



# Notice

5 November 2019

## Wesfarmers Kleenheat Gas Pty Ltd

### 2019 Performance audit

The Economic Regulation Authority has published the 2019 [audit report](#) for Kleenheat's gas distribution licence GDL9.

Kleenheat operates four gas distribution systems that supply liquefied petroleum gas to business and residential customers in estates in:

- Albany (Oyster Harbour)
- Leinster
- Margaret River (Riverslea and Rapids Landing).

As at 30 June 2019, there were 1,071 connections on the distribution systems, with the majority of the connections supplying residential customers.

#### *The ERA's decision*

Overall, Kleenheat has a good level of compliance with its licence. The ERA has decided to maintain the audit period at 36 months. The next audit will cover the period 1 June 2019 to 31 May 2022, with the report due by 31 August 2022.

#### *Background to the ERA's decision*

#### *Audit ratings*

The auditor assessed 49 licence obligations applicable to Kleenheat's licence and found:

- Four were rated A1 (adequate controls, compliant).
- Two were rated A2 (adequate controls, minor non-compliance).
- Two were rated B2 (generally adequate controls, minor non-compliance).
- 30 were rated NP/1 (adequacy of controls not performed, compliant).
- 11 were rated NP/NR (adequacy of controls not performed, not rated because no relevant activity took place during the audit period).

The audit found four non-compliances:

- Kleenheat did not meet the required one business day reconnection timeframe (Obligation 87).
- Kleenheat's representatives seeking access to a supply address did not wear, carry and show official identification (Obligation 90).
- Kleenheat did not publish information directed by the ERA within the timeframes specified (Obligation 103 and 283).

### ***Audit recommendations***

The auditor made two recommendations to address non-compliances with obligations 87 and 90. Non-compliances with obligations 103 and 283 were addressed before the end of the audit period and no further action is required.

Kleenheat has prepared a post-audit implementation plan which states that it will address the audit recommendations between now and December 2019.

Obligations 87 and 90 are under the *Energy Coordination (Customer Contracts) Regulations 2004*, which regulate the content of gas customer contracts. Because gas distributors do not have customer contracts these obligations under the regulations do not apply to distribution licences. The ERA considers these two obligations should have been rated not applicable.

Taking this into account, as there were no unresolved non-compliances in the audit the post-audit implementation plan is not required.

### ***Further information***

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