

Performance Audit Report

*Performance Audit – Gas
Trading Licence (GTL10)
FINAL REPORT
27 November 2020*

*Wesfarmers Kleenheat
Gas Pty Ltd*

27 November 2020



Nina Telford
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27 November 2020

Dear Nina

Wesfarmers Kleenheat Gas Pty Ltd: 2020 Gas Trading License 10 (GTL10) Performance Audit Report

We have completed the Gas Trading License 10 (GTL10) Performance Audit (Audit) for Wesfarmers Kleenheat Gas Pty Ltd (Kleenheat) for the period 1 September 2018 to 31 August 2020 and are pleased to submit our report to you. This Audit was performed in accordance with the Economic Regulation Authority (ERA) approval letter dated 06 August 2020, the ERA approval of the Audit Plan dated 14 October 2020 and our letter of engagement dated 14 August 2020.

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 Wesfarmers Kleenheat Gas Pty Ltd (“Client”) in accordance with and for the purpose set out in the Economic Regulation Authority of Western Australia (ERA) approval letter dated 6 August 2020.

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1 *Independent assurance practitioner's report*

Independent assurance report on the Wesfarmers Kleenheat Gas Pty Ltd, Performance Audit 2020

To Nina Telford, Regulatory Manager:

Opinion

We have undertaken a reasonable assurance engagement on the Wesfarmers Kleenheat Gas Pty Ltd (Kleenheat) compliance, in all material respects, with the Gas Trading Licence (GTL10) conditions and the relevant legislative obligations (License Conditions) from the 2020 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 September 2018 to 31 August 2020. Changes in the Gas Compliance Reporting Manual during the audit period 2017 to 2020 and the related impact on the audit are outlined in Table 4.

In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion section below, Kleenheat has complied, in all material respects, with the general license conditions of GTL10 and the relevant legislative obligations from the 2020 Gas Compliance Reporting Manual and 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)" for the period 1 September 2018 to 31 August 2020.

Basis for Qualified Opinion

Kleenheat self-identified and reported 15 non-compliance breaches of GTL10 and relevant legislative obligations (listed in the Breaches Summary Table below). The non-compliance breaches were reported to the ERA in Kleenheat's 2018/19 and 2019/20 Annual Compliance reports. Additionally, the audit identified one non-compliance pertaining to Kleenheat's financial hardship policy, which was one of this audit's focus areas. The non-compliance is applicable to two (2) separate obligations.

Out of the 15 self-reported breaches, we rated:

- 13 breaches as A2s (refer to Section 2, Table 1 for ratings definition), which had minor impact to customers and were remedied through the implementation of management's action plans; and
- Two (2) breaches as B2s (refer to Section 2, Table 1 for ratings definition), which had minor impact to customers but have not yet been resolved.

The breach identified through our audit procedures in relation to Kleenheat's financial hardship policy was rated an A2, as it had minor impact on customers and was resolved during the audit in October 2020 (please refer to breach number 12 & 13 in the below table).

As such, we qualify our opinion in this regard.

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 qualified opinion.

Breaches Summary Table

#	Reporting Manual number and Licence condition	Audit period Issue
1	102 Compendium clause 23.1 A licensee must provide to the ERA any information that the ERA may require in connection with its	In one (1) instance during the audit period, the 2019 gas licence standing charges were not submitted to the ERA by 30 September 2019.

#	Reporting Manual number and Licence condition	Audit period Issue
	functions under the Energy Coordination Act 1994 in the time, manner and form specified by the ERA.	
2	<p>125</p> <p>Code of Conduct clause 2.5(2)</p> <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"> · 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. 	In one (1) instance during the audit period, a sales agent failed to wear their marketing identification card while on duty and realised a sale.
3	<p>134</p> <p>Compendium clause 3.1(1)</p> <p>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.</p>	In four (4) instances during the audit period, the customer was provided with the wrong email address to send their new connection request to, which caused failure to forward the new connection request to the distributor within the prescribed timeframe.
4	<p>136</p> <p>Compendium clause 4.1(a)</p> <p>A retailer must issue a bill no more than once a month unless the conditions specified in clause 4.1(a)(i)-(iv) apply.</p>	In 84 instances during the audit period, customers were issued more than one bill in the same month, 30 of which did not meet the conditions specified under clause 4.1(a)(i)-(iv).
5	<p>137</p> <p>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>	In 356 instances during the audit period, Kleenheat failed to issue bills to customers at least every 105 days without meeting specified conditions under clause 4.1(b)(i)-(iv).
6	<p>147</p> <p>Compendium clause 4.5(1)</p> <p>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.</p> <p>Note: the summary wording of this obligation has not changed, but since the commencement of the amended Compendium on 1 January 2020, there have been some changes to the content of clauses 4.5(1)(a)-(cc) and the creation of an exception to complying with 4.5(1)(w) as set out in 4.5(4).</p>	In 6,030 instances during the audit period, Kleenheat failed to include bill particulars as required under clauses 4.5(1)(a)-(cc).
7	<p>155</p> <p>Compendium clause 4.8(2)</p> <p>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).</p>	In one (1) instance during the audit period, the LPG billing engine failed to disclose on a final bill issued, that the final bill was based on an estimated read.
8	<p>157</p> <p>Compendium clause 4.9</p> <p>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.</p>	In one (1) instance during the audit period, Kleenheat failed to include an adjustment amount to reflect the actual reading on a bill, when the previous bill was based on an estimated reading.
9	<p>165</p> <p>Compendium clause 4.14(2)</p>	In 2,899 during the audit period, Kleenheat failed to obtain instructions from the customer on how to deal with a credit

#	Reporting Manual number and Licence condition	Audit period Issue
	<p>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.</p>	<p>position on a final bill, and/or follow those instructions within the prescribed timeframe.</p>
10	<p>202</p> <p>Compendium clause 6.2(3)</p> <p>A retailer must allow a temporary suspension of actions for a period of at least 15 business days.</p>	<p>In one (1) instance during the audit period, Kleenheat failed to allow a temporary suspension of actions for a period of at least 15 business days and disconnected a customer assessed as experiencing financial hardship before the expiry of this period.</p>
11	<p>206A.</p> <p>Compendium clause 6.4(3)</p> <p>If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3)(a)(i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and provide the customer with information explaining the changes.</p>	<p>In one (1) instance during the audit period, a Credit Officer assessed a customer as experiencing financial hardship and agreed to a payment arrangement but was taken to the hospital due to ill health and failed to send details of said arrangement as prescribed by clause 6.4(3)(a)(i)-(iii).</p>
12	<p>215</p> <p>Compendium clause 6.10(2)</p> <p>A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2).</p> <p>Note: the summary wording of this obligation has not changed, but the content of clause 6.10(2)(h)(i) was amended as part of the changes to the Compendium (which came into effect on 1 January 2020), along with the addition of new subclause 6.10(2)(k).</p>	<p>Our review of Kleenheat's hardship policy effective from 2015 revealed one (1) instance of non-compliance. This instance occurred as a result of Kleenheat failing to include a specification as to how it is to treat information disclosed by customers and held in relation to customers as required by clause 6.10(2)(k).</p>
13	<p>220</p> <p>Compendium clause 6.10(7)</p> <p>A retailer must comply with the ERA's Financial Hardship Policy Guidelines.</p>	
14	<p>222</p> <p>Compendium clause 7.1</p> <p>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).</p>	<p>In four (4) instances during the audit period, Kleenheat disconnected customers outside of the conditions prescribed by clause 7.1(1).</p>
15	<p>223</p> <p>Compendium clause 7.2(1)</p> <p>A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).</p> <p>Note: the summary wording of this obligation has not changed, but the content of clause 7.2(1)(d) was</p>	<p>In one (1) instance during the audit period, an agent disconnected a customer adhering to a payment arrangement plan.</p>

#	Reporting Manual number and Licence condition	Audit period Issue
	amended as part of the changes to the Compendium that came into effect on 1 January 2020.	
16	<p>228</p> <p>Compendium clause 8.1(1)</p> <p>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.</p>	In one (1) instance during the audit period, a Credit Officer raised a reconnection request without the customer's consent after settlement was received.
17	<p>229</p> <p>Compendium clause 8.1(2)</p> <p>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.</p> <p>Note: the summary wording of this obligation has not changed, but new clause 8.1(3), which provides compliance detail about clause 8.1(2), was added as part of the changes to the Compendium that came into effect on 1 January 2020.</p>	In two (2) instances during the audit period, Kleenheat failed to forward a request for reconnection to the network distributor (ATCO) during the prescribed timeframe under clause 8.1(2).

Kleenheat's responsibilities

Kleenheat's Management is responsible for:

- Identifying risks that threaten the conditions within the GTL10 Licence and relevant legislative obligations from the 2020 Gas Compliance Reporting Manual and 2017 Gas Compliance Reporting Manual being met.
- The compliance activity undertaken to meet the GTL10 Licence Conditions and relevant associated legislative obligations from the 2020 Gas Compliance Reporting Manual and 2017 Gas Compliance Reporting Manual being met.
- Identification and implementation of controls which will mitigate those risks that prevent the Licence 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 Kleenheat's compliance with GTL10 and relevant legislative obligations in all material respects, as evaluated against the Guidelines, for the period from 1 September 2018 to 31 August 2020. ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether Kleenheat has complied, in all material respects, with the licence, as evaluated against the conditions within the licence, for the period from 1 September 2018 to 31 August 2020.

An assurance engagement to report on Kleenheat's GTL10 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 Licence 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 September 2018 to 31 August 2020 does not provide assurance on whether compliance with the Licence will continue in the future.

Use of report

This report has been prepared for use by the Wesfarmers Kleenheat Gas Pty Ltd for the purpose of Section 11ZA (1) of the Energy Coordination Act 1994 (WA) (updated as at 30 Jan 2012). We disclaim any assumption of responsibility for any reliance on this report to any person other than the Wesfarmers Kleenheat Gas Pty Ltd, 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 1994 (WA) (updated as at 30 Jan 2012).



PricewaterhouseCoopers



Sian Ashdown, Perth
27 November 2020

2 *Executive summary*

2.1 *Introduction and background*

Wesfarmers Kleenheat Gas Pty Ltd (Kleenheat or the licensee) holds a Gas Trading Licence (GTL 10) issued by the Economic Regulation Authority (ERA or the Authority) under the Energy Coordination Act of 1994 (the Act). The licence is related to Kleenheat's operations as a gas retailer in the Coastal, Great Southern, Goldfields-Esperance and Wheatbelt gas supply areas. Kleenheat's gas retail operations relate to the supply of:

- Natural Gas (NG) to small use customers via the Mid-West/South West Gas Distribution System, and
- Liquefied Petroleum Gas (LPG) to small use customers via Kleenheat's LPG distribution systems in Albany and Margaret River.

Kleenheat is part of Wesfarmers Chemicals, Energy and Fertilisers, a division of Wesfarmers Limited. Kleenheat has over 200,000 residential natural gas customers, 3,000 commercial natural gas customers and 1,500 reticulated LPG customers across WA and the Northern Territory.

Under section 11ZA of the Act, Kleenheat is required to provide to the ERA a performance audit of its Gas Trading Licence (GTL 10). Under the conditions of the licence, Kleenheat is currently subject to independent performance audits at 24-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.

Section 1.6.3 of the Guidelines allows the Authority to identify areas of special focus for an audit. The Authority has specified the following two (2) areas of special focus relating to the 2020 Gas Trading Licence Performance Audit:

- Annual Performance Data (Refer to Appendix A); and
- Payment Difficulties and Financial Hardship (Refer to Appendix B).

PricewaterhouseCoopers (PwC) has been engaged by Kleenheat to conduct the independent performance audit (the audit) to requirements as evaluated against the GTL10 general licence conditions and the relevant legislative obligations from the 2020 Gas Compliance Reporting Manual and 2017 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 1 September 2018 to 31 August 2020.

2.2 *Deviations from the audit plan*

The licence obligations that were determined to be not applicable to Kleenheat after the ERA approval of the audit plan on 14 October 2020 are listed in the table below.

Audit Plan Deviation Table

No.	Licence condition	Obligations under condition	Description	Audit priority per approved Audit Plan
2	73	Energy Coordination (Customer Contracts) Reg 40(3), Trading Licence clause 5.1	A non-standard contract must prohibit the supply of gas to the customer under a door to door contract during the cooling-off period unless the customer requests supply.	5
3	126	Energy Coordination Act section 11ZPP Code of Conduct clause	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	4

No.	Licence condition	Obligations under condition	Description	Audit priority per approved Audit Plan
		2.6, Trading Licence clause 19	permitted, or no advertising material is to be left at the premises.	

2.3 Observations

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

- Has established internal controls and compliance frameworks. This provides guidance and direction through policies and procedures that enable Kleenheat to ensure all licencing obligations are complied with.
- Has developed a comprehensive policy and procedure library through its document management software, which includes all procedure and policy documents.
- Continuously promotes a culture of self-reporting through its incident management software (breach register). The incidents recorded are reviewed by the Regulatory Manager and appropriate feedback is provided. Additionally, these incidents are reported to the Senior Management who continuously monitor and track these non-compliances.
- Compliance specific training courses are being developed and deployed. Annual refresher training programs are made available to most staff. The staff are being trained as needed when new compliance trainings are deployed. The objective of these training programs is to reduce the non-compliance breaches that are identified on a yearly basis.
- Consistent developments have been undertaken on Kleenheat's billing system.
- All of 2018 audit recommendations have been completed before the commencement of the 2020 performance audit.

Considering COVID-19, Kleenheat had undertaken the following processes and procedures with the aim of strengthening its control environment and complying with the rules and regulations set forth by the Government of Australia:

- Adhering to the government requirements, Kleenheat has halted all disconnections due to non-payment of bills since March 2020. This position will be held until further instructions are received by the government.
- Kleenheat closed all kiosks that are maintained at shopping centres to comply with the physical distancing requirement and COVID guidelines. New account openings were facilitated through telephone and website.
- Remote working arrangements were put in place. The staff were provided with the required technology, training, guidance and resources to continue providing support to the Kleenheat customers and therefore continued to operate business as usual.

Reviewing the control environment, structure and procedures, we also observed the following improvement opportunities:

- Automation of the incident management software (breach register) reporting. Currently, the breach register does not have capability to generate reports or customise outputs making reporting difficult. When reporting needs to be performed, the breach register needs to be manually counted to identify the number of breaches. This can result in human errors or omissions.
- Maintenance of GTL10 control register which is aligned with the GTL10 License Obligations. This will facilitate risk assessment and performance reviews. This could also help Kleenheat with establishing any additional systems, policies, procedures, education and training programs which are explicitly aligned with the License Obligations.
- Improvement and formalisation of the existing user access management process across all teams and the existing change management process in relation to data queries and scripts.
- Formalisation of a procedure document for each ERA indicator (or group of indicators), detailing how the performance data is to be extracted and which filter is to be applied in order to obtain the required figure.

Following our audit procedures conducted over the audit period, Kleenheat was found to be in compliance with the licence conditions apart from the fifteen self-identified and reported non-compliances, and one (1) non-compliance (applicable to two obligations) identified through our audit procedures, pertaining to obligations listed under the Basis of Qualified Opinion section of this report. Of those fifteen self-identified non-compliances, fourteen were self-reported under the Compendium and one (1) was self-reported under the Gas Marketing Code of Conduct 2017. The non-compliance identified during the audit was reported under the Compendium.

Based on the review of the two special focus areas detailed under Appendix A and B of this report, we observed that:

- The processes and procedures for data collection are accurate and meet the performance indicators as described in the ERA performance reporting handbook (Refer to Appendix A – Annual Performance Data).
- Except for the breaches self-reported by Kleenheat to the ERA as part of its 2018/19 and 2019/20 compliance reports, and the breach we identified applicable to obligations 215 and 220, which was remedied during the audit, the processes Kleenheat has in place to assist customers experiencing payment difficulties and financial hardship are adequate and meet the performance indicators as described in the ERA performance reporting handbook (Refer to Appendix B – Payment Difficulties and Financial Hardship).

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 Kleenheat’s compliance and the adequacy of controls in place for Kleenheat to manage its compliance with the relevant obligations or conditions of the Licence.

Table 1 sets out the rating scale defined by the ERA in the guidelines for the assessment of the level of compliance with the conditions of the licence. For the highest possible compliance rating to be achieved, Kleenheat was required to demonstrate it has 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 Kleenheat’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 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, workshops and interviews, as well as self-assessments performed by key Kleenheat 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	
Controls Rating	A	19	15	-	-	1	35
	B	-	2	-	-	-	2
	C	-	-	-	-	-	-
	D	-	-	-	-	-	-
	N/P	143	-	-	-	37	180
	Total	162	17	-	-	38	217

Note that, in accordance with the Guidelines, only obligations that are applicable are assessed and have been included in this report. Based on the approved Audit Plan, there are 219 applicable obligations in total. Obligations determined as not applicable to Kleenheat during the Audit and after the approval of the Audit Plan were rated as Not Applicable (N/A) and not included in table 3 above. The two (2) obligations rated as N/A have been referred in Section 2.2. Obligations with no activity during the audit period were Not Rated (N/R). Controls that were not assessed have been rated as Not Performed (N/P); however, controls, as applicable, to address compliance to the relevant licence conditions were assessed and therefore provided with a control rating as required based on the audit and review guidelines i.e. for licence obligations with an audit priority of 1, 2 or 3, or that have been assessed to be non-compliant.

Table 4: Changes in Obligations in the Gas Compliance Reporting Manual for the audit period (2018 to 2020)

Obligation Reference no.	Obligation Under	Licence condition	Description	Change and Impact
119	Trading Licence clause 19	Marketing Code of Conduct clause 2.3(1)(a)	When a customer enters into a non-standard contract that is not an unsolicited consumer agreement, a retailer or gas marketing agent must obtain and make a record of the customer's verifiable consent to entering into the non-standard contract.	Obligation 119 was amended due to changes to the Gas Marketing Code in January 2020 and because clause 2.3(1)(b) of the Gas Marketing Code is now captured under obligation 119A.
119A	Trading Licence clause 19	Marketing Code of Conduct clause 2.3(1)(b)	When a customer enters into a non-standard contract that is not an unsolicited consumer agreement, a retailer or gas marketing agent must give, or make available to the customer at no charge, a copy of the nonstandard contract at the times specified in clause 2.3(1)(b)(i) and (ii).	
120	Trading Licence clause 19	Marketing Code of Conduct clause 2.3	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	Obligation 120 was deleted as a result of separating the obligation in two (see new obligations 120A and 120B) following the restructure of clause 2.3 of the Gas Marketing Code on 1 January 2020.
120A	Trading Licence clause 19	Marketing Code of Conduct clause 2.3(2)	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract. Note: the summary wording of this obligation is the same	

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Obligation Reference no.	Obligation Under	Licence condition	Description	Change and Impact
			that used to appear for obligation 120, but prior to 1 January 2020, clause 2.3(2) included subclauses (a)-(l). Since 1 January 2020 clause 2.3(2) only contains subclauses (a)-(c) (as a result of amendments to the Gas Marketing Code 2017 that came into effect on 1 January 2020).	
120B	Trading Licence clause 19	Marketing Code of Conduct clause 2.3(2A)	Subject to clause 2.3(3), if entering into a non-standard contract, a retailer or gas marketing agent must give the customer the information specified in clauses (a)-(h) before or at the time of giving the customer's first bill.	
121	Trading Licence clause 19	Marketing Code of Conduct clause 2.3(2)	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).	Obligation 121 was deleted as a result of the restructure of clause 2.3 of the Gas Marketing Code on 1 January 2020.
121A	Trading Licence clause 19	Marketing Code of Conduct clause 2.3(4)	A retailer or gas marketing agent must obtain a customer's verifiable confirmation that the information specified in clause 2.3(2) has been given.	Obligation 121A was created following the restructure of clause 2.3 of the Gas Marketing Code on 1 January 2020.
136	Trading Licence clause 2.1	Compendium clause 4.1(a)	A retailer must issue a bill no more than once a month unless the conditions specified in clause 4.1(a)(i)-(iv) apply.	Obligation 136 was amended to include new subclause 4.1(1)(iv) following changes to the Gas Marketing Code.
145	Trading Licence clause 2.1	Compendium clause 4.3(2)	If a retailer provides a customer with a bill under a bill-smoothing arrangement pursuant to clause 4.3(1), the retailer must ensure that the conditions specified in clauses 4.3(2)(a)-(f) are met.	Obligation 145 was amended to include new subclause 4.3(2)(f) following changes to the Gas Marketing Code.
147	Trading Licence clause 2.1	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. Note: the summary wording of this obligation has not changed, but since the commencement of the amended Compendium on 1 January 2020, there have been some changes to the content of clauses 4.5(1)(a)-(cc)8 and the creation of an exception to complying with 4.5(1)(w) as set out in 4.5(4).	Obligation 147 was amended to add a note to indicate there were changes to clause 4.5(1) that are not reflected in changes to the obligation summary description in the manual.
153	Trading Licence clause 2.1	Compendium clause 4.7(2)	Subject to subclause 4.7(3), a retailer must ensure that at least once every	Obligation 153 is now subject to new subclause

Obligation Reference no.	Obligation Under	Licence condition	Description	Change and Impact
			12 months it obtains metering data in accordance with clause 4.6(a).	4.7(3). The reference to 4.6(1)(a) was changed to 4.6(a) following renumbering of clause 4.6.
161	Trading Licence clause 2.1	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. The effective date of change is set out in clause 4.12(2).	Obligation 161 was amended to add a reference to the effective date of change (as set out in clause 4.12(2)) added to the description following the deletion of obligation 162.
223	Trading Licence clause 2.1	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). Note: the summary wording of this obligation has not changed, but the content of clause 7.2(1)(d) was amended as part of the changes to the Compendium that came into effect on 1 January 2020.	Obligation 223 was amended to add a note to indicate there was a change to subclause 7.2(1)(d) in the amended Compendium.
227	Trading Licence clause 2.1	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. Note: the summary wording of this obligation has not changed, but the content of clause 7.6(3) was amended as part of the changes to the Compendium that came into effect on 1 January 2020.	Obligation 227 was amended to add a note to indicate there were changes to subclause 7.6(3) in the amended Compendium.
229	Trading Licence clause 2.1	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. Note: the summary wording of this obligation has not changed, but new clause 8.1(3), which provides compliance detail about clause 8.1(2), was added as part of the changes to the Compendium that came into effect on 1 January 2020.	Obligation 229 was amended to add a note to indicate the addition of subclause 8.1(3) in the amended Compendium.

2.5 Kleenheat's response to previous audit recommendations

This audit considered Kleenheat's progress in completing the action plans detailed in the Gas Trading Licence (GTL10) 2018 Performance Audit Report. Based on our examination of the relevant documents, discussion with staff and

consideration of the results of this audit period's testing against the compliance obligations, we have determined that Kleenheat has actioned/resolved all five (5) post audit implementation plans detailed in the 2018 performance audit report.

Refer to section 5 of this report for further detail.

2.6 Current audit non-compliances, recommendations and action plans

Table 5: Current audit non-compliances, recommendations and action plans

A. Resolved during current audit period

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
<p>102 - Compendium clause 23.1</p> <p>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.</p>	<p>A2</p> <p>In one (1) instance during the audit period, the 2019 gas licence standing charges were not submitted to the ERA by 30 September 2019.</p>	<p>Resolved October 2019</p> <p>Kleenheat sent the information to the ERA on the same day they received notification of the breach and set a calendar reminder to ensure this incident does not reoccur.</p>	No further action required.
<p>125 – Code of Conduct clause 2.5(2)</p> <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"> · 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. 	<p>A2</p> <p>In one (1) instance during the audit period, a sales agent failed to wear their marketing identification card while on duty and realised a sale.</p>	<p>Resolved February 2019</p> <p>Kleenheat provided further training to the kiosk leadership group, further training and ongoing coaching to sales agents, and attached kiosk keys on sales marketing identification cards lanyards.</p>	No further action required.
<p>134 - Compendium clause 3.1(1)</p> <p>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.</p>	<p>A2</p> <p>In four (4) instances during the audit period, the customer was provided with the wrong email address to send their new connection request to, which caused failure to forward the new connection request to the distributor within the prescribed timeframe.</p>	<p>Resolved July 2019</p> <p>Kleenheat provided training to concerned agents and mandatory refresher training for all Customer Service Officers (CSOs) and set up a new connections email inbox monitored by senior CSOs.</p>	No further action required.
<p>136 - Compendium clause 4.1(a)</p> <p>A retailer must issue a bill no more than once a month unless the conditions specified in clause 4.1(a)(i)-(iv) apply.</p>	<p>A2</p> <p>In 84 instances during the audit period, bills were sent to customers more than once a month. 54 of those instances were not considered non-compliance, and the remaining 30 were due to agents not following the correct procedure for replacement reads.</p>	<p>Resolved February 2020</p> <p>Kleenheat ceased its manual process of generating replacement read bills, processed adjustments solely on the following bill, and updated their process to obtain customer's verifiable consent if requested to send more than one bill within the same month.</p>	No further action required.
<p>137 - 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>A2</p> <p>In 356 instances during the audit period, Kleenheat failed to issue bills to customers at least every 105</p>	<p>Resolved November 2019</p> <p>Kleenheat implemented billing engine updates and system improvements, started</p>	No further action required.

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
	days due to billing engine minor faults, human error, inaccurate exception report parameters or external transfer requests preventing the billing engine to send out final bills.	to run the exception report to identify bills that have not been issued for 98 days instead of 104 days, implemented improved SLAs, and provided training and feedback to concerned agents.	
<p>147 - Compendium clause 4.5(1)</p> <p>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.</p> <p>Note: the summary wording of this obligation has not changed, but since the commencement of the amended Compendium on 1 January 2020, there have been some changes to the content of clauses 4.5(1)(a)-(cc)8 and the creation of an exception to complying with 4.5(1)(w) as set out in 4.5(4).</p>	<p>B2</p> <p>In 6,030 instances during the audit period, Kleenheat failed to include bill particulars as required under clauses 4.5(1)(a)-(cc). 5,711 of those instances were caused by minor billing engine faults, a price break issue, and billing occupiers without including a name on the bill.</p> <p>We note that the remaining 319 instances are still yet to be resolved (please refer to Unresolved at end of audit period table, Obligation 147).</p>	<p>Resolved June 2020</p> <p>Kleenheat implemented billing engine updates and system improvements, reissued correct bills to affected customers, and introduced a process to obtain the customer's name prior to issuing their first bill.</p>	No further action required.
<p>155 - Compendium clause 4.8(2)</p> <p>Where the customer's bill is estimated, a A2 retailer must clearly specify on the customer's bill the information prescribed in clauses 4.8(2)(a)-(c).</p>	<p>A2</p> <p>In one (1) instance during the audit period, the LPG billing engine failed to disclose on a final bill issued, that the final bill was based on an estimated read.</p>	<p>Resolved February 2020</p> <p>Kleenheat implemented a billing system improvement to ensure that the word estimate is shown on all invoices with estimate reads.</p>	No further action required.
<p>157 - Compendium clause 4.9</p> <p>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.</p>	<p>A2</p> <p>In one (1) instance during the audit period, Kleenheat failed to include an adjustment amount to reflect the actual reading on a bill, when the previous bill was based on an estimated reading.</p>	<p>Resolved February 2020</p> <p>Kleenheat provided feedback and training to the LPG Retic agent involved.</p>	No further action required.
<p>165 - Compendium clause 4.14(2)</p> <p>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.</p>	<p>B2</p> <p>In 2,899 during the audit period, Kleenheat failed to obtain instructions from the customer on how to deal with a credit position on a final bill, and/or follow those instructions within the prescribed timeframe. 2,175 of those instances were caused by human error leading to a credit to be repaid outside of the 12 days prescribed period, and a system error resulting in automatic refunds.</p> <p>We note that the 724 remaining instances are yet</p>	<p>Resolved August 2020</p> <p>Kleenheat provided coaching and feedback to the concerned agents and implemented a system update preventing auto-refunds on final accounts.</p>	No further action required.

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
	to be resolved (please refer to Unresolved at end of audit period table, Obligation 165).		
<p>202 - Compendium clause 6.2(3)</p> <p>A retailer must allow a temporary suspension of actions for a period of at least 15 business days.</p>	<p>A2</p> <p>In one (1) instance during the audit period, Kleenheat failed to allow a temporary suspension of actions for a period of at least 15 business days and disconnected a customer assessed as experiencing financial hardship before the expiry of this period.</p>	<p>Resolved July 2019</p> <p>Kleenheat provided feedback and training to the involved officers, implemented a disconnection tracker, and also implemented weekly customer accounts spot checks to prevent the breach from reoccurring.</p>	<p>No further action required.</p>
<p>206A. - Compendium clause 6.4(3)</p> <p>If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3)(a)(i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and provide the customer with information explaining the changes.</p>	<p>A2</p> <p>In one (1) instance during the audit period, a Credit Officer assessed a customer as experiencing financial hardship and agreed to a payment arrangement but failed to send details of said arrangement as prescribed by clause 6.4(3)(a)(i)-(iii), due to an emergency.</p>	<p>Resolved March 2019</p> <p>Kleenheat implemented a process to ensure Team Leaders review an Officer's last call in the case of an emergency and initiated an investigation into a system improvement aimed at automating the issuance of a payment arrangement confirmation notice to customers.</p>	<p>No further action required.</p>
<p>222 - Compendium clause 7.1</p> <p>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).</p>	<p>A2</p> <p>In four (4) instances during the audit period, Kleenheat disconnected customers outside of the conditions prescribed by clause 7.1(1) due to a bill showing a payment due date subsequent the scheduled disconnection date and human error.</p>	<p>Resolved April 2019</p> <p>Kleenheat updated the billing template to separate amount due for immediate payment from amount payable by the bill's due date, provided coaching to the concerned agents, implemented peer review process to prevent human typing errors, waived all disconnection and late fees from the concerned customer's account and introduced a process to ensure the Credit Team is contacted when the Ombudsman's complaint flag is removed from an account.</p>	<p>No further action required.</p>
<p>223 - Compendium clause 7.2(1)</p> <p>A retailer must not arrange for disconnection of a customer's supply address for failure to pay a bill in the circumstances specified in clause 7.2(1).</p> <p>Note: the summary wording of this obligation has not changed, but the content of clause 7.2(1)(d) was amended as part of the changes to the Compendium that came into effect on 1 January 2020.</p>	<p>A2</p> <p>In one (1) instance during the audit period, an agent disconnected a customer adhering to a payment arrangement plan.</p>	<p>Resolved February 2020</p> <p>Kleenheat provided feedback and training to the concerned Credit Officer.</p>	<p>No further action required.</p>
<p>228 - Compendium clause 8.1(1)</p> <p>In the circumstances specified in clause 8.1(1)(a)-(c), a retailer must arrange for reconnection of the customer's supply</p>	<p>A2</p> <p>In one (1) instance during the audit period, a Credit Officer raised a</p>	<p>Resolved December 2019</p> <p>Kleenheat provided feedback and training to the concerned Credit Officer and developed</p>	<p>No further action required.</p>

Licence Obligation Reference no.	Non-Compliance/ Controls improvement	Date resolved and management action taken	Auditor's comments
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.	reconnection request without the customer's consent after settlement was received.	and shared an information page on their document management software, which sets out the Compendium requirements and a step by step guide of the reconnection process.	
<p>229 - Compendium clause 8.1(2)</p> <p>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.</p> <p>Note: the summary wording of this obligation has not changed, but new clause 8.1(3), which provides compliance detail about clause 8.1(2), was added as part of the changes to the Compendium that came into effect on 1 January 2020.</p>	<p>A2</p> <p>In two (2) instances during the audit period, Kleenheat failed to forward a request for reconnection to the network distributor (ATCO) during the prescribed timeframe under clause 8.1(2) due to human error.</p>	<p>Resolved May 2019</p> <p>Kleenheat arranged priority reconnections for the impacted customers and provided compliance training and coaching to all agents involved in the breach.</p>	No further action required.
<p>215 - Compendium Clause 6.10(2)</p> <p>A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2).</p> <p>Note: the summary wording of this obligation has not changed, but the content of clause 6.10(2)(h)(i) was amended as part of the changes to the Compendium (which came into effect on 1 January 2020), along with the addition of new subclause 6.10(2)(k).</p>	<p>A2</p> <p>In one (1) instance during the audit period, Kleenheat failed to include a statement on how confidential customer information is to be treated and stored in the financial hardship policy, as prescribed by clause 6.10(2) of the Compendium.</p>	<p>Resolved October 2020</p> <p>Kleenheat amended the current policy to be compliant with the requirements of clause 6.10(2) of the Compendium.</p>	No further action required.
<p>220 - Compendium Clause 6.10(7)</p> <p>A retailer must comply with the ERA's Financial Hardship Policy Guidelines.</p>			

B. Unresolved at end of current audit period

Licence Obligation Reference no.	Control adequacy/ compliance rating	Issue/Recommendation & Action Plan
<p>Obligation 147</p> <p><i>Compendium Clause 4.5(1)</i></p> <p>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.</p> <p>Note: the summary wording of this obligation has not changed, but since the commencement of</p>	B2	<p>Issue 1/2020</p> <p>In its 2018/19 and 2019/20 Annual Compliance reports to the ERA, Kleenheat self-reported 6,030 instances during the audit period where it failed to include bill particulars as required under clauses 4.5(1)(a)-(cc).</p> <p>Out of these instances, 319 instances occurred as a result of a system error affecting customers who have switched from a non-standard form contract to a standard form contract with an outstanding bill with subsequently issued collection notices. If the bill remains outstanding after 21 days, the standard form contract collection</p>

Licence Obligation Reference no.	Control adequacy/ compliance rating	Issue/Recommendation & Action Plan
the amended Compendium on 1 January 2020, there have been some changes to the content of clauses 4.5(1)(a)-(cc)8 and the creation of an exception to complying with 4.5(1)(w) as set out in 4.5(4).		process is automatically initiated, and this issue has not yet been resolved.
<p>Recommendation 1/2020</p> <p>Kleenheat continue to investigate faults to the billing engine and to implement system updates to prevent instances of non-compliance.</p>		<p>Action Plan 1/2020</p> <p>Short term mitigation of the breach risk for Obligation 147, specifically when a customer switches plan from NSFC to SFC and has an invoice issued under NSFC conditions, will be managed with additional exception reporting. This is expected to be in place by 1st January 2020, along with additional training delivered to credit officers to amend the collection strategy. Long term consideration will be given to a system modification to automate this process as part of the continuous improvement program.</p> <p>Responsible person: Commercial Manager Target date: January 2021</p>
<p>Obligation 165</p> <p><i>Compendium Clause 4.14(2)</i></p> <p>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.</p>	B2	<p>Issue 2/2020</p> <p>In its 2018/19 and 2019/20 Annual Compliance reports to the ERA, Kleenheat self-reported 2,899 instances during the audit period where it failed to obtain instructions from the customer on how to deal with a credit position on a final bill, and/or follow those instructions within the prescribed timeframe.</p> <p>Out of these instances, 724 occurred as a result of a systemic issue causing final bills not to be issued under the final bill template, as a response Kleenheat implemented a business improvement project (currently in the testing phase) in order to fix the issue, which has not yet been resolved.</p>
<p>Recommendation 2/2020</p> <p>Kleenheat continue to investigate faults to the billing engine and to implement system updates to prevent instances of non-compliance.</p>		<p>Action Plan 2/2020</p> <p>Kleenheat identified 21 scenarios as to why the final bill did not generate correctly. To date 19 of those scenarios have been resolved with the final two due to be resolved by the end of November. The billing team will continue to monitor any issues associated with the generation of the final invoice by performing root cause analyses and will implement either process or system changes to cater for any outlying scenarios.</p> <p>Responsible person: Customer Service Operations Manager Target date: November 2020</p>

2.7 Scope and Objective

We have conducted a reasonable assurance audit in order to state whether, in our opinion, based on our procedures performed, Kleenheat has complied, in all material respects, with the conditions of its Licence as outlined in the approved Audit Plan (dated 14 August 2020) for the period 1 September 2018 to 31 August 2020.

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 2.8 below.

Executive summary

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 2020 Gas Compliance Reporting Manual and 2017 Gas Compliance Reporting Manual (**Reporting Manual**).

The Authority has specified two areas of special focus for this audit relating to Annual Performance Data (see **Appendix A**) and Payment Difficulties and Financial Hardship (see **Appendix B**).

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

2.8 Approach

Our approach for this audit involved the following activities, which were undertaken during the period August to November 2020:

- 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 and workshops with relevant Kleenheat staff to gain understanding of process controls (see **Appendix C** 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 C** 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 Kleenheat for review and response.

3 Summary of findings

Table 1 in Section 2 above sets out the rating scale defined by the ERA in the Audit Guidelines for the assessment of the level of compliance with each condition of the Licence. For the highest possible compliance rating to be achieved, Kleenheat 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 6 below) and
- Detailed finding, including relevant observation and recommendations (at section 4 below).

Note:

- Obligations marked with a (***) are relevant only for the period from 1 September 2018 to 31 December 2019 considering the changes made to the Gas Marketing Code in January 2020.
- Obligations marked with a (^) are relevant only for the period 1 January 2020 to 31 August 2020 considering the changes made to the Gas Marketing Code in January 2020.

Table 6: Performance summary table – ratings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating				
				A	B	C	D	N/P	1	2	3	4	N/R

9. Licence compliance requirements – Energy Coordination Act 1994

1	Energy Coordination Act 1994, section 11Q (1-2)	NG & LPG	4						✓	✓				
2	Energy Coordination Act 1994, section 11WG (1)	NG & LPG	4						✓	✓				
3	Energy Coordination Act 1994, section 11WG (2)	NG & LPG	4						✓					✓
4	Energy Coordination Act 1994, section 11WK (1-2)	NG & LPG	5						✓	✓				
5	Energy Coordination Act 1994, section 11WK (3)	NG & LPG	5						✓	✓				
10	Energy Coordination Act 1994, section 11ZA (1)	NG & LPG	4						✓	✓				
17	Energy Coordination Act 1994, section 11ZK (3)	NG & LPG	5						✓					✓

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
19	Energy Coordination Act 1994, section 11ZOC(1)(b)	NG & LPG	4					✓	✓					
20	Energy Coordination Act 1994, section 11ZOV (1)	NG & LPG	4					✓	✓					
21	Energy Coordination Act 1994, section 11ZOV (2)	NG & LPG	4					✓	✓					
22	Energy Coordination Act 1994, section 11ZOZ (3)	NG & LPG	4					✓						✓
24	Energy Coordination Act 1994, section 11ZQH(a)	NG & LPG	4					✓	✓					
24A	Energy Coordination Act 1994, section 11ZQH(b)	NG & LPG	4					✓	✓					

11. Licence compliance requirements – Energy Coordination (Gas Tariffs) Regulations 2000

29	Energy Coordination (Gas Tariffs) Regulations 2000, section 11M	NG & LPG	4					✓	✓					
31	Energy Coordination (Gas Tariffs) Regulations 2000, section 11M	NG & LPG	4					✓	✓					

12. Licence compliance requirements – Energy Coordination (Customer Contracts) Regulations 2004

32	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(2)	NG & LPG	5					✓	✓					
33	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(4)(a)	NG & LPG	4					✓	✓					
34	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(4)(b)	NG & LPG	4					✓	✓					
35	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(5)(a)	NG	5					✓	✓					
		LPG	5											
36	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(5)(b)	NG	5					✓	✓					
		LPG	5											

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
37	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(5)(c)	NG	5						✓	✓				
		LPG	5											
38	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(5)(d)	NG & LPG	5						✓	✓				
39	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(5)(e)	NG & LPG	5						✓	✓				
40	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.1.2	NG	4						✓	✓				
		LPG	5											
41	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.1.3	NG	5						✓	✓				
		LPG	4											
42	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.2.1 and 5.1.2.2	NG & LPG	5						✓	✓				
43	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.3.1 and 5.1.3.2	NG & LPG	5						✓	✓				
44	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.4.1 and 5.1.4.2	NG & LPG	5						✓	✓				
45	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.5.1, 5.1.5.2 and 5.1.5.3	NG & LPG	5						✓	✓				
46	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.7.2	NG & LPG	5						✓	✓				
47	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.8.1(a)	NG & LPG	5						✓	✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
48	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.8.1(b)	NG & LPG	5					✓	✓					
49	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.8.1(c)	NG & LPG	5					✓	✓					
50	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.8.1(d)	NG	4					✓	✓					
		LPG	4											
51	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.1.8.1(e) and (f)	NG & LPG	5					✓	✓					
52	Energy Coordination (Customer Contracts) Regulations 2004, Reg 12(6), AGA Code clause 5.2.2.2	NG	4					✓	✓					
53	Energy Coordination (Customer Contracts) Regulations 2004, Reg 13(1), AGA Code clause 4.4.6.2	NG & LPG	5					✓	✓					
54	Energy Coordination (Customer Contracts) Regulations 2004, Reg 13(3)	NG & LPG	5					✓	✓					
55	Energy Coordination (Customer Contracts) Regulations 2004, Reg 13(4)	NG & LPG	5					✓	✓					
56	Energy Coordination (Customer Contracts) Regulations 2004, Reg 14(2)	NG & LPG	5					✓	✓					
57	Energy Coordination (Customer Contracts) Regulations 2004, Reg 14(3), AGA Code clause 4.1.2.1 and 4.1.2.2	NG & LPG	5					✓	✓					
58	Energy Coordination (Customer Contracts) Regulations 2004, Reg 14, AGA Code clause 4.1.3.1 and 4.1.3.2	NG & LPG	5					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
59	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.2.1.	NG	4						✓	✓				
		LPG	5											
60	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.2.3.1, 4.2.3.2 and 4.2.3.3	NG	5						✓	✓				
		LPG	5											
61	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.2.3.2	NG & LPG	5						✓	✓				
62	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1) and (2)	NG & LPG	5						✓	✓				
63A	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.2.3.4	NG & LPG	5						✓	✓				
64	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.2.4.1	NG	5						✓	✓				
		LPG	5											
65	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.2.4.2	NG & LPG	5						✓	✓				
66	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.2.4.4	NG & LPG	5						✓	✓				
67	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.2.4.5	NG & LPG	5						✓	✓				
68	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.3.2.1	NG & LPG	5						✓	✓				
69	Energy Coordination (Customer Contracts) Regulations 2004, Reg 15(1), AGA Code clause 4.3.2.2	NG & LPG	5						✓	✓				
70	Energy Coordination (Customer Contracts) Regulations 2004, Reg 16(3)	NG & LPG	5						✓	✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
71	Energy Coordination (Customer Contracts) Regulations 2004, Reg 19	NG & LPG	5					✓	✓					
72	Energy Coordination (Customer Contracts) Regulations 2004, Reg 20(2) Cl 5.1 AGA Code clause 4.3.5.1	NG & LPG	5					✓	✓					
72A	Energy Coordination (Customer Contracts) Regulations 2004, Reg 20(3)	NG & LPG	5					✓	✓					
72B	Energy Coordination (Customer Contracts) Regulations 2004, Reg 22	NG & LPG	5					✓	✓					
73	Energy Coordination (Customer Contracts) Regulations 2004, Reg 40(3)	NG & LPG	5					NA						NA
74A	Energy Coordination (Customer Contracts) Regulations 2004, Reg 48	NG & LPG	5					✓						✓
75A	Energy Coordination (Customer Contracts) Regulations 2004, Reg 49(2)	NG & LPG	5					✓						✓
76	Energy Coordination (Customer Contracts) Regulations 2004, Reg 49(3)	NG & LPG	5					✓	✓					
77	Energy Coordination (Customer Contracts) Regulations 2004, Reg 49(4)	NG & LPG	5					✓						✓
78	Energy Coordination (Customer Contracts) Regulations 2004, Reg 49(5)	NG & LPG	5					✓						✓
79	Energy Coordination (Customer Contracts) Regulations 2004, Reg 50	NG & LPG	5					✓	✓					
83	Energy Coordination (Customer Contracts) Regulations 2004, Reg 46(1)	NG & LPG	5					✓						✓

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
84	Energy Coordination (Customer Contracts) Regulations 2004, Reg 46(4)	NG & LPG	5					✓	✓					
84A.	Energy Coordination (Customer Contracts) Regulations 2004, Reg 47(2) and (4)	NG & LPG	5					✓	✓					
91	Energy Coordination (Customer Contracts) Regulations 2004, Reg 42	NG & LPG	5					✓	✓					

13. Licence compliance requirements – Licence conditions

96	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓	✓					
97	Energy Coordination Act 1994, section 11M	NG & LPG	5					✓	✓					
98	Energy Coordination Act 1994, section 11M	NG & LPG	5					✓						✓
99	Energy Coordination Act 1994, section 11M	NG & LPG	5					✓	✓					
100	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓	✓					
101	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓						✓
102	Energy Coordination Act 1994, section 11M	NG & LPG	2	✓						✓				
103	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓	✓					
106	Energy Coordination Act 1994, section 11M	NG & LPG	5					✓						✓
107	Energy Coordination Act 1994, section 11M	NG & LPG	5					✓						✓
108	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
109	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓	✓					
110	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓						✓
111	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓						✓
112	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓	✓					
113	Energy Coordination Act 1994, section 11M	NG & LPG	4					✓	✓					

14. Licence compliance requirements – Gas Marketing Code of Conduct

116	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.1	NG & LPG	4					✓	✓					
117	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.2(1)	NG & LPG	4					✓	✓					
118	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.2(2) and 2.2(3)	NG & LPG	4					✓	✓					
119	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.3(1)(a)	NG & LPG	4					✓	✓					
119A.	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.3(1)(b)	NG & LPG	4					✓	✓					
120***	Energy Coordination Act 1994, Not used	NG & LPG	4					✓	✓					
120A.^	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.3(2)	NG & LPG	4					✓	✓					
120B.^	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.3(2A)	NG & LPG	4					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating				
				A	B	C	D	N/P	1	2	3	4	N/R
121***	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.3	NG	2	✓					✓				
		LPG	4										
121A.^	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.3(4)	NG	2	✓					✓				
		LPG	4										
122	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.4(1)	NG	4					✓	✓				
		LPG	4										
123	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.4(2)	NG & LPG	4					✓	✓				
124	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.5(1)	NG & LPG	4					✓	✓				
125	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.5(2)	NG & LPG	4	✓						✓			
126	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.6	NG & LPG	4					NA					NA
128	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.9	NG & LPG	4					✓	✓				
129	Energy Coordination Act 1994, section 11ZPP, Code of Conduct clause 2.10	NG & LPG	4					✓	✓				

15. Licence compliance requirements – Compendium of Gas Customer Licence Obligations

CONNECTION

134	Energy Coordination Act 1994, section 11M, Compendium clause 3.1(1)	NG	2	✓						✓				
135	Energy Coordination Act 1994, section 11M, Compendium clause 3.1(2)	NG	4	✓							✓			

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
136	Energy Coordination Act 1994, section 11M, Compendium clause 4.1(a)	NG	2	✓							✓			
		LPG	2											
137	Energy Coordination Act 1994, section 11M, Compendium clause 4.1(b)	NG	2	✓							✓			
		LPG	2											
144	Energy Coordination Act 1994, section 11M, Compendium clause 4.3(1)	NG & LPG	4					✓						✓
145	Energy Coordination Act 1994, section 11M, Compendium clause 4.3(2)	NG & LPG	4					✓						✓
146	Energy Coordination Act 1994, section 11M, Compendium clause 4.4	NG & LPG	4					✓	✓					
147	Energy Coordination Act 1994, section 11M, Compendium clause 4.5(1)	NG	2		✓						✓			
		LPG	4											
149	Energy Coordination Act 1994, section 11M, Compendium clause 4.5(3)	NG	4					✓						✓
150	Energy Coordination Act 1994, section 11M, Compendium clause 4.6	NG	4					✓	✓					
152	Energy Coordination Act 1994, section 11M, Compendium clause 4.7(1)	NG	5					✓	✓					
		LPG	5											
153	Energy Coordination Act 1994, section 11M, Compendium clause 4.7(2)	NG	5					✓	✓					
		LPG	5											
154	Energy Coordination Act 1994, section 11M, Compendium clause 4.8(1)	NG & LPG	4					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
155	Energy Coordination Act 1994, section 11M, Compendium clause 4.8(2)	NG	4	✓							✓			
		LPG	2											
156	Energy Coordination Act 1994, section 11M, Compendium clause 4.8(3)	NG & LPG	4					✓	✓					
157	Energy Coordination Act 1994, section 11M, Compendium clause 4.9	NG & LPG	2	✓							✓			
158	Energy Coordination Act 1994, section 11M, Compendium clause 4.10	NG & LPG	4					✓	✓					
159	Energy Coordination Act 1994, section 11M, Compendium clause 4.11(1)	NG & LPG	4					✓	✓					
160	Energy Coordination Act 1994, section 11M, Compendium clause 4.11(2)	NG & LPG	4					✓	✓					
161	Energy Coordination Act 1994, section 11M, Compendium clause 4.12(1)	NG & LPG	4					✓	✓					
163	Energy Coordination Act 1994, section 11M, Compendium clause 4.13	NG & LPG	4					✓						✓
164	Energy Coordination Act 1994, section 11M, Compendium clause 4.14(1)	NG & LPG	3	✓					✓					
165	Energy Coordination Act 1994, section 11M, Compendium clause 4.14(2)	NG	1		✓						✓			
		LPG	4											
165A.	Energy Coordination Act 1994, section 11M, Compendium clause 4.14(3)	NG & LPG	1					✓						✓
166	Energy Coordination Act 1994, section 11M, Compendium clause 4.15	NG & LPG	4					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
167	Energy Coordination Act 1994, section 11M, Compendium clause 4.16(1)(a)	NG & LPG	4					✓	✓					
168	Energy Coordination Act 1994, section 11M, Compendium clause 4.16(1)(b)	NG & LPG	4					✓	✓					
169	Energy Coordination Act 1994, section 11M, Compendium clause 4.16(2)	NG & LPG	4					✓	✓					
170	Energy Coordination Act 1994, section 11M, Compendium clause 4.16(3)	NG & LPG	4					✓	✓					
171	Energy Coordination Act 1994, section 11M, Compendium clause 4.17(2)	NG	4					✓						✓
		LPG	4											
172	Energy Coordination Act 1994, section 11M, Compendium clause 4.18(2) and 4.18(5)	NG & LPG	5					✓	✓					
173	Energy Coordination Act 1994, section 11M, Compendium clause 4.18(3)	NG & LPG	4					✓	✓					
174	Energy Coordination Act 1994, section 11M, Compendium clause 4.18(4)	NG & LPG	5					✓	✓					
175	Energy Coordination Act 1994, section 11M, Compendium clause 4.18(6)	NG & LPG	5					✓	✓					
175A.	Energy Coordination Act 1994, section 11M, Compendium clause 4.18(7)	NG & LPG	5					✓						✓
176	Energy Coordination Act 1994, section 11M, Compendium clause 4.19(1)	NG & LPG	4					✓						✓
177	Energy Coordination Act 1994, section 11M, Compendium clause 4.19(2) and 4.19(6)	NG & LPG	4					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
178	Energy Coordination Act 1994, section 11M, Compendium clause 4.19(3)	NG & LPG	4					✓	✓					
179	Energy Coordination Act 1994, section 11M, Compendium clause 4.19(4)	NG & LPG	5					✓	✓					
180	Energy Coordination Act 1994, section 11M, Compendium clause 4.19(5)	NG & LPG	5					✓	✓					
180A.	Energy Coordination Act 1994, section 11M, Compendium clause 4.19(7)	NG & LPG	4					✓						✓

PAYMENT

181	Energy Coordination Act 1994, section 11M, Compendium clause 5.1	NG & LPG	4					✓	✓					
182	Energy Coordination Act 1994, section 11M, Compendium clause 5.2	NG & LPG	4					✓	✓					
183	Energy Coordination Act 1994, section 11M, Compendium clause 5.1	NG	3	✓					✓					
		LPG	5											
184	Energy Coordination Act 1994, section 11M, Compendium clause 5.4	NG & LPG	4					✓						✓
185	Energy Coordination Act 1994, section 11M, Compendium clause 5.5	NG & LPG	4					✓	✓					
186	Energy Coordination Act 1994, section 11M, Compendium clause 5.6(1)	NG & LPG	4					✓	✓					
186A.	Energy Coordination Act 1994, section 11M, Compendium clause 5.6(2)	NG & LPG	4					✓	✓					
187	Energy Coordination Act 1994, section 11M, Compendium clause 5.6(3)	NG	4					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
188	Energy Coordination Act 1994, section 11M, Compendium clause 5.1	NG	4						✓	✓				
		LPG	4											
189	Energy Coordination Act 1994, section 11M, Compendium clause 5.6(5)	NG & LPG	4						✓					✓
190	Energy Coordination Act 1994, section 11M, Compendium clause 5.7(1)	NG & LPG	4						✓	✓				
191	Energy Coordination Act 1994, section 11M, Compendium clause 5.7(2)	NG & LPG	4						✓	✓				
193	Energy Coordination Act 1994, section 11M, Compendium clause 5.7(4)	NG & LPG	4						✓	✓				
195	Energy Coordination Act 1994, section 11M, Compendium clause 5.8(1)	NG & LPG	4						✓	✓				
196	Energy Coordination Act 1994, section 11M, Compendium clause 5.8(2)	NG & LPG	4						✓	✓				
196A.	Energy Coordination Act 1994, section 11M, Compendium clause 5.8(3)	NG & LPG	4						✓					✓
197	Energy Coordination Act 1994, section 11M, Compendium clause 5.10	NG & LPG	4						✓					✓

PAYMENT DIFFICULTIES & FINANCIAL HARDSHIP

198	Energy Coordination Act 1994, section 11M, Compendium clause 6.1(1)	NG & LPG	3	✓						✓				
199	Energy Coordination Act 1994, section 11M, Compendium clause 6.1(3)	NG & LPG	3	✓						✓				
200	Energy Coordination Act 1994, section 11M, Compendium clause 6.1(4)	NG & LPG	3	✓										✓

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
200A.	Energy Coordination Act 1994, section 11M, Compendium clause 6.2(1)	NG & LPG	3	✓						✓				
201	Energy Coordination Act 1994, section 11M, Compendium clause 6.2(2)	NG & LPG	3	✓						✓				
202	Energy Coordination Act 1994, section 11M, Compendium clause 6.2(3)	NG & LPG	3	✓							✓			
203	Energy Coordination Act 1994, section 11M, Compendium clause 6.2(4)	NG & LPG	3	✓						✓				
204	Energy Coordination Act 1994, section 11M, Compendium clause 6.3(1)	NG & LPG	3	✓						✓				
205	Energy Coordination Act 1994, section 11M, Compendium clause 6.4(1)	NG & LPG	3	✓						✓				
206	Energy Coordination Act 1994, section 11M, Compendium clause 6.4(2)	NG & LPG	3	✓						✓				
206A.	Energy Coordination Act 1994, section 11M, Compendium clause 6.4(3)	NG & LPG	3	✓							✓			
208	Energy Coordination Act 1994, section 11M, Compendium clause 6.6(1)	NG & LPG	3	✓						✓				
209	Energy Coordination Act 1994, section 11M, Compendium clause 6.6(2)	NG & LPG	3	✓						✓				
210	Energy Coordination Act 1994, section 11M, Compendium clause 6.7	NG & LPG	3	✓						✓				
211	Energy Coordination Act 1994, section 11M, Compendium clause 6.8	NG & LPG	3	✓						✓				

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
212	Energy Coordination Act 1994, section 11M, Compendium clause 6.9(1)	NG & LPG	3					✓						✓
214	Energy Coordination Act 1994, section 11M, Compendium clause 6.10(1)	NG & LPG	4					✓	✓					
215	Energy Coordination Act 1994, section 11M, Compendium clause 6.10(2)	NG & LPG	4	✓						✓				
215A.	Energy Coordination Act 1994, section 11M, Compendium clause 6.10(3)	NG & LPG	4					✓	✓					
216	Energy Coordination Act 1994, section 11M, Compendium clause 6.10(4)	NG & LPG	4					✓	✓					
219	Energy Coordination Act 1994, section 11M, Compendium clause 6.10(6)	NG & LPG	4					✓						✓
220	Energy Coordination Act 1994, section 11M, Compendium clause 6.10(7)	NG & LPG	4	✓						✓				
220A.	Energy Coordination Act 1994, section 11M, Compendium clause 6.10(8)	NG & LPG	4					✓						✓
221	Energy Coordination Act 1994, section 11M, Compendium clause 6.11	NG & LPG	4					✓	✓					

DISCONNECTION

222	Energy Coordination Act 1994, section 11M, Compendium clause 7.1	NG	3	✓						✓				
223	Energy Coordination Act 1994, section 11M, Compendium clause 7.2(1)	NG	3	✓						✓				
224	Energy Coordination Act 1994, section 11M, Compendium clause 7.3A	NG & LPG	4					✓						✓

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
225	Energy Coordination Act 1994, section 11M, Compendium clause 7.4	NG	4					✓						✓
227	Energy Coordination Act 1994, section 11M, Compendium clause 7.6	NG & LPG	2	✓						✓				

RECONNECTION

228	Energy Coordination Act 1994, section 11M, Compendium clause 8.1(1)	NG & LPG	3	✓							✓			
229	Energy Coordination Act 1994, section 11M, Compendium clause 8.1(2)	NG	2	✓							✓			

INFORMATION & COMMUNICATION

231	Energy Coordination Act 1994, section 11M, Compendium clause 10.1(1)	NG & LPG	4					✓	✓					
232	Energy Coordination Act 1994, section 11M, Compendium clause 10.1(2)	NG & LPG	4					✓	✓					
233	Energy Coordination Act 1994, section 11M, Compendium clause 10.1(3)	NG & LPG	4					✓	✓					
234	Energy Coordination Act 1994, section 11M, Compendium clause 10.2(1)	NG & LPG	4					✓						✓
235	Energy Coordination Act 1994, section 11M, Compendium clause 10.2(2)	NG & LPG	4					✓						✓
236	Energy Coordination Act 1994, section 11M, Compendium clause 10.2(3)	NG & LPG	4					✓						✓
237	Energy Coordination Act 1994, section 11M, Compendium clause 10.2(4)	NG & LPG	4					✓	✓					
238	Energy Coordination Act 1994, section 11M, Compendium clause 10.3	NG & LPG	4					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
239	Energy Coordination Act 1994, section 11M, Compendium clause 10.4	NG & LPG	4					✓	✓					
240	Energy Coordination Act 1994, section 11M, Compendium clause 10.5	NG	4					✓	✓					
241***	Not used	NG & LPG	4					✓						✓
242***	Not used	NG & LPG	4					✓						✓
243***	Not used	NG & LPG	4					✓						✓
245	Energy Coordination Act 1994, section 11M, Compendium clause 10.9	NG & LPG	5					✓	✓					
246	Energy Coordination Act 1994, section 11M, Compendium clause 10.10(1)	NG & LPG	4					✓	✓					
249	Energy Coordination Act 1994, section 11M, Compendium clause 10.11(1)	NG & LPG	4					✓	✓					
250	Energy Coordination Act 1994, section 11M, Compendium clause 10.11(2)	NG & LPG	4					✓	✓					

COMPLAINTS & DISPUTE RESOLUTION

251	Energy Coordination Act 1994, section 11M, Compendium clause 12.1(1)	NG & LPG	5					✓	✓					
252	Energy Coordination Act 1994, section 11M, Compendium clause 12.1(2)	NG & LPG	5					✓	✓					
254	Energy Coordination Act 1994, section 11M, Compendium clause 12.1(3)(a)	NG & LPG	5					✓	✓					
255	Energy Coordination Act 1994, section 11M, Compendium clause 12.1(3)(b)	NG & LPG	5					✓	✓					

Summary of findings

Licence Obligation Reference No.	Licence condition	NG or LPG	Audit priority	Controls Rating					Compliance Rating					
				A	B	C	D	N/P	1	2	3	4	N/R	
255A.	Energy Coordination Act 1994, section 11M, Compendium clause 12.1(4)	NG & LPG	5					✓	✓					
256	Energy Coordination Act 1994, section 11M, Compendium clause 12.2	NG & LPG	5					✓	✓					
257	Energy Coordination Act 1994, section 11M, Compendium clause 12.3	NG & LPG	5					✓	✓					
258	Energy Coordination Act 1994, section 11M, Compendium clause 12.4	NG & LPG	5					✓	✓					

RECORD KEEPING & REPORTING

281	Energy Coordination Act 1994, section 11M, Compendium clause 13.1	NG & LPG	2	✓					✓					
282	Energy Coordination Act 1994, section 11M, Compendium clause 13.2	NG & LPG	5					✓	✓					
283	Energy Coordination Act 1994, section 11M, Compendium clause 13.3	NG & LPG	5					✓	✓					

4 *Detailed findings and recommendations*

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

- 4.1 Energy Coordination Act 1994
- 4.2 Energy Coordination (Gas Tariffs) Regulations 2000
- 4.3 Energy Coordination (Customer Contracts) Regulations 2004
- 4.4 Licence Conditions
- 4.5 Gas Marketing Code of Conduct
- 4.6 Compendium.

Each section contains:

Assessment of compliance adequacy - the conclusions from our audit procedures and our assessment of Kleenheat's compliance with the applicable obligations. These tables include:

- **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.
- **Action plans** - Kleenheat's formal response to audit recommendations, providing details of action to be implemented to address the specific issue raised by the audit, assignment of the actions to appropriate staff and corresponding completion dates for the actions.

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

Table 7: Audit observations and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
9. Licence compliance requirements – Energy Coordination Act 1994						
1	A licensee must pay the applicable fees in accordance with the Economic Regulation Authority (Licensing Funding) Regulations 2014 clauses 6 & 7. Note: The Energy Coordination (Licensing Fees) Regulations 1999 was repealed on 1 January 2015	NG & LPG	4	Through discussion with Senior Commercial Analyst and examination of the annual invoice and remittances to the ERA for FY19 and FY20 covering the audit period, we determined that: <ul style="list-style-type: none"> • Kleenheat has made the required payments to ERA as per the Economic Regulation Authority Regulation 2014 clauses 6 & 7; • The invoices directed by the ERA are received by the Kleenheat General Manager by email and have been evidenced on the invoice; • The payments are made in accordance with the standard accounts payable process via Kleenheat's billing system. Invoices are received from ERA together with the timelines on which the payments need to be made; and • Kleenheat also has processes in place in the event the invoices are not received to ensure the license fees are paid on time. Should the ERA not provide an invoice, Kleenheat monitors its obligation to pay licence fees within one month of the licence anniversary. 	NP	1
2	A licensee must, subject to the regulations, not supply gas to a customer other than under a standard form contract approved by the ERA or a nonstandard contract that complies with the Act.	NG & LPG	4	Through discussion with Regulatory Manager, Natural Gas and Electricity, we determined that: <ul style="list-style-type: none"> • Small use residential customers are supplied through a standard form contract. Small use residential customers are also serviced through non - standard form contracts when they are on discounted plans; • Small use business customers are supplied through non - standard form contracts in most instances but have the option of opting for a standard form contract; • Kleenheat revised its standard form contract recently and has been approved by the ERA as at 23 January 2020. The approved standard form contract is available on the ERA website; and • The Non-standard form contract on which Kleenheat supplies gas to small use business customers and residential customers is aligned with the requirements of the Energy Coordination Act 1994. 	NP	1
3	A licensee must comply with a direction given to the licensee under section 11WI.	NG & LPG	4	Through discussion with Regulatory Manager, Natural Gas and Electricity, we determined that during the audit period: <ul style="list-style-type: none"> • Kleenheat did not receive any direction from the ERA to amend its standard form contract; • The recent standard form contract amendment was initiated by Kleenheat 	NP	NR

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				and ensured it was compliant with the requirements of the Energy Coordination Act; and <ul style="list-style-type: none"> For instances when ERA directions are received, Kleenheat has a process in place to ensure the directions are complied with. All directions come through to the Commercial Team and the Regulatory Manager to action as per the requirements. 		
4	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.	NG & LPG	5	Through discussion with Consumer Credit Team Leader, we determined that Kleenheat has a processes to ensure that; <ul style="list-style-type: none"> A usage letter is triggered through Kleenheat's billing system and is sent to the address of the metering point informing the customer that he is set up on a standard form contract The customer will be under a Standard Form Contract with Kleenheat until the customer contacts Kleenheat regarding their account. 	NP	1
5	A standard form contract continues in force until it is terminated, or supply becomes subject to a non-standard contract with the supplier.	NG & LPG	5	Through discussion with Consumer Credit Team Leader, we determined that standard form contract will continue to be in force until: <ul style="list-style-type: none"> The customer has declared his interest in obtaining a non-standard form contract; The customer requested to switch to another competitor; or Kleenheat has proceeded with a disconnection due to non-payment of a bill. We noted that Kleenheat has not undertaken any disconnections as a result of COVID since March 2020. 	NP	1
10	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).	NG & LPG	4	Through discussion with Regulatory Manager, Natural Gas and Electricity, we determined that the last audit was performed by Deloitte for the period 1 September 2016 to 31 August 2018. The final performance audit report was submitted to ERA for publishing on 24 January 2019. The ERA has appointed PricewaterhouseCoopers (PwC) by way of letter dated 6 August 2020 to conduct the performance audit for the period 1 September 2018 to 31 August 2020.	NP	1
17	A licensee must pay the costs and expenses incurred in the taking of an interest or easement in respect of land held by a public authority.	NG & LPG	5	Through discussion with Regulatory Manager, Natural Gas and Electricity, it was confirmed that, in relation to the purposes of operating under the Licence, Kleenheat had not taken an interest or easement in respect of land held by a public authority during the audit period.	NP	NR
19	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.	NG & LPG	4	Australian Energy market Operator (AEMO) was established by the Council of Australian Governments (COAG) on 1 July 2009 to manage the National Electricity Market (NEM) in the eastern and south-eastern states and Australian gas markets. The AEMO became the market and independent power system operator for Western Australia from 2015. From examination of the AEMO website and discussion with the Regulatory	NP	1

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				Manager, Natural Gas and Electricity, we have determined that Kleenheat was listed as a participant of AEMO during the audit period and represented in the Gas Retail Consultative Forum.		
20	A licensee must not engage in prohibited conduct relating to the operation of a retail market scheme.	NG & LPG	4	Through discussions undertaken with the Regulatory Manager, Natural Gas and Electricity we determined that she is not aware of any instances where: <ul style="list-style-type: none"> • Kleenheat engaged in any prohibited conduct that relates to the operations of a retail market scheme; and • Kleenheat did not support any other party to engage in any prohibited conduct relating to the retail market scheme. From discussions with staff and observation, Kleenheat adopts a culture of self-reporting any breach incidents and our examination of compliance documents did not identify any instances where breaches to these obligations had occurred.	NP	1
21	A licensee must not assist another party to engage in prohibited conduct relating to the operation of a retail market scheme.	NG & LPG	4		NP	1
22	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.	NG & LPG	4	Based on the discussions undertaken with the Regulatory Manager, Natural Gas and Electricity, we determined that ERA has not provided any direction to amend the scheme during the audit period.	NP	NR
24	The licensee must not supply gas to customers unless the licensee is a member of an approved gas industry ombudsman scheme.	NG & LPG	4	Through discussion with Customer Advocate and examination of the Energy and Water Ombudsman Western Australia Annual Report 2018-19 and the invoice and remittance to the Ombudsman, we determined that during the audit period: <ul style="list-style-type: none"> • Kleenheat was a member of the gas ombudsman scheme evidenced in the members list provided in the Ombudsman annual report; and • Kleenheat therefore was compliant with the requirements of the gas industry ombudsman during the audit period. 	NP	1
24A**	The licensee must not supply gas to customers unless the licensee is bound by, and compliant with, any decision or direction of the gas industry ombudsman.	NG & LPG	4		NP	1
11. Licence compliance requirements – Energy Coordination (Gas Tariffs) Regulations 2000						
29	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.	NG & LPG	4	Through discussion with Senior Commercial Analyst and examination of the Kleenheat website for the natural gas prices, Energy Policy WA website for the capped tariffs, we determined that: <ul style="list-style-type: none"> • Kleenheat supplies gas under the regulated tariff for NG to mid-west/south-west area and is supplied under the one single capped tariff; • Regulated gas tariff caps do not apply to the reticulated LPG systems in Margaret River, Leinster and Esperance, or to bottled gas and therefore will not be applicable to Kleenheat under LPG contracts; • Kleenheat's standard gas prices are based on tariff caps regulated by the Energy Coordination (Gas Tariff) Regulations 2000; • Tariff revisions for 2020 have been put on hold until 2021 by the Energy 	NP	1

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				Policy WA as a result of COVID; and <ul style="list-style-type: none"> • Kleenheat's standard terms and conditions makes reference to the standard price which is also noted on the website. 		
31	When offering to supply gas to a new customer under a standard form contract, a licensee is to offer to supply gas at a capped tariff.	NG & LPG	4	Through discussion with Senior Commercial Analyst and examination of the Kleenheat website for the natural gas prices, Energy Policy WA website for the capped tariffs, we determined that: <ul style="list-style-type: none"> • All standard form contracts are supplied under a capped tariff which is displayed in Kleenheat's website and aligns with the Energy Policy WA website; • Standard rates pertaining to a standard form contract within the Kleenheat's billing system automatically links with the capped standard pricing. Any changes to the pricing would require management approval; and • Any new customers who entered into a standard form contract will be automatically attached to the standard capped pricing as per regulation. 	NP	1
12. Licence compliance requirements – Energy Coordination (Customer Contracts) Regulations 2004						
32	Except in prescribed circumstances, a non-standard contract must prohibit the licensee from disconnecting supply or causing 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.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 21.9(g), we determined that Kleenheat's non-standard form contract clearly states that, except in circumstances where disconnection is required under the Gas Standards Act 1972 (WA), Kleenheat will not disconnect the supply of gas to a customer if: <ul style="list-style-type: none"> • The customer has provided Kleenheat with 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 • The customer has entered into arrangements acceptable to Kleenheat in relation to the payment of gas supplied. 	NP	1
33	A non-standard contract must require the licensee, before disconnecting supply for non-payment of a bill, to 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).	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 21.2, we determined that Kleenheat's non-standard form contract clearly states that before disconnecting supply for non-payment of a bill, Kleenheat must: <ul style="list-style-type: none"> • Give the customer a reminder notice no earlier than 14 business days after the date the bill was issued; • Give the customer a disconnection warning notice 22 business days after the date the bill was issued if payment is not made by the reminder notice due date; and 	NP	1
34	A non-standard contract must require the licensee, before disconnecting supply for non-	NG & LPG	4	<ul style="list-style-type: none"> • Proceed with the disconnection no earlier than 10 business days from the 	NP	1

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	payment of a bill, to 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).			disconnection warning notice being received if the payment remains outstanding.		
35	A non-standard contract must require the licensee to 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.	NG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 22.1, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 12(5)(a) by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, arrange for the reconnection of supply if within 10 business days after disconnection for non-payment of a bill, the customer pays the overdue amount or makes an arrangement for its payment, including applicable reconnection fees.	NP	1
		LPG	5			
36	A non-standard contract must require the licensee to 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.	NG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 22.1, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 12(5)(b) by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, arrange for the reconnection of supply if within 10 business days after disconnection for denial of access to the meter equipment, the customer provides access to the meter equipment.	NP	1
		LPG	5			
37	A non-standard contract must require the licensee to 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.	NG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 22.1, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 12(5)(c) by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, arrange for the reconnection of supply if within 10 business days after disconnection for unlawful consumption of gas, the customer pays for the gas consumed.	NP	1
		LPG	5			
38	A non-standard contract must require the licensee to 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.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 22.1, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 12(5)(d) by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, arrange for the reconnection of supply if within 10 business days after disconnection for refusal to pay a refundable advance, the customer pays the refundable advance.	NP	1
39	A non-standard contract must require the licensee to reconnect supply to a customer within	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause	NP	1

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	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.			22.1, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 12(5)(e) by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, arrange for the reconnection of supply if within 20 business days after disconnection in any emergency for health, safety or maintenance reasons, the situation or problem giving rise to the need for disconnection has been rectified, and the customer requests reconnection and pays any applicable reconnection fee. Kleenheat did not charge a fee where the disconnections have occurred due to an emergency or for health, safety or maintenance reasons during the audit period.		
40	A non-standard contract must include provisions that ensure that the licensee will 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.	NG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 21.2(c), we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.1.2 in relation to customers who are unable to pay by: <ul style="list-style-type: none"> • Offering alternative payment options; • Providing information on government funded concessions; • Using best endeavours to contact the customer by mail, email or telephone; and • Providing a disconnection warning notice informing the customer of Kleenheat's intention to disconnect their supply at least 10 business days prior to the disconnection date, if the customer has not paid, or did not adhere to the terms of an agreed payment arrangement. 	NP	1
		LPG	5			
41	A non-standard contract must include provisions that ensure that the licensee will not disconnect supply to a business customer until: it has used its best endeavours 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.	NG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 21.2(d), we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.1.3 by not disconnecting a business customer until Kleenheat has: <ul style="list-style-type: none"> • Offered additional time to pay a bill, which may include a requirement to pay interest; • Used best endeavours to contact the customer by mail, email or telephone; and • Given the customer at least 5 business days' notice of Kleenheat's intention to disconnect or cease supplying gas. 	NP	1
		LPG	4			
42	A non-standard contract must include provisions that ensure that the licensee will 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	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.3, we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.2.1 and 5.1.2.2 by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, not disconnect or notify the network operator where: <ul style="list-style-type: none"> • The customer fails to provide access to the supply address for the purposes of issuing 3 consecutive bills in the customers billing cycle except where given 	NP	1

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	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.			an opportunity to offer reasonable alternative access arrangements; <ul style="list-style-type: none"> • On each occasion, Kleenheat provided a written notice when access was denied; • Kleenheat used best endeavours to contact the customer; and • Kleenheat has given the customer at least 5 business days' notice of their intention to disconnect said customer. 		
43	A non-standard contract must include provisions that ensure that the licensee or distributor may disconnect or interrupt supply to a customer in the event of an emergency, and if so, the licensee or distributor will provide a 24 hour information service, estimate the time when gas supply will be restored and use best endeavours to restore supply when the emergency is over.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.4, we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.3.1 and 5.1.3.2 by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, in case of a disconnection for emergencies provide by way of the 24 hour emergency line (for NG customers ATCO number is provided which is a 24 hour emergency line and for LPG customers Kleenheat has its own 24 hour emergency line), information on the nature of the emergency and an estimate of the time when supply will be restored and use its best endeavours to reconnect or secure reconnection at the supply address as soon as possible.	NP	1
44	A non-standard contract must include provisions that ensure that the licensee or distributor may disconnect supply for health and safety reasons but will not do so unless the licensee or distributor has provided 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.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.5, we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.4.1 and 5.1.4.2 by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, in case of a disconnection for health and safety reasons provide written notice, allow the customer 5 business days to remove the reason where the 5 business days is counted from receipt of the notice, and on expiry of the 5 business days, give the customer at least an additional 5 business days' notice prior to the disconnection date.	NP	1
45	A non-standard contract must include provisions that ensure that the licensee or distributor may disconnect supply for planned maintenance but will not do so unless the licensee or distributor has provided the customer 4 days' notice; and will use best endeavours to minimise disruption and restore supply.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.6, we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.5.1, 5.1.5.2 and 5.1.5.3 by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, provide notice of intention to disconnect, the notice should be at least 4 days, and use best endeavours to minimise interruptions to supply where a disconnection for planned maintenance is required	NP	1
46	A non-standard contract must include provisions that ensure that the licensee will 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	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.8, we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.7.2 by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, provide the customer with at least 5	NP	1

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	disconnect at least 5 business days prior to the disconnection date.			business days written notice of their intention to disconnect for refusal to pay refundable advance, prior to the date of disconnection.		
47	A non-standard contract must include provisions that ensure that the licensee will 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.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.9, we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.8.1(a) by specifying that Kleenheat will, subject to the provisions of any law or relevant codes, not disconnect supply to the supply address if the customer fails to pay a bill where the amount outstanding is less than an average bill over the past 12 months.	NP	1
48	A non-standard contract must include provisions that ensure that the licensee will not disconnect supply where the issue is the subject of complaint by the customer and is being reviewed externally and is not resolved.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.9(b), we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.8.1(b) by stipulating that a customer will not be disconnected as long as a complaint raised to Kleenheat or Energy Ombudsman remains unresolved.	NP	1
49	A non-standard contract must include provisions that ensure that the licensee will not disconnect supply where an application for a government concession has not been decided.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.9(c), we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.8.1(c) by stipulating that a customer will not be disconnected where an application for a government concession or grant has been submitted and the outcome not yet decided.	NP	1
50	A non-standard contract must include provisions that ensure that the licensee will not disconnect supply where a customer has failed to pay a debt that is not a direct service charge.	NG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.9(d), we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.8.1(d) by stipulating that a customer will not be disconnected where a customer fails to pay an amount on a bill that does not relate to the gas supply but relates to some other goods and/or services.	NP	1
		LPG	4			
51	A non-standard contract must include provisions that ensure that the licensee will not disconnect supply after 3pm on a weekday; and not on a Friday, weekend or public holiday or on the day before a public holiday unless it is a planned interruption.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 20.9(e) and clause 20.9(f), we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.1.8.1(e) and AGA Code Clause 5.1.8.1(f) by stipulating that a customer will not be disconnected after 3pm on Monday to Thursday (except in case of a planned interruption or Emergency); or on a Friday, Saturday, Sunday, a public holiday or on the day before a public holiday, except in the case of a planned interruption or Emergency.	NP	1
52	A non-standard contract must include provisions that ensure that if a licensee is under an obligation to reconnect supply and the customer makes a request for reconnection after 3pm on a	NG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 22.2(b), we confirm that Kleenheat complies with the requirements of the AGA Code clause 5.2.2.2 by stipulating that if a customer requests	NP	1

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	business day, the licensee shall use best endeavours to reconnect the customer as soon as possible on the next business day.			reconnection after 3pm on a business day, Kleenheat must make the reconnection or cause the Network Operator to make the reconnection as soon as possible on the next Business Day.		
53	A non-standard contract must include provisions that ensure that if a licensee uses a refundable advance to offset an amount owed, it must provide to the customer an account of its use and pay any balance within 10 business days to the customer.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 11, we confirm that Kleenheat complies with the requirements of the AGA Code clause 4.4.6.2 and the Energy Coordination (Customer Contracts) Reg clause 13(3) and 13(4) by stipulating that: <ul style="list-style-type: none"> • If Kleenheat uses a customer's refundable advance, they will provide the customer with an account of its use and pay the balance including interest within 10 Business Days; • Refundable advances will be kept in a separate trust account and separately identified in Kleenheat's accounting records; • Interest will accrue on the refundable advance at the bank bill rate; and • Interest will accrue daily and will be capitalised every 90 days. 	NP	1
54	A non-standard contract must require the licensee to place refundable advances in separate trust accounts and separately identify the amounts in its accounting records.	NG & LPG	5		NP	1
55	A non-standard contract must require the licensee to return interest earned on refundable advances accounts to customers.	NG & LPG	5		NP	1
56	A non-standard contract must require the customer to pay a charge for gas supplied; inform the customer that the supply charge is either for residential or non-residential supply; inform the customer that the supply charge includes a specified fixed component and specified usage component; require the customer to pay the non-residential charge unless the customer qualifies to pay the residential charge; and describe the circumstances in which a customer qualifies for the residential charge.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, walkthrough of Kleenheat's sales process (via kiosk, website and phone), and examination of the customer welcome pack and information publicly available on Kleenheat's website, we determined that Kleenheat ensures customers are provided with a detailed breakdown of supply charge by contract type (SFC, Monthly Energiser or Monthly Smart Saver). Additionally, clause 4.1 of the NSFC terms and conditions specifies a customer must pay the non-residential price unless eligible to pay the residential price and elaborates on eligibility criteria as prescribed by clause 14(2) of the Regulation.	NP	1
57	A non-standard contract must include provisions that ensure that a licensee give notice of the tariffs charged and provide these notices to customers without charge upon request.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 4.1, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 14(3) by specifying that Kleenheat: <ul style="list-style-type: none"> • Will publish the standard price; • List all standard prices and fees on their Website; and • Will send a copy of standard prices and fees upon request. 	NP	1
58	A non-standard contract must include provisions that ensure that a licensee give notice of a variation in tariffs charged and provide these notices to customers affected by the change no later than the next bill.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 4.3, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 14 by specifying that Kleenheat can change the price or any fee, and add new fees or remove fees from time to time, in accordance with the Gas Tariffs Regulations. Kleenheat will publish	NP	1

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				any variation to the standard price or any fees payable by the customer. If the customer is affected by the variation to the price or fees, Kleenheat will give notice as soon as practicable and, in any event, no later than the next bill in the customer's billing period.		
59	A non-standard contract must include provisions that ensure that a licensee issue a bill to a customer at least once every 3 months, unless agreed otherwise.	NG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 6.1, we confirm that Kleenheat complies with the requirements of the AGA Code clause 4.2.1 by stipulating that Kleenheat will issue a bill to a customer at least every three months except where Kleenheat has been given verifiable consent by a customer for an alternative arrangement.	NP	1
		LPG	5			
60	A non-standard contract must include provisions that ensure that a licensee prepare a bill in accordance with the terms specified in the AGA Code, including the inclusion of any refundable advance.	NG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 6.1(l), and bill template we confirm that Kleenheat's bill complies with the requirements of the AGA Code clauses 4.2.3.1, 4.2.3.2, and 4.2.3.3 by clearly detailing daily supply charge, account fee, and gas usage charge on the customer's bills. According to clause 10 of the non-standard form contract, where the customer has provided a refundable advance as security in accordance with this clause, the amount of the refundable advance will be shown on the bill.	NP	1
		LPG	5			
61	A non-standard contract must include provisions that ensure that a licensee apply payments received from a customer as directed by the customers (if the bill includes charges for other goods and services).	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 6.2(b), we confirm that Kleenheat complies with the requirements of the AGA Code clauses 4.2.3.2(b) by clearly detailing that Kleenheat will apply payments received from a customer as directed by the customer	NP	1
62	A non-standard contract must specify that if a customer does not direct how a payment is to be allocated, a licensee must apply the payment: (i) to charges for the supply of gas before applying any portion of it to such goods or services; or (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.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 6.2(c), we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 15(1) and (2). Additionally, through discussion with the Regulatory Manager, Natural Gas & Electricity, it was confirmed that Kleenheat did not offer other goods or services to gas customers that did not relate to the supply of gas during the audit period.	NP	1
63A	A non-standard contract must include provisions that ensure that where a customer requests it and the data is available, a licensee shall provide to the customer free of charge the customer's historical billing data for the previous two years.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 6.7, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 15(1) by specifying that if the customer request data and the data is available, Kleenheat shall provide it to the customer, free of charge, customer's historical billing data for the	NP	1

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				previous 2 years. Where the customer requests historical billing data beyond the previous 2 years, Kleenheat may impose a reasonable charge for providing the data to recover the direct costs of providing the information.		
64	A non-standard contract must include provisions that ensure that a licensee base a customer's bill on a meter reading and meters must be read at least once per year.	NG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 6.7, we confirm that Kleenheat complies with the requirements of the AGA Code clause 4.2.4.1 by specifying that a customer's bill is based on a reading of the meter equipment at the supply address and that a minimum of one read per year is to be performed.	NP	1
		LPG	5			
65	A non-standard contract must include provisions that ensure that if the licensee accepts a customer reading of the meter, it must not adjust the bill in favour of the licensee if the licensee subsequently discovers the reading was incorrect in favour of the customer.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 6.7, we confirm that Kleenheat complies with the requirements of the AGA Code clause 4.2.4.2 by specifying that if a customer reading is accepted by Kleenheat and later found to erroneously advantage the customer, Kleenheat will not issue a billing adjustment.	NP	1
66	A non-standard contract must include provisions that ensure that if the licensee provides a customer with an estimated bill and is subsequently able to read the meter, the licensee must adjust the estimated bill in accordance with the meter reading.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 8, we confirm that Kleenheat complies with the requirements of the AGA Code clauses 4.2.4.5 by clearly detailing that where a customer has denied access to their meter and subsequently requests Kleenheat to replace an estimated bill with a bill based on a reason of the meter equipment, Kleenheat will comply with the request and may impose a reasonable charge provided the customer provides meter access to Kleenheat	NP	1
67	A non-standard contract must include provisions that ensure that a licensee read a customer's meter upon request and may impose a fee for doing so.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 8, we confirm that Kleenheat complies with the requirements of the AGA Code clauses 4.2.4.5 by clearly detailing that where a customer has denied access to their meter and subsequently requests Kleenheat to replace an estimated bill with a bill based on a reason of the meter equipment, Kleenheat will comply with the request and may impose a reasonable charge provided the customer provides meter access to Kleenheat	NP	1
68	A non-standard contract must include provisions that ensure that a licensee offer payment in person and payment by mail.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 10, we confirm that Kleenheat complies with the requirements of the AGA Code clauses 4.3.2.1 by clearly detailing that Kleenheat will offer the following payment methods: <ul style="list-style-type: none"> ● In person; ● By mail; ● Electronic payments (via direct debit, debit card or credit card); ● By telephone (via debit card or credit card); 	NP	1

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				<ul style="list-style-type: none"> • BPAY; and • Any other methods agreed by Kleenheat. 		
69	A non-standard contract must include provisions that ensure that a licensee offer customers who are absent for a long period, payment in advance facilities and the option of redirecting the bill.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 10, we confirm that Kleenheat complies with the requirements of the AGA Code clauses 4.3.2.2 by specifying that in the case a customer is absent for a long period, Kleenheat will offer payment in advance facilities and redirection of the customer's bill upon request.	NP	1
70	A non-standard contract must not authorise a licensee to 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.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 23.3, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 16(3) by specifying that Kleenheat may terminate the contract if customer commits a breach other than a substantial breach by giving a 10 business days written notice if Kleenheat: <ul style="list-style-type: none"> • Has a right to disconnect supply under the contract, a written law; and • Has disconnected supply at all supply addresses of the customer. 	NP	1
71	A non-standard contract must require a licensee to make the following information available to the customer if the customer requests it: (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.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 31, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 19 by specifying that upon request, Kleenheat will provide customers with: <ul style="list-style-type: none"> • A copy of Kleenheat's customer charter; • A copy of the Energy Coordination (Customer Contracts) Regulations 2004 or any Relevant Code; • Information about the price and fees payable under the contract; • Information about energy efficiency; • Billing data; and • Contact details for obtaining information about government assistance programs or financial counselling services. 	NP	1
72	A non-standard contract must include provisions that ensure that a licensee must offer a customer who indicates to the licensee that they are experiencing payment difficulties: instalment plan options; right to have bill redirected to third person; information about or referral to government assistance programs; and information on independent financial counselling services.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 6.5, we confirm that Kleenheat complies with the requirements of the AGA Code clauses 4.3.5.1 by clearly detailing that Kleenheat will offer the following options to a customer that is experiencing payment difficulties: <ul style="list-style-type: none"> • Instalment plan options; • The right to have a bill redirected to a third person if the third consent provides their verifiable consent; • Information about, and referral to, government assistance programs; and • Information on independent financial counselling services 	NP	1

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72A	A non-standard contract must set out the procedures to be followed in relation to debt collection.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 6.6, we confirm that Kleenheat complies with the requirements of the Energy Coordination (Customer Contracts) Reg clause 20(3) by specifying that in the case a customer fails to pay the total amount of a bill by the due date, Kleenheat may refer the bill to a debt collection agency or solicitor for recovery, and all collection related costs are payable by the customer, unless: <ul style="list-style-type: none"> • The customer has been assessed as experiencing payment difficulties or financial hardship and Kleenheat failed to offer additionally time to pay or an alternative payment arrangement; • The customer adheres to the terms of an agreed alternative payment arrangement; or • Another customer has provided Kleenheat verifiable consent for the debt to be transferred to them. 	NP	1
72B	A non-standard contract must specify the steps taken to ensure that customer information is dealt with in a confidential manner.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, and examination of the non-standard contract terms and conditions clause 32.1, we confirm that Kleenheat complies with the requirements of Energy Coordination (Customer Contracts) Reg 22 by specifying that Kleenheat is to keep customer's information confidential in accordance with the Customer Service Code, unless: <ul style="list-style-type: none"> • The customer gives Kleenheat prior written consent to disclose the information to a third party; • Disclosure is required to comply with any accounting or stock exchange requirement (such information disclosed will, as far as possible, be in an aggregated form); • Disclosure is required to comply with any legal or regulatory requirement, or in the course of legal or other proceedings or arbitration; • The information is already in the public domain; or • Kleenheat believe the customer have used gas illegally and must provide the customer's information to the Network Operator, the Director of Energy Safety or the police. 	NP	1
73	A non-standard contract must prohibit the supply of gas to the customer under a door to door contract during the cooling-off period unless the customer requests supply.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, it was confirmed that this obligation is not applicable to Kleenheat as they do not conduct any door to door marketing activities.	NA	NA
74A	A licensee must not commence legal proceedings for the recovery of a customer debt if the customer has entered into a payment arrangement and is complying with the terms of that arrangement.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, it was confirmed that Kleenheat did not commence any legal proceedings for the recovery of a customer debt during the audit period.	NP	NR

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75A	A licensee may only provide a credit reporting agency with default information if it relates to a bill issued by the licensee.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, it was confirmed that Kleenheat did not register any default information with a credit reporting agency during the audit period.	NP	NR
76	A licensee must notify a credit reporting agency immediately if a customer has cleared their debt.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, and examination of the payment default procedure, we determined that: <ul style="list-style-type: none"> • Kleenheat uses the Equifax system in relation to credit default management; • Kleenheat will notify Equifax of a customer clearing their debt withing 24 hours of the payment being received in full; • Weekly, an automated credit receipts analysis is generated from Kleenheat's billing system detailing payments made to accounts with an applied credit default, which is reviewed by the Credit Team to ensure all accounts paid in full are reported to the Credit Reporting Body; and • There were no instances of a customer remedying a default and demonstrating extenuating circumstances during the audit period. <p>Additionally, through review of Kleenheat's complaints tracker, no instances of dispute in regards to credit defaults were identified.</p>	NP	1
77	If a customer remedies a default and demonstrates extenuating circumstances, a licensee must request the credit reporting agency to remove the default record.	NG & LPG	5		NP	NR
78	A licensee must not refer a default to a credit reporting agency that is the subject of a complaint or matter of review.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, it was confirmed that Kleenheat did not register any default information with a credit reporting agency during the audit period.	NP	NR
79	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.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity and examination of the pre-covid and post-covid disconnection templates, we confirm that disconnection notices include information on how customers can lodge a complaint to a Supervisor, Manager or Kleenheat's Customer Advocate, as well as information on how to reach the energy Ombudsman.	NP	1
83	Upon request, a licensee must provide a customer with a copy of the Energy Coordination (Customer Contract) Regulations 2004 or a relevant code.	NG & LPG	5	On examination of Kleenheat's non-standard form contract, it was confirmed that clause 30 provided for the customer to request from Kleenheat a copy of the Energy Coordination (Customer Contracts) Regulations 2004 or any relevant code. Through discussion with Regulatory Manager, Natural Gas & Electricity, it was noted that there were no instances during the audit period where copy of the Energy Coordination Regulation or a relevant code was requested by a customer.	NP	NR
84	A licensee must ensure that a copy of the Energy Coordination (Customer Contract) Regulations	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity and physical verification, we confirm that Kleenheat keeps a copy of the Energy Coordination (Customer Contract) Regulations 2004 and any other	NP	1

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	2004 or a relevant code is available for inspection at its offices at no charge.			relevant code at their premises, which are available for inspection free of charge.		
84A.	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.	NG & LPG	5	Through the examination of Kleenheat's non-standard form contract clause 5.7 and 30, if a customer requests and the data is available, Kleenheat shall provide to the customer, free of charge, the customers historical billing data for the previous 2 years. Where the customer requests historical billing data beyond the previous 2 years, Kleenheat may impose a reasonable charge for providing the data to recover the direct costs of providing the information. Through discussion with Regulatory Manager, Natural Gas & Electricity, it was confirmed that there were instances where customers made requests to obtain billing data and it has been provided free of charge.	NP	1
91	A non-standard contract must require the licensee to notify the customer of any amendment to a non-standard contract.	NG & LPG	5	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the non-standard contract terms and conditions clause 29, we confirm that Kleenheat complies with the requirements of the Energy Coordination (Customer Contracts) Reg clause 42 by specifying that: <ul style="list-style-type: none"> • Kleenheat may change any term or condition of the contract without the customer's consent; • Kleenheat will notify the customer of any amendment made to the contract; and • The customer may terminate the contract if they disagree with the amendment. 	NP	1
13. Licence compliance requirements – Licence conditions						
96	A licensee must comply and require its expert to comply with the ERA's standard guidelines dealing with the performance audit.	NG & LPG	4	PwC has performed this audit based on the 2019 Audit and Review Guidelines: Electricity and Gas issued in March 2019. This will ensure compliance with the obligation. The Audit Plan submitted by PwC has been approved by the ERA. PwC as the independent expert together with Kleenheat adhere to the stated guidelines in fulfilling the performance audit expectations.	NP	1
97	A licensee's independent auditor must be approved by the ERA prior to the audit.	NG & LPG	5	PwC has been approved by way of a letter from the ERA on 6 August 2020 as the independent expert authorised to conduct the performance audit.	NP	1
98	A licensee may be subject to individual performance standards.	NG & LPG	5	Through discussion with Regulatory Manager, Natural Gas and Electricity, we determined that Kleenheat has not been subjected to individual performance standards during the audit period.	NP	NR
99	Unless otherwise specified, all notices must be in writing and will be regarded as having been sent	NG & LPG	5	Through discussion with Regulatory Manager, Natural Gas and Electricity, and examination of communications between Kleenheat and ERA, we determined that:	NP	1

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	and received in accordance with defined parameters.			<ul style="list-style-type: none"> Most communications are made electronically. In the event there is no electronic communication, a notice will be in writing; and Kleenheat maintains all records electronically, any hard copy communications are scanned and saved in electronic version. 		
100	A licensee and any related body corporate must maintain accounting records that comply with the Australian Accounting Standards Board or equivalent International Accounting Standards.	NG & LPG	4	<p>Through information received from the Wesfarmers CFO Office and examination of full year results publication to Australian Securities Exchange and annual report for 2019, we determined that:</p> <ul style="list-style-type: none"> Accounting records are prepared and maintained in accordance with the Accounting Standards Board; and Any changes made to accounting standards are adopted by Wesfarmers group in its preparation of accounting information. 	NP	1
101	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.	NG & LPG	4	<p>The Wesfarmers CFO Office confirmed that:</p> <ul style="list-style-type: none"> Kleenheat was not under external administration during the audit period; and Kleenheat did not experience a significant change in its corporate, financial or technical circumstances that will affect Kleenheat's ability to meet the obligations as part of the license requirements. 	NP	NR
102	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.	NG & LPG	2	<p>Through examination of Kleenheat's 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in one (1) instance during the audit period, when the 2019 gas licence standing charges were not submitted to the ERA by 30 September 2019. The non-compliance occurred as a result of the ERA not sending the request for information to all the contacts listed on the license, which caused Kleenheat's General Manager to assume the task was being taken care of by a dedicated team. As a response, Kleenheat sent the information to the ERA on the same day they received notification of the breach, and set a calendar reminder to ensure this incident does not reoccur.</p>	A	2
103	A licensee must publish any information it is directed by the ERA to publish, within the timeframes specified.	NG & LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the 2018/2019 and 2019/2020 compliance reports and datasheets submitted to the ERA, examination of the communications between Kleenheat and the ERA in relation to the timely submission and publication of those documents, as well as walkthrough and testing of Kleenheat's reporting processes and procedures, we determined that during the audit period, Kleenheat maintained appropriate protocols to ensure that:</p> <ul style="list-style-type: none"> Kleenheat prepared all the required reports in respect of each reporting year setting out the information specified by the ERA; The information provided in those reports is accurate and free from misstatements; 	NP	1

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				<ul style="list-style-type: none"> Those reports were provided to the ERA by the date, and in the manner and form, specified by the ERA; and Those reports were published on Kleenheat's website by the date specified by the ERA. <p>Finally, no further instance of non-compliance was identified through the testing performed over Kleenheat's performance data processes. No further actions are required to address the non-compliance.</p>		
106	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.	NG & LPG	5	<p>Through discussion with the Regulatory Manager, Natural Gas and Electricity, and examination of Kleenheat's standard form contract, we determined that:</p> <ul style="list-style-type: none"> During the audit period, ERA has not directed Kleenheat to review its standard form contract; Kleenheat requested amendments to its standard form contract independent of ERA; The amendments to the standard form contract done by Kleenheat was in accordance with the Energy Coordination Act 1994 and Regulations; The amended standard form contract was approved by the ERA through the letter issued to Kleenheat and publication of the standard form contract on the ERA website; and In the event ERA made a request to amend its standard form contract, Kleenheat would review the contract taking into account ERA's processes and submit within the timelines specified. Kleenheat will also ensure that the amendments are aligned to the requirements of the Energy Coordination Act 1994 and Regulation. 	NP	NR
107	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.	NG & LPG	5		NP	NR
108	A licensee must only amend the standard form contract in accordance with the Energy Coordination Act 1994 and Regulations.	NG & LPG	4		NP	1
109	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.	NG & LPG	4	<p>Through discussion with Regulatory Manager, Natural Gas and Electricity, and examination of the customer transfer document, we determined that: Kleenheat has a process in place to ensure a customer's supply is continued until:</p> <ul style="list-style-type: none"> The customer has not made the required payments for the usage of gas and therefore, Kleenheat initiated the disconnection process; and The customer has initiated a transfer through the distributor and until such transfer has been confirmed. 	NP	1
110	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.	NG & LPG	4	Through discussion with Regulatory Manager, Natural Gas and Electricity, it was determined that there have been no instances during the audit period where Kleenheat refused to commence supply to a customer upon ERA's request.	NP	NR
111	A licensee must comply with a direction from the ERA to supply a customer, subject to specified conditions.	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas and Electricity, there has been no direction received from the ERA to supply a customer subject to specified conditions.	NP	NR

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112	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.	NG & LPG	4	Through discussion with Senior Commercial Analyst and examination of the ATCO meeting minutes we determined that during the audit period: <ul style="list-style-type: none"> • Kleenheat met with ATCO on a quarterly basis to discuss any issues, concerns and maintain the business relationship. These meetings were attended by the Senior Commercial Analyst, Consumer Credit Team Leader and the NG Billing Team Leader; • The Senior Commercial Analyst was not aware of any instances where ATCO made any complaints regarding Kleenheat during the audit period; and • Kleenheat has provided any information that was requested by ATCO. 	NP	1
113	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.	NG & LPG	4	Through discussion with Team Leader Credit Operations and Regulatory Manager, Natural Gas and Electricity and examination of the letter issued to the Minister and Kleenheat's website we determined that: <ul style="list-style-type: none"> • Kleenheat undertook a revision of tariffs during the audit period and was in effect since July 2019. Prior to the revision being made, a letter was issued to the minister dated 24 May 2019; • The rate revision was updated on the Kleenheat's website for any customer to access including publication in the West Australian News Paper; and • Customers were informed of the rate revision in the next billing cycle. 	NP	1
14. Licence compliance requirements – Gas Marketing Code of Conduct						
116	A retailer must ensure that its gas marketing agents comply with Part 2 of the Code of Conduct.	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity and Customer Service Team Coach, and review of induction and training modules, as well as Kleenheat's compliance report submitted to the ERA for the audit period, we note that: <ul style="list-style-type: none"> • All marketing agents must complete mandatory compliance training and annual refreshers in order to be assigned a marketing ID and be able to operate; • A compliance register is kept on Kleenheat's billing system and monitored by the Customer Service Team Trainer to ensure compliance; and • As prescribed by part 2 of the Code of Conduct, the training provided to marketing agents covers: <ul style="list-style-type: none"> ○ Contracts and information to be provided to customers; ○ Marketing conduct and compliance; ○ Presumption of authority; and ○ Complaints and record-keeping. 	NP	1
117	A retailer or gas marketing agent must ensure that standard form contracts that are not unsolicited consumer agreements are entered	NG & LPG	4	Clause 2.2 of the Code of Conduct states that: <p>(1) When entering into a standard form contract that is not an unsolicited consumer agreement, a retailer or gas marketing agent must –</p>	NP	1

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	into in the manner and satisfying the conditions specified.			<p>(a) record the date the standard form contract was entered into; (b) give, or make available to the customer at no charge, a copy of the standard form contract – (i) at the time the standard form contract is entered into, if the standard form contract was not entered into over the telephone; or (ii) as soon as possible, but not more than 5 business days after the standard form contract was entered into, if the standard form contract was entered into over the telephone.</p> <p>Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Business Analyst - Sales, and examination of the sales training modules and customer welcome pack we identified that Kleenheat has processes in place to comply with the requirements of subsection 2.2(1) of the GMCC and ensure that:</p> <ul style="list-style-type: none"> • The date a solicited standard form contract is entered into is recorded by the agent; and • A copy of the standard form contract is provided to the customer in the prescribed time. 		
118	If a customer enters into a standard form contract that is not an unsolicited consumer agreement, the retailer or gas marketing agent must give the customer the information specified in clause 2.2(2) before or at the time of giving 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).	NG & LPG	4	<p>Clause 2.2 of the Code of Conduct states that: (2) Subject to subclause (3), if a customer enters into a contract described in subclause (1), the retailer or gas marketing agent must give the following information to the customer before or at the time of giving the customer's first bill –</p> <p>(a) how the customer may obtain – (i) a copy of the Code and Compendium; and (ii) details on all relevant tariffs, fees, charges, alternative tariffs and service levels that may apply to the customer, (b) the scope of the Code; (c) that a retailer and gas marketing agent must comply with the Code; (d) how the retailer may assist if the customer is experiencing payment difficulties or financial hardship; (e) with respect to a residential customer, a statement that the residential customer may be eligible to receive concessions and how the residential customer may find out about their eligibility for those concessions; (f) the distributor's 24 hour telephone number for faults and emergencies; (g) with respect to a residential customer(i) the telephone number for interpreter services, identified by the National Interpreter Symbol; and (ii) the telephone number for TTY services; (h) how to make an enquiry of, or complaint to, the retailer.</p> <p>Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Business Analyst - Sales, walkthrough of the kiosk sales process and examination of the sales training modules and customer welcome pack we</p>	NP	1

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>identified that Kleenheat has processes in place to comply with the requirements of subsection 2.2(2) of the GMCC and ensure that:</p> <ul style="list-style-type: none"> ● Staff are trained to provide customers the following information no later than the first bill being issued: <ul style="list-style-type: none"> ○ a copy of the Compendium and details on all relevant tariffs, fees, charges, alternative tariffs and service levels that may apply to the customer, ○ the scope of the code and the obligation of Kleenheat and its agents to comply with the code, ○ how Kleenheat may assist customers experiencing financial difficulty, ○ how to make an enquiry or a complaint; and ● The bill includes: <ul style="list-style-type: none"> ○ ATCO's 24 hour emergency number, ○ the telephone number for interpreter services and the National Interpreter Symbol, ○ the telephone number for TTY services. 		
119	When a customer enters into a non-standard contract that is not an unsolicited consumer agreement, a retailer or gas marketing agent must obtain and make a record of the customer's verifiable consent to entering into the non-standard contract.	NG & LPG	4	<p>Clause 2.3 of the Code of Conduct states that:</p> <p>(1) When entering into a non-standard contract that is not an unsolicited consumer agreement, a retailer or gas marketing agent must –</p> <p>(a) obtain and make a record of the customer's verifiable consent to entering into the non-standard contract; and</p> <p>(b) give, or make available to the customer at no charge, a copy of the non-standard contract – (i) at the time the non-standard contract is entered into, if the non-standard contract was not entered into over the telephone; or (ii) as soon as possible, but not more than 5 business days after the non-standard contract was entered into, if the non-standard contract was entered into over the telephone (we note that subclause 2.3(1)(b) was effective from January 2020).</p> <p>Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Business Analyst - Sales, walkthrough of the kiosk sales process, and examination of the sales training modules and customer welcome pack we identified that Kleenheat has processes in place to comply with the requirements of subsection 2.3(1) of the GMCC and ensure that:</p> <ul style="list-style-type: none"> ● Kleenheat make a record of the customer's verifiable consent whilst entering into a solicited non-standard contract; ● A copy of the non-standard form contract is provided to the customer in the prescribed time; ● The customer is made aware of: <ul style="list-style-type: none"> ○ Their ability to choose the standard form contract; ○ The difference between the standard and non-standard form contract; ○ Their ability to rescind the non-standard contract during the cool-off 	NP	1
119A.	When a customer enters into a non-standard contract that is not an unsolicited consumer agreement, a retailer or gas marketing agent must give, or make available to the customer at no charge, a copy of the nonstandard contract at the times specified in clause 2.3(1)(b)(i) and (ii).	NG & LPG	4		NP	1
120***	A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.	NG & LPG	4		NP	1
120A.^	<p>A retailer or gas marketing agent must ensure that the information specified is provided to the customer before entering into a non-standard contract.</p> <p>Note: the summary wording of this obligation is the same that used to appear for obligation 120, but prior to 1 January 2020, clause 2.3(2) included subclauses</p>	NG & LPG	4		NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	(a)- (l). Since 1 January 2020 clause 2.3(2) only contains subclauses (a)-(c) (as a result of amendments to the Gas Marketing Code 2017 that came into effect on 1 January 2020).			period; and <ul style="list-style-type: none"> ○ Applicable charges for rescinding the non-standard contract. (We note that obligation 120 was replaced by 120A and 120B, which came into effect as a result of the restructure of clause 2.3 of the Code of Conduct as of January 2020).		
120B.^	Subject to clause 2.3(3), if entering into a non-standard contract, a retailer or gas marketing agent must give the customer the information specified in clauses (a)-(h) before or at the time of giving the customer's first bill.	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Business Analyst - Sales, and examination of the sales training modules, bill template and customer welcome pack we identified that Kleenheat has processes in place to comply with the requirements of subsection 2.3(2A) of the GMCC and ensure that: <ul style="list-style-type: none"> ● Staff are trained to provide customers the following information no later than the first bill being issued: <ul style="list-style-type: none"> ○ a copy of the Compendium and details on all relevant tariffs, fees, charges, alternative tariffs and service levels that may apply to the customer, ○ the scope of the code and the obligation of Kleenheat and its agents to comply with the code, ○ how Kleenheat may assist customers experiencing financial difficulty, ○ how to make an enquiry or a complaint; and ● The bill includes: <ul style="list-style-type: none"> ○ ATCO's 24 hour emergency number, ○ the telephone number for interpreter services and the National Interpreter Symbol, ○ the telephone number for TTY services. (We note that obligation 120B came into effect as a result of the restructure of clause 2.3 of the Code of Conduct as of January 2020.)	NP	1
121***	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).	NG	2	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Business Analyst - Sales, and examination of the sales training modules and customer welcome pack, we identified that Kleenheat has processes in place to comply with the requirements of clauses 2.3(2) & 2.3(4) of the GMCC and ensure that: <ul style="list-style-type: none"> ● Before entering a non-standard contract, the customer is made aware of: <ul style="list-style-type: none"> ○ their ability to choose the standard form contract, ○ the difference between the standard and non-standard form contract, ○ their ability to rescind the non-standard contract during the cool-off period, ○ applicable charges for rescinding the non-standard contract; ● Kleenheat obtain the customer's verifiable confirmation that this information has been given; ● Records of the obtention of customer's verifiable consent are maintained; ● As part of Customer Service Operators daily performance review, the 	A	1
		LPG	4			
121A.^	A retailer or gas marketing agent must obtain a customer's verifiable confirmation that the information specified in clause 2.3(2) has been given.	NG	2		A	1
		LPG	4			

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>Customer Service Operations Manager ensures staff compliance in relation to obtaining customers' verifiable consent;</p> <ul style="list-style-type: none"> Initial training and refresher sessions are provided to all customer-facing staff, reiterating good practice in regards to the obtention of customer's verifiable consent; and LPG customers are only offered the SFC. <p>Finally, we conducted sample testing over 25 NG new account registrations made via kiosk, web and phone sign ups and did not identify any instances of non-compliance in relation to clauses 2.3(2) & (4) of the Code of Conduct. We also note that through our sample testing we considered obligation 121A coming into effect as of January 2020.</p>		
122	A retailer or gas marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.	NG	4	<p>2.4. Standards of conduct (1) A retailer or gas marketing agent must ensure that the inclusion of concessions is made clear to residential customers and any prices that exclude concessions are disclosed.</p> <p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, the Business Analyst - Sales and the Customer Service Team Coach, as well as examination of the sales training modules, we determined that Kleenheat has processes and procedures in place to ensure that:</p> <ul style="list-style-type: none"> Sales agents are trained to explain the difference between available plans (the standard form contract, the monthly smart saver plan and the monthly energiser plan) and related price, detailing the inclusion and exclusion of concessions; Kleenheat discloses every plan detailed fee schedule on their website; Hard copies of the available plans fee schedules are available upon customer request. 	NP	1
		LPG	4			
123	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.	NG & LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, the Business Analyst - Sales and the Customer Service Team Coach, as well as examination of the quality core , we determined that Kleenheat has processes and procedures in place to ensure that:</p> <ul style="list-style-type: none"> Sales Agents are trained to provide customers with information about how to contact Kleenheat for the purpose of general enquiries, verification and complaints during business hours; Kleenheat provided customers with the option of being contacted via telephone during Kleenheat's normal business hours; Sales Agents are trained to, upon request, provide customers with : <ul style="list-style-type: none"> Kleenheat's complaint telephone number, the Gas Ombudsman's telephone number, the marketing agent's identification number; and 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<ul style="list-style-type: none"> Information about how to contact Kleenheat for the purpose of general enquiries, verification and complaints is disclosed on Kleenheat website, customer invoices and the welcome pack customers receive after signing up with Kleenheat. 		
124	A retailer or gas marketing agent who contacts a customer for the purposes of 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.	NG & LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, the Business Analyst - Sales and the Customer Service Team Coach, as well as examination of the quality core, we determined that Kleenheat has processes and procedures in place to ensure that:</p> <ul style="list-style-type: none"> Sales Agents are trained to provide customers with information about how to contact Kleenheat for the purpose of general enquiries, verification and complaints; and Information about how to contact Kleenheat for the purpose of general enquiries, verification and complaints is disclosed on Kleenheat website, customer invoices and the welcome pack customers receive after signing up with Kleenheat. 	NP	1
125	<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"> 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. 	NG & LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, the Business Analyst - Sales and the Customer Service Team Coach, as well as examination of the quality core, we determined that Kleenheat has processes and procedures in place to ensure that kiosk marketing agents:</p> <ul style="list-style-type: none"> Wear a clearly visible and legible identity card showing their first name, photograph, marketing identification number and Kleenheat's name at all times while engaging customers face to face; and Are trained to, upon request, provide in writing to customers their first name, marketing identification number, Kleenheat's name, Kleenheat's complaint telephone number, Kleenheat's address, Kleenheat's ABN, and the Gas Ombudsman's telephone number. <p>Additionally, through the examination of Kleenheat's 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in one (1) instance due to a sales agent failing to wear their marketing identification card while on duty and realising a sale. As a response, Kleenheat:</p> <ul style="list-style-type: none"> Provided further training to the kiosk leadership group to reiterate the importance of Kleenheat's compliance to the Code of Conduct requirements; Provided further training and ongoing coaching to sales agents to ensure their marketing identification card is worn at all times while on duty; and Attached kiosk keys on sales marketing identification cards' lanyard, to physically prevent sales agents to access kiosk equipment without their ID cards. 	A	2

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>We have examined the compliance tracker and no further incidents have been reported since the breach occurred in February 2019.</p> <p>Finally, we note that due to COVID-19 restrictions, all kiosk operations have been indefinitely suspended since March 2020, which limited our ability to physically observe kiosk activities. No further actions are required to address the non-compliance.</p>		
126	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.	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity, it was confirmed that this obligation is not applicable to Kleenheat as they do not conduct any door to door marketing activities.	NA	NA
128	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.	NG & LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, the Business Analyst - Sales and the Customer Service Team Coach, as well as examination of the kiosk training modules, we determined that Kleenheat has processes and procedures in place to ensure that:</p> <ul style="list-style-type: none"> Marketing agents are trained to record any complaint from a customer on the spot via their iPad, which is directly linked to the complaint section of Kleenheat's website and recorded in Kleenheat's billing system to be followed up with the relevant department for resolution; A complaint form is available to the customer via the Kleenheat website; and Upon request and within 28 days, Kleenheat will provide the Ombudsman with records of diary notes in relation to a complaint recorded by a marketing agent. <p>On review of the complaint tracker, it was determined that Kleenheat maintains a record of all complaints made by a customer pertaining to marketing including marketing agents. Kleenheat was asked to provide information to the Ombudsman in relation to resolving one complaint.</p>	NP	1
129	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.	NG & LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Customer Service Team Coach, as well as examination of the Code of Conduct training modules, we determined that Kleenheat has processes and procedures in place to ensure that:</p> <ul style="list-style-type: none"> Detailed dated customer contact history is saved as diary notes against the relevant customer account in Kleenheat's billing system; and This information does not get deleted, hence Kleenheat is compliant with the prescribed two years filing requirements. 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
15. Licence compliance requirements – Compendium of Gas Customer Licence Obligations						
CONNECTION						
134	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.	NG & LPG	2	<p><u>NG:</u> Through examination of Kleenheat's annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in four (4) instances during the audit period, all as a result of human error and involving the customer being provided with the wrong email address to send their connection request to, which caused failure to forward the new connection request to the distributor within the prescribed timeframe. As a response, Kleenheat:</p> <ul style="list-style-type: none"> • Provided feedback and compliance coaching to the concerned Customer Service Officers; • Set up a new connections email inbox monitored by senior Customer Service Officers to ensure no new connection request remains unactioned; and • Provided mandatory refresher training to all Customer Service Officers in relation to new connections. 	A	1
135	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.	NG & LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, NG Admin Team Leader and the Customer Service Team Coach, and examination of Kleenheat's new connections training modules, processes and procedures, we determined that:</p> <ul style="list-style-type: none"> • New connection requests are received via email on a designated NG new connections inbox; • Customer Service Officers lodge the request for a new connection to ATCO in Kleenheat's billing system; • A daily exception report is generated before 3.00 pm by the NG Admin Team to identify accounts for which a new connection request has not yet been raised within the 2 day specified timeframe, and action those items accordingly; and • Mandatory periodic refresher training is provided to all Customer Service Officers. <p>Finally, through performing sample testing of 25 NG new accounts, no further instances of non-compliance were identified. No further actions are required to address the non-compliance.</p> <p><u>LPG:</u></p>	A	2

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				Through discussion with the Regulatory Manager, Natural Gas & Electricity and LPG Admin Team Leader, it was confirmed that Kleenheat is both the retailer and distributor in relation to LPG Retic. As such, obligations 134 and 135 do not apply as Kleenheat both processes new LPG Retic connections requests and performs LPG Retic new connections.		
BILLING						
136	A retailer must issue a bill no more than once a month unless the conditions specified in clause 4.1(a)(i)-(iv) apply.	NG	2	<p>According to clause 4.1(a)(i) to (iv) of the Compendium, Kleenheat must issue a bill –</p> <p>(a) no more than once a month, unless –</p> <p>(i) the retailer has obtained a customer’s verifiable consent to issue bills more frequently;</p> <p>(ii) the retailer has given the customer –</p> <p>A. a reminder notice in respect of 3 consecutive bills; and</p> <p>B. notice as contemplated under clause 4.2;</p> <p>(iii) the bill is a final bill for the customer’s supply address; or</p> <p>(iv) less than a month after the last bill was issued, the retailer has received metering data from the distributor for the purpose of preparing the customer’s next bill (we note that that subclause 4.1(iv) was effective from January 2020).</p> <p>The 2018 audit reported that Kleenheat was non-compliant with this obligation and recommended it pursue the improvement of its billing engine and monitor and respond to the impact of Compendium changes to its billing processes. Through examination of Kleenheat’s annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in 84 instances for NG and LPG during the audit period due to human processing errors.</p>	A	2
		LPG	2	<p><u>NG:</u></p> <p>Through discussion with the NG Administration Team Leader, as well as examination of the NG billing processes and procedures, we determined that:</p> <ul style="list-style-type: none"> • Kleenheat's billing process relies on meter reads provided by ATCO; • Kleenheat's billing engine identifies and compiles exceptions (such as meter reads received outside of the scheduled period), which get resolved by the NG Admin Team member the following day; and • A monthly compliance report identifies customer accounts that have been billed more than once during the related month. <p>Additionally, through discussion with the Regulatory Manager, Natural Gas & Electricity and examination of the Kleenheat compliance reports submitted to the ERA, we determined that:</p>		

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<ul style="list-style-type: none"> ● In response to recommendation 1/2018 of the 2018 performance audit report, Kleenheat has investigated and upgraded its billing engine to prevent bills to be sent to a customer more than once a month, and continued to monitor the impact of changes to the Compendium on its billing process; and ● In the 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, Kleenheat has reported 84 instances of bills being sent to customers more than once a month in relation to NG. 54 of those are not considered exceptions under subsection 4.1(a)(i) of the Compendium, and the other 30 were due to agents not following the correct procedure for replacement reads. As a response, Kleenheat: <ul style="list-style-type: none"> ○ ceased its manual process of generating replacement read bills, ○ processed adjustments solely on the following bill, ○ upon customer request of a new read with a replacement invoice, ensured staff read a declaration to obtain the customer's verifiable consent to obtaining more than one bill within the same month. <p><u>LPG:</u> Through discussion with the LPG Administration Team Leader, as well as examination of the LPG retic billing processes and procedures and the reticulated gas schedules , we determined that:</p> <ul style="list-style-type: none"> ● The LPG billing process relies on meter reads obtained by Kleenheat's contracted meter readers; ● Reticulated gas schedules are sent to contractors ahead of meter reads on a monthly basis; ● Reminder notices are forwarded to the customer where a read was unable to be performed; ● Business customers are billed monthly and residential customers are billed bimonthly; ● Meter reads are recorded on the reticulated gas schedule and uploaded to Kleenheat's billing system by the LPG Retic CST Team and samples are tested to ensure accuracy of data entry on Kleenheat's billing system; ● Customer invoices are automatically generated on third party print house based on the meter reading data input in Kleenheat's billing system; and ● A retic days since last read report is run monthly by the LPG Retic CST Team to ensure customers are not billed more than once a month. <p>Additionally, through discussion with the Regulatory Manager, Natural Gas & Electricity and examination Kleenheat compliance reports submitted to the ERA, we determined that:</p> <ul style="list-style-type: none"> ● In the 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, Kleenheat has reported one instance of bills being sent to customers 		

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>more than once a month in relation to LPG. This breach was due to an LPG special meter read, resulting in two bills being issued in the same month.</p> <ul style="list-style-type: none"> As a response to this breach, Kleenheat modified their retic move-out template to include a consent for the customer to agree to receive duplicate bills within a month and the LPG Retic Admin Team have amended their process to ensure that where an actual read on an already billed final estimate has been identified, a letter is issued to the customer notifying them of the amendment to their bill. <p>Finally, through performing sample testing of 25 NG accounts and 25 LPG accounts, no further instances of non-compliance were identified. No further actions are required to address the non-compliance.</p>		
137	A retailer must issue a bill at least every 105 days unless the conditions specified are met.	NG	2	<p>The 2018 audit reported that Kleenheat was non-compliant with this obligation and was recommended it remove the 'hold' function within its billing engine to prevent the delay of issuing bills. Through examination of Kleenheat's annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in 356 instances during the audit period.</p> <p><u>NG:</u> Through discussion with the NG Administration Team Leader, as well as examination of the NG billing processes and procedures, we determined that:</p> <ul style="list-style-type: none"> Kleenheat's billing process relies on meter reads provided by ATCO; and Kleenheat's billing engine will generate invoice entries based on an estimated read when ATCO fails to provide an actual meter read for a period of 3 months. <p>Additionally, through discussion with the Regulatory Manager, Natural Gas & Electricity and examination of Kleenheat compliance reports submitted to the ERA, we determined that:</p> <ul style="list-style-type: none"> In response to recommendation 2/2018 of the 2018 performance audit report, Kleenheat has removed the 'hold' function on its 21 day switch billing to allow the relevant bill to be issued based on the scheduled meter read and set up a project team to specifically review further changes that may be necessary to prevent bills being issued beyond 105 days and implement any changes required in the billing engine system; In the 2018/2019 annual compliance report submitted to the ERA, Kleenheat has reported 356 instances where it failed to issue bills to customers at least every 105 days, of which: <ul style="list-style-type: none"> 1 instance was due to a change in a customer's billing type from "on meter read" to "fixed period billing", this resulted in Kleenheat's billing engine holding the read until the fixed billing date, which was resolved by the 	A	2
		LPG	2			

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>implementation of a new improved process to prevent this to reoccur;</p> <ul style="list-style-type: none"> ○ 1 instance was due to Kleenheat's exception report failing to take into account public holidays, which was corrected by running the report to identify bills that have not been issued for 98 days instead of 104 days; ○ 7 instances were due to an internal system error, which was remedied by an update to Kleenheat's billing engine; ○ 7 instances were due to human errors (such as a customer being accidentally setup as a residential account, placing a manual hold on billing during a system update, or errors in processing tasks in Kleenheat's billing system), which were remedied by appropriate training and feedback being provided to the relevant staff members; ○ 9 instances were due to the billing engine holding overstated reads in exception. The reads Kleenheat received from ATCO did not dovetail with the previous read (overstated) and the billing engine held the read in exception, this requires manual intervention to move onto the next step which is issuing an invoice to the customer. The team actioned the held billing exceptions late which resulted in billing the customer over the 105-day obligation. The expectation has been set with the billing team that all billing exceptions are to be actioned within 48 hours of receipt, this has also been integrated into their performance measures. This was remedied by the implementation of improved SLAs; ○ 28 instances due to business customers with no usage not being issued a bill, which was remedied by a system improvement that now allows Kleenheat to issue \$0 bills; and ○ 303 instances were due to transfer requests being received from the market preventing the billing engine to send a final bill until the transfer read was received, which was solved by an automated improvement allowing the billing engine to release all held reads on the 98 day mark. <p><u>LPG:</u> Through discussion with the LPG Administration Team Leader, as well as examination of the LPG retic billing processes and procedures and the reticulated gas schedules , we determined that:</p> <ul style="list-style-type: none"> ● The LPG billing process relies on meter reads obtained by Kleenheat's contracted meter readers; ● Reticulated gas schedules are sent to contractors ahead of meter reads on a monthly basis; ● Reminder notices are forwarded to customers where a read was unable to be performed; ● Business customers are billed monthly and residential customers are billed 		

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>bimonthly, which complies with the requirement of a minimum of one bill being issued every 105 days;</p> <ul style="list-style-type: none"> • Meter reads are recorded on the reticulated gas schedule and uploaded to Kleenheat's billing system by the LPG Retic CST Team and samples are tested to ensure accuracy of data entry on Kleenheat's billing system; • Customer invoices are automatically generated on third party print house based on the meter reading data input in Kleenheat's billing system; and • A retic days since last read report is run monthly by the LPG Retic CST Team to ensure customers are not billed more than once a month. <p>Finally, through performing sample testing of 25 NG accounts and 25 LPG accounts, no further instances of non-compliance were identified. No further actions are required to address the non-compliance.</p>		
144	In respect of any 12-month period, on receipt of a request by a customer, a retailer may provide the customer with estimated bills under a bill smoothing arrangement.	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the NG Administration Team Leader, it was confirmed that Kleenheat did not provide any bill smoothing arrangements as described under clause 4.3 of the Compendium during the audit period (we note that subclause 4.3(2)(f) was effective from January 2020).	NP	NR
145	If a retailer provides a customer with a bill under a bill-smoothing arrangement pursuant to clause 4.3(1), the retailer must ensure that the conditions specified in clauses 4.3(2)(a)-(f) are met.	NG & LPG	4			
146	A retailer must issue a bill to a customer at the address nominated by the customer, which may be an email address.	NG & LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity and the NG and LPG Administration Team Leaders, walkthrough of a new account creation on Kleenheat's billing system and examination of the billing architecture flowchart, we determined the following:</p> <ul style="list-style-type: none"> • Customer details, including nominated billing address are kept in Kleenheat's billing system; • Customers who chose the standard form contract have the option to nominate a digital billing address, whereas customers who chose a non-standard form contract can only provide a digital billing address; and • During the billing process, billing details such as nominated address are directly pulled from the customer's account on Kleenheat's billing system. 	NP	1
147	<p>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.</p> <p>Note: the summary wording of this obligation has not changed, but since the commencement of the amended Compendium on 1 January 2020, there have been some changes to the content of clauses</p>	NG	2	<p>Through examination of Kleenheat's 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in 6,030 instances during the audit period, due to failure to include bill particulars as required under clauses 4.5(1)(a)-(cc) of the Compendium, of which:</p> <ul style="list-style-type: none"> • 198 instances occurred as a result of a billing engine error failing to include usage graphs and other particulars in issued bills, which were remedied by updating the billing engine, introducing approval procedures in relation to 	B	2

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	4.5(1)(a)-(cc)8 and the creation of an exception to complying with 4.5(1)(w) as set out in 4.5(4).			<p>new processes and reissuing correct bills to affected customers;</p> <ul style="list-style-type: none"> • 1,467 instances occurred as a result of a price break issue in August 2019 when Kleenheat increased its discount causing the billing engine to exclude meter read, energy units, average consumption and graph updates on bills, which are being remedied by the development of Kleenheat’s billing system code that has now been deployed to production; • 4,043 instances occurred as a result of billing occupiers without a name on their bill, which were remedied by the introduction of a new process to obtain customers’ name prior to issuing the first bill; • 319 instances occurred as a result of a system error affecting customers who have switched from a NSFC to SFC with an outstanding bill with subsequently issued collection notices. If the bill remains outstanding after 21 days, the SFC collection process is automatically initiated, and this issue has not yet been mitigated; • 3 instances occurred as a result of another billing engine error, which was remedied when the \$0 invoice development was deployed (see obligation 137). <p>Through discussion with the NG Administration Team Leader and sample testing of 25 NG customer invoices throughout the audit period, we determined that:</p> <ul style="list-style-type: none"> • Customer invoices are automatically generated through Kleenheat’s billing system and processed and published via Third party print house; and • Kleenheat has processes and procedures in place that ensure customer invoices include the minimum required information as prescribed in clauses 4.5(1)(a)-(cc), and confirm that the tested invoices were compliant with the requirements of clauses 4.5(1)(a)-(cc) of the Compendium (we have taken into consideration changes to the content of clauses 4.5(1)(a)-(cc) and the creation of an exception to complying with 4.5(1)(w) as set out in 4.5(4) in regards to the conditions under which the retailer is allowed to exclude the customer's name and account number from the bill, as effective from January 2020). <p>Finally, through performing sample testing of 25 NG accounts and 25 LPG accounts, no further instances of non-compliance were identified.</p> <p><u>Recommendation 1/2020:</u> Continue to investigate faults to the billing engine and to implement system updates to prevent instances of non-compliance.</p> <p><u>Action Plan 1/2020:</u></p>		

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>Short term mitigation of the breach risk for Obligation 147, specifically when a customer switches plan from NSFC to SFC and has an invoice issued under NSFC conditions, will be managed with additional exception reporting. The process will have a manual hold placed on collections and if the invoice issued under SFC conditions is unpaid then collections will continue. This is expected to be in place by 1st January 2021 along with additional training delivered to credit officers to amend the collection strategy. Long term consideration will be given to a system modification to automate this process as part of the continuous improvement program.</p> <p>Responsible Person: Commercial Manager Target date: January 2021</p>		
		LPG	4	Through discussion with the LPG Administration Team Leader and examination of a LPG customer's invoice, we confirm that Kleenheat has processes and procedures in place that ensure customer invoices include the minimum required information as prescribed in clauses 4.5(1)(a)-(cc) to the Compendium (we have taken into consideration changes to the content of clauses 4.5(1)(a)-(cc) and the creation of an exception to complying with 4.5(1)(w) as set out in 4.5(4) as effective from January 2020).		
149	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.	NG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity, the Consumer Credit Team Leader and the NG Administration Team Leader, it was confirmed that Kleenheat's system is not configured to transfer debt from an existing account to a new account, and instances of historical debt being billed to customers did not occur during the audit period.	NP	NR
150	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.	NG	4	<p>Through discussion with the NG Administration Team Leader, walkthrough of the billing process, and examination of billing process documents, we determined that Kleenheat complies with the requirements of clause 4.6 of the Compendium as:</p> <ul style="list-style-type: none"> • Readings in relation to customer supply addresses are provided from ATCO through an overnight meter data file upload onto Kleenheat's billing system; • From this data, Kleenheat's billing engine generates invoice lines that are compiled in a flat file then uploaded to Third party print house, which generates individual customer invoices; and • Customers can provide their own reading, which needs to be approved by ATCO prior to billing amendments. 	NP	1
152	A retailer must use its best endeavours to ensure that metering reading data is obtained as frequently as is required to prepare its bills.	NG	5	Through discussion with the NG Administration Team Leader, walkthrough of the billing process, and examination of NG billing procedures, as well as standard form contract and non-standard for contract terms and conditions, we determined that ATCO provides meter readings for a specific metering point quarterly, which is in line with Kleenheat' billing cycle. We also note	NP	1

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				that if ATCO cannot obtain a meter reading due to inaccessibility of a metering point, an estimate reading will be provided instead.		
		LPG	5	Through discussion with the LPG Administration Team Leader, walkthrough of the billing process, and examination of LPG billing procedures, LPG reticulated schedules, as well as standard form contract and non-standard form contract terms and conditions, we determined that Kleenheat uses its best endeavours to ensure metering data is obtained as required to prepare its bills by: <ul style="list-style-type: none"> • Scheduling contractors to perform meter readings on a monthly basis for business customers or bi-monthly basis for residential customers, keeping records of unperformed readings and setting reminders to reperform those readings; • Entering the provided readings into Kleenheat's billing system, from which Kleenheat's billing engine generates invoice lines that are compiled in a flat file then uploaded to Third party print house, which generates individual customer invoices; and • Providing an estimated read in the case a metering point is inaccessible at the time of a scheduled read. 		
153	Subject to subclause 4.7(3), a retailer must ensure that at least once every 12 months it obtains metering data in accordance with clause 4.6(a).	NG	5	Through discussion with the NG Administration Team Leader, walkthrough of the billing process, and examination of NG billing procedures and the actual read required billing template, we determined that although the responsibility of conducting a minimum of one meter read every 12 months lies with ATCO, after the third estimated read, Kleenheat uses best endeavours to arrange an actual read by including a communication addressed to the customer in the bill prompting them to contact Kleenheat to arrange a reading (we note that subclause 4.7(3) was effective from January 2020).	NP	1
		LPG	5	Refer to obligation 152.		
154	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.	NG & LPG	4	Through discussion with the NG and LPG Admin Team Leaders and examination of subclauses 8(f) to (h) of the standard and non-standard form contract terms and conditions, we determined that where a meter is inaccessible for a read to be performed, Kleenheat will be provided an estimated read on the basis of: <ul style="list-style-type: none"> • the customer's self-read, which needs to be approved by ATCO; • the customer's prior billing history; or • where no prior billing history is available, the average usage of gas at the relevant price, the average usage for the type of gas installation or the average usage at the supply address. 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
155	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).	NG	4	Through examination of Kleenheat's 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed one (1) instance of non-compliance during the audit period, which was due to the LPG billing engine failing to disclose on a final bill issued, that the final bill was based on an estimated read. As a response, Kleenheat has implemented a billing system improvement to ensure that the word estimate is shown on all invoices with estimate reads. We note that this issue is not applicable to NG as final invoices are always based on actual reads.	A	2
		LPG	2	Through discussion with the NG and LPG Admin Team Leaders and examination of the NG and LPG billing templates, as well as sample testing of 1 NG and 5 LPG estimated bills, we concluded that Kleenheat complies with the requirements of clauses 4.8(a) to (c) of the Compendium by ensuring an estimated bill: <ul style="list-style-type: none"> clearly stipulates it is based on an estimation; informs the customer on how to contact Kleenheat may they wish to request details on the basis of and reason for the estimation, obtain a verification of that estimation, or schedule a meter reading. <p>Finally, no further instances of non-compliance were identified through our sample testing procedures. No further actions are required to address the non-compliance.</p>		
156	Upon request, a retailer must inform a customer of the basis and the reason for the estimation.	NG & LPG	4	Through discussion with the NG and LPG Admin Team Leaders and examination of the estimated billing process and procedures, we determined that in relation to an estimated read: <ul style="list-style-type: none"> for NG, the reason and basis for the estimation is provided to Kleenheat by ATCO and automatically uploaded against the relevant Kleenheat's billing system customer account during the daily metering data transfer; for LPG, the reason for a failed meter read is provided by the contracted meter reader and uploaded against the relevant customer account on Kleenheat's billing system by the CST Team; and Customer Service Officers are trained to retrieve the basis and reason for an estimation and to provide those to the customer upon request. 	NP	1
157	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.	NG & LPG	2	Through examination of Kleenheat's 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed one (1) instance of non-compliance during the audit period, which was due to a bill based on an actual reading, subsequent to a bill based on an estimated reading, failed to include an adjustment amount to reflect the actual reading. As a response, Kleenheat provided feedback and training to the LPG retic agent involved.	A	2

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>Through discussion with the NG and LPG Admin Team Leaders and examination of clause 8 of the standard and non-standard form contract terms and conditions, as well as sample testing of 25 NG and 5 LPG actual read based bills subsequent to estimated read based bills, we determined that Kleenheat has processes in place to ensure that in the case of an estimated bill being provided to the customer, the next actual bill is to include an adjustment amount to reflect the actual read as per metering equipment.</p> <p>Finally, no further instances of non-compliance were identified through our sample testing procedures. No further actions are required to address the non-compliance.</p>		
158	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.	NG & LPG	4	<p>Through discussion with the Consumer Credit Team Leader and the NG and LPG Admin Team Leaders, as well as examination of the meter data verification process, meter test procedures and clause 8 of the standard and non-standard form contract terms and conditions, we determined that:</p> <ul style="list-style-type: none"> • Customers can request a special meter read or a meter test to Kleenheat at a reasonable charge; • Kleenheat is to put a service request through to ATCO to complete such NG customer requests or arrange for a contractor to conduct a meter test for LPG Retic customers; and • In the case a meter is reported faulty, Kleenheat is to refund the meter test fee paid by the customer. <p>It was confirmed through discussion with the Regulatory Manager, Natural Gas & Electricity, that no instances of a faulty meter being reported and subsequent refund occurred during the audit period.</p>	NP	1
159	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.	NG & LPG	4	<p>It was confirmed through discussion with the Regulatory Manager, Natural Gas & Electricity, that no instances of a faulty meter being reported and subsequent refund occurred during the audit period.</p>	NP	1
160	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.	NG & LPG	4		NP	1
161	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. The effective date of change is set out in clause 4.12(2).	NG & LPG	4	<p>Through discussion with the NG and LPG Admin Team Leaders, and examination of Kleenheat's change of plan procedures and sales training modules, we determined that:</p> <ul style="list-style-type: none"> • Customers can switch plan between standard form contract, monthly energiser or monthly smart saver at any time via phone or email and benefit from a 10 days cooling off period as soon as Kleenheat accept their request; • Tariff changes automatically take effect from the moment a request is processed by a CST Team member into Kleenheat's billing system, which complies with the 10 business days requirement under subclause 4.12(2) of the Compendium (we note that this effective date was added to the description of obligation 161 following the deletion of obligation 162); • Incremented discounts apply on non-standard form contracts (monthly energiser and monthly smart saver plans) for a minimum period, after which Kleenheat does not reduce those discounts; and • Tariff changes do not apply to LPG Retic customers as they are only offered 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				the standard form contract. Additionally, through examination of Kleenheat's register, we confirm that no complaint was made in relation to the wrong tariff being charged to a customer during the audit period.		
163	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.	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity NG and LPG Admin Team Leaders, it was confirmed that there were no instances of Kleenheat switching customers to an alternative tariff during the audit period.	NP	NR
164	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.	NG & LPG	3	Through discussion with the NG and LPG Admin Team Leaders, as well as walkthrough of the billing process and examination of Kleenheat's move out process, we determined that Kleenheat uses its best endeavours to arrange for a final bill in accordance with the customer's request by: <ul style="list-style-type: none"> • For the purpose of NG customers final bill requests, sending a final read request to ATCO, from which a final bill will be generated (we note that if ATCO is incapable of providing a final read and the customer cannot be contacted, the account will be closed as such); • For the purpose of LPG customers, Kleenheat will schedule a contractor to perform a final read, from which a final bill will be generated (we note that if the contractor is unable to perform the read and the customer cannot be contacted, a final estimated bill be issued to the customer, which they can contest). 	A	1
165	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.	NG	1	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, walkthrough of the billing process, and examination of refund processes and procedures, as well as sample testing of 25 NG final accounts in a credit position, we determined that: <ul style="list-style-type: none"> • Kleenheat's final bill template includes instructions for the customer to contact Kleenheat to arrange a refund may the account be in credit; • In the case a final bill fails to be issued, a letter is sent to request the customer to request them to contact Kleenheat; • Customer Service Officers are trained to transfer the credit to another nominated account or raise a refund system request as soon as customer instructions are received to comply with the prescribed 12 days period under clause 4.14(2) of the Compendium; • Refunds can be made via credit card, cheque or electronic transfer to a nominated bank account; and • An unclaimed monies process is in place to monitor unapplied credits. <p>The 2018 audit reported that Kleenheat was non-compliant with this obligation and no further recommendations were made to address the non-compliance. Through examination of Kleenheat's annual compliance reports</p>	B	2

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in 2,899 instances during the audit period, of which:</p> <ul style="list-style-type: none"> • 5 instances occurred as a result of human error causing final bill credits not to be repaid under the prescribed 12 days, which was remedied by providing coaching and feedback to the concerned agents, as well as refresher training to all members of Kleenheat's Customer Service Team; • 2,170 instances occurred as a result of a system error causing customers to be automatically refunded on their credit card instead of their preferred method of refund, which was remedied by a system update preventing auto-refunds on final accounts; and • 724 instances occurred as a result of a systemic issue causing final bills not to be issued under the final bill template, which asks the customer to contact Kleenheat to provide instructions on where to transfer the credit, as a response, Kleenheat implemented a business improvement project (currently in the testing phase) in order to fix the issue, which has not yet been resolved. <p>Finally, no further instances of non-compliance were identified through our sample testing procedures.</p> <p><u>Recommendation 2/2020:</u> Continue to investigate faults to the billing engine and to implement system updates to prevent instances of non-compliance.</p> <p><u>Action Plan 2/2020</u></p> <p>Kleenheat identified 21 scenarios as to why the final bill did not generate correctly. To date 19 of those scenarios have been resolved with the final two due to be resolved by the end of November. The billing team will continue to monitor any issues associated with the generation of the final invoice by performing root cause analyses and will implement either process or system changes to cater for any outlying scenarios.</p> <p>Responsible person: Customer Service Operations Manager Target date: November 2020</p>		
		LPG	4	<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, walkthrough of the billing process, and examination of refund processes and procedures, we determined that:</p> <ul style="list-style-type: none"> • Kleenheat's final bill template includes instructions for the customer to contact Kleenheat to arrange a refund may the account be in credit; • In the case a final bill fails to be issued, a letter is sent to request the customer to request them to contact Kleenheat; 		

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<ul style="list-style-type: none"> Customer Service Officers are trained to transfer the credit to another nominated account or raise a refund system request as soon as customer instructions are received to comply with the prescribed 12 days period under clause 4.14(2) of the Compendium; Refunds can be made via credit card, cheque or electronic transfer to a nominated bank account; and An unclaimed monies process is in place to monitor unapplied credits. 		
165A.	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).	NG & LPG	1	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, it was confirmed that Kleenheat did not use credit from a closed account in order to offset an existing debt during the audit period. Additionally, our sample testing of 25 NG and 5 LPG final accounts in a credit position did not depict any non-compliance in relation to this obligation.	NP	NR
166	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.	NG & LPG	4	Through discussion with the Customer Advocate, Customer Service Team Coach, the NG Admin Team Leader and the LPG Admin Team Leader, walkthrough of the billing process, and examination of billing procedures and training modules, we determined that: <ul style="list-style-type: none"> Account reviews are available to customers upon request; Customer Services Officers are adequately trained to conduct billing reviews, and offer customers the option of a meter test may their explanations be perceived as unsatisfactory; All customers interactions in relation to a review are captured in diary notes against the customer's account; Customers are updated on the outcome of the review on the spot and on the status of investigation of their query upon request; CSOs are trained to differentiate between a request and a complaint and initiate the complaint handling process as required, and escalate a complaint to the relevant team if they cannot solve it on the spot; Where the bill is correct, CSOs are trained to initiate the complaint handling process may a customer be dissatisfied by the outcome of review; Where the bill is incorrect, a credit is applied to the customer's account or a refund is processed upon request; 	NP	1
167	If a retailer is satisfied after conducting a review of a bill that the bill is correct, the retailer: <ul style="list-style-type: none"> 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. 	NG & LPG	4	<ul style="list-style-type: none"> If a bill review cannot be resolved on the spot, the matter will be escalated to the relevant team, which will inform the customer of the outcome within the prescribed 20 days period or provide a status update; Kleenheat billing template include information on how to contact Kleenheat to request for a bill review or make a complaint, and also provide the Ombudsman contact details may the customer wish to escalate their 	NP	1
168	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.	NG & LPG	4		NP	1
169	The retailer must inform a customer of the outcome of the review (of the bill) as soon as practicable.	NG & LPG	4		NP	1

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
170	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.	NG & LPG	4	concern. It was noted that there were instances during the audit period where customers requested to review their bill information. Additionally, there were instances of incorrect bills and Kleenheat has processed the adjustments as required. Additionally, we note that through review of the complaint tracker, no complaints were identified in relation to timing of response to account reviews.	NP	1
171	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).	NG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, it was confirmed that Kleenheat has not sought to recover any undercharged amount from customers during the audit period.	NP	NR
		LPG	4			
172	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.	NG & LPG	5	Through discussion with the Consumer Credit Team leader and the NG and LPG Admin Team Leaders, walkthrough of the billing process, and examination of overstated billing and refund processes and procedures, we have determined that in the case an overstated read: <ul style="list-style-type: none"> Instances of overstated reading occurred in relation to NG during the audit period; Kleenheat's billing engine will flag an exception for the billing team to action on the following business day, an overcharge correction is then credited against the relevant customer account, and: <ul style="list-style-type: none"> If the overcharged amount is below \$100, it will automatically appear as a credit on the following bill along with a communication prompting the customer to contact Kleenheat if they wish to get the amount refunded instead; If the overcharged amount is above \$100, a letter will be automatically sent to the customer advising them of the overcharge and to contact Kleenheat if they wish to organise a refund; and An overcharged amount will only be refunded if the entire amount of the overcharged invoice was paid by the customer; Refunds are conducted under the customer's preferred method of repayment (cheque, credit card or bank transfer) and under 12 business days; and There were no instances of an overcharged amount being offset against a debt during the audit period. 	NP	1
173	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.	NG & LPG	4		NP	1
174	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.	NG & LPG	5		NP	1

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
175	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.	NG & LPG	5	Additionally, we note that through review of the complaint tracker, no complaints were identified in relation to Kleenheat's mismanagement of overcharged amounts credits or refunds during the audit period.	NP	1
175A.	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.	NG & LPG	5		NP	NR
176	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).	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, it was confirmed that Kleenheat has not sought to recover any undercharged amount from customers during the audit period.	NP	NR
177	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.	NG & LPG	4	Through discussion with the Consumer Credit Team Leader and the NG and LPG Admin Team Leaders, walkthrough of the billing process, and examination of overstated billing and refund processes and procedures, we have determined that in relation to Kleenheat becoming aware of an amount owing to the customer after a meter read: ● Instances of Kleenheat becoming aware of an amount owing to the customer after a meter read occurred during the audit period; ● Kleenheat's billing engine will flag an exception for the billing team to action on the following business day, an adjustment of the amount owed is then credited against the relevant customer account, and: ○ If the owed amount is below \$100, it will automatically appear as a credit on the following bill along with a communication prompting the customer to contact Kleenheat if they wish to get the amount refunded instead; and ○ If the owed amount is above \$100, a letter will be automatically sent to the customer advising them of the amount owed and to contact Kleenheat if they wish to organise a refund;	NP	1
178	If a retailer received instructions under clause 4.19(2), the retailer must pay the amount in accordance with the customer's instructions	NG & LPG	4	● Refunds are conducted under the customer's preferred method of repayment (cheque, credit card or bank transfer) and under 12 business days;	NP	1

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	within 12 business days of receiving the instructions.			and • There were no instances of an adjustment amount owed to the customer being offset against a debt during the audit period.		
179	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.	NG & LPG	5	Additionally, we note that through review of the complaints tracker, no complaints were identified in relation to Kleenheat's mismanagement of owed amounts to customers or refunds during the audit period.	NP	1
180	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.	NG & LPG	5		NP	1
180A.	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.	NG & LPG	4		NP	NR
PAYMENT						
181	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.	NG & LPG	4	Through discussion with Team Leaders Billing for NG and LPG, walkthrough of the Kleenheat payment process and examination of the NG and LPG bills, we determined that during the audit period Kleenheat provided for the following processes: • The bill due date is generated on the bill automatically in through the Kleenheat's billing system; • The general payment terms depend on the contract entered with the customers and most instances are a 21 day payment cycle; • The current Kleenheat processes have taken into account the requirements of the compendium; and • We examined NG and LPG bill and confirm that the bill due date is at least 12 days from the date of the bill.	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
182	Unless otherwise agreed with a customer, a retailer must offer the customer at least the following payment methods: <ul style="list-style-type: none"> · in person at 1 or more payment outlets located within the Local Government District of the customer's supply address; · by mail; · for residential customers, by Centrepay; · electronically by means of Bay or credit card; and · by telephone by means of credit card or debit card. 	NG & LPG	4	Through discussion with Team Leaders Billing for NG and LPG, walkthrough of the Kleenheat payment process and examination of the NG and LPG bills, we determined that during the audit period, Kleenheat provided all the options mentioned under the compendium for a customer to make payment.	NP	1
183	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.	NG	3	Through discussion with the Customer Support Trainer and examination of the consent script, we determined that NG customers have the option of signing up either over the phone or online. Kleenheat has a process in place to obtain the verifiable consent either verbally or in writing through online portals before commencing a direct debit. Finally, through performing sample testing of 25 NG sign ups, no instances of non-compliance were identified.	A	1
		LPG	5	Through discussion with LPG Team Leader Billing, we determined that customers could be signed off only through a welcome pack. Therefore, the direct debit customer verifiable consent would be in writing. We examined one (1) LPG customer direct debit consent form and noted that the customer agreed with the requirements specified in the compendium prior to commencement of the direct debit facility.		
184	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. Note: the summary wording of this obligation has not changed, but one of the changes to the Compendium (which came into effect on 1 January 2020) was the creation of additional subclauses to 5.4 which provide additional information and create an exception to complying with 5.4(1).	NG & LPG	4	Through discussion with the Team Leader Credit Operations and walkthrough of the payment processes, we determined that Kleenheat accepts advance payments and has no limit placed on the amount that can be accepted in advance. These processes have been developed in alignment with the compendium 5.4(1). Kleenheat did not have any instances where advance payments were made during the audit period.	NP	NR
185	If a customer is unable to pay by way of the methods described in clause 5.2, due to illness or absence, a retailer must offer a residential	NG & LPG	4	Through discussion with the Team Leader Credit Operations and walkthrough of the payment processes, we determined that during the audit period:	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	customer a redirection of the customer's bill to a third person, at no charge.			<ul style="list-style-type: none"> • In instances where customers have made a request, Kleenheat's processes provided customers the opportunity of transferring the bill to a third party as per the obligation; • There was no charge levied on the customer as a result of changes that were made to the billing address; and • Having examined the complaints tracker, we did not identify any complaints that were attributed to a change on a billing address which was done as result of an illness or absence as per clause 5.5 of the compendium. 		
186	<p>A retailer must not charge a residential customer a late payment fee in the circumstances specified in clauses 5.6(1)(b)-(d).</p> <p>Note: the changes to the Compendium (which came into effect on 1 January 2020) included the deletion of clause 5.6(1)(a) and changes to clause 5.6(1)(c).</p>	NG & LPG	4	<p>Through discussion with the Team Leader Credit Operations and walkthrough of the payment process, we determined that Kleenheat's processes provided for the following processes during the audit period:</p> <ul style="list-style-type: none"> • If a payment extension has been granted to a customer, the Kleenheat's billing system has been configured to not apply late payment fees until the new dates have been updated; • If the customer account has been flagged as experiencing financial hardship, the Kleenheat's billing system blocks out any collection activities including late payment fees; • If a customer has entered a payment arrangement, and the customer is ensuring the obligation is met, Kleenheat's billing system will systematically hold off the collection process; and • Examination of the complaints tracker did not identify any instances where the customer was unfairly charged late payment fees as per compendium 5.6 (1) (b)-(d). 	NP	1
186A.	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.	NG & LPG	4	<p>Through discussion with the Team Leader Credit Operations, Regulatory Manager, Natural Gas and Electricity, and examination of the complaints tracker, we determined that during the audit period:</p> <ul style="list-style-type: none"> • There were processes in place, where Kleenheat updated the breach tracker when any obligations have been breached. The breach tracker did not identify any non-compliances; • There were instances where late payment fees have been charged from a customer and complaints were raised. Kleenheat made efforts to refund these late payment fees when they were made aware; and • We did not identify any instances where further complaints have been recorded in relation to not addressing the requirements of the obligation. 	NP	1
187	If a retailer has charged a residential customer a late fee, a retailer must not charge an additional late payment fee in relation to the same bill within 5 business days from the date of receipt of the previous late payment fee notice.	NG	4	<p>Through discussion with Team Leader NG Billing and walkthrough of the billing processes, we determined that during the audit period:</p> <ul style="list-style-type: none"> • Kleenheat's billing system follows through an automated process for late payment fee interval generation. There are no manual interventions; 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
188	A retailer must not charge a residential customer more than 3 late payment fees in relation to the same bill, or more than 12 late payment fees in a year.	NG	4	<ul style="list-style-type: none"> The first reminder notice is sent 7 days after the payment due date on which the fees are generated. The disconnection notice is sent 10 - 12 days after complying with the requirement of charging late payment fees within 5 business days; There are system enforced controls to ensure a the same bill doesn't generate more than 3 late payment fees and 12 during the year; and Examination of the compliance breach tracker noted that there were no breach incidents that have been reported during the audit period. 	NP	1
		LPG	4	<p>Through discussion with Team Leader LPG Billing and walkthrough of the billing process, we determined that Kleenheat's processes provided for the following:</p> <ul style="list-style-type: none"> Processes followed for LPG billing is manual and therefore late payment fees are generated as part of a manual process; Late payment fees are generated once a month and therefore is in compliance with the requirements of the 5.6 (4); and Examination of the compliance tracker did not identify any recorded breaches during the audit period. 		
189	If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to the residential customer's last bill prior to the assessment being made.	NG & LPG	4	<p>Through discussion with Consumer Credit Team Leader and examination of the financial hardship reporting, we determined that Kleenheat's processes provided for the following:</p> <ul style="list-style-type: none"> Ensured processes were followed where customers who are assessed as financial hardship has their late payment fees reversed; Developed a manual report which is generated on a daily basis to check financial hardship customers where late payment fee revision is required; Pop up initiated through Kleenheat's billing system to notify any customer in this circumstances; Examination of the complaints tracker did not identify any customer in financial hardship that have made complaints on late payment fees; and Examination of the breach report did not did not identify any recorded breaches during the audit period. <p>During the audit period there were no instances where Kleenheat did not waive any late payment fees from a customer who has been assessed to be in financial hardship.</p>	NP	NR
190	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	NG & LPG	4	<p>Through discussion with Consumer Credit Team Leader and Customer Support Coach and examination of the customer move out procedure documents, we determined that during the audit period:</p> <ul style="list-style-type: none"> There were instances during the audit period where the customer vacated 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	the customer have agreed to an alternative date. 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.			the supply address by providing notice, eviction or other reasons; <ul style="list-style-type: none"> ● In order to facilitate the move out, Kleenheat's processes provided for the following: <ul style="list-style-type: none"> ○ Kleenheat informs the customer that a minimum of 5 business days are required to process the move out request. If a customer provides less than 5 days' notice the customer will be liable for payment for any consumption; ○ move out requests are accepted via all channels including phone, email and webchat; ○ A special meter read will be obtained to issue the final bill for the supply address. This will be submitted to the address provided by the customer; ○ Move out date is updated in Kleenheat's billing system which prohibits the system from further generating any billing; and ○ Customer consent is obtained for situations where the two invoices could be received during the same month as a result of generating the final bill. 		
191	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.	NG & LPG	4	Further examination of the complaints tracker, we did not identify any instances during the audit period where; <ul style="list-style-type: none"> - customers have made complaints pertaining to any fees or charges that have been levied on the customer after the move out has been processed. - charges have been levied on the customers supply address where it has been reasonably demonstrated that the customer was evicted or otherwise required to vacate the supply address. 	NP	1
193	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).9	NG & LPG	4	Through discussion with the Consumer Credit Team Leader and the Customer Support Coach and examination of the move out procedure documents, we determined that during the audit period: <ul style="list-style-type: none"> ● Kleenheat does not request a customer to pay for any outstanding bill that is applicable for another customer. Billing information will be accounted from the date the contract has been entered; ● In addition, Kleenheat does not require the customer to pay for gas consumed at the customer's supply address from the date the another retailer has become responsible for the supply of gas; ● There have been no complaints identified that relate to charging a customer for a usage of another customer or during the audit period. 	NP	1
195	A retailer must not commence proceedings for recovery of a debt from a residential customer who has informed a retailer that the customer is experiencing payment difficulties or financial hardship; and while a residential customer	NG & LPG	4	Through discussion with the Consumer Credit Team Leader and Customer Support Coach and examination of the financial hardship procedure documents, we determined that: <ul style="list-style-type: none"> ● If a customer is identified as experiencing financial hardship, Kleenheat's processes provided for automatic cancellation of the collection strategy; ● Customer is contacted by Kleenheat before being referred to an external 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	continues to make payments under an alternative payment arrangement.			agency; and <ul style="list-style-type: none"> Kleenheat's billing system is updated with notes to confirm that a customer has entered into a payment arrangement. 		
196	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.	NG & LPG	4	Through discussion with the Consumer Credit Team Leader and examination of the standard form contract clause 18.3, we noted that if a customer leaves the supply address and another customer enters into a contract with Kleenheat for the supply address, the customer who vacated the premises is not required to pay for any gas supplied at the supply address after the time when the new customer's obligations to pay for gas supplied under the new contract takes effect.	NP	1
196A.	If a customer with a debt owing to a retailer requests the retailer to transfer the debt to another customer, the retailer may transfer the debt to the other customer provided that the retailer obtains the other customer's verifiable consent to the transfer.	NG & LPG	4	Through discussion with the Consumer Credit Team Leader, we noted that Kleenheat's billing system does not facilitate debt of one customer to be transferred to another customer. Accordingly, debt owned by a customer can only be recovered from that customer. We did not identify any complaints made where debt was transferred to another customer without obtaining the required consent from the other customer.	NP	NR
197	Where a retailer and residential customer have entered into a dual fuel contract, or separate contracts for the supply of electricity and gas, the retailer must apply a payment received from a residential customer for charges for the supply of electricity or gas in the circumstances specified in clause 5.9.	NG & LPG	4	Through discussion with the Consumer Credit Team Leader and Regulatory Manager Natural Gas & Electricity, we confirmed that Kleenheat has not entered into dual fuel contracts or provided separate customer contracts for the supply of electricity or gas under circumstances specified under clause 5.10 during the audit period.	NP	NR
PAYMENT DIFFICULTIES & FINANCIAL HARDSHIP						
198	A retailer must assess whether a residential customer is experiencing payment difficulties or financial hardship, within 5 business days from when the residential customer informs the retailer about the payment problems. If the retailer cannot make the assessment within 5 business days, it must refer the customer to a relevant consumer representative to make the assessment. If a residential customer provides the retailer with an assessment from a relevant consumer representative, the retailer may adopt that assessment as its own assessment for the purposes of clause 6.1(1)(a).	NG & LPG	3	Through discussion with the Consumer Credit Team Leader and customer advocate, and the review of Kleenheat's financial hardship policy, procedures and training modules, we determined that: <ul style="list-style-type: none"> Kleenheat provides extensive training to Customer Service Officers and Credit Officers to ensure their ability to accurately identify and appropriately assist a customer experiencing financial hardship and staff need to complete the full curriculum and attend all coaching sessions prior to dealing with customers; The curriculum covers a wide range of topics (such as the theory of financial hardship, payment arrangement theory, financial counselling, and the theory of HUGS) and also include training in relation to Kleenheat's financial hardship policy and financial hardship assessment procedure, as well as specific training on how to handle sensitive subjects such as domestic violence or chronic illness and how to refer customers to the appropriate 	A	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
199	When undertaking an assessment regarding payment difficulties or financial hardship, the retailer must, unless the retailer adopts an assessment from a relevant consumer representative, give reasonable consideration to the information given by the residential customer and requested or held by the retailer; or advice given by a relevant consumer representative.	NG & LPG	3	<p>resources;</p> <ul style="list-style-type: none"> ● Kleenheat's financial procedures and processes are documented in detail and available at all times to assist customer-facing staff in performing financial hardship assessment; ● Kleenheat's financial hardship policy is publicly available on their website and was developed in conjunction with the Western Australian Council of Social Services (WACOSS), the Department for Child Protection and Family Support, and the Financial Counsellors Association of Western Australia (FCAWA). 	A	1
200	A retailer must advise a residential customer on request of the details of an assessment.	NG & LPG	3	<ul style="list-style-type: none"> ● Customer Service Officers are trained to: <ul style="list-style-type: none"> ○ Differentiate between payment difficulties and financial hardship; ○ Set up a 2 weeks extension on a bill not yet outstanding or a simple payment arrangement plan for customers with one bill outstanding as a response to payment difficulty; and ○ Recognise the indicators of financial hardship and refer concerned customers to the Credit Team for a financial hardship assessment. ● Credit Officers are trained to: <ul style="list-style-type: none"> ○ Conduct a financial hardship assessment, obtain a clear understanding of the customer's situation and conditions, and evaluating their eligibility for a Hardship Utility Grant Scheme (HUGS); ○ Set up a realisable payment arrangement for customers experiencing financial hardship and educate them on their available options, which include referrals to the National Debt Helpline, FCAWA and the Energy Ombudsman; ○ Where a customer is not comfortable discussing their personal circumstance, use the customer's request for more information on payment arrangements, the customer's payment history, and the customer's statements reflecting a change in their ability to pay as indicators of financial hardship for the purpose of completing an assessment; ○ Accept the outcome of a financial hardship assessment conducted by and consider the advice provided by an authorised financial counsellor or a relevant consumer representative (such as WACOSS and FCAWA); and ○ Provide the outcome of a financial hardship assessment to customers on the spot, or within 5 days upon request by the customer or an authorised financial counsellor or a relevant consumer representative. <p>During the audit enquiry with Consumer Credit Team Leader, it was noted that Kleenheat did not receive any requests for the details of the financial hardship assessment from a customer.</p> <p>Finally, through performing sample testing of 25 recorded calls, no instances</p>	A	NR

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				of non-compliance were identified (including any instances where Kleenheat was not able to perform the assessment within five (5) business days). We also note that our review of Kleenheat's complaints tracker did not identify any dispute in relation to financial hardship assessment activities during the audit period.		
200A.	If a retailer refers a residential customer to a relevant consumer representative under clause 6.1(1)(b), the retailer must grant the residential customer a temporary suspension of actions.	NG & LPG	3	Through examination of Kleenheat's 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in relation to obligation 202 in one instance during the audit period. In July 2019, Kleenheat failed to allow a temporary suspension of actions for a period of at least 15 business days and disconnected a financial hardship customer before the expiry of this period, as a result of human error, when a Credit Officer omitted to place a "collection hold" on a customer account and a second officer failed to check the diary notes for this account before proceeding to disconnection. As a response, Kleenheat has provided feedback and training to the involved officers, implemented a disconnection tracker, and also implemented weekly customer accounts spot checks.	A	1
201	If a residential customer informs a retailer that the customer is experiencing payment problems, the retailer must not unreasonably deny a residential customer's request for a temporary suspension of actions, if the customer demonstrates to the retailer that the customer has an appointment with a relevant consumer representative to assess the customer's capacity to pay.	NG & LPG	3		A	1
202	A retailer must allow a temporary suspension of actions for a period of at least 15 business days.	NG & LPG	3	Through discussion with the Consumer Credit Team Leader and customer advocate, and the review of Kleenheat's financial hardship policy, procedures and training modules, we determined that: <ul style="list-style-type: none"> • Credit Officers are trained to provide guidance to customers experiencing financial difficulties in relation to available financial assistance and government concessions, as well as assess customer's eligibility for HUGS and initiate the application process and assist customers to access Translating and Interpreting Services if required; • Kleenheat's financial hardship policy is publicly available online and customers will be forwarded a copy if requested; and • Kleenheat is committed to use best endeavours to assist customers experiencing financial difficulties by adopting the following practices: <ul style="list-style-type: none"> ○ Renegotiating payment arrangements terms upon request; ○ Directing customers experiencing financial hardship towards a third party financial counsellor, in which case an interest free 15 business days suspension of collection activities will be applied to the customer's account; ○ Reasonably considering a temporary suspension of collection activities in relation to a customer demonstrating they have sought for financial counsel with an independent financial counsellor or a relevant consumer representative; and ○ Reasonably considering granting a temporary suspension of more than 15 business days where a relevant consumer representative requires more time to complete their assessment. 	A	2
203	If a relevant consumer representative is unable to complete the assessment on time and the consumer representative or residential customer requests for additional time, a retailer must give reasonable consideration to the request.	NG & LPG	3		A	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>It was additionally noted that during the audit period Kleenheat had customers that were referred for assessment to a consumer representative. In these instances, the customers were provided a suspension of action (moratorium of 15 business days applied to the account).</p> <p>Finally, through performing sample testing of 25 recorded calls, no further instances of non-compliance were identified. We also note that our review of Kleenheat's complaints tracker did not identify any dispute in relation to financial hardship assessment activities during the audit period. No further actions are required to address the non-compliance.</p>		
204	If the assessment carried out under clause 6.1 indicates to the retailer that the residential customer is experiencing payment difficulties or financial hardship, the retailer must follow the procedure specified in clause 6.3(1)	NG & LPG	3	Through examination of Kleenheat's 2018/2019 and 2019/2020 annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in relation to obligation 206A in one (1) instance during the audit period. The breach occurred as a result of an emergency, when a Credit Officer assessed a customer as experiencing financial hardship and agreed to a payment arrangement but was taken to the hospital due to ill health and failed to send details of said arrangement as prescribed by subclauses 6.4(3)(a)(i)-(iii) of the Compendium. As a response, Kleenheat has:	A	1
205	A retailer must offer a residential customer who is experiencing payment difficulties or financial hardship at least the payment arrangements that are specified in clauses 6.4(1)(a) and (b). Note: the summary wording of this obligation has not changed, but the content of clauses 6.4(1)(a) and (b) were amended as part of the changes to the Compendium that came into effect on 1 January 2020.	NG & LPG	3	<ul style="list-style-type: none"> Implemented a process to ensure Team Leaders review an Officer's last call in the case of an emergency; and Started an investigation into a system improvement, which will automate the issuance of a payment arrangement confirmation notice to customers. 	A	1
206	When offering or amending an instalment plan to a residential customer a retailer must ensure that the instalment plan is fair and reasonable taking into account the customer's capacity to pay and consumption history and comply with clause 6.4(3).	NG & LPG	3	Through discussion with the Consumer Credit Team Leader and customer advocate, and the review of Kleenheat's financial hardship policy, procedures and training modules, we determined that once a customer has been assessed as experiencing payment difficulties or financial hardship under clauses 6.1 and 6.2 of the Compendium (we note that clauses 6.4(1)(a) and (b) were amended as of January 2020), Kleenheat applied the following procedures in relation to facilitating payment arrangements:	A	1
206A.	If the residential customer accepts an instalment plan offered by the retailer, the retailer must provide the information specified in clauses 6.4(3)(a)(i)-(iii) within 5 business days of the customer accepting the plan and notify the customer of any amendments to the instalment plan at least 5 business days before they come into effect (unless agreed otherwise with the customer) and provide the customer with information explaining the changes.	NG & LPG	3	<ul style="list-style-type: none"> Offer a 2 weeks payment extension to customers as a response to payment difficulty; Consider the consumption and payment history of customers experiencing financial hardship as well as their ability to meet their basic living needs and offers a reasonable payment plan matching their ability to pay; Forward the terms of the agreed payment arrangement to the customer physically or electronically within 5 business days; Allow a customer to renegotiate the terms of an agreed payment arrangement plan if the customer can no longer meet the terms of said 	A	2

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>payment arrangement, and will forward any updates to the customer physically or electronically within 5 business days;</p> <ul style="list-style-type: none"> • Allow a customer who has failed to meet the terms of multiple payment arrangements to re-enter into a payment arrangement as long as there is an open line of communication between Kleenheat and that customer; • Provide the payment instalment or arrangement plan at no cost including interest to the customer (this is offered to both customers in financial hardship and customers with payment difficulties); • Advise the customer regarding the additional assistance available, as a result of the customer's inability to meet the financial obligations due to financial hardship as per clause 6.3(1)(a)(ii) of the compendium and • Offer assistance to customers in line with clause 6.3(1)(b)(ii): <ul style="list-style-type: none"> - Reduction of fees, charges and debt, - Revision of alternative payment arrangements, - Provision of information, and - Payment advances. <p>Finally, through performing sample testing of 25 recorded calls, no further instances of non-compliance were identified. We also note that our review of Kleenheat's complaints tracker did not identify any dispute in relation to financial hardship assessment and payment arrangement activities during the audit period. No further actions are required to address the non-compliance.</p>		
208	A retailer must give reasonable consideration to a request by a customer, or a relevant consumer representative, for a reduction of the customer's fees, charges, or debt.	NG & LPG	3	<p>Through discussion with the Consumer Credit Team Leader and customer advocate, and the review of Kleenheat's financial hardship policy, procedures and training modules, we determined that:</p> <ul style="list-style-type: none"> • As a response to financial hardship, Kleenheat will give reasonable consideration to a customer's request or a relevant consumer representative's request for a reduction of the customer's fees, charges or debt. It was noted that during the audit period Kleenheat did receive such requests. The requests are managed on a case by case basis and authorised via Team Leader and the Credit Manager where the value is high; and • Credit Officers are trained to assess the degree of financial hardship experienced by a customer and apply such reductions on a case to case basis. <p>Finally, through performing sample testing of 25 recorded calls, no instances of non-compliance were identified.</p>	A	1
209	In giving reasonable consideration under clause 6.6(1), a retailer should refer to the hardship procedures referred to in clause 6.10(3).	NG & LPG	3	<p>Refer to obligations 204 to 206A.</p>	A	1
210	If it is reasonably demonstrated to the retailer that the customer, experiencing financial hardship, is unable to meet the customer's obligations under a payment arrangement, a	NG & LPG	3	<p>Refer to obligations 204 to 206A.</p>	A	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	retailer must give reasonable consideration to offering the customer an instalment plan or offering to revise an existing instalment plan.					
211	A retailer must advise a customer experiencing financial hardship of the options specified in clause 6.8.	NG & LPG	3	<p>Through discussion with the Consumer Credit Team Leader and customer advocate, and the review of Kleenheat's financial hardship policy, procedures and training modules, we determined that Kleenheat has procedures in place to ensure that customers experiencing financial difficulties are informed of:</p> <ul style="list-style-type: none"> • Their right to have a bill forwarded to a third person at no charge; • The various payment methods available to them and their ability to enter into a payment arrangement; • Independent financial counselling services and relevant consumer representatives available to assist them; and • The availability of HUGS and how to access it. <p>Finally, through performing sample testing of 25 recorded calls, no instances of non-compliance were identified. We also note that our review of Kleenheat's complaints tracker did not identify any dispute in relation to financial hardship advice provided to customers during the audit period.</p>	A	1
212	A retailer must determine the minimum payment in advance amount for residential customers experiencing payment difficulties or financial hardship in consultation with relevant consumer representatives.	NG & LPG	3	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, it was confirmed that Kleenheat did not arrange for any minimum payments in advance during the audit period. This was also confirmed through performing sample testing of 25 recorded calls, in relation to which no instances of non-compliance were identified.	NP	NR
214	A retailer must develop a hardship policy and hardship procedures to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to the retailer.	NG & LPG	4	Through discussion with the Consumer Credit Team Leader and the Customer Advocate, and the review of Kleenheat's financial hardship policy, procedures and training modules, we identified that: <ul style="list-style-type: none"> • A financial hardship policy was designed and implemented (last updated October 2015) to assist customers experiencing financial hardship in meeting their financial obligations and responsibilities to Kleenheat, which is accessible: <ul style="list-style-type: none"> ○ on Kleenheat's website, ○ on the ERA's website, ○ in physical copies upon request; • Front line staff are trained to advise customers on how to access this policy and to provide it to customers via email or post at no cost upon request; • The financial hardship policy was developed in consultation with relevant customer representatives: The Western Australian Council of Social Services (WACOSS), the Department for Child Protection and Family Support, and the Financial Counsellors Association of Western Australia (FCAWA); 	NP	1
215	A retailer must ensure that its hardship policy complies with the criteria specified in clause 6.10(2). Note: the summary wording of this obligation has not changed, but the content of clause 6.10(2)(h)(i) was amended as part of the changes to the Compendium (which came into effect on 1 January 2020), along with the addition of new subclause 6.10(2)(k).	NG & LPG	4		A	2
215A.	A retailer must ensure that its hardship procedures comply with the criteria specified in clause 6.10(3).	NG & LPG	4		NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
216	If requested, a retailer must give residential customers and relevant consumer representatives a copy of the hardship policy, including by post at no charge.	NG & LPG	4	<ul style="list-style-type: none"> The hardship policy complies with the requirements of clauses 6.10(2) and (3); However, our review of the hardship policy identified an exception for subsection 6.10(2)(k), as the policy (which had not been reviewed since 2015) does not include a statement specifying how Kleenheat will treat information disclosed by customers and held in relation to customers. This was remedied by Kleenheat amending their financial hardship policy to comply with the requirements of clause 6.10(2)(k) in October 2020. 	NP	1
219	If directed by the ERA, the retailer must review its hardship policy and hardship procedures, in consultation with relevant consumer representatives, and submit to the ERA the results of that review within 5 business days after it is completed.	NG & LPG	4	<p>Through discussion with the Consumer Credit Team Leader and the Regulatory Manager, Natural Gas & Electricity and review of the hardship policy, we have established that Kleenheat has processes in place to ensure the periodic review of said hardship policy to identify the need for amendments, ensure compliance with the ERA guidelines and communicate potential updates to the policy to the ERA within the prescribed time as per clause 6.10.</p>	NP	NR
220	A retailer must comply with the ERA's Financial Hardship Policy Guidelines.	NG & LPG	4		A	2
220A.	If a retailer makes a material amendment to its hardship policy, the retailer must consult with relevant consumer representatives and submit a copy of the amended policy to the ERA within 5 business days of the amendment.	NG & LPG	4	<p>We have observed that the latest review of the policy occurred in 2015 and was submitted to the ERA on 15 September 2015. The resulting policy amendment took effect on the 22 October 2015, which satisfies the timing requirements as per clause 6.10.</p> <p>The Regulatory Manager, Natural Gas & Electricity confirmed that the ERA has not directed Kleenheat to review its hardship policy since the latest review occurred in 2015.</p> <p>However, in reference to obligation 215, our review of the hardship policy identified an exception for subsection 6.10(2)(k), as the policy (last updated October 2015) does not include a statement specifying how Kleenheat will treat information disclosed by customers and held in relation to customers. This was remedied by Kleenheat amending their financial hardship policy to comply with the requirements of clause 6.10(2)(k) in October 2020.</p>	NP	NR
221	A retailer must consider any reasonable request for alternative payment arrangements from a business customer who is experiencing payment difficulties.	NG & LPG	4	<p>Through discussion with the Consumer Credit Team Leader and examination of Kleenheat's financial hardship policy, procedures and training modules, we determined that:</p> <ul style="list-style-type: none"> The hardship policy and procedures applied to residential customers also apply to business customers; Kleenheat's staff is trained to conduct a financial hardship assessment and assist residential and business customers with setting up suitable payment arrangements on a case to case basis; Instances of payment arrangement setups for business customers that have 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				been assessed as experiencing financial hardship occurred during the audit period.		
DISCONNECTION						
222	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).	NG	3	<p>The 2018 audit reported that Kleenheat was non-compliant with this obligation and was recommended it develop system-based control to assist in ensuring that its disconnection process meets the specified Compendium requirements. Through discussion with the Regulatory Manager, Natural Gas & Electricity and examination of Kleenheat compliance reports submitted to the ERA, we determined that:</p> <ul style="list-style-type: none"> ● In response to recommendation 4/2018 of the 2018 performance audit report, Kleenheat has investigated and made recommendations for a system improvement to better highlight disconnection issues and prevent non-compliances in relation to disconnections on top of an improvement project already undertaken to automate disconnection tasks; ● In the 2018/2019 annual compliance report submitted to the ERA, Kleenheat has reported four (4) instances of disconnections occurring outside of the requirements prescribed by clause 7.1(1) of the Compendium: <ul style="list-style-type: none"> ○ One (1) instance occurred as a result of a bill stating that a customer had until a date after the scheduled disconnection date to pay the amount of the bill, which included the amount the disconnection was raised for. The billing template was updated to separate amount due for immediate payment from amount payable by the bill's due date; ○ Two (2) instances occurred as a result of human error (1. Kleenheat arranged a disconnection before a customer failed to adhere to their obligation to make payments in accordance with an agreed payment arrangement. This occurred as a result of a credit officer failing to set up a payment arrangement on the customer's account and not updating the diary notes following the phone call 2. customer service agent incorrectly raised a disconnection by inputting the wrong customer's MIRN details into a disconnection service request), which was remedied by Kleenheat providing coaching to all CSOs on the identified breaches, implementing a peer review process to prevent typing errors, waiving all disconnection and late fees from the customer's account, and investigating how to automate payment arrangements in the system; and ○ One (1) instance occurred as a result of an Ombudsman complaint in relation to a customer account interrupting the collection process. Once the complaint was resolved, the Customer Advocate lifted the dispute status off the customer account, which caused the system to send a disconnection notice without a reminder notice being forwarded prior. This was resolved by a manual process being introduced, where the Customer Advocate emails the 	A	2

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>Credit Team to notify them of the removal of the Ombudsman’s complaint flag from a customer account.</p> <p>Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, walkthrough of the disconnection process, and examination of Kleenheat's disconnection processes and procedures, we determined that:</p> <ul style="list-style-type: none"> ● A reminder notice is issued to the customer if an invoice remains unpaid for 21 days; ● A disconnection notice is issued to the customer 10 days after the reminder notice if the bill remains unpaid; ● Kleenheat’s reminder and disconnection notice templates are aligned with the requirement of the compendium; ● Prior to lodging a disconnection request with ATCO and 5 days after the disconnection notice is issued, Kleenheat contacts the customer via phone (or via SMS or email if unsuccessful) to advise them of the disconnection; ● A mandatory checklist for requirements of clause 7.1(1) of the Compendium is to be completed and the Consumer Credit Team Leader approval is to be obtained prior to lodging a disconnection request to ensure that: <ul style="list-style-type: none"> ○ There is no open complaint or dispute on the customer's account; ○ The customer is not experiencing payment difficulties or financial hardship; and ○ Kleenheat has used best endeavours to contact the customer to advise them of an eventual disconnection. <p>Finally, through performing sample testing of 25 NG accounts subject to disconnection, no further instances of non-compliance were identified. No further actions are required to address the non-compliance. We also note that due to COVID-19, Kleenheat's disconnection process has been interrupted as of March 2020.</p>		
223	<p>A retailer must not arrange for disconnection of a customer’s supply address for failure to pay a bill in the circumstances specified in clause 7.2(1). Note: the summary wording of this obligation has not changed, but the content of clause 7.2(1)(d) was amended as part of the changes to the Compendium that came into effect on 1 January 2020.</p>	NG	3	<p>The 2018 audit reported that Kleenheat was non-compliant with this obligation and was recommended it develop system-based control to assist in ensuring that its disconnection process meets the specified Compendium requirements. Through discussion with the Regulatory Manager, Natural Gas & Electricity and examination of Kleenheat compliance reports submitted to the ERA, we determined that:</p> <ul style="list-style-type: none"> ● In response to recommendation 4/2018 of the 2018 performance audit report, Kleenheat has investigated and made recommendations for a system improvement to better highlight disconnection issues and prevent non-compliances in relation to disconnections on top of an improvement project already undertaken to automate disconnection tasks; 	A	2

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>● In the 2019/2020 annual compliance report submitted to the ERA, Kleenheat has reported one (1) breach occurring as a result of human error, where an agent disconnected a customer adhering to a payment arrangement plan. This incident was remedied by feedback and training being provided to the concerned credit officer.</p> <p>Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, walkthrough of the disconnection process, and examination of Kleenheat's disconnection training modules, processes and procedures, we determined that:</p> <ul style="list-style-type: none"> ● A mandatory checklist for requirements of clause 7.2(1) of the Compendium is to be completed and the Consumer Credit Team Leader approval is to be obtained prior to lodging a disconnection to prevent the wrongful disconnection of a customer where: <ul style="list-style-type: none"> ○ A payment arrangement has been setup, which the customer is adhering to; ○ The amount of the debt is below \$200; ○ The customer's debt is not related to the supply of gas; ○ The supply address does not relate to the outstanding bill; ○ The customer has been assessed as experiencing payment difficulties or financial hardship; and ● Credit Officers are trained to ensure those checks are complete prior to processing a disconnection, and understand the last resort nature of disconnections. <p>Finally, through performing sample testing of 25 NG accounts subject to disconnection, no further instances of non-compliance were identified. Our review of the Kleenheat's complaint register did not reveal any disputes in relation to the wrongful disconnection of customers under clause 7.2(1) of the Compendium (we note that subclause 7.2(1)(d) was effective as of January 2020). No further actions are required to address the non-compliance. We also note that due to COVID-19, Kleenheat's disconnection process has been interrupted as of March 2020.</p>		
224	In relation to dual fuel contracts or separate contracts for the supply of electricity and gas (under which a single bill for energy, or separate simultaneous bills for electricity and gas are issued to the customer), if a retailer is permitted to and wishes to arrange for disconnection of the supply of electricity and gas to the residential customer's supply address for failure to pay a bill,	NG & LPG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity, it was confirmed that Kleenheat did not offer any dual fuel contracts or separate contracts for the supply of electricity and gas as described under clause 7.3 of the Compendium during the audit period.	NP	NR

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	the retailer must arrange for disconnection of the supply of gas in priority to the disconnection of the supply of electricity.					
225	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.	NG	4	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, it was confirmed that Kleenheat did not raise a disconnection request as a result of denied access to a metering point during the audit period.	NP	NR
227	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. Note: the summary wording of this obligation has not changed, but the content of clause 7.6(3) was amended as part of the changes to the Compendium that came into effect on 1 January 2020.	NG & LPG	2	Through discussion with the Regulatory Manager, Natural Gas & Electricity and the Consumer Credit Team Leader, walkthrough of the disconnection process, and examination of Kleenheat's disconnection training modules, processes and procedures, we determined that: <ul style="list-style-type: none"> • A disconnection request will not be raised in relation to a customer account with an open complaint or dispute; and • Kleenheat has processes and procedures in place to ensure that disconnections requests are raised with ATCO in a timely manner, so that disconnections will not be performed after 3.00 pm or on a Friday, Saturday, Sunday, public holiday or on the day before a public holiday. <p>Finally, through performing sample testing of 25 NG and 2 LPG accounts subject to disconnection, no instances of non-compliance were identified. We also note that due to COVID-19, Kleenheat's disconnection process has been interrupted as of March 2020, and is not to be resumed until June 2021. (We also note that clause 7.6(3) was amended as of January 2020).</p>	A	1
RECONNECTION						
228	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.	NG & LPG	3	Through examination of Kleenheat's annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in one (1) instance during the audit period as a result of human error, which was caused by a Credit Officer raising a reconnection request without the NG customer's consent after settlement was received. As a response, Kleenheat: <ul style="list-style-type: none"> • Provided feedback and compliance coaching to the concerned Credit Officer; • Developed an information page on their document management software page, which sets out the Compendium requirements and a step by step guide of the reconnection process; and • Shared that resource across the Credit Team. 	A	2

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, NG Admin Team Leader, LPG Admin Team Leader and the Customer Service Team Coach, and examination of Kleenheat's disconnections and reconnections training modules, processes and procedures, we determined that upon request for reconnection:</p> <ul style="list-style-type: none"> ● Kleenheat will arrange for a customer who was disconnected for failure to pay a bill to be reconnected if: <ul style="list-style-type: none"> ○ The customer has settled their outstanding bill and reconnection fee, or agreed to enter in a payment arrangement; or ○ The customer has been assessed as experiencing financial hardship; ● Kleenheat will arrange for a customer who was disconnected for denying access to the meter to be reconnected if access is provided; ● Kleenheat will arrange for a customer who was disconnected for unlawful consumption of gas to be reconnected if: <ul style="list-style-type: none"> ○ The customer contacts Kleenheat to create an account and agrees to Kleenheat to work out the amount owing (Kleenheat will contact the landlord to verify the customer's move in date and may require further evidence of the move in date); and ○ The customer has been invoiced for their use of gas. <p>Finally, through performing sample testing of 25 NG and 5 LPG reconnected accounts, no further instances of non-compliance were identified. No further actions are required to address the non-compliance.</p>		
229	<p>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.</p> <p>Note: the summary wording of this obligation has not changed, but new clause 8.1(3), which provides compliance detail about clause 8.1(2), was added as part of the changes to the Compendium that came into effect on 1 January 2020.</p>	NG	2	<p>Through examination of Kleenheat's annual compliance reports submitted to the ERA, we determined that Kleenheat has disclosed its non-compliance in two (2) instances during the audit period due to human error i.e. inattention, which occurred as a result of agents raising the incorrect service request to ATCO, which failed to be depicted by peer review. As a response, Kleenheat arranged priority reconnections for the impacted customers and provided compliance training and coaching to all agents involved in the breach.</p> <p>Through discussion with the Regulatory Manager, Natural Gas & Electricity, NG Admin Team Leader and the Customer Service Team Coach, and examination of Kleenheat's disconnections and reconnections training modules, processes and exception reporting procedures, we determined that:</p> <ul style="list-style-type: none"> ● A daily report is run to identify payments received against disconnected accounts; ● Processes are in place in order to identify failed reconnection requests in the system; ● A daily peer review process is in place to identify any mistakes due to human error; and 	A	2

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<ul style="list-style-type: none"> A reconnection checklist which is in line with the requirements of clauses 8.1(2) and 8.1(3) of the Compendium is to be completed in relation to each reconnection request (we also note that clause 8.1(3) was effective as of January 2020). <p>Finally, through performing sample testing of 25 NG reconnected accounts, no further instances of non-compliance were identified. No further actions are required to address the non-compliance.</p>		
INFORMATION & COMMUNICATION						
231	A retailer must give notice to each of its customers affected by a variation in its tariffs, fees and charges no later than the next bill in the customer's billing cycle.	NG & LPG	4	<p>Through discussion with Team Leader Credit Operations and Regulatory Manager, Natural Gas and Electricity and examination of the letter issued to the Minister and Kleenheat's website we noted that during the audit period:</p> <ul style="list-style-type: none"> Kleenheat undertook a revision of tariffs during the audit period and was in effect since July 2019. Prior to the revision being done a letter was issued to the minister dated 24 May 2019; The rate revision was updated on the Kleenheat's website for any customer to access including publication in the West Australian News Paper; and Customers were informed of the rate revision in the next billing cycle. 	NP	1
232	A retailer must give or make available to a customer on request, at no charge, reasonable information on the retailer's tariffs, fees and charges, including any alternative tariffs that may be available to the customer.	NG & LPG	4	<p>Through discussion with the Customer Service Team Coach and the Regulatory Manager, Natural Gas and Electricity and examination of the Kleenheat's website, we noted that during the audit period:</p> <ul style="list-style-type: none"> All the tariff information is available on Kleenheat's website at no extra cost to the customer. If a customer were to make a request, they will be directed to the Kleenheat website. When printed material is requested, the customer service agent will send it via email or post as per the request of the customer; and It was noted that there were no instances where customers contacted Kleenheat to request for tariff information. If there will be such requirements, customer service agents will act immediately in complying with the 8-day requirement of the obligation. 	NP	1
233	A retailer must give or make available to 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.	NG & LPG	4	<p>Through discussion with the Customer Service Team Coach and Team Leader Billing and examination of training documents we determined that during the audit period:</p> <ul style="list-style-type: none"> In instances where customers made request of the billing data, customers were directed to the customer portal in the website; and In events customers were to make request for the billing data, these are provided free of charge at no extra cost to the customer. 	NP	NR
234	A retailer must, on request, give a customer their billing data.	NG & LPG	4	<p>Through discussion with the Customer Service Team Coach and Team Leader Billing and examination of training documents we determined that during the audit period:</p> <ul style="list-style-type: none"> In instances where customers made request of the billing data, customers were directed to the customer portal in the website; and In events customers were to make request for the billing data, these are provided free of charge at no extra cost to the customer. 	NP	1
235	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.	NG & LPG	4	<p>Through discussion with the Customer Service Team Coach and Team Leader Billing and examination of training documents we determined that during the audit period:</p> <ul style="list-style-type: none"> In instances where customers made request of the billing data, customers were directed to the customer portal in the website; and In events customers were to make request for the billing data, these are provided free of charge at no extra cost to the customer. 	NP	NR

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
236	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.	NG & LPG	4	Customer Service Team Coach confirmed that there were no instances where a customer made a request to send through a copy of the billing information.	NP	NR
237	A retailer must keep a customer's billing data for 7 years.	NG & LPG	4	Through discussion with NG Administration Team Leader, we determined that during the audit period, all customer billing data was stored for more than 7 years within the Kleenheat's billing system. Kleenheat did not have processes in place to delete any customer data and all customer data is stored in Kleenheat servers in an offsite location.	NP	1
238	A retailer must give a residential customer on request, at no charge, information on the types of concessions available to the customer, and the names and contact details of the organisation responsible for administering those concessions (if not the retailer).	NG & LPG	4	Through discussion with the Customer Support Team Coach, it was noted that State Government doesn't provide funding for rebates on natural gas and as a result Kleenheat does not administer Energy Assistance Program (EAP) but provides information to customers via the Customer Service team regarding concessions and how to access them and to contact Synergy as the responsible party for EAP. Customers in hardship are assessed and applications for HUGS are submitted where the customer is eligible. Information is also provided on request to customers regarding how to access the Hardship Utility Grant Scheme.	NP	1
239	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.	NG & LPG	4	Through Customer Service Team Leader and examination of the customer charter located on Kleenheat's website, we noted that Kleenheat's processes provided for the following during the audit period: <ul style="list-style-type: none"> • Most requests would not come through directly requesting such information. In instances where customers communicate regarding high bills, customer service agents will refer the customers to Kleenheat's website; • Information was provided to customers via email based on the request made by the customer; and • Review of the complaints tracker did not identify any instances where customers' requests for the provision of information were not appropriately managed. 	NP	1
240	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.	NG	4	Through discussion with the Customer Service Team Coach and examination of the training manuals, during the audit period Kleenheat's processes provided for the following: <ul style="list-style-type: none"> • In most instances where customers made requests to reach the distributor it was to make a complaint. Therefore, the standard process would be that a complaint form is filled and directly submitted to the Customer Advocate and also submitted to NG Administration Team who would be responsible for dealing with ATCO; • If it's any other queries for NG customers the ATCO direct number is provided to the customer. Kleenheat also has the option of transferring the 	NP	1

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Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				customer directly to the customer if the request comes through the phone; and <ul style="list-style-type: none"> Since Kleenheat is retailer and also the distributor for LPG any request in line with the obligation is directed to the relevant staff member responsible. 		
241***	A retailer must, within 3 months of being subject to the Compendium, lodge with the ERA, a gas customer safety awareness programme.	NG & LPG	4	Through discussion with Regulatory Manager, Natural Gas and Electricity we confirmed that Kleenheat did not receive any requests from ERA instructing the lodgement of the gas customer safety awareness program. Details of the customer safety awareness program are updated in the customer charter.	NP	NR
242***	A retailer must consult with the ERA when preparing the gas customer safety awareness programme.	NG & LPG	4	We additionally note that this obligation was removed from the Gas Compliance Reporting Manual - June 2020 due to the deletion from the Compendium of clause 10.5A pertaining to the gas safety awareness program which came into effect on 1 January 2020.	NP	NR
243***	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).	NG & LPG	4		NP	NR
245	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.	NG & LPG	5	Through discussion with Customer Service Team Coach and examination of publicly available information on Kleenheat website, we noted that the standard practice provided for the following during the audit period: <ul style="list-style-type: none"> Kleenheat provided written invoices to customers which include key information which was easily identifiable; In instances where customers made queries, information has been provided to the customers; When verifiable consents are obtained from customers as part of the standard processes, customers acknowledge that the information provided has been understood; and In addition, Kleenheat is currently working on developing a few marketing communications which will provide customers with key compliance information. 	NP	1
246	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.	NG & LPG	4	Through discussion with the Customer Service Team Coach and the examination of the Kleenheat bill template and website, we noted that Kleenheat provided for the following during the audit period: <ul style="list-style-type: none"> The Kleenheat bill template included information on where the Gas Marketing Code and the Compendium can be found; In instances where a customer were to enquire regarding the Gas Marketing Code and the Compendium, they are directed to the Kleenheat website; and Examination of the complaints tracker did not identify any complaints relating to the inappropriate practices pertaining to this obligation. The Customer Service Team Coach could not specify instances in which 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				customers made requests of these documents. However, there were instances where customers accessed the web for this information.		
249	A retailer and distributor must make available to a residential customer on request, at no charge, services that assist the residential customer in interpreting information provided by the retailer or distributor (including independent multi-lingual and TTY services, and large print copies).	NG & LPG	4	Through discussion with the Customer Service Team Coach and the examination of the customer charter, invoice template and website we noted that in instances where customer requests for these services, they were provided with multi-lingual services, TTY services and large print copies upon request at no extra cost to the customer. Examination of the complaints tracker did not identify any instances where the customer made complaints to Kleenheat for not providing these services in compliance with the obligation.	NP	1
250	A retailer and, if appropriate, a distributor must include on a residential customer's bill and bill related information, reminder notice and disconnection warning the telephone numbers for: its TTY services; independent multi-lingual services; and interpreter services with the National Interpreter Symbol.	NG & LPG	4	Through examination of Kleenheat's residential customer bill, reminder notice and disconnection notice, we noted that the following information was provided: <ul style="list-style-type: none"> • TTY services - the symbol and telephone number was included with the text Teletypewriter (National Relay Service); and • Multi-lingual and interpreter service - Symbol and telephone number was included with the text Translating and Interpreter Services. 	NP	1
COMPLAINTS & DISPUTE RESOLUTION						
251	A retailer and distributor must develop, maintain and implement an internal process for handling complaints and resolving disputes.	NG & LPG	5	Through discussion with the Customer Advocate and examination of customer complaint handling policy & procedure and Kleenheat's complaints article on their document management software, we determined that during the audit period: <ul style="list-style-type: none"> • Kleenheat updated its customer compliant handling procedure as at June 2020. This included updates and changes made to the Compendium in January 2020; • The complaint handling procedure provides employees with the skills to ensure complaints are readily received, resolved, reported and monitored; All frontend staff receive training on a bi-annual basis to ensure key skills are developed; • A new complaint template has been rolled out which ensures that a template is created for all individual complaints. The complaint template includes the escalation protocols and key information such as: <ul style="list-style-type: none"> - issue - investigation - resolution - summary - rationale; 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				<ul style="list-style-type: none"> • Complaints are recorded within Kleenheat’s billing system. These complaints are reviewed and updated in a spreadsheet on a weekly basis by the Customer Advocate to ensure timely resolution of all complaints; • There is a consistent escalation procedure available (team Leader Customer Service Team, Customer Advocate or Ombudsman) and information regarding escalation options can be found in the customer charter and customer complaints leaflet on the website. Additionally, this information is provided to customers during the communication; • The Customer Advocate generates a complaints report from Kleenheat’s billing system which is shared with the Senior Management Team; and • Complaints handling process has developed a detailed process map including timelines for resolution and has been updated as at 9 June 2020. 		
252	<p>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.</p>	NG & LPG	5	<p>Through discussion with the Customer Advocate and examination of customer complaint handling policy & procedure complaints training module, customer charter and the customer complaints brochure, we determined that:</p> <ul style="list-style-type: none"> • Kleenheat maintains a complaint handling program, consistent with AS/NZS 10002:2014 – “Guidelines for complaint management in organizations”, with emphasis on accountability of all employees to respect the right of a customer or community member to raise a complaint. The supporting documents include: <ul style="list-style-type: none"> ○ Methods to lodge a complaint e.g. via phone, online feedback form, fax or in writing; and ○ Information on expected response timeline and the options available to escalate internally; • The response timelines and the methods of response have been clearly articulated in the complaints policy, customer charter and the complaints brochure; • Kleenheat adopts a consistent approach to handling complaints including gas marketing agents and marketing; • Process of recording complaints from both Kleenheat and non-Kleenheat customers; and • Information on how a complaint can be lodged is stated in the customer charter and the complaints brochure which is available on the Kleenheat website at no cost to the customer. Additionally, physical copies are available at all branches and can be obtained on customer request at no cost to the customer. 	NP	1
254	<p>When responding to a complaint, a retailer or distributor must advise the customer that the customer has the right to have the complaint</p>	NG & LPG	5	<p>Through discussion with Customer Advocate and examination of the customer complaint handling policy & procedure, complaint article, complaint training module and Kleenheat's website information (customer</p>	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
	considered by a senior employee within the retailer or distributor (in accordance with its complaints handling process).			charter and complaints brochure), we determined that Kleenheat had protocols to ensure: <ul style="list-style-type: none"> Information addressing Compendium 12.1 (3) (a) is to be provided to the customer; and The customer charter, complaints brochure and customer bill stipulated that any complaints can be escalated to a senior team member. 		
255	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.	NG & LPG	5	Through discussion with Customer Advocate and examination of customer complaints policy and procedure documents and the complaints register, we determined that during the audit period: <ul style="list-style-type: none"> Kleenheat did have instances where the complaint was not resolved internally in an acceptable level and escalated to the gas ombudsman; Kleenheat had processes documented within the complaint policy and procedure document on information that needed to be provided to the customer; and The customer charter and the complaints brochure provide information to the customer that if they are not able to resolve the complaints internally, they have the right to refer the complaint to an external body. Contact details of the Energy and Water Ombudsman of Western Australia have been provided with the toll-free contact number. 	NP	1
255A.	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.	NG & LPG	5	Through discussion with the Customer Advocate and examination of the customer complaints documents, we determined that Kleenheat had processes to address the requirements of the Compendium: <ul style="list-style-type: none"> Kleenheat received complaints from customers in writing; The complaints were acknowledged and provided initial response on the progress of the complaints within 2 business days; and Customer has been informed if any additional investigation of the complaint is required. As part of our audit examination of the complaints register we did not identify any instances where additional complaints were raised as a result of not complying with the timeline in accordance with the compendium.	NP	1
256	A retailer must comply with any guideline developed by the ERA relating to distinguishing customer queries from customer complaints.	NG & LPG	5	The ERA has issued the Customer Complaint Guidelines - December 2016 document. Section 3 of the document provides clear distinction of a complaint and query. <p>Based on the discussions performed with the Customer Advocate and the examination of the complaint policy, complaint article and the training module, each of them have defined complaints and queries aligned with the ERA definition as follows:</p> <ul style="list-style-type: none"> A complaint is an expression of dissatisfaction made to or about an 	NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				organization, related to its products, services, staff or the handling of a complaint, where a response or resolution is explicitly or implicitly expected or legally required. <ul style="list-style-type: none"> • A query or feedback is an opinion, comment and expression of interest or concern, made directly or indirectly, explicitly or implicitly to or about the organization, its products, services and employees. 		
257	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.	NG & LPG	5	Through discussion with the Customer Advocate and the examination of Kleenheat's customer charter and the complaints brochure, we identified that during the audit period; <ul style="list-style-type: none"> • Kleenheat had instances where customers made enquiries regarding the complaints procedure and information was provided at no additional cost; • Kleenheat's customer charter and complaints brochure contain details on the process of handling complaints; and • The customer charter and the complaints brochure is available on the Kleenheat website and can be accessed by the customer at no cost. 	NP	1
258	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).	NG & LPG	5	Through discussion with the Customer Advocate and examination of the customer complaint handling policy & procedure, we determined that: <ul style="list-style-type: none"> • If the complaint from a customer does not relate to Kleenheat, the customer was advised of the entity considered to be the appropriate entity to deal with the complaint; • Where the complaint pertains to another retailer, the customer was provided with details of the retailer; • Where the complaint relates to ATCO, customer was provided with ATCO's number which is 13 13 52; and • The customer was provided reasons for being referred; and • All information regarding the complaint was entered in the diary notes within the Kleenheat's billing system. 	NP	1
RECORD KEEPING & REPORTING						
281	A retailer and a distributor must prepare a report in respect of each reporting year setting out the information specified by the ERA.	NG & LPG	2	Through discussion with the Regulatory Manager, Natural Gas & Electricity, examination of the 2018/2019 and 2019/2020 compliance reports and datasheets submitted to the ERA, examination of the communications between Kleenheat and the ERA in relation to the timely submission and publication of those documents, as well as walkthrough and testing of Kleenheat's reporting processes and procedures, we determined that during the audit period, Kleenheat maintained appropriate protocols to ensure that: <ul style="list-style-type: none"> • Kleenheat prepared all the required reports in respect of each reporting year setting out the information specified by the ERA; • The information provided in those reports is accurate and free from 	A	1
282	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.	NG & LPG	5		NP	1
283	A report referred to in clause 13.1 must be published by the date specified by the ERA.	NG & LPG	5		NP	1

Detailed findings and recommendations

Reference No.	License reference & Summary of license obligation	NG or LPG	Audit Priority	Observations & Recommendations	Controls rating	Compliance rating
				misstatements; • Those reports were provided to the ERA by the date, and in the matter and form, specified by the ERA; and • Those report were published on Kleenheat's website by the date specified by the ERA.		

5 Previous audit non-compliances and recommendations

Reference (no./year)	Legislative obligation	Rating	Details of the issue (taken from the GTL10 Performance Audit Report – January 2019)	Auditors recommendation or action	Date resolved	Further action required
A. Resolved before end of previous audit period						
There were no recommendations made by the previous audit that were resolved before the end of the previous audit period.						
B. Resolved during current audit period						
1/2018	<p>Obligation 136 <i>Compendium Clause 4.1</i></p> <p>A licensee must not issue a bill no more than once a month unless agreed otherwise.</p>	B2	<p>In response to recommendation 4/2016 of the 2016 Performance Audit, Kleenheat tailored its exception reporting to identify multiple meter reads listed as 'billed' within a 30-day period.</p> <p>In its 2016/17 and 2017/18 Annual Compliance reports to the ERA, Kleenheat self-reported 324 instances (within the audit period) where a customer was issued a bill more than once in a month without agreeing with the customer to do so. A further 13 instances occurred in July 2018.</p> <p>These instances have been attributed to Kleenheat continuing to receive multiple meter reads from ATCO within a month (including instances where the submission of meter reads have been delayed). As Kleenheat's automated billing process is based on the receipt of meter reads, multiple bills may be issued within a month. We note the ERA's intention to consider this matter (which impacts all gas trading licensees) in the next review of the Compendium.</p>	<p>Kleenheat had put in place exception reporting to prevent billing more than once a month due to the timing of ATCO reads received. The Compendium amendments which took effect from 1 January 2020 meant that Kleenheat can now issue more than one bill in a month without breaching the Compendium if, less than a month after the last bill was issued, Kleenheat receives a meter read from ATCO for the purpose of preparing the customer's next bill.</p> <p>There were 55 instances of this obligation breached between July 2019 - 31 December 2019. All these instances would now be covered by the new exception under clause 4.1(a)(iv) of the Compendium. These breaches were reported in the annual compliance report for FY20. Kleenheat does not expect to be in breach of any further instances of this obligation as a result of the timing of ATCO meter reads.</p>	1 January 2020	No further action required
2/2018	<p>Obligation 137 <i>Compendium Clause 4.1(b)</i></p> <p>A licensee must issue a bill to a customer at least once every 105 days, unless agreed otherwise.</p> <p>Obligation 59 <i>Energy Coordination (Customer Contract) Regulations 2004 Reg 15 (1), Clause 4.2.1 AGA Code</i></p>	B2	<p>In response to recommendation 2/2016 of the 2016 Performance Audit, Kleenheat further developed its exception reporting mechanism and has worked collaboratively with ATCO on matters impacting on the timing of meter reads for billing purposes. We confirmed that Kleenheat has used daily exception reports containing customers who have not been billed for 100 days or more.</p>	<p>Kleenheat performed the following to prevent the delay of issuing bills:</p> <ul style="list-style-type: none"> Managed the 105-billing day rule by exception, this has proven to be successful in reducing 105 billing day breaches. 	December 2019	No further action required

Previous audit non-compliances and recommendations

Reference (no./year)	Legislative obligation	Rating	Details of the issue (taken from the GTL10 Performance Audit Report – January 2019)	Auditors recommendation or action	Date resolved	Further action required
	A licensee must issue a bill to a customer at least once every 3 months, unless agreed otherwise.		<p>In its 2016/17 and 2017/18 Annual Compliance reports to the ERA, Kleenheat self-reported 315 further instances where a customer had not been issued a bill within 105 days without the customer's agreement. A further 56 instances occurred in July and August 2018.</p> <p>These instances have been attributed to the following:</p> <ul style="list-style-type: none"> Kleenheat's processing of customer transfer requests, which involves a request to ATCO to hold the scheduled read for 21 days to allow for a final read to be taken for inclusion on the final bill. In some instances where the customer cancelled the transfer request, this process extended the billing period beyond the 105-day timeframe. An isolated instance where bills to 60 customers were held beyond the 105-day timeframe while Kleenheat reviewed and resolved meter reading issues impacting customer bills. An isolated instance of human processing error, which was addressed through further training. 	<ul style="list-style-type: none"> Completed the \$0.00 invoice improvement on 7 November 2019. Kleenheat now has the ability to issue \$0.00 invoices to small business customers that have zero consumption and no daily supply charge. It is expected that no further breach incidents will now occur due to this particular issue. Provided training to address human processing error. 		
3/2018	<p>Obligation 189 <i>Compendium Clause 5.7(1)</i></p> <p>If a residential customer has been assessed as being in financial hardship, a retailer must retrospectively waive any late payment fee charged to the residential customer's last bill prior to the assessment being made.</p>	B2	<p>Kleenheat disclosed one (1) instance where a financial hardship customer did not have their late payment fee retrospectively waived. The non-compliance was attributed to an error by the staff member assigned to the customer electing not to waive the fees in contravention of Kleenheat's procedures. The late payment fee was waived after Kleenheat's investigation and resolution of a complaint made by the customer.</p> <p>Subsequent to this incident, Kleenheat:</p> <ul style="list-style-type: none"> Strengthened its controls over managing financial hardship customers in the following manner: <ul style="list-style-type: none"> Established a dedicated Financial Hardship team Provided training and guidance to staff Plans to implement additional quality control checks and focussed staff training. 	<p>Kleenheat implemented the following to prevent late payment fees not being waived if a residential customer has been assessed as being in financial hardship:</p> <ul style="list-style-type: none"> Automated reporting produced on a daily basis by the Credit Team, matching hardship flags (set by credit agents) to late fee payment memos. <p>Late fee payment memos are removed from accounts as part of the daily processes conducted by agents.</p> <ul style="list-style-type: none"> Training and knowledge base documentation which include reporting and correction processes. 	December 2019	No further action required
4/2018	<p>Obligations 222, 33 and 34 <i>Compendium Clause 7.1</i> <i>Customer Contracts Regulations 12(4)(a)-(b)</i></p> <p>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).</p>	B2	<p>Obligations 222, 33 and 34</p> <p>During the audit period, Kleenheat self-reported one (1) instance of a wrongful disconnection where an LPG Retic customer was not provided with sufficient notice prior to disconnection for failure to pay. The cause of this non-compliance was attributed to human error in failing to follow standard operating procedure.</p>	<p>Kleenheat developed the following controls to assist in ensuring its disconnection process meets the specified Compendium requirements:</p>	December 2019	No further action required

Previous audit non-compliances and recommendations

Reference (no./year)	Legislative obligation	Rating	Details of the issue (taken from the GTL10 Performance Audit Report – January 2019)	Auditors recommendation or action	Date resolved	Further action required
	<p>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).</p> <p>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).</p> <p>Obligation 223 and 40 <i>Compendium Clause 7.2(1)</i> 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). <i>Customer Contracts Regulations 2004, regulation 12 (6) Clause 5.1.1.2 AGA Code</i></p> <p>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.</p>		<p>Two further wrongful disconnections were identified during this audit where NG customers were not provided with sufficient notice prior to disconnection for failure to pay:</p> <ul style="list-style-type: none"> One (1) instance was identified through sample testing, where the customer had defaulted on their payment arrangement and Kleenheat staff had not recognised the need to renew the notification process. One (1) instance was identified by Kleenheat as a result of an internal investigation (including receipt of legal advice), where duplicate notices were issued in error and Kleenheat staff had incorrectly reset the credit strategy. <p>Kleenheat implemented a new disconnection procedure in February 2018, requiring staff to follow a more rigorous checking process, and for the Credit Manager to approve all street level disconnection requests.</p> <p>Obligation 223 and 40</p> <p>In its 2016/17 and 2017/18 Annual Compliance reports to the ERA, Kleenheat self-reported two (2) instances where it wrongfully arranged disconnections for customers who were on payment arrangements.</p> <p>Both instances of non-compliance can be attributed to human error, where staff had not identified that customers had entered into or maintained a payment arrangement.</p>	<ul style="list-style-type: none"> Automated disconnection checklist that assesses the majority of disconnection controls prior to agent involvement. <p>The process still involves agent review to ensure bespoke arrangements such as payment plans, and HUGs applications are being correctly interpreted in any decision to disconnect a customer.</p> <ul style="list-style-type: none"> An active account report to monitor customers showing high indication of hardship and high balance arrears. 		
5/2018	<p>Obligation 254 <i>Compendium Clause 12.1(3)(a)</i></p> <p>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.</p>	B2	<p>Kleenheat disclosed one (1) instance where a customer was not appropriately advised of their right to have their complaint escalated to a senior employee within Kleenheat. This instance highlighted a gap in the customer service team member's understanding of Kleenheat's complaints handling requirements.</p> <p>We acknowledge that Kleenheat has initiated a review of its complaints handling process and procedure, as well as the need for targeted staff training.</p>	<p>A new complaints procedure was drafted. Training was provided to all front-line agents on the new complaint's procedure.</p> <p>This was covered off in the commentary in the June 2019 Post Audit Implementation Plan (PAIP).</p>	June 2019	No further action required

Previous audit non-compliances and recommendations

Reference (no./year)	Legislative obligation	Rating	Details of the issue (taken from the GTL10 Performance Audit Report – January 2019)	Auditors recommendation or action	Date resolved	Further action required
**/2018	<p>Obligation 183 <i>Compendium Clause 5.1</i></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>	A1	In one (1) instance, Kleenheat failed to obtain the customer's verifiable consent by failing to play Kleenheat's direct debit consent recording to the customer during the sign-up process in July 2018.	Kleenheat provided coaching and feedback to the concerned agent and continued to conduct spot checks of customer sign-ups to ensure verifiable consent is obtained as prescribed.	August 2018	No further action required
**/2018	<p>Obligation 229 <i>Compendium Clause 8.1(2)</i></p> <p>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.</p> <p>Note: the summary wording of this obligation has not changed, but new clause 8.1(3), which provides compliance detail about clause 8.1(2), was added as part of the changes to the Compendium that came into effect on 1 January 2020.</p>	A2	In one (1) instance, Kleenheat failed to forward a request for reconnection to the Network Distributor (ATCO) due to a lack of understanding of Kleenheat's obligations with respect to reconnections and internal processes by the agent involved in July 2018.	Kleenheat arranged priority reconnections for the impacted customers and provided compliance training and coaching to all agents involved in the breach.	May 2019	No further action required

C. Unresolved during current audit period

There were no recommendations from the previous audit that were unresolved during the current audit period.

** We note that those breaches, which were resolved in the current audit period, were not captured as self-identified non-compliances in the 2018 Performance Audit Report.

Appendix A – Annual Performance Data

Background

Every year, gas trading licensees must submit performance data to the ERA. The ERA’s Gas Trading Licence Performance Reporting Handbook and Gas Trading Licence Performance Reporting Datasheets specify the data that must be collected by licensees and provided to the ERA.

The ERA publishes an annual performance report using the data provided by licensees. Licensees must also publish the data on their website. The ERA regularly receives incorrect data from licensees. Errors in data are generally identified by licensees themselves, and sometimes by the ERA.

When errors are identified, the licensee will provide corrected data to the ERA. To improve the accuracy of data collected from licensees, the ERA has selected annual performance data as an area of special focus for the performance audits of all leading electricity and gas retailers.

Scope and approach

We were requested to perform a review of the effectiveness of the processes and systems Kleenheat’s uses to prepare its annual performance data for the ERA. Two areas of focus of the review include the ‘Energy Bill Debt’ and ‘Hardship Programs’ indicators.

As part of our review, we confirmed the processes and procedures used by Kleenheat to collect performance data and reviewed that the reporting data is consistent with the *Gas Trading Licence Performance Reporting Handbook*.

We obtained an understanding of the user access provisioning and change management process around the Business Intelligence (BI) reporting tool Kleenheat uses, for the ERA performance data reporting, through walkthroughs with key stakeholders. Detailed validation testing was performed on a sample of eleven indicators, both manual and automated (BI Report), to confirm the accuracy of the ERA performance report data.

For the BI report (automated) indicators, we traced a sample of ten indicators from the BI ERA performance report to the source data in the Kleenheat’s billing system. Testing included validating the source code and selection criteria for the indicators. For a sample of seven manual indicators we traced the data from the ERA reporting datasheet, stored on Kleenheat’s internal drive (One Drive), to the detailed workings of the relevant business unit teams.

The table below sets out the sample of indicators tested:

Performance Indicator Category	Indicator Number	Description	Manual / BI Report
Customer numbers	R 1	Total number of residential customers.	BI
	R 3	Total number of business customers.	BI
Billing and Payment	R 7	Total number of residential customers who have been issued with a bill outside the prescribed maximum timeframe and where the delay is due	Manual

Performance Indicator Category	Indicator Number	Description	Manual / BI Report
		to the retailer not receiving the billing data from the distributor.	
	R 11	Total number of residential customers who are subject to an instalment plan.	BI
Disconnections for non-payment	R 33	Total number of residential customer disconnections for failure to pay a bill.	BI
	R 41	Total number of residential customer disconnections involving customers who were the subject of a concession.	BI
Reconnections	R 42	Total number of residential customer reconnections requested by the retailer within 7 days of requesting the customer be disconnected.	BI
	R 57	Total number of business customer reconnections requested by the retailer that were not reconnected within the prescribed time frame.	Manual
Complaints	R 60	Total number of complaints received from business customers.	Manual
	R 77	Total number of residential customer complaints concluded within 15 business days.	Manual
Call centre performance	R 86	Total number of telephone calls to a call centre answered by a call centre operator within 30 seconds.	Manual
	R 89	Total number of telephone calls to a call centre that are unanswered.	Manual
Energy bill debt	R 92	Total number of business customers repaying an energy bill debt as at 30 June	BI
	R 95	Average amount of energy bill debt for business customers as at 30 June.	BI
Hardship customers	R 96	Total number of residential customers on a retailer's hardship program as at 30 June.	BI
	R 105	Total number of residential customers denied access to the retailer's hardship program during the reporting year.	BI
	R 114	Total number of residential customers who exited the hardship program during the reporting year, because they successfully completed the hardship program or exited the program by agreement with the retailer.	Manual

Conclusion

The results of our review indicate that the processes and procedures for data collection is accurate and meets the performance indicators as described in the ERA performance reporting

handbook. Kleenheat is compliant with obligations 102 and 281 in the ERA's *Gas Trading Licence Performance Reporting Handbook*. Additionally, as a result of our procedures we have identified the following development opportunities for the consideration of management:

- Improve the change management process in relation to data queries and scripts;
- Improve the user access management process across all teams; and
- Formalise a procedure document for each ERA indicator (or group of indicators), detailing how the data is to be extracted and which filter is to be applied in order to obtain the required figure.

Appendix B – Payment Difficulties and Financial Hardship

Background

We were requested by the ERA to perform a review of the effectiveness of the processes Kleenheat has in place to assist customers experiencing payment difficulties and financial hardship. Two areas of focus of the review include the ‘Energy Bill Debt’ and ‘Hardship Programs’ indicators.

Scope and approach

As part of our review, we examined Kleenheat’s processes for determining whether a customer is experiencing payment difficulties, financial hardship, or neither, and determined that customers were offered the assistance they were entitled to as prescribed by the *Compendium*.

Through walkthroughs with key stakeholders, we obtained an understanding of the financial hardship assessment process conducted by call centre operators, and the process in place to offer customers established as experiencing financial hardship or payment difficulties the support they are entitled to. We undertook sample validation of 25 recorded phone calls made to Kleenheat’s call centre staff throughout the audit period. Our examination included “front-of-house” staff who deal with general enquiries, as well as Kleenheat’s financial hardship specialists. In order to determine whether customers were appropriately assessed and provided the adequate level of assistance, we classified the calls within three samples pools:

- Customers who were assessed as experiencing financial hardship. We established that those customers were correctly assessed as experiencing financial hardship and that they were provided the assistance they were entitled to.
- Customers who were assessed as experiencing payment difficulties. We established that those customers were correctly assessed as experiencing payment difficulties and that they were provided the assistance they were entitled to.
- Customers who were assessed as neither experiencing financial difficulties nor payment difficulties. We established that those customers were correctly assessed as not experiencing financial hardship or payment difficulty.

In order to verify compliance with clauses 6.1 to 6.9 of the *Compendium*, which is a requirement of Kleenheat’s gas trading licence, we tested each call against obligations 198 to 206A and 208 to 212 in the ERA’s *Gas Compliance Reporting Manual*. Through our sample testing procedures, we did not identify any exceptions.

Additionally, in order to verify compliance with clauses 6.10 and 6.11 of the *Compendium*, which is a requirement of Kleenheat’s gas trading licence, we conducted a desktop review of Kleenheat’s financial hardship policy against obligations 214 to 216 and 219 to 221 in the ERA’s *Gas Compliance Reporting Manual*. We identified a breach under obligation 215, as Kleenheat had not updated its financial hardship policy since 2015 and failed to include a statement on how customer confidential information is to be treated and stored by Kleenheat. This breach was resolved on 27/10/2020 with Kleenheat issuing an updated version of their hardship policy to comply with requirements of clause 6.10(2) of the *Compendium*.

Conclusion

Except for the breaches self-reported by Kleenheat to the ERA as part of its 2018/19 and 2019/20 compliance reports (see table 7 – Detailed Findings and Recommendations, under obligations 202, and 206A), and the breach we identified under obligations 215 and 220, which was remedied during the audit, the results of our review indicate that the processes Kleenheat has in place to assist customers experiencing payment difficulties and financial hardship are adequate.

Appendix C – References

Personnel and documentation

Key contacts and Audit Team

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

Kleenheat head office:

- Nina Telford - Regulatory Manager, Natural Gas & Electricity
- Wayne McCrae - Commercial Manager/Credit Manager
- Zoe Pante – Customer Service Coach
- Bernadette Hall - Customer Advocate
- Peter Hamers - Credit Operations Team Leader
- Adam Kozman - Administration Team Leader
- Angela Robson - Administration Team Leader
- Joe Percsy - Business Analyst - Sales
- Rebecca Cant - Consumer Credit Team Leader

The Audit and Review team comprised the following personnel:

- Sian Ashdown – Engagement Leader
- Cameron Jones – Quality Review Partner
- Michelle Tengonciang – Manager
- Kate Barton - Manager
- Anuki Dias – Senior Consultant
- Quentin Thony – Consultant
- Matthew Taylor - Consultant

Work Schedule

Activity	Team Member	Start Date	Completion Date	Actual Hours
Project Start to End	All	17/08/2020	30/11/2020	802 hours
Preliminary Assessment	Sian Ashdown, Partner Cameron Jones, Quality Review Partner, Kate Barton, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant	24/08/2020	31/08/2020	40 hours
Audit Plan – First Draft to Kleenheat	Sian Ashdown, Partner	01/09/2020	14/09/2020	203 hours

Activity	Team Member	Start Date	Completion Date	Actual Hours
	Cameron Jones, Quality Review Partner, Kate Barton, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant			
Audit Fieldwork – Kleenheat	Sian Ashdown, Partner Cameron Jones, Quality Review Partner, Kate Barton, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant Quentin Thony, Consultant Matthew Taylor - Consultant	14/09/2020	16/10/2020	393 hours
Report – First Draft to Kleenheat/ERA and Post Audit Review Implementation Plan	Sian Ashdown, Partner Cameron Jones, Quality Review Partner, Kate Barton, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant Quentin Thony, Consultant	16/10/2020	30/10/2020	111 hours
Report - Final issue to Kleenheat/ERA	Sian Ashdown, Partner Cameron Jones, Quality Review Partner, Kate Barton, Manager Michelle Tengonciang, Manager Anuki Dias, Senior Consultant Quentin Thony, Consultant	30/10/2020	30/11/2020	55 hours

Documentation

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

- 1 2018 Performance Audit Report
- 2 2018 Post Implementation Audit Plan
- 3 2018 Wesfarmers Kleenheat Audit Plan

- 4 2019 Audit and Review Guideline
- 5 Actual Read Required Bill Template
- 6 Agent Scored Evaluation
- 7 Annual Performance Reporting Datasheets 2018/19
- 8 Annual Performance Reporting Datasheets 2019/20
- 9 APOST Neg File - Dishonoured Payments
- 10 Australian Gas Association Natural Gas Customer Service Code 1998
- 11 Billing Engine Process - Load Meter Readings
- 12 Billing Engine Process - Process Meter Readings
- 13 Call Quality - What we look for
- 14 Coaching - Evaluate a Call Recording
- 15 Coaching - Host a Leadership Calibration
- 16 Coaching - Quality Call Coaching Targets
- 17 Complaint Descriptions and Response Timeframes
- 18 Complaints Article
- 19 Complaints Tracker (September 2018 to August 2020)
- 20 Complaints Training
- 21 Compliance Quiz
- 22 Compliance Report GTL10 2018/2019
- 23 Credit Related Frequently Asked Questions
- 24 Customer Complaint Handling Policy & Procedure
- 25 Customer Plan Change
- 26 Customers with Special Needs
- 27 Daily Direct Debit Credit Card Payments for Natural Gas
- 28 Default Credit Update Process
- 29 Default Listing Framework
- 30 Disconnection Notice
- 31 Direct Debit Request Form - LPG
- 32 Disconnection / Reconnection - NG
- 33 Disconnection and Reconnection Fee Schedule
- 34 Disconnection Checklist
- 35 Disconnection Flowchart
- 36 Disconnections & Reconnections - Retic
- 37 Dishonoured Cheque
- 38 Downloading DERPS Report
- 39 Downloading EFT Bank Statement
- 40 Email - RE: Kleenheat NG SFC+NSFC amendments
- 41 Email - RE: Publishing of Annual Performance Reporting Datasheets - GTL10 and ERL5
- 42 Email - RE: Wesfarmers Kleenheat Gas Pty Ltd - GTL10 2019 performance reporting datasheet revised indicators for FY 18 performance reporting
- 43 Energy and Water Ombudsman - Western Australia - Annual Report 2018-2019
- 44 Energy Coordination (Customer Contracts) Regulations 2004
- 45 Energy Coordination (Gas Tariffs) Regulations 2000
- 46 Energy Coordination Act 1994 (WA)
- 47 Energy Saving Tips and High Bill Enquiries
- 48 Estimated Bill Template
- 49 Exception Report - Unauthorised Usage Escalate to Commissioned
- 50 Exception Report - Unauthorised Usage Escalated Disconnection
- 51 Failed Disconnections Process

- 52** Financial Hardship Indicators
- 53** Financial Hardship Policy
- 54** Gas Compliance Reporting Manual 2017
- 55** Gas Compliance Reporting Manual 2020
- 56** Gas Marketing Code of Conduct 2017
- 57** Gas Trading Licence - Wesfarmers Kleenheat Gas Pty Ltd - GTL10, Version 12, 1 January 2020
- 58** Gas Trading License Performance Reporting Handbook
- 59** Grow you gas savings flyer
- 60** GTL10 PAIP Updated as at January 2020
- 61** Hardship Ideation
- 62** Hardship Identifier
- 63** Hardship Management via Digital Platforms
- 64** Hardship Utility Grant Scheme Guidelines
- 65** Illegal Reconnection Process
- 66** Important Timeframes
- 67** Complaint Template
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