

Dear Somers Resident

Re: Discounted Electricity for Somers Residents

Residents will have noticed a number of recent television current affairs items concerning the ever increasing price of electricity and also the commentary about further significant increases that are likely to result from any price that is put upon carbon based pollution

The Somers Residents Association believed that it could leverage the very strong membership support that we enjoy from within the Community. During the past six months we have been pursuing a community wide electricity purchasing initiative with a view to providing reduced electricity prices for our village.

To this end we have engaged the services of a Procurement Consultant who has sought Expressions of Interest from 10 possible electricity retailers in Victoria that could retail electricity to Somers.

This tender process has now been completed and we are pleased to advise that the electricity retailer "Neighbourhood Energy", a subsidiary of Alinta, has emerged as the successful tenderer with the most attractive proposal.

The arrangements negotiated by the Somers Residents Association on behalf of the Somers community are as follows:

1. Benefits

- A 15% 'pay on time' discount to the electricity charges as set by the Essential Services Commission of Victoria (a State Government Authority) for the Somers 3927 post code. This discount would apply to all components of the electricity bill including peak supply, off-peak supply and the supply charge.
- A \$30 credit on the first account following signing up with Neighbourhood Energy.

2. Contract Requirements

- Term of Contract is 2 years
- Quarterly billing
- \$50 fee if contract is broken within the 2 year timeframe

3. Additional Benefits

- Residents with a second home in Melbourne will be able to register both homes under this discount arrangement. The 15% 'pay on time' discount will apply to the gazetted rate for that post code together with the \$30 credit on the first account.

- A further 'one-off' \$10 credit will apply to customers who agree to direct debit their payments.
- An additional \$10 'one-off' credit will apply to customers who agree to receive their bills electronically.
- A 15% discount off the Recommended Retail Price of energy saving and environmentally friendly goods and services on line from Neco, the Eco Superstore (see www.neco.com.au)

The Somers Residents Association has arranged with Neighbourhood Energy for residents to personally test the potential benefits by contacting the Neighbourhood Energy Customer Service Team on **1300 764 860**. You will need to have a copy of your last electricity bill in front of you when you make this call. A sales consultant will lead you through a step by step process to identify what your annual saving would be under the SRA sponsored proposal.

The Somers Residents Association has tested several electricity accounts rendered over the past 12 months and is confident that all customers who take up the offer will save money and in most cases this will exceed \$100 per annum.

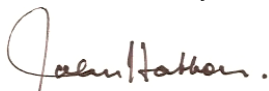
The Somers Residents Association have negotiated with Neighbourhood Energy a one off Management Fee to meet the cost of our Procurement Consultant and the administration costs of the scheme.

The Essential Services Commission, established by the Victorian Government, reviews electricity charges from time to time (currently twice annually) and approves increases in charges. Our Procurement Consultant will review any proposed price increases and compare them with market movements to provide a degree of assurance that the charges to Somers Residents prior to any discount are comparable with prevailing market rates.

The Somers Resident Association undertakes, on behalf of its members, to ensure that each and every price increase is transparent, has been approved by the Essential Services Commission and that the contract between NE and the Somers Community is fully competitive. The SRA through its newsletters will be advising members of any impending price movements and it is therefore in the interests of all residents to become members of the SRA. If you are not yet a member please complete the enclosed application form for the 2011 calendar year and lodge it together with your \$10 subscription in the drop box at the store or mail it to the SRA, P O Box 294, Somers 3927. We also invite current members to also take this opportunity to renew their membership for the 2011 calendar year.

Included with this mail out is a direct communication from Neighbourhood Energy and we encourage all Somers Residents to contact the Neighbourhood Energy Customer Service Team on **1300 764 860** as soon as possible so that you can commence receiving this very significant discount on your electricity bills.

Yours sincerely



John Hatton
President

19 July 2010