



ADMINISTRATIVE UNDERTAKING

ASSURANCES

Australian Power and Gas Pty Limited (ABN 26 118 609 813)

AGL Sales Pty Limited (ABN 88 090 538 337)

1. Background

Australian Power and Gas Pty Limited (**APG**) and AGL Sales Pty Limited (**AGL**), as holders of electricity and gas retail licences in Victoria, entered into an Administrative Undertaking with the Essential Services Commission (**Commission**) on 19 August 2015. AGL also entered into that Administrative Undertaking on behalf of APG, as a related body corporate under AGL Energy Limited.

As per clause 2.5 of the Undertaking, AGL was required to provide the Commission with written assurances of how its processes prevent similar non-compliances from re-occurring and its record keeping processes. The assurances provided below meet that requirement.

2. Preventing Further Non-Compliances

GLOSSARY OF TERMS

Issue Date: The issue date represents the date that is printed on correspondence. It is intended to reflect the day the file is provided to our service provider.

Batch date: The date batch actually runs, regardless of the posting date. This can be conceived as the date that activities and tasks are triggered in the system; for example, when a dat file is created.

Posting date: The date batch is set to. In most cases this is the same as the date batch actually runs (and therefore batch date). In rare scenarios, a user may specify that the posting date is different to the batch date. For example when the batch cannot be run as per usual on a Friday night, and is instead run on a Sunday night, the posting can be backdated to the Friday.

Dat File: A file created in AGL's systems that contains relevant data required to populate the variable fields in a document template, which creates the notice that the customer receives.

AGL notes that the non-compliance in this instance consisted of an incorrect pay-by date on the disconnection warning notice.

In this respect, there is no concern with the date on which customers were issued a notice or the date on which customer may have been disconnected. The systems that control these timings and trigger the printing of a notice were functioning correctly.

In this instance, the system that controls the variable fields on a notices (specifically, the code that calculates the pay-by date to be printed) was not programmed with the correct level of detail, resulting in a notice period on the document that was non-compliant with the Energy Retail Code.

As a consequence, AGL created an additional program that was deployed to its service provider's systems. This program ensured the following:

- 2.1. For all reminder notices that are issued to all customers:
 - 2.1.1. That the issue date printed on the customer correspondence must equal the posting date +1 business day.
 - 2.1.2. That the pay by date printed on the customer correspondence must equal the posting date +8 business days.
 - 2.1.3. That this logic also refers to appropriate jurisdictional calendars, which are stored as lookup tables in the system, to account for both state and national public holidays that are not counted as business days for the purposes of the above.

Code changes were implemented for each of the changes in 2.1. The payment deadline date added 8 business days to the dunning batch date and populates the pay by date in the dat file.

- 2.2. For all disconnection warnings issued to all customers:
 - 2.2.1. The issue date printed on the customer correspondence must equal the posting date +1 business day.
 - 2.2.2. The pay by date printed on the customer correspondence must equal the posting date +9 business days.
 - 2.2.3. The disconnection end date on the customer correspondence equals dunning posting date +9 business days.
 - 2.2.4. This logic also refers to appropriate jurisdictional calendars, which are stored as lookup tables in the system, to account for both state and national public holidays, which are not counted as business days for the purposes of the above.

Code changes were implemented for each of the changes in 2.2. The payment deadline date added 9 business days to the dunning batch date and populates the pay by date in the dat file.

Dunning issue dates cannot be printed on notices outside of these parameters, and the issue date logic cannot be changed without system redesign as these have been locked into system configured tables.

3. Record Keeping Processes

During the investigation of the notice issue, AGL notes that certain aspects of its record keeping process affected its ability to provide detailed information regarding the date that reminder notices and disconnection warning were printed, as well as the corresponding issue date and pay-by date printed on these notices.

AGL's record keeping process and ability to access records has significantly improved in response to the information requested by the Commission with regard to this enquiry.

In November 2014, AGL invested in the development of additional functionality so that all collections notices sent to the customer are retained within an image library. Prior to this improvement, notice templates were available only and data needed to be extracted from a different source.

As such, in terms of AGL's ability to access historical data regarding notices:

- 3.1. All collection notices for are accessible via AGL's service provider's systems.
- 3.2. Every notice issued to a customer has been retained and easily accessible from November 2014 onwards.

Furthermore, AGL has the capacity to obtain the following information regarding a customer account with minimal effort:

- 3.3. The date of creation for each notice issued on each customer account;
- 3.4. The date of issue for each notice issued on each customer account; and
- 3.5. The pay-by date for each notice issued on each customer account.

This information can also be extracted in bulk to assist in the investigation of any possible systemic issues.

In AGL's opinion, this record keeping process exceeds requirements to ensure that adequate details regarding customer accounts are recorded and made easily accessible for the purposes of investigation, and will certainly assist in any future investigations.