

**Alinta Sales Pty Ltd**  
**Electricity Retail Licence (ERL6)**  
**2014 Performance Audit**  
**(Independent Assurance) Report**  
**September 2014**

**Limitations of use**

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Ms Michelle Shepherd  
General Manager Regulatory Affairs  
Alinta Energy  
(on behalf of Alinta Sales Pty Ltd)  
Level 13 The Quadrant  
1 William Street  
PERTH WA 6000

25 September 2014

Dear Ms Shepherd

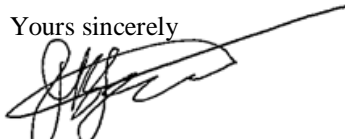
## **Electricity Retail Licence (ERL6) 2014 Performance Audit Report**

We have completed the Electricity Retail Licence Performance Audit for Alinta Sales Pty Ltd for the period 1 June 2012 to 31 May 2014 and are pleased to submit our report to you.

I confirm that this report is an accurate presentation of findings and conclusions from our audit procedures.

If you have any questions or wish to discuss anything raised in the report, please contact Ben Fountain on 9365 7270 or myself on 9365 7200.

Yours sincerely



**Darren Gerber**  
Partner  
DELOITTE TOUCHE TOHMATSU

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# 1 Independent Auditor's report

With the Economic Regulation Authority's (**the Authority**) approval, Deloitte Touche Tohmatsu (**Deloitte**) was engaged to conduct a performance audit of Alinta Sales Pty Ltd.'s (**Alinta**) compliance with the conditions of its Electricity Generation Licence (**the Licence**).

The audit was conducted in accordance with the specific requirements of the Licence and the August 2010 issue of the *Audit Guidelines: Electricity, Gas and Water Licences* (**Audit Guidelines**).

## Alinta's responsibility for compliance with the conditions of the Licence

Alinta is responsible for ensuring compliance with the conditions of the Licence. This responsibility includes the following:

- Establishing and maintaining policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority
- Implementing corrective actions for instances of non-compliance (if any).

## Deloitte's responsibility

Our responsibility is to express a conclusion on Alinta's compliance with the conditions of the Licence based on our audit procedures. We conducted our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3500 *Performance Engagements*<sup>1</sup> issued by the Australian Auditing and Assurance Standards Board (**AASB**), in order to state whether, in our opinion, based on the work performed, Alinta has complied, in all material respects, with the conditions of its Licence as outlined in the approved Audit Plan for the period 1 June 2012 to 31 May 2014.

Our engagement provides reasonable assurance as defined in ASAE 3500.

Our procedures consisted primarily of:

- Utilising the Audit Guidelines and the June 2013 Electricity Compliance Reporting Manual (**Reporting Manual**) as a guide for development of a risk assessment, and document review to assess controls
- Development of an Audit Plan for approval by the Authority and an associated work program
- Interviews with and representations from relevant Alinta staff to gain an understanding of process controls
- Review of documents and walkthrough of processes and controls to assess the overall compliance and effectiveness in accordance with Licence obligations. We also performed sample testing where relevant for obligations rated as an Audit Priority 3 in the approved Audit Plan.

## Limitations of use

This report is made solely for the information and internal use of Alinta and is not intended to be, and should not be, used by any other person or entity. No other person or entity is entitled to rely, in any manner, or for any purpose, on this report.

We understand that a copy of this report will be provided to the Authority for the purpose of reporting on the performance audit for Alinta's electricity retail licence. We agree that a copy of this report may be provided to the Authority for its information in connection with this purpose but only on the basis

<sup>1</sup> ASAE 3500 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3100 *Compliance Engagements* and ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

that we accept no duty, liability or responsibility to the Authority in relation to the report. We accept no duty, responsibility or liability to any party, other than Alinta, in connection with the report or this engagement.

### Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. A reasonable assurance engagement is not designed to detect all instances of non-compliance with the conditions of the Licence, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance with conditions of the Licence are undertaken on a test basis.

Accordingly, readers of our report should not rely on the report to identify all potential instances of non-compliance which may occur.

### Independence

In conducting our engagement, we have complied with the independence requirements of the Australian professional accounting bodies.

## Conclusion

In our opinion, based on the work performed, except for the effect of any issues set out below, Alinta has, in all material respects, complied with the conditions of its Licence as outlined in the approved Audit Plan (approved on 12 June 2014) for the period 1 June 2012 to 31 May 2014.

### Exceptions

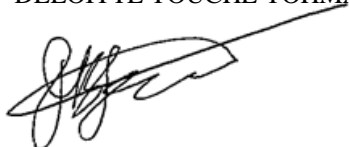
The following performance criteria were assessed as non-compliant (rating 2):

Reporting manual no. & Licence condition		Issue
81	<i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 7</i> – A non-standard contract must specify certain information about the retailer.	Alinta's non-standard form contract and accompanying terms and conditions do not specify the following information required by Regulation 7 of the Customer Contracts Regulations: <ul style="list-style-type: none"> <li>The registered office address and business address (if different from its registered office) (Regulation 7(c))</li> <li>The postal address.</li> </ul>
124	<i>Retail Licence condition 16.1</i> – A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	A hard copy submission of Alinta's 2011/12 Compliance Report was not provided to the Authority by the due date of 31 August.

Reporting manual no. & Licence condition		Issue
129	<p><i>Code of Conduct Clause 2.1</i> – A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.</p> <p><i>Additional Clauses:</i></p> <p>The issue also affects the following additional obligations:</p> <p><i>Under the Electricity Industry Act:</i></p> <p>108 [section 54(1)]</p> <p><i>Under the Code of Conduct:</i></p> <p>130 [clause 2.2]</p> <p>132 [clause 2.3(1)(c)-(d)]</p> <p>133 [clause 2.3(2)]</p> <p>135 [clause 2.4(1)]</p> <p>136 [clause 2.4(2)]</p> <p>137 [clause 2.4(3)]</p> <p>139 [clause 2.5(2)].</p>	<p>Alinta entered into an arrangement to supply electricity to a customer in April 2013 utilising Alinta's advertised rates. However:</p> <ul style="list-style-type: none"> <li>• The arrangement is not supported by a formal contractual arrangement</li> <li>• The information Alinta is required to provide to customers, as outlined by the Code, had not been provided to the customer (for example, the non-standard form contract terms and conditions)</li> <li>• Verifiable consent had not been obtained from the customer.</li> </ul>
142	<p><i>Code of Conduct Clause 2.6(3)</i> – An electricity marketing agent who meets with a customer face to face must:</p> <ul style="list-style-type: none"> <li>• When negotiating a contract that is not an unsolicited consumer agreement, as soon as practicable tell the customer the purpose of the visit;</li> <li>• Wear a clearly visible and legible identity card showing the information specified in subclause 2.6(2)(b); and</li> <li>• As soon as practicable provide the written information specified in subclause 2.6(2)(c).</li> </ul> <p><i>Additional Clauses:</i></p> <p><i>Under Electricity Retail Licence Conditions:</i></p> <p>114 [Retail licence condition 23.1]</p>	<p>In a face to face meeting with 15 small use business customers as part of a marketing campaign, Alinta failed to detail the following three information requirements required by s.2.6(2)(c):</p> <ul style="list-style-type: none"> <li>• The marketing agent's marketing identification number</li> <li>• Alinta's complaints telephone number</li> <li>• Australian Business or Company number of Alinta.</li> </ul>
158	<p><i>Code of Conduct Clause 4.5(1)</i> – Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in subclause 4.5(1) on the customer's bill.</p>	<p>With the Code of Conduct being updated during the audit period, effective from 1 January 2013, the clause references mentioned in section 6.3 of Alinta's non-standard form contract have become incorrect. As such, Alinta has been obtaining consent from customers to not include specific particulars on its bill that are actually included. Conversely, consent has not been obtained for the removal of two clause requirements.</p> <p>The requirements for clause 4.5(1)(d)(ii) have also not been included in the bill, without obtaining consent from the customer to that effect.</p>

Reporting manual no. & Licence condition		Issue
163	<i>Code of Conduct Clause 4.8(1)</i> – If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.	In November 2012, Alinta's estimated bill template was updated to include a notification about Alinta's service standard payments (per cl.10.3A). The update resulted in the notation about estimated meter reads being removed. As such, estimated bills issued since November 2012 did not include the specified information.
164	<i>Code of Conduct Clause 4.8(2)</i> – In circumstances where the customer's bill is estimated, a retailer must specify in a visible and legible manner, on the customer's bill the information detailed in subclause 4.8(2).	
268	<i>Code of Conduct Clause 10.1(1)</i> – A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, as soon as practicable after the variation is published and no later than the next bill in the customer's billing cycle.	Alinta customers were not notified of the tariff change effective from 1 July 2012, outside of the blanket statement, which was determined to be inadequate by the 2012 performance audit

DELOITTE TOUCHE TOHMATSU


**Darren Gerber**

Partner

Perth, September 2014

# 2 Executive summary

## 2.1 Introduction and background

The Economic Regulation Authority (the Authority) has under the provisions of the Electricity Industry Act 2004 (the **Act**) issued to Alinta Sales Pty Ltd (**Alinta**) an Electricity Retail Licence (the **Licence**).

The Licence relates to Alinta's operation of selling retail electricity to contestable customers who are connected to the South West Interconnect Systems (**SWIS**). Approximately a third of Alinta's electricity customers by volume are small use customers.

Section 13 of the Act requires Alinta to provide the Authority with an audit (the **audit**) conducted by an independent expert acceptable to the Authority not less than once in every 24 month period.

## 2.2 Observations

In considering Alinta's internal control procedures, structure and environment, its compliance attitude and its information systems specifically relevant to those licence obligations subject to audit, we observed that Alinta has:

- Maintained consistent procedures and controls designed to:
  - Meet its customer service standards relating to customer connections, contracts, billing, payment and complaints handling
  - Uphold the integrity of its reporting to the Authority and other statutory organisations on matters specific to its Licence obligations
- Implemented control improvements associated with elements of non-compliance and areas for improvement since the last audit. One action plan to address a non-compliance reported by the last audit has not yet been completed
- Maintained its delegation of responsibilities to specific managers and staff for meeting key Licence obligations
- Maintained support for its Gentrack customer information system
- Demonstrated a continued awareness of and commitment to regulatory compliance, including appointing an additional resource in the regulatory team
- Recognised a number of elements of non-compliance throughout the audit period and implemented associated control improvements.

## 2.3 Findings

The following tables summarise the assessments made by the audit on Alinta's compliance with the obligations of the Licence. On a scale of 1 to 5, "5" is the highest compliance rating possible (defined as "Compliant with no further action required to maintain compliance") with the rating scale moving down through lower levels of compliance to "1", the lowest compliance rating possible (defined as "Significantly non-compliant: Significant weaknesses and/or serious action required").

**Table 2** at section 3 of this report provides further detail to the compliance rating scale.



**Table 1: Summary of findings, by audit priority and compliance rating**

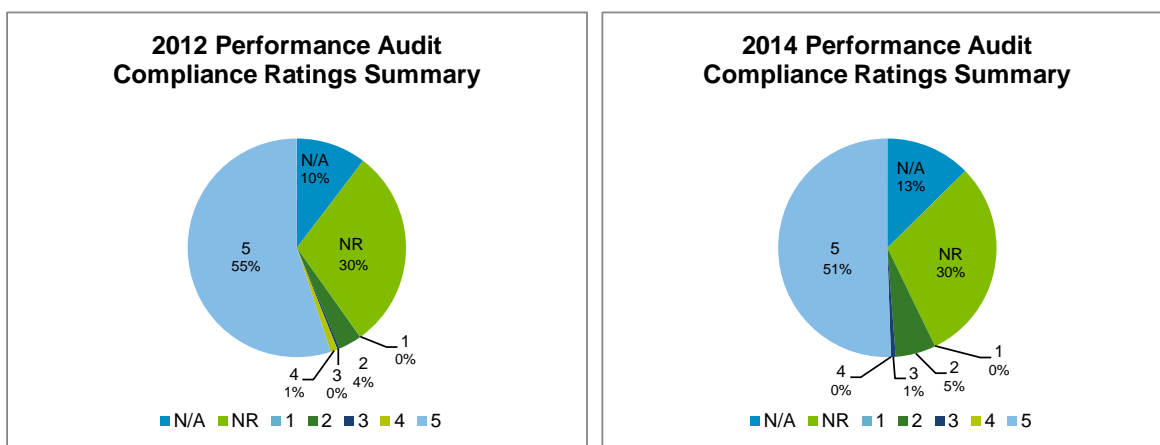
No. of Obligations	Compliance Rating							Total
			Non-compliant		Compliant			
Audit Priority <sup>2</sup>	N/A <sup>3</sup>	Not rated <sup>4</sup>	1	2	3	4	5	
Priority 1		-	-	-	-	-	-	-
Priority 2		2	-	-	-	-	1	3
Priority 3		1	-	7	-	-	1	9
Priority 4		67	-	10	3	-	122	202
Priority 5		16	-	-	-	-	19	35
N/A								36
<b>Total</b>	<b>36</b>	<b>86</b>	<b>-</b>	<b>17</b>	<b>3</b>	<b>-</b>	<b>143</b>	<b>285</b>

For the current audit period 1 June 2012 to 31 May 2014, a total of 17 licence obligations were rated as non-compliant.

The 2012 performance audit had rated ten licence obligations as non-compliant (not including those carried forward from the 2010 performance audit). As Alinta addressed the causes of these non-compliances by implementing relevant action plans during the period August 2012 to November 2012:

- No further recommendation or action plan is required to address the non-compliance
- This audit focussed on testing controls and processes maintained since the implementation of the updated control/process.

The following graph compares Alinta's overall compliance position, by compliance rating, for the current audit (2014) and the previous audit (2012).

**Graph 1: compliance ratings summary 2012 vs 2014**

<sup>2</sup> Audit priority for each licence obligation was determined as an outcome of the risk assessment approach outlined in the Audit Plan at Appendix A

<sup>3</sup> Obligations assessed as not applicable to Alinta's operations are detailed in the Audit Plan at Appendix A

<sup>4</sup> Obligations for which there was no relevant activity during the audit period; therefore a compliance assessment could not be made

Overall, this audit observed:

- Alinta’s implementation of action plans designed to address the cause of the five non-compliant obligations identified by the 2012 Performance Audit
- In comparison with the results of the 2012 Performance Audit, where there were 289 obligations of which 30 were not applicable:
  - An increase in the number of licence obligations rated as non-compliant
  - A decrease in the number of licence obligations rated as compliant, but with recommendations to improve the strength of internal controls to maintain compliance

Specific assessments for each licence obligation are summarised at Table 3 in the “Summary of findings” section of this report.

Detailed findings, including relevant observations, recommendations and action plans are located in section 4 “Detailed findings, recommendations and action plans” of this report.

## 2.4 Alinta’s response to previous audit recommendations

This audit considered Alinta’s progress in completing the action plans detailed in the 2012 Performance Audit report.

Our examination of relevant documents, discussions with staff and consideration of the results of this audit’s testing against the associated licence obligations, we determined that Alinta had completed four of the six action plans detailed in the 2012 performance audit report. The remaining action plans (4/2012 and 6/2012) have been ‘closed out’ and replaced with new action plans in the 2014 Performance Audit.

Refer to section 5 of this report for further detail.

## 2.5 Recommendations and action plans

Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 1/2014
81 <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 7 – A non-standard contract must specify certain information about the retailer.</i>	Priority 4	Non-compliant - 2	<p>Examination of Alinta’s non-standard form contract and accompanying terms and conditions confirmed that the documents do not specify all the information required by Regulation 7 of the Customer Contracts Regulations. We identified that Regulation 7 requires the retailer to specify (amongst others):</p> <ul style="list-style-type: none"> <li>• The registered office address and business address (if different from its registered office) (Regulation 7(c))</li> <li>• The postal address.</li> </ul> <p>Alinta Sales Pty Ltd.’s (the Licensee) registered office address, per an ASIC search performed on 24 July 2014 is Level 11, 16-20 Bridge Street, Sydney NSW 2000. However:</p> <ul style="list-style-type: none"> <li>• The non-standard form contract only details Alinta’s postal address in Western Australia</li> <li>• The terms and conditions list a number of addresses, however the registered address listed is outdated as it refers to an address in Adelaide.</li> </ul>
<p><b>Recommendation 1/2014</b> Alinta should update both its non-standard form contract and terms and conditions to reflect the appropriate registered address of Alinta Sales Pty Ltd.</p>			<p><b>Action Plan 1/2014</b> Alinta will update the required documentation with correct registered address. <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2014</p>

	<b>Reporting manual no. &amp; Licence condition ref.</b>	<b>Audit Priority</b>	<b>Compliance Rating</b>	<b>Issue 2/2014</b>
124	<i>Retail Licence condition 16.1</i> – A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	Priority 4	Non-compliant - 2	<p>Alinta's Annual Compliance Reports are required to be submitted to the Authority by 31 August each year both in hard copy and electronic format.</p> <p>Although an electronic copy of 2011/12 Compliance Report was submitted to the Authority by 31 August 2012, the hard copy submission was not provided until after 31 August, therefore not complying with the required timeframe. This was reported by Alinta to the Authority in 2012/13 Compliance Report.</p> <p>We acknowledge that since 2013, Alinta has appointed a Regulatory Advisor who is responsible for tracking all key regulatory notification and reporting dates in a Regulatory Obligations Register and has submitted subsequent reports in a timely fashion.</p> <p>As such, no further action (in the form of a post audit implementation plan) is proposed.</p>

	<b>Reporting manual no. &amp; Licence condition ref.</b>	<b>Audit Priority</b>	<b>Compliance Rating</b>	<b>Issue 3/2014</b>
129	<p><i>Code of Conduct Clause 2.1</i> – A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.</p> <p><i>Additional Clauses:</i> The issue also affects the following additional obligations:</p> <p><i>Under the Electricity Industry Act:</i> 108 [section 54(1)]</p> <p><i>Under the Code of Conduct:</i> 130 [clause 2.2] 132 [clause 2.3(1)(c)-(d)] 133 [clause 2.3(2)] 135 [clause 2.4(1)] 136 [clause 2.4(2)] 137 [clause 2.4(3)] 139 [clause 2.5(2)]</p>	<p>Priority 4</p> <p>Priority 3</p> <p>Priority 4</p> <p>Priority 3</p> <p>Priority 3</p> <p>Priority 4</p> <p>Priority 4</p> <p>Priority 4</p> <p>Priority 4</p> <p>Priority 4</p>	<p>Non-compliant - 2</p>	<p>The Code of Conduct for supply of electricity to small use customers contains specific requirements regarding the manner through which retailers or marketing agents can enter into contractual relationships with customers.</p> <p>The audit identified that Alinta entered into an arrangement to supply electricity to a customer in April 2013 utilising Alinta’s advertised rates. We understand that the arrangement was not unsolicited (i.e. the customer approached Alinta for the provision of services). However, the audit confirmed that:</p> <ul style="list-style-type: none"> <li>• The arrangement is not supported by a formal contractual arrangement</li> <li>• The information Alinta is required to provide to customers, as outlined by the Code, had not been provided to the customer (for example, the non-standard form contract terms and conditions)</li> <li>• Verifiable consent had not been obtained from the customer.</li> </ul> <p>As Alinta did not formally engage the customer through a formal contract and provide appropriate information to the customer, Alinta has not complied with clause 2.1. Given the nature of the non-compliance, Alinta has also not complied with clauses 2.2, 2.3(1)(c)-(d), 2.3(2), 2.4(1), 2.4(2), 2.4(3) and 2.5(2).</p>
	<p><b>Recommendation 3/2014</b></p> <p>Alinta should:</p> <ol style="list-style-type: none"> <li>Formalise the contractual relationship between Alinta and the identified customer</li> <li>Review its contract establishment procedures and implement measures to ensure that all contracts are in writing and verifiable consent is obtained from each customer, as well as applicable information being provided to the customer</li> <li>Consider implementing automated measures to ensure that the triggers for differing contractual relationships are correctly applied. Alinta should also consider providing training to staff about the differing contractual relationships and the associated triggers for their use and updating procedures to specifically delineate between the contract types.</li> <li>Consider reviewing its existing contracts to ensure that the appropriate contractual relationships are in place.</li> </ol>	<p><b>Action Plan 3/2014</b></p> <p>Alinta will:</p> <ol style="list-style-type: none"> <li>Formalise the contractual relationship between Alinta and the identified customer</li> <li>Review its contract establishment procedures and implement measures to ensure that all contracts are in writing and verifiable consent is obtained from each customer, as well as applicable information being provided to the customer</li> <li>Consider implementing automated measures to ensure that the triggers for differing contractual relationships are correctly applied. Alinta should also consider providing training to staff about the differing contractual relationships and the associated triggers for their use and updating procedures to specifically delineate between the contract types.</li> <li>Consider reviewing its existing contracts to ensure that the appropriate contractual relationships are in place.</li> </ol> <p><b>Responsible Person:</b> Business Sales and Channel Manager</p> <p><b>Target Date:</b> 30 October 2014</p>		

	<b>Reporting manual no. &amp; Licence condition ref.</b>	<b>Audit Priority</b>	<b>Compliance Rating</b>	<b>Issue 4/2014</b>
114	<i>Retail Licence condition 23.1</i> – A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	Priority 4	Non-compliant - 2	Where Alinta representatives meet with customers face-to-face they are required to: <ul style="list-style-type: none"> <li>• Inform the customer the purpose of their visit as soon as practicable (where unsolicited)</li> <li>• Wear a clearly visible and legible identity card, including mandated information</li> <li>• Provide the customer with written mandated information.</li> </ul>
115	<i>Retail Licence condition 23.2</i> – The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	Priority 4	Compliant - 3	In February 2014, Alinta representatives met with 15 small use business customers face-to-face as part of a marketing campaign. Examination of the written information (i.e. business card) provided to customers by Alinta identified that it failed to detail the following three information requirements required by s.2.6(2)(c), including: <ul style="list-style-type: none"> <li>• The marketing agent’s marketing identification number</li> <li>• Alinta’s complaints telephone number</li> <li>• Australian Business or Company number of Alinta.</li> </ul>
142	<i>Code of Conduct Clause 2.6(3)</i> – An electricity marketing agent who meets with a customer face to face must: <ul style="list-style-type: none"> <li>• When negotiating a contract that is not an unsolicited consumer agreement, as soon as practicable tell the customer the purpose of the visit;</li> <li>• Wear a clearly visible and legible identity card showing the information specified in subclause 2.6(2)(b); and</li> <li>• As soon as practicable provide the written information specified in subclause 2.6(2)(c).</li> </ul>	Priority 4	Non-compliant - 2	We acknowledge that whilst Alinta has since updated the business card to comply with the requirements of Code, Alinta’s processes did not identify the breach of the Code of Conduct. As such, Alinta’s processes for reporting the breach to the Authority were not triggered.
<b>Recommendation 4/2014</b> Alinta should: <ol style="list-style-type: none"> <li>Recommunicate the key compliance requirements to the marketing and sales team to ensure that marketing agents communicate with the Regulatory team should a breach occur</li> <li>Implement a process to ensure that the marketing and sales team provide periodic compliance updates to the Regulatory team. The Regulatory team should then periodically check marketing and sales performance.</li> </ol>				<b>Action Plan 4/2014</b> Alinta will: <ol style="list-style-type: none"> <li>Recommunicate the key compliance requirements to the marketing and sales team to ensure that marketing agents communicate with the Regulatory team should a breach occur</li> <li>Implement a process to ensure that the marketing and sales team provide periodic compliance updates to the Regulatory team. The Regulatory team will perform periodic checks on marketing and sales performance.</li> </ol> <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2014

Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 5/2014
158	Code of Conduct Clause 4.5(1) – Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in subclause 4.5(1) on the customer's bill.	Priority 4  Non-compliant - 2	<p>Alinta is required, per clause 4.5(1) of the Code to include particular information on its bill unless a customer agrees otherwise. In August 2011, Alinta amended its non-standard form contract to provide for customers to consent for specific elements not to be included on the standard bill. Section 6.3 of Alinta's non-standard contract stated:</p> <p><i>Each bill will show the information required to be included in accordance with clause 4.5[1] of the Code, other than the information in clause 4.5[1][b] and [bb] of the Code, which you agree the bill is not required to show.</i></p> <p>However, as the Code of Conduct was updated during the audit period, effective from 1 January 2013, the clause references mentioned in section 6.3 of Alinta's non-standard form contract are incorrect.</p> <ul style="list-style-type: none"> <li>• Clause 4.5(1)(b) (now cl.4.5(1)(c)(i)) originally required current meter reading or estimate, where the customer had an accumulation meter installed. Given the change in Code, it now refers to requirements where the customer has a Type 7 connection point, which is not relevant to Alinta's customers</li> <li>• Clause 4.5(1)(bb) (now cl.4.5(1)(dd)) originally required, to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period covered by the bill, the previous bill and the bill for the same period last year. Given the change in the Code, it now refers to the requirement for the national interpreter symbol to be included.</li> </ul> <p>As such, Alinta has been obtaining consent from customers to not include specific particulars on its bill that are actually included. Conversely, consent has not been obtained for the removal of two clause requirements.</p> <p>Our examination of Alinta's bill template and non-standard form contract also highlighted that the requirements for clause 4.5(1)(d)(ii) have not been included in the bill. Consent to not include has not been sought from the customer.</p>
	<p><b>Recommendation 5/2014</b></p> <p>Alinta should:</p> <ol style="list-style-type: none"> <li>Update its non-standard form contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills</li> <li>Implement a monitoring process to ensure that the non-standard form contract and supporting terms and conditions align with the requirements of the Code of Conduct, specifically where updated.</li> </ol>		<p><b>Action Plan 5/2014</b></p> <p>Alinta will:</p> <ol style="list-style-type: none"> <li>Update its non-standard contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills</li> <li>Implement a monitoring process to ensure that the non-standard contract and supporting terms and conditions align with the requirements of the Code of Conduct, specifically where updated or changes made to the Code.</li> </ol> <p><b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2014</p>

Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 6/2014
<p>163 <i>Code of Conduct Clause 4.8(1)</i> – If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.</p> <p>164 <i>Code of Conduct Clause 4.8(2)</i> – In circumstances where the customer’s bill is estimated, a retailer must specify in a visible and legible manner, on the customer’s bill the information detailed in subclause 4.8(2).</p>	<p>Priority 3</p> <p>Priority 3</p>	<p>Non-compliant - 2</p>	<p>Clause 4.8(1) requires Alinta to provide customers with an estimated bill should they be unable to base it on a meter read. Clause 4.8(2) requires a retailer to detail on a customer’s bill, if based on an estimated read, the following:</p> <ul style="list-style-type: none"> <li>• The fact that the retailer has based the bill on an estimation (cl.4.8(2)(a))</li> <li>• (On request) the basis and reason for estimation (cl.4.8(2)(b))</li> <li>• The customers’ ability to request a verification of a meter reading and an actual meter reading (cl.4.8(2)(c)).</li> </ul> <p>Through discussions with the Energy Billing Officer and walkthrough of Alinta’s billing processes, we determined that Alinta has the following arrangements in place for estimated bills:</p> <ul style="list-style-type: none"> <li>• Alinta’s procedures provide for Western Power to generate an estimated value based on previous billed amounts in the event that a meter read data is not received</li> <li>• The estimated data provided by Western Power (via the web portal) is to be uploaded into Gentrack</li> <li>• Gentrack is to identify those interval periods where an estimation has been performed</li> <li>• Gentrack identifies which bills contain estimations to facilitate printing of relevant information on the customer’s bill i.e. that their bill has been calculated using estimated metering data.</li> </ul> <p>Alinta’s processes had required an estimated bill template to include the following note to demonstrate compliance with the requirements of sub clause 4.8:</p> <p><i>“This invoice is based on metering data that includes estimates. For details on the basis and reason for the meter data estimates, or to request a meter verification or reading, please contact Alinta on 13 13 58.”</i></p> <p>However in November 2012, Alinta’s estimated bill template was updated to include a notification about Alinta’s service standard payments (per cl.10.3A). The update resulted in the above notation about estimated meter reads being removed. As such, estimated bills issued since November 2012 did not include the specified information per cl 4.8(2).</p>
<p><b>Recommendation 6/2014</b></p> <p>Alinta should:</p> <ol style="list-style-type: none"> <li>(a) Update the estimated bill template to include all required elements of cl.4.8 of the Code</li> <li>(b) Implement a monitoring process to ensure that the estimated bill template aligns with the requirements of the Code of Conduct, specifically where updated.</li> </ol>			<p><b>Action Plan 6/2014</b></p> <p>Alinta has updated the estimated bill template to include all the required elements of cl.4.8 of the Code. In addition, Alinta will implement the following monitoring processes:</p> <ol style="list-style-type: none"> <li>(a) Where a change to the bill is made, the template is independently verified (e.g. separate team in customer services) to ensure that the correct information is maintained</li> <li>(b) Annual check of the bill template will be performed by the Regulatory team as part of annual compliance report to the Authority.</li> </ol> <p><b>Responsible Person:</b> Manager Regulatory Affairs  <b>Target Date:</b> 31 December 2014</p>

	Reporting manual no. & Licence condition ref.	Audit Priority	Compliance Rating	Issue 7/2014
268	<p><i>Code of Conduct Clause 10.1(1)</i> – A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, as soon as practicable after the variation is published and no later than the next bill in the customer’s billing cycle.</p>	Priority 3	Non-compliant - 2	<p>Clause 10.1(1) of the Code requires a retailer to give a notice to each of its customers affected by a variation in its tariffs 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>During the audit period, there were two tariff variations effective from 1 July 2012 and 1 September 2013.</p> <p>As identified by the 2012 performance audit report, Alinta attempted to demonstrate compliance with requirements of clause 10.1(1) by including a ‘blanket’ notification statement on customer bills as a way of informing customers on any variation in its tariff. However, the 2012 performance audit determined that the ‘blanket’ statement did not adequately inform affected customers of an actual tariff variation. Alinta agreed to investigate and establish a plan for implementing the most appropriate method for notifying individual customers of any tariff changes on the customer’s next bill.</p> <p>Our assessment identified that Alinta customers were:</p> <ul style="list-style-type: none"> <li>• Not notified of the tariff change effective from 1 July 2012, outside of the blanket statement identified above. As such, Alinta has not complied with the requirements of cl.10.1(1) of the Code</li> <li>• Notified of the tariff change effective from 1 September 2013 by way of a manual notification letter sent with the first bill following the tariff change. As such, Alinta has complied with the requirement of the Code.</li> </ul> <p>We also noted that Alinta’s post audit implementation plan 4/2012 has not been addressed, as it is reliant on the introduction of new billing engine. The development of the billing engine was ongoing at the time of the audit.</p>
	<p><b>Recommendation 7/2014</b></p> <p>Alinta should:</p> <ol style="list-style-type: none"> <li>(a) Implement a process to enable timely and effective information to be provided to customers should a tariff change</li> <li>(b) Provide a status update to the Authority of the billing engine project and how the tariff change process will be reflected to address clause 10.1(1).</li> </ol>			<p><b>Action Plan 7/2014</b></p> <p>Alinta will:</p> <ol style="list-style-type: none"> <li>(a) Assign a team to prepare tariff change notifications and ensure distribution of the information to affected customers</li> <li>(b) Ensure that the process requirement is captured in the Gentrack system upgrade so that appropriate information can be captured on customer bills.</li> </ol> <p><b>Responsible Person:</b> Customer Services Manager</p> <p><b>Target Date:</b></p> <ol style="list-style-type: none"> <li>(a) Completed. In place since Team was used to deliver the September 2013 tariff change and update</li> <li>(b) 31 December 2014.</li> </ol>



Reporting manual no. & Licence condition ref.		Audit Priority	Compliance Rating	Issue 8/2014
294	<i>Code of Conduct Clause 12.1(1)</i> – A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Priority 4	Compliant - 3	Clause 12.1 of the Code requires a retailer and distributor to develop, maintain and implement an internal process for handling complaints and resolving disputes which addresses key factors, such as response time and methods of response.
295	<i>Code of Conduct Clause 12.1(2)</i> – The complaints handling process under subclause 12.1(1) must comply with the requirements specified in subclauses 12(1)(2)(a), (b) and (c) and be made available at no cost.	Priority 4	Compliant - 3	<p>We examined the Customer Complaints Report, detailing 22 complaints received by Alinta during the audit period (and status as at 1 July 2014), and observed:</p> <ul style="list-style-type: none"> <li>• 4 complaint records with the method of response and resolution status not recorded</li> <li>• 12 complaint records where the complaint had not been actioned within 3 months of complaint receipt. We identified: <ul style="list-style-type: none"> <li>• 6 of the 12 complaints were outstanding since 2012</li> <li>• 5 of the 12 complaints were outstanding since 2013</li> <li>• 1 complaint was outstanding since January 2014.</li> </ul> </li> <li>• All 16 complaints identified above were marked as ‘in progress’ within Gentrack and had not been updated to ‘resolved’ as they were finalised.</li> </ul> <p>As such, our assessment of Alinta’s customer complaints process identified that the monitoring and follow-up practices require attention to ensure that Alinta is managing complaints and agreeing resolutions in a timely fashion.</p>
<p><b>Recommendation 8/2014</b></p> <p>Alinta should implement exception reporting or alerts to follow up on all non-resolved complaints with the necessary personnel and capture any progress updates.</p>				<p><b>Action Plan 8/2014</b></p> <p>Alinta will:</p> <ol style="list-style-type: none"> <li>Update the complaints register to ensure that all items on the complaints register have been addressed. Note that upon investigation, the overdue items had previously been actioned, however the system had not been updated to reflect the correct status</li> <li>Prepare a weekly report of open complaints which is to be reviewed by Team Leader Customer Services and actioned accordingly</li> <li>As part of the Gentrack billing system upgrade, new procedures and functionality will be implemented to manage complaints with automated alerts to identify open complaint records.</li> </ol> <p><b>Responsible Person:</b> Customer Services Manager</p> <p><b>Target Date:</b></p> <ol style="list-style-type: none"> <li>Completed</li> <li>Completed</li> <li>31 December 2014.</li> </ol>

## 2.6 Scope and objectives

The audit is designed to gain reasonable assurance regarding Alinta’s compliance with the conditions of its Licence during the period 1 June 2012 to 31 May 2014.

The Authority has summarised the requirements of the applicable legislation that it expects to be reported and included in the scope of the audit in its Electricity Compliance Reporting Manual (**Reporting Manual**).

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*This report is intended solely for the use of Alinta for the purpose of its reporting requirements under section 13 of the Act. We do not accept or assume responsibility to anyone other than Alinta for our work, for this report, or for any reliance which may be placed on this report by any third party for any other purpose*

The Audit Plan set out at Appendix A lists those Licence conditions confirmed to be included in the scope of the audit, along with the risk assessments made for and audit priority assigned to each licence obligation.

## 2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period June to August 2014:

- Utilising the Audit Guidelines and Reporting Manual as a guide, development of a risk assessment which involved discussions with key staff and document review to assess controls
- Development of an Audit Plan (see **Appendix A**) for approval by the Authority and an associated work program
- Interviews with relevant site level Alinta staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Review of documents, processes and controls to assess the overall compliance and effectiveness of those processes and controls in accordance with Licence obligations (see **Appendix B** for reference listing)
- Sample testing for obligations assessed as an audit priority 3 (or above) and where there was relevant activity to determine whether transactions complied with the requirements of the obligation
- Reporting of findings to Alinta for review and response.

# 3 Summary of findings

Table 2 sets out the rating scale defined by the Authority in the Audit Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, Alinta was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

**Table 2: Compliance rating scale**

Level	Rating	Description
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
Non-compliant	2	Does not meet minimum requirements
Significantly non-compliant	1	Significant weaknesses and/or serious action required
Not applicable	N/A	Determined that the compliance obligation does not apply to Alinta's business operations
Not rated	N/R	No relevant activity took place during the audit period; therefore it is not possible to assess compliance.

The remainder of this report provides:

- A summary of the findings for the compliance obligations (at **Table 3** below).
- Detailed findings, including relevant observations, recommendations and action plans (at **section 4**).

Note that the risk assessment presented in the audit plan remains unchanged as no issues or concerns were identified that would indicate a need to modify the nature and levels of testing.

The risk assessment has been included in this summary to give context to the ratings that have been determined.

**Table 3: Compliance Summary**

Refer to Detailed Findings at section 4 and Audit Plan at Appendix A for descriptions of the obligations

#	Obligation reference	Consequence	Likelihood	Inherent Risk	Control Assessment	Audit Priority	Compliance Rating					
							NR	1	2	3	4	5
<b>Section 8 Type 1 Reporting Obligations for all Licence Types</b>												
230	7.6	Major	Unlikely	High	Moderate	Priority 2						✓
231	7.7(1)	Major	Unlikely	High	Moderate	Priority 2	✓					
250	9.6(1)	Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant										
251	9.6(2)											
<b>Section 9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations</b>												
6	3.2(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
7	3.4(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
8	3.5(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
9	3.6(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
16	3.9(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
17	3.9(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
18	9.3(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
19	3.9(4)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
23	4.2(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
24	4.3	Moderate	Unlikely	Medium	Strong	Priority 4						✓
25	4.4(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
26	4.4(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
27	4.5(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
28	4.6(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
29	4.7	Moderate	Unlikely	Medium	Strong	Priority 4						✓
30	4.8(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
34	4.9(6)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
39	4.11(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
40	4.12(3)	Minor	Unlikely	Low	Strong	Priority 5						✓
43	4.15	Minor	Unlikely	Low	Strong	Priority 5						✓
44	4.16	Moderate	Unlikely	Medium	Strong	Priority 4						✓
45	4.17	Moderate	Unlikely	Medium	Strong	Priority 4						✓
48	5.1(4)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
49	6.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
52	6.4(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
53	6.4(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
54	6.6	Moderate	Unlikely	Medium	Strong	Priority 4						✓
55	7.1(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
56	7.1(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
57	7.1(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
58	7.2(4)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
59	7.3(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
68	A6.2(a)	Minor	Unlikely	Low	Strong	Priority 5						✓
69	A6.2(b)	Moderate	Unlikely	Medium	Strong	Priority 4						✓

#	Obligation reference	Consequence	Likelihood	Inherent Risk	Control Assessment	Audit Priority	Compliance Rating					
							NR	1	2	3	4	5
70	A6.6	Minor	Unlikely	Low	Strong	Priority 5						✓
71	A6.7	Minor	Unlikely	Low	Strong	Priority 5						✓
<b>Section 11 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations</b>												
78	Section 51	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
79	Regulation 5	Moderate	Unlikely	Medium	Strong	Priority 4						✓
80	Regulation 6	Moderate	Unlikely	Medium	Strong	Priority 4						✓
81	Regulation 7	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
82	Regulation 8	Moderate	Unlikely	Medium	Strong	Priority 4						✓
83	Regulation 9	Moderate	Unlikely	Medium	Strong	Priority 4						✓
84	Regulation 10	Moderate	Probable	Medium	Strong	Priority 4						✓
85	Regulation 11	Moderate	Probable	Medium	Strong	Priority 4						✓
86	Regulation 12	Moderate	Probable	Medium	Moderate	Priority 4	✓					
87	Regulation 13	Moderate	Probable	Medium	Strong	Priority 4						✓
88	Regulation 14	Moderate	Probable	Medium	Strong	Priority 4						✓
89	Regulation 15	Moderate	Probable	Medium	Strong	Priority 4						✓
90	Regulation 16 & 34	Moderate	Probable	Medium	Strong	Priority 4						✓
91	Regulation 17	Moderate	Probable	Medium	Strong	Priority 4						✓
92	Regulation 18	Moderate	Probable	Medium	Strong	Priority 4						✓
93	Regulation 19	Moderate	Probable	Medium	Strong	Priority 4						✓
94	Regulation 20	Moderate	Probable	Medium	Strong	Priority 4						✓
95	Regulation 21	Moderate	Probable	Medium	Strong	Priority 4						✓
96	Regulation 32	Moderate	Probable	Medium	Strong	Priority 4						✓
97	Regulation 33(2)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
98	Regulation 33(3) & (4)	Moderate	Probable	Medium	Strong	Priority 4						✓
100	Regulation 38	Moderate	Probable	Medium	Moderate	Priority 4	✓					
<b>Section 12 Electricity Industry Act – Licence and Obligations</b>												
101	13(1)	Minor	Unlikely	Low	Strong	Priority 5						✓
105	17(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
106	31(3)	Minor	Unlikely	Low	Strong	Priority 5						✓
107	41(6)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
108	54(1)	Moderate	Unlikely	Medium	Weak	Priority 3			✓			
109	54(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
110	76	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
111	101	Moderate	Unlikely	Medium	Strong	Priority 4						✓
113	115(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
<b>Section 13 Electricity Licences – Licence Conditions and Obligations</b>												
114	23.1	Moderate	Probable	Medium	Moderate	Priority 4			✓			
115	23.2	Moderate	Probable	Medium	Moderate	Priority 4				✓		
116	24.2	Minor	Unlikely	Low	Moderate	Priority 5						✓
117	24.3	Minor	Unlikely	Low	Moderate	Priority 5						✓

#	Obligation reference	Consequence	Likelihood	Inherent Risk	Control Assessment	Audit Priority	Compliance Rating					
							NR	1	2	3	4	5
118	25.1	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
119	12.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
120	13.4	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
121	14.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
123	15.1	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
124	16.1	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
125	17.1 & 17.2	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
126	18.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
<b>Section 14 Code of Conduct – Licence Conditions and Obligations</b>												
129	2.1	Moderate	Probable	Medium	Moderate	Priority 4			✓			
130	2.2	Moderate	Unlikely	Medium	Moderate	Priority 4			✓			
131	2.3(1) (a)-(b)	Not applicable - clause applies to the marketing agents acting on behalf of Electricity Retail Corporation (Synergy Energy) and the Regional Power Corporation (Horizon Power) only.										
132	2.3(1) (c)-(d)	Moderate	Unlikely	Medium	Weak	Priority 3			✓			
133	2.3(2)	Moderate	Unlikely	Medium	Weak	Priority 3			✓			
134	2.3(3)	Moderate	Unlikely	Medium	Weak	Priority 3						✓
135	2.4(1)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
136	2.4(2)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
137	2.4(3)	Moderate	Unlikely	Medium	Moderate	Priority 4			✓			
138	2.5(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
139	2.5(2)	Moderate	Unlikely	Medium	Strong	Priority 4			✓			
140	2.5(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
141	2.6(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
142	2.6(3)	Moderate	Unlikely	Medium	Moderate	Priority 4			✓			
143	2.6(3) & 2.6(4)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
144	2.9(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
145	2.9(2)	Moderate	Probable	Medium	Moderate	Priority 4						✓
146	3.1(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
147	3.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
148	4.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
149	4.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
150	4.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
151	4.2(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
152	4.2(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
153	4.2(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
154	4.2(6)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
155	4.3(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
156	4.3(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
157	4.5(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
158	3.1(1)	Moderate	Probable	Medium	Moderate	Priority 4			✓			
159	3.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓

#	Obligation reference	Consequence	Likelihood	Inherent Risk	Control Assessment	Audit Priority	Compliance Rating					
							NR	1	2	3	4	5
160	4.6(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
161	4.6(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
162	4.7	Minor	Unlikely	Low	Strong	Priority 5						✓
163	4.8(1)	Moderate	Probable	Medium	Weak	Priority 3			✓			
164	4.2(5)	Moderate	Probable	Medium	Weak	Priority 3			✓			
165	4.8(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
166	4.9	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
167	4.10	Minor	Unlikely	Low	Moderate	Priority 5	✓					
168	4.11(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
169	4.11(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
170	4.12(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
171	4.13	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
172	4.14(1)	Minor	Unlikely	Low	Strong	Priority 5						✓
173	4.14(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
174	4.15	Moderate	Unlikely	Medium	Strong	Priority 4						✓
175	4.16(1)(b)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
176	4.8(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
177	4.16(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
178	4.16(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
179	4.17(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
180	4.18(2)	Minor	Unlikely	Low	Moderate	Priority 5						✓
181	4.18(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
182	4.18(4)	Minor	Unlikely	Low	Moderate	Priority 5						✓
183	4.18(6)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
184	4.19(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
185	4.19(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
186	4.19(3)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
187	4.19(4)	Minor	Unlikely	Low	Moderate	Priority 5						✓
188	5.1	Moderate	Unlikely	Medium	Strong	Priority 4						✓
189	5.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
190	5.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
191	5.4	Moderate	Unlikely	Medium	Strong	Priority 4						✓
192	5.5	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
193	5.6(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
194	5.6(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
195	5.6(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
196	5.6(4)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
197	5.7(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
198	5.7(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
199	5.7(4)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
200	5.8(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓

#	Obligation reference	Consequence	Likelihood	Inherent Risk	Control Assessment	Audit Priority	Compliance Rating					
							NR	1	2	3	4	5
201	5.8(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
202	5.8(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
203	6.1(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
204	6.1(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
205	6.1(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
206	6.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
207	6.2(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
208	6.2(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
209	6.3(1)(a)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
210	6.3(1)(b)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
211	6.4(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
212	6.4(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
213	6.6(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
214	6.6(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
215	6.7	Minor	Unlikely	Low	Moderate	Priority 5	✓					
216	6.8	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
217	6.9(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
218	6.10(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
219	6.10(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
220	6.10(3)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
221	6.10(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
222	6.10(5)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
223	6.10(7)	Moderate	Probable	Medium	Moderate	Priority 4	✓					
224	6.11	Moderate	Unlikely	Medium	Strong	Priority 4						✓
225	7.1(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
226	7.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
227	7.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
228	7.4(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
230	7.6	Major	Unlikely	High	Moderate	Priority 2						✓
231	7.7(1)	Major	Unlikely	High	Moderate	Priority 2	✓					
232	7.7(2)	Major	Unlikely	High	Moderate	Priority 2	✓					
235	8.1(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
236	8.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
238	9.1(2)	Not Applicable. Alinta is not licenced to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant.										
239	9.2(1)											
240	9.2(2)											
241	9.2(3)											
242	9.3(1)											
243	9.3(2)											
244	9.3(3)											
245	9.3(4)											



#	Obligation reference	Consequence	Likelihood	Inherent Risk	Control Assessment	Audit Priority	Compliance Rating				
							NR	1	2	3	4
246	9.4(1)										
247	9.4(2)										
248	9.4(4)										
249	9.4(5)										
250	9.5(1)										
251	9.5(2)										
253	9.6										
254	9.7(a),(b) and (d)										
255	9.8										
256	9.9(1)										
258	9.9(4)										
259	9.10(1)										
260	9.10(2)										
261	9.10(3)										
262	9.10(4)										
263	9.10(6)										
264	9.11										
265	9.12(1)										
266	s 9.12(2) and (3)										
267	9.13 (3)										
268	10.1(1)	Moderate	Probable	Medium	Weak	Priority 3			✓		
269	10.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4					✓
270	10.1(3)	Moderate	Unlikely	Medium	Strong	Priority 4					✓
271	10.2(1)										
272	10.2(2)	Not applicable. Clause applies to non-contestable customer only - Alinta is precluded from supplying non-contestable customers.									
273	10.2(3)										
274	10.2(4)										
275	10.3	Moderate	Unlikely	Medium	Moderate	Priority 4	✓				
276	10.3A	Moderate	Probable	Medium	Weak	Priority 3					✓
277	10.4	Moderate	Unlikely	Medium	Strong	Priority 4					✓
278	10.5	Moderate	Unlikely	Medium	Strong	Priority 4					✓
286	10.9	Minor	Unlikely	Low	Strong	Priority 5					✓
287	10.10(1)	Moderate	Unlikely	Medium	Strong	Priority 4					✓
288	10.10(2)	Moderate	Unlikely	Medium	Strong	Priority 4					✓
289	10.10(3)	Moderate	Unlikely	Medium	Strong	Priority 4					✓
290	10.11(1)	Moderate	Unlikely	Medium	Strong	Priority 4	✓				
291	10.11(2)	Moderate	Unlikely	Medium	Strong	Priority 4	✓				
293	10.12(2)	Moderate	Unlikely	Medium	Strong	Priority 4					✓
294	12.1(1)	Moderate	Probable	Medium	Moderate	Priority 4			✓		
295	12.1(2)	Moderate	Probable	Medium	Moderate	Priority 4			✓		

#	Obligation reference	Consequence	Likelihood	Inherent Risk	Control Assessment	Audit Priority	Compliance Rating					
							NR	1	2	3	4	5
296	12.1(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
297	12.2	Moderate	Unlikely	Medium	Strong	Priority 4						✓
298	12.3	Moderate	Unlikely	Medium	Strong	Priority 4						✓
299	12.4	Moderate	Unlikely	Medium	Strong	Priority 4						✓
300	13.1(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
301	13.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
303	13.2 (a) and (b)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
304	13.2(c)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
305	13.3(1)	Moderate	Probable	Medium	Strong	Priority 4						✓
306	13.3(2)	Moderate	Probable	Medium	Strong	Priority 4						✓
307	13.4	Moderate	Unlikely	Medium	Weak	Priority 3	✓					
308	13.5	Moderate	Probable	Medium	Strong	Priority 4						✓
309	13.6	Moderate	Probable	Medium	Strong	Priority 4						✓
310	13.7(1)	Not applicable. Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant.										
311	13.7(2)											
322	13.15	Moderate	Probable	Medium	Moderate	Priority 4						✓
324	13.17(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
325	13.17(3)	Moderate	Probable	Medium	Moderate	Priority 4						✓
326	13.18	Moderate	Probable	Medium	Moderate	Priority 4						✓
327	14.1(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
329	14.2(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
331	14.3(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
332	14.3(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
336	14.7(1)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
<b>Section 15 Electricity Industry Metering Code – Licence Conditions and Obligations</b>												
345	3.3B	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
360	3.11(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
375	3.18(1)	Not applicable - clause applies to the Electricity Retail Corporation (Synergy Energy) only.										
385	3.27	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
392	4.4(1)	Minor	Unlikely	Low	Strong	Priority 5	✓					
393	4.5(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
394	4.5(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
409	5.4(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
422	5.16	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
423	5.17(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
426	5.18	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
427	5.19(1)	Minor	Unlikely	Low	Strong	Priority 5						✓
428	5.19(2)	Minor	Unlikely	Low	Strong	Priority 5						✓
429	5.19(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
431	5.19(6)	Minor	Unlikely	Low	Strong	Priority 5						✓
437	5.21(5)	Moderate	Unlikely	Medium	Strong	Priority 4						✓

#	Obligation reference	Consequence	Likelihood	Inherent Risk	Control Assessment	Audit Priority	Compliance Rating					
							NR	1	2	3	4	5
438	5.21(6)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
456	5.27	Moderate	Unlikely	Medium	Strong	Priority 4						✓
469	6.1(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
472	7.2(1)	Minor	Unlikely	Low	Strong	Priority 5						✓
474	7.2(4)	Moderate	Unlikely	Medium	Strong	Priority 4	✓					
475	7.2(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
476	7.5	Moderate	Unlikely	Medium	Strong	Priority 4						✓
477	7.6(1)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
478	8.1(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
479	8.1(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
480	8.1(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
481	8.1(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
482	8.3(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
<b>Obligations relevant from 1 June 2012 to 31 December 2012 (removed from the May 2011 version of the Reporting Manual)</b>												
135*	2.4(4)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
136*	2.5(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
137*	2.5(2)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
141*	2.6(1)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
144*	2.6(4)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
145*	2.6(5)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
146*	2.6(6)	Moderate	Unlikely	Medium	Moderate	Priority 4						✓
148*	2.7(1)	Moderate	Probable	Medium	Moderate	Priority 4						✓
149*	2.7(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
150*	2.7(3)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
151*	2.7(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
152*	2.7(5)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
153*	2.8	Moderate	Unlikely	Medium	Strong	Priority 4						✓
181*	4.14(1)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
182*	4.14(2)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					
194*	5.2(2)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
222*	6.9(2)	Minor	Unlikely	Low	Moderate	Priority 5	✓					
361*	3.16(5)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
395*	5.5(3)	Moderate	Unlikely	Medium	Strong	Priority 4						✓
412*	5.19(4)	Moderate	Unlikely	Medium	Moderate	Priority 4	✓					

\* Obligation number obtained from May 2011 Reporting Manual

# 4 Detailed findings, recommendations and action plans

The following sections are broken into the relevant Codes and Regulations that require an assessment of Alinta's compliance. The sections are:

1. Type 1 Reporting obligations for all licence types
2. Electricity Industry Customer Transfer Code 2004
3. Electricity Industry (Customer Contracts) Regulations
4. Electricity Industry Act 2004
5. Licence Conditions and Obligations
6. Code of Conduct for the Supply of Electricity to Small Use Customers
7. Electricity Industry Metering Code 2005.

Each section contains:

- Background – where it is deemed appropriate, a brief background is provided to assist in developing the context for the assessed levels of compliance
- Not applicable obligations – an outline of and the reasons as to why the obligations were assessed as not applicable
- Not rateable obligations – the obligations assessed as not rated for the audit period and reasons for this assessment
- Assessment of compliance – the conclusions from our audit procedures and a determination of Alinta's compliance with the applicable obligations. These tables include:
  - Findings – the auditor's understanding of the process and any issues that have been identified during the audit
  - Recommendations – recommendations for improvement or enhancement of the process or control
  - Action plans – Alinta's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit.

## 4.1 Type 1 Reporting obligations for all licence types

### Obligations determined to be not applicable

The following obligations are not applicable to Alinta's operations:

Obligation	Reason
250, 251	Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant.

### Obligations determined to be not rateable

Alinta's compliance with the following obligation could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
231	<p>The Team Leader - Billing Services confirmed that Alinta did not have any small use customers requiring life support equipment during the period 1 June 2012 to 31 May 2014. Accordingly, Alinta had no related obligation subject to assessment for this audit period.</p> <p>Through discussions with the Commercial Credit Controller and the Energy Billing Officer, and examination of the customer account establishment and disconnection process, we also determined that Alinta has the following processes in place to manage life support customers (if any):</p> <ul style="list-style-type: none"> <li>• Section 21(a) of Alinta's non-standard form contract states that a customer will not be disconnected if they have failed to pay a bill if the customer has notified Alinta they require supply for life support equipment</li> <li>• The non-standard form contract has been amended to require the customer to confirm that there is no life support equipment connected to the supply address</li> <li>• Gentrack has been modified where the Critical Code field is now a mandatory field when setting up a new customer</li> <li>• Alinta is to update the network operator via the Western Power portal of the supply addresses life support status</li> <li>• Alinta does not process service orders to disconnect supply from customers who are designated as life support.</li> </ul>

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Type 1 Reporting Obligations for all Licence Types.

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

The following table provides detailed findings for the applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligations that are not applicable or cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
230	<p>A retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.</p> <p><i>Code of Conduct clause 7.6</i></p>	Compliant - 5	<p>Through discussions with the Commercial Credit Controller and walkthrough of Alinta's disconnection processes, we observed that Alinta's processes and procedures are designed for:</p> <ul style="list-style-type: none"> <li>• Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection</li> <li>• Disconnections not to be arranged for a Friday, Saturday, Sunday, a public holiday, a day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to arrange disconnections using the disconnection service order within the Metering Service Centre web portal maintained by Western Power, who also performs the physical disconnection.</li> </ul> <p>During the period 1 June 2012 to 31 May 2014, Alinta raised 3 service orders for Western Power to disconnect customers for failure to pay a bill. In all cases, the disconnection was not performed on a Friday, Saturday, Sunday, a public holiday, a day before a public holiday or after 3pm on other business days. Our testing of the three disconnections determined that all required communication had been made with the customer, in accordance with the requirements of the Code of Conduct.</p>

## 4.2 Electricity Industry (Customer Transfer) Code

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
52, 53	The SME Sales & Channels Manager confirmed that Western Power has not requested Alinta's contact details and there has been no change to Alinta's contact details during the period 1 June 2012 to 31 May 2014. Accordingly, an assessment of compliance with these clauses cannot be made for the period subject to audit.
55 - 59	The SME Sales & Channels Manager confirmed that there were no disputes in relation to customer transfers during the period 1 June 2012 to 31 May 2014. Accordingly, an assessment of compliance with these clauses cannot be made for the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Electricity Industry (Customer Transfer) Code.

N/A	N/R	Non-compliant		Compliant			Total
		1	2	3	4	5	
-	7	-	-	-	-	29	36

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
6	A retailer must submit a separate data request for each exit point unless otherwise agreed. <i>Electricity Industry Customer Transfer Code cl.3.2(2)</i>	Compliant - 5	<p><i>Obligation 6 and 7</i></p> <p>Through discussions with the Energy Billing Officer and walkthrough of the Metering Service Centre web portal, we determined that:</p> <ul style="list-style-type: none"> <li>Alinta submits a separate data request for each exit point through the Metering Service Centre web portal (maintained by Western Power), for which a unique identification is assigned</li> <li>The web portal has been configured to limit data requests submissions to the prescribed 20 requests per day. However, more can be submitted to Western Power provided Alinta makes advance arrangements.</li> </ul>
7	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. <i>Electricity Industry Customer Transfer Code cl.3.4(1)</i>	Compliant - 5	
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. <i>Electricity Industry Customer Transfer Code cl.3.5(3)</i>	Compliant - 5	<p><i>Obligation 8 and 9</i></p> <p>Through discussions with the Energy Billing Officer and consideration of Alinta's customer transfer procedures, we determined that:</p> <ul style="list-style-type: none"> <li>Alinta requires the contestable customer's verifiable consent before submitting a request for historical consumption data. If the customer consent ceases to apply, the pending request is withdrawn by Alinta submitting a request to Western Power</li> <li>Western Power applies a standard charge designed to recover costs incurred for work performed</li> <li>Alinta pays the reasonable costs incurred by Western Power.</li> </ul>
9	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. <i>Electricity Industry Customer Transfer Code cl.3.6(2)</i>	Compliant - 5	
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. <i>Electricity Industry Customer Transfer Code cl.3.9(1)</i>	Compliant - 5	<p>Through discussions with the Energy Billing Officer and SME Accounts Manager and consideration of Alinta's customer pricing preparation process, we determined that Alinta's procedures provide for:</p> <ul style="list-style-type: none"> <li>Customer consent to be obtained prior to Alinta reviewing customer's data and providing a quotation</li> <li>Requests for the customer's consumption data to be made of Western Power before providing a quote.</li> </ul>
17	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. <i>Electricity Industry Customer Transfer Code cl.3.9(2)</i>	Compliant - 5	<p>Through discussions with the Energy Billing Officer and SME Accounts Manager and consideration of Alinta's customer transfer procedures, we determined that Alinta's internal business development activity does not use aggregated historical consumption data.</p>



No	Obligation under Condition	Compliance Rating	Findings
18	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. <i>Electricity Industry Customer Transfer Code cl.3.9(3)</i>	Compliant - 5	<p><i>Obligation 18 and 19</i></p> <p>Through discussions with the Energy Billing Officer and consideration of Alinta's customer transfer procedures and privacy requirements, we determined that those procedures and requirements provide for:</p> <ul style="list-style-type: none"> <li>Alinta to not disclose customer information to any other person or entity without the customer's consent</li> <li>Records of customer consent are maintained in Gentrack. Alinta's record retention protocols currently provide for those records to be retained indefinitely.</li> </ul>
19	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years. <i>Electricity Industry Customer Transfer Code cl.3.9(4)</i>	Compliant - 5	
23	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed. <i>Electricity Industry Customer Transfer Code cl.4.2(2)</i>	Compliant - 5	Alinta's processes require a separate customer transfer requests for each exit point to be submitted through the Metering Service Centre web portal, for which a unique identification is assigned.
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. <i>Electricity Industry Customer Transfer Code cl.4.3</i>	Compliant - 5	A walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal and discussions with the Energy Billing Officer confirmed that when submitting a customer transfer request, the web portal requires the "transfer type" of customer transfer requests to be nominated as either a new customer transfer or as a reversal of an erroneous transfer.
25	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. <i>Electricity Industry Customer Transfer Code cl.4.4(1)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and walkthrough of Alinta's customer transfer procedures, we observed that existing procedures require Alinta to have the required network access contracts in place at the time of submitting customer transfer requests, except when an erroneous transfer is being corrected.
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. <i>Electricity Industry Customer Transfer Code cl.4.4(2)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and walkthrough of Alinta's customer transfer procedures, we observed that Alinta is informed by Western Power, the alternate retailer or the customer, of erroneous transfers. Alinta's practices require the erroneous transfer to be reversed as soon as practicable.
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. <i>Electricity Industry Customer Transfer Code cl.4.5(1)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal, we observed that Alinta submits customer transfer requests electronically through the web portal and that the web portal does not allow more than the prescribed 20 requests per day to be entered, unless prior arrangement has been made with Western Power.

No	Obligation under Condition	Compliance Rating	Findings
28	<p>A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.</p> <p><i>Electricity Industry Customer Transfer Code cl.4.6(3)</i></p>	Compliant - 5	<p>Through discussions with the Energy Billing Officer and walkthrough of Alinta's customer transfer procedures, we observed that those procedures require:</p> <ul style="list-style-type: none"> <li>Alinta to withdraw a customer transfer request involving contestable customers before the transfer date if the customer's verifiable consent ceases. Customer's consent is obtained by means of the customer's signoff on the non-standard form contract, which also indicates the duration of the contract</li> <li>Contracts to be completed and signed before a customer transfer request can be acted upon.</li> </ul>
29	<p>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.</p> <p><i>Electricity Industry Customer Transfer Code cl.4.7</i></p>	Compliant - 5	<p>Through walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal and discussion with the Energy Billing Officer, we observed that:</p> <ul style="list-style-type: none"> <li>Existing procedures require Alinta to nominate a transfer date in a customer transfer request that complies with the specified timelines stated in the Code</li> <li>The web portal denies a customer transfer request if a date entered into the portal is less than three business days (in the case of an exit point in the metropolitan area) following the customer transfer request</li> <li>In the case of an exit point in a non-metropolitan area, as the web portal currently does not automatically deny a customer transfer request if a date entered into the portal is less than five business days, Alinta acknowledges that any such request will be rejected by Western Power staff responsible for validating and processing requests.</li> </ul>
30	<p>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.</p> <p><i>Electricity Industry Customer Transfer Code cl.4.8(2)</i></p>	Compliant - 5	<p>Walkthrough of Alinta's customer transfer procedures and discussions with the Energy Billing Officer confirmed that Alinta procedures require them to pay the reasonable costs to Western Power for providing and/or installing a meter associated with a withdrawn customer transfer request.</p>
34	<p>A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.</p> <p><i>Electricity Industry Customer Transfer Code cl.4.9(6)</i></p>	Compliant - 5	<p>Walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal and discussions with the Energy Billing Officer confirmed that:</p> <ul style="list-style-type: none"> <li>Alinta's procedures provide for an agreement with Western Power on a revised nominated transfer date in circumstances where any objection to the customer transfer request is resolved in a timeframe which would not otherwise meet the requirement for the original nominated transfer date to be within 50 business days of the transfer request</li> <li>The web portal and email systems are used as the mechanism for nominating and agreeing to a revised nominated transfer date.</li> </ul>
39	<p>A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.</p> <p><i>Electricity Industry Customer Transfer Code cl.4.11(3)</i></p>	Compliant - 5	<p>From a walkthrough of Alinta's customer transfer procedures and discussions with the Energy Billing Officer, we observed that Alinta's procedures provide for Western Power to inform Alinta of a new nominated transfer date in the event that the customer's meter is not read on the nominated transfer date.</p>

No	Obligation under Condition	Compliance Rating	Findings
40	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances. <i>Electricity Industry Customer Transfer Code cl.4.12(3)</i>	Compliant - 5	From a walkthrough of Alinta's customer transfer procedures and discussions with the Energy Billing Officer, we observed that those procedures provide for Alinta to negotiate any necessary amendments to an access contract to facilitate the transfer in good faith using the web portal as the primary means of communication.
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. <i>Electricity Industry Customer Transfer Code cl.4.15</i>	Compliant - 5	From a walkthrough of Alinta's customer transfer procedures and discussions with the Energy Billing Officer, we observed that those procedures require Alinta, in the event of an erroneous transfer (for example due to meter number entry error): <ul style="list-style-type: none"> <li>To act in good faith, while working with Western Power and the other retailer to maintain the customer's rights and obligations</li> <li>To submit a customer transfer request dated when the customer was erroneously churned.</li> </ul>
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. <i>Electricity Industry Customer Transfer Code cl.4.16</i>	Compliant - 5	From a walkthrough of Alinta's customer transfer procedures and discussions with the Energy Billing Officer, we observed that Alinta's procedures provide for: <ul style="list-style-type: none"> <li>Customer consent to be obtained through the customer's signing of the standard or non-standard contract, which includes customer's consent for Alinta to obtain the customer's Western Power consumption history. We note that at the time of this audit, all of Alinta's customers were on a non-standard form contract</li> <li>Contracts dating back for two financial years are kept on site by the Energy Billing team and older contracts are archived.</li> </ul>
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. <i>Electricity Industry Customer Transfer Code cl.4.17</i>	Compliant - 5	Through walkthrough of Alinta's customer transfer procedures and discussion with the Energy Billing Officer, we observed that: <ul style="list-style-type: none"> <li>Existing procedures require Alinta to cease billing customers after the transfer date</li> <li>The web portal notifies Alinta when details of transferring customers are released to the incoming retailer's system</li> <li>Alinta's procedures prevent the receipt of any data after a customer's churn date, in turn preventing Alinta from invoicing the customer</li> <li>Once a final bill is issued, the site is coded as a non-billable sequence within Gentrack.</li> </ul>
48	A network operator and a retailer must comply with approved communication rules. <i>Electricity Industry Customer Transfer Code cl.5.1(4)</i>	Compliant - 5	The SME Sales and Channel Manager confirmed that Alinta accepted and complied with the approved communication rules, which were submitted to the Authority in October 2005. We also observed that Alinta's Work Procedures and Western Power's Metering Service Centre procedures manual address the requirements and intent of the approved communication rules.

No	Obligation under Condition	Compliance Rating	Findings
49	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates. <i>Electricity Industry Customer Transfer Code cl.6.2</i>	Compliant - 5	Through discussions with the Energy Billing Officer and walkthrough of Alinta's procedures for utilising the Metering Service Centre web portal, we observed that those procedures require Alinta to identify customer transfer requests via the relevant exit point NMI number and site address.
54	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6. <i>Electricity Industry Customer Transfer Code cl.6.6</i>	Compliant - 5	In relation to customer transfer activity, Alinta and Western Power communicate through the Metering Service Centre web portal on a daily basis. We observed that the web portal maintains current electronic communication addresses and facilitates Alinta's discharge of its responsibilities relating to automated response messages (Annex 6, clause A6.3).
68	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. <i>Electricity Industry Customer Transfer Code Annex 6 cl.A6.2(a)</i>	Compliant - 5	Through walkthrough of the Metering Service Centre web portal and discussions with the Energy Billing Officer, we observed that Alinta relies on Western Power to operate and maintain the Metering Service Centre web portal, which is available 24 hours/day and seven days/week.
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. <i>Electricity Industry Customer Transfer Code Annex 6 cl.A6.2(b)</i>	Compliant - 5	<p><i>Obligations 69 to 71</i></p> <p>The Metering Service Centre web portal acts as the electronic communication mechanism for acknowledging and recording all customer transfer communications. The web portal provides for:</p> <ul style="list-style-type: none"> <li>• Issue of automated email alerts to confirm transactions</li> <li>• All communication information, including the originator of the communication, to be loaded on to a market transaction list, which indicates where information has been changed or updated and by whom</li> <li>• A consistent data format to facilitate automated processing of information.</li> </ul>
70	The originator of an electronic communication must identify itself in the communication. <i>Electricity Industry Customer Transfer Code Annex 6 cl.A6.6</i>	Compliant - 5	
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. <i>Electricity Industry Customer Transfer Code Annex 6 cl.A6.7</i>	Compliant - 5	

## 4.3 Electricity Industry (Customer Contracts) Regulations

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
78	As Alinta does not supply electricity to small use customers under a standard form contract, an assessment of compliance with this clause cannot be made for the period subject to audit.
86	The SME Sales & Channel Manager confirmed that for the period 1 June 2012 to 31 May 2014 Alinta did not request or receive any deposits from customers for security of non-payment. Therefore, an assessment of compliance with this clause cannot be made for the period subject to audit.
97	Customer Contracts Regulation clause 33 addresses contracts "other than fixed term contracts". As Alinta engages only in fixed term contracts, there is no relevant activity subject to assessment for the period subject to audit.
100	During the period 1 June 2012 to 31 May 2014, Alinta did not make use of standard form contracts. Therefore, an assessment of compliance with this clause cannot be made for the period subject to audit.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Electricity Industry (Customer Contracts) Regulations.

N/A	N/R	Non-compliant		Compliant			Total
		1	2	3	4	5	
-	4	-	1	-	-	17	22

No	Obligation under Condition	Compliance Rating	Findings
79	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 5</i>	Compliant - 5	Examination of Alinta's non-standard form contract and accompanying terms and conditions confirmed that Alinta's non-standard form contract terms and conditions are presented in clear, simple and concise language and includes a list of definitions to provide further insight on terms used. The SME Sales and Channel Manager confirmed that Alinta had obtained guidance from a professional media organisation when preparing the non-standard form contract and accompanying terms and conditions.
80	A non-standard contract must specify when it comes into effect and the period for which it has effect. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 6</i>	Compliant - 5	Examination of Alinta's non-standard form contract for small use customers confirmed that the contract displays the commencement date and the length of the term for which the contract is valid.
81	A non-standard contract must specify certain information about the retailer. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 7</i>	Non-compliant 2	Examination of Alinta's non-standard form contract and accompanying terms and conditions confirmed that the documents do not specify all the information required by Regulation 7 of the Customer Contracts Regulations. We identified that Regulation 7 requires the retailer to specify (amongst others): <ul style="list-style-type: none"> <li>The registered office address and business address (if different from its registered office) (Regulation 7(c))</li> <li>The postal address.</li> </ul> Alinta Sales Pty Ltd.'s (the Licensee) registered office address, according to an ASIC search performed on 24 July 2014, is Level 11, 16-20 Bridge Street, Sydney NSW 2000. However: <ul style="list-style-type: none"> <li>The non-standard form contract only details Alinta's postal address in Western Australia</li> <li>The terms and conditions list a number of addresses, however the registered address listed is outdated as it refers to an address in Adelaide.</li> </ul>
	<b>Recommendation 1/2014</b> Alinta should update both its non-standard form contract and terms and conditions to reflect the appropriate registered address of Alinta Sales Pty Ltd.		<b>Action Plan 1/2014</b> Alinta will update the required documentation with correct registered address. <b>Responsible Person:</b> Manager Regulatory Affairs <b>Target Date:</b> 31 December 2014
82	A non-standard contract must give an exact description of the goods and services the retailer will provide under the contract. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 8</i>	Compliant - 5	Examination of Alinta's non-standard form contract for small use customers indicated that customers will be provided with an unlimited supply of electricity, subject to the specifications of the customers' equipment and network equipment.

No	Obligation under Condition	Compliance Rating	Findings
83	A non-standard contract must require the customer to pay for electricity supplied under the contract. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 9</i>	Compliant - 5	Examination of Alinta's non-standard form contract and accompanying terms and conditions confirmed that Alinta requires customers to pay for electricity, together with the timeframes for payment, methods of payment and the price (per kwh) of electricity supplied.
84	A non-standard contract must prohibit the customer from tampering with or bypassing network equipment or allowing any other person to do so. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 10</i>	Compliant - 5	Clause 11 of Alinta's terms and conditions, which accompany its non-standard form contract, states that the customer must not: <ul style="list-style-type: none"> <li>• Tamper, bypass or otherwise interfere with the meter</li> <li>• Turn electricity back on at the meter without Alinta's permission, if it has been turned off by Alinta or the network operator.</li> </ul>
85	A non-standard contract must describe the circumstances where a retailer has the right to disconnect supply and is required to reconnect supply. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 11</i>	Compliant - 5	Clauses 20 to 23 of Alinta's terms and conditions, which accompany its non-standard form contract, detail the instances where a retailer has the right to disconnect supply and is required to reconnect a customer.
87	A non-standard contract must describe the retailer's obligations in relation to the provision of prices and tariff information. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 13</i>	Compliant - 5	Clauses 3 and 9(b) of Alinta's terms and conditions, which accompany its non-standard form contract, outline the prices and fees that Alinta can charge and state that information relating to prices and fees are available on request at no cost.
88	A non-standard contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of customer bills. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 14</i>	Compliant - 5	Clause 6 of Alinta's terms and conditions, which accompany its non-standard form contract, outlines the procedures on how Alinta bills its customers.
89	A non-standard contract must describe the matters relating to the termination of the contract specified in the regulation. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 15</i>	Compliant - 5	Clause 25 of Alinta's terms and conditions, which accompany its non-standard form contract, outlines information regarding the termination of a contract and what to do following the termination of a contract.

No	Obligation under Condition	Compliance Rating	Findings
90	A non-standard contract must inform the customer that the provisions of the contract may be amended without the customer's consent and describe the process for amendment of the contract including requirements for approval and the way in which the amendment will be published. The non-standard contract must require the retailer to notify the customer of any amendment to the contract. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 16 and 34</i>	Compliant - 5	Clause 19 of Alinta's terms and conditions, which accompany its non-standard form contract, indicates that Alinta may amend the provisions of the contract without the customer's consent and will notify the customer of any amendment.
91	A non-standard contract must deal with the assignment of rights and obligations including assignment without the customer's consent. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 17</i>	Compliant - 5	Clause 27 of Alinta's terms and conditions, which accompany its non-standard form contract, specifies that Alinta is able to amend the rights and obligations under the contract without the customer's consent. If the customer does not agree to the amendment, Alinta can terminate the contract according to the manner specified in the terms and conditions of the contract.
92	A non-standard contract must describe the procedures to be followed by the retailer in responding to a complaint made by the customer. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 18</i>	Compliant - 5	Clause 12 of Alinta's terms and conditions, which accompany its non-standard form contract, informs customers of the availability of Alinta's complaints handling process and the circumstances in which complaints can be made. The clause also informs the customer on escalation processes and to whom to escalate a complaint.
93	A non-standard contract must specify the steps by the retailer to ensure the information held by the retailer is dealt with in a confidential manner. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 19</i>	Compliant - 5	Clause 30 of Alinta's terms and conditions, which accompany its non-standard form contract, identifies the instances where Alinta will or will not uphold confidentiality of customers' information.
94	A non-standard contract must deal with the governing law, the effect of an invalid or unenforceable provision, the way in which notice may be given and the use of electronic communication by the retailer. <i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 20</i>	Compliant - 5	Through examination of Alinta's non-standard form contract and accompanying terms and conditions, we determined that the information contained within the terms and conditions is set out in accordance with: <ul style="list-style-type: none"> <li>• Electricity Industry customer contracts regulations</li> <li>• Alinta's customer charter</li> <li>• Any other relevant codes and regulations.</li> </ul> Clause 36.5 outlines the media through which Alinta will issue notices, the timeframes for submission of notices and the use of electronic communication.



No	Obligation under Condition	Compliance Rating	Findings
95	<p>A non-standard contract must not include a provision that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers unless it is authorised by the Code.</p> <p><i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 21</i></p>	Compliant - 5	<p>Through examination of and comparison to the non-standard form contract terms and conditions, we identified no instances where the terms and conditions exclude, restrict or modify the Code of Conduct for the Supply of Electricity to Small Use Customers.</p>
96	<p>A non-standard contract must include details about the cooling off period specified in the regulation.</p> <p><i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 32</i></p>	Compliant - 5	<p>Through examination of Alinta's non-standard form contract and accompanying terms and conditions, we determined that Alinta includes information regarding the cooling off period such as:</p> <ul style="list-style-type: none"> <li>• When the period begins</li> <li>• Fees associated with the period</li> <li>• Transferring of contracts during the period</li> <li>• Definition and timeframe of the cooling off period.</li> </ul>
98	<p>A non-standard contract that is a fixed contract must describe the matters relating to the termination of the contract specified in the regulation.</p> <p><i>Electricity Industry (Customer Contracts) Regulations 2005, Regulation 33(3) and (4)</i></p>	Compliant - 5	<p>Through examination of Alinta's non-standard form contract and accompanying terms and conditions, we determined that the terms and conditions:</p> <ul style="list-style-type: none"> <li>• Allow for customers to terminate the contract at any time, given 20 days' notice has been provided</li> <li>• Specify an early termination charge the customer is to pay in the event that the customer terminates the contract before the expiry of the term of the contract.</li> </ul>

## 4.4 Electricity Industry Act 2004

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
107	The Manager Regulatory Affairs confirmed that for the purposes of the Electricity Retail Licence, Alinta did not have an interest in or an easement over land for the period subject to audit.
110	During the period 1 June 2012 to 31 May 2014, Alinta had not been designated as a supplier of last resort.
113	For the purpose of this obligation, Alinta as an electricity retailer does not have access to services and is unable to hinder/prohibit access to services belonging to Western Power.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Electricity Industry Act 2004.

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

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance.

No	Obligation under Condition	Compliance Rating	Findings
101	<p>A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.</p> <p><i>Electricity Industry Act section 13(1)</i></p>	Compliant - 5	<p>This is the fourth audit conducted by an independent expert since the granting of the Licence in 2006. Deloitte was appointed, with the Authority's approval, to undertake this audit for the period 1 June 2012 to 31 May 2014.</p>
105	<p>A licensee 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.</p> <p><i>Electricity Industry Act section 17(1)</i></p>	Compliant - 5	<p>By sighting Alinta's financial records of licence fee payments processed, we determined that the annual licence fees payable in 2012 and 2013 were paid within one month of the 19 May anniversary date. We also confirmed with the Manager Regulatory Affairs that the due date for the payment of the licence fee has been diarised in a Regulatory Obligations Register.</p>
106	<p>A licensee 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.</p> <p><i>Electricity Industry Act section 31(3)</i></p>	Compliant - 5	<p>Alinta, as an electricity retailer, relies on Western Power as the network operator to minimise the extent or duration of interruption or restriction of supply. In particular, we determined that:</p> <ul style="list-style-type: none"> <li>• Alinta has access to Western Power's supply outage procedures</li> <li>• Western Power manages Alinta's role in the event of a supply interruption, suspension or restriction.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
108	<p>A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract.</p> <p><i>Electricity Industry Act section 54(1)</i></p>	Non-Compliant - 2	<p>Through discussion with the SME Accounts Manager and examination of Alinta’s new contract established process and revised contract renewal procedures, we observed that in accordance with requirements of section 54(1) of the Act, Alinta’s processes require electricity to be provided to small use customers through the approved non-standard form contracts “Electricity Supply Non-Standard Contract – Particulars of Contract (Small Use Customer)”, with the accompanying Small Use Customer Non-Standard Contract Standard Terms and Conditions.</p> <p><u>Contract renewal</u></p> <p>The 2012 Performance Audit report rated this obligation as non-compliant as a result of identifying a large use customer that stepped down to a small use customer without an appropriate non-standard form contract being applied. Based on the results of the 2012 Performance Audit, Alinta’s processes were amended, so that at the time of each contract renewal, the SME Operations Advisor reviews the customer’s consumption data received from Analytics team to identify if a large use customer has reverted to a small use status.</p> <p>From sample testing of 8 renewed customer contracts during the audit period, we observed that each of the 7 large use customers in that sample had retained their large use status and were correctly renewed onto the non-standard form contract for large use customers. The remaining one customer was a small user, who was renewed onto the non-standard contract for small use customers.</p> <p><u>New contracts</u></p> <p>Sample testing of 14 new contracts entered into during the audit period, we identified one contract where, in April 2013, Alinta entered into an arrangement to supply electricity to a small use customer, which was not supported by a standard or non-standard form contract. Alinta, therefore, failed to comply with section 54(1) of the Electricity Industry Act. We noted that:</p> <ul style="list-style-type: none"> <li>• The customer approached Alinta directly, requesting supply in accordance with the defined tariffs published on Alinta’s website</li> <li>• The customer was going to be a large use customer (i.e. consumption estimated to be greater than 160MwH), however, supply commenced as they electricity while the client site is set-up. The consumption was minor.</li> </ul> <p>The identified non-compliance is consistent with the findings of the 2012 Performance Audit, as such further attention is required by Alinta to ensure that contractual triggers between small and large use contractual needs are appropriately implemented.</p> <p><i>Refer to findings, recommendation and action plan 3/2014 detailed at obligation 129 below.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
109	<p>A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified.</p> <p><i>Electricity Industry Act section 54(2)</i></p>	Compliant - 5	<p>Through discussion with Manager Regulatory Affairs and examination of the Authority's letter containing a detailed review of Alinta's standard form contract and Alinta's subsequent response to the Authority, we determined that:</p> <ul style="list-style-type: none"> <li>• On 4 September 2012 Alinta initiated a review of its standard form contract to amend specific terms and conditions relating to privacy</li> <li>• In addition to considering Alinta's amended standard form contract for approval, the Authority conducted a full review of the contract against requirements of the Electricity Industry (Customer Contracts) Regulations 2005 (Electricity Contract Regulations) and directed Alinta for further consideration or clarification of 16 other requirements of the standard contract, including: <ul style="list-style-type: none"> <li>○ Information on retailer's obligations</li> <li>○ New and existing electricity connection</li> <li>○ Security</li> <li>○ Unpaid bills</li> <li>○ Unauthorised Use.</li> </ul> </li> </ul> <p>We examined correspondence and evidence to determine that after discussions with the Authority, Alinta has considered the proposed amendments and provided further clarifications in accordance with the Authority's directions.</p> <p>The Authority approved Alinta's amended standard form contract on 13 September 2013.</p> <p>We note that at the time of this audit, all of Alinta's customers were on non-standard form contract.</p>
111	<p>A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee 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.</p> <p><i>Electricity Industry Act section 101</i></p>	Compliant - 5	<p>Alinta:</p> <ul style="list-style-type: none"> <li>• Has been granted an electricity retail licence, which precludes Alinta from supplying electricity to small use contestable customers unless it is a member of an approved electricity ombudsman scheme</li> <li>• Is an industry member of the energy industry ombudsman scheme (admitted 12 May 2004).</li> </ul>

## 4.5 Electricity Licences – Licence Conditions and Obligations

### Obligations determined to be not applicable

All relevant obligations were determined to be applicable to Alinta's operations for the period subject to audit.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
120	The Manager Regulatory Affairs confirmed that Alinta has not been prescribed individual performance standards by the Authority.
123	During the period 1 June 2012 to 31 May 2014, Alinta was not under external administration and has not undergone any significant change in circumstances upon which it's Licence was granted, which may affect its ability to meet its Licence obligations. Accordingly, there was no obligation to report to the Authority.

### Assessment of compliance

The table below summarises the audit's assessment of Alinta's compliance with the relevant obligations of the Electricity Licences – Licence Conditions and Obligations.

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

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligations that cannot be rated, as detailed in the table above.

No	Obligation under Condition	Compliance Rating	Findings
114	<p>A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.</p> <p><i>Retail Licence condition 23.1</i></p>	Non-compliant – 2	<p><i>Obligations 114 and 115</i></p> <p>Through discussion with the SME Sales and Channel Manager and examination of relevant training records, we determined that:</p> <ul style="list-style-type: none"> <li>Alinta staff are trained to provide services to customers in accordance with the Electricity Customer Code of Conduct</li> <li>Alinta expects all marketing representatives to comply with the Electricity Customer Code of Conduct.</li> </ul>
115	<p>The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.</p> <p><i>Retail Licence condition 23.2</i></p>	Compliant – 3	<p>The SME Sales and Channel Manager also confirmed that Alinta had not engaged any external electricity marketing agent during the period 1 June 2012 to 31 May 2014.</p> <p>Through our examination of Alinta's Annual Compliance Reports for 2011/12 and 2012/13, we determined that apart from the five breaches reported by Alinta in 2012 as identified by the 2012 audit, there was one known breach reported in 2013.</p> <p>In February 2014, Alinta representatives met with 15 small use business customers face-to-face as part of a marketing campaign. Examination of the written information (i.e. business card) provided to customers by Alinta identified that it failed to detail the specific information required by clause 2.6(2)(c). We acknowledge that Alinta has since updated the business card to comply with the requirements of Code. However, in this instance, Alinta has failed to comply with Retail Condition 23.1 by not complying with the Electricity Customer Code of Conduct.</p> <p>We acknowledge that whilst Alinta has since updated the business card to comply with the requirements of Code, Alinta's processes did not identify the breach of the Code of Conduct. As such, Alinta's processes for reporting the breach to the Authority were not triggered.</p> <p><i>Refer to findings 4/2014 detailed at obligation 142 below.</i></p>

No	Obligation under Condition	Compliance Rating	Findings
116	A licensee 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. <i>Retail Licence condition 24.2</i>	Compliant - 5	<i>Obligations 116 to 118</i> Through discussion with Manager Regulatory Affairs and examination of the Authority's letter containing a detailed review of Alinta's standard form contract and Alinta's subsequent response to the Authority, we determined that:
117	A licensee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review. <i>Retail Licence condition 24.3</i>	Compliant - 5	<ul style="list-style-type: none"> <li>• On 4 September 2012 Alinta initiated a review of its standard form contract to amend specific terms and conditions relating to privacy</li> <li>• In addition to considering Alinta's amended standard form contract for approval, the Authority conducted a full review of the contract against requirements of the Electricity Industry (Customer Contracts) Regulations 2005 (Electricity Contract Regulations) and directed Alinta for further consideration or clarification of 16 other requirements of the standard contract, including: <ul style="list-style-type: none"> <li>• Information on retailer's obligations</li> <li>• New and existing electricity connection</li> <li>• Security</li> <li>• Unpaid bills</li> <li>• Unauthorised Use.</li> </ul> </li> </ul>
118	A licensee may only amend its standard form contract with the Authority's approval. <i>Retail Licence condition 25.1</i>	Compliant - 5	<p>We examined correspondence and evidence to determine that after discussions with the Authority, Alinta has considered the proposed amendments and provided further clarifications in accordance with the Authority's directions.</p> <p>The Authority approved Alinta's amended standard form contract on 13 September 2013.</p> <p>We also note that at the time of this audit, all of Alinta's customers were on a non-standard form contract.</p>
119	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards. <i>Retail Licence condition 12.1</i>	Compliant - 5	<p>The Senior Accountant confirmed that:</p> <ul style="list-style-type: none"> <li>• To the best of his knowledge, the Alinta group reporting structure in which the licensee (Alinta Sales Pty Ltd) is a subsidiary, has maintained accounting records that comply with Australian Accounting Standards during the period 1 June 2012 to 31 May 2014</li> <li>• Alinta's financial reporting period is from 1 July to 30 June</li> <li>• There are no significant accounting transactions or items that would currently jeopardise Alinta's compliance with accounting standards.</li> </ul>



No	Obligation under Condition	Compliance Rating	Findings
121	<p>A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.</p> <p><i>Retail Licence condition 14.2</i></p>	Compliant - 5	<p>The Audit Plan approved by the Authority on 12 June 2014 commits Alinta and Deloitte (independent auditor) to comply with the prescribed audit guidelines and reporting manual issued by the Authority. Deloitte confirms that this audit was undertaken utilising the framework from the audit guidelines.</p> <p>Deloitte has completed the audit utilising the <i>Audit Guidelines: Electricity, Gas and Water Licences</i>, dated August 2010.</p>
124	<p>A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.</p> <p><i>Retail Licence condition 16.1</i></p>	Non-compliant - 2	<p>Through discussions with the Manager Regulatory Affairs, we determined that Alinta has processes in place to respond to requests for information from the Authority. We note that:</p> <ul style="list-style-type: none"> <li>• The Manager Regulatory Affairs is responsible for: <ul style="list-style-type: none"> <li>• Maintaining a log of communication with the Authority, including timing for submission of required information and reports</li> <li>• Monitoring compliance with Alinta's licence obligations.</li> </ul> </li> <li>• On an annual basis, Alinta is required to submit the following reports to the Authority: <ul style="list-style-type: none"> <li>• Compliance reports by 31 August. Although an electronic copy of 2011/12 Compliance Report was submitted to the Authority by the due date of 31 August, the required hard copy submission was not made until after 31 August, therefore not complying with the required timeframe. Alinta submitted its 2012/13 compliance report's electronic as well as hard copy to the Authority by 31 August 2013, therefore meeting the required timeframe</li> <li>• Performance data sheets, by 23 September. Alinta submitted its 2011/12 and 2012/13 performance data sheets to the Authority by 23 September each year, therefore meeting the required timeframe</li> <li>• Code of Conduct performance reports by 23 September (and not less than 7 days prior to publishing the report). Alinta submitted its 2011/12 and 2012/13 Code of Conduct performance reports to the Authority and the Minister by 23 September each year. The Manager Regulatory Affairs also confirmed that those reports were provided not less than 7 days prior to publishing the report, therefore meeting the required timeframes.</li> </ul> </li> </ul> <p>We acknowledge that since 2013, Alinta has appointed a Regulatory Advisor who is responsible for tracking all key regulatory notification and reporting dates in a Regulatory Obligations Register and has submitted subsequent reports in a timely fashion. As such, no further action is proposed.</p> <p>The Manager Regulatory Affairs also confirmed that for the period subject to audit, the Authority has made ad hoc enquiries, but has not required Alinta to formally provide any further information.</p>

No	Obligation under Condition	Compliance Rating	Findings
125	<p>A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.</p> <p><i>Retail Licence condition 17.1 &amp; 17.2</i></p>	Compliant - 5	<p>Through our review of relevant documents and records of correspondence relating to submission and website publication of 2011/12 and 2012/13 Code of Conduct performance reports, we determined that:</p> <ul style="list-style-type: none"> <li>• Those reports were submitted to the Minister and the Authority and published on Alinta's website within the required timeframes</li> <li>• Due dates of submission and publication are recorded in the Regulatory Obligations Register</li> <li>• An email confirmation is obtained from IT to record when the required documents are uploaded to Alinta's website.</li> </ul> <p>The 2012 Performance Audit report rated this obligation as Compliant - 4. This audit tested the controls and processes maintained since the implementation of action plan 2/2012 and found no exceptions.</p>
126	<p>Unless otherwise specified, all notices must be in writing.</p> <p><i>Retail Licence condition 18.1</i></p>	Compliant - 5	<p>The Regulatory Advisor maintains manual and scanned records to evidence formal communications with the Authority, which have been made via post or email.</p>

## 4.6 Code of Conduct

### Obligations determined to be not applicable

The following obligations are not applicable to Alinta's operations:

Obligation	Reason
131	Clause 2.3(1)(a)-(b) is not applicable to Alinta's operations as it only applies to marketing agents acting on behalf of Electricity Retail Corporation (Synergy Energy) and the Regional Power Corporation (Horizon Power) only.
238 – 251, 253 – 256, 258 – 267, 310, 311	Alinta is not licenced to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant.
271 - 274	Clause applies to non-contestable customer only. Alinta is precluded from supplying non-contestable customers.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
149 – 154	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta does not offer shortened billing cycles to small use electricity customers.
155 – 156	Through discussions with the Team Leader – Billing Services and examination of the Financial Hardship Policy, we determined that Alinta does not offer bill smoothing arrangements for small use electricity customers.
161	Through discussions with the Energy Billing Officer and consideration of Alinta's metering arrangements, we determined that Alinta's customers have interval meters installed to monitor consumption. The nature of an interval meter is to record consumption for that interval period (in Alinta's case, a 30 minute period) and then re-set. As such, a meter read (either performed by a meter reading agent, or the customer) cannot be performed. Therefore, obligations relating to customer self reads are not relevant to Alinta's operations for the period subject to audit.
165	The Energy Billing Officer confirmed that no customers, during the period 1 June 2012 to 31 May 2014 have requested information relating to estimated bills.
166 – 167	Through discussions with the Energy Billing Officer and consideration of Alinta's interval metering and estimated billing arrangements, we determined that because the nature of an interval meter is to record consumption for that interval period (in Alinta's case, a 30 minute period) and then re-set, there is no actual meter read retained to confirm or correct the estimated bill. As such, the requirement to perform meter reads and perform subsequent actions required by clauses 4.9 and 4.10 of the Code are not relevant to Alinta's operations for the period subject to audit.
170 – 171	Through discussions with the Energy Billing Officer, consideration of Alinta's non-standard form contract and tariff arrangements, we determined that Alinta does not offer alternative tariffs to its customers. Hence, obligations referring to alternative tariffs (i.e. Division 5 of the Code) are not relevant to Alinta's operations.
190	The SME Sales and Channel Manager confirmed that, for the period 1 June 2012 to 31 May 2014, Alinta did not offer a direct debit facility to its electricity customers. Therefore, obligations relating to direct debits are not relevant to Alinta's operations for the period subject to audit.

Obligation	Reason
138, 192-196, 201, 203-223, 275, 290, 291	<p>As:</p> <ul style="list-style-type: none"> <li>Alinta is precluded from supplying small use non-contestable customers (i.e. customers who consume less than 50MWh per annum)</li> <li>Customers who consume more than 50MWh and less than 160MWh are deemed small use contestable customers and can be serviced by Alinta</li> <li>Alinta does not currently service small use residential customers who are deemed contestable (i.e. consume more than 50MWh per annum)</li> </ul> <p>obligations relating to the supply of residential customers are not relevant to Alinta's operations for the period 1 June 2012 to 31 May 2014.</p>
227	The SME Sales and Channel Manager confirmed that, for the period 1 June 2012 to 31 May 2014, Alinta did not maintain any dual fuel contracts.
228	The Team Leader – Credit Control confirmed that Alinta has not disconnected any customers during the period 1 June 2012 to 31 May 2014 for denying access to a meter.
231, 232	<p>The Team Leader – Billing Services confirmed that Alinta did not have any small use customers requiring life support equipment during the period 1 June 2012 to 31 May 2014. Accordingly, Alinta had no related obligation subject to assessment for this audit period.</p> <p>Through discussions with the Credit Controller (Acting) and the Energy Billing Officer, and examination of the customer account establishment and disconnection process, we also determined that Alinta has the following processes in place to manage life support customers (if any):</p> <ul style="list-style-type: none"> <li>Section 21(a) of Alinta's non-standard form contract states that a customer will not be disconnected if they have failed to pay a bill if the customer has notified Alinta they require supply for life support equipment</li> <li>The non-standard form contract has been amended to require the customer to confirm that there is no life support equipment connected to the supply address</li> <li>Gentrack has been modified where the Critical Code field is now a mandatory field when setting up a new customer</li> <li>Alinta is to update the network operator via the Western Power portal of the supply addresses life support status</li> <li>Alinta does not process service orders to disconnect supply from customers who are designated as life support.</li> </ul>
307	The SME Sales and Channel Manager confirmed that Alinta has not made any service standard payments for the period 1 June 2012 to 31 May 2014.
327, 329	We determined that for the period 1 June 2012 to 31 May 2014, as Alinta had not reconnected customers outside the required timeframes or wrongfully disconnected customers, no consideration of compensation was required.
332, 336	<p>As Alinta had not, for the period 1 June 2012 to 31 May 2014:</p> <ul style="list-style-type: none"> <li>Reconnected customers outside the required timeframes</li> <li>Wrongfully disconnected customers</li> <li>Acknowledged or responded to written queries or complaints outside the required timeframes.</li> </ul> <p>This obligation is not relevant to Alinta's operations.</p>

## Obligations determined to be not rateable (applicable for the period 1 June 2012 to 31 December 2012 only)

Obligation	Reason
150 <sup>5</sup>	The Team Leader – Customer Services confirmed that during the period 1 June 2012 to 31 December 2012, Alinta had not received a request from the Electricity Ombudsman or the Authority for a record of customers who had requested not to be contacted.
151 <sup>5</sup>	The SME Sales and Channel Manager confirmed that during the period 1 June 2012 to 31 December 2012, no customers had requested written confirmation that Alinta will not contact them for the next two years.
152 <sup>5</sup>	The SME Sales and Channel Manager confirmed that during the period 1 June 2012 to 31 December 2012, Alinta did not perform mailbox dropping of unsolicited mail or marketing information.
181 <sup>5</sup> -182 <sup>5</sup>	Through discussions with the Energy Billing Officer, consideration of Alinta's non-standard form contract and tariff arrangements, we determined that obligations referring to alternative tariffs (i.e. Division 5 of the Code) are not relevant to Alinta's operations.
222 <sup>5</sup>	<ul style="list-style-type: none"> <li>Section 6.9(2) (re. obligation 222) directly refers to residential customers</li> <li>Residential customers are defined by s.1.5 of the Code as customers who consume electricity solely for domestic use</li> <li>Alinta does not currently service residential customers.</li> </ul> <p>Accordingly, obligations referring to residential customers are not relevant to Alinta's operations for the period 1 June 2012 to 31 December 2012.</p>

### Assessment of compliance

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

N/A	N/R	Non-compliant		Compliant			Total
		1	2	3	4	5	
35	55	-	13	2	-	72	177

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligations that are not applicable or cannot be rated, as detailed in the table above.

<sup>5</sup> Obligation relates to May 2011 Reporting Manual and applicable only for the period 1 June 2012 to 31 December 2012

No	Obligation under Condition	Compliance Rating	Findings
<b>PART 2 – Marketing</b>			
129	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct <i>Code of Conduct Clause 2.1</i>	Non-compliant - 2	<p>Through discussion with the SME Accounts Manager and examination of training material relating to marketing obligations of the Code of Conduct, we determined Alinta has put in place the following to ensure compliance with Part 2 of the Code of Conduct:</p> <ul style="list-style-type: none"> <li>• Marketing requirements of the Code of Conduct are included as part of the induction pack for new sales employees</li> <li>• As part of induction, a training session is conducted by Manager Regulatory Affairs on the requirements of the Code</li> <li>• Team Leaders listen in on phone calls of sales staff at least 2 to 3 times a month to ensure quality of service as well as compliance with the Code</li> <li>• A “Call Flow” is provided to all sales staff to guide the staff in providing all the necessary information to the customers as required by the Code.</li> </ul> <p>Through our audit procedures, we determined that Alinta Customer Sales Representatives were aware of their responsibilities for ensuring compliance with Part 2 of the Code of Conduct. However, our audit procedures identified that:</p> <ul style="list-style-type: none"> <li>• The Code of Conduct contains specific requirements regarding the manner though which retailers or marketing agents can enter into contractual relationships with customers</li> <li>• Alinta entered into an arrangement that was not unsolicited (i.e. the customer approached Alinta for the provision of services) to supply electricity to a customer in April 2013. The identified supply arrangement is not supported by a formal contractual arrangement (refer to obligation 108 for further detail of the non-compliance), which has resulted in: <ul style="list-style-type: none"> <li>○ The information Alinta is required to provide to customers, as outlined by the Code, had not been provided to the customer (for example, the non-standard form contract terms and conditions), as the customer had not been formally engaged</li> <li>○ Verifiable consent for the supply had not been obtained from the customer.</li> </ul> </li> </ul> <p>As Alinta did not formally engage the customer through a formal contract and provide appropriate information to the customer, Alinta has not complied with clause 2.1. Given the nature of the non-compliance, Alinta has also not complied with clauses 2.2, 2.3(1)(c)-(d), 2.3(2), 2.4(1), 2.4(2) and 2.5(2).</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 3/2014</b></p> <p>Alinta should:</p> <p>(a) Formalise the contractual relationship between Alinta and the identified customer</p> <p>(b) Review its contract establishment procedures and implement measures to ensure that all contracts are in writing and verifiable consent is obtained from each customer, as well as applicable information being provided to the customer</p> <p>(c) Consider implementing automated measures to ensure that the triggers for differing contractual relationships are correctly applied. Alinta should also consider providing training to staff about the differing contractual relationships and the associated triggers for their use and updating procedures to specifically delineate between the contract types.</p> <p>(d) Consider reviewing its existing contracts to ensure that the appropriate contractual relationships are in place.</p>		<p><b>Action Plan 3/2014</b></p> <p>Alinta will:</p> <p>(a) Formalise the contractual relationship between Alinta and the identified customer</p> <p>(b) Review its contract establishment procedures and implement measures to ensure that all contracts are in writing and verifiable consent is obtained from each customer, as well as applicable information being provided to the customer</p> <p>(c) Consider implementing automated measures to ensure that the triggers for differing contractual relationships are correctly applied. Alinta should also consider providing training to staff about the differing contractual relationships and the associated triggers for their use and updating procedures to specifically delineate between the contract types.</p> <p>(d) Consider reviewing its existing contracts to ensure that the appropriate contractual relationships are in place.</p> <p><b>Responsible Person:</b> Business Sales and Channel Manager</p> <p><b>Target Date:</b> 30 October 2014</p>
130	<p>An electricity marketing agent must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified in clause 2.2.</p> <p><i>Code of Conduct Clause 2.2</i></p>	Non-compliant - 2	<p>Through discussions with the SME Accounts Manager and Energy Billing Officer and consideration of Alinta's sales and contract establishment processes, we determined that:</p> <ul style="list-style-type: none"> <li>• Alinta's electricity customers are only offered the following two non-standard contracts and associated terms and conditions: <ul style="list-style-type: none"> <li>○ "Particulars of Contract Electricity Supply Agreement" for large use customers</li> <li>○ "Electricity Supply Non-Standard Contract –Particulars of Contract" for small use customers.</li> </ul> </li> <li>• All of Alinta's electricity customers are business customers (i.e. Alinta does not supply residential customers)</li> <li>• The date the contract is signed or when the customer is churned to Alinta by Western Power (distributor) is deemed as the start date of the contract</li> <li>• Customer's verifiable consent is obtained when the customer signs their contract</li> <li>• The terms and conditions and customer service charter are provided together with the contract to the customer at no charge</li> <li>• The terms and conditions of the contract are also available on Alinta's website at no charge. The final contract signed by Alinta is provided to the customer.</li> </ul> <p>From sample testing of new small use customers contracted during the audit period and as identified by obligation 129, we identified one customer without a formal contractual arrangement in place. Refer to findings, recommendation and action plan 3/2014 detailed at obligation 129 above.</p>

No	Obligation under Condition	Compliance Rating	Findings
132	An electricity marketing agent must ensure that the information specified in subclauses 2.3(1)(c)-(d) is provided to the customer before arranging a contract. <i>Code of Conduct Clause 2.3(1)(c)-(d)</i>	Non-compliant - 2	<i>Obligations 132 – 134</i> Through discussion with the SME Accounts Manager and examination of Alinta's non-standard contracts for small use customers, we observed that Alinta's non-standard contract for small use customers complies with the requirements of clause 2.3(1) of the Code through the inclusion of the following information in the contract:
133	For a standard form contract that is not an unsolicited consumer agreement or for a non-standard contract by the customer, an electricity marketing agent must obtain and make a record of the customer's verifiable consent that the specified information in subclause 2.3(1), as applicable, has been given. <i>Code of Conduct Clause 2.3(2)</i>	Non-compliant - 2	<ul style="list-style-type: none"> <li>Customer acknowledges that Alinta has provided a copy of Alinta Energy Electricity Supply Non-Standard Contract Terms &amp; Conditions to the Customer by signing the contract</li> <li>Customer may obtain a written copy of the Electricity Supply Non-Standard Contract Terms &amp; Conditions and the completed Particulars of Contract form upon request.</li> </ul> <p>From sample testing of new small use customers contracted during the audit period and as identified by obligation 129, we identified one customer without a formal contractual arrangement in place.</p>
134	When a standard form contract is an unsolicited consumer agreement or a non-standard contract (other than that initiated by the customer), an electricity marketing agent must obtain the customer's written acknowledgement that the specified information in subclause 2.3(1), as applicable, has been given. <i>Code of Conduct Clause 2.3(3)</i>	Compliant - 5	<p>As a result:</p> <ul style="list-style-type: none"> <li>Alinta's processes for the provision of terms and conditions and other contractual documentation were not activated as it is reliant on contractual initiation</li> <li>The customer was not provided with the requirements per clause 2.3(1)(c)-(d) of the Code</li> <li>The customer's verifiable consent was not obtained confirming that the specified information in clause 2.3(1) had been provided.</li> </ul> <p><i>Refer to findings, recommendation and action plan 3/2014 detailed at obligation 129 above.</i></p>
135	When a customer enters into a new contract that is not an unsolicited consumer agreement with a retailer or electricity marketing agent, the retailer or electricity marketing agent must offer to provide the customer with a copy of the contract, and if this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible, but no more than 28 days thereafter. <i>Code of Conduct Clause 2.4(1)</i>	Non-compliant - 2	<i>Obligations 135 to 137</i> As detailed by the findings for obligations 132 to 134 above, Alinta's sales and contract establishment processes require all contracts to be in writing, via its established non-standard form contract and associated terms and conditions. Further, those procedures provide for all potential customers to be presented with a copy of the related terms and conditions and the customer service charter generally via email prior to agreeing to the contract. Through discussions with the SME Accounts Manager and examination of an email template that is sent out to a potential new customer, we determined that for the purposes of contracting with customers through the non-standard form contract, Alinta's processes provide for the customer to be provided with the following documents prior to signing the contractual terms:
136	Where the customer has entered into a new contractual relationship with a retailer or electricity marketing agent, the retailer or electricity marketing agent must give to the customer the information specified in subclause 2.4(2) <i>Code of Conduct Clause 2.4(2)</i>	Non-compliant - 2	<ul style="list-style-type: none"> <li>A copy of the contract</li> <li>The terms and conditions</li> <li>The customer service charter.</li> </ul> <p>These documents include all of the required information as specified in Clause 2.4.</p>



No	Obligation under Condition	Compliance Rating	Findings
137	<p>Subject to subclause 2.4(4), for a standard form contract, a retailer or electricity marketing agent must give the specified information in subclause 2.4(2) no later than with, or on, the customer's first bill. If requested by a customer, and before a customer has entered into a non-standard form contract or a standard form contract that is an unsolicited consumer agreement, the electricity marketing agent must obtain the customer's written acknowledgement that the information in subclause 2.4(2) has been given; if the customer has not previously been provided a written copy of the contract, a copy of the contract must be provided at no charge to the customer.</p> <p><i>Code of Conduct Clause 2.4(3)</i></p>	Non-compliant - 2	<p>From sample testing of new small use customers contracted during the audit period and as identified by obligation 129, we identified one customer without a formal contractual arrangement in place. Specifically, we noted that the customer did not enter into a new contract that was not an unsolicited consumer agreement (i.e. the customer approached Alinta. Alinta did not approach the customer). As a result:</p> <ul style="list-style-type: none"> <li>• The customer was not offered a copy of the contractual arrangement (cl.2.4(1))</li> <li>• The customer was not provided with the information specified in cl.2.4(2) nor was it provided in accordance with cl.2.4(3) of the Code.</li> </ul> <p><i>Refer to findings, recommendation and action plan 3/2014 detailed at obligation 129 above.</i></p>
139	<p>An electricity marketing agent must ensure that all non-standard contracts that are not unsolicited consumer agreements are in writing.</p> <p><i>Code of Conduct Clause 2.5(2)</i></p>	Non-compliant - 2	<p>Through discussion with the SME Accounts Manager and walkthrough of Alinta's sales and contract establishment processes, we determined that Alinta requires all contracts to be in writing using one of Alinta's non-standard contracts and associated terms and conditions.</p> <p>However, from sample testing of new small use customers contracted during the audit period and as identified by obligation 129, we identified one customer without a formal contractual arrangement in place.</p> <p><i>Refer to findings, recommendation and action plan 3/2014 detailed at obligation 129 above.</i></p>
140	<p>A retailer or other party must ensure that a customer is able to contact the retailer or other party on the retailer's or other party's telephone number during normal business hours for the purposes of enquiries, verifications and complaints.</p> <p><i>Code of Conduct Clause 2.5(3)</i></p>	Compliant - 5	<p>Through discussions with the SME Accounts Manager and examination of Alinta's customer service charter and website, we determined that Alinta's Sales and Marketing team are contactable on the advertised 13 13 58 number during normal business hours (8am-5pm).</p> <p>An additional contact number is also specifically available for business customers (08 9486 3252) from 8.30 am to 5 pm, Monday to Friday.</p>
141	<p>An electricity marketing agent must, on request, provide a customer with the information specified in subclause 2.6(1).</p> <p><i>Code of Conduct Clause 2.6(1)</i></p>	Compliant - 5	<p>Through discussions with the SME Accounts Manager, we determined that Alinta has procedures in place to provide the following information to a customer, if requested:</p> <ul style="list-style-type: none"> <li>• Alinta's complaints telephone number</li> <li>• The staff member's marketing identification number.</li> </ul> <p>We also determined that Alinta's procedures provide for Team Leaders to listen in on selected calls made by sales staff as a form of on-going monitoring and coaching as well as to ensure compliance with the Code.</p>

No	Obligation under Condition	Compliance Rating	Findings
142	<p>An electricity marketing agent who meets with a customer face to face must:</p> <ul style="list-style-type: none"> <li>When negotiating a contract that is not an unsolicited consumer agreement, as soon as practicable tell the customer the purpose of the visit;</li> <li>Wear a clearly visible and legible identity card showing the information specified in subclause 2.6(2)(b); and</li> <li>As soon as practicable provide the written information specified in subclause 2.6(2)(c).</li> </ul> <p><i>Code of Conduct Clause 2.6(3)</i></p>	Non-compliant - 2	<p>Where Alinta representatives meet with customers face-to-face they are required to:</p> <ul style="list-style-type: none"> <li>Inform the customer the purpose of their visit as soon as practicable (where unsolicited)</li> <li>Wear a clearly visible and legible identity card, included mandated information</li> <li>Provide the customer with written mandated information.</li> </ul> <p>In February 2014, Alinta representatives met with 15 small use business customers face-to-face as part of a marketing campaign. Examination of the written information (i.e. business card) provided to customers by Alinta identified that it failed to detail the following three information requirements required by s.2.6(2)(c), including:</p> <ul style="list-style-type: none"> <li>The marketing agent's marketing identification number</li> <li>Alinta's complaints telephone number</li> <li>Australian Business or Company number of Alinta.</li> </ul> <p>We acknowledge that Alinta has since updated the business card to comply with the requirements of Code.</p>
	<p><b>Recommendation 4/2014</b></p> <p>Alinta should:</p> <p>(a) Recommunicate the key compliance requirements to the marketing and sales team to ensure that marketing agents communicate with the Regulatory team should a breach occur</p> <p>(b) Implement a process to ensure that the marketing and sales team provides periodic compliance updates to the Regulatory team. The Regulatory team should then periodically check marketing and sales performance.</p>		<p><b>Action Plan 4/2014</b></p> <p>Alinta will:</p> <p>(a) Recommunicate the key compliance requirements to the marketing and sales team to ensure that marketing agents communicate with the Regulatory team should a breach occur</p> <p>(b) Implement a process to ensure that the marketing and sales team provide periodic compliance updates to the Regulatory team. The Regulatory team will perform periodic checks on marketing and sales performance.</p> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2014</p>
143	<p>Except when responding to a customer request or query, a retailer or other party must keep the specified records in subclause 2.6(3) each time it initiates contact with a customer for the purposes of marketing.</p> <p><i>Code of Conduct Clause 2.6(3) and 2.6(4)</i></p>	Compliant - 5	<p>Through discussions with SME Accounts Manager and examination of Alinta's CRM system, we observed that the following records are captured each time Alinta initiates contact with a customer for the purposes of marketing:</p> <ul style="list-style-type: none"> <li>Customer's name and contact number</li> <li>Name of staff who made contact with the customer</li> <li>Date, place and time of contact.</li> </ul> <p>All information required by clause 2.6(3) and 2.6(4) are captured, irrespective of whether the contact is made by Alinta over the phone or face to face.</p>

No	Obligation under Condition	Compliance Rating	Findings
144	<p>An electricity marketing agent must keep a record of complaints about marketing carried out by or on behalf of the electricity marketing agent made by a customer or person contacted for the purposes of marketing and upon request, must give to the electricity ombudsman, within 28 days of receiving the request, all information that the electricity marketing agent has relating to the complaint.</p> <p><i>Code of Conduct Clause 2.9(1)</i></p>	Compliant - 5	<p>Through discussions with the SME Accounts Manager, we determined that Alinta records all complaints from electricity customers in Gentrack and CRM. Alinta treats complaints about marketing as contractual type complaints, which are handled by the Alinta Sales team.</p> <p>The Team Leader – Customer Services confirmed that Alinta has not received any request from the Ombudsman to provide information relating to marketing complaints received from Alinta’s customers.</p>
145	<p>A record or other information that an electricity marketing agent is required by the Code to keep must be kept for at least two (2) years after the last time the person to whom the information relates was contacted by or on behalf of the electricity marketing agent or after receipt of the last contact from or on behalf of the electricity marketing manager, whichever is the later.</p> <p><i>Code of Conduct Clause 2.9(2)</i></p>	Compliant - 5	<p>The SME Accounts Manager and Team Leader – Customer Services confirmed that customer records are maintained for a minimum of two years.</p>
<b>Part 3 - Connection</b>			
146	<p>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.</p> <p><i>Code of Conduct Clause 3.1(1)</i></p>	Compliant - 5	<p><i>Obligations 146 and 147</i></p> <p>Through discussions with Energy Billing Officer and walkthrough of Alinta’s connection and customer transfer processes, we determined that those processes provide for customer connection/transfer requests to:</p>
147	<p>Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day if the request is received after 3pm or on a weekend or public holiday.</p> <p><i>Code of Conduct Clause 3.1(2)</i></p>	Compliant - 5	<ul style="list-style-type: none"> <li>• Have priority over other administration tasks and to be forwarded to Western Power via the Metering Service Centre web portal on the same day the requests are received or the next business day if the requests are received after 3 pm or on a Saturday, Sunday or public holiday</li> <li>• Only be processed if the contract application is complete and co-signed by both the customer and Alinta.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 4 - Billing</b>			
148	A retailer must issue a bill no more than once a month and at least once every three (3) months, unless under the circumstances specified in subclause 4.1. <i>Code of Conduct Clause 4.1</i>	Compliant - 5	Through discussions with the Energy Billing Officer and walkthrough of Alinta's billing processes, we determined that Alinta has the following systems and procedures in place to bill customers within the required timeframes: <ul style="list-style-type: none"> <li>• Gentrack is programmed to bill customers on a calendar monthly basis</li> <li>• Section 6.1 of the non-standard form contract states that Alinta will bill the customer within 7 business days of the end of each billing period</li> <li>• The unbilled installation report is run on a weekly and monthly basis to identify unbilled accounts. Billing staff review the report on a daily basis and resolve billing discrepancies as required.</li> </ul> Alinta does not offer shortened billing cycles and does not seek to bill customers more frequently than monthly.
157	A retailer must issue a bill to a customer at the customer's supply address, unless the customer has nominated another address or an electronic address. <i>Code of Conduct Clause 4.4</i>	Compliant - 5	Examination of Alinta's billing process and discussions with the Energy Billing Officer confirmed that Alinta's procedures provide for: <ul style="list-style-type: none"> <li>• Customers to have their bills sent to the default installation address unless requested by the customer to be sent to an alternative postal address</li> <li>• The customer's installation address and alternative postal address to be recorded in Gentrack when the customer establishes an account with Alinta</li> <li>• The customer to nominate a billing address in the non-standard contract.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
158	<p>Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in subclause 4.5(1) on the customer's bill.</p> <p><i>Code of Conduct Clause 4.5(1)</i></p>	Non-compliant - 2	<p>Alinta is required, per clause 4.5(1) of the Code to include particular information on its bill unless a customer agrees otherwise. In August 2011, Alinta amended its non-standard form contract to provide for customers to consent for specific elements not to be included on the standard bill. Section 6.3 of Alinta's non-standard contract stated:</p> <p><i>Each bill will show the information required to be included in accordance with clause 4.5[1] of the Code, other than the information in clause 4.5[1][b] and [bb] of the Code, which you agree the bill is not required to show.</i></p> <p>However, as the Code of Conduct was updated during the audit period, effective from 1 January 2013, the clause references mentioned in section 6.3 of Alinta's non-standard form contract are incorrect.</p> <ul style="list-style-type: none"> <li>• Clause 4.5(1)(b) (now cl.4.5(1)(c)(i)) originally required current meter reading or estimate, where the customer had an accumulation meter installed. Given the change in Code, it now refers to requirements where the customer has a Type 7 connection point, which is not relevant to Alinta's customers</li> <li>• Clause 4.5(1)(bb) (now cl.4.5(1)(dd)) originally required, to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period covered by the bill, the previous bill and the bill for the same period last year. Given the change in the Code, it now refers to the requirement for the national interpreter symbol to be included.</li> </ul> <p>As such, Alinta has been obtaining consent from customers to not include specific particulars on its bill that are actually included. Conversely, consent has not been obtained for the removal of two clause requirements.</p> <p>Our examination of Alinta's bill template and non-standard form contract also highlighted that the requirements for clause 4.5(1)(d)(ii) have not been included in the bill. Consent to not include has not been sought from the customer.</p>
	<p><b>Recommendation 5/2014</b></p> <p>Alinta should:</p> <p>(a) Update its non-standard form contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills</p> <p>(b) Implement a monitoring process to ensure that the non-standard form contract and supporting terms and conditions align with the requirements of the Code of Conduct, specifically where updated.</p>		<p><b>Action Plan 5/2014</b></p> <p>Alinta will:</p> <p>(a) Update its non-standard contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills</p> <p>(b) Implement a monitoring process to ensure that the non-standard contract and supporting terms and conditions align with the requirements of the Code of Conduct, specifically where updated or changes made to the Code.</p> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2014</p>

No	Obligation under Condition	Compliance Rating	Findings
159	<p>If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis before, with or on the customer's next bill.</p> <p><i>Code of Conduct Clause 4.5(3)</i></p>	Compliant - 5	<p>Through discussion with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that in the event a historical debt is identified, Alinta's processes provide for:</p> <ul style="list-style-type: none"> <li>• The billing team to forward the reconciliation to the sales team and revenue assurance team for checking</li> <li>• The debt to be recovered to appear under "other charges" on the standard bill in instances where the debt relates to the customer's current supply address</li> <li>• The customer to be notified (on the next bill) the basis for the historical debt.</li> </ul>
160	<p>A retailer must base a customer's bill on the following:</p> <ul style="list-style-type: none"> <li>• The distributor's or metering agent's reading of the meter at the customer's supply address;</li> <li>• The customer's reading of the meter in the circumstances specified in subclause 4.6(1)(b); or</li> <li>• Where the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code.</li> </ul> <p><i>Code of Conduct Clause 4.6(1)</i></p>	Compliant - 5	<p><i>Obligations 160 and 162</i></p> <p>Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following practices and systems in place for generating bills based on meter reads:</p> <ul style="list-style-type: none"> <li>• Alinta requires all electricity customers to have interval meters installed</li> <li>• Interval meter data is received by Western Power on a 30 minute basis for those installations with a communications link</li> <li>• For interval meters without a communications link, a Western Power meter reader is required to download the interval data directly from the meter on a monthly basis</li> <li>• Alinta downloads interval meter data on a daily basis (which includes both the data obtained via the communications link and data uploaded from the meter reader) from the Western Power portal, which is then uploaded into Gentrack for billing purposes</li> <li>• Metering data received from Western Power is allocated by Gentrack based on NMI</li> <li>• Alinta does not accept customer self reads</li> <li>• An 'Unbilled Installations' report is produced every month identifying those installations that require billing.</li> </ul>
162	<p>Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that meter reading data is obtained as frequently as is required to prepare its bills; and, in any event, at least once every 12 months.</p> <p><i>Code of Conduct Clause 4.7</i></p>	Compliant - 5	<ul style="list-style-type: none"> <li>• Examination of the May 2014 Unbilled Installations report produced from Gentrack did not indicate any customer without a meter read during the audit period.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
163	<p>If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.</p> <p><i>Code of Conduct Clause 4.8(1)</i></p>	Non-compliant - 2	<p><i>Obligations 163 and 164</i></p> <p>Clause 4.8(1) requires Alinta to provide customers with an estimated bill should they be unable to base it on a meter read. Clause 4.8(2) requires a retailer to detail on a customer's bill, if based on an estimated read, the following:</p>
164	<p>In circumstances where the customer's bill is estimated, a retailer must specify in a visible and legible manner, on the customer's bill the information detailed in subclause 4.8(2).</p> <p><i>Code of Conduct Clause 4.8(2)</i></p>	Non-compliant - 2	<ul style="list-style-type: none"> <li>• The fact that the retailer has based the bill on an estimation (cl.4.8(2)(a))</li> <li>• (On request) the basis and reason for estimation (cl.4.8(2)(b))</li> <li>• The customer's ability to request a verification of a meter reading and an actual meter reading (cl.4.8(2)(c)).</li> </ul> <p>Through discussions with the Energy Billing Officer and walkthrough of Alinta's billing processes, we determined that Alinta has the following arrangements in place for estimated bills:</p> <ul style="list-style-type: none"> <li>• Alinta's procedures provide for Western Power to generate an estimated value based on previous billed amounts in the event that a meter read data is not received</li> <li>• The estimated data provided by Western Power (via the web portal) is to be uploaded into Gentrack</li> <li>• Gentrack is to identify those interval periods where an estimation has been performed</li> <li>• Gentrack identifies which bills contain estimations to facilitate printing of relevant information on the customer's bill i.e. that the bill has been calculated using estimated metering data.</li> </ul> <p>Alinta's processes had required an estimated bill template to include the following note to demonstrate compliance with the requirements of sub clause 4.8:</p> <p><i>"This invoice is based on metering data that includes estimates. For details on the basis and reason for the meter data estimates, or to request a meter verification or reading, please contact Alinta on 13 13 58."</i></p> <p>However in November 2012, Alinta's estimated bill template was updated to include a notification about Alinta's service standard payments (per cl.10.3A). The update resulted in the above notation about estimated meter reads being removed. As such, estimated bills issued since November 2012 did not include the specified information per cl 4.8(2).</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 6/2014</b></p> <p>Alinta should:</p> <p>(a) Update the estimated bill template to include all required elements of cl.4.8 of the Code</p> <p>(b) Implement a monitoring process to ensure that the estimated bill template aligns with the requirements of the Code of Conduct, specifically where updated.</p>		<p><b>Action Plan 6/2014</b></p> <p>Alinta has updated the estimated bill template to include all the required elements of cl.4.8 of the Code. In addition, Alinta will implement the following monitoring processes:</p> <p>(a) Where a change to the bill is made, the template is independently verified (e.g. separate team in customer services) to ensure that the correct information is maintained</p> <p>(b) Annual check of the bill template will be performed by the Regulatory team as part of annual compliance report to the Authority.</p> <p><b>Responsible Person:</b> Manager Regulatory Affairs  <b>Target Date:</b> 31 December 2014</p>
168	<p>If a customer requests the meter to be tested and pays a retailer's reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.</p> <p><i>Code of Conduct Clause 4.11(1)</i></p>	Compliant - 5	<p><i>Obligations 168 and 169</i></p> <p>Through discussions with the Energy Billing Officer and consideration of Alinta's meter testing request procedures, we determined that Alinta has the following arrangements in place to engage Western Power to perform a meter test:</p> <ul style="list-style-type: none"> <li>Alinta is required to request Western Power to verify the customer's data</li> </ul>
169	<p>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.</p> <p><i>Code of Conduct Clause 4.11(2)</i></p>	Compliant - 5	<ul style="list-style-type: none"> <li>The Energy Billing team is required to attempt to address the customer's concerns by analysing their consumption history and usage pattern</li> <li>If the Energy Billing team fails to identify the issue or at the customer's request, a service order is to be forwarded to Western Power requesting a meter test</li> <li>Alinta's current processes require Alinta staff to inform customers of the fees involved with performing a meter test</li> <li>Section 4.2 of Alinta's non-standard form contract outlines the customer's right to request a meter test</li> <li>If the meter is found to not be defective, it is up to the discretion of the Sales Account Manager whether to charge the meter test fee</li> <li>If the meter test fee was charged upfront, and the meter is found to be defective, the fee is to be either credited to the customer's account, or refunded via direct payment.</li> </ul>
172	<p>If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.</p> <p><i>Code of Conduct Clause 4.14(1)</i></p>	Compliant - 5	<p>Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures in place to finalise customer accounts at the customer's request:</p> <ul style="list-style-type: none"> <li>Alinta staff are required to determine whether any early termination contract fee would apply with the aid of the revenue assurance team</li> <li>A final bill is then to be processed in Gentrack and the customer account closed</li> <li>The final bill is issued to the supply address, unless another address is requested by the customer.</li> </ul>



No	Obligation under Condition	Compliance Rating	Findings
173	A retailer must repay the customer any amount in credit at the time of the account's closure. <i>Code of Conduct Clause 4.14(2)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's approach is to refund the customer any amount owing at the time of account closure and after the final bill has been issued.
174	Subject to a customer paying that portion of the bill under review that a customer and a retailer agree is not in dispute, or an amount equal to the average amount of the customer's bill over the previous 12 months (excluding the bill in dispute, whichever is less), and paying any future bills that are properly due, a retailer must review the customer's bill on request by the customer. <i>Code of Conduct Clause 4.14(2)</i>	Compliant - 5	<i>Obligations 174 to 178</i> Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following processes in place to facilitate a review of a customer bill on request: <ul style="list-style-type: none"> <li>Alinta's Energy Billing Officers are trained to deal with customer requests to review a bill, enabling a review to be performed on request</li> <li>Requests for review of a customer's bill are resolved immediately, or referred to the relevant team for resolution</li> <li>Where the bill is assessed as: <ul style="list-style-type: none"> <li><u>Correct</u> by Alinta, depending on the issue relating the bill, the Energy Billing Officer informs the customer of the options available where they are not happy with the assessment, including the use of the complaints handling processes</li> <li><u>Incorrect</u> by Alinta, the default process is for a credit to be applied to the customer account. Alternatively, the customer may request a refund.</li> </ul> </li> </ul> Such practices provide for customers to be informed of the outcome of a review within 20 business days from the date of receipt of the request but Alinta generally aims to provide a resolution within a week, where possible.
175	If a review of a bill has been conducted and the retailer is satisfied that the bill is correct, the retailer may require a customer to pay the unpaid amount; must advise the customer that the customer may request the retailer to arrange a meter test in accordance with the applicable law; and must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes. <i>Code of Conduct Clause 4.15</i>	Compliant - 5	
176	If a review of the bill has been conducted and a retailer is satisfied that the bill is incorrect, a retailer must adjust the bill in accordance with clauses 4.17 and 4.18. <i>Code of Conduct Clause 4.16(1)(b)</i>	Compliant - 5	
177	The retailer must inform a customer of the outcome of the review of a bill as soon as practicable. <i>Code of Conduct Clause 4.16(2)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
178	<p>If the retailer has not informed a customer of the outcome of the review of a bill within 20 business days from the date of receipt of the request for review, the retailer must provide the customer with notification of the status of the review as soon as practicable.</p> <p><i>Code of Conduct Clause 4.16(3)</i></p>	Compliant - 5	
179	<p>If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified in subclause 4.17(2).</p> <p><i>Code of Conduct Clause 4.17(2)</i></p>	Compliant - 5	<p>Through discussions with Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following procedures in place to manage accounts requiring adjustments:</p> <ul style="list-style-type: none"> <li>• Where Alinta has undercharged the customer, the balance is automatically attached to the customer's next account. The customer is then advised of the balance</li> <li>• In the event of an undercharging, Alinta recognises that it can only recover an undercharged amount for up to 12 months from the date the customer is first notified of the undercharge</li> <li>• Alinta will not charge the customer interest on the amount or require the customer to pay a late payment fee</li> <li>• Alinta offers the customer to have either: <ul style="list-style-type: none"> <li>○ The current bill cancelled, and re-issued with the correct value</li> <li>○ The current bill to remain unchanged and the adjusting amount to be included as an itemised portion of the next bill</li> <li>○ Alternative payment arrangements, including an instalment payment plan covering a period at least equal to the period of the undercharge.</li> </ul> </li> </ul>
180	<p>If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must use its best endeavours to inform the customer within 10 business days of a retailer becoming aware of the error, defect, or default, and, subject to subclause 4.18(6), ask the customer for instructions as to whether the amount should be credited to the customer's account or repaid to the customer.</p> <p><i>Code of Conduct Clause 4.18(2)</i></p>	Compliant - 5	<p>Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has processes and procedures in place to manage the refund process including:</p> <ul style="list-style-type: none"> <li>• Notifying the customer within 10 business days of any overcharge and offering resolution alternatives</li> <li>• Energy Billing Officers attempting to make contact with customers who have been overcharged and have moved address</li> <li>• Asking the customer for instructions regarding repayment of an overcharged amount and crediting the customer's account for the amount if the customer so instructs.</li> </ul> <p>In the event where a customer has disconnected its service with Alinta and attempts to refund the customer have failed, Gentrack displays customer credits from a previous installation when the new customer signs up with the same ABN or customer name.</p>

No	Obligation under Condition	Compliance Rating	Findings
181	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions. <i>Code of Conduct Clause 4.18(3)</i>	Compliant - 5	<i>Obligations 181 and 182</i> Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for managing the refunds process include:
182	In circumstances where instructions regarding repayment of an overcharged bill are not received within 20 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to the customer's account. <i>Code of Conduct Clause 4.18(4)</i>	Compliant - 5	<ul style="list-style-type: none"> <li>• Refunds are processed via weekly cheque runs and made available to the customer within 12 business days of receiving the instructions</li> <li>• Alinta's default approach is to apply the amounts overcharged as credit to the customer's account, if no specific instructions have been received from the customer within 20 business days of making the request</li> <li>• If a customer requests a refund via cheque or the customer no longer has an active account with Alinta, the Energy Billing Officer will process the refund in Gentrack and submit a cheque refund request to the Payments team.</li> </ul> <p>Examination of the customer complaints register did not identify instances of complaints in relation to the delayed repayment of an overcharged amount.</p>
183	Where the amount overcharged is less than \$75, refer to subclause 4.18(6) as to how a retailer may proceed to deal with the matter. <i>Code of Conduct Clause 4.18(6)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has processes and procedures for managing the refunds process, including: <ul style="list-style-type: none"> <li>• Immediately notifying the customer within 10 business days of any overcharge and offering resolution alternatives</li> <li>• Energy Billing Officers attempting to make contact with customers who have been overcharged and have moved address</li> <li>• Asking the customer for instructions regarding repayment of overcharged amount of less than \$75 and paying the overcharged amount in accordance with those instructions within 12 business days</li> <li>• Crediting the customer's account for the overcharged amount within 20 business days of request for instructions, in case no instructions are received from the customer.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
184	<p>If a retailer proposes to recover from a customer an amount of an adjustment which does not arise due to any act or omission of the customer, a retailer must comply with subclause 4.19(1).</p> <p><i>Code of Conduct Clause 4.19(1)</i></p>	Compliant - 5	<p>Through discussions with Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following procedures in place to manage accounts requiring adjustments:</p> <ul style="list-style-type: none"> <li>• Where Alinta has undercharged the customer, the balance is automatically attached to the customer's next account as a separate item along with an explanation of the amount. The customer is then advised of the balance</li> <li>• In the event of an undercharging, Alinta recognises that it can only recover the undercharged amount for up to 12 months from the date the customer is notified of the undercharge</li> <li>• No interest or fee to be paid relevant to the correcting payment</li> <li>• Alinta offers the customer to have either: <ul style="list-style-type: none"> <li>○ The current bill cancelled and re-issued with the correct value</li> <li>○ The current bill to remain unchanged and the adjusting amount to be included as an itemised portion of the next bill</li> <li>○ Alternative payment arrangements, including an instalment payment plan covering a period at least equal to the period of the undercharge.</li> </ul> </li> </ul>
185	<p>If the meter is read pursuant to either clause 4.6 or clause 4.3(2)(d) and the amount of the adjustment is an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days and, subject to subclause (5), ask the customer for instructions about the repayment of the amount owing.</p> <p><i>Code of Conduct Clause 4.19(2)</i></p>	Compliant - 5	<p><i>Obligations 185 to 187</i></p> <p>Through discussions with Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta has the following procedures in place to manage accounts requiring adjustments for amounts owing to the customer:</p> <ul style="list-style-type: none"> <li>• Immediately notifying the customer within 10 business days of any overcharge and offering resolution alternatives</li> <li>• Energy Billing Officers attempting to make contact with customers who have been overcharged and have moved address</li> </ul>
186	<p>If a retailer received instructions under subclause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.</p> <p><i>Code of Conduct Clause 4.19(3)</i></p>	Compliant - 5	<ul style="list-style-type: none"> <li>• Asking the customer for instructions regarding repayment of overcharged amount and paying the overcharged amount in accordance with those instructions within 12 business days</li> <li>• Crediting the customer's account for the overcharged amount within 20 business days of request for instructions, in case no instructions are received from the customer.</li> </ul>
187	<p>If a retailer does not receive instructions under subclause 4.19(2), within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.</p> <p><i>Code of Conduct Clause 4.19(4)</i></p>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 5 - Payment</b>			
188	The due date on the bill must be at least 12 business days from that date of the bill. Unless a retailer specifies a later date, the date of dispatch is the date of the bill. <i>Code of Conduct clause 5.1</i>	Compliant - 5	As permitted by clause 1.10 of the Code, Alinta's non-standard form contract amends clause 5.1(1) "Due Dates for Payment" to an agreed upon timeframe between the customer and Alinta. Section 7.1 of Alinta's non-standard form contract states that the amount payable is 14 days of the date of bill. Based on discussions with the Credit Controller (Acting), we determined that Gentrack is programmed to issue bills with due dates based on 14 calendar days. We examined both a current standard bill and an estimated bill and observed that both had a minimum of 14 calendar days as their due dates.
189	A retailer must offer the following specified minimum payment methods: in person at one or more payment outlets located within the Local Government District of the customer's supply address; by mail; for residential customers, by Centrepay; electronically by means of BPay or credit card; and by telephone by means of credit card. <i>Code of Conduct clause 5.2(1)</i>	Compliant - 5	As permitted by clause 1.10 of the Code, Alinta's non-standard form contract amends clause 5.2(1) "Minimum payment methods" to a set of agreed upon payment methods. Section 7.1 of Alinta's non-standard form contract outlines the following payment methods: <ul style="list-style-type: none"> <li>• Electronic Funds Transfer (EFT)</li> <li>• BPay</li> <li>• Credit card over the telephone and online</li> <li>• Any other payment options Alinta may decide to make available to customer from time to time.</li> </ul> Examination of the current bill template indicated that Alinta offers the payment methods outlined by the non-standard form contract.
191	Upon request, a retailer must accept payment in advance from a customer. Acceptance of an advance payment will not require a retailer to credit any interest to the amounts paid in advance. The minimum amount for which a retailer will accept an advance payment is \$20. <i>Code of Conduct clause 5.4</i>	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's payments process, we determined that Alinta: <ul style="list-style-type: none"> <li>• Accepts payment in advance for any amount (i.e. no minimum amount)</li> <li>• Places the customer's account into credit, where applicable.</li> </ul>
197	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. <i>Code of Conduct clause 5.7(1)</i>	Compliant - 5	Through discussions with the Energy Billing Officer and consideration of Alinta's billing processes, we determined that Alinta's processes and procedures for finalisation of customer accounts include: <ul style="list-style-type: none"> <li>• A customer is required to notify Alinta to request account closure</li> <li>• Energy Billing Officers initiate the account finalisation process</li> <li>• Customers are charged for consumption up to the account closure date (up to midnight).</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
198	<p>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.</p> <p><i>Code of Conduct clause 5.7(2)</i></p>	Compliant - 5	<p>Through discussions with the Credit Controller (Acting) and consideration of Alinta's billing processes, we determined that Alinta has processes and procedures to manage circumstances where customers are evicted or otherwise required to vacate a supply including:</p> <ul style="list-style-type: none"> <li>• Credit management processes are designed to stop charges from the day the customer is evicted provided the customer can provide reasonable evidence</li> <li>• Alinta will not require a customer to pay for usage beyond the period of notice if the customer is forced to vacate the supply address and the customer notifies Alinta.</li> </ul>
199	<p>Notwithstanding subclauses 5.7(1) and (2), a retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified in subclause 5.7(4).</p> <p><i>Code of Conduct clause 5.7(4)</i></p>	Compliant - 5	<p>Through discussions with the Credit Controller (Acting) and consideration of Alinta's billing processes, we determined that Alinta has the following processes and procedures to manage the account finalisation process:</p> <ul style="list-style-type: none"> <li>• The debt is recoverable only from the customer who entered into a contract with Alinta</li> <li>• Once a contract is established and formalised in Gentrack, the system does not permit an amount to be billed to the previous customer of the same supply address</li> <li>• The previous customer is not to be charged electricity consumption after the new customer becomes obliged to pay</li> <li>• For consumption after a customer has been disconnected and prior to commencement of a contract by a new customer, the consumption is considered as lost consumption.</li> </ul>
200	<p>A retailer must comply with Part 2 of the debt collection guideline issued by the Australian Competition and Consumer Commission concerning section 50 of the Australian Consumer Law (WA).</p> <p><i>Code of Conduct clause 5.8(1)</i></p>	Compliant - 5	<p>Section 5.8 (1) of the Electricity Customer Code states that 'a retailer must comply with Part 2 of the Debt collection guideline for collectors and creditors issued by the Australian Competition and Consumer Commission concerning Section 60 of the Trade Practices Act 1974 of the Commonwealth'.</p> <p>The Commercial Credit Controller confirmed that Alinta complies with the Conduct Principles set out in the guidelines on debt collection issued by the ACCC.</p>
202	<p>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.</p> <p><i>Code of Conduct clause 5.8(3)</i></p>	Compliant - 5	<p>Through discussions with the Credit Controller (Acting) and consideration of Alinta's credit management processes, we determined that Alinta's procedures provide for the collection of customer debt. We note that:</p> <ul style="list-style-type: none"> <li>• Alinta has processes in place to ensure any debt is only recovered from the customer of the supply address who incurred the debt</li> <li>• The Gentrack system links an account to a customer name and not just the address, which means consumption from a supply address can only be billed to one customer at any given time.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 6 - Payment difficulties and financial hardship</b>			
224	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties. <i>Code of Conduct clause 6.11</i>	Compliant - 5	Through discussions with the Credit Controller (Acting) and walkthrough of Alinta's customer billing and collections processes, we determined that Alinta has the following processes and procedures in place to deal with small use business customer requests for alternative payment arrangements. In the event that Alinta determines that the customer is experiencing payment difficulties, Alinta offers: <ul style="list-style-type: none"> <li>As the first option, an extension of time to pay the bill. The Credit Controller (Acting) advised that this is the most common arrangement offered to small use business customers experiencing financial difficulty</li> <li>Payment instalment plans.</li> </ul>
<b>Part 7 – Disconnection and reconnection</b>			
225	Prior to arranging for disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice not less than 13 business days from the date of dispatch of the bill, including the information specified in subclause 7.1(1)(a), use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c). <i>Code of Conduct clause 7.1(1)</i>	Compliant - 5	Through discussions with the Commercial Credit Controller and consideration of the functionality of Alinta's Gentrack system, we determined that Alinta maintains the following processes to manage reminder notices and disconnection warnings issued to customers: <ul style="list-style-type: none"> <li>The Commercial Credit Controller is responsible for producing and reviewing a reminder notices report on a monthly basis. A reminder notices report is designed to highlight customers with bills which are outstanding for greater than 10 business days. Alinta's process is to not action any notices or warnings till the timeframes required by the Code</li> <li>The Commercial Credit Controller utilises the reminder notices report to identify any customers that require disconnection warnings</li> <li>Reminder notices are to be printed and posted by the mailing agent, whereas disconnection warnings are printed in house, processed manually, considered on a case by case basis and sent not less than 18 business days from the date of dispatch of the bill</li> <li>Reminder notices and disconnection warnings are to be sent to customers using a standard template, matching the criteria specified by the Code of Conduct.</li> </ul> <p>We determined that Alinta generates customer bills on the 7th or 15th of every month and sends reminder notices on the 8th of every month, which provides its customers with a more generous time frame than that required by the Code (not less than 13 business days from the date of dispatch of the bill).</p> <p>Prior to disconnection, Alinta attempts to contact customers by phone or other contact methods, if provided by the customer, and record the communication details in Gentrack.</p>

No	Obligation under Condition	Compliance Rating	Findings
226	<p>A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in subclause 7.2(1).</p> <p><i>Code of Conduct clause 7.2(1)</i></p>	Compliant - 5	<p>Through discussion with the Commercial Credit Controller and consideration of Alinta's disconnection and credit management processes, we determined that Alinta has the following processes and systems in place for managing the disconnection of customers:</p> <ul style="list-style-type: none"> <li>• Disconnecting a customer is the last resort Alinta will employ</li> <li>• Credit management staff are aware that they must only disconnect customers for specified reasons and only after one business day from the expiry of the period referred to in the disconnection warning</li> <li>• A customer will not be disconnected for amounts owing that do not relate to the supply of electricity</li> <li>• If the supply address does not relate to the bill, the customer will not be disconnected</li> <li>• Alinta does not offer customers concessions</li> <li>• The Authority has not prescribed a minimum amount to the outstanding balance, under which Alinta is not permitted to process the disconnection.</li> </ul> <p>From our testing of the 3 disconnections performed during the audit period for failure to pay a bill, we determined that none of the limitations outlined in clause 7.2 of the Code were breached.</p>
230	<p>A retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.</p> <p><i>Code of Conduct clause 7.6</i></p>	Compliant - 5	<p>Through discussions with the Commercial Credit Controller and walkthrough of Alinta's disconnection processes, we observed that Alinta's processes and procedures are designed for:</p> <ul style="list-style-type: none"> <li>• Customers' supply addresses not to be disconnected until all required communication has been made regarding the cause of disconnection (including resolution of any complaint made by the customer directly related to the reason for the disconnection)</li> <li>• Disconnections not to be arranged for a Friday, Saturday, Sunday, a public holiday, a day before a public holiday or after 3pm on other business days. We understand that Alinta's standard business practice is to arrange disconnections using the disconnection service order within the Metering Service Centre web portal maintained by Western Power, who also performs the physical disconnection.</li> </ul> <p>During the period 1 June 2012 to 31 May 2014, Alinta raised 3 service orders to Western Power to disconnect customers for failure to pay a bill. In each case, the disconnection was not performed on a Friday, Saturday, Sunday, a public holiday, a day before a public holiday or after 3pm on other business days. Our testing of the three disconnections determined that the required communication had been made with the customer, in accordance with the requirements of the Code. In each case, there was no unresolved, relevant complaint.</p>



No	Obligation under Condition	Compliance Rating	Findings
<b>Part 9 - Information and communication</b>			
235	A retailer must arrange for reconnection of the customer's supply address if the customer remedies their breach, makes a request for reconnection, and pays the retailer's reasonable charges (if any) for reconnection or accepts an offer of an instalment plan for the retailer's reasonable charges. <i>Code of Conduct clause 8.1(1)</i>	Compliant - 5	<p><i>Obligations 235 and 236</i></p> <p>Through discussions with the Energy Billing Officer and consideration of Alinta's disconnection and reconnection processes, we determined that Alinta has processes in place to:</p> <ul style="list-style-type: none"> <li>• Arrange for reconnection with Western Power for a supply address if the customer makes a request for reconnection and has addressed Alinta's request for payment of reasonable charges by making an upfront payment or accepting an offer of an instalment plan for the payment</li> <li>• Submit a reconnection service order to Western Power on the same day the request is received or the next business day if the request is received after 3 pm or on a Saturday, Sunday or public holiday .</li> </ul>
236	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified. <i>Code of Conduct clause 8.1(2)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
<b>Part 10 - Information and communication</b>			
268	<p>A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, as soon as practicable after the variation is published and no later than the next bill in the customer's billing cycle.</p> <p><i>Code of Conduct clause 10.1(1)</i></p>	Non-compliant - 2	<p>Through discussions with the SME Accounts Manager and the Energy Billing Officer and consideration of Alinta's customer establishment process, we determined that Alinta has processes to offer customers either a bundled or unbundled contract. We understand that:</p> <ul style="list-style-type: none"> <li>• A bundled contract is where the consumption tariff and network charges (i.e. Western Power's charge) are included in the price quoted to the customer. The amounts include any projections for variation therefore is not subject to change during the contract term</li> <li>• An unbundled contract is where the contract establishes the consumption tariff, with Western Power's network charge subject to change.</li> </ul> <p>Clause 10.1(1) of the Code requires a retailer to give a notice to each of its customers affected by a variation in its tariffs 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. During the audit period, there were two tariff variations effective from 1 July 2012 and 1 September 2013 respectively.</p> <p>As identified by the 2012 performance audit report, Alinta attempted to demonstrate compliance with requirements of clause 10.1(1) by including a 'blanket' notification statement on customer bills as a way of informing customers on any variation in its tariff. However, the 2012 performance audit determined that the 'blanket' statement did not adequately inform affected customers of an actual tariff variation. Alinta agreed to investigate and establish a plan for implementing the most appropriate method for notifying individual customers of any tariff changes on the customer's next bill. Our assessment identified that Alinta customers were:</p> <ul style="list-style-type: none"> <li>• Not notified of the tariff change effective from 1 July 2012, outside of the blanket statement identified above. As such, Alinta has not complied with the requirements of cl.10.1(1) of the Code</li> <li>• Notified of the tariff change effective from 1 September 2013 by way of a manual notification letter sent with the first bill following the tariff change. As such, Alinta has complied with the requirement of the Code.</li> </ul> <p>We also noted that Alinta's post audit implementation plan 4/2012 has not been addressed, as it is reliant on the introduction of new billing engine. The development of the billing engine was ongoing at the time of the audit.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 7/2014</b></p> <p>Alinta should:</p> <p>(a) Implement a process to enable timely and effective information to be provided to customers should a tariff change</p> <p>(b) Provide a status update to the Authority of the billing engine project and how the tariff change process will be reflected to address clause 10.1(1).</p>		<p><b>Action Plan 7/2014</b></p> <p>Alinta will:</p> <p>(a) Assign a team to prepare tariff change notifications and ensure distribution of the information to affected customers</p> <p>(b) Ensure that the process requirement is captured in the Gentrack system upgrade so that appropriate information can be captured on customer bills.</p> <p><b>Responsible Person:</b> Customer Services Manager</p> <p><b>Target Date:</b></p> <p>(a) Completed. In place since Team was used to deliver the September 2013 tariff change and update</p> <p>(b) 31 December 2014.</p>
269	<p>Upon request and at no charge, a retailer must provide a customer, with reasonable information on the retailer's tariffs, including alternative tariffs.</p> <p><i>Code of Conduct clause 10.1(2)</i></p>	Compliant - 5	<p>The SME Accounts Manager confirmed that should a customer contact the Alinta Call Centre requesting tariff information, Customer Service Representatives have been trained to:</p> <ul style="list-style-type: none"> <li>• Provide information over the phone</li> <li>• Send an e-mail to the customer (if requested).</li> </ul> <p>All services are provided to the customer at no charge.</p>
270	<p>A retailer must give a customer the information requested on tariffs within eight (8) business days of the date of receipt, and, if requested, a retailer must provide the information in writing.</p> <p><i>Code of Conduct clause 10.1(3)</i></p>	Compliant - 5	<p>The SME Accounts Manager confirmed that:</p> <ul style="list-style-type: none"> <li>• Customer Service Representatives are trained to resolve the customer query whilst they are on the phone, therefore complying with the 8 business day requirement of the Code</li> <li>• Should the customer request the information in writing, the information will be sent the day of request.</li> </ul>
276	<p>At least once a year, a retailer must provide a customer with written details of the retailer's and distributor's obligations to make payments to the customer under Part 14 of this code and under any other legislation in Western Australia including the amount of the payment and the eligibility criteria for the payment.</p> <p><i>Code of Conduct clause 10.3A</i></p>	Compliant - 5	<p>Examination of Alinta's bill templates during the current audit indicates that the required statement on Service Standard payment obligations, as required by Part 14 of the Code, appears on Alinta's bills.</p>

No	Obligation under Condition	Compliance Rating	Findings
277	<p>Upon request and at no charge, a retailer must provide a customer with general information on cost effective and efficient ways to utilise electricity; how a customer may arrange for an energy efficiency audit at the customer's supply address; and the typical running costs of major domestic appliances.</p> <p><i>Code of Conduct clause 10.4</i></p>	Compliant - 5	<p>Through discussions with the SME Accounts Manager and consideration of Alinta's relevant processes, we determined that:</p> <ul style="list-style-type: none"> <li>• Upon request, Energy Billing Officers are to provide electricity consumption and costing information to customers at no charge</li> <li>• If a customer requests information on an energy efficiency audit, Energy Billing Officers are to direct the call to Account Consultants in the SME Sales team, who are able to assist customers by: <ul style="list-style-type: none"> <li>• Discussing with them to understand their business and type of equipment used</li> <li>• Visiting client premises on request to conduct energy audit</li> <li>• Refer external consultants to customers, if requested.</li> </ul> </li> <li>• Any specific requests for efficiency ratings are directed to the Sustainable Energy Development Office (SEDO).</li> </ul>
278	<p>If asked by a customer for information relating to the distribution of electricity, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.</p> <p><i>Code of Conduct clause 10.5</i></p>	Compliant - 5	<p>The SME Accounts Manager confirmed that all requests for distribution-related information are directed to Western Power. The direct number is provided to the customer, or if requested, the customer is transferred directly to Western Power.</p>
286	<p>To the extent practicable, a retailer and distributor must ensure that any written information that must be given to a customer by the retailer or distributor or its electricity marketing agent 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> <p><i>Code of Conduct clause 10.9</i></p>	Compliant - 5	<p>The SME Accounts Manager confirmed that the non-standard form contract was specifically prepared (with the guidance of a professional media organisation) to be presented in clear, simple, and concise language and in a format that made it easy to understand.</p> <p>Section 36.3 of the non-standard form contract terms and conditions also confirms that the terms and conditions are written in a 'simple English' style.</p>

No	Obligation under Condition	Compliance Rating	Findings
287	Upon request, a retailer and a distributor must tell a customer how the customer can obtain a copy of the Code of Conduct. <i>Code of Conduct clause 10.10(1)</i>	Compliant - 5	<p><i>Obligations 287 to 289</i></p> <p>The SME Accounts Manager confirmed that a customer's request for information about the Code of Conduct will generally be forwarded to a Team Leader.</p> <p>Through discussion with the SME Accounts Manager, and review of Alinta's website, we determined that Alinta has:</p> <ul style="list-style-type: none"> <li>• Trained its Customer Service Representatives to provide the Code of Conduct to customers when requested</li> <li>• Published the Code of Conduct on its website</li> <li>• Electronic copies of the Code of Conduct available for issuing to customers via email</li> <li>• Copies of the Code available at its premises for review, as required.</li> </ul>
288	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their web sites. <i>Code of Conduct clause 10.10(2)</i>	Compliant - 5	
289	A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices. <i>Code of Conduct clause 10.10(3)</i>	Compliant - 5	
293	If requested, a retailer must advise the customer of the availability of different types of meters or refer the customer to the relevant distributor for a response. <i>Code of Conduct clause 10.12(2)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
<b>PART 12 – Complaints and dispute resolution</b>			
294	<p>A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.</p> <p><i>Code of Conduct clause 12.1(1)</i></p>	Compliant - 3	<p>Through discussions with the Team Leader – Customer Services and examination of Alinta’s Complaints Handling Policy, Customer Service Charter and non-standard form contract; and examination of records of complaints maintained in Gentrack, we determined that Alinta has:</p> <ul style="list-style-type: none"> <li>• Maintained a Customer Complaints Handling Policy specifically for electricity supply related activities designed to comply with AS ISO 10002 – 2006</li> <li>• Has enhanced its customer complaints handling process by implementing improvements per the 2012 audit post audit implementation plan, including: <ul style="list-style-type: none"> <li>• Updating the complaints recording process so that the complaint status is captured and updated in Gentrack</li> <li>• Allocating responsibility to relevant staff members to manage complaints and update Gentrack to indicate progress in addressing customer complaints</li> <li>• Training staff for correctly recording related information in Gentrack, including type, method of contact and resolution status of each complaint</li> <li>• Implementing processes to identify and report on complaints resolution timeframes on a weekly and monthly basis</li> <li>• Appointing a dedicated resource to lead, manage and report on electricity complaints</li> <li>• Informing the customers that they can seek assistance from the Energy Ombudsman if they are not satisfied with the resolution offered by Alinta.</li> </ul> </li> </ul> <p>However, we examined the Customer Complaints Report, detailing 22 complaints received by Alinta during the audit period (and status as at 1 July 2014) and identified:</p> <ul style="list-style-type: none"> <li>• 4 complaint records with the method of response and resolution status not recorded</li> <li>• 12 complaint records where the complaint had not been actioned within 3 months of complaint receipt. Specifically: <ul style="list-style-type: none"> <li>• 6 of the 12 complaints were outstanding since 2012</li> <li>• 5 of the 12 complaints were outstanding since 2013</li> <li>• 1 complaint was outstanding since January 2014.</li> </ul> </li> <li>• All 16 complaints identified above were marked as ‘in progress’ within Gentrack and had not been updated to ‘resolved’ as they were finalised.</li> </ul> <p>The Team Leader – Customer Services confirmed that all complaints (including written complaints) received by Alinta during the period 1 June 2012 to 31 May 2014 were dealt with in accordance with Alinta’s policy and standards. However as identified by our examination of the customer complaints report, Alinta was not able to effectively demonstrate that its complaints handling processes are working as intended to ensure that complaints are appropriately recognised and resolved. As such, further attention is needed to improve the complaints handling process.</p>

No	Obligation under Condition	Compliance Rating	Findings
	<p><b>Recommendation 8/2014</b> Alinta should implement exception reporting or alerts to follow up on all non-resolved complaints with the necessary personnel and capture any progress updates.</p>		<p><b>Action Plan 8/2014</b> Alinta will:</p> <ul style="list-style-type: none"> <li>(a) Update the complaints register to ensure that all items on the complaints register have been addressed. Note that upon investigation, the overdue items had previously been actioned, however the system had not been updated to reflect the correct status</li> <li>(b) Prepare a weekly report of open complaints which is to be reviewed by Team Leader Customer Services and actioned accordingly</li> <li>(c) As part of the Gentrack billing system upgrade, new procedures and functionality will be implemented to manage complaints with automated alerts to identify open complaint records.</li> </ul> <p><b>Responsible Person:</b> Customer Services Manager <b>Target Date:</b></p> <ul style="list-style-type: none"> <li>(a) Completed</li> <li>(b) Completed</li> <li>(c) 31 December 2014.</li> </ul>
295	<p>The complaints handling process under subclause 12.1(1) must comply with the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost. <i>Code of Conduct clause 12.1(2)</i></p>	Compliant - 3	<p>Examination of Alinta's complaints handling process document and its complaints register confirmed that Alinta's complaints handling process was designed to comply with AS ISO 10002-2006. The complaints handling process document provides for:</p> <ul style="list-style-type: none"> <li>• Methods to lodge a complaint</li> <li>• Complaint handling procedures for retailer or marketing, including escalation of complaint to the appropriate employee</li> <li>• Response timeframes</li> <li>• Methods of response.</li> </ul> <p>The Alinta complaints handling process is available to its customers at no cost. <i>Refer to findings, recommendation and action plan 8/2014 detailed at obligation 294 above.</i></p>
296	<p>A retailer or a distributor must advise the customer in accordance with subclause 12.1(3). <i>Code of Conduct clause 12.1(3)</i></p>	Compliant - 5	<p>Examination of Alinta's complaints handling process document and its complaints register confirmed that Alinta's complaints handling process provides for:</p> <ul style="list-style-type: none"> <li>• Escalation to a senior employee if the first line of contact was unsuccessful in resolving the complaint</li> <li>• The customer to be notified of the outcome and the reason for the outcome in written form, upon request</li> <li>• The customer to raise the complaint with the electricity ombudsman and provide the telephone number of the electricity ombudsman, which is a free call number.</li> </ul> <p>Alinta's Customer Service Charter also notifies customers of their right to refer their complaints to the ombudsman if the customers feel their complaints have not been resolved to their satisfaction.</p>

No	Obligation under Condition	Compliance Rating	Findings
297	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints. <i>Code of Conduct clause 12.2</i>	Compliant - 5	Through discussion with the Team Leader Customer Services and examination of Alinta's Complaints Handling Process, we determined that Alinta distinguishes between customer queries and customer complaints as required by the Customer Complaints Guidelines issued by the Authority. Relevant elements of the Complaints Handling Guide are: <ul style="list-style-type: none"> <li>A customer complaint is any expression of dissatisfaction with Alinta's policies, procedures, products, employees, agents or the quality of service provided (that cannot be resolved at the first point of contact) either explicitly or implicitly</li> <li>If the customer initially has a grievance or complaint and their enquiry is resolved through the provision of information, then this is not logged as a complaint</li> <li>If however, the customer is not satisfied with the explanation provided, then the matter must be logged as a complaint and it is either closed or escalated further.</li> </ul>
298	Upon request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer in utilising the respective complaints handling processes. <i>Code of Conduct clause 12.3</i>	Compliant - 5	Through discussion with the Team Leader Customer Services and examination of Alinta's customer handling process document, we observed that Customer Service Representatives are trained to: <ul style="list-style-type: none"> <li>Provide information relating to the complaints process upon request at no charge</li> <li>Direct the customer to the Customer Service Charter, which is available online, or provide the customer with a copy of the Customer Service Charter through the post.</li> </ul>
299	When a retailer, distributor or electricity marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known). <i>Code of Conduct clause 12.4</i>	Compliant - 5	Through discussion with the Team Leader Customer Services and examination of Alinta's customer handling process document, we observed that Customer Service Representatives are trained to refer complaints to the appropriate party. For example if the complaint relates to the Network, the complaint will be referred to the Network Account Manager at Western Power and the customer notified of the referral.
<b>Part 13 - Record keeping</b>			
300	Unless expressly provided otherwise, a retailer, distributor or electricity marketing agent must keep a record or other information as required to be kept by the Code of Conduct for at least two (2) years from the last date on which the information was recorded. <i>Code of Conduct clause 13.1</i>	Compliant - 5	<i>Obligations 300 to 301</i> At the time of the audit, we observed that information required to be maintained by Alinta in accordance with each of the sub-clauses 13.1(2) and 13.2 to 13.6, has been retained in Alinta's Gentrack system, Call Management System, CRM and/or relevant manual files. The SME Accounts Manager confirmed that the information required by the Code is maintained for a minimum of two years.
301	For the purposes of subclause 13.1(1), a retailer must keep the information specified in subclause 13.1(2). <i>Code of Conduct clause 13.1(2)</i>	Compliant - 5	



No	Obligation under Condition	Compliance Rating	Findings
303	A retailer must keep a record of the total number of the items specified in subclauses 13.2(a) and (b). <i>Code of Conduct clause 13.2</i>	Compliant - 5	The Energy Billing Officer and Team Leader – Customer Services confirmed that the affordability and access indicators specified at s.13.2(b) of the Code are maintained within Gentrack.
304	Where the retailer has issued a bill outside of the time-frame set out in subclause 4.1(b), a retailer must keep a record of the actions it undertook, and the responses from the distributor to those actions, to obtain metering data.	Compliant - 5	The Energy Billing Officer confirmed that Alinta keeps a record of all actions and related correspondence with Western Power in relation to obtaining metering data where a bill could not be issued within 3 months due to non-availability of metering data.
305	A retailer must keep a record of the complaints information specified in subclause 13.3(1) <i>Code of Conduct clause 13.3(1)</i>	Compliant - 5	<p><i>Obligations 305 and 306</i></p> <p>Through discussions with the Team Leader – Customer Services and consideration of Alinta’s customer complaints processes, we determined that Alinta has processes in place to maintain the customer complaints data required by s.13.3(1) of the Code. We note that:</p> <ul style="list-style-type: none"> <li>• Customer complaints are logged within Gentrack and CRM</li> <li>• Types of customer complaints recorded by Alinta include the specified items of s.13.3(1)(b) of the Code. This manual process is completed once the complaint has been lodged</li> <li>• Customer complaints data is available within Gentrack and CRM. These records are maintained indefinitely.</li> </ul>
306	A retailer must keep a record of the details of each complaint referred to in subclause 13.3(1) <i>Code of Conduct clause 13.3(2)</i>	Compliant - 5	
308	A retailer must keep a record of the call centre performance indicators specified in subclause 13.5. <i>Code of Conduct clause 13.5</i>	Compliant - 5	<p>Through discussions with the Energy Billing Officer and Team Leader – Customer Services and observation of Alinta’s call centre records, we determined that the following call centre metrics are maintained and reported:</p> <ul style="list-style-type: none"> <li>• The total number of telephone calls made to Alinta</li> <li>• Alinta’s Grade of Service (GOS) which is the total number and percentage of calls answered in less than 20 seconds. For reporting requirements to the Authority, the Call Centre Business Analyst maintains statistics on calls answered within 30 seconds</li> <li>• The average duration (in seconds) of calls before a call is answered</li> <li>• The percentage of calls that were unanswered/abandoned.</li> </ul>
309	A retailer must keep a record of the total number of residential and business customer accounts held by contestable and non-contestable <i>Code of Conduct clause 13.6</i>	Compliant - 5	Through discussions with the Energy Billing Officer, we determined that the total number of business accounts held by contestable customers is recorded and reported to management on a monthly basis. Alinta does not currently service any residential or non-contestable customers.

No	Obligation under Condition	Compliance Rating	Findings
322	A retailer must prepare a report in respect of each reporting year setting out the information in the records specified in subclause 13.15. <i>Code of Conduct clause 13.15(1)</i>	Compliant - 5	<p><i>Obligations 322 to 326</i></p> <p>Through discussions with the Manager Regulatory Affairs and the Regulatory Compliance Advisor and examination of relevant records, we determined that Alinta published its 2011/12 and 2012/13 Code of Conduct performance reports, which set out the information required by Part 13 of the Code of Conduct, to its website by 1 October each year and not less than 7 days after providing the reports to the Authority and the Minister in the required format.</p> <p>The 2012 Performance Audit report rated this obligation as Compliant - 4 (relating to 2012 obligations 318 and 319 [current obligation 322 and 325]). This audit focussed on testing the controls and processes maintained since the implementation of action plan 2/2012 and found no exceptions.</p>
324	The annual retailer and distributor reports specified in subclauses 13.15 and 13.16 are to be published no later than the following October 1. <i>Code of Conduct clause 13.17(1)</i>	Compliant - 5	
325	A copy of each report must be given to the Minister and the Authority not less than seven (7) days before it is published. <i>Code of Conduct clause 13.15(3)</i>	Compliant - 5	
326	A retailer and distributor must provide the information in the records in subclause 13.15 and 13.16, as applicable, to the Authority in a format acceptable to the Authority not later than the following September 23. <i>Code of Conduct clause 13.18</i>	Compliant - 5	
<b>Part 14 - Service standard payment</b>			
331	Upon receipt of a written query or complaint by a customer, a retailer must acknowledge the query or complaint within 10 business days and respond to the query or complaint by addressing the matters raised within 20 business days. <i>Code of Conduct clause 14.3(1)</i>	Compliant - 5	<p>Through discussions with the Energy Billing Officer, SME Accounts Manager, Team Leader – Customer Services and consideration of Alinta’s complaints handling process, we determined that Alinta’s complaints handling process provides for:</p> <ul style="list-style-type: none"> <li>• Written customer queries or complaints must be recorded accordingly in Gentrack or CRM</li> <li>• Staff are aware of the timeframe requirements of the Code in relation to written queries or complaints</li> <li>• Alinta’s service standard is to respond to written queries or complaints within seven business days of receiving the query or complaint.</li> </ul> <p>Testing of complaints received by Alinta during the period subject to audit indicated that all written complaints were acknowledged and responded to within 10 and 20 business days respectively from the receipt of the complaint.</p>

**The following obligations are applicable to Alinta's operations for the period 1 June 2012 to 31 December 2012 only**

No	Obligation under Condition	Compliance Rating	Findings
135*	Subject to clause 2.4(5), 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 electricity marketing agent must give the specified information and a copy of the contract before the customer has entered into the contract and the electricity marketing agent must obtain a written acknowledgement that the information has been given. <i>Code of Conduct Clause 2.4(4)</i>	Compliant - 5	Through discussions with the SME Accounts Manager and examination of an email template that is sent out to a potential new customer, we determined that for the purposes of contracting with customers through the non-standard form contract, Alinta's processes provide for the customer to be provided with the following prior to signing the contractual terms: <ul style="list-style-type: none"> <li>• A copy of the contract</li> <li>• The terms and conditions</li> <li>• The customer service charter.</li> </ul> These documents include all of the required information as specified in clause 2.4. Alinta's non-standard form contract includes provision for the customer to acknowledge that the customer has received the relevant information and the customer agrees to re-contract.
136*	An electricity marketing agent must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable. <i>Code of Conduct Clause 2.5(1)</i>	Compliant - 5	<i>Obligations 136 and 137</i> Alinta's sales staff are required to complete Code of Conduct compliance training, which addresses the requirement for sales staff to not engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable. Through discussion with the SME Accounts Manager, we also determined that Alinta instructs its staff not to pressure the customer once the customer expresses its lack of interest in purchasing electricity from Alinta.
137*	An electricity marketing agent must not exert undue pressure on a customer, nor harass or coerce a customer. <i>Code of Conduct Clause 2.5(2)</i>	Compliant - 5	We also determined that Alinta's procedures provide for Team Leaders to listen in on selected calls made by sales staff as a form of on-going monitoring and coaching process as well as to ensure compliance with the Code.
141*	An electricity marketing agent 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 electricity marketing agent must ask the customer whether they wish to proceed further. <i>Code of Conduct Clause 2.6(1)</i>	Compliant - 5	Through discussion with the SME Accounts Manager and examination of standard telephone scripts provided to sales staff, we observed that Alinta's sales staff provide the following information to a customer in the conversation: <ul style="list-style-type: none"> <li>• The staff member's first name</li> <li>• Company the staff member is representing (i.e. Alinta)</li> <li>• Purpose of the contact.</li> </ul> We also determined that Alinta's procedures provide for: <ul style="list-style-type: none"> <li>• Sales staff to ask the customer if it is convenient for the phone call to proceed.</li> <li>• Team Leaders to listen in on selected calls made by sales staff as a form of on-going monitoring and coaching process as well as to ensure compliance with the Code.</li> </ul>

No	Obligation under Condition	Compliance Rating	Findings
144*	If, when marketing to a customer, the customer indicates that they wish to end the contact, the electricity marketing agent 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. <i>Code of Conduct Clause 2.6(4)</i>	Compliant - 5	Through discussions with the SME Accounts Manager, we determined that once a customer expresses their lack of interest in purchasing electricity from Alinta, sales staff are required to end the conversation as soon as practicable and inform the Billing team to update Gentrack to indicate the outcome of the discussion. The customer is then not be contacted for at least 30 days unless requested otherwise by the customer.
145*	Unless requested by the customer, an electricity marketing agent 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. <i>Code of Conduct Clause 2.6(5)</i>	Compliant - 5	<i>Obligations 145 and 146</i> Through discussion with the SME Accounts Manager, we determined that while the sales team takes calls between 8am and 5pm Monday to Friday, calls to customers are only made between 9am and 4pm, hence it is unlikely calls to customers will continue for more than 15 minutes past the permitted call times. No evidence was found of any complaint in relation to this obligation.
146*	An electricity marketing agent 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. <i>Code of Conduct Clause 2.6(6)</i>	Compliant - 5	
148*	Where the customer requests not to be contacted for the purposes of marketing a retailer or other party 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: <ul style="list-style-type: none"> <li>The customer requests contact; or</li> <li>The customer has moved premises; or</li> <li>A retailer or other party has a legal obligation to contact the customer.</li> </ul> <i>Code of Conduct Clause 2.7(1)</i>	Compliant - 5	<i>Obligation 148 and 149</i> Through discussion with the SME Accounts Manager, we determined that: <ul style="list-style-type: none"> <li>Alinta maintains a Do Not Call register within CRM, enabling customers to be added to the register once requested not to be contacted.</li> <li>When the Alinta SME Sales team receives a new list of contacts for specific marketing campaigns, Alinta's procedures require the list to be checked against the Do Not Call register to ensure the customer is not contacted within 2 years of being included in the register.</li> </ul>
149*	A retailer or other party must keep a record of each customer who has requested not to be contacted, that includes the specified information. <i>Code of Conduct Clause 2.7(2)</i>	Compliant - 5	

No	Obligation under Condition	Compliance Rating	Findings
153*	A retailer and an electricity marketing agent 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. <i>Code of Conduct Clause 2.8</i>	Compliant - 5	The SME Accounts Manager confirmed that Alinta's processes are designed to comply with the National Privacy Principles as set out in the Privacy Act 1988. Alinta's Privacy Policy (relevant for the period 1 June 2012 to 31 December 2012) stated "Alinta respects and protects the privacy of its customers and is bound by, and complies with, the National Privacy Principles contained in the Privacy Act 1988 and any similar state legislation applicable to Alinta's operations".
194*	A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment. <i>Code of Conduct clause 5.2(2)</i>	Compliant - 5	Section 5.2(2) of the Electricity Customer Code states that 'all electronic payment arrangements must comply with the Electronic Funds Transfer Code of Conduct'. The Team Leader – Billing Services confirmed that Alinta complies with the Electronic Funds Transfer Code of Conduct.

\* Obligation number obtained from May 2011 Reporting Manual

## 4.7 Electricity Industry Metering Code

### Obligations determined to be not applicable

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

Obligation	Reason
375	Clause applies to the Electricity Retail Corporation (Synergy Energy) only.

### Obligations determined to be not rateable

Alinta's compliance with the following obligations could not be rated as there was no relevant activity in the period subject to audit.

Obligation	Reason
345	The SME Sales and Channel Manager confirmed that during the audit period 1 June 2012 to 31 May 2014, Alinta did not become aware of bi-directional flows at a metering point, which was not previously subject to a bi-directional electricity flows or any changes in a customer's or user's circumstances, which will result in bi-directional electricity flows at a metering point. Accordingly, an assessment of compliance with these clauses cannot be made for the period subject to audit.
385	The SME Sales and Channel Manager confirmed that Alinta has had no involvement with the installation of meters on to Western Power's network.
392 - 394	The Team Leader – Billing Services confirmed that for the period 1 June 2012 to 31 May 2014, Alinta has not knowingly permitted the registry to be materially inaccurate and has not become aware of a change to or inaccuracy in standing data in the registry that would require notification to Western Power. Accordingly, an assessment of compliance with these clauses cannot be made for the period subject to audit.
409	The SME Sales & Channel Manager confirmed that Western Power has not requested Alinta's assistance in relation to performing a meter read for the period 1 June 2012 to 31 May 2014. Accordingly, an assessment of compliance with this clause cannot be made for the period subject to audit.
422	For the purpose of its electricity retail operations, Alinta relies on Western Power to collect energy data from all customer metering installations. The SME Sales & Channel Manager confirmed that Alinta did not collect or receive energy data from a metering installation other than from Western Power for the period 1 June 2012 to 31 May 2014. Accordingly, an assessment of compliance with this clause cannot be made for the period subject to audit.
426	For the purpose of its electricity retail operations, Alinta relies on Western Power to manage the energisation status of metering points. The SME Sales & Channel Manager confirmed that Alinta has not collected or received information regarding a change in the energisation status of a metering point, other than from Western Power, the network operator for the period between 1 June 2012 and 31 May 2014. Alinta's compliance with this obligation cannot be rated for the period subject to audit.
474 - 475	The Manager Regulatory Affairs confirmed that Alinta's contact details did not change during the period 1 June 2012 to 31 May 2014. Accordingly, there was no relevant activity to be assessed during the period subject to audit.

Obligation	Reason
478 – 482	<p>For the purpose of this Code, “disputes” refer to metering disputes between Alinta and Western Power as the network operator, another retailer, a generator, another relevant user or the IMO.</p> <p>The Team Leader – Billing Services confirmed that no metering disputes have arisen during the period 1 June 2012 to 31 May 2014.</p> <p>Accordingly, an assessment of compliance with these clauses for the period subject to audit cannot be made.</p>

### Obligations determined to be not rateable (applicable for the period 1 June 2012 to 31 December 2012 only)

Obligation	Reason
412 <sup>6</sup>	<p>The Team Leader – Billing Services confirmed that during the period 1 June 2012 to 31 December 2012, Alinta had not become aware of a sensitive load at a customer’s site, other than for the customers already known to have sensitive loads.</p> <p>We observed that the Metering Service Centre web portal provides for the recording of a sensitive load against a customer’s account in the event that Alinta becomes aware of such information. Alinta also notifies Western Power when such information is received.</p>

### Assessment of compliance

The table below summarises the audit’s assessment of Alinta’s compliance with the relevant obligations of the Electricity Industry Metering Code.

		Non-compliant		Compliant			Total
N/A	N/R	1	2	3	4	5	
1	15	-	-	-	-	13	29

The following table provides detailed findings for each applicable and rateable obligation with an individual assessment of compliance. Note that separate findings are not provided for the obligations that are not applicable or cannot be rated, as detailed in the table above.

<sup>6</sup> Obligation number obtained from May 2011 Reporting Manual

No	Obligation under Condition	Compliance Rating	Findings
360	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable. <i>Electricity Industry Metering Code clause 3.11(3)</i>	Compliant – 5	Through discussions with the Energy Billing Officer, we determined that Alinta’s procedures provide that in the event that Alinta receives information from a customer regarding an outage or malfunction of a metering installation: <ul style="list-style-type: none"> <li>The notification is to be recorded in the customer’s account screen in Gentrack</li> <li>Alinta is required to notify Western Power via the web portal and request the meter to be investigated.</li> </ul>
423	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 the customer. <i>Electricity Industry Metering Code clause 5.17(1)</i>	Compliant - 5	Through discussions with Energy Billing Officer and walkthrough of Alinta’s billing procedures, we observed that those procedures provide for validated energy data (substituted or estimated where necessary) and standing data to be provided to the customer on the monthly bill.
427	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, and provide that information to the network operator. <i>Electricity Industry Metering Code clause 5.19(1)</i>	Compliant - 5	<i>Obligations 427 – 428</i> Through discussions with the Energy Billing Officer and walkthrough of Alinta’s customer transfer, connection and billing procedures, we observed that those procedures provide for: <ul style="list-style-type: none"> <li>Relevant information regarding the attributes of the customer and metering installation to be obtained from the customer and recorded in Gentrack</li> <li>Alinta to provide necessary assistance to Western Power upon request.</li> </ul>
428	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. <i>Electricity Industry Metering Code clause 5.19(2)</i>	Compliant - 5	
429	Subject to subclauses 5.19(3A) and 5.19(6), the user must within 1 business day after becoming aware of any change in an attribute described in subclause 5.19(2), notify the network operator of the change. <i>Electricity Industry Metering Code clause 5.19(3)</i>	Compliant - 5	The Metering Service Centre web portal acts as the electronic communication mechanism for Alinta to notify Western Power in the event of any changes relevant to attributes of Alinta customers’ within one business day.



No	Obligation under Condition	Compliance Rating	Findings
431	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user. <i>Electricity Industry Metering Code clause 5.19(6)</i>	Compliant - 5	The Metering Service Centre web portal acts as the electronic communication mechanism for Alinta to notify Western Power in the event of any changes relevant to Alinta customers' attributes, with the exception of changes to standing data already notified by Western Power.
437	A Code participant must not request a test or audit under subclause 5.21(1) 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. <i>Electricity Industry Metering Code clause 5.21(5)</i>	Compliant - 5	<i>Obligations 437 and 438</i> Through discussion with the Energy Billing Officer and consideration of Alinta's procedures for utilising the Metering Service Centre web portal, we determined that Alinta, as a code participant/user, is entitled to request a test or audit of the accuracy of, energy data from, or the standing data for a metering installation that relates to a time when Alinta was the current user. The Metering Code Service Level Agreement with Western Power also provides for Alinta to request a test or audit.
438	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement. <i>Electricity Industry Metering Code clause 5.21(6)</i>	Compliant - 5	
456	Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed. <i>Electricity Industry Metering Code clause 5.27</i>	Compliant - 5	Through discussion with the Energy Billing Officer and walkthrough of Alinta's customer transfer, connection and billing procedures, we observed that those procedures provide for, if requested by Western Power, additional relevant information regarding customer attributes to be obtained from the customer and submitted to Western Power via the web portal within two business days.

No	Obligation under Condition	Compliance Rating	Findings
469	<p>A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.</p> <p><i>Electricity Industry Metering Code clause 6.1(2)</i></p>	Compliant - 5	<p>The prescribed obligations relate to:</p> <ul style="list-style-type: none"> <li>• The Metering Code Communications Rules</li> <li>• The Metrology Procedure</li> <li>• A relevant Service Level Agreement</li> <li>• Mandatory Link Criteria.</li> </ul> <p>Alinta's application of those rules and procedures relevant to its activities are demonstrated in its:</p> <ul style="list-style-type: none"> <li>• Use of the Metering Service Centre web portal, in accordance with the instructions built into the system</li> <li>• Adherence to the requirements of the Metering Code Service Level Agreement with Western Power, which accommodate the Metering Code Communication Rules and the Approved Metrology Procedure.</li> </ul>
472	<p>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.</p> <p><i>Electricity Industry Metering Code clause 7.2(1)</i></p>	Compliant - 5	<p>Through discussions with the Energy Billing Officer and consideration of the role of the Metering Service Centre web portal, we observed that Alinta communicates with Western Power via telephone, email, post, facsimile and the web portal. Western Power has been notified of Alinta's relevant telephone number through the web portal registration.</p>
476	<p>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.</p> <p><i>Electricity Industry Metering Code clause 7.5</i></p>	Compliant - 5	<p>Sub-clause 7.4 of the Code defines "confidential information" as:</p> <ol style="list-style-type: none"> <li>a) Standing data and energy data</li> <li>b) Other information which is confidential information of, or commercially sensitive to, a customer or Code participant.</li> </ol> <p>Through walkthrough of the Metering Service Centre web portal, we observed that security measures are in place to limit unauthorised use of metering database information or commercially sensitive information.</p> <p>Through discussion with the Energy Billing Officer, we understand Alinta's confidentiality requirements are addressed in training provided to new staff, which emphasise the need to verify the customer's identity over the phone prior to disclosing any details.</p>

No	Obligation under Condition	Compliance Rating	Findings
477	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code. <i>Electricity Industry Metering Code clause 7.6(1)</i>	Compliant - 5	Sub-clause 7.6(2) of the Code outlines the circumstances in which confidential information may or must be disclosed, including to staff and advisors who have in place appropriate confidentiality arrangements.  Through discussion with the Energy Billing Officer, we understand that: <ul style="list-style-type: none"> <li>Alinta applies a consistent approach to establishing confidentiality arrangements with staff and third party advisors and consultants</li> <li>Alinta's confidentiality requirements are addressed in training provided to new staff.</li> </ul>

**The following obligations are applicable to Alinta's operations for the period 1 June 2012 to 31 December 2012 only**

No	Obligation under Condition	Compliance Rating	Findings
361	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. <i>Electricity Industry Metering Code clause 3.16(5)</i>	Compliant - 5	Western Power has established a Metering Code service level agreement with Alinta, addressing metrology procedures outlined in the Code.
395	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. <i>Electricity Industry Metering Code clause 5.5(3)</i>	Compliant - 5	The Team Leader – Billing Services confirmed that Alinta does not charge for the provision of any information under the Metering Code.

## 5 Follow-up of previous audit action plans

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
1/2012	108	<p>Alinta strengthen its customer contract renewal processes to ensure it:</p> <p>(a) Identifies customers whose status changes between Large Use and Small Use</p> <p>(b) Advises such customers of any change in status, provides the appropriate information to those customers and effects any necessary change in the contractual arrangements.</p>	<p>Alinta will develop and implement additional customer contract renewal processes to:</p> <p>(a) Identify customers whose status changes between Large Use and Small Use at the commencement or renewal of the contract</p> <p>(b) Advise customers accordingly and provide the appropriate information to such customers.</p> <p><b>Responsible Person:</b> SME Sales Renewals Manager</p> <p><b>Target Date:</b> Completed by 30 November 2012</p>	<p><b>Complete</b></p> <p>Alinta has established a process to identify and verify the customer's usage details at the time of contract renewal. Operations Advisor in the SME team is responsible for ensuring that the correct particulars of contract are used, including the appropriate Terms and Conditions.</p>	N/A
2/2012	125 318 319	<p>Alinta establish a process for evidencing the date on which relevant performance reports are:</p> <ul style="list-style-type: none"> <li>Presented to the Authority and the Minister</li> <li>Published on its website.</li> </ul>	<p>Alinta will establish a process for evidencing the date on which relevant performance reports are presented to the Authority and Minister and subsequently published on its website.</p> <p><b>Responsible person:</b> Manager Regulatory Compliance</p> <p><b>Target date:</b> Completed by 14 September 2012</p>	<p><b>Complete</b></p> <p>Due dates of submission of relevant reports are now recorded in the Regulatory Obligations Register. The Regulatory Compliance Advisor has been made responsible to ensure retention of records evidencing the publication and submission of relevant reports to the Minister.</p> <p>An email confirmation is obtained from IT to confirm the time and date when the necessary documents are uploaded to Alinta Energy's website.</p>	N/A

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
3/2012	172 173	As a matter of priority, Alinta finalise billing system enhancements to address the requirements of s.4.8(2) of the Code through notification of customers when an estimation has been used to produce a bill.	Alinta will finalise billing system enhancements to address the requirements of s.4.8(2) of the Code. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> Completed by 31 October 2012	<b>Complete</b> Alinta has established an identification code within the billing system that identifies when estimated data is being used. An automatic notification then goes to the printing services provider (Fuji Xerox) to print onto the relevant customer's bill advising that the bill has been generated using estimated data.  However in November 2012, Alinta's estimated bill template was updated to include a notification about Alinta's service standard payments (per cl.10.3A). The update resulted in the above notation about estimated meter reads being removed. As such, estimated bills issued since November 2012 did not include the specified information per cl 4.8(2).  Please refer to obligations 163 and 164 of this audit for further information.	N/A
4/2012	269	Alinta implement the most appropriate method for notifying individual customers of any changes in tariffs on the customer's next bill, in accordance with the requirements of Clause 10.1 of the Code.	Alinta will investigate and establish a plan for implementing the most appropriate method for notifying individual customers of any changes in tariffs on the customer's next bill. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> 31 March 2013	<b>Closed out</b> Alinta is currently in discussions with the software vendor regarding enhancements required to the current billing system, with the proposed system upgrade having been rescheduled to October 2014.  However, for 2012/13 year, Alinta notified its customers of a tariff increase by way of a notification letter sent with first bill on 15 September 2013 to inform about the tariff increase from 1 September 2013, thus meeting the requirements of Clause 10.1 of the Code.	<i>Refer to Action Plan 6/2014</i>

Rec. No	Ref	Recommendation	Previous Audit Action Plan	Status	Revised action plan (if applicable)
5/2012	277	Alinta implement a procedure to address the requirements of s.10.3A of the Code by notifying customers on an annual basis of Alinta's obligation to make service standard payments as listed in Part 14 of the Code. This procedure should specify what constitutes a "year" for the purposes of the Code requirement.	Alinta has updated the "Bill" templates and testing is currently underway. Once completed, appropriate notification relating to the requirements of s10.3A of the Code will be included with every electricity bill issued (therefore satisfying the "at least once a year" requirement). <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> Completed by 31 October 2012	<b>Complete</b> All electricity bills of Alinta now include a statement regarding Alinta's obligations in relation to Service Standard Payments under s.10.3 A of the Code.	N/A
6/2012	295	Alinta: (a) Amend the complaints handling process to include a feedback path to ensure the correct complaint status and details are captured in Gentrack, regardless of which department is handling the complaint (b) Implement exception reporting or alerts to follow up on all non-resolved complaints with the necessary personnel and capture any progress updates in Gentrack.	Alinta has reviewed the existing process for complaint management in relation to electricity customers and will: (a) Update the process to ensure the complaint status is updated and captured in the Gentrack system (b) Allocate responsibility to appropriate staff members to manage complaints (c) Train appropriate staff for recording related information in the Gentrack system (d) Implement processes to identify and report on resolution timeframes (e) Allocate responsibility to a dedicated resource to manage and report on electricity complaints. <b>Responsible Person:</b> Manager Customer Services <b>Target Date:</b> Completed by 30 September 2012	<b>Closed out</b> Alinta has enhanced its customer complaints handling process by implementing improvements per the 2012 audit post audit implementation plan. However, at the time of this audit, our review of the Customer Complaints Report presented to us on 1 July 2014 indicates: <ul style="list-style-type: none"> <li>4 complaints records where the method of response and resolution status have not been recorded</li> <li>13 complaints records where the complaint had been received at least three months earlier than the status report but the resolution status indicates "in progress". Some of these complaints were received in 2012.</li> </ul>	<i>Refer to Action Plan 7/2014</i>

# Appendix A – Audit Plan

**Alinta Sales Pty Ltd**  
**Electricity Retail Licence (ERL6)**  
**2014 Performance Audit**  
**Audit Plan**  
**May 2014**



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# 1 Introduction

## Overview

The Economic Regulation Authority (**the Authority**) has under the provisions of the Electricity Industry Act 2004 (**Electricity Act**), issued to Alinta Sales Pty Ltd (**Alinta**) an Electricity Retail Licence (**the Licence**).

Section 13 of the Electricity Act requires Alinta to provide to the Authority a performance audit (**the audit**) conducted by an independent expert acceptable to the Authority not less than and in every 24 month period. With the Authority's approval, Deloitte Touche Tohmatsu (**Deloitte**) has been appointed to conduct the audit for the period 1 June 2012 to 31 May 2014.

The Licence relates to Alinta's operation of selling electricity to contestable customers who are connected to the South West Interconnected System (SWIS).

The audit will be conducted in accordance with the August 2010 issue of the *Audit Guidelines: Electricity, Gas and Water Licences* (**Audit Guidelines**). In accordance with the Audit Guidelines this document represents the Audit Plan (**the Plan**) that is to be agreed upon by Deloitte and Alinta and presented to the Authority for approval.

## Objective

The performance audit is defined as an examination of the measures taken by Alinta to meet the performance criteria specified in its Licence.

The audit is designed to provide reasonable assurance regarding the assessment of appropriateness, effectiveness and efficiency associated with Alinta's compliance with its Licence. The audit will specifically consider the following:

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

## Scope

The Authority provides guidance on those aspects of the Licence and Alinta's performance criteria, which it expects to be reported upon and included in the scope of the performance audit in its *Electricity Compliance Reporting Manual* (**Reporting Manual**).

The audit approach applies the singular audit priority assessment approach to identify all applicable licence obligations. Each of the compliance requirements identified in the Reporting Manual have been evaluated for applicability to Alinta and used as the basis for determining the performance criteria to be considered for the audit.

The audit period is 1 June 2012 to 31 May 2014.

Since Alinta's previous ERL audit in 2012, the Reporting Manual has undergone two revisions. For the period subject to audit, the three versions of the Reporting Manual are applicable to the periods outlined below:

Reporting Manual version	Applicable period
May 2011	1 June 2012 – 31 December 2012
June 2013	1 January 2013 – 31 May 2014

The May 2011 Reporting Manual was revised to accommodate:

- Amendments to the Code of Conduct, resulting in:
  - 21 new obligations, relevant from 1 January 2013 (including 5 relating to pre-payment meters). Applicable changes primarily related to billing, prepayment meters and record keeping. Minor changes were made to marketing, disconnection and payment difficulties & financial hardship requirements
  - 17 obligations being removed, which are relevant from 1 June 2012 to 31 December 2012 only. Obligations removed primarily related to marketing. Minor changes were made to billing, payments, payment difficulties & financial hardship requirements
  - Changes to pre-payment meter obligations. However, as Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, this audit plan does not consider the impact of changes.
- Amendments to the Electricity Industry Metering Code, resulting in:
  - The addition of one new obligation, relevant from 7 December 2012
  - The removal of three obligations, relevant from 1 June 2012 to 6 December 2012.

The audit will consider all obligations that existed at any point during the audit period.

Table 1 below outlines the compliance requirements that apply to Alinta's operations during the period subject to audit. Where necessary, further explanation is provided to describe the extent of application of those obligations. The assessment is made against the current (May 2011) Reporting Manual.

**Table 1 – Application of legislative elements to Alinta's electricity retail operations**

Legislative element	Application to Alinta's operations
Type 1 reporting obligations for all licence types	All type 1 obligations fall under the Code of Conduct for the Supply of Electricity to Small Use Customers (Code of Conduct), which is designed to address standards of conduct in the supply and marketing of electricity to customers. Four of the eight obligations are relevant to the operations of a Retailer. However, as Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, two of the relevant obligations are not applicable.
Electricity Industry Customer Transfer Code	Each of the 36 obligations are applicable to Alinta's operations.
Electricity Industry (Customer Contracts) Regulations	Each of the 22 obligations are applicable to Alinta's operations.
Electricity Industry Act	Each of the nine obligations are applicable to Alinta's operations.
Licence conditions and obligations	Each of the 12 obligations are applicable to Alinta's operations.

Legislative element	Application to Alinta's operations
Code of Conduct	<p>Of the 177 Code of Conduct obligations relevant to holders of an ERL:</p> <ul style="list-style-type: none"> <li>• 30 are not applicable to Alinta's operations as Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant</li> <li>• Four are not applicable to Alinta's operations as they relate to the supply of electricity to non-contestable customers, to whom Alinta is not licensed to supply</li> <li>• One is not applicable to Alinta as it relates to a marketing agent acting on behalf of Electricity Retail Corporation or Regional Power Corporation (obligation 131)</li> <li>• The balance are applicable to Alinta's operations.</li> </ul>
Electricity Industry Metering Code	<p>Of the 29 Metering Code obligations relevant to holders of an ERL:</p> <ul style="list-style-type: none"> <li>• One specifically relates to the Electricity Retail Corporation (Synergy), therefore is not applicable to Alinta's operations (obligation 375)</li> <li>• The balance are applicable to Alinta's operations.</li> </ul>

## Responsibility

### Alinta's responsibility for compliance with the conditions of the Licence

Alinta is responsible for:

- Putting in place policies, procedures and controls, which are designed to ensure compliance with the conditions of the Licence
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the Authority.

### Deloitte's responsibility

Our responsibility is to express a conclusion on Alinta's compliance with the conditions of the Licence based on our procedures. We will conduct our engagement in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3500 *Performance Engagements*<sup>1</sup> issued by the Australian Auditing and Assurance Standards Board, in order to state whether, in our opinion, based on the work performed, Alinta's control procedures have complied, in all material respects, with the conditions of the Licence as measured by the performance criteria set out in the Reporting Manual, for the period 1 June 2012 to 31 May 2014. Our engagement will provide reasonable assurance as defined in ASAE 3500.

### Limitations of use

Our report will be produced solely for the management of Alinta, for the purpose of its reporting requirements under section 13 of the Act. We disclaim any assumption of responsibility for any reliance on our report to any person other than the management of Alinta, or for any purpose other than that for which it was prepared. We disclaim all liability to any other party for all costs, loss, damages, and liability that the other party might suffer or incur arising from or relating to or in any way connected with the contents of our report, the provision of our report to the other party, or the reliance on our report by the other party.

### Inherent limitations

Reasonable assurance means a high but not absolute level of assurance. Absolute assurance is very rarely attainable as a result of factors such as the following: the use of selective testing, the inherent limitations of internal control, the fact that much of the evidence available to us is persuasive rather than conclusive and the use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

We cannot, in practice, examine every activity and procedure, nor can we be a substitute for management's responsibility to maintain adequate controls over all levels of operations and their responsibility to prevent and detect irregularities, including fraud. Accordingly, readers of our report should not rely on the report to identify all potential instances of non-compliance which may occur.

### Independence

In conducting our engagement, we will comply with the independence requirements of the Australian professional accounting bodies.

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<sup>1</sup> ASAE 3500 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3100 *Compliance Engagements* and ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

## 2 Approach

The audit will be conducted in three distinct phases, being a risk assessment, system analysis and testing and review. From the audit results, a report will be produced to outline findings, overall compliance assessments and recommendations for improvement in line with the Audit Guidelines. Each step of the audit is discussed in detail below.

### Risk assessment

The audit will focus on identifying or assessing those activities and management control systems to be examined and the matters subject to audit. Therefore, the purpose of conducting the risk assessment as a preliminary phase enables the auditor to focus on pertinent/high risk areas of Alinta's licence obligations. The risk assessment gives specific consideration to the status of post audit action plans devised in response to previous audit recommendations, changes to Alinta's systems and processes and any matters of significance raised by the Authority and/or Alinta. The level of risk and materiality of the process determine the level of audit required i.e. the greater the materiality and the higher the risk, the more audit effort to be applied.

The first step of the risk assessment is the rating of the potential consequences of Alinta not complying with its licence obligations, in the absence of mitigating controls. As the Reporting Manual is prescriptive in its criteria for classifying the consequences of non-compliance (refer to **Appendix 1-1**) the risk assessment applies the Reporting Manual's classifications for each obligation subject to audit. Reference is also made to the consequence rating descriptions listed at Table 10 of the Audit Guidelines (refer to **Appendix 1-2**), providing the risk assessment with context to ensure the appropriate consequence rating is applied to each obligation subject to audit.

Once the consequence has been determined, the likelihood of Alinta not complying with its obligations is assessed using the likelihood rating listed at Table 11 of the Audit Guidelines (refer to **Appendix 1-3**). The assessment of likelihood is based on the expected frequency of Alinta's non-compliance with the relevant licence obligation over a period of time.

Table 2 below (sourced from Table 12 of the Audit Guidelines) outlines the combination of consequence and likelihood ratings to determine the level of inherent risk associated with each individual obligation.

**Table 2: Inherent risk rating**

	Consequence		
Likelihood	Minor	Moderate	Major
Likely	Medium	High	High
Probable	Low	Medium	High
Unlikely	Low	Medium	High

Once the level of inherent risk has been determined, the adequacy of existing controls is assessed in order to determine the level of control risk. Controls are assessed and prioritised as weak, moderate or strong dependant on their suitability to mitigate the risks identified. The control adequacy ratings used by this risk assessment are aligned to the ratings listed at Table 14 of the Audit Guidelines (refer to **Appendix 1-4**).

Once inherent risks and control risks are established, the audit priority can then be determined using the matrix listed at Table 15 of the Audit Guidelines (refer to **Table 3** below). Essentially, the higher the level of risk the more substantive testing is required.

**Table 3: Assessment of Audit Priority**

Inherent Risk	Adequacy of existing controls		
	Weak	Moderate	Strong
High	Audit priority 1	Audit priority 2	
Medium	Audit priority 3		Audit priority 4
Low	Audit priority 5		

The following table outlines the audit requirement for each level of audit priority. Testing can range from extensive substantive testing around the controls and activities of particular processes to confirming the existence of controls through discussions with relevant staff.

**Table 4: Audit Priority Table**

Priority rating and resulting audit procedures	
Rating	Audit requirement
Audit Priority 1	<ul style="list-style-type: none"> <li>Controls testing and extensive substantive testing of activities and/or transactions</li> <li>Follow-up and if necessary, re-test matters previously reported.</li> </ul>
Audit Priority 2	<ul style="list-style-type: none"> <li>Controls testing and moderate substantive testing of activities and/or transactions</li> <li>Follow-up and if necessary, re-test matters previously reported.</li> </ul>
Audit Priority 3	<ul style="list-style-type: none"> <li>Limited controls testing (moderate sample size). Only substantively test transactions if further control weakness found</li> <li>Follow-up of matters previously reported.</li> </ul>
Audit Priority 4	<ul style="list-style-type: none"> <li>Confirmation of existing controls via observation and walk through testing</li> <li>Follow-up of matters previously reported.</li> </ul>
Audit Priority 5	<ul style="list-style-type: none"> <li>Confirmation of existing controls via observation, discussions with key staff and/or reliance on key references (“desktop review”).</li> </ul>

The risk assessment has been discussed with stakeholders to gain their input as to the appropriateness and factual accuracy of risk and control ratings and associated explanations. The key sources considered in reaching our preliminary assessment of the risk and control ratings were:

- The previous performance audit report (December 2012) and associated audit plan and risk assessment
- 2012 and 2013 compliance reports provided to the Authority
- 2012 ERL performance audit report update on the status of Post Audit Implementation Plans, provided to the Authority on 22 August 2013.

At this stage, the risk assessment can only be a preliminary assessment based on reading of documentation and interviews by the auditors. It is possible that the ratings and risk assessment comments may be revised as we conduct our work and new evidence comes to light. Accordingly the risk assessment for the performance audit is a preliminary draft, not a final report, and no reliance should be placed on its findings. It is however an invaluable tool for focussing the audit effort.

The performance audit risk assessment is attached at **Appendix 2**.

## Systems analysis/walkthrough

The systems analysis required will be determined utilising the audit priority scale outlined above. Once the priority level has been defined the testing component will take place by way of interviewing key operational and administrative staff who will outline information that displays compliance with the Licence requirements.

In performing our analysis/walkthrough of Alinta's systems and processes, we will consider the following:

- The control environment: Alinta's management philosophy and operating style, organisational structure, assignment of authority and responsibilities, the use of internal audit, the use of information technology and the skills and experience of key staff members
- Information systems: the appropriateness of Alinta's information systems (in particular, those relating to customer service, billing and relationship management) to record the information needed to comply with the licence, the accuracy of data, the security of data and documentation describing the information system
- Control procedures: the presence of systems and procedures to ensure compliance with the licence, effectiveness of Alinta's internal control structure to detect and correct non-compliance. Specific consideration will be given to and significant changes in relevant systems and procedures implemented during the period subject to audit
- Compliance attitude: action taken by Alinta in response to any previous audit recommendations. Consideration will be given to the timing of action taken during the period subject to audit and whether the action has a permanent impact on Alinta's level of compliance
- Outcome compliance: actual performance against standards prescribed in the licence throughout the audit period.

Where required, an observation of processes, procedures and operations and review of key documents will occur to assist in the determination of Alinta's compliance with Licence obligations. Key documents, which may be subject to audit, are not specifically disclosed in this plan. A list of documents examined will be included in the audit report.

## Testing/review

Using the results of the risk assessment and systems analysis, detailed testing and analysis will be performed to compare those standards maintained by Alinta with the relevant sections and schedules of the Licence.

Controls testing is performed for those elements with an audit priority 3 and above (refer to table 4), and where there is relevant activity (e.g. number of connections, disconnections, reconnections). This method of testing will involve:

- Understanding the population of transactions
- Selecting a sample of transactions to examine compliance with relevant sections of applicable Codes/Regulations

Comparing the sample selected to expected requirements as mandated by relevant sections of applicable Codes/Regulations.

A full work program will be completed to record the specific aspects of our testing and analyses for each licence obligation. This work program will be based on:

- The audit priority determined by the risk assessment to be applicable each licence obligation
- The results of the systems analysis performed, as described above



- Deloitte’s pre-determined sampling methodology, which takes account of the volume and frequency (e.g. daily, weekly, monthly, annual) of relevant transactions. Sample sizes typically range from 1 to 30, increasing with the volume and frequency of transactions
- The location of personnel and transactions to be tested.

## Reporting

In accordance with the Audit Guidelines, all aspects of compliance with the Licence will be assessed according to the rating scale based on the work performed. Refer to **Table 5** below for the compliance levels that will be used for the performance audit.

**Table 5: Operational/performance compliance rating scale**

Name	Rating	Description
Compliant	5	Compliant with no further action required to maintain compliance
Compliant	4	Compliant apart from minor or immaterial recommendations to improve the strength of internal controls to maintain compliance
Compliant	3	Compliant with major or material recommendations to improve the strength of internal controls to maintain compliance
Non-compliant	2	Does not meet minimum requirements
Significantly non-compliant	1	Significant weaknesses and/or serious action required
Not applicable	N/A	Determined that the compliance obligation does not apply to the licensee’s business operations
Not rated	N/R	No relevant activity took place during the audit period; therefore it is not possible to assess compliance.

The performance audit report will also be structured to address all key components expected by the Audit Guidelines, including:

- An executive summary containing all elements listed in section 11 of the Audit Guidelines
- Response to previous audit recommendations (refer to **Appendix 4**)
- Performance/compliance summary and rating for each licence condition – in tabular form
- Audit observations
- Where appropriate, recommendations on actions required to address areas of non-compliance.

Where appropriate, Alinta will provide a post audit implementation plan for incorporation into the report.

## 3 General information

All aspects of the audit will undergo quality assurance and review procedures as outlined in our previous communications. Before delivery of a final report, full quality procedures will be applied, including second partner review.

### Key Alinta contacts

The key contacts for this audit are:

- Catherine Rousch      Manager Regulatory Compliance
- Ray Myles              Customer Services Manager
- Bernadette Hill        Regulatory Advisor

The audit also expects to receive assistance from the following Alinta functions/teams:

- Customer Service Centre
- Sales and Marketing
- Finance.

Note that all work is expected to be completed at Alinta's Perth offices, located at The Quadrant.

### Deloitte staff

Deloitte staff who will be involved with this assignment are:

- Darren Gerber        Partner
- Ben Fountain        Account Director
- Amit Grover          Senior Analyst
- Emlyn King          Analyst
- Richard Thomas     QA Partner

Resumes for key Deloitte staff are outlined in the proposal accepted by Alinta and subsequently presented to the Authority.

### Timing

The initial risk assessment phase was completed on 26 May 2014. On 30 May 2014 the audit plan and detailed risk assessment were presented to the Authority for review and comment.

The remainder of the fieldwork phase is scheduled to be performed in June and July 2014.

Deloitte's time and staff commitment to the completion of the audit is outlined in the proposal accepted by Alinta and subsequently presented to the Authority.

# Appendix 1 – Risk assessment key

## 1-1 Criteria for classification

Source: *Electricity Compliance Reporting Manual May 2011*

Rating (type)	Classification of Non-Compliance	Criteria for classification
1	Major	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> <li>▪ the consequences of non-compliance would cause major damage, loss or disruption to customers; or</li> <li>▪ the consequences of non-compliance would endanger or threaten to endanger the safety or health of a person.</li> </ul>
2	Moderate	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> <li>▪ the consequences of non-compliance impact the efficiency and effectiveness of the licensee's operations or service provision but do not cause major damage, loss or disruption to customers; or</li> <li>▪ the regulatory obligation is not otherwise classified as a Type 1 or a Type NR non-compliance.</li> </ul> <p>Reclassification of Type 2 as a Type 1 may occur in circumstances of systematic non-compliance.</p>
NR	Minor	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> <li>▪ the consequences of non-compliance are relatively minor – i.e. non-compliance will have minimal impact on the licensee's operations or service provision and do not cause damage, loss or disruption to customers; or</li> <li>▪ compliance with the obligation is immeasurable; or</li> <li>▪ the non-compliance is required to be reported to the Regulator under another instrument, guideline or code 6; or</li> <li>▪ the non-compliance is identified by a party other than the licensee ; or</li> <li>▪ the licensee only needs to use its reasonable endeavours or best endeavours to achieve compliance or where the obligation does not otherwise impose a firm obligation on the licensee.</li> </ul> <p>Reclassification of Type NR as a Type 2 may occur in circumstances of:</p> <ul style="list-style-type: none"> <li>▪ systemic non-compliance; or</li> <li>▪ a failure to resolve non-compliance promptly.</li> </ul>

## 1-2 Consequence ratings

Source: Audit Guidelines: Electricity, Gas and Water Licences August 2010

	Rating	Examples of non-compliance			
		Supply Quality	Supply Reliability	Consumer Protection	Breaches of legislation or other licence conditions
1	Minor	Minor public health and safety issues.  Breach of quality standards minor - minimal impact on customers.	System failure or connection delays affecting only a few customers.  Some inconvenience to customers.	Customer complaints procedures not followed in a few instances.  Nil or minor costs incurred by customers.	Licence conditions not fully complied with but issues have been promptly resolved.
2	Moderate	Event is restricted in both area and time e.g., supply of service to one street is affected up to one day.  Some remedial action is required.	Event is restricted in both area and time e.g., supply of service to one street is affected up to one day. Some remedial action is required.	Lapse in customer service standards is clearly noticeable but manageable.  Some additional costs may be incurred by some customers.	Clear evidence of one or more breaches of legislation or other licence conditions and/or sustained period of breaches.
3	Major	Significant system failure.  Life-threatening injuries or widespread health risks.  Extensive remedial action required.	Significant system failure.  Extensive remedial action required.		

## 1-3 Likelihood ratings

Source: Audit Guidelines: Electricity, Gas and Water Licences August 2010

	Level	Criteria
A	Likely	Non-compliance is expected to occur at least once or twice a year
B	Probable	Non-compliance is expected to occur every three years
C	Unlikely	Non-compliance is expected to occur at least once every 10 years or longer

## 1-4 Adequacy ratings for existing controls

Source: Audit Guidelines: Electricity, Gas and Water Licences August 2010

Rating	Description
Strong	Strong controls that are sufficient for the identified risks
Moderate	Moderate controls that cover significant risks; improvement possible
Weak	Controls are weak or non-existent and have minimal impact on the risks

# Appendix 2 – Risk assessment

Note that obligation numbers in bold and underlined are new and relevant to Alinta's operations from 1 January 2013 only.

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority	
<b>Section 8 Type 1 Reporting Obligations for all Licence Types</b>								
230	Code of Conduct clause 7.6	A retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.	Major	Unlikely	High	Moderate	Priority 2	
231	Code of Conduct clause 7.7(1)	Where a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment the retailer must comply with subclause 7.7(1).	Major	Unlikely	High	Moderate	Priority 2	
250	Code of Conduct clause 9.6(1)	A retailer must not provide a pre-payment meter service if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment.	Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant					
251	Code of Conduct clause 9.6(2)	If a pre-payment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must, or must immediately arrange to, remove or render non-operational the pre-payment meter at no charge; replace or switch the pre-payment meter to a standard meter at no charge; and provide information to the pre-payment meter customer about the contract options available to the customer.						
<b>Section 9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations</b>								
6	Electricity Industry Customer Transfer Code clause 3.2(2)	A retailer must submit a separate data request for each exit point unless otherwise agreed.	Moderate	Unlikely	Medium	Strong	Priority 4	
7	Electricity Industry Customer Transfer Code clause 3.4(1)	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.	Moderate	Unlikely	Medium	Strong	Priority 4	

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
8	Electricity Industry Customer Transfer Code clause 3.5(3)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
9	Electricity Industry Customer Transfer Code clause 3.6(2)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
16	Electricity Industry Customer Transfer Code clause 3.9(1)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
17	Electricity Industry Customer Transfer Code clause 3.9(2)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
18	Electricity Industry Customer Transfer Code clause 3.9(3)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
19	Electricity Industry Customer Transfer Code clause 3.9(4)	A retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	Moderate	Unlikely	Medium	Strong	Priority 4
23	Electricity Industry Customer Transfer Code clause 4.2(2)	A retailer must submit a separate customer transfer request for each exit point unless otherwise agreed.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
24	Electricity Industry Customer Transfer Code clause 4.3	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.	Moderate	Unlikely	Medium	Strong	Priority 4
25	Electricity Industry Customer Transfer Code clause 4.4(1)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
26	Electricity Industry Customer Transfer Code clause 4.4(2)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
27	Electricity Industry Customer Transfer Code clause 4.5(1)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
28	Electricity Industry Customer Transfer Code clause 4.6(3)	A retailer must withdraw a customer transfer request if the contestable customer's verifiable consent ceases to apply before the transfer occurs.	Moderate	Unlikely	Medium	Strong	Priority 4
29	Electricity Industry Customer Transfer Code clause 4.7	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.	Moderate	Unlikely	Medium	Strong	Priority 4
30	Electricity Industry Customer Transfer Code clause 4.8(2)	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.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
34	Electricity Industry Customer Transfer Code clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	Moderate	Unlikely	Medium	Strong	Priority 4
39	Electricity Industry Customer Transfer Code clause 4.11(3)	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date.	Moderate	Unlikely	Medium	Strong	Priority 4
40	Electricity Industry Customer Transfer Code clause 4.12(3)	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances.	Minor	Unlikely	Low	Strong	Priority 5
43	Electricity Industry Customer Transfer Code clause 4.15	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.	Minor	Unlikely	Low	Strong	Priority 5
44	Electricity Industry Customer Transfer Code clause 4.16	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.	Moderate	Unlikely	Medium	Strong	Priority 4
45	Electricity Industry Customer Transfer Code clause 4.17	A previous retailer must not bill a contestable customer for charges incurred after the transfer time, except in the case of an erroneous transfer.	Moderate	Unlikely	Medium	Strong	Priority 4
48	Electricity Industry Customer Transfer Code clause 5.1(4)	A network operator and a retailer must comply with approved communication rules.	Moderate	Unlikely	Medium	Strong	Priority 4



No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
49	Electricity Industry Customer Transfer Code clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the exit point to which it relates.	Moderate	Unlikely	Medium	Strong	Priority 4
52	Electricity Industry Customer Transfer Code clause 6.4(1)	A retailer must notify its contact details to a network operator within three business days of a request.	Moderate	Unlikely	Medium	Moderate	Priority 4
53	Electricity Industry Customer Transfer Code clause 6.4(2)	A retailer must notify any change in its contact details to a network operator at least three business days before the change takes effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
54	Electricity Industry Customer Transfer Code clause 6.6	A network operator or a retailer must send required electronic communications to the applicable electronic communication address, in accordance with Annex 6.	Moderate	Unlikely	Medium	Strong	Priority 4
55	Electricity Industry Customer Transfer Code clause 7.1(1)	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.	Minor	Unlikely	Low	Moderate	Priority 5
56	Electricity Industry Customer Transfer Code clause 7.1(2)	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.	Minor	Unlikely	Low	Moderate	Priority 5
57	Electricity Industry Customer Transfer Code clause 7.1(3)	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution.	Moderate	Unlikely	Medium	Moderate	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
58	Electricity Industry Customer Transfer Code clause 7.2(4)	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.	Minor	Unlikely	Low	Moderate	Priority 5
59	Electricity Industry Customer Transfer Code clause 7.3(2)	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.	Minor	Unlikely	Low	Moderate	Priority 5
68	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(a)	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.	Minor	Unlikely	Low	Strong	Priority 5
69	Electricity Industry Customer Transfer Code Annex 6 clause A6.2(b)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
70	Electricity Industry Customer Transfer Code Annex 6 clause A6.6	The originator of an electronic communication must identify itself in the communication.	Minor	Unlikely	Low	Strong	Priority 5
71	Electricity Industry Customer Transfer Code Annex 6 clause A6.7	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.	Minor	Unlikely	Low	Strong	Priority 5

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
<b>Section 11 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations</b>							
78	Electricity Industry Act section 51 Electricity Industry (Customer Contracts) Regulations 2005	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with the licensee's approved standard form contract on the Authority's website.	Moderate	Unlikely	Medium	Moderate	Priority 4
79	Electricity Industry (Customer Contracts) Regulations 2005 regulation 5	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language.	Moderate	Unlikely	Medium	Strong	Priority 4
80	Electricity Industry (Customer Contracts) Regulations 2005 regulation 6	A non-standard contract must specify when it comes into effect and the period for which it has effect.	Moderate	Unlikely	Medium	Strong	Priority 4
81	Electricity Industry (Customer Contracts) Regulations 2005 regulation 7	A non-standard contract must specify certain information about the retailer.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
82	Electricity Industry (Customer Contracts) Regulations 2005 regulation 8	A non-standard contract must give an exact description of the goods and services the retailer will provide under the contract.	Moderate	Unlikely	Medium	Strong	Priority 4
83	Electricity Industry (Customer Contracts) Regulations 2005 regulation 9	A non-standard contract must require the customer to pay for electricity supplied under the contract.	Moderate	Unlikely	Medium	Strong	Priority 4
84	Electricity Industry (Customer Contracts) Regulations 2005 regulation 10	A non-standard contract must prohibit the customer from tampering with or bypassing network equipment or allowing any other person to do so.	Moderate	Probable	Medium	Strong	Priority 4
85	Electricity Industry (Customer Contracts) Regulations 2005 regulation 11	A non-standard contract must describe the circumstances where a retailer has the right to disconnect supply and is required to reconnect supply.	Moderate	Probable	Medium	Strong	Priority 4
86	Electricity Industry (Customer Contracts) Regulations 2005 regulation 12	A non-standard contract must require the retailer to deal with security deposits and the payment of interest in the manner specified.	Moderate	Probable	Medium	Moderate	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
87	Electricity Industry (Customer Contracts) Regulations 2005 regulation 13	A non-standard contract must describe the retailer's obligations in relation to the provision of prices and tariff information.	Moderate	Probable	Medium	Strong	Priority 4
88	Electricity Industry (Customer Contracts) Regulations 2005 regulation 14	A non-standard contract must describe the procedures to be followed by the retailer in relation to the preparation, issue and review of customer bills.	Moderate	Probable	Medium	Strong	Priority 4
89	Electricity Industry (Customer Contracts) Regulations 2005 regulation 15	A non-standard contract must describe the matters relating to the termination of the contract specified in the regulation.	Moderate	Probable	Medium	Strong	Priority 4
90	Electricity Industry (Customer Contracts) Regulations 2005 regulation 16 and 34	A non-standard contract must inform the customer that the provisions of the contract may be amended without the customer's consent and describe the process for amendment of the contract including requirements for approval and the way in which the amendment will be published. The non-standard contract must require the retailer to notify the customer of any amendment to the contract.	Moderate	Probable	Medium	Strong	Priority 4
91	Electricity Industry (Customer Contracts) Regulations 2005 regulation 17	A non-standard contract must deal with the assignment of rights and obligations including assignment without the customer's consent.	Moderate	Probable	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
92	Electricity Industry (Customer Contracts) Regulations 2005 regulation 18	A non-standard contract must describe the procedures to be followed by the retailer in responding to a complaint made by the customer.	Moderate	Probable	Medium	Strong	Priority 4
93	Electricity Industry (Customer Contracts) Regulations 2005 regulation 19	A non-standard contract must specify the steps by the retailer to ensure the information held by the retailer is dealt with in a confidential manner.	Moderate	Probable	Medium	Strong	Priority 4
94	Electricity Industry (Customer Contracts) Regulations 2005 regulation 20	A non-standard contract must deal with the governing law, the effect of an invalid or unenforceable provision, the way in which notice may be given and the use of electronic communication by the retailer.	Moderate	Probable	Medium	Strong	Priority 4
95	Electricity Industry (Customer Contracts) Regulations 2005 regulation 21	A non-standard contract must not include a provision that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers unless it is authorised by the Code,	Moderate	Probable	Medium	Strong	Priority 4
96	Electricity Industry (Customer Contracts) Regulations 2005 regulation 32	A non-standard contract must include details about the cooling off period specified in the regulation.	Moderate	Probable	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
97	Electricity Industry (Customer Contracts) Regulations 2005 regulation 33(2)	A non-standard contract must authorise the customer to terminate the contract at any time with no less than 5 days' notice.	Moderate	Probable	Medium	Moderate	Priority 4
98	Electricity Industry (Customer Contracts) Regulations 2005 regulation 33(3) & (4)	A non-standard contract that is a fixed contract must describe the matters relating to the termination of the contract specified in the regulation.	Moderate	Probable	Medium	Strong	Priority 4
100	Electricity Industry (Customer Contracts) Regulations 2005 regulation 38	Where the licensee becomes aware of a customer taking a supply of electricity that is deemed to be supplied under the licensee's standard form contract, the licensee must, within 5 days after becoming aware notify the customer of the specified information.	Moderate	Probable	Medium	Moderate	Priority 4
<b>Section 12 Electricity Industry Act – Licence Conditions and Obligations</b>							
101	Electricity Industry Act section 13(1)	A licensee must, not less than once every 24 months, provide the Authority with a performance audit conducted by an independent expert acceptable to the Authority.	Minor	Unlikely	Low	Strong	Priority 5
105	Electricity Industry Act section 17(1)	A licensee 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.	Moderate	Probable	Medium	Moderate	Priority 4
106	Electricity Industry Act section 31(3)	A licensee 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.	Minor	Unlikely	Low	Strong	Priority 5
107	Electricity Industry Act section 41(6)	A licensee must pay the costs of taking an interest in land or an easement over land.	Moderate	Unlikely	Medium	Moderate	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
108	Electricity Industry Act section 54(1)	A retail or integrated regional licensee must not supply electricity to a small use customer otherwise than under a standard form contract or a non-standard form contract.	Moderate	Unlikely	Medium	Weak	Priority 3
109	Electricity Industry Act section 54(2)	A licensee must comply with any direction by the Authority to amend the standard form contract and do so within the period specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
110	Electricity Industry Act section 76	If a designation under section 71(1) of the Electricity Industry Act is in force a licensee 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
111	Electricity Industry Act section 101	A retail, distribution or integrated regional licensee must not supply electricity to small use customers unless the licensee 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.	Moderate	Unlikely	Medium	Strong	Priority 4
113	Electricity Industry Act section 115(2)	A licensee 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>Section 13 Electricity Licences – Licence Conditions and Obligations</b>							
114	Retail Licence condition 23.1	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes.	Moderate	Probable	Medium	Moderate	Priority 4
115	Retail Licence condition 23.2	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the Authority within the prescribed timeframe.	Moderate	Probable	Medium	Moderate	Priority 4
116	Retail Licence condition 24.2	A licensee 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.	Minor	Unlikely	Low	Moderate	Priority 5
117	Retail Licence condition 24.3	A licensee must comply with any direction given by the Authority in relation to the scope, process and methodology of the standard form contract review.	Minor	Unlikely	Low	Moderate	Priority 5
118	Retail Licence condition 25.1	A licensee may only amend the standard form contract with the Authority's approval.	Moderate	Unlikely	Medium	Moderate	Priority 4
119	Retail Licence condition 12.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board Standards or equivalent International Accounting Standards.	Moderate	Unlikely	Medium	Strong	Priority 4
120	Retail Licence condition 13.4	A licensee must comply with any individual performance standards prescribed by the Authority.	Moderate	Unlikely	Medium	Moderate	Priority 4



No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
121	Retail Licence condition 14.2	A licensee must comply, and require its auditor to comply, with the Authority's standard audit guidelines dealing with the performance audit.	Moderate	Unlikely	Medium	Strong	Priority 4
123	Retail Licence condition 15.1	A licensee must report to the Authority, in the manner prescribed, if a licensee is under external administration or there is a significant change in the circumstances upon which the licence was granted which may affect a licensee's ability to meet its obligations.	Moderate	Unlikely	Medium	Moderate	Priority 4
124	Retail Licence condition 16.1	A licensee must provide the Authority, in the manner prescribed, any information the Authority requires in connection with its functions under the Electricity Industry Act.	Moderate	Unlikely	Medium	Strong	Priority 4
125	Retail Licence condition 17.1 and 17.2	A licensee must publish any information it is directed by the Authority to publish, within the timeframes specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
126	Retail Licence condition 18.1	Unless otherwise specified, all notices must be in writing.	Moderate	Unlikely	Medium	Strong	Priority 4
<b>Section 14 Code of Conduct – Licence Conditions and Obligations</b>							
<b>Marketing</b>							
129	Code of Conduct clause 2.1	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct, subject to clause 2.1A.	Moderate	Probable	Medium	Moderate	Priority 4
130	Code of Conduct clause 2.2	An electricity marketing agent must ensure that standard and non-standard contracts are entered into in the manner and satisfying the conditions specified in clause 2.2.	Moderate	Unlikely	Medium	Moderate	Priority 4
131	Code of Conduct clause 2.3(1)(a)-(b)	An electricity marketing agent acting on behalf of Electricity Retail Corporation or Regional Power Corporation must ensure that the information specified in subclauses 2.3(1)(a)-(b) is provided to the customer before arranging a contract.	Not applicable - clause applies to the marketing agents acting on behalf of Electricity Retail Corporation (Synergy Energy) and the Regional Power Corporation (Horizon Power) only.				
<b>132</b>	Code of Conduct clause 2.3(1)(c)-(d)	An electricity marketing agent must ensure that the information specified in subclauses 2.3(1)(c)-(d) is provided to the customer before arranging a contract.	Moderate	Unlikely	Medium	Weak	Priority 3
133	Code of Conduct clause 2.3(2)	For a standard form contract that is not an unsolicited consumer agreement or for a non-standard contract by the customer, an electricity marketing agent must obtain and make a record of the customer's verifiable consent that the specified information in subclause 2.3(1), as applicable, has been given.	Moderate	Unlikely	Medium	Weak	Priority 3

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
134	Code of Conduct clause 2.3(3)	When a standard form contract is an unsolicited consumer agreement or a non-standard contract (other than that initiated by the customer), an electricity marketing agent must obtain the customer's written acknowledgement that the specified information in subclause 2.3(1), as applicable, has been given.	Moderate	Unlikely	Medium	Weak	Priority 3
135	Code of Conduct clause 2.4(1)	When a customer enters into a new contract that is not an unsolicited consumer agreement with a retailer or electricity marketing agent, the retailer or electricity marketing agent must offer to provide the customer with a copy of the contract, and if this offer is accepted by the customer, provide a copy of the contract at that time or as soon as possible, but no more than 28 days thereafter.	Moderate	Unlikely	Medium	Strong	Priority 4
136	Code of Conduct clause 2.4(2)	Where the customer has entered into a new contractual relationship with a retailer or electricity marketing agent, the retailer or electricity marketing agent must give to the customer the information specified in subclause 2.4(2)	Moderate	Unlikely	Medium	Strong	Priority 4
137	Code of Conduct clause 2.4(3)	Subject to subclause 2.4(4), for a standard form contract, a retailer or electricity marketing agent must give the specified information in subclause 2.4(2) no later than with, or on, the customer's first bill. If requested by a customer, and before a customer has entered into a nonstandard form contract or a standard form contract that is an unsolicited consumer agreement, the electricity marketing agent must obtain the customer's written acknowledgement that the information in subclause 2.4(2) has been given; if the customer has not previously been provided a written copy of the contract, a copy of the contract must be provided at no charge to the customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
138	Code of Conduct clause 2.5(1)	An electricity marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.	Moderate	Unlikely	Medium	Moderate	Priority 4
139	Code of Conduct clause 2.5(2)	An electricity marketing agent must ensure that all non-standard contracts that are not unsolicited consumer agreements are in writing.	Moderate	Unlikely	Medium	Strong	Priority 4
140	Code of Conduct clause 2.5(3)	A retailer or other party must ensure that a customer is able to contact the retailer or other party on the retailer's or other party's telephone number during normal business hours for the purposes of enquiries, verifications and complaints.	Moderate	Unlikely	Medium	Strong	Priority 4
141	Code of Conduct clause 2.6(1)	An electricity marketing agent must, on request, provide a customer with the information specified in subclause 2.6(1).	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
142	Code of Conduct clause 2.6(3)	An electricity marketing agent who meets with a customer face to face must: - When negotiating a contract that is not an unsolicited consumer agreement, as soon as practicable tell the customer the purpose of the visit; - Wear a clearly visible and legible identity card showing the information specified in subclause 2.6(2)(b); and - As soon as practicable provide the written information specified in subclause 2.6(2)(c).	Moderate	Unlikely	Medium	Moderate	Priority 4
143	Code of Conduct clause 2.6(3) and 2.6(4)	Except when responding to a customer request or query, a retailer or other party must keep the specified records in subclause 2.6(3) each time it initiates contact with a customer for the purposes of marketing.	Moderate	Unlikely	Medium	Strong	Priority 4
144	Code of Conduct clause 2.9(1)	An electricity marketing agent must keep a record of complaints about marketing carried out by or on behalf of the electricity marketing agent made by a customer or person contacted for the purposes of marketing and upon request, must give to the electricity ombudsman, within 28 days of receiving the request, all information that the electricity marketing agent has relating to the complaint.	Moderate	Probable	Medium	Moderate	Priority 4
145	Code of Conduct clause 2.9(2)	A record or other information that an electricity marketing agent is required by the Code to keep must be kept for at least two (2) years after the last time the person to whom the information relates was contacted by or on behalf of the electricity marketing agent or after receipt of the last contact from or on behalf of the electricity marketing manager, whichever is the later.	Moderate	Probable	Medium	Moderate	Priority 4
<b>Connections</b>							
146	Code of Conduct clause 3.1(1)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
147	Code of Conduct clause 3.1(2)	Unless the customer agrees otherwise, a retailer must forward the customer's request for the connection to the relevant distributor that same day, if the request is received before 3pm on a business day; or the next business day if the request is received after 3pm or on a weekend or public holiday	Moderate	Unlikely	Medium	Strong	Priority 4
<b>Billing</b>							
148	Code of Conduct clause 4.1	A retailer must issue a bill no more than once a month and at least once every three (3) months, unless under the circumstances specified in subclause 4.1.	Moderate	Unlikely	Medium	Strong	Priority 4
149	Code of Conduct clause 4.2(1)	For the purposes of subclause 4.1(a)(ii), a retailer has given a customer notice, if prior to placing a customer on a shortened billing cycle, the retailer advises the customer of the information specified in subclause 4.2(1).	Moderate	Unlikely	Medium	Moderate	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
150	Code of Conduct clause 4.2(2)	A retailer must not place a residential customer on a shortened billing cycle without the customer's verifiable consent if the customer informs the retailer that the customer is experiencing payment difficulties or financial hardship.	Moderate	Unlikely	Medium	Moderate	Priority 4
151	Code of Conduct clause 4.2(3)	A retailer must give the customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	Moderate	Unlikely	Medium	Moderate	Priority 4
152	Code of Conduct clause 4.2(4)	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	Moderate	Unlikely	Medium	Moderate	Priority 4
153	Code of Conduct clause 4.2(5)	Upon request, a retailer must return a customer, who is subject to a shortened billing cycle and has paid three (3) consecutive bills by the due date to the billing cycle that previously applied to the customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
154	Code of Conduct clause 4.2(6)	At least once every three (3) months, a retailer must inform a customer, who is subject to a shortened billing cycle of the conditions upon which a customer can be returned to the customer's previous billing cycle.	Moderate	Unlikely	Medium	Moderate	Priority 4
155	Code of Conduct clause 4.3(1)	In respect of any 12 month period, on receipt of a request by a customer, a retailer may provide a customer with a bill which reflects a bill smoothing arrangement.	Moderate	Unlikely	Medium	Moderate	Priority 4
156	Code of Conduct clause 4.3(2)	If a retailer provides a customer with a bill under a bill smoothing arrangement, the retailer must ensure that the conditions specified in subclause 4.3(2) are met.	Moderate	Unlikely	Medium	Moderate	Priority 4
157	Code of Conduct clause 4.5(1)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
158	Code of Conduct clause 3.1(1)	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in subclause 4.5(1) on the customer's bill.	Moderate	Probable	Medium	Moderate	Priority 4
159	Code of Conduct clause 3.1(2)	If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis before, with or on the customer's next bill.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
160	Code of Conduct clause 4.6(1)	A retailer must base a customer's bill on the following: - The distributor's or metering agent's reading of the meter at the customer's supply address; - The customer's reading of the meter in the circumstances specified in subclause 4.6(1)(b); or - Where the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code.	Moderate	Unlikely	Medium	Strong	Priority 4
161	Code of Conduct clause 4.6(2)	Prior to a customer reading a meter under subclause 4.6(1)(b), a retailer must give the customer information that explains how to read a meter correctly in clear, simple and concise language.	Moderate	Unlikely	Medium	Moderate	Priority 4
162	Code of Conduct clause 4.7	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that meter reading data is obtained as frequently as is required to prepare its bills; and, in any event, at least once every 12 months.	Minor	Unlikely	Low	Strong	Priority 5
163	Code of Conduct clause 4.8(1)	If a retailer is unable to reasonably base a bill on a reading of the meter, a retailer must give the customer an estimated bill.	Moderate	Probable	Medium	Weak	Priority 3
164	Code of Conduct clause 4.2(5)	In circumstances where the customer's bill is estimated, a retailer must specify in a visible and legible manner, on the customer's bill the information detailed in subclause 4.8(2).	Moderate	Probable	Medium	Weak	Priority 3
165	Code of Conduct clause 4.8(3)	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	Moderate	Unlikely	Medium	Moderate	Priority 4
166	Code of Conduct clause 4.9	If a 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 in accordance with clause 4.19.	Moderate	Unlikely	Medium	Moderate	Priority 4
167	Code of Conduct clause 4.10	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 in subclause 4.10.	Minor	Unlikely	Low	Moderate	Priority 5
168	Code of Conduct clause 4.11(1)	If a customer requests the meter to be tested and pays a retailer's reasonable charge (if any) for doing so, a retailer must request the distributor or metering agent to do so.	Moderate	Unlikely	Medium	Strong	Priority 4
169	Code of Conduct clause 4.11(2)	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.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
170	Code of Conduct clause 4.12(1)	If a retailer offers alternative tariffs and a customer applies to receive an alternate tariff (and demonstrates to the retailer that they satisfy the conditions of eligibility), a retailer must change the customer to an alternate tariff within 10 business days of the customer satisfying those conditions.	Moderate	Unlikely	Medium	Moderate	Priority 4
171	Code of Conduct clause 4.13	If a customer's electricity use changes and the customer is no longer eligible to continue to receive an existing, more beneficial tariff, a retailer must give the customer written notice prior to changing the customer to an alternative tariff.	Moderate	Unlikely	Medium	Moderate	Priority 4
172	Code of Conduct clause 4.14(1)	If a customer requests a retailer to issue a final bill at the customer's supply address, a retailer must use reasonable endeavours to arrange for that final bill in accordance with the customer's request.	Minor	Unlikely	Low	Strong	Priority 5
173	Code of Conduct clause 4.14(2)	A retailer must repay the customer any amount in credit at the time of the account's closure.	Moderate	Unlikely	Medium	Strong	Priority 4
174	Code of Conduct clause 4.15	Subject to a customer paying that portion of the bill under review that a customer and a retailer agree is not in dispute, or an amount equal to the average amount of the customer's bill over the previous 12 months (excluding the bill in dispute, whichever is less), and paying any future bills that are properly due, a retailer must review the customer's bill on request by the customer.	Moderate	Unlikely	Medium	Strong	Priority 4
175	Code of Conduct clause 4.16(1)(b)	If a review of a bill has been conducted and the retailer is satisfied that the bill is correct, the retailer may require a customer to pay the unpaid amount; must advise the customer that the customer may request the retailer to arrange a meter test in accordance with the applicable law; and must advise the customer of the existence and operation of the retailer's internal complaints handling processes and details of any applicable external complaints handling processes.	Moderate	Unlikely	Medium	Strong	Priority 4
<b>176</b>	Code of Conduct clause 4.8(3)	If a review of the bill has been conducted and a retailer is satisfied that the bill is incorrect, a retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	Moderate	Unlikely	Medium	Strong	Priority 4
177	Code of Conduct clause 4.16(2)	The retailer must inform a customer of the outcome of the review of a bill as soon as practicable.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>178</b>	Code of Conduct clause 4.16(3)	If the retailer has not informed a customer of the outcome of the review of a bill within 20 business days from the date of receipt of the request for review, the retailer must provide the customer with notification of the status of the review as soon as practicable.	Moderate	Unlikely	Medium	Moderate	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
179	Code of Conduct clause 4.17(2)	If a retailer proposes to recover an amount undercharged as a result of an error, defect, or default for which the retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must do so in the manner specified in subclause 4.17(2).	Moderate	Unlikely	Medium	Strong	Priority 4
180	Code of Conduct clause 4.18(2)	If a customer (including a customer who has vacated the supply address) has been overcharged as a result of an error, defect, or default for which a retailer or distributor is responsible (including where a meter has been found to be defective), a retailer must use its best endeavours to inform the customer within 10 business days of a retailer becoming aware of the error, defect, or default, and, subject to subclause 4.18(6), ask the customer for instructions as to whether the amount should be credited to the customer's account or repaid to the customer.	Minor	Unlikely	Low	Moderate	Priority 5
181	Code of Conduct clause 4.18(3)	A retailer must pay the amount overcharged in accordance with the customer's instructions within 12 business days of receiving the instructions.	Moderate	Unlikely	Medium	Moderate	Priority 4
182	Code of Conduct clause 4.18(4)	In circumstances where instructions regarding repayment of an overcharged bill are not received within 20 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	Minor	Unlikely	Low	Moderate	Priority 5
<b>183</b>	Code of Conduct clause 4.18(6)	Where the amount overcharged is less than \$75, refer to subclause 4.18(6) as to how a retailer may proceed to deal with the matter.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>184</b>	Code of Conduct clause 4.19(1)	If a retailer proposes to recover from a customer an amount of an adjustment which does not arise due to any act or omission of the customer, a retailer must comply with subclause 4.19(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>185</b>	Code of Conduct clause 4.19(2)	If the meter is read pursuant to either clause 4.6 or clause 4.3(2)(d) and the amount of the adjustment is an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days and, subject to subclause (5), ask the customer for instructions about the repayment of the amount owing.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>186</b>	Code of Conduct clause 4.19(3)	If a retailer received instructions under subclause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>187</b>	Code of Conduct clause 4.19(4)	If a retailer does not receive instructions under subclause 4.19(2), within 20 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.	Minor	Unlikely	Low	Moderate	Priority 5

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
<b>Payment</b>							
188	Code of Conduct clause 5.1	The due date on the bill must be at least 12 business days from that date of the bill. Unless a retailer specifies a later date, the date of dispatch is the date of the bill.	Moderate	Unlikely	Medium	Strong	Priority 4
189	Code of Conduct clause 5.2	A retailer must offer the following specified minimum payment methods: in person at one or more payment outlets located within the Local Government District of the customer's supply address; by mail; for residential customers, by Centrepay; electronically by means of BPay or credit card; and by telephone by means of credit card.	Moderate	Unlikely	Medium	Strong	Priority 4
190	Code of Conduct clause 5.3	A retailer must, prior to commencing a direct debit, obtain the customer's verifiable consent and agree with the customer, wherever possible, the amount to be debited; and the date and frequency of the direct debit	Moderate	Unlikely	Medium	Moderate	Priority 4
191	Code of Conduct clause 5.4	Upon request, a retailer must accept payment in advance from a customer. Acceptance of an advance payment will not require a retailer to credit any interest to the amounts paid in advance. The minimum amount for which a retailer will accept an advance payment is \$20.	Moderate	Unlikely	Medium	Strong	Priority 4
192	Code of Conduct clause 5.5	If a customer is unable to pay by way of the methods described in clause 5.2, due to illness or absence, a retailer must offer a residential customer a redirection of the customer's bill to a third person at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
193	Code of Conduct clause 5.6(1)	A retailer must not charge a residential customer a late payment fee in the circumstances specified in subclause 5.6(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
194	Code of Conduct clause 5.6(2)	A retailer must not charge an additional late payment fee in relation to the same bill within five (5) business days from the date of receipt of the previous late payment fee notice.	Moderate	Unlikely	Medium	Moderate	Priority 4
195	Code of Conduct clause 5.6(3)	A retailer must not charge a residential customer more than two (2) late payment fees in relation to the same bill and no more than 12 late payment fees in a year.	Moderate	Unlikely	Medium	Moderate	Priority 4
196	Code of Conduct clause 5.6(4)	If a residential customer has been assessed by a retailer as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to the residential customer's last bill prior to the assessment being made.	Moderate	Probable	Medium	Moderate	Priority 4
197	Code of Conduct clause 5.7(1)	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 in subclause 5.7(1).	Moderate	Unlikely	Medium	Strong	Priority 4



No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
198	Code of Conduct clause 5.7(2)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
199	Code of Conduct clause 5.7(4)	Notwithstanding subclauses 5.7(1) and (2), a retailer must not require a previous customer to pay for electricity consumed at the supply address in the circumstances specified in subclause 5.7(4).	Moderate	Unlikely	Medium	Strong	Priority 4
200	Code of Conduct clause 5.8(1)	A retailer must comply with Part 2 of the debt collection guideline issued by the Australian Competition and Consumer Commission concerning section 50 of the Australian Consumer Law (WA).	Moderate	Unlikely	Medium	Strong	Priority 4
201	Code of Conduct clause 5.8(2)	A retailer must not commence proceedings for recovery of a debt from a residential customer who meets the criteria in subclause 5.8(2).	Moderate	Unlikely	Medium	Moderate	Priority 4
202	Code of Conduct clause 5.8(3)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
<b>Payment difficulties &amp; financial hardship</b>							
203	Code of Conduct clause 6.1(1)	If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within three (3) business days.	Moderate	Unlikely	Medium	Moderate	Priority 4
204	Code of Conduct clause 6.1(2)	When undertaking an assessment regarding payment difficulties or financial hardship, a retailer must give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by an independent financial counsellor or relevant consumer representative organisation	Minor	Unlikely	Low	Moderate	Priority 5
205	Code of Conduct clause 6.1(3)	Upon request, a retailer must advise a residential customer of the details and outcome of an assessment carried out under subclause 6.1(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
206	Code of Conduct clause 6.2(1)	A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer demonstrates to the retailer that the customer has made an appointment with a relevant consumer representative organisation.	Moderate	Unlikely	Medium	Moderate	Priority 4
207	Code of Conduct clause 6.2(2)	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	Moderate	Unlikely	Medium	Moderate	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
208	Code of Conduct clause 6.2(3)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation to allow additional time to assess a residential customer's capacity to pay.	Minor	Unlikely	Low	Moderate	Priority 5
209	Code of Conduct clause 6.3(1)(a)	In circumstances where a residential customer is assessed as experiencing payment difficulties, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1) and advise the residential customers that additional assistance may be available if, due to financial hardship, the residential customer would be unable to meet its obligations under an agreed alternative payment arrangement.	Moderate	Unlikely	Medium	Moderate	Priority 4
<b>210</b>	Code of Conduct clause 6.3(1)(b)	In circumstances where a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1) and assistance in accordance with clauses 6.6 to 6.9	Moderate	Unlikely	Medium	Moderate	Priority 4
211	Code of Conduct clause 6.4(1)	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the following two (2) payment arrangements: additional time to pay a bill; and an interest-free and fee-free instalment plan or other arrangement under which the residential customer is given additional time to pay a bill or to pay arrears (including any disconnection and reconnection charges), while being permitted to continue consumption.	Moderate	Unlikely	Medium	Moderate	Priority 4
212	Code of Conduct clause 6.4(2)	When offering an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with subclause 6.4(2).	Moderate	Unlikely	Medium	Moderate	Priority 4
213	Code of Conduct clause 6.6(1)	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative organisation, for a reduction of the customer's fees, charges, or debt.	Minor	Unlikely	Low	Moderate	Priority 5
214	Code of Conduct clause 6.6(2)	In giving reasonable consideration under subclause 6.6(1), a retailer should refer to the guidelines in its hardship policy referred to in subclause 6.10(2)(d).	Moderate	Unlikely	Medium	Moderate	Priority 4
215	Code of Conduct clause 6.7	Where it is reasonably demonstrated to the retailer that the customer experiencing financial hardship is unable to meet the customer's obligations under the previously elected payment arrangement, a retailer must give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.	Minor	Unlikely	Low	Moderate	Priority 5

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
216	Code of Conduct clause 6.8	A retailer must advise a customer experiencing financial hardship of the following: a customer's right to have the bill redirected to a third person, at no charge; payment methods available to the customer; concessions available to the customer and how to access them; different types of meters available to the customer; energy efficiency information available to the customer, including the option of an energy efficiency audit; independent financial counselling available to the customer; and the availability of any other financial assistance and grants schemes.	Moderate	Unlikely	Medium	Moderate	Priority 4
217	Code of Conduct clause 6.9(1)	A retailer must determine the minimum payment in advance amount, as referred to in subclause 5.4(3), for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representative organisations.	Moderate	Unlikely	Medium	Moderate	Priority 4
218	Code of Conduct clause 6.10(1)	A retailer must develop a hardship policy to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.	Moderate	Unlikely	Medium	Moderate	Priority 4
219	Code of Conduct clause 6.10(2)	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2).	Moderate	Unlikely	Medium	Moderate	Priority 4
220	Code of Conduct clause 6.10(3)	A retailer must give residential customers, financial counsellors and relevant consumer representative organisations details of the retailer's hardship policy, at no charge. The retailer must provide all residential customers identified as experiencing financial hardship with details of its hardship policy, including by post, if requested.	Moderate	Unlikely	Medium	Moderate	Priority 4
221	Code of Conduct clause 6.10(4)	A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy; the date the hardship policy was established; the dates the hardship policy was reviewed; and the dates the hardship policy was amended	Moderate	Unlikely	Medium	Moderate	Priority 4
222	Code of Conduct clause 6.10(5)	Unless otherwise notified in writing by the Authority, a retailer must review its hardship policy at least annually and submit to the Authority the results of that review within five (5) business days of its completion.	Moderate	Probable	Medium	Moderate	Priority 4
223	Code of Conduct clause 6.10(7)	Any review of a retailer's hardship policy must have regard to the Authority's Financial Hardship Policy Guidelines.	Moderate	Probable	Medium	Moderate	Priority 4
224	Code of Conduct clause 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
<b>Disconnection</b>							
225	Code of Conduct clause 7.1(1)	Prior to arranging for disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice not less than 13 business days from the date of dispatch of the bill, including the information specified in subclause 7.1(1)(a), use its best endeavours to contact the customer and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c)	Moderate	Unlikely	Medium	Moderate	Priority 4
226	Code of Conduct clause 7.2(1)	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in subclause 7.2(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
227	Code of Conduct clause 7.3	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
228	Code of Conduct clause 7.4(1)	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in subclause 7.4(1) are satisfied.	Moderate	Unlikely	Medium	Moderate	Priority 4
230	Code of Conduct clause 7.6	A retailer or distributor must comply with the limitations specified in clause 7.6 when arranging for disconnection or disconnecting a customer's supply address.	Major	Unlikely	High	Moderate	Priority 2
231	Code of Conduct clause 7.7(1)	Where a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the customer's supply address requires life support equipment the retailer must comply with subclause 7.7(1)	Major	Unlikely	High	Moderate	Priority 2
<b>232</b>	Code of Conduct clause 7.7(2)	Where a customer registered with a retailer under subclause 7.7(1) notifies the retailer of a change of the customer's supply address, contact details, life support equipment or that the customer's supply address no longer requires registration as a life support equipment address, the retailer must undertake the actions specified in subclause 7.7(2).	Major	Unlikely	High	Moderate	Priority 2
<b>Reconnection</b>							
235	Code of Conduct clause 8.1(1)	A retailer must arrange for reconnection of the customer's supply address if the customer remedies their breach, makes a request for reconnection, and pays the retailer's reasonable charges (if any) for reconnection or accepts an offer of an instalment plan for the retailer's reasonable charges.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority	
236	Code of Conduct clause 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified.	Moderate	Unlikely	Medium	Strong	Priority 4	
<b>Pre-payment meters</b>								
238	Code of Conduct clause 9.1(2)	A distributor may only operate a pre-payment meter and a retailer may only offer a pre-payment meter service in an area that has been declared by the Minister by notice published in the Government Gazette.	Not Applicable. Alinta is not licenced to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant.					
239	Code of Conduct clause 9.2(1)	A retailer must not provide a pre-payment meter service at a residential customer's supply address without the verifiable consent of the customer or the customer's nominated representative.						
240	Code of Conduct clause 9.2(2)	A retailer must establish an account for each pre-payment meter operating at a residential customer's supply address.						
241	Code of Conduct clause 9.2(3)	A retailer must not, in relation to the offer of, or provision of, a pre-payment meter service engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable, or exert undue pressure on a customer, nor harass or coerce a customer.						
242	Code of Conduct clause 9.3(1)	A retailer must advise a residential customer who requests information on the use of a pre-payment meter, at no charge, and in clear, simple and concise language, the information specified in subclause 9.3(1).						
<b>243</b>	Code of Conduct clause 9.3(2)	At the time a residential customer enters into a pre-payment meter contract at a residential customer's supply address, a retailer must give the customer (at no charge) the information specified in subclause 9.3(1), as well as that in subclause 9.3(2).						
<b>244</b>	Code of Conduct clause 9.3(3)	A retailer must ensure that the following information is shown on or directly adjacent to a residential customer's pre-payment meter: the positive or negative financial balance of the pre-payment meter within one dollar (\$1) of the actual balance; whether the pre-payment meter is operating on normal credit or emergency credit; a telephone number for enquiries; the distributor's 24-hour telephone number for faults and emergencies; and details of recharge facilities.						
<b>245</b>	Code of Conduct clause 9.3(4)	Upon request and at no charge, a retailer must give a pre-payment meter customer the following information: total energy consumption; average daily consumption; and the average daily cost of consumption for the previous two (2) years, or since the commencement of the pre-payment meter contract (whichever is shorter), divided into quarterly segments.						

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
<b>246</b>	Code of Conduct clause 9.4(1)	If a pre-payment meter customer notifies a retailer that it wants to replace or switch the pre-payment meter to a standard meter, within one (1) business day of the request the retailer must send the specified information to the customer and arrange with the relevant distributor to remove or render non-operational the pre-payment meter, and replace or switch the pre-payment meter to a standard meter.					
<b>247</b>	Code of Conduct clause 9.4(2)	A retailer must not require payment of a charge for reversion to a standard meter if the pre-payment customer is a residential customer and that customer, or their nominated representative, requests reversion of a pre-payment meter within three (3) months of its installation or the date the customer agreed to enter into the pre-payment contract, whichever is the latter.					
<b>248</b>	Code of Conduct clause 9.4(4)	If a retailer requests the distributor to revert a pre-payment meter, the distributor must do so within five (5) business days of receipt of the request for supply addresses within the metropolitan region; and within 10 days for supply addresses within regional areas.					
249	Code of Conduct clause 9.4(5)	Not less than 20 business days and not more than 40 business days prior to the expiry of the initial three (3) month period, a retailer must send a notice in writing or by electronic means to a residential pre-payment meter customer advising the customer of the date of the expiry of the customer's rights to revert to a standard meter at no charge, as well as the options available to the residential pre-payment meter customer.					
250	Code of Conduct clause 9.5(1)	A retailer must not provide a pre-payment meter service if the residential customer, or a person residing at the residential customer's supply address, requires life support equipment.					
251	Code of Conduct clause 9.5(2)	If a pre-payment meter customer notifies a retailer that a person residing at the supply address depends on life support equipment, the retailer must, or must immediately arrange to, remove or render non-operational the pre-payment meter at no charge; replace or switch the pre-payment meter to a standard meter at no charge; and provide information to the pre-payment meter customer about the contract options available to the customer.					
253	Code of Conduct clause 9.6	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in subclause 9.6.					

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
254	Code of Conduct clause 9.7(a),(b) and (d)	A retailer must ensure that: at least one recharge facility is located as close as practicable to a pre-payment meter, and in any case no further than 40 kilometres away; a pre-payment meter customer can access a recharge facility at least three (3) hours per day, five (5) days a week; and the minimum amount to be credited by a recharge facility does not exceed \$10 per increment.					
255	Code of Conduct clause 9.8	If a pre-payment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, a retailer must ensure that the pre-payment meter customer receives the benefit of the concession.					
256	Code of Conduct clause 9.9(1)	If requested by a pre-payment meter customer, a retailer must make immediate arrangements to check the metering data, test the pre-payment meter and/or arrange for a test of the metering installation at the connection point.					
258	Code of Conduct clause 9.9(4)	If a pre-payment meter is found to be inaccurate or not operating correctly, a retailer must immediately arrange for the repair or replacement of the pre-payment meter, correct any overcharging or undercharging and refund any charges payable by the customer for testing the pre-payment meter.					
259	Code of Conduct clause 9.10(1)	Subject to the pre-payment meter customer notifying a retailer of the proposed vacation date, a retailer must ensure that a pre-payment customer can retrieve all remaining credit at the time the pre-payment meter customer vacates the supply address.					
260	Code of Conduct clause 9.10(2)	If a pre-payment meter customer (including a pre-payment meter customer who has vacated the address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must (except in the circumstances in 9.10(7)) 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 or credit the customer's account if permitted.					
261	Code of Conduct clause 9.10(3)	The retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions.					
262	Code of Conduct clause 9.10(4)	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.					
263	Code of Conduct clause 9.10(6)	If a retailer proposes to recover an amount undercharged to a pre-payment meter customer as a result of an act or omission by the retailer or distributor, the retailer must comply with the conditions specified in subclause 9.10(6).					

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
264	Code of Conduct clause 9.11	Where a customer owes a debt to a retailer, the retailer may only adjust the tariff payable by a pre-payment meter customer to recover any amount owing at a maximum of \$10 on the first day, and then at a rate of no more than \$2 per day thereafter, unless otherwise authorised by an applicable law.					
265	Code of Conduct clause 9.12(1)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative organisation for a waiver of any fee to replace or switch a pre-payment meter to a standard meter.					
266	Code of Conduct clauses 9.12(2) and (3)	Where a retailer is informed by a pre-payment meter customer that the customer is experiencing payment difficulties or financial hardship or the retailer identifies the customer as having been disconnected in the manner specified in subclause 9.12(2)(b), the retailer must use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in subclause 9.12(2)(c)-(g) and in the manner stated in subclause 9.12(3).					
267	Code of Conduct clause 9.13 (3)	Where a grandfathered pre-payment meter is upgraded or modified, the modified or upgraded pre-payment meter must comply with the applicable requirements of Part 9.					
<b>Information and communication</b>							
268	Code of Conduct clause 10.1(1)	A retailer must give notice of any variations in its tariffs to each of its customers affected by a variation, as soon as practicable after the variation is published and no later than the next bill in the customer's billing cycle.	Moderate	Probable	Medium	Weak	Priority 3
269	Code of Conduct clause 10.1(2)	Upon request and at no charge, a retailer must provide a customer, with reasonable information on the retailer's tariffs, including alternative tariffs.	Moderate	Unlikely	Medium	Strong	Priority 4
270	Code of Conduct clause 10.1(3)	A retailer must give a customer the information requested on tariffs within eight (8) business days of the date of receipt, and, if requested, a retailer must provide the information in writing.	Moderate	Unlikely	Medium	Strong	Priority 4
271	Code of Conduct clause 10.2(1)	Upon request, a retailer must provide a non-contestable customer with their billing data.					
272	Code of Conduct clause 10.2(2)	If a non-contestable customer requests billing data for a period less than the previous two (2) years and no more than once a year, or in relation to a dispute with the retailer, a retailer must provide the data at no charge.					
273	Code of Conduct clause 10.2(3)	A retailer must give the requested billing data under subclause 10.2(1) within 10 business days of the receipt of the request or upon the payment of the retailer's reasonable charge for providing the billing data.					
			Not applicable. Clause applies to non-contestable customer only - Alinta is precluded from supplying non-contestable customers.				



No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
274	Code of Conduct clause 10.2(4)	A retailer must keep a non-contestable customer's billing data for seven (7) years.					
275	Code of Conduct clause 10.3	Upon request and at no charge, a retailer must give provide a residential customer with information on the types of concessions available to the residential customer, and the name and contact details of the organisation responsible for administering those concessions (if not the retailer).	Moderate	Unlikely	Medium	Moderate	Priority 4
276	Code of Conduct clause 10.3A	At least once a year, a retailer must provide a customer with written details of the retailer's and distributor's obligations to make payments to the customer under Part 14 of this code and under any other legislation in Western Australia including the amount of the payment and the eligibility criteria for the payment.	Moderate	Probable	Medium	Weak	Priority 3
277	Code of Conduct clause 10.4	Upon request and at no charge, a retailer must provide a customer with general information on cost effective and efficient ways to utilise electricity; how a customer may arrange for an energy efficiency audit at the customer's supply address; and the typical running costs of major domestic appliances.	Moderate	Unlikely	Medium	Strong	Priority 4
278	Code of Conduct clause 10.5	If asked by a customer for information relating to the distribution of electricity, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	Moderate	Unlikely	Medium	Strong	Priority 4
286	Code of Conduct clause 10.9	To the extent practicable, a retailer and distributor must ensure that any written information that must be given to a customer by the retailer or distributor or its electricity marketing agent under the Code of Conduct is expressed in clear, simple, and concise language and is in a format that makes it easy to understand.	Minor	Unlikely	Low	Strong	Priority 5
287	Code of Conduct clause 10.10(1)	Upon request, a retailer and a distributor must tell a customer how the customer can obtain a copy of the Code of Conduct.	Moderate	Unlikely	Medium	Strong	Priority 4
288	Code of Conduct clause 10.10(2)	A retailer and distributor must make electronic copies of the Code of Conduct available, at no charge, on their web sites.	Moderate	Unlikely	Medium	Strong	Priority 4
289	Code of Conduct clause 10.10(3)	A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
290	Code of Conduct clause 10.11(1)	Upon request and at no charge, a retailer and a distributor must make available to a residential customer services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	Moderate	Unlikely	Medium	Strong	Priority 4
291	Code of Conduct clause 10.11(2)	A retailer and, where appropriate a distributor, must include in relation to residential customers, the telephone number for their TTY services and for independent multi-lingual services as well as the National Interpreter Symbol with the words “Interpreter Services”, on the bill and bill-related information, reminder notices and disconnection warnings.	Moderate	Unlikely	Medium	Strong	Priority 4
293	Code of Conduct clause 10.12(2)	If requested, a retailer must advise the customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	Moderate	Unlikely	Medium	Strong	Priority 4
<b>Complaints &amp; dispute resolution</b>							
294	Code of Conduct clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Moderate	Probable	Medium	Moderate	Priority 4
295	Code of Conduct clause 12.1(2)	The complaints handling process under subclause 12.1(1) must comply with the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost.	Moderate	Probable	Medium	Moderate	Priority 4
296	Code of Conduct clause 12.1(3)	A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).	Moderate	Probable	Medium	Moderate	Priority 4
297	Code of Conduct clause 12.2	A retailer must comply with any guideline developed by the Authority relating to distinguishing customer queries from customer complaints.	Moderate	Unlikely	Medium	Strong	Priority 4
298	Code of Conduct clause 12.3	Upon request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer in utilising the respective complaints handling processes.	Moderate	Unlikely	Medium	Strong	Priority 4
299	Code of Conduct clause 12.4	When a retailer, distributor or electricity marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known).	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority	
<b>Record-keeping &amp; reporting</b>								
300	Code of Conduct clause 13.1(1)	Unless expressly provided otherwise, a retailer, distributor or electricity marketing agent must keep a record or other information as required to be kept by the Code of Conduct for at least two (2) years from the last date on which the information was recorded.	Moderate	Unlikely	Medium	Strong	Priority 4	
<b>301</b>	Code of Conduct clause 13.1(2)	For the purposes of subclause 13.1(1), a retailer must keep the information specified in subclause 13.1(2).	Moderate	Unlikely	Medium	Strong	Priority 4	
303	Code of Conduct clause 13.2 (a) and (b)	A retailer must keep a record of the total number of the items specified in subclauses 13.2(a) and (b).	Moderate	Unlikely	Medium	Moderate	Priority 4	
<b>304</b>	Code of Conduct clause 13.2(c)	Where the retailer has issued a bill outside of the time-frame set out in subclause 4.1(b), a retailer must keep a record of the actions it undertook, and the responses from the distributor to those actions, to obtain metering data.	Moderate	Unlikely	Medium	Moderate	Priority 4	
305	Code of Conduct clause 13.3(1)	A retailer must keep a record of the complaints information specified in subclause 13.3(1)	Moderate	Probable	Medium	Strong	Priority 4	
306	Code of Conduct clause 13.3(2)	A retailer must keep a record of the details of each complaint referred to in subclause 13.3(1)	Moderate	Probable	Medium	Strong	Priority 4	
307	Code of Conduct clause 13.4	A retailer must keep a record of the payments made under clauses 14.1, 14.2 and 14.3.	Moderate	Unlikely	Medium	Weak	Priority 3	
308	Code of Conduct clause 13.5	A retailer must keep a record of the call centre performance indicators specified in subclause 13.5.	Moderate	Probable	Medium	Strong	Priority 4	
309	Code of Conduct clause 13.6	A retailer must keep a record of the total number of residential and business customer accounts held by contestable and non-contestable customers.	Moderate	Probable	Medium	Strong	Priority 4	
310	Code of Conduct clause 13.7(1)	A retailer must keep a record of the information related to pre-payment meter customers specified in subclause 13.7(1).	Not applicable. Alinta is not licensed to supply electricity in those remote or town reserve communities addressed in Part 9 of the Code of Conduct, for which pre-payment meters are relevant.					

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
<b>311</b>	Code of Conduct clause 13.7(2)	A retailer must keep a record of the details of each complaint relating to a pre-payment meter customer.					
322	Code of Conduct clause 13.15	A retailer must prepare a report in respect of each reporting year setting out the information in the records specified in subclause 13.15.	Moderate	Probable	Medium	Moderate	Priority 4
<b>324</b>	Code of Conduct clause 13.17(1)	The annual retailer and distributor reports specified in subclauses 13.15 and 13.16 are to be published no later than the following October 1.	Moderate	Probable	Medium	Moderate	Priority 4
325	Code of Conduct clause 13.17(3)	A copy of each report must be given to the Minister and the Authority not less than seven (7) days before it is published.	Moderate	Probable	Medium	Moderate	Priority 4
<b>326</b>	Code of Conduct clause 13.18	A retailer and distributor must provide the information in the records in subclause 13.15 and 13.16, as applicable, to the Authority in a format acceptable to the Authority not later than the following September 23.	Moderate	Probable	Medium	Moderate	Priority 4
<b>Service standard payments</b>							
327	Code of Conduct clause 14.1(1)	Subject to clause 14.6, a retailer must pay the stated compensation to a customer where the customer is not reconnected in accordance with the timeframes specified in Part 8.	Moderate	Unlikely	Medium	Moderate	Priority 4
329	Code of Conduct clause 14.2(1)	Subject to clause 14.6, if a retailer fails to comply with any of the procedures specified in Part 6 and Part 7 prior to arranging for disconnection or disconnecting a customer for failure to pay a bill, or arranges for disconnection or disconnects a customer in contravention of clauses 7.2, 7.3, 7.6 or 7.7 for failure to pay a bill, the retailer must pay the specified compensation to the customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
331	Code of Conduct clause 14.3(1)	Upon receipt of a written query or complaint by a customer, a retailer must acknowledge the query or complaint within 10 business days and respond to the query or complaint by addressing the matters raised within 20 business days.	Moderate	Unlikely	Medium	Strong	Priority 4
332	Code of Conduct clause 14.3(2)	Subject to clause 14.6, a retailer must pay the customer \$20 where the retailer has failed to acknowledge or respond to a written query or complaint within the timeframes prescribed in subclause 14.3(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
336	Code of Conduct clause 14.7(1)	A retailer who is required to make a compensation payment for failing to satisfy a service standard under clauses 14.1, 14.2 or 14.3, must do so in the manner specified in subclause 14.7(1).	Moderate	Unlikely	Medium	Moderate	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority	
<b>Section 15 Electricity Industry Metering Code – Licence Conditions and Obligations</b>								
<b>345</b>	Electricity Industry Metering Code clause 3.3B	A user who is aware of bi-directional flows at a metering point which was not previously subject to a bi-directional electricity flows or any changes in a customer's or user's circumstances in a metering point which will result in bi-directional electricity flows must notify the network operator within 2 business days.	Moderate	Unlikely	Medium	Strong	Priority 4	
360	Electricity Industry Metering Code clause 3.11(3)	A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.	Moderate	Unlikely	Medium	Strong	Priority 4	
375	Electricity Industry Metering Code clause 3.18(1)	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.	Not applicable - clause applies to the Electricity Retail Corporation (Synergy Energy) only					
385	Electricity Industry Metering Code clause 3.27	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.	Moderate	Unlikely	Medium	Strong	Priority 4	
392	Electricity Industry Metering Code clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and data held in the metering database, the affected Code participants and the network operator must liaise together to determine the most appropriate way to resolve a discrepancy.	Minor	Unlikely	Low	Strong	Priority 5	
393	Electricity Industry Metering Code clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	Minor	Unlikely	Low	Moderate	Priority 5	

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
394	Electricity Industry Metering Code clause 4.5(2)	Subject to subclause 5.19(6), 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
409	Electricity Industry Metering Code clause 5.4(2)	A user must, when reasonably requested by a network operator, assist the network operator to comply with the network operator's obligation under subclause 5.4(1).	Minor	Unlikely	Low	Moderate	Priority 5
422	Electricity Industry Metering Code clause 5.16	If a user collects or receives energy data from a metering installation then the user must provide the network operator with the energy data (in accordance with the communication rules) within the timeframes prescribed.	Moderate	Unlikely	Medium	Moderate	Priority 4
423	Electricity Industry Metering Code clause 5.17(1)	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 the customer.	Moderate	Unlikely	Medium	Strong	Priority 4
426	Electricity Industry Metering Code clause 5.18	If a user collects or receives information regarding a change in the energisation status of a metering point then the user must provide the network operator with the prescribed information, including the stated attributes, within the timeframes prescribed.	Moderate	Unlikely	Medium	Moderate	Priority 4
427	Electricity Industry Metering Code clause 5.19(1)	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, and provide that information to the network operator.	Minor	Unlikely	Low	Strong	Priority 5
428	Electricity Industry Metering Code clause 5.19(2)	A user must, to the extent that it is able, collect and maintain a record of the prescribed information in relation to the site of each connection point with which the user is associated.	Minor	Unlikely	Low	Strong	Priority 5

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
429	Electricity Industry Metering Code clause 5.19(3)	Subject to subclauses 5.19(3A) and 5.19(6), the user must within 1 business day after becoming aware of any change in an attribute described in subclause 5.19(2), notify the network operator of the change.	Moderate	Unlikely	Medium	Strong	Priority 4
431	Electricity Industry Metering Code clause 5.19(6)	The user must use reasonable endeavours to ensure that it does not notify the network operator of a change in an attribute described in subclause 5.19(2) that results from the provision of standing data by the network operator to the user.	Minor	Unlikely	Low	Strong	Priority 5
437	Electricity Industry Metering Code clause 5.21(5)	A Code participant must not request a test or audit under subclause 5.21(1) 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.	Moderate	Unlikely	Medium	Strong	Priority 4
438	Electricity Industry Metering Code clause 5.21(6)	A Code participant must not make a request under subclause 5.21(1) that is inconsistent with any access arrangement or agreement.	Moderate	Unlikely	Medium	Strong	Priority 4
456	Electricity Industry Metering Code clause 5.27	Upon request from a network operator, the current user for a connection point must provide the network operator with customer attribute information that it reasonably believes are missing or incorrect within the timeframes prescribed.	Moderate	Unlikely	Medium	Strong	Priority 4
469	Electricity Industry Metering Code clause 6.1(2)	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed.	Moderate	Unlikely	Medium	Strong	Priority 4
472	Electricity Industry Metering Code clause 7.2(1)	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.	Minor	Unlikely	Low	Strong	Priority 5

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
474	Electricity Industry Metering Code clause 7.2(4)	If requested by a network operator with whom it has entered into an access contract, the Code participant must notify its contact details to a network operator within 3 business days after the request.	Moderate	Unlikely	Medium	Strong	Priority 4
475	Electricity Industry Metering Code clause 7.2(5)	A Code participant must notify any affected network operator of any change to the contact details it notified to the network operator under subclause 7.2(4) at least 3 business days before the change takes effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
476	Electricity Industry Metering Code clause 7.5	A Code participant must subject to subclauses 5.17A and 7.6 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.	Moderate	Unlikely	Medium	Strong	Priority 4
477	Electricity Industry Metering Code clause 7.6(1)	A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.	Moderate	Unlikely	Medium	Strong	Priority 4
478	Electricity Industry Metering Code clause 8.1(1)	If any dispute arises between any Code participants then (subject to subclause 8.2(3)) representatives of disputing parties must meet within 5 business days after a notice given by a disputing party to the other disputing parties and attempt to resolve the dispute by negotiations in good faith.	Minor	Unlikely	Low	Moderate	Priority 5
479	Electricity Industry Metering Code clause 8.1(2)	If a 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.	Minor	Unlikely	Low	Moderate	Priority 5
480	Electricity Industry Metering Code clause 8.1(3)	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.	Minor	Unlikely	Low	Moderate	Priority 5



No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
481	Electricity Industry Metering Code clause 8.1(4)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
482	Electricity Industry Metering Code clause 8.3(2)	The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).	Minor	Unlikely	Low	Moderate	Priority 5
<b>Obligations removed from the June 2013 Reporting Manual. Applicable for the period 1 June 2012 to 31 December 2012.</b>							
135*	Code of Conduct clause 2.4(4)	Subject to clause 2.4(5), 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 electricity marketing agent must give the specified information and a copy of the contract before the customer has entered into the contract and the electricity marketing agent must obtain a written acknowledgement that the information has been given.	Moderate	Unlikely	Medium	Strong	Priority 4
136*	Code of Conduct clause 2.5(1)	An electricity marketing agent must not, when marketing, engage in conduct that is misleading, deceptive or likely to mislead or deceive or that is unconscionable.	Moderate	Unlikely	Medium	Moderate	Priority 4
137*	Code of Conduct clause 2.5(2)	An electricity marketing agent must not exert undue pressure on a customer, nor harass or coerce a customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
141*	Code of Conduct clause 2.6(1)	An electricity marketing agent 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 electricity marketing agent must ask the customer whether they wish to proceed further.	Moderate	Unlikely	Medium	Moderate	Priority 4
144*	Code of Conduct clause 2.6(4)	If, when marketing to a customer, the customer indicates that they wish to end the contact, the electricity marketing agent 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
145*	Code of Conduct clause 2.6(5)	Unless requested by the customer, an electricity marketing agent 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.	Moderate	Unlikely	Medium	Moderate	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
146*	Code of Conduct clause 2.6(6)	An electricity marketing agent 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
148*	Code of Conduct clause 2.7(1)	Where the customer requests not to be contacted for the purposes of marketing a retailer or other party 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: - The customer requests contact; or - The customer has moved premises; or - A retailer or other party has a legal obligation to contact the customer.	Moderate	Probable	Medium	Moderate	Priority 4
149*	Code of Conduct clause 2.7(2)	A retailer or other party must keep a record of each customer who has requested not to be contacted, that includes the specified information.	Moderate	Unlikely	Medium	Strong	Priority 4
150*	Code of Conduct clause 2.7(3)	A retailer or other party must give a copy of the record to the Electricity Ombudsman or the Authority on request.	Minor	Unlikely	Low	Moderate	Priority 5
151*	Code of Conduct clause 2.7(4)	A retailer or other party must provide the customer on request with written confirmation that the customer will not be contacted for the next two years.	Moderate	Unlikely	Medium	Moderate	Priority 4
152*	Code of Conduct clause 2.7(5)	An electricity marketing agent must comply with a notice on or near premises indicating that the customer does not wish to receive unsolicited mail or other marketing information.	Moderate	Unlikely	Medium	Moderate	Priority 4
153*	Code of Conduct clause 2.8	A retailer and an electricity marketing agent 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.	Moderate	Unlikely	Medium	Strong	Priority 4
181*	Code of Conduct clause 4.14(1)	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.	Minor	Unlikely	Low	Moderate	Priority 5
182*	Code of Conduct clause 4.14(2)	A retailer must repay any amounts overcharged to a customer as a result of a change in the customer's electricity use.	Moderate	Unlikely	Medium	Moderate	Priority 4
194*	Code of Conduct clause 5.2(2)	A retailer must comply with the Electronic Funds Transfer Code of Conduct in making an electronic payment.	Moderate	Unlikely	Medium	Strong	Priority 4

No.	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Controls Assessment	Audit Priority
222*	Code of Conduct clause 6.9(2)	A retailer may apply different minimum payment in advance amounts for residential customers experiencing payment difficulties or financial hardship and other customers.	Minor	Unlikely	Low	Moderate	Priority 5
361*	Electricity Industry Metering Code clause 3.16(5)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
395*	Electricity Industry Metering Code clause 5.5(3)	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.	Moderate	Unlikely	Medium	Strong	Priority 4
412*	Electricity Industry Metering Code clause 5.19(4)	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.	Moderate	Unlikely	Medium	Moderate	Priority 4

\*Obligation number obtained from May 2011 Reporting Manual

# Appendix 3 – New and superseded obligations

Legislative Element	New obligations <sup>2</sup> Relevant period: 1 Jan '13 – 31 May '14	Superseded obligations <sup>3</sup> Relevant period: 1 Jun '12 – 31 Dec '12
Electricity Industry (Licence Conditions) Regulations	N/A	N/A
Electricity Industry (Customer Contracts) Regulations	N/A	N/A
Electricity Licences – Licence Conditions and Obligations	N/A	N/A
Code of Conduct for the Supply of Electricity to Small Use Customers	132: Clause 2.3(1)(c)-(d) 150: Clause 4.2(2) 176: Clause 4.16(1)(b) 178: Clause 4.16(3) 183: Clause 4.18(6) 184: Clause 4.19(1) 185: Clause 4.19(2) 186: Clause 4.19(3) 187: Clause 4.19(4) 210: Clause 6.3(1) (b) 232: Clause 7.7(2) 301: Clause 13.1(2) 304: Clause 13.2(c) 311: Clause 13.7(2) 324: Clause 13.17(1) 326: Clause 13.18  Prepayment meter obligations: 243: Clause 9.3(2) 244: Clause 9.3(3) 245: Clause 9.3(4) 247: Clause 9.4(2) 248: Clause 9.4(4)	135: Clause 2.4(4) 136: Clause 2.5(1) 137: Clause 2.5(2) 141: Clause 2.6(1) 144: Clause 2.6(4) 145: Clause 2.6(5) 146: Clause 2.6(6) 148: Clause 2.7(1) 149: Clause 2.7(2) 150: Clause 2.7(3) 151: Clause 2.7(4) 152: Clause 2.7(5) 153: Clause 2.8 181: Clause 4.14(1) 182: Clause 4.14(2) 194: Clause 5.2(2) 222: Clause 6.9(2)
Electricity Industry Metering Code – Licence Conditions and Obligations	345: Clause 3.3B	361: Clause 3.16(5) 395: Clause 5.5(3) 412: Clause 5.19(4)

<sup>2</sup> Obligation number is based on the previous Electricity Compliance Reporting Manual (February 2013) effective from 1 January 2013 for Code of Conduct and 7 December 2012 for Metering Code

<sup>3</sup> Obligation number is based on the previous Electricity Compliance Reporting Manual (May 2011).

# Appendix 4 – Previous audit recommendations

Recommendations are drawn from the Alinta Sales Pty Ltd 2012 Electricity Retail Licence Performance Audit Report dated 20 December 2012.

<p><b>Issue 1/2012</b></p> <p><b>Obligation 108</b></p> <p><i>Electricity Industry Act section 54(1)</i></p> <p>Alinta’s processes require electricity to be provided to small use customers through the approved non-standard form contract “Commercial Electricity Supply Agreement”, with the accompanying Small Use Commercial Customer Standard Terms and Conditions.</p> <p>In November 2011, Alinta renewed a contract with a customer as a large use customer (under the Commercial Electricity Sale Agreement: Standard Terms and Conditions (160 MWh+)). As this customer had reverted to a small use customer status at the time of renewing the contract, Alinta did not comply with the requirement to use the approved non-standard form contract for small use commercial customers.</p>	
<p><b>Recommendation 1/2012</b></p> <p>Alinta strengthen its customer contract renewal processes to ensure it:</p> <p>(a) Identifies customers whose status changes between Large Use and Small Use</p> <p>(b) Advises such customers of any change in status, provides the appropriate information to those customers and effects any necessary change in the contractual arrangements.</p>	<p><b>Action Plan 1/2012</b></p> <p>Alinta will develop and implement additional customer contract renewal processes to:</p> <p>(a) Identify customers whose status changes between Large Use and Small Use at the commencement or renewal of the contract</p> <p>(b) Advise customers accordingly and provide the appropriate information to such customers.</p> <p><b>Responsible Person:</b> SME Sales Renewals Manager</p> <p><b>Target Date:</b> Completed by 30 November 2012</p>
<p><b>Issue 2/2012</b></p> <p><b>Obligations 125, 318 and 319</b></p> <p><i>Retail Licence condition 17.1 and 17.2, Code of Conduct clauses 13.15(1) and 13.15(3)</i></p> <p>The General Manager Regulatory Affairs confirmed that Alinta published its 2009/10 and 2010/11 Code of Conduct performance reports, which set out the information required by Part 13 of the Code of Conduct to its website by 1 October each year and not less than 7 days after providing the reports to the Authority and the Minister.</p> <p>However, Alinta is currently unable to readily provide evidence of the Code of Conduct performance reports’ submission to the Minister and subsequent publication date. Alinta has an opportunity to strengthen its procedures to record the date on which reports are provided to the Minister and the Authority and subsequently published, therefore evidencing compliance with the specified timeframes.</p>	
<p><b>Recommendation 2/2012</b></p> <p>Alinta establish a process for evidencing the date on which relevant performance reports are:</p> <ul style="list-style-type: none"> <li>• Presented to the Authority and the Minister</li> <li>• Published on its website.</li> </ul>	<p><b>Action Plan 2/2012</b></p> <p>Alinta will establish a process for evidencing the date on which relevant performance reports are presented to the Authority and Minister and subsequently published on its website.</p> <p><b>Responsible Person:</b> Manager Regulatory Compliance</p> <p><b>Target Date:</b> Completed by 14 September 2012</p>

<p><b>Issue 3/2012</b></p> <p><b>Obligations 172 and 173</b></p> <p><i>Code of Conduct clauses 4.8(1) and 4.8(2)</i></p> <p>Alinta’s billing processes provide for estimated bills to be generated based on Western Power’s relevant calculations in accordance with the requirements of the Code.</p> <p>However those processes currently do not:</p> <ul style="list-style-type: none"> <li>• Identify which bills contain estimates to facilitate printing on the relevant bill</li> <li>• Provide for customers to be notified that their bill has been calculated using estimated metering data.</li> </ul> <p>These obligations were also rated as non-compliant in the 2010 performance audit report. Alinta has not yet completed the identified corrective action (requiring billing system enhancements) to address the non-compliance.</p> <ul style="list-style-type: none"> <li>• We acknowledge that Alinta has engaged with its billing system vendor to enable automated notification on customer bills when estimated metering data is used for the generation of bills. At the time of this audit, the required functionality had not been successfully implemented, with a priority for completion by October 2012.</li> </ul>	
<p><b>Recommendation 3/2012</b></p> <p>As a matter of priority, Alinta finalise billing system enhancements to address the requirements of s.4.8(2) of the Code through notification of customers when an estimation has been used to produce a bill.</p>	<p><b>Action Plan 3/2012</b></p> <p>Alinta will finalise billing system enhancements to address the requirements of s.4.8 (2) of the Code.</p> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> Completed by 31 October 2012</p>
<p><b>Issue 4/2012</b></p> <p><b>Obligation 269</b></p> <p><i>Code of Conduct clause 10.1(1)</i></p> <p>Although Alinta has attempted to demonstrate it has given appropriate notice to customers affected by tariff changes, the manner of notification does not fully comply with the Code requirement to give notice as soon as practicable after a specific variation is published and, in any event, no later than the next bill in a customer’s billing cycle. That is, the “blanket” notification does not adequately inform affected customers of an actual tariff variation.</p>	
<p><b>Recommendation 4/2012</b></p> <p>Alinta implement the most appropriate method for notifying individual customers of any changes in tariffs on the customer’s next bill, in accordance with the requirements of Clause 10.1 of the Code.</p>	<p><b>Action Plan 4/2012</b></p> <p>Alinta will investigate and establish a plan for implementing the most appropriate method for notifying individual customers of any changes in tariffs on the customer’s next bill.</p> <p><b>Responsible Person:</b> Manager Customer Services</p> <p><b>Target Date:</b> 31 March 2013</p>
<p><b>Issue 5/2012</b></p> <p><b>Obligation 277</b></p> <p><i>Code of Conduct clause 10.3A</i></p> <p>Clause 10.3A of the Code came into effect from 1 July 2010, requiring Alinta to (at least once a year) provide all small use customers with written details of Alinta’s obligation to make the service standard payments listed in Part 14 of the Code.</p> <p>During the period 1 July 2010 to 31 May 2012, Alinta had not provided the required notification at any time, therefore not complying with the requirement for at least the first year. This issue was reported in Alinta’s 2010/2011 ERL6 Licence Compliance report to the Authority, with a commitment to rectify the matter by providing customers with an appropriate written notice at least annually.</p> <p>Alinta has also not yet confirmed the relevant “annual period” (e.g. financial year, calendar year, licence year).</p>	

<p><b>Recommendation 5/2012</b></p> <p>Alinta implement a procedure to address the requirements of s.10.3A of the Code by notifying customers on an annual basis of Alinta’s obligation to make service standard payments as listed in Part 14 of the Code. This procedure should specify what constitutes a “year” for the purposes of the Code requirement.</p>	<p><b>Action plan 5/2012</b></p> <p>Alinta has updated the “Bill” templates and testing is currently underway.</p> <p>Once completed, appropriate notification relating to the requirements of s10.3A of the Code will be included with every electricity bill issued (therefore satisfying the “at least once a year” requirement).</p> <p><b>Responsible Person:</b> Manager Customer Services  <b>Target Date:</b> Completed by 31 October 2012</p>
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<p><b>Issue 6/2012</b></p> <p><b>Obligation 295</b></p> <p><b>Code of Conduct clause 12.1(1)</b></p> <p>We acknowledge that Alinta has enhanced its customer complaints handling process by implementing improvements per the 2010 audit post audit implementation plan. This audit highlights the following matter as requiring further attention:</p> <p>The Customer Complaints Report presented to us on 12 July 2012 contained 15 complaints records where the resolution status of the complaint was recorded as either “in progress” or “not known”, plus two records with no resolution status recorded. In all cases, the complaint had been received at least one month earlier than the status report. We understand that this situation occurred where the responsibility for complaint resolution was assigned to staff outside the Energy Billing team and no status update on the complaint was obtained to update the complaint status in Gentrack. A revised Customer Complaints Report presented to us on 9 August 2012 provided an updated record of the complaints resolution status and in one case, reclassification of the customer’s contact as an “enquiry”.</p> <p>In these circumstances, Alinta is not able to effectively demonstrate that its internal complaints handling processes are working as intended to ensure that complaints are appropriately recognised and resolved.</p>
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<p><b>Recommendation 6/2012</b></p> <p>Alinta:</p> <p>(a) Amend the complaints handling process to include a feedback path to ensure the correct complaint status and details are captured in Gentrack, regardless of which department is handling the complaint</p> <p>(b) Implement exception reporting or alerts to follow up on all non resolved complaints with the necessary personnel and capture any progress updates in Gentrack.</p>	<p><b>Action Plan 6/2012</b></p> <p>Alinta has reviewed the existing process for complaint management in relation to electricity customers and will:</p> <p>(a) Update the process to ensure the complaint status is updated and captured in the Gentrack system</p> <p>(b) Allocate responsibility to appropriate staff members to manage complaints</p> <p>(c) Train appropriate staff for recording related information in the Gentrack system</p> <p>(d) Implement processes to identify and report on resolution timeframes</p> <p>(e) Allocate responsibility to a dedicated resource to manage and report on electricity complaints.</p> <p><b>Responsible Person:</b> Manager Customer Services  <b>Target Date:</b> Completed by 30 September 2012</p>
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# Appendix B – References

## Key Alinta staff participating in the audit

- Michelle Shepherd                      General Manager Regulatory Affairs
- Catherine Rousch                      Manager Regulatory Affairs
- Shannon Mizen                      SME Sales and Channel Manager
- Team Leader – Billing Services
- Team Leader – Customer Services
- Commercial Credit Controller
- Financial Controller
- SME Accounts Manager
- Senior Accountant
- Regulatory Advisor
- Sales Coordinator
- Energy Billing Officer

## Deloitte staff participating in the audit

<b>Name</b>	<b>Position</b>	<b>Hours</b>
• Darren Gerber	Partner	10
• Ben Fountain	Account Director	70
• Amit Grover	Senior Analyst	227
• Julia Dunkel	Analyst	33
• Richard Thomas	Partner (Quality Assurance Review)	4

## Key Documents and other information sources examined

- Alinta Sales Pty Ltd 2011/12 Annual Electricity Performance Report
- Alinta Sales Pty Ltd 2012/13 Annual Electricity Compliance Report
- Confirmations from SME Sales and Channel Manager, Manager Regulatory Affairs, Financial Controller, Team Leader – Billing Services, Team Leader – Customer Services, Commercial Credit Controller
- Alinta Sales Pty Ltd Particulars of Contract Electricity Supply Agreement
- Alinta Sales Pty Ltd Electricity Supply Non-Standard Contract –Particulars of Contract
- Alinta Sales Pty Ltd Electricity Supply Small Use Commercial Customer – Terms and Conditions
- Correspondence between Alinta and the Authority regarding standard form contract review
- Customer notification letter on tariff increase
- Alinta’s register of customers with requirement of life support equipment and sensitive load
- Alinta Sales Pty Ltd Customer Complaint Handling Process – Electricity
- Customer complaints report as at 1 July 2014 for the period 1 July 2012 to 31 May 2014
- Alinta Sales Pty Ltd Electricity Customer Service Charter September 2009
- Alinta Sales Pty Ltd Electricity Customer Service Charter April 2012
- Records of payment of Alinta’s Electricity Retail Licence ERL6 invoice for 2012 and 2013
- Correspondence with the Authority regarding submission of reports
- Alinta staff’s marketing ID and business cards
- Face to face marketing script



- Alinta’s sales team’s training references
- Alinta’s Privacy Policy
- Aged Debtors Reports
- Unbilled installations report – May 2014
- Gentrack reconciliation document – May 2014
- Examples of bills to customers
- Examples of reminder notices to customers
- Examples of disconnection warning notices template
- Disconnection warning notices and reminder notices for disconnections due to failure to pay a bill
- Standard bill template
- Alinta Sales Hardship Policy – Electricity
- Electricity Industry Metering Code 2012
- Code of Conduct for the Supply of Electricity to Small Use Customers
- Electricity Industry Customer Transfer Code 2004
- Electricity Industry Act 2004
- Electricity Industry (Customer Contracts) Regulations 2005
- Alinta Electricity Retail Licence ERL6.

# Appendix C – Post Audit Implementation Plan

## Issue 1/2014

### Obligation 81

#### *Electricity Industry (Customer Contracts) Regulations 2005, Regulation 7*

Examination of Alinta's non-standard form contract and accompanying terms and conditions confirmed that the documents do not specify all the information required by Regulation 7 of the Customer Contracts Regulations. We identified that Regulation 7 requires the retailer to specify (amongst others):

- The registered office address and business address (if different from its registered office) (Regulation 7(c))
- The postal address.

Alinta Sales Pty Ltd.'s (the Licensee) registered office address, per an ASIC search performed on 24 July 2014 is Level 11, 16-20 Bridge Street, Sydney NSW 2000. However:

- The non-standard form contract only details Alinta's postal address in Western Australia
- The terms and conditions list a number of addresses, however the registered address listed is outdated as it refers to an address in Adelaide.

### Recommendation 1/2014

Alinta should update both its non-standard form contract and terms and conditions to reflect the appropriate registered address of Alinta Sales Pty Ltd.

### Action plan 1/2014

Alinta will update the required documentation with correct registered address.

**Responsible Person:** Manager Regulatory Affairs

**Target Date:** 31 December 2014

## Issue 2/2014

### Obligation 124

#### *Retail Licence condition 16.1*

Alinta's Annual Compliance Reports are required to be submitted to the Authority by 31 August each year both in hard copy and electronic format.

Although an electronic copy of 2011/12 Compliance Report was submitted to the Authority by 31 August 2012, the hard copy submission was not provided until after 31 August, therefore not complying with the required timeframe. This issue was reported by Alinta to the Authority in 2012/13 Compliance Report.

We acknowledge that since 2013, Alinta has appointed a Regulatory Advisor who is responsible for tracking all key regulatory notification and reporting dates in a Regulatory Obligations Register and has submitted subsequent reports in a timely fashion.

As such, no further action is proposed.

**Issue 3/2014****Obligations 129, 130, 132, 133, 135, 136, 137, 139****Code of Conduct Clauses 2.1, 2.2, 2.3(1)(c)-(d), 2.3(2), 2.4(1), 2.4(2), 2.4(3), 2.5(2)**

The Code of Conduct for supply of electricity to small use customers contains specific requirements regarding the manner through which retailers or marketing agents can enter into contractual relationships with customers.

The audit identified that Alinta entered into an arrangement to supply electricity to a customer in April 2013 utilising Alinta's advertised rates. We understand that the arrangement was not unsolicited (i.e. the customer approached Alinta for the provision of services). However, the audit confirmed that:

- The arrangement is not supported by a formal contractual arrangement
- The information Alinta is required to provide to customers, as outlined by the Code, had not been provided to the customer (for example, the non-standard form contract terms and conditions)
- Verifiable consent had not been obtained from the customer.

As Alinta did not formally engage the customer through a formal contract and provide appropriate information to the customer, Alinta has not complied with clause 2.1. Given the nature of the non-compliance, Alinta has also not complied with clauses 2.2, 2.3(1)(c)-(d), 2.3(2), 2.4(1), 2.4(2) and 2.5(2).

**Recommendation 3/2014**

Alinta should:

- (a) Formalise the contractual relationship between Alinta and the identified customer
- (b) Review its contract establishment procedures and implement measures to ensure that all contracts are in writing and verifiable consent is obtained from each customer, as well as applicable information being provided to the customer
- (c) Consider implementing automated measures to ensure that the triggers for differing contractual relationships are correctly applied. Alinta should also consider providing training to staff about the differing contractual relationships and the associated triggers for their use and updating procedures to specifically delineate between the contract types.
- (d) Consider reviewing its existing contracts to ensure that the appropriate contractual relationships are in place.

**Action plan 3/2014**

Alinta will:

- (a) Formalise the contractual relationship between Alinta and the identified customer
- (b) Review its contract establishment procedures and implement measures to ensure that all contracts are in writing and verifiable consent is obtained from each customer, as well as applicable information being provided to the customer
- (c) Consider implementing automated measures to ensure that the triggers for differing contractual relationships are correctly applied. Alinta should also consider providing training to staff about the differing contractual relationships and the associated triggers for their use and updating procedures to specifically delineate between the contract types.
- (d) Consider reviewing its existing contracts to ensure that the appropriate contractual relationships are in place.

**Responsible Person:** Business Sales and Channel Manager

**Target Date:** 30 October 2014

<p><b>Issue 4/2014</b></p> <p><b>Obligations 114, 115, 142</b></p> <p><b>Retail Licence condition 23.1 and 23.2</b>  <b>Code of Conduct Clause 2.6(3)</b></p> <p>Where Alinta representatives meet with customers face-to-face they are required to:</p> <ul style="list-style-type: none"> <li>• Inform the customer the purpose of their visit as soon as practicable (where unsolicited)</li> <li>• Wear a clearly visible and legible identity card, including mandated information</li> <li>• Provide the customer with written mandated information.</li> </ul> <p>In February 2014, Alinta representatives met with 15 small use business customers face-to-face as part of a marketing campaign. Examination of the written information (i.e. business card) provided to customers by Alinta identified that it failed to detail the following three information requirements required by s.2.6(2)(c), including:</p> <ul style="list-style-type: none"> <li>• The marketing agent’s marketing identification number</li> <li>• Alinta’s complaints telephone number</li> <li>• Australian Business or Company number of Alinta.</li> </ul> <p>We acknowledge that Alinta has since updated the business card to comply with the requirements of Code. We also acknowledge that whilst Alinta has since updated the business card to comply with the requirements of Code, Alinta’s processes did not identify the breach of the Code of Conduct. As such, Alinta’s processes for reporting the breach to the Authority were not triggered.</p>	
<p><b>Recommendation 4/2014</b></p> <p>Alinta should:</p> <p>(a) Recommunicate the key compliance requirements to the marketing and sales team to ensure that marketing agents communicate with the Regulatory team should a breach occur</p> <p>(b) Implement a process to ensure that the marketing and sales team provides periodic compliance updates to the Regulatory team. The Regulatory team should then periodically check marketing and sales performance.</p>	<p><b>Action Plan 4/2014</b></p> <p>Alinta will:</p> <p>(a) Recommunicate the key compliance requirements to the marketing and sales team to ensure that marketing agents communicate with the Regulatory team should a breach occur</p> <p>(b) Implement a process to ensure that the marketing and sales team provide periodic compliance updates to the Regulatory team. The Regulatory team will perform periodic checks on marketing and sales performance.</p> <p><b>Responsible Person:</b> Manager Regulatory Affairs</p> <p><b>Target Date:</b> 31 December 2014</p>

**Issue 5/2014****Obligation 158****Code of Conduct Clause 4.5(1)**

Alinta is required, per clause 4.5(1) of the Code to include particular information on its bill unless a customer agrees otherwise. In August 2011, Alinta amended its non-standard form contract to provide for customers to consent for specific elements not to be included on the standard bill. Section 6.3 of Alinta's non-standard contract stated:

*Each bill will show the information required to be included in accordance with clause 4.5[1] of the Code, other than the information in clause 4.5[1][b] and [bb] of the Code, which you agree the bill is not required to show.*

However, as the Code of Conduct was updated during the audit period, effective from 1 January 2013, the clause references mentioned in section 6.3 of Alinta's non-standard form contract are incorrect:

- Clause 4.5(1)(b) (now cl.4.5(1)(c)(i)) originally required current meter reading or estimate, where the customer had an accumulation meter installed. Given the change in Code, it now refers to requirements where the customer has a Type 7 connection point, which is not relevant to Alinta's customers
- Clause 4.5(1)(bb) (now cl.4.5(1)(dd)) originally required, to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period covered by the bill, the previous bill and the bill for the same period last year. Given the change in the Code, it now refers to the requirement for the national interpreter symbol to be included.

As such, Alinta has been obtaining consent from customers to not include specific particulars on its bill that are actually included. Conversely, consent has not been obtained for the removal of two clause requirements.

Our examination of Alinta's bill template and non-standard form contract also highlighted that the requirements for clause 4.5(1)(d)(ii) have not been included in the bill. Consent to not include has not been sought from the customer.

**Recommendation 5/2014**

Alinta should:

- (a) Update its non-standard form contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills
- (b) Implement a monitoring process to ensure that the non-standard form contract and supporting terms and conditions align with the requirements of the Code of Conduct, specifically where updated.

**Action Plan 5/2014**

Alinta will:

- (a) Update its non-standard contract terms and conditions to reflect the correct Code of Conduct clause references it wishes to obtain consent from customers to not include information on its bills
- (b) Implement a monitoring process to ensure that the non-standard contract and supporting terms and conditions align with the requirements of the Code of Conduct, specifically where updated or changes made to the Code.

**Responsible Person:** Manager Regulatory Affairs

**Target Date:** 31 December 2014

**Issue 6/2014****Obligation 163 and 164****Code of Conduct Clauses 4.8(1) and 4.8(2)**

Clause 4.8(1) requires Alinta to provide customers with an estimated bill should they be unable to base it on a meter read. Clause 4.8(2) requires a retailer to detail on a customer's bill, if based on an estimated read, the following:

- The fact that the retailer has based the bill on an estimation (cl.4.8(2)(a))
- (On request) the basis and reason for estimation (cl.4.8(2)(b))
- The customers' ability to request a verification of a meter reading and an actual meter reading (cl.4.8(2)(c)).

Through discussions with the Energy Billing Officer and walkthrough of Alinta's billing processes, we determined that Alinta has the following arrangements in place for estimated bills:

- Alinta's procedures provide for Western Power to generate an estimated value based on previous billed amounts in the event that a meter read data is not received
- The estimated data provided by Western Power (via the web portal) is to be uploaded into Gentrack
- Gentrack is to identify those interval periods where an estimation has been performed
- Gentrack identifies which bills contain estimations to facilitate printing of relevant information on the customer's bill i.e. that their bill has been calculated using estimated metering data.

Alinta's processes had required an estimated bill template to include the following note to demonstrate compliance with the requirements of sub clause 4.8:

*"This invoice is based on metering data that includes estimates. For details on the basis and reason for the meter data estimates, or to request a meter verification or reading, please contact Alinta on 13 13 58."*

However in November 2012, Alinta's estimated bill template was updated to include a notification about Alinta's service standard payments (per cl.10.3A). The update resulted in the above notation about estimated meter reads being removed. As such, estimated bills issued since November 2012 did not include the specified information per cl 4.8(2).

**Recommendation 6/2012**

Alinta should:

- (a) Update the estimated bill template to include all required elements of clause 4.8 of the Code
- (b) Implement a monitoring process to ensure that the estimated bill template aligns with the requirements of the Code of Conduct, specifically where updated.

**Action Plan 6/2012**

Alinta has updated the estimated bill template to include all the required elements of cl.4.8 of the Code. In addition, Alinta will implement the following monitoring processes:

- (a) Where a change to the bill is made, the template is independently verified (e.g. separate team in customer services) to ensure that the correct information is maintained
- (b) Annual check of the bill template will be performed by the Regulatory team as part of annual compliance report to the Authority.

**Responsible Person:** Manager Regulatory Affairs

**Target Date:** 31 December 2014

**Issue 7/2014****Obligation 268****Code of Conduct clause 10.1(1)**

Clause 10.1(1) of the Code requires a retailer to give a notice to each of its customers affected by a variation in its tariffs 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.

During the audit period, there were two tariff variations effective from 1 July 2012 and 1 September 2013.

As identified by the 2012 performance audit report, Alinta attempted to demonstrate compliance with requirements of clause 10.1(1) by including a 'blanket' notification statement on customer bills as a way of informing customers on any variation in its tariff. However, the 2012 performance audit determined that the 'blanket' statement did not adequately inform affected customers of an actual tariff variation. Alinta agreed to investigate and establish a plan for implementing the most appropriate method for notifying individual customers of any tariff changes on the customer's next bill.

Our assessment identified that Alinta customers were:

- Not notified of the tariff change effective from 1 July 2012, outside of the blanket statement identified above. As such, Alinta has not complied with the requirements of cl.10.1(1) of the Code
- Notified of the tariff change effective from 1 September 2013 by way of a manual notification letter sent with the first bill following the tariff change. As such, Alinta has complied with the requirement of the Code.

We also noted that Alinta's post audit implementation plan 4/2012 has not been addressed, as it is reliant on the introduction of a new billing engine. The development of the billing engine was ongoing at the time of the audit.

**Recommendation 7/2014**

Alinta should:

- (a) Implement a process to enable timely and effective information to be provided to customers should a tariff change
- (b) Provide a status update to the Authority of the billing engine project and how the tariff change process will be reflected to address clause 10.1(1).

**Action Plan 7/2014**

Alinta will:

- (a) Assign a team to prepare tariff change notifications and ensure distribution of the information to affected customers
- (b) Ensure that the process requirement is captured in the Gentrack system upgrade so that appropriate information can be captured on customer bills.

**Responsible Person:** Customer Services Manager

**Target Date:**

- (a) Completed. In place since Team was used to deliver the September 2013 tariff change and update
- (b) 31 December 2014.

**Issue 8/2014****Obligation 294 and 295****Code of Conduct clause 12.1(1) and 12.1(2)**

Clause 12.1 of the Code requires a retailer and distributor to develop, maintain and implement an internal process for handling complaints and resolving disputes, which addresses key factors, such as response time and methods of response.

We examined the Customer Complaints Report, detailing 22 complaints received by Alinta during the audit period (and status as at 1 July 2014) and observed:

- 4 complaint records with the method of response and resolution status not recorded
- 12 complaint records where the complaint had not been actioned within 3 months of complaint receipt. We identified:
  - 6 of the 12 complaints were outstanding since 2012
  - 5 of the 12 complaints were outstanding since 2013
  - 1 complaint was outstanding since January 2014.
- All 16 complaints identified above were marked as ‘in progress’ within Gentrack and had not been updated to ‘resolved’ as they were finalised.

As such, our assessment of Alinta’s customer complaints process identified that the monitoring and follow-up practices require attention to ensure that Alinta is managing complaints and agreeing resolutions in a timely fashion.

**Recommendation 8/2014**

Alinta should implement exception reporting or alerts to follow up on all non-resolved complaints with the necessary personnel and capture any progress updates.

**Action Plan 8/2014**

Alinta will:

- (a) Update the complaints register to ensure that all items on the complaints register have been addressed. Note that upon investigation, the overdue items had previously been actioned, however the system had not been updated to reflect the correct status
- (b) Prepare a weekly report of open complaints which is to be reviewed by Team Leader Customer Services and actioned accordingly
- (c) As part of the Gentrack billing system upgrade, new procedures and functionality will be implemented to manage complaints with automated alerts to identify open complaint records.

**Responsible Person:** Customer Services Manager

**Target Date:**

- (a) Completed
- (b) Completed
- (c) 31 December 2014.