

9 December 2011
Our ref: C/11/35617

Mr Tim Hunt
CEO
Neighbourhood Energy Pty Ltd
PO Box 171
Elsternwick VIC 3185

Dear Mr Hunt

PERFORMANCE INDICATORS FOR CUSTOMER SERVICE

During preparation of the 2010-11 Energy Retailers Comparative Performance Report – Customer Service, the Essential Services Commission (the Commission) was concerned by Neighbourhood Energy's performance for the following indicators.

- Electricity disconnections decreased in 2010-11 to 0.95 per 100 customers, but this was still above the state average of 0.77. In addition the disconnections of customers exhibiting hardship (reconnection at the same address and same name, previously on a budget instalment plan, previous multiple disconnections and concession card holders) were all above average. This was also similar for the reconnections data.
- While the Commission does not set a standard for customer service indicators, we are concerned that the number of calls answered within 30 seconds declined to 49 per cent from 68 per cent, below the state average of 59 per cent. In addition 14 per cent of calls forwarded to an operator were abandoned; the state average was 8 per cent. Wait times also increased from 79 seconds in 2009-10 to 123 seconds in 2010-11, above the state average of 101 seconds.
- The number of electricity complaints more than doubled in 2010-11, to 8.5 complaints per 100 customers, up from 4.9 in 2009-10. Marketing complaints increased to 1 773 from 226 (over 600 per cent), making up over 50 per cent of all complaints.

We seek your explanation for the following.

1. Electricity disconnections and disconnections of customers exhibiting hardship were above average.
2. Call centre performance has decreased.
3. Complaints have increased overall.

Further, we seek your assurance that Neighbourhood Energy has been or will be addressing these issues. Neighbourhood Energy should provide written details of any corrective actions completed or planned to address these matters. We recognise that some of this information is related to the current audit process and this should be taken into account when responding to these indicator issues. Please provide this information by Friday 27 January 2012.

The Commission will monitor retailer's performance against these indicators while the Commission retains responsibility for retail energy matters and will consider further action on specific retailers, if warranted, to ensure retailers are complying with their obligations.

This letter and your response will be published on our website along with the Energy Retailers Comparative Performance Report 2010-11.

Yours sincerely

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke that ends in a small hook.

Dr Ron Ben-David