

Wesfarmers Kleenheat Gas Pty Ltd

Electricity Retail Licence (ERL5)

2017 Performance Audit Report

November 2017

Ms Sarah York
General Manager, Natural Gas and Electricity
Wesfarmers Kleenheat Gas Pty Ltd
Building 161, Murdoch University
Murdoch, WA 6150

20 December 2017

Dear Sarah

Wesfarmers Kleenheat Gas Pty Ltd Electricity Retail Licence (ERL5) 2017 Performance Audit Report

We have completed the Electricity Retail Licence Performance Audit for Kleenheat for the period 1 July 2013 to 30 June 2017 and are pleased to submit our report to you.

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

If you have any questions or wish to discuss anything raised in the report, please contact Andrew Baldwin on 0414 924 346 or me on 0411 603 644.

Yours sincerely

Richard Thomas
Partner
Deloitte Risk Advisory Pty Ltd

Contents

1	Independent Auditor's report	4
2	Executive summary	7
3	Summary of findings	13
4	Detailed findings, recommendations and action plans	21
5	Follow-up of previous audit non-compliances and recommendations	90
	Appendix A - Audit plan	93
	Appendix B - References	131
	Appendix C - Post audit implementation plan	134

1 Independent Auditor's report

With the approval of the Economic Regulation Authority (the **ERA**), Wesfarmers Kleenheat Gas Pty Ltd (**Kleenheat**) engaged Deloitte Risk Advisory Pty Ltd (**Deloitte**) to conduct a performance audit of Kleenheat's compliance with the conditions of its Electricity Retail licence ERL5 (the **Licence**), for the period 1 July 2013 to 30 June 2017 (the **audit period**).

Deloitte conducted the performance audit as a reasonable assurance engagement and in accordance with the specific requirements of the Licence and the April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* issued by the ERA (**Audit Guidelines**).

Kleenheat's responsibility for compliance with the conditions of the Licence

Kleenheat is responsible for:

- Ensuring that it has complied in all material respects with the requirements of the Licence
- Establishing and maintaining an effective system of internal control over its systems designed to achieve its compliance with the Licence requirements
- Implementing processes for assessing its compliance requirements and for reporting its level of compliance to the ERA
- Implementing corrective actions for instances of non-compliance (if any).

Deloitte's responsibility

Our responsibility is to express a conclusion in respect of Kleenheat's compliance with the conditions of the Licence based on our procedures. The reasonable assurance engagement has been conducted in accordance with the Audit Guidelines and the Australian Standard on Assurance Engagements (**ASAE**) 3100 *Compliance Engagements* issued by the Australian Auditing and Assurance Standards Board, to state whether, in our opinion, based on the procedures performed, Kleenheat has complied, in all material respects, with its Licence conditions as outlined in the approved Audit Plan (dated November 2017) for the audit period.

ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

Our procedures consisted primarily of:

- Utilising the Audit Guidelines and the October 2016 Electricity Compliance Reporting Manual (the **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 ERA and an associated work program, set out in Appendix A
- Interviews with and representations from relevant Kleenheat 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
- Sample testing where relevant for obligations rated as an audit priority 3 and above in the approved Audit Plan.

Limitations of use

This report is intended solely for the information and internal use of Kleenheat, 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 ERA for the purpose of reporting on the performance audit for the Licence. We agree that a copy of this report may be provided to the ERA in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report. We accept no duty, liability or responsibility to any party, other than Kleenheat, in connection with the report or this engagement.

Inherent limitations

Our engagement will provide reasonable assurance as defined in ASAE 3100. 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:

- Use of selective testing and testing as at a point of time
- Inherent limitations of internal controls
- Fact that much of the evidence available to us is persuasive rather than conclusive
- Use of judgement in gathering and evaluating evidence and forming conclusions based on that evidence.

Because of the inherent limitations of any compliance procedure, it is possible that fraud, error or non-compliance may occur and not be detected. A reasonable assurance engagement is not designed to detect all instances of non-compliance, as the engagement is not performed continuously throughout the period and the procedures performed in respect of compliance are undertaken on a test basis.

The conclusion expressed in this report has been formed on the above basis. Any projection of the evaluation of the level of compliance to future periods is subject to the risk that the systems may become inadequate because of changes in conditions, or that the degree of compliance with management procedures may deteriorate.

Independence

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, Other Assurance Engagements and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

In our opinion, based on the procedures performed, except for the effect of the issues set out in the Basis for modified conclusion section below, Kleenheat has complied, in all material respects, with the conditions of the Licence as outlined in the approved Audit Plan (dated November 2017) for the period 1 July 2013 to 30 June 2017.

Basis for modified conclusion

The following Licence obligations were assessed as non-compliant (rating 2). Kleenheat had identified and disclosed these matters (other than for obligation 280) in its relevant 2013/14, 2014/15, 2015/16 and 2016/17 Annual Compliance reports to the ERA:

Reporting Manual number and Licence obligation		Issue
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>Customer Transfer Code, Annex 6, Clause A6.2(a)</i> <i>Applicable to 30 September 2016 only.</i>	Kleenheat had not established a mechanism to generate an automated response message for each electronic communication during the audit period.
159	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. <i>Code of Conduct clause 4.8(2)</i>	In one instance during the audit period, Kleenheat did not provide an estimated bill to a Small to Medium Enterprise (SME) customer where over 10 per cent of the readings were estimated.
187	The due date on a bill must be at least 12 Business Days from the dispatch date of the bill unless otherwise agreed with a customer. <i>Code of Conduct clause 5.1</i>	In three instances during the audit period, Kleenheat had incorrectly set the due date on a bill to less than 12 Business Days.

Reporting Manual number and Licence obligation		Issue
280	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. <i>Code of Conduct clause 10.3A</i>	During the audit period, Kleenheat had not provided the required notification to Small Use Customers outlining its obligation to make service standard payments, where applicable.

DELOITTE RISK ADVISORY PTY LTD

Richard Thomas

Partner

Perth, 20 December 2017

2 Executive summary

2.1 Introduction and background

The Economic Regulation Authority (**ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued to Wesfarmers Kleenheat Gas Pty Ltd (**Kleenheat**) the Electricity Retail Licence No. 5 (the **Licence**). The Licence was transferred from Premier Power Sales (**PPS**) (an associated subsidiary of Wesfarmers) to Kleenheat on 1 July 2015.

Section 13 of the Act requires Kleenheat to provide the ERA with a performance audit (the **audit**) conducted by an independent expert acceptable to the ERA not less than once in every 24-month period (or any longer period that the ERA allows). The ERA set the period to be covered by the audit as 1 July 2013 to 30 June 2017 (the **audit period**).

At the request of Kleenheat, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has undertaken a reasonable assurance audit of Kleenheat's compliance with its Licence obligations.

Kleenheat has been granted a licence to supply electricity to contestable customers throughout the South West Interconnected System (**SWIS**) network. Until 1 July 2015, Kleenheat supplied only large commercial and industrial customers, after which it commenced supplying small use business customers with consumption in excess of 50MWh per annum. Kleenheat has not supplied any residential customers during the audit period.

The audit has been conducted in accordance with the April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas Licences* (the **Guidelines**).

2.2 Observations

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

- Staff demonstrated an intent to improve, welcomed any suggestions for process improvement and exhibited the signs of a positive compliance culture
- Maintains a positive compliance culture and has developed an internal compliance reporting process with an online 'compliance tracker' for potential obligation breaches and 'near misses'
- Has a limited number of licence obligations as an electricity retailer as it does not supply electricity to residential customers
- Has adopted a predominantly manual approach to its processes across its electricity retail function. The manual approach appears suitable for its current customer base. As Kleenheat electricity customer base expands, Kleenheat has further opportunity to:
 - Automate its processes to accommodate the larger customer base where appropriate (drawing on similar processes and controls to its gas retail operations)
 - Maintain its existing structured review process to its policies and procedures, to capture updates to the compliance, operational and control environment.

2.3 Findings

The following tables summarise the assessments made during the audit on Kleenheat's compliance and the adequacy of controls in place for Kleenheat to manage its compliance with the relevant obligations or conditions of the Licence.

Table 1 sets out the rating scale defined by the ERA in the Guidelines for the assessment of the level of compliance with the conditions of the Licence. For the highest possible compliance rating to be achieved, Kleenheat was required to demonstrate it has maintained effective processes and controls, which facilitate compliance with relevant obligations.

Table 1: Compliance and control adequacy rating scale

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties

Table 4 at section 3 of this report provides further detail on the compliance and control adequacy rating scales. The above rating scale is defined by the Guidelines.

Table 2: Summary of findings, by audit priority and compliance rating

Audit Priority	Compliance rating				NR	Total
	1	2	3	4		
Priority 1	-	-	-	-	-	-
Priority 2	-	-	-	-	4	4
Priority 3	3	3	-	-	1	7
Priority 4	122	1	-	-	101	224
Priority 5	24	-	-	-	17	41
Total:	149	4	-	-	123	276

Table 3: Summary of findings, by audit priority and control adequacy

Audit Priority	Control adequacy rating				NP ¹	Total
	A	B	C	D		
Priority 1	-	-	-	-	-	-
Priority 2	1	-	-	-	3	4
Priority 3	5	1	-	-	1	7
Priority 4	-	3	-	-	221	224
Priority 5	-	-	-	-	41	41
Total:	6	4	-	-	266	276

Note that, in accordance with the current Guidelines, obligations assessed as being “not applicable” to Kleenheat’s operations have not been included within this report.

Specific assessments for each Licence obligation are summarised at **Table 4** in the “Summary of findings” section of this report.

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

2.4 Kleenheat’s response to previous audit recommendations

This audit considered Kleenheat’s progress in completing the action plans detailed in the performance audit report.

¹ Refers to the obligations for which a control assessment was not required to be performed (obligations with an audit priority of 4 or 5 and a compliance rating of 1, or which were not rateable).

Based on our examination of relevant documents, discussion with staff and consideration of the results of our testing against the associated licence obligations, we determined that Kleenheat has closed out all five action plans detailed in the 2013 performance audit report, of which:

- Four were actioned during the audit period
- One was closed out after commercial consideration, with the rationale that the cost of implementation of an automated IT solution was not reasonable in the context of Kleenheat's current electricity customer numbers.

Refer to section 5 "Previous audit non-compliances and recommendations" for further detail.

2.5 Recommendations and action plans

A. Resolved during current audit period

Reporting manual no. and Licence obligation reference	Non-compliance / Controls improvement (Rating / Details of non-compliance or inadequacy of controls)	Date resolved and Management action taken	Auditor's comments
Obligation 69 <i>Electricity Industry Customer Transfer Code, Annex 6, Clause A6.2(b)</i>	A2 The 2013 performance audit reported that "Premier Power Sales staff confirmed that a response message to the Western Power Networks is sent via Western Power's online portal, but this must be triggered by a retail employee [as opposed to automated]. There is a button to click to send an acknowledgement by Premier Power Sales staff".	September 2016 After consideration, Kleenheat determined that it did not consider the cost of implementing an IT solution to be reasonable in the context of its small number of customers. Kleenheat committed to monitoring other opportunities to fully comply with this licence obligation. <i>Note: Obligation removed in the October 2016 revision of the Reporting Manual.</i>	No further action required.
Obligation 159 <i>Code of Conduct, Clause 4.8(1)</i>	A2 Kleenheat was unable to provide estimated bills to one SME business customer in January 2017, where over 10 per cent of the interval readings were estimated.	May 2017 Kleenheat implemented a system update to align with the changes from the 1 July 2016 amendments to the Code of Conduct for the Supply of Electricity to Small Use Customers, specifically to clause 4.8.	No further action required.

B. Unresolved at end of current audit period

Reporting manual no. and Licence obligation reference	Control adequacy	Issue 1/2017
<p>Obligation 144 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> <p>Obligation 243 A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).</p> <p><i>Code of Conduct clause 8.1(2)</i></p>	<p>Generally adequate controls – improvement needed (B)</p> <hr/> <p>Compliance rating</p> <p>Compliant (1)</p>	<p>Kleenheat's processes provide for recording the date that customer requests are forwarded to Western Power, through a manual Energisation Register. The Energisation Register contains a record of requests for:</p> <ul style="list-style-type: none"> • Energisation • De-energisation • Re-energisation. <p>However, the Energisation Register does not contain a record of the date and time Kleenheat received the service request from the customer. Without a record of that time, in instances where Kleenheat forwarded customer requests to the distributor the day after receiving the request, Kleenheat is unable to demonstrate the request was received from the customer after 3pm and therefore in compliance with the Code.</p> <p>This audit did not identify any specific instances of non-compliance where a service request received before 3pm was not forwarded to Western Power on that same day.</p>
<p>Recommendation 1/2017 Kleenheat expand its Energisation Register to include the date and time when service notification requests are:</p> <ul style="list-style-type: none"> • Received from the customer • Forwarded to Western Power. 		<p>Action Plan 1/2017 Kleenheat has expanded its Energisation Register to include the date and time when service notification requests are received from the customer and forwarded to Western Power.</p> <p>Responsible person Sales Support Analyst</p> <p>Target date Complete – October 2017</p>

Reporting manual no. and Licence obligation reference	Control adequacy	Issue 2/2017
<p>Obligation 187 The due date on the bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer.</p> <p><i>Code of Conduct clause 5.1</i></p>	<p>Generally adequate controls – improvement needed (B)</p> <hr/> <p>Compliance rating</p> <p>Non-compliant (2)</p>	<p>During the audit period, Kleenheat self-reported that it incorrectly set up three new SME customers as Large customers owing to human error.</p> <p>As a result, the three customers' invoices had incorrect payment terms of 15 calendar days rather than 22 calendar days, resulting in the due date falling below the 12 business days minimum for Small Use Customers.</p> <p>In August 2017, Kleenheat updated its business rules within Oracle to auto-populate the payment terms based on the customer class. Additionally, Kleenheat implemented an exception reporting process to identify mismatches between customer type and payment terms.</p>

		Kleenheat does not currently provide for this process in its policies and procedures.
Recommendation 2/2017		Action Plan 2/2017
Kleenheat integrate its exception reporting process into its policy and procedure documents.		Kleenheat has documented the exception reporting process in its policy and procedure document. Responsible person Sales Support Analyst Target date Complete – November 2017

Reporting manual no. and Licence obligation reference	Control adequacy	Issue 3/2017
Obligation 280 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. <i>Code of Conduct clause 10.3A</i>	Generally adequate controls – improvement needed (B)	During the audit period, Kleenheat had not provided the required notification to customers outlining its obligation to pay a Service Standard Payment under Part 14 of the Code, including the: <ul style="list-style-type: none"> • Amount of the payment • Eligibility criteria for the payment. We note that during the audit period, Kleenheat had not made a Service Standard Payment, nor was requested to make a Service Standard Payment.
	Compliance rating Non-compliant (2)	
Recommendation 3/2017 Kleenheat consider: (a) Implementing a procedure to address the requirements of s.10.3A of the Code by notifying customers on an annual basis of Kleenheat's obligation to make Service Standard Payments where required (b) Updating its publicly available information (such as the Customer Charter) to include Kleenheat's obligation to make a Service Standard Payment in the required circumstances.		Action Plan 3/2017 Kleenheat will implement a procedure to address the requirements of s.10.3A of the Code in relation to Kleenheat's obligation to make a Service Standard Payment in the required circumstances. Responsible person Regulatory Specialist Natural Gas and Electricity Target date March 2018

2.6 Scope and objectives

As described in our engagement letter with Kleenheat dated 29 September 2017, we have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures, Kleenheat has complied, in all material respects, with the conditions of the Licence as outlined in the approved Audit Plan (dated November 2017) during the period 1 July 2013 to 30 June 2017.

Our engagement was conducted in accordance with Australian Standard on Assurance Engagements ASAE 3100 Compliance Engagements, issued by the Australian Auditing and Assurance Standards Board and provides reasonable assurance as defined in ASAE 3100. The procedures we performed are described in more detail in section 2.7 below.

A reasonable assurance engagement in accordance with ASAE 3100 involves performing procedures to obtain evidence about the compliance with the conditions of the Licence. The nature, timing and extent of procedures selected depend on the assurance practitioner's professional judgement, including the assessment of the risks of material misstatement in compliance with the conditions of the Licence. In making those risk assessments, we considered internal controls in relation to compliance with the conditions of the Licence.

ASAE 3100 also requires us to comply with the relevant ethical requirements of the Australian professional accounting bodies.

The ERA has summarised the requirements of the applicable legislation that it expects to be reported upon and included in the scope of this audit in its October 2016 Electricity Compliance Reporting Manual (**Reporting Manual**).

The Audit Plan approved by the ERA for this audit sets out the Licence obligations confirmed to be included in the scope of the audit, along with the risk assessments and audit priority assigned to each licence obligation. Note that under the current Audit Guidelines, the audit report is not required to include reference to those obligations assessed as “Not Applicable” to Kleenheat’s operations.

Risk assessment revision

During the audit, we determined that the following obligation was not applicable to Kleenheat’s operations:

- **354:** This obligation relates to the Electricity Retail Corporation only.

2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during late September to early November 2017:

- Utilising the Guidelines and Reporting Manuals (February 2013, January 2013, May 2014, July 2014, September 2014, July 2016, October 2016) 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 ERA and an associated work program
- Interviews with relevant Kleenheat staff to gain understanding of process controls (see **Appendix B** for staff involved)
- Review of documents and walkthrough of 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 Kleenheat for review and response.

3 Summary of findings

Table 1 in section 2 above sets out the rating scale defined by the ERA 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, Kleenheat was required to demonstrate it has maintained effective processes and controls, which facilitate compliance with relevant obligations.

The remainder of this report provides:

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

Table 4: Compliance Ratings

Refer to Detailed Findings at Section 4 and the Audit Plan at Appendix A for descriptions of the obligations. Note that detailed findings are not presented for those obligations assessed to be not applicable to Kleenheat's operations for the period subject to audit - refer to the Audit Plan at Appendix A for further explanation.

Note: Obligations 435 and 454 also include the obligation numbers (which have since been renumbered as part of the revisions to the Reporting Manual) cited in the previous audit findings in square brackets (refer to Section 5 – Previous Audit Recommendations).

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
9 Electricity Industry Customer Transfer Code – Licence Conditions and Obligations												
6	Clause 3.2(2)					✓	Priority 4	✓				
7	Clause 3.4(1)					✓	Priority 4	✓				
8	Clause 3.5(3)					✓	Priority 4					✓
9	Clause 3.6(2)					✓	Priority 4					✓
16	Clause 3.9(1)					✓	Priority 4	✓				
17	Clause 3.9(2)					✓	Priority 4	✓				
18	Clause 3.9(3)					✓	Priority 4	✓				
19	Clause 3.9(4)					✓	Priority 4	✓				
23	Clause 4.2(2)					✓	Priority 4	✓				
24	Clause 4.3					✓	Priority 4	✓				
25	Clause 4.4(1)					✓	Priority 4	✓				
26	Clause 4.4(2)					✓	Priority 4					✓
27	Clause 4.5(1)					✓	Priority 4	✓				
28	Clause 4.6(3)					✓	Priority 4	✓				
29	Clause 4.7					✓	Priority 4	✓				
30	Clause 4.8(2)					✓	Priority 4					✓
34	Clause 4.9(6)					✓	Priority 4	✓				
39	Clause 4.11(3)					✓	Priority 4	✓				
40	Clause 4.12(3)					✓	Priority 5	✓				
43	Clause 4.15					✓	Priority 5	✓				
44	Clause 4.16					✓	Priority 4	✓				
45	Clause 4.17					✓	Priority 4	✓				
48	Clause 5.2					✓	Priority 4	✓				
48A	Clause 6.1					✓	Priority 4	✓				

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
49	Clause 6.2					✓	Priority 4	✓					
52	Clause 6.4(1)					✓	Priority 4						✓
53	Clause 6.4(2)	✓					Priority 3	✓					
54	Clause 6.6					✓	Priority 4	✓					
55	Clause 7.1(1)					✓	Priority 4						✓
56	Clause 7.1(2)					✓	Priority 4						✓
57	Clause 7.1(3)					✓	Priority 4						✓
58	Clause 7.2(4)					✓	Priority 5						✓
59	Clause 7.3(2)					✓	Priority 5						✓
11 Electricity Industry (Customer Contract) Regulations – Licence Conditions and Obligations													
78	Electricity Industry Act section 51					✓	Priority 4	✓					
79	Regulation 5					✓	Priority 4	✓					
80	Regulation 6					✓	Priority 4	✓					
81	Regulation 7					✓	Priority 4	✓					
82	Regulation 8					✓	Priority 4	✓					
83	Regulation 9					✓	Priority 4	✓					
84	Regulation 10					✓	Priority 4	✓					
85	Regulation 11					✓	Priority 4	✓					
86	Regulation 12					✓	Priority 4	✓					
87	Regulation 13					✓	Priority 4	✓					
88	Regulation 14					✓	Priority 4	✓					
89	Regulation 15					✓	Priority 4	✓					
90	Regulations 16 and 34					✓	Priority 4	✓					
91	Regulation 17					✓	Priority 4	✓					
92	Regulation 18					✓	Priority 4	✓					
93	Regulation 19					✓	Priority 5	✓					
94	Regulation 20					✓	Priority 5	✓					
95	Regulation 21					✓	Priority 4	✓					
96	Regulation 32					✓	Priority 4	✓					
97	Regulation 33(2)					✓	Priority 4	✓					
98	Regulation 33(3) and (4)					✓	Priority 4	✓					
100	Regulation 38					✓	Priority 4	✓					
12 Electricity Industry Act – Licence Conditions and Obligations													
101	Section 13(1)					✓	Priority 5	✓					
105	Section 17(1); ERA (Licensing Funding) Regulations 2014)					✓	Priority 4	✓					
106	Section 31(3)					✓	Priority 5	✓					
107	Section 41(6)					✓	Priority 4						✓
108	Section 54(1)					✓	Priority 4	✓					
109	Section 54(2)					✓	Priority 4						✓
110	Section 76					✓	Priority 4						✓
111	Section 101					✓	Priority 4	✓					
113	Section 115(2)					✓	Priority 4	✓					

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
13 Electricity Licences – Licence Conditions and Obligations												
114	Licence condition 23.1					✓	Priority 4	✓				
115	Licence condition 23.2					✓	Priority 4	✓				
116	Licence condition 24.2					✓	Priority 5					✓
117	Licence condition 24.3					✓	Priority 5					✓
118	Licence condition 25.1					✓	Priority 4					✓
119	Licence condition 12.1					✓	Priority 4	✓				
120	Licence condition 13.4					✓	Priority 4					✓
121	Licence condition 14.2					✓	Priority 4	✓				
123	Licence condition 15.1					✓	Priority 4					✓
124	Licence condition 16.1	✓					Priority 3	✓				
125	Licence condition 17.1 and 17.2					✓	Priority 5					✓
126	Licence condition 18.1					✓	Priority 5	✓				
14 Code of Conduct – Licence Conditions and Obligations												
Part 2 Marketing												
129	Clause 2.1					✓	Priority 4	✓				
130	Clause 2.2(1)					✓	Priority 4					✓
131	Clause 2.2(2)					✓	Priority 4					✓
132	Clause 2.3(1)					✓	Priority 4	✓				
133	Clause 2.3(2)					✓	Priority 4	✓				
135	Clause 2.3(5)					✓	Priority 4	✓				
136	Clause 2.4(1)					✓	Priority 4					✓
137	Clause 2.4(2)					✓	Priority 4	✓				
138	Clause 2.5(1)					✓	Priority 4	✓				
139	Clause 2.5(2)					✓	Priority 4	✓				
140	Clause 2.6					✓	Priority 4	✓				
141	Clause 2.9					✓	Priority 4	✓				
142	Clause 2.10					✓	Priority 4	✓				
Part 3 Connection												
143	Clause 3.1(1)					✓	Priority 4	✓				
144	Clause 3.1(2)		✓				Priority 4	✓				
Part 4 Billing												
145	Clause 4.1					✓	Priority 4	✓				
146	Clause 4.2(1)					✓	Priority 4					✓
147	Clause 4.2(2)					✓	Priority 4					✓
148	Clause 4.2(3)					✓	Priority 4					✓
149	Clause 4.2(4)					✓	Priority 4					✓
150	Clause 4.2(5)					✓	Priority 4					✓
151	Clause 4.2(6)					✓	Priority 4					✓
152	Clause 4.3(1)					✓	Priority 4					✓
153	Clause 4.3(2)					✓	Priority 4					✓
154	Clause 4.4					✓	Priority 4	✓				

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
155	Clause 4.5(1)					✓	Priority 4	✓					
156	Clause 4.5(3)					✓	Priority 4	✓					
157	Clause 4.6(1)					✓	Priority 4	✓					
158	Clause 4.7					✓	Priority 5	✓					
159 [160]	Clause 4.8(1)	✓					Priority 3		✓				
160	Clause 4.8(2)					✓	Priority 4	✓					
161	Clause 4.8(3)					✓	Priority 4	✓					
162	Clause 4.9					✓	Priority 4	✓					
163	Clause 4.10					✓	Priority 5						✓
164	Clause 4.11(1)					✓	Priority 4						✓
165	Clause 4.11(2)					✓	Priority 4						✓
166	Clause 4.12(1)					✓	Priority 4						✓
167	Clause 4.13					✓	Priority 4						✓
168	Clause 4.14(1)					✓	Priority 5	✓					
169	Clause 4.14(2)					✓	Priority 5	✓					
170	Clause 4.14(3)					✓	Priority 4	✓					
171	Clause 4.15					✓	Priority 4	✓					
172	Clause 4.16(1)(a)					✓	Priority 4	✓					
173	Clause 4.16(1)(b)					✓	Priority 4	✓					
174	Clause 4.16(2)					✓	Priority 4	✓					
175	Clause 4.16(3)					✓	Priority 4	✓					
176	Clause 4.17(2)					✓	Priority 4	✓					
176A	Clause 4.17(3)					✓	Priority 5	✓					
177	Clause 4.18(2)					✓	Priority 5	✓					
178	Clause 4.18(3)					✓	Priority 5	✓					
179	Clause 4.18(4)					✓	Priority 5	✓					
180	Clause 4.18(6)					✓	Priority 5	✓					
181	Clause 4.18(7)					✓	Priority 4	✓					
182	Clause 4.19(1)					✓	Priority 4	✓					
183	Clause 4.19(2)					✓	Priority 5	✓					
184	Clause 4.19(3)					✓	Priority 4	✓					
185	Clause 4.19(4)					✓	Priority 5	✓					
186	Clause 4.19(7)					✓	Priority 4	✓					
Part 5 Payment													
187	Clause 5.1		✓				Priority 3		✓				
188	Clause 5.2					✓	Priority 4	✓					
189	Clause 5.3					✓	Priority 4	✓					
190	Clause 5.4					✓	Priority 4	✓					
191	Clause 5.5					✓	Priority 4						✓
192	Clause 5.6(1)					✓	Priority 4						✓
193	Clause 5.6(2)					✓	Priority 4						✓
194	Clause 5.6(3)					✓	Priority 4						✓

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
195	Clause 5.6(4)					✓	Priority 4						✓
196	Clause 5.6(5)					✓	Priority 4						✓
197	Clause 5.7(1)					✓	Priority 4	✓					
198	Clause 5.7(2)					✓	Priority 4	✓					
199	Clause 5.7(4)					✓	Priority 4	✓					
200	Clause 5.8(1)					✓	Priority 4						✓
201	Clause 5.8(2)					✓	Priority 4	✓					
201A	Clause 5.9					✓	Priority 5	✓					
Part 6 Payment Difficulties and Financial Hardship													
202	Clause 6.1(1)					✓	Priority 4						✓
203	Clause 6.1(3)					✓	Priority 5						✓
204	Clause 6.1(4)					✓	Priority 4						✓
205	Clause 6.2(1)					✓	Priority 4						✓
206	Clause 6.2(2)					✓	Priority 4						✓
207	Clause 6.2(3)					✓	Priority 4						✓
208	Clause 6.2(4)					✓	Priority 5						✓
209	Clause 6.3(1)(a)					✓	Priority 4						✓
210	Clause 6.3(1)(b)					✓	Priority 4						✓
211	Clause 6.4(1)(a)					✓	Priority 4						✓
212	Clause 6.4(1)(b)					✓	Priority 4						✓
213	Clause 6.4(2)					✓	Priority 4						✓
214	Clause 6.4(3)					✓	Priority 4						✓
215	Clause 6.6(1)					✓	Priority 5						✓
216	Clause 6.6(2)					✓	Priority 4						✓
217	Clause 6.7					✓	Priority 5						✓
218	Clause 6.8					✓	Priority 4						✓
219	Clause 6.9(1)					✓	Priority 4						✓
220	Clause 6.10(1)					✓	Priority 4	✓					
221	Clause 6.10(2)					✓	Priority 4	✓					
222	Clause 6.10(3)					✓	Priority 4	✓					
223	Clause 6.10(4)					✓	Priority 4						✓
225	Clause 6.10(6)					✓	Priority 4						✓
226	Clause 6.10(7)					✓	Priority 4	✓					
227	Clause 6.10(8)					✓	Priority 4	✓					
228	Clause 6.11					✓	Priority 4	✓					
Part 7 Disconnection													
229	Clause 7.1(1)					✓	Priority 4	✓					
230	Clause 7.2(1)					✓	Priority 4	✓					
231	Clause 7.3					✓	Priority 4						✓
232	Clause 7.4(1)					✓	Priority 4						✓
234	Clause 7.6	✓					Priority 2						✓
235	Clause 7.7(1)					✓	Priority 2						✓

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
236	Clause 7.7(2)					✓	Priority 2						✓
240	Clause 7.7(6)					✓	Priority 4						✓
241	Clause 7.7(7)					✓	Priority 4						✓
Part 8 Reconnection													
242	Clause 8.1(1)					✓	Priority 4	✓					
243	Clause 8.1(2)		✓				Priority 4	✓					
Part 9 Prepayment Meters													
245	Clause 9.1(2)					✓	Priority 4						✓
246	Clause 9.2(1)					✓	Priority 4						✓
247	Clause 9.2(2)					✓	Priority 4						✓
249	Clause 9.3(1)					✓	Priority 4						✓
250	Clause 9.3(2)					✓	Priority 4						✓
251	Clause 9.3(3)					✓	Priority 4						✓
252	Clause 9.3(4)					✓	Priority 4						✓
253	Clause 9.3(5)					✓	Priority 4						✓
254	Clause 9.4(1)					✓	Priority 4						✓
255	Clause 9.4(2)					✓	Priority 4						✓
257	Clause 9.5(1)					✓	Priority 2						✓
259	Clause 9.6					✓	Priority 4						✓
260	Clause 9.7(a), (b) and (d)					✓	Priority 4						✓
261	Clause 9.8					✓	Priority 4						✓
262	Clause 9.9(1)					✓	Priority 4						✓
264	Clause 9.9(4)					✓	Priority 4						✓
265	Clause 9.10(1)					✓	Priority 4						✓
266	Clause 9.10(2)					✓	Priority 5						✓
267	Clause 9.10(3)					✓	Priority 4						✓
268	Clause 9.10(4)					✓	Priority 5						✓
269	Clause 9.10(6)					✓	Priority 4						✓
270	Clause 9.11(1)					✓	Priority 4						✓
271	Clauses 9.11(2) & (3)					✓	Priority 4						✓
Part 10 Information and Communication													
272	Clause 10.1(1)					✓	Priority 4	✓					
273	Clause 10.1(2)					✓	Priority 4						✓
274	Clause 10.1(3)					✓	Priority 4						✓
275	Clause 10.2(1)					✓	Priority 4						✓
276	Clause 10.2(2)					✓	Priority 4						✓
277	Clause 10.2(3)					✓	Priority 4						✓
278	Clause 10.2(4)					✓	Priority 4						✓
279	Clause 10.3					✓	Priority 4						✓
280	Clause 10.3A		✓				Priority 4		✓				
281	Clause 10.4					✓	Priority 4						✓
282	Clause 10.5					✓	Priority 4						✓
290	Clause 10.9					✓	Priority 5	✓					
291	Clause 10.10(1)					✓	Priority 4						✓
292	Clause 10.10(2)					✓	Priority 4	✓					
294	Clause 10.11(1)					✓	Priority 4						✓
295	Clause 10.11(2)					✓	Priority 4						✓
297	Clause 10.12(2)					✓	Priority 4	✓					

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating				
		A	B	C	D	NP		1	2	3	4	NR
Part 12 Complaints and Dispute Resolution												
298	Clause 12.1(1)					✓	Priority 4	✓				
299	Clause 12.1(2)					✓	Priority 4	✓				
300	Clause 12.1(3)					✓	Priority 4	✓				
301	Clause 12.1(4)					✓	Priority 4	✓				
302	Clause 12.2					✓	Priority 4	✓				
303	Clause 12.3					✓	Priority 4	✓				
304	Clause 12.4					✓	Priority 4	✓				
Part 13 Reporting												
305	Clause 13.1					✓	Priority 4	✓				
306	Clause 13.2					✓	Priority 4	✓				
307	Clause 13.3					✓	Priority 4	✓				
Part 14 Service Standard Payment												
308	Clause 14.1(1)					✓	Priority 4					✓
310	Clause 14.2(1)					✓	Priority 4					✓
312	Clause 14.3(1)					✓	Priority 4					✓
315	Clause 14.7(1)					✓	Priority 4					✓
15. Electricity Industry Metering Code – Licence Conditions and Obligations												
324	Clause 3.3B					✓	Priority 4					✓
339	Clause 3.11(3)					✓	Priority 4	✓				
364	Clause 3.27					✓	Priority 4					✓
371	Clause 4.4(1)					✓	Priority 5	✓				
372	Clause 4.5(1)					✓	Priority 5					✓
373	Clause 4.5(2)					✓	Priority 4					✓
388	Clause 5.4(2)					✓	Priority 4	✓				
401	Clause 5.16					✓	Priority 4					✓
402	Clause 5.17(1)					✓	Priority 4	✓				
405	Clause 5.18					✓	Priority 4	✓				
406	Clause 5.19(1)					✓	Priority 5	✓				
407	Clause 5.19(2)					✓	Priority 5	✓				
408	Clause 5.19(3)					✓	Priority 4	✓				
410	Clause 5.19(6)					✓	Priority 5	✓				
416	Clause 5.21(5)					✓	Priority 4					✓
417	Clause 5.21(6)					✓	Priority 4					✓
435 [426]	Clause 5.27					✓	Priority 3					✓
448	Clause 6.1(2)					✓	Priority 4	✓				
451	Clause 7.2(1)					✓	Priority 5	✓				
453	Clause 7.2(4)					✓	Priority 4					✓
454 [438]	Clause 7.2(5)	✓					Priority 3	✓				
455	Clause 7.5					✓	Priority 4	✓				
456	Clause 7.6(1)					✓	Priority 4	✓				
457	Clause 8.1(1)					✓	Priority 5					✓
458	Clause 8.1(2)					✓	Priority 5					✓
459	Clause 8.1(3)					✓	Priority 5					✓
460	Clause 8.1(4)					✓	Priority 4					✓
461	Clause 8.3(2)					✓	Priority 5					✓
The following Code of Conduct obligations are applicable only for the period 1 July 2015 to 30 June 2016												

#	Obligation reference	Adequacy of controls rating					Audit Priority	Compliance rating					
		A	B	C	D	NP		1	2	3	4	NR	
224	Clause 6.10(5)					✓	Priority 4	✓					
248	Clause 9.2(3)					✓	Priority 4						✓
293	Clause 10.10(3)					✓	Priority 4	✓					
The following Customer Transfer Code obligations are applicable only for the period 1 July 2013 to 30 September 2016													
68	Annex 6, clause A6.2(a)					✓	Priority 4	✓					
69	Annex 6, clause A6.2(b)	✓					Priority 3		✓				
70	Annex 6, clause A6.6					✓	Priority 4	✓					
71	Annex 6, clause A6.7					✓	Priority 4	✓					

4 Detailed findings, recommendations and action plans

This section has been structured in subsections for the relevant Codes and Regulations against which we assessed Kleenheat's compliance. The sections are:

- 4.1 Electricity Industry Customer Transfer Code
- 4.2 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations
- 4.3 Electricity Industry Act – Licence Conditions and Obligations
- 4.4 Electricity Licences – Licence Conditions and Obligations
- 4.5 Code of Conduct
- 4.6 Electricity Industry Metering Code – Licence Conditions and Obligations
- 4.7 Obligations removed during the audit period.

Each section contains:

- **Assessment of compliance and control adequacy** – the conclusions from our audit procedures and our assessment of Kleenheat'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** – for improvement or enhancement of the process or control
- **Action plans** – Kleenheat's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit, assignment of the actions to appropriate staff and corresponding completion dates for the actions.

The compliance and control adequacy ratings have been summarised below for each sub-section.

Controls adequacy rating						Compliance rating					
A	B	C	D	NP	Total	1	2	3	4	NR	Total
4.1 Electricity Industry Customer Transfer Code											
1	-	-	-	32	33	23	-	-	-	10	33
4.2 Electricity Industry (Customer Contracts)											
-	-	-	-	22	22	22	-	-	-	-	22
4.3 Electricity Industry Licence Conditions and Obligations											
-	-	-	-	9	9	6	-	-	-	3	9
4.4 Electricity Licences – Licence Conditions and Obligations											
1	-	-	-	11	12	6	-	-	-	6	12
4.5 Code of Conduct											
Part 2 Marketing											
-	-	-	-	13	13	10	-	-	-	3	13
Part 3 Connection											
-	1	-	-	1	2	2	-	-	-	-	2
Part 4 Billing											
1	-	-	-	42	43	29	1	-	-	13	43
Part 5 Payment											
-	1	-	-	15	16	8	1	-	-	7	16
Part 6 Payment difficulties and financial hardship											

Controls adequacy rating						Compliance rating					
A	B	C	D	NP	Total	1	2	3	4	NR	Total
-	-	-	-	26	26	6	-	-	-	20	26
Part 7 Disconnection											
1	-	-	-	8	9	2	-	-	-	7	9
Part 8 Reconnection											
-	1	-	-	1	2	2	-	-	-	-	2
Part 9 Pre-Payment Meters											
-	-	-	-	23	23	-	-	-	-	23	23
Part 10 Information and Communication											
-	1	-	-	16	17	4	1	-	-	12	17
Part 12 Complaints and Dispute Resolution											
-	-	-	-	7	7	7	-	-	-	-	7
Part 13 Reporting											
-	-	-	-	3	3	3	-	-	-	-	3
Part 14 Service Standard Payments											
-	-	-	-	4	4	-	-	-	-	4	4
4.6 Electricity Industry Metering Code											
1	-	-	-	27	28	14	-	-	-	14	28
4.7 Obligations removed during the audit period											
1	-	-	-	6	7	5	1	-	-	1	7
TOTALS											
6	4	-	-	266	276	149	4	-	-	123	276

4.1 Electricity Industry Customer Transfer Code

No.	Obligation description			Findings	
6	A Retailer must submit a separate data request for each connection point unless otherwise agreed. <i>Clause 3.2(2)</i>	Priority 4	Controls rating: NP	Compliance rating: 1	
					<p><i>Obligations 6 and 7</i></p> <p>Through discussion with the Regulatory Specialist Natural Gas and Electricity, and Sales Support Analyst, examination of Kleenheat's supporting policies and procedures and a walkthrough of the Western Power portal, we determined that:</p> <ul style="list-style-type: none"> Kleenheat has dedicated resources to manage communications with Western Power Western Power's web portal system has been configured to limit data requests submission to the prescribed 100 requests per day. However, more can be submitted to Western Power, provided Kleenheat makes advance arrangements with Western Power For those instances during the audit period where Kleenheat was required to request data relating to a connection point, Kleenheat's processes provided for: <ul style="list-style-type: none"> Data requests to be submitted electronically through Oracle (note: new connections or customer transfer requests are submitted via the Western Power portal) A separate data request to be submitted for each connection point.
7	A retailer 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, unless otherwise agreed. <i>Clause 3.4(1)</i>	Priority 4	Controls rating: NP	Compliance rating: 1	
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>Clause 3.5(3)</i>	Priority 4	Controls rating: NP	Compliance rating: NR	
					<p><i>Obligations 8 and 9</i></p> <p>The Regulatory Specialist Natural Gas and Electricity confirmed:</p> <ul style="list-style-type: none"> There were no instances during the audit period where Kleenheat was required to withdraw a request for historical data upon a customer request ceasing to apply. That Kleenheat did not have any costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn in the audit period.
9	A Retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn. <i>Clause 3.6(2)</i>	Priority 4	Controls rating: NP	Compliance rating: NR	
16	A Retailer may only use data relating to a contestable customer to provide that customer with a quotation for the supply of electricity by the Retailer; or to initiate a transfer of that contestable customer. <i>Clause 3.9(1)</i>				Through discussion with the Business Sales Team Leader and Sales Support Analyst, and examination of Kleenheat's customer sign up process, we determined that, for those instances where contestable customer data was used to provide that customer with a quotation for

No.	Obligation description	Findings	
		supply of electricity, or to initiate a transfer of that customer, Kleenheat's processes provided for: <ul style="list-style-type: none"> Customer's verifiable consent to be obtained prior to submitting a historical data request to Western Power The Pricing Analyst to upload historical data into a pricing model to generate the customer pricing sheet and prepare the quote. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
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>Clause 3.9(2)</i>	Through discussion with the Sales Support Analyst and examination of Kleenheat's transfer procedures, we determined that during the audit period, Kleenheat's processes provided for historical data of a customer to not be aggregated with other contestable customers for those instances where the customer had: <ul style="list-style-type: none"> Requested its historical consumption data not to be aggregated Cancelled or withdrawn the Customer Transfer Request. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
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>Clause 3.9(3)</i>	Through examination of Kleenheat's "Electricity Verifiable Consent Form", we determined that, for those instances during the audit period where Kleenheat had obtained a contestable customers' data, Kleenheat's processes provided for non-disclosure of customer's personal information in accordance with the <i>Australian Privacy Act</i> .	
	Priority 4	Controls rating: NP	Compliance rating: 1
19	A Retailer must keep a copy of the verifiable consent received from a contestable customer for two years. <i>Clause 3.9(4)</i>	Through discussion with the Business Sales Team Leader and walkthrough of the customer contracting process, we determined that, for those instances where Kleenheat had obtained the verifiable consent from a contestable customer, Kleenheat's processes provided for the copy of customer's verifiable consent (CVF) to be retained indefinitely in the: <ul style="list-style-type: none"> Customer's account within the Insightly and Oracle Customer folder on Kleenheat's central electronic drive. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
23	A Retailer must submit a separate customer transfer request for each connection point unless otherwise agreed. <i>Clause 4.2(2)</i>	Through discussion with the Sales Support Analyst and the walkthrough of Western Power's web portal, we determined that the system (and supporting processes) in place provides for Customer Transfer Request (CTR) to be performed via the Western Power's portal, which only allows for submission of a separate data transfer for each connection point.	
	Priority 4	Controls rating: NP	Compliance rating: 1

No.	Obligation description	Findings	
24	<p>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.</p> <p><i>Clause 4.3</i></p>	<p>Through discussion with the Sales Support Analyst and the walkthrough of Western Power's web portal, we determined that for all transfers effected by Kleenheat during the audit period, the system and Kleenheat's processes in place provided for:</p> <ul style="list-style-type: none"> • All customer transfers to be performed via Western Power's web portal • Kleenheat to specify the "transfer type" of the customer nomination (to be selected from a drop-down list) in Western Power's web portal as either a new customer or as a reversal of an erroneous transfer. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
25	<p>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.</p> <p><i>Clause 4.4(1)</i></p>	<p>Through discussion with the Sales Support Analyst and examination of Kleenheat's Electricity Transfer Access Contract (ETAC) with Western Power, we determined that Kleenheat:</p> <ul style="list-style-type: none"> • Has maintained an ETAC with Western Power during the audit period • Executed a revised ETAC with Western Power for the supply of electricity to customers on 9 August 2013, which includes (as referenced in the 2013 audit) updated: <ul style="list-style-type: none"> ○ Definition and reference to the SWIS ○ Dispute resolution processes. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
26	<p>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.</p> <p><i>Clause 4.4(2)</i></p>	<p>The Sales Support Analyst confirmed that Kleenheat was not required to submit a transfer request to reverse a previous erroneous transfer during the audit period.</p>	
	Priority 4	Controls rating: NP	Compliance rating: NR
27	<p>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, unless otherwise agreed.</p> <p><i>Clause 4.5(1)</i></p>	<p>Through discussion with the Sales Support Analyst and examination of Kleenheat's "Customer Transfer via Western Power portal" procedure, we determined that Kleenheat has processes in place to submit no more than 20 customer transfer requests electronically via the Western Power portal in a business day or with the same nominated transfer date, unless otherwise agreed.</p>	
	Priority 4	Controls rating: NP	Compliance rating: 1
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>Clause 4.6(3)</i></p>	<p>Through discussion with the Sales Support Analyst and examination of Kleenheat's "Withdrawing a Customer Transfer Request" procedure, we determined that for those instances during the audit period, where a customer's verifiable consent ceased to apply before the transfer occurred, Kleenheat's processes provided for:</p>	

No.	Obligation description			Findings
	Priority 4	Controls rating: NP	Compliance rating: 1	<ul style="list-style-type: none"> The CTR to be withdrawn from Western Power within two business days and for the account creation to be cancelled in Oracle, where a prospective customer decides not to sign a contract with Kleenheat for their electricity supply and they are not yet connected Another specific process ("Switch Away Process Flow") to be followed if the customer is already connected.
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>Clause 4.7</i></p>			<p><i>Obligations 29, 34 and 39</i></p> <p>Through discussion with the Sales Support Analyst and examination of Kleenheat's "Customer Transfer via Western Power portal" procedure, we determined that, for those instances during the audit period where Kleenheat had performed a customer transfer request, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> Unless the customer agrees otherwise, Kleenheat to forward the customer's request for connection to Western Power on the 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 Saturday, Sunday or a public holiday Kleenheat to nominate a transfer date in a customer transfer request in accordance with specified timeframes (within 50 days), except if the customer transfer request is to reverse an erroneous transfer. The nominated transfer date for each exit point in a metropolitan area must be at least 3 business days (5 business days for a non-metropolitan area) and no more than 50 business days after the date the CTR is submitted Both parties to agree to a revised nominated transfer date if Western Power objects because the request does not meet all requirements.
30	Priority 4	Controls rating: NP	Compliance rating: NR	<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>Clause 4.8(2)</i></p> <p>Through discussion with the Sales Support Analyst and examination of Kleenheat's "Withdrawing a Customer Transfer Request (Customer cancelling)" procedure, we determined that Kleenheat's processes provide for payment of reasonable costs to Western Power for either or both of providing and installing a meter where a customer transfer request is withdrawn.</p> <p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat has not been required to pay reasonable costs incurred by the network operator for installing a meter on a request, which has been subsequently withdrawn, for the audit period.</p>

No.	Obligation description	Findings	
34	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances. <i>Clause 4.9(6)</i>	<i>Refer to Obligation 29</i>	
	Priority 4		
39	A network operator and the retailer must take certain action if the contestable customer's meter is not read on the nominated transfer date. <i>Clause 4.11(3)</i>		
	Priority 4		
40	The parties to an access contract must negotiate in good faith any necessary amendments to the access contract arising from certain circumstances. <i>Clause 4.12(3)</i>	Through discussion with the Sales Support Analyst and examination of Kleenheat's "Erroneous and withdrawing Transfer Notification" procedure, we determined that, for instances during the audit period where it was necessary to amend the access contract, Kleenheat's processes provided for it to negotiate those amendments with Western Power in good faith.	
	Priority 5		
43	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected Retailers (and if applicable AEMO) must act in good faith to ensure that the affected contestable customer has the same rights and obligations as if the erroneous transfer had not occurred. <i>Clause 4.15</i>	Through discussion with the Sales Support Analyst and examination of "Erroneous and withdrawing Transfer Notification", we determined that in those instances during the audit period where Kleenheat was required to reverse an erroneous transfer, Kleenheat's processes provided for Kleenheat to act in good faith and to maintain the rights and obligations of the affected contestable customer as they would have been, had the erroneous transfer not occurred (e.g. no billing impact and no disruption in supply).	
	Priority 5		
44	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer. <i>Clause 4.16</i>	Through discussion with the Sales Support Analyst and examination of Kleenheat's "Requesting Standing and Meter Data via WP Portal" procedure, we determined that, for those instances during the audit period where Kleenheat had obtained the customer's verifiable consent in relation to the lodgement of customer transfers, Kleenheat's processes provided for a copy of the customer's verifiable consent for historical data and standing data to be stored: <ul style="list-style-type: none"> In the Customers' account within Oracle and Kleenheat's central electronic drive For a minimum of 2 years after the date the verifiable consent was obtained from the customer. 	
	Priority 4		

No.	Obligation description	Findings	
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>Clause 4.17</i>	Through examination of Kleenheat's "Erroneous and Withdrawing Transfer Notification" and "Customer Transfer via Western Power Portal" procedures and confirmation from the Regulatory Specialist Natural Gas and Electricity, we determined that for instances during the audit period where customers had transferred from Kleenheat to another retailer, Kleenheat's procedures required it to not bill the customer for charges incurred after the transfer time except in the case of an erroneous transfer.	
	Priority 4	Controls rating: NP	Compliance rating: 1
48	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code. <i>Clause 5.2</i>	<i>Obligations 48 and 48A</i> Through discussion with the Sales Support Analyst and examination of Kleenheat's supporting policies and procedures, we determined that:	
	Priority 4	Controls rating: NP	Compliance rating: 1
48A	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c). <i>Clause 6.1</i>	<ul style="list-style-type: none"> • The communication rules set out the methods (including delivery of notices by post, facsimile or email to the nominated address or number) and protocols approved for use by Western Power and Kleenheat to exchange or provide information and data as required under the Code • During the audit period, Kleenheat's processes provided for: <ul style="list-style-type: none"> ○ Compliance with the rules ○ Network transactions to be communicated and processed via: <ul style="list-style-type: none"> ▪ Western Power's Web Portal, which is a web-based application that allows retailers to submit and monitor transaction requests ▪ Dedicated email addresses for the Kleenheat and Western Power contact points (notices were not delivered via facsimile or post during the audit period). 	
	Priority 4	Controls rating: NP	Compliance rating: 1
49	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates. <i>Clause 6.2</i>	Through examination of Kleenheat's "NMI Discovery - Standing Data - Meter History Request" procedure, we determined that for those instances during the audit period where Kleenheat had provided notice to Western Power, Kleenheat's procedure provided for customer transfer requests to identify the relevant exit point NMI number and site address.	
	Priority 4	Controls rating: NP	Compliance rating: 1
52	A Retailer must notify its contact details to a network operator within three business days of a request. <i>Clause 6.4(1)</i>	<i>Obligations 52 and 53</i> Through discussion with the Regulatory Specialist Natural Gas and Electricity examination of Kleenheat's internal compliance policies and its ETAC with Western Power, we determined that:	
	Priority 4	Controls rating: NP	Compliance rating: NR

No.	Obligation description	Findings	
53	A Retailer must notify the network operator of any change in its contact details at least three business days before the change takes effect. <i>Clause 6.4(2)</i>	<ul style="list-style-type: none"> Kleenheat maintains a list of Authorised Officers and is required to advise Western Power of any changes within three business days of the request The Regulatory Specialist Natural Gas and Electricity is responsible for notifying Western Power of changes to Kleenheat's contact details (via email) Kleenheat's processes provide for communication to be stored on Kleenheat's central electronic drive In one instance during the audit period, relating to the transfer of its Licence from PPS, Kleenheat updated its contact details within three business days of the change. We sighted a copy of Kleenheat's Novation Deed with Western Power as evidence of notification. <p>The Regulatory Specialist Natural Gas and Electricity has reviewed relevant records and noted no instances of Kleenheat receiving a request from the network operator for its contact details during the audit period.</p>	
	Priority 3	Controls rating: A	Compliance rating: 1
54	A network operator or a Retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules. <i>Clause 6.6</i>	<p>Through examination of Kleenheat's ETAC with Western Power, we determined that during the audit period, Kleenheat applied the following electronic communication methods, which are in accordance with the communication rules:</p> <ul style="list-style-type: none"> Use of Western Power's Web Portal for submitting transaction requests Email addresses of the Kleenheat and Western Power contact points. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
55	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, the disputing parties must meet within five business days of a request by one of those parties and attempt to resolve the dispute through negotiations that are conducted in good faith. <i>Clause 7.1(1)</i>	<p><i>Obligations 55, 56, 57 and 59</i></p> <p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of Kleenheat's "Dispute Resolution for Market Participant" procedure and ETAC with Western Power, we determined that Kleenheat's processes provide for dispute resolution requirements set out in the Transfer Code.</p>	
	Priority 4	Controls rating: NP	Compliance rating: NR
56	If the negotiations in 7.1(1) of the Electricity Industry Customer Transfer Code do not resolve the dispute within 10 days after the first meeting, the dispute must be referred to the senior executive officer of each disputing party who must attempt to resolve the dispute through negotiations that are conducted in good faith. <i>Clause 7.1(2)</i>	<p>The Regulatory Specialist Natural Gas and Electricity has reviewed relevant records and noted no instances of disputes between Western Power and Kleenheat during the audit period.</p>	
	Priority 4	Controls rating: NP	Compliance rating: NR

No.	Obligation description	Findings	
57	If the dispute is resolved, the disputing parties must prepare a written and signed record of the resolution and adhere to the resolution. Clause 7.1(3)	Priority 4	Controls rating: NP Compliance rating: NR
	58	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute. Clause 7.2(4)	Priority 5 Controls rating: NP Compliance rating: NR
59	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. Clause 7.3(2)	Priority 5	Controls rating: NP Compliance rating: NR
	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 (Licence Conditions) Regulation, regulation 5(2)</i> <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.2(a)</i> [Only applicable for the period 1 July 2015 to 30 September 2016]	Priority 4 Controls rating: NP Compliance rating: 1
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 (Licence Conditions) Regulation, regulation 5(2)</i> <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.2(a)</i> [Only applicable for the period 1 July 2013 to 30 September 2016]	Priority 3 Controls rating: A Compliance rating: 2
	Recommendation:		Action Plan:

No.	Obligation description	Findings	
	Not applicable – Resolved during the audit period.	Not applicable – Resolved during the audit period.	
70	<p>The originator of an electronic communication must be identified in the communication.</p> <p><i>Electricity Industry (Licence Conditions) Regulation, regulation 5(2)</i> <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.6</i> <i>[Only applicable for the period 1 July 2013 to 30 September 2016]</i></p>	<p><i>Obligations 70 and 71</i></p> <p>Through discussion with the Sales Support Analyst and walkthrough of the Metering Service Centre web portal, we determined that Kleenheat has the following framework in place for managing web portal communications:</p> <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ Issue of automated email alerts to confirm transactions ○ 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 ○ A consistent data format to facilitate automated processing of information. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
71	<p>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.</p> <p><i>Electricity Industry (Licence Conditions) Regulation, regulation 5(2)</i> <i>Electricity Industry Customer Transfer Code, Annex 6, clause A6.7</i> <i>[Only applicable for the period 1 July 2013 to 30 September 2016]</i></p>		
	Priority 4	Controls rating: NP	Compliance rating: 1

4.2 Electricity Industry (Customer Contracts) Regulations – Licence Conditions and Obligations

No.	Obligation description	Findings	
78	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with that licensee approved standard form contract on the ERA's website. <i>Electricity Industry Act section 51</i>	Through discussion with the Regulatory Specialist Natural Gas and Electricity and Sales Support Analyst, and examination of Kleenheat's ERA approved "Standard Form Contract" and "Creating and Managing Occupier Procedure (Business Customer)" procedure, we determined that for the duration of the audit period, Kleenheat's processes provided for a standard form contract (approved by the ERA) to be used only when an account and a standard electricity supply agreement is created in Oracle in the name of "Owner / Occupier" (i.e. when NMIs have recorded electricity usage and are not linked to a customer's account).	
	Priority 4	Controls rating: NP	Compliance rating: 1
79	A non-standard contract must be in a format that is easy to read and expressed in clear, simple and concise language. <i>Regulation 5</i>	Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that Kleenheat's forms: <ul style="list-style-type: none"> • Are presented in clear, simple and concise language • Include a list of definitions to provide further interpretation on the terms used. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
80	A non-standard contract must specify when it comes into effect and the period for which it has effect. <i>Regulation 6</i>	Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that the contracts outline the supply start date and end date.	
	Priority 4	Controls rating: NP	Compliance rating: 1
81	A non-standard contract must specify certain information about the Retailer. <i>Regulation 7</i>	Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that the terms specify all the information required by Regulation 7 of the Customer Contract Regulation.	
	Priority 4	Controls rating: NP	Compliance rating: 1
82	A non-standard contract must give an exact description of the goods and services that the Retailer will provide under the contract. <i>Regulation 8</i>	Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions) provide for Kleenheat to supply the customer with electricity to the supply address on the terms and conditions set out in the contract.	
	Priority 4	Controls rating: NP	Compliance rating: 1
83	A non-standard contract must require the customer to pay for electricity supplied under the contract. <i>Regulation 9</i>	Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined: <ul style="list-style-type: none"> • Kleenheat requires the customer to pay for the electricity supplied to the supply address along with all fees payable for all other services provided by Kleenheat 	
	Priority 4	Controls rating: NP	Compliance rating: 1

No.	Obligation description			Findings	
		Priority 4	Controls rating: NP	Compliance rating: 1	<ul style="list-style-type: none"> The documents outline the "on peak" and "off peak" price (per kwh), the timeframe for payment, how electricity is calculated and additional fees and charges applicable in accordance with the Terms and Conditions.
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>Regulation 10</i>	Priority 4	Controls rating: NP	Compliance rating: 1	<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined the terms state that the customer must not, and must not allow any other person to:</p> <ul style="list-style-type: none"> Tamper with, adjust, disconnect, bypass, interfere with the meter Damage or render inoperable or inaccurate the meter or take or attempt to take electricity before it reaches the meter.
85	A non-standard contract must describe the circumstances under which a Retailer has the right to disconnect supply and is required to reconnect supply. <i>Regulation 11</i>	Priority 4	Controls rating: NP	Compliance rating: 1	<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that Kleenheat outlines the circumstances where Kleenheat has the right to disconnect the supply of electricity and when is required to reconnect the customer.</p>
86	A non-standard contract must require the Retailer to deal with security deposits and the payment of interest in the manner that is specified. <i>Regulation 12</i>	Priority 4	Controls rating: NP	Compliance rating: 1	<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that Kleenheat outlines the manner in which a security deposit is kept and identified in the accounting records, and the payment of accrued interest to the customer.</p>
87	A non-standard contract must describe the Retailer's obligations in relation to the provision of prices and tariff information. <i>Regulation 13</i>	Priority 4	Controls rating: NP	Compliance rating: 1	<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that Kleenheat sets out its obligation to notify the customer of any variation of fee as soon as practicable and no later than the next billing period.</p>
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>Regulation 14</i>	Priority 4	Controls rating: NP	Compliance rating: 1	<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that Kleenheat outlines the procedure by which Kleenheat prepares, issues and reviews customer bills.</p>
89	A non-standard contract must describe the matters relating to the termination of the contract that are specified in the regulation. <i>Regulation 15</i>	Priority 4	Controls rating: NP	Compliance rating: 1	<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that Kleenheat outlines the information relating to the termination of the contract and the subsequent events upon termination.</p>

No.	Obligation description			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 amending 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>Regulations 16 and 34</i>			<p><i>Obligations 90 and 91</i></p> <p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that the document outlines Kleenheat's:</p> <ul style="list-style-type: none"> • Right to amend the terms or conditions of the non-standard form contract without the customer's consent. Kleenheat would notify the customer of the amendments and if the customer does not agree to the amendments, the customer can terminate the contract, in accordance with the terms and conditions of the contract • Assigned rights and obligations, including assignment without the customer's consent.
	Priority 4	Controls rating: NP	Compliance rating: 1	
91	A non-standard contract must specify the assignment of rights and obligations including assignment without the customer's consent. <i>Regulation 17</i>			
	Priority 4	Controls rating: NP	Compliance rating: 1	
92	A non-standard contract must describe the procedures that must be followed by the Retailer in responding to a complaint made by a customer. <i>Regulation 18</i>			<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that the contract provides for Kleenheat's complaints handling processes and the related escalation processes, should the customer be dissatisfied with Kleenheat's first response.</p>
	Priority 4	Controls rating: NP	Compliance rating: 1	
93	A non-standard contract must specify the process that must be taken by the Retailer to ensure information held by the Retailer is treated confidentially. <i>Regulation 19</i>			<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that the terms provide for the management of the customer's data, which will be treated confidentially and in accordance with the Privacy Act 1988 (Cth) and the Australian Privacy Principles.</p>
	Priority 5	Controls rating: NP	Compliance rating: 1	
94	A non-standard contract must specify the governing legislation, 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>Regulation 20</i>			<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that the terms detail:</p> <ul style="list-style-type: none"> • Western Australia as the governing jurisdiction to the agreement • The effect of invalid terms on the remainder of the agreement • Kleenheat's right to use electronic communication, with customer consent, to provide information to the customer.
	Priority 5	Controls rating: NP	Compliance rating: 1	
95	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. <i>Regulation 21</i>			<p>Through examination of Kleenheat's non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that there is no provision in the contract that excludes, restricts or modifies the Code of Conduct for the Supply of Electricity to Small Use Customers.</p>

No.	Obligation description			Findings
	Priority 4	Controls rating: NP	Compliance rating: 1	
96	<p>A non-standard contract must include details about the cooling off period specified in the regulation. <i>Regulation 32</i></p>			<p>Through examination of Kleenheat’s non-standard contract for Small Use Customers (and its attached terms and conditions), we determined that the following details about the cooling off period are provided for:</p> <ul style="list-style-type: none"> • The definition and duration of the cooling-off period • When the cooling-off period commences • Customer’s rights during this period • Any associated fees during the period • Circumstances where Kleenheat would supply electricity to the customer during the cooling off period.
	Priority 4	Controls rating: NP	Compliance rating: 1	
97	<p>A non-standard contract must allow the customer to terminate the contract at any time with no less than 5 days’ notice. <i>Regulation 33(2)</i></p>			<p><i>Obligations 97 and 98</i></p> <p>Through examination of Kleenheat’s non-standard contract for Small Use Customers (and its attached terms and conditions), we determined the terms:</p> <ul style="list-style-type: none"> • Allow the customers to terminate the contract, if the customer had provided at least: <ul style="list-style-type: none"> ○ 20 days’ written notice for a fixed term non-standard form contract ○ Five days’ written notice for a non-fixed term non-standard form contract. • Outline potential early termination charges, should the customer terminate the contract before the expiry of the term of the contract.
	Priority 4	Controls rating: NP	Compliance rating: 1	
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. <i>Regulation 33(3) and (4)</i></p>			
	Priority 4	Controls rating: NP	Compliance rating: 1	
100	<p>If a 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 notify the customer within 5 days after becoming aware of it and provide specified information. <i>Regulation 38</i></p>			<p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of Kleenheat’s “Creating and Managing Occupier Procedure”, we determined that for those instances during the audit period where Kleenheat had become aware of a customer consuming electricity that was deemed to have been supplied under its standard form contract, Kleenheat’s processes provided for it to notify the occupier of the property of their electricity consumption and to inform them about the need to establish an account to avoid disconnection.</p>
	Priority 4	Controls rating: NP	Compliance rating: 1	

4.3 Electricity Industry Act – Licence Conditions and Obligations

No.	Obligation description	Findings	
101	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months. <i>Electricity Industry Act section 13(1)</i>	Kleenheat has appointed Deloitte as the independent auditor, with the ERA's approval (in August 2017), to undertake this audit for the period 1 June 2013 to 30 July 2017.	
	Priority 5	Controls rating: NP	Compliance rating: 1
105	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the Economic Regulation Authority (Licencing Funding) Regulations 2014. <i>Electricity Industry Act, section 17(1)</i> <i>Economic Regulation Authority (Licencing Funding) Regulations 2014</i>	Through examination of Kleenheat's "Electricity Regulatory and Compliance Manual" and Compliance Calendar, we determined Kleenheat has: <ul style="list-style-type: none"> Processes in place to manage the payment of its licence fees Preventative system controls designed to identify payment due dates Diarised the annual licence charge due date to ensure compliance. <p>From examination of the payments register and ERA invoices, the audit did not identify any instances where a payment was not made in accordance with clauses 6, 7 and 8 of the Regulations.</p>	
	Priority 4	Controls rating: NP	Compliance rating: 1
106	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. <i>Electricity Industry Act section 31(3)</i>	Through discussions with the Regulatory Specialist Natural Gas and Electricity, we observed Kleenheat: <ul style="list-style-type: none"> As the electricity retailer, relies on Western Power (the network operator) to minimise the extent or duration of any interruption, suspension or restriction of the supply of electricity Assists Western Power in notifying the customer of any planned outages, if Western Power has not communicated directly with the customer. 	
	Priority 5	Controls rating: NP	Compliance rating: 1
107	A licensee must pay the costs of taking an interest in land or an easement over land. <i>Electricity Industry Act section 41(6)</i>	The Regulatory Specialist Natural Gas and Electricity has reviewed relevant records and noted no instances of Kleenheat taking an interest in land or an easement over land applicable to the Licence during the audit period.	
	Priority 4	Controls rating: NP	Compliance rating: NR
108	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 that complies with the Act. <i>Electricity Industry Act section 54(1)</i>	The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat only supplies electricity to its Small Use Customers on a non-standard contract. Electricity is deemed to have been supplied to the customers under the standard form contract for consumption of NMI not linked to any customer account (i.e. Occupier Accounts).	
	Priority 4	Controls rating: NP	Compliance rating: 1

No.	Obligation description			Findings
109	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified. <i>Electricity Industry Act section 54(2)</i>			The Regulatory Specialist Natural Gas and Electricity confirmed Kleenheat has not been directed by the ERA to amend its standard form contract during the audit period.
	Priority 4	Controls rating: NP	Compliance rating: NR	
110	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. <i>Electricity Industry Act section 76</i>			The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat has not been nominated by the ERA to perform the function of a retailer of last resort during the audit period.
	Priority 4	Controls rating: NP	Compliance rating: NR	
111	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. <i>Electricity Industry Act section 101</i>			Through examination of Kleenheat's Licence, we determined clause 21 of the Licence precludes Kleenheat from supplying to Small Use Customers unless it is a member of an approved scheme. Through examination of the Ombudsman website and confirmation from the Regulatory Specialist Natural Gas and Electricity, we determined that Kleenheat was an industry member of the Energy Industry Ombudsman's Scheme during the audit period.
	Priority 4	Controls rating: NP	Compliance rating: 1	
113	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 that hinders or prohibits access. <i>Electricity Industry Act section 115(2)</i>			Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of documents available on the ERA website, we determined Kleenheat acts consistently with the processes set out in the following documents which govern unhindered access to service: <ul style="list-style-type: none"> • Western Power's application and queuing policy (AQP) approved by the ERA • Western Power's Technical rules approved by the ERA • Western Power covered service • Customer Transfer Code.
	Priority 4	Controls rating: NP	Compliance rating: 1	

4.4 Electricity Licences – Licence Conditions and Obligations

No.	Obligation description	Findings	
114	A licensee must ensure that an electricity marketing agent of the licensee complies with the applicable codes. <i>Retail Licence condition 23.1</i>	Priority 4	Controls rating: NR Compliance rating: 1
	115	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed timeframe. <i>Retail Licence condition 23.2</i>	Priority 4 Controls rating: NP Compliance rating: 1
116		A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified. <i>Retail Licence condition 24.2</i>	Priority 5 Controls rating: NP Compliance rating: NR
	117	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review. <i>Retail Licence condition 24.3</i>	Priority 5 Controls rating: NP Compliance rating: NR
118		A licensee can only amend the standard form contract with the ERA's approval. <i>Retail Licence condition 25.1</i>	Priority 4 Controls rating: NP Compliance rating: NR
	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>	Priority 4 Controls rating: NP Compliance rating: 1

Obligations 114 and 115

Through discussions with the Regulatory Specialist Natural Gas and Electricity and the examination of training materials relating to the Code of Conduct, we determined Kleenheat's processes provide for:

- The electricity marketing agent to be trained, with the Code of Conduct as part of induction training
- Regular refresher training course relating to Code of Conduct to be provided to an electricity marketing agent. Kleenheat monitors training attendance of its electricity marketing agents through Oracle.

Through examination of Kleenheat's annual non-compliance reports submitted to the Authority, we did not identify any instances where Kleenheat had reported a breach by its electricity marketing agents.

Obligations 116 to 118

Through examination of ERA website and confirmation with the Regulatory Specialist Natural Gas and Electricity, we determined the Kleenheat:

- Was not directed by the ERA to review its standard form contract during the audit period
- Submitted a Standard Form Contract (published on the ERA website on 25 June 2015) prior to the transfer of Licence from Premier Power Sales on 1 July 2015. Kleenheat has not amended the Standard Form contract since this publication date.

Through examination of Wesfarmers Limited's (**Wesfarmers**) (of which Kleenheat is a wholly owned subsidiary) 2014 to 2017 Annual Reports and confirmation from the Regulatory Specialist Natural Gas and Electricity, we determined Wesfarmers' financial reports:

- Are prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB)
- Adopt all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods.

No.	Obligation description	Findings	
120	A licensee must comply with any individual performance standards prescribed by the ERA. <i>Retail Licence condition 13.4</i>	The Regulatory Specialist Natural Gas and Electricity has reviewed relevant records and noted no individual performance standards prescribed by the ERA during the audit period.	
	Priority 4	Controls rating: NP	Compliance rating: NR
121	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit. <i>Retail Licence condition 14.2</i>	Through examination of the 2013 Performance Audit conduct by Geographe Environmental Services we determined that the report contained specific reference to the following ERA issued documents: <ul style="list-style-type: none"> • August 2010 Audit Guidelines: Electricity, Gas and Water Licences • May 2011 and June 2013 Electricity Compliance Reporting Manuals. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
123	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations. <i>Retail Licence condition 15.1</i>	Through confirmation from the Regulatory Specialist Natural Gas and Electricity, we determined: <ul style="list-style-type: none"> • Kleenheat was not placed under external administration for the period subject to audit • There were no other changes in circumstances to the Licence, which may affect Kleenheat's ability to meet its obligations. 	
	Priority 4	Controls rating: NP	Compliance rating: NR
124	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act. <i>Retail Licence condition 16.1</i>	Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of Kleenheat's annual compliance reporting and performance reporting processes, we determined that during the audit period, Kleenheat: <ul style="list-style-type: none"> • Submitted its annual compliance reports to the ERA by 31 August each year • Submitted annual performance datasheets to the ERA by the due date • Maintained processes to respond to requests for information from the ERA. 	
	Priority 3	Controls rating: 1	Compliance rating: 1
125	A licensee must publish any information as directed by the ERA to publish within the timeframes specified. <i>Retail Licence condition 17.1 and 17.2</i>	The Regulatory Specialist Natural Gas and Electricity confirmed that during the audit period, the ERA did not direct Kleenheat to publish any information under <i>Retail Licence condition 17.1 and 17.2</i> .	
	Priority 5	Controls rating: NP	Compliance rating: NR
126	All notices must be in writing unless otherwise specified. <i>Retail Licence condition 18.1</i>	Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of relevant communications, we determined that Kleenheat's standard practice is to formally respond in writing (generally via email) and to retain records to evidence formal communication with the ERA.	
	Priority 5	Controls rating: NP	Compliance rating: 1

4.5 Code of Conduct

No.	Obligation description			Findings
Part 2 Marketing				
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>			Through discussions with the Regulatory Specialist Natural Gas and Electricity and Business Sales Team Leader, examination of Kleenheat's Business Sales Consultants compliance training records, and consideration of Kleenheat's website and training material relating to marketing obligations of the Code of Conduct, we determined Kleenheat has processes in place to: <ul style="list-style-type: none"> Ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct (including monitoring the performance of individual representatives) Provide induction training and refresher training to all representatives.
	Priority: 4	Controls rating: NP	Compliance rating: 1	
130	A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.2(1). <i>Code of Conduct clause 2.2(1)</i>			<i>Obligations 130 and 131</i> Through discussion with the Regulatory Specialist Natural Gas and Electricity and Business Sales Team Leader, consideration of Kleenheat's contract establishment procedures and examination of Kleenheat's procedures for managing an occupier account, we determined that Kleenheat does not enter into standard form contracts with customers. However, we also note that for instances where Kleenheat supplies electricity to occupiers prior to entering into a non-standard contract, Kleenheat's processes provide for: <ul style="list-style-type: none"> Using its standard form contract terms to apply rates to occupier accounts Upon being contacted by the occupier, initiating the non-standard contract creation process to engage them as a customer.
	Priority: 4	Controls rating: NP	Compliance rating: NR	
131	Subject to subclause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in subclause 2.2(2) no later than on, or with, the customer's first bill. <i>Code of Conduct clause 2.2(2)</i>			
	Priority: 4	Controls rating: NP	Compliance rating: NR	
132	A retailer or electricity marketing agent must ensure that non-standard contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.3(1). <i>Code of Conduct clause 2.3(1)</i>			<i>Obligations 132 and 133</i> Through the discussion with Business Sales Team Leader and consideration of Kleenheat's training materials, we determined that Kleenheat staff are trained to: <ul style="list-style-type: none"> Inform the customer of the difference between a standard and non-standard form contract Obtain recorded consent prior to a customer entering into the contract
	Priority: 4	Controls rating: NP	Compliance rating: 1	

No.	Obligation description	Findings		
133	<p>A retailer or electricity marketing agent must ensure that the information specified in subclause 2.3(2) is provided to the customer before entering into a non-standard contract.</p> <p><i>Code of Conduct clause 2.3(2)</i></p>	<ul style="list-style-type: none"> • Provide the customer with the information as specified in clause 2.3 of the Code of Conduct (i.e. details on all relevant fees, charges and service levels that may apply to the customers) • Advise the customer of how they can obtain a copy of the terms and conditions. <p>Through examination of Kleenheat’s website and the terms and conditions, accompanying its non-standard form contracts, we determined that the following information is made readily available to the customers:</p> <ul style="list-style-type: none"> • Relevant fees and charges that may apply • Western Power’s 24-hour contact details for electricity emergencies, faults and leaks • How customers are able to make an enquiry or complaint • The general electrical guidance on the safe use of electricity. 		
	Priority: 4	Controls rating: NP	Compliance rating: 1	
135	<p>Subject to subclause 2.3(3), a retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.</p> <p><i>Code of Conduct clause 2.3(5)</i></p>	<p>Through the discussion with Business Sales Team Leader and Business Sales Consultant, examination of Kleenheat’s “Verbal Consent Script” and “Electricity Customer Activations Checklist” and system walkthrough of Kleenheat’s sales and contract establishment process, we determined, for those instances during the audit period where Kleenheat had obtained the customer’s verifiable consent, that the required information had been provided prior to entering into a non-standard form contract.</p> <p>Kleenheat’s processes provided for:</p> <ul style="list-style-type: none"> • The Business Sales Consultant to obtain the customer’s consent that the information required by subclause 2.3(2) and 2.3(4) had been provided by Kleenheat • A copy of customer’s verifiable consent to be stored on the customer account within the Insightly system and in the customer folder on Kleenheat’s central electronic drive • Verbal consent to be obtained through calls being recorded via Cisco Unified Workforce Optimisation Software. The Business Sales Team Leader performs an audit on 10% of recorded calls • Customer interactions to be recorded in the diary notes within the customer’s account in Oracle and in the customer folder on Kleenheat’s central electronic drive. 		
	Priority: 4	Controls rating: NP	Compliance rating: 1	
136	<p>A retailer or electricity marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.</p> <p><i>Code of Conduct clause 2.4(1)</i></p>	<p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.</p>		

No.				Obligation description				Findings			
	Priority: 4	Controls rating: NP	Compliance rating: NR								
137	A retailer or electricity marketing agent must provide contact details, including a telephone number, to a customer and ensure that the customer is able to contact the retailer or electricity marketing agent during normal business hours for the purposes of enquiries, verifications and complaints. <i>Code of Conduct clause 2.4(2)</i>							<i>Obligations 137 and 138</i> Through examination of Kleenheat's contractual documentation and "Customer Charter", and consideration of publicly available information through Kleenheat's website, we determined Kleenheat's processes provide for: <ul style="list-style-type: none"> • Making its contact details available to customers for the purpose of enquiries, verification and complaints. • Kleenheat Customer Service Call Centre phone lines to be made available during normal business hours from Monday to Friday (8:30am to 5:30pm AWST) • Advising the customer of the process to: <ul style="list-style-type: none"> ○ Lodge a feedback or complaint ○ Escalate their complaint if it is not resolved to the customer's satisfaction ○ Contact the Customer Advocate directly for unresolved complaints ○ Contact the Energy Water Ombudsman of Western Australia. 			
	Priority: 4	Controls rating: NP	Compliance rating: 1								
138	A retailer or electricity marketing agent must, on request, provide a customer with the information specified in sub-clause 2.5(1). <i>Code of Conduct clause 2.5(1)</i>							Through discussion with the Regulatory Specialist Natural Gas and Electricity and consideration of training material relating to marketing obligations of the Code of Conduct, we determined that as part of its contracting process Kleenheat's electricity marketing agents: <ul style="list-style-type: none"> • May meet a customer face to face to present contracts to the customer • Are aware of their responsibility to wear an identity card showing their: <ul style="list-style-type: none"> ○ Name ○ Photograph ○ Marketing ID number ○ Kleenheat's logo. • Are not allowed to work if they do not have their identity card. 			
	Priority: 4	Controls rating: NP	Compliance rating: 1								
139	A retailer or electricity marketing agent who meets with a customer face to face must: <ul style="list-style-type: none"> - wear a clearly visible and legible identity card showing the information specified in subclause 2.5(2)(a); and - provide the written information specified in subclause 2.5(2)(b) as soon as practicable following a request by the customer. <i>Code of Conduct clause 2.5(2)</i>							Through discussion with the Regulatory Specialist Natural Gas and Electricity and consideration of training material relating to marketing obligations of the Code of Conduct, we determined that as part of its contracting process Kleenheat's electricity marketing agents: <ul style="list-style-type: none"> • May meet a customer face to face to present contracts to the customer • Are aware of their responsibility to wear an identity card showing their: <ul style="list-style-type: none"> ○ Name ○ Photograph ○ Marketing ID number ○ Kleenheat's logo. • Are not allowed to work if they do not have their identity card. 			
	Priority: 4	Controls rating: NP	Compliance rating: 1								
140	A retailer or electricity marketing agent who visits a person's premises for the purposes of marketing must comply with any clearly visible signs indicating that canvassing is not permitted at the premises, or no advertising is to be left at the premises. <i>Code of Conduct clause 2.6</i>							Through examination of training material relating to marketing obligations of the Code of Conduct, we determined that Kleenheat's processes provide for: <ul style="list-style-type: none"> • Any marketing activity in the name of or for the benefit of Kleenheat, is taken to have been authorised by Kleenheat to carry out that activity • Complying with any clearly visible signage indicating that canvassing is not permitted or no advertising or similar material is to be left at the premises, when visiting a person's premises for the purpose of obtaining new businesses 			

No.	Obligation description			Findings
	Priority: 4	Controls rating: NP	Compliance rating: 1	<ul style="list-style-type: none"> The penalties and implications for breaching these conditions, unless proof can be presented to show best endeavours have been used to ensure compliance with the Code of Conduct.
141	<p>An electricity marketing agent must keep a record of complaints from customers or persons who are contacted by, or on behalf of, the electricity marketing agent for the purposes of marketing; and provide the electricity ombudsman with all of the information that it has relating to a complaint, within 28 days of receiving a request for that information.</p> <p><i>Code of Conduct clause 2.9(1)</i></p>			<p><i>Obligations 141 and 142</i></p> <p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and Customer Advocate, and consideration of Kleenheat's website and training material relating to marketing obligations of the Code of Conduct, we determined that, for those instances during the audit period where Kleenheat had received a complaint from a customer, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> The electricity marketing agents to be trained in managing and handling customer complaints Complaints made by a person to be recorded in the diary notes of the customer account within Oracle Customer complaints records to be kept for at least 2 years and to be provided to the Energy Water Ombudsman (if requested) Staff to be trained to provide required complaint information, and information relating to a particular complaint, to the Energy Water Ombudsman within 28 days of receiving the request.
	Priority: 4	Controls rating: NP	Compliance rating: 1	
142	<p>An electricity marketing agent must keep a record, or other information, required under the Code for at least 2 years after the last time that a customer or person 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 agent, whichever is later.</p> <p><i>Code of Conduct clause 2.10</i></p>			
	Priority: 4	Controls rating: NP	Compliance rating: 1	

No.	Obligation description	Findings	
Part 3 Connections			
143	<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>	<p><i>Obligation 143 and 144</i></p> <p>Through discussion with the Regulatory Specialist Natural Gas and Electricity, and Sales Support Analyst, and the examination Kleenheat's "Electricity Customer Sign Up" procedure, we determined Kleenheat has processes in place to arrange for a customer connection or transfer request:</p> <ul style="list-style-type: none"> • Kleenheat's staff are trained to complete the mandatory customer sign up checklist • Customer's verifiable consents (Verbal or Written) are stored in the customer's account within Insightly and Oracle • Sales Support Analysts manually create the Customer Transfer Request through Western Power's web portal after obtaining the final approval from the Electricity Manager and the credit check has been performed on the customer. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
144	<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>	<p><u>Obligation 144 only</u></p> <p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat only considers itself to have entered into an agreement to supply electricity to the customer when the contract has been signed by Kleenheat.</p> <p>The Sales Support Analyst confirmed that Kleenheat's processes provide for:</p> <ul style="list-style-type: none"> • New connection or transfer requests only to be processed if the contract application is completed and co-signed by both the customer and Kleenheat • As part of entering into a non-standard contract, Kleenheat's terms outline that unless the customer waives its cooling off period rights, electricity will not be supplied for a ten day period • New connection or transfer requests to have priority over other administrative tasks and to be forwarded to Western Power via the Western Power web portal on the same day the request was approved or the next business day if the request was approved after 3pm or on a Saturday, Sunday or public holiday. • Recording the date that customer requests are forwarded to Western Power, through a manual Energisation Register. <p>The Energisation Register does not contain a record of the date and time Kleenheat received the service request from the customer. Kleenheat is unable to demonstrate the time at which the request is considered to be 'received' from the customer and therefore when it is required to be forwarded in accordance with the 3pm deadline.</p>	

No.	Obligation description	Findings
Part 3 Connections		
	<p>Priority: 4</p> <p>Controls rating: B</p> <p>Compliance rating: 1</p>	<p>This audit did not identify any specific instances of non-compliance where a service request received before 3pm was not forwarded to Western Power on that same day.</p> <p>Through examination of Kleenheat's complaints data for the period subjected to audit, we did not identify any complaints in relation to connections.</p>
	<p>Recommendation 1/2017</p> <p>Kleenheat expand its Energisation Register to include the date and time when service notification requests are:</p> <ul style="list-style-type: none"> Received from the customer Forwarded to Western Power. 	<p>Action Plan 1/2017</p> <p>Kleenheat has expanded its Energisation Register to include the date and time when service notification requests are received from the customer and forwarded to Western Power.</p> <p>Responsible person: Sales Support Analyst</p> <p>Target date: Complete – October 2017</p>

No.	Obligation description	Findings	
Part 4 Billing			
145	A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1. <i>Code of Conduct clause 4.1</i>	Through discussion with the Sales Support Analyst, examination of Kleenheat's billing policies and procedure and the terms and conditions that accompany the non-standard contract, and walkthrough of Kleenheat's billing process, we determined that: <ul style="list-style-type: none"> • Clause 5.1 of the terms and conditions of the contract outlines that the customer would be billed no more than once a month and at least once every three months • Customer bills are generated out of Oracle on a monthly basis (i.e. no more than once a month and at least once every three months) when Kleenheat receives the AEMO charges (usually within the first 10 days of the month) • The Sales Support Analyst maintains an internal spreadsheet, which records the half hourly meter read received from Western Power • Oracle is programmed to generate a spreadsheet containing details of all the customers who have been billed and the amounts billed • The Sales Support Analyst performs a sense check of the total volume and invoice amount of all customers. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
146	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). <i>Code of Conduct clause 4.2(1)</i>	<i>Obligations 146-151</i> The Regulatory Specialist Natural Gas and Electricity and Sales Support Analyst confirmed that Kleenheat did not: <ul style="list-style-type: none"> • Place any customer on a shortened billing cycle for the period subject to audit • Supply to residential customers during the audit period. 	
	Priority: 4	Controls rating: NP	Compliance rating: NR
147	If a residential customer informs a retailer that the customer is experiencing payment difficulties or financial hardship and the customer is assessed as experiencing payment difficulties or financial hardship, the retailer must not place that customer on a shortened billing cycle without that customer's verifiable consent. <i>Code of Conduct clause 4.2(2)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
148	A retailer must give a customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision. <i>Code of Conduct clause 4.2(3)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR

No.	Obligation description	Findings	
149	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days. <i>Code of Conduct clause 4.2(4)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
150	On request, a retailer must return a customer who is subject to a shortened billing cycle to the billing cycle that previously applied if the customer has paid 3 consecutive bills by the due date. <i>Code of Conduct clause 4.2(5)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
151	A retailer must inform a customer, who is subject to a shortened billing cycle, at least every 3 months about the conditions upon which the customer can be returned to the previous billing cycle. <i>Code of Conduct clause 4.2(6)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
152	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. <i>Code of Conduct clause 4.3(1)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
153	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. <i>Code of Conduct clause 4.3(2)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
154	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>	<p>Through discussions with the Credit Team Leader and Commercial Collections Officer, and walkthrough of Kleenheat's account creation process, we determined, for instances during the audit period where the customer had nominated another address or an electronic address, Kleenheat's customer sign up and billing processes provided for:</p> <ul style="list-style-type: none"> • Customers to be issued with bills to the supplied address or an alternative mailing address nominated by the customer during the customer sign-up process • Customer mailing address and other contact details to be updated in the customer account within Insightly and Oracle 	

No.	Obligation description			Findings	
		Priority: 4	Controls rating: NP	Compliance rating: 1	<ul style="list-style-type: none"> A copy of the customer contract, which contains customer contact details, to be kept within the customer folder on Kleenheat's central electronic drive.
155	A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise. <i>Code of Conduct clause 4.5(1)</i>	Priority: 4	Controls rating: NP	Compliance rating: 1	Through discussion with the Credit Team Leader and examination of Kleenheat's sample bills, we determined that Kleenheat's customer bill includes the minimum prescribed information as required by Clause 4.5(1) of the Code of Conduct.
156	If a retailer identifies and wishes to bill a customer for a 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. <i>Code of Conduct clause 4.5(3)</i>	Priority: 4	Controls rating: NP	Compliance rating: 1	<p>Through discussions with the Credit Team Leader, Sales Support Analyst and Credit Support Officer, and the walkthrough of Kleenheat's billing process, we determined, for instances during the audit period where Kleenheat billed a customer for a historical debt, Kleenheat's processes provided for customers to be:</p> <ul style="list-style-type: none"> Advised via phone call or email of the undercharged amount and its basis when Kleenheat became aware of the undercharge, no later than the next bill Offered additional time or payment arrangement for the historical debt.
157	A retailer must base a customer's bill on the following: <ul style="list-style-type: none"> - 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 - if the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code, or as set out in any applicable law. <i>Code of Conduct clause 4.6(1)</i>	Priority: 4	Controls rating: NP	Compliance rating: 1	<p><i>Obligation 157 and 158</i></p> <p>Through discussion with the Sales Support Analyst, walkthrough of Kleenheat's billing process, and examination of Kleenheat's "Running Billing Process for ELE Customers" and "Billing Engine" procedures, we determined that:</p> <ul style="list-style-type: none"> Kleenheat recognises Western Power as responsible for all meter readings Kleenheat's processes provide for the Sales Support Analyst to: <ul style="list-style-type: none"> Download meter readings from Western Power's web portal Load the network charges and AMEO invoice (from AMEO website) and meter reading data onto Oracle Generate additional fees and charges via Oracle Generate a spreadsheet of the list of customers who have been billed and the total amount billed from the billing system. Customer invoices are automatically generated via Oracle based on the meter reading. <p>The Sales Support Analyst confirmed that:</p> <ul style="list-style-type: none"> Kleenheat performs an invoice check for the new customer to ensure that the billing process for the new customer has been set up correctly Kleenheat has a dedicated customer account contact with Western Power to discuss meter data issues
158	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills. <i>Code of Conduct clause 4.7</i>				

No.	Obligation description			Findings	
		Priority: 5	Controls rating: NP	Compliance rating: 1	<ul style="list-style-type: none"> There have been no instances of failure to obtain meter data (estimated or actual) from Western Power.
159	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. <i>Code of Conduct clause 4.8(1)</i>	Priority: 3	Controls rating: A	Compliance rating: 2	<p><i>Obligations 159 to 161</i></p> <p>Through discussions with the Regulatory Specialist Natural Gas and Electricity and Sales Support Analyst, examination of Kleenheat's "Running Billing Process for ELE Customers", "Billing Engine" and "Electricity Customer Bill Inquiry" procedure and training material in relation to billing, we determined that for the instances during the audit period where Kleenheat issued an estimated bill, it applied the following processes:</p> <ul style="list-style-type: none"> Customers are issued with an estimated bill in the absence of actual meter data Customers are advised that the bill is estimated, and the process by which the customer can request information about the basis and reason for the estimation, or to request a meter reading Kleenheat staff are trained to provide the details of the basis of estimation upon customer request The Sales Support Analyst organises a special meter read and advises the customer of the charges upon customer request. <p><u>Obligation 159 only</u></p> <p>In its 2016 and 2017 Compliance Report submitted to the ERA, Kleenheat self-reported that in one instance during the audit period (FY 16-17), Kleenheat failed to provide an estimated bill to the SME (a Small Use Customer) where over 10 per cent of the readings were estimated.</p> <p>In May 2017, Kleenheat implemented a system update to align with the changes that stemmed from the 1 July 2016 amendments to the Code of Conduct for the Supply of Electricity to Small Use Customers, specifically to clause 4.8.</p> <p>Upon examining a sample of two estimated bills (out of a population of four for the audit period), no further exceptions were identified.</p>
160	In circumstances where a customer's bill is estimated, a retailer must clearly specify on the customer's bill the information required under subclause 4.8(2). <i>Code of Conduct clause 4.8(2)</i>	Priority: 4	Controls rating: NP	Compliance rating: 1	
161	On request, a retailer must inform a customer of the basis and the reason for the estimation. <i>Code of Conduct clause 4.8(3)</i>	Priority: 4	Controls rating: NP	Compliance rating: 1	
	Recommendation (Obligation 159 only): Not applicable – Resolved during the audit period.				Action Plan (Obligation 159 only): Not applicable – Resolved during the audit period.
162	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. <i>Code of Conduct clause 4.9</i>				<p>Through discussion with the Credit Team Leader and examination of Kleenheat's "Electricity Customer Overcharge Procedure", we determined, for instances during the audit period where an adjustment was required to be made on the Customer's estimated bill, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> The Customer to be informed of the overcharge as a result of an error or if the customer's meter was found defective, within 10 business days

No.	Obligation description			Findings
	Priority: 4	Controls rating: NP	Compliance rating: 1	<ul style="list-style-type: none"> Kleenheat to seek customer instruction on how to re-allocate the overcharged amount.
163	<p>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. <i>Code of Conduct clause 4.10</i></p>			<p>Through discussion with the Sales Support Analyst and Credit Team Leader and examination of Kleenheat's billing procedures, we determined that, for instances during the audit period where a customer had requested an actual read after initially failing to provide access to the meter, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> The review of the customer's bill A special meter read to be arranged with Western Power The customer to be informed of the outcome of the review within 20 business days from the date of receiving the request Adjustments, if any, to be made in accordance with the customer's instruction within 12 business days of receiving the instruction The credit amount to be reflected on the next invoice if Kleenheat did not receive any instruction from the customer within five business days. <p>Through examination of clause 5 of Kleenheat's terms and conditions, we determined that:</p> <ul style="list-style-type: none"> No interests are accrued on the refund amount Kleenheat would automatically credit the refund to the customer's account if it is less than \$75. <p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not have any customers with estimated bills for the reasons of failing to provide access during the audit period.</p>
	Priority: 5	Controls rating: NP	Compliance rating: NR	
164	<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. <i>Code of Conduct clause 4.11(1)</i></p>			<p><i>Obligations 164 and 165</i></p> <p>The Regulatory Specialist Natural Gas and Electricity (in consultation with the Sales Support Analyst) confirmed that Kleenheat did not receive a request for a meter test from small SME customers during the audit period.</p>
	Priority: 4	Controls rating: NP	Compliance rating: NR	
165	<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. <i>Code of Conduct clause 4.11(2)</i></p>			
	Priority: 4	Controls rating: NP	Compliance rating: NR	

No.	Obligation description	Findings	
166	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. <i>Code of Conduct clause 4.12(1)</i>	<p><i>Obligations 166 and 167</i></p> <p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not offer alternative tariffs during the audit period.</p>	
	Priority: 4		
167	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. <i>Code of Conduct clause 4.13</i>		
	Priority: 4		
168	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. <i>Code of Conduct clause 4.14(1)</i>	<p>Through discussions with the Sales Support Analyst and examination of Kleenheat's end of contract procedures, we determined that, for instances during the audit period where a customer had requested a final bill, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> Finalisation of the customer account A final meter read to be arranged, from which a final bill is generated. 	
	Priority: 5		
169	Subject to subclause 4.14(3), if a customer's account is in credit at the time of account closure, a retailer must, in accordance with the customer's instructions, transfer the amount of credit to another account that the customer has with the retailer or a bank account nominated by the customer, within 12 business days or other agreed time. <i>Code of Conduct clause 4.14(2)</i>	<p><i>Obligations 169 and 170</i></p> <p>Through discussion with the Sales Support Analyst and Credit Team Leader, and examination of Kleenheat's billing and credit management procedures, we determined that, for those instances during the audit period where the customer's account was in credit at the time of account closure, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> Informing the customer to contact Kleenheat to arrange for the settlement of account if there is a credit balance Kleenheat to process the customer refund within 12 business days of receiving customer's instruction Kleenheat to offer the customer to have their credit transferred to an alternative account held with Kleenheat (such as their gas account). 	
	Priority: 5		
170	If a customer's account is in credit at the time of account closure and the customer owes a debt to a retailer, the retailer may use that credit to offset the debt owed to the retailer by giving the customer written notice. If any amount remains after the set off, the retailer must ask the customer for instructions to transfer the remaining amount in accordance with subclause 4.14(2). <i>Code of Conduct clause 4.14(3)</i>		
	Priority: 4		

No.	Obligation description	Findings						
171	<p>A retailer must review a customer's bill on request by the customer, subject to the customer paying that portion of the bill under review that the 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.</p> <p><i>Code of Conduct clause 4.15</i></p>	<p><i>Obligations 171 to 175</i></p> <p>Through discussion with the Regulatory Specialist Natural Gas and Electricity, Sales Support Analyst, Commercial Collections Officer and Credit Team Leader, and examination of Kleenheat's billing and credit management procedures, we determined that, for those instances during the audit period where Kleenheat had received a request from a customer to review a bill, Kleenheat's processes provided for the:</p> <ul style="list-style-type: none"> • Sales Support Analyst to explain the possible reason of high usage when queried • Sales Support Analyst to advise the customer of their right to request a meter test and possible resulting fees • Sales Support Analyst to update the customer diary notes to reflect the outcome of the discussion • Sales Support Analyst to arrange a meter data verification after obtaining the customer's consent • Request for review to be resolved immediately, or for the request to be referred to a relevant team for resolution • Customer to be informed of the outcome of the review as soon as practicable • Customer to be notified of the status of review, as soon as practicable, where Kleenheat has not informed the customer of the outcome of review within 20 business days from the date of receipt of the request • Appropriate adjustments to be made as required by the Code. Where the amount in credit is less than \$75, the default process is for a credit to be applied on the customer's account. Alternatively, the customer may request a refund. 						
<table border="1"> <tr> <td data-bbox="241 451 517 499">Priority: 4</td> <td data-bbox="517 451 815 499">Controls rating: NP</td> <td colspan="2" data-bbox="815 451 1146 499">Compliance rating: 1</td> </tr> </table>					Priority: 4	Controls rating: NP	Compliance rating: 1	
Priority: 4	Controls rating: NP				Compliance rating: 1			
172	<p>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.</p> <p><i>Code of Conduct clause 4.16(1)(a)</i></p>							
<table border="1"> <tr> <td data-bbox="241 754 517 802">Priority: 4</td> <td data-bbox="517 754 815 802">Controls rating: NP</td> <td colspan="2" data-bbox="815 754 1146 802">Compliance rating: 1</td> </tr> </table>					Priority: 4	Controls rating: NP	Compliance rating: 1	
Priority: 4	Controls rating: NP				Compliance rating: 1			
173	<p>If a retailer has reviewed a customer's bill and is satisfied that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.</p> <p><i>Code of Conduct clause 4.16(1)(b)</i></p>							
<table border="1"> <tr> <td data-bbox="241 946 517 994">Priority: 4</td> <td data-bbox="517 946 815 994">Controls rating: NP</td> <td colspan="2" data-bbox="815 946 1146 994">Compliance rating: 1</td> </tr> </table>		Priority: 4	Controls rating: NP	Compliance rating: 1				
Priority: 4	Controls rating: NP	Compliance rating: 1						
174	<p>A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.</p> <p><i>Code of Conduct clause 4.16(2)</i></p>							
<table border="1"> <tr> <td data-bbox="241 1106 517 1153">Priority: 4</td> <td data-bbox="517 1106 815 1153">Controls rating: NP</td> <td colspan="2" data-bbox="815 1106 1146 1153">Compliance rating: 1</td> </tr> </table>		Priority: 4	Controls rating: NP	Compliance rating: 1				
Priority: 4	Controls rating: NP	Compliance rating: 1						
175	<p>If a 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>							
<table border="1"> <tr> <td data-bbox="241 1329 517 1377">Priority: 4</td> <td data-bbox="517 1329 815 1377">Controls rating: NP</td> <td colspan="2" data-bbox="815 1329 1146 1377">Compliance rating: 1</td> </tr> </table>		Priority: 4	Controls rating: NP	Compliance rating: 1				
Priority: 4	Controls rating: NP	Compliance rating: 1						
176	<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</p>	<p><i>Obligations 176, 176A and 182</i></p>						

No.	Obligation description			Findings
	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). <i>Code of Conduct clause 4.17(2)</i>			Through discussion with the Regulatory Specialist Natural Gas and Electricity and Sales Support Analyst, and examination of Kleenheat's billing and credit management procedures, we determined that, for instances during the audit period where Kleenheat recovered an amount undercharged as a result of an error for which it or Western Power was responsible for, or an adjustment for which was not caused by an act or omission of the customer, Kleenheat's processes provided for:
	Priority: 4	Controls rating: NP	Compliance rating: 1	
176A	A retailer may charge a customer interest on the undercharged amount or require the customer to pay a late fee, if the conditions in clause 4.17(3) are met. <i>Code of Conduct clause 4.17(3)</i>			<ul style="list-style-type: none"> Notifying the customer no later than the next bill to advise them of the undercharge/adjustment amount and the basis of the undercharge/adjustment Limiting the amount of undercharge/adjustment to be recovered to no more than 12 months prior to the date on which Kleenheat notified the customer Not charging the customer interest and late payment fee on the undercharged/adjusted amount Offering the customer additional time to pay the amount or enter into a payment arrangement with the customer.
	Priority: 5	Controls rating: NP	Compliance rating: 1	
177	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), the retailer must use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default. Subject to subclauses 4.18(6) and 4.18(7), the retailer must ask the customer for instructions if the amount should be credited to the customer's account or repaid to the customer directly. <i>Code of Conduct clause 4.18(2)</i>			<p><i>Obligations 177 to 181 and 183 to 186</i></p> <p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and Credit Team Leader, and examination of Kleenheat's credit management procedures, we determined that, for instances during the audit period where Kleenheat had overcharged a customer, we determined that Kleenheat processes provided for it to:</p> <ul style="list-style-type: none"> Use its best endeavours to contact the customer within 10 business days of becoming aware of the overcharge Ascertain if the customer prefers the amount to be credited to their account or to be refunded If an instruction is not received from the customer within five business days of contact, credit the amount of overcharge to the customer account Process the customer refund within 12 business days of receiving the customer's instruction. <p>Through examination of Kleenheat's contractual terms and conditions, we determined that :</p> <ul style="list-style-type: none"> No interest is applied on the refund amount Kleenheat is to automatically credit the refund to the customer's account if it is less than \$75.
	Priority: 5	Controls rating: NP	Compliance rating: 1	
178	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>			
	Priority: 5	Controls rating: NP	Compliance rating: 1	
179	If instructions regarding repayment of an overcharged bill are not received within 5 business days of a retailer making the request, a retailer must use reasonable endeavours to credit the amount overcharged to a customer's account. <i>Code of Conduct clause 4.18(4)</i>			
	Priority: 5	Controls rating: NP	Compliance rating: 1	

No.	Obligation description	Findings	
180	Where the amount overcharged is less than \$100, a retailer may proceed to deal with the matter as outlined in subclause 4.18(6). <i>Code of Conduct clause 4.18(6)</i>		
	Priority: 5	Controls rating: NP	Compliance rating: 1
181	The retailer may, by giving the customer written notice, use an amount overcharged to set off a debt owed to the retailer provided that the customer is not a residential customer experiencing payment difficulties or financial hardship, or making payments under an alternative payment arrangement. If, after the set off, an amount less than \$100.00 remains, the retailer must deal with that amount in accordance with subclause 4.18(6). If the amount is \$100.00 or more, the retailer must deal with it in accordance with subclause 4.18(2). <i>Code of Conduct clause 4.18(7)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: 1
182	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of a customer, the retailer must comply with subclause 4.19(1). <i>Code of Conduct clause 4.19(1)</i>		Refer to Obligation 176
	Priority: 4	Controls rating: NP	Compliance rating: 1
183	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 within 10 business days and, subject to subclauses 4.19(5) and 4.19(7), ask the customer for instructions about the repayment of the amount owing. <i>Code of Conduct clause 4.19(2)</i>		Refer to Obligations 177 to 181
	Priority: 5	Controls rating: NP	Compliance rating: 1
184	If a retailer receives 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. <i>Code of Conduct clause 4.19(3)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: 1
185	If a retailer does not receive instructions under subclause 4.19(2), within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount of the adjustment to the customer's account.		

No.	Obligation description	Findings	
	<i>Code of Conduct clause 4.19(4)</i> Priority: 5 Controls rating: NP Compliance rating: 1		
186	The retailer may, by giving the customer written notice, use and amount overcharged to set off a debt owed to the retailer provided that the customer is not a residential customer experiencing payment difficulties or financial hardship, or making payments under an alternative payment arrangement. If, after the set off, an amount less than \$100.00 remains, the retailer must deal with that amount in accordance with subclause 4.19(5). If the amount is \$100.00 or more, the retailer must deal with it in accordance with subclause 4.19(2). <i>Code of Conduct clause 4.19(7)</i> Priority: 4 Controls rating: NP Compliance rating: 1		

No.	Obligation description	Findings		
Part 5 Payment				
187	<p>The due date on the bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer. <i>Code of Conduct clause 5.1</i></p>	<p>Through discussion with the Credit Team Leader and Sales Support Analyst, examination of Kleenheat's "Electricity Billing" process and "SME Electricity Debt Collection Strategy", and walkthrough of the Oracle system, we determined Kleenheat's processes provide for:</p> <ul style="list-style-type: none"> • Prior to the system change outlined below, payment terms to be manually assigned to customer accounts • The due date of a SME customer's (a type of Small Use Customer) bill to be at least 12 business days from the dispatch date of the bill • Large Use customers to have a reduced due date as set out in their respective contract. <p>During the audit period, Kleenheat self-reported that it incorrectly set up three new SME customers as a Large customer owing to human error.</p> <p>As a result, the three customers' invoices had incorrect payment terms of 15 calendar days rather than 22 calendar days, resulting in the due date falling below the 12 business days minimum for Small Use Customers.</p> <p>In August 2017, Kleenheat updated its business rules within Oracle to auto-populate the payment terms based on the customer class. Additionally, Kleenheat implemented an exception reporting process to identify mismatches between customer type and payment terms.</p> <p>Kleenheat does not currently provide for this process in its policies and procedures.</p> <p>Kleenheat has implemented the following to ensure compliance:</p> <ul style="list-style-type: none"> • Set up a business rule within Oracle to auto populate the payment terms base on the customer class, rather than manual assignment • Developed an automated exception report to monitor the mismatch of the customer class. <p>Through examination of five sample customer invoices, we did not identify any further instances of non-compliance.</p>		
Priority: 3		Controls rating: B	Compliance rating: 2	
		<p>Recommendation 2/2017</p> <p>Kleenheat integrate its exception reporting process into its policy and procedure documents.</p>		<p>Action Plan 2/2017</p> <p>Kleenheat has documented the exception reporting process in its policy and procedure document.</p> <p>Responsible person: Sales Support Analyst</p> <p>Target date: Complete – November 2017</p>

No.	Obligation description	Findings	
188	<p>Unless otherwise agreed with the customer, a retailer must offer the customer at least the following payment methods:</p> <ul style="list-style-type: none"> - 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 or debit card. <p><i>Code of Conduct clause 5.2</i></p>	<p>Through discussion with the Credit Team Leader and examination of Kleenheat's website and sample bills and notices, we determined that, during the audit period, Kleenheat had offered its customers the following payment methods:</p> <ul style="list-style-type: none"> • In person at its head office • By mail • Electronically via BPay or credit card • Over the phone by means of credit card and debit card. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
189	<p>Prior to commencing a direct debit facility, a retailer must obtain a customer's verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits.</p> <p><i>Code of Conduct clause 5.3</i></p>	<p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of Kleenheat's payment procedures, we determined that, for those instances during the audit period where Kleenheat had established a direct debit facility with a customer, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> • Direct debit verifiable consents to be written and obtained through the customer's completion of a manual direct debit form as part of the sign up process • The customer to be advised of: <ul style="list-style-type: none"> ○ Details of how direct debit works ○ How the customer may cancel the direct debit facility ○ The responsibility of the customer in maintaining the direct debit facility. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
190	<p>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 \$20.00.</p> <p><i>Code of Conduct clause 5.4</i></p>	<p>Through discussion with the Credit Team Leader and Commercial Credit Officer we determined that:</p> <ul style="list-style-type: none"> • Kleenheat received requests from customers to accept advanced payments during the audit period • Kleenheat's standard practices applied during the audit period provided for: <ul style="list-style-type: none"> ○ Accepting payment in advance from a customer for any amount ○ Placing the customer's account in credit, where applicable. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
191	<p>If, due to illness or absence, a residential customer is unable to pay by way of the methods described in clause 5.2, a retailer must offer to redirect the customer's bill to a third person at no charge.</p> <p><i>Code of Conduct clause 5.5</i></p>	<p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.</p>	
	Priority: 4	Controls rating: NP	Compliance rating: NR

No.	Obligation description	Findings	
192	A retailer must not charge a residential customer a late payment fee in the circumstances specified in subclause 5.6(1). <i>Code of Conduct clause 5.6(1)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
193	If a retailer has charged a late payment fee in the circumstances set out in subclause 5.6(1)(c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill. <i>Code of Conduct clause 5.6(2)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
194	A retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice. <i>Code of Conduct clause 5.6(3)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
195	A retailer must not charge a residential customer more than 2 late payment fees in relation to the same bill or more than 12 late payment fees in a year. <i>Code of Conduct clause 5.6(4)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
196	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made. <i>Code of Conduct clause 5.6(5)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
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 in subclause 5.7(1). <i>Code of Conduct clause 5.7(1)</i>	Priority: 4	Controls rating: NP Compliance rating: 1
198	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require the customer to pay for electricity consumed at that		

Obligations 197 and 198

Through discussion with the Credit Team Leader and examination of Kleenheat's credit management procedures and contractual terms and conditions, we determined, for those instances during the audit period where a customer had vacated a supply, Kleenheat's customer move-out processes provide for:

- Requiring customers to provide at least five business days' notice to allow Kleenheat to finalise the account

No.	Obligation description			Findings
	supply address from the date the customer gave the notice to the retailer. <i>Code of Conduct clause 5.7(2)</i>			<ul style="list-style-type: none"> • Kleenheat to arrange a final meter read to be conducted for the property and issue a final bill to the customer • Customers to be charged for consumption up to the account closure date • Customers not to be charged for consumption from the customer move-out date, provided the customer can provide reasonable evidence.
	Priority: 4	Controls rating: NP	Compliance rating: 1	
199	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). <i>Code of Conduct clause 5.7(4)</i>			<p><i>Obligations 199 to 201</i></p> <p>Through discussion with the Credit Team Leader and examination of Kleenheat's debt collection procedures and contractual terms and conditions, we determined that, for those instances during the audit period where a customer had moved out of the supply address, Kleenheat's processes provided for the:</p> <ul style="list-style-type: none"> • Oracle system to not permit a customer account to be reactivated once it has been finalised • Previous customer not to be charged after the time when the new customer is obliged to pay • Debt to only be recovered from the customer who entered into a contract with Kleenheat.
	Priority: 4	Controls rating: NP	Compliance rating: 1	
200	A retailer must not commence proceedings to recover of a debt from a residential customer who meets the criteria in subclause 5.8(2). <i>Code of Conduct clause 5.8(1)</i>			<ul style="list-style-type: none"> • Debt to only be recovered from the customer who entered into a contract with Kleenheat.
	Priority: 4	Controls rating: NP	Compliance rating: NR	
201	A retailer must not recover, or attempt to recover, a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address. <i>Code of Conduct clause 5.8(2)</i>			<p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.</p>
	Priority: 4	Controls rating: NP	Compliance rating: 1	
201A	A retailer may transfer one customer's debt to another customer if requested by the customer owing the debt and provided that the retailer obtains the other customer's verifiable consent to the transfer. <i>Code of Conduct clause 5.9</i>			<p>Through discussion with the Credit Team Leader and Commercial Credit Officer, and walkthrough of Kleenheat's payment collection process, we determined that, for those instances during the audit period where a customer had requested Kleenheat to transfer a debt to another customer, Kleenheat's processes provided for the debt transfer to occur only after verifiable consent had been obtained from the new debt recipient.</p>
	Priority: 5	Controls rating: NP	Compliance rating: 1	

No.	Obligation description	Findings				
Part 6 Payment Difficulties and Financial Hardship						
202	<p>If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within 5 business days; or, if the retailer cannot make the assessment within 5 business days, refer that customer to a relevant consumer representative to make the assessment.</p> <p><i>Code of Conduct clause 6.1(1)</i></p>	<p><i>Obligations 202 to 219</i></p> <p>Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.</p>				
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance rating: NR</td> </tr> </table>			Priority: 4	Controls rating: NP	Compliance rating: NR
Priority: 4	Controls rating: NP			Compliance rating: NR		
203	<p>When undertaking an assessment under subclause 6.1(1)(a), a retailer must give reasonable consideration to the information prescribed in subclause 6.1(3)(a), or advice prescribed in 6.1(3)(b), unless a retailer adopts an assessment from a relevant consumer representative.</p> <p><i>Code of Conduct clause 6.1(3)</i></p>					
	<table border="1"> <tr> <td>Priority: 5</td> <td>Controls rating: NP</td> <td>Compliance rating: NR</td> </tr> </table>			Priority: 5	Controls rating: NP	Compliance rating: NR
Priority: 5	Controls rating: NP			Compliance rating: NR		
204	<p>Upon request, a retailer must advise a residential customer of the details and outcome of an assessment carried out under subclause 6.1(1).</p> <p><i>Code of Conduct clause 6.1(4)</i></p>					
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance rating: NR		
Priority: 4	Controls rating: NP	Compliance rating: NR				
205	<p>If a residential customer is referred to a relevant consumer representative under subclause 6.1(1)(b), a retailer must grant a temporary suspension of actions for that customer.</p> <p><i>Code of Conduct clause 6.2(1)</i></p>					
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance rating: NR		
Priority: 4	Controls rating: NP	Compliance rating: NR				
206	<p>A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.</p> <p><i>Code of Conduct clause 6.2(2)</i></p>					
	<table border="1"> <tr> <td>Priority: 4</td> <td>Controls rating: NP</td> <td>Compliance rating: NR</td> </tr> </table>	Priority: 4	Controls rating: NP	Compliance rating: NR		
Priority: 4	Controls rating: NP	Compliance rating: NR				
207	<p>A retailer must allow a temporary suspension of actions for a period of at least 15 business days.</p>					

No.	Obligation description	Findings		
	<p><i>Code of Conduct clause 6.2(3)</i></p> <p>Priority: 4 Controls rating: NP Compliance rating: NR</p>			
208	<p>A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative to allow additional time to assess a residential customer's capacity to pay.</p> <p><i>Code of Conduct clause 6.2(4)</i></p> <p>Priority: 5 Controls rating: NP Compliance rating: NR</p>			
209	<p>If 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 customer that additional assistance may be available if the prescribed circumstances apply.</p> <p><i>Code of Conduct clause 6.3(1)(a)</i></p> <p>Priority: 4 Controls rating: NP Compliance rating: NR</p>			
210	<p>If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1)(b) and assistance in accordance with clauses 6.6 to 6.9.</p> <p><i>Code of Conduct clause 6.3(1)(b)</i></p> <p>Priority: 4 Controls rating: NP Compliance rating: NR</p>			
211	<p>If a residential customer is experiencing payment difficulties, a retailer must offer the residential customer at least the following payment arrangements:</p> <ul style="list-style-type: none"> - additional time to pay a bill; and - if requested by the residential customer, 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. <p><i>Code of Conduct clause 6.4(1)(a)</i></p> <p>Priority: 4 Controls rating: NP Compliance rating: NR</p>			
212	<p>If a residential customer is experiencing financial hardship, a retailer must offer the residential customer at least the following payment arrangements:</p> <ul style="list-style-type: none"> - additional time to pay a bill; and 			

No.	Obligation description	Findings		
	<p>- 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.</p> <p><i>Code of Conduct clause 6.4(1)(b)</i></p>			
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance rating: NR</p>	
213	<p>When offering or amending an instalment plan to a residential customer experiencing payment difficulties or financial hardship, a retailer must comply with subclause 6.4(2).</p> <p><i>Code of Conduct clause 6.4(2)</i></p>			
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance rating: NR</p>	
214	<p>If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in subclause 6.4(3)(a) within 5 business days, and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.</p> <p><i>Code of Conduct clause 6.4(3)</i></p>			
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance rating: NR</p>	
215	<p>A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative, for a reduction of the customer's fees, charges or debt.</p> <p><i>Code of Conduct clause 6.6(1)</i></p>			
	<p>Priority: 5</p>	<p>Controls rating: NP</p>	<p>Compliance rating: NR</p>	
216	<p>In giving reasonable consideration under subclause 6.6(1), a retailer should refer to the hardship procedures referred to in subclause 6.10(3).</p> <p><i>Code of Conduct clause 6.6(2)</i></p>			
	<p>Priority: 4</p>	<p>Controls rating: NP</p>	<p>Compliance rating: NR</p>	
217	<p>If it is reasonably demonstrated to a retailer that a customer experiencing financial hardship is unable to meet the customer's obligations under a previously elected payment arrangement, the retailer must give reasonable consideration to offering the customer an instalment plan or revising an existing instalment plan.</p> <p><i>Code of Conduct clause 6.7</i></p>			
	<p>Priority: 5</p>	<p>Controls rating: NP</p>	<p>Compliance rating: NR</p>	

No.	Obligation description	Findings	
218	A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1). <i>Code of Conduct clause 6.8</i>	Priority: 4	Controls rating: NP Compliance rating: NR
219	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives as referred to in subclause 5.4(3). <i>Code of Conduct clause 6.9(1)</i>	Priority: 4	Controls rating: NP Compliance rating: NR
220	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship to meet their financial obligations and responsibilities to the retailer. <i>Code of Conduct clause 6.10(1)</i>	Priority: 4	Controls rating: NP Compliance rating: 1
221	A retailer must ensure that its hardship policy complies with the criteria specified in subclause 6.10(2). <i>Code of Conduct clause 6.10(2)</i>	Priority: 4	Controls rating: NP Compliance rating: 1
222	A retailer must ensure that its hardship procedures comply with the criteria specified in subclause 6.10(3). <i>Code of Conduct clause 6.10(3)</i>	Priority: 4	Controls rating: NP Compliance rating: 1
223	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the retailer's hardship policy, including by post, at no charge. <i>Code of Conduct clause 6.10(4)</i>	Priority: 4	Controls rating: NP Compliance rating: NR

Through discussion with the Credit Team Leader and the Customer Advocate, examination of Kleenheat's Financial Hardship Policy, Financial Hardship Assessment Procedure and Training Modules, we determined that:

- While Kleenheat does not currently supply to residential customers, its Financial Hardship Policy provides reference to residential electricity customers
- Kleenheat's Financial Hardship Policy has been developed in consultation with relevant key stakeholders and customer representative organisations such as: WACOSS, Department of Child Protection and Family Support (DCPFS) and Financial Counsellors Association of Western Australia (FCAWA) to ensure it meets the needs of customers experiencing hardship
- The Policy and Procedure have been developed in accordance with the criteria specified in clauses 6.10(2) and 6.10(3)
The Policy (October 2015 version) is available on Kleenheat's website.

The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.

No.	Obligation description	Findings	
224	A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the dates the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended <i>Code of Conduct clause 6.10(5) [1 July 2015 – 30 June 2016]</i>	Through discussion with the Credit Team Leader, we determined that Kleenheat processes provides for: <ul style="list-style-type: none"> Version control of documentation through its document management system, which includes the date the hardship policy was established and the amendment dates A list of consulted organisations (the two main organisation being FCAWA and WACOSS). 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
225	If directed by the ERA, a retailer must review its hardship policy and hardship procedures and submit the results of that review to the ERA within 5 business days after it is completed. <i>Code of Conduct clause 6.10(6)</i>	<i>Obligations 225 to 227</i> Through discussion with the Credit Team Leader and Regulatory Specialist Natural Gas and Electricity, we determined that Kleenheat has applied relevant processes to: <ul style="list-style-type: none"> Review the Financial Hardship Policy annually for potential updates, to examine alignment with the ERA's Financial Hardship Policy Guidelines Submit the review results and any amendment to the Policy to the ERA in a timely manner. 	
	Priority: 4	Controls rating: NP	Compliance rating: NR
226	A retailer must comply with the ERA's Financial Hardship Policy Guidelines. <i>Code of Conduct clause 6.10(7)</i>	We confirmed that the most recent review of the Policy was conducted in 2015, with the copy of the amended Policy submitted to the ERA on 15 September 2015 (being the date on which the review concluded), prior to the effective date of the amendment from 22 October 2015 and therefore meeting the timing requirements of clause 6.10.	
	Priority: 4	Controls rating: NP	Compliance rating: 1
227	If a retailer makes material amendment to its hardship policy, the retailer must submit a copy of the retailer's amended hardship policy to the ERA within 5 business days of the amendment. <i>Code of Conduct clause 6.10(8)</i>	The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat has not been directed by the ERA to review its Financial Hardship Policy since the most recent review in 2015.	
	Priority: 4	Controls rating: NP	Compliance rating: 1
228	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>	Through discussion with the Credit Team Leader, walkthrough of Kleenheat's payment process, and examination of Kleenheat's Financial Hardship Policy and Financial Hardship Assessment Procedures, we determined Kleenheat's processes provide for: <ul style="list-style-type: none"> Kleenheat to offer alternative payment arrangement to its business customers The Credit Team to be trained to offer alternative payment arrangements to business customers by considering hardship situations on a case-by-case basis. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
			Through examination of Kleenheat's 2017 Electricity Performance Reporting Datasheet, we determined: <ul style="list-style-type: none"> Four of a total of 75 business customers were placed on an instalment plan 12 of 75 business customers were granted additional time to pay its bills.

No.	Obligation description	Findings		
Part 7 Disconnection				
229	<p>Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c).</p> <p><i>Code of Conduct clause 7.1(1)</i></p>	<p>Through discussion with the Credit Team Leader and Commercial Credit Officer, examination of Kleenheat policies and procedures, and walkthrough of Kleenheat's Debt Collection Strategy process, we determined that, during the audit period, Kleenheat applied the following processes to manage reminder notices and disconnection notices issued to customers who had been disconnected for failure to pay a bill:</p> <ul style="list-style-type: none"> • The Oracle system is programmed to generate a weekly credit report outside of Kleenheat normal business hours (Sunday) to identify overdue customer accounts • The Commercial Credit Officer is responsible for: <ul style="list-style-type: none"> ○ Manually creating the reminder and disconnection notices for customers listed on the weekly credit report ○ Reviewing and sending the notices to the customer ○ Making best endeavours to ensure the customer receives the notices ○ Updating the customer diary notes. • The Commercial Credit Officer is trained to consider the details of diary notes recorded in Oracle and refer to the Debt Collection Strategy Process to determine the type of notices to be issued to the customer • Reminder and disconnection notices are to be issued in line with the timeframes specified in the Code. 		
	Priority: 4	Controls rating: NP	Compliance rating: 1	
230	<p>A retailer must not arrange for a 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>	<p>Through discussion with the Credit Team Leader and Commercial Credit Officer, examination of Kleenheat policies and procedures, and:</p> <p>Through discussion with the Regulatory Specialist Natural Gas and Electricity, Sales Support Analyst and the Credit Team Leader, and walkthrough of Kleenheat's Debt Collection Strategy process, we determined that, during the audit period, Kleenheat applied the following processes to manage its obligations prior to arranging for disconnection of a customer's supply address:</p> <ul style="list-style-type: none"> • Disconnection is the last resort Kleenheat will employ, requiring it to first use its best endeavours to contact the customer to discuss the outstanding account • A mandatory disconnection checklist outlining the overdue amount, reason for disconnection, invoice due date, reminder notice date, disconnection notice date and call date is to be completed and approved by the Credit Team Leader. This checklist also enables the Credit Team Leader to ensure the disconnection does not breach the obligations of 7.2(1) in relation to business customers. <p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.</p>		
	Priority: 4	Controls rating: NP	Compliance rating: 1	

No.	Obligation description			Findings
231	In relation to dual fuel contracts, a retailer must not arrange for disconnection of a residential customer's supply address for failure to pay a bill within 15 business days from the date of disconnection of that customer's gas supply. <i>Code of Conduct clause 7.3</i>			The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.
		Priority: 4	Controls rating: NP	Compliance rating: NR
232	Unless the conditions specified in subclause 7.4(1) are satisfied, a retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter. <i>Code of Conduct clause 7.4(1)</i>			Through discussion with the Sales Support Analyst and examination of Kleenheat's "Disconnection via WP Portal (De-energise)" procedure and training material, we determined: <ul style="list-style-type: none"> • Kleenheat would use its best endeavours to contact the customer to request for access to meter • Kleenheat staff are trained to: <ul style="list-style-type: none"> ○ Advise the customer of the next scheduled meter read ○ Provide the customer the opportunity to arrange for reasonable alternative meter arrangement ○ Advise the customer of the proposed disconnection if access has not been provided for at least 12 consecutive months • Kleenheat to provide customer with at least five business days' notice of its intention to arrange for a disconnection. <p>Through the examination of Kleenheat's disconnection data, for the period subject to audit, we did not identify any instances where Kleenheat had arranged for disconnection of a customer's supply for denied access.</p>
		Priority: 4	Controls rating: NP	Compliance rating: NR
234	Subject to subclause 7.6(3), a retailer or distributor must comply with the limitations specified in subclauses 7.6(1) and (2) when arranging for disconnection or disconnecting a customer's supply address. <i>Code of Conduct clause 7.6</i>			Through discussion with the Sales Support Analyst and examination of Kleenheat's disconnection procedure and checklist as well as customer complaint data, we determined that: <ul style="list-style-type: none"> • Kleenheat performed three disconnections for the audit period, of which none were subject to an open complaint • For the duration of the audit period, Kleenheat's processes provided for: <ul style="list-style-type: none"> ○ Kleenheat staff to be trained on the limitations on disconnection ○ The relevant Sales Support Analyst to check customer diary notes and communicate the intention of disconnection with the relevant teams prior to arranging for disconnection ○ A mandatory disconnection checklist to be approved by the Credit Team Leader prior to submitting a disconnection service request via Western Power's portal.
		Priority: 2	Controls rating: A	Compliance rating: NR

No.	Obligation description	Findings	
235	<p>If 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).</p> <p><i>Code of Conduct clause 7.7(1)</i></p>	<p><i>Obligation 235 to 241</i></p> <p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to customers requiring life support equipment during the audit period.</p>	
<p>Priority: 2</p> <p>Controls rating: NP</p> <p>Compliance rating: NR</p>			
236	<p>A retailer must undertake the actions specified in subclauses 7.7(2)(e)-(g), if a customer registered with a retailer under subclause 7.7(1) notifies the retailer:</p> <ul style="list-style-type: none"> - that the person requiring life support equipment is changing supply address; - that the customer, but not the person requiring life support equipment, is changing supply address; - of the change in contact details; or <p>that the address no longer requires registration as life support equipment address.</p> <p><i>Code of Conduct clause 7.7(2)</i></p>		
<p>Priority: 2</p> <p>Controls rating: NP</p> <p>Compliance rating: NR</p>			
240	<p>A retailer must contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstances specified in subclause 7.7(6).</p> <p><i>Code of Conduct clause 7.7(6)</i></p>		
<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance rating: NR</p>			
241	<p>A retailer or a distributor must remove the customer's details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).</p> <p><i>Code of Conduct clause 7.7(7)</i></p>		
<p>Priority: 4</p> <p>Controls rating: NP</p> <p>Compliance rating: NR</p>			

No.	Obligation description	Findings	
Part 8 Reconnection			
242	<p>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.</p> <p><i>Code of Conduct clause 8.1(1)</i></p>	<p><i>Obligations 242 and 243</i></p> <p>Through discussion with the Sales Support Analyst, walkthrough of Kleenheat's reconnection procedure, and examination of Kleenheat's "Re-Energise via WP Portal" (Re-connected after a disconnection) procedure, we determined Kleenheat processes provide for:</p> <ul style="list-style-type: none"> • Arranging a reconnection of a customer's supply address with Western Power if the customer has made a request for reconnection and has addressed Kleenheat's request for payment of reasonable charges • Forwarding the request for reconnection to Western Power the same business day of the request is received before 3pm on the business day or the next business day if the request is received after 3pm. <p>The Customer Advocate confirmed that there have been no complaints in relation to reconnection for the period subject to audit.</p> <p>The Regulatory Specialist Natural Gas and Electricity and Sales Support Analyst confirmed:</p> <ul style="list-style-type: none"> • Kleenheat would manually submit the service request for reconnection via the Western Power portal • Kleenheat staff are trained and aware of the timeframe to submit the service order for reconnection. <p><u>Obligation 243 only</u></p> <p>Kleenheat's processes provide for recording the date that customer requests are forwarded to Western Power, through a manual Energisation Register. The Energisation Register contains record of requests for:</p> <ul style="list-style-type: none"> • Energisation • De-energisation • Re-energisation. <p>However, the Energisation Register does not contain a record of the date and time Kleenheat received the service request from the customer. Without a record of that time, in instances where Kleenheat forwarded customer requests to the distributor the day after receiving the request, Kleenheat is unable to demonstrate the request was received from the customer after 3pm and therefore in compliance with the Code.</p> <p>This audit did not identify any specific instances of non-compliance where a service request received before 3pm was not forwarded to Western Power on that same day.</p>	
	Priority: 4	Controls rating: NP	Compliance rating: 1
243	<p>A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).</p> <p><i>Code of Conduct clause 8.1(2)</i></p>	<p><u>Obligation 243 only</u></p> <p>Kleenheat's processes provide for recording the date that customer requests are forwarded to Western Power, through a manual Energisation Register. The Energisation Register contains record of requests for:</p> <ul style="list-style-type: none"> • Energisation • De-energisation • Re-energisation. <p>However, the Energisation Register does not contain a record of the date and time Kleenheat received the service request from the customer. Without a record of that time, in instances where Kleenheat forwarded customer requests to the distributor the day after receiving the request, Kleenheat is unable to demonstrate the request was received from the customer after 3pm and therefore in compliance with the Code.</p> <p>This audit did not identify any specific instances of non-compliance where a service request received before 3pm was not forwarded to Western Power on that same day.</p>	
	Priority: 4	Controls rating: B	Compliance rating: 1

No.	Obligation description	Findings
Part 8 Reconnection		
	<p>Recommendation 1/2017</p> <p>Kleenheat expand its Energisation Register to include the date and time when service notification requests are:</p> <ul style="list-style-type: none"> • Received from the customer • Forwarded to Western Power. 	<p>Action Plan 1/2017</p> <p>Kleenheat has expanded its Energisation Register to include the date and time when service notification requests are received from the customer and forwarded to Western Power.</p> <p>Responsible person: Sales Support Analyst</p> <p>Target date: Complete – October 2017</p>

No.	Obligation description	Findings			
Part 9 Prepayment Meters					
245	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. <i>Code of Conduct clause 9.1(2)</i>	The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to customers on pre-payment meters during the audit period.			
	Priority: 4			Controls rating: NP	Compliance rating: NR
246	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. <i>Code of Conduct clause 9.2(1)</i>				
	Priority: 4			Controls rating: NP	Compliance rating: NR
247	A retailer must establish an account for each prepayment meter operating at a residential customer's supply address. <i>Code of Conduct clause 9.2(2)</i>				
	Priority: 4			Controls rating: NP	Compliance rating: NR
248	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. <i>Code of Conduct clause 9.2(3) [1 July 2015 – 30 June 2016]</i>				
	Priority: 4	Controls rating: NP	Compliance rating: NR		
249	If a residential customer requests information on the use of a pre-payment meter, a retailer must advise the information specified in subclause 9.3(1) at no charge, and in clear, simple and concise language. <i>Code of Conduct clause 9.3(1)</i>				
	Priority: 4	Controls rating: NP	Compliance rating: NR		
250	No later than 10 business days after the time a residential customer enters into a pre-payment meter contract at that customer's supply address, a retailer must give or make available to that customer the information specified in subclauses 9.3(1) and 9.3(2)(a)-(s) at no charge. <i>Code of Conduct clause 9.3(2)</i>				
	Priority: 4	Controls rating: NP	Compliance rating: NR		

No.	Obligation description	Findings	
251	<p>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; and the distributor's 24-hour telephone number for faults and emergencies.</p> <p><i>Code of Conduct clause 9.3(3)</i></p>		
	Priority: 4		
252	<p>On 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 2 years, or since the commencement of the pre-payment meter contract (whichever is shorter), divided into quarterly segments.</p> <p><i>Code of Conduct clause 9.3(4)</i></p>		
	Priority: 4		
253	<p>If the recharge facilities available to a residential customer change from the initial recharge facilities referred to in subclause 9.3(2)(r), the retailer must notify the pre-payment meter customer, in writing or by electronic means, of the change within 10 business days.</p> <p><i>Code of Conduct clause 9.3(5)</i></p>		
	Priority: 4		
254	<p>If a pre-payment meter customer notifies a retailer that it wants to replace or switch a pre-payment meter to a standard meter, 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 within 1 business day of the request.</p> <p><i>Code of Conduct clause 9.4(1)</i></p>		
	Priority: 4		
255	<p>A retailer must not charge for reversion to a standard meter if a pre-payment customer is a residential customer and that customer, or their nominated representative, requests reversion of a pre-payment meter within 3 months of its installation or the date the customer agreed to enter into the prepayment contract, whichever is later.</p>		

No.	Obligation description	Findings	
	<i>Code of Conduct clause 9.4(2)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
257	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service in that address; or, if applicable, comply with the prescribed requirements in subclauses 9.5(1)(a)-(c). <i>Code of Conduct clause 9.5(1)</i>		
	Priority: 2	Controls rating: NP	Compliance rating: NR
259	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in subclause 9.6. <i>Code of Conduct clause 9.6</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
260	A retailer must ensure that: at least 1 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 3 hours per day 5 days a week; and the minimum amount to be credited by a recharge facility does not exceed \$20 per increment. <i>Code of Conduct clause 9.7(a), (b) and (d)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
261	If a pre-payment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, the retailer must ensure that the prepayment meter customer receives the benefit of the concession. <i>Code of Conduct clause 9.8</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
262	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. <i>Code of Conduct clause 9.9(1)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
264	If a pre-payment meter is found to be inaccurate or not operating correctly, a retailer must immediately arrange for the repair or		

No.	Obligation description	Findings	
	replacement of the pre-payment meter; correct any overcharging or undercharging; and refund any charges payable by a customer for testing the prepayment meter. <i>Code of Conduct clause 9.9(4)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
265	Subject to a pre-payment meter customer notifying a retailer of the proposed vacation date, the retailer must ensure that the pre-payment customer can retrieve all remaining credit at the time that customer vacates the supply address. <i>Code of Conduct clause 9.10(1)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
266	If a pre-payment meter customer (including a customer who has vacated the supply address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform and reimburse the pre-payment meter customer, (except in the circumstances in clause 9.10(7)) in the timeframe and manner specified. <i>Code of Conduct clause 9.10(2)</i>		
	Priority: 5	Controls rating: NP	Compliance rating: NR
267	If a retailer receives instructions under subclause (2), the retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions. <i>Code of Conduct clause 9.10(3)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
268	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. <i>Code of Conduct clause 9.10(4)</i>		
	Priority: 5	Controls rating: NP	Compliance rating: NR
269	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). <i>Code of Conduct clause 9.10(6)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR

No.	Obligation description	Findings	
270	<p>A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative for a waiver of any fee to replace or switch a pre-payment meter to a standard meter.</p> <p><i>Code of Conduct clause 9.11(1)</i></p>		
	Priority: 4		
271	<p>If 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 9.11(2)(b), the retailer must, subject to subclause 9.11(3), use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in subclause 9.11(2)(d)-(g).</p> <p><i>Code of Conduct clauses 9.11(2) and (3)</i></p>		
	Priority: 4		

No.	Obligation description	Findings	
Part 10 Information and Communication			
272	A retailer must give notice of any variations in its tariffs to each of its customers affected by the variation no later than the next bill in the customer's billing cycle. <i>Code of Conduct clause 10.1(1)</i>	Through discussion with the Regulatory Specialist Natural Gas and Electricity and consideration of Kleenheat's customer establishment and renewal process, we determined that: <ul style="list-style-type: none"> • Since 1 July 2015, Kleenheat has varied its tariffs to reflect CPI increases • For each of those instances where Kleenheat had varied its tariffs, Kleenheat's processes provided for its customers to be informed of the variation: <ul style="list-style-type: none"> ○ As soon as practicable after the variation was published ○ In any event, no later than the next bill in a customer's billing cycle. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
273	On request and at no charge, a retailer must provide a customer with reasonable information on its tariffs, including alternative tariffs. <i>Code of Conduct clause 10.1(2)</i>	<i>Obligations 273 and 274</i> The Regulatory Specialist Natural Gas and Electricity confirmed (in consultation with the Sales Support Analyst) that Kleenheat has not received a tariff information request from the customer during the audit period.	
	Priority: 4	Controls rating: NP	Compliance rating: NR
274	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt and, if requested, provide the information in writing. <i>Code of Conduct clause 10.1(3)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
275	On request, a retailer must provide a non-contestable customer with their billing data. <i>Code of Conduct clause 10.2(1)</i>	<i>Obligations 275 to 278</i> The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to non-contestable customers during the audit period.	
	Priority: 4	Controls rating: NP	Compliance rating: NR
276	If a non-contestable customer requests billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with a retailer, the retailer must provide the data at no charge. <i>Code of Conduct clause 10.2(2)</i>		
	Priority: 4	Controls rating: NP	Compliance rating: NR
277	A retailer must give the requested billing data under subclause 10.2(1) within 10 business days of the receipt of the request, or on payment of the retailer's reasonable charge for providing this data. <i>Code of Conduct clause 10.2(3)</i>		

No.	Obligation description			Findings
	Priority: 4	Controls rating: NP	Compliance rating: NR	
278	A retailer must keep a non-contestable customer's billing data for 7 years. <i>Code of Conduct clause 10.2(4)</i>			
	Priority: 4	Controls rating: NP	Compliance rating: NR	
279	On request and at no charge, a retailer must 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). <i>Code of Conduct clause 10.3</i>			The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.
	Priority: 4	Controls rating: NP	Compliance rating: NR	
280	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. <i>Code of Conduct clause 10.3A</i>			Through examination of Kleenheat's procedures and website, we determined that during the audit period, Kleenheat had not provided the required notification to customers outlining its obligation to pay a Service Standard Payment under Part 14 of the Code, including the: <ul style="list-style-type: none"> • Amount of the payment • Eligibility criteria for the payment. We note that during the audit period, Kleenheat had not made a Service Standard Payment, nor was requested to make a Service Standard Payment.
	Priority: 4	Controls rating: 2	Compliance rating: B	
	Recommendation 3/2017 Kleenheat consider: (a) Implementing a procedure to address the requirements of s.10.3A of the Code by notifying customers on an annual basis of Kleenheat's obligation to make Service Standard Payments where required (b) Updating its publicly available information (such as the Customer Charter) to include Kleenheat's obligation to make a Service Standard Payment in the required circumstances.			Action Plan 3/2017 Kleenheat will implement a procedure to address the requirements of s.10.3A of the Code in relation to Kleenheat's obligation to make a Service Standard Payment in the required circumstances. Responsible person: Regulatory Specialist Natural Gas and Electricity Target date: March 2018
281	On request and at no charge, a retailer must give or make available to a customer general information on cost effective and efficient ways to utilise electricity and the typical running costs of major domestic appliances. <i>Code of Conduct clause 10.4</i>			Through examination of Kleenheat's website, we determined that Kleenheat has a section titled "Energy Saving tips", which provides customers with general information on cost effective and efficient ways to utilise electricity and the typical running costs of major domestic appliances. The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not receive a specific request from a customer for energy saving information during the audit period.
	Priority: 4	Controls rating: NP	Compliance rating: NR	

No.	Obligation description	Findings	
282	<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>	<p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of Kleenheat's publicly available information contained on the website, we determined that for those instances during the audit period where a customer had requested information relating to the distribution of electricity, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> CSAs to direct customer calls to the Western Power representative where appropriate Western Power contact information to be made readily available on Kleenheat's website, customer charter and customer bill. <p>The Regulatory Specialist Natural Gas and Electricity confirmed to the best of his knowledge that Kleenheat did not have any customers requesting information relating to the distribution of electricity during the audit period.</p>	
	Priority: 4	Controls rating: NP	Compliance rating: NR
290	<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, concise language and in a format that is easy to understand.</p> <p><i>Code of Conduct clause 10.9</i></p>	<p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of Kleenheat's billing templates and publicly available information contained on the website, we determined Kleenheat's processes provide for:</p> <ul style="list-style-type: none"> Written information to be expressed in clear, simple, concise language and in a format that is easy to understand Where required, consultation with other business unit to assist in the drafting and review of documents. 	
	Priority: 5	Controls rating: NP	Compliance rating: 1
291	<p>On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct.</p> <p><i>Code of Conduct clause 10.10(1)</i></p>	<p><i>Obligations 291 to 293</i></p> <p>Through discussion with the Regulatory Specialist Natural Gas and Electricity, and examination of Kleenheat's Customer Charter and publicly available information contained on Kleenheat's website, we determined that, for those instances during the audit period where a customer had requested a copy of the Code of Conduct, Kleenheat's processes provided for the customer to be:</p> <ul style="list-style-type: none"> Referred to Kleenheat's website to download a copy of the Code of Conduct If requested, provided with documents in large print at no cost. <p>The Regulatory Specialist Natural Gas and Electricity confirmed that:</p> <ul style="list-style-type: none"> Hard copies of the Code of Conduct are readily available for inspection at Kleenheat's office No Kleenheat customer requested a hard copy of the Electricity Code of Conduct during the audit period. 	
	Priority: 4	Controls rating: NP	Compliance rating: NR
292	<p>A retailer and distributor must make electronic copies of the Code of Conduct available on their websites, at no charge.</p> <p><i>Code of Conduct clause 10.10(2)</i></p>	<p>The Regulatory Specialist Natural Gas and Electricity confirmed that:</p> <ul style="list-style-type: none"> Hard copies of the Code of Conduct are readily available for inspection at Kleenheat's office No Kleenheat customer requested a hard copy of the Electricity Code of Conduct during the audit period. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1
293	<p>A retailer and a distributor must make a copy of the Code of Conduct available for inspection, at no charge, at their respective offices.</p> <p><i>Code of Conduct clause 10.10(3) [1 July 2015 – 30 June 2016]</i></p>	<p>The Regulatory Specialist Natural Gas and Electricity confirmed that:</p> <ul style="list-style-type: none"> Hard copies of the Code of Conduct are readily available for inspection at Kleenheat's office No Kleenheat customer requested a hard copy of the Electricity Code of Conduct during the audit period. 	
	Priority: 4	Controls rating: NP	Compliance rating: 1

No.	Obligation description	Findings	
294	<p>On request and at no charge, a retailer and a distributor must make services available to a residential customer to assist the residential customer to interpret information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).</p> <p><i>Code of Conduct clause 10.11(1)</i></p>	<p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not supply electricity to residential customers during the audit period.</p>	
<p>Priority: 4 Controls rating: NP Compliance rating: NR</p>			
295	<p>For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings.</p> <p><i>Code of Conduct clause 10.11(2)</i></p>		
<p>Priority: 4 Controls rating: NP Compliance rating: NR</p>			
297	<p>On request, a retailer must advise a customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.</p> <p><i>Code of Conduct clause 10.12(2)</i></p>	<p>The Sales Support Analyst confirmed that all requests for meters and distribution-related information are directed to Western Power. The direct number is provided to the customer over the phone or through Kleenheat's website, or if requested, the customer is transferred directly to Western Power.</p>	
<p>Priority: 4 Controls rating: NP Compliance rating: 1</p>			
Part 12 Complaints and Dispute Resolution			
298	<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>	<p><i>Obligations 298 and 300</i></p> <p>Through discussion with the Customer Service Advocate and examination of Kleenheat's policies and Training material on customer complaints, we determined Kleenheat has:</p> <ul style="list-style-type: none"> • Developed a "Complaints Handling Procedure" and "Complaints Handling Process.", supported by internal customer advocacy training and a dedicated Customer Advocate, designed to comply with AS ISO 10002 – 2014 (the updated Standard). The procedure covers points such as: <ul style="list-style-type: none"> ○ Recording of A Complaint from Kleenheat and Non-Kleenheat Customer ○ How to Manage Customer Complaints ○ Managing Customers' Behaviour ○ Verbal and Written Complaints ○ Escalated Complaints, including providing reasons for the outcome of complaints and advising customers of their rights to 	

No.	Obligation description	Findings
		<p>escalate their complaint to a senior officer or to the Energy and Water Ombudsman</p> <ul style="list-style-type: none"> ○ Resolutions. • Processes in place to review and update internal documents yearly or as necessary when changes are made to complaint handling guidelines or standards • Processes in place to record customer complaints within Oracle, in the specific customer account under the daily log tab • A mature escalation process, whereby if a customer is not satisfied with the outcome offered, the complaint can be escalated to the Team Leader, the Customer Advocate or the Energy and Water Ombudsman • A designated Customer Advocate, who is responsible for reviewing escalated complaints, identifying any systematic issues or trends and providing a weekly summary report to management • An end of month reporting process (covering gas and electricity functions) generated from Oracle and submitted to the Senior Management Group. The end of month report includes the total number of complaints, a breakdown of the different types of complaints logged and Energy Ombudsman escalations.
299	<p>The complaints handling process under subclause 12.1(1) must comply with Australian Standard AS ISO 10002-2006 the requirements specified in subclauses 12.1(2)(a), (b) and (c) and be made available at no cost.</p> <p><i>Code of Conduct clause 12.1(2)</i></p>	<p>Through discussion with the Customer Advocate and examination of Kleenheat's Complaints Handling training module and Complaints Handling Process and Complaints Handling Procedure, we determined that:</p> <ul style="list-style-type: none"> • Kleenheat's Complaints Handling Process is structured and designed to comply with AS ISO 10002-2014 (the updated Standard). Kleenheat's procedures and training material outline the: <ul style="list-style-type: none"> ○ Process of recording a complaint from Kleenheat and non-Kleenheat customers ○ Process of recording a resolution ○ Response time and method ○ Management handling and monitoring process. • Information on how to lodge a complaint is available to Kleenheat customers at no cost • Complaints brochures are available on Kleenheat's website and must be provided to a customer on request.
300	<p>A retailer or a distributor must advise the customer in accordance with subclause 12.1(3).</p> <p><i>Code of Conduct clause 12.1(3)</i></p>	<p><i>Refer to obligation 298</i></p>

No.	Obligation description			Findings
	Priority: 4	Controls rating: NP	Compliance rating: 1	
301	<p>On receipt of a written complaint by a customer, a retailer or distributor must acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.</p> <p><i>Code of Conduct clause 12.1(4)</i></p>			<p>Through discussion with the Customer Advocate and examination of Kleenheat's "Complaints Handling Process", "Complaints Handling Procedure" and examination of Kleenheat website, we determined that, for those instances during the audit period where a customer had submitted a written complaint, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> • Written complaints to be acknowledged within 10 business days • A response to a customer's written complaint to be provided within 20 business days.
	Priority: 4	Controls rating: NP	Compliance rating: 1	
302	<p>A retailer must comply with any guideline developed by the ERA to distinguish customer queries from customer complaints.</p> <p><i>Code of Conduct clause 12.2</i></p>			<p>Through discussion with the Customer Advocate and examination of Kleenheat's Complaints Handling Process, we determined that, Kleenheat distinguishes customer complaints and customer queries as required by the standard as follows:</p> <ul style="list-style-type: none"> • Complaints are defined as: "Expression of dissatisfaction made to or about an organisation, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required." • Enquiries or feedback is defined as: "Opinions, comments and expressions of interest or concern, made directly or indirectly, explicitly or implicitly to or about the organisation, its products, services and staff".
	Priority: 4	Controls rating: NP	Compliance rating: 1	
303	<p>On request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer to utilise the respective complaints handling processes.</p> <p><i>Code of Conduct clause 12.3</i></p>			<p>Through discussion with the Customer Service Team Leader, examination of the ERA's Customer Complaints Guidelines, Kleenheat's Customer Service Charter and consideration of Kleenheat's Training material, we determined that:</p> <ul style="list-style-type: none"> • Kleenheat's Customer Service Charter includes information relating to Kleenheat's complaints handling process • During the period subject to audit, there were instances where a customer had made a request for information relating to Kleenheat's complaint handling processes • The Customer Service Officers (CSOs) are trained to: <ul style="list-style-type: none"> ○ Provide information relating to the complaints handling process to customers upon request, at no charge ○ Referring customers to the Customer Service Charter, which is available online. If requested, a copy of the Customer Service Charter can be mailed, at no charge.
	Priority: 4	Controls rating: NP	Compliance rating: 1	
304	<p>When a retailer, distributor or electricity marketing agent receives a complaint that does not relate to its functions, it must advise the</p>			<p>Through discussion with the Customer Advocate and the examination of recorded logged complaints (written and via telephone), we determined that,</p>

No.	Obligation description			Findings
	customer of the entity that it reasonably considers to be appropriate to deal with the complaint (if known). <i>Code of Conduct clause 12.4</i>			for instances during the audit period where Kleenheat had received a complaint relating to Western Power's operations (i.e. not relating to Kleenheat's functions), Kleenheat's customer service and complaints handling processes provided for: <ul style="list-style-type: none"> • Kleenheat staff to recognise the instances where the complaint does not relate to Kleenheat functions • The matter to be referred to Western Power • The customer to be made aware of the reason for the referral • The customer to be offered Western Power's direct line, or the call to be transferred.
	Priority: 4	Controls rating: NP	Compliance rating: 1	

No.	Obligation description	Findings			
Part 13 Reporting					
305	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA. <i>Code of Conduct clause 13.1</i>	<i>Obligations 305 to 307</i> Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of Kleenheat's annual performance reports and publically available information, we determined that Kleenheat has: <ul style="list-style-type: none"> • Prepared and submitted the reports to the ERA as required by Part 13 of the Code of Conduct • Published and made available a copy of the reports on its website at no cost and by the due date set by the ERA. 			
	Priority: 4			Controls rating: NP	Compliance rating: 1
306	The report specified in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA. <i>Code of Conduct clause 13.2</i>				
	Priority: 4	Controls rating: NP	Compliance rating: 1		
307	The report specified in clause 13.1 must be published by the date specified by the ERA. In accordance with clause 13.3(2), a report is published if: <ul style="list-style-type: none"> - copies are available to the public, without cost, in places where the retailer or distributor transacts business with the public; and - a copy is posted on the retailer or distributor's website. <i>Code of Conduct clause 13.3</i>				
	Priority: 4	Controls rating: NP	Compliance rating: 1		

No.	Obligation description	Findings	
Part 14 Service Standard Payment			
308	Subject to clause 14.6, a retailer must pay the stated compensation to a customer if the customer is not reconnected in accordance with the timeframes specified in Part 8. <i>Code of Conduct clause 14.1(1)</i>	The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not have to pay any compensation to customers not reconnected in accordance with the specified timeframe during the audit period.	
	Priority: 4	Controls rating: NP	Compliance rating: NR
310	Subject to clause 14.6, a retailer must pay the specified compensation to a customer 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 the customer for failure to pay a bill, or arranges for disconnection or disconnects the customer for failure to pay a bill in contravention of clauses 7.2, 7.3, 7.6 or 7.7. <i>Code of Conduct clause 14.2(1)</i>	The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not have to pay any compensation to customers in the cases described in Clause 14.2(1) of the Code of Conduct during the audit period.	
	Priority: 4	Controls rating: NP	Compliance rating: NR
312	Subject to clause 14.6, a retailer must pay the customer \$20 if the retailer has failed to acknowledge or respond to a complaint within the timeframes prescribed in subclause 12.1(4). <i>Code of Conduct clause 14.3(1)</i>	The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not have to pay any compensation to customers for failing to acknowledge a complaint within 10 business days or respond to a complaint within 20 business days during the audit period.	
	Priority: 4	Controls rating: NP	Compliance rating: NR
315	A retailer that 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). <i>Code of Conduct clause 14.7(1)</i>	The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not have to pay any compensation to customers for failing to satisfy a service standard during the audit period.	
	Priority: 4	Controls rating: NP	Compliance rating: NR

4.6 Electricity Industry Metering Code – Licence Conditions and Obligations

No.	Obligation description	Findings	
324	<p>If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flows or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.</p> <p><i>Electricity Industry Metering Code clause 3.3B</i></p>	<p>The Regulatory Specialist Natural Gas and Electricity confirmed that there were no noted instances during the audit period where Kleenheat became aware (prior to Western Power) of bi-directional electricity flow at a metering point that was not previously subject to bi-directional flow, or changes in a customer or user's circumstances that resulted in bi-directional flows.</p> <p>As Kleenheat receives all metering data from Western Power, it is unlikely that Kleenheat would become aware of changes in metering information prior to Western Power.</p>	
	Priority 4	Controls rating: NP	Compliance rating: NR
339	<p>A Code participant who becomes aware of an outage or malfunction of a metering installation must advise the network operator as soon as practicable.</p> <p><i>Electricity Industry Metering Code clause 3.11(3)</i></p>	<p>Through discussion with key personnel and general knowledge of the metering procedures, we determined that:</p> <ul style="list-style-type: none"> For instances during the audit period where Kleenheat became aware of a meter outage or malfunction, Kleenheat's processes provided for a Service Notification to be issued to Western Power Western Power decides at its own discretion (and in accordance with its obligations) on the further action it will take to meet its obligations. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
364	<p>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.</p> <p><i>Electricity Industry Metering Code clause 3.27</i></p>	<p>Kleenheat is not the network operator or a registered metering installation provider for the network.</p> <p>The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat does not perform metering installations on the network.</p>	
	Priority 4	Controls rating: NP	Compliance rating: NR
371	<p>If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.</p> <p><i>Electricity Industry Metering Code clause 4.4(1)</i></p>	<p>Through discussion with key personnel and examination of "Electricity Billing" process, we determined, for those instances during the audit period where there was a discrepancy or inaccuracy of the energy data, Kleenheat's processes provided for:</p> <ul style="list-style-type: none"> Oracle to detect any discrepancy when data of the meter reads received from Western Power does not match data currently held by Kleenheat and the revised data fails to update automatically Each exception scenario to be manually reviewed by Kleenheat's Electricity Team Queries to be submitted to Western Power through the Web Portal A dedicated customer account contact with Western Power to address meter data issues. 	
	Priority 5	Controls rating: NP	Compliance rating: 1

No.	Obligation description	Findings	
372	A Code participant must not knowingly permit the registry to be materially inaccurate. <i>Electricity Industry Metering Code clause 4.5(1)</i>	Priority 5	Controls rating: NP Compliance rating: NR
	373	Subject to subclause 5.19(6), if a Code participant, other than a network operator, becomes aware of a change to, or 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. <i>Electricity Industry Metering Code clause 4.5(2)</i>	Priority 4 Controls rating: NP Compliance rating: NR
388	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). <i>Electricity Industry Metering Code clause 5.4(2)</i>	Priority 4	Controls rating: NP Compliance rating: 1
	401	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. <i>Electricity Industry Metering Code clause 5.16</i>	Priority 4 Controls rating: NP Compliance rating: NR
402	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>	Priority 4	Controls rating: NP Compliance rating: 1

Obligations 372 and to 373

Through discussion with the Regulatory Specialist Natural Gas and Electricity and consideration of Kleenheat's agreement with Western Power, we determined that:

- Western Power has the primary responsibility for ensuring the accuracy of energy data held in the registry (metering database)
- Kleenheat was not aware of any material inaccuracy in the metering database maintained by Western Power during the audit period.

Through discussion with the Sales Support Analyst and consideration of Kleenheat's metering arrangements with Western Power, we determined that, for the instances during the audit period where Western Power requested Kleenheat's assistance in obtaining a metering reading in accordance with Western Power's obligations, Kleenheat's processes provided for:

- Assisting Western Power to coordinate a meter reading in instances of denied access
- Working with Western Power in identifying any data discrepancies.

Through discussion with the Sales Support Analyst, we determined Kleenheat's processes provide for all meter data to come through Western Power; as such there would not be any instances where Kleenheat would receive energy data that would not be known by Western Power.

Through discussion with the Sales Support Analyst and examination of Kleenheat's billing templates, we determined Kleenheat's processes provide for validated energy data (substituted or estimated where necessary) and standing data to be provided to the customer on the monthly bill.

No.	Obligation description	Findings	
405	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. <i>Electricity Industry Metering Code clause 5.18</i>	Through discussion with the Sales Support Analyst and consideration of Kleenheat's metering procedures, we determined that in instances during the audit period where Kleenheat received information relating to the energisation status of a metering point, Kleenheat's processes provided for it to verify that status manually via Western's Power Web Portal, within one business day.	
	Priority 4	Controls rating: NP	Compliance rating: 1
406	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>	Through discussion the with Sales Support Analyst and consideration of Kleenheat's metering procedures, we determined Kleenheat had the following processes in place in order to accommodate Western Power requests during the audit period: <ul style="list-style-type: none"> The Oracle database is used to systematically collect and record customer information All relevant information is to be submitted to Western Power through the Web Portal or directly through the nominated Western Power contact email address. 	
	Priority 5	Controls rating: NP	Compliance rating: 1
407	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. <i>Electricity Industry Metering Code clause 5.19(2)</i>	Through discussion with key personnel and walkthrough of the Oracle system, we determined Kleenheat uses the Oracle database to record: <ul style="list-style-type: none"> Customer and premise information Interactions with customers. 	
	Priority 5	Controls rating: NP	Compliance rating: 1
408	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>	Through discussion with the Sales Support Analyst and examination of Kleenheat's metering procedures, we determined Kleenheat's processes provide for: <ul style="list-style-type: none"> Specific rules to be followed to correctly fill in the fields required by Oracle Kleenheat to provide the information stated in sub clause 5.19(2) within one business day. All information that is reported to the Customer Representative is updated in the customer's Oracle account as the information is received. Any changes to a customer's address, site or customer attributes that are updated in Oracle are added to the list of updates that is sent in batch to Western Power every business day.	
	Priority 4	Controls rating: NP	Compliance rating: 1
410	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>	Through discussion with the Sales Support Analyst and consideration of Kleenheat's metering procedures, we determined that, during the audit period, Kleenheat's processes provided for notifications to Western Power of any change in a customer's address, site or attribute to be via the Web Portal and only from information that it has collected from customers (i.e. not from the provision of such data by Western Power).	
	Priority 5	Controls rating: NP	Compliance rating: 1

No.	Obligation description	Findings	
416	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>	<i>Obligations 416 and 417</i> The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat did not request a test or audit under clause 5.21 during the audit period.	
	Priority 4	Controls rating: NP	Compliance rating: NR
417	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>		
	Priority 4	Controls rating: NP	Compliance rating: NR
435 [426]	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>	The Regulatory Specialist Natural Gas and Electricity confirmed that Kleenheat has not received a request from Western Power relating to customer attribute information that is reasonably believed to be missing or inaccurate under clause 5.27 for the period subject to audit.	
	Priority 3	Controls rating: NP	Compliance rating: NR
448	A user must, in relation to a network on which it has an access contract, comply with the rules, procedures, agreements and criteria prescribed. <i>Electricity Industry Metering Code clause 6.1(2)</i>	Through discussion with key personnel and examination of Kleenheat's systems and procedures, we determined Kleenheat's: <ul style="list-style-type: none"> Supporting documentation outlines its obligations relating to the: <ul style="list-style-type: none"> Metering Code Communications Rules Metrology Procedure Model Service Level Agreement. Processes are designed to comply with these obligations: <ul style="list-style-type: none"> Using the Metering Service Centre web portal, in accordance with the instructions built into the system Adhering to the requirements of the Metering Code Service Level Agreement with Western Power, which accommodates the Metering Code Communication Rules and the Approved Metrology Procedure. 	
	Priority 4	Controls rating: NP	Compliance rating: 1
451	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. <i>Electricity Industry Metering Code clause 7.2(1)</i>	<i>Obligations 451, 453 and 454</i> Through discussion with key personnel, examination of Kleenheat's customer transfer, connection and billing procedures and consideration of the Metering Service Centre web portal, we determined Kleenheat's processes provide for: <ul style="list-style-type: none"> Kleenheat to send and receive a notice by post, facsimile and electronic communication 	
	Priority 5	Controls rating: NP	Compliance rating: 1

No.	Obligation description	Findings	
453	<p>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.</p> <p><i>Electricity Industry Metering Code clause 7.2(4)</i></p>	<ul style="list-style-type: none"> Kleenheat's contact details to be available on the website and/or in its publicly available material (e.g. customer support documentation and bills) In one instance during the audit period, Kleenheat updated its contact details (upon the licence transferring from Premier Power Sales). We sighted a copy of Kleenheat's Novation Deed with Western Power as evidence of notification. 	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance rating: NR</p>
454 [438]	<p>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.</p> <p><i>Electricity Industry Metering Code clause 7.2(5)</i></p>		<p>Priority 3</p> <p>Controls rating: A</p> <p>Compliance rating: 1</p>
455	<p>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.</p> <p><i>Electricity Industry Metering Code clause 7.5</i></p>	<p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and the Sales Support Analyst, examination of relevant policies and procedures, we determined Kleenheat has the following controls and processes in place to maintain the confidentiality of information:</p> <ul style="list-style-type: none"> All confidential information is stored in Kleenheat's central electronic drive Files located in the central electronic drive are access restricted to certain employees. 	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance rating: 1</p>
456	<p>A Code participant must disclose or permit the disclosure of confidential information that is required to be disclosed by the Code.</p> <p><i>Electricity Industry Metering Code clause 7.6(1)</i></p>	<p>Through discussion with the Regulatory Specialist Natural Gas and Electricity and examination of relevant policies and procedures, we determined:</p> <ul style="list-style-type: none"> Kleenheat's processes provide for the disclosing of confidential information as required under clause 7.6(1) of the Code Kleenheat has the following controls and processes in place to ensure the confidentiality of information: <ul style="list-style-type: none"> Kleenheat adopts the definition contained in the Metering code to define what is considered as confidential information (i.e. standing data or energy data) Confidential information is stored in a secure database Files located in the database are access restricted to certain levels or individual employees. <p>The Regulatory Specialist Natural Gas and Electricity has reviewed relevant records and noted no instances, during the audit period, of confidential information being disclosed without the appropriate authority to do so.</p>	<p>Priority 4</p> <p>Controls rating: NP</p> <p>Compliance rating: 1</p>

No.	Obligation description	Findings					
457	<p>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.</p> <p><i>Electricity Industry Metering Code clause 8.1(1)</i></p>	<p><i>Obligations 457 to 461</i></p> <p>The Regulatory Specialist Natural Gas and Electricity has reviewed relevant records and noted no instances of Kleenheat being engaged in a dispute under subclause 8.2(3) during the audit period.</p>					
Priority 5	Controls rating: NP				Compliance rating: NR		
458	<p>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.</p> <p><i>Electricity Industry Metering Code clause 8.1(2)</i></p>						
Priority 5	Controls rating: NP				Compliance rating: NR		
459	<p>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.</p> <p><i>Electricity Industry Metering Code clause 8.1(3)</i></p>						
Priority 5	Controls rating: NP	Compliance rating: NR					
460	<p>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.</p> <p><i>Electricity Industry Metering Code clause 8.1(4)</i></p>						
Priority 4	Controls rating: NP	Compliance rating: NR					
461	<p>The disputing parties must at all times conduct themselves in a manner which is directed towards achieving the objective in subclause 8.3(1).</p> <p><i>Electricity Industry Metering Code clause 8.3(2)</i></p>						
Priority 5	Controls rating: NP	Compliance rating: NR					

5 Follow-up of previous audit non-compliances and recommendations

Section 5 summarises the status of previous audit non-compliances and recommendations. The ratings provided are defined in accordance with the ERA's August 2010 issue of the *Audit and Review Guidelines: Electricity, Gas and Water Licences*.

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 Kleenheat's business operations
Not rated	N/R	No relevant activity took place during the audit period; therefore it is not possible to assess compliance.

Ref	Legislative obligation ²	Rating ³	Details of the issue (taken from the ERL5 Performance Audit Report – July 2013)	Auditors' recommendation or action taken	Date resolved	Further action required
A. Resolved before end of previous audit period						
Not applicable						
B. Resolved during current audit period						
Issue 1/2013	Retail Licence condition 16.1 <u>Obligation 124</u>	2	There have been two instances during the audit period where the Compliance Reports were submitted after the due date. This was largely due to personnel changes, however, processes are required to trigger compliance and ensure future reports are submitted as required.	Dedicated resources have been appointed to review compliance and regulatory requirements and a compliance manual for all regulatory and compliance matters is being developed.	June 2014	No
Issue 2/2013	<i>Customer Transfer Code, Annex 6, Clause A6.2(a)</i> Obligation [69]	3	Confirmed with PPS ⁴ staff that a response message to the Western Power Networks is sent via WP's online portal but this must be triggered by a retail employee. There is a button to click to send an acknowledgement by PPS staff. PPS advised the Authority of this noncompliance in the PPS Compliance Report for the period 1st July 2008 to 30th June 2009.	Kleenheat does not consider the cost of implementing an IT solution to be reasonable in the context of its small number of customers. There is no benefit to customers in automating these electronic messages. No action has been taken by Kleenheat to rectify the breach – the obligation was removed on 30 September 2016 with the revision to the Reporting Manual.	September 2016	No
Issue 3/2013	Electricity Industry Metering Code 2005 clause 5.27 <u>Obligation 435 [426]</u>	NR	Relevant notification requirements and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual as well as in the Reporting and Provision of Information to the Network Operator policy and the procedure included in the PPS Operational and Procedural.	Kleenheat has assigned responsibility to notify Western Power to Regulatory Specialist, Natural Gas and Electricity and the Sales Support Analyst. Kleenheat's processes provide for notifications to be lodged	June 2014	No

² 2017 obligation references provided. Where obligation references differ from the 2013 finding (e.g. through revision of the Reporting Manual) the 2013 reference has also been provided in square brackets.

³ As per the previous rating system detailed at the start of this section

⁴ The previous observations/recommendations were addressed to Premier Power Sales. The Licence was transferred to Kleenheat on 1 July 2015.

Ref	Legislative obligation ²	Rating ³	Details of the issue (taken from the ERL5 Performance Audit Report – July 2013)	Auditors' recommendation or action taken	Date resolved	Further action required
				via the Western power portal within two business days.		
Issue 4/2013	Electricity industry Customer Transfer Code clauses 4.4(1) and 7.1(1)-(3) <u>Obligations 25, 55 to 57</u>	5	The current Network Access Agreement between PPS and WP does not explicitly specify the network as the SWIS. However, the new Electricity Transfer Access Contract between PPS and WP, still in draft version, defines network as "those parts of the SWIS that are owned, operated or owned and operated by WP in respect of which access is given under this contract". Also, the draft contract has not been updated in respect of dispute resolution statements that do not conform with the requirements of the Customer Transfer Code (i.e.: meet within 5 business days of a request, escalate disputes if not resolved in 10 business days and have a written and signed record of the resolution).	PPS finalised and executed the ETAC agreement.	August 2013	No
Issue 5/2013	Electricity Industry Customer Transfer Code clause 6.4(2) Electricity the Industry Metering Code 2005 clause 7.2(5) <u>Obligations 53 and 454 [438]</u>	4	PPS notified WP of a change in address of their office and a telephone and fax numbers 10 days before the change took effect. A copy of the notification was provided to Audit. However, no evidence was retained by PPS of the notification of change in contact details to WP and when the notification was provided. Relevant notification response times are included in the PPS Compliance Schedule of Events and the PPS Notification Response Times schedule that form part of the PPS Administration Procedure Manual. A register is not considered necessary but evidence of compliance should be retained.	Kleenheat has processes in place to retain evidence of any future changes of details, including evidence of the date of notification.	June 2014	No
C. Unresolved during current audit period						
Not applicable						

Appendix A - Audit plan

Wesfarmers Kleenheat Gas Pty Ltd

Electricity Retail Licence (ERL5)

2017 Performance Audit

Audit Plan

October 2017

Contents

1	Introduction	96
2	Approach	99
3	General information	102
	Appendix 1 – Risk assessment key	103
	Appendix 2 – Risk assessment	105
	Appendix 3 – Previous audit recommendations	129

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/au/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

The entity named herein is a legally separate and independent entity. In providing this document, the author only acts in the named capacity and does not act in any other capacity. Nothing in this document, nor any related attachments or communications or services, have any capacity to bind any other entity under the 'Deloitte' network of member firms (including those operating in Australia).

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

© 2017 Deloitte Risk Advisory Pty Ltd

1 Introduction

Overview

The Economic Regulation Authority (**ERA**) has under the provisions of the Electricity Industry Act 2004 (the **Act**), issued Wesfarmers Kleenheat Gas Pty Ltd (**Kleenheat**) the Electricity Retail Licence No. 5 (the **Licence**).

Section 13 of the Act requires Kleenheat to provide to the ERA a performance audit (the **audit**) conducted by an independent expert acceptable to the ERA not less than once in every 24-month period unless otherwise approved by the ERA. With the ERA's approval, Deloitte Risk Advisory Pty Ltd (**Deloitte**) has been appointed to conduct the audit for the period 1 July 2013 to 30 June 2017 (the **audit period**).

Kleenheat has been granted a licence to supply electricity to contestable customers throughout the South West Interconnected System (**SWIS**) network. Until 1 July 2015, Kleenheat supplied only large commercial and industrial customers, after which it commenced supplying small use business customers with consumption in excess of 50 MWh per annum.

The audit will be conducted in accordance with the ERA's April 2014 issue of the *Audit and Review Guidelines: Electricity and Gas 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 Kleenheat and presented to the ERA for approval.

Objective

The performance audit is defined as an examination of the measures taken by Kleenheat 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 Kleenheat'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 and compliance reporting to the ERA
- *Compliance with any individual licence conditions* - the requirements imposed on Kleenheat by the ERA or specific issues for follow-up that are advised by the ERA.

Scope

The ERA provides guidance on those aspects of the Licence and Kleenheat'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 Kleenheat's operations and used as the basis for determining the performance criteria to be considered for the audit.

The audit period is from 1 July 2013 to 30 June 2017 (48 months).

Introduction

Since Kleenheat's previous ERL performance audit in 2013, the Reporting Manual has undergone five revisions to reflect changes in electricity licensees' obligations. The revised versions of the Reporting Manual were issued in May 2014, July 2014, September 2014, July 2016 and October 2016.

This audit will use the October 2016 version of the Reporting Manual as the primary audit reference, particularly for the obligation numbering.

The risk assessment lists only those obligations applicable to Electricity Retail licensees.

Table 2 below outlines the compliance requirements that apply to Kleenheat's electricity retail operations during the period subject to audit. Where necessary, further explanation is provided to describe the obligation application. The assessment is made against the current (October 2016) Reporting Manual.

Table 2 – Application of legislative elements to Kleenheat's electricity retail operations

Legislative element	Application to Kleenheat's electricity retail operations
Electricity Industry Act	Nine of the 13 Electricity Industry Act obligations ⁵ are applicable to Kleenheat's electricity retail operations.
Electricity Industry Customer Transfer Code	33 of the 67 Electricity Industry Customer Transfer Code obligations are applicable to Kleenheat's electricity retail operations.
Electricity Industry (Customer Contracts) Regulations	22 of the 23 Electricity Industry (Customer Contracts) Regulations obligations are applicable to Kleenheat's electricity retail operations.
Electricity Licences – Licence Conditions	12 Electricity Licence obligations are applicable to Kleenheat's electricity retail operations.
Code of Conduct for the Supply of Electricity to Small Use Customers (Code of Conduct)	165 of the 187 of Code of Conduct obligations are applicable to Kleenheat's electricity retail operations.
Electricity Industry Metering Code	29 of the 149 Metering Code obligations are applicable to Kleenheat's electricity retail operations.

Responsibility

Kleenheat's responsibility for compliance with the conditions of the Licence

Kleenheat 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 ERA
- Implementing corrective actions for instances of non-compliance.

Deloitte's responsibility

Our responsibility is to express a conclusion on Kleenheat'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**) 3100 *Compliance Engagements*⁶ issued by the Australian Auditing and Assurance Standards Board, to state whether, in

⁵ Note that obligation 78 relates specifically to section 51 of the Electricity Industry Act, however as it relates to customer contracts, it is listed under the Electricity Industry (Customer Contracts) Regulations section of the Reporting Manual. The respective number counts in this table reflect the content of the Reporting Manual

⁶ ASAE 3100 also provides for our engagement to be conducted in accordance with relevant requirements of ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*.

Introduction

our opinion, based on the procedures performed, the conditions of the Licence have been complied with. Our engagement will provide reasonable assurance as defined in ASAE 3100.

Limitations of use

Our report will be produced solely for the information and internal use of Kleenheat, 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 our report will be provided to the ERA for the purpose of meeting Kleenheat's reporting requirements of section 13 of the Act. We agree that a copy of our report may be provided to the ERA for its information in connection with this purpose, but only on the basis that we accept no duty, liability or responsibility to the ERA in relation to the report. We accept no duty, responsibility or liability to any party, other than Kleenheat, 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 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.

2 Approach

The audit will be conducted in three distinct phases, being a risk assessment, system analysis/walkthrough 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 Kleenheat’s licence obligations. The preliminary risk assessment gives specific consideration to the changes to Kleenheat’s systems and processes and any matters of significance raised by the ERA and/or Kleenheat. The levels 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 Kleenheat 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 15 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 Kleenheat not complying with its obligations is assessed using the likelihood rating listed at Table 16 of the Audit Guidelines (refer to **Appendix 1-3**). The assessment of likelihood is based on the expected frequency of Kleenheat’s non-compliance with the relevant licence obligation over a period of time.

Table 3 below (sourced from Table 17 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 3: Inherent risk rating

Likelihood	Consequence		
	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 19 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 20 of the Audit Guidelines (refer to **Table 4** below). Essentially, the higher the level of risk the more substantive testing is required.

Table 4: 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		

Approach

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 5: Audit Priority Table

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

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 based on:

- Prior assessments of the state of controls during the 2013 ERL Performance audit
- Consideration of annual compliance reports
- Our understanding of Kleenheat’s regulatory environment
- Any other factors that may have an effect on the level of risk or strength of controls.

At this stage, the risk assessment can only be a preliminary assessment based on reading of initial documentation obtained and preliminary interviews conducted 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**.

System analysis/walkthrough

The systems analysis required will be determined utilising the audit priority scale outlined above. The testing component will take place through key operational and administrative staff interviews to outline processes that demonstrate compliance with Licence requirements.

The following will be considered in the analysis/walkthrough of Kleenheat’s systems and processes:

- The control environment: Kleenheat’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 Kleenheat’s information systems (in particular, those relating to customer transactions, metering services and resource planning) 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 Kleenheat’s internal control structure to detect, report and correct non-compliance. Specific consideration will be given to and significant changes in relevant systems and procedures implemented during the audit period
- Compliance attitude: action taken by Kleenheat in response to 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 Kleenheat’s level of compliance

Approach

- **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 Kleenheat'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 standards maintained by Kleenheat with its Licence obligations under relevant codes and regulations.

Control testing is performed for those licence obligations with an audit priority 3 and above (refer to **Table 5**), and where there is relevant activity. 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.

All audit fieldwork is expected to be performed at Kleenheat's Murdoch office and Deloitte's Perth CBD office.

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 6** below for the compliance levels that will be used for the performance audit.

Table 6: Operational/performance compliance rating scale

Adequacy of Controls Rating		Compliance Rating	
Rating	Description	Rating	Description
A	Adequate controls – no improvement needed	1	Compliant
B	Generally adequate controls – improvement needed	2	Non-compliant – minor impact on customers or third parties
C	Inadequate controls – significant improvement required	3	Non-compliant – moderate impact on customers or third parties
D	No controls evident	4	Non-compliant – major impact on customers or third parties

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 3**)
- 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 or process deficiencies.

A post audit implementation plan will be incorporated 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 Kleenheat contacts

The key contacts for this audit are:

- Rebecca Banks Commercial Manager, Natural Gas & Electricity
- Alex Penter Regulatory Specialist, Natural Gas & Electricity
- Simon Middleton Electricity Manager
- Dash Kaur Sales Support Analyst
- Nicole Harris Customer Service Operations Manager
- Bernadette Hall Customer Advocate
- Paul Abbott Credit Team Leader
- Ged Reilly Business Sales Team Leader

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

- Customer Service Centre
- Sales and Marketing
- Finance.

All work is expected to be completed at Kleenheat’s Perth office, located at Murdoch University.

Deloitte staff

Deloitte staff who will be involved with this assignment are:

- Richard Thomas Partner
- Andrew Baldwin Specialist Leader, Regulatory Compliance
- David Herbert Senior Analyst
- Esther Ong Analyst
- Kobus Beukes QA Partner.

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

Timing

The initial risk assessment was completed on 6 October 2017 after which the audit plan and detailed risk assessment were presented to the ERA for review and comment. The remainder of the fieldwork phase is scheduled to be performed in October and early November 2017. Deloitte’s time and staff commitment to the completion of the audit is outlined in the proposal accepted by Kleenheat and subsequently presented to the ERA. In summary, the estimated time allocated to each activity is as follows:

- Planning (including risk assessment): 20 hours
- Fieldwork (including system analysis/walkthrough and testing/review): 131 hours
- Reporting: 49 hours.

Appendix 1 – Risk assessment key

1-1 Criteria for classification

Source: Electricity Compliance Reporting Manual October 2016

Rating (type)	Classification of Non-Compliance	Criteria for classification
1	Major	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> the consequences of non-compliance would cause major damage, loss or disruption to customers; or the consequences of non-compliance would endanger or threaten to endanger the safety or health of a person.
2	Moderate	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> 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 the regulatory obligation is not otherwise classified as a Type 1 or a Type NR non-compliance.
NR	Minor	<p>Classified on the basis that:</p> <ul style="list-style-type: none"> 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 compliance with the obligation is immeasurable; or the non-compliance is required to be reported to the Regulator under another instrument, guideline or code; the non-compliance is identified by a party other than the licensee; or 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.

1-2 Consequence ratings

Source: Audit Guidelines: Electricity and Gas Licences April 2014

Rating	Examples of non-compliance		
	Supply quality and reliability	Consumer protection	Breaches of legislation or other licence conditions
Minor	<p>Breaches of supply quality or reliability standards - affecting a small number of customers.</p> <p>Delays in providing a small proportion of new connections.</p>	<p>Customer complaints procedures not followed in a few instances.</p> <p>Small percentage of disconnections or reconnections not completed on time.</p> <p>Small percentage of bills not issued on time.</p>	<p>Legislative obligations or licence conditions not fully complied with, minor impact on customers or third parties.</p> <p>Compliance framework generally fit for purpose and operating effectively.</p>
Moderate	<p>Supply quality breach events that significantly impact customers; large number of customers affected and/or extended duration and/or damage to customer equipment.</p> <p>Supply interruptions affecting significant proportion of customers on the network for up to one day.</p> <p>Significant number of customers experiencing excessive number of interruptions per annum.</p> <p>Significant percentage of new connections not provided on time/ some customers experiencing extended delays.</p>	<p>Significant percentage of complaints not being correctly handled.</p> <p>Customers not receiving correct advice regarding financial hardship.</p> <p>Significant percentage of bills not issued on time.</p> <p>Ongoing instances of disconnections and reconnections not completed on time, remedial actions not being taken or proving ineffective. Instances of wrongful disconnection.</p>	<p>More widespread breaches of legislative obligations or licence conditions over time.</p> <p>Compliance framework requires improvement to meet minimum standards.</p>
Major	<p>Supply interruptions affecting significant proportion of customers on the network for more than one day.</p> <p>Majority of new connections not completed on time/ large number of customers experiencing extended delays.</p>	<p>Significant failure of one or more customer protection processes leading to ongoing breaches of standards.</p> <p>Ongoing instances of wrongful disconnection</p>	<p>Wilful breach of legislative obligation or licence condition.</p> <p>Widespread and/or ongoing breaches of legislative obligations or licence conditions.</p> <p>Compliance framework not fit for purpose, requires significant improvement.</p>

1-3 Likelihood ratings

Source: Audit Guidelines: Electricity and Gas Licences 2014

Level	Criteria
Likely	Non-compliance is expected to occur at least once or twice a year
Probable	Non-compliance is expected to occur every three years
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 and Gas Licences 2014

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

Obligation numbers and references listed below are sourced from the October 2016 Reporting Manual.

Note: Obligations 435 and 454 include the obligation numbers (which have since been renumbered as part of the revisions to the Reporting Manual) cited in the previous audit findings in square brackets (refer to Appendix 3 – Previous Audit Recommendations).

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
9 Electricity Industry Customer Transfer Code - Licence Conditions and Obligations							
6	Clause 3.2(2)	A Retailer must submit a separate data request for each connection point unless otherwise agreed.	Moderate	Unlikely	Medium	Moderate	Priority 4
7	Clause 3.4(1)	A retailer 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, unless otherwise agreed.	Moderate	Unlikely	Medium	Moderate	Priority 4
8	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	Probable	Medium	Moderate	Priority 4
9	Clause 3.6(2)	A Retailer must pay any reasonable costs incurred by the network operator for work performed in relation to a request for historical consumption data that has been subsequently withdrawn.	Moderate	Probable	Medium	Moderate	Priority 4
16	Clause 3.9(1)	A Retailer may only use data relating to a contestable customer to provide that customer with a quotation for the supply of electricity by the Retailer; or to initiate a transfer of that contestable customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
17	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	Moderate	Priority 4
18	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	Moderate	Priority 4
19	Clause 3.9(4)	A Retailer must keep a copy of the verifiable consent received from a contestable customer for two years.	Moderate	Probable	Medium	Moderate	Priority 4
23	Clause 4.2(2)	A Retailer must submit a separate customer transfer request for each connection point unless otherwise agreed.	Moderate	Unlikely	Medium	Moderate	Priority 4
24	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	Moderate	Priority 4
25	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	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
26	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	Probable	Medium	Moderate	Priority 4
27	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, unless otherwise agreed.	Moderate	Probable	Medium	Moderate	Priority 4
28	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	Moderate	Priority 4
29	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	Moderate	Priority 4
30	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	Moderate	Priority 4
34	Clause 4.9(6)	A network operator and retailer must agree to a revised nominated transfer date in certain circumstances.	Moderate	Unlikely	Medium	Moderate	Priority 4
39	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	Moderate	Priority 4
40	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	Moderate	Priority 5
43	Clause 4.15	In the case of a transfer to reverse an erroneous transfer, a network operator and all affected Retailers (and if applicable AEMO) must act in good faith to ensure that the affected contestable customer has the same rights and obligations as if the erroneous transfer had not occurred.	Minor	Unlikely	Low	Moderate	Priority 5
44	Clause 4.16	A verifiable consent given by a contestable customer in relation to the lodgement of a customer transfer request must be retained by the incoming retailer for two years, except in the case of a customer transfer request to reverse an erroneous transfer.	Moderate	Unlikely	Medium	Moderate	Priority 4
45	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	Moderate	Priority 4
48	Clause 5.2	A network's communication rules apply in respect of data and information communication between the network operator and a retailer under this Code.	Moderate	Unlikely	Medium	Moderate	Priority 4
48A	Clause 6.1	All notices must be in writing and delivered as described in subclauses 6.1(a)-(c).	Moderate	Unlikely	Medium	Moderate	Priority 4
49	Clause 6.2	A licensee's notice in relation to a data request or customer transfer request must identify the connection point to which it relates.	Moderate	Unlikely	Medium	Moderate	Priority 4
52	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	Clause 6.4(2)	A Retailer must notify the network operator of any change in its contact details at least three business days before the change takes effect.	Moderate	Unlikely	Medium	Weak	Priority 3

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
54	Clause 6.6	A network operator or a Retailer must send required electronic communications to the applicable electronic communication address, in accordance with the communication rules.	Moderate	Probable	Medium	Moderate	Priority 4
55	Clause 7.1(1)	For a dispute in respect of a matter under or in connection with the Electricity Industry Customer Transfer Code, the disputing parties must meet within five business days of a request by one of those parties and attempt to resolve the dispute through negotiations that are conducted in good faith.	Moderate	Unlikely	Medium	Moderate	Priority 4
56	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 through negotiations that are conducted in good faith.	Moderate	Unlikely	Medium	Moderate	Priority 4
57	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
58	Clause 7.2(4)	A disputing party that refers a dispute to the arbitrator must provide the arbitrator with prescribed details of the nature of the dispute.	Minor	Probable	Low	Moderate	Priority 5
59	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
Electricity Industry (Customer Contract) Regulations - Licence Conditions and Obligations							
78	Electricity Industry Act section 51	Where the licensee supplies electricity under a standard form contract, the standard form contract must comply with that licensee approved standard form contract on the ERA's website.	Moderate	Unlikely	Medium	Moderate	Priority 4
79	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	Moderate	Priority 4
80	Regulation 6	A non-standard contract must specify when it comes into effect and the period for which it has effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
81	Regulation 7	A non-standard contract must specify certain information about the Retailer.	Moderate	Unlikely	Medium	Moderate	Priority 4
82	Regulation 8	A non-standard contract must give an exact description of the goods and services that the Retailer will provide under the contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
83	Regulation 9	A non-standard contract must require the customer to pay for electricity supplied under the contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
84	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	Unlikely	Medium	Moderate	Priority 4
85	Regulation 11	A non-standard contract must describe the circumstances under which a Retailer has the right to disconnect supply and is required to reconnect supply.	Moderate	Probable	Medium	Moderate	Priority 4
86	Regulation 12	A non-standard contract must require the Retailer to deal with security deposits and the payment of interest in the manner that is specified.	Moderate	Probable	Medium	Moderate	Priority 4
87	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	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
88	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	Moderate	Priority 4
89	Regulation 15	A non-standard contract must describe the matters relating to the termination of the contract that are specified in the regulation.	Moderate	Probable	Medium	Moderate	Priority 4
90	Regulations 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 amending 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	Moderate	Priority 4
91	Regulation 17	A non-standard contract must specify the assignment of rights and obligations including assignment without the customer's consent.	Moderate	Probable	Medium	Moderate	Priority 4
92	Regulation 18	A non-standard contract must describe the procedures that must be followed by the Retailer in responding to a complaint made by a customer.	Moderate	Probable	Medium	Moderate	Priority 4
93	Regulation 19	A non-standard contract must specify the process that must be taken by the Retailer to ensure information held by the Retailer is treated confidentially.	Minor	Probable	Low	Moderate	Priority 5
94	Regulation 20	A non-standard contract must specify the governing legislation, 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.	Minor	Probable	Low	Moderate	Priority 5
95	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	Moderate	Priority 4
96	Regulation 32	A non-standard contract must include details about the cooling off period specified in the regulation.	Moderate	Probable	Medium	Moderate	Priority 4
97	Regulation 33(2)	A non-standard contract must allow the customer to terminate the contract at any time with no less than 5 days' notice.	Moderate	Probable	Medium	Moderate	Priority 4
98	Regulation 33(3) and (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	Moderate	Priority 4
100	Regulation 38	If a 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 notify the customer within 5 days after becoming aware of it and provide specified information.	Moderate	Probable	Medium	Moderate	Priority 4
11 Electricity Industry Act - Licence Conditions and Obligations							
101	Section 13(1)	A licensee must provide the ERA with a performance audit conducted by an independent expert acceptable to the ERA, not less than once every 24 months.	Minor	Unlikely	Low	Moderate	Priority 5
105	Section 17(1); ERA (Licensing Funding) Regulations 2014	A licensee must pay the prescribed licence fees to the ERA according to clauses 6, 7 and 8 of the <i>Economic Regulation Authority (Licencing Funding) Regulations 2014</i> .	Moderate	Probable	Medium	Moderate	Priority 4
106	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	Moderate	Priority 5

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
107	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
108	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 that complies with the Act.	Moderate	Unlikely	Medium	Moderate	Priority 4
109	Section 54(2)	A licensee must comply with any direction by the ERA to amend the standard form contract and do so within the period specified.	Moderate	Unlikely	Medium	Moderate	Priority 4
110	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	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	Moderate	Priority 4
113	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 that hinders or prohibits access.	Moderate	Unlikely	Medium	Moderate	Priority 4
12. Electricity Licences - Licence Conditions and Obligations							
114	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	Licence condition 23.2	The licensee must report a breach of the applicable code conditions by an electricity marketing agent to the ERA within the prescribed timeframe.	Moderate	Probable	Medium	Moderate	Priority 4
116	Licence condition 24.2	A licensee must, if directed by the ERA, review the standard form contract and submit to the ERA the results of that review within the time specified.	Minor	Unlikely	Low	Moderate	Priority 5
117	Licence condition 24.3	A licensee must comply with any direction given by the ERA in relation to the scope, process and methodology of the standard form contract review.	Minor	Unlikely	Low	Moderate	Priority 5
118	Licence condition 25.1	A licensee can only amend the standard form contract with the ERA's approval.	Moderate	Unlikely	Medium	Moderate	Priority 4
119	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	Moderate	Priority 4
120	Licence condition 13.4	A licensee must comply with any individual performance standards prescribed by the ERA.	Moderate	Unlikely	Medium	Moderate	Priority 4
121	Licence condition 14.2	A licensee must comply, and require its auditor to comply, with the ERA's standard audit guidelines for a performance audit.	Moderate	Unlikely	Medium	Moderate	Priority 4
123	Licence condition 15.1	In the manner prescribed, a licensee must notify the ERA, if it is under external administration or if there is a significant change in the circumstances that the licence was granted which may affect the licensee's ability to meet its obligations.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
124	Licence condition 16.1	A licensee must provide the ERA, in the manner prescribed, with any information that the ERA requires in connection with its functions under the Electricity Industry Act.	Moderate	Probable	Medium	Weak	Priority 3
125	Licence condition 17.1 and 17.2	A licensee must publish any information as directed by the ERA to publish within the timeframes specified.	Moderate	Unlikely	Low	Medium	Priority 5
126	Licence condition 18.1	All notices must be in writing unless otherwise specified.	Moderate	Unlikely	Low	Medium	Priority 5
13 Code of Conduct - Licence Conditions and Obligations							
Part 2 Marketing							
129	Clause 2.1	A retailer must ensure that its electricity marketing agents comply with Part 2 of the Code of Conduct.	Moderate	Probable	Medium	Moderate	Priority 4
130	Clause 2.2(1)	A retailer or electricity marketing agent must ensure that standard form contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.2(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
131	Clause 2.2(2)	Subject to subclause 2.2(3), the retailer or electricity marketing agent must give to the customer the specified information in subclause 2.2(2) no later than on, or with, the customer's first bill.	Moderate	Probable	Medium	Moderate	Priority 4
132	Clause 2.3(1)	A retailer or electricity marketing agent must ensure that non-standard contracts, which are not unsolicited consumer agreements, are entered into according to the manner set out, and the contract is provided as specified in clause 2.3(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
133	Clause 2.3(2)	A retailer or electricity marketing agent must ensure that the information specified in subclause 2.3(2) is provided to the customer before entering into a non-standard contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
135	Clause 2.3(5)	Subject to subclause 2.3(3), a retailer or electricity marketing agent must obtain the customer's verifiable consent that the specified information in subclause 2.3(2) and 2.3(4), as applicable, has been provided.	Moderate	Unlikely	Medium	Moderate	Priority 4
136	Clause 2.4(1)	A retailer or 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
137	Clause 2.4(2)	A retailer or electricity marketing agent must provide contact details, including a telephone number, to a customer and ensure that the customer is able to contact the retailer or electricity marketing agent during normal business hours for the purposes of enquiries, verifications and complaints.	Moderate	Unlikely	Medium	Moderate	Priority 4
138	Clause 2.5(1)	A retailer or electricity marketing agent must, on request, provide a customer with the information specified in subclause 2.5(1).	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
139	Clause 2.5(2)	A retailer or electricity marketing agent who meets with a customer face to face must: - wear a clearly visible and legible identity card showing the information specified in subclause 2.5(2)(a); and - provide the written information specified in subclause 2.5(2)(b) as soon as practicable following a request by the customer.	Moderate	Probable	Medium	Moderate	Priority 4
140	Clause 2.6	A retailer or electricity marketing agent who visits a person's premises for the purposes of marketing must comply with any clearly visible signs indicating that canvassing is not permitted at the premises, or no advertising is to be left at the premises.	Moderate	Probable	Medium	Moderate	Priority 4
141	Clause 2.9	An electricity marketing agent must keep a record of complaints from customers or persons who are contacted by, or on behalf of, the electricity marketing agent for the purposes of marketing; and provide the electricity ombudsman with all of the information that it has relating to a complaint, within 28 days of receiving a request for that information.	Moderate	Probable	Medium	Moderate	Priority 4
142	Clause 2.10	An electricity marketing agent must keep a record, or other information, required under the Code for at least 2 years after the last time that a customer or person 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 agent, whichever is later.	Moderate	Probable	Medium	Moderate	Priority 4
Part 3 Connection							
143	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	Probable	Medium	Moderate	Priority 4
144	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	Probable	Medium	Moderate	Priority 4
Part 4 Billing							
145	Clause 4.1	A retailer must issue a bill no more than once a month and at least once every 3 months, except for the circumstances specified in subclause 4.1.	Moderate	Probable	Medium	Moderate	Priority 4
146	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
147	Clause 4.2(2)	If a residential customer informs a retailer that the customer is experiencing payment difficulties or financial hardship and the customer is assessed as experiencing payment difficulties or financial hardship, the retailer must not place that customer on a shortened billing cycle without that customer's verifiable consent.	Moderate	Unlikely	Medium	Moderate	Priority 4
148	Clause 4.2(3)	A retailer must give a 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

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
149	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
150	Clause 4.2(5)	On request, a retailer must return a customer who is subject to a shortened billing cycle to the billing cycle that previously applied if the customer has paid 3 consecutive bills by the due date.	Moderate	Unlikely	Medium	Moderate	Priority 4
151	Clause 4.2(6)	A retailer must inform a customer, who is subject to a shortened billing cycle, at least every 3 months about the conditions upon which the customer can be returned to the previous billing cycle.	Moderate	Unlikely	Medium	Moderate	Priority 4
152	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
153	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
154	Clause 4.4	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	Probable	Medium	Moderate	Priority 4
155	Clause 4.5(1)	A retailer must include the minimum prescribed information in subclause 4.5(1) on a customer's bill, unless the customer agrees otherwise.	Moderate	Probable	Medium	Moderate	Priority 4
156	Clause 4.5(3)	If a retailer identifies and wishes to bill a customer for a 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	Probable	Medium	Moderate	Priority 4
157	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 - if the connection point is a type 7 connection point, the procedure as set out in the metrology procedure or Metering Code, or as set out in any applicable law.	Moderate	Probable	Medium	Moderate	Priority 4
158	Clause 4.7	Other than in respect of a Type 7 connection, a retailer must use its best endeavours to ensure that the meter reading data is obtained as frequently as required to prepare its bills.	Minor	Probable	Low	Moderate	Priority 5
159	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
160	Clause 4.8(2)	In circumstances where a customer's bill is estimated, a retailer must clearly specify on the customer's bill the information required under subclause 4.8(2).	Moderate	Probable	Medium	Moderate	Priority 4
161	Clause 4.8(3)	On request, a retailer must inform a customer of the basis and the reason for the estimation.	Moderate	Probable	Medium	Moderate	Priority 4
162	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

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
163	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	Probable	Low	Moderate	Priority 5
164	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	Probable	Medium	Moderate	Priority 4
165	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	Moderate	Priority 4
166	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
167	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	Probable	Medium	Moderate	Priority 4
168	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	Moderate	Priority 5
169	Clause 4.14(2)	Subject to subclause 4.14(3), if a customer's account is in credit at the time of account closure, a retailer must, in accordance with the customer's instructions, transfer the amount of credit to another account that the customer has with the retailer or a bank account nominated by the customer, within 12 business days or other agreed time.	Minor	Unlikely	Low	Moderate	Priority 5
170	Clause 4.14(3)	If a customer's account is in credit at the time of account closure and the customer owes a debt to a retailer, the retailer may use that credit to offset the debt owed to the retailer by giving the customer written notice. If any amount remains after the set off, the retailer must ask the customer for instructions to transfer the remaining amount in accordance with subclause 4.14(2).	Moderate	Unlikely	Medium	Moderate	Priority 4
171	Clause 4.15	A retailer must review a customer's bill on request by the customer, subject to the customer paying that portion of the bill under review that the 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.	Moderate	Unlikely	Medium	Moderate	Priority 4
172	Clause 4.16(1)(a)	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 retailers internal complaints handling processes and details of any applicable external complaints handling processes.	Moderate	Probable	Medium	Moderate	Priority 4
173	Clause 4.16(1)(b)	If a retailer has reviewed a customer's bill and is satisfied that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
174	Clause 4.16(2)	A retailer must inform a customer of the outcome of the review of a bill as soon as practicable.	Moderate	Probable	Medium	Moderate	Priority 4
175	Clause 4.16(3)	If a 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	Probable	Medium	Moderate	Priority 4
176	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	Probable	Medium	Moderate	Priority 4
176A	Clause 4.17(3)	A retailer may charge a customer interest on the undercharged amount or require the customer to pay a late fee, if the conditions in clause 4.17(3) are met.	Minor	Unlikely	Low	Moderate	Priority 5
177	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), the retailer must use its best endeavours to inform the customer within 10 business days of the retailer becoming aware of the error, defect, or default. Subject to subclauses 4.18(6) and 4.18(7), the retailer must ask the customer for instructions if the amount should be credited to the customer's account or repaid to the customer directly.	Minor	Probable	Low	Moderate	Priority 5
178	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.	Minor	Probable	Low	Moderate	Priority 5
179	Clause 4.18(4)	If 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 a customer's account.	Minor	Unlikely	Low	Moderate	Priority 5
180	Clause 4.18(6)	Where the amount overcharged is less than \$100, a retailer may proceed to deal with the matter as outlined in subclause 4.18(6).	Minor	Unlikely	Low	Moderate	Priority 5
181	Clause 4.18(7)	The retailer may, by giving the customer written notice, use an amount overcharged to set off a debt owed to the retailer provided that the customer is not a residential customer experiencing payment difficulties or financial hardship, or making payments under an alternative payment arrangement. If, after the set off, an amount less than \$100.00 remains, the retailer must deal with that amount in accordance with subclause 4.08(6). If the amount is \$100.00 or more, the retailer must deal with it in accordance with subclause 4.18(2).	Moderate	Probable	Medium	Moderate	Priority 4
182	Clause 4.19(1)	If a retailer proposes to recover an amount of an adjustment which does not arise due to any act or omission of a customer, the retailer must comply with subclause 4.19(1).	Moderate	Probable	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
183	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 within 10 business days and, subject to subclauses 4.19(5) and 4.19(7), ask the customer for instructions about the repayment of the amount owing.	Minor	Unlikely	Low	Moderate	Priority 5
184	Clause 4.19(3)	If a retailer receives 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	Probable	Medium	Moderate	Priority 4
185	Clause 4.19(4)	If a retailer does not receive instructions under subclause 4.19(2), within 5 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
186	Clause 4.19(7)	The retailer may, by giving the customer written notice, use an amount overcharged to set off a debt owed to the retailer provided that the customer is not a residential customer experiencing payment difficulties or financial hardship, or making payments under an alternative payment arrangement. If, after the set off, an amount less than \$100.00 remains, the retailer must deal with that amount in accordance with subclause 4.19(5). If the amount is \$100.00 or more, the retailer must deal with it in accordance with subclause 4.19(2).	Moderate	Probable	Medium	Moderate	Priority 4
Part 5 Payment							
187	Clause 5.1	The due date on the bill must be at least 12 business days from the dispatch date of that bill unless otherwise agreed with a customer.	Moderate	Unlikely	Medium	Weak	Priority 3
188	Clause 5.2	Unless otherwise agreed with the customer, a retailer must offer the customer at least the following 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 or debit card.	Moderate	Unlikely	Medium	Moderate	Priority 4
189	Clause 5.3	Prior to commencing a direct debit facility, a retailer must obtain a customer's verifiable consent and agree with the customer the date of commencement of the facility and the frequency of the direct debits.	Moderate	Probable	Medium	Moderate	Priority 4
190	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 \$20.00.	Moderate	Probable	Medium	Moderate	Priority 4
191	Clause 5.5	If, due to illness or absence, a residential customer is unable to pay by way of the methods described in clause 5.2, a retailer must offer to redirect the customer's bill to a third person at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
192	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
193	Clause 5.6(2)	If a retailer has charged a late payment fee in the circumstances set out in subclause 5.6(1)(c) because the retailer was not aware of the complaint, the retailer must refund the late payment fee on the customer's next bill.	Moderate	Unlikely	Medium	Moderate	Priority 4
194	Clause 5.6(3)	A retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice.	Moderate	Unlikely	Medium	Moderate	Priority 4
195	Clause 5.6(4)	A retailer must not charge a residential customer more than 2 late payment fees in relation to the same bill or more than 12 late payment fees in a year.	Moderate	Unlikely	Medium	Moderate	Priority 4
196	Clause 5.6(5)	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to this customer's last bill prior to the assessment being made.	Moderate	Unlikely	Medium	Moderate	Priority 4
197	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	Moderate	Priority 4
198	Clause 5.7(2)	If a customer reasonably demonstrates to a retailer that the customer was evicted or otherwise required to vacate a supply address, a retailer must not require the customer to pay for electricity consumed at that supply address from the date the customer gave the notice to the retailer.	Moderate	Unlikely	Medium	Moderate	Priority 4
199	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	Moderate	Priority 4
200	Clause 5.8(1)	A retailer must not commence proceedings to recover of a debt from a residential customer who meets the criteria in subclause 5.8(2).	Moderate	Unlikely	Medium	Moderate	Priority 4
201	Clause 5.8(2)	A retailer must not recover, or attempt to recover, a debt from a person relating to a supply address other than the customer who the retailer has, or had, entered into a contract for the supply of electricity to that supply address.	Moderate	Unlikely	Medium	Moderate	Priority 4
201A	Clause 5.9	A retailer may transfer one customer's debt to another customer if requested by the customer owing the debt and provided that the retailer obtains the other customer's verifiable consent to the transfer.	Minor	Unlikely	Low	Moderate	Priority 5
Part 6 Payment Difficulties and Financial Hardship							
202	Clause 6.1(1)	If a residential customer informs a retailer that the residential customer is experiencing payment problems, a retailer must assess whether the residential customer is experiencing payment difficulties or financial hardship within 5 business days; or, if the retailer cannot make the assessment within 5 business days, refer that customer to a relevant consumer representative to make the assessment.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
203	Clause 6.1(3)	When undertaking an assessment under subclause 6.1(1)(a), a retailer must give reasonable consideration to the information prescribed in subclause 6.1(3)(a), or advice prescribed in 6.1(3)(b), unless a retailer adopts an assessment from a relevant consumer representative.	Minor	Unlikely	Low	Moderate	Priority 5
204	Clause 6.1(4)	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
205	Clause 6.2(1)	If a residential customer is referred to a relevant consumer representative under subclause 6.1(1)(b), a retailer must grant a temporary suspension of actions for that customer.	Moderate	Unlikely	Medium	Moderate	Priority 4
206	Clause 6.2(2)	A retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions if the customer informs the retailer about payment problems under clause 6.1 and the customer demonstrates that an appointment with a relevant consumer representative has been made.	Moderate	Unlikely	Medium	Moderate	Priority 4
207	Clause 6.2(3)	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	Moderate	Unlikely	Medium	Moderate	Priority 4
208	Clause 6.2(4)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative to allow additional time to assess a residential customer's capacity to pay.	Minor	Unlikely	Low	Moderate	Priority 5
209	Clause 6.3(1)(a)	If 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 customer that additional assistance may be available if the prescribed circumstances apply.	Moderate	Unlikely	Medium	Moderate	Priority 4
210	Clause 6.3(1)(b)	If a residential customer is assessed as experiencing financial hardship, a retailer must offer the alternative payment arrangements referred to in subclause 6.4(1)(b) and assistance in accordance with clauses 6.6 to 6.9.	Moderate	Unlikely	Medium	Moderate	Priority 4
211	Clause 6.4(1)(a)	If a residential customer is experiencing payment difficulties, a retailer must offer the residential customer at least the following payment arrangements: - additional time to pay a bill; and - if requested by the residential customer, 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	Clause 6.4(1)(b)	If a residential customer is experiencing financial hardship, a retailer must offer the residential customer at least the following 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

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
213	Clause 6.4(2)	When offering or amending 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
214	Clause 6.4(3)	If a residential customer accepts an instalment plan offered by a retailer, the retailer must provide the residential customer with the information specified in subclause 6.4(3)(a) within 5 business days, and notify the residential customer of any amendments to the instalment plan at least 5 business days before they come into effect.	Moderate	Unlikely	Medium	Moderate	Priority 4
215	Clause 6.6(1)	A retailer must give reasonable consideration to a request by a customer experiencing financial hardship, or a relevant consumer representative, for a reduction of the customer's fees, charges or debt.	Minor	Unlikely	Low	Moderate	Priority 5
216	Clause 6.6(2)	In giving reasonable consideration under subclause 6.6(1), a retailer should refer to the hardship procedures referred to in subclause 6.10(3).	Moderate	Unlikely	Medium	Moderate	Priority 4
217	Clause 6.7	If it is reasonably demonstrated to a retailer that a customer experiencing financial hardship is unable to meet the customer's obligations under a previously elected payment arrangement, the retailer must give reasonable consideration to offering the customer an instalment plan or revising an existing instalment plan.	Minor	Unlikely	Low	Moderate	Priority 5
218	Clause 6.8	A retailer must advise a customer experiencing financial hardship of the information specified in subclause 6.8(1).	Moderate	Unlikely	Medium	Moderate	Priority 4
219	Clause 6.9(1)	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives as referred to in subclause 5.4(3).	Moderate	Unlikely	Medium	Moderate	Priority 4
220	Clause 6.10(1)	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship to meet their financial obligations and responsibilities to the retailer.	Moderate	Unlikely	Medium	Moderate	Priority 4
221	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
222	Clause 6.10(3)	A retailer must ensure that its hardship procedures comply with the criteria specified in subclause 6.10(3).	Moderate	Unlikely	Medium	Moderate	Priority 4
223	Clause 6.10(4)	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the retailer's hardship policy, including by post, at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
225	Clause 6.10(6)	If directed by the ERA, a retailer must review its hardship policy and hardship procedures and submit the results of that review to the ERA within 5 business days after it is completed.	Moderate	Unlikely	Medium	Moderate	Priority 4
226	Clause 6.10(7)	A retailer must comply with the ERA's Financial Hardship Policy Guidelines.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
227	Clause 6.10(8)	If a retailer makes material amendment to its hardship policy, the retailer must submit a copy of the retailer's amended hardship policy to the ERA within 5 business days of the amendment.	Moderate	Unlikely	Medium	Moderate	Priority 4
228	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	Moderate	Priority 4
Part 7 Disconnection							
229	Clause 7.1(1)	Prior to arranging for a disconnection of a customer's supply address for failure to pay a bill, a retailer must give the customer a reminder notice, which contains the information specified in subclause 7.1(1)(a), not less than 15 business days from the dispatch date of the bill. The retailer must use its best endeavours to contact the customer to advise of the proposed disconnection and give the customer a disconnection warning, in the manner and timeframes specified in subclause 7.1(1)(c).	Moderate	Probable	Medium	Moderate	Priority 4
230	Clause 7.2(1)	A retailer must not arrange for a 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
231	Clause 7.3	In relation to dual fuel contracts, a retailer must not arrange for disconnection of a residential customer's supply address for failure to pay a bill within 15 business days from the date of disconnection of that customer's gas supply.	Moderate	Unlikely	Medium	Moderate	Priority 4
232	Clause 7.4(1)	Unless the conditions specified in subclause 7.4(1) are satisfied, a retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter.	Moderate	Unlikely	Medium	Moderate	Priority 4
234	Clause 7.6	Subject to subclause 7.6(3), 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	Probable	High	Moderate	Priority 2
235	Clause 7.7(1)	If 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
236	Clause 7.7(2)	A retailer must undertake the actions specified in subclauses 7.7(2)(e)-(g), if a customer registered with a retailer under subclause 7.7(1) notifies the retailer: - that the person requiring life support equipment is changing supply address; - that the customer, but not the person requiring life support equipment, is changing supply address; - of the change in contact details; or that the address no longer requires registration as life support equipment address.	Major	Unlikely	High	Moderate	Priority 2
240	Clause 7.7(6)	A retailer must contact the customer to ascertain whether life support equipment is required or to request re-certification in the timeframe, manner and circumstances specified in subclause 7.7(6).	Moderate	Unlikely	Medium	Moderate	Priority 4
241	Clause 7.7(7)	A retailer or a distributor must remove the customer's details from the life support equipment register in the circumstances and timeframes specified in subclause 7.7(7).	Moderate	Unlikely	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
Part 8 Reconnection							
242	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	Probable	Medium	Moderate	Priority 4
243	Clause 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor within the timeframes specified in subclause 8.1(2).	Moderate	Probable	Medium	Moderate	Priority 4
Part 9 Prepayment Meters							
245	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
246	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
247	Clause 9.2(2)	A retailer must establish an account for each prepayment meter operating at a residential customer's supply address.	Moderate	Unlikely	Medium	Moderate	Priority 4
249	Clause 9.3(1)	If a residential customer requests information on the use of a pre-payment meter, a retailer must advise the information specified in subclause 9.3(1) at no charge, and in clear, simple and concise language.	Moderate	Unlikely	Medium	Moderate	Priority 4
250	Clause 9.3(2)	No later than 10 business days after the time a residential customer enters into a pre-payment meter contract at that customer's supply address, a retailer must give or make available to that customer the information specified in subclauses 9.3(1) and 9.3(2)(a)-(s) at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
251	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; and the distributor's 24-hour telephone number for faults and emergencies.	Moderate	Unlikely	Medium	Moderate	Priority 4
252	Clause 9.3(4)	On 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 2 years, or since the commencement of the pre-payment meter contract (whichever is shorter), divided into quarterly segments.	Moderate	Unlikely	Medium	Moderate	Priority 4
253	Clause 9.3(5)	If the recharge facilities available to a residential customer change from the initial recharge facilities referred to in subclause 9.3(2)(r), the retailer must notify the pre-payment meter customer, in writing or by electronic means, of the change within 10 business days.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
254	Clause 9.4(1)	If a pre-payment meter customer notifies a retailer that it wants to replace or switch a pre-payment meter to a standard meter, 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 within 1 business day of the request.	Moderate	Unlikely	Medium	Moderate	Priority 4
255	Clause 9.4(2)	A retailer must not charge for reversion to a standard meter if a pre-payment customer is a residential customer and that customer, or their nominated representative, requests reversion of a pre-payment meter within 3 months of its installation or the date the customer agreed to enter into the prepayment contract, whichever is later.	Moderate	Unlikely	Medium	Moderate	Priority 4
257	Clause 9.5(1)	If a customer provides a retailer with confirmation from an appropriately qualified medical practitioner that a person residing at the supply address requires life support equipment, a retailer must not provide a pre-payment meter service at their supply address. Further, 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.	Major	Unlikely	High	Moderate	Priority 2
259	Clause 9.6	A retailer must ensure that a pre-payment meter service complies with the prescribed requirements in subclause 9.6.	Moderate	Probable	Medium	Moderate	Priority 4
260	Clause 9.7(a), (b) and (d)	A retailer must ensure that: at least 1 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 3 hours per day 5 days a week; and the minimum amount to be credited by a recharge facility does not exceed \$20 per increment.	Moderate	Unlikely	Medium	Moderate	Priority 4
261	Clause 9.8	If a pre-payment meter customer demonstrates to a retailer that the customer is entitled to receive a concession, the retailer must ensure that the prepayment meter customer receives the benefit of the concession.	Moderate	Unlikely	Medium	Moderate	Priority 4
262	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.	Moderate	Probable	Medium	Moderate	Priority 4
264	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 a customer for testing the prepayment meter.	Moderate	Probable	Medium	Moderate	Priority 4
265	Clause 9.10(1)	Subject to a pre-payment meter customer notifying a retailer of the proposed vacation date, the retailer must ensure that the pre-payment customer can retrieve all remaining credit at the time that customer vacates the supply address.	Moderate	Probable	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
266	Clause 9.10(2)	If a pre-payment meter customer (including a customer who has vacated the supply address) has been overcharged as a result of an act or omission of a retailer or distributor, the retailer must use its best endeavours to inform and reimburse the pre-payment meter customer, (except in the circumstances in clause 9.10(7)) in the timeframe and manner specified.	Minor	Probable	Low	Moderate	Priority 5
267	Clause 9.10(3)	If a retailer receives instructions under subclause (2), the retailer must pay the amount in accordance with the pre-payment meter customer's instructions within 12 business days of receiving the instructions.	Moderate	Probable	Medium	Moderate	Priority 4
268	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.	Minor	Probable	Low	Moderate	Priority 5
269	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).	Moderate	Unlikely	Medium	Moderate	Priority 4
270	Clause 9.11(1)	A retailer must give reasonable consideration to a request by a residential customer or relevant consumer representative for a waiver of any fee to replace or switch a pre-payment meter to a standard meter.	Moderate	Unlikely	Medium	Moderate	Priority 4
271	Clauses 9.11(2) and (3)	If 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 9.11(2)(b), the retailer must, subject to subclause 9.11(3), use its best endeavours to contact the customer as soon as reasonably practicable to provide the information prescribed in subclause 9.11(2)(d)-(g).	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 10 Information and Communication							
272	Clause 10.1(1)	A retailer must give notice of any variations in its tariffs to each of its customers affected by the variation no later than the next bill in the customer's billing cycle.	Moderate	Unlikely	Medium	Moderate	Priority 4
273	Clause 10.1(2)	On request and at no charge, a retailer must provide a customer with reasonable information on its tariffs, including alternative tariffs.	Moderate	Unlikely	Medium	Moderate	Priority 4
274	Clause 10.1(3)	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt and, if requested, provide the information in writing.	Moderate	Unlikely	Medium	Moderate	Priority 4
275	Clause 10.2(1)	On request, a retailer must provide a non-contestable customer with their billing data.	Moderate	Unlikely	Medium	Moderate	Priority 4
276	Clause 10.2(2)	If a non-contestable customer requests billing data for a period less than the previous 2 years and no more than once a year, or in relation to a dispute with a retailer, the retailer must provide the data at no charge.	Moderate	Probable	Medium	Moderate	Priority 4
277	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 on payment of the retailer's reasonable charge for providing this data.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
278	Clause 10.2(4)	A retailer must keep a non-contestable customer's billing data for 7 years.	Moderate	Unlikely	Medium	Moderate	Priority 4
279	Clause 10.3	On request and at no charge, a retailer must 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
280	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	Unlikely	Medium	Moderate	Priority 4
281	Clause 10.4	On request and at no charge, a retailer must give or make available to a customer general information on cost effective and efficient ways to utilise electricity; and the typical running costs of major domestic appliances.	Moderate	Unlikely	Medium	Moderate	Priority 4
282	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	Moderate	Priority 4
290	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, concise language and in a format that is easy to understand.	Minor	Unlikely	Low	Strong	Priority 5
291	Clause 10.10(1)	On request, a retailer and a distributor must inform a customer how to obtain a copy of the Code of Conduct.	Moderate	Unlikely	Medium	Moderate	Priority 4
292	Clause 10.10(2)	A retailer and distributor must make electronic copies of the Code of Conduct available on their websites, at no charge.	Moderate	Unlikely	Medium	Moderate	Priority 4
294	Clause 10.11(1)	On request and at no charge, a retailer and a distributor must make services available to a residential customer to assist the residential customer to interpret information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	Moderate	Unlikely	Medium	Moderate	Priority 4
295	Clause 10.11(2)	For residential customers, a retailer and, if appropriate, a distributor, must include the information prescribed in subclause 10.11(2)(a) on its bills and bill-related information, reminder notices and disconnection warnings.	Moderate	Unlikely	Medium	Moderate	Priority 4
297	Clause 10.12(2)	On request, a retailer must advise a customer of the availability of different types of meters or refer the customer to the relevant distributor for a response.	Moderate	Unlikely	Medium	Moderate	Priority 4
Part 12 Complaints and Dispute Resolution							
298	Clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	Moderate	Unlikely	Medium	Moderate	Priority 4
299	Clause 12.1(2)	The complaints handling process under subclause 12.1(1) must comply with Australian Standard AS ISO 10002-2006 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

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
300	Clause 12.1(3)	A retailer or a distributor must advise the customer in accordance with subclause 12.1(3). This description is not fully covering the description in gazette. Emailed extra details for assessment.	Moderate	Unlikely	Medium	Moderate	Priority 4
301	Clause 12.1(4)	On receipt of a written complaint by a customer, a retailer or distributor must acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	Moderate	Probable	Medium	Moderate	Priority 4
302	Clause 12.2	A retailer must comply with any guideline developed by the ERA to distinguish customer queries from customer complaints.	Moderate	Probable	Medium	Moderate	Priority 4
303	Clause 12.3	On request and at no charge, a retailer, distributor and electricity marketing agent must give a customer information that will assist the customer to utilise the respective complaints handling processes.	Moderate	Unlikely	Medium	Moderate	Priority 4
304	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 appropriate to deal with the complaint (if known).	Moderate	Probable	Medium	Moderate	Priority 4
Part 13 Reporting							
305	Clause 13.1	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	Moderate	Probable	Medium	Moderate	Priority 4
306	Clause 13.2	The report specified in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	Moderate	Probable	Medium	Moderate	Priority 4
307	Clause 13.3	The report specified in clause 13.1 must be published by the date specified by the ERA. In accordance with clause 13.3(2), a report is published if: - copies are available to the public, without cost, in places where the retailer or distributor transacts business with the public; and - a copy is posted on the retailer or distributor's website.	Moderate	Probable	Medium	Moderate	Priority 4
Part 14 Service Standard Payment							
308	Clause 14.1(1)	Subject to clause 14.6, a retailer must pay the stated compensation to a customer if the customer is not reconnected in accordance with the timeframes specified in Part 8.	Moderate	Probable	Medium	Moderate	Priority 4
310	Clause 14.2(1)	Subject to clause 14.6, a retailer must pay the specified compensation to a customer 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 the customer for failure to pay a bill, or arranges for disconnection or disconnects the customer for failure to pay a bill in contravention of clauses 7.2, 7.3, 7.6 or 7.7.	Moderate	Probable	Medium	Moderate	Priority 4
312	Clause 14.3(1)	Subject to clause 14.6, a retailer must pay the customer \$20 if the retailer has failed to acknowledge or respond to a complaint within the timeframes prescribed in subclause 12.1(4).	Moderate	Probable	Medium	Moderate	Priority 4
315	Clause 14.7(1)	A retailer that 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	Probable	Medium	Moderate	Priority 4

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
14. Electricity Industry Metering Code – Licence Conditions and Obligations							
324	Clause 3.3B	If a user is aware of bi-directional electricity flows at a metering point that was not previously subject to a bi-directional flows or any changes in a customer's or user's circumstances in a metering point that will result in bi-directional flows, the user must notify the network operator within 2 business days.	Moderate	Unlikely	Medium	Moderate	Priority 4
339	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	Moderate	Priority 4
354	Clause 3.18(1)	The metering installation for the connection point must comply with the prescribed wholesale market metering installation requirements if the Electricity Retail Corporation supplies electricity to a contestable customer at a connection point under a non-regulated contract and in circumstances when, immediately before entering into the contract, the electricity retail corporation supplied electricity to the contestable customer under a regulated contract.	Moderate	Unlikely	Medium	Moderate	Priority 4
364	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	Probable	Medium	Moderate	Priority 4
371	Clause 4.4(1)	If there is a discrepancy between energy data held in a metering installation and in the metering database, the affected Code participants and the network operator must liaise to determine the most appropriate way to resolve the discrepancy.	Minor	Unlikely	Low	Moderate	Priority 5
372	Clause 4.5(1)	A Code participant must not knowingly permit the registry to be materially inaccurate.	Minor	Probable	Low	Moderate	Priority 5
373	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 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
388	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).	Moderate	Unlikely	Medium	Moderate	Priority 4
401	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
402	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	Moderate	Priority 4
405	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	Probable	Medium	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
406	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	Probable	Low	Moderate	Priority 5
407	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	Probable	Low	Moderate	Priority 5
408	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	Probable	Medium	Moderate	Priority 4
410	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	Probable	Low	Moderate	Priority 5
416	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	Probable	Medium	Moderate	Priority 4
417	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	Probable	Medium	Moderate	Priority 4
435 [426]	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	Probable	Medium	Weak	Priority 3
448	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	Probable	Medium	Moderate	Priority 4
451	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	Probable	Low	Moderate	Priority 5
453	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	Probable	Medium	Moderate	Priority 4
454 [438]	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	Weak	Priority 3
455	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	Probable	Medium	Moderate	Priority 4
456	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	Moderate	Priority 4

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
457	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
458	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
459	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
460	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
461	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
The following obligations were removed from the July 2016 Reporting Manual and are applicable only for the period 1 July 2015 to 30 June 2016							
224	Code of Conduct, clause 6.10(5)	A retailer must keep a record of the following: the relevant consumer representative organisations consulted on the contents of its hardship policy and hardship procedures; the dates the hardship policy and hardship procedures were established; the dates the hardship policy and hardship procedures were reviewed; and the dates the hardship policy and hardship procedures were amended.	Moderate	Unlikely	Medium	Moderate	Priority 4
248	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
293	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	Moderate	Priority 4
The following obligations were removed from the October 2016 Reporting Manual and are applicable only for the period 1 July 2015 to 30 September 2016							
68	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.	Moderate	Unlikely	Medium	Moderate	Priority 4
69	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	Weak	Priority 3

Appendix 2 – Risk assessment

No	Obligation reference	Obligation description	Consequence	Likelihood	Inherent Risk Rating	Control Assessment	Audit Priority
70	Customer Transfer Code, Annex 6, clause A6.6	The originator of an electronic communication must be identified in the communication.	Moderate	Unlikely	Medium	Moderate	Priority 4
71	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.	Moderate	Unlikely	Medium	Moderate	Priority 4

Appendix 3 – Previous audit recommendations

The information for the below issues has been sourced from the 2013 Post Audit Implementation Plan included in the 2013 Performance Audit Report. The previous observations/recommendations were addressed to Premier Power Sales (PPS). The Licence was transferred to Kleenheat on 1 July 2015.

<p>1. Obligation 124/2013 <u>Retail Licence condition 16.1</u> There have been two instances during the audit period where the Compliance Reports were submitted after the due date. This was largely due to personnel changes, however, processes are required to trigger compliance and ensure future reports are submitted as required.</p>	
<p>Recommendation Inclusion of the submission of Annual Compliance Reports by the 31st August in the Compliance Manual (Refer OFI 4) and an additional trigger such as inclusion relevant personnel job description/calendar could also be considered.</p>	<p>Action Plan Dedicated resources have been appointed to review compliance and regulatory requirements and a compliance manual for all regulatory and compliance matters is being developed. Responsible Person Jodie McDonnell and Melanie Gordon Implementation Date June 2014</p>
<p>2. Obligation 69/2013 <u>Electricity Industry Customer Transfer Annex 6 clause A6.2(b)</u> Confirmed with PPS staff that a response message to the Western Power Networks is sent via WP's online portal but this must be triggered by a retail employee. There is a button to click to send an acknowledgement by PPS staff. PPS advised the Authority of this noncompliance in the PPS Compliance Report for the period 1st July 2008 to 30th June 2009. In this report PPS advised the Authority that PPS does not consider the cost of implementing an IT solution to be reasonable in the context of its small number of customers. There is no benefit to customers in automating these electronic messages. PPS also advised that no action has been taken by PPS to rectify the breach and that PPS will continue to monitor opportunities for compliance.</p>	
<p>Recommendation PPS should continue to monitor opportunities to fully comply with the licence obligation.</p>	<p>Action Plan PPS will continue to monitor opportunities to fully comply with the license obligation, however currently sees no benefit to customers in automating a response to electronic messages from Western Power Networks. PPS will continue to manually reply to electronic messages received via the portal. Responsible Person N/A Implementation Date Ongoing monitoring to ensure compliance.</p>

<p>3. Obligation 426/2013</p> <p><u>Electricity Industry Metering Code 2005 clause 5.27</u></p> <p>Relevant notification requirements and response times are included in the PPS Notification Response Times schedule that forms part of the PPS Administration Procedure Manual as well as in the Reporting and Provision of Information to the Network Operator policy and the procedure included in the PPS Operational and Procedural.</p>	
<p>Recommendation</p> <p>PPS to ensure that all requests to provide the network operator with customer attribute information are actioned within 2 business days.</p>	<p>Action Plan</p> <p>PPS agrees with the recommendation and will retain evidence of any future changes of the date of notification.</p> <p>Responsible Person</p> <p>N/A.</p> <p>Implementation Date</p> <p>Ongoing monitoring to ensure compliance.</p>
<p>4. Obligations 25 and 55-57/2013</p> <p><u>Electricity Industry Customer Transfer Code clauses 4.4(1) 7.1(1)-(3)</u></p> <p>The current Network Access Agreement between PPS and WP does not explicitly specify the network as the SWIS. However, the new Electricity Transfer Access Contract between PPS and WP, still in draft version, defines network as “those parts of the SWIS that are owned, operated or owned and operated by WP in respect of which access is given under this contract”.</p> <p>Also, the draft contract has not been updated in respect of dispute resolution statements that do not conform with the requirements of the Customer Transfer Code (i.e. meet within 5 business days of a request, escalate disputes if not resolved in 10 business days and have a written and signed record of the resolution).</p>	
<p>Recommendation</p> <p>Finalise the Electricity Transfer Access Contract incorporating: SWIS as the specified network; and The dispute resolution requirements of Customer Transfer Code.</p>	<p>Action Plan</p> <p>Finalise ETAC.</p> <p>Responsible Person</p> <p>N/A.</p> <p>Implementation Date</p> <p>ETAC Signed 17 July 2013. Completed - Outside the audit scope.</p>
<p>5. Obligation 53 and 438/2013</p> <p><u>Electricity Industry Customer Transfer Code clause 6.4(2)</u></p> <p><u>Electricity the Industry Metering Code 2005 clause 7.2(5)</u></p> <p>PPS notified WP of a change in address of their office and a telephone and fax numbers 10 days before the change took effect.</p> <p>A copy of the notification was provided to Audit. However, no evidence was retained by PPS of the notification of change in contact details to WP and when the notification was provided.</p> <p>Relevant notification response times are included in the PPS Compliance Schedule of Events and the PPS Notification Response Times schedule that form part of the PPS Administration Procedure Manual.</p> <p>A register is not considered necessary but evidence of compliance should be retained.</p>	
<p>Recommendation</p> <p>PPS to retain evidence of any notification of a change in PPS contact details to Western Power Networks, including the date the notification was made.</p>	<p>Action Plan</p> <p>PPS agrees with the recommendation and will retain evidence of any future changes of details, including evidence of the date of notification.</p> <p>Responsible Person</p> <p>N/A.</p> <p>Implementation Date</p> <p>Ongoing monitoring to ensure compliance.</p>

Appendix B - References

Kleenheat staff participating in the audit

Name	Position
• Rebecca Banks	Commercial Manager, Natural Gas and Electricity
• Alex Penter	Regulatory Specialist, Natural Gas and Electricity
• Simon Middleton	Electricity Manager
• Nicole Harris	Customer Service Operations Manager
• Bernadette Hall	Customer Advocate
• Paul Abbott	Credit Team Leader
• Ged Reilly	Business Sales Team Leader
• Alyce O'Reilly	Business Sales Consultant
• Adam Marini	Commercial Collections Officer
• Dash Kaur	Sales Support Analyst
• Denise Ooi	Senior Energy Analyst

Deloitte staff participating in the audit

Name	Position	Hours
• Richard Thomas	Partner	8
• Andrew Baldwin	Specialist Compliance Lead	22
• Manuela Cervellera	Senior Analyst	16
• David Herbert	Senior Analyst	75
• Esther Ong	Analyst	164
• Kobus Beukes	Partner (Quality Assurance Review)	1

Key documents and other information sources examined

- Access to Customer Bill To Number Procedure
- Access to Customer Invoices Procedure
- Account Creation for Electricity Customers
- Account Creation in Oracle (ELE Maint Screen)
- Algorithm Check Digit calculation
- Amendment by substitution - Electricity Retail Licence ERL 5
- Annual Compliance Reports submitted to ERA
- Annual Performance Reports submitted to ERA
- Applying Cheque Payments
- Assessing Credit Application Electricity -SME and C & I
- Associating NMI to Customer Account
- Associating TLF-DLF to Customer NMI for Electricity Customer
- B2B Process Specification
- Billing Engine Process
- Business Name Final Meter Read - Electricity Template
- Change of Ownership Procedure (Current Contract still Valid)
- Collection of Information Statement part
- Completed Disconnection Checklist

- Compliance Calendar Screenshot
- Compliance Manual - Reporting Requirements
- Contract schedule set up- work instruction rev0
- Correspondence between Western Power and Kleenheat
- Creating and Managing Occupier Procedure (Business Customer)
- Customer Charter
- Customer Protection Overview NG and E 28 Feb 2017 Sales Conference
- Customer Transfer Request via WP De-energise
- Customer Transfer via Western Power Portal
- Customers with Life Support Equipment Procedure
- Daily Direct Debit Credit Card Payments for Elec
- DERPS Report
- Direct Debit Bank Account Payments for Electricity, Natural Gas and LPG
- Direct Debit Form - Electricity
- Disconnection via Western Power Portal (De-energise)
- Disconnection-Reconnection Checklist
- Dishonour Payment Electricity Customer Procedure
- Dispute Resolution for Market Participant
- Downloading Formatting Daily EFT Bank Statement
- Early Termination of Contract Procedure (Final Bill)
- EFT Inbox
- Electricity - Creating a new ST and linking it to existing Electricity BT
- Electricity - Setting Up Price Lists
- Electricity - Customer Activation Checklist
- Electricity Customer Bill Inquiry Procedure
- Electricity Customer Dispute Procedure
- Electricity Customer End of Contract Procedure
- Electricity Customer Move Out Template
- Electricity Customer Overcharge Procedure
- Electricity Customer Pricing Procedure (TBA)
- Electricity Customer Sign Up Procedure
- Electricity Customer Sign up Process
- Electricity Customer Undercharge Procedure
- Electricity Debit Collection Procedure
- Electricity Fees and Charges
- Electricity Invoice Large Use Customer
- Electricity Invoice Small Use Customer
- Electricity Non-Standard Contract Terms and Conditions - Large Use
- Electricity Non-Standard Contract Terms and Conditions - Small Use
- Electricity Regulatory and Compliance Manual
- Electricity Standard Form Contract
- Electricity Supply Agreement - Large Use Schedule
- Electricity Supply Non-Standard Contract - Small Use
- Electricity Verifiable Consent form
- Energy Saving Tips
- Entering the Small Use Customer Market - Premier Power Sales training material
- ERA invoices
- ERA Cost Recovery Process Licensing Fees
- ERA Cost Recovery Process to PPS
- ERA Request for PAIP and Updated PAIP
- ERL5 Annual Compliance Report for Wesfarmers Gas Pty Ltd
- Failure to re-certify template letter
- Handout - Particulars on each bill
- Handout - Understanding my bill
- Handout Electricity Compliance Reporting Manual 2014
- Historical Customer Name Query
- How to Add Email Addresses On an Electricity Customer Account
- IMO Prepayment (Prudential Review)
- Incident Report - Compliance Tracker Screenshot

- KHG Supporting Information for Electricity Retail Licence Application
- KHG Electricity Billing - Billing Engine Technical Process Flow
- Kleenheat change to EWO membership
- Kleenheat Electricity Code of Conduct - Marketing Training Material
- Kleenheat Privacy Policy Statement
- Letter to ERA in support of application to transfer ERL from PPS to KHG
- Life Support Equipment Registration
- Managing Distributor Communications
- Market Participant Interface (MPI) User Guide
- Meter Data Verification-Testing Procedure
- Metering Service Centre User Task Manual
- Moved Out/ Switch Away/ Disconnection Procedure
- NMI Discovery via Western Power Portal
- NMI Discovery/Standing Data/ Meter History Request
- Novation Deed - WP KHG
- Online Screenshot of Consent
- Overview of Electricity Regulatory Environment
- Pricelist and Account Creation Setup Checklist
- Processing Cheque Payments
- Raising a Credit Request (Dispute) in iReceivables
- Raising a Debit Memo Procedure
- Raising a dispute via iReceivable
- Raising a Late Fee Dispute in iReceivables
- Recertification template letter
- Reconnection via Western Power Portal (Reconnected after a disconnection)
- Recording a customer on "Insightly"
- Refund Direct Debit Credit Cards - Electricity
- Refund EFT and Cheques for Electricity
- Regulatory and Compliance Handbook - Electricity
- Remitting Cash Payments
- Remitting Cheque Payments
- Renewal of Electricity Supply Agreement - Large Use Customers
- Renewal of Electricity Supply Contract Template - Small Use Customers
- Requesting Meter Data History via Western Power Portal
- Requesting Standing and Meter Data via Western Power Portal and Direct to Western Power
- Retrieving Meter Data via Western Power Portal and Direct to Western Power
- Running Billing Process for ELE Customers
- Running Funds Management Reports
- Screenshot of Compliance tracker
- Screenshot of Kleenheat's Managed Documents Hub
- Setting a Price List to an Electricity Customer in Oracle
- Setting CPI Escalation for Electricity Customer in Oracle
- Signed Electricity Transfer Access Contract - 14 August 2013 (Western Power's signature)
- Signed ETAC – 9 August 2013 (Kleenheat's signature)
- SME Electricity Debt Collections Strategy
- SME Electricity Life Support - Customer Maintenance
- SME Electricity Life Support - Customer Sign up
- Special Bill (Early Termination) Procedure
- Standing Data Query via Western Power Portal
- To Close an Opportunity On "Insightly"
- Updated Post Audit Implementation Plan - Confirmation from ERA
- Variation in Tariff Letter - Template
- Wesfarmers Limited Annual Reports
- Western Australian Electricity Market Build Pack Glossary
- Withdrawing a Customer Transfer Request (Customer Cancelling).

Appendix C – Post audit implementation plan

This plan has been prepared by Kleenheat and does not form part of Deloitte’s audit findings.

<p>Issue 1/2017</p> <p>Obligations 144 and 243</p> <p><i>Code of Conduct clauses 3.1(2) and 8.1(2)</i></p> <p>Kleenheat’s processes provide for recording the date that customer requests are forwarded to Western Power, through a manual Energisation Register. The Energisation Register contains a record of requests for:</p> <ul style="list-style-type: none"> • Energisation • De-energisation • Re-energisation. <p>However, the Energisation Register does not contain a record of the date and time Kleenheat received the service request from the customer. Without a record of that time, in instances where Kleenheat forwarded customer requests to the distributor the day after receiving the request, Kleenheat is unable to demonstrate the request was received from the customer after 3pm and therefore in compliance with the Code.</p> <p>This audit did not identify any specific instances of non-compliance where a service request received before 3pm was not forwarded to Western Power on that same day.</p>	
<p>Recommendation 1/2017</p> <p>Kleenheat expand its Energisation Register to include the date and time when service notification requests are:</p> <ul style="list-style-type: none"> • Received from the customer • Forwarded to Western Power. 	<p>Action Plan 1/2017</p> <p>Kleenheat has expanded its Energisation Register to include the date and time when service notification requests are received from the customer and forwarded to Western Power.</p> <p>Responsible person Sales Support Analyst</p> <p>Target date Complete – October 2017</p>
<p>Issue 2/2017</p> <p>Obligation 187</p> <p><i>Code of Conduct clause 5.1</i></p> <p>During the audit period, Kleenheat self-reported that it incorrectly set up three new SME customers as Large customers owing to human error.</p> <p>As a result, the three customers’ invoices had incorrect payment terms of 15 calendar days rather than 22 calendar days, resulting in the due date falling below the 12 business days minimum for Small Use Customers.</p> <p>In August 2017, Kleenheat updated its business rules within Oracle to auto-populate the payment terms based on the customer class. Additionally, Kleenheat implemented an exception reporting process to identify mismatches between customer type and payment terms.</p> <p>Kleenheat does not currently provide for this process in its policies and procedures.</p>	
<p>Recommendation 2/2017</p> <p>Kleenheat integrate its exception reporting process into its policy and procedure documents.</p>	<p>Action Plan 2/2017</p> <p>Kleenheat has documented the exception reporting process in its policy and procedure document.</p> <p>Responsible person Sales Support Analyst</p> <p>Target date Complete – November 2017</p>

<p>Issue 3/2017</p> <p>Obligation 280</p> <p><i>Code of Conduct clause 10.3A</i></p> <p>During the audit period, Kleenheat had not provided the required notification to customers outlining its obligation to pay a Service Standard Payment under Part 14 of the Code, including the:</p> <ul style="list-style-type: none"> • Amount of the payment • Eligibility criteria for the payment. <p>We note that during the audit period, Kleenheat had not made a Service Standard Payment, nor was requested to make a Service Standard Payment.</p>	
<p>Recommendation 3/2017</p> <p>Kleenheat consider:</p> <p>(a) Implementing a procedure to address the requirements of s.10.3A of the Code by notifying customers on an annual basis of Kleenheat’s obligation to make Service Standard Payments where required</p> <p>(b) Updating its publicly available information (such as the Customer Charter) to include Kleenheat’s obligation to make a Service Standard Payment in the required circumstances.</p>	<p>Action Plan 3/2017</p> <p>Kleenheat will implement a procedure to address the requirements of s.10.3A of the Code in relation to Kleenheat’s obligation to make a Service Standard Payment in the required circumstances.</p> <p>Responsible person Regulatory Specialist Natural Gas and Electricity</p> <p>Target date March 2018</p>