



10th January 2012

Dr Ron Ben-David
Chairperson
Essential Services Commission
Level 2, 35 Spring Street
Melbourne, VIC 3000

Dear Dr Ben-David,

Performance Indicators for Customer Service

Thank you for your letter to us dated 21st December 2011 regarding performance indicators for Customer Service. I have since had time to investigate the questions you raise and now advise accordingly our position on these matters.

Firstly, I believe it important to note that Click Energy is a licensed electricity retailer with a difference. That is, we operate a purely "online" business model, largely acquiring customers via the internet and encouraging customers to use the internet ongoing to interact with our organisation. This methodology not only saves on operating costs, which we in turn try pass on to our customers, but also helps us do our bit for the environment via the savings we achieve in reduced paper usage etc. With this point of difference, Click Energy prides itself on being a bit different to the industry and thus the standards and benchmarks we set for ensuring positive customers experiences is very important to us.

As a fast growing and genuine alternative option for prospect customers, we are very much relying on the power of positive word and mouth support from the greater community we serve to help grow and develop our business. To this, we do indeed take you feedback and concerns very seriously.

In reviewing the methodology for your calculations we believe the results are not taking into consideration the growth our customer base that has been achieved over the said period of your review. With a company growing at a rate of 111% i.e., more than doubling its customer size, using the year end results achieved rather than an average for the year, we suggest is far better and reflective measurement of our performance to date (noting that 61% of the disconnections occurred in the last 3 months of the year). This adjusted interpretation shows that Click had a disconnection rate of 0.87 and a complaint rate of 4.52 per 100 versus the industry average 0.77 and 4.2 per 100 respectively.

Rest assured, this revised calculation still remains unsatisfactory to me as I believe we should be able to deliver a performance levels better than industry standards given the nature of our online model and the intimacy we can still enjoy with our small customer base. This is something I have raised with my executive team in detail and personally with the key strategic partners we engage.

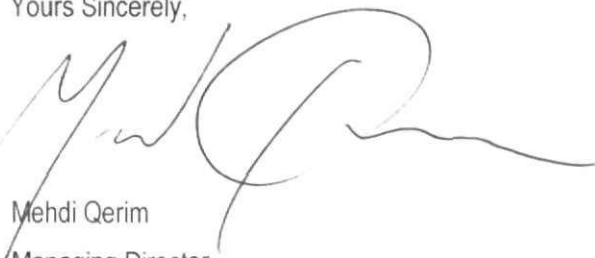
With regards to disconnections, our executive team will increase their monitoring of disconnections, which while small in absolute terms (44 disconnections for the 2010-2011 year) continue to allow us to review them on a case by case basis.

To the matter of complaints, we are disappointed that at an industry level these continue to increase as they remain a continual focus within our business. With our full back office operations outsourced to a leading industry provider, I have taken liberty and already forwarded key extracts of your letter to me to them for review and action. In addition we have been able to within the 2011 financial year appoint a dedicated resource to capture, manage and resolve where possible customer complaints and to identify areas of service improvement. This has in turn been added to with the recent appointment a new Head of Operations (reporting directly to me) with customer experience one of their key focuses.

Finally, thank you for bringing these issues to our attention, you have our assurances that the we are focusing on these metrics and striving to provide industry best practise in all facets of the customer experience cycle. To this, I look forward to far better performance and results for 2012 and beyond.

Please feel free to contact my office should you wish or need to explore any of these matters further.

Yours Sincerely,



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