

**ELECTRICITY RETAIL LICENCE  
PERFORMANCE REPORT 2007/2008**



---

Published 1 October 2008

© Copyright of Synergy

Any use of this material except in accordance with a written agreement with Synergy is prohibited.

---

## 1. EXECUTIVE SUMMARY

Synergy is Western Australia's largest energy retailer. As at 30 June 2008, Synergy had almost 1 million customers, received about 1.8 million telephone calls and processed more than 6 million electricity transactions.

Our customers are at the forefront of everything we do.

Synergy is required, under the Code of Conduct for the Supply of Electricity to Small Use Customers 2008 (**Customer Service Code**), to publish annual information on:

- Affordability and access.
- Customer complaints.
- Compensation payments.
- Call centre performance.
- Supporting information.
- Pre-payment meters.

Synergy is committed to maximising our customer's experience. In 2007/08 we achieved a number of significant milestones and implemented a number of new initiatives, including:

- Reducing customer disconnections by 26.5%. Since our establishment on 1 April 2006, Synergy has reduced customer disconnections by more than 50%, a major achievement given we did not have access to utility relief funding available to retailers in other states.
- For every 10,000 transactions processed, 2.6 complaints were received.
- The percentage of the 927,000 telephone calls responded to by a Synergy operator within 30 seconds significantly improved from 64% in 2006/07 to 80%. In addition to the operator assisted calls, Synergy dealt with more than 236,000 telephone calls through our interactive voice recognition system and managed more than 652,000 calls on behalf of Western Power and Horizon.
- Launch of our new financial hardship policy, "Keeping Connected" which we consider to be industry best practice. The policy was developed in collaboration with key stakeholders and received policy endorsement from the Western Australian Council of Social Services (**WACOSS**) and the Financial Counsellors Association of Western Australia.
- Appointment of two case support officers to provide dedicated expertise, support and assistance to Synergy customers experiencing severe hardship.
- Further development of the role of the Office of the Customer Advocate, who established the Customer Advocacy Committee in July 2007, with representatives from a range of key residential customer advocacy groups as well as senior Synergy staff. Four meetings were held during the year to consider a wide range of customer issues.
- Synergy won the Western Australian (**WA**) Teleservices Centre of the Year award in the 50-120 FTE category in 2007/08. In addition, Synergy's manager for customer experience also received the Teleservices Manager of the Year award.

- 
- The introduction of a new direct debit payment option in May 2007 to assist customers to manage their bills. Over 21,800 customers elected to pay their bills by direct debit since its launch in May 2007.

Synergy's performance in 2007/08 reflects a strong customer focus. Over the last 12 months we have:

- Equipped our people with new skills, with specific focus on assisting customers experiencing severe financial hardship.
- Continued to have a strong and pro-active internal business focus on regulatory compliance by establishing and maintaining efficient management systems, competencies, teams, procedures and practices.
- Represented our customer's interests in a range of state and federal energy market forums advocating positions such as:
  - Adoption of glide paths over a reasonable period of time to assist customers to cope with potentially significant higher electricity prices.
  - Advocating advanced meters as a means of assisting customers to change their consumption behaviour in response to price signals.
  - Facilitating customer choice through competition.
  - Advocating establishment of Western Australian hardship funding and energy efficiency assistance schemes.
- Implemented payment options and products to provide a greater level of customer choice and satisfaction such as direct debit and EasyGreen.
- Synergy is a leading industry proponent committed to helping its customers consume less by establishing new tools to measure and manage their energy consumption and information and education campaigns. including:
  - My Account which assists customers in tracking their energy usage.
  - An interactive based energy calculator which provides indicative costs of running a large variety of household appliances and their greenhouse gas emissions. This web based tool, available on Synergy's website, significantly contributed to Synergy being a finalist in the WA Web Awards 2007 and Australian Institute of Management Web Awards 2007.
  - Home design tool which assists home builders in ensuring their new home is energy efficient.
  - Better globes calculator which demonstrates the savings possible from switching to compact fluorescent globes.
  - Stand-by power campaign.
  - Smart ways to save campaign.
  - Compact fluorescent globe campaign.

---

Synergy considers it has performed strongly in achieving the objectives of the Customer Service Code, to provide customer protection and meeting the standards required of retailers.

---

## 2. INTRODUCTION

The Customer Service Code requires Synergy to record and publish annually information on:

- 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).
- Supporting information (refer section 7).
- Pre-payment meters (refer section 8).

The Customer Service Code was established by the Economic Regulation Authority (**Authority**) on 8 January 2008. This Code repealed and replaced the former customer service code which existed during the period 2004-2008.

The new 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 in previous years. Only in situations where current and historical reporting criteria are the same, can meaningful comparisons be drawn.

### 3. AFFORDABILITY AND ACCESS

**Table 1 - Affordability and access: residential customers**

Code reference	Affordability	Number of customers	Percentage
13.2(1)(a)	Total number of residential customers	885,043	100%
13.2(1)(a)(i)	Total number of, and percentage of its residential customers who are subject to an instalment plan	20,267	2.3%
13.2(1)(a)(ii)	Total number of, and percentage of residential customers who have been granted additional time to pay their bill under Part 6 of the Code	54,102	6.1%
13.2(1)(a)(iii)	Total number of, and percentage of residential customers who have been placed on a shortened billing cycle	0	0.0%
13.2(1)(a)(iv)	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	4,833	0.6%
13.2(1)(a)(v)	Total number of, and percentage of residential customers who have been disconnected who were previously the subject of an instalment plan	816	0.1%
13.2(1)(a)(vi)	Total number of, and percentage of residential customers who have been disconnected at the same supply address within the past 24 months	540	0.1%
13.2(1)(a)(vii)	Total number of, and percentage of residential customers who have been disconnected while receiving a concession	797	0.1%
13.2(1)(a)(viii)	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	2,273	0.3%
13.2(1)(a)(ix)	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	424	0.1%
13.2(1)(a)(x)	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	189	0.0%
13.2(1)(a)(xi)	Total number of, and percentage of residential customers who have been reconnected and who, immediately prior to disconnection, was receiving a concession	545	0.1%

Code reference	Affordability	Number of customers	Percentage
13.2(1)(a)(xii)	Total number of, and percentage of residential customers who have lodged security deposits	0	0.0%
13.2(1)(a)(xiii)	Total number of, and percentage of residential customers who have had direct debit plans terminated	84	0.0%

Synergy achieved 26.5% reduction in the number of disconnections, building on the 25% reduction in 2006/07, giving an overall reduction of almost 52% over the past two years. This is a significant achievement given Synergy, unlike some eastern state retailers, specifically those in Victoria<sup>1</sup>, did not have access to utility relief scheme funding during the year.

The significant decrease in disconnections during 2007/2008 can be attributed to:

- Synergy's "Keeping Connected" financial hardship policy, launched in February 2008. The new policy is considered best practice and was endorsed by WACOSS and the Financial Counselors Association of Western Australia.
- During 2007/08, two dedicated case support officers were recruited to proactively manage customers who have been independently assessed as experiencing severe hardship. The Power-On Payment plan was also implemented to provide a mechanism for the Case Support Officers to provide additional financial support to customers in severe hardship.
- As well as using standard payment reminders and disconnection notices, Synergy has used other avenues to contact customers including telephone calls and home visits, to limit disconnection.
- Synergy's field credit officers (**FCO**) are essential and effective in reducing customer disconnections. Our FCOs consider disconnection to be a last resort. They will listen to a customer's circumstance, offer advice, provide rebate and concession application forms, accept part payment or accept a customer's undertaking to make a part payment.

During the year, Synergy also successfully advocated to the state government creation of a Western Australian hardship utility grant scheme and hardship efficiency program scheme. Both schemes will commence in 2008/09.

In addition to disconnections, Table 1 also reports the number of customers who were provided with payment extensions. During 2007/08, Synergy's requirements for additional time to pay were reviewed to provide greater flexibility for customers, with many customers able to make arrangements for a payment extension via the customer interactive voice response (**IVR**) system.

Over the last 12 months, the number of residential customers who have been granted additional time to pay a bill or have been subject of an instalment plan has reduced. Reasons for this include:

---

<sup>1</sup> Western Australian electricity disconnection rates are often compared against those in other jurisdictions. However, caution should be exercised when comparing state disconnection rates without taking into account differing market characteristics. For example, Tasmania has in use more than 20,000 pre-payment meters and Victoria has a Utility Relief Grant Scheme.

- Customers being able to easily access payment extensions via Synergy's interactive voice response system.
- The launch of direct debit in May 2007. Since that date, more than 21,000 customers have chosen this payment option.

In the past the clause 13.2(1)(a)(viii) reporting requirement - total number of residential customers who have been reconnected at the same supply address in the same name within 7 days of having been disconnected, has been presented as a percentage of the total number of disconnections.

In 2007/08, 53% of residential customers were reconnected at the same supply address and in the same name following disconnection. This does not infer that 47% of customers who were disconnected remained at the premises and were still without power after 7 days, as the measure does not reflect:

- premises that remain vacant e.g. the "account holder" (i.e. the person who has a supply contract with Synergy) has moved out;
- new "accounts" established in a different name (i.e. the former "account holder" remains at the premise but the name of the person having the supply contract with Synergy has changed); and
- new "accounts" (i.e. supply contracts) established in a different name e.g. because new tenants have moved in.

**Table 2 - Affordability and access: non-residential customers ( $\leq$  160 MWh)**

Code Reference	Affordability	Number of Customers	Percentage
13.2(1)(b)	Total number of non-residential small use customers	87,371	100%
13.2(1)(b)(i)	Total number of, and percentage of non-residential customers who are subject to an instalment plan	849	1.0%
13.2(1)(b)(ii)	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}	2,086	2.4%
13.2(1)(b)(iii)	Total number of, and percentage of non-residential customers who have had direct debit plans terminated	0	0.0%
13.2(1)(b)(iv)	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	144	0.2%
13.2(1)(b)(v)	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	56	0.1%
13.2(1)(b)(vi)	Total number of, and percentage of non-residential customers who have lodged security deposits	33	0.0%

---

Code Reference	Affordability	Number of Customers	Percentage
13.2(1)(b)(vii)	Total number of, and percentage of non-residential customers who have had direct debit plans terminated	0	0.0%

Table 2 above indicates the relative number of non-residential customers who required payment assistance was very low relative to the total customer base.

---

#### 4. COMPLAINTS

As at 30 June 2008, Synergy supplied electricity to more than 885,000 residential customers, processed more than 6 million transactions and received about 1.8 million telephone calls.

For every 10,000 transactions processed, 2.6 complaints were received.

Synergy's customer satisfaction was maintained throughout 2007/08 as can be seen from the low number of residential and non-residential complaints in tables 3 and 4.

The percentage of complaints relative to total small use customers was 0.16%.

During 2007/08, the total number of complaints increased by 9.6% cent compared to 2006/07. However, this needs to be placed in context, as the increase in complaints has occurred from a low base. By Australian retail standards, Synergy's complaint numbers are very low.

The average time taken to conclude a complaint during 2007/08 was 3.7 days.

The largest increase in complaints was due to the marketing category, which were attributed to 2007/08 price and fee increases. Increases to time of use tariffs, direct debit payment fees and merchant service fees attracted the most customer complaints.

Notwithstanding an increase in marketing complaints, there was a 75% decrease in the number of complaints concerning connections due to improvements to the Synergy's new connections process and coordination with Western Power who is responsible for ensuring connection occurs.

Synergy's low level of complaints indicates its customers are generally satisfied with its customer service. However, in terms of the 2007/08 increases:

- Synergy continues to widely promote the existence of the Energy Ombudsman on a range of communications with customers.
- Synergy has increased the channels through which a complaint may be lodged including in writing, telephone, web, complaint form and face to face contact.

During the year, further development of the role of the Office of the Customer Advocate within Synergy occurred. The Office established the Customer Advocacy Committee in July 2007, with representatives from a range of key residential customer advocacy groups as well as senior Synergy staff. Four meetings were held during the year to consider a wide range of customer issues.

**Table 3 - Complaints: residential customers**

Code Reference	Complaints	Number of Complaints	Percentage
13.3(1)(a)	Total number of complaints received from residential customers	1,490	
13.3(1)(b)(i)	The percentage of total complaints from residential customers that relate to billing/credit complaints		84%
13.3(1)(b)(ii)	The percentage of total complaints from residential customers that relate to transfer complaints		0%
13.3(1)(b)(iii)	The percentage of total complaints from residential customers that relate to marketing complaints (including complaints made directly to a marketer)		16%
13.3(1)(b)(iv)	The percentage of total complaints from residential customers that relate to other complaints		0%
13.3(1)(c)	The action taken by a retailer to address a complaint	Refer text below	
13.3(1)(d)	The time taken for the appropriate procedures for dealing with the complaint to be concluded	On average 3.7 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. Liaise with customer providing results of investigation and confirming resolution.
5. Conclude complaint.

**Table 4 – Complaints: non residential customers**

Code Reference	Complaints	Number of Complaints	Percentage
13.3(1)(a)	Total number of complaints received from non-residential customers	80	100%
13.3(1)(b)(i)	The percentage of total complaints from non-residential customers that relate to billing/credit complaints		80%
13.3(1)(b)(ii)	The percentage of total complaints from non-residential customers that relate to		0%

Code Reference	Complaints	Number of Complaints	Percentage
	transfer complaints		
13.3(1)(b)(iii)	The percentage of total complaints from non-residential customers that relate to marketing complaints		20%
13.3(1)(b)(iv)	The percentage of total complaints from non-residential customers that relate to other complaints		0%
13.3(1)(c)	The action taken by a retailer to address a complaint	Refer earlier text	NA
13.3(1)(d)	The time taken for the appropriate procedures for dealing with the complaint to be concluded	On average 3.7 days	NA

**5. COMPENSATION PAYMENTS**

**Table 5 – Compensation payments**

Code Reference	Compensation Payments	Number
13.4(a)	Total number of payments made under clause 14.1 {of the Code of Conduct} Reconnections	14
13.4(b)	Total number of payments made under clause 14.2 { of the Code of Conduct} Wrongful Disconnections	17
13.4(c)	Total number of payments made under clause 14.3 { of the Code of Conduct} Customer Service	10

In 2007/08, Synergy made 41 compensation payments as required under the Customer Service Code, compared to 33 the previous year.

Synergy continues to take a proactive approach to compensating customers when performance delivery to the standard expected by customers has not been met. On occasions payment amounts as required by the Customer Service Code are increased to reflect Synergy’s acknowledgement of the impact on the customer.

Synergy also provides service standard payments to customers, beyond those specified in the Customer Service Code, in instances where we consider we have not delivered services to our usual high standard.

---

## 6. CALL CENTRE PERFORMANCE

**Table 6 – Call Centre Performance**

Code Reference	Call Centre Performance	Number of calls / duration	Percentage
13.5(a)	Total number of telephone calls to an operator	927,241	
13.5(b)	Number of and percentage of telephone calls to an operator responded to within 30 seconds	744,008	80.2%
13.5(c)	Average duration (in seconds) before call answered by operator	17.4	
13.5(d)	Percentage of calls that were unanswered		2.1%

Synergy recorded material improvement in call centre performance in 2007/08. Highlights included:

- The percentage of telephone calls responded to by an operator within 30 seconds increased from 64% in 2006/07 to 80% in 2007/08.
- Average duration (in seconds) before a call was answered by an operator fell from 56.8 seconds to 17.40 seconds.
- The percentage of calls that were unanswered fell from 5.1% to 2.1%.

Whilst answering calls within a reasonable period has decreased, this has not changed Synergy's approach of measuring customer service from a perspective that includes customer satisfaction and quality of the interaction rather than how quickly the call is answered.

A strong focus on first call resolution for customer enquiries has resulted in a much lower level of telephone calls received by Synergy. This has been achieved in part through personal and skills development programs leading to staff retention in the contact centre. The scope for customer self service through telephone and web channels also continues to support efficiencies and customer satisfaction as demonstrated by the low number of customer disputes.

Synergy won the WA Teleservices Centre of the Year award in the 50-120 category in 2007/08. In addition, Synergy's manager for customer experience also received the WA Teleservices Manager of the Year award. Initiatives contributing to this achievement included:

- The launch of the customer service strategy to streamline existing processes for improving the customer experience, whilst focusing on first call resolution.
- The "Alive and Kicking" customer service and personal development training program for contact centre staff.
- An extensive review of call flows and skill groups that identified contact centre operational efficiencies.

- 
- Low attrition of staff which resulted in the contact centre workforce being more skilled and able to answer the queries more efficiently and effectively.
  - An experienced tier of call centre management and workforce planning staff who are able to forecast and schedule calls very close to actual.

Over the past twelve months Synergy continued its focus on improving the quality of the customer service interaction and first-call resolution. In addition to the reported 927,241 calls answered by an operator, Synergy also received:

- 570,483 trouble call fault management calls on behalf of Western Power.
- A total of 277,764 calls where customers chose to use the IVR system.

Synergy's IVR provides opportunities for customers to self-serve for:

- Additional time for bill payment.
- Account balance.
- Request copy of bill.
- Request information.

**7. SUPPORTING INFORMATION – CUSTOMER ACCOUNTS**

**Table 7 – Customer accounts**

Code Reference	Customer Accounts	Number of accounts
13.6(1)(a)	Total number of residential accounts held by contestable customers	4,821
13.6(1)(b)	Total number of residential accounts held by non-contestable customers	824,484
Total residential accounts		829,305
13.6(1)(c)	Total number of business accounts held by contestable customers	12,382
13.6(1)(d)	Total number of business accounts held by non-contestable customers	71,208
Total business customer accounts		83,590

**8. PRE-PAYMENT METERS**

**Table 8 – Pre-payment meters**

Code Reference	Pre-payment meters	Numbers
13.7(a)	Total number of pre-payment customers	0
13.7(b)	Total number of complaints, other than those complaints specified in clause 13.13(a), relating to a pre-payment meter customer	0
13.7(c)	The action taken by a retailer to address a complaint	NA
13.7(d)	The time taken for the appropriate procedures for dealing with the complaint to be concluded	NA

Synergy does not have any customers the subject of pre-payment meters.