

5 October 2012

Cathryn Greville
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Economic Regulation Authority
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Submitted by email: publicsubmissions@erawa.com.au

Dear Cathryn

REVIEW OF THE GAS COMPENDIUM

Alinta Energy appreciates the opportunity to comment upon the Economic Regulation Authority's (the Authority) review of the Compendium of Gas Licence Obligations (the Compendium)

Alinta currently retails electricity to approximately 2,500 contestable electricity customers in the South-West Interconnected System, in addition to 630,000 gas retail customers in the Western Australia market. Alinta is actively expanding its electricity retail customer base in the National Electricity Market (NEM), and currently retails to over 80,000 electricity and gas customers in South Australia and Victoria.

Alinta acknowledges that many of the changes to the Compendium are minor, and there has been a decision undertaken to align the Gas Compendium with the Code of Conduct for the Supply of Electricity to Small Use Customers (the Electricity Code) where appropriate. Alinta is generally supportive of this approach.

However Alinta would like to reiterate that it continues to be concerned about the use of 'best endeavours' in clause 4.1(b)(iii) of the Compendium which corresponds to the same clause recently amended in the Electricity Code¹. However, Alinta sees little benefit in revisiting this issue given it was subject to considerable industry consultation when the amendment was made to the Electricity Code.

Alinta's primary concern is with some of the new reporting obligations that have been amended within the Code, and feels that in particular two of the record keeping requirements are likely to impose significant regulatory costs while providing no identifiable benefits for customers.

¹ The use of the term "best endeavours" within 4.1 (b) (iii) of the Compendium will potentiality cause ambiguity in its application.



Currently the amended Compendium, as drafted, would require Alinta to report on:

13.2 (a) the total number of, and percentage of, its residential customer accounts that

(i) have been issued with a bill outside the timeframes prescribed in clause 4.1, categorised according to the circumstances where the delay is due to fault on part of the retailer, due to the retailer not receiving the required metering data from the distributor in accordance with clause 4.1

13.2 (b) the total number of, and percentage of, its business customer accounts that - (i) have been issued with a bill outside the timeframes prescribed in clause 4.1

As the Authority will be aware, Alinta recently amended its licence to include a provision in which it will not be required to issue a bill every 90 days, rather it was extended to allow Alinta to provide a customer a bill once every 110 days. However, clause 4.1 of the compendium requires Alinta to issue a bill within a 3 month period. Alinta sees little benefit in reporting on those bills that are issued between the 3 month and 110 day period given there is no compliance issue. Further, Alinta may issue in excess of 100,000 bills in this period annually, so the added impost of this requirement is likely to be excessive.

Alinta suggests amending both the above requirements to provide for either the timeframes in 4.1, or should the licence of the retailer stipulate timeframes different to 4.1, the timeframe contained within the licence. Alinta is happy to discuss the precise wording with Authority prior to the release of the next iteration of the Compendium.

In addition, Alinta would like to bring the following issues to the Authority's attention.

- 5.2 d (i) Alinta believes that if possible (noting that this terminology originates from the AGA Code) the definition of a debit facility should be provided within the Code, purely from a customer information perspective.
- 7.6 (c) the term 'planned interruption' (as distinct to interruption) should be defined in the Code for clarity purposes.

Should you require any further information in relation to Alinta Energy's submission, please do not hesitate to contact Adam Lourey on 08 9486 3405.

Yours sincerely

Michelle Shepherd General Manager Regulatory Affairs