ESSENTIAL SERVICES COMMISSION

Penalty Notices

Essential Services Commission Act 2001 (Vic), section 54S

Penalty notices issued to CovaU Pty Ltd

To: CovaU Pty Ltd (ACN 090 117 730)
Level 29, 225 George Street
Sydney NSW 2000

Penalty notice numbers: PN(G) 288-2026, PN(G) 289-2026

1. Each of the 2 penalty notices is dated 1 July 2026.
2. The Essential Services Commission (**the commission**):
    a. alleges that CovaU Pty Ltd (ACN 090 117 730) (**CovaU**), which holds (and held at all material times) an electricity retail licence and a gas retail licence issued by the commission pursuant to the *Electricity Industry Act 2000* (Vic) and *Gas Industry Act 2001* (Vic) and is a regulated entity operating in a regulated industry within the meaning of the *Essential Services Commission Act 2001* (Vic) (**the Act**), has contravened a civil penalty requirement within the meaning of that term under section 3 of the Act
    b. determined, on 24 June 2026, that it has a reason to believe that CovaU contravened civil penalty requirements, in accordance with section 54S(1) of the Act, as described in Schedules 1 and 2, and
    c. has decided to serve these 2 penalty notices on CovaU.
3. The notice penalty is 200 penalty units, as provided by section 54T(2) of the Act. At the time of the contravention, the penalty unit amount was $203.51.

    Note: If CovaU chooses to pay both of the 2 penalties, the total payable is $81,404.

How to pay a penalty notice

4. Each penalty notice amount is payable by **29 July 2026**.
5. CovaU may pay each penalty amount by electronic funds transfer to the following account:

[redacted]

6. For each penalty notice, please notify the commission via email at [redacted] once payment has been made.

What can CovaU do in response to these penalty notices?

7. CovaU can choose whether or not to comply with each penalty notice, and pay the penalty amount.

8. If CovaU pays the amount before the end of the time specified in the penalty notice the commission will not commence, as appropriate, either a proceeding against CovaU for a contravention order in relation to the alleged contraventions in the applicable notice, or a criminal proceeding for an offence constituted by conduct that is substantially the same as the conduct that constitutes the alleged contraventions. If CovaU does not pay the penalty within this time, the commission may take such action.

9. CovaU is entitled to disregard these penalty notices and to defend any proceedings relating to the alleged contraventions.

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Gerard Brody
Chairperson
Essential Services Commission

Schedule 1 – PN(G) 288-2026

Details of the conduct and alleged contravention

1. Clause 106(1) of the Energy Retail Code of Practice (**ERCOP**) was at all relevant times a civil penalty requirement, pursuant to Schedule 1 of the ERCOP and the definition of civil penalty requirement under section 3 of the Act.

2. Clause 106(1), which is in Division 5 of Part 5 of the ERCOP, provides that:

   If a benefit change or a price change is to take effect, the retailer must provide the small customer who is party to the relevant customer retail contract with a bill change alert in accordance with this Division.

3. Clause 106(2), which is in Division 5 of Part 5 of the ERCOP, provides that:

   The bill change alert must be given to the small customer:

   (a) in writing;

   (b) using the small customer's preferred method of communication (if nominated, for example by post or by email to a specified address); and

   (c) at least five business days before the benefit change or price change will take effect.

4. In accordance with section 54S(1) of the Act, the commission has reason to believe that CovaU has contravened the civil penalty requirement under clause 106(1) of the ERCOP by virtue of contravening clause 106(2) of the ERCOP.

5. The relevant nature and brief description of the alleged contravention is outlined below:

   a. On 3 July 2025, the below customer entered into a contract with CovaU for the sale and supply of energy:

   b. On 11 July 2025, CovaU began supplying gas to the customer under the contract.

   c. As at 1 August 2025, a price change was set to take effect with respect to the customer's contract. The customer's tariff was set to change as per the below table:

Tariff Value 5 – before 1 Aug 2025 (c/MJ)		Tariff Value 5 – after 1 Aug 2025 (c/MJ)
Daily supply charge	69.30	69.30
Peak charge of first 50MJ/day	3.05	3.93

Peak charge for next 50MJ/day	3.05	3.93
Peak charge for next 50MJ/day	2.53	3.41
Peak charge for next 100MJ/day	2.53	3.41
Peak charge for additional gas delivered MJ/day	2.53	3.41
Off peak charge for first 50MJ/day	3.05	3.93
Off peak charge for next 50MJ/day	3.05	3.93
Off peak charge for next 50MJ/day	2.53	3.41
Off peak charge for next 100MJ/day	2.53	3.41
Off peak charge for additional gas delivered MJ/day	2.53	3.41

d. CovaU failed to issue the customer with a bill change alert in accordance with Division 5 of Part 5 of the ERCOP at least five business days before 1 August 2025 when the price change was set to take effect.

e. On 13 August 2025, CovaU issued the customer an invoice which included supply and usage charges which were based on the price change that was set to take effect from 1 August 2025. The customer did not pay the invoice.

6. As a result, the commission considers that CovaU's conduct, in failing to provide the customer with a bill change alert at least five business days before a price change was to take effect, is a contravention of a civil penalty requirement within the meaning of that term under section 3 of the Act.

7. The amount of the penalty for this civil penalty requirement at the time of the alleged contravention is $40,702 (200 penalty units), as provided by section 54T(2) of the Act.

Schedule 2 – PN(G) 289-2026

Details of the conduct and alleged contravention

1. Clause 94(2) of the ERCOP was at all relevant times a civil penalty requirement, pursuant to Schedule 1 of the ERCOP and the definition of civil penalty requirement under section 3 of the Act.

2. Clause 94(2) provides that:

   Subject to subclauses (3), (5), (6) and (7), a retailer must not increase any of the tariffs payable by a small customer under a market retail contract except with effect from a network tariff change date.

3. In accordance with section 54S(1) of the Act, the commission has reason to believe that CovaU has contravened the civil penalty requirement under clause 94(2) of the ERCOP.

4. The relevant nature and brief description of the alleged contravention is outlined below:

   a. On 16 June 2025, the below customer entered into a contract with CovaU for the sale and supply of energy:

   b. On 6 August 2025, CovaU began supplying gas to the customer under the contract.

   c. On 1 September 2025, CovaU wrote to the customer and said:

      Effective from the 1st of August, our rates changed due to an annual network and wholesale cost review. However, it has come to our attention that you may have not received any notification regarding this change. We always strive to be as transparent as possible and for that we apologise. Below you will find your new rates effective from the 9th of September 2025. If you've already received an invoice or made a payment, we'll reverse and reissue it with your original offer. Rest assured, we remain committed to providing you the most competitive prices and discounts possible.

   d. Subsequently, CovaU increased the customer's tariff effective from 9 September 2025, which is not a network tariff change date. The customer's tariff changed as per the below table:

Tariff Value 1 – before 9 Sep 2025 (c/MJ)		Tariff Value 1 – after 9 Sep 2025 (c/MJ)
Daily supply charge	71.50	71.50
Charge for first 27.4 MJ/day	2.86	4.18
Charge for next 21.9 MJ/day	2.86	3.52
Charge for additional gas delivered MJ/day	2.82	3.48

5. As a result, the commission considers that CovaU's conduct, in increasing the customer's tariff on a date other than a network tariff change date, is a contravention of a civil penalty requirement within the meaning of that term under section 3 of the Act.

6. The amount of the penalty for this civil penalty requirement at the time of the alleged contravention is $40,702 (200 penalty units), as provided by section 54T(2) of the Act.