

9 December 2011
Our ref: C/11/35617

Mr Richard McIndoe
Managing Director
TRUenergy
33rd floor
385 Bourke St
Melbourne 3000

Dear Mr McIndoe

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 TRUenergy's performance for the following indicators.

- TRUenergy reported a significant decrease in the rate of disconnections in 2010-11, 0.19 disconnections per 100 customers, down from 0.76 last year. Despite this, most of the disconnections and reconnections of customers exhibiting hardship indicators (reconnection at the same address and same name, previously on a budget instalment plan, previous multiple disconnections and concession card holders) were well above the state average.
- Hardship program participation fell by 3 072 customers in 2010-11 (42 per cent).
- Electricity complaints increased by 69 per cent in 2010-11, with the majority of these in the Billing category.

We seek your explanations for the following.

1. High disconnection and reconnection of customers exhibiting hardship indicators, but decreasing hardship participation.
2. The overall increase in complaints.

Further, we seek your assurance that TRUenergy has or will be addressing these issues. TRUenergy 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