

# *Performance Audit Report*

*Performance Audit – Gas  
Trading Licence (GTL8)  
Final report  
22 October 2019*

*Electricity Generation  
and Retail Corporation,  
trading as Synergy*

*October 2019*



Mr Simon Thackray  
Manager Regulation and Compliance  
Electricity Generation and Retail Corporation trading as Synergy  
219, St. Georges Terrace  
Perth WA 6000

22 October 2019

Dear Simon

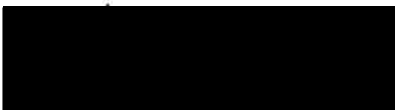
**Electricity Generation and Retail Corporation trading as Synergy: 2019 Gas Trading Licence 8 Performance Audit Report**

We have completed the Gas Trading Licence (GTL8) Performance Audit (Audit) for The Electricity Generation and Retail Corporation trading as Synergy (Synergy) for the period 1 July 2015 to 30 June 2019 and are pleased to submit our report to you. This Audit was performed in accordance with the Economic Regulation Authority (ERA) approval letter dated 28 May 2019 and the ERA approved Audit Plan.

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 me on +61 484 387 478.

Yours sincerely



Sian Ashdown  
Partner

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## **Notice to any reader of this report**

This report has been prepared by PricewaterhouseCoopers ABN 52 780 433 757 ("PwC") for the use and benefit of the Electricity Generation and Retail Corporation, trading as Synergy, in accordance with and for the purpose set out in the Economic Regulation Authority of Western Australia ("ERA") approval letter dated 28 May 2019.

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# 1 *Independent assurance practitioner's report*

## **Independent assurance report on the Electricity Generation and Retail Corporation, trading as Synergy, Performance Audit 2019**

To Simon Thackray, Manager Regulation and Compliance:

### **Opinion**

We have undertaken a reasonable assurance engagement on the Electricity Generation and Retail Corporation<sup>1</sup> (Synergy or licensee) compliance, in all material respects, with the Gas Trading Licence (GTL8) conditions and the relevant legislative obligations (License Conditions) from the 2017 Gas Compliance Reporting Manual (listed in Table 6) as evaluated against the "Economic Regulation Authority (ERA or the Authority) Audit and Review Guidelines: Electricity and Gas Licences (March 2019)" (the Guidelines and the Criteria) for the period 1 July 2015 to 30 June 2019. Changes in the Gas Compliance Reporting Manual during the audit period 2015 to 2018 and the related impact on the audit were outlined in Table 4.

In our opinion, Synergy has complied, in all material respects, with the general license conditions of GTL8 and the relevant legislative obligations from the 2017 Gas Compliance Reporting Manual and the 2015 Gas Compliance Reporting Manual (listed in Table 6), as evaluated against the "Economic Regulation Authority (ERA or the Authority) Audit and Review Guidelines: Electricity and Gas Licences (March 2019)" for the period 1 July 2015 to 30 June 2019.

### **Basis for Opinion**

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 Compliance Engagements issued by the Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### **Synergy's responsibilities**

Synergy's Management is responsible for:

- (a) Identifying risks that threaten the conditions within the GTL8 License and relevant legislative obligations from the 2017 Gas Compliance Reporting Manual and 2015 Gas Compliance Reporting Manual being met.
- (b) The compliance activity undertaken to meet the GTL8 License Conditions and relevant associated legislative obligations from the 2017 Gas Compliance Reporting Manual and 2015 Gas Compliance Reporting Manual being met.
- (c) Identification and implementation of controls which will mitigate those risks that prevent the License Conditions being met and monitoring ongoing compliance.

### **Our independence and quality control**

We have complied with the independence and other relevant ethical requirements relating to assurance engagements, and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

### **Our responsibility**

Our responsibility is to express an opinion, on Synergy's compliance with GTL8 and relevant legislative obligations in all material respects, as evaluated against the Guidelines, for the period from 1 July 2015 to 30 June 2019. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether Synergy has

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<sup>1</sup> Trading as Synergy



## Independent assurance practitioner's report

complied, in all material respects, with the license, as evaluated against the conditions within the license, for the period from 1 July 2015 to 30 June 2019.

An assurance engagement to report on Synergy's GTL8 compliance and relevant legislative obligations involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the conditions. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the License Conditions.

### **Inherent limitations**

Because of the inherent limitations of a reasonable assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

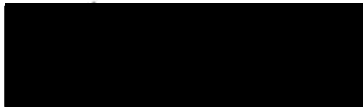
A reasonable assurance engagement relating to the period from 1 July 2015 to 30 June 2019 does not provide assurance on whether compliance with the License will continue in the future.

### **Use of report**

This report has been prepared for use by the Electricity Generation and Retail Corporation for the purpose of section 11 ZA(1) of the Energy Coordination Act 2004 (WA). We disclaim any assumption of responsibility for any reliance on this report to any person other than the Electricity Generation and Retail Corporation, or for any other purpose than that for which it was prepared. This report may be disclosed to the ERA for the purposes of Section 11ZA(1) of the Energy Coordination Act 2004 (WA).



PricewaterhouseCoopers



Sian Ashdown, Perth

22 October 2019

## 2 Executive summary

### 2.1 Introduction and background

Synergy holds a license (GTL 8) issued by the Economic Regulation Authority (ERA or the Authority) under the Energy Coordination Act of 1994 (the Act). The licence is related to Synergy's operations as a gas retailer in the south-western and coastal regions of Western Australia.

Synergy is owned by the Western Australian government represented by the Minister for Energy. On 1 January 2014, the Electricity Retail Corporation (trading as Synergy) and Electricity Generation Corporation (trading as Verve Energy) merged to become Electricity Generation and Retail Corporation, creating a "gentailer" trading as Synergy.

Synergy is Western Australia's largest energy retailer operating in the South West Interconnected System ("SWIS"). Synergy supplies gas to approximately 170 small use gas customers.

Under section 11ZA of the Act, Synergy is required to provide to the ERA a performance audit of its Gas Trading Licence (GTL 8). Under the conditions of the licence, Synergy is currently subject to independent performance audits at 48 month intervals or other periods as determined by the ERA. The performance audit is an audit of the effectiveness of measures taken by the licensee to meet the performance criteria specified in the licence.

PricewaterhouseCoopers (PwC) has been engaged by Synergy to conduct the independent performance audit (the audit) to requirements as evaluated against the GTL8 general license conditions and the relevant legislative obligations from the 2017 Gas Compliance Reporting Manual and 2015 Gas Compliance Reporting Manual, assessed in accordance to the ERA Audit and Review Guidelines: Electricity and Gas Licences (March 2019) (the Guidelines) as they relate to the performance audit for the period 01 July 2015 to 30 June 2019.

### 2.2 Deviations from the audit plan

No deviations from the audit plan dated 19 July 2019 were made. This audit plan was approved by ERA.

### 2.3 Observations

In considering Synergy's internal controls procedures, structure and environment, its compliance culture and its information systems specifically relevant to those license obligations subject to audit, we observed that Synergy has established a GTL8 control register aligning with the GTL8 License Obligations to strengthen its compliance and control frameworks. Synergy has established systems, policies, procedures education and training programs which support these frameworks and which are explicitly aligned with License Obligations.

Overall, following our audit procedures conducted over the audit period, Synergy was found to be in compliance with the licence conditions apart from five (5) self-identified and reported non-compliances detailed in the table below. These non-compliances were reported to the ERA in Synergy's 2015/16, 2016/17 and 2018/19 Annual Compliance Reports. There were no self-reported breaches noted in the 2017/18 Compliance Report. These self-reported breaches were rated as B2s, with minor impact to customers (refer to Table 1 for ratings definition).

#### Self-reported non-compliances

#	Reporting Manual number and Licence condition / Details of Non-Compliance	Auditors' Recommendation or actions taken
1	<p>1 Trading Licence clause 4.1</p> <p>A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 and 5)</p> <p>Details:</p> <p>Synergy self-reported breach in one (1) instance during the audit period as Synergy failed to pay the gas renewal license fee within 1 month of the license anniversary.</p>	<p>Synergy paid the fees on 6th August 2015. Additionally, staff were provided with coaching and feedback.</p> <p>The breach has been resolved during the audit period.</p> <p>No further action required.</p>

#	Reporting Manual number and Licence condition / Details of Non-Compliance	Auditors' Recommendation or actions taken
2	<p>137</p> <p>Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.1(b)</p> <p>A retailer must issue a bill at least every 105 days unless the conditions specified are met.</p> <p>Details:</p> <p>In the 2017/18 Compliance Report submitted to the ERA, Synergy self-reported two (2) breaches. The breaches resulted from the customer's readings received from the distributor were not added to the billing system and failure of staff to follow standard operating processes.</p> <p>We noted additional two (2) instances wherein the customers did not receive the bills on time due to contracts not being renewed on a timely basis. These were reported in Synergy's 2018/19 Annual Compliance Report.</p>	<p>To rectify the breach noted in 2017/18 Compliance Report, the readings were added and bills issued to the customer. Also, a reminder to the team was sent to ensure business activities are completed. The breach has been resolved during the audit period and no further action is required relevant to these instances.</p> <p>However, we recommend that Synergy extends its current unbilled monitoring arrangements to include bills being issued for a period in excess of 105 days (currently, Synergy has a team focusing on any unbilled customers above 90 days).</p>
3	<p>150</p> <p>Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.6(1)</p> <p>A retailer must base a customer's bill on the distributor's or metering agent's reading of the meter at the customer's supply address, or the customer's reading of the meter provided the retailer and the customer agreed that the customer will read the meter.</p> <p>Details:</p> <p>Synergy self-reported breach in one (1) instance during the audit period, Synergy was in breach pertaining to incorrect amount displayed on a bill which resulted in a customer complaint.</p>	<p>To rectify the breach, the customer's complaint was resolved by providing a revised bill. In response to the cause of the non-compliance, Synergy provided the staff with coaching and feedback.</p> <p>The breach has been resolved during the audit period.</p> <p>No further action required.</p>
4	<p>183</p> <p>Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.3</p> <p>Prior to a direct debit facility commencing, a retailer must obtain the customer's verifiable consent and agree with the customer the date of commencement of the direct debit facility and the frequency of the direct debits.</p> <p>Details:</p> <p>Synergy self-reported breaches in three (3) instances during the audit period. Although the customer's consent to establish a direct debit was given, it could not be verified as the call recording facility was not established on the relevant phone line.</p>	<p>In response to the cause of the non-compliance, call recording was established on the device and the Sales team were sent a procedure reminder.</p> <p>The breach has been resolved during the audit period.</p> <p>No further action required.</p>
5	<p>283</p> <p>Trading Licence clause 2.1 and Schedule 2 Compendium clause 13.3</p> <p>A report referred to in clause 13.1 must be published by the date specified by the ERA.</p> <p>Details:</p>	<p>In response to the cause of the non-compliance, Synergy considered allocating the requests to a group instead of an individual. Additionally, the report was published on the public website on 25th October 2016 at 9.19am.</p>

#	Reporting Manual number and Licence condition / Details of Non-Compliance	Auditors' Recommendation or actions taken
	Synergy self-reported a breach of the obligation in one (1) instance during the audit period. The annual gas trading license performance data sheet was not published on the public website by the 24th October 2016 as required by the ERA.	The breach has been resolved during the audit period. No further action required.

No further breaches were identified in addition to those self-identified and reported non-compliances by Synergy as part of its ERA annual compliance reports except for obligation 137 stating that a retailer must issue a bill at least every 105 days unless the conditions specified are met (e.g. consent to issue bills less frequently, there is a pre-payment meter installed, the retailer has not received the required metering data from the distributor or is due to the actions of the customer where the customer is supplied under a deemed contract and the bill is the first bill issued to that customer at that supply address). We noted additional two (2) instances wherein the customers did not receive the bills on time. These were due to the contracts not being renewed on a timely basis. These breaches were reported in Synergy's 2018/19 Annual Compliance Report. We recommend that Synergy extends its current unbilled monitoring arrangements to include bills being issued for a period in excess of 105 days (at present Synergy has deployed a team of staff to focus on any unbilled customers above 90 days).

Refer to Section 4 of this report, table 7 – Detailed findings and recommendations.

## 2.4 Findings

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

**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 License. For the highest possible compliance rating to be achieved, Synergy was required to demonstrate it has developed mature processes and controls, which facilitate compliance with relevant obligations.

**Table 1: Control adequacy and compliance rating scale**

Rating	Adequacy of Controls Rating Descriptions	Rating	Compliance 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 effect on customers or third parties
D	No controls evident	4	Non-Compliant – major effect on customers or third parties
N/P	Not performed – A controls rating was not required	N/R	Not rated – No activity took place during the audit period

Table 2 and 3 provide further detail on the control adequacy and compliance rating scales. The rating scales are defined by the Guidelines.



**Table 2: Assessment of audit priority**

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

Inherent risk ratings, along with a preliminary assessment of the adequacy of Synergy's existing controls determine the audit priorities. These audit priorities determine the audit objectives and the nature and extent of the audit procedures required.

These audit priorities are subject to change as compliance testing progresses due to additional information which were brought to our attention regarding the licensee's control environment and procedures.

A preliminary risk assessment was performed to determine the audit priority ratings assigned to the obligations. This preliminary risk assessment was performed through a combination of high-level documentation review, interviews with key Synergy stakeholders and self-assessments performed by key Synergy stakeholders regarding the adequacy of existing controls.

**Table 3: Summary of finding, by compliance rating and control adequacy**

		Compliance Rating					total
		1	2	3	4	N/R	
Control Rating	A	108	-	-	-	54	162
	B	-	5	-	-	-	5
	C	-	-	-	-	-	-
	D	-	-	-	-	-	-
	N/P	-	-	-	-	-	-
	Total	108	5	-	-	54	167

Note that, in accordance with the Guidelines, only obligations that are applicable are assessed and have been included in this report. Of the 265 obligations in total based on the approved Audit Plan, 187 were assessed and 78 were determined to be not applicable and as such not included within this report. Obligations determined as not applicable to Synergy during the Audit and after the approval of the Audit Plan were marked as Not Applicable (N/A) and not included in table 3 above. There are 20 not applicable obligations identified during the Audit (refer to Table 6 and 7). Obligations that are not applicable only during the audit period were marked as Not Rated (N/R), however, controls to address compliance to the relevant license conditions were assessed, therefore, provided with a control rating.

**Table 4: Changes in Obligations in the Gas Compliance Reporting Manual for the audit period (2015 to 2018)**

Obligation Reference no.	Obligation Under	License condition	Description	Change and Impact
59	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.1 AGA Code	Trading Licence clause 5.1	A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise.	The obligation was revised during the audit period. The revision took effect on 01 January 2017. The

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Obligation Reference no.	Obligation Under	License condition	Description	Change and Impact
				<p>changes were reflected under obligation 137, which states that “A retailer must issue a bill at least every 105 days unless the conditions specified are met.”</p> <p>Requirements of both obligations were audited this audit period.</p>
171A	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.17(3)	A retailer may charge the customer interest or require the customer to pay a late payment fee only if, after notifying a customer of the amount to be recovered under sub clause (2)(c), the customer has failed to pay the amount and has not entered into an instalment plan under sub clause (2)(e).	New obligation in 2017 which is audited this audit period.
196A	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.9	If a customer with a debt owing to a retailer requests the retailer to transfer the debt to another customer, the retailer must obtain the other customer’s verifiable consent to the transfer of debt.	New obligation in 2017 which is audited this audit period.
217	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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 date 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.	<p>Obligation 217 is not used in 2017.</p> <p>Obligation 217 is not applicable this audit period as Synergy does not supply gas to residential customers. Synergy, under a Ministerial direction only transacts with small businesses who consume more than 180GJ per annum.</p>
252	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(2)(a), (b) and (d)	The complaints handling process under clause 12.1(1) must comply with AS ISO 10002 – 2006 and address, at the least, the criteria specified in clause 10.2(b). The complaints handling process must be available at no cost to customers.	In 2017, AS ISO 10002 – 2006 (Customer satisfaction - Guidelines for complaints handling in organizations) was superseded by AS/NZS 10002:2014 (Guidelines for complaint management in organizations). No impact, the obligation

Obligation Reference no.	Obligation Under	License condition	Description	Change and Impact
				is audited this audit period.
253	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(2)(c)	The complaints handling process must detail how the retailer will handle complaints about a retailer, gas marketing agents or marketing, and be available at no cost to customers.	Obligation 253 is not used in 2017. Existing obligations 251 and 257 which are audited this audit period, cover the requirements of obligation 253 on complaints handling.

## 2.5 Synergy's response to previous audit recommendations

This audit considered Synergy's progress in completing the action plans detailed in the 2015 Gas Trading Licence Performance Audit report. Based on our examination of the relevant documents, discussion with staff and consideration of the results of this audit's period's testing against the compliance obligations, we have determined that Synergy has completed/resolved all action plans from the 2015 Gas Trading Licence Performance Audit report.

Refer to section 5 of this report for further detail.

### 2.5.1 Resolved during the previous audit period

License Obligation Reference no./ Recommendation reference	Non Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
146/2015	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2 (Self-reported)</p> <p><b>Legislative Obligation:</b></p> <p>Trading License clause 2.1 Schedule 2 Compendium clause 4.4</p> <p>Energy Coordination Act section 11M</p> <p><b>Details:</b></p> <p>Synergy has self-reported a breach affecting 112 electricity collective customers during 2013/14 for failure to send customers their bills despite notifying Synergy of a change in mailing address.</p> <p>It was noted that some of these collective customers may also have small-use gas business accounts. The cause of the non-compliance was identified as human error as the customer service representatives failed to comply with Synergy's standard operating procedures. Errors were also being caused by a system defect in circumstances where a customer's account existed prior to SAP billing system implementation.</p>	<p>May 2015.</p> <p>A reconciliation address report was developed and implemented to identify any address mismatches and reconcile data between Synergy's customer facing and transaction systems.</p>	<p>The matter has been resolved during the previous audit period.</p> <p>No further action required.</p>

License Obligation Reference no./ Recommendation reference	Non Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
147/2015	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 2</p> <p><b>Legislative Obligation:</b></p> <p>Trading License clause 2.1</p> <p>Schedule 2 Compendium clause 4.5 (1)</p> <p>Energy Coordination Act section 11M</p> <p><b>Details:</b></p> <p>Review of small-use gas customer bills did not meet the minimum prescribed information. Clause 4.5(1)(bb) requires that to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period must be displayed on the bill. However, the customers' bills contained no chart.</p>	<p>March 2015.</p> <p>Usage graph on small-use gas invoices was implemented in March 2015.</p>	<p>The matter has been resolved during the previous audit period.</p> <p>No further action required.</p>
183/2015	<p><b>Non Compliance</b></p> <p><b>Rating:</b> A / 3</p> <p><b>Legislative Obligation:</b></p> <p>Trading License clause 2.1 and 5.1</p> <p>Schedule 2 Compendium clause 10.10(3)</p> <p>Energy Coordination (Customer Contracts) Regulation 46(4)</p> <p>Energy Coordination Act section 11M</p> <p><b>Details:</b></p> <p>1 recording from 2014 of the 3 phone recordings tested for the customer's direct debit verifiable consent was not available as the operator did not have call recording capability on their phone. An interaction note on the customer's account was recorded advising that the required declaration had been agreed to.</p>	<p>September 2014.</p> <p>A telephony project was complemented in 2014 that enabled call recording for all relevant staff, including credit management staff.</p>	<p>The matter has been resolved during the previous audit period.</p> <p>No further action required.</p>



## 2.5.2 Resolved during the current audit period

License Obligation Reference no./ Recommendation reference	Non Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
84,248 (2013)/2015	<p><b>Non Compliance</b></p> <p><b>Rating:</b> B / 1</p> <p><b>Legislative Obligation:</b> Trading License clause 5.1 Energy Coordination Act section 11X(3)</p> <p><b>Details:</b> Reception staff were unaware that physical copies of the Energy Coordination Act, Gas Compendium and Gas Marketing Code were kept behind the reception counter without the assistance of the auditor. This was due to a staff member recently returning to work after a period of leave and was unaware of the reminder notice previously provided by the regulation and compliance team. Without the assistance of the auditor, the documents would not have been located by the receptionist.</p>	<p>September 2015.</p> <p>Retrained reception staff regarding compliance with the license condition to make available relevant codes, compendiums and regulations for inspection and continue current awareness raising emails. Developed a mechanism such as a "cheat sheet" to act as a reminder of frequently asked questions to assist reception staff to comply with the license conditions. The cheat sheet contains information required to meet the customer's request and license obligations.</p>	<p>The relevant documents were available upon our inspection during the Audit.</p> <p>No further action required.</p>

## 2.6 Scope and Objective

We have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures performed, Synergy has complied, in all material respects, with the conditions of its Licence as outlined in the approved Audit Plan (dated 19 July 2019) for the period 1 July 2015 to 30 June 2019.

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 2017 Gas Compliance Reporting Manual and 2015 Gas Compliance Reporting Manual (**Reporting Manual**).

The audit plan approved by the ERA for this audit sets out Synergy's 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.

## 2.7 Approach

Our approach for this audit involved the following activities, which were undertaken during the period July to August 2019:

- Utilising the Guidelines and Reporting Manuals as a guide, developed a risk assessment, which involved discussions and workshops with key staff and document review to assess controls.
- Developed an Audit Plan for approval by the ERA and an associated work program.
- Interviews with relevant Synergy staff to gain understanding of process controls (see **Appendix A** for staff involved).
- Reviewed relevant documentation and walked through systems, processes and controls to assess overall compliance and effectiveness in accordance with Licence obligations (see **Appendix A** for reference listing).
- Sample tested relevant obligations (assessed as an audit priority 1, 2 or 3) and where there was relevant activity, determine whether transactions complied with the requirements of the obligation.
- Reporting of findings to Synergy 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 each condition of the License. For the highest possible compliance rating to be achieved, Synergy was required to demonstrate it has maintained mature processes and controls, which facilitate compliance with relevant obligations.

The remainder of this report provides:

- Summary of findings for the compliance obligations (at Table 7 below) and
- Detailed finding, including relevant observation and recommendations (at section 4 below).

Summary of findings

**Table 6: Performance summary table – ratings**

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating							
					A	B	C	D	N/P	1	2	3	4	N/R			
<b>8 TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES</b>																	
227	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Compendium clause 7.6	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	4	✓						✓						
<b>9 LICENCE COMPLIANCE REQUIREMENTS – ENERGY COORDINATION ACT 1994</b>																	
1	Energy Coordination Act section 11Q(1-2)	Trading Licence clause 4.1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 and 5)	5		✓						✓					
2	Energy Coordination Act section 11WG(1)	Trading Licence clause 12.1	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract	4	✓						✓						
3	Energy Coordination Act section 11WG(2)	Trading Licence clause 13.1	A licensee must comply with a direction given to the licensee under section 11WI.	5	✓											✓	
4	Energy Coordination Act section 11WK(1-2)	Trading Licence clause 5.1	Gas is deemed to be supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the holder of a trading licence.	5	✓						✓						
5	Energy Coordination Act section 11WK(3)	Trading Licence clause 5.1	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier.	5	✓						✓						
6	Energy Coordination Act section 11X(3)	Trading Licence clause 5.1,	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.	4	✓						✓						
10	Energy Coordination Act section 11ZA(1)	Trading Licence clause 16.1	A licensee must provide the ERA with a performance audit by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows).	5	✓						✓						

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
19	Energy Coordination Act section 11ZOR(2)	Trading Licence clause 18.1	A licensee that sells gas that is transported through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	4	✓						✓				
20	Energy Coordination Act section 11ZOV(1)	Trading Licence clause 5.1	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	4	✓						✓				
21	Energy Coordination Act section 11ZOV(2)	Trading Licence clause 5.1	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme.	2	✓						✓				
22	Energy Coordination Act section 11ZOZ(3)	Trading Licence clause 5.1	A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time.	5	✓										✓
24	Energy Coordination Act section 11ZQH	Trading Licence clause 18.1	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme.	5	✓						✓				
<b>11 LICENCE COMPLIANCE REQUIREMENTS – ENERGY COORDINATION (GAS TARIFFS) REGULATIONS 2000</b>															
29	Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 5(1)	Trading Licence clause 5.1	A licensee supplying gas in an area referred to in Regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area.	5	✓						✓				
30	Energy Coordination Act section 11M Energy Coordination (Gas Tariffs) Regulations 2000 reg. 6(2)	Trading Licence clause 5.1	A licensee is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff.	5						N/A					N/A

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating								
					A	B	C	D	N/P	1	2	3	4	N/R				
<b>12 LICENCE COMPLIANCE REQUIREMENTS – ENERGY COORDINATION (CUSTOMER CONTRACTS) REGULATIONS 2004</b>																		
32	Energy Coordination (Customer Contracts) Reg 12 (2)	Trading Licence clause 5.1	Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if – (a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer’s supply address; and (b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.	5	✓													✓
33	Energy Coordination (Customer Contracts) Reg 12 (4)(a)	Trading Licence clause 5.1	Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).	5	✓						✓							
34	Energy Coordination (Customer Contracts) Reg 12 (4)(b)	Trading Licence clause 5.1	Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given).	5	✓						✓							
35	Energy Coordination (Customer Contracts) Reg 12 (5)(a)	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee.	5	✓													✓
36	Energy Coordination (Customer Contracts) Reg 12 (5)(b)	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee.	5	✓													✓

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
37	Energy Coordination (Customer Contracts) Reg 12 (5)(c)	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.	5	✓										✓
38	Energy Coordination (Customer Contracts) Reg 12 (5)(d)	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for refusal to pay a refundable advance, if the customer pays the refundable advance and the customer has paid any applicable reconnection fee.	5	✓										✓
39	Energy Coordination (Customer Contracts) Reg 12 (5)(e)	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.	5	✓										✓
40	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.1.2 AGA Code	Trading Licence clause 5.1	A licensee must not disconnect supply to a customer who is unable to pay until: alternative payment options have been offered to the customer; the customer is given information on government funded concessions; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	5	✓						✓				
41	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.1.3 AGA Code	Trading Licence clause 5.1	(i) A licensee must not disconnect supply to a business customer until: it has used its best endeavors to contact the customer; it has offered the customer an extension of time to pay the bill; and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	5	✓						✓				



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Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
42	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.2.1 and 5.1.2.2 AGA Code	Trading Licence clause 5.1	A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavors to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.	5	✓										✓
43	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.3.1 and 5.1.3.2 AGA Code	Trading Licence clause 5.1	A licensee who disconnects in the event of an emergency must provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavors to restore supply when the emergency is over.	5					N/A						N/A
44	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.4.1 and 5.1.4.2 AGA Code	Trading Licence clause 5.1	A licensee who disconnects supply for health and safety reasons must provide the customer written notice of the reason; allow the customer 5 business days to remove the reason where the customer is able to; and after the 5 business days issued a notice to the customer of its intention to disconnect supply at least 5 business days' notice prior to the disconnection date.	5					N/A						N/A
45	Energy Coordination (Customer Contracts) Reg 12 (6), Clauses 5.1.5.1 and 5.1.5.2 AGA Code	Trading Licence clause 5.1	A licensee who disconnects supply for planned maintenance must provide the customer 4 days written notice; and used best endeavors to minimise disruption and restore supply.	5					N/A						N/A
46	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.7.2 AGA Code	Trading Licence clause 5.1	A licensee must not disconnect supply for failure by a customer to pay a refundable advance without giving a written notice to the customer of its intention to disconnect at least 5 business days prior to the disconnection date.	5					N/A						N/A
47	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(a) AGA Code	Trading Licence clause 5.1	A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.	5	✓					✓					



Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
48	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(b) AGA Code	Trading Licence clause 5.1	A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.	5	✓										✓
50	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(d) AGA Code	Trading Licence clause 5.1	A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.	5	✓						✓				
51	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.1.8.1(e) and (f) AGA Code	Trading Licence clause 5.1	A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.	4					N/A						N/A
52	Energy Coordination (Customer Contracts) Reg 12 (6), Clause 5.2.2.2 AGA Code	Trading Licence clause 5.1	If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.	4					N/A						N/A
56	Energy Coordination (Customer Contracts) Reg 14 (2),	Trading Licence clause 5.1	A licensee must inform customers that the supply charge is either for residential or non-residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs.	5	✓						✓				
57	Energy Coordination (Customer Contracts) Reg 14 (3), Clauses 4.1.2.1 and 4.1.2.2 AGA Code	Trading Licence clause 5.1	A licensee must give notice of the tariffs charged and provide these notices to customers without charge upon request.	5	✓						✓				
58	Energy Coordination (Customer Contracts) Reg 14, Clause 4.1.3.1 and 4.1.3.2 AGA Code	Trading Licence clause 5.1	A licensee must give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill.	5	✓										✓

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
59	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.1 AGA Code	Trading Licence clause 5.1	A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise.	4	✓						✓				
60	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.3.1, 4.2.3.2 and 4.2.3.3 AGA Code	Trading Licence clause 5.1	A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance.	4	✓						✓				
61	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.3.2 AGA Code	Trading Licence clause 5.1	A licensee must apply payments received from a customer as directed by the customers (if the bill includes charges for other goods and services).	4					N/A						N/A
62	Energy Coordination (Customer Contracts) Reg 15 (1) and (2)	Trading Licence clause 5.1	If a customer does not direct how a payment is to be allocated, a licensee must apply the payment – to charges for the supply of gas before applying any portion of it to such goods or services; or if such goods or services include electricity, to the charges for gas and the charges for electricity in equal proportion before applying any portion of it to any other such goods or services.	4					N/A						N/A
63	Energy Coordination (Customer Contracts) Reg 15 (1) and 47 (2) and (4), Clause 4.2.3.4 AGA Code	Trading Licence clause 5.1	A licensee must provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004.	5	✓										✓
64	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.1 AGA Code	Trading Licence clause 5.1	A licensee must base a customer's bill on a meter reading and meters must be read at least once per year.	4	✓						✓				
65	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.2 AGA Code	Trading Licence clause 5.1	A licensee, who accepts a customer reading of the meter, must not adjust the bill in favour of the licensee if the licensee subsequently discovers the reading was incorrect in favour of the customer.	5					N/A						N/A

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Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
66	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.4 AGA Code	Trading Licence clause 5.1	A licensee, who provides a customer with an estimated bill and is subsequently able to read the meter, must adjust the estimated bill in accordance with the meter reading.	5	✓						✓				
67	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.2.4.5 AGA Code	Trading Licence clause 5.1	A licensee must read a customer's meter upon request and may impose a fee for doing so.	5					N/A						N/A
68	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.3.2.1 AGA Code	Trading Licence clause 5.1	A licensee must offer payment in person and payment by mail.	5	✓						✓				
69	Energy Coordination (Customer Contracts) Reg 15 (1), Clause 4.3.2.2 AGA Code	Trading Licence clause 5.1	A licensee must offer customers who are absent for a long period, payment in advance facilities and the option of redirecting the bill.	4	✓						✓				
70	Energy Coordination (Customer Contracts) Reg 16 (3)	Trading Licence clause 5.1	A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless: (a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code; and (b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract.	4	✓										✓
71	Energy Coordination (Customer Contracts) Reg 19	Trading Licence clause 5.1	A licensee must provide a customer a) a copy of their customer service charter; b) copies of regulations or any relevant code; c) information about fees and charges payable under the contract; d) with information on energy efficiency; e) billing data; and f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer.	5	✓						✓				
73	Energy Coordination (Customer Contracts) Reg 27 (4) and 40 (3)	Trading Licence clause 5.1	A licensee must not supply gas to the customer under a door to door contract during the cooling-off period unless the customer requests supply.	5					N/A						N/A

Summary of findings

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					A	B	C	D	N/P	1	2	3	4	N/R	
74	Energy Coordination (Customer Contracts) Reg 20 (3) and 48	Trading Licence clause 5.1	A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.	5	✓										✓
75	Energy Coordination (Customer Contracts) Reg 22 and 49 (2)	Trading Licence clause 5.1	A licensee must only provide a credit reporting agency with default information relevant to one of their bills.	5	✓						✓				
76	Energy Coordination (Customer Contracts) Reg 49 (3)	Trading Licence clause 5.1	A licensee must notify a credit reporting agency immediately if a customer has cleared their debt.	5	✓						✓				
77	Energy Coordination (Customer Contracts) Reg 49 (4)	Trading Licence clause 5.1	If a customer remedies a default and demonstrates extenuating circumstances, a licensee must request the credit reporting agency to remove the default record.	5	✓						✓				
78	Energy Coordination (Customer Contracts) Reg 49 (5)	Trading Licence clause 5.1	A licensee must not refer a default to a credit reporting agency that is the subject of a complaint or matter of review.	5	✓						✓				
79	Energy Coordination (Customer Contracts) Reg 50	Trading Licence clause 5.1	A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.	5	✓						✓				
80	Energy Coordination (Customer Contracts) Reg 44	Trading Licence clause 5.1	When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.	4	✓						✓				
81	Energy Coordination Act section 11M, Energy Coordination (Customer Contracts) Reg 45 (1)	Trading Licence clause 5.1	Upon request, a licensee must provide a customer free of charge with a copy of its customer service charter <sup>4</sup> within 2 business days of the request.	5	✓						✓				

Summary of findings

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					A	B	C	D	N/P	1	2	3	4	N/R	
82	Energy Coordination Act section 11M, Energy Coordination (Customer Contracts) Reg 45 (2)	Trading Licence clause 5.1	A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	5	✓						✓				
83	Energy Coordination (Customer Contracts) Reg 46 (1) and (2)	Trading Licence clause 5.1	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code.	5	✓						✓				
84	Energy Coordination (Customer Contracts) Reg 46 (4)	Trading Licence clause 5.1	A licensee must ensure that a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices at no charge.	5	✓						✓				
85	Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(a) AGA Code	Trading Licence clause 5.1	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain equipment for the supply of gas up to the point of supply.	5	✓						✓				
86	Energy Coordination (Customer Contract) Reg 28, clause 3.1.1(b) AGA Code	Trading Licence clause 5.1	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain metering and necessary equipment at the supply address.	5	✓						✓				
90	Energy Coordination (Customer Contract) Reg 33 (3), clause 3.5.2.2 AGA Code	Trading Licence clause 5.1,	A licensee must ensure that any representatives seeking access to the supply address on its behalf wear, carry and show official identification.	5	✓						✓				
91	Energy Coordination (Customer Contract) Reg 42	Trading Licence clause 5.1	A licensee must notify a customer of any amendment to a non- standard contract.	5	✓										✓
<b>13 LICENCE COMPLIANCE REQUIREMENTS – LICENCE CONDITIONS</b>															
96	Energy Coordination Act section 11M	Trading Licence clause 16.2	A licensee must comply and require its expert to comply with the ERA's standard guidelines dealing with the performance audit.	5	✓						✓				



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97	Energy Coordination Act section 11M	Trading Licence clause 16.4	A licensee's independent auditor must be approved by the ERA prior to the audit.	5	✓						✓				
98	Energy Coordination Act section 11M	Trading Licence clause 17	A licensee may be subject to individual performance standards.	5	✓										✓
99	Energy Coordination Act section 11M	Trading Licence clause 20	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.	5	✓						✓				
100	Energy Coordination Act section 11M	Trading Licence clause 21.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	5	✓						✓				
101	Energy Coordination Act section 11M	Trading Licence clause 22.1	A licensee must report to the ERA if the licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances that may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.	5	✓										✓
102	Energy Coordination Act section 11M	Trading Licence clause 23.1	A licensee must provide to the ERA any information that the ERA may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA.	3	✓										✓
103	Energy Coordination Act section 11M	Trading Licence clause 24	A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified.	5	✓						✓				
106	Energy Coordination Act section 11M	Trading Licence clause 12.2	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 by the ERA.	5	✓										✓
107	Energy Coordination Act section 11M	Trading Licence clause 12.3	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.	5	✓										✓

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					A	B	C	D	N/P	1	2	3	4	N/R	
109	Energy Coordination Act section 11M	Trading Licence clause 15.1 and 15.2	A licensee must maintain supply to a customer if it supplies, or within the last 12 months supplied, gas to that customer's premises unless another supplier starts supplying the customer.	4	✓						✓				
110	Energy Coordination Act section 11M	Trading Licence Schedule 3 clause 1.5	A licensee must provide the ERA within 3 business days of a request by the ERA with reasons for refusing to commence supply to a customer if requested by the ERA.	5	✓										✓
111	Energy Coordination Act section 11M	Trading Licence Schedule 3 clause 1.7	A licensee must comply with a direction from the ERA to supply a customer, subject to specified conditions.	5	✓										✓
112	Energy Coordination Act section 11M	Trading Licence Schedule 3 clause 2.1 to 2.2	A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the relevant distribution system, provided such disclosure does not prejudice the commercial interests of the licensee.	5	✓										✓
113	Energy Coordination Act section 11M	Trading Licence Schedule 3 clause 3.1	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.	5	✓										✓
<b>14 LICENCE COMPLIANCE REQUIREMENTS – GAS MARKETING CODE OF CONDUCT (CODE OF CONDUCT)</b>															
114	Energy Coordination Act section 11ZPP	Trading Licence clause 19.1.	A licensee must comply with the Gas Marketing Code of Conduct.	5	✓						✓				
115	Energy Coordination Act sections 11ZPP and 11M	Trading Licence clause 19.2	A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct.	5	✓						✓				
116	Energy Coordination Act section 11ZPP Code of Conduct clause 2.1	Trading Licence clause 19.1	A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct.	5					N/A						N/A

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117	Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(1)	Trading Licence clause 19	A retailer or gas marketing agent must ensure that standard form contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	5	✓						✓				
118	Energy Coordination Act section 11ZPP Code of Conduct clause 2.2(2) and clause 2.2(3)	Trading Licence clause 19	A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer has requested to receive the information).	5	✓						✓				
119	Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(1)	Trading Licence clause 19	A retailer or gas marketing agent must ensure that non-standard contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	4	✓						✓				
120	Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(2)	Trading Licence clause 19	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	4	✓						✓				
121	Energy Coordination Act section 11ZPP Code of Conduct clause 2.3(3) and clause 2.3(4)	Trading Licence clause 19	A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).	4	✓						✓				
123	Energy Coordination Act section 11ZPP Code of Conduct clause 2.4(2)	Trading Licence clause 19	A retailer or gas marketing agent must ensure that a customer is able to contact the retailer or gas marketing agent on the retailer's or gas marketing agent's telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints.	5	✓						✓				



Summary of findings

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					A	B	C	D	N/P	1	2	3	4	N/R	
124	Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(1)	Trading Licence clause 19	A retailer or gas marketing agent who contacts a customer for the purposes or marketing must, on request, provide the customer with the retailer's complaints telephone number, the gas ombudsman's telephone number and, for contact by a gas marketing agent, the gas marketing agent's marketing identification number.	5	✓										✓
125	Energy Coordination Act section 11ZPP Code of Conduct clause 2.5(2)	Trading Licence clause 19	A retailer or gas marketing agent who meets with a customer face to face for the purposes of marketing must: a) wear a clearly visible and legible identity card showing the information specified; and · as soon as practicable provide the customer, in writing, the information specified.	4	✓						✓				
126	Energy Coordination Act section 11ZPP Code of Conduct clause 2.6	Trading Licence clause 19	A retailer or gas marketing agent who visits a person's premises for the purposes of marketing, must comply with any clearly visible signs at the premises indicating that canvassing is not permitted or no advertising material is to be left at the premises.	4	✓										✓
127	Energy Coordination Act section 11ZPP	Trading Licence clause 19	A person who carries out any marketing activity in the name of or for the benefit of a retailer or a gas marketing agent is to be taken to have been employed or authorised by the retailer or gas marketing agent to carry out that activity, unless the contrary is proved.	4	✓										✓
128	Energy Coordination Act section 11ZPP Code of Conduct clause 2.9	Trading Licence clause 19	A gas marketing agent must: · keep a record of each complaint made by a customer, or person contacted for the purposes of marketing, about the marketing carried out by or on behalf of the gas marketing agent; and on request by the gas ombudsman in relation to a particular complaint, give to the gas ombudsman all information that the gas marketing agent has relating to the complaint within 28 days of receiving the request.	4	✓										✓
129	Energy Coordination Act section 11ZPP Code of Conduct clause 2.10	Trading Licence clause 19	Any record that a gas marketing agent is required to keep by the Code of Conduct, must be kept for at least 2 years after the last time the person to whom the information relates was contacted by or on behalf of the gas marketing agent.	5					N/A						N/A

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
<b>15 LICENCE COMPLIANCE REQUIREMENTS – COMPENDIUM OF GAS CUSTOMER LICENCE OBLIGATIONS (COMPENDIUM)</b>															
<b>CONNECTION</b>															
134	Energy Coordination Act	Trading Licence clause 2.1 and Schedule 2 Compendium clause 3.1(1)	If a retailer agrees to sell gas 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.	5	✓						✓				
135	Energy Coordination Act	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	5	✓						✓				
<b>BILLING</b>															
136	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.1(a)	A retailer must issue a bill no more than once a month unless the conditions specified in 4.1(a)(i)-(iii) apply.	5	✓						✓				
137	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.1(b)	A retailer must issue a bill at least every 105 days unless the conditions specified are met.	3		✓						✓			
138	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(1)	Prior to placing the customer on a shortened billing cycle, a retailer is considered to have given a customer notice if the retailer has advised the customer of the information specified in clauses 4.2(1)(a)-(d).	5						N/A					N/A
140	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(3)	A retailer must give the customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	5						N/A					N/A
141	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(4)	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	5						N/A					N/A

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
142	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(5)	Upon request, a retailer must return a customer who is subject to a shortened billing cycle and has paid 3 consecutive bills by the due date, to the billing cycle that previously applied to the customer.	5					N/A						N/A
143	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(6)	At least once every 3 months, a retailer must inform a customer who is subject to a shortened billing cycle of the conditions upon which a customer can be returned to the customer's previous billing cycle.	5					N/A						N/A
146	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.4	A retailer must issue a bill to a customer at the address nominated by the customer, which may be an email address.	1	✓					✓					
147	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.5(1)	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1)(a)- (cc) on the customer's bill.	2	✓					✓					
148	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.5(2)	Notwithstanding clause 4.5(1)(bb), a retailer is not obliged to include a graph or bar chart on the bill, if the bill meets the criteria specified in clauses 4.5(2)(a)-(c).	3	✓										✓
149	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.5(3)	If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with or on the customer's next bill.	5	✓					✓					
150	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.6(1)	A retailer must base a customer's bill on the distributor's or metering agent's reading of the meter at the customer's supply address, or the customer's reading of the meter provided the retailer and the customer agreed that the customer will read the meter.	4		✓					✓				
152	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.7(1)	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills.	4	✓					✓					
153	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.7(2)	A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1)(a).	3	✓					✓					

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
154	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.8(1)	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.	4	✓						✓				
155	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.8(2)	Where the customer's bill is estimated, a retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2)(a)-(c).	4	✓						✓				
156	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.8(3)	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	5	✓						✓				
157	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	4	✓						✓				
158	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.10	If a retailer has based a bill upon an estimation because the customer failed to provide access to the meter, and the customer subsequently requests the retailer to provide a bill based on a reading of the meter and provides access to the meter, and pays the retailer's reasonable charge for reading the meter (if any), the retailer must do so.	4	✓						✓				
159	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	4	✓						✓				
160	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	5	✓						✓				
161	Energy Coordination Act section M	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	4					N/A						N/A

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
162	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.12(2)	For the purpose of clause 4.12(1), the effective date of change in the tariff will be the date on which the last meter reading at the previous tariff was obtained; or, if the change requires an adjustment to the meter at the customer's supply address, the date the meter adjustment is completed.	3	✓										✓
163	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.13	If a customer's gas 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.	3	✓										✓
164	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	2	✓						✓				
165	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.14(2)	If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2)(a) or (b)), and pay the credit in accordance with the customer's instructions within 12 business days or another time agreed with the customer.	2	✓						✓				
165A.	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.14(3)	If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt.  If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).	5	✓						✓				
166	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.15	A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due.	4	✓						✓				



Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
167	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.16(1)(a)	If a retailer is satisfied after conducting a review of a bill 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 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.	4	✓						✓				
168	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.16(1)(b)	If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	5	✓						✓				
169	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.16(2)	The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.	5	✓						✓				
170	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.16(3)	If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable.	5	✓						✓				
171	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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), the retailer must follow the procedure specified in clauses 4.17(2)(a)-(e).	4	✓										✓
171A.	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.17(3)	A retailer may charge the customer interest or require the customer to pay a late payment fee only if, after notifying a customer of the amount to be recovered under subclause (2)(c), the customer has failed to pay the amount and has not entered into an instalment plan under subclause (2)(e).	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating						
					A	B	C	D	N/P	1	2	3	4	N/R		
172	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(2) and 4.18(5)	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 accordingly within 10 business days of the retailer becoming aware of the error, defect or default and, subject to clauses 4.18(6) and (7) ask the customer for instructions as to whether the amount should be credited to the customer's account; or repaid to the customer. No interest shall accrue to a credit or refund referred to in this clause.	4	✓											✓
173	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(3)	If a retailer receives instructions under clause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	4	✓											✓
174	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(4)	If a retailer does not receive instructions under clause 4.18(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	4	✓											✓
175	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(6)	If the overcharged amount is less than \$100, the retailer may notify a customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions under clause 4.18(2), or credit the amount to the customer's next bill.	4	✓											✓
175A.	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(7)	If a customer has been overcharged by the retailer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.18(2); or 4.18(6) where the amount is less than \$100.	5	✓						✓					

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
176	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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 the customer, the retailer must follow the procedure specified in clauses 4.19(1)(a)-(d).	4	✓										✓
177	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(2) and 4.19(6)	If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to clauses 4.19(5) and 4.19(7), ask the customer for instructions as to whether the amount should be credited to the customer's account; repaid to the customer; or included as a part of the new bill smoothing arrangement if the adjustment arises under clauses 4.3(2)(a)-(b). No interest shall accrue to a credit or refund referred to in this clause.	4	✓										✓
178	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(3)	If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	4	✓										✓
179	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(4)	If a retailer does not receive instructions under clause 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.	4	✓										✓
180	Energy Coordination Act section 11M	If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and · ask the customer for instructions under clause 4.19(2); or · credit the amount to the customer's next bill.	If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and	4	✓						✓				



Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
180A.	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(7)	If the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.19(2); or 4.19(5) where the amount is less than \$100	4	✓						✓				
<b>PAYMENT</b>															
181	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.1	The due date on the bill must be at least 12 business days from the date of that bill, unless otherwise agreed with the customer. The date of the dispatch is the date of the bill, unless the retailer specifies a later date.	5	✓						✓				
182	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.2	Unless otherwise agreed with a customer, a retailer must offer the customer at least the following payment methods: a) in person at 1 or more payment outlets located within the Local Government District of the customer's supply address; b) by mail; c) for residential customers, by Centrepay; d) electronically by means of BPay or credit card; and e) by telephone by means of credit card or debit card	5	✓						✓				
183	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.3	Prior to a direct debit facility commencing, a retailer must obtain the customer's verifiable consent and agree with the customer the date of commencement of the direct debit facility and the frequency of the direct debits.	5		✓						✓			
184	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.4	A retailer must accept payment in advance from a customer on request. The minimum amount a retailer will accept an advance payment is \$20, unless otherwise agreed with a customer.	4	✓						✓				

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating						
					A	B	C	D	N/P	1	2	3	4	N/R		
186A.	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.6(2)	If a retailer has charged a late payment fee in the circumstances set out in clause 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.	3	✓											✓
190	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.7(1)	A retailer must not require a customer who has vacated a supply address, and who has given the retailer notice, to pay for gas consumed at the customer's supply address in the circumstances specified in clause 5.7(1), unless the retailer and the customer have agreed to an alternative date.	5	✓						✓					
191	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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 a customer to pay for gas consumed at the customer's supply address from the date the customer gave the retailer notice.	5	✓						✓					
192	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.7(3)	Notice is given if a customer informs a retailer of the date on which the customer intends to vacate, or has vacated the supply address, and gives the retailer a forwarding address to which a final bill may be sent.	4	✓						✓					
193	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.7(4)	Notwithstanding clauses 5.7(1) and 5.7(2), a retailer must not require a customer to pay for gas consumed at the customer's supply address in the circumstances specified in clauses 5.7(4)(a)-(c).5	3	✓						✓					
196	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.8(2)	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of gas to that supply address.	4	✓						✓					
196A.	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.9	If a customer with a debt owing to a retailer requests the retailer to transfer the debt to another customer, the retailer must obtain the other customer's verifiable consent to the transfer of debt.	4	✓						✓					

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
<b>PAYMENT DIFFICULTIES and FINANCIAL HARDSHIP</b>															
221	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	5	✓						✓				
<b>DISCONNECTION</b>															
222	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.1	A retailer must follow the procedures specified in clause 7.1(1) prior to arranging for disconnection of a customer's supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in clause 7.1(2).	5	✓						✓				
223	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.2(1)	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).	4	✓						✓				
225	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.4	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to in clause 7.4(1) on behalf of the retailer.	4	✓										✓
227	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.6	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.	4	✓										✓
<b>RECONNECTION</b>															
228	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 8.1(1)	In the circumstances specified in clause 8.1(1)(a)-(c), a retailer must arrange for reconnection of the customer's supply address if the customer makes a request for reconnection, and pays the retailer's reasonable charges for reconnection (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges for reconnection.	4	✓										✓



Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating						
					A	B	C	D	N/P	1	2	3	4	N/R		
239	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.4	A retailer must give, or make available, to a customer on request and at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances.	4	✓											✓
240	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.5	If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	4	✓						✓					
241	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.5A(1)	A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme.	5	✓											✓
242	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.5A(2)	A retailer must consult with the ERA when preparing the gas customer safety awareness programme.	5	✓											✓
243	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.5A(3)	A gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A(3)(a)-(e).	5	✓						✓					
245	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.9	A retailer and distributor must, to the extent practicable, ensure that any written information that must be given to a customer by the retailer, distributor or gas marketing agent under the Gas Marketing Code and the Compendium is expressed in clear, simple and concise language and is in a format that makes it easy to understand.	5	✓						✓					
246	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.10(1)	A retailer must advise a customer on request how the customer can obtain a copy of the Gas Marketing Code and the Compendium; and make a copy of the Gas Marketing Code and the Compendium available on the retailer's website.	5	✓						✓					



Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
<b>COMPLAINTS and DISPUTE RESOLUTION</b>															
251	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	4	✓						✓				
252	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(2)	The complaints handling process under clause 12.1(1) must comply with AS/NZS 10002:2014 and address, at the least, the criteria specified in subclauses 12.1(2)(b)-(c). The complaints handling process must be available at no cost to customers.	5	✓						✓				
254	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(3)(a)	When responding to a complaint, a retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process).	5	✓						✓				
255	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(3)(b)	When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Freecall telephone number of the gas ombudsman.	4	✓										✓
255A.	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(4)	A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	4	✓						✓				
256	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.2	A retailer must comply with any guideline developed by the ERA relating to distinguishing customer queries from customer complaints.	5	✓						✓				
257	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.3	A retailer, distributor and gas marketing agent must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	5	✓						✓				

Summary of findings

Licence Obligation Reference No.	License condition	Obligations under condition	Description	Audit priority	Control Rating					Compliance Rating					
					A	B	C	D	N/P	1	2	3	4	N/R	
258	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.4	When a retailer, distributor or gas marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known).	4	✓						✓				
<b>RECORD KEEPING and REPORTING</b>															
281	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	5	✓						✓				
282	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 13.2	A report referred to in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	5	✓						✓				
283	Energy Coordination Act section 11M	Trading Licence clause 2.1 and Schedule 2 Compendium clause 13.3	A report referred to in clause 13.1 must be published by the date specified by the ERA.	5		✓						✓			

## ***4 Detailed findings and recommendations***

This section has been structured in subsections for the relevant Codes and Regulations against which we assessed Synergy's compliance.

Assessment of compliance adequacy:

- **Findings** – the auditors understanding of the process and any issues that have been identified during the audit and
- **Recommendations** – recommendations for improvement or enhancement of the process of control.

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

**Table 7: Detailed findings and recommendation**

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
<b>8 TYPE 1 REPORTING OBLIGATIONS FOR ALL LICENCE TYPES</b>							
227	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.6	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified.	4	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team, and examination of the Gas disconnection process and the Gas Disconnections Gas Charter and Licence Obligations we determined that:</p> <p>Disconnections will not be arranged until the following checks have been made:</p> <ul style="list-style-type: none"> <li>• A disconnection warning notice has been issued</li> <li>• No interaction notes indicating a Complaint or Life Support</li> <li>• No agreed Promise to Pay</li> <li>• Payment has not been received</li> <li>• Correct mailing address has been applied</li> <li>• Contact has been made by either email or phone</li> <li>• No pending churn</li> <li>• Check dual fuel</li> <li>• If large users checks are made with account manager if any issues</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition related to limitations on disconnections (i.e. there is a related complaint, timing of disconnection, reasons for disconnection), during the audit period.</p>	N/A. None noted.	A	1
<b>9 LICENCE COMPLIANCE REQUIREMENTS – ENERGY COORDINATION ACT 1994</b>							
1	Trading Licence clause 4.1	A licensee must pay the applicable fees in accordance with the Regulations. (Energy Coordination (Licensing Fees) Regulations Clause 4 and 5)	5	<p>Through walkthrough and enquiries with the Regulation and Compliance Team (RaC) and examination of Regulation and Compliance - Operations Manual and Invoice(s) we determined that:</p> <p>When RaC receives an invoice from the ERA, the invoice is forwarded to the corporate services administration assistant, who raises a non-order invoice (NOI). If the value of the NOI is greater than \$50,000, the NOI must be approved by Manager, Regulation and Compliance. The NOI is then sent to the 'urgent payments' mailbox for Procurement to action.</p> <p>Every invoice that is payable is approved by the business owner prior to being paid by accounts payable department.</p> <p>We sighted a sample of the following documentation as part of our review: FY2018/19 NOI, corresponding ERA invoice and ERA payment purchase order screenshot.</p> <p>During the audit period, ERA invoices were paid by Purchase Orders' (PO) until FY2017/18 and is now paid through NOI in 2018/19. Procurement then finalise the PO, ensuring payment is made. These</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>PO's are processed within SAP and as such no formal receipt is generated.</p> <p>In the 2015/16 Compliance Report submitted to the ERA, Synergy self-reported a breach of the obligation. Synergy failed to pay the gas renewal license fee within 1 month of the license anniversary. The breach was attributed to Synergy transitioning from their existing invoicing System in SAP.</p> <p>Synergy paid the fees on 6<sup>th</sup> August 2015. Additionally, staff was provided with coaching and feedback. There have been no further self-reported non-compliances during 2016/17, 2017/18 and 2018/19.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to the self-identified and reported non-compliance by Synergy as part of its ERA annual compliance reports. Synergy has implemented appropriate actions to address the non-compliance and note the remedial actions to be satisfactory.</p>			
2	Trading Licence clause 12.1	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form or non-standard contract	4	<p>Through walkthrough and enquiries with the Gas Customer Contract Team, and examination of the Standard Agreement and Business Terms and Conditions we determined that:</p> <p>A business must have a contract in place for all customers to which it supplies gas. This includes regulated gas customers, to whom Synergy supplies gas under one of the following contracts:</p> <ul style="list-style-type: none"> <li>• Standard agreement</li> <li>• Business gas terms and conditions (non-standard)</li> <li>• Fixed rate general conditions (non-standard)</li> </ul> <p>Synergy does not supply small-use customers on any other terms other than a standard or non-standard contract.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
3	Trading Licence clause 13.1	A licensee must comply with a direction given to the licensee under section 11WI.	5	<p>Through walkthrough and enquiries with RaC and examination of Regulation and Compliance - Operations Manual we determined that:</p> <ul style="list-style-type: none"> <li>• Synergy's gas customer contracts must comply with Section 11WG of the Energy Coordination Act 1994. Synergy must comply with any direction by the ERA to amend or review the standard form contract and do so within the period specified; this is a condition of Synergy's trading licence.</li> <li>• In the event Synergy receives an instruction from the ERA that it must comply, the instruction is required to be saved in the Document Management System (DM), a calendar entry created within the regulatory calendar to track the response timeframe</li> </ul>	N/A. None noted	A	N/R



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>and the response issued to the ERA in accordance with the instruction and timeframe, and saved in DM.</p> <ul style="list-style-type: none"> <li>• RaC is responsible for coordination of the actions required, confirming with the ERA that the action was taken as instructed, or providing the information to the ERA, within the required timeframe. The response to the ERA must also be saved in DM.</li> <li>• During the audit period, Synergy did not receive any direction under Section 11WI.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because Synergy did not receive a direction under Section 11WI during the audit period, we were unable to test compliance with this obligation.</p>			
4	Trading Licence clause 5.1	Gas is deemed to be supplied under the standard form contract if a customer commences to take a supply of gas at premises without entering into a contract with the holder of a trading licence.	5	<p>Through enquiry and walkthrough with the Gas Customer Contract Team, we determined that:</p> <p>A contract must be in place for all customers to which it supplies gas. This includes regulated gas customers, to whom Synergy supplies gas under one of the following contracts:</p> <ul style="list-style-type: none"> <li>• Standard agreement</li> <li>• Business gas terms and conditions (non-standard)</li> <li>• Fixed rate general conditions (non-standard)</li> </ul> <p>When a contract ends the supply is recontracted, disconnected or churned to a new supplier.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
5	Trading Licence clause 5.1	A standard form contract continues in force until it is terminated or supply becomes subject to a non-standard contract with the supplier.	5	<p>Through enquiry and walkthrough with the Gas Customer Contract Team, we determined that:</p> <ul style="list-style-type: none"> <li>• Synergy's template agreements are in place. The business must use Synergy's template standard form contract for the sale of gas (via a controlled version in the DMS). Additionally the Regulation and Compliance - Operations Manual and control register highlights Synergy's standard gas supply agreement for provisions relating to contract termination.</li> <li>• Synergy's standard gas supply agreement contains clauses relating to termination under 17.1 clauses (a) –(d).</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period</p>	N/A. None noted	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
6	Trading Licence clause 5.1	A licensee must take reasonable steps to minimise the extent of the duration of any interruption, suspension or restriction of the supply of gas due to an accident, emergency, potential danger or other unavoidable cause.	4	<p>Through walkthrough and enquiries with Gas Customer Contract team and examination of Synergy's documentation, we determined that the following is in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Synergy Crisis Management Team (CMT) to lead business continuity and recovery response;</li> <li>• Synergy Business Continuity team to support CMT with relocation, plus business continuity and recovery response and to represent Synergy at site; and</li> <li>• Business Continuity Coordinators to coordinate temporary work arrangements and the transfer either back to Forrest Centre or to other office.</li> </ul> <p>The documents reviewed also include the overall strategy or key steps to take in order to respond with any business interruption to minimise its duration.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
10	Trading Licence clause 16.1	A licensee must provide the ERA with a performance audit by an independent expert acceptable to the ERA within 24 months of commencement and every 24 months thereafter (or longer if the ERA allows).	5	<p>Through walkthrough and enquiries with Synergy's RaC and examination of Regulation and Compliance - Operations Manual we determined that:</p> <ul style="list-style-type: none"> <li>• Performance audits are required under the EIA 2004 and ECA 1994 every 24 months (or such other period determined by the ERA), to be carried out by an independent expert acceptable to the Authority.</li> <li>• The regulatory calendar event will automatically prompt RaC, reminding of the due date for performance audit submission.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
19	Trading Licence clause 18.1	A licensee that sells gas that is transported through a distribution system must be a member of an approved retail market scheme if a scheme is in force.	4	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of Regulation and Compliance - Operations Manual and AEMO (Australian Energy Market Operator) website we determined that:</p> <p>Synergy is a member of an approved retail market scheme.</p> <p>See the following link to access a list of the current registered participants in the WA retail gas market:  <a href="https://www.aemo.com.au/Gas/Retail-markets-and-metering/Participant-Information/Current-Registered-Participant-List--WA-Retail-Gas">https://www.aemo.com.au/Gas/Retail-markets-and-metering/Participant-Information/Current-Registered-Participant-List--WA-Retail-Gas</a>.</p>	N/A. None noted	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
20	Trading Licence clause 5.1	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	4	<p>Through enquiry and walkthrough with Manager Network and Regulatory Compliance, we determined that:</p> <p>The retail market scheme operation was previously undertaken by REMCo (Retail Energy Market Company Operator), whereby the Manager Regulation and Compliance participated on the Board of REMCo in addition to Synergy being a participant of the scheme.</p> <p>During October 2016, the responsibilities of REMCo were transferred to AEMO, while REMCo was dissolved. Accordingly, Synergy continued to be a participant of the AEMO retail market scheme. The scheme specifically exist to manage the competition and customer churn under the retail market procedure. When a customer request to churn, Synergy obtains "Express Verifiable Consent" this would either be in writing or verbally. In the event the consent is obtained verbally, the calls are recorded for reviewing and audit purposes.</p> <p>AEMO performs an annual audit of the Express Verifiable Consent to ensure compliance with the Obligation. The last audit performed was in March 2019.</p> <p>Additionally Synergy provides staff training on retail market operation, anti-competitive behaviour, consumer law and conduct and competition law. Synergy's employee code of conduct also prohibits unlawful activity.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
21	Trading Licence clause 5.1	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme.	2	<p>Through enquiry and walkthrough with Manager Network and Regulatory Compliance, we determined that:</p> <p>The retail market scheme operation was previously undertaken by REMCo (Retail Energy Market Company Operator), whereby the Manager Regulation and Compliance participated on the Board of REMCo in addition to Synergy being a participant of the scheme.</p> <p>During October 2016, the responsibilities of REMCo were transferred to AEMO, while REMCo was dissolved. Accordingly, Synergy continued to be a participant of the AEMO retail market scheme. The scheme specifically exists to manage the competition and customer churn under the retail market procedure. When a customer requests to churn, Synergy obtains "Express Verifiable Consent" this would either be in writing or verbally. In the event the consent is obtained verbally, the calls are recorded for reviewing and audit purposes.</p> <p>AEMO performs an annual audit of the express verifiable consent to ensure compliance with the obligation. The last audit performed was in</p>	N/A. None noted	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>March 2019. We reviewed the AEMO audit reports for March 16, March 17, March 18 and March 19 and confirmed that Synergy was in compliance with the requirements of the retail market scheme.</p> <p>Additionally Synergy provides staff training on retail market operation, anti-competitive behaviour, consumer law and conduct and competition law. Synergy's employee code of conduct also prohibits unlawful activity.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
22	Trading Licence clause 5.1	A licensee, as a member of a retail scheme, must comply with a direction given to it by the ERA to amend the scheme, and to do so within a specified time.	5	<p>Through walkthrough and enquiries with RaC and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>In the event Synergy receives an instruction from the ERA that it must comply with, the instruction is required to be saved in DM, a calendar entry created within the regulatory calendar to track response timeframe and the response issued to the ERA in accordance with the instruction and timeframe, and saved in DM.</p> <p>RaC is responsible for coordination of the actions required, confirming with the ERA that the action was taken as instructed, or providing the information to the ERA, within the required timeframe. The response to the ERA must also be saved in DM.</p> <p>Synergy received no such direction under GTL8 from the ERA during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because Synergy did not receive a direction from ERA to amend the scheme during the audit period, we were unable to test compliance with this obligation.</p>	N/A. None noted	A	N/R
24	Trading Licence clause 18.1	The licensee must not supply gas to customers unless the licensee is a member of an approved Gas Industry Ombudsman Scheme and is bound by any decision or direction of the ombudsman under the Scheme.	5	<p>Through walkthrough and enquiries with RaC and examination of Energy Water Ombudsman of WA Annual Report we determined that:</p> <p>As per the review done on the Annual Report 2017/18 published by the Energy and Water Ombudsman, Synergy has been classified as member under the scheme.</p> <p>Refer to WA Energy and Water Ombudsman website - scheme participants:  <a href="http://www.ombudsman.wa.gov.au/ewowa/making_complaints/who_you_can_complain_about.htm">http://www.ombudsman.wa.gov.au/ewowa/making_complaints/who_you_can_complain_about.htm</a></p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
<b>11 LICENCE COMPLIANCE REQUIREMENTS – ENERGY COORDINATION (GAS TARIFFS) REGULATIONS 2000</b>							
29	Trading Licence clause 5.1	A licensee supplying gas in an area referred to in Regulation 3(a), (b), or (c) is required to have at least one capped tariff for any supply of gas in that area.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy's Standard Gas Agreement we determined that:</p> <p>Synergy's gas standard form contract approved by the ERA provides for small use (&lt;1TJ/a) gas customers at either a regulated tariff or a published price. Synergy's regulated (capped) tariff is based on the non-residential tariff contained in the <i>Energy Coordination (Gas Tariffs) Regulations 2000</i>.</p> <p>The link contains the regulated non-residential gas tariff:  <a href="https://www.treasury.wa.gov.au/Public-Utilities-Office/Business-government-energy-pricing/Gas-pricing/">https://www.treasury.wa.gov.au/Public-Utilities-Office/Business-government-energy-pricing/Gas-pricing/</a>.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
30	Trading Licence clause 5.1	A licensee is required to offer to supply gas to each of its existing standard contract customers under the terms of the customer's existing contract but at a capped tariff unless the existing contract already entitles the customer to be supplied at a capped tariff.	5	<p>Through enquiry and walkthrough with the Gas Customer Contract Team, we identified that:</p> <p>Synergy has arrangements in place to offer to supply gas under a standard form contract but Synergy does not have any small use (&lt;1TJ/a) customers supplied with gas under a standard form contract. (Synergy's small use gas customers are supplied under non-standard contracts.)</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted	N/A	N/A



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
<b>12 LICENCE COMPLIANCE REQUIREMENTS – ENERGY COORDINATION (CUSTOMER CONTRACTS) REGULATIONS 2004</b>							
32	Trading Licence clause 5.1	<p>Except in prescribed circumstances, a licensee must not disconnect or cause disconnection to occur if</p> <p>(a) a customer has provided to the licensee a written statement from a medical practitioner to the effect that supply is necessary in order to protect the health of a person who lives at the customer's supply address; and</p> <p>(b) the customer has entered into arrangements acceptable to the licensee in relation to payment for gas supplied.</p>	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit team and Gas Customer Contract Team, and examination of the Gas Disconnection process and the Gas Disconnections Gas Charter and Licence Obligations we determined that:</p> <p>Synergy does not supply residential gas customers, so (a) is not applicable to Synergy's small use business customers, however, disconnection will not be arranged until the following checks have been made:</p> <ul style="list-style-type: none"> <li>• A disconnection warning notice has been issued</li> <li>• No interaction notes indicating a Complaint or Life Support equipment use</li> <li>• No agreed Promise to Pay</li> <li>• Payment has not been received</li> <li>• Correct mailing address has been applied</li> <li>• Contact has been made by either email or phone</li> <li>• No pending churn</li> <li>• Check for dual fuel supply</li> <li>• If large use, check with account manager if any issues</li> <li>• There have been no instances where customers provided any life support equipment written notices or disconnection occurred where alternative payment arrangements were entered into during the audit period.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period we were unable to test for compliance during the audit period.</p>	N/A. None noted	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
33	Trading Licence clause 5.1	Before disconnecting supply for non-payment of a bill, a licensee must give a written reminder notice to a customer not less than 14 business days after the day on which a bill was issued advising the customer that payment is overdue and requiring payment to be made on or before the day specified in the reminder notice (being a day not less than 20 business days after the billing day).	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and Technology and Transformation (T&amp;T) Team<sup>2</sup>, and examination of the Gas Disconnection process and the Gas Disconnections Gas Charter and Licence Obligations and control register we determined that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>A resource from the Technology and Transformation Application Support Team monitors the daily batch process to ensure jobs are completed within agreed business thresholds. If the batch numbers are outside the agreed thresholds, the nominated person from the business will investigate and determine if the incident management process needs to be initiated.</li> <li>A reminder notice is automatically generated out of SAP ISU when the customer has an overdue balance at day 15 after the invoice due date. This is sent to the external printing and dispatch vendor (Fuji Xerox) on a daily basis for distribution.</li> </ul> <p>We reviewed one sample transaction for a disconnection warning notice to a customer as part of this review to test the operational effectiveness of this process and confirm that Synergy notified the customer about the overdue payments within the specified time frames.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
34	Trading Licence clause 5.1	Before disconnecting supply for non-payment of a bill, a licensee must give a disconnection warning to a customer not less than 22 business days after the billing day advising the customer that disconnection will occur unless payment is made on or before the day specified in the disconnection warning (being a day not less than 10 business days after the day on which the disconnection warning is given).	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and Technology and Transformation Team, and examination of the Gas Disconnection Process, the Gas Disconnections Gas Charter and Licence Obligations and disconnection warning letter, we determined that the following are in place to address this obligation:</p> <p>A disconnection warning notice is automatically generated out of SAP ISU when the customer has an overdue balance at day 40 after the invoice due date. This is sent to the external vendor (Fuji Xerox) on a daily basis for distribution.</p> <p>We reviewed one sample transaction for a disconnection warning notice issued to a customer as part of this review to test the operational effectiveness of this process and confirm that Synergy notified the customer of the proposed disconnection not less than 22 days from billing date.</p>	N/A. None noted	A	1

<sup>2</sup> Prior to September 2019 T&T was known as "Information and Communications Technology" (ICT)

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
35	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for non-payment of a bill if the customer pays the overdue amount or makes an arrangement for its payment and the customer has paid any applicable reconnection fee.	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and Technology and Transformation Team, and examination of the Gas Reconnection Procedure document we determined that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Metering Data Hub (MDH) Team manually monitors the successful transfer of data to ATCO by verifying the delivery status and recipient acknowledgement.</li> <li>• A member of the Gas Revenue and Credit Team will trigger a reconnection request upon a contract application, payment or promise to pay arrangement, which will be issued to ATCO who performs the reconnection.</li> <li>• Transfer of data to ATCO - Reconnection/Disconnection Service Order is processed via SAP CRM and sent automatically to ATCO via the MDH within prescribed time-frames.</li> </ul> <p>During the audit period, there had been no instances of reconnections undertaken by Synergy for disconnected customers.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no reconnections, we were unable to test compliance during the audit period.</p>	N/A. None noted	A	N/R
36	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for denial of access to a meter, if the customer provides access to the meter and the customer has paid any applicable reconnection fee.	5	Please refer to obligation 35 above	N/A. None noted	A	N/R
37	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for unlawful consumption of gas, if the customer pays for the gas consumed and the customer has paid any applicable reconnection fee.	5	Please refer to obligation 35 above	N/A. None noted	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
38	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 10 business days after disconnection for refusal to pay a refundable advance, if the customer pays the refundable advance and the customer has paid any applicable reconnection fee.	5	Please refer to obligation 35 above	N/A. None noted	A	N/R
39	Trading Licence clause 5.1	A licensee must reconnect supply to a customer within 20 business days after disconnection in an emergency situation or for health, safety or maintenance reasons, if the situation or problem giving rise to the need for disconnection has been rectified, and if the customer has paid any applicable reconnection fee.	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and Technology and Transformation Team, and examination of the Gas Reconnection Procedure document we determined that the following are in place to address this obligation:</p> <p>Synergy as a gas trading licensee does not disconnect customers due to emergency situations or for health, safety or maintenance reasons.</p> <p>ATCO Gas Australia, the network operator, provides this service and would arrange for reconnection.</p> <p>During the audit period, there had been no instances of reconnections requested by Synergy to ATCO for disconnected customers.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no reconnections, we were unable to test compliance during the audit period.</p>	N/A. None noted	A	N/R
40	Trading Licence clause 5.1	A licensee must not disconnect supply to a customer who is unable to pay until: alternative payment options have been offered to the customer; the customer is given information on government funded concessions; it has used its best endeavours to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team, examination of the Gas Disconnection process, the Gas Disconnections Gas Charter, Licence Obligations and Control Register and disconnection warning notice we determined that the following are in place to address this obligation:</p> <p>A reminder notice is automatically generated out of SAP ISU when the customer has an overdue balance at business day 15 after the invoice due date. This is sent to the external vendor (Fuji Xerox) on a daily basis for distribution.</p> <p>A disconnection warning notice is automatically generated out of SAP ISU when the customer has an overdue balance at day 40 after the invoice due date. This is sent to the external vendor (Fuji Xerox) on a daily basis for distribution.</p> <p>Synergy also follows certain steps in disconnecting gas supply as enumerated in its gas disconnection process before a disconnection proceeds as follows:</p> <ul style="list-style-type: none"> <li>To ensure that all the right checks have been completed as per Gas Disconnections Gas Charter and Licence Obligations.</li> </ul>	N/A. None noted	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<ul style="list-style-type: none"> <li>Confirm with ATCO (distributor) the meter reading and service order type.</li> <li>Release disconnection service order to ATCO and issue Service Notification.</li> </ul> <p>Payment extensions are available to customers, as stated on the bill under important information.</p> <p>We reviewed one sample transaction for a disconnection warning notice to a customer as part of this review to test the operational effectiveness of this process and confirm that Synergy notified the customer on regular intervals as per the obligation prior to initiating the disconnection.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
41	Trading Licence clause 5.1	<p>(i) A licensee must not disconnect supply to a business customer until:</p> <p>it has used its best endeavors to contact the customer;</p> <p>it has offered the customer an extension of time to pay the bill;</p> <p>and it has provided the customer a written notice of its intention to disconnect at least 5 business days' notice prior to the disconnection date, and the customer has refused to accept the alternative payment option or failed to make payments under it.</p>	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and Technology and Transformation Team, examination of the Gas Disconnection process, the Gas Disconnections Gas Charter and Licence Obligations Control Register and disconnection warning notice we determined that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>A reminder notice is automatically generated out of SAP ISU when the customer has an overdue balance at business day 15 after the invoice due date. This is sent to the external vendor (Fuji Xerox) on a daily basis for distribution.</li> <li>A disconnection warning notice is automatically generated out of SAP ISU when the customer has an overdue balance at day 40 after the invoice due date. This is sent to the external vendor (Fuji Xerox) on a daily basis for printing and distribution.</li> <li>Payment extensions are available to customers, as stated on the bill under "important information".</li> </ul> <p>We reviewed one sample transaction for a disconnection of a customer as part of this review to test the operational effectiveness of this process and confirm that Synergy notified the customer on regular intervals as per the obligation prior to initiating the disconnection.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
42	Trading Licence clause 5.1	A licensee must not disconnect supply to a customer who denies access to a meter until: the customer has refused access on at least 3 concurrent billing cycles, the customer is given the option to offer alternative access	5	<p>Through enquiry and walkthrough with the G\ as Revenue and Credit Team, we identified that:</p> <p>Synergy as a gas trading licensee does not disconnect customers for non-access to a meter. However, Synergy has put in place relevant processes</p>	N/A. None noted	A	N/R



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		arrangements; the customer is provided written advice on each occasion access was denied; it has used its best endeavors to contact the customer; and it has provided the customer a written notice of its intention to disconnect at least 5 business days prior to the disconnection date.		to ensure disconnection request is raised only by fulfilling the requirements of the obligation.  ATCO Gas Australia, the network operator, has responsibility for notifying persons connected to its network of disconnections for non-meter access.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no instances of disconnections deriving from accessibility to the meter, we were unable to test compliance during the audit period.			
43	Trading Licence clause 5.1	A licensee who disconnects in the event of an emergency must provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavors to restore supply when the emergency is over.	5	Through enquiry and walkthrough with the Gas Revenue and Credit Team and examination of the Gas Bill explainer, we identified that:  Synergy as a gas trading licensee does not disconnect customers due to emergencies. ATCO Gas Australia, the network operator, provides this service via a telephone number 13 13 52 and is printed on all gas bills.  Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.	N/A. None noted	N/A	N/A
44	Trading Licence clause 5.1	A licensee who disconnects supply for health and safety reasons must provide the customer written notice of the reason; allow the customer 5 business days to remove the reason where the customer is able to; and after the 5 business days issued a notice to the customer of its intention to disconnect supply at least 5 business days' notice prior to the disconnection date.	5	Through enquiry and walkthrough with the Gas Revenue and Credit Team, we identified that:  The gas distributor, ATCO, has responsibility for notifying persons connected to its network of disconnections for health and safety reasons.  Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.	N/A. None noted	N/A	N/A
45	Trading Licence clause 5.1	A licensee who disconnects supply for planned maintenance must provide the customer 4 days written notice; and used best endeavors to minimise disruption and restore supply.	5	Through enquiry and walkthrough with the Gas Revenue and Credit Team, we identified that:  Synergy as a gas trading licensee does not disconnect its customers for gas distribution planned outages. This function is performed by the gas distributor, ATCO, who has the responsibility for notifying persons connected to its network of planned outages.  Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.	N/A. None noted	N/A	N/A
46	Trading Licence clause 5.1	A licensee must not disconnect supply for failure by a customer to pay a refundable advance without giving a written notice to	5	Through enquiry and walkthrough with the Gas Revenue and Credit team, we identified that:	N/A. None noted	N/A	N/A

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		the customer of its intention to disconnect at least 5 business days prior to the disconnection date.		Synergy as a gas trading licensee does not disconnect its customers for failure to pay a refundable advance.  Also, Synergy does not require refundable advances from its gas customers as security, therefore this obligation is not applicable.  Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.			
47	Trading Licence clause 5.1	A licensee must not disconnect supply where the bill owing is less than the average bill over the past 12 months and the customer has agreed to pay.	5	Through walkthrough and enquiries with the Gas Revenue and Credit Team and Gas Customer Contract Team, and examination of the Gas Disconnection process and the Gas Disconnections Gas Charter and Licence Obligations Control Register, we determined that:  Disconnection will not be arranged until the following checks have been made: <ul style="list-style-type: none"> <li>• A disconnection warning notice has been issued</li> <li>• No interaction notes indicating a Complaint or Life Support equipment</li> <li>• No agreed Promise to Pay</li> <li>• Payment has not been received</li> <li>• Correct mailing address has been applied</li> <li>• Contact has been made by either email or phone</li> <li>• No pending churn</li> <li>• Check for dual fuel supply</li> <li>• If large use, check with account manager if any issues.</li> </ul> Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted	A	1
48	Trading Licence clause 5.1	A licensee must not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.	5	Through walkthrough and enquiries with the Gas Revenue and Credit Team and Gas Customer Contract Team, examination of the Gas Disconnection process and the Gas Disconnections Gas Charter and Licence obligations we determined that:  Disconnection will not be arranged until the checks as per obligation 47 have been fulfilled.  In addition, Complaints Module - SAP CRM Complaints Module is used to record complaints which triggers an alert on the customer's account indicating that a complaint is in progress.  Synergy had no instances where customers have been disconnected subject to a complaint during the audit period  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no disconnections with an open complaint, we were unable to test compliance during the audit period.	N/A. None noted	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
50	Trading Licence clause 5.1	A licensee must not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team, examination of the Gas Disconnection process and the Gas Disconnections Gas Charter and License Obligation and Schedule 2 - Compendium of Gas Customer Licence Obligations Control Register, we determined that:</p> <p>A retailer must not arrange for the disconnection of a customer's supply address for failure to pay a bill, if the customer has failed to pay an amount which does not relate to the supply of gas.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
51	Trading Licence clause 5.1	A licensee must not disconnect supply after 3pm on any day; and not on a Friday, weekend or public holiday or on a day before a public holiday unless it is a planned interruption.	4	<p>Through enquiry and walkthrough with the Gas Revenue and Credit Team, we identified that Synergy as a gas trading licensee does not disconnect customers. The gas distributor, ATCO, has responsibility of the timing of disconnections.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted	N/A	N/A
52	Trading Licence clause 5.1	If a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.	4	<p>Through enquiry and walkthrough with the Gas Revenue and Credit Team, we identified that Synergy as a gas trading licensee does not reconnect customers. The gas distributor, ATCO, has responsibility for timing of reconnections.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted	N/A	N/A
56	Trading Licence clause 5.1	A licensee must inform customers that the supply charge is either for residential or non-residential supply; includes a specified fixed component and specified usage component; and describes the circumstances a customer needs to meet to qualify for residential tariffs.	5	<p>Through walkthrough and enquiry with the Gas Customer Service Team, we identified that Synergy obtains a confirmation from ATCO that the customer is non-residential (for gas transport tariff purposes) and then a quote is provided to the customer based on the bundled tariff arrangements.</p> <p>Synergy does not supply gas to residential customers. Gas Customer Contracts Team informs the customer of the requirements of the obligation as it relates to non-residential customers.</p> <p>Based on our enquiries and observations, we can conclude that the license conditions are applicable to the customer segment of Non Residential Customers, since Synergy only services Non Residential Customers. We can conclude that there are adequate controls in place and Synergy has complied with the license condition during the audit period.</p>	N/A. None noted	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
57	Trading Licence clause 5.1	A licensee must give notice of the tariffs charged and provide these notices to customers without charge upon request.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy's Standard Gas Agreement Application and Terms, and Website we determined that:</p> <p>Synergy has given notice of the tariffs charged and provided these notices to customers without charge upon request through Synergy's Standard Gas Sales Agreement Application, Terms and conditions and tariff gas information which are found on the Synergy website.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
58	Trading Licence clause 5.1	A licensee must give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill.	5	<p>Through enquiry and walkthrough with the Gas Customer Contract Team and the Gas Billing Team, we determined that:</p> <p>The customer will be notified by way of letter in the event there are any changes in tariff. Under a non-standard contract the contract specifies the tariff and change in tariff arrangements.</p> <p>During the walkthrough it was confirmed that Synergy supplied its customers under a single (bundled) tariff arrangement and there were no changes to the tariff rates during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because Synergy did not have any instances of changes in tariff during the audit period, we were unable to test compliance with this obligation.</p>	N/A. None noted	A	N/R
59	Trading Licence clause 5.1	A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise.	4	<p>Through enquiry and walkthrough with the Gas Billing Team and the Customer Contract Service team, we noted that an Automatic System Configuration has been undertaken. Accordingly SAP ISU is automatically configured to bill customers within the required time frames specified by Synergy's obligations. Synergy's billing process is automated and SAP ISU only bills customers on estimated or actual meter readings supplied by ATCO through MDH which is displayed on the customer's bill.</p> <p>It was observed that the Gas compendium was revised during the audit period. Accordingly, section 4.1(b) was revised to note that a bill must be issued at least every 105 days from the initial three (3) months as per obligation 137. This change took effect in January 2017.</p> <p>A sample test of 25 customers during the audit period, confirmed that there were no instances of non-compliance from 01 July 2015 to 31 December 2016.</p> <p>Refer to obligation 137 for the results during the period from 01 January 2017 to 30 June 2019.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
60	Trading Licence clause 5.1	A licensee must prepare a bill in accordance with the terms specified in the AGA code, including the inclusion of any refundable advance.	4	<p>Through enquiry and walkthrough with the Gas Customer Contract Team and the Gas Billing Team of Synergy's billing process, we determined that:</p> <p>An Automatic System Configuration using SAP ISU includes all prescribed information on the customers' bill to meet the regulatory obligations. Synergy's billing process is automated and SAP ISU only bills customers on estimated or actual meter readings supplied by ATCO through MDH which is displayed on the customers' bill.</p> <p>The obligation concerning the refundable advance does not apply to Synergy as Synergy does not obtain security deposits from small use gas customers.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period except for the obligation concerning the refundable advance which is not applicable.</p>	N/A. None noted	A	1
61	Trading Licence clause 5.1	A licensee must apply payments received from a customer as directed by the customers (if the bill includes charges for other goods and services).	4	<p>Through enquiry and walkthrough with the Gas Billing Team, we determined that SAP ISU is configured to automatically allocate payments using the settlement control functionality. Settlement control, (payment allocation rules), is used to define the automatic allocation of an amount (a receivable or credit) to open items.</p> <p>Synergy does not charge small use customers for other goods and services in its gas billing.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted	N/A	N/A
62	Trading Licence clause 5.1	<p>If a customer does not direct how a payment is to be allocated, a licensee must apply the payment –</p> <p>(i) to charges for the supply of gas before applying any portion of it to such goods or services; or</p> <p>(ii) if such goods or services include electricity, to the charges for gas and the charges for electricity in equal proportion before applying any portion of it to any other such goods or services.</p>	4	<p>Through enquiry and walkthrough with the Gas Billing Team, we determined that SAP ISU is configured to automatically allocate payments using the settlement control functionality. Settlement control, (payment allocation rules), is used to define the automatic allocation of an amount (a receivable or credit) to open items.</p> <p>Separate bills for Gas and Electricity are issued for small use customers by Synergy.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted	N/A	N/A



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
63	Trading Licence clause 5.1	A licensee must provide available bill data to customers upon request free of charge subject to clause 47 (2) and (4) of the Energy Coordination (Customer Contracts) Regulations 2004.	5	<p>Through review and examination of the Energy Coordination (Customer Contracts) Regulations 2004 found on Energy Markets knowledge Base, Australian Energy Market Operator (AEMO) Market Rules and process flows, we determined that the requirements as per the obligations are in place.</p> <p>There have been no instances where customers have requested Synergy to provide bill data during the audit period. (Customers can self-obtain bill data via Synergy's on-line portal, My Account.)</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no requests in the audit period we were unable to test for compliance during the audit period.</p>	N/A. None noted	A	NR
64	Trading Licence clause 5.1	A licensee must base a customer's bill on a meter reading and meters must be read at least once per year.	4	<p>Through enquiry and walkthrough with the Gas Billing Team, we identified that the ATCO Access Arrangement provides for periodic meter reads (via nominated reference services) throughout a year. This requirement is also covered in AEMO retail market procedures Part 4.2 Meter Reading Requirements. We also noted that Synergy only bills on meter data provided by ATCO.</p> <p>Based on our enquiries and observations, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
65	Trading Licence clause 5.1	A licensee, who accepts a customer reading of the meter, must not adjust the bill in favour of the licensee if the licensee subsequently discovers the reading was incorrect in favour of the customer.	5	<p>Through walkthrough and enquiries with Gas Billing Team, we determined that Synergy does not accept customer reading of the meter and will bill only on meter data provided by ATCO.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted	N/A	N/A
66	Trading Licence clause 5.1	A licensee, who provides a customer with an estimated bill and is subsequently able to read the meter, must adjust the estimated bill in accordance with the meter reading.	5	<p>Through walkthrough and enquiries with Gas Billing Team, and examination of Synergy documents, we determined that these documents provide instructions to address this obligation such as:</p> <p>Rebill Task Standard Operating Procedure (SOP) is in place to provide Synergy the relevant information when an invoice needs to be reversed. Rebilling could be undertaken in different scenarios which have been explained under the SOP.</p> <ol style="list-style-type: none"> <li>1. Rebill due to Fire Damage</li> <li>2. Backdated Product Change – Synergy error</li> <li>3. Rebill to Actual read or Control read.</li> </ol> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
67	Trading Licence clause 5.1	A licensee must read a customer's meter upon request and may impose a fee for doing so.	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team, we determined that:</p> <p>Meter read requests and investigations are submitted via SAP CRM and sent automatically to ATCO MDH within prescribed timeframes.</p> <p>Customers are notified using letters advising the results of the meter investigation or review once this information has been received from ATCO. The fee is not charged until the result of the meter investigation is known, no fee is raised when a meter is found to be defective.</p> <p>Synergy as a gas retailer does not read meters, this is the responsibility of ATCO.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted	N/A	N/A
68	Trading Licence clause 5.1	A licensee must offer payment in person and payment by mail.	5	<p>Through walkthrough and enquiries with Gas Billing Team and examination of Bill Explainer and Website we determined that:</p> <p>Synergy offers various payment options, including payment in person and payment by mail. Customers are referred to the Synergy website for payment options via the link provided below</p> <p><a href="https://www.synergy.net.au/Your-business/Help-and-advice/Payments/What-are-my-payment-options-SME">https://www.synergy.net.au/Your-business/Help-and-advice/Payments/What-are-my-payment-options-SME</a></p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted	A	1
69	Trading Licence clause 5.1	A licensee must offer customers who are absent for a long period, payment in advance facilities and the option of redirecting the bill.	4	<p>Through walkthrough and enquiries with the Gas Customer Contracts Team and examination of the Customer Payments Policy, we determined that Synergy allows customers to make payments in advance.</p> <p>Synergy has no limit placed on the value of the advance payment the customer can make. Therefore the customer has been provided with the opportunity of making advance payments towards their bills.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
70	Trading Licence clause 5.1	<p>A licensee must not terminate a contract if a customer commits a breach of the contract (other than a substantial breach) unless:</p> <p>(a) the licensee has a right to disconnect supply under the contract, a written law or a relevant code; and</p> <p>(b) the licensee has disconnected supply at all supply addresses of the customer covered by the contract.</p>	4	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy's template agreements, Business Gas Terms and Conditions (non-standard), and Fixed Rate General Conditions (non-standard) documents, we determined that Synergy may terminate an agreement with a customer when a customer is in default. The terms and conditions list the circumstances when a customer is considered in default.</p> <p>In addition, we also examined the Online Compulsory training on Business Compliance and Industry Compliance found on Synergy Intranet (Edison) in the "Enlighten" program, and the Collections Timeline for Gas Customers found on Energy Markets Knowledge Base, including the timeframes, energy coordination, reconnection and disconnection processes and noted no exception.</p> <p>There have been no instances where Synergy terminated a contract due to a breach of the customer during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no contract default terminations, we were unable to test compliance during the audit period.</p>	N/A. None noted.	A	N/R
71	Trading Licence clause 5.1	<p>A licensee must provide a customer</p> <p>a) a copy of their customer service charter;</p> <p>b) copies of regulations or any relevant code;</p> <p>c) information about fees and charges payable under the contract;</p> <p>d) with information on energy efficiency;</p> <p>e) billing data; and</p> <p>f) with information on Government Assistance Programs and Financial Counselling Services if requested by the customer.</p>	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of Synergy's Website we determined that:</p> <p>Customers are directed to the public website for this information which can be found at the following links:</p> <p><a href="https://www.synergy.net.au/termsandconditions">https://www.synergy.net.au/termsandconditions</a> - (a, b, c, e and f)</p> <p><a href="https://www.synergy.net.au/Your-business/Energy-management">https://www.synergy.net.au/Your-business/Energy-management</a> - (d)</p> <p>In the event a customer cannot or does not wish to access information via the website, Synergy will send the information to the customer on request.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
73	Trading Licence clause 5.1	<p>A licensee must not supply gas to the customer under a door to door contract during the cooling-</p>	5	<p>Through enquiry and walkthrough with the Gas Customer Contract Team, and examination of the Synergy's template agreements, Business Gas Terms and Conditions (non-standard), and the Fixed Rate General Conditions (non-standard), we identified that Synergy does not supply gas under door-to-door contracts. In relation to any future agreements,</p>	N/A. None noted.	N/A	N/A

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		off period unless the customer requests supply.		standard practice is for legal to review and approve draft agreements and then business must use approved Synergy contract templates.  Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.			
74	Trading Licence clause 5.1	A licensee must not commence legal action in relation to a customer debt if the customer has entered into arrangements to pay and is maintaining this arrangement.	5	Through walkthrough and enquiries with the Gas Revenue and Credit Team and examination of the Final Account Collections Procedure For Contestable Gas and Electricity, we determined that there are procedures that have been set out to address this obligation.  There have been no instances where Synergy commenced legal action in relation to debt during the audit period.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no legal action undertaken, we were unable to test compliance during the audit period.	N/A. None noted.	A	N/R
75	Trading Licence clause 5.1	A licensee must only provide a credit reporting agency with default information relevant to one of their bills.	5	Through walkthrough and enquiries with the Gas Revenue and Credit Team and examination of the Final Account Collections Procedure For Contestable Gas and Electricity, we identified that there were two instances during the audit period where customers had defaulted their payments.  We reviewed one sample transaction of providing information to rating agencies, of the review to test the operational effectiveness of the above process and confirm that Synergy has added the customer to the default list due to non-payment of bills.  Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
76	Trading Licence clause 5.1	A licensee must notify a credit reporting agency immediately if a customer has cleared their debt.	5	Through walkthrough and enquiries with the Gas Revenue and Credit Team and examination of the Final Account Collections Procedure For Contestable Gas and Electricity, we identified that there were two instances during the audit period where customers had defaulted their payments.  We reviewed one sample transaction of providing information to rating agencies, of the review to test the operational effectiveness of the above process and confirm that Synergy has added the customer to the default list due to non-payment of bills.  Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
77	Trading Licence clause 5.1	If a customer remedies a default and demonstrates extenuating circumstances, a licensee must request the credit reporting agency to remove the default record.	5	Through walkthrough and enquiries with the Gas Revenue and Credit Team and examination of the Final Account Collections Procedure For Contestable Gas and Electricity, we determined that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
78	Trading Licence clause 5.1	A licensee must not refer a default to a credit reporting agency that is the subject of a complaint or matter of review.	5	Through walkthrough and enquiries with the Gas Revenue and Credit Team and examination of the Final Account Collections Procedure For Contestable Gas and Electricity, we determined that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
79	Trading Licence clause 5.1	A licensee must include information about its complaint handling process and contact details of the energy ombudsman on any disconnection warning given to a customer.	5	Through walkthrough and enquiries with the Gas Revenue and Credit Team and examination of the Synergy Disconnection Warning notice:  We reviewed one sample transaction for a disconnection warning notice to a customer as part of this review to test the operational effectiveness of this process and confirm that Synergy included in the warning notice the details of the energy ombudsman and its complaints handling process.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
80	Trading Licence clause 5.1	When a non-standard contract is due to expire, a licensee must issue a notice in writing to a customer not more than 2 months and not less than one month before the day on which the contract is due to expire (or at the commencement of the contract if the contract is less than 1 month) with information about: the expiry date; alternative supply options, and the terms and conditions for continued supply post contract expiry.	4	Through walkthrough and enquiries with Gas Customer Contract Team and examination of the Small Use Gas Customer Recontracting Process documents we determined that:  Reports are generated by Contracts Register Officers via the interflow systems which provides the expiry dates of contracts. Sales team review the database and identify contracts with upcoming renewals within the coming 3 months.  Customers are contacted 2 months prior to contract expiry and informed of their options.  Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
81	Trading Licence clause 5.1	Upon request, a licensee must provide a customer free of charge with a copy of its customer service charter <sup>4</sup> within 2 business days of the request.	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of the Synergy website we determined that:</p> <p>The customer charter is available on the Synergy website and the customer will be referred to the web to obtain copies. Copies are mailed to the customer on request.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
82	Trading Licence clause 5.1	A licensee must from time to time provide the customer with advice with their bill that a customer service charter is available free of charge.	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of the Synergy Bill Explainer we determined that:</p> <p>This is provided once per customer bill cycle and appears on the customer bill.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
83	Trading Licence clause 5.1	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code.	5	<p>Through examination of Synergy's website, we determined that if a customer requests request a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code, they are directed to the Synergy's website. In addition relevant codes and the regulations are available at the Synergy front reception.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
84	Trading Licence clause 5.1	A licensee must ensure that a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code is available for inspection at its offices at no charge.	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of the Synergy Bill Explainer we determined that:</p> <p>Copies of the Compendium of Gas Customer Licence Obligations, AGA Code and Customer contract regulations are available at the Synergy front reception at no charge for inspection.</p> <p>Based on our enquiries, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
85	Trading Licence clause 5.1	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain equipment for the supply of gas up to the point of supply.	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of the Synergy Standard Gas Agreement we determined that:</p> <p>The business must use Synergy's template standard form contract for the sale of gas and clause 8 of Synergy's Standard Gas Agreement contains such a provision.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
86	Trading Licence clause 5.1	A standard form contract must include a provision that the retailer or distributor must provide, install and maintain metering and necessary equipment at the supply address.	5	Please refer to obligation 85 above.	N/A. None noted.	A	1
90	Trading Licence clause 5.1	A licensee must ensure that any representatives seeking access to the supply address on its behalf wear, carry and show official identification.	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team we determined that:</p> <p>Synergy does not use gas marketing agents. Further, as no direct door-to-door marketing is carried out, any customer visits are pre-arranged appointments. Therefore the customer is aware of the purpose of the visit.</p> <p>All Synergy staff hold photo identification cards. These are clearly displayed when visiting a customer.</p> <p>For expo's Synergy signs are clearly displayed, staff wear Synergy T-shirts and wear their photo identification cards.</p> <p>Based on our enquiries, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
91	Trading Licence clause 5.1	A licensee must notify a customer of any amendment to a non- standard contract.	5	<p>Through walkthrough and enquiries with the RaC Team we determined that the Legal team review the notice to customer of any amendment to a non-standard contract.</p> <p>The non-standard contract used by Synergy has not changed its content during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no amendments to the non-standard contract template, we were unable to test compliance during the audit period.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
<b>13 LICENCE COMPLIANCE REQUIREMENTS – LICENCE CONDITIONS</b>							
96	Trading Licence clause 16.2	A licensee must comply and require its expert to comply with the ERA's standard guidelines dealing with the performance audit.	5	<p>Through walkthrough and enquiries with the RaC Team and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>Regulation and Compliance are responsible for arranging the performance auditor and must ensure that the request for tender specifies that the appointed auditor must comply with the audit guidelines. Further, the audit plan submitted to the ERA for approval cannot be inconsistent with the audit guidelines.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
97	Trading Licence clause 16.4	A licensee's independent auditor must be approved by the ERA prior to the audit.	5	<p>Through walkthrough and enquiries with the RaC Team and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>Regulation and Compliance must apply in writing to the ERA to seek approval to appoint an auditor to undertake the performance audit and asset management system and this request must be stored in the document management system.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
98	Trading Licence clause 17	A licensee may be subject to individual performance standards.	5	<p>Through walkthrough and enquiries with the RaC Team and examination of Regulation and Compliance - Operations Manual documents we determined that:</p> <p>In the event individual performance standards applied, the GTL8 control register would be updated to reflect the individual performance standard in terms of business owner, controls, risk etc.</p> <p>During the audit period, the Authority did not prescribe any individual performance standards under GTL8.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period we were unable to test for compliance during the audit period.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
99	Trading Licence clause 20	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent and received in accordance with defined parameters.	5	<p>Through enquiry and walkthroughs performed with the RaC Team and examination of Regulation and Compliance - Operations Manual documents we determined that:</p> <p>Regulation and Compliance must ensure all notices to and from the ERA must be in writing unless otherwise specified.</p> <p>Based on our enquiries and sampling performed, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
100	Trading Licence clause 21.1	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	5	<p>Through walkthrough and enquiries with the RaC Team and examination of the Formal Accounting Policies Handbook and Synergy's Annual Report we determined that:</p> <p>Regular review of Accounting Standards is performed and any material changes advised to the Audit and Compliance Committee (board sub-committee). Regular updates to the Accounting Policies and to the Formal Accounting Policies Handbook is undertaken.</p> <p>Synergy, as a government trading enterprise, is audited by the Office of Auditor General annually. This Annual Report confirms that Synergy complies with standards issued by the AASB. The Synergy Annual Report 2018 is available on Synergy's website, which contains the last Independent Auditor's Report statement for year ended 31 August 2018</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
101	Trading Licence clause 22.1	A licensee must report to the ERA if the licensee is under external administration or experiences a significant change in its corporate, financial or technical circumstances that may affect the licensee's ability to meet its obligations under this licence within 10 business days of the change occurring.	5	<p>Through walkthrough and enquiries with RaC and examination of the Regulation and Compliance - Operations Manual we determined that:</p> <p>Synergy cannot be placed under external administration because it is not a company under the Corporations Act 2001. However, Synergy will notify the Authority if Synergy ceases to be a State owned corporation or if there is any other material change to its corporate, financial or technical status.</p> <p>Synergy must also notify the ERA of any change in name, ABN or address within 10 business days.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy did not have any instances of significant change in its corporate, financial or technical circumstances that affect its ability to meet its license obligations during the audit period, hence we were unable to test compliance with this obligation.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
102	Trading Licence clause 23.1	A licensee must provide to the ERA any information that the ERA may require in connection with its functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA.	3	<p>Through examination of the Regulation and Compliance - Operations Manual we determined that:</p> <p>During the audit period, other than for performance reporting purposes, Synergy has not received a request from the ERA in accordance with Trading Licence Schedule 3 clause 23.1. However the Regulation and Compliance - Operations Manual describes that in the event Synergy receives a direction or request from the ERA that it must comply with, the direction or request is required to be saved in document management system.</p> <p>A calendar entry created within the regulatory calendar to track direction or request timeframe. RaC is responsible for coordination of the actions required, confirming with the ERA that the action was taken as instructed, or providing the information to the ERA, within the required timeframe. The response to the ERA will also be saved in document management system.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy has not received a request for information from the ERA during the audit period, hence we were unable to test compliance with this obligation (other than in relation to submission of annual gas performance reports).</p>	N/A. None noted.	A	N/R
103	Trading Licence clause 24	A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified.	5	<p>Through walkthrough and enquiries with RaC and examination of Regulation and Compliance - Operations Manual we determined that the process to publish a report is as follows:</p> <p>A 'Service Now' ticket must be created with PDF and Word version of the record keeping report as time sensitive data for publication. We sighted the screenshot of the Service Now ticket that was generated for the 2017-18 GTL8 publication of the annual performance report.</p> <p>The publication (available on the website) is the responsibility of both RaC and Technology and Transformation.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
106	Trading Licence clause 12.2	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 by the ERA.	5	<p>Through walkthrough and enquiries with RaC and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>In relation to its standard form contracts, if the ERA:</p> <ul style="list-style-type: none"> <li>• Directs Synergy to amend the contract, we must do so in accordance with those amendments and within the period specified.</li> <li>• Directs Synergy to review the standard form contract, the results of the review must be provided to the ERA within the period specified ensuring that the scope, process and methodology of the review as required by the ERA is complied with.</li> <li>• In the event Synergy receives an instruction from the ERA that it must comply with, the instruction to review or amend the standard form contract is required to be saved in DM, a calendar entry created within the Empower Regulatory Calendar to track response timeframe, and the response issued to the Authority in accordance with the instruction and timeframe, and saved in DM.</li> </ul> <p>RaC is required to liaise with Legal with respect to any contract reviews or amendments.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy has not received a request to review the standard form contract from the ERA during the audit period, and hence we were unable to test compliance with this obligation.</p>	N/A. None noted.	A	N/R
107	Trading Licence clause 12.3	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.	5	Please refer obligation 106 above.	N/A. None noted.	A	N/R
109	Trading Licence clause 15.1 and 15.2	A licensee must maintain supply to a customer if it supplies, or within the last 12 months supplied, gas to that customer's premises unless another supplier starts supplying the customer.	4	<p>Through walkthrough and enquiries with RaC and examination of Synergy's Gas Standard Agreement (GSA) Terms and conditions we determined that:</p> <p>Synergy continues to supply a customer with gas for the entire duration of their contract. If the contractual end date passes, Synergy will place the customer on out of contract rates and continue supplying them with gas until they subsequently churn out to another licensee or recontract.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
110	Trading Licence Schedule 3 clause 1.5	A licensee must provide the ERA within 3 business days of a request by the ERA with reasons for refusing to commence supply to a customer if requested by the ERA.	5	<p>Through walkthrough and enquiries with RaC and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>During the audit period, Synergy has not received direction from the ERA in accordance with Trading Licence Schedule 3 clause 1.5.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, since Synergy has not received direction from the ERA in accordance with Trading Licence Schedule 3 clause 1.5, during the audit period, we were unable to test compliance with this obligation.</p>	N/A. None noted.	A	N/R
111	Trading Licence Schedule 3 clause 1.7	A licensee must comply with a direction from the ERA to supply a customer, subject to specified conditions.	5	<p>Through walkthrough and enquiries with RaC and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>During the audit period, Synergy has not received direction from the ERA in accordance with Trading Licence Schedule 3 clause 1.7.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, since Synergy has not received direction from the ERA in accordance with Trading Licence Schedule 3 clause 1.7, during the audit period, we were unable to test compliance with this obligation.</p>	N/A. None noted.	A	N/R
112	Trading Licence Schedule 3 clause 2.1 to 2.2	A licensee must provide reasonable information relating to its activities under the licence as requested by the holder of a distribution licence to enable for the safe and efficient operation of the relevant distribution system, provided such disclosure does not prejudice the commercial interests of the licensee.	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of ATCO Gas - Template Service Agreement document we determined that:</p> <p>During the audit period, Synergy has not received an information request from ATCO in accordance with Trading Licence Schedule 3 clause 2.1 to 2.2.</p> <p>Information requests are typically received from ATCO in accordance with Synergy's gas distribution transport contract or AEMO's retail market procedures (WA).</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, since Synergy has not received an information request from ATCO in accordance with Trading Licence Schedule 3 clause 2.1 to 2.2, we were unable to test compliance with this obligation.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
113	Trading Licence Schedule 3 clause 3.1	A licensee must notify the Minister at least one month before a change to any price, price structure, fee or interest rate under the standard form contract is to come into effect.	5	<p>Through review of RaC Team and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>Synergy must notify the Minister at least one month before a change to any gas price, price structure, fee or interest rate under the standard form contract is to come into effect. RaC is responsible for notifying the Minister of these amendments within the required timeframe.</p> <p>Synergy does not currently have gas customers on the standard form contract at the Regulated Tariff Price.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, since Synergy does not currently have gas customers on the standard form contract at the Regulated Tariff Price, this licence condition is not applicable during the audit period.</p>	N/A. None noted.	A	N/R
<b>14 LICENCE COMPLIANCE REQUIREMENTS – GAS MARKETING CODE OF CONDUCT (CODE OF CONDUCT)</b>							
114	Trading Licence clause 19.1.	A licensee must comply with the Gas Marketing Code of Conduct.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Gas Marketing Code of Conduct, Standard Agreement, Business Gas Terms and Conditions (non-standard), Fixed rate general conditions (non-standard) and Regulation and Compliance - Operations Manual we determined that:</p> <p>Synergy reviews all regulated gas customer agreements to ensure they comply with the Gas Marketing Code of Conduct. The business uses Synergy's approved template customer agreements for the sale of gas to regulated customers.</p> <p>In relation to any future agreements, Legal review and approve agreements and then business must use Synergy's template.</p> <p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Regulation and Compliance - Operations Manual and Page 23 of Gas Compliance Manual, we determined that:</p> <p>Periodic assurance such as performance audits are being carried out every 24 months (or such other period determined by the ERA), by an independent expert acceptable to the ERA. Also, training programs on gas marketing code of conduct are undertaken by employees.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
115	Trading Licence clause 19.2	A licensee must ensure all agents and employees comply with the Gas Marketing Code of Conduct.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team, we determined that Synergy does not currently have any contracts with gas marketing agents acting on its behalf.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>We also reviewed the Regulation and Compliance - Operations Manual and Page 23 of Gas Compliance Manual. Through these procedures, we determined that:</p> <p>Periodic assurance such as performance audits are being carried out every 24 months (or such other period determined by the ERA), by an independent expert acceptable to the ERA. Also, training programs on gas marketing code of conduct are undertaken by employees.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
116	Trading Licence clause 19.1	A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team, we determined that Synergy does not currently have any contracts with gas marketing agents acting on its behalf.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted.	N/A	N/A
117	Trading Licence clause 19	A retailer or gas marketing agent must ensure that standard form contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Training for Solicited and unsolicited contracts, Gas Training, Gas Readiness Sales Training document and the Online Compulsory training on Business Compliance and Industry Compliance found on Synergy Intranet (Edison) in the "Enlighten" program, we determined that:</p> <p>Training is conducted to educate staff about solicited and unsolicited contracts/agreements.</p> <p>As noted in the obligation condition, Synergy does not supply gas on unsolicited standard form contract.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
118	Trading Licence clause 19	A retailer or gas marketing agent must ensure that the information specified in clause 2.2(2) is given to the customer no later than on or with the customer's first bill, unless the retailer or gas marketing agent has provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy's Standard Gas Sales Agreement Terms and Conditions Solicited and Unsolicited, Gas Sales process and Sales Coaching Checklist and gas customer bills, we noted that these documents include the following:</p> <p>Compliance with certain regulatory requirements as per clause 2.2(2) where the marketing agent needs to communicate how the customer can obtain access to clauses specified in the marketing code of conduct. These will include;</p> <ul style="list-style-type: none"> <li>• Where the customer could obtain a copy of the code</li> <li>• Tariffs and concessions available to the customer</li> <li>• 24 hour telephone number for faults and emergencies</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		customer has requested to receive the information).		<ul style="list-style-type: none"> <li>• Payment difficulties or financial hardship of customers</li> <li>• Information on the safety awareness program and</li> <li>• How the customer could make a complaint.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, and Synergy complied with the obligation during the audit period.</p>			
119	Trading Licence clause 19	A retailer or gas marketing agent must ensure that non- standard contracts that are not unsolicited consumer agreements are entered into in the manner and satisfying the conditions specified.	4	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy's Standard GAS Sales Agreement Terms and Conditions Solicited and Unsolicited, Gas Sales process and Sales Coaching Checklist, Template 1 contract, and Template 12 contract documents, we noted that these documents include the steps that must be taken by the retailer or gas marketing agent in entering a non-standard contract.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
120	Trading Licence clause 19	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	4	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy's Standard Gas Sales Agreement Terms and Conditions Solicited and Unsolicited, Gas Sales process and Sales Coaching Checklist, Template 1 contract, and Template 12 contract documents, we noted that these documents include the steps to be taken by the retailer or gas marketing agent before entering into a non-standard contract.</p> <ul style="list-style-type: none"> <li>• The training materials relating to the Gas Marketing Code of Conduct also discuss the information to be provided before arranging contracts such as:</li> <li>• The customer is free to choose a standard agreement. The difference between a standard agreement and non-standard contract.</li> <li>• How and when the terms of the contract will be given or made available to the customer.</li> <li>• The customer is entitled to a written copy of the contract when requested.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
121	Trading Licence clause 19	A retailer or gas marketing agent must obtain a customer's verifiable consent that the information specified in clause 2.3(2) has been given, unless the retailer or gas marketing agent provided the information to the customer in the preceding 12 months or informed the customer how the information may be obtained (unless the customer requested to receive the information).	4	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy's Standard Gas Sales Agreement Terms and Conditions Solicited and Unsolicited, Gas Sales process and Sales Coaching Checklist, Template 1 contract, and Template 12 contract documents, we noted that these documents include the steps that must be taken by the retailer or gas marketing agent in entering a non-standard contract, including contract.</p> <p>The training materials related to the Gas Marketing Code of Conduct also include verifiable consent requirements from customer for the following:</p> <ul style="list-style-type: none"> <li>• Standard contract if entered into door to door</li> <li>• Non-standard contract</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None Noted.	A	1
123	Trading Licence clause 19	A retailer or gas marketing agent must ensure that a customer is able to contact the retailer or gas marketing agent on the retailer's or gas marketing agent's telephone number during the normal business hours of the retailer or gas marketing agent for the purposes of enquiries, verifications and complaints.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Incident Management, Telstra SLA, AAPT SLA, and by referring to Synergy's Monitoring process, we noted that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• Synergy has a business contact centre available during normal business hours to handle enquiries.</li> <li>• Technical services are being provided by 3rd party partners who are contracted to various SLA's to ensure availability of services.</li> <li>• In the event of an outage impacting service, the Synergy Incident Management process will be invoked to ensure rapid restoration.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
124	Trading Licence clause 19	A retailer or gas marketing agent who contacts a customer for the purposes or marketing must, on request, provide the customer with the retailer's complaints telephone number, the gas ombudsman's telephone number and, for contact by a gas marketing agent, the gas marketing agent's marketing identification number.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of documents we determined the following:</p> <p>This training material is used as a presentation to Business Managers regarding the Gas Marketing Code of Conduct. One of these training materials includes providing the following to customer, after making contact with a customer for the purpose of Marketing and the customer wishes to proceed further:</p> <ul style="list-style-type: none"> <li>• Internal and external complaints telephone numbers</li> <li>• Synergy identification number</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however Synergy does not</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				undertake door to door marketing, therefore this licence condition was not applicable to Synergy during the audit period.			
125	Trading Licence clause 19	<p>A retailer or gas marketing agent who meets with a customer face to face for the purposes of marketing must:</p> <ul style="list-style-type: none"> <li>• wear a clearly visible and legible identity card showing the information specified; and</li> <li>• as soon as practicable provide the customer, in writing, the information specified.</li> </ul>	4	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of documentation we determined the following:</p> <p>This training material is used as presentation to Business Managers regarding the Gas Marketing Code of Conduct. One of these discussions includes wearing a clearly visible identity card that shows:</p> <ul style="list-style-type: none"> <li>• Name of Marketing Representative</li> <li>• Photograph</li> <li>• Identification number</li> <li>• Name of the marketer/retailer</li> </ul> <p>The material also includes an instruction to inform the customer and provide in writing:</p> <ul style="list-style-type: none"> <li>• First name</li> <li>• Name of marketer and/or retailer</li> <li>• Purpose of the contact</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
126	Trading Licence clause 19	<p>A retailer or gas marketing agent who visits a person's premises for the purposes of marketing, must comply with any clearly visible signs at the premises indicating that canvassing is not permitted or no advertising material is to be left at the premises.</p>	4	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of documentation we determined the following:</p> <p>This training material is used as presentation to Business Managers regarding the Gas Marketing Code of Conduct. One of these training materials includes instructions:</p> <ul style="list-style-type: none"> <li>• Not to ignore "no unsolicited mail" signs displayed at a customer's premise</li> <li>• Not to ignore any signs at the premise that may imply contact is not warranted and ensure no advertising material is to be left at the premises.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy does not undertake door to door marketing or sales, therefore, this licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
127	Trading Licence clause 19	A person who carries out any marketing activity in the name of or for the benefit of a retailer or a gas marketing agent is to be taken to have been employed or authorised by the retailer or gas marketing agent to carry out that activity, unless the contrary is proved.	4	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of documentation we determined the following:</p> <ul style="list-style-type: none"> <li>The document includes a statement that a person who carries out any marketing activity in the name of or for the benefit of Synergy is to be taken to have been employed or authorised by Synergy.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy does not undertake door to door marketing or use third parties to obtain sales, therefore, and this licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted.	A	N/R
128	Trading Licence clause 19	A gas marketing agent must: - keep a record of each complaint made by a customer, or person contacted for the purposes of marketing, about the marketing carried out by or on behalf of the gas marketing agent; and on request by the gas ombudsman in relation to a particular complaint, give to the gas ombudsman all information that the gas marketing agent has relating to the complaint within 28 days of receiving the request.	4	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of documents we determined the following:</p> <ul style="list-style-type: none"> <li>A gas marketing agent should keep a record of each complaint made by a customer or person contacted for the purposes of marketing</li> <li>When the gas ombudsman requests access to a particular complaint, Synergy must give the gas ombudsman all information related to that particular complaint.</li> <li>In resolving customer complaints, Synergy follows its Complaint Resolution Policy. This policy covers queries such matters as to who can and how to lodge a complaint, and how Synergy handles a complaint.</li> <li>Complaints information are also available at Synergy's public website: <a href="https://www.synergy.net.au/Your-home/Help-and-advice/Feedback-and-complaints">https://www.synergy.net.au/Your-home/Help-and-advice/Feedback-and-complaints</a></li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, Synergy does not undertake door to door marketing or sales, therefore, this licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted.	A	N/R
129	Trading Licence clause 19	Any record that a gas marketing agent is required to keep by the Code of Conduct, must be kept for at least 2 years after the last time the person to whom the information relates was contacted by or on behalf of the gas marketing agent.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Complaint Resolution Policy documents we determined the following:</p> <ul style="list-style-type: none"> <li>The policy includes statement regarding record keeping in which all computer system histories of customer complaints will be kept for 3 years from the complaint resolution date.</li> <li>The policy also dictates that Synergy keeps all paperwork relating to a complaint on their system for 2 years and on-site for 12 months. After that, the documents are moved to archived storage where they are kept for 5 years from the date of the complaint resolution.</li> </ul>	N/A. None noted.	N/A	N/A

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>While Synergy does not employ gas marketers to which this obligation relates to, Synergy keeps a record of gas marketing within SAP and the Document Management System as per the policy stated above.</p> <p>Relevant staff are required to undertake mandatory annual training programs which covers recordkeeping requirements.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>			

**15 LICENCE COMPLIANCE REQUIREMENTS – COMPENDIUM OF GAS CUSTOMER LICENCE OBLIGATIONS (COMPENDIUM)**

**CONNECTION**

134	Trading Licence clause 2.1 and Schedule 2 Compendium clause 3.1(1)	If a retailer agrees to sell gas 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.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team we determined that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>MDH Team manually monitors the successful transfer of data to ATCO by verifying the delivery status and recipient acknowledgement.</li> <li>Transfer of data to ATCO - New Connection Service Order is triggered via SAP CRM and sent automatically to ATCO via the MDH within prescribed time-frames.</li> </ul> <p>It was observed that, Synergy had one in new connections during the audit period. We reviewed the new connection transaction as part of the review to test the operational effectiveness of the above process and confirm that Synergy notified ATCO in compliance to the obligation.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period</p>	N/A. None noted.	A	1
135	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	5	Please refer obligation 134 above.	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
<b>BILLING</b>							
136	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.1(a)	A retailer must issue a bill no more than once a month unless the conditions specified in 4.1(a) (i)-(iii) apply.	5	<p>Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team and examination of the Standard Gas Agreement we determined that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>Synergy's billing process is automated and SAP ISU only bills customers on estimated or actual meter readings supplied by ATCO through MDH which is displayed on the customer's bill.</li> <li>ISU is automatically configured to bill customers within the required time frames specified by the obligations.</li> </ul> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
137	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.1(b)	A retailer must issue a bill at least every 105 days unless the conditions specified are met.	3	<p>Through enquiry and walkthrough with the Gas Billing Team and the Customer Contract Service team, we noted that an Automatic System Configuration has been undertaken. Accordingly SAP ISU is automatically configured to bill customers within the required time frames specified by Synergy's obligations. Synergy's billing process is automated and SAP ISU only bills customers on estimated or actual meter readings supplied by ATCO through MDH which is displayed on the customer's bill.</p> <p>A sample test of 25 customers during the audit period confirmed that in two (2) instances, the customers did not receive the bills on time. These were due to the customer being out of contract but continuing to take gas based on out of contract rates. There were 13,192 bills issued during the audit period.</p> <p>Additionally, in the 2017/18 Compliance Report submitted to the ERA, Synergy self-reported two (2) breaches. The breaches resulted from the customer's readings received from the distributor were not added to the billing system and failure of staff to follow standard operating processes. To rectify the breach, the readings were added and bills issued to the customer. Also, a reminder to the team was sent to ensure business activities are completed.</p> <p>Based on our enquiries and review of documentation, we can conclude that controls are generally adequate with improvement needed. Synergy is non-compliant with the obligation in 4 instances.</p>	<p><b>1/2019</b></p> <p>We recommend that Synergy puts in place more stringent procedures to monitor gas billings which are more than 105 days. At present Synergy has deployed a team of staff to focus on any unbilled customers above 90 days for both electricity and gas.</p>	B	2



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
138	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(1)	Prior to placing the customer on a shortened billing cycle, a retailer is considered to have given a customer notice if the retailer has advised the customer of the information specified in clauses 4.2(1)(a)-(d).	5	<p>Through enquiry and walkthrough with the Gas Billing Team and the Customer Contract Service team, and review of Synergy's billing policies, Synergy does not offer shortened billing cycles to its customers.</p> <p>The meter readings originate from ATCO and Synergy does not undertake its own meter readings. Therefore there are no instances of customers having made requests for a shortened billing cycle from Synergy. Accordingly, Synergy does not have procedures set up to cater for this type of request.</p> <p>We note that during the audit period, Synergy had no small use customers on shortened billing cycles.</p> <p>Based on our enquiries and observation, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted.	N/A	N/A
140	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(3)	A retailer must give the customer written notice of a decision to shorten the customer's billing cycle within 10 business days of making the decision.	5	Please refer obligation 138 above.	N/A. None noted.	N/A	N/A
141	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(4)	A retailer must ensure that a shortened billing cycle is for a period of at least 10 business days.	5	Please refer obligation 138 above.	N/A. None noted.	N/A	N/A
142	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(5)	Upon request, a retailer must return a customer who is subject to a shortened billing cycle and has paid 3 consecutive bills by the due date, to the billing cycle that previously applied to the customer.	5	Please refer obligation 138 above.	N/A. None noted.	N/A	N/A
143	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.2(6)	At least once every 3 months, a retailer must inform a customer who is subject to a shortened billing cycle of the conditions upon which a customer can be returned to the customer's previous billing cycle.	5	Please refer obligation 138 above.	N/A. None noted.	N/A	N/A

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
146	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.4	A retailer must issue a bill to a customer at the address nominated by the customer, which may be an email address.	1	<p>Through enquiry and walkthrough with the Gas Billing Team and the review of documentation.</p> <p>A daily batch file is created to send customer billing information to a 3rd party vendor, Fuji Xerox, who import the files into a validated template, generates the bill and then despatches the bill to the customer's nominated address. A resource from the Technology and Transformation Application Support Team monitors the daily batch process to ensure bills are generated and sent within agreed business thresholds. If the batch numbers are outside the agreed thresholds, the incident management process will be initiated to review why. Additionally to ensure there are no mismatches in the business address and the supply address a system generated prompt has been enabled to notify any mismatches.</p> <p>The system will automatically ensure the customer's attributes are updated within SAP ISU when a customer either contacts Synergy (SAP CRM), or updates their details online (MyAccount).</p> <p>Through sample testing 25 small gas use customers, it was noted that the small use gas customers received their bills at the supply address unless otherwise an alternative address has been nominated by the customer or an electronic address has been provided.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
147	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.5(1)	Unless the customer agrees otherwise, a retailer must include the minimum prescribed information in clauses 4.5(1) (a) - (cc) on the customer's bill.	2	<p>Through enquiry and walkthrough with the Gas Billing Team and Gas Customer Contract Team, we confirm that Synergy uses an automated billing process through SAP ISU. Through sample testing 25 small gas use customers, it was noted that the small use gas customers received their bills in accordance with the prescribed information in clauses 4.5 (1)(a) - (cc)</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
148	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.5(2)	Notwithstanding clause 4.5(1)(bb), a retailer is not obliged to include a graph or bar chart on the bill, if the bill meets the criteria specified in clauses 4.5(2)(a)-(c).	3	<p>Through enquiry and walkthrough with the Gas Billing Team and the Gas Customer Contract Team, we confirm that Synergy uses an automated billing process and SAP ISU only bills customers on estimated or actual meter readings supplied by ATCO through MDH which is displayed on the customer's bill. At the end of each billing cycle, Synergy sends bills to customers outlining the charges that the customer is liable for in accordance with the gas sales agreement for the billed period including any other additional charges that fall due (e.g. late payment fees).</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>It was observed that during the audit period Synergy had no instances where this right needed to be exercised.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however, Synergy had no instances where this obligation had to be exercised, and hence, we were unable to test compliance during the audit period.</p>			
149	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.5(3)	If a retailer identifies and wishes to bill a customer for an historical debt, the retailer must advise the customer of the amount of the historical debt and its basis, before, with or on the customer's next bill.	5	<p>Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team and examination of the Automated Debt Transfer Letter we determined that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>A letter to the customer is automatically generated via SAP ISU to notify the customer of the amount of the historical debt and its basis prior to the customer's next bill.</li> <li>A daily batch file is created to send customer billing information to a 3rd party vendor, Fuji Xerox, who import the files into a validated template to create and dispatch the historical debt notice to the customer's nominated address.</li> </ul> <p>We reviewed one sample transaction of debt transfer of a customer as part of the review to test the operational effectiveness of the above process and confirm that Synergy notified the customer of the historical debt and its basis via a letter prior to the customer's next bill.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
150	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.6(1)	A retailer must base a customer's bill on the distributor's or metering agent's reading of the meter at the customer's supply address, or the customer's reading of the meter provided the retailer and the customer agreed that the customer will read the meter.	4	<p>Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team we determined that the following are in place to address this obligation:</p> <p>SAP ISU's default configuration is to bill customers on estimated or actual meter readings supplied by ATCO.</p> <p>Synergy does not read meters, this is the responsibility of the distributor. Estimated reads are provided by ATCO for validation. If a customer provides Synergy a self-meter reading, this information is noted and sent to ATCO, however it is not used by Synergy for billing purposes. Synergy only bills on readings or estimated data provided by the distributor, ATCO.</p> <p>In the 2016/17 Compliance Report submitted to the ERA, Synergy self-reported one (1) breach pertaining to incorrect amount displayed on a bill which resulted in a customer complaint. The error occurred due to staff not following the standard operating processes.</p> <p>To rectify the breach, the customer's complaint was resolved by providing a revised bill. In response to the cause of the non-compliance, Synergy provided the staff with coaching and feedback. There have been</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				no further self-reported non-compliances during 2017/18 and 2018/19. Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to the self-identified and reported non-compliance by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliance and note the remedial actions implemented to be satisfactory.			
152	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.7(1)	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills.	4	Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team and we determined that the following are in place to address this obligation:  SAP ISU automatically inserts a bill message to customers when they are being billed at the 5 <sup>th</sup> estimate reading recorded in SAP (10 months) to prompt the customer to contact to arrange access to the meter or to obtain a reading prior to the 6 <sup>th</sup> estimate (12 months). Synergy only bills on readings provided by the distributor, ATCO.  Interval metering is automatically loaded each business day. Basic metering is loaded manually each business day, but is monitored by Retail Gas Systems Support and ATCO.  Based on our enquiries, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
153	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.7(2)	A retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(1) (a).	3	Through enquiry and walkthrough with the Retail Gas System Support team, we confirmed that all customers who have been with Synergy for 12 months and over have had a meter reading taken within the past 12 months. Synergy only bills on meter readings provided by ATCO (distributor). Interval metering is automatically loaded each business day. Basic metering is loaded manually each business day, but is monitored by Retail Gas Systems Support and ATCO.  Based on the 25 customer bills reviewed, we verified that actual meter readings have been obtained during the audit period.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1
154	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.8(1)	A retailer must give the customer an estimated bill in the manner specified, if the retailer is unable to reasonably base a bill on a reading of the meter.	4	Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team and we determined that the following are in place to address this obligation:  SAP ISU's default configuration is to bill customers on estimated or actual meter readings supplied by ATCO.  Daily batch file is created to send customer billing information to a 3rd party vendor, Fuji Xerox, who import the files into a validated template	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>to create and despatch an estimated bill, if required, to the customer's nominated address.</p> <p>Synergy does not read meters, this is the responsibility of the distributor. Estimated reads are provided by ATCO</p> <p>If customer provides Synergy a self-meter reading, this information is noted and sent to ATCO, however it is not used by Synergy for billing purposes.</p> <p>Synergy only bills on readings provided by the distributor ATCO Based on our enquiries, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
155	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.8(2)	Where the customer's bill is estimated, a retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2) (a)-(c).	4	<p>Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team and examination of the Bill Explainer we determined that the following are in place to address this obligation:</p> <p>Site Access Notification (SAN) is triggered via SAP ISU and sent automatically to ATCO via the Metering Data HUB (MDH) within prescribed timeframes.</p> <p>Estimated bills state that the meter reading has been estimated and the reason for the estimation. Estimated bills will have the word estimated written on consumption graph and is highlighted in blue.</p> <p>On Page 1 the Bill Header will stay the same as Electricity Final Account but if the final read has been estimated, the bill's graph bar will be white and the message under the graph will change from the My Account message to the estimated message.</p> <p>On Page 2 next to the current meter reading, if it is estimated, the “^” indicator will be displayed with the usage summary.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
156	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.8(3)	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	5	<p>Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team and examination of Bill Review - Estimated Read (Not Self Read) procedure documents we determined that the following are in place to address this obligation:</p> <p>Reports are generated when a Meter Data Notification is received from the market in response to a meter data verification (MDV) request. Based on the results the customer is either rebilled or a MDV letter is triggered.</p> <p>If a “Nack” (service transaction rejection) is received from the market in response to an MDV request, an exception is generated which triggers an investigation and may result in an MDV letter being sent to the customer.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
157	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	4	<p>Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team and examination of rebill letter procedure documents we determined that the following are in place to address this obligation:</p> <p>SAP ISU is configured to automatically rebill customers in accordance with the obligations. Rebilled invoices are issued to the customer with an adjustment letter advising customers to contact Synergy if their invoice is higher than their previous invoice and they require more time to pay.</p> <p>Rebilled invoices are issued to the customer with an adjustment letter advising if their invoice is in credit and the credit has been carried forward to their next invoice or they can contact Synergy and request a refund.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
158	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.10	If a retailer has based a bill upon an estimation because the customer failed to provide access to the meter, and the customer subsequently requests the retailer to provide a bill based on a reading of the meter and provides access to the meter, and pays the retailer's reasonable charge for reading the meter (if any), the retailer must do so.	4	<p>Through walkthrough and enquiry with the Gas Billing Team and Technology and Transformation Team and examination of documented procedures, we determined that the following are in place to address this obligation:</p> <p>A "Billed Period Reading Notification" is generated when replacement basic meter readings have been received for a period that is already billed.</p> <p>Automatic Rebill Process - SAP ISU is configured to automatically rebill customers in accordance with the obligations. Rebilled invoices are issued to the customer with an adjustment letter advising customers to contact Synergy if their invoice is higher than their previous invoice and they require more time to pay.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate system controls in place to facilitate rebilling. Synergy has complied with the license condition, during the audit period.</p>	N/A. None noted	A	1
159	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	4	<p>Through walkthrough and enquiries with the Gas Billing Team and Technology and Transformation Team and examination of Customer Requests Meter Test procedure documents we determined that the following are in place to address this obligation:</p> <p>If the customer requests a meter investigation, Synergy will submit it via SAP CRM which is sent automatically to ATCO via the MDH within prescribed time-frames.</p> <p>A report is generated when a meter investigation (meter test) service notification is in completed status. Customers are notified via letter advising the results of the meter investigation once this information has been received from ATCO. A fee is not charged until the result of the meter investigation is known, and no fee is raised when a meter is found to be defective.</p> <p>The MDH team manually monitors the successful transfer of data to ATCO by verifying the delivery status and recipient acknowledgement.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
160	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	5	Please refer obligation 159 above.	N/A. None noted.	A	1

## Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
161	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	4	<p>Through enquiry with the Gas Customer Contract Team, we identified that:</p> <p>At present Synergy only offers a regulated single tariff product to its customers through its gas standard form contract.</p> <p>Majority of Synergy's small use gas customers are serviced through the standard form contract. Additionally, Synergy does not have alternative tariff schemes under the non-standard contract for the supply of gas.</p> <p>Based on our enquiries, we can conclude that the licence condition was not applicable to Synergy during the audit period.</p>	N/A. None noted.	N/A	N/A
162	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.12(2)	For the purpose of clause 4.12(1), the effective date of change in the tariff will be the date on which the last meter reading at the previous tariff was obtained; or, if the change requires an adjustment to the meter at the customer's supply address, the date the meter adjustment is completed.	3	<p>Through enquiry with the Gas Customer Contract Team and review of documentation, we have noted that if a customer requests a change to tariffs via the website, a task is created in CRM which will automatically switch the customer's product once all eligibility criteria have been met. Review documents confirmed that Synergy's process is to advise the customer soon as possible if the customer no longer meets the eligibility conditions applying to the standard prices the customer is currently paying. The customer will then be advised of the new price they need to pay. Thereafter, a product change needs to be processed to move the customer into the new tariff and this will be reflected in the customer's next bill.</p> <p>Synergy has a single regulated tariff product available for small use business customers under its gas standard form contract. In relation to non-standard contracts Synergy offers has an unregulated tariff offering. These are classified on the usage per day and annum. Both products have been offered to non-residential customers. There have been no events of changes in unregulated tariffs during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however there are no changes in tariffs during the audit period, therefore, we were unable to test compliance with this obligation.</p>	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
163	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.13	If a customer's gas 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.	3	<p>Through enquiry and walkthrough with the Gas Customer Contract Team, we noted that considering the number of customers to whom Synergy provides gas services they have not had any tariff changes for unregulated tariff gas customers. If required, Synergy has an Automatic Tariff Migration Letter. When the RBU identifies a customer that requires migration from a tariff they are no longer eligible for; SAP ISU will issue a letter to notify the customer as part of the SAP batch process. We additionally reviewed the Communications Change process for RBU marketing. The RBU Marketing upon request from an operational area, provide content for customer communications.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however there are no changes in tariffs for non-standard contract gas customers during the audit period, therefore, we were unable to test compliance with this obligation.</p>	N/A. None noted.	A	N/R
164	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	2	<p>Through enquiry and walkthrough with the Gas Billing Team and the review of the Move Out Guided process, Standard Gas Agreement Terms and Conditions and the Final Bill procedures that Synergy has processes and procedures in place to address the obligation of issuing a final bill at the request of the customer.</p> <p>When a customer requests a move out via a telephone or web service, for a final bill or closure of account, these details are entered in CRM and replicated to the SAP ISU system. When the move out is processed for the customer, it triggers a Service Notification to ATCO requesting a final reading. Once this has been received, SAP ISU will automatically bill the customer for consumption up until the move out date specified by the customer.</p> <p>Sample testing of bills noted that the final bills were issued at the request of the customer and unless the customer did not notify Synergy of the move and Synergy issued the final bill at the instance Synergy became aware of the customer move out.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period</p>	N/A. None noted.	A	1
165	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.14(2)	If the customer's account is in credit at the time of account closure, the retailer must, subject to clause 4.14(3), at the time of the final bill ask the customer for instructions on where to transfer the amount of credit (based on clauses 4.14(2) (a) or (b)), and pay the credit in accordance with the customer's	2	<p>Through enquiry and walkthrough with the Gas Billing Team, we determined the following;</p> <p>The refunds are part of the batch process and runs on a daily basis. When customers nominate their preferred refund method, this process ensures the funds are transferred within prescribed time frames. SAP ISU is configured to automate credit transferred between both inactive/active contract accounts. There will be some occasions where the system will not perform an automatic transfer. These are managed</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		instructions within 12 business days or another time agreed with the customer.		<p>through the manual task process on a customer's request or through other Credit Management functions.</p> <p>We also reviewed the policy/procedure documentation in place for the transferring credits/debits between accounts and the electronic fund transfer process.</p> <p>Although adequate processes have been set up by Synergy for the refund of any overcharge. It was determined that there were 9 instances where small use customers were in credit at the time of issuing a final bill.</p> <p>Therefore we sample tested 6 instances to check for compliance with the obligation and noted the following:</p> <ul style="list-style-type: none"> <li>• All customers were notified via a statement in the final bill that the customer account was in credit. Additionally it informed the customer to contact Synergy to arrange a refund or a transfer.</li> <li>• In one (1) instance the customer called Synergy to request a refund of the credit to the preferred bank account. Synergy ensured the funds were remitted within 12 business days and evidence of the transfer was part of the batch process.</li> <li>• Five (5) instances tested, Synergy did not receive instructions from the customer to arrange a refund or transfer at any point of time during the audit period.</li> <li>• We sighted supporting documentation of the five (5) samples and noted that the credit balance was still available in under the customer's contract.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the license condition, during the audit period.</p>			



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
165A.	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.14(3)	<p>If the customer's account is in credit at the time of account closure and the customer owes a debt to the retailer, the retailer may, with written notice to the customer, use that credit to set off the debt.</p> <p>If after the set off, there remains an amount of credit, the retailer must ask the customer for instructions in accordance with clause 4.14(2).</p>	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Transferring Debts to Active Accounts and Transferring Credits Between Accounts documents, we noted that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>Once a customer requests their account to be closed, a final reading is taken and the customer is then billed for the remaining usage at the site.</li> <li>When the final bill is sent to the customer, any credit amount is listed on the bill.</li> <li>In case there is outstanding debt, the transferring debts to active accounts document discusses the transfer of debt from one account to another, including debts from closed accounts while the Transferring Credits between Accounts document discusses a credit transfer from one customer's account to another account that the customer holds.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
166	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.15	A retailer must review the customer's bill on request by the customer, subject to the customer paying the lesser of the portion of the bill agreed to not be in dispute or an amount equal to the average of the customer's bill over the previous 12 months, and paying any future bills that are properly due.	4	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>Check Reads are generated when a Meter Data Notification is received from the market in response to a completed Check Read Service Notification. Based on the results the customer is either rebilled or a check read letter is triggered.</li> <li>Meter Data Verification are generated when a Meter Data Notification is received from the market in response to a MDV request. Based on the results the customer is either rebilled or a MDV letter is triggered.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
167	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.16(1)(a)	If a retailer is satisfied after conducting a review of a bill 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 applicable law;	4	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>Customer Requests Meter Test - discusses the process when a customer requests a meter test. Before conducting a meter test, the process should be followed as per obligation 167:</li> <li>When customers have concerns regarding feedback and complaints, they can refer to Synergy's public website which</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		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>contains the process on how to lodge complaints. These complaints are recorded in Complaints Module - SAP CRM which triggers an alert on the customer's account indicating that a complaint is in progress.</p> <ul style="list-style-type: none"> <li>After receiving a complaint from customer, a MDV Letter may be sent to customer. This letter references the internal complaints policy and advises the customer that they can request a meter test.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
168	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.16(1)(b)	If a retailer is satisfied after conducting a review of a bill that the bill is incorrect, the retailer must adjust the bill in accordance with clauses 4.17 and 4.18.	5	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:</p> <p>Rebill invoices are issued to the customer with an adjustment letter advising if their invoice is in credit/debit with the information of the incorrect bill details, the credit has been carried forward to their next invoice or they can contact Synergy and request a refund.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
169	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.16(2)	The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.	5	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:</p> <p>The customer is informed of the outcome by way of an adjusted bill if the meter reading was incorrect or a letter confirming that the original meter reading was correct.</p> <p>In order to facilitate this obligation, Synergy has put in place procedures which helped us determine that;</p> <p>Check Reads are generated when a Meter Data Notification is received from the market in response to a completed Check Read Service Notification. Based on the results the customer is either rebilled or a check read letter is triggered.</p> <p>Meter Data Verification are generated when a Meter Data Notification is received from the market in response to a MDV request. Based on the results the customer is either rebilled or a MDV letter is triggered.</p> <p>We reviewed one sample transaction where the customer was erroneously churned out and additional costs were charged to the customer. Supporting system documentation was reviewed to test the operational effectiveness of this process and confirm that Synergy notified the customer as soon as the error has been identified, reversed the original bill and rebilled in compliance with the obligation.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
170	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.16(3)	If the retailer has not informed a customer of the outcome of the review within 20 business days from the date of receipt of the request for review under clause 4.15, the retailer must provide the customer with notification of the status of the review as soon as practicable.	5	Please refer to obligation 169 above.	N/A. None noted.	A	1
171	Trading Licence clause 2.1 and Schedule 2 Compendium 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), the retailer must follow the procedure specified in clauses 4.17(2) (a)-(e).	4	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:</p> <p>Standard Gas Agreement stated in the terms and conditions that if the undercharge resulted from an error, defect or default for which the retailer or the network operator is responsible:</p> <ul style="list-style-type: none"> <li>• Synergy can only require the customer to pay the amount that the customer has underpaid for a period of up to 12 months prior to the date that the customer was advised of the new standard price, unless the customer provided incorrect information [or the undercharge was directly attributable to the customer's act or omission]; and</li> <li>• if the customer is a residential customer, the retailer will offer the option to pay the correcting payment by instalments.</li> </ul> <p>Synergy identified no instances during the audit period which relate to an undercharge deriving from a Synergy or Western Power error, defect or default.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no instances relating to the obligation, we were unable to test compliance during the audit period.</p>	N/A. None noted.	A	N/R
171A.	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.17(3)	A retailer may charge the customer interest or require the customer to pay a late payment fee only if, after notifying a customer of the amount to be recovered under subclause (2)(c), the customer has failed to pay the amount and has not	4	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:</p> <p>Automated messaging facility is setup to send out SMS and Email reminder/notifications to customers who meet certain conditions.</p> <p>The system is automatically configured to raise Late Payment Fees and Interest when the customer meets certain criteria. These criteria includes those customers that have failed to pay the amount and has not</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		entered into an instalment plan under subclause (2)(e).		entered into an instalment plan after being notified of the amount to be recovered resulting from undercharges.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
172	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(2) and 4.18(5)	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 accordingly within 10 business days of the retailer becoming aware of the error, defect or default and, subject to clauses 4.18(6) and (7) ask the customer for instructions as to whether the amount should be credited to the customer's account; or repaid to the customer. No interest shall accrue to a credit or refund referred to in this clause.	4	Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:  Synergy's Standard Gas Sales Agreement Terms and Conditions available on its website states that if the retailer overcharges the customer due to an error, defect or default for which Synergy or the network operator are responsible (including where the meter has been found to be defective), then, subject to the Gas Customer Code (where applicable to customer) and subject to clause 21, Synergy will credit the amount to customer's account or may give the customer the option of having the amount repaid to the customer.  Rebill Letters - rebilled invoices are issued to the customer with an adjustment letter advising if their invoice is in credit the credit has been carried forward to their next invoice or they can contact Synergy and request a refund.  Synergy had no instances that were identified during the audit period which relate to an overcharge as a result of a customer having vacated the premises.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no instances relating to the obligation, we were unable to test compliance during the audit period.	N/A. None noted.	A	N/R
173	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(3)	If a retailer receives instructions under clause 4.18(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	4	Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents, we noted that controls are in place to address this obligation:  Synergy offers customers multiple methods of refunds (credit card, Electronic, BPay refunds, cheque) to make it more convenient for the customer. The process of handling the refund has been documented for cheque refunds, ETF process and credit card refund. We have reviewed these documents as part of the review.  Synergy's Standard Gas Sales Agreement Terms and Conditions Solicited and Synergy's Standard Gas Sales Agreement Terms and Conditions Unsolicited documents also states that if Synergy has confirmed (via ATCO meter investigation) that a customer's meter is not measuring accurately, then Synergy will refund to the customer any meter testing charge the customer has paid.	N/A. None noted.	A	N/R



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>No refunds were requested or paid to a customer within the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no refund requests, we were unable to test compliance during the audit period.</p>			
174	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(4)	If a retailer does not receive instructions under clause 4.18(2) within 5 business days of making the request, the retailer must use reasonable endeavours to credit the amount overcharged to the customer's account.	4	Please refer obligation 173 above.	N/A. None noted.	A	N/R
175	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(6)	If the overcharged amount is less than \$100, the retailer may notify a customer of the overcharge by no later than the next bill after the retailer became aware of the error, and ask the customer for instructions under clause 4.18(2), or credit the amount to the customer's next bill.	4	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents we determined that Synergy has existing policies covering bill and credit adjustments. The following documents show that:</p> <p>Automatic Rebill Process - SAP ISU is configured to automatically rebill customers in accordance with the obligations. Rebilled invoices are issued to the customer with an adjustment letter advising if their invoice is in credit the credit has been carried forward to the customer's next invoice or they can contact Synergy and request a refund.</p> <p>Synergy has a process in place of notifying the customer of an overcharge in the next bill. An automatic rebill process is initiated and captures any overcharges with an adjustment letter.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no instances relating to the obligation, we were unable to test compliance during the audit period.</p>	N/A. None noted.	A	N/R
175A.	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.18(7)	If a customer has been overcharged by the retailer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the overcharge to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause	5	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the following documents we determined that Synergy has existing policies covering bill and credit adjustments. The following documents show that:</p> <p>Automatic Rebill Process - SAP ISU is configured to automatically rebill customers in accordance with the obligations. Rebilled invoices are issued to the customer with an adjustment letter advising if their invoice is in credit the credit has been carried forward to their next invoice or they can contact Synergy and request a refund</p> <p>Credit transfers are allowed which are in compliance with the obligation. Neither of the items listed herein pertain to credit transfers from a defaulting account holder and only accounts for instances where credits are transferred to another account.</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		4.18(2); or 4.18(6) where the amount is less than \$100.		Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.			
176	Trading Licence clause 2.1 and Schedule 2 Compendium 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 the customer, the retailer must follow the procedure specified in clauses 4.19(1) (a)-(d).	4	Please refer obligation 173 above.	N/A. None noted.	A	N/R
177	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(2) and 4.19(6)	If after the meter reading a retailer becomes aware of an amount owing to the customer, the retailer must use its best endeavours to inform the customer accordingly within 10 business days of the retailer becoming aware of the adjustment and, subject to clauses 4.19(5) and 4.19(7), ask the customer for instructions as to whether the amount should be credited to the customer's account; repaid to the customer; or included as a part of the new bill smoothing arrangement if the adjustment arises under clauses 4.3(2)(a)-(b). No interest shall accrue to a credit or refund referred to in this clause.	4	Please refer obligation 173 above.	N/A. None noted.	A	N/R
178	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(3)	If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions within 12 business days of receiving the instructions.	4	Please refer obligation 173 above.	N/A. None noted.	A	N/R
179	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(4)	If a retailer does not receive instructions under clause 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.	4	Please refer obligation 173 above.	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
180	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(5)	If the adjustment amount owing to the customer is less than \$100, the retailer may notify the customer of the adjustment by no later than the next bill after the meter is read, and · ask the customer for instructions under clause 4.19(2); or · credit the amount to the customer's next bill.	4	Please refer obligation 175 above.	N/A. None noted.	A	1
180A.	Trading Licence clause 2.1 and Schedule 2 Compendium clause 4.19(7)	If the amount of the adjustment is an amount owing to the customer, and the customer owes a debt to the retailer, then provided the customer is not a residential customer experiencing payment difficulties or financial hardship, the retailer may, with written notice to the customer, use the amount of the adjustment to set off the debt owed to the retailer. If, after the set off, there remains an amount of credit, the retailer must deal with that amount of credit in accordance with clause 4.19(2); or 4.19(5) where the amount is less than \$100	4	Please refer obligation 175A above	N/A. None noted.	A	1

**PAYMENT**

181	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.1	The due date on the bill must be at least 12 business days from the date of that bill, unless otherwise agreed with the customer. The date of the dispatch is the date of the bill, unless the retailer specifies a later date.	5	Through walkthrough and enquiries with the Gas Billing Team we determined that the following is in place to address this obligation: <ul style="list-style-type: none"> <li>• SAP ISU is automatically configured to provide the due date 12 business days from the posted date.</li> <li>• Some non-standard agreement products allow 14 calendar days which may be shorter than 12 business days. In these cases the customer has agreed to non-standard terms and the control sits in the RBU process. Technology and Transformation applications control is to apply the payment terms defined by the user / business process to each bill generated.</li> <li>• This is standard SAP feature and will calculate the due date based upon the document date defined when generating an invoice, which unless over-ridden by a user is always the system date and the dispatch date. We reviewed sample bills to verify the obligation and</li> </ul>	N/A. None noted.	A	1
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>confirm that bills have been raised 12 business days after the bill date.</p> <p>Based on our enquiries, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
182	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.2	<p>Unless otherwise agreed with a customer, a retailer must offer the customer at least the following payment methods:</p> <ul style="list-style-type: none"> <li>· in person at 1 or more payment outlets located within the Local Government District of the customer's supply address;</li> <li>· by mail;</li> <li>· for residential customers, by Centrepay;</li> <li>· electronically by means of BPay or credit card; and</li> <li>· by telephone by means of credit card or debit card</li> </ul>	5	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the Synergy website and bill explainer, we determined that the following is in place to address this obligation:</p> <p>The relevant payment options/methods are included on bill which we have reviewed through the observations made on the sample bills selected.</p> <p>Additionally, the relevant payment options are listed on the Synergy Website which are found in the link below:  <a href="https://www.synergy.net.au/at_home/payment_options.xhtml">https://www.synergy.net.au/at_home/payment_options.xhtml</a></p> <p>Any communications where Synergy asks customers to make a payment, customers are provided with payment options or directed to the payment option page on the website.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
183	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.3	<p>Prior to a direct debit facility commencing, a retailer must obtain the customer's verifiable consent and agree with the customer the date of commencement of the direct debit facility and the frequency of the direct debits.</p>	5	<p>Through walkthrough and enquiries with the Gas Billing Team and examination of the Synergy Procedural Documentation, we determined that the following is in place to address this obligation:</p> <p>When a customer sets up a Direct Debit facility via My Account an Interaction Note is automatically created in the CRM system. This Interaction Note facility records the customer's consent and confirmation that a direct debit has been established.</p> <p>Relevant Procedural documentation which includes the declaration that is read to the customer for them to confirm as part of the guided process exists. The procedural documentation explicitly states, "The terms and conditions will be sent to you. Do you agree?"</p> <p>There were 16 customers during the audit period that had a direct debit facility with Synergy. We performed an end-to-end system walkthrough of one sampled customer and confirmed the customer needs to confirm and agree the frequency of direct debit payments and date of commencement.</p> <p>In the 2015/16 Compliance Report submitted to the ERA, Synergy self-reported breaches in three (3) instances. Although the customer's consent to establish a direct debit was given, it could not be verified as</p>	N/A. None noted.	B	2

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>the call recording facility was not established on the relevant phone line.</p> <p>In response to the cause of the non-compliance, call recording was established on the device and the Sales team were sent a procedure reminder. There have been no further self-reported non-compliances during 2016/17, 2017/18 and 2018/19.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to those self-identified and reported non-compliances by Synergy as part of its ERA annual compliance reports. Synergy has developed appropriate action plans to address the non-compliances and note the remedial actions implemented to be satisfactory.</p>			
184	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.4	A retailer must accept payment in advance from a customer on request. The minimum amount a retailer will accept an advance payment is \$20, unless otherwise agreed with a customer.	4	<p>Through walkthrough and enquiries with the Gas Billing Team we determined that the following is in place to address this obligation:</p> <p>Customers can pay to their payment number without restriction on frequency or minimum amount.</p> <p>Based on our enquiries, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
186A.	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.6(2)	If a retailer has charged a late payment fee in the circumstances set out in clause 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.	3	<p>Through enquiry and walkthrough with the Complaints Team, we identified that Synergy uses a Complaints Module in SAP. The SAP Complaints Module is used to record complaints which triggers an alert on the customer account indicating that a complaint is in progress. Synergy places locks to cease late payment fees on accounts with an active complaint as part of the automated process.</p> <p>Enquiries with the Complaints Team and review of the complaints register determined that there was only one customer complaint during the audit period 1 July 2015 to 30 June 2019 under GTL8. The complaint identified pertains to an incorrect meter reading and not relating to late payment of fees.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however because Synergy has no complaints relating to late payment fees in the audit period, we were unable to test for compliance.</p>	N/A. None noted.	A	N/R
190	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.7(1)	A retailer must not require a customer who has vacated a supply address, and who has given the retailer notice, to pay for gas consumed at the customer's supply address in the circumstances specified in clause 5.7(1), unless the retailer and the	5	<p>Through walkthrough and enquiries with the Complaints Team and examination of Move Out Guided Process Landing Page we determined upon advice from the customer, Synergy will close the account for a customer who has vacated a supply address. This will trigger the following:</p> <ul style="list-style-type: none"> <li>Automatic Final Reading Request - When a final meter read is requested by a user in SAP CRM, this automatically triggers SAP</li> </ul>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		customer have agreed to an alternative date.		<p>ISU to send a Service Notification (SN) to ATCO for a final meter reading.</p> <ul style="list-style-type: none"> <li>MDH Monitoring - MDH Team manually monitors the successful transfer of data to ATCO by verifying the delivery status and recipient acknowledgement.</li> <li>Automatic Final Bill Generation - Once the final meter read is received from ATCO, SAP ISU will automatically bill the customer for consumption up until the move out date specified by the customer.</li> </ul> <p>We reviewed a sample of final bills, when the final bill is generated the contract termination date is entered into SAP prohibiting the system from generating any further bills.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>			
191	Trading Licence clause 2.1 and Schedule 2 Compendium 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 a customer to pay for gas consumed at the customer's supply address from the date the customer gave the retailer notice.	5	Please refer obligation 190 above.	N/A. None noted.	A	1
192	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.7(3)	Notice is given if a customer informs a retailer of the date on which the customer intends to vacate, or has vacated the supply address, and gives the retailer a forwarding address to which a final bill may be sent.	4	Please refer obligation 190 above.	N/A. None noted.	A	1
193	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.7(4)	Notwithstanding clauses 5.7(1) and 5.7(2), a retailer must not require a customer to pay for gas consumed at the customer's supply address in the circumstances specified in clauses 5.7(4)(a)-(c).5	3	<p>Through enquiry and walkthrough with the Gas Contracts Team, we identified that Synergy has set up Automatic System Configurations within the SAP CRM system to facilitate the requirement in the obligation. SAP CRM is configured to ensure that only a single contract is active for a premises at any point in time. This will ensure the consumption is only charged to the customer who holds the active contract. No consumption from outside of these dates is charged to the contract. Synergy only holds an account holder liable for the consumption while they hold an active contract and have consumption.</p> <p>We additionally reviewed the Gas Sales Agreement Terms and Conditions and the Gas Customer Charter published on the Synergy website to confirm the billing circumstances. We sample tested 10 final</p>	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				<p>bills for account closures and noted that when a customer notifies Synergy of their intent to vacate the premises, the contract termination process is executed and the contract end date is entered into SAP confirming the contract with the client has been terminated.</p> <p>Based on our enquiries and testing, we can conclude that there are adequate controls in place and Synergy has complied with the license condition during the audit period.</p>			
196	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.8(2)	A retailer must not recover or attempt to recover a debt relating to a supply address from a person other than the customer with whom the retailer has or had entered into a contract for the supply of gas to that supply address.	4	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and Technology and Transformation Team and examination of the Standard agreement we determined that Synergy only holds the account holder liable for the collection of outstanding debt.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
196A.	Trading Licence clause 2.1 and Schedule 2 Compendium clause 5.9	If a customer with a debt owing to a retailer requests the retailer to transfer the debt to another customer, the retailer must obtain the other customer's verifiable consent to the transfer of debt.	4	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and Technology and Transformation Team and examination of the Debt Transfer Between Accounts With Different Names guidelines we determined that staff must obtain the other customer's verifiable consent to the transfer of debt.</p> <p>In case there is outstanding debt, the "transferring debts to active accounts" document details the transfer of debt from one account to another, including debts from closed accounts.</p> <p>We reviewed one sample transaction of debt transfer of a customer as part of the review to test the operational effectiveness of the above process and confirm that Synergy obtained the other customer's verifiable consent to the transfer of the debt.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

**PAYMENT DIFFICULTIES and FINANCIAL HARDSHIP**

221	Trading Licence clause 2.1 and Schedule 2 Compendium clause 6.11	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and Technology and Transformation Team and examination of the Promise to Pay guidelines we determined that the following procedures are in place to assess the financial hardship and payment difficulties in order to address this obligation. One off extensions could be obtained as support for arranging payment.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
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Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
<b>DISCONNECTION</b>							
222	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.1	A retailer must follow the procedures specified in clause 7.1(1) prior to arranging for disconnection of a customer's supply address for failure to pay a bill. A customer has failed to pay a bill in the circumstances specified in clause 7.1(2).	5	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team, and examination of the Gas Disconnection Process and the Gas Disconnections Gas Charter and Licence Obligations and Disconnection Warning notice we determined that:</p> <p>Disconnection will not be arranged until the following check have been made:</p> <ul style="list-style-type: none"> <li>• A disconnection warning notice has been issued</li> <li>• No interaction notes indicating a Complaint or Life Support</li> <li>• No agreed Promise to Pay</li> <li>• Payment has not been received</li> <li>• Correct mailing address has been applied</li> <li>• Contact has been made by either email or phone</li> <li>• No pending churn</li> <li>• Review whether a dual fuel contract exists</li> <li>• If the customer is large use, check with account manager if any issues.</li> </ul> <p>There have been three instances where a customer was disconnected due to failure of paying the bill during the audit period.</p> <p>We reviewed one sample transaction of disconnection as part of the review to test the operational effectiveness of the above process and confirm that Synergy has undertaken the necessary procedures to notify the customer.</p> <p>Based on our enquiries and examination, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
223	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.2(1)	A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).	4	Please refer obligation 222 above.	N/A. None noted.	A	1
225	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.4	A retailer must not arrange for the disconnection of a customer's supply address for denying access to the meter unless the conditions specified in clause 7.4(1) are satisfied. A retailer may arrange for a distributor to carry out 1 or more of the requirements referred to	4	<p>Through walkthrough and enquiries with the Gas Revenue and Credit Team and examination of the following documents we determined that Synergy has comprehensive policies covering gas disconnections.</p> <p>Synergy follows certain steps in disconnecting gas supply as enumerated in Gas Disconnection Process:</p> <ul style="list-style-type: none"> <li>• to ensure that all the right checks have been completed as per Gas Disconnections Gas Charter and Licence obligations.</li> <li>• Confirm with ATCO (distributor) the meter reading and service order type.</li> </ul>	N/A. None noted.	A	NR

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
		in clause 7.4(1) on behalf of the retailer.		<ul style="list-style-type: none"> <li>Release disconnection service order to ATCO and issue Service Notification.</li> </ul> <p>There have been no instances where a customer was disconnected due to denying access to the meter during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place, however, because there had been no disconnections, we were unable to test compliance during the audit period.</p>			
227	Trading Licence clause 2.1 and Schedule 2 Compendium clause 7.6	A retailer or a distributor must not arrange for disconnection or disconnect a customer's supply address in the circumstances specified in clause 7.6.	4	Please refer obligation 222 above.	N/A. None noted.	A	N/R
<b>RECONNECTION</b>							
228	Trading Licence clause 2.1 and Schedule 2 Compendium clause 8.1(1)	In the circumstances specified in clause 8.1(1)(a)-(c), a retailer must arrange for reconnection of the customer's supply address if the customer makes a request for reconnection, and pays the retailer's reasonable charges for reconnection (if any) or accepts an offer of an instalment plan for the retailer's reasonable charges for reconnection.	4	Please refer obligation 35 above.	N/A. None noted.	A	N/R
229	Trading Licence clause 2.1 and Schedule 2 Compendium clause 8.1(2)	A retailer must forward the request for reconnection to the relevant distributor that same business day if the request is received before 3pm on a business day; or no later than 3pm on the next business day if the request is received after 3pm on a business day, or on the weekend or on a public holiday.	4	Please refer obligation 52 above.	N/A. None noted.	A	N/R

**INFORMATION and COMMUNICATION**

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
231	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.1(1)	A retailer must give notice to each of its customers affected by a variation in its tariffs no later than the next bill in the customer's billing cycle.	5	Please refer obligation 58 above.	N/A. None noted.	A	N/R
232	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.1(2)	A retailer must give a customer on request, at no charge, reasonable information on the retailer's tariffs, including any alternative tariffs that may be available to the customer.	4	Please refer obligation 57 above.	N/A. None noted.	A	1
233	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.1(3)	A retailer must give a customer the information requested on tariffs within 8 business days of the date of receipt of the request and, if requested, a retailer must provide the information in writing.	4	Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Tariff Information available on Synergy website, we determined that:  Tariff Information is freely available on the Synergy website. Historical gas tariff rates were likewise available as well as the eligibility requirements for moderate to high gas users.  If customers request tariff information in writing, a standard letter is available in SAP which can be provided to the customer on request.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period we were unable to test for compliance during the audit period.	N/A. None noted.	A	N/R
234	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.2(1)	A retailer must, on request, give a customer their billing data.	4	Please refer obligation 63 above.	N/A. None noted.	A	1
235	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.2(2)	A retailer must give the requested billing data at no charge if a customer requests their 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 the retailer.	4	Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy Procedural documentation we determined that the following are in place to address this obligation:  Agents are able to issue billing information via CRM and at no charge to the customer. This will automatically issue the customer's meter read history to the customer's nominated address.  Agents are also able to issue Meter Reading History Letter and Transaction History Letter.  There have been no instances where customers have requested bill data during the audit period.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the	N/A. None noted.	A	N/R

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
				audit period we were unable to test for compliance during the audit period.			
236	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.2(3)	A retailer must give the requested billing data within 10 business days of the date of receipt of either the request, or payment of the retailer's reasonable charge for providing the billing data.	4	Please refer obligation 235 above.	N/A. None noted.	A	N/R
237	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.2(4)	A retailer must keep a customer's billing data for 7 years.	5	Through walkthrough and enquiries with the Gas Customer Contract Team we determined that:  SAP ISU does not have an archiving requirement in place, which means data is never removed from the systems and therefore historic billing information is available.  There have been no instances where customers have requested bill data during the audit period.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period we were unable to test for compliance during the audit period.	N/A. None noted.	A	N/R
239	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.4	A retailer must give, or make available, to a customer on request and at no charge, general information on: cost-effective and efficient ways to utilise gas (including referring a customer to a relevant information source) and the typical running costs of major domestic appliances.	4	Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Synergy website <a href="https://www.synergy.net.au/grid/information/index/energy_efficiency">https://www.synergy.net.au/grid/information/index/energy_efficiency</a> , the Energy Efficiency Information is available.  There have been no instances where customers have requested information during the audit period.  Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no events in the audit period we were unable to test for compliance during the audit period.	N/A. None noted.	A	N/R
240	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.5	If a customer asks for information relating to the distribution of gas, a retailer must give the information to the customer or refer the customer to the relevant distributor for a response.	4	Through walkthrough and enquiries with the Synergy Complaints Team we determined that:  If a customer asks for information relating to the distribution of gas they will be referred to ATCO. In this case customers are referred to call 13 13 52 to contact ATCO directly.  Based on our enquiries, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
241	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.5A(1)	A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme.	5	<p>Through walkthrough and enquiries with RaC and examination of the following documents we determined that Synergy has existing policies covering its consultation with the ERA when preparing the Gas Customer Safety Awareness Programme. The following documents show that:</p> <p>It was noted that Synergy lodged a new Gas Customer Safety Awareness Programme at the time of GTL 8 licence renewal in 2017.</p> <p>Based on our enquiries, we can conclude that there are adequate controls in place however this obligation is not applicable to Synergy because the initial programme was prepared in consultation with ERA at the time GTL 8 was applied for.</p>	N/A. None noted.	A	N/R
242	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.5A(2)	A retailer must consult with the ERA when preparing the gas customer safety awareness programme.	5	Please refer obligation 241 above.	N/A. None noted.	A	N/R
243	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.5A(3)	A gas customer safety awareness programme is to communicate information to customers regarding safety in the use of gas and must address, at a minimum, the information referred to in clause 10.5A (3) (a)-(e).	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of the following documents we determined that Synergy has a comprehensive safety awareness programme that is made available to the customer via various outlets including the Synergy website: <a href="https://www.synergy.net.au/Your-business/Help-and-advice/Safety/Top-10-tips-for-gas-safety-at-work">https://www.synergy.net.au/Your-business/Help-and-advice/Safety/Top-10-tips-for-gas-safety-at-work</a>.</p> <p>These documents discuss the following:</p> <p>Synergy Gas Safety Awareness Factsheet:</p> <ul style="list-style-type: none"> <li>• 24/7 hotline number is provided for emergency cases;</li> <li>• Safety precautions to follow in case of gas smell/leaks;</li> <li>• Definite consumer responsibilities in ensuring a safe environment during gas installation and gas equipment maintenance;</li> <li>• Advance notice for any upcoming gas interruptions due to maintenance, expansion, repair, emergency, health or safety reasons.</li> </ul> <p>Regulation and Compliance - Operations Manual:</p> <ul style="list-style-type: none"> <li>• Item 32.1, Identifying a regulatory incident - Employees receive training on the common regulatory obligations to be aware of potential non-compliances and the customer care guides outline many common obligations as well.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
245	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.9	A retailer and distributor must, to the extent practicable, ensure that any written information that must be given to a customer by the retailer, distributor or gas marketing agent under the Gas Marketing Code and the Compendium is expressed in clear, simple and concise language and is in a format that makes it easy to understand.	5	<p>Through walkthrough and enquiries with the Gas Customer Contract Team and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>To ensure that all communications with customers are clear, simple and concise, Synergy has a dedicated marketing and communications team with several SME's, and frequently engages an external agency for producing communications. Customer communications typically will undergo a legal review.</p> <p>Synergy website - Terms and Conditions page <a href="https://www.synergy.net.au/UtilityLinks/Terms-and-conditions">https://www.synergy.net.au/UtilityLinks/Terms-and-conditions</a> contains materials distributed to customers such as:</p> <ul style="list-style-type: none"> <li>• Financial Hardship policy</li> <li>• Customer charter</li> <li>• Electricity and Gas supply agreements</li> <li>• Direct Debit service agreement etc.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
246	Trading Licence clause 2.1 and Schedule 2 Compendium clause 10.10(1)	A retailer must advise a customer on request how the customer can obtain a copy of the Gas Marketing Code and the Compendium; and make a copy of the Gas Marketing Code and the Compendium available on the retailer's website.	5	<p>Through walkthrough and enquiries with Gas Customer Contract Team and examination of Regulation and Compliance - Operations Manual we determined that:</p> <p>RaC is responsible for ensuring that the documents on Synergy's public website are updated on the date the new Code of Conduct or Compendium comes into effect.</p> <p>Through examination of Synergy's Website - <a href="https://www.synergy.net.au/termsandconditions">https://www.synergy.net.au/termsandconditions</a> we determined that: Synergy has advice for customers who request how they can obtain a copy of the Gas Marketing Code and the Compendium; and have made a copy of the Gas Marketing Code and the Compendium available on the retailer's website.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
<b>COMPLAINTS and DISPUTE RESOLUTION</b>							
251	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(1)	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	4	<p>Through walkthrough and enquiries with the Synergy Complaints Team and examination of internal training content we determined that:</p> <p>The Gas Complaints process follows the existing complaints process for energy.</p> <p>Gas complaint/disputes fielded by the contact centre are forwarded to the relevant SME. We observed that during the audit period there was only 1 complaint made relating to gas. This complaint has now been resolved during the audit period.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
252	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(2)	The complaints handling process under clause 12.1(1) must comply with AS/NZS 10002:2014 and address, at the least, the criteria specified in subclauses 12.1(2) (b) - (c). The complaints handling process must be available at no cost to customers.	5	<p>Through walkthrough and enquiries with the Synergy Complaints Team and examination of Synergy Complaints Policy and Website we determined that:</p> <p>The Synergy complaints handling process under clause 12.1(1) complies with AS/NZS 10002:2014 and address, at the criteria specified in subclauses 12.1(2) (b) - (c). The complaints handling policy is available on the Synergy website at no cost to customers. Dedicated website Section <a href="https://www.synergy.net.au/about_us/claims_complaints_compliments.shtml">https://www.synergy.net.au/about_us/claims_complaints_compliments.shtml</a></p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
254	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(3)(a)	When responding to a complaint, a retailer or distributor must advise the customer that the customer has the right to have the complaint considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process).	5	<p>Through walkthrough and enquiries with the Synergy Complaints Team and examination of Synergy Complaints Policy we determined that:</p> <p>Synergy's Complaints Policy, which is freely available on its website, advises customers that they have the right to have the complaint considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process)</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
255	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(3)(b)	When a complaint has not been resolved internally in a manner acceptable to the customer, a retailer or distributor must advise the customer of the reasons for the outcome (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body and provide the Free call telephone number of the gas ombudsman.	4	<p>Through walkthrough and enquiries with the Synergy Complaints Team and examination of Synergy Complaints Policy we determined that:</p> <p>The Gas Complaints process follows the existing complaints process for energy found on Synergy's Knowledge Base (KANA) which is appropriate for both electricity and gas, aligning the ERA's complaints guidelines to Synergy's complaints policy which covers both Electricity and Gas.</p> <p>Online Compulsory training on Business Compliance and Industry Compliance found on Synergy Intranet (Edison) in the "Enlighten" program.</p> <p>Per Synergy's Complaints Policy which is freely available on its website, customers are informed of the reasons for the outcome (of their complaint) (on request, the retailer or distributor must supply such reasons in writing); and that the customer has the right to raise the complaint with the gas ombudsman or another relevant external dispute resolution body. Synergy provides the Free call telephone number of the gas ombudsman.</p> <p>There were no unresolved complaints during the audit period for Synergy.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place however due to no customer complaints not being resolved in a manner acceptable to the customer in the audit period we were unable to test for compliance during the audit period.</p>	N/A. None noted.	A	N/R
255A.	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.1(4)	A retailer or distributor must, on receipt of a written complaint by a customer, acknowledge the complaint within 10 business days and respond to the complaint within 20 business days.	4	<p>Through walkthrough and enquiries with the Synergy Complaints Team and examination of the Synergy complaints policy we determined that the following are in place to address this obligation:</p> <ul style="list-style-type: none"> <li>• CRM Customer Complaint Acknowledgement Request - Agents are able to issue acknowledgement upon the receipt of a customer complaint and at no charge to the customer. This will automatically issue the Complaint Acknowledgement letter to the customer's nominated address.</li> <li>• Complaints Module - SAP CRM Complaints Module is used to record complaints which triggers an alert on the customer's account indicating that a complaint is in progress.</li> <li>• Additionally, complaint process and policy can be found at Synergy's website.</li> </ul> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1

Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
256	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.2	A retailer must comply with any guideline developed by the ERA relating to distinguishing customer queries from customer complaints.	5	Please refer obligation 255A above.	N/A. None noted.	A	1
257	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.3	A retailer, distributor and gas marketing agent must give a customer on request, at no charge, information that will assist the customer in utilising the respective complaints handling processes.	5	Please refer obligation 255 and 255A above.	N/A. None noted.	A	1
258	Trading Licence clause 2.1 and Schedule 2 Compendium clause 12.4	When a retailer, distributor or gas marketing agent receives a complaint that does not relate to its functions, it must advise the customer of the entity that it reasonably considers to be the appropriate entity to deal with the complaint (if known).	4	<p>Through walkthrough and enquiries with the Synergy Complaints Team and examination of Synergy Complaints Policy we determined that the following are in place to address this obligation:</p> <p>This is addressed in page 3 of the complaints policy, which can be found on the Synergy website.</p> <p>Generally, if Synergy receives a complaint that does not relate to its functions, they will be related to ATCO. In this case, customers are referred to call 13 13 52 to report complaints directly to ATCO.</p> <p>Based on our enquiries and review of documentation, we can conclude that there are adequate controls in place and Synergy has complied with the licence condition, during the audit period.</p>	N/A. None noted.	A	1
<b>RECORD KEEPING and REPORTING</b>							
281	Trading Licence clause 2.1 and Schedule 2 Compendium 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.	5	Please refer obligation 103 above.	N/A. None noted.	A	1
282	Trading Licence clause 2.1 and Schedule 2 Compendium clause 13.2	A report referred to in clause 13.1 must be provided to the ERA by the date, and in the manner and form, specified by the ERA.	5	Please refer obligation 103 above.	N/A. None noted.	A	1



Detailed findings and recommendations

Ref No.	Obligations under condition	Description	Audit priority	Observation	Recommendation	Control Rating	Compliance Rating
283	Trading Licence clause 2.1 and Schedule 2 Compendium clause 13.3	A report referred to in clause 13.1 must be published by the date specified by the ERA.	5	<p>Through walkthrough and enquiries with RaC and examination of Regulation and Compliance Operations Manual we determined that the process to publish a report is as follows:</p> <p>A 'Service Now' ticket must be created with PDF and Word version of the record keeping report as time sensitive data for publication. We sighted the screenshot of the Service Now ticket that was generated for the 2017-18 GTL8 publication of the annual performance report.</p> <p>The publication (available on the website) is the responsibility of both RaC and Technology and Transformation.</p> <p>In the 2016/17 Compliance Report submitted to the ERA, Synergy self-reported a breach of the obligation. The annual gas trading license performance data sheet was not published on the public website by the 24<sup>th</sup> October 2016 as required by the ERA. The breach was attributed to staff being allocated to non-project related work.</p> <p>In response to the cause of the non-compliance, Synergy considered allocating the requests to a group instead of an individual. Additionally, the report was published on the public website on 25<sup>th</sup> October 2016 at 9.19am. There has been no further self-reported non-compliances during 2017/18 and 2018/19.</p> <p>Based on our walkthrough, enquiries and review of documentation and testing, no further breaches were identified in addition to the self-identified and reported non-compliance by Synergy as part of its ERA annual compliance reports. Synergy has implemented appropriate actions to address the non-compliance and note the remedial actions to be satisfactory.</p>	N/A. None noted.	B	2

# 5 Previous audit non-compliances and recommendations

Reference (No./year)	Legislative Obligation Ref.	Rating	Details of the issue	Auditors' Recommendation or action taken	Date Resolved	Further Action Required
<b>RESOLVED BEFORE END OF PREVIOUS AUDIT PERIOD</b>						
146/2015	146	A2	<p><b>Legislative Obligation:</b>                      Trading License clause 2.1 Schedule 2                      Compendium clause 4.4                      Energy Coordination Act section 11M</p> <p><b>Details:</b>                      Synergy has self-reported a breach affecting 112 electricity collective customers during 2013/14 for failure to send customers their bills despite notifying Synergy of a change in mailing address.</p> <p>It was noted that some of these collective customers may also have small-use gas business accounts. The cause of the non-compliance was identified as human error as the customer service representatives failed to comply with Synergy's standard operating procedures. Errors were also being caused by a system defect in circumstances where a customer's account existed prior to SAP billing system implementation.</p>	The breach issue has been resolved during the previous audit period.	March 2015	No further action required.
147/2015	147	A2	<p><b>Legislative Obligation:</b>                      Trading License clause 2.1                      Schedule 2 Compendium clause 4.5 (1)                      Energy Coordination Act section 11M</p> <p><b>Details:</b>                      Review of small-use gas customer bills did not meet the minimum prescribed</p>	The breach issue has been resolved during the previous audit period.	March 2015	No further action required.

Previous audit non-compliances and recommendations

Reference (No./year)	Legislative Obligation Ref.	Rating	Details of the issue	Auditors' Recommendation or action taken	Date Resolved	Further Action Required
			information required by clause 4.5(1)(bb) denotes that – to the extent that the data is available, a graph or bar chart illustrating the customer's amount due or consumption for the period must be displayed on the bill. However, the customers' bills were silent on this matter			
183/2015	183	A3	<p><b>Legislative Obligation:</b></p> <p>Trading License clause 2.1 and 5.1</p> <p>Schedule 2 Compendium clause 10.10(3)</p> <p>Energy Coordination (Customer Contracts) Regulation 46(4)</p> <p>Energy Coordination Act section 11M</p> <p><b>Details:</b></p> <p>1 recording from 2014 of the 3 phone recordings tested for the customer's direct debt verifiable consent was not available as the operator did not have call recording capability on their phone. An interaction note on the customer's account was recorded advising that the required information had been agreed to.</p>	The breach issue has been resolved during the previous audit period.	September 2014	No further action required.
<b>RESOLVED DURING THE CURRENT AUDT PERIOD</b>						
84/2013 248 /2015	84, 248	B1	<p><b>Legislative Obligation:</b></p> <p>Trading License clause 5.1</p> <p>Energy Coordination Act section 11X(3)</p> <p><b>Details:</b></p> <p>Staff at reception were unaware of the physical copies of the Energy Coordination Act, Gas Compendium and gas Marketing Code kept behind the counter without the assistance of the auditor. This was due to the staff member recently returning to work after a period of leave and was unaware of the reminder notice previously provided by the regulation and compliance team. Without the assistance of the auditor, the</p>	The breach issue has been resolved during the previous audit period.	September 2015	No further action required.

Previous audit non-compliances and recommendations

Reference (No./year)	Legislative Obligation Ref.	Rating	Details of the issue	Auditors' Recommendation or action taken	Date Resolved	Further Action Required
			documents would not have been located by the receptionist.			
<b>A. Unresolved during the current audit period</b>						

None Noted





# Appendix A – References

## Personnel, sites visited and documentation

### Sites visited

- Synergy Head Office, Forrest Centre.

### Key contacts and Audit Team

On behalf of the licensee, key contacts for the performance audit were:

#### Synergy head office:

- Simon Thackray, Manager, Regulation and Compliance, CSBU
- Catherine Lennon, Analyst, Regulation and Compliance, CSBU
- Adam Graves, Research Officer, Regulation and Compliance, CSBU
- Aroha Rongo, Compliance and Risk Coordinator, Retail Compliance and Risk, RBU
- Cameron Brown, Compliance Analyst, Core Systems, Technology and Transformation

#### The Audit and Review team comprised the following personnel:

- Sian Ashdown – Engagement Leader
- Cameron Jones – Quality Review Partner
- Sham Sikander - Team Manager
- Michelle Tengonciang - Manager
- Anuki Dias – Senior Consultant
- Matthew Taylor - Consultant

### Work Schedule

Activity	Team Member	Start Date	Completion Date	Actual Time
<b>Project Start</b>	All	21/06/2019	30/09/2019	182 hours
<b>Preliminary Assessment</b>	Sian Ashdown, Partner Sham Sikander, Manager Anuki Dias, Senior Consultant	25/06/2019	02/07/2019	10 hours
<b>Audit Plan – First Draft to Synergy</b>	Cameron Jones, Quality Review Partner Sian Ashdown, Partner Sham Sikander, Manager Anuki Dias, Senior Consultant	04/07/2019	05/07/2019	10 hours
<b>Audit meetings (fieldwork) at Synergy Head Office</b>	Cameron Jones, Quality Review Partner Sian Ashdown, Partner Sham Sikander, Manager Michelle Tengonciang, Manager	15/07/2019	23/08/2019	102 hours

Activity	Team Member	Start Date	Completion Date	Actual Time
	Anuki Dias, Senior Consultant			
<b>Report – First Draft to Synergy/ERA and Post Audit Review Implementation Plan</b>	Cameron Jones, Quality Review Partner Sian Ashdown, Partner Sham Sikander, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant	23/08/2019	30/08/2019	40 hours
<b>Report - Final issue to Synergy/ERA</b>	Cameron Jones, Quality Review Partner Sian Ashdown, Partner Sham Sikander, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant	19/09/2019	30/09/2019	20 hours

### *Documentation*

Key documents reviewed as part of the audit included the following (see below).

1. Regulation and Compliance Operations Guideline
2. Standard Gas Agreement
3. ATCO Gas Template Service Agreement 2014- 2019
4. Risk Management System
5. Crisis Management Plan
6. Non-Order Invoice 101919 Request form for ERA standing charges - 26.03.2019
7. ERA invoice 101919 - corresponding with NOI 26.03.2019
8. GTL8 Invoice FY17-18
9. GTL8 invoice payment evidence FY17-18
10. TJ Gas Sales Agreement Application form with Meter Charge - January 2016
11. CS - gas standard form contract - ERA approved June 2014 formatted - Solicited
12. SYNo617 Bill Explainer BUSI Gas
13. Synergy Accounting Policies Handbook
14. Synergy Annual Report Final 2018 - 18 September 2018
15. Gas Marketing Code of Conduct
16. Communications Change Process - RBU Marketing
17. Complaint Resolution Policy – 2017
18. Transferring Credits Between Accounts Linked to Control Number C837
19. Electronic EFT Refund Process Linked to Control Number C837
20. Gas Disconnection Process
21. Gas Disconnections – Gas Charter and Licence Obligations
22. Gas Disconnection Warning Non-Payment Letter
23. Reconnection for Gas Customers
24. Final Account Collections Procedure for Contestable Gas and Electricity

25. Small Use Gas Customer Recontracting Process
26. Meter Data Verify Letter
27. CS04 AND CS05 BPEM SOP
28. CS41 AND CS42 BPEM SOP
29. Bill Review - Estimated Read (Not Self Read)
30. Rebill Letters
31. How to Order a Transaction History Letter
32. How to Order a Meter Reading History Letter
33. Gas Sales Process
34. Customer Requests for Meter Test
35. Debt Transfer Between Accounts with Different Names
36. Move out Guided Process Landing Page
37. Step 4. Confirm Product and Tariff
38. Product Tariff Eligibility Conditions
39. Billing Services Meter Reconfiguration Training Guide
40. Direct Debit Declaration – Periodic
41. Direct Debit Declaration – Instalments
42. Screenshot of Service Desk- ticket for publication of GTL8 report 2017-18
43. Loss of Forrest Centre - All Synergy BCP
44. GBU BCP
45. WBU BCP
46. GTDG - OCGT - Operational Technology Disaster Recovery Plan
47. Pinjar GT
48. BCP Retail Business Continuity Plan for Loss of Forrest Centre
49. RSS SOP BPEM MR02 Wrong Configuration for Mirn
50. RSS SOP BPEM MR05 Error Uploading Gas Interval Data
51. Rebill Task SOP
52. Business Gas Terms and Conditions -version 4 November 2016
53. Mktg Synergy Fixed Rate Gas Terms and Conditions V2 Jan 2016
54. Synergy Gas Safety Awareness Factsheet
55. Standard Letter Matrix
56. Telstra SLA's
57. Transferring Debts to Active Accounts
58. Refund Types and Business Rules
59. Billing Services Business Rules
60. Check Read Customer Letters
61. High Accounts - Residential Customers - Landing Page
62. Standard Gas Agreement
63. Cheque Refunds
64. Bill Review – Actual Reads
65. Bill Review – Self Reader Estimated
66. Bill Review - Estimated Read (Not Self Read)

67. Credit Card Refunds
68. Creating a Complaint
69. ZM95 BPEM SOP - Standard Account
70. Billing Services Business Rules Linked To Control Number C775
71. Rebill Invoice Wording Letter Copy
72. Standard Gas Agreement June 2014
73. Step 1. Vacant premise and Backdated Move In
74. Bills Not Received or Missing Bill
75. R14613
76. Emergency Management Plan – KPS CKB HEGT
77. Corporate Services- Electricity 101 Presentation 4 Gas And Gas Industry
78. CS02 AND CS03 BPEM SOP
79. ZS33 BPEM SOP
80. MDV letter - SUC compliant
81. CI SOP - Raising MDV's Back Office
82. MR16 BPEM SOP Greater Than 365 Day Undercharge
83. MR16 BPEM SOP - Standard Account
84. RBU MC Solicited and unsolicited contact
85. Gas Code Compliant Outbound Sales Script - Business Management
86. User Guide - ServiceNow Incident Management
87. AAPT SLA Review
88. CITAR 1 - SolarWinds Instrumentation Plan
89. RSS Check Read Letter - SUC
90. CS - Regulation and Compliance Fact Sheet - Electricity and Gas Safety Legislation
91. Synergy Gas Trading Licence GTL8 Performance Report Datasheet 2017-2018
92. 2015/16, 2016/17, 2017/18 and 2018/19 Annual Compliance Reports