

Statement from Synergy Managing Director, Jim Mitchell

Synergy welcomes the release of the independent electricity retail licence performance audit by the Economic Regulation Authority.

The audit reflects the majority of Synergy's retail licence obligations were compliant during the audit period April 2008 – June 2010 as Synergy underwent a major business transformation.

A number of the non-compliance matters raised in the report have been remedied or were being progressed by Synergy before the audit commenced.

Synergy is committed to ensuring it continues to comply with all energy regulation set by its licence and we will endeavour to maintain a high standard of compliance as is expected by our customers and stakeholders.

Synergy considers this report provides a further opportunity for business improvement.

Synergy acknowledges there were occasions when it didn't fully meet our retail licence obligations, specifically in relation to billing timeliness, complaints management and non-payment of the dependent child rebate for a period of time. We sincerely regret this occurred, and we have apologised to customers where we have let them down.

Dependent Child Rebate

Despite significant testing prior to implementation of its billing system, due to an anomaly in processing rebate verifications, up to 7,500 customers did not receive the dependent child rebate between August 2009 and January 2010, but continued to receive the supply charge rebate.

Approximately 250,000 customers receive rebates on their Synergy accounts and approximately 50,000 customers receive the Dependent Child Rebate. For the majority of customers affected, the value of the rebates was between \$100 and \$150 during that period.

Nevertheless, our failure to pay the Dependent Child Rebate during that period is inexcusable.

Synergy undertook a comprehensive review to ensure customers were credited their correct entitlements, which were processed in November 2010. At this time Synergy wrote to those affected customers apologising for the omission.

We have made significant improvements in our billing performance since the introduction of our new billing system in 2009.

Since that implementation, we have dispatched more than 98% of bills on time, and in December 2010, 99.5% of bills were dispatched to our customers on time.

Everyone at Synergy is committed to continuing to make improvements to our customer service.

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