staff will verify the data and different stages.</p> <p>Testing completed over numerous obligations has confirmed the existence and effectiveness of systems and processes used to ensure that Synergy does not knowingly permit the registry to be materially inaccurate.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 4.5(2)
Compliance Manual Reference	351
Obligation Description	If a Code participant (other than a network operator) becomes aware of a change to or an inaccuracy in an item of standing data in the registry, then it must notify the network operator and provide details of the change or inaccuracy within the timeframes prescribed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Partner Liaison Manager indicated that Synergy staff validates the registry data as it is extracted from SAP.</p> <p>Discrepancies identified through the validation process are communicated to the network operator through the Build Pack.</p> <p>Sample based testing of Site Access Update processed confirmed that the verification process had been completed within 2 business day requirements and that the Build Pack system was operating correctly.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.4(2)
Compliance Manual Reference	363
Obligation Description	A user must, when reasonably requested by a network operator, use reasonable endeavours to assist the network operator to comply with the network operator's obligation.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Partner Liaison Manager indicated that the compliance requirement spans multiple systems and processes. The Business Partner Liaison Manager advised that the requests from the network operator are received on a daily basis and attended to by relevant personnel within Synergy.</p> <p>Testing completed on service notifications to the network provider and service requests from the network provider confirmed that the systems and processes were operating effectively.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.5(3)
Compliance Manual Reference	365
Obligation Description	A user must not impose any charge for the provision of the data under this Code unless it is permitted to do so under another enactment.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions and demonstrations with the Customer Service Representative and Customer Service Officers confirmed that the Contact Centre team could access customer data, which would then be communicated over the phone. A hard copy of the bill will be posted out upon request at no charge to the customer.</p> <p>Additionally, all customer billing data is available free of charge through the Synergy website.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.16
Compliance Manual Reference	376
Obligation Description	A user that collects or receives energy data from a metering installation must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.
Reporting Type	2
Compliance Rating	4
Audit Observations	<p>Although the policy and processes are now obsolete, Synergy had previously received energy data from metering installations and provided this information to the network operator through the Retail Bridge system.</p> <p>However, we were unable to test the effectiveness of these processes as evidence of notification through the Retail Bridge was not retained after moving to the SAP system.</p> <p>Synergy no longer has the facilities to enter customer reads into their system. The network operator now completes this process.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.17(1)
Compliance Manual Reference	377
Obligation Description	A user must provide standing data and validated (and where necessary substituted or estimated) energy data to the user's customer, to which that information relates, where the user is required by an enactment or an agreement to do so for billing purposes or for the purpose of providing metering services to a customer.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Business Partner Liaison Manager indicated that a customer is provided with standing data and/or validated energy data relating to the historical consumption of electricity supply to a customer.</p> <p>It is noted that Synergy reported to the Authority as part of its 2009/10 compliance report to the Authority a situation where a small number of customers were billed on the basis of average consumption as the network operator did not provide an estimate for a final reading.</p> <p>The ability therefore for a retailer to provide standing data and validated data is dependent upon receiving such data from the network operator as the data owner. Where there is a constraint with the timely provision of validated data from the network operator, where necessary must provide substituted or estimated data to Synergy who is then required to use that data to bill a customer.</p> <p>We note that Synergy has sought to obtain energy data from the network operator in accordance with the Metering Code to enable the provision of verified data to Synergy for billing purposes. The Business Partner Liaison Manager provided that the data is provided to a customer on their bill and is part of an automated process. The provision of standing data or validated energy data to a customer is part of the business as usual process.</p>

	<p>In the instance where the network operator has not provided data for billing purposes, Synergy no longer performs any calculations of this nature. If a customer has not been provided a bill, due to absence of data from the network operator, Synergy's processes surrounding billing greater than 90 days provides for the detective mechanism. The report details customers who have not been billed for periods greater than 60, 75, 80 and 90 days.</p> <p>Sample based testing of bills confirmed that standing data and validated/estimated energy data appeared on customer bills.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.18
Compliance Manual Reference	378
Obligation Description	A user that collects or receives information regarding a change in the energisation status of a metering point must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with a member of the Credit Management team confirmed that Synergy had a policy in place to issue energisation notifications to the network operator, and that the policy was adequate.</p> <p>Our observations of SAP work order tasks revealed that the system was operating effectively to issue energisation notifications within the timeframes specified.</p> <p>Through our testing and enquiries we are satisfied that Synergy complies with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.19(1)
Compliance Manual Reference	379
Obligation Description	A user must, when requested by the network operator acting in accordance with good electricity industry practice, use reasonable endeavours to collect information from customers, if any, that assists the network operator in meeting its obligations described in the Code and elsewhere.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Process Partner and Business Partner Liaison Manager indicated that customer details are held within SAP and requests for customer attribute information are handled through Build Pack.</p> <p>Requested customer details are manually flagged within the system, the system will then automatically generate and send a Customer Detail Notification to the network operator.</p> <p>Testing of Customer Details Notifications automatically generated and sent, confirmed that the system was operating correctly.</p> <p>Synergy relies on its customers to advise of any changes to their details.</p> <p>Through our testing and enquiries we are satisfied that Synergy complies with this licence condition.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.19(2)
Compliance Manual Reference	380
Obligation Description	A user must, to the extent that it is able, collect and maintain a record of the address, site and customer attributes, prescribed in relation to the site of each connection point, with which the user is associated.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Discussions with multiple personnel over numerous divisions indicated that customer details are presently held within SAP and previously within CIS.</p> <p>Testing confirmed the existence of the required customer information recorded by these individuals and maintained within SAP.</p> <p>Synergy relies on its customers to advise of any changes to their details.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.19(3) Electricity Industry Metering Code clause 5.19(4)
Compliance Manual Reference	381 & 382
Obligation Description	
381	A user must, after becoming aware of any change in a site's prescribed attributes, notify the network operator of the change within the timeframes prescribed.
382	A user that becomes aware that there is a sensitive load at a customer's site must immediately notify the network operator's Network Operations Control Centre of the fact.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Process Partner and Business Partner Liaison Manager indicated that customer details are held within SAP and customer attribute information notifications are handled through Build Pack.</p> <p>Changes in customer details are manually flagged within the system, the system will then automatically generate and send a Customer Detail Notification to the network operator.</p> <p>Testing of Customer Details Notifications automatically generated and sent, confirmed that the system was operating correctly.</p> <p>Synergy relies on its customers to advise of any changes to their details.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.19(6)
Compliance Manual Reference	384
Obligation Description	A user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute that results from the provision of standing data by the network operator to the user.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Business Partner Liaison Manager indicated a process is in place to ensure where a customer attribute has changed, the network operator is not notified of such changes.</p> <p>The Business Partner Liaison Manager further explained that this requirement is to stop looping of information. In the absence of a system based control, a change in customer attribute would be communicated to the network operator.</p> <p>The network operator would then respond by providing information back to Synergy confirming the receipt of a change in a customer attribute. Without an automated control, Synergy would respond to the network operator.</p> <p>In the absence of requests from the network operator requesting Synergy to cease re-sending a change in a customer's attribute, we determined that an automated control is active and is stopping the loop effect from occurring.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.21(5) Electricity Industry Metering Code clause 5.21(6)
Compliance Manual Reference	390 & 391
Obligation Description	
390	A Code participant must not request a test or audit unless the Code participant is a user and the test or audit relates to a time or times at which the user was the current user or the Code participant is the IMO.
391	A Code participant must not make a test or audit request that is inconsistent with any access arrangement or agreement.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Enquiries made with the Business Liaison Partner Manager indicated that the current market protocols does not enable a non-code participant to make a test or audit request.</p> <p>The Business Liaison Partner Manager provided that system controls within the market place will prevent data being supplied to a code participant who was not a Financially Responsible Market Participant (FRMP) during the period of request.</p> <p>It was further explained by the Business Liaison Partner Manager that the system protocols would identify if the code participant was a FRMP during the period which the test or audit has been requested, if the system determined that the code participant was not a FRMP, the request would be rejected.</p> <p>The Business Liaison Partner Manager indicated that Synergy has not made a test or audit request that is inconsistent with any access arrangements or agreements.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>

Recommendation	Nil.
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Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 5.27
Compliance Manual Reference	409
Obligation Description	Upon request, a current user must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Interviews held with the Business Process Partner and Business Partner Liaison Manager indicated that requests for customer attribute information are handled through Build Pack. Customer details are manually flagged within the system, the system will then automatically generate and send a Customer Detail Notification to the network operator within the 2 business days after receiving the request.</p> <p>Testing of Customer Details Notifications automatically generated and sent, confirmed that the system was operating correctly.</p> <p>Based on our enquiries and review of documentation, we have concluded that there are adequate and effective controls in place to support compliance with the Licence condition.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 6.1(2)
Compliance Manual Reference	416
Obligation Description	A user must, in relation to a network which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.
Reporting Type	2
Compliance Rating	5
Audit Observations	<p>Discussions with the Business Partner Liaison Manager indicated that the compliance requirement spans multiple departments. Synergy manages compliance through training programs on which staff are tested. Further, SAP business rules were written to comply all of Synergy's compliance requirements.</p> <p>Through consideration of controls and discussions with staff across numerous obligations, we believe that a strong compliance culture exists and the details of the access contract have been complied with.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 7.2(1)
Compliance Manual Reference	418
Obligation Description	Code participants must use reasonable endeavours to ensure that they can send and receive a notice by post, facsimile and electronic communication and must notify the network operator of a telephone number for voice communication in connection with the Code.
Reporting Type	NR
Compliance Rating	5
Audit Observations	<p>Synergy has the facilities required to send and receive notices by post facsimile and electronic communication. Synergy also has in place a B2B system between itself and the network operator.</p> <p>Testing of correspondence and systems confirmed that Synergy has facilities in place to send and receive notices by post, facsimile and though electronic communication.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 7.2(4)
Compliance Manual Reference	420
Obligation Description	A Code participant must notify its contact details to a network operator with whom it has entered into an access contract within 3 business days after the network operator's request
Reporting Type	2
Compliance Rating	NR
Audit Observations	Discussions with the Business Partner Liaison Manager confirmed that although policies exist, no request had been made during the audit period.
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 7.2(5)
Compliance Manual Reference	421
Obligation Description	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator at least 3 business days before the change takes place.
Reporting Type	2
Compliance Rating	NR
Audit Observations	<p>Discussions with the Business Partner Liaison Manager and LRA and policy obtained, confirmed that controls are in place to ensure compliance with the requirement to advise the network operator of any changes to contact details should they occur.</p> <p>However, the contact details of Synergy have not changed during the audit period and therefore no action had been required.</p>
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 7.5 Electricity Industry Metering Code clause 7.6(1)
Compliance Manual Reference	422 & 423
Obligation Description	
422	A Code participant must not disclose or permit the disclosure of, confidential information provided to it under or in connection with the Code and may only use or reproduce confidential information for the purpose for which it was disclosed or another purpose contemplated by the Code.
423	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.
Reporting Type	2 2
Compliance Rating	5
Audit Observations	Discussions with the Manager Network Regulatory and Compliance confirmed the existence of policy regarding the disclosure of confidential information. Email correspondence was obtained to confirm that disclosure policies were adequate and operating effectively.
Recommendation	Nil.

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 8.1(1) Electricity Industry Metering Code clause 8.1(2) Electricity Industry Metering Code clause 8.1(3) Electricity Industry Metering Code clause 8.1(4)
Compliance Manual Reference	424, 425, 426 & 427
Obligation Description	
424	Representatives of disputing parties must meet within 5 business days after a notice given by disputing party to the other disputing parties and attempt to resolve the dispute under or in connection with the Electricity Industry Metering Code.
425	If the dispute is not resolved within 10 business days after the dispute is referred to representative negotiations, the disputing parties must refer the dispute to a senior management officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.
426	If the dispute is not resolved within 10 business days after the dispute is referred to senior management negotiations, the disputing parties must refer the dispute to the senior executive officer of each disputing party who must meet and attempt to resolve the dispute by negotiations in good faith.
427	If the dispute is resolved by representative negotiations, senior management negotiations or CEO negotiations, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.
Reporting Type	NR NR NR 2
Compliance Rating	NR

Audit Observations	<p>Synergy has a framework in place that mirrors the obligations dispute resolution, escalation requirements specified under the code.</p> <p>However, during the audit period no notice of dispute had been issued.</p> <p>Through our examination of the framework and discussions with the Manager, Networks Regulatory and Compliance and Business Partner Liaison Manager we are satisfied that Synergy has a dispute resolution framework in place to ensure compliance with the licence conditions specified.</p>
Recommendation	<p>Nil.</p>

Licence Condition	Retail Licence condition 5.1
Obligations Under	Electricity Industry Metering Code clause 8.3(2)
Compliance Manual Reference	428
Obligation Description	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective of dispute resolution with as little formality and technicality and with as much expedition as the requirements of Part 8 of the Code and a proper hearing and determination of the dispute, permit.
Reporting Type	NR
Compliance Rating	NR
Audit Observations	<p>Discussions with the Business Partner Liaison Manager indicated that although no official policy exists to govern the behaviour of Synergy employees during disputes, Synergy employees are trained and measured against Synergy's Culture and Values.</p> <p>Synergy's Culture and Values outline a foundation for appropriate conduct, for which employees are bound.</p> <p>As there was no notice of disputes for the audit period, we were unable to test the conduct of employees.</p>

Appendix 1 – Audit Evidence – Documents Examined

Compliance Manual Reference	Documents Examined
6	Networks Process and Procedures DMS#3128749
7	Networks Process and Procedures DMS#3128749
8	Networks Process and Procedures DMS#3128749
9	May 2010 Western Power Invoice DMS#3345326 DMS#3271816
16	Networks Process and Procedures DMS#3128749
17	Networks Process and Procedures DMS#3128749
18	Knowledge Base-Customer Management-Business Partner-Identify BP-Privacy Act Requirement
19	Networks Process and Procedures DMS#3128749
23	Networks Process and Procedures DMS#3128749
24	Networks Process and Procedures DMS#3128749
25	DMS #286014

Compliance Manual Reference	Documents Examined
26	Networks Process and Procedures DMS#3128749
27	Networks Process and Procedures DMS#3128749
28	Networks Process and Procedures DMS#3128749
29	Networks Process and Procedures DMS#3128749
30	Networks Process and Procedures DMS#3128749
34	Networks Process and Procedures DMS#3128749
39	Networks Process and Procedures DMS#3128749
40	Networks Process and Procedures DMS#3128749
43	Networks Process and Procedures DMS#3128749
44	Networks Process and Procedures DMS#3128749
45	Networks Process and Procedures DMS#3128749
48	Networks Process and Procedures DMS#3128749
49	Networks Process and Procedures DMS#3128749
52	Networks Process and Procedures DMS#3128749
53	Networks Process and Procedures DMS#3128749
54	Networks Process and Procedures DMS#3128749
55	Networks Process and Procedures DMS#3128749
56	Networks Process and Procedures DMS#3128749
57	Networks Process and Procedures DMS#3128749
58	Networks Process and Procedures DMS#3128749
59	Networks Process and Procedures DMS#3128749
68	Contract with TCS

Compliance Manual Reference	Documents Examined
69	Networks Process and Procedures DMS#3128749
70	Networks Process and Procedures DMS#3128749
71	Networks Process and Procedures DMS#3128749
78	Renewable Energy Buyback Schemes (REBS) Application Form DMS#3126409 REBS Terms & Conditions DMS#043410 REBS Process Flow–General Knowledge/Renewable Energy Buyback Scheme
79	Operations Manual DMS#3034021 Calendar DMS#3048830
80	Operations Manual DMS#3034021 DMS#3080047 – Process for responding to correspondence from ERA and Coordinator of Energy
81	Fact Sheet #10 Retail Licence - DMS#3028252 Regulatory & Compliance Calendar - DMS#3048830
85	Regulatory & Compliance Calendar - DMS#3048830 Operations Manual DMS#3034021 Fact Sheet #10 Retail Licence - DMS#3028252 Fact Sheet #12 Economic Regulation Authority (ERA) - DMS#3025486
86	Synergy Standard Electricity Agreement-Terms and Conditions (2, 3, 12.1, 12.2 & 12.4) Knowledge Base-Synergy Customer Crisis Support Plan (Procedures - Customer Crisis Support Plan)
88	Knowledge Base–Procedures-Customer Movements-Move in Guided Process Synergy Customer Charter Knowledge Base–Prices/Charges & SLAs Customer Charter–General-Customer Charter

Compliance Manual Reference	Documents Examined
	Synergy Standard Electricity Agreement Terms & Conditions (2, 3)
89	Fact Sheet #14 Contracts - DMS#3039429 Operations Manual DMS#3034021 Section 3.1.4 – ERA Directives and Approvals
93	Fact Sheet #10 Retail Licence - DMS#3028252
94	Fact Sheet #8 Energy Ombudsman of Western Australia - DMS#3028007 Operations Manual DMS#3034021
97	Electricity Marketing Agent Code Compliance Form – DMS#3268362 Electricity Marketing Agent Code Compliance Form Cover letter - DMS#3079994
98	Fact Sheets #6 Regulatory & Compliance Requirements & Reporting - DMS#3024191 Fact Sheet #13 Procedure for Regulatory Incident (Non compliance) - DMS#3036215 Incident Log - DMS#3025701 Regulatory & Compliance Calendar - DMS#3048830
99	Fact Sheet #12 Economic Regulation Authority (ERA) - DMS#3025486 Fact Sheet #14 Contracts - DMS#3039429
100	Fact Sheet #12 Economic Regulation Authority (ERA) - DMS#3025486 Fact Sheet #14 Contracts - DMS#3039429
101	Operations Manual DMS#3034021 – Section 3.1.4
102	Refer amendments to the Small Use Code effective 01/07/10
106	Fact Sheet #12 Economic Regulation Authority (ERA) - DMS#3025486

Compliance Manual Reference	Documents Examined
107	Fact Sheet #12 Economic Regulation Authority (ERA) - DMS#3025486 Performance Audit Plan (GT) - DMS#3149851
110	Fact Sheet #12 Economic Regulation Authority (ERA) - DMS#3025486
111	Fact Sheet #12 Economic Regulation Authority (ERA) - DMS#3025486 Small Use Code Requirement – 13.15(3)
112	Fact Sheet #12 Economic Regulation Authority (ERA) - DMS#3025486
113	Knowledge Base–Procedures-Codes of Conduct-Small Use Code-Code of Conduct-Small use Customers Contact Centre Coaching Checklist - DMS#3003603 Contact Centre Team Leader call monitoring guidelines - DMS#3120957 Retail Sales-Sales Process Coaching Checklist - DMS#2535292
114	Knowledge Base–Procedures-Customer Movements–Customer Movements General–New Connections Standard Electricity Terms and Conditions includes the Standard Electricity Agreement (door to door marketing) that provides for clause 2.5(1) and 2.5(4) - DMS# 2669520
115	Knowledge Base–Procedures-Customer Movements-Move in Quick Reference Guide
116	Knowledge Base–Procedures–Technical-Phone/ACD/IVR Knowledge Base-Procedures-Declarations-General-Movements Declarations Print House Functional Design Document - DMS#3141504
117	Non Standard Form of Contract - DMS#3255225 Recent Example of Signed Agreement - DMS#3346910

Compliance Manual Reference	Documents Examined
118	Knowledge Base–Procedures–Declarations–General Movements-Declarations
119	Knowledge Base–Procedures–Declarations–General Movements-Declarations Sample Bill - DMS#3358169
120	Knowledge Base–Procedures–Declarations–General Movements-Declarations Sample Bill - DMS#3358169
121	Customer Service Charter Non Standard Form of Contract - DMS#3255225 Standard Form of Contract Knowledge Base–Procedures–Customer Management-Update Customer Details-Order Brochures/Forms
122	SAFETRAC (TPA)
123	SAFETRAC (TPA)
124	Knowledge Base–Procedures–Rebates-Rebates Process Knowledge Base–Procedures–Rebates–General-Eligible Concession Cards Customer Service Charter
125	Code Compliant Outbound Sales Script - DMS#3320282 v2
126	Aspect-System–System Description Sample Bill – DMS#3290323
127	Retail Sales Team Process – Coaching Check Sheet Code Compliant – DMS#2535292 Retail Sales Team Code Compliant Outbound Sales Script - DMS#3320282
128	Retail Sales Team Process – Coaching Check Sheet Code Compliant – DMS#2535292

Compliance Manual Reference	Documents Examined
129	Trade Fairs - DMS#3048291
130	Knowledge Base-General Knowledge-Do Not Contact/Marketing Material Do not Contact List for the period 1 April 2008 – 30 June 2010 SAP Do Not Contact Register - DMS#3296736 Knowledge Base-Contact Centre(Customer Letter Requests–General Knowledge (D) Do not contact)
131	Retail Sales Team Code Compliant Outbound Sales Script - DMS#3320282
132	Retail Sales Team Process – Coaching Check Sheet Code Compliant – DMS#2535292 Retail Sales Team Code Compliant Outbound Sales Script - DMS#3320282
133	Retail Sales Team Process – Coaching Check Sheet Code Compliant – DMS#2535292 Retail Sales Team Code Compliant Outbound Sales Script - DMS#3320282
134	CCKB General Knowledge-D-Do Not Contact-Marketing Material SAP Do Not Contact Register - DMS#3296736
135	CCKB General Knowledge-D-Do Not Contact-Marketing Material SAP Do Not Contact Register - DMS#3296736
137	DMS#3323482
139	CCKB Procedures-Customer Management-Identify Business Partner CCKB Procedures-General Knowledge-Government Agency Requests CCKB Procedures-General Knowledge-Privacy Act and Real Estate Agents CCKB Procedures-Customer Movements-Deceased Estates. Synergy Privacy Policy
140	Service Notification for Move In - DMS#3322617

Compliance Manual Reference	Documents Examined
141	Training Module: New connections – DMS#3255190
142	Synergy Unbilled Report – DMS#3307803
143	DMS#3087374
144	DMS#3087374
145	DMS#3087374
146	DMS#3087374
147	DMS#3087374
148	Contact Centre Knowledge Base-Procedures-Financial Enquiries-Even Pay-Create Even Pay Plan
149	Contact Centre Knowledge Base-Procedures-Financial Enquiries-Even Pay-Even Pay Business Rules
150	Knowledge Base-General Knowledge-M-Mailing Address
151	Sample Bill for internal control - DMS#3316228
152	Transferring Debts - DMS#3140390
153	Billing & Meter Enquiries - DMS#3252790 Process Basic Meter Reading - DMS#3255608 Manual Estimates - DMS#3307456
155	Contact Centre Knowledge Based-Billing & Meter Enquiries-Billing & Meter Enquiries-Maximum Estimates Max Estimates Standard Letter - DMS#3089309
156	Sample Bill: DMS#3290323
157	Contact Centre Knowledge Base-Billing & Metering-Identify a Meter Reason Contact Centre Knowledge Base-General Knowledge Items-Estimated Readings

Compliance Manual Reference	Documents Examined
158	Contact Centre Knowledge Base-Billing & Metering-Identify a Meter Reason Contact Centre Knowledge Base-General Knowledge Items-Estimated Readings
159	Knowledge Base-Procedures-Billing and Metering-High Accounts - Meter Read History-Estimated Accounts Billing & Meter Enquiries - DMS#3252790 Process Basic Meter Reading - DMS#3255608 Manual Estimates - DMS#3307456
160	Knowledge Base-Procedures-Billing & Metering-Check Meter Reading
161	Stellar Knowledge Base-Procedures-Billing and Metering-High Accounts -Customer Demands Meter Test
162	Stellar Knowledge Base-Procedures and Billing-High Accounts-Customer Demands Meter Test
163	Knowledge Base-Procedures-Product Change-2. Process-Product Change to a Different Tariff
164	Incorrect Tariff Notification Letter - DMS#2868957
165	Knowledge Base-General Knowledge- BS-Backbilling
166	Knowledge Base-General Knowledge- BS-Backbilling
167	Knowledge Base-Procedures-Customer Movements-Move out Guided process
168	Knowledge Base-Procedures-Financial Enquiries-Miscellaneous-Refunds
169	Knowledge Base-Procedures-Complaints-Complaints Process
170	Knowledge Base-Procedures-Complaints-Complaints Process
171	Knowledge Base-Procedures-Complaints-Complaints Process (Response times/Service Standard Payments)
172	Knowledge Base-General Knowledge- BS-Backbilling

Compliance Manual Reference	Documents Examined
173	Processing Debits & Credits – DMS#3259462 Example Letters Posted to Customer Advising Mailing of Cheques – DMS#2868794, 2863907 & 3174027
174	Processing Debits & Credits – DMS#3259462 Example Letters Posted to Customer Advising Mailing of Cheques – DMS#2868794
175	Processing Debits & Credits – DMS#3259462 Example Letters Posted to Customer Advising Mailing of Cheques – DMS#2868794
176	Sample Bill: DMS#3290323
177	Sample Bill: DMS#3290323 Contact Centre Knowledge Based–Procedures-Financial Enquiries-Payment Methods
178	Customer request for EFT - DMS#3079041.
179	Direct Debit Declaration Knowledge Base–Procedures–Declarations-General-Direct Debit Declaration
180	Knowledge Base–Procedures-Financial Enquiries - Even Pay
181	Knowledge Base-General Knowledge - M - Mailing address
182	Knowledge Base–Procedures-Financial Enquiries-Miscellaneous - Credit Related Fees and Charges Report Template - DMS# 3336227
183	Bill Disputes, Misc Credits/Debits - DMS#3258139 Credit Management Training Material - DMS#3295309
184	Collections Strategy Which Outlines Timelines For Received Late Fees as System Generated - DMS#3253641 Credit Management Financial Hardship guidelines

Compliance Manual Reference	Documents Examined
185	Knowledge Base–Procedures–Customer Movements–Move in Guided Process–Step 4 Lost Consumption–Step 3 Determine if BP is responsible for lost consumption.
186	Knowledge Base–Procedures–Customer Movements–Move in Guided Process–Step 4 Lost Consumption–Step 3 Determine if BP is responsible for lost consumption.
187	Knowledge Base–Procedures–Customer Movements–Move in Guided Process–Step 4 Lost Consumption–Step 3 Determine if BP is responsible for lost consumption.
188	Work Instruction in Relation to S60 TPA and the ACCC guidelines. SAFETRAC TPA training - DMS#3087209
189	Work Instruction - When to Cease Collection Activity – DMS#3087199
190	DMS#3087268
191	Stellar Knowledge Base–Procedures–Financial Enquiries–Promise to Pay–Financial Hardship Management
192	Hardship Policy - DMS#3037178.
193	Stellar Knowledge Base–Procedures–Financial Enquiries–Promise to Pay–Financial Hardship Management
194	Hardship Utility Grants Scheme (HUGS) Guidelines: DMS#3145091
195	Hardship Utility Grants Scheme (HUGS) Guidelines: DMS#3145091
196	Hardship Utility Grants Scheme (HUGS) Guidelines: DMS#3145091
197	Knowledge Base–Procedures–Financial Enquiries–Credit Guidelines–Credit Management Guidelines Keeping Connected -Synergy Hardship Policy

Compliance Manual Reference	Documents Examined
198	Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-Credit Management Guidelines Keeping Connected -Synergy Hardship Policy
199	Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-Credit Management Guidelines
200	Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-Credit Management Guidelines Knowledge Base –Procedures-Financial Enquiries-Hardship-Payment Difficulties/Financial Hardship Reasons
201	Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-Credit Management Guidelines Knowledge Base –Procedures-Financial Enquiries-Hardship-Payment Difficulties/Financial Hardship Reasons
202	Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-Credit Management Guidelines Knowledge Base –Procedures-Financial Enquiries-Hardship-Payment Difficulties/Financial Hardship Reasons
203	Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-Credit Management Guidelines Knowledge Base –Procedures-Financial Enquiries-Hardship-Payment Difficulties/Financial Hardship Reasons
204	Synergy Hardship Policy Knowledge Procedures>Financial Enquiries>Hardship>Synergy Hardship Policy Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-Credit Management Guidelines Knowledge Base –Procedures-Financial Enquiries-Hardship-Payment Difficulties/Financial Hardship Reasons
205	Synergy Hardship Policy Knowledge Procedures>Financial Enquiries>Hardship>Synergy Hardship Policy Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-

Compliance Manual Reference	Documents Examined
	Credit Management Guidelines Knowledge Base –Procedures-Financial Enquiries-Hardship-Payment Difficulties/Financial Hardship Reasons
206	Knowledge Procedures>Financial Enquiries>Hardship>Synergy Hardship Policy DMS#3327118
207	Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines-Credit Management Guidelines Knowledge Base –Procedures-Financial Enquiries-Hardship-Payment Difficulties/Financial Hardship Reasons
208	Knowledge Procedures>Financial Enquiries>Hardship>Synergy Hardship Policy
209	2009 Monthly Hardship Policy review update – DMS#3299065 2009 Hardship review plan - DMS#3252613 2009 Hardship Summary notes - DMS#3280743
210	Knowledge Base-Procedures-Financial Enquiries-Credit Guidelines
211	DMS#3312421
212	Limitations to Disconnections - DMS#3087362
213	Limitations to Disconnections - DMS#3087362
214	Disconnection of Supply (No Access to Meter) - DMS#3087382
216	Limitations to Disconnections - DMS#3087362
217	Customer Resolutions KB-Life Support - DMS#3293055
219	KB-Procedures-Financial Enquiries-Re- Energisation-Step 1,2 & 3 Re-Energisation - DMS#3261988 page 5
220	KB-Procedures-Financial Enquiries-Re- Energisation-Step 1,2 & 3 Re-Energisation - DMS#3261988 page 5

Compliance Manual Reference	Documents Examined
224	Ninga Mia BAU Process - DMS#3287476 Network & Metering Regulatory Implications - DMS# 3286040 Account Establishment Form – DMS#3268283
225	Account Establishment Form – DMS#3268283
226	Account Establishment Form – DMS#3268283 Ninga Mia BAU Process - DMS#3287476
227	Account Establishment Form – DMS#3268283 Contact Centre KB–General Knowledge–(N) Ninga Mia–(P) Prepayment Meters–(L) Life Support Customer Resolutions KB–Life Support–Prepayment Meters
229	Account Establishment Form – DMS#3268283 Contact Centre KB–General Knowledge–(N) Ninga Mia–(P) Prepayment Meters–(L) Life Support Customer Resolutions KB–Life Support–Prepayment Meters Ninga Mia BAU Process - DMS#3287476
230	Account Establishment Form – DMS#3268283 Ninga Mia BAU Process - DMS#3287476 – Section 2.14
231	Account Establishment Form – DMS#3268283 Ninga Mia BAU Process - DMS#3287476
232	Account Establishment Form – DMS#3268283 Ninga Mia BAU Process - DMS#3287476 – Section 2.6
233	Account Establishment Form – DMS#3268283 Ninga Mia BAU Process - DMS#3287476 – Section 2.7
234	Account Establishment Form – DMS#3268283 Ninga Mia BAU Process - DMS#3287476 – Section 2.7
235	Account Establishment Form – DMS#3268283 Ninga Mia BAU Process - DMS#3287476 – Section 2.7

Compliance Manual Reference	Documents Examined
236	Account Establishment Form – DMS#3268283 Ninga Mia BAU Process - DMS#3287476 – Section 2.8
237	Account Establishment Form – DMS#3268283
240	Knowledge Base-Prices, Charges & SLAs-Charges-Tariff description-Tariff overview. Knowledge Base-Brochures & Forms-Brochures-Tariff-Tariff Brochure 2008 Knowledge Base-General Knowledge-LMS-Standard Letters and Mailouts
241	Knowledge Base-General Knowledge_-L-Customer Letter Requests
242	Knowledge Base-General Knowledge_-L-Customer Letter Requests
243	Knowledge Base-General Knowledge_-L-Customer Letter Requests
245	Knowledge Base-Procedures-Rebates-Quick Reference Guide
246	Knowledge Base-General Knowledge Items-OS-Office of Energy & Sustainable Energy Development Office (SEDO) Procedures-Customer Management-Update Customer Details-Order Brochures/Forms
247	Knowledge Base-General Knowledge Items-Western Power Customer Service Calls
255	Customer Service Charter Synergy Standard Agreement
256	Code of Conduct Customer Service Charter Synergy Standard Agreement
257	Code of Conduct
258	Customer Resolution KB – Reception – Reception Procedures Manual – DMS#3260846

Compliance Manual Reference	Documents Examined
259	Knowledge Base-General Knowledge-I-Interpreter Service
260	Knowledge Base-General Knowledge-I-Interpreter Service
262	Knowledge Base-Network Prices, Charges and SLAs-Charges-Tariff Description-Tariff Overview
267	Knowledge Base-Procedures-Complaints-Complaints Process
268	Knowledge Base-Procedures-Complaints-Complaints Process
269	Knowledge Base-Procedures-Complaints-Complaints Process Complaints Policy Information - DMS# 3085825 & DMS#2741565
270	Knowledge Base-Procedures-Complaints-Complaints-Identify/Create a complaint Complaints Policy Information - DMS# 3085825 & DMS#2741565
271	Complaints & Dispute Resolution Policy Information - DMS# 3085825 Knowledge Base-Procedures-Complaints-Complaints Process Customer Service Charter
272	Letter prepared for Complaints Relating to Another Entity and Forwarded to the customer - DMS#3012046 Customer Resolutions KB-Complaints-General-Complaints Process General
273	Customer Resolutions KB-Complaints-Administration-Complaints Recording
274	Total Number of Customers Under The Affordability and Access Indicators Functional Specification - DMS#3350405, DMS#3350406, DMS#3350404 and DMS#3350402
275	Customer Complaint Indicators - Functional Specification - DMS#3350407
276	Complaint referred to in 13.3(1) (including complaints made directly to a marketer) - Functional Specification - DMS#3295252

Compliance Manual Reference	Documents Examined
277	Functional Specification DMS#3350403
278	DMS#3109847
279	Functional Specification DMS#3347574
280	Functional Specification - DMS#3295252
291	Contact Centre Knowledge Base-Procedures-Complaints-Service Standard Payments-Process Synergy Service Standard Payments Policy DMS# 3085750 Credit Management Knowledge Base-Procedures-Standard Operating Procedures-Connection / Reconnection-Re-energisation Requirements - DMS#3087435
293	Contact Centre-Knowledge Base-Procedures-Complaints-Service Standard Payments-Process Synergy's Complaints Process – DMS#2741565 Synergy Service Standard Payments Policy DMS# 3085750 Credit Management Knowledge Base-Procedures-Standard Operating Procedures-Limitations to Disconnections DMS# 3087362
294	Contact Centre-Knowledge Base-Procedures-Complaints-Service Standard Payments-Process Complaints Process DMS# 2741565 Synergy Service Standard Payments Policy DMS# 3085750
295	Contact Centre-Knowledge Base-Procedures-Complaints-Service Standard Payments-Process Complaints Process DMS# 2741565
298	Knowledge Base-Procedures-Complaints-Service Standard Payments Complaints Process DMS# 2741565
319	Contact Centre-Knowledge Base-Procedures-Service Notifications-SN Matrices-SN Matrices Menu Reenergisation-Service Notification Save-FD#3149385
333	CCKB-General Knowledge Items-Damaged Meters

Compliance Manual Reference	Documents Examined
	Reenergisation-Service Notification Save-FD#3149385
349	Contact Centre KB Procedures-Service Notifications-SN Matrices-De En/Re En and Special Read SN Matrix
350	Contact Centre KB Procedures-Billing and Meter Enquiries>Create a Meter Data Verification Request
351	Service Notification Save: FD#3149385 CDN's (customer data notifications) - FD#3155716
363	Service Notification Save: FD#3149385 CDN's (customer data notifications) - FD#3155716
365	Contact Centre Process in Knowledge Base-General Knowledge Items-Customer Letter Requests-Meter Read History
376	CCKB General Knowledge Items-S-Self Reader (self read customer requests to call in reading instead of returning card)
377	Standing Data Update Notification Functional Design-Doc#3144500
378	Contact Centre Knowledge Base-Procedures-Service Notifications-Quick Reference Guide-To Create a Service Order CCKB – General Knowledge Items – Western Power Fault Calls Reenergisation-Service Notification Save-FD#3149385
379	DMS# FD3155716
381	Build Pack
382	Build Pack
384	Build Pack
409	Build Pack
416	Network Access Code Metering Code Small Use Code Transfer Code

Compliance Manual Reference	Documents Examined
	Regulatory incident log
420	Networks Process and Procedures - DMS#3128749 Ref 1.4.2 (Notification of Contact Details)
421	Networks Process and Procedures - DMS#3128749 Ref 1.4.2 (Notification of Contact Details)
422	Contact Centre Knowledge Base-Customer Management-Business Partner - Identify BP-Privacy Act Requirement.
423	Contact Centre Knowledge Base-Customer Management-Business Partner - Identify BP-Privacy Act Requirement.
424	Reporting, Submissions and Reviews Disputes - DMS#3111104 Disputes - DMS#3039545 Disputes - DMS#3112130
425	Disputes - DMS#3111104
426	Disputes - DMS#3111104
427	Disputes - DMS#3111104
428	Disputes - DMS#3111104

Appendix 1 (Cont.) - Audit Evidence – Additional Documents Examined

Documents Examined
Market Transactions System Landscape Manual – DMS#3154724
Market Data Hub (MDH) Business Process Definition Manual
Business Transformation Program Training Module: 66 – Market Transactions(MDH/XI)
Business Transformation Programme Manual – DMS 3124701
Synergy Marketing Brochure and Letter Packs – DMS#3080151, DMS#3181802, DMS#3031804, DMS#3033782, DMS#3270342, DMS#3074114, DMS#3034644, DMS#3144338, DMS#3079996, DMS#3269856
Synergy Campaign Activity Plan Overview – DMS#3175065
Sample of Standard Form Contracts (not entered into as a result of Door to door Marketing)
Sample of Non Standard Form Contracts
Sample of Bills Issued to Customers
Sample of Payment Reminder, Disconnection Warning, Payment Overdue Documents Issued to Customers
Synergy Churn In Process (Electricity) –DMS#3304495
Synergy Churn Out Process – DMS#3302899

Documents Examined
Synergy E-Channel Functional Specification – DMS#3192987
Project Columbus SAP Training Manual – DMS#3252531
Energy Ombudsman (Western Australia) Annual Report 2008-09
Tata Consulting Services Standard Operating Procedure - BPEM –ZS33
Tata Consulting Services Standard Operating Procedure – BPEM -ZS22 (DMS#3347131)
Tata Consulting Services Standard Operating Procedure – BPEM –ZS21 (DMS#3347126)
Tata Consulting Services General Fax and Correspondence Procedure – DMS#3308830
Meter Data File Format Specification – NEM12 & NEM13 -

Appendix 2 – Audit Evidence – Personnel who Assisted in the Audit

Synergy	
Name	Position
Aeron Rowe	Workforce Planning Analyst
Alana Foley	Products and Services Team Leader
Andrew Gasper	Manager Customer Relations
Andrew Williams	Manager Retail Sales
Ashley Michael	Marketing Analyst
Brendon Crowder	Networks Settlement Analyst
Caroline Peel	Customer Support Manager
Catherine D'Souza	Contact Centre Compliance Coordinator
Craig Butler	Credit Management Manager
Darren Walters	Business Process Partner
Debbie Tindle	Brand and Strategic Communications Manager (Compliance Coordinator)
Fiona Simpson	Team Leader Credit Management
Fred Rivers	Contact Consultant
George Piumatti	Business Project Partner
Germaine Williams	Billing Team Leader
Gordon Mason	Team Leader Credit Management
Janet Tranthim-Fryer	Manager Business Partnership
Jennifer Rabe	Team Leader, Special Projects
Jenny Harvey	Contact Centre Compliance Coordinator
Joe Martino	Team Leader Contact Centre
John Coulter	Contact Centre Manager
Judy Palmer	Team Leader Complaints
Julie Wolfe	Manager Retail
Karen Chitty	Cash Processing Officer

Synergy	
Name	Position
Karen Meek	Regulatory & Compliance Analyst
Karthi Mahalingham	Manager Networks Regulatory and Compliance
Katrina Novacsek	Business Partner Liaison Manager
Ken Nylander	Customer Advocate
Kylie Roe	Brand and Communications Specialist
Mark Bylsma	Contract Technical Consultant
Mark Smith	Manager Market Strategy & Segmentation
Maria Player	Transaction Co-ordinator – Customer Support Team
Melissa Coppock	Industrial and Commercial Transactions Officer
Michelle Hawthorne	Applications Support Officer
Michelle Skokleski	Contact Centre Compliance Coordinator
Mike Cornwall	Senior Credit Management Officer
Paul Van Heerwaarden	Manager Service Delivery (Acting)
Peter Lampkin	Retail Sales Compliance Coordinator
Ruth	Team Leader Financial Hardship
Scott McMahon	Manager of Compliance and Risk
Sean Davies	Application Support
Simon Thackeray	Manager Retail Regulatory and Compliance
Steve Watson	Manager Branding and Products
Sue-Anne Higgins	Learning and Development Manager
Suzanne Lloyd	Executive Assistant (Legal, Regulatory & Audit)
Tahnie Falconer	Marketing Compliance Coordinator
Warren Smith	Credit Management Officer