

9 December 2011
Our ref: C/11/35617

Mr Paul Maguire
CEO
Simply Energy
Level 14
Como Office Tower
644 Chapel St
South Yarra 3141

Dear Mr Maguire

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 Simply Energy's performance for the following indicators.

- Electricity disconnections increased to 2.13 per 100 customers from 0.76 in 2009-10, the second highest disconnection rate in the state. Gas disconnections also increased to 1.84 per 100 gas customers, up from 0.5 in 2009-10.
- The number of estimated accounts increased in 2010-11 to 33.6 per 100 customers, up from 23.9 in 2009-10, well above the state average of 22.3. For gas there was a drop in estimated accounts in 2010-11 to 12.6 per 100 customers, a large decrease from 55.2 in 2009-10.
- Gas complaints increased in 2010-11 with 2.4 complaints per 100 customers, up from 0.5 in 2009-10 and above the state average of 1.2.

We seek your explanation for the following.

1. Disconnections for electricity and gas increased.
2. Estimated accounts have increased for electricity and decreased for gas.
3. Gas complaints have increased.

Further, we seek your assurance that Simply Energy has been or will be addressing these issues. Simply 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



Dr Ron Ben-David