

**ELECTRICITY RETAIL INDICATORS
2010/11 IN REVIEW**

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1. EXECUTIVE SUMMARY

Synergy is required as a condition of its retail licence to publish specific information under the Code of Conduct for the Supply of Electricity to Small Use Customers (**Customer Service Code**) as follows:

- Affordability and access (refer section 3 of this report).
- Customer complaints (refer section 4).
- Compensation payments (refer section 5).
- Call centre performance (refer section 6).
- Customer accounts (refer section 7).
- Pre-payment meters (refer section 8).

Although Synergy has published the information as required by the Code of Conduct in a separate report, this document is intended to provide context to that information.

Synergy is Western Australia's largest energy retailer, procuring and selling electricity and gas to customers throughout the South West Interconnected System (**SWIS**), stretching from Kalbarri in the north, to Kalgoorlie in the east and Albany in the south.

The primary activities of Synergy include energy procurement relating to an energy portfolio in excess of \$20 billion, marketing, electricity and gas sales, customer service in terms of billing, payment processing and information provision. Synergy sells approximately 71% of the electricity consumed in the SWIS (household and business customers) and around 49% of the gas load supplying businesses.

As at the year ending 30 June 2011, Synergy had approximately 1 million customers, received over 1.4 million telephone calls, processed about 6 million electricity bills, received \$2.67 billion in energy sales revenue and paid \$2.56 billion to suppliers predominately for the generation and transport of electricity and purchase and transport of gas.

During the year, Synergy also undertook a significant amount of business activity on behalf of the state government including:

- Implementation of retail tariff increases in July 2010 affecting more than 970,000 customers.
- Delivering increases to state government concessions and rebates to more than 240,000 customers.
- Administering the state government's residential net feed in tariff applicable to approximately 58,000 residential customers.

Affordability

Synergy's small use customers experienced further tariff increases in 2010/11 as electricity prices continued to transition towards cost reflective levels. During the year Synergy continued to assist customers, specifically the most vulnerable members of our community, to manage the price rises by:

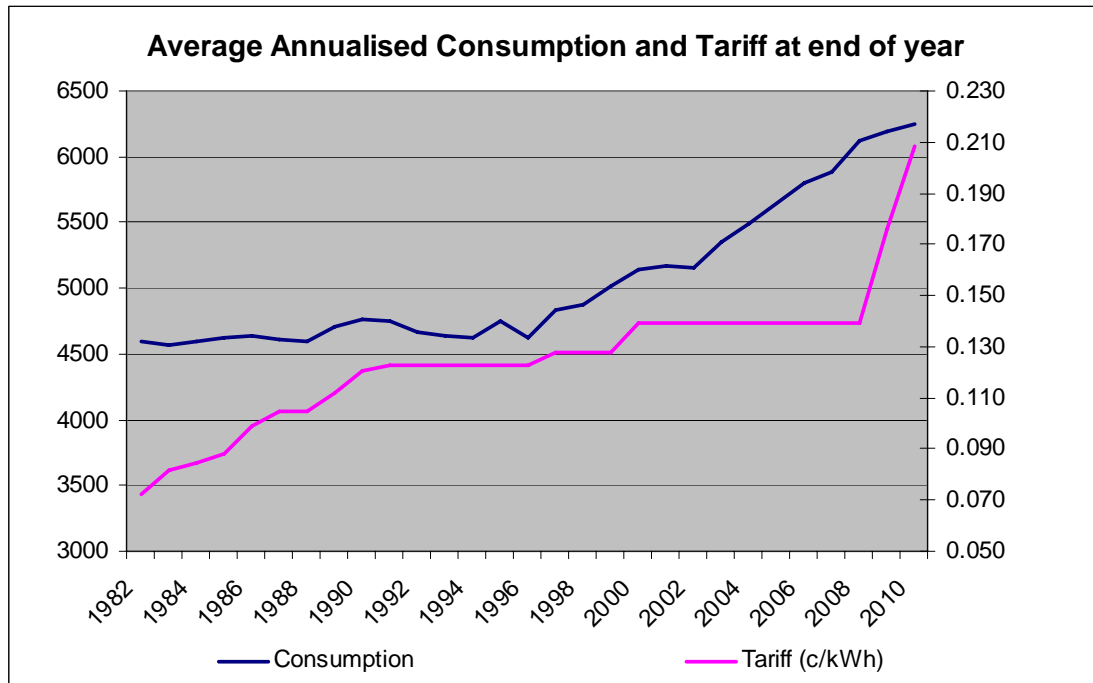
- Providing customers with additional time to pay their bill.
- Implementing concession increases consistent with state government policy.
- Managing and promoting hardship programs.
- Assisting customers to reduce energy consumption and hence their bill.

Synergy foreshadowed that the low disconnection rate in 2009/10 (which included a disconnection moratorium period following the implementation of a new billing system) would not be sustainable in 2010/11. Unfortunately, this was the case with disconnections of residential customers for non-payment increasing from 2,744 to 7,631.

Key challenges to limit future disconnections for non-payment in 2011/12 is to: (i) encourage residential customers to contact Synergy when they experience payment problems; (ii) educate

customers how their consumption affects their bill; and (iii) assist customers to establish payment practices that avoids disconnection.

This last issue is illustrated by the chart below. Despite recent significant price increases, the electricity consumption trend is increasing, resulting in some customers consuming more electricity than they can afford.



Electricity tariffs commenced increasing from 1 April 2009 after a decade in which they remained effectively flat. In 27 months residential tariffs have increased by 57% and Synergy acknowledges this has had a significant impact on our residential customers. Synergy's personnel have worked hard to advise customers of ways to minimise tariff increases such as the use of energy efficient appliances as well as advising customers who are facing financial difficulty or hardship of assistance measures such as the Hardship Utility Grant Scheme (**HUGS**).

As a retailer, it is important Synergy takes all available action to receive payment for electricity that has been consumed by its customers. In doing so, it has increased payment extensions and instalment plans and made it easier for many customers to receive additional time to pay or alternative payment options so that electricity bills can be managed with other household expenditure. As a result payment extensions have increased during 2010/11.

Synergy's staff also have the unenviable task of determining the time at which a customer must be disconnected for non-payment once all our attempts to keep them connected have been exhausted. Synergy bears the brunt of criticism if we disconnect customers but we also receive criticism where we delay disconnection and customers increase their debt as a result.

Synergy has worked closely with customer representative organisations, such as the Western Australian Council of Social Service, the Financial Counsellors Association and other community organisations to ensure customers experiencing financial hardship are supported through a range of hardship initiatives and programs.

Endorsed by the Western Australian Council of Social Service and the Financial Counsellors Association of Western Australia, Synergy's financial hardship policy was created to provide an extra level of support to customers experiencing genuine financial hardship. During 2010/11 the Economic Regulation Authority (**Authority**) independently reviewed the hardship policy and determined in August 2011 that Synergy's hardship policy complies with the Customer Service Code and is consistent with the Authority's hardship guidelines.

Synergy's focus in 2011/12 with respect to hardship customers will include:

- Engaging hardship customers to identify high energy use through the hardship assessment process and providing solutions to reduce consumption.
- Making hardship customers aware of the impact of their electricity consumption on their bill.
- Assisting customers to not incur further energy debts by undertaking a more appropriate payment pattern consistent with their energy usage.

Complaints

In September 2009 Synergy implemented a new customer transaction and billing system. The system is designed to enable Synergy to enhance customer service, improve its operational efficiency and deliver a more comprehensive range of products to its customers. However, there have been transitional issues associated with the changes that we publicly acknowledge have negatively impacted our customer service in 2009/10 and again in 2010/11.

During 2010/11 Synergy experienced a large increase in complaints both within and outside of its control. Synergy has implemented a range of measures to address its complaint response timeframes and is pleased to report positive improvement with a decline in complaint volumes in the 2011/12 year to date.

During the year Synergy did not perform as well as it could with respect to rebate and concession administration. Synergy did not correctly apply the dependent child rebate to over 7,000 customers between August 2009 and January 2010. Synergy repaid the underpayment of the rebate to these customers in November 2010. Synergy commenced a comprehensive review and audit in 2010/11 of all concessions and rebates to identify any other issues relating to the correct application of rebates. Through this review Synergy identified a further 8,000 customers that were underpaid rebate and concession entitlements. Synergy has notified affected customers, apologised to them and corrected the underpayment. As the review continues, Synergy will maintain open communication with affected customers. Synergy is keen to ensure it has systems and processes in place to ensure such errors do not recur.

On a more positive note Synergy is pleased to report significant improvement with its performance with respect to issuing bills on time. Synergy issued approximately 6 million bills with 99% issued on time in 2010/11.

Despite increased complaints and issues associated with concessions management, results from Synergy's on-line customer feedback survey demonstrated that of those who responded, 91% of customers assisted by Synergy and 80% of customers assisted by Synergy's customer service partner, Stellar were satisfied with the service received. Combined survey customer satisfaction for both Synergy and Stellar was measured at an average of 83% for 2010/11.

Telephone call management

During 2010/11 telephone calls increased by 14.5% to 1,439,432. Reasons for the increase include changes to the state government's feed in tariff arrangements, bill queries as a result of tariff increases, estimated accounts and requests for payment extensions and instalment plans. Although there was a large increase in telephone calls during the year, the percentage of telephone calls that were unanswered and the average duration (in seconds) before a call is answered by an operator only slightly increased.

Customer initiatives

Over the last 12 months, Synergy implemented a number of initiatives to assist customers to manage their electricity consumption and bills including:

- As a partner in the Perth Solar City project, Synergy is trialling a number of products to explore the opportunities to encourage energy efficiency behaviour. After the first year Synergy has 380 PowerShift customers, a time of use pricing product, 375 customers participating in an air conditioner direct load control trial and has issued “max”, an in-home display device to 1,900 customers. This trial will be undertaken over a two year period. The Perth Solar City initiatives support Synergy’s commitment to working with its customers to help them save energy by changing the way they use electricity.
- Synergy’s “Lets Save Energy” campaign was launched in May 2010. 2,700 individual energy saving tips were submitted by 2,170 registered users and 29,000 pages were viewed in 2010/11.
- Active participation in the state government’s tariff and concessions review to encourage behavioural change to reduce or better manage electricity consumption and to consider ways to improve concessions management and effectiveness.
- In December 2010, the Minister for Energy launched the Future Energy Alliance (**FEA**), an initiative between Synergy and Western Power aimed at building community awareness about energy conservation and to encourage behavioural changes for improved energy efficiency and reduced energy consumption. The FEA has been focused on communicating how simple actions by customers can have a wider impact on reducing greenhouse gas emissions and reduce the cost of building more peak demand infrastructure, while also reducing household energy costs. To date the campaign has been very successful in communicating the energy efficiency message and raised awareness of specific energy efficiency behaviours that will make a difference.

2. INTRODUCTION

Synergy is required as a condition of its retail licence to publish specific information under the Code of Conduct for the Supply of Electricity to Small Use Customers (**Customer Service Code**) as follows:

- Affordability and access (refer section 3 of this report).
- Customer complaints (refer section 4).
- Compensation payments (refer section 5).
- Call centre performance (refer section 6).
- Customer accounts (refer section 7).
- Pre-payment meters (refer section 8).

Although Synergy has published the information as required by the Code of Conduct in a separate report, this document is intended to provide context to that information.

The Customer Service Code was established by the Economic Regulation Authority (**Authority**) on 8 January 2008 and was amended in June 2010 (the 2008 Code repealed and replaced the former Customer Service Code which existed during the period 2004-2008).

The 2008 Code significantly amended the previous reporting requirements not only under the 2004 Code but also the Authority's "Electricity Compliance Reporting Manual". Accordingly, caution should be exercised when comparing data in this report to data published by the Authority prior to 2008/2009. Only in situations where current and historical reporting criteria are the same can meaningful comparisons be drawn.

Furthermore, it should be noted that although the Customer Service Code requires retail performance metrics to be calculated on the basis of customers, the ERA requires retailers to report on the basis of customer accounts. For the purposes of this report customer numbers relate to customer accounts.

3. AFFORDABILITY AND ACCESS

Disconnection

Electricity tariffs commenced increasing from 1 April 2009 after a decade of being relative static. In the space of 27 months, residential tariffs have increased by 57% and Synergy acknowledges this has had a significant impact on our residential customers.

Synergy foreshadowed in its 2009/10 performance report that the low number of electricity disconnections that occurred in that year were unlikely to be commercially sustainable in the forthcoming 12 months. Unfortunately, this has proven to be the case with electricity disconnections for non-payment rising from 2,744 to 7,631. Although the increase is large it is still below the rate of gas disconnections in Western Australia and the rate of electricity disconnections in other states on an historical basis.

The level of assistance provided by the state government to increase the affordability of electricity to residential customers in the SWIS is significant. In 2010/11 the state government subsidised residential tariffs within the SWIS to the value of approximately \$200M. This equates to approximately \$220 per residential customer or 16% of the average electricity bill. In addition, the state government also provided over \$59M to assist concession card holders and customers assessed as experiencing financial hardship.

In undertaking customer disconnections Synergy seeks to act in a responsible manner and comply with its regulatory obligations to offer assistance once a customer advises of payment problems and has been assessed as experiencing payment difficulty or financial hardship. Customers must also be accountable for their consumption decisions and pay for the electricity they have consumed. In situations where customers are experiencing payment problems they have a responsibility to advise Synergy as soon as possible after experiencing those difficulties, which does not always occur.

Despite extensive state government and retailer assistance some customers still have difficulty paying their bill. In these situations, action unfortunately has to be taken. Synergy only adopts disconnection of customers for non-payment as a last resort when all attempts to keep customers connected have failed. Synergy recognises the impact on customers losing their electricity supply, but in some cases the longer disconnection is avoided the greater the debt a customer will incur. Consequently the decision to disconnect a customer for non-payment is a difficult one. However, in the event Synergy does not recover payment for electricity consumed by its customers then those losses must be borne by someone, be it the energy industry - which can impact participant viability, the state government - which can impact consolidated revenue, or all electricity customers - which can impact individual household budgets.

Synergy's hardship policy

Synergy's financial hardship policy, "Keeping Connected", continues to provide valuable support to its customers who face extreme financial hardship. The policy was developed in association with representatives from Western Australia's community sector, and in accordance with best practice guidelines. Endorsed by the Western Australian Council of Social Service (**WACOSS**) and the Financial Councillors Association of Western Australia, Synergy's financial hardship policy was created to provide an extra level of support to customers experiencing genuine financial hardship.

Synergy is appreciative of the support and assistance provided by consumer representatives in reviewing and providing input into our annual hardship policy review. For example, Synergy staff attended a familiarisation training course conducted by WACOSS during 2010/11 to further develop empathy and understanding of hardship situations as well as developing ways to better communicate with those customers experiencing financial hardship.

The key issue raised by all consumer representative organisations as part of the 2010/11 policy review was the rising cost of electricity and the challenge that this has posed for residents within the SWIS. The majority of clients of the consumer representative organisations are on limited budgets and are having difficulty meeting the increased costs of electricity notwithstanding the implementation of government programs such as the Hardship Utility Grant Scheme. Improved energy efficiency through public education and closer alignment with community groups was identified as a key mechanism to help address this challenge on an ongoing basis.

Key outcomes of the 2010/11 hardship policy review and associated initiatives were:

- *Policy Changes.* Changes related to messaging and vocabulary used in the policy document. The definition of hardship was also updated to ensure clarity and alignment with the Authority's guidelines.
- *Communications.* Two new supporting documents were created to improve communications with hardship customers and financial counsellors following customer and consumer representative feedback.
- *Training and Development.* Ongoing focus to ensure Synergy has the appropriate skills to deal with customers from diverse backgrounds.
- *Energy Efficiency Solutions.* Continued focus on developing longer term energy efficiency solutions for customers in financial hardship.
- *Accessibility for non-English speaking customers.* Investigate opportunities for improving accessibility of services to customers of non-English speaking backgrounds including developing stronger links with community groups.

Synergy's hardship policy was also independently reviewed by the Authority in 2010/11. The Authority concluded in August 2011:

- That Synergy submitted their policy in a timely manner and assisted the Authority in undertaking the assessment by providing comprehensive information about the review of the policy.
- Feedback was provided regarding compliance with a small number of Customer Service Code requirements and consistency with the practice outlined in the Authority's hardship guidelines. As a result a number of improvements were made to the policy.
- The Authority has found that the Synergy policy complies with the Customer Service Code and is consistent with the hardship guidelines.
- In addition to meeting the minimum Customer Service Code requirements Synergy has its 'Keeping Connected' program which provides assistance such as individual case management and incentive payments for those experiencing what they refer to as 'acute financial hardship' such as 'life threatening illness' or 'long term unemployment'.

How Synergy implements payment difficulty and financial hardship assistance

Synergy's staff are essential to the delivery of an effective hardship policy. Key facets of Synergy's internal payment difficulty and financial hardship assistance arrangements are:

- Board and executive endorsement of Synergy's hardship policy to reflect the importance of the policy throughout the organisation.
- Ongoing dialogue and engagement with key consumer representative organisations to assist Synergy to develop its hardship training content.

- Information provision to contact centre staff to enable them to educate and inform customers by providing energy advice, reasons for high bills, availability of rebates, concessions and government assistance programs etc.
- Training to all new staff dealing with residential customers and periodic refresher courses.
- Providing specialist training to credit management staff dealing with hardship customers on such matters as approaching financial hardship customers, financial counselling training, culturally and linguistically diversity training, communicating and connecting with aboriginal people and understanding poverty, hardship and disadvantage in Australia.
- Training Synergy's field officers to focus on customers experiencing financial hardship to assist them to manage their account and providing customers with information on local financial counsellors who can negotiate payment of outstanding accounts within predefined payment guidelines on behalf of the affected customer.
- Synergy's case managers provided dedicated expertise, support and assistance to customers experiencing severe financial hardship. During 2010/11 Synergy's case managers assisted more than 979 customers on a one-on-one basis with many customers being helped to not incur further energy debts by undertaking a more appropriate payment pattern consistent with their energy usage.
- Training of customer facing staff to ensure all relevant staff are aware and comply with the guidelines for assessing customers in financial hardship and assistance programs such as the Hardship Utility Grant Scheme, Hardship Efficiency Program, Power Assist, Keeping Connected and the Fridge Replacement schemes and other assistance required by the Customer Service Code.
- Synergy's credit management field operators have seen their daily activities focused on visiting customers with long outstanding accounts and discussing payment options that will assist them to reduce their outstanding debt and removing the risk of disconnection. The field officers also assess customers for suitability of customer assistance schemes or refer them to financial counselors within their areas that can assist customers with budgeting advice. Each field officer may visit anywhere up to 40 or more premises per day to provide assistance and discuss a customer's account and potential payment solutions.

Customer assistance programs

Synergy has a range of payment initiatives, options and assistance to help customers experiencing payment difficulty and financial hardship. These include:

- Disconnection moratoriums during Christmas and Easter.
- New promise to pay guidelines to assist residential customers managing higher electricity prices.
- Introduction of new debt collection processes ensuring more customers were contacted earlier in the cycle of an outstanding debt.
- Introduction of SMS messaging 8 days after the due date of a customer's invoice reminding the customer of an outstanding account in addition to the standard reminder notice.
- Creation of a specialised outbound calling team focusing on early contacts with residential customers who have an outstanding account.
- Flexible payment arrangements. For example, contact centre staff can refer customers for HUGS if the customer is identified as being in financial hardship. The contact is not solely about collection but also facilitating assistance for the customer to be able to pay their account.

- Payment extensions increased from over 83,223 in 2009/10 to 96,148 in 2010/11 for customers assessed as experiencing payment difficulties and financial hardship under Part 6 of the Customer Service Code. Customers are able to arrange payment extensions automatically online, through our telephone IVR system, our contact centre or via Synergy's credit management team.
- The number of residential customers requesting payment instalments increased from 13,229 in 2009/10 to 30,893 in 2010/11.

In addition to the above, Synergy plays a pivotal role in the administration, management and promotion of its own and state government electricity customer assistance schemes including:

- Administration of state government concessions and energy rebates including the supply charge rebate, dependent child rebate, account establishment fee waivers, air conditioning subsidy, caravan park and park home subsidy. The value of these rebates and subsidies in 2010/11 was more than \$59M.
- Administration of HUGS on behalf of the state government. From July 2010 – June 2011 HUGS grants to the value of \$3M were provided to 8,000 customers to avoid disconnection. This brings the value of approved grants to \$6.2M since the commencement of HUGS on 4 August 2008.
- Maintenance of the Power Assist scheme which involves an annual payment of \$75,000 to WACOSS. This is administered by St Vincent de Paul (previously Anglicare) through its emergency relief agencies, as individual grants to customers who contact these agencies.
- Synergy's Power On payment program whereby Synergy makes financial contributions to an eligible hardship customer's electricity bill when the customer maintains payment plan repayments.

Reconnection

In 2010/11, the number of residential customers reconnected at the same supply address and in the same name following disconnection within 7 days of disconnection increased compared to the previous year reflecting the higher levels of disconnections for non-payment during the year.

Table 1 - Affordability and access: residential customers

Affordability	Number of customers	Percentage
Total number of residential customers	890,918	100%
Total number of, and percentage of its residential customers who are subject to an instalment plan	30,893	3.47%
Total number of, and percentage of residential customers who have been granted additional time to pay their bill under Part 6 (of the Code of Conduct)	96,148	10.79%
Total number of, and percentage of residential customers who have been placed on a shortened billing cycle	0	0.0%
Total number of, and percentage of residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 (of the Code of Conduct) for failure to pay a bill	7,631	0.86%
Total number of, and percentage of residential customers who have been disconnected who were previously the subject of an instalment plan	1,993	0.22%
Total number of, and percentage of residential customers who have been disconnected at the same	858	0.10%

Affordability	Number of customers	Percentage
supply address within the past 24 months		
Total number of, and percentage of residential customers who have been disconnected while receiving a concession	2,189	0.25%
Total number the retailer requested to be reconnected, other than pursuant to clause 8.1(1)(b) or clause 8.1(1)(c) who were not reconnected within time	44	0.005%
Total number of, and percentage of residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected	4,366	0.49%
Total number of, and percentage of residential customers who have been reconnected in the same name who were previously the subject of an instalment plan	1,805	0.20%
Total number of, and percentage of residential customers who have been reconnected in the same name and at the same supply address within the past 24 months	544	0.06%
Total number of, and percentage of residential customers who have been reconnected and who, immediately prior to disconnection, was receiving a concession	1,512	0.17%
Total number of, and percentage of residential customers who have lodged security deposits	0	0.0%
Total number of, and percentage of residential customers who have had direct debit plans terminated	3,925	0.44%

Table 2 - Affordability and access: non-residential customers (< 160 MWh)

Affordability	Number of Customers	Percentage
Total number of non-residential small use customers	91,763	100%
Total number of, and percentage of non-residential customers who are subject to an instalment plan	920	1.00%
Total number of, and percentage of non-residential customers who have been granted additional time to pay their bill under Part 6 (of the Code of Conduct)	6,867	7.48%
Total number of, and percentage of non-residential customers who have been placed on a shortened billing cycle	0	0.00%
Total number of, and percentage of non-residential customers who have been disconnected in accordance with clauses 7.1 to 7.3 (of the Code of Conduct) for failure to pay a bill	499	0.54%
Total number the retailer requested to be reconnected, other than pursuant to clause 8.1(1)(b) or clause 8.1(1)(c) who were not reconnected within time	0	0.00%
Total number of, and percentage of non-residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected	218	0.24%
Total number of, and percentage of non-residential customers who have lodged security deposits	0	0.00%

Affordability	Number of Customers	Percentage
Total number of, and percentage of non-residential customers who have had direct debit plans terminated	100	0.11%

4. CUSTOMER COMPLAINTS

Synergy encourages and welcomes both complaints and compliments from customers and stakeholders. Constructive feedback enables Synergy to identify areas for improvement and to identify opportunities to improve services customers regard as important.

Synergy acknowledges there was a significant increase (59%) in complaints during 2010/11 compared to 2009/10. In addition the average time to conclude a complaint increased from 8.33 days to 31.79 days reflecting the higher volumes and complexity of some complaints relating to estimated bills and the renewable energy feed in tariff.

Although the increase is large it is within complaint volumes per capita for retailers in other states on a historical basis. Synergy's objective however, is to do better than other retailers. It is accepted that some complaints arose during the year due to an error or omission on Synergy's part, however there was also a significant portion of complaints which were beyond Synergy's control. Key reasons for complaints in 2010/11 were:

- *New billing system.* Following the implementation of Synergy's new billing system in September 2009, Synergy experienced an increased volume of complaints arising from a backlog of data exceptions (i.e. system rejections), work tasks and a delay in bills being distributed. Billing problems continued during 2010/11 however, Synergy significantly improved its performance with respect to issuing bills on time. During the year Synergy issued approximately 6 million bills with 99% issued on time.
- *Tariff increases.* Total call volume received by Synergy's contact centre increased by 14.5% compared the same period in the previous year. A significant portion of the call increases related to customers querying higher bills or seeking payment extensions. Some of these calls ultimately translated into formal complaints. To address these complaints additional resources were recruited in the contact centre.
- *Small scale renewable energy generation.* Complaints have been received due to unrealistic expectations being created by some small scale renewable energy suppliers with respect to the amount and value of electricity exported from such systems. In addition, the significant uptake of photovoltaic systems in Western Australia, combined with high demand and natural disasters in other states, has resulted in bi-directional meter shortages resulting in customer complaints with respect to the commencement date of the 10 year feed in tariff period. Synergy has been proactively advising customers of network operator meter installation delays to help manage customer expectations.
- *Estimated Reads.* In situations where a meter reading is not provided within the required timeframe either by Western Power or the customer, Synergy is obliged to issue a bill based on an estimated consumption when provided with estimated data by the network operator. Furthermore, when an actual meter reading is provided Synergy is obliged to adjust the bill. These adjustments, although required by the regulatory framework, can result in large unexpected price shocks for a customer. As a result Synergy has received a number of complaints. Solutions to this problem include reducing the number of consecutive estimated meter readings either by the network operator undertaking more actual readings or making it easier for customers to record and lodge a self read with Western Power. Synergy is working proactively with Western Power with respect to both matters.

Other actions by Synergy to reduce complaint volumes include implementation of a new management structure to oversee and monitor complaint trends and workloads, recruitment of additional resources, improved education and training of complaint teams and the monitoring of complaint trends for root cause identification as well as the development of strategies to address these issues within Synergy or third parties such as Western Power.

Customer service is, and always will be, Synergy’s number one priority. Synergy’s focus in 2010/11 was to resolve and manage a number of transitional issues arising from the implementation of its new billing system. This also happened at a time when the state government launched new policy initiatives such as the net feed in tariff scheme which saw a 300% increase in the uptake of solar systems to almost 60,000 customers by 30 June 2011. The processing of applications for the net feed in tariff caused considerable work internally, particularly in the lead up to 30 June 2011, when the state government announced the rate for the net feed in tariff would change from 40c/kWh to 20c/kWh as of 1 July 2011.

The root causes for complaints are both within and outside of Synergy’s control. Synergy will do its utmost to address the causes of these complaints which it can address directly as well as with our third party suppliers such as Western Power.

In the 2011/12 year to date, Synergy can report positive progress to address the root cause of complaints which are within our control. Complaints are currently trending downwards.

Table 3 - Complaints: residential customers

Complaints	Number of Complaints	Percentage
Total number of complaints received from residential customers	13,403	100%
The percentage of total complaints from residential customers that relate to billing/credit complaints	12,639	94.30%
The percentage of total complaints from residential customers that relate to transfer complaints	0	0.00%
The percentage of total complaints from residential customers that relate to marketing complaints (including complaints made directly to a marketer)	172	1.28%
The percentage of total complaints from residential customers that relate to other complaints	592	4.42%
The action taken by a retailer to address a complaint	Refer text	
The percentage of complaints from residential customers concluded within:		42.32%
15 business days		48.94%
20 business days		

To provide a satisfactory conclusion to customer disputes, Synergy’s internal dispute resolution process typically involves the following steps:

1. Complaint received via pro-forma, letter, email or phone.
2. Synergy acknowledges complaint and if required, seeks further clarification / information from the customer.
3. Synergy commences complaint investigation and initiates action which may involve third party involvement such as Western Power for meter testing.
4. Synergy liaises with the customer providing results of investigation and confirming resolution.
5. Conclude complaint.

Table 4 – Complaints: non residential customers

Complaints	Number of Complaints	Percentage
Total number of complaints received from non-residential customers	1,865	100%
The percentage of total complaints from non-residential customers that relate to billing/credit complaints	1,776	95.23%
The percentage of total complaints from non-residential customers that relate to transfer complaints	1	0.05%
The percentage of total complaints from non-residential customers that relate to marketing complaints	24	1.29%
The percentage of total complaints from non-residential customers that relate to other complaints	64	3.43%
The action taken by a retailer to address a complaint	Refer text	NA
The percentage of complaints from non-residential customers concluded within:		
15 business days		32.33%
20 business days		38.07%

Table 5 – Complaints: small use customers

Complaints	Average days
The time taken for the appropriate procedures for dealing with the complaint to be concluded	31.79

5. COMPENSATION PAYMENTS

During the year:

- 44 payments were made by Synergy to small use customers for failure by Synergy or Western Power to reconnect a customer within designated timeframes. The average value of the payment was \$132.
- 4 payments were made by Synergy to small use customers for wrongful disconnection by Synergy or Western Power. The average value of the payment was \$125.
- 24 payments were made by Synergy to small use customers for failure by Synergy to acknowledge and respond to a written complaint. The average value of the payment was \$30.

In addition, Synergy makes voluntary goodwill payments to customers in instances where Synergy considers it did not provide services to its usual high standard.

Table 6 – Compensation payments

Compensation Payments	Number
Total number of payments made under clause 14.1 {of the Code of Conduct} Reconnections	44
Total number of payments made under clause 14.2 { of the Code of Conduct} Wrongful Disconnections	4
Total number of payments made under clause 14.3 { of the Code of Conduct} Customer Service	24

6. CALL CENTRE PERFORMANCE

Results from Synergy's on-line customer feedback survey demonstrated that of those who responded, 91% of customers assisted by Synergy and 80% of customers assisted by Synergy's customer service partner, Stellar were satisfied with the service received. Combined survey customer satisfaction for both Synergy and Stellar was measured at an average of 83% for the year.

The percentage of telephone calls responded to by a Synergy operator within 30 seconds was 70%, compared to the previous year's performance of 72%.

The percentage of telephone calls that were unanswered increased from 3.6% to 4.0% during the year. Over the corresponding period the average duration (in seconds) before a call is answered by an operator increased from 52 seconds to 54 seconds.

Over the corresponding period the number of telephone calls increased by 14.5% to 1,443,364. In addition, Synergy dealt with more than 436,147 telephone calls through its interactive voice response system.

Reasons for the increase in telephone calls include changes to the state government's feed in tariff arrangements, bill queries as a result of tariff increases, estimated accounts and requests for payment extensions and instalment plans.

Table 7 – Call Centre Performance

Call Centre Performance	Number of calls / duration	Percentage
Total number of telephone calls to an operator	1,443,364	
Number of and percentage of telephone calls to an operator responded to within 30 seconds	1,010,120	70%
Average duration (in seconds) before call answered by operator	54	
Percentage of calls that were unanswered	58,125	4%

7. CUSTOMER ACCOUNTS

Residential and business¹ customer accounts increased by 4.7% and 0.4% respectively compared to 2009/10.

Table 8 – Customer accounts

Customer Accounts	Number of accounts
Total number of residential accounts held by contestable customers	1,095
Total number of residential accounts held by non-contestable customers	889,823
Total residential accounts	890,918
Total number of business accounts held by contestable customers	8,781
Total number of business accounts held by non-contestable customers	82,982
Total business customer accounts	91,763

¹ A K class tariff customer which uses electricity for both residential and non-residential purposes is classified as a business customer for reporting purposes.

8. PRE-PAYMENT METERS

Synergy facilitated the installation and operation of 17 pre-payment meters at the Ninga Mia aboriginal community, Kalgoorlie in response to community requests to obtain and use pre-payment meters in 2009/2010. As at 30 June 2011 Synergy had 20 small use prepayment customers. Community feedback on the use of the pre-payment meters has been positive.

Table 9 – Pre-payment meters

Pre-payment meters	Numbers
Total number of pre-payment customers	20
Total number of complaints, other than those complaints specified in clause 13.13(a), relating to a pre-payment meter customer	0
The action taken by a retailer to address a complaint	N/A
The time taken for the appropriate procedures for dealing with the complaint to be concluded	N/A
The time taken for the appropriate procedures for dealing with the complaint to be concluded	N/A
The percentage of complaints from pre-payment meter customers other than those complaints specified in clause 13.13(a) concluded within 15 business days and 20 business days	N/A
The total number of customers reverting to a standard meter within 3 months of the later of the installation of the pre-payment meter or the date that the customer agrees to enter into a pre-payment meter contract	0
The total number of customers reverting to a standard meter in the three month period immediately following the expiry of the period referred to in paragraph (f)	0
The total number of customers who have reverted to a standard meter	0
the number of instances where a pre-payment meter customer has— (i) been disconnected; or not received electricity other than being disconnected; (ii) not received electricity other than being disconnected	N/A
The duration of each of those events referred to in paragraph (i)	N/A
The number of pre-payment meter customers who have informed the retailer in writing, by telephone or by electronic means that the pre-payment meter customer is experiencing payment difficulties or financial hardship	0
The number of pre-payment meter customers who the retailer identifies have been disconnected three or more times in any three-month period for longer than 240 minutes on each occasion.	N/A