

Australian Energy Market Operator

COMPLIANCE ISSUES FOR DECISION

DATE: 23 May 2017
RESPONSIBILITY: Group Manager Market Management

COMPLIANCE ISSUES SUMMARY TABLE:

Breach	Description	Recommendation
Retail Market Procedures (WA) 72(1) and 79(1) by Alinta Energy in 2016 (EIC audit 2017)	<p>Clause 350(2) of the WA Retail Market Procedures (“Procedures”) requires a user to appoint an auditor each year to undertake a “negative assurance audit” of its compliance with certain clauses.</p> <p>The audit for Alinta Energy for calendar year 2016 revealed Alinta Energy was in breach of clauses 72(1) and 79(1) of the Procedures as outlined below.</p> <p><u>Clause 72(1) – Explicit informed consent (EIC) for MIRN discovery requests</u> There were three instances in 2016 where a customer had called Alinta Energy to verify their gas connection and during the call the representative, after identifying that the MIRN was not recorded in Alinta Energy’s system, continued to set up the customer account without obtaining the customer’s EIC to the receipt by the user of the MIRN standing data.</p> <p><u>Clause 79(1) – EIC for transfer requests</u> For residential customers:</p> <ul style="list-style-type: none"> • There were three instances in 2016 where EIC was not obtained before lodging the transfer request. All three instances related to transfer requests being submitted through websites which did not include customer’s EIC to transfer. • There were six instances in 2016 where a customer did not expressly provide EIC during the recorded voice call. During these calls the representative read the relevant script to the customer, however the customer did not specifically acknowledge the information read to them. 	<p>Submissions were called for, and the submission window closed on 22/05/2017.</p> <p>No submissions were received.</p> <p>After having regard to the other matters in clause 329(1) of the WA Retail Market Procedures (“Procedures”), AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>

	<p>For business customers, there were six instances in 2016 where the customer's EIC was not obtained before the transfer request was lodged.</p> <p>These appear to be a breach of clauses 72(1) and 79(1) of the Procedures by Alinta Energy.</p>	
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COMPLIANCE ISSUES:

1. Procedures breaches self-reported by Alinta Energy:

Retail Market Procedures (WA) 72(1) and 79(1) by Alinta Energy in 2016 (EIC audit 2017).

Description	See the description above.
Action taken	<p>Alinta Energy has taken the following actions:</p> <ul style="list-style-type: none"> • Re-issued the relevant instructions to its representatives who handle these call types and has committed to ensuring that this matter is adequately accommodated in foundation and refresher training programs. • Updated its processes involving transfer requests via websites – added customer's EIC to the online process or to call the customer to obtain customer's EIC before lodging the transfer request (if required). • Committed to ensuring that this matter is adequately accommodated in foundation and refresher training programs. • Incorporated a specific EIC paragraph in all business customer contracts since November 2016.
Impact	<p>Alinta Energy advised AEMO that there were no adverse impacts on other market participants or customers.</p> <p>No submissions were received from participants in response to the request for submissions.</p>
Decision	<p>After having regard to the matters in clause 329(1) of the Procedures, AEMO has determined that the breach was not material and resolved. AEMO to take no further action in relation to this matter.</p>