

2nd February 2012



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

Dear Dr Ben-David

I am writing in response to your letter dated 9 December 2011 regarding performance indicators for customer service. I have investigated your concerns and provide an explanation in the order they were raised.

1. The high disconnection and reconnection of customers exhibiting hardship indicators, but decreasing hardship participation.

TRUenergy has reviewed and improved the quality of the hardship program which has resulted in the following:

- Contacting each of the current participants to confirm their current situation and requirements for hardship participation
- Improving the monitoring of customers on the program by allocating Call Centre Operators a number of customers to contact on regular basis to ascertain their ongoing requirements
- Continuing to work with community sector workers as an avenue to reach customers who are not meeting their obligations

The overall number of customers on our hardship program has decreased as a result of this review, because customers have either:

- Improved their personal circumstances and no longer require the services of the hardship program;
- Cleared their outstanding amounts and are managing their account actively on their own
- Been removed from the program for failure to meet participation requirements or;
- Transferred to another retailer

TRUenergy is currently undertaking a complete review of its hardship program in anticipation of the NECF requirements and expect to have this completed by the end of March 2012.

In terms of TRUenergy's disconnection procedures, we are confident that we have all the necessary checks in place to avoid the disconnection of hardship customers. As previously reported, under section 3.2 of the ESC's Performance Indicators – Billing and Disconnections, TRUenergy's total number of customers on a budget instalment plan includes both customers who were using budget instalment plans for convenience and those customers who were assessed as being in hardship. TRUenergy is seeking to address this discrepancy so that it is able to distinguish between those customers who are on a budget instalment plan for convenience and those who are due to being in hardship.

In summary, TRUenergy does not believe it is possible to conclude from the indicators that TRUenergy has disconnected a high proportion of customers exhibiting hardship, as instalment plans reported by TRUenergy do not necessarily indicate that a customer is experiencing hardship. We appreciate that this data provided by us has been the basis for the Commission's concerns.

2. The overall increase in complaints

In regards to an overall increase in customer complaints TRUenergy is continuing to work through these issues which have resulted in customers not being billed or being billed incorrectly. We accept that these issues will have led to a number of customer impacts and are determined to address these.

In mid 2011 TRUenergy initiated the billing discrepancy project to investigate TRUenergy's billing issues. This project has resolved a number of the billing issues to date. TRUenergy is committed to meeting the specific undertakings from the Victorian Regulators to resolve the billing issues by the end of May 2012. TRUenergy is also providing ongoing updates to its customers, EWOV and other government departments to assist with managing customer enquiries.

TRUenergy appreciates the Commissions patience whilst we address these difficult issues.

Should you have any further queries regarding these matters, please contact Michelle Lewis on 8628 1459.

Yours sincerely,



Adrian Merrick
Director of Retail