

Appendix C – Post audit implementation plan

<p>Issue 1/2018</p> <p>Obligation 136 <i>Compendium Clause 4.1</i></p> <p>In response to recommendation 4/2016 of the 2016 Performance Audit, Kleenheat tailored its exception reporting to identify multiple meter reads listed as 'billed' within a 30 day period.</p> <p>In its 2016/17 and 2017/18 Annual Compliance reports to the ERA, Kleenheat self-reported 324 instances (within the audit period) where a customer was issued a bill more than once in a month without agreeing with the customer to do so. A further 13 instances occurred in July 2018.</p> <p>These instances have been attributed to Kleenheat continuing to receive multiple meter reads from ATCO within a month (including instances where the submission of meter reads have been delayed). As Kleenheat's automated billing process is based on the receipt of meter reads, multiple bills may be issued within a month. We note the ERA's intention to consider this matter (which impacts all gas trading licensees) in the next review of the Compendium.</p>	
<p>Recommendation 1/2018</p> <p>Kleenheat:</p> <p>(a) Pursue making further changes to its billing engine to prevent the billing system automatically billing customers more than once in a month where billing matters are pending resolution</p> <p>(b) Monitor and respond to the impact of potential changes to the Compendium relating to issuing bills based on multiple meter reads by the distributor in any month.</p>	<p>Action Plan 1/2018</p> <p>Kleenheat will:</p> <p>(a) Investigate its current billing engine and make changes to the billing engine that will prevent bills being issued more than once in a month to customers</p> <p>(b) Monitor and respond to the impact of potential changes to the Compendium relating to issuing bills based on multiple meter reads by the distributor in any month.</p> <p>Responsible person: Customer Service Operations Manager</p> <p>Target date: June 2019</p>

<p>Issue 2/2018</p> <p>Obligation 137 <i>Compendium Clause 4.1(b)</i></p> <p>Obligation 59 <i>Energy Coordination (Customer Contract) Regulations 2004 Reg 15 (1), Clause 4.2.1 AGA Code</i></p> <p>In response to recommendation 2/2016 of the 2016 Performance Audit, Kleenheat further developed its exception reporting mechanism and has worked collaboratively with ATCO on matters impacting on the timing of meter reads for billing purposes. We confirmed that Kleenheat has used daily exception reports containing customers who have not been billed for 100 days or more.</p> <p>In its 2016/17 and 2017/18 Annual Compliance reports to the ERA, Kleenheat self-reported 315 further instances where a customer had not been issued a bill within 105 days without the customer’s agreement. A further 56 instances occurred in July and August 2018.</p> <p>These instances have been attributed to the following:</p> <ul style="list-style-type: none"> • Kleenheat’s processing of customer transfer requests, which involves a request to ATCO to hold the scheduled read for 21 days to allow for a final read to be taken for inclusion on the final bill. In some instances where the customer cancelled the transfer request, this process extended the billing period beyond the 105 day timeframe • An isolated instance where bills to 60 customers were held beyond the 105 day timeframe while Kleenheat reviewed and resolved meter reading issues impacting customer bills • An isolated instance of human processing error, which was addressed through further training. 	
<p>Recommendation 2/2018</p> <p>Kleenheat remove the ‘hold’ function within its billing engine to prevent the delay of issuing bills.</p>	<p>Action Plan 2/2018</p> <p>Kleenheat will:</p> <p>(a) Remove the ‘hold’ function on its 21 day switch billing to allow the relevant bill to be issued based on the scheduled meter read</p> <p>(b) Set up a project team to specifically review further changes that may be necessary to prevent bills being issued beyond 105 days and implement any changes required in the billing engine system.</p> <p>Responsible person: Customer Service Operations Manager</p> <p>Target date: June 2019</p>

Issue 3/2018**Obligation 189***Compendium Clause 5.7(1)*

Kleenheat disclosed one instance where a financial hardship customer did not have their late payment fee retrospectively waived. The non-compliance was attributed to an error by the staff member assigned to the customer electing not to waive the fees in contravention of Kleenheat's procedures. The late payment fee was waived after Kleenheat's investigation and resolution of a complaint made by the customer.

Subsequent to this incident, Kleenheat:

- Strengthened its controls over managing financial hardship customers in the following manner:
 - Established a dedicated Financial Hardship team
 - Provided training and guidance to staff
- Plans to implement additional quality control checks and focussed staff training.

Recommendation 3/2018

Kleenheat:

- Pursue its plans to implement additional quality control and focussed staff training
- Further strengthen system based controls and/or exception reports to identify instances where late payment fees should be waived on account of the customer being assessed as being in financial hardship.

Action Plan 3/2018

Credit will increase one on one coaching with front line Credit team staff, with a view to further improving the quality of such calls. Credit will also consider whether exception reporting can be implemented to review and if needed to, reverse, late payment fees applied to customers' accounts who are in financial hardship.

Responsible person: Credit Manager

Target date: December 2019

Issue 4/2018**Obligations 222, 33 and 34***Compendium Clause 7.1**Customer Contracts Regulations 12(4)(a)-(b)*

During the audit period, Kleenheat self-reported one instance of a wrongful disconnection where an LPG Retic customer was not provided with sufficient notice prior to disconnection for failure to pay. The cause of this non-compliance was attributed to human error in failing to follow standard operating procedure.

Two further wrongful disconnections were identified during this audit where NG customers were not provided with sufficient notice prior to disconnection for failure to pay:

- One instance was identified through sample testing, where the customer had defaulted on their payment arrangement and Kleenheat staff had not recognised the need to renew the notification process
- One instance was identified by Kleenheat as a result of an internal investigation (including receipt of legal advice), where duplicate notices were issued in error and Kleenheat staff had incorrectly reset the credit strategy.

Kleenheat implemented a new disconnection procedure in February 2018, requiring staff to follow a more rigorous checking process, and for the Credit Manager to approve all street level disconnection requests.

Obligations 223 and 40*Compendium Clause 7.2(1)*

In its 2016/17 and 2017/18 Annual Compliance reports to the ERA, Kleenheat self-reported two instances where it wrongfully arranged disconnections for customers who were on payment arrangements.

Both instances of non-compliance can be attributed to human error, where staff had not identified that customers had entered into or maintained a payment arrangement.

Recommendation 4/2018

Kleenheat develop system based controls to assist in ensuring its disconnection process meets the specified Compendium requirements.

Action Plan 4/2018

Other improvements already made to the disconnection process include:

- The inclusion of a process and decision tree work flow to the Credit team's knowledge base on OneNote to assist staff in relation to following the disconnection strategy
- Implementing a street level disconnection tracker to monitor accounts and ensure prompt follow up.

Kleenheat will investigate and make recommendations for a system improvement to better highlight disconnection issues and prevent non-compliances. There is already an improvement project underway which is looking at automating some of the manual tasks currently carried out in relation to disconnections.

Responsible person: Credit Manager

Target date: December 2019

<p>Issue 5/2018</p> <p>Obligation 254</p> <p><i>Compendium Clause 12.1(3)(a)</i></p> <p>Kleenheat disclosed one instance where a customer was not appropriately advised of their right to have their complaint escalated to a senior employee within Kleenheat.</p> <p>This instance highlighted a gap in the customer service team member’s understanding of Kleenheat’s complaints handling requirements.</p> <p>We acknowledge that Kleenheat has initiated a review of its complaints handling process and procedure, as well as the need for targeted staff training.</p>	
<p>Recommendation 5/2018</p> <p>Kleenheat complete the planned review of its complaints handling process.</p>	<p>Action Plan 5/2018</p> <p>Kleenheat will amend its Complaints Policy & Procedure to make it clear that it is mandatory for an agent to advise the customer of their right to have their complaint considered by a senior employee.</p> <p>Training will be rolled out to all front line agents who deal with complaints on the amended Procedure, with emphasis on escalating complaints.</p> <p>Scripting will also be provided to agents which makes this escalation process clear and is accessible to agents at the time of handling a complaint.</p> <p>Responsible person: Customer Service Operations Manager</p> <p>Target date: June 2019</p>