

1 Q. On page 17, lines 1 to 6 of Mr. Wells' Pre-filed Evidence, he references
2 customer satisfaction research. Please provide copies of the customer
3 survey results for 2001 and 2002.

4

5

6 A. The following customer satisfaction research was done in 2001 and 2002.
7 (Copies of all studies are attached)

8 • 2001 Residential Customer Satisfaction Tracking Study

9 • 2001 General Service Customer Satisfaction Baseline Study

10 • 2002 Residential Customer Satisfaction Tracking Study

11 • 2002 General Service Customer Satisfaction Tracking Study

2001 RESIDENTIAL CUSTOMER SATISFACTION TRACKING STUDY

FINAL REPORT

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TABLE OF CONTENTS

1.0	STUDY BACKGROUND AND METHODOLOGY	4
1.1	STUDY BACKGROUND	4
1.2	STUDY METHODOLOGY	4
1.3	THIS REPORT	5
2.0	SUMMARY OF KEY FINDINGS.....	6
3.0	PROFILE OF SURVEY RESPONDENTS	9
3.1	DEMOGRAPHIC CHARACTERISTICS - 2001	9
3.2	DEMOGRAPHIC CHARACTERISTICS BY REGION - 2001	10
3.3	DEMOGRAPHIC CHARACTERISTICS BY SERVICE AREA - 2001.....	11
3.4	YEARS OF SERVICE RELATIONSHIP: COMPARISON OF 2001, 2000 AND 1999	12
3.5	ACCESS TO THE INTERNET: COMPARISON OF 2001, 2000 AND 1999.....	12
4.0	BILLING	14
4.1	ANTICIPATED USE OF EQUAL PAYMENT PLAN	14
4.2	ANTICIPATED USE OF PRE AUTHORIZED PAYMENT PLAN.....	14
4.3	ANTICIPATED USE OF INTERNET SERVICES	15
5.0	IMPORTANCE & PERFORMANCE RATINGS.....	16
5.1	IMPORTANCE FACTORS: COMPARISON OF 2001, 2000 AND 1999.....	17
5.2	PERFORMANCE EVALUATION: COMPARISON OF 2001, 2000 AND 1999	20
6.0	CUSTOMER SATISFACTION INDEX (CSI)	23
7.0	SERVICE GAP ANALYSIS	25
7.1	“GAP” ON SPECIFIC SERVICE ATTRIBUTES: COMPARISONS BETWEEN 2001, 2000 AND 1999 ..	25
7.2	“GAP” ON KEY SERVICE DIMENSIONS	30
8.0	SERVICE RELIABILITY	32
8.1	OVERALL SATISFACTION WITH SERVICE RELIABILITY	32
8.2	GAP ON SERVICE RELIABILITY.....	33
9.0	CUSTOMER SERVICE.....	34
9.1	OVERALL SATISFACTION WITH CUSTOMER SERVICE	34
10.0	SERVICE GAP BY REGION: COMPARISONS OF 2001, 2000 AND 1999	36
11.0	SERVICE GAP BY SUB REGION: COMPARISONS OF 2001, 2000 AND 1999.....	38
12.0	LABRADOR REGION.....	41
12.1	IMPORTANCE FACTORS LABRADOR: COMPARISON OF 2001, 2000 AND 1999	41
12.2	PERFORMANCE EVALUATION LABRADOR: COMPARISON OF 2001, 2000 AND 1999.....	44
12.3	SERVICE GAP ANALYSIS LABRADOR: COMPARISON OF 2001, 2000 AND 1999	47

13.0	NORTHERN REGION	50
13.1	IMPORTANCE FACTORS NORTHERN: COMPARISON OF 2001, 2000 AND 1999	50
13.2	PERFORMANCE EVALUATION NORTHERN: COMPARISON OF 2001, 2000 AND 1999	53
13.3	SERVICE GAP ANALYSIS NORTHERN: COMPARISON OF 2001, 2000 AND 1999.....	56
14.0	CENTRAL REGION.....	59
14.1	IMPORTANCE FACTORS CENTRAL: COMPARISON OF 2001, 2000 AND 1999	59
14.2	PERFORMANCE EVALUATION CENTRAL: COMPARISON OF 2001, 2000 AND 1999.....	62
14.3	SERVICE GAP ANALYSIS CENTRAL: COMPARISON OF 2001, 2000 AND 1999	65
	APPENDIX A: SURVEY INSTRUMENT	68
	APPENDIX B: THEORY OF Z-TESTS.....	75

1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 *Study Background*

During November 1999, Market Quest Research designed and completed a Baseline Residential Customer Satisfaction Study on behalf of Newfoundland & Labrador Hydro (Hydro). This study measured the performance of Hydro in providing customer service and provided for baselines against which to compare future company performance. Service quality or performance was measured to determine how well Hydro's service delivery matches customer expectations.

This report represents the results of the second annual tracking study (2001 Customer Satisfaction Research) conducted during early October 2001. This annual tracking study was undertaken to identify any changes in consumer attitudes towards importance of specific attributes of service and to measure the quality of service delivered to residential customers.

1.2 *Study Methodology*

The methodology of this tracking study mirrored the 1999 Baseline and 2000 Tracking Study and consisted of a quantitative telephone survey. A shorter version of the baseline questionnaire was utilized (Appendix A) and completed with a similar sampling of Newfoundland & Labrador Hydro residential customers. The sampling frame included all households within Hydro's service area that identified Hydro as their supplier of electricity. The sampling unit was selected to be an adult member of the household primarily responsible for paying the home electric bill and dealing with Hydro. A total of 654 completed surveys were collected for the 2001 Tracking study, providing an overall study margin of error : $\pm 3.8\%$, 19 times out of 20 or at the 95% confidence level.

In both the baseline and tracking studies, the following seven regions of the province were sampled for inclusion:

- Labrador City/Wabush
- Happy Valley/Goose Bay
- Labrador Isolated Areas
- Northern Interconnected Areas
- Northern Isolated Areas
- Central Interconnected Areas
- Central Isolated Areas

Disproportionate sampling was used to draw a subsample from each of these regions (that is, the sample does not represent the true population proportions in each region.)

All data collection was completed in-house by Market Quest Research trained interviewing staff from September 26th – October 10th. A senior supervisor monitored data collection, and a minimum 10% quality control check was conducted on all completed surveys. Following data collection, surveys were 100% edited and coded by a research assistant prior to data entry. The SPSS statistical package was utilized for all data entry and analysis.

1.3 *This Report*

This report profiles the total sample population for the 2001 Tracking study with comparisons between the November 2000 tracking data and the November 1999 baseline data. All data is segmented by the three main service areas (Northern, Central, Labrador), and where informational value is added, data is crosstabulated by all seven sub regions. Also, survey data has been analyzed by demographics (age, income, education, employment status and gender).

Since this study used disproportionate sampling to allow a profile of all seven subregions, survey data at the total market level is weighted to reflect correct population proportions in these regions.

In order to note differences in comparing the 1999/2000/2001 data, statistical tests of significance have been completed at the 90% confidence level. Essentially, when comparing percentages drawn from different populations, a statistical test of proportions will guide us to be confident that any apparent difference between the two percentages is “statistically real” or “significant”. (What may seem to be a difference between percentages may simply be the result of sampling error or the margin of error associated with the sample size and not a real or significant difference in the study results). Throughout this report, where a “significant” difference exists between two or more percentages, the percentages are marked (* or †) or highlighted with a darker shading. Where this occurs, we can say that we are 90% confident that the difference between the percentages in question are “significant” or real and not simply due to uncontrollable sampling error. (See Appendix B for a more complete explanation).

2.0 SUMMARY OF KEY FINDINGS

In 2001, the customer satisfaction rating for Newfoundland and Labrador Hydro is 96%.

- ◆ Overall, 96% of Hydro customers are very (76%) or somewhat (20%) satisfied with the level of customer service provided by Hydro. Hydro customers in 2001 are significantly more likely to rate themselves as “very satisfied” on this issue, as compared to 2000 (65%).
- ◆ When examined by region, the satisfaction rating for Central is 97%, Northern is 94% and Labrador is 91%.

The Customer Service Index (CSI) for Newfoundland and Labrador Hydro is 7.9 out of 10 for November 2001. The CSI has risen slightly compared to 2000 when the CSI was 7.6 .

- ◆ This year, the CSI for Hydro has increased to 7.9 out of 10. This is most likely attributable to a slight increase in rated performance of the service attributes measured in the 2001 study, as well as the positive impact of the two newly measured attributes.
- ◆ At the regional level, the CSI is lower in Labrador at 7.4 and slightly higher in the Central (8.1) and Northern regions (8.3).

Importance and performance ratings for each of the sixteen attributes remain high in 2001.

- ◆ Hydro customers rate each of the service attributes as either somewhat important or very important (ranged from 86% to 100%) and also, for the most part, ranked Hydro’s performance on each of the attributes positively (average performance ratings ranged from 6.8 to 9.3). Importance and performance ratings for each of the fourteen attributes measured in the 2000 and 2001 studies have marginally increased.
- ◆ Hydro customers express a high level of satisfaction with both of the newly measured attributes, “bills easy to read and understand”, and “billing statement accuracy”.

Over the last year, the percentage of customers with access to the Internet has remained constant at 43%.

- ◆ When examined by access point, access at school has shown only a slight increase whereas access at home has increased significantly (23% in 2000 to 31% in 2001).
- ◆ Internet access among Hydro customers in the Northern region appears to have decreased in 2001 (43% in 2000 and 34% in 2001). Access in the Central and Labrador regions has remained consistent with 2000 findings (41% and 63%, respectively).

A segment of Hydro customers with access to the Internet are receptive to using on-line banking services.

- ◆ Of those Hydro customers who have access to the Internet, almost half said they would likely or definitely use the Internet to view account balances (45%), view account history (48%) or view bill payment options (43%). Approximately one-third would definitely or likely use the Internet to make bill payments (35%).

Almost half (49%) of Hydro customers indicated they would likely or definitely use an equal payment plan if it were available. A lesser number of respondents (36%) said they would definitely or likely use a pre-authorized payment plan.

- ◆ Respondents from Labrador are more likely to indicate they would “definitely” use a pre-authorized payment plan than those would in other regions.

Complete satisfaction with the level of customer service provided by Hydro remains low.

- ◆ Only 3% of Hydro customers indicate that the provision of customer service by Hydro exceeds their expectations, a decline from previous studies. For the most part, customers report that the customer service meets their expectations (90%).
- ◆ One quarter of the customer base (24%) remain less than completely satisfied with the level of customer service they receive from Hydro.

Hydro customers' satisfaction with service reliability appears to be increasing steadily since 1999. However, one quarter of customers continue to be less than extremely satisfied with the supply of electricity.

- ◆ Compared to past years, Hydro customers are more likely to indicate they are “very satisfied” with their supply of electricity (75% in 2001 from 67% in 1999) . With the exception of the Northern region where the percentage of customers rating themselves as “very satisfied” has increased, ratings of “very satisfied” with service reliability have remained fairly constant within each of the remaining regions.
- ◆ Fewer than 4% of Hydro customers indicate that Hydro exceeds their expectations with regards to service reliability.

Negative gaps in service performance continue to be evident within the 2001 Tracking Study. That is, perceptions of Hydro's performance continue to be lower than customer expectations on each of the sixteen service attributes.

- ◆ Consistent since 1999, Hydro does not meet customer expectations on the attribute “electricity at a reasonable cost” (2.9 points below expectations in 1999, 2000 and 2001).

- ◆ The service gap associated with the dimension of responsiveness, or Hydro's willingness to help customers and provide prompt service, has widened in 2001. Last year, responsiveness fell 1.0 points below expectations, this year falling short by 1.2 percentage points.
- ◆ An improvement in gap rating is evident for the tangibles dimension, with the gap narrowing this year to 1.7 basis points below customer expectations (-2.9 gap in 1999 and 2000). This improvement is most likely attributable to the high performance evaluation of the newly measured attribute, "bills easy to read and understand".
- ◆ In 2001, Hydro comes closest to meeting customer expectations on the attribute "bills easy to read and understand" with mean performance ratings falling just -0.4 below those of importance.

The demographic profile of 2001 respondents is similar to that of respondents in 1999 and 2000 suggesting that there has not been any significant demographic shift in the profile of Hydro residential customers.

3.0 PROFILE OF SURVEY RESPONDENTS

This report section profiles the demographic characteristics of survey respondents as compared to the provincial population and segments respondents by region, interconnected and isolated service areas.

3.1 Demographic Characteristics - 2001

	Respondents (n=654)	Population ¹
AGE:		
18-24	1.20	14.0
25-34	19.4	20.8
35-44	27.5	21.9
45-54	24.2	18.1
55-64	16.5	10.7
65+	11.1	14.3
EDUCATION:		
Elementary School	16.3	17.5
Some High School	28.9	27.9
Graduated High School	27.0	9.8
Voc/Tech College	12.5	25.9
Some University	3.8	10.7
Graduated University	11.6	8.8
INCOME CATEGORY:		
\$20,000 and under	40.1	23.4
\$20,001 to \$40,000	34.6	31.8
\$40,001 to \$60,000	12.6	21.7
\$60,001 to \$80,000	7.9	12.8
\$80,001 and over	4.9	10.2
EMPLOYMENT CATEGORY:		
Full-time	29.4	50.5
Part-time/Seasonal	31.9	12.4
Unemployed/Retraining	8.4	15.4
Homemaker	14.4	--
Retired	15.6	14.3
GENDER:		
Male	31.5	49.9
Female	68.5	50.1

¹ -Stats Canada 1996 Census data.

Note: Refusals are excluded from the analysis.

- ◆ Compared to the provincial population, Hydro customers are more likely to have graduated from high school (27%), to work on a part time/seasonal basis (32%) and to earn a household income of \$40,000 or less (75%). Hydro customers are less likely to be between the ages of 18 and 24 (1%) and to have attended technical college (13%). These demographic differences may be attributable to the rural location of Hydro customers and the overall composition of the rural population.

- ◆ Similar to the 1999 and 2000 studies, females in the household are most often responsible for paying the home electric bill (66% in 1999, 60% in 2000 and 69% in 2001).

3.2 Demographic Characteristics by Region - 2001

	Labrador (n=243)	Northern (n=211)	Central (n=200)
AGE:			
18-24	1.3	1.9	0.5
25-34	24.6	16.3	16.9
35-44	27.5	29.7	27.2
45-54	25.0	25.8	22.6
55-64	14.0	16.3	16.9
65+	7.6	10.0	15.9
EDUCATION:			
Elementary School	12.2	20.0	20.9
Some High School	20.3	29.3	29.1
Graduated High School	26.3	26.0	32.7
Voc/Tech College	19.1	11.1	5.1
Some University	3.0	3.8	4.1
Graduated University	19.1	9.6	8.2
INCOME CATEGORY:			
\$20,000 and under	22.1	37.9	50.8
\$20,001 to \$40,000	29.1	45.4	36.1
\$40,001 to \$60,000	17.6	11.1	10.7
\$60,001 to \$80,000	18.6	3.0	1.7
\$80,001 and over	12.6	2.5	0.5
EMPLOYMENT CATEGORY:			
Full-time	49.0	23.7	15.5
Part-time/Seasonal	25.9	45.5	34.0
Unemployed/Retraining	4.5	9.0	7.5
Homemaker	7.0	7.6	21.5
Retired	12.3	13.7	21.0
GENDER:			
Male	43.6	29.9	30.0
Female	56.4	70.1	70.0

Note: Refusals are excluded from the analysis.

- indicates significant differences at the 90% confidence level (See Appendix C for explanation)

- ◆ For the most part, the age category of customers in each region exhibits a relatively similar distribution. However, customers in the region of Labrador are significantly more likely to be between the ages of 25 and 34 (25%) than are customers in either Central (17%) or Northern (16%).
- ◆ Similar to past years, those customers residing in the region of Labrador are more likely to have graduated from a technical school (19%) or university (19%) and to have a household

income of greater than \$40,000 (49%). In line with these findings, Labradorians are also more likely to be working full-time (49%) than those in either the Northern (24%) or Central (16%).

- ◆ As compared to customers from other regions, those residing in the Central region are more likely to be 65 years or older (16%) and to label themselves as a homemaker (22%) or retired (21%).
- ◆ As previously noted, survey respondents for the 2001 Tracking Study were most often female. When examined by region, this is particularly evident in the Northern and Central regions where an equal percentage (70%) of customers are female. In Labrador, the percentage of female customers responsible for paying the electric bill is significantly lower at 56%. This finding is similar to that found in the 1999 and 2000 studies.

3.3 Demographic Characteristics by Service Area - 2001

	Interconnected (n=371)	Isolated (n=283)
AGE:		
18-24	1.4	1.1
25-34	18.8	20.4
35-44	28.3	28.0
45-54	25.8	22.9
55-64	16.3	14.7
65+	9.4	12.9
EDUCATION:		
Elementary School	13.9	22.1
Some High School	26.5	25.3
Graduated High School	26.4	30.2
Voc/Tech College	15.6	7.8
Some University	3.9	3.2
Graduated University	13.6	11.3
INCOME CATEGORY:		
\$20,000 and under	35.1	38.0
\$20,001 to \$40,000	32.9	42.0
\$40,001 to \$60,000	12.9	13.7
\$60,001 to \$80,000	11.3	3.9
\$80,001 and over	7.8	2.4
EMPLOYMENT CATEGORY:		
Full-time	35.6	24.0
Part-time/Seasonal	28.3	43.1
Unemployed/Retraining	7.8	5.7
Homemaker	12.7	10.2
Retired	14.6	16.6
GENDER:		
Male	33.2	37.5
Female	66.8	62.5

Note: Refusals are excluded from the analysis.

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation) between 2000 and 2001 data

- ♦ Hydro customers residing in interconnected areas are significantly more likely to have graduated from technical school (16%) and to make an income greater than \$60,000 per year (19%) through full-time employment (36%). In comparison, customers residing in isolated areas tend to be less well educated (high-school or less, 78%) and to be employed in part-time or seasonal work (43%).

3.4 Years of Service Relationship: Comparison of 2001, 2000 and 1999

	Labrador			Northern			Central			Total		
	99	00	01	99	00	01	99	00	01	99	00	01
	(n=235)	(n=240)	(n=243)	(n=204)	(n=200)	(n=211)	(n=194)	(n=200)	(n=200)	(n=633)	(n=640)	(n=654)
Average Number of Years Length of relationship:	16.3	20.1	18.6	19.8	20.2	22.8	21.5	20.7	22.3	19.0	20.3	21.1
1 - 10 years	34.7	22.5*	26.7†	21.6	22.0	14.2	13.1	20.0*	16.5	22.2	23.3	19.1
11 - 19 years	21.1	20.0	21.8	19.2	22.0	19.0	22.2	17.5	18.0	20.9	18.4	21.1
20+ years	39.5	55.8*	49.4†	57.7	55.0	64.0	61.9	61.5	63.5	54.0	57.2	57.5
Don't Know	4.7	1.3	2.0	1.4	1.0	2.8	2.8	1.0	2.0	2.9	1.1	2.3

- indicates significant differences at the 90% confidence level (See Appendix C for explanation) between 2000 and 2001
 † - indicates significant differences at the 90% confidence level between 1999 and 2001 data
 * - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ♦ Compared to 2000, those who responded to the 2001 survey are significantly less likely to be customers of Hydro for 10 years or less (19%: 2001 versus 23% in 2000).
- ♦ In the Northern region, compared to 2000 data, there is a lower representation of customers with a service relationship greater than 1 to 10 years and a higher representation of customers with a service relationship of twenty years or more, when compared to 2000 data.

3.5 Access to the Internet: Comparison of 2001, 2000 and 1999

	Labrador			Northern			Central			Total		
	99	00	01	99	00	01	99	00	01	99	00	01
	(n=245)	(n=240)	(n=243)	(n=206)	(n=200)	(n=211)	(n=198)	(n=200)	(n=200)	(n=649)	(n=640)	(n=654)
% with Access to the Internet												
Access at All	40.0	62.9*	63.4†	18.4	43.0*	33.6	27.3	41.0*	41.0†	29.3	42.5*	42.6†
At Home	27.3	37.7*	46.5	11.7	22.9*	20.9†	12.6	17.0	27.5	17.9	22.5*	30.5
At Work	30.6	38.9*	34.6	11.7	18.9*	13.7	8.6	12.0	13.5	17.9	22.7*	17.2
At School	5.3	19.7*	23.0†	12.6	19.9*	15.2	16.7	28.0*	25.5†	11.1	16.0*	18.4†

- indicates significant differences at the 90% confidence level (See Appendix C for explanation) between 2000 and 2001 data
 † - indicates significant differences at the 90% confidence level between 1999 and 2001 data
 * - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ Overall, the incidence of Internet access among Hydro customers for 2001 is similar to that found in 2000 suggesting that access to the Internet may be leveling off (43%).
- ◆ When analyzed by access point, Internet access at home has increased significantly since 2000 (2001: 31% versus 2000: 23%), while access at work has declined (2001: 23% versus 2000: 17%). Access at school has remained consistent with 2000 findings (2001:18%. 2000:16%).
- ◆ When analyzed by region, there are significant differences in use between those surveyed in 1999, 2000 and 2001. In Labrador, overall access has significantly increased between 1999 and 2001 with approximately 63% of respondents now indicating they have access to the Internet. There was also a significant increase for Labradorians in Internet access from home (46% in 2001 from 38% in 2000). A similar increase in Internet access from home was also seen in Hydro customers from the Central region (28% in 2001 from 17% in 2000).

4.0 BILLING

To determine if customers are interested in paying their monthly electricity bill through alternative payment plans, customers participating in the 2001 tracking study were asked to indicate their likelihood of using each of the following services for making bill payments: a) equal payment plan; b) pre-authorized billing; and c) the Internet.

Through an equal payment plan, customers pay for the electricity they use through twelve equal payments over a one-year period. At the end of a year, if the household uses more or less electricity than the amount paid, the equal payment is adjusted being either increased or decreased for each month in the next year. A pre-authorized bill payment option means the amount of the customers' bill is automatically deducted from his/her bank account each month.

In addition to inquiring about bill payment options, customers with access to the Internet were asked how likely they would be to access various account information through on-line banking services.

4.1 Anticipated Use of Equal Payment Plan

	Labrador (n=243)	Northern (n=211)	Central (n=200)	Total (n=654)
Definitely Use	16.9	15.2	16.5	17.4
Likely Use	32.1	36.0	33.0	31.3
Not Likely Use	39.5	37.0	37.5	39.9
Don't Know	11.5	11.8	13.0	11.4

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

4.2 Anticipated Use of Pre Authorized Payment Plan

	Labrador (n=243)	Northern (n=211)	Central (n=200)	Total (n=654)
Definitely Use	17.3	9.5	7.5	11.7
Likely Use	20.2	24.2	25.5	24.1
Not Likely Use	56.8	61.1	61.0	59.2
Don't Know	5.8	5.2	6.0	4.9

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

- ◆ Less than half of those who responded to the survey indicate they would either definitely use (17%) or likely use (31%) the equal payment plan if it were available. This view is consistent across each of the three regions.

- ◆ Most of those who responded indicate they would not likely use a pre-authorized payment plan (59%). However, respondents from Labrador were significantly more likely than those from the Northern and Central regions to indicate they would definitely use the pre-authorized plan.

4.3 Anticipated Use of Internet Services

	Labrador (n=154)	Northern (n=71)	Central (n=82)	% with Internet Access (n=307)
Bill Payment over the Internet				
Definitely Use	22.1	8.5	7.3	15.2
Likely Use	20.1	33.8	18.3	19.9
Not Likely Use	52.6	56.3	65.9	58.7
Don't Know	5.2	1.4	8.5	6.2
View Account Balance				
Definitely Use	16.2	11.3	4.9	13.4
Likely Use	35.7	45.1	26.8	32.0
Not Likely Use	44.8	43.7	61.0	50.5
Don't Know	3.2	--	7.3	4.0
View Account History				
Definitely Use	16.9	14.1	2.4	12.8
Likely Use	39.0	40.8	26.8	34.8
Not Likely Use	40.3	43.7	63.4	47.9
Don't Know	3.9	1.4	7.3	4.5
View Bill Payment Options				
Definitely Use	16.9	8.5	4.9	11.8
Likely Use	31.2	47.9	26.8	30.7
Not Likely Use	48.7	42.3	59.8	52.6
Don't Know	3.2	1.4	8.5	5.0

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

- ◆ For those customers who have access to the Internet, slightly less than half indicate they would definitely use or likely use the Internet to make bill payments (35%), view account balances (45%), view account history (48%) or view bill payment options (43%).
- ◆ At the regional level, those in the Central region are less likely to indicate they would use the Internet to view account history, account balance and bill payment options or to make a bill payment over the Internet.

5.0 IMPORTANCE & PERFORMANCE RATINGS

In addition to the thirteen attributes measured in 1999, three new attributes deemed important to service delivery were measured in the 2000 Tracking Study (sixteen attributes in total). In the 2001 Tracking Study, 16 attributes were again measured, however, two attributes, “up-to-date information on billing procedures and changes” and up-to-date information on customer service and changes” were replaced with “bills are easy to read and understand” and “billing accuracy”. The list of service attributes is based upon criterion used by utilities; the Canadian Electric Association; the Servqual research model; as well as the input of Hydro management. Servqual is a multiple-item instrument for measuring and monitoring service quality, based on five quality dimensions shown to be key to the performance of service companies: tangibles, reliability, responsiveness, assurance, and empathy. The survey attributes defining these five key dimensions are as follows:

Tangibles

“Electricity at a reasonable cost”

“Bills easy to read and understand” (2001 Tracking Study Only)

Reliability

“Able to complete equipment repairs and service right the first time”

“A reliable, uninterrupted supply of electricity”

“Billing statement accuracy” (2001 Tracking Study Only)

Responsiveness

“Electricity quickly restored when there is a power outage”

“Quick response to customer questions and inquiries”

“Education or information about electricity use”

Assurance

“Friendly & courteous employees”

“Concern for public safety”

“Operates in an environmentally responsible manner”

Empathy

“A company which has the customer’s best interest at heart”

“Convenient hours of operation”

“Convenient methods of payment”

“Easy access to account information at any time”

“Contributes back to the community through initiatives such as community sponsorship programs”

Customers were first asked to rate the *importance* of any electric company in providing each service attribute (Importance Rating) and secondly, based on the customer's experience, to specifically rate the *performance* of Hydro in providing each attribute (Performance Rating). This report section details customer response toward each individual service attribute.

5.1 Importance Factors: Comparison of 2001, 2000 and 1999

	Rank	Very Important	Somewhat Imp.	Neutral	Somewhat Unimp.	Very Unim.	N/A	Mean
<i>Concern for public safety</i>								
2000	2	94.9	4.3	0.5	--	--	0.3	9.8
2001	1	97.8	1.5	0.2	--	--	0.5	9.9
<i>Billing statement accuracy*</i>								
2001	2	94.8	5.0	0.2	--	--	--	9.8
<i>Electricity at a reasonable cost</i>								
1999	4	89.8	7.0	2.5	0.3	0.4	--	9.6
2000	3	91.2	6.9	1.6	--	0.3	--	9.7
2001	3	95.9	2.9	1.0	0.1	--	--	9.8
<i>A reliable, uninterrupted supply of electricity</i>								
1999	3	91.5	5.0	2.8	0.3	0.3	0.1	9.6
2000	1	96.2*	3.1*	0.5*	--	0.1	--	9.8
2001	4	94.8†	4.2	--	0.4	0.3	0.4	9.8
<i>A company which has the customer's best interest at heart</i>								
1999	5	90.1	7.0	2.0	--	0.4	0.6	9.6
2000	6	86.4*	8.0	4.6	0.1	0.2	0.6	9.5
2001	5	93.6	5.2	0.2	--	--	1.1	9.8
<i>Electricity quickly restored when there is a power outage</i>								
1999	1	90.1	7.6	1.7	--	0.1	0.4	9.7
2000	4	89.3	8.2	1.8	0.1	0.1	0.4	9.7
2001	6	93.9	4.8	0.9	--	--	0.4	9.8
<i>Able to complete equipment repairs and service right the first</i>								
1999	2	88.2	9.6	1.6	0.2	0.1	0.3	9.6
2000	5	89.3	8.5	0.6*	--	0.2	1.5*	9.6
2001	7	93.0	4.8	1.0	--	0.6	0.7	9.8
<i>Operates in an environmentally friendly manner</i>								
2000	7	83.6	11.7	2.6	0.3	0.3	1.5	9.5
2001	8	88.6	8.5	0.6	0.3	--	2.2	9.7
<i>Friendly & courteous employees</i>								
1999	7	86.9	9.6	2.1	0.3	0.6	0.6	9.5
2000	9	84.3	11.7*	2.2	0.7	0.7	0.5	9.4
2001	9	88.4	7.7	2.0	--	0.2	1.5	9.7

	Rank	Very Important	Somewhat Imp.	Neutral	Somewhat Unimp.	Very Unim	N/A	Mean
<i>Convenient methods of payment</i>								
1999	6	83.5	12.7	2.3	0.6	0.3	0.6	9.5
2000	8	82.3	14.9	1.7	0.3	0.1	0.7	9.4
2001	10	91.0	6.0	1.3	0.1	0.6	1.0	9.7
<i>Quick response to customer questions and inquiries</i>								
1999	8	81.1	13.4	2.5	0.7	0.3	2.0	9.3
2000	10	75.1*	19.2*	4.0	0.4	0.5	0.9	9.2
2001	11	87.6	10.3	0.8	--	0.5	0.9	9.6
<i>Bills easy to read and understand*</i>								
2001	12	88.5	8.7	2.2	0.2	0.2	--	9.6
<i>Convenient hours of operation</i>								
1999	9	77.1	15.2	4.9	0.4	0.8	1.6	9.2
2000	12	72.0*	19.1*	6.1	0.7	1.4	0.7	9.0
2001	13	81.2	12.3	3.3	0.4	1.2	1.7	9.4
<i>Easy access to account information at any time</i>								
1999	10	77.5	15.9	4.5	1.4	0.5	0.4	9.2
2000	13	69.6*	20.0*	6.0	0.9	1.9*	1.7*	8.9
2001	14	84.2	9.3	2.7	0.2	1.8†	1.6†	9.4
<i>Contributes back to the community</i>								
2000	11	63.2	20.3	6.2	1.3	0.8	8.1	9.0
2001	15	76.3	15.4	1.3	0.3	0.6	6.0	9.4
<i>Education or information about electricity use</i>								
1999	13	60.1	26.2	10.0	1.5	1.5	0.6	8.5
2000	16	51.3*	27.3	15.6*	2.7	1.8	1.3	8.3
2001	16	66.4	20.1	9.8	1.1	0.3	2.1†	8.9

* - New attribute included in the 2001 Tracking Study only

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ Average importance ratings for Hydro customers on each of the sixteen service attributes range between 8.9 and 9.9 on a ten-point scale (1999 ratings ranged from 8.5 to 9.7 and 2000 ratings ranged from 8.3 to 9.8).
- ◆ Consistently high ratings indicate, for the most part, that Hydro customers regard each of the sixteen attributes as important. In fact, most customers (86% to 100%) rate all service attributes at least somewhat important.

- ◆ “Concern for public safety” ranks highest in importance for 2001 displacing “a reliable uninterrupted supply of electricity” which was ranked first last year and now ranks fourth. Ranked second most important for 2001 is “billing statement accuracy” followed by “electricity at a reasonable cost”.
- ◆ Least important attributes include “education or information about electricity use”(ranked last in 1999 and 2000), “contributes back to the community” and “easy access to account information at any time”.
- ◆ Average ratings for the two new service attributes are 9.6 for “bills easy to read and understand” and 9.8 for “billing statement accuracy”.
- ◆ In comparison to 2000 findings, the majority of the sixteen service attributes experience a slight drop in importance. This most likely reflects the high importance rating of the new supplementary service attribute, “billing statement accuracy” which displaced the remaining attributes to a lower placement on the customer’s list of importance.
- ◆ With the exception of the two new service attributes, and the attribute “a reliable uninterrupted supply of electricity” respondents are significantly more likely to indicate that an attribute is very important than in the 2000 tracking study suggesting that customers’ perceived importance for each item has risen.
- ◆ “Electricity at a reasonable cost” continues to rate high on the customer’s list of important service attributes. This year, 99% of customers consider this to be at least somewhat important, with a relative third ranking out of the sixteen attributes (1999: 97% rated as at least somewhat important and ranked fourth and in 2000: 98% rated at least somewhat important and ranked third).

5.2 Performance Evaluation: Comparison of 2001, 2000 and 1999

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Concern for public safety</i>								
2000	1	69.0	19.3	2.4	0.4	1.0	7.9	9.1
2001	1	76.3	15.0	1.8	0.1	0.3	6.5	9.3
<i>Bills easy to read and understand*</i>								
2001	2	79.3	16.1	3.1	0.6	0.2	0.7	9.2
<i>Convenient methods of payment</i>								
1999	2	71.5	18.2	4.8	2.4	1.5	1.6	8.8
2000	4	70.9	18.6	5.4	0.8*	1.8	2.5	8.8
2001	3	78.0	13.9	3.2	0.6†	1.1	3.3†	9.2
<i>Friendly & courteous employees</i>								
1999	1	69.5	17.4	2.1	1.0	1.5	8.5*†	9.0
2000	2	70.4	17.6	5.4*	0.5	0.8	5.3*	9.0
2001	4	75.2	15.0	2.8	0.8	0.3†	6.0†	9.2
<i>Billing statement accuracy*</i>								
2001	5	80.1	14.1	1.5	1.4	0.7	2.4	9.1
<i>Convenient hours of operation</i>								
1999	3	61.8	18.5	7.3	2.5	1.4	8.4	8.6
2000	7	54.6	26.7*	7.1	0.8*	1.5	9.4	8.6
2001	6	66.9	17.3	4.4	0.5†	0.9	10.0	9.0
<i>Operates in an environmentally friendly manner</i>								
2000	3	57.7	19.2	5.0	1.0	0.6	16.5	8.9
2001	7	59.9	16.7	2.3	0.6	0.3	20.1	9.0
<i>Easy access to account information at any time</i>								
1999	5	54.1	22.4†	5.6	2.4	1.5	14.1*	8.5
2000	6	53.1	18.6	7.0	1.3	1.1	18.8*	8.6
2001	8	62.6	16.6†	5.6	0.1	1.3	13.8	9.0
<i>Able to complete equipment repairs and service right the first time</i>								
1999	4	57.6	26.6	6.8	0.6*	1.1	7.3	8.6
2000	5	56.0	23.8	6.3	1.7*	1.4	10.8*	8.7
2001	9	63.2	21.2†	5.5	0.8	0.3	9.0	8.8
<i>Quick response to customer questions and inquiries</i>								
1999	8	46.2	22.1	7.8	3.2	1.4	19.2	8.3
2000	10	46.7	23.7	11.0*	3.0	1.5	14.1*	8.2
2001	10	56.8	19.6	6.7	1.1	0.9	15.0†	8.6

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>								
1999	6	53.7	31.0	10.8	2.4	1.8	0.3	8.3
2000	8	60.2*	27.0	10.0	1.7	1.2	--	8.5
2001	11	58.4†	33.2	6.2	1.7	0.4†	--	8.5
<i>Electricity quickly restored when there is a power</i>								
1999	7	52.7	34.6	8.6	2.0	1.9	0.2	8.3
2000	9	51.0	33.6	10.0	2.5	2.3	0.7	8.4
2001	12	54.9	30.3†	11.6†	1.1	1.2	0.8	8.3
<i>A company which has the customer's best interest at</i>								
1999	11	47.8	28.2	11.8	3.7	3.0	5.4	8.0
2000	13	41.5*	26.7	17.5*	3.3	3.3	7.6	7.9
2001	13	52.9	24.7	9.8	2.4	1.5	8.7†	8.2
<i>Education or information about electricity use</i>								
1999	12	39.8	28.1	11.9	7.6	4.3	8.3	7.6
2000	14	36.8	26.9	17.9*	4.8*	3.7	9.8	7.6
2001	14	43.6	26.2	10.0	3.3	4.3	12.6	7.9
<i>Electricity at a reasonable cost</i>								
1999	13	25.2	30.8	25.9	6.7	9.6	1.7	6.7
2000	15	30.9*	30.4	23.9	5.8	8.4	0.6	6.8
2001	15	33.0†	31.4	23.3	5.6	4.9	2.0	6.9
<i>Contributes back to the community</i>								
2000	16	16.1	11.5	7.5	6.2	11.8	46.8	6.2
2001	16	21.4	14.9	6.4	2.7	8.2	46.2	6.8

* - New attribute included in the 2001 Tracking Study only

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ Results of the 2001 Tracking study demonstrate that Hydro customers continue to evaluate the company favorably on each of the sixteen service attribute measured. Overall, the average performance ratings in the 2001 Tracking Study range from 6.8 to 9.3 on a ten-point scale (1999 ratings ranged from 6.7 to 9.0 and 2000 rating ranged from 6.2 to 9.1).
- ◆ In comparison to 2000, the majority of service attributes saw a slight decrease in their performance rank. This may be a result of the addition of a newly measured attribute, “bills easy to read and understand”, which ranks second in overall performance (95% of Hydro customers rate performance on this attribute as either excellent or good).
- ◆ With an exception of the two new attributes and the attributes “a reliable, uninterrupted supply of electricity”, “electricity at a reasonable cost”, “convenient hours of operation”, “operates in an environmentally friendly manner”, and “electricity quickly restored when there us a power outage”, Hydro customers in 2001 are significantly more likely to rate Hydro’s performance as “excellent” than in 2000.
- ◆ Hydro is also evaluated favorably on the new attribute “billing statement accuracy”, scoring an average 9.1 out of ten and ranking fifth overall.
- ◆ Similar to 2000, the attribute receiving the highest rank or performance is “concern for public safety”. Overall, 76% gave Hydro an “excellent” rating while 15% rated Hydro as “good”. It is noteworthy that Hydro customers are significantly more likely to rate Hydro as “excellent” on this characteristic than they were in 2000 (69% in 2000 versus 76% in 2001) suggesting that Hydro has improved its performance in this area.
- ◆ Hydro’s performance ranking on the attribute “friendly and courteous employees” has declined from second in 2000 to fourth in 2001. However, overall, Hyrdo’s performance on this attribute indicates that most customers are at least somewhat positive about its performance with 90% indicating performance is either “good” or “excellent”.
- ◆ Similar to 2000, customers rate Hydro *least* positively on the service attribute “contributes back to the community”, with 11% of respondents rating Hydro either “poor” or “very poor”. This attribute receives the lowest average rating of 6.8 out of ten, doing slightly better than in 2000 when it rated 6.2.
- ◆ One again, the attribute “electricity at a reasonable cost” ranks second to last. However, since 1999, this attribute has shown a small increase in positive ratings with 25% rating it “excellent” in 1999, compared to 33% in 2001.

6.0 CUSTOMER SATISFACTION INDEX (CSI)

The importance and satisfaction scores measured in this study can be combined to generate an overall measure called the Customer Satisfaction Index (CSI).

The CSI is a weighted average of satisfaction ratings for each of the service attributes used to elicit respondent feedback in the survey instrument. Each importance score on these attributes is divided by the sum of all importance scores and then multiplied by the perceived performance score assigned to Hydro on that one attribute (in effect, weighting the performance score by the relative importance). The resulting values are then summed, yielding a single Customer Service Index value for each respondent. The average of these values is the CSI in any one year.

The CSI ranges between one and ten (a ten-point scale is the measurement used by customers to rate importance and performance) and is used to track movement in overall satisfaction as defined by the service attributes specified within the study. The higher the index the better the customer service. In 1999, the CSI was based upon a set of thirteen defined service attributes and in 2000 and 2001, the CSI is based upon sixteen defined service attributes that are considered important to the provision of service by Hydro. The CSI for 2000 and 2001 are not directly comparable, due to the addition of two new attributes, namely “bills easy to read and understand” and “billing statement accuracy”. The service attributes “Up to date billing procedures and changes” and “Up to date information on customer services and changes” have been removed for the 2001 study.

	<u>Labrador</u>	<u>Northern</u>	<u>Central</u>	<u>Total</u>
<i>2000 Customer Service Index</i>	7.5	7.5	7.7	7.6
<i>2001 Customer Service Index</i>	7.4	8.1	8.3	7.9

- ◆ In November 2001, the CSI for Newfoundland and Labrador Hydro is 7.9 out of 10. This is comparable with the CSI of 7.9 as calculated in the 2001 survey of Canadian Attitudes and Opinions of Electric Utilities, completed on behalf of the Canadian Electricity Association
- ◆ The CSI in both Central and the Northern regions is similar at 8.3 and 8.1 respectively. The CSI for Labrador is slightly lower at 7.4 out of 10. This is consistent with findings later in this report that indicate a slightly lower level of customer satisfaction and perceived performance in the Labrador region.

	1999	2000	2001
<i>Customer Service Index</i>	7.8	7.6	7.9

Note: the 1999 CSI is based on thirteen attributes and the 2000 and 2001 CSI is based on sixteen attributes, although not identical in content.

As mentioned, the number and content of attributes used to calculate the CSI in the two tracking studies and the 1999 baseline study differ and therefore are not comparable on the same measure.

7.0 SERVICE GAP ANALYSIS

7.1 “Gap” on Specific Service Attributes: Comparisons between 2001, 2000 and 1999

A gap score is essentially the difference between customers’ evaluation of importance and perceived performance of any one attribute. If perceived performance exceeds expectations, then the customer is satisfied, if it falls below expectations, the customer is dissatisfied. A gap score of 2.0 or greater should be considered significant and as shown in the following table, customer evaluation of Hydro results in an average negative gap score from -2.9 to -0.4 percentage points.

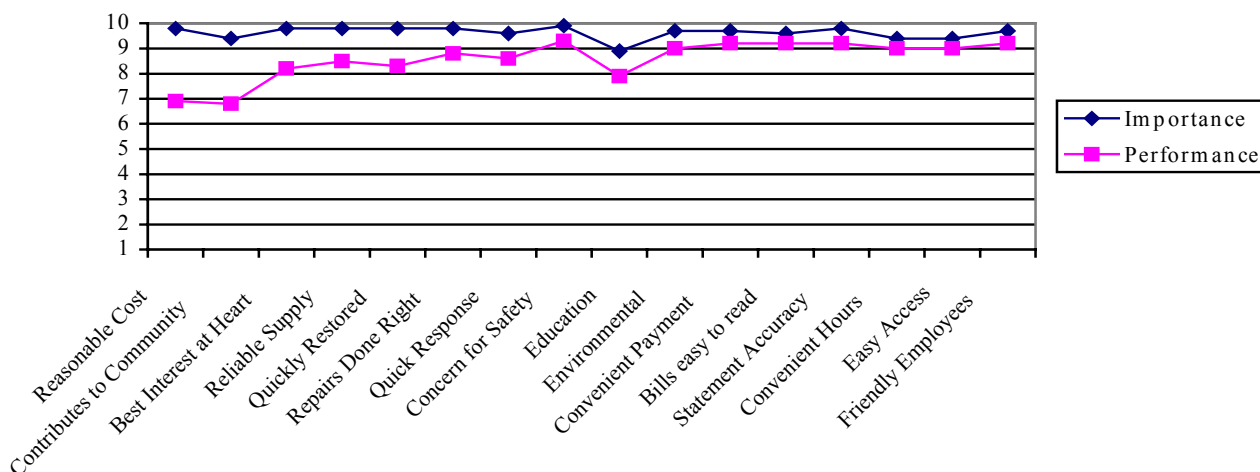
	IMPORTANCE		PERFORMANCE		Mean Gap Rating	% change
	Mean Rating	Rank	Mean Rating	Rank		
<i>Electricity at a reasonable cost</i>						
1999	9.6	4	6.7	13	-2.9	--
2000	9.7	3	6.8	15	-2.9	--
2001	9.8	3	6.9	15	-2.9	--
<i>Contributes back to community</i>						
2000	9.0	11	6.2	16	-2.7	--
2001	9.4	15	6.8	16	-2.5	+0.2
<i>A company which has the customer's best interest at heart</i>						
1999	9.6	5	8.0	11	-1.6	--
2000	9.5	6	7.9	13	-1.6	--
2001	9.8	5	8.2	13	-1.6	--
<i>Electricity quickly restored when there is a power outage</i>						
1999	9.7	1	8.3	7	-1.3	--
2000	9.7	4	8.4	9	-1.3	--
2001	9.8	6	8.3	12	-1.5	-0.2
<i>A reliable, uninterrupted supply of electricity</i>						
1999	9.6	3	8.3	6	-1.4	--
2000	9.8	1	8.5	8	-1.3	+0.1
2001	9.8	4	8.5	11	-1.4	-0.1

	IMPORTANCE		PERFORMANCE		Mean Gap Rating	% change
	Mean Rating	Rank	Mean Rating	Rank		
<i>Able to complete equip. repairs/ service right the first time</i>						
1999	9.6	2	8.6	4	-0.9	--
2000	9.6	5	8.7	5	-1.0	-0.1
2001	9.8	7	8.8	9	-1.0	--
<i>Quick response to customer questions and inquiries</i>						
1999	9.3	8	8.3	8	-1.0	--
2000	9.2	10.	8.2	10	-0.9	+0.1
2001	9.6	11	8.6	10	-1.0	-0.1
<i>Education or information about electricity use</i>						
1999	8.5	13	7.6	12	-1.0	--
2000	8.3	16	7.6	14	-0.7	+0.3
2001	8.9	16	7.9	14	-1.0	-0.3
<i>Billing statement accuracy*</i>						
2001	9.8	2	9.2	5	-0.7	--
<i>Concern for public safety</i>						
2000	9.8	2	9.1	1	-0.7	--
2001	9.9	1	9.3	1	-0.7	--
<i>Operates in an environmentally friendly manner</i>						
2000	9.5	7	8.9	3	-0.6	--
2001	9.7	8	9.0	7	-0.7	-0.1
<i>Convenient methods of payment</i>						
1999	9.5	6	8.8	2	-0.7	--
2000	9.4	8	8.8	4	-0.6	+0.1
2001	9.7	10	9.2	3	-0.5	+0.1

	IMPORTANCE		PERFORMANCE		Mean Gap Rating	% change
	Mean Rating	Rank	Mean Rating	Rank		
<i>Convenient hours of operation</i>						
1999	9.2	9	8.6	3	-0.6	--
2000	9.0	12	8.6	7	-0.4	+0.2
2001	9.4	13	9.0	6	-0.5	-0.1
<i>Easy access to account information at any time</i>						
1999	9.2	10	8.5	5	-0.6	--
2000	8.9	13	8.6	6	-0.4	+0.2
2001	9.4	14	9.0	8	-0.5	-0.1
<i>Friendly & courteous employees</i>						
1999	9.5	7	9.0	1	-0.5	--
2000	9.4	9	9.0	2	-0.4	+0.1
2001	9.7	9	9.2	4	-0.5	-0.1
<i>Bills easy to read and understand*</i>						
2001	9.6	12	9.2	2	-0.4	--

* - New attribute included in the 2001 Tracking Study only

“Gap” in Importance Vs. Performance Total Customer Base 2001



- ◆ The performance of Hydro on each service attribute falls below customer expectations. That is, Hydro performs slightly below the expectations of their customer base. This trend is similar to that found in 1999 and 2000.
- ◆ Since 1999, consumers have been consistently dissatisfied with the attribute of “electricity at a reasonable cost” with this attribute having the largest gap score of all those measured (2.9 points below customer expectations for 1999, 2000 and 2001). Next to this, Hydro falls below expectations when evaluated on their contribution back to the community (2.5 points below expectations for 2001). However, compared to 2000, the gap between customer expectations and perceived performance has narrowed by 0.2 points.
- ◆ Performance on the two new service attributes “bills easy to read and understand” and “billing statement accuracy” are slightly below customer expectations (-0.4 and -0.7, respectively).
- ◆ Gap rating on the attribute “convenient methods of payment” has also improved slightly since the 2000 Tracking Study (+0.1) suggesting that consumers’ satisfaction with this attribute is increasing.
- ◆ The least negative gap exists on the new attribute, “bills easy to read and understand” (0.4). Next to this, Hydro falls slightly below expectations when evaluated on “convenient methods of payment”, “easy access to account information at any time”, and “friendly and courteous employees” (0.5, respectively).

- ◆ Similar to 2000, the greatest shift in gap occurs for the attribute “education or information about electricity use”. However, unlike last year, where the gap rating improved, in 2001, the gap has again widened to 1.0 percentage points below customer expectations. This shift most likely reflects the increased importance placed on this attribute by Hydro customers.

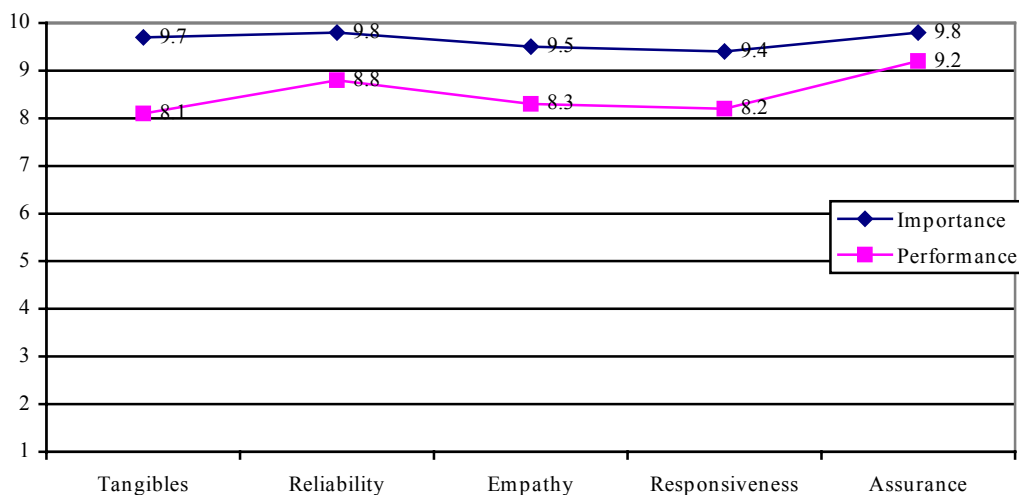
7.2 “Gap” on Key Service Dimensions

To assess the service quality of Hydro, each individual service attribute is compiled into the one of the five dimensions of the SERVQUAL model. The difference between expectations and performance on each dimension is calculated, enabling an evaluation of the overall service of the company.

	IMPORTANCE		PERFORMANCE		Mean Gap Rating	% change
	Mean Rating	Rank	Mean Rating	Rank		
<i>Tangibles*</i>						
1999	9.60	1	6.70	5	-2.90	--
2000	9.71	2	6.79	5	-2.92	-0.02
2001	9.71	3	8.06	5	-1.66	+1.26
<i>Empathy</i>						
1999	9.37	3	8.49	1	-0.86	--
2000	9.19	4	7.99	4	-1.15	-0.29
2001	9.54	4	8.30	3	-1.22	-0.07
<i>Responsiveness</i>						
1999	9.17	4	8.06	4	-1.11	--
2000	9.04	5	8.02	3	-1.04	+0.07
2001	9.43	5	8.23	4	-1.18	-0.14
<i>Reliability*</i>						
1999	9.60	2	8.47	2	-1.14	--
2000	9.73	1	8.59	2	-1.15	-0.01
2001	9.80	1	8.81	2	-0.99	+0.16
<i>Assurance</i>						
1999	9.07	5	8.43	3	-0.65	--
2000	9.22	3	8.70	1	-0.53	+0.12
2001	9.78	2	9.16	1	-0.63	-0.10

* includes a new attribute added in 2001.

“Gap” in Importance Vs. Performance - 2001



- ◆ Similar to past years, the largest service gap remains associated with the dimension of tangibles (1.66 percentage points below expectation). However, unlike the decrease in performance in 2000, the service gap for this dimension has improved by 1.26 percentage points. It must be noted that this improvement may be inflated due to the addition of the attribute “bills easy to read and understand”. Similarly, improved gap scores for the dimension of reliability may partially be due to the inclusion of the attribute “billing statement accuracy”(improved .16 points over 2000).
- ◆ For the dimension of empathy, the service gap increased between 1999 and 2001 (1999, - 0.86; 2000, -1.15; and 2001, -1.22). This is the only dimension of the five, which consistently shows a widening of the service gap over the three years measured.
- ◆ The service gap has increased or become more negative with respect to responsiveness and assurance. In 2000, responsiveness falls 1.04 points below expectations, as compared to this year, falling short by a larger 1.18 percentage points. Similarly, assurance falls .53 points below expectations in 2000, as compared to this year, falling short by a larger .63 points.

8.0 SERVICE RELIABILITY

8.1 Overall Satisfaction with Service Reliability

On a scale of 1 to 10, with a 1 meaning "Very Dissatisfied" and a 10 meaning "Very Satisfied", how satisfied are you with: the supply of electricity you receive from NF & Lab. Hydro

	Labrador			Northern			Central			Total		
	99 n=249	00 n=240	01 n=243	99 n=206	00 n=200	01 n=211	99 n=198	00 n=200	01 n=200	99 n=649	00 n=640	01 n=654
Very Satisfied	60.8	57.1	63.4	63.9	63.5	71.1	73.7	76.5	74.5	66.8	68.5	75.1
Somewhat Satisfied	29.6	28.3	27.6	28.8	26.5	18.9	20.7	17.0	19.5	25.9	22.5	19.5†
Neutral	6.3	10.8*	7.4	6.3	9.5	5.7	4.0	5.0	5.0	5.4	7.2	3.7
Somewhat Dissatisfied	2.1	1.7	0.8	--	--	1.4	0.8	0.5	0.5	0.9	0.7	0.6
Very Dissatisfied	1.1	2.1	0.8	1.0	--	2.3	0.8	0.5	0.5	0.9	0.9	0.7
Mean Rating	8.6	8.5	8.8	8.5	8.8	8.9	9.2	9.1	9.1	8.7	8.8	8.9
Exceeded Expectations	6.9	9.2	6.2	3.9	5.5	10.4	6.1	4.0	4.0	5.7	7.3	3.9
Met Expectations	86.1	81.3	88.5	87.4	87.0	86.7	89.9	91.0	89.0	87.7	85.8	89.8
Have Not Met Expectations	6.9	9.6	4.9	8.7	7.5	2.8	4.0	5.0	7.0	6.6	6.9	6.1

- indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ In 2001, the majority of Hydro customers are either very satisfied (75%) or somewhat satisfied (20%) with the supply of electricity they receive. Less than 2% of customers indicate they are somewhat dissatisfied or very dissatisfied with their electricity supply.
- ◆ It appears that customer satisfaction with service reliability has been increasing since the 1999 baseline study. Compared to 1999 and 2000, there is a significant increase in the number of customers who indicate they are "very satisfied" with their supply of electricity (2000, 69% of customers were very satisfied and in 1999, 67% of customers are very satisfied). Although satisfaction is high, the results of this study indicate there is still potential for improvement among 25% of Hydro customers.

- ◆ With the exception of the Northern region, satisfaction ratings have remained constant within each of the three regions. In comparison to 2000, customers in the Northern region are significantly more likely to note they are “very satisfied” (71% in 2001 from 64% in 2000) and less likely to indicate they are “somewhat satisfied” (19% in 2001 from 27% in 2000). Hydro customers in Central express the greatest satisfaction with their supply of electricity (75% of Central customers are very satisfied with the service, compared to 71% of Northern and 63% of Labrador customers). A similar finding was apparent in both 1999 and 2000.
- ◆ Overall, the service reliability of Hydro meets customer’s expectations (90%) with approximately 4% of respondents indicating service reliability exceeds expectations. Only 6% of customers said their expectations are not met. The percentage of customers rating service reliability as meeting expectations has increased significantly since 2000 (90% in 2001 from 86% in 2000). However, there is a significant decrease in respondents who report Hydro exceeds service delivery expectations.
- ◆ Compared to 2000, customers in the Northern region are significantly more likely to indicate that service reliability exceeds expectations and are less likely to indicate that Hydro has not met their expectations.

8.2 Gap on Service Reliability

	Mean Importance Rating			Mean Performance			Mean Gap Rating		
	1999	2000	2001	1999	2000	2001	1999	2000	2001
<i>A reliable, uninterrupted supply of electricity</i>	9.6	9.8	9.8	8.3	8.5	8.5	-1.4	-1.3	-1.4
<i>Electricity quickly restored when there is a power outage</i>	9.7	9.7	9.8	8.3	8.4	8.3	-1.3	-1.3	-1.5

- ◆ As indicated in the 2001 Tracking study, negative gap scores on the two attributes of service reliability “a reliable, uninterrupted supply of electricity” and “electricity quickly restored when there is a power outage” continue to exist (-1.3 and -1.5, respectively).
- ◆ The gap rating for the attribute “a reliable, uninterrupted supply of electricity” has remained relatively stable since the 1999 baseline study. However, the gap between expectations and performance has increased slightly for the attribute “electricity quickly restored when there is a power outage”.
- ◆ Similar to 1999 and 2000, negative gap scores in 2001 on these service attributes confirm the need for Hydro to improve its service reliability.

9.0 CUSTOMER SERVICE

9.1 Overall Satisfaction with Customer Service

On a scale of 1 to 10, with a 1 meaning “Very Dissatisfied” and a 10 meaning “Very Satisfied”, how satisfied are you with: the overall customer service you receive from NF & Lab. Hydro

	Labrador			Northern			Central			Total		
	99	00	01	99	00	01	99	00	01	99	00	01**
Very Satisfied	57.7	54.2	62.0	61.6	62.2	70.8	69.8	72.9	80.0	63.7	65.1	76.3
Somewhat Satisfied	34.6	32.4	28.7	30.0	29.1	23.0	22.9	21.1	16.8	28.5	26.3	19.7
Neutral	4.4	9.2*	7.2	6.8	8.2	4.3	4.5	4.5	3.6	5.2	6.2	3.4
Somewhat Dissatisfied	2.2	2.1	0.8	1.6	0.5	1.4	2.0	0.5	--	1.9	1.1	0.4†
Very Dissatisfied	1.1	2.1	1.2	--	--	0.4	0.8	1.0	--	0.6	1.3	0.1
Mean Rating	8.5	8.4	8.7	8.6	8.8	9.0	9.0	9.0	9.2	8.7	8.7	9.0
Exceeded Expectations	6.7	9.6	5.3	4.0	5.0	7.1	4.7	4.5	2.0	5.2	8.8*	3.3
Met Expectations	86.1	83.3	90.1	92.0	87.0*	90.0	90.7	90.5	93.5	89.3	84.6*	91.5
Have Not Met Expectations	7.1	7.1	4.1	4.0	8.0*	2.8	4.7	5.0	4.5	5.4	6.6	5.1

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

** Note: Some customers were unable to answer this question and are excluded from the analysis (n=15).

- ◆ The majority of customers are “very satisfied” (76%) with the customer service they receive from Newfoundland and Labrador Hydro. Approximately 20% are “somewhat satisfied” and 1% are either somewhat dissatisfied or very dissatisfied. This trend is similar to that found in 1999 and 2000. However, compared to 2000, customers are significantly more likely to rate themselves as “very satisfied” with customer service (76% in 2001 from 65% in 2000) and are less likely to rate themselves as “somewhat satisfied” (20% in 2001 from 26% in 2000).
- ◆ Compared to results of the 2000 tracking study, the percentage of customers who indicate they are “very satisfied” increased significantly within each region. However, when compared to the Northern and Labrador regions, it is evident that customers in the Central region continue to express greater satisfaction with customer service than customers in other regions of the province (80% are very satisfied, compared to 71% of Northern and 62% of Labrador customers).

- ◆ The majority of customers indicate that customer service met their expectations (92%), with only 3% of customers noting that customer service exceeded their expectations. Similar to past years approximately 5% of customers reported that customer satisfaction fell short of their expectations.
- ◆ At the regional level, compared to results of the 2000 Tracking Study, customers in the Northern region are significantly less likely to indicate that service did not meet expectations. Also, Labradorians are significantly more likely to indicate that customer service met expectations (90% in 2001 from 83% in 2000) but significantly less likely to indicate that customer satisfaction exceeded expectations (5% in 2001 from 10% in 2000).

10.0 SERVICE GAP BY REGION: COMPARISONS OF 2001, 2000 AND 1999

	LABRADOR			NORTHERN			CENTRAL			TOTAL		
	99	00	01	99	00	01	99	00	01	99	00	01
<i>A reliable, uninterrupted supply of electricity</i>	-1.5	-1.6	-1.6	-1.7	-1.3	-1.4	-0.9	-0.9	-1.1	-1.4	-1.3	-1.4
<i>Electricity at a reasonable cost</i>	-2.2	-2.5	-2.6	-3.4	-3.5	-3.5	-3.4	-2.9	-2.8	-2.9	-2.9	-2.9
<i>Electricity quickly restored when there is a power outage</i>	-1.4	-1.5	-1.8	-1.5	-1.3	-1.5	-1.1	-1.2	-1.1	-1.3	-1.3	-1.5
<i>Bills easy to read and understand*</i>	--	--	-0.4	--	--	-0.5	-0.4	-0.2	-0.2	-0.6	-0.5	-0.4
<i>Billing statement accuracy*</i>	--	--	-0.9	-1.0	-0.7	-0.7	-0.4	-0.1	-0.4	-0.7	-0.5	-0.7
<i>Quick response to customer questions and inquiries</i>	-1.0	-1.1	-1.4	-1.2	-1.0	-0.9	-0.7	-0.6	-0.5	-1.0	-0.9	-1.0
<i>Convenient hours of operation</i>	-0.8	-0.8	-0.8	-0.6	-0.3	-0.5	-0.2	-0.2	-0.3	-0.6	-0.4	-0.5
<i>Easy access to account information at any time</i>	-0.9	-0.7	-0.6	-0.6	-0.1	-0.4	-0.3	-0.1	-0.4	-0.6	-0.4	-0.5
<i>Able to complete equipment repairs and service right the first time</i>	-1.0	-1.1	-1.4	-1.1	-1.0	-0.9	-0.7	-0.8	-0.6	-0.9	-1.0	-1.0
<i>Education or information about electricity use</i>	-0.8	-0.6	-1.0	-1.3	-1.0	-1.1	-1.0	-0.4	-0.9	-1.0	-0.7	-1.0
<i>Friendly & courteous employees</i>	-0.8	-0.7	-0.9	-0.4	-0.3	-0.4	-0.3	-0.2	-0.2	-0.5	-0.4	-0.5
<i>A company which has the customer's best interest at heart</i>	-1.5	-1.8	-2.2	-1.6	-1.6	-1.4	-1.7	-1.5	-1.3	-1.6	-1.6	-1.6
<i>Convenient methods of payment</i>	-1.1	-1.0	-0.7	-0.5	-0.6	-0.4	-0.3	-0.1	-0.4	-0.7	-0.6	-0.5
<i>Operates in an environmentally friendly manner</i>	--	-0.9	-1.2	--	-0.5	-0.6	--	-0.3	-0.4	--	-0.6	-0.7
<i>Concern for public safety</i>	--	-0.8	-1.0	--	-0.7	-0.6	--	-0.5	-0.4	--	-0.7	-0.7

	LABRADOR			NORTHERN			CENTRAL			TOTAL		
	99	00	01	99	00	01	99	00	01	99	00	01
<i>Contributes back to the community</i>	--	-2.7	-2.6	--	-2.8	-2.7	--	-2.5	-2.3	--	-2.7	-2.5

* - New attribute included in the 2001 Tracking Study only

11.0 SERVICE GAP BY SUB REGION: COMPARISONS OF 2001, 2000 AND 1999

	Lab City Wabush	H Valley /Goose	Lab Isol	North Inter	North Isol.	Central Inter	Central Isol.
<i>A reliable, uninterrupted supply of electricity</i>							
1999	-0.5	-1.9	-1.9	-1.3	-2.1	-1.4	-0.3
2000	-0.4	-2.2	-2.4	-1.2	-1.4	-1.4	-0.3
2001	-1.1	-1.6	-2.1	-0.6	-2.3	-1.2	-1.0
<i>Electricity at a reasonable cost</i>							
1999	-0.4	-2.2	-3.8	-3.4	-3.4	-3.6	-3.3
2000	-0.3	-2.3	-4.9	-3.4	-3.5	-2.9	-2.9
2001	-0.8	-2.6	-4.2	-2.9	-4.2	-2.6	-2.9
<i>Electricity quickly restored when there is a power outage</i>							
1999	-0.8	-1.8	-1.7	-1.2	-1.7	-1.5	-0.6
2000	-0.5	-1.9	-2.1	-1.0	-1.5	-1.8	-0.6
2001	-0.9	-2.1	-2.4	-0.8	-2.2	-1.5	-0.7
<i>Bills easy to read and understand*</i>							
2001	+0.1	-0.7	-0.7	-0.3	-0.6	-0.3	-0.2
<i>Billing Statement Accuracy*</i>							
2001	-0.3	-1.0	-1.3	-0.4	-1.0	-0.4	-0.4
<i>Quick response to customer questions and</i>							
1999	-0.8	-1.2	-1.0	-1.1	-1.3	-1.0	-0.4
2000	-0.6	-1.4	-1.4	-0.7	-1.2	-1.0	-0.1
2001	-0.8	-2.0	-1.4	-0.7	-1.1	-0.6	-0.4
<i>Convenient hours of operation</i>							
1999	-0.4	-1.6	-0.4	-0.4	-0.7	-0.3	-0.2
2000	-0.8	-0.7	-0.8	-0.2	-0.4	-0.3	-0.1
2001	-0.3	-0.9	-1.2	-0.2	-0.8	-0.4	-0.2
<i>Easy access to account information at any time</i>							
1999	-0.4	-1.2	-1.0	-0.4	-0.9	-0.5	-0.2
2000	-0.3	-1.0	-0.9	+0.1	-0.3	-0.2	-0.1
2001	+0.1	-0.7	-1.3	-0.2	-0.6	-0.8	-0.1

	Lab City Wabush	H Valley /Goose	Lab Isol	North Inter	North Isol.	Central Inter	Central Isol.
<i>Able to complete equipment repairs and service right the first time</i>							
1999	-0.6	-1.2	-1.2	-0.8	-1.4	-0.9	-0.5
2000	-0.4	-1.5	-1.4	-0.8	-1.2	-1.4	-0.2
2001	-0.9	-1.5	-1.8	-0.3	-1.5	-0.7	-0.6
<i>Education or information about electricity use</i>							
1999	-0.2	-1.2	-1.0	-1.0	-1.6	-1.2	-0.8
2000	0.3	-0.7	-1.4	-1.1	-1.0	-0.7	-0.2
2001	+0.2	-1.6	-1.7	-0.8	-1.2	-1.0	-0.7
<i>Friendly & courteous employees</i>							
1999	-0.6	-0.9	-0.8	-0.1	-0.8	-0.3	-0.3
2000	-0.2	-0.9	-0.8	-0.04	-0.7	-0.3	-0.03
2001	-0.3	-1.1	-1.2	-0.1	-0.8	-0.4	-0.1
<i>A company which has the customer's best interest at heart</i>							
1999	-0.9	-2.3	-1.3	-1.2	-1.9	-1.7	-1.6
2000	-1.0	-1.7	-2.5	-1.7	-1.6	-1.8	-1.1
2001	-1.8	-2.2	-2.5	-0.9	-1.8	-1.1	-1.4
<i>Convenient methods of payment</i>							
1999	-0.7	-1.6	-1.1	-0.2	-0.9	-0.3	-0.2
2000	-0.5	-1.3	-1.1	-0.3	-0.8	-0.3	+0.1
2001	-0.4	-0.9	-0.8	-0.2	-0.6	-0.5	-0.3
<i>Operates in an environmentally friendly</i>							
2000	-0.4	-0.9	-1.2	-0.6	-0.5	-0.4	-0.3
2001	-0.7	-1.4	-1.5	-0.1	-1.1	-0.5	-0.3
<i>Concern for public safety</i>							
2000	-0.5	-0.9	-1.2	-0.7	-0.7	-0.6	-0.4
2001	-0.8	-1.0	-1.2	-0.2	-0.9	-0.4	-0.4
<i>Contributes back to the community</i>							
2000	-1.6	-1.0	-4.9	-2.8	-2.9	-3.5	-1.8
2001	-2.0	-2.0	-3.5	-2.0	-3.0	-2.4	-2.3

* - New attribute included in the 2001 Tracking Study only

- ◆ When compared within region, findings again mirror the 1999 and 2000 data with only small year-to-year changes in 'gap' performance findings.

- ◆ Although the overall gap on “electricity at a reasonable cost” is identical to 1999 and 2000 (-2.9), as outlined in the previous section, the ‘gap’ has improved slightly in the Central region. When examined within the region, the gap improvement for Central residents occurred in the Interconnected (-2.6 from -2.9) area, but not in the Isolated. Although the ‘gap’ on this attribute only changed slightly in the Labrador region (-2.6 from -2.5), when examined within this region, there was greater than half a percentage point negative change among Labrador Isolated communities (-4.9 from -4.3).
- ◆ In the Northern isolated region, most of the gap ratings have increased, or become more negative since 2001. Specifically, the gap ratings for “reliable, uninterrupted supply of electricity”, “electricity at a reasonable cost”, and “electricity restored when there is a power outage” have each increased by 0.7 percentage points. Hydro’s performance on the reasonable cost of electricity now falls 4.2 percentage points below customer expectations in this region.
- ◆ When year to year data is compared in the Labrador Isolated area, there appears to be a negative change or no change for most attributes, with the exception of “electricity at a reasonable cost”, “a reliable, uninterrupted supply of electricity”, “convenient methods of payments” and “contributes back to the community” where there is a slight positive change.

12.0 LABRADOR REGION

12.1 Importance Factors Labrador: Comparison of 2001, 2000 and 1999

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	87.9	8.4	3.2	--	0.5	--	9.5
2000	93.7*	5.4	0.4*	0.4	--	--	9.8
2001	94.2†	5.8	--	--	--	--	9.8
<i>Electricity at a reasonable cost</i>							
1999	89.4	6.3	3.7	0.5	--	--	9.5
2000	88.7	9.6	0.8*	--	0.8	--	9.6
2001	95.5	3.3	0.8†	0.4	--	--	9.8
<i>Electricity quickly restored when there is a power outage</i>							
1999	89.4	7.4	3.2	--	--	--	9.6
2000	89.5	8.4	1.3	0.4	0.4	--	9.7
2001	95.5	3.7	0.8†	--	--	--	9.8
<i>Bills easy to read and understand**</i>							
2001	80.7	14.0	4.0	0.8	0.4	--	9.4
<i>Billing Statement Accuracy**</i>							
2001	93.4	6.2	0.4	--	--	--	9.8
<i>Quick response to customer questions and inquiries</i>							
1999	71.1	19.5	5.8	0.5	--	3.2	9.1
2000	72.0	23.4	2.9	--	0.8	0.8*	9.2
2001	83.1	13.6	2.5†	--	0.4	0.4†	9.5
<i>Convenient hours of operation</i>							
1999	70.0	22.1	5.8	--	1.1	1.1	9.0
2000	67.8	20.1	7.1	1.3	2.5	1.3	8.8
2001	75.3	14.8†	6.6	--	1.6	1.6	9.2
<i>Easy access to account information at any time</i>							
1999	68.3	21.7	6.3	2.1	0.5	1.1	9.0
2000	65.3	21.8	8.4	1.7	1.3	1.7	8.8
2001	76.1	12.8	7.8	0.4†	0.8	2.1	9.2
<i>Able to complete equipment repairs and service right the first</i>							
1999	84.7	11.6	2.1	0.5	--	1.1	9.4
2000	86.2	10.9	0.8	--	0.4	1.7	9.6
2001	93.0	5.3	0.8	--	0.4	0.4	9.8

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All	N/A	Mean
<i>Education or information about electricity use</i>							
1999	47.9	33.7	12.6	3.2	2.1	0.5	8.2
2000	47.3	32.2	14.2	3.3	2.1	0.8	8.1
2001	55.6	25.9†	15.2	1.6	0.8	0.8	8.5
<i>Friendly & courteous employees</i>							
1999	82.1	12.1	4.7	--	--	1.1	9.5
2000	81.2	13.8	2.9	0.4	0.4	1.3	9.4
2001	87.7	9.5	2.1	--	--	0.8	9.7
<i>A company which has the customer's best interest at heart</i>							
1999	84.7	12.1	2.1	--	0.5	0.5	9.5
2000	85.4	10.5	2.9	--	0.4	0.8	9.5
2001	93.4	5.8	--	--	--	0.8	9.8
<i>Convenient methods of payment</i>							
1999	78.3	16.9	4.2	--	--	0.5	9.4
2000	80.3	16.3	2.5	0.4	0.4	--	9.4
2001	84.8†	9.1	2.9	0.4	0.4	2.5†	9.5
<i>Operates in an environmentally friendly manner</i>							
2000	87.9	9.6	2.1	--	--	0.4	9.6
2001	87.2	9.1	1.2	--	--	2.5	9.7
<i>Concern for public safety</i>							
2000	94.6	4.6	0.4	--	--	0.4	9.8
2001	97.9	1.2	0.4	--	--	0.4	9.9
<i>Contributes back to the community</i>							
2000	61.5	24.3	7.9	0.8	0.8	4.6	8.8
2001	72.8	18.1	4.9	1.6	0.4	2.1	9.2

* *- New attribute included in the 2000 Tracking Study only

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ Consistent with 2000, Labrador customers continue to rate “concern for public safety” (98% “very important”, 9.9 mean rating) and “reliable, uninterrupted supply of electricity” as the most important attributes of customer service (94% “very important”, 9.8 mean rating).
- ◆ In 2001, each of the service attributes experience a slight increase in rated importance among Labrador customers. Specifically, the greatest increase in importance ratings exists with “convenient hours of operation”, “education or information about electricity use”, “easy access to account information at any time” and “contributes back to the community” with each of the four attributes experiencing an increase in mean importance (0.4, respectively).

- ◆ Although increasing since 2000, the lowest level of importance continues to exist with “education or information about electricity use”, with 82% of Labrador customers rating the attribute at least somewhat important (8.5 mean rating).

12.2 Performance Evaluation Labrador: Comparison of 2001, 2000 and 1999

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	51.6	33.7	10.5	2.6	1.6	--	8.1
2000	53.6	26.4*	13.4	3.8	2.9	--	8.2
2001	46.5	39.9	9.9	2.1	1.6	--	8.2
<i>Electricity at a reasonable cost</i>							
1999	48.4	28.2*	13.8	3.7	4.3	1.6	7.4
2000	42.3	20.1*	19.2	9.6*	8.8*	--	7.2
2001	36.2†	28.8	19.3	7.8†	5.8	2.1	7.3
<i>Electricity quickly restored when there is a power</i>							
1999	50.0	38.4	6.8	1.6	2.6	0.5	8.2
2000	51.0	32.2	9.2	2.9	3.8	0.8	8.2
2001	44.4	36.6	14.4	1.6	2.5	0.4	8.0
<i>Bills easy to read and understand**</i>							
2001	68.7	21.0	7.0	1.2	0.8	1.2	8.9
<i>Billing Statement Accuracy**</i>							
2001	67.1	18.9	4.5	2.1	1.2	6.2	8.9
<i>Quick response to customer questions and inquiries</i>							
1999	44.5	26.7	9.4	4.2	2.1	13.1	8.1
2000	40.6	31.0	11.7	2.9	2.1	11.7	8.1
2001	39.5	25.1	9.5	3.7	2.5	19.8	8.1
<i>Convenient hours of operation</i>							
1999	53.2	23.4	11.7	3.2	4.3	4.3	8.2
2000	49.4	24.3	9.2	2.5	4.2	10.5*	8.2
2001	51.4	25.1	7.4	0.4	2.9	12.8†	8.5
<i>Easy access to account information at any time</i>							
1999	46.3	28.4	10.0	3.2	2.6	9.5	8.2
2000	49.4	23.4	9.6	3.3	2.5	11.7	8.2
2001	50.6	22.2	7.4	0.8	1.6	17.3	8.6

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Able to complete equipment repairs and service right the first time</i>							
1999	50.8	31.7	6.3	1.1	1.1	9.0	8.4
2000	56.5	22.2*	8.8	1.7	2.1	8.8	8.5
2001	47.3	29.2	8.2	2.5	1.2	11.5	8.4
<i>Education or information about electricity use</i>							
1999	38.1	31.2	14.8	3.2	5.8	6.9	7.5
2000	35.6	31.8	19.2	5.4	3.8	4.2	7.5
2001	33.7	30.9	15.2	4.9	4.9	10.3	7.5
<i>Friendly & courteous employees</i>							
1999	62.6	21.1	5.3	2.1	2.6	6.3	8.7
2000	61.1	24.7	6.3	1.3	1.7	5.0	8.8
2001	59.3	25.9	6.6	0.4†	1.2	6.6	8.8
<i>A company which has the customer's best interest at heart</i>							
1999	43.7	31.1	13.2	3.2	3.7	5.3	7.9
2000	42.7	28.9	15.9	5.0	3.3	4.2	7.8
2001	38.7	29.2	15.2	4.9	3.3	8.6	7.7
<i>Convenient methods of payment</i>							
1999	58.9	20.0	9.5	4.7	4.7	2.1	8.3
2000	61.1	20.9	10.5	2.1	4.2	1.3	8.4
2001	66.7†	18.9	6.6	2.1	1.2	4.5	8.9
<i>Operates in an environmentally friendly manner</i>							
2000	55.2	23.8	6.7	1.3	0.8	12.1	8.7
2001	43.6	23.0	5.8	2.9	0.8	23.9	8.5
<i>Concern for public safety</i>							
2000	64.0	25.9	3.8	0.4	0.4	5.4	9.0
2001	58.4	25.5	2.5	0.4	1.2	11.9	8.9
<i>Contributes back to the community</i>							
2000	17.2	15.9	13.4	7.1	10.5	36.0	6.3
2001	14.0	17.3	7.8	4.5	8.2	48.1	6.5

* - New attribute included in the 2001 Tracking Study only

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ Including last year's top performer "concern for public safety", Labrador customers report the highest performance ratings with the attributes "bills easy to read and understand", "billing statement accuracy" and "convenient methods of payment" (8.9 mean rating, respectively).

- ◆ Consistent with 2000, Labrador customers continue to rate Hydro poorly on their contributions to the community. Overall, slightly less than half of Labrador customers are unable to provide a rating on this attribute (48%), and 13% of those customers knowledgeable about Hydro's community contributions, rate Hydro unfavorably on this issue.
- ◆ For the most part, the majority of attributes experience a slight increase or remained constant when compared with the measurements in previous tracking studies. When comparing mean scores, the largest increase in performance is evident with "convenient methods of payment", with 86% satisfied with Hydro on this issue, compared to 82% in 2000 (8.9 and 8.4 mean ratings, respectively).
- ◆ The greatest decline in performance ratings exists with "operates in an environmentally friendly manner". In 2000, 79% rated Hydro favorably on this service attribute, declining this year to 66% of Labrador customers.

12.3 Service Gap Analysis Labrador: Comparison of 2001, 2000 and 1999

Comparing the importance ratings on each service attribute to the performance evaluation of Hydro on these attributes, an average “gap” score is calculated. Essentially, this is the difference between customer perception and expectation on each service attribute. A negative gap score represents lower-than-expected service.

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Electricity at a reasonable cost</i>				
1999	9.5	7.4	-2.2	--
2000	9.6	7.2	-2.5	-0.3
2001	9.8	7.3	-2.6	-0.1
<i>Contributes back to community</i>				
2000	8.8	6.3	-2.7	--
2001	9.2	6.5	-2.6	+0.1
<i>A company which has the customer's best interest at heart</i>				
1999	9.5	7.9	-1.5	--
2000	9.5	7.8	-1.8	-0.3
2001	9.8	7.7	-2.2	-0.4
<i>A reliable, uninterrupted supply of electricity</i>				
1999	9.5	8.1	-1.5	--
2000	9.8	8.2	-1.6	-0.1
2001	9.8	8.2	-1.6	--
<i>Electricity quickly restored when there is a power outage</i>				
1999	9.6	8.2	-1.4	-0.1
2000	9.7	8.3	-1.5	-0.1
2001	9.8	8.0	-1.8	-0.3
<i>Able to complete equip. repairs/ service right the first time</i>				
1999	9.4	8.4	-1.0	--
2000	9.6	8.5	-1.1	-0.1
2001	9.8	8.4	-1.4	-0.3

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Quick response to customer questions and inquiries</i>				
1999	9.1	8.1	-1.0	--
2000	8.8	8.1	-1.1	-0.1
2001	9.5	8.1	-1.4	-0.3
<i>Concern for public safety</i>				
2000	9.8	9.0	-0.8	--
2001	9.9	8.9	-1.0	-0.2
<i>Education or information about electricity use</i>				
1999	8.2	7.5	-0.8	--
2000	8.1	7.5	-0.6	+0.2
2001	8.5	7.5	-1.0	-0.4
<i>Operates in an environmentally friendly manner</i>				
2000	9.6	8.7	-0.9	--
2001	9.7	8.5	-1.2	-0.3
<i>Convenient methods of payment</i>				
1999	9.4	8.3	-1.1	+0.1
2000	9.4	8.4	-1.0	+0.1
2001	9.5	8.9	-0.7	+0.3
<i>Bills easy to read and understand*</i>				
2001	9.4	8.9	-0.4	--
<i>Billing Statement Accuracy*</i>				
2001	9.8	8.9	-0.9	--
<i>Convenient hours of operation</i>				
1999	9.0	8.2	-0.8	--
2000	8.8	8.2	-0.8	--
2001	9.2	8.5	-0.8	--

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Easy access to account information at any time</i>				
1999	9.0	8.2	-0.9	
2000	8.8	8.2	-0.7	+0.2
2001	9.2	8.6	-0.6	+0.1
<i>Friendly & courteous employees</i>				
1999	9.5	8.7	-0.8	--
2000	9.4	8.8	-0.7	+0.1
2001	9.7	8.8	-0.9	-0.2

* - New attribute included in the 2001 Tracking Study only

- ◆ Most notable, the largest gap rating is evident for “electricity at a reasonable cost” and “contributes back to the community”. Declining since the initial baseline study, the reasonable cost of electricity falls 2.6 percentage points below customer expectations in 2001 (2.2 and 2.5 points below expectations in 1999 and 2000 respectively). Similar to the evaluation last year (-2.7), Hydro’s initiatives to contribute back to the community continue to fall 2.6 points below expectation in 2001.
- ◆ The attributes “a company which has the customers best interest at heart “ (falls 1.8 points below expectations in 2000, and 2.2 points below in 2001) and “ education or information about electricity use” (falls 0.6 points below expectations in 2000 and 1.0 point below in 2001) exhibit the largest change in gap rating for 2001.
- ◆ Consistent with its higher performance ratings, the gap rating for “convenient methods of payment” continues to improve. In 1999, this attribute fell 1.1 points short of customer expectations, steadily improving to 0.7 point below expectations in 2001. Similarly, the attribute “easy access to account information at any time” continues to experience an improvement in service gap (0.9 points below in 1999 versus 0.6 points below in 2001).

13.0 NORTHERN REGION

13.1 Importance Factors Northern: Comparison of 2001, 2000 and 1999

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	93.8	2.4	2.9	1.0	--	--	9.8
2000	95.5	3.0	1.5	--	--	--	9.8
2001	96.7	2.4	0.5	--	0.5	--	9.9
<i>Electricity at a reasonable cost</i>							
1999	88.9	8.2	1.9	--	1.0	--	9.6
2000	93.0	5.0	2.0	--	--	--	9.8
2001	94.8	2.8†	1.4	--	0.9	--	9.8
<i>Electricity quickly restored when there is a power outage</i>							
1999	92.3	6.7	1.0	--	--	--	9.7
2000	89.6	9.5	1.0	--	--	--	9.7
2001	93.8	5.2	0.9	--	--	--	9.8
<i>Bills easy to read and understand**</i>							
2001	92.9	7.1	--	--	--	--	9.8
<i>Billing Statement Accuracy**</i>							
2001	96.2	3.8	--	--	--	--	9.9
<i>Quick response to customer questions and inquiries</i>							
1999	88.0	8.6	1.4	--	1.0	1.0	9.5
2000	76.6*	17.4*	4.0	1.5	0.5	--	9.2
2001	89.1	10.0	0.9	--	--	--	9.7
<i>Convenient hours of operation</i>							
1999	84.1	7.7	3.8	--	1.4	2.9	9.4
2000	71.1*	21.9*	4.0	2.0	1.0	--	9.0
2001	88.6	9.5	0.9	--	0.5	0.5†	9.7
<i>Easy access to account information at any time</i>							
1999	81.3	9.1	7.7	1.0	1.0	--	9.3
2000	72.6*	15.4*	5.5	1.5	3.0	2.0	8.9
2001	87.7	9.5	0.5	--	1.4	0.9	9.6
<i>Able to complete equipment repairs and service right the first time</i>							
1999	96.2	2.9	1.0	--	--	--	9.7
2000	88.1*	10.0*	1.0	--	0.5	0.5	9.6
2001	91.9	4.3	1.9	--	0.9	0.9	9.7

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Education or information about electricity use</i>							
1999	72.2	17.7	6.2	1.0	2.9	--	8.9
2000	57.7*	24.9*	10.9*	3.0	3.0	0.5	8.4
2001	73.0	16.6	6.6	0.9	--	2.8	9.2
<i>Friendly & courteous employees</i>							
1999	89.0	6.7	1.0	1.0	1.4	1.0	9.6
2000	85.1	9.5	2.5	1.0	1.0	1.0	9.4
2001	91.5	5.7	1.4	--	0.5	0.9	9.7
<i>A company which has the customer's best interest at heart</i>							
1999	95.2	2.9	1.0	--	1.0	--	9.8
2000	88.6*	6.0	3.5*	1.0	1.0	--	9.5
2001	92.4	6.2	0.5	--	--	0.9	9.8
<i>Convenient methods of payment</i>							
1999	87.0	8.1	1.9	1.4	1.0	--	9.6
2000	84.6	12.4	1.0	1.0	--	1.0	9.5
2001	92.9	6.2	0.5	--	0.5	--	9.7
<i>Operates in an environmentally responsible manner</i>							
2000	79.1	15.9	1.5	0.5	0.5	2.5	9.4
2001	91.9	6.2	0.5	0.5	--	0.9	9.8
<i>Concern for public safety</i>							
2000	92.0	5.5	1.5	--	--	1.0	9.8
2001	99.1	0.9	--	--	--	--	10.0
<i>Contributes back to the community</i>							
2000	70.6	15.4	4.0	0.5	1.0	8.5	9.2
2001	80.1	10.4	1.4	0.5	0.9	6.6	9.5

** - New attribute included in the 2001 Tracking Study only

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ Consistent with previous tracking studies, Northern customers rate “concern for public safety” as the most important attribute of the services provided by their electric company (99% very important; 10.0 mean rating)
- ◆ In addition to public safety, Hydro customers attribute a high level of importance to “billing statement accuracy” (96% very important), and “a reliable, uninterrupted supply of electricity” (97% very important”).

- ◆ Although remaining constant as the least important attribute of service, “education and information about electricity use” has increased in importance among Northern customers, back to the levels first reported in 1999 (1999: 72% very important; 2000: 58% very important, 2001: 73% very important).
- ◆ In 2001, an increase in importance is evident among all of the attributes measured. The most significant shifts in importance occurs for the attribute “convenient hours of operation” (9.7 in 2001 from 9.0 in 2000) and “easy access to account information at any time” (9.6 in 2001 from 8.9 in 2000).

13.2 Performance Evaluation Northern: Comparison of 2001, 2000 and 1999

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	49.3	36.8	9.6	0.5	2.9	1.0	8.0
2000	57.2	31.8	8.5	1.5	1.0	--	8.5
2001	60.2†	24.6†	10.0	3.3†	1.9	--	8.5
<i>Electricity at a reasonable cost</i>							
1999	13.5	36.1	34.1	5.3	9.6	1.4	6.2
2000	19.4	34.3	25.4*	8.5	11.9	0.5	6.3
2001	19.9†	28.4†	29.4	11.4†	10.4	0.5	6.2
<i>Electricity quickly restored when there is a power</i>							
1999	60.0	28.2	7.6	1.4	2.8	--	8.3
2000	54.7	32.8	10.0	2.0	0.5	--	8.4
2001	56.9	25.1	10.9	2.8	3.3	0.9	8.3
<i>Bills easy to read and understand**</i>							
2001	79.6	16.6	2.4	0.5	0.5	0.5	9.3
<i>Billing statement accuracy**</i>							
2001	78.7	15.2	3.8	0.9	1.4	--	9.2
<i>Quick response to customer questions and inquiries</i>							
1999	53.8	20.2	6.3	2.9	2.9	13.9	8.3
2000	46.3	22.4	13.4*	3.0	1.5	13.4	8.2
2001	62.1	20.4	8.5	0.5	1.9	6.6	8.8
<i>Convenient hours of operation</i>							
1999	67.0	17.2	4.8	2.9	0.5	7.7	8.8
2000	52.2*	26.9*	8.0	0.5	0.5	11.9	8.7
2001	73.9	16.6	5.2	0.9	--	3.3	9.2
<i>Easy access to account information at any time</i>							
1999	58.7	18.8	4.8	2.9	1.9	13.0	8.6
2000	56.2	16.9	5.5	2.0	1.0	18.4	8.7
2001	66.8	17.5	5.7	--	0.5	9.5	9.1

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Able to complete equipment repairs and service right the first time</i>							
1999	60.6	24.0	6.3	0.5	--	8.7	8.6
2000	57.2	26.4	7.5	2.0	1.0	6.0	8.6
2001	62.6	22.7	7.1	0.9	1.9	4.7	8.8
<i>Education or information about electricity use</i>							
1999	43.1	30.1	10.0	5.7	4.3	6.7	7.6
2000	37.3	23.4	17.9*	6.0	5.0	10.4	7.4
2001	47.9	24.6	12.3	5.2	2.4	7.6	8.1
<i>Friendly & courteous employees</i>							
1999	74.5	14.4	0.5*	1.0	--	9.6	9.2
2000	72.6	16.9	3.5†	2.0	1.0	4.0*	9.1
2001	80.1	14.2	3.8	--	0.5	1.4†	9.3
<i>A company which has the customer's best interest at</i>							
1999	57.9	21.5	9.6	2.9	1.9	6.2	8.2
2000	42.8*	26.9	16.4*	3.5	3.0	7.5	7.9
2001	52.1	25.6	8.1	4.3	1.9	8.1	8.4
<i>Convenient methods of payment</i>							
1999	78.8	14.4	3.8	1.9	--	1.0	9.0
2000	71.1*	16.4	3.5	2.0	2.0	5.0	9.0
2001	79.6	15.6	3.3	0.5	--	0.9	9.3
<i>Operates in an environmentally responsible manner</i>							
2000	56.7	16.4	7.0	0.5	0.5	18.9	8.9
2001	66.4	16.6	5.2	--	0.5	11.4	9.1
<i>Concern for public safety</i>							
2000	72.6	14.4	3.0	--	2.0	8.0	9.1
2001	79.6	15.2	2.8	--	--	2.4	9.4
<i>Contributes back to community</i>							
2000	20.4	9.0	7.0	5.0	12.4	46.3	6.3
2001	19.9	13.3	8.1	5.2	10.0	43.6	6.6

** - New attribute included in the 2001 Tracking Study only

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ In Northern, customers rate Hydro favourably on the majority of the sixteen attributes included in the 2001 tracking study (6.2 to 9.4 mean rating out of 10). More specifically, a marginal increase in performance exists for most of the attributes, thus exceeding performance levels first measured in 1999.

- ◆ Moving up from second place in 2000, Northern customers now rate “concern for public safety” as the top performer (80% excellent: 9.4 mean rating). In close second, customers rate Hydro favourably on “bills easy to read and understand” (80% excellent: 9.3 mean rating).
- ◆ Similar to previous years, Northern customers continue to rate Hydro poorly on “electricity at a reasonable cost” (6.2 mean rating) and “contributions back to the community” (6.6 mean rating).
- ◆ A significant increase in performance rating is evident for “ quick response to customer questions and inquiries”, with 62% of customers rating Hydro as “excellent” on this point, compared to 54% of customers in 1999 and 46% of customers in 2000.
- ◆ At its highest point to date, Northern customers express a high level of satisfaction with “convenient hours of operation”, with the majority of customers now rating Hydro as “excellent” on this point (74%), and less often rating them as “good” (17%).

13.3 Service Gap Analysis Northern: Comparison of 2001, 2000 and 1999

Comparing the importance ratings on each service attribute to the performance evaluation of Hydro on these attributes, an average “gap” score is calculated. Essentially, this is the difference between customer perception and expectation on each service attribute. A negative gap score represents lower-than-expected service.

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Electricity at a reasonable cost</i>				
1999	9.6	6.2	-3.4	
2000	9.8	6.3	-3.5	-0.1
2001	9.8	6.2	-3.5	--
<i>Contributes back to community</i>				
2000	9.2	6.3	-2.8	--
2001	9.5	6.6	-2.7	+0.1
<i>A company which has the customer's best interest at heart</i>				
1999	9.8	8.2	-1.6	--
2000	9.5	7.9	-1.6	--
2001	9.8	8.4	-1.4	+0.2
<i>A reliable, uninterrupted supply of electricity</i>				
1999	9.8	8.0	-1.7	--
2000	9.8	8.5	-1.3	+0.4
2001	9.9	8.5	-1.4	-0.1
<i>Electricity quickly restored when there is a power outage</i>				
1999	9.7	8.3	-1.5	--
2000	9.7	8.4	-1.3	+0.2
2001	9.8	8.3	-1.5	-0.2
<i>Able to complete equip. repairs/ service right the first time</i>				
1999	9.7	8.6	-1.1	
2000	9.6	8.6	-1.0	+0.1
2001	9.7	8.8	-0.9	+0.1

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Quick response to customer questions and inquiries</i>				
1999	9.5	8.3	-1.2	
2000	9.2	8.2	-1.0	+0.2
2001	9.7	8.8	-0.9	+0.1
<i>Concern for public safety</i>				
2000	9.8	9.1	-0.7	--
2001	10.0	9.4	-0.6	+0.1
<i>Education or information about electricity use</i>				
1999	8.9	7.6	-1.3	
2000	8.4	7.4	-1.0	+0.1
2001	9.2	8.1	-1.1	-0.1
<i>Operates in an environmentally friendly manner</i>				
2000	9.4	8.9	-0.5	
2001	9.8	9.1	-0.6	-0.1
<i>Convenient methods of payment</i>				
1999	9.6	9.0	-0.5	
2000	9.5	9.0	-0.6	-0.1
2001	9.7	9.3	-0.5	+0.1
<i>Bills easy to read and understand*</i>				
2001	9.8	9.3	-0.5	--
<i>Billing Statement Accuracy*</i>				
2001	9.9	9.2	-0.7	--
<i>Convenient hours of operation</i>				
1999	9.4	8.8	-0.6	
2000	9.0	8.7	-0.3	+0.3
2001	9.7	9.2	-0.5	-0.2

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Easy access to account information at any time</i>				
1999	9.3	8.6	-0.6	
2000	8.9	8.7	-0.1	+0.5
2001	9.6	9.1	-0.4	-0.3
<i>Friendly & courteous employees</i>				
1999	9.6	9.2	-0.4	
2000	9.4	9.1	-0.3	+0.1
2001	9.7	9.3	-0.4	-0.1

* - New attribute included in the 2001 Tracking Study only

- ◆ Similar to other service regions, the largest service gap exists with “electricity at a reasonable cost”, which falls 3.5 points below expectations in 2001. Second to cost, “contributes back to the community” exhibits a large gap of -2.7 points, reflecting a performance rating 2.7 points below customer expectations on this issue.
- ◆ The greatest improvement in gap rating occurs with “a company which has the customer’s best interests at heart”, with the gap decreasing to 1.4 points below customer expectations , compared to 1.6 points below expectations in previous studies. This is most likely attributable to a reported increase in performance among Northen customers on this point (2000: 7.9 mean rating; 2001: 8.4 mean rating).
- ◆ Although still an improvement over 1999 (-0.6 points), the gap rating associated with “easy access to account information at any time” increases slightly in 2001 (2001: -0.4 versus 2000: -0.1)

14.0 CENTRAL REGION

14.1 Importance Factors Central: Comparison of 2001, 2000 and 1999

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	92.0	4.8	2.8	--	0.4	--	9.7
2000	97.0*	2.5	0.5	--	--	--	9.9
2001	94.0	4.0	0.5	0.5	0.5	0.5	9.8
<i>Electricity at a reasonable cost</i>							
1999	90.9	6.7	2.4	--	--	--	9.6
2000	92.0	5.5	2.5	--	--	--	9.7
2001	97.0	2.5†	--	0.5	--	--	9.9
<i>Electricity quickly restored when there is a power</i>							
1999	88.9	8.7	1.2	--	--	1.2	9.7
2000	93.5	4.5*	1.5	--	--	0.5	9.8
2001	93.5	4.5†	1.5	--	--	0.5	9.8
<i>Bills easy to read and understand**</i>							
2001	88.0	9.5	2.0	--	--	0.5	9.7
<i>Billing Statement Accuracy**</i>							
2001	95.0	4.5	0.5	--	--	--	9.8
<i>Quick response to customer questions and inquiries</i>							
1999	82.9	12.7	1.2	1.2	--	2.0	9.4
2000	74.0*	18.5	6.0*	0.5	--	1.0	9.2
2001	85.5	11.5	1.0	--	0.5	1.5	9.6
<i>Convenient hours of operation</i>							
1999	77.2	16.0	4.8	0.8	--	1.2	9.3
2000	75.0	15.5	8.0	0.5	0.5	0.5	9.1
2001	80.5	12.5	2.5	0.5	0.5	3.5	9.5
<i>Easy access to account information at any time</i>							
1999	81.3	17.1	0.4	1.2	--	--	9.3
2000	74.0*	18.5	6.0*	0.5	0.5	0.5	9.1
2001	82.0	11.5	2.5	0.5	1.5	2.0	9.4
<i>Able to complete equipment repairs and service right the first</i>							
1999	84.5	13.5	2.0	--	--	--	9.6
2000	89.0	8.0*	1.0	--	--	2.0	9.7
2001	93.5†	5.0†	1.0	--	--	0.5	9.8

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Education or information about electricity use</i>							
1999	59.4	27.5	11.2	0.8	--	1.2	8.7
2000	51.5	28.5	15.5	2.5	0.5	1.5	8.3
2001	67.5	22.0	7.0	1.5	--	2.0	9.0
<i>Friendly & courteous employees</i>							
1999	88.8	10.0	1.2	--	--	--	9.5
2000	87.0	10.5	1.5	1.0	--	--	9.5
2001	90.0	7.5	1.0	0.5	--	1.0	9.7
<i>A company which has the customer's best interest at heart</i>							
1999	89.6	6.4	2.8	--	--	1.2	9.6
2000	85.5	9.5	4.0	--	--	1.0	9.5
2001	94.5	2.5	2.0	--	--	1.0	9.8
<i>Convenient methods of payment</i>							
1999	84.5	13.1	1.2	--	--	1.2	9.5
2000	81.5	15.0	2.5	0.5	--	0.5	9.3
2001	92.5	4.5	1.5	--	0.5	1.0	9.7
<i>Operates in an environmentally responsible manner</i>							
2000	86.0	10.5	1.5	0.5	--	1.5	9.6
2001	86.5	9.0	1.5	0.5	--	2.5	9.7
<i>Concern for public safety</i>							
2000	96.5	3.0	0.5	--	--	--	9.8
2001	97.0	2.0	0.5	--	--	0.5	9.9
<i>Contributes back to community</i>							
2000	61.0	21.5	4.5	1.0	--	12.0	9.1
2001	76.5	15.0	1.5	--	0.5	6.5	9.5

** New attribute included in the 2001 Tracking Study only

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ This year, Central customers rate “electricity at a reasonable cost” and “concern for public safety” as the most important attributes of service (97% rated “very important” and 9.9 mean rating, respectively). This most likely reflects a continued increase in the rated importance of the attribute since the initial baseline study in 1999, with respondents less likely to rate the attribute as “important” and more likely to rate it “very important”.
- ◆ Similar to the other areas, almost all of the attributes experience a marginal increase in rated importance in 2001. The largest increase in importance rating is evident with “education or information about electricity use”, with 68% of customers rating this attribute as “very important”, compared to 52% of customers in 2000 (1999: 59% “very important”).

- ◆ An increase in importance levels occurs for the attributes “quick response to customer questions and inquiries” (2001: 9.6 mean rating, 2000: 9.2 mean rating, 1999: 9.4 mean rating) and “convenient hours of operation” (2001: 9.5 mean rating, 2000: 9.1 mean rating and 1999: 9.3 mean rating), with both attributes increasing to the highest importance levels to date.

14.2 Performance Evaluation Central: Comparison of 2001, 2000 and 1999

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	59.0	24.3	12.4	3.6	0.8	--	8.8
2000	72.0*	20.5	6.5	0.5*	0.5	--	9.0
2001	60.0	31.5	6.5	1.5	0.5	--	8.7
<i>Electricity at a reasonable cost</i>							
1999	17.5	28.7	28.3	10.0	13.5	2.0	6.2
2000	26.0*	36.5*	22.0	6.0	9.0	0.5	6.8
2001	29.5†	34.0	25.0	4.5†	5.5†	1.5	7.1
<i>Electricity quickly restored when there is a power outage</i>							
1999	49.0	36.7	10.8	2.8	0.8	--	8.6
2000	59.5*	29.5	7.0	2.0	1.5	0.5	8.6
2001	63.0†	25.5†	10.0	0.5†	0.5	0.5	8.7
<i>Bills easy to read and understand**</i>							
2001	86.0	10.5	3.0	--	--	0.5	9.4
<i>Billing statement accuracy**</i>							
2001	85.5	11.5	1.0	0.5	0.5	1.0	9.5
<i>Quick response to customer questions and inquiries</i>							
1999	41.0	20.0	8.0	2.8		28.3	8.6
2000	50.0	20.5	8.0	2.5	1.0	18.0*	8.5
2001	61.0	17.0	6.0	--	--	16.0†	9.1
<i>Convenient hours of operation</i>							
1999	64.1	16.0	6.0	2.0		12.0	9.1
2000	61.5	23.0*	5.0	0.5	0.5	9.5	8.9
2001	68.5	13.5	3.0	1.0	--	14.0	9.3
<i>Easy access to account information at any time</i>							
1999	56.0	21.0	3.2	1.2	--	18.7	9.0
2000	60.5	14.0*	4.0	1.0	--	20.5	9.1
2001	63.5	14.0†	5.5	--	1.0	16.0	9.1
<i>Able to complete equipment repairs and service right the first</i>							
1999	60.3	25.0	7.5		2.0	5.2	8.9
2000	62.0	20.5	3.5	1.5	1.0	11.5*	8.9
2001	71.5	19.0	3.0†	0.5	0.5	5.5	9.2
<i>Education or information about electricity use</i>							
1999	38.5	24.2	11.1	12.3	3.2	10.7	7.7
2000	41.5	27.5	16.0	3.5*	2.0	9.5	7.9
2001	45.0	24.5	7.5	2.0†	5.5	15.5	8.2

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Friendly & courteous employees</i>							
1999	70.2	17.1	1.2		2.0	9.5	9.2
2000	76.5	13.0	5.0*	--	--	5.5	9.3
2001	82.0†	10.0†	1.0†	1.0	--	6.0	9.5
<i>A company which has the customer's best interest at heart</i>							
1999	42.7	31.6	12.6	4.7	3.2	5.1	7.9
2000	47.5	27.0	16.0	2.5	3.0	4.0	8.0
2001	56.0	23.0†	11.0	1.5†	1.5	7.0	8.6
<i>Convenient methods of payment</i>							
1999	74.6	20.2	2.4	0.8		2.0	9.2
2000	76.5	18.0	3.0	0.5	--	2.0	9.2
2001	81.5†	10.5	3.0	--	1.5	3.5	9.4
<i>Operates in an environmentally responsible manner</i>							
2000	65.5	18.0	2.5	0.5	--	13.5	9.2
2001	64.0	16.0	2.0	--	--	18.0	9.3
<i>Concern for public safety</i>							
2000	74.0	18.0	2.0	0.5	--	5.5	9.3
2001	80.5	14.0	1.5	0.5	--	3.5	9.5
<i>Contributes back to community</i>							
2000	13.5	13.0	6.0	5.0	10.5	52.0	6.1
2001	27.5	16.0	9.5	1.0	10.5	35.5	7.2

* *- New attribute included in the 2001 Tracking Study only

■ - indicates significant differences at the 90% confidence level (See Appendix C for explanation)

† - indicates significant differences at the 90% confidence level between 1999 and 2001 data

* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

- ◆ In 2001, there is an increase in performance ratings for most of the service attributes. The attributes experiencing the most significant increases include:
 - “Contributes back to the community” (2001: 7.2 mean rating versus 2000: 6.1 mean rating)
 - “Quick response to customer questions and inquiries” (2001: 9.1 mean rating versus 2000: 8.5 mean rating).
 - “A company which has the customers best interest at heart” (2001: 8.6 mean rating versus 2000: 8.0 mean rating).
- ◆ Displacing last year’s top performer “friendly and courteous employees”, Central customers rate Hydro most favorably on “billing statement accuracy” and “concern for public safety” (9.5 mean rating, respectively).
- ◆ In Central, customers rate Hydro most poorly on “electricity at a reasonable cost” (7.1 mean rating).
- ◆ In 2000, customers were most dissatisfied with Hydro’s contribution back to the community , however in 2001, the performance rating for this attribute increased (2001: 7.2 mean rating versus 2000: 6.1). This is most likely attributable to an increase in the percentage of customers aware of Hydro’s community contributions (2001: 36% don’t know versus 2000: 52% don’t know) and those customers rating Hydro “excellent” on this issue (2001: 28%, 2000: 14%).
- ◆ In 2001, a decline in performance rating exists with the attribute “a reliable, uninterrupted supply of electricity”. This year, Hydro customers were less likely to rate Hydro “excellent” on this attribute and more likely to rate them as “good”(2001: 60% excellent versus 2000: 72% excellent)

14.3 Service Gap Analysis Central: Comparison of 2001, 2000 and 1999

Comparing the importance ratings on each service attribute to the performance evaluation of Hydro on these attributes, an average “gap” score is calculated. Essentially, this is the difference between customer perception and expectation on each service attribute. A negative gap score represents lower-than-expected service.

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Electricity at a reasonable cost</i>				
1999	9.6	6.2	-3.4	--
2000	9.7	6.8	-2.9	+0.5
2001	9.9	7.1	-2.8	+0.1
<i>Contributes back to community</i>				
2000	9.1	6.2	-2.5	--
2001	9.5	7.2	-2.3	+0.2
<i>A company which has the customer's best interest at heart</i>				
1999	9.6	7.9	-1.7	--
2000	9.5	8.0	-1.5	+0.2
2001	9.8	8.6	-1.3	+0.2
<i>A reliable, uninterrupted supply of electricity</i>				
1999	9.7	8.8	-0.9	--
2000	9.9	9.0	-0.9	--
2001	9.8	8.7	-1.1	-0.2
<i>Electricity quickly restored when there is a power outage</i>				
1999	9.7	8.6	-1.1	--
2000	9.8	8.6	-1.2	-0.1
2001	9.8	8.7	-1.1	+0.1

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Able to complete equip. repairs/ service right the first time</i>				
1999	9.6	8.9	-0.7	--
2000	9.7	8.9	-0.8	-0.1
2001	9.8	9.2	-0.6	+0.2
<i>Quick response to customer questions and inquiries</i>				
1999	9.4	8.6	-0.7	--
2000	9.2	8.5	-0.6	+0.1
2001	9.6	9.1	-0.5	+0.1
<i>Concern for public safety</i>				
2000	9.8	9.3	-0.5	--
2001	9.9	9.5	-0.4	+0.1
<i>Education or information about electricity use</i>				
1999	8.7	7.7	-1.0	
2000	8.3	7.9	-0.4	+0.6
2001	9.0	8.2	-0.9	-0.5
<i>Operates in an environmentally friendly manner</i>				
2000	9.6	9.2	-0.3	--
2001	9.7	9.3	-0.4	-0.1
<i>Convenient methods of payment</i>				
1999	9.5	9.2	-0.3	--
2000	9.3	9.2	-0.1	+0.2
2001	9.7	9.4	-0.3	-0.2
<i>Bills easy to read and understand*</i>				
2001	9.7	9.4	-0.2	--
<i>Billing Statement Accuracy*</i>				
2001	9.8	9.5	-0.4	--

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Convenient hours of operation</i>				
1999	9.3	9.1	-0.2	--
2000	9.1	8.9	-0.2	--
2001	9.5	9.3	-0.3	-0.1
<i>Easy access to account information at any time</i>				
1999	9.3	9.0	-0.3	
2000	9.1	9.1	-0.1	+0.2
2001	9.4	9.1	-0.4	-0.3
<i>Friendly & courteous employees</i>				
1999	9.5	9.2	-0.3	
2000	9.5	9.3	-0.2	+0.1
2001	9.7	9.5	-0.2	--

* - New attribute included in the 2001 Tracking Study only

- ◆ In Central, the largest gap is associated with the cost of electricity, reflecting a performance rating 2.8 points below customer expectations. Second to cost, the greatest gap exists with Hydro's initiatives to contribute to the community (-2.3 gap). However, both of the gap scores associated with these attributes have improved since 2000, reflecting an increase in the performance rating.
- ◆ Although the gap for "a company which has the customer's best interest at heart" remains high, it has been steadily improving since the initial study (2001: -1.3 gap rating, 2000:-1.5, 1999: -1.7). This is most likely attributable to a slightly higher importance rating, in addition to an improved performance rating.
- ◆ Compared to last year's study, the gap for "education or information about electricity use" has again increased to levels first reported in 1999 (2001: -0.9 mean rating; 2000: -0.4 mean rating; 1999: -1.0 mean rating). Most likely, this reflects an increase in the rated importance of the attribute among Central customers.

APPENDIX A: SURVEY INSTRUMENT

Customer Satisfaction Survey September 2001

Hello, my name is _____ from Market Quest Research, a professional marketing research firm. Today/tonight we are conducting a short survey on household electricity. May I please speak to the adult who is primarily responsible for paying your home electric bill and dealing with the electric company [REPEAT INTRO. IF NECESSARY]. We would appreciate your participation, would you have a few minutes to complete the survey? ...it will take approximately 5 minutes of your time.

YES - CONTINUE

NO - THANK & TERMINATE

Screener:

1a. Do you or does anyone in your household or immediate family work for:

	Yes	No
an electric company	1	2
an advertising or marketing research firm	1	2

IF YES TO ANY OF THE ABOVE - THANK & TERMINATE

1b. What is the name of the electric company which....

	<i>NF & LAB. HYDRO</i>	<i>NF POWER</i>	<i>D/K OR N/A</i>
...Supplies electricity to your permanent home or where you spend the majority of your time?	1	2	3
...Supplies electricity to a temporary dwelling such as a cabin, cottage or summer home?	1	2	3

IF NF & LAB HYDRO NOT MENTIONED- THANK & TERMINATE

We are conducting this survey on behalf of NF & Labrador Hydro to measure customer satisfaction and identify ways to improve the service they offer you. Your household has been randomly selected to participate in this survey. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, I would like to ask you to be honest in your response, whether good or bad.

2. Before we talk specifically about NF & Lab. Hydro, please think about electric companies in general, and about what is important for any electric company to provide you and your household. Using a scale of 1 to 10 where 1 means “Not At All Important” and 10 means “Extremely Important”, please rate the importance of: [READ LIST]

	Not At All Imp.							Extremely Imp.			D/K
	1	2	3	4	5	6	7	8	9	10	11
A reliable, uninterrupted supply of electricity											
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11
Billing statement accuracy	1	2	3	4	5	6	7	8	9	10	11
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11

3. Now think specifically about the service, which you currently receive from NF & Labrador Hydro. Based on your experienced to date and using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent” ... please rate the performance of NF & Labrador Hydro in providing you: **[READ LIST]**

	Very Poor								Excellent		D/K
	1	2	3	4	5	6	7	8	9	10	11
A reliable, uninterrupted supply of electricity											
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11
Billing Statement Accuracy	1	2	3	4	5	6	7	8	9	10	11
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11

BILLING

4. Currently, the electric bill you receive each month is for your household's use of electricity in that particular month. Equal payment plan is a different method of billing, whereby customers are billed an equal amount over 12 months. Although you pay equal amounts, you are still required to pay for the electricity you actually use. At the end of the year, if your household used more or less electricity than the amount paid, your equal payment is adjusted being either increased or decreased for each month in the next year. If NF & Lab. Hydro was to offer an equal payment plan, would you definitely use, likely use or not likely use this service...

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

5. If NF and Lab. Hydro were to offer a pre authorized bill payment option, where the amount of your bill is automatically deducted from your bank account each month ...would you definitely use, likely use, or not likely use this option?

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

6. Do you have access to the Internet.... **[READ LIST]**

	Yes	No	N/A
At home	1	2	3
At work	1	2	3
At School	1	2	3

IF YES TO ANY OF THE ABOVE CONTINUE, ELSE GO TO Q9

7. If NF & Lab. Hydro were to offer access to your **[READ LIST]** over the Internet, how likely you would be to use this service... would you definitely use, likely use or not likely use this service...

	Definitely Use	Likely Use	Not Likely Use	D/ K
a) Account Balance	1	2	3	4
b) Account History	1	2	3	4
c) Bill Payment Options	1	2	3	4

8. If NF & Lab. Hydro were to offer a payment option where you could pay your electricity bill over the Internet, directly to NF and Lab. Hydro.. how likely would you be to use this service.. would you definitely use, likely use or not likely use this service...

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

GENERAL

9. Now please think of electric companies as serving customers in two ways: (1) the first, being the supply of electricity to your home and (2) the second being, customer service or response to customer needs, such as hook-ups, repairs, account billings and inquiries. On a scale of 1 to 10, with a 1 meaning "Very Dissatisfied" and a 10 meaning "Very Satisfied", how satisfied are you with: **[READ LIST]**

	Very Dissat.										Very Sat.		D/K
The <u>supply of electricity</u> you receive from NF & Lab. Hydro	1	2	3	4	5	6	7	8	9	10	11		
The overall <u>customer service</u> you receive from NF & Lab. Hydro	1	2	3	4	5	6	7	8	9	10	11		

10. Which of the following statements best describes... **[READ LIST]**

	Have not met my expectations	Met my expectations	Exceeded my expectations
The <u>supply of electricity</u> you receive from NF & Lab. Hydro	1	2	3
The overall <u>customer service</u> you receive from NF & Lab. Hydro	1	2	3

DEMOGRAPHICS

Now just some final questions for classification purposes only....

11. For approximately how many years have you been a customer of NF & Lab. Hydro? _____years
12. In which community do you live? _____
13. In what year were you born? 19_____

14. What is the highest level of education you have completed? **[READ LIST]**

Elementary School	1
Some High School	2
Graduated High School	3
Vocational/Technical College	4
Some University	5
Graduated University	6
Refused	7

15. Which of the following best describes your present employment status? **[READ LIST]**

Working full time	1
Working part time	2
Working seasonally	3
Unemployed	4
Homemaker	5
Retraining / upgrading	6
Retired	7

16. Which of the following best describes your total household income (before taxes)? **[READ LIST]**

\$20,000 and under	1
\$20,001 to \$40,000	2
\$40,001 to \$60,000	3
\$60,001 to \$80,000	4
\$80,001 and over	5
Refused	6

Before we finish, I would like to inform you that you may receive a quality control check. My supervisor calls back 10% of all my completed surveys just to ensure that you were comfortable participating and that I was doing my job correctly. In case my supervisor would like to verify this survey, may I have your first name or initials _____.

I would like to thank you for your participation, your assistance is greatly appreciated. Have a good day/evening!

INTERVIEWER USE ONLY:

Gender:		Region:		Community:	
Male	1	Labrador	1	Interconnected	1
Female	2	Northern	2	Isolated	2
		Central	3		


Interviewer: _____ Date: _____

Phone Number: _____

Data Entry: _____

APPENDIX B: THEORY OF Z-TESTS

Throughout this report, significant differences between proportions are indicated by a shaded area and the following footnote:

-  - indicates a significant difference at the 90% confidence level
† - indicates significant differences at the 90% confidence level between 1999 and 2001 data
* - indicates significant differences at the 90% confidence level between 1999 and 2000 data

Sometimes the focus of attention in a table might be on the percentage of respondents from two different groups (for example from two different areas). When data is segmented by groups, in most situations, it is of value to test for a difference between two proportions or groups.

When interested in comparing two population proportions from two independent samples, the focus of statistical testing is concentrated on the size of the difference between the two percentages. To test for a statistical difference, the null hypothesis is the hypotheses which is tested, that is, that there is no difference between the proportions. To determine if the difference in the proportions is significant a z-score is used. The distance that this measurement lies above or below the mean of the data set, measured in units of standard deviation is called the z-score for the measurement.

In the Marketing Research Industry it is typical to use a 90% confidence coefficient as the critical value or a z-score of 1.64. This specifies what is known as the “reject region” for the null hypothesis. When the difference between the measures indicates a z-score either above or below this critical value (1.64), the difference is considered significant. That is, there is evidence to suggest that the null hypothesis should be rejected and that a statistical difference between the two proportions exists and is not due to uncontrollable sampling error.

2001 GENERAL SERVICE CUSTOMER SATISFACTION BASELINE STUDY

FINAL REPORT

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TABLE OF CONTENTS

1.0	STUDY BACKGROUND AND METHODOLOGY	3
1.1	STUDY BACKGROUND	3
1.2	STUDY METHODOLOGY	4
1.3	THIS REPORT	5
2.0	SUMMARY OF KEY FINDINGS.....	6
3.0	PROFILE OF SURVEY RESPONDENTS	8
3.1	DEMOGRAPHIC CHARACTERISTICS	8
3.2	RATE AREAS	9
3.3	YEARS OF SERVICE RELATIONSHIP	9
4.0	IMPORTANCE & PERFORMANCE RATINGS.....	10
4.1	IMPORTANCE FACTORS	11
4.2	PERFORMANCE EVALUATION.....	13
5.0	SERVICE GAP ANALYSIS	15
5.1	“GAP” ON SPECIFIC SERVICE ATTRIBUTES	15
5.2	“GAP” ON KEY SERVICE DIMENSIONS	17
6.0	SERVICE RELIABILITY	19
6.1	OVERALL SATISFACTION WITH SERVICE RELIABILITY	19
6.2	GAP	19
7.0	CUSTOMER SERVICE.....	20
7.1	OVERALL SATISFACTION WITH CUSTOMER SERVICE	20
8.0	BILLING	21
8.1	SATISFACTION WITH CONTENT OF MONTHLY ELECTRIC BILL	21
8.2	SUGGESTED IMPROVEMENTS TO MONTHLY BILL	22
	APPENDIX A: SURVEY INSTRUMENT	23

1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

On behalf of Newfoundland & Labrador Hydro (Hydro), during early October 2001, Market Quest Research completed a baseline General Service Customer Satisfaction research study. The main purpose of this research was to measure the performance of Hydro in providing customer service to its general service or commercial customers and to provide a baseline against which to compare future company performance.

Newfoundland & Labrador Hydro has approximately 28,000 residential accounts and 4,700 general service accounts in rural Newfoundland and Labrador communities.

Hydro has been measuring the satisfaction of its residential customers through a Baseline Customer Satisfaction Study in 1999 and through annual tracking studies completed in 2000 and 2001. This study represents Hydro's first effort to monitor the customer satisfaction of its general service customers. The establishment of a 2001 baseline study is intended as a starting point, providing the groundwork against which to compare future performance. It is recommended that performance indicators be collected on an annual basis to "track" and measure any movement in commercial customer expectation and satisfaction with the performance of Hydro.

Service quality is a measure of how well the service delivered matches customer expectation. This study recognizes that customer satisfaction is not only a function of customer service delivery but also a function of specific attributes of the physical service. As a service company, to achieve sustainable customer satisfaction, Hydro must aim to provide customers with outstanding value, exceeding their expectations on both tangible and intangible service. The findings of this report identify areas of potential improvement upon which service initiatives and goals should be established to motivate staff in providing *excellent service* which exceeds customer expectations.

1.2 Study Methodology

The research methodology chosen for this study was a quantitative telephone survey of Hydro's general service customer base in Newfoundland & Labrador. Data collection was undertaken from October 9th-15th and a total of 270¹ customers were contacted. This study sample size² is sufficient to provide a high level of confidence (overall study margin of error: $\pm 5.0\%$, 19 times out to 20 or at the 95% confidence level).

The sampling frame included all general service customers within Hydro's service areas/communities who recognize Hydro as their service provider. The sampling unit was selected to be the individual within an organization who is responsible for paying the electric bill and dealing with the electric company on customer service issues.

The questionnaire or survey instrument was designed by Market Quest Research in consultation with the client (Appendix A) and was approximately 10 minutes in length. Prior to full-scale data collection efforts, a pretest of approximately 30 surveys was completed to ensure an efficient and effective flow of information, an accurate sample selection and to confirm the survey length. Subsequent to this pre-test, modifications were made to the survey design and finalized prior to undertaking full scale data collection effort .

All data collection was completed at Market Quest's in-house interviewing facilities. The data collection process was continually monitored by a senior supervisor who conducted a 10% quality control on surveys to ensure a high standard of accuracy. Following data collection, surveys were 100% edited and coded by a research assistant prior to data entry. Data entry was completed, also utilizing a 10% quality control check. All data analysis was conducted in-house using the SPSS statistical analysis program.

¹ For eight of the customers contacted, the individuals responsible for billings and customer service were not the same. Therefore, two surveys were completed for each of these eight customers with pertinent sections completed by the appropriate respondent.

² Although Hydro has approximately 4700 general service accounts, one "customer" may be responsible for more than one account in more than one rate area. The population from which this sample was created includes each customer only once, regardless of the number of accounts they hold with Hydro.

1.3 *This Report*

The analysis contained in this report profiles the population of Hydro's general service customers. The survey data has been analyzed or cross-tabulated by the demographic characteristics of customers (gender, industry, number of properties, rate area and years of service) and where appropriate it is noted where this analysis provides insight and informational value to the purpose of this study.

All detailed findings are presented in the body of this report and for the reader's convenience, a Summary of Key Findings is presented in Section 2.0.

2.0 SUMMARY OF KEY FINDINGS

The majority of Hydro general service customers are satisfied with the overall service reliability of Hydro. However, with 40% of respondents indicating they are less than “very satisfied” Hydro should explore improving its service delivery in this area.

- ◆ On a 10 point satisfaction scale, customers rate their overall supply of electricity with a mean rating of 8.8.
- ◆ A slight majority of customers (60%) indicate they are “very satisfied” with the supply of electricity they receive from Hydro with less than 2% of customers expressing dissatisfaction.
- ◆ Complete satisfaction with service reliability is low, with 40% of general service customers indicating they are less than “very satisfied”, with only 5% reporting that Hydro exceeds their expectations on this issue.
- ◆ A gap is found to exist when comparing the rated performance of Hydro against its rated importance on the service attributes “a reliable, uninterrupted supply of electricity” and “electricity quickly restored when there is a power outage” (mean gap scores of -1.4 and -1.6, respectively).

Satisfaction with Hydro’s customer service is high with most customers rating themselves as “somewhat satisfied” (31%) or “very satisfied” (63%) with the customer service provided by Hydro.

- ◆ Ninety-four percent of customers indicate that Hydro met their expectations with regards to customer service. However, fewer than 3% said that Hydro exceeds their expectations indicating there is room for improvement with the delivery of customer service.

Hydro customers rate each of the sixteen service attributes as important components of overall service delivery (mean ratings range from 8.9 to 9.9). When compared to importance ratings, customers rated Hydro’s performance less positively with expectations of service being higher than that delivered by Hydro.

- ◆ Hydro commercial customers report that “electricity at a reasonable cost” and “electricity quickly restored when there is a power outage” are the most important attributes of an electric company.
- ◆ Mean performance scores for each of the sixteen attributes range from 5.85 to 9.26.

- ◆ Hydro scores highest in performance on the attributes “concern for public safety”(9.3 mean rating) and “friendly and courteous employees”(9.2 mean rating) and performed most poorly on the attribute “contributes back to the community” (5.9 mean rating).

Commercial customers’ expectations fall below rated performance on each of the sixteen service attributes.

- ◆ The largest “gap” in customer expectations and Hydro performance is evident with the attribute “electricity at a reasonable cost” (a negative difference of 3.32). Second to this, Hydro falls 3.28 points below expectations when evaluated on its contributions back to the community.

Commercial customers are less than extremely satisfied with most components of their electric bill.

- ◆ While a small majority of customers rate Hydro as “excellent” on each of the five components of billing, ratings of “good” or less were also prevalent (range from 26% to 43%).
- ◆ The majority of customers are satisfied with the explanation of their current account balance as it was described on their electricity bill (74% “excellent” and 22% “good”).
- ◆ Customers express the lowest level of satisfaction with the explanation of electricity usage as described on their electric bill (57% “excellent”, 31% “good”). Hydro may wish to reassess how this information is presented on the monthly electric bill.
- ◆ When asked for suggestions for improvement to their electric bill, approximately 9% of customers offer suggestions including ideas such as a simpler layout and detailing previous years consumption on a monthly basis.

Most Hydro customers who participated in the study report being customers of Hydro for an average of 18 years with slightly less than half indicating they have been customers for twenty years or more.

3.0 PROFILE OF SURVEY RESPONDENTS

This section details the demographic composition of survey respondents. In addition, years as a customer and rate area/region are also profiled.

3.1 Demographic Characteristics

	Respondents (n=270)
GENDER:	
Male	37.8
Female	62.2
INDUSTRY:	
Retail	39.2
Government	22.3
Entertainment	9.7
Primary Industry	8.6
Service Industry	5.8
Construction	3.6
Manufacturing	3.2
Church	3.2
Health Care	2.2
Real Estate	1.4
Telecommunications	0.7
NUMBER OF PROPERTIES	
1 - 10	91.4
11 - 20	5.0
21-30	0.7
31+	2.9

- ◆ Among general service customers, the individual responsible for dealing with Newfoundland Hydro on customer service issues and billings is most often female (62%) and less often male (38%).
- ◆ Hydro customers represent a wide range of industries, with most of those surveyed involved in retail (39%), government (22%) or the entertainment sector (10%).
- ◆ For approximately 52% of those customers surveyed, Hydro supplies electricity to only one property or building. Therefore, the large majority of customers (91%), can be classified in the category of 1-10 properties.

3.2 Rate Areas

	Total* % Respondents	Population
Happy Valley	17.5	13.3
Labrador City	9.1	10.4
Island / Labrador Interconnected	64.7	64.3
Island / Labrador Isolated	12.7	11.8

* Percentages may sum to greater than 100% as each customer could represent more than one rate area.
Don't knows have been removed from the analysis.

- ◆ The profile of customers surveyed is very similar to the overall profile of general service customers, with the majority of respondents representing Island/Labrador Interconnected region (65%).

3.3 Years of Service Relationship

	Total (n=278)
Average Number of Years	17.8
Length of relationship:	
1 – 10 years	33.8
11 – 19 years	16.2
20+ years	46.8
Don't Know	3.2

- ◆ Survey respondents report being a customer of Hydro for an average of 18 years, with slightly less than half (47%) indicating they have been a Hydro customer for 20 years or more.

4.0 IMPORTANCE & PERFORMANCE RATINGS

Within the survey design, sixteen service attributes were specified upon which to gain a measure of Hydro's performance. This list of service attributes is based upon criterion used by utilities; the Servqual research model; as well as the input of Hydro management. Servqual is a multiple-item instrument for measuring and monitoring service quality, based on five quality dimensions shown to be key to the performance of service companies: tangibles, reliability, responsiveness, assurance, and empathy. The survey attributes included to define these five key dimensions are as follows:

Tangibles

"Electricity at a reasonable cost"

"Bills easy to read and understand"

Reliability

"Able to complete equipment repairs and service right the first time"

"A reliable, uninterrupted supply of electricity"

"Billing statement accuracy"

Responsiveness

"Electricity quickly restored when there is a power outage"

"Quick response to customer questions and inquiries"

"Education or information about electricity use"

Assurance

"Friendly & courteous employees"

"Concern for public safety"

"Operates in an environmentally responsible manner"

Empathy

"A company which has the customer's best interest at heart"

"Convenient hours of operation"

"Convenient methods of payment"

"Easy access to account information at any time"

"Contributes back to the community through initiatives such as community sponsorship programs"

Customers were first asked to rate the *importance* of any electric company in providing each service attribute (Importance Rating) and secondly, based on the customer's experience, to specifically rate the *performance* of Hydro on providing each attribute (Performance Rating). This report section details customer response toward each individual service attribute.

4.1 Importance Factors

	Rank	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Electricity at a reasonable cost</i>	1	97.7	1.5	1.0	--	--	--	9.90
<i>Electricity quickly restored when there is a power outage</i>	2	96.3	3.7	--	--	--	--	9.89
<i>Able to complete equipment repairs and service right the first time</i>	3	95.6	4.1	--	--	--	--	9.87
<i>Billing statement accuracy</i>	4	95.9	3.7	--	0.3	--	--	9.87
<i>A reliable, uninterrupted supply of electricity</i>	5	95.9	3.3	1.0	--	--	--	9.87
<i>Concern for public safety</i>	6	95.2	4.1	--	--	0.7	--	9.83
<i>Bills easy to read and understand</i>	7	87.8	11.5	0.3	0.3	--	--	9.69
<i>Friendly & courteous employees</i>	8	88.9	9.6	1.5	--	--	--	9.68
<i>A company which has the customer's best interest at heart</i>	9	90.0	7.4	1.1	--	0.3	0.7	9.66
<i>Operates in an environmentally friendly manner</i>	10	88.1	10.0	0.7	--	0.7	0.3	9.66
<i>Quick response to customer questions and inquiries</i>	11	87.8	96.3	1.9	--	--	1.2	9.66
<i>Convenient methods of payment</i>	12	85.9	11.9	1.9	--	--	0.3	9.65
<i>Easy access to account information at any time</i>	13	83.0	14.4	1.5	--	--	1.1	9.56
<i>Convenient hours of operation</i>	14	82.6	13.7	3.0	0.3	--	0.3	9.49
<i>Contributes back to the community</i>	15	73.0	16.7	3.7	0.3	0.7	5.6	9.31
<i>Education or information about electricity use</i>	16	67.0	18.5	10.4	--	1.5	2.6	8.90

- ◆ Overall, general service customers of Hydro consider each of the sixteen service attributes as important with average ratings on each attribute ranging between 8.9 and 9.9.
- ◆ Commercial customers rate the attribute “electricity at a reasonable cost” most important of all the service attributes with 98% of respondents indicating it is “very important” and 2% indicating it is “somewhat important”.
- ◆ “Electricity quickly restored when there is a power outage” ranks second in importance (9.89 mean rating) followed closely by the attributes “able to complete equipment repairs and service right the first time”, “a reliable uninterrupted supply of electricity”, and “billing statement accuracy” (9.87 mean rating).
- ◆ Although rated as important overall, the least important attributes according to Hydro commercial customers are “education or information about electricity use” (67%, “very important”) and “contributes back to the community” (73%, “very important”).

4.2 Performance Evaluation

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Concern for public safety</i>	1	72.2	21.5	0.7	--	0.7	4.8	9.26
<i>Friendly & courteous employees</i>	2	74.1	21.9	2.6	0.3	0.3	0.7	9.19
<i>Billing Statement Accuracy</i>	3	76.3	14.8	5.2	0.7	1.9	1.1	9.12
<i>Bills easy to read and understand</i>	4	75.6	17.8	5.2	0.3	0.7	0.3	9.12
<i>Convenient methods of payment</i>	5	74.4	18.5	4.8	--	1.9	0.3	9.10
<i>Operates in an environmentally friendly manner</i>	6	57.4	27.8	3.0	0.7	0.3	10.7	8.95
<i>Easy access to account information at any time</i>	7	58.3	24.4	4.8	0.3	0.7	11.1	8.93
<i>Able to complete equipment repairs and service right the first time</i>	8	56.7	27.8	4.8	0.3	--	10.3	8.87
<i>Convenient hours of operation</i>	9	60.0	27.4	5.6	1.1	0.7	5.2	8.81
<i>Quick response to customer questions and inquiries</i>	10	50.4	26.7	7.8	3.0	0.3	11.9	8.53
<i>A reliable, uninterrupted supply of electricity</i>	11	53.0	33.7	10.7	1.1	1.5	--	8.43
<i>Electricity quickly restored when there is a power outage</i>	12	48.1	38.5	8.9	2.6	1.5	0.3	8.29
<i>Education or information about electricity use</i>	13	36.7	33.3	13.3	2.2	2.2	12.2	7.97
<i>A company which has the customer's best interest at heart</i>	14	34.1	38.9	17.0	1.5	3.0	5.6	7.74
<i>Electricity at a reasonable cost</i>	15	21.5	34.8	25.9	7.0	9.3	1.5	6.60
<i>Contributes back to the community</i>	16	11.9	13.3	17.8	3.7	11.9	41.5	5.85

- ◆ Although not as consistently rated as importance, performance ratings for each of the sixteen service attributes were fairly high, with mean performance scores ranging from 5.85 to 9.26. Customers rate Hydro most favourable on the attribute “concern for public safety”, with most (72%) rating Hydro as “excellent” in the delivery of this service.
- ◆ According to general service customers, Hydro performs well in the category of “friendly and courteous employees” with 74% of customers rating it as “excellent” and 22% rating it as “good”.
- ◆ Hydro performs most negatively on its contribution back to the community (mean rating 5.85). Overall, 42% of general service customers are unaware of Hydro’s activity in this area, and of those aware of any initiatives, only 12% rate Hydro as “excellent” on this issue.
- ◆ Hydro ranks second to last on its delivery of electricity at a reasonable cost. Fewer than one-quarter of respondents (22%) rate Hydro’s performance as “excellent” and 16% rate Hydro as either “poor” or “very poor” on this attribute.

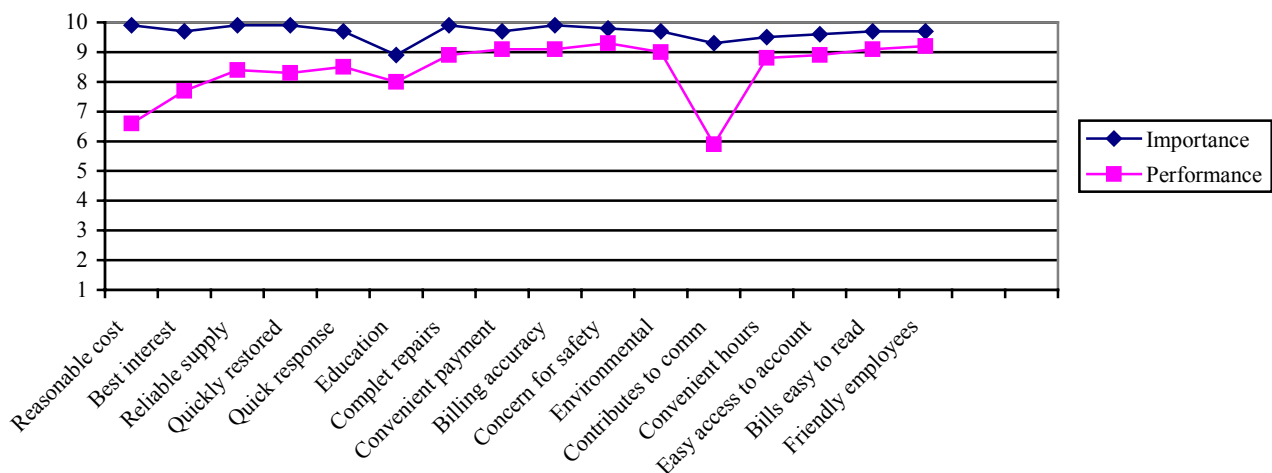
5.0 SERVICE GAP ANALYSIS

5.1 “Gap” on Specific Service Attributes

Comparing the importance ratings on each service attribute to the performance evaluation of Hydro on these attributes, an average “gap” score is calculated. Essentially, this is the difference between customer perception and expectation on each service attribute. A negative gap score represents lower-than-expected service, that is, the company’s performance is not meeting the service level desired by customers. A gap score of 2.0 or greater should be considered significant.

	IMPORTANCE		PERFORMANCE		Mean Gap Rating
	Mean Rating	Rank	Mean Rating	Rank	
<i>Electricity at a reasonable cost</i>	9.90	1	6.60	15	-3.32
<i>Contributes back to the community</i>	9.31	15	5.85	16	-3.28
<i>A company which has the customer’s best interest at heart</i>	9.66	9	7.74	14	-1.91
<i>Electricity quickly restored when there is a power outage</i>	9.89	2	8.29	12	-1.60
<i>A reliable, uninterrupted supply of electricity</i>	9.87	5	8.43	11	-1.44
<i>Quick response to customer questions and inquiries</i>	9.66	11	8.53	10	-1.08
<i>Education or information about electricity use</i>	8.90	16	7.97	13	-0.99
<i>Able to complete equipment repairs and service right the first time</i>	9.87	3	8.87	8	-0.98
<i>Billing Statement Accuracy</i>	9.87	4	9.12	3	-0.84
<i>Convenient hours of operation</i>	9.49	14	8.81	9	-0.71
<i>Operates in an environmentally friendly manner</i>	9.66	10	8.95	6	-0.68
<i>Easy access to account information at any time</i>	9.56	13	8.93	7	-0.68
<i>Bills easy to read and understand</i>	9.69	7	9.12	4	-0.58
<i>Convenient methods of payment</i>	9.65	12	9.10	5	-0.55
<i>Concern for Public Safety</i>	9.83	6	9.26	1	-0.56
<i>Friendly & courteous employees</i>	9.68	8	9.19	2	-0.49

“Gap” in Importance Vs. Performance Total Customer Base



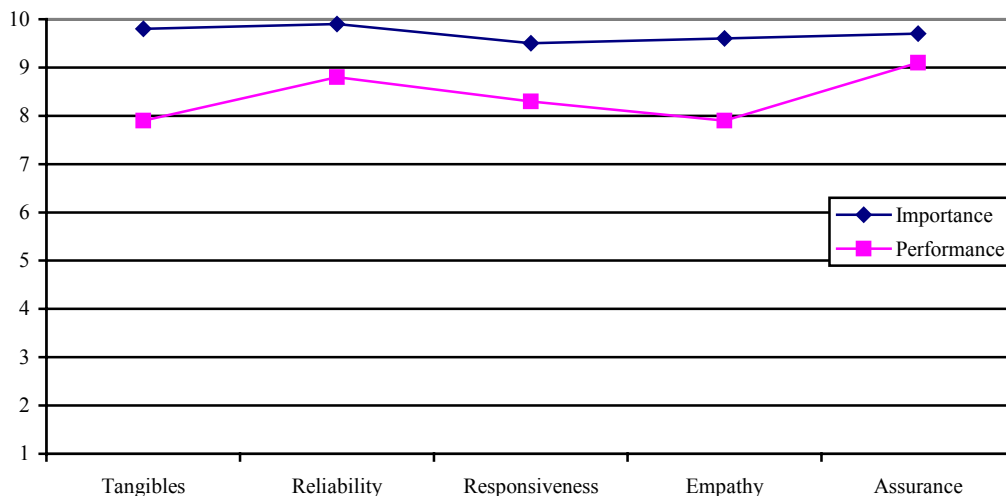
- ◆ As demonstrated in the graph above, Hydro’s performance falls below the overall expectations of its customers on each of the sixteen service attributes (gap scores range from -.49 to -3.32).
- ◆ The greatest gap exists with the attribute “electricity at a reasonable cost” with mean importance ratings for this attribute exceeding mean performance ratings by 3.32 points. Customers also rate Hydro below expectations on the attribute “contributes back to the community” with a negative gap score of 3.28 points occurring between importance and performance.
- ◆ A negative gap score of -1.91 exists for the attribute “a company which has the customers best interest at heart” suggesting that Hydro is not meeting customer expectations on this service attribute.
- ◆ Hydro comes closest to meeting customers’ expectations on the attribute “friendly and courteous employees” with importance scores exceeding performance scores by only .49 basis points.

5.2 “Gap” on Key Service Dimensions

To evaluate overall performance in general, the individual service attributes are grouped to represent the five key service quality dimensions. “Service Gaps” or differences between customer expectation and perceived performance of Hydro are then calculated as an overall measure of performance in relation to customer needs.

	IMPORTANCE		PERFORMANCE		Mean Gap Rating
	Mean Rating	Rank	Mean Rating	Rank	
<i>Tangibles</i>	9.79	2	7.86	5	-1.95
<i>Empathy</i>	9.55	4	7.92	4	-1.54
<i>Responsiveness</i>	9.49	5	8.27	3	-1.20
<i>Reliability</i>	9.88	1	8.75	2	-1.11
<i>Assurance</i>	9.72	3	9.14	1	-0.56

“Gap” in Importance Vs. Performance



- ◆ Examining the key service dimensions, the largest negative gap in service provision occurs with the dimension “tangibles” (includes attributes “bills easy to read and understand” and “electricity at a reasonable cost”) with a gap score of -1.95 points.

- ◆ Second to this, Hydro is not meeting the service expectations of customers with respect to reliability. A negative gap of 1.11 points exists between customers' rating of importance and overall performance.
- ◆ Hydro's performance most closely matches customer expectation with respect to the key dimension of assurance with the performance score for this attribute (9.14) falling only slightly below importance scores (9.72).

6.0 SERVICE RELIABILITY

6.1 Overall Satisfaction with Service Reliability

On a scale of 1 to 10, with a 1 meaning "Very Dissatisfied" and a 10 meaning "Very Satisfied", how satisfied are you with: the supply of electricity you receive from NF & Lab. Hydro

	Total (n=278)*
Very Satisfied	60.0
Somewhat Satisfied	33.5
Neutral	5.0
Somewhat Dissatisfied	0.8
Very Dissatisfied	0.4
Mean Rating	8.81
Exceeded Expectations	5.4
Met Expectations	92.8
Have Not Met Expectations	1.8

* For eight of the companies contacted, the individuals responsible for billings and customer service were not the same..

- ◆ Most customers express a high level of satisfaction with the supply of electricity they receive from Newfoundland and Labrador Hydro with 94% of customers indicating they are either "somewhat" (60%) or "very" (34%) satisfied.
- ◆ For the most part, Hydro has met (93%), but has not exceeded customer expectations with respect to their supply of electricity. Only 5% of general service customer report that Hydro has out-performed their expectation of service. These findings confirm that opportunities exist for Hydro to improve its performance in the area of service reliability.

6.2 Gap

	Mean Importance Rating	Mean Performance	Mean Gap Rating
<i>A reliable, uninterrupted supply of electricity</i>	9.87	8.43	-1.44
<i>Electricity quickly restored when there is a power outage</i>	9.89	8.29	-1.60

- ◆ As evaluated by customers, the service reliability of Hydro does not meet the expectations of its customers. That is, a “gap” is found to exist when comparing the rated performance of Hydro against the rated importance of reliable service attributes.
- ◆ An average gap of -1.4 points occurs when customers rate Hydro’s performance on the attribute “reliable, uninterrupted supply of electricity” against the attributes overall importance. Similarly, an average gap of -1.6 exists for expectations of Hydro’s performance on the attribute “electricity quickly restored when there is a power outage”.

7.0 CUSTOMER SERVICE

7.1 Overall Satisfaction with Customer Service

On a scale of 1 to 10, with a 1 meaning “Very Dissatisfied” and a 10 meaning “Very Satisfied”, how satisfied are you with: the overall customer service you receive from NF & Lab. Hydro

	Total (n=278)
Very Satisfied	62.6
Somewhat Satisfied	30.9
Neutral	5.0
Somewhat Dissatisfied	--
Very Dissatisfied	0.4
Don’t Know	1.1
Mean Rating	8.90
Exceeded Expectations	2.5
Met Expectations	94.2
Have Not Met Expectations	3.2

** For eight of the companies contacted, the individuals responsible for billings and customer service were not the same..*

- ◆ The majority of customers are satisfied with the customer service they receive from Hydro. Approximately, 31% of customers are “somewhat satisfied” and 63% are “very satisfied” with less than 1% of consumers indicating they are “very dissatisfied”.
- ◆ For the most part, Hydro met the expectations of its customers (94%) with approximately 3% of customers indicating that the level of customer service provided by Hydro exceeds their expectations. Only 3% of customers indicate that Hydro has not met their expectations.

8.0 BILLING

8.1 Satisfaction with Content of Monthly Electric Bill

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Overall layout of the bill</i>	58.2	35.9	4.5	0.4	0.7	0.4	8.84
<i>Explanation of Electricity Usage</i>	57.1	30.8	8.5	1.8	0.7	1.1	8.63
<i>Explanation of current account balance</i>	73.7	21.9	2.3	0.4	1.1	0.7	9.17
<i>Overall content of the bill</i>	66.0	28.2	3.3	1.1	0.7	0.7	8.97
<i>Company contact information for inquiries and questions</i>	60.4	25.9	4.8	2.2	--	6.7	8.86

- ◆ Overall, customers are satisfied with most components of their monthly electric bill. This is reflected in the mean satisfaction ratings, which ranged between 8.8 and 9.2.
- ◆ Customers are most satisfied with the explanation provided about their current account balance with 74% of respondents rating this service as “excellent” (mean rating of 9.2). Satisfaction levels were also high for “overall content of the bill” with 94% of respondents rating this attribute positively (66% “excellent” and 28% “very good”).
- ◆ Customers express the lowest level of satisfaction with the explanation of electricity usage displayed on their bill. Although 57% of customers rated hydro as “excellent” the - remaining 43% are less than completely satisfied on this point.
- ◆ Although a high level of satisfaction was expressed overall, there is still room for Hydro to improve on the content of its bills with between 26% and 43% customers rating Hydro as less than excellent on each of the billing components.

8.2 Suggested Improvements to Monthly Bill

- ◆ For the most part, general service customers are satisfied with the type of information contained on their current monthly electricity bill (91%).
- ◆ A small proportion of commercial customers (9%) identify suggestions for improvement of their electric bill. Suggestions include:
 - Include previous year/month electricity consumption (2%);
 - Simpler layout/easy to understand calculations (2%);
 - All meters/companies on same bill (1%);
 - Identify if more electricity used than previous month (1%); and
 - Other mentions (3%).

APPENDIX A: SURVEY INSTRUMENT

**Commercial Customer Satisfaction Survey
(October 2001)**

Hello, my name is _____ from Market Quest Research, a professional marketing research firm. Today we are conducting a short survey on commercial electricity. May I please speak to the individual in your organization who is primarily responsible for dealing with the electric company **[REPEAT INTRO IF NECESSARY]**.

We would appreciate your participation, would you have a few minutes to complete the survey? ...it will take approximately 5 minutes of your time.

YES - CONTINUE

NO - THANK & TERMINATE

Screener:

1a. What is the name of the electric company which....

	<i>NF & LAB. HYDRO</i>	<i>NF POWER</i>	<i>D/K OR N/A</i>
<i>...Supplies electricity to the properties owned or operated by your company or organization</i>	<i>1</i>	<i>2</i>	<i>3</i>

IF NF & LAB HYDRO NOT MENTIONED- THANK & TERMINATE

1b. Are you the representative of your company/organization who is responsible for dealing with NF Hydro on bill payments:

Yes	No
1	2

IF YES, CONTINUE

IF NO: Who in your organization is responsible for dealing with NF Hydro on bill payments?

NAME _____ pH _____

CONTINUE

1c. Are you the representative of your company/organization who is responsible for dealing with NF Hydro on Customer Service Issues:

Yes	No
1	2

IF YES, CONTINUE

IF NO, Who in your organization is responsible for dealing with NF Hydro on customer service issues?

NAME _____ pH _____

IF YES TO Q1B & Q1C- CONTINUE

IF YES TO Q1B & NO TO Q1C GO TO Q3

IF NO TO Q1B & YES TO Q1C GO TO Q4

IF NO TO BOTH- GET CONTACT INFO FOR APPROPRIATE INDIVIDUAL- THANK AND TERMINATE

2. We are conducting this survey on behalf of NF & Labrador Hydro to measure customer satisfaction and identify ways to improve the service they offer you as a commercial customer. Your company has been randomly selected to participate in this survey. When answering these questions, please refer to the service provided to you as a commercial customer. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, I would like to ask you to be honest in your response, whether good or bad.

2a. Before we talk specifically about NF & Lab. Hydro, please think about electric companies in general, and about what is important for any electric company to provide your company. Using a scale of 1 to 10 where 1 means “Not At All Important” and 10 means “Extremely Important”, please rate the importance of: **[READ LIST]**

	Not At All Imp.							Extremely Imp.			D/K
	1	2	3	4	5	6	7	8	9	10	11
A reliable, uninterrupted supply of electricity											
Electricity at a reasonable cost											
Electricity quickly restored when there is a power outage											
Bills easy to read and understand											
Billing statement accuracy											
Quick response to customer questions and inquiries											

	Not At All Imp.							Extremely Imp.			D/K
	1	2	3	4	5	6	7	8	9	10	11
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11

2b. Now think specifically about the service, which you currently receive from NF & Labrador Hydro. Based on your experienced to date and using a scale of 1 to 10 where 1 means "Very Poor" and 10 means "Excellent"... please rate the performance of NF & Labrador Hydro in providing you: **[READ LIST]**

	Very Poor							Excellent			D/K
	1	2	3	4	5	6	7	8	9	10	11
A reliable, uninterrupted supply of electricity	1	2	3	4	5	6	7	8	9	10	11
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11

	Very Poor										Excellent	D/K
Billing statement accuracy	1	2	3	4	5	6	7	8	9	10	11	
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11	
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11	
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11	
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11	
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11	
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11	
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11	
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11	
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11	
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11	
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11	

2c. Now think specifically about the content of your electric bill, which you receive from NF & Labrador Hydro. Using a scale of 1 to 10 where 1 means "Very Poor" and 10 means "Excellent"... please rate the monthly electric bill that your company receives from NF and Lab. Hydro on each of the following: **[READ LIST]**

	Very Poor										Excellent	D/K
Overall layout of the bill	1	2	3	4	5	6	7	8	9	10	11	
Explanation of electricity usage	1	2	3	4	5	6	7	8	9	10	11	
Explanation of current account balance	1	2	3	4	5	6	7	8	9	10	11	
Overall content of the bill	1	2	3	4	5	6	7	8	9	10	11	

	Very Poor								Excellent		D/K
	1	2	3	4	5	6	7	8	9	10	11
Company contact information for inquires and questions											

- 2d. In addition to payment information such as previous and current balance, your monthly commercial bill from NF and Lab. Hydro includes details such as total electricity usage, meter readings and cost information. Is there any additional information you would like to see added to the monthly electric bill your company receives from NF and Lab. Hydro?

GO TO QUESTION 7

3. We are conducting this survey on behalf of NF & Labrador Hydro to measure customer satisfaction and identify ways to improve the service they offer you as a commercial customer. Your company has been randomly selected to participate in this survey. When answering these questions, please refer to the service provided to you as a commercial customer. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, I would like to ask you to be honest in your response, whether good or bad.
- 3a. Before we talk specifically about NF & Lab. Hydro, please think about electric companies in general, and about what is important for any electric company to provide your company. Using a scale of 1 to 10 where 1 means “Not At All Important” and 10 means “Extremely Important”, please rate the importance of: **[READ LIST]**

	Not At All Imp.								Extremely Imp.		D/K
	1	2	3	4	5	6	7	8	9	10	11
Electricity at a reasonable cost											
Bills easy to read and understand											
Billing statement accuracy											
Easy access to account information at any time											
Convenient methods of payment											

- 3b. Now think specifically about the service, which you currently receive from NF & Labrador Hydro. Based on your experience to date and using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate the performance of NF & Labrador Hydro in providing you: **[READ LIST]**

	Very Poor										Excellent	D/K
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11	
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11	
Billing statement accuracy	1	2	3	4	5	6	7	8	9	10	11	
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11	
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11	

4. Now think specifically about the content of your electric bill, which you receive from NF & Labrador Hydro. Using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate your company’s monthly electric bill on each of the following: **[READ LIST]**

	Very Poor										Excellent	D/K
Overall layout of the bill	1	2	3	4	5	6	7	8	9	10	11	
Explanation of electricity usage	1	2	3	4	5	6	7	8	9	10	11	
Explanation of current account balance	1	2	3	4	5	6	7	8	9	10	11	
Overall content of the bill	1	2	3	4	5	6	7	8	9	10	11	
Company contact information for inquires and questions	1	2	3	4	5	6	7	8	9	10	11	

5. In addition to payment information such as previous and current balance, your monthly commercial bill from NF and Lab. Hydro includes details such as total electricity usage, meter readings and cost information. Is there any additional information you would like to see added to the monthly electric bill your company receives from NF and Lab. Hydro?

GOTO QUESTION 7

6. We are conducting this survey on behalf of NF & Labrador Hydro to measure customer satisfaction and identify ways to improve the service they offer you as a commercial customer. Your company has been randomly selected to participate in this survey. When answering these questions, please refer to the service provided to you as a commercial customer. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, I would like to ask you to be honest in your response, whether good or bad.

6a. Before we talk specifically about NF & Lab. Hydro, please think about electric companies in general, and about what is important for any electric company to provide your company. Using a scale of 1 to 10 where 1 means “Not At All Important” and 10 means “Extremely Important”, please rate the importance of: [READ LIST]

	Not At All Imp.										Extremely Imp.	D/K
	1	2	3	4	5	6	7	8	9	10	11	
A reliable, uninterrupted supply of electricity												
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11	
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11	
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11	
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11	
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11	
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11	
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11	
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11	
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11	
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11	

6b. Now think specifically about the service, which you currently receive from NF & Labrador Hydro. Based on your experienced to date and using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate the performance of NF & Labrador Hydro in providing you: **[READ LIST]**

	Very Poor									Excellent	D/K
	1	2	3	4	5	6	7	8	9	10	11
A reliable, uninterrupted supply of electricity											
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11

GOTO QUESTION 7

GENERAL

7. Now please think of electric companies as serving customers in two ways: (1) the first, being the supply of electricity to your commercial property and (2) the second being, customer service or response to customer needs, such as hook-ups, repairs, account billings and inquiries. On a scale of 1 to 10, with a 1 meaning “Very Dissatisfied” and a 10 meaning “Very Satisfied”, how satisfied are you with: **[READ LIST]**

	Very Dissat.								Very Sat.		D/K
The <u>supply of electricity</u> you receive from NF & Lab. Hydro	1	2	3	4	5	6	7	8	9	10	11
The overall <u>customer service</u> you receive from NF & Lab. Hydro	1	2	3	4	5	6	7	8	9	10	11

8. Which of the following statements best describes... [READ LIST]

	Have not met my expectations	Met my expectations	Exceeded my expectations
The <u>supply of electricity</u> you receive from NF & Lab. Hydro	1	2	3
The overall <u>customer service</u> you receive from NF & Lab. Hydro	1	2	3

DEMOGRAPHICS

Now just some final questions for classification purposes only....

9. For approximately how many years has your company been a customer of NF & Lab. Hydro? _____ years

10. In which industry does your company operate? _____

11. To how many properties/buildings owned by your company does NF Hydro supply electricity?

IF ONE- GO TO Q14

12. Are these properties/buildings.....

- | | | |
|-------------------------------------|---|------------|
| ...located in the same community | 1 | -GO TO Q14 |
| ...located in different communities | 2 | -CONTINUE |

13. In how many different communities are the properties/buildings located?

IF FIVE OR LESS- CONTINUE, ELSE GO TO END

14. In what community/communities are the properties/buildings located?

Before we finish, I would like to inform you that you may receive a quality control check. My supervisor calls back 10% of all my completed surveys just to ensure that you were comfortable participating and that I was doing my job correctly

I would like to thank you for your participation, your assistance is greatly appreciated. Have a good day/evening!

INTERVIEWER USE ONLY:

Gender:		Region:		Sections Done:	
Male	1	Happy Valley	1	Question 2	1
Female	2	Lab City	2	Question 3	2
		Island/Lab	3	Question 4	3
		Interconnected			
		Island/Lab Isolated	4		
		Other	5		

Company Name: _____

Interviewer: _____ Date: _____

Phone Number: _____

Data Entry: _____ Quality Control: _____

2002 CUSTOMER SATISFACTION RESEARCH TRACKING STUDY

FINAL REPORT

Prepared For:



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Table of Contents

1.0	STUDY BACKGROUND AND METHODOLOGY	3
1.1	STUDY BACKGROUND	3
1.2	STUDY METHODOLOGY	3
1.3	THIS REPORT	4
2.0	SUMMARY OF KEY FINDINGS	5
3.0	PROFILE OF SURVEY RESPONDENTS	8
3.1	DEMOGRAPHIC CHARACTERISTICS - 2002	8
3.2	DEMOGRAPHIC CHARACTERISTICS BY REGION - 2002	9
3.3	DEMOGRAPHIC CHARACTERISTICS BY SERVICE AREA - 2002	11
3.4	YEARS OF SERVICE RELATIONSHIP: COMPARISON OF 2002, 2001, 2000 AND 1999	12
4.0	BILLING	14
4.1	ANTICIPATED USE OF THE EQUAL PAYMENT PLAN	14
4.2	ANTICIPATED USE OF PRE AUTHORIZED PAYMENT PLAN	16
4.3	ANTICIPATED USE OF IVR SYSTEM	16
4.4	USE OF INTERNET SERVICES	17
4.5	PERFORMANCE OF CURRENT BILLING	18
5.0	IMPORTANCE & PERFORMANCE RATINGS	19
5.1	IMPORTANCE FACTORS: COMPARISON OF 2002, 2001, 2000 AND 1999	20
5.2	PERFORMANCE EVALUATION: COMPARISON OF 2002, 2001, 2000 AND 1999	23
6.0	CUSTOMER SATISFACTION INDEX (CSI)	26
7.0	SERVICE GAP ANALYSIS	28
7.1	“GAP” ON SPECIFIC SERVICE ATTRIBUTES: COMPARISONS BETWEEN 2002, 2001, 2000 AND 1999	28
7.2	“GAP” ON KEY SERVICE DIMENSIONS	33
8.0	SERVICE RELIABILITY	35
8.1	OVERALL SATISFACTION WITH SERVICE RELIABILITY	35
8.2	GAP ON SERVICE RELIABILITY	37
9.0	CUSTOMER SERVICE	38
9.1	OVERALL SATISFACTION WITH CUSTOMER SERVICE	38
10.0	SERVICE GAP BY REGION: COMPARISONS OF 2002, 2001, 2000 AND 1999	40
11.0	GAPS BY SUB REGION: COMPARISONS OF 2002, 2001, 2000 AND 1999	42
12.0	LABRADOR REGION	45
12.1	IMPORTANCE FACTORS LABRADOR: COMPARISON OF 2002, 2001, 2000 AND 1999	45
12.2	PERFORMANCE EVALUATION LABRADOR: COMPARISON OF 2002, 2001, 2000 AND 1999	48
12.3	SERVICE GAP ANALYSIS LABRADOR: COMPARISON OF 2002, 2001, 2000 AND 1999	51
13.0	NORTHERN REGION	55
13.1	IMPORTANCE FACTORS NORTHERN: COMPARISON OF 2002, 2001, 2000 AND 1999	55
13.2	PERFORMANCE EVALUATION NORTHERN: COMPARISON OF 2002, 2001, 2000 AND 1999	58
13.3	SERVICE GAP ANALYSIS NORTHERN: COMPARISON OF 2002, 2001, 2000 AND 1999	61
14.0	CENTRAL REGION	65
14.1	IMPORTANCE FACTORS CENTRAL: COMPARISON OF 2002, 2001, 2000 AND 1999	65
14.2	PERFORMANCE EVALUATION CENTRAL: COMPARISON OF 2002, 2001, 2000 AND 1999	68
14.3	SERVICE GAP ANALYSIS CENTRAL: COMPARISON OF 2002, 2001, 2000 AND 1999	71
APPENDIX A: SURVEY INSTRUMENT		75
APPENDIX B: THEORY OF Z-TESTS		84

1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

During November 1999, Market Quest Research designed and completed a Baseline Residential Customer Satisfaction Study on behalf of Newfoundland & Labrador Hydro (Hydro). This study measured the performance of Hydro in providing customer service and provided for baselines against which to compare future company performance. Service quality or performance was measured to determine how well Hydro's service delivery matches customer expectations.

This report represents the results of the third annual tracking study (2002 Residential Customer Satisfaction Research) conducted during November 2002. This annual tracking study was undertaken to identify any changes in consumer attitudes towards importance of specific attributes of service and to measure the quality of service delivered to residential customers.

1.2 Study Methodology

The methodology of this tracking study mirrored the 1999 Baseline Study and the two subsequent tracking studies, consisting of a quantitative telephone survey of Hydro's residential customer base. A shorter version of the baseline questionnaire was utilized as the survey instrument (Appendix A), with the addition of several new questions on billing and Internet usage. The 2002 study was completed with a similar sampling of Newfoundland & Labrador Hydro residential customers. The sampling frame included all households within Hydro's service areas that identified Hydro as their supplier of electricity. The sampling unit was selected to be an adult member of the household primarily responsible for paying the home electricity bill and dealing with Hydro. A total of 640 completed surveys were collected for the 2002 Tracking study, providing an overall study margin of error : $\pm 3.8\%$, 19 times out of 20 or at the 95% confidence level.

The following seven regions of the province were sampled for inclusion in the study:

- Labrador City/Wabush
- Happy Valley/Goose Bay
- Labrador Isolated Areas
- Northern Interconnected Areas
- Northern Isolated Areas
- Central Interconnected Areas
- Central Isolated Areas

Disproportionate sampling was used to draw a sub-sample from each of these regions (that is, the sample does not represent the true population proportions in each region.)

All data collection was completed in-house between November 14th - 22nd, 2002. The data was collected by fully trained Market Quest Research interviewing staff using CATI Interviewer software. A senior supervisor monitored all data collection, and the SPSS statistical package was utilized for all data analysis.

1.3 This Report

This report profiles the total sample population for the 2002 Tracking study and compares this data with the November 2001 and November 2000 tracking data and the November 1999 baseline data. All data is segmented by the three main service areas (Northern, Central, Labrador), and where informational value is added, data is cross-tabulated by all seven sub regions. Also, survey data has been analyzed by demographics (age, income, education, employment status and gender).

Since this study used disproportionate sampling to allow a profile of all seven sub-regions, survey data at the total market level is weighted to reflect correct population proportions in these regions.

In order to note differences in comparing the 1999/2000/2001/2002 data, statistical tests of significance have been completed at the 90% confidence level. Essentially, when comparing percentages drawn from different populations, a statistical test of proportions will guide us to be confident that any apparent difference between the two percentages is “statistically real” or “significant”. (What may seem to be a difference between percentages may simply be the result of sampling error or the margin of error associated with the sample size and not a real or significant difference in the study results). Throughout this report, where a “significant” difference exists between two or more percentages, the percentages are shaded. Where this occurs, we can say that we are 90% confident that the difference between the percentages in question are “significant” or real and not simply due to uncontrollable sampling error. For the purposes of this study, only significant differences in comparisons between 2001 and 2002 data have been shaded. Any differences of interest between the remaining study years are described in the discussion below each data table (See Appendix B for a more complete explanation).

2.0 SUMMARY OF KEY FINDINGS

Customer expectations appear to be slightly lower in 2002 than in previous years. However, customer expectations of service remain higher than the actual service being delivered by Hydro.

- In 2002, importance ratings for each of the attributes have declined slightly, however the overall importance ratings still remain high, with means ranging from 8.9 to 9.7, based on a 10-point scale.
- The three attributes that top the importance list of Hydro consumers in 2002 include 'electricity quickly restored where there is a power outage', 'a reliable, uninterrupted supply of electricity', and 'concern for public safety,' each with a mean rating of 9.7 out of 10.

Hydro's performance on the sixteen attributes was rated relatively consistent to that of 2001, with slight improvements for several of the attributes.

- Customers perceive Hydro to perform well on each of the service attributes, with means ranging from 7.2 to 9.2, based on a 10-point scale.
- In 2002, the top five Hydro performance characteristics remained consistent with previous studies with only the 3rd and 4th variables changing place from 2001 ('friendly and courteous employees' ranked 3rd and 'convenient method of payment' ranked fourth in 2002). Residential customers rate 'concern for public safety' and 'bills easy to read and understand' most favorably (mean rating of 9.2).

The perceived performance of Hydro continues to fall below customer expectations on all service attributes. However, each of the gaps has narrowed from 2001, suggesting slightly improved performance for several attributes in 2002.

- In 2002, the gap scores are most pronounced with the attributes 'electricity at a reasonable cost' and 'contributes back to the community'.
- Similar to previous years, Hydro comes closest to meeting customer expectations on the attributes of 'convenient methods of payment', 'easy access to account information at any time' and 'friendly and courteous employees', with performance on all three attributes falling 0.2 points below expectations.

The November 2002 Customer Service Index (CSI) for Newfoundland and Labrador Hydro is 8.1 out of 10, continuing an upward trend from 7.9 in 2001 and 7.6 in 2000.

- The improvement in CSI in 2002 is most likely attributable to the marginal decreases in customer expectations with regards to the 16 service attributes, as well as slight increases in the perceived performance of Hydro over previous years.
- On a regional basis, the CSI remains slightly higher in Central (8.6), than in Northern (8.0) and Labrador (7.7).

The customer satisfaction rating for Newfoundland and Labrador Hydro in 2002 is 93%, dropping slightly from the rating in 2001 (96%).

- Overall, 93% of Hydro customers are very (67%) or somewhat satisfied (26%) with the level of customer service provided by Hydro. However, the proportion of customers who suggest they are very satisfied has dropped since 2001 (76%). This represents one third of Hydro customers who are less than very satisfied with the level of customer service provided by Hydro.
- For the most part, Hydro has met but has not exceeded customer expectations with regards to customer service (91%). This is consistent with previous studies and highlights an opportunity for Hydro to explore ways of improving the level of customer service it provides to its residential customers.
- Regionally, the satisfaction rating for Central is 96%, Northern is 94%, and Labrador is 87%.

Hydro customers' satisfaction with service reliability is 94%, consistent with the findings of 2001. That is, 94% of customers are very or somewhat satisfied with the supply of electricity provided by Hydro.

- The mean satisfaction rating for service reliability has steadily increased from the initial baseline study in 1999, improving from 8.7 in 1999 to 9.0 in 2002.
- Similar to customer service, Hydro should explore improving its service delivery in this area. In 2002, 29% of residential customers are less than very satisfied on this issue, while only 6% report that Hydro has exceeded their expectations.

The percentage of customers with access to the Internet has increased to 47%, after remaining stable in 2000 and 2001 at 43%.

- Increased access at work, as well as increased access across the service regions are the primary reasons for the increase in Internet access among residential customers.
- On a regional basis, Internet access has increased in both the Northern (44%) and Central (45%) regions, but still has not reached the level of access evident in Labrador (60%).
- Forty-eight percent of those customers with access use the Internet on a daily basis.
- Of those customers with Internet access, 59% report they are likely to use the Hydro website to access account and customer information.

Awareness of the equal payment plan and the pre-authorized payment plan are low among Hydro customers, at 64% and 40% respectively.

- Overall, 64% of Hydro residential customers are aware of the equal payment plan, while only 6% report use of the plan (approximately 1,680 accounts). Of those customers who do not currently use the plan, one third are very or somewhat likely to consider using it in the future. This represents approximately 8,700 additional residential customers with some level of interest in using the equal payment plan.
- A smaller proportion of Hydro customers are aware of the pre-authorized payment plan (40%), while only 4% of customer use the plan. The majority of Hydro customers suggest (72%) they are either very unlikely (64%) or somewhat unlikely (8%) to use the pre-authorized payment option in the future. It is important to note that this low level of interest may be attributable to the customers' lack of knowledge and understanding of the payment plan.

Customers of Hydro rate the company favorably on all five of the attributes of its current billing structure.

- The attribute 'explanation of electricity usage', with a mean rating of 8.9, is the only attribute with a mean rating below 9.0 on a ten point scale.
- Overall, 96% of Hydro residential customers think the Hydro bill is either very (64%) or somewhat (31%) easy to understand, while 91% suggest there is nothing they would like to see changed or added to the current bill.

3.0 PROFILE OF SURVEY RESPONDENTS

This report section profiles the demographic characteristics of survey respondents as compared to the provincial population and segments respondents by region, interconnected and isolated service areas.

3.1 Demographic Characteristics - 2002

	Respondents (n=648)	Population ¹
AGE:		
18-24	1.4	14.0
25-34	14.2	20.8
35-44	26.6	21.9
45-54	28.5	18.1
55-64	18.1	10.7
65+	11.2	14.3
EDUCATION:		
Elementary School	18.4	17.5
Some High School	23.2	27.9
Graduated High School	26.8	9.8
Voc/Tech College	17.3	25.9
Some University	3.9	10.7
Graduated University	10.3	8.8
INCOME CATEGORY:		
\$20,000 and under	27.8	23.4
\$20,001 to \$40,000	39.7	31.8
\$40,001 to \$60,000	16.1	21.7
\$60,001 to \$80,000	10.6	12.8
\$80,001 and over	5.8	10.2
EMPLOYMENT CATEGORY:		
Full-time	29.7	50.5
Part-time/Seasonal	35.0	12.4
Unemployed/Retraining	8.8	15.4
Homemaker	8.6	--
Retired	17.9	14.3
GENDER:		
Male	41.0	49.9
Female	59.0	50.1

¹ -Stats Canada 1996 Census data.

Note: Refusals are excluded from the analysis.

- When compared to the provincial population, Newfoundland and Labrador Hydro customers are more likely to fall in the middle age categories (73% aged 35-64), and are more likely to fall into the lower income categories, with 68% of customers having an annual household income less than \$40,000.

- Hydro customers are less likely to have achieved post secondary education (32%) and are also less likely to be employed on a full time basis (30%), and more likely to be employed on a part time or seasonal basis (35%).
- Consistent with the previous studies conducted, females take the primary responsibility for paying the home electric bill and dealing with Hydro (59%).

3.2 Demographic Characteristics by Region - 2002

	Labrador (n=242)	Northern (n=205)	Central (n=201)
AGE:			
18-24	2.5	0.5	1.0
25-34	16.5	13.3	12.3
35-44	25.7	27.6	26.7
45-54	33.8	23.6	27.2
55-64	14.3	20.7	20.0
65+	7.2	14.3	12.8
EDUCATION:			
Elementary School	11.7	21.7	23.1
Some High School	15.5	28.1	27.6
Graduated High School	26.4	26.6	27.6
Vocational/Technical College	27.2	11.3	11.6
Some University	5.0	3.0	3.5
Graduated University	14.2	9.4	6.5
INCOME CATEGORY:			
\$20,000 and under	16.6	32.0	37.7
\$20,001 to \$40,000	30.8	47.0	43.2
\$40,001 to \$60,000	22.3	11.0	13.6
\$60,001 to \$80,000	19.0	7.2	3.7
\$80,001 and over	11.4	2.8	1.9
EMPLOYMENT CATEGORY:			
Full-time	46.0	22.4	17.6
Part-time/Seasonal	24.7	44.4	37.7
Unemployed/Retraining	6.7	10.2	10.0
Homemaker	7.9	3.4	14.6
Retired	14.6	19.5	20.1
GENDER:			
Male	47.1	36.1	38.8
Female	52.9	63.9	61.2

Note: Refusals are excluded from the analysis.

■ - indicates significant differences at the 90% confidence level (See Appendix B for explanation)

- Hydro customers from Labrador are different than those of the Central and Northern regions in several of the demographic categories. With regards to age, Labrador customers are generally younger, with only 22% aged 55 or older, as compared to Central (33%) and Northern (35%).

- Labradorian customers are significantly more likely to possess post secondary education (46%) than customers in Central (22%) and Northern (24%). Labradorians also earn a higher household annual income, as 53% earn an income of \$40,000 or greater versus Central (19%) and Northern (21%).
- Customers in Northern and Central are less likely to have full time employment (only 22% and 18%, respectively), and are more likely than Labrador customers to be employed seasonally, or on a part time basis.
- Central residents more often consider themselves homemakers (15%) than the other two regions. As well, customers in Labrador are less likely to be retired (15%), when compared to the other regions of the province.
- It has been previously noted that females are most often responsible for paying the Hydro electric bill. This gender difference is greatest in the Northern and Central regions, where a greater percentage of females deal with Hydro (64% and 61% respectively). This regional difference in gender is consistent with the previous tracking studies conducted.

3.3 Demographic Characteristics by Service Area - 2002

	Interconnected (n=366)	Isolated (n=282)
AGE:		
18-24	1.4	1.4
25-34	15.7	12.2
35-44	25.3	28.3
45-54	30.1	26.5
55-64	17.4	19.0
65+	10.1	12.5
EDUCATION:		
Elementary School	12.2	26.3
Some High School	21.7	25.3
Graduated High School	29.2	23.8
Voc/Tech College	20.6	13.2
Some University	4.4	3.2
Graduated University	11.9	8.2
INCOME CATEGORY:		
\$20,000 and under	23.8	32.9
\$20,001 to \$40,000	35.4	45.3
\$40,001 to \$60,000	18.0	13.6
\$60,001 to \$80,000	14.8	5.3
\$80,001 and over	8.0	2.9
EMPLOYMENT CATEGORY:		
Full-time	34.3	23.8
Part-time/Seasonal	29.1	42.6
Unemployed/Retraining	9.1	8.6
Homemaker	10.2	6.4
Retired	17.2	18.8
GENDER:		
Male	42.1	39.7
Female	57.9	60.3

Note: Refusals are excluded from the analysis.

■ - indicates significant differences at the 90% confidence level (See Appendix B for explanation)

- Customers of Newfoundland and Labrador Hydro residing in interconnected communities are more likely have achieved post-secondary education (37%) when compared with those of isolated communities (25%). Interconnected customers also earn a higher income (23% earn \$60,000 or more versus 8% of isolated customers) and are more often employed on a full time basis.
- Age categories are consistent among both interconnected and isolated customers.

3.4 Years of Service Relationship: Comparison of 2002, 2001, 2000 and 1999

		Average Number of Years	1-10 Years	<u>Length of Relationship</u>		Don' t Know
				11-19 Years	20 + Years	
Labrador	1999	16.3	34.7	21.1	39.5	4.7
	2000	20.1	22.5	20.0	55.8	1.3
	2001	18.6	26.7	21.8	49.4	2.0
	2002	19.4	22.3	14.5	59.9	3.3
Northern	1999	19.8	21.6	19.2	57.7	1.4
	2000	20.2	22.0	22.0	55.0	1.0
	2001	22.8	14.2	19.0	64.0	2.8
	2002	21.5	14.1	16.6	66.8	2.4
Central	1999	21.5	13.1	22.2	61.9	2.8
	2000	20.7	20.0	17.5	61.5	1.0
	2001	22.3	16.5	18.0	63.5	2.0
	2002	22.7	10.0	15.9	73.6	0.5
Total	1999	19.0	22.2	20.9	54.0	2.9
	2000	20.3	23.3	18.4	57.2	1.1
	2001	21.1	19.1	21.1	57.5	2.3
	2002	21.0	16.1	16.1	66.0	1.8

 - indicates significant differences at the 90% confidence level

- For the most part, the majority of Hydro's residential customers have been patrons of the company for more than twenty years (66%). The average service relationship of residential customers interviewed in 2002 was 21 years.
- The average length of service relationship was consistent among regions, ranging in length from nineteen to twenty-three years.

3.5 Access to the Internet: Comparison of 2002, 2001, 2000 and 1999

		Percentage with Access to the Internet			
		Access At All	At Home	At Work	At School
Labrador	1999	40.0	27.3	30.6	5.3
	2000	62.9	37.7	38.9	19.7
	2001	63.4	46.5	34.6	23.0
	2002	60.3	42.6	39.3	20.2
Northern	1999	18.4	11.7	11.7	12.6
	2000	43.0	22.9	18.9	19.9
	2001	33.6	20.9	13.7	15.2
	2002	44.4	28.3	18.5	22.4
Central	1999	27.3	12.6	8.6	16.7
	2000	41.0	17.0	12.0	28.0
	2001	41.0	27.5	13.5	25.5
	2002	45.3	31.8	16.9	21.4
Total	1999	29.3	17.9	17.9	11.1
	2000	42.5	22.5	22.7	16.0
	2001	42.6	30.5	17.2	18.4
	2002	47.4	34.3	23.6	18.3

 - indicates significant differences at the 90% confidence level

- The incidence of Internet access has increased in 2002 with 47% of customers reporting access, as compared to 43% in 2001. Since the 1999 Baseline study, Internet access has significantly increased for Hydro customers, with access jumping from 29% in 1999, to 43% in 2000 and 2001, and substantially increasing again in 2002 to 47%.
- In 2002, Internet access has grown in the Central (45%) and Northern (44%) regions, but has still not increased to the level of access evident in Labrador (60%).
- In the Northern region, Internet access is up significantly from 34% in 2001 to 44% in 2002. This is primarily due to significant increases in access at home and at school (now at 28% and 22% respectively).
- The proportion of customers accessing the Internet at work increased in 2002, as 24% report access from work in 2002 compared to 17% in 2001. Access from home and school has remained consistent with previous years.

4.0 BILLING

To determine if customers are interested in paying their monthly electricity bill through alternative payment plans, customers participating in the 2002 tracking study were asked to indicate their likelihood of using each of the following services for making bill payments/accessing account information: a) equal payment plan; b) pre-authorized billing; c) IVR system; and d) the Internet.

Through an equal payment plan, customers pay for the electricity they use through twelve equal payments over a one-year period. At the end of a year, if the household uses more or less electricity than the amount paid, the equal payment is adjusted being either increased or decreased for each month in the next year. A pre-authorized bill payment option means the amount of the customers' bill is automatically deducted from his/her bank account each month. An Interactive Voice Response System is an automated telephone system, whereby all phone calls are answered by an automated voice, instead of a live person, and customers can retrieve information through a series of telephone menus.

In addition to inquiring about bill payment options, customers with access to the Internet were asked how likely they would be to access various account information through the Hydro website.

4.1 Anticipated Use of the Equal Payment Plan

Currently, NF and Lab. Hydro offers their customers an equal payment plan, whereby customers are billed an equal amount over 12 months. Although you pay equal amounts, you are still required to pay for the electricity you actually use. At the end of the year, if your household used more or less electricity than the amount paid, your equal payment is adjusted being either increased or decreased for each month in the next year. How likely are you to use the equal payment plan offered by NF Hydro? Would you say you are very likely, somewhat likely, somewhat unlikely or very unlikely to use the equal payment plan?

	Labrador	Northern	Central	Total
Very Likely	13.2	15.5	9.1	11.8
Somewhat Likely	27.9	21.4	15.0	21.1
Somewhat Unlikely	16.0	11.2	16.6	17.3
Very Unlikely	37.9	47.1	54.0	45.7
Don't Know	5.0	4.8	5.3	4.1

■ - indicates significant differences at the 90% confidence level

- Only 6% of Hydro's residential customers currently use the equal payment plan, representing approximately 1,680 residential accounts.
- Overall, 64% of Hydro customers are aware of the equal payment plan. Awareness of the plan is consistent across the service regions.

- Of those customers who do not currently use the plan, one third are very or somewhat likely to consider using it in the future. This represents approximately 8,700 additional residential customers with some level of interest in using the equal payment plan.
- Customers in the Labrador (41%) and Northern (37%) regions are significantly more likely to consider use of the plan, as compared to customers in the Central region (24%)

4.2 Anticipated Use of Pre Authorized Payment Plan

Currently, NF and Lab. Hydro offers a pre authorized bill payment option, where the amount of your bill is automatically deducted from your bank account each month. How likely are you to use the pre authorized bill payment option offered by NF Hydro? Would you say you are very likely, somewhat likely, somewhat unlikely or very unlikely to use the pre authorized bill payment option?

	Labrador	Northern	Central	Total
Very Likely	6.3	6.1	6.8	7.8
Somewhat Likely	23.2	20.3	17.2	19.8
Somewhat Unlikely	8.4	9.6	7.8	7.5
Very Unlikely	60.3	61.9	65.6	63.5
Don't Know	1.7	2.0	2.6	1.5

■ - indicates significant differences at the 90% confidence level

- Currently, only 40% of Hydro customers are aware of the pre-authorized bill payment option, while only 4% of residential customers report using the service.
- After being read a description of the service, the majority of Hydro customers (72%) report they are either very unlikely (64%) or somewhat unlikely (8%) to use the pre-authorized payment option in the future. Twenty-eight percent of customers are at least somewhat likely to use this option.

4.3 Anticipated Use of IVR System

An Interactive Voice Response System is an automated telephone system, whereby all phone calls are answered by an automated voice, instead of a live person. If NF and Lab. Hydro were to offer twenty four hour access to customer information such as account balance, account history and consumption history through an automated toll free number...would you definitely use, likely use or not likely use this service...

	Labrador	Northern	Central	Total
Definitely Use	17.8	15.1	20.4	17.4
Likely Use	34.3	36.6	34.8	35.6
Unlikely Use	46.7	43.9	41.3	43.2
Don't Know	1.2	4.4	3.5	3.8

■ - indicates significant differences at the 90% confidence level

- The slight majority of respondents report they would definitely or likely use the Interactive Voice Response System (53%) to access account information. Interest in using the IVR was relatively consistent among service regions.

4.4 Use of Internet Services

	Labrador	Northern	Central	Total with Internet Access
<i>Frequency of Internet Usage</i>				
Daily/ 7 or more times per week	50.7	40.7	48.4	48.4
4-6 times per week	9.6	5.5	8.8	8.9
1-3 times per week	22.6	16.5	19.8	18.6
Less than once per week	2.1	8.8	-	2.8
Don't Know	2.1	4.4	2.2	3.1
Do Not Use	13.0	24.2	20.9	18.2
- indicates significant differences at the 90% confidence level				

- As noted previously, 47% of Newfoundland and Labrador Hydro residential customers have access to the Internet. Seventy-six percent of these customers with access use the Internet at least once a week, while 48% access the Internet on a daily basis. Customers from the Labrador region access the Internet more frequently than the other regions (83% access at least once a week), while those in the Northern region are less frequent daily users of the Internet (41%).
- Of those Hydro customers with Internet access, almost half are aware Hydro has a website (47%). Of the customers aware of a Hydro website, only 11% have visited the site.
- Customers with access to the Internet were asked to rate their interest in using the Hydro website to access customer account information. Overall, 59% report they would either definitely (15%) or likely (44%) use the website if they could access the features proposed. Customers who access the Internet on a daily basis are more likely to use the Hydro website to access information, as compared to those customers who use the Internet on a less frequent basis.

4.5 Performance of Current Billing System

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
Explanation of current acct. balance	75.1	18.5	3.7	0.5	1.1	1.1	9.13
Overall layout of the bill	71.3	23.2	3.3	0.3	0.4	1.4	9.07
Availability of company contact info	66.8	20.0	4.5	1.4	0.3	7.0	9.04
Overall content of the bill	67.7	26.3	3.7	0.6	0.6	1.2	9.00
Explanation of electricity usage	69.1	20.8	6.3	1.3	0.7	1.8	8.92

- Overall, respondents rate Hydro's performance favorably on each of the five attributes. Customers are most satisfied with the attribute '*explanation of current account balance*', garnering a mean rating of 9.1 on a 10-point scale. '*Explanation of electricity usage*' was rated the lowest of the five characteristics, with a mean of 8.9 out of 10.
- Overall, 96% of Hydro customers feel the Hydro bill is either very (64%) or somewhat (31%) easy to understand. Of the 4% that suggest the bill is difficult to understand, most attribute it to either confusion about meter readings, or the breakdown of power usage.
- Most Hydro customers (91%) report there is nothing that they would like to see changed or added to their Hydro bill. A few customers said they would like to see their previous month's balance added to the bill statement, while another suggested adding a breakdown of power usage.

5.0 IMPORTANCE & PERFORMANCE RATINGS

In addition to the thirteen attributes measured in 1999, three new attributes deemed important to service delivery were measured in the 2000 Tracking Study (sixteen attributes in total). In the 2001 and 2002 Tracking studies, 16 attributes were again measured, however, two attributes, “up-to-date information on billing procedures and changes” and up-to-date information on customer service and changes” were replaced with “bills are easy to read and understand” and “billing accuracy”. The list of service attributes is based upon criterion used by utilities; the Canadian Electric Association; the Servqual research model; as well as the input of Hydro management. Servqual is a multiple-item instrument for measuring and monitoring service quality, based on five quality dimensions shown to be key to the performance of service companies: tangibles, reliability, responsiveness, assurance, and empathy. The survey attributes defining these five key dimensions are as follows:

Tangibles

“Electricity at a reasonable cost”

“Bills easy to read and understand” (2001/02 Tracking studies Only)

Reliability

“Able to complete equipment repairs and service right the first time”

“A reliable, uninterrupted supply of electricity”

“Billing statement accuracy” (2001/02 Tracking studies Only)

Responsiveness

“Electricity quickly restored when there is a power outage”

“Quick response to customer questions and inquiries”

“Education or information about electricity use”

Assurance

“Friendly & courteous employees”

“Concern for public safety”

“Operates in an environmentally responsible manner”

Empathy

“A company which has the customer’s best interest at heart”

“Convenient hours of operation”

“Convenient methods of payment”

“Easy access to account information at any time”

“Contributes back to the community through initiatives such as community sponsorship programs”

Customers were first asked to rate the *importance* of any electric company in providing each service attribute (Importance Rating) and secondly, based on the customer's experience, to specifically rate the *performance* of Hydro in providing each attribute (Performance Rating). This report section details customer response toward each individual service attribute.

5.1 Importance Factors: Comparison of 2002, 2001, 2000 and 1999

	Rank	Very Important	Somewhat Imp.	Neutral	Somewhat Unimp.	Very Unimp.	N/A	Mean
<i>Electricity quickly restored when there is a power outage</i>								
1999	1	90.1	7.6	1.7	--	0.1	0.4	9.7
2000	4	89.3	8.2	1.8	0.1	0.1	0.4	9.7
2001	6	93.9	4.8	0.9	--	--	0.4	9.8
2002	1	91.3	7.0	0.9	0.2	0.1	0.4	9.7
<i>A reliable, uninterrupted supply of electricity</i>								
1999	3	91.5	5.0	2.8	0.3	0.3	0.1	9.6
2000	1	96.2	3.1	0.5	--	0.1	--	9.8
2001	4	94.8	4.2	--	0.4	0.3	0.4	9.8
2002	2	91.7	6.4	1.3	0.2	0.1	0.3	9.7
<i>Concern for public safety</i>								
2000	2	94.9	4.3	0.5	--	--	0.3	9.8
2001	1	97.8	1.5	0.2	--	--	0.5	9.9
2002	3	92.3	5.3	1.2	0.4	0.4	0.4	9.7
<i>Billing statement accuracy*</i>								
2001	2	94.8	5.0	0.2	--	--	--	9.8
2002	4	89.6	8.1	1.7	--	0.4	0.2	9.6
<i>Able to complete equipment repairs and service right the first</i>								
1999	2	88.2	9.6	1.6	0.2	0.1	0.3	9.6
2000	5	89.3	8.5	0.6	--	0.2	1.5	9.6
2001	7	93.0	4.8	1.0	--	0.6	0.7	9.8
2002	5	89.2	8.0	1.6	0.1	0.4	0.6	9.6
<i>Electricity at a reasonable cost</i>								
1999	4	89.8	7.0	2.5	0.3	0.4	--	9.6
2000	3	91.2	6.9	1.6	--	0.3	--	9.7
2001	3	95.9	2.9	1.0	0.1	--	--	9.8
2002	6	89.7	7.0	2.0	0.4	0.7	0.2	9.6
<i>Operates in an environmentally friendly manner</i>								
2000	7	83.6	11.7	2.6	0.3	0.3	1.5	9.5
2001	8	88.6	8.5	0.6	0.3	--	2.2	9.7
2002	7	84.0	12.4	1.8	--	0.3	1.4	9.5

	Rank	Very Important	Somewhat Imp.	Neutral	Somewhat Unimp.	Very Unimp.	N/A	Mean
<i>Bills easy to read and understand*</i>								
2001	12	88.5	8.7	2.2	0.2	0.2	--	9.6
2002	8	86.6	11.2	1.1	0.3	0.7	0.1	9.5
<i>A company which has the customer's best interest at heart</i>								
1999	5	90.1	7.0	2.0	--	0.4	0.6	9.6
2000	6	86.4	8.0	4.6	0.1	0.2	0.6	9.5
2001	5	93.6	5.2	0.2	--	--	1.1	9.8
2002	9	86.0	8.9	2.9	0.7	0.8	0.9	9.5
<i>Quick response to customer questions and inquiries</i>								
1999	8	81.1	13.4	2.5	0.7	0.3	2.0	9.3
2000	10	75.1	19.2	4.0	0.4	0.5	0.9	9.2
2001	11	87.6	10.3	0.8	--	0.5	0.9	9.6
2002	10	80.6	16.9	1.5	0.2	0.2	0.7	9.5
<i>Friendly & courteous employees</i>								
1999	7	86.9	9.6	2.1	0.3	0.6	0.6	9.5
2000	9	84.3	11.7	2.2	0.7	0.7	0.5	9.4
2001	9	88.4	7.7	2.0	--	0.2	1.5	9.7
2002	11	81.9	11.9	4.6	--	0.8	0.7	9.4
<i>Convenient methods of payment</i>								
1999	6	83.5	12.7	2.3	0.6	0.3	0.6	9.5
2000	8	82.3	14.9	1.7	0.3	0.1	0.7	9.4
2001	10	91.0	6.0	1.3	0.1	0.6	1.0	9.7
2002	12	78.8	15.4	3.9	0.1	0.8	0.9	9.3
<i>Easy access to account information at any time</i>								
1999	10	77.5	15.9	4.5	1.4	0.5	0.4	9.2
2000	13	69.6	20.0	6.0	0.9	1.9	1.7	8.9
2001	14	84.2	9.3	2.7	0.2	1.8	1.6	9.4
2002	13	76.7	15.3	6.5	0.4	0.5	0.6	9.2
<i>Convenient hours of operation</i>								
1999	9	77.1	15.2	4.9	0.4	0.8	1.6	9.2
2000	12	72.0	19.1	6.1	0.7	1.4	0.7	9.0
2001	13	81.2	12.3	3.3	0.4	1.2	1.7	9.4
2002	14	75.5	16.8	4.8	0.1	1.5	1.4	9.2
<i>Contributes back to the community</i>								
2000	11	63.2	20.3	6.2	1.3	0.8	8.1	9.0
2001	15	76.3	15.4	1.3	0.3	0.6	6.0	9.4
2002	15	70.3	17.7	5.7	1.2	1.8	3.3	9.0

	Rank	Very Important	Somewhat Imp.	Neutral	Somewhat Unimp.	Very Unimp.	N/A	Mean
<i>Education or information about electricity use</i>								
1999	13	60.1	26.2	10.0	1.5	1.5	0.6	8.5
2000	16	51.3	27.3	15.6	2.7	1.8	1.3	8.3
2001	16	66.4	20.1	9.8	1.1	0.3	2.1	8.9
2002	16	69.5	18.6	8.3	0.8	2.1	0.7	8.9

* - New attribute included in the 2001/02 Tracking studies

■ - indicates significant differences at the 90% confidence level

- The average importance rating on each of the 16 attributes in the 2002 survey ranged from 8.9 to 9.7 on a 10-point scale (2001 ratings ranged from 8.9 to 9.9). As in past years, residential customers rate each attribute with considerable importance.
- The attributes topping the importance list of Hydro consumers include *'electricity quickly restored where there is a power outage'*, *'a reliable, uninterrupted supply of electricity'*, and *'concern for public safety'*, each with a rating of 9.7. In 2001, *'concern for public safety'* was ranked most important, followed by *'billing statement accuracy'* and *'electricity at a reasonable cost.'*
- The general rank of most attributes remained fairly consistent with previous years. One notable change was *'Electricity quickly restored when there is a power outage'*, which was ranked 6th last year, jumped to the top of the rankings in 2002.
- Attributes at the bottom of the importance list this year include *'education or information about electricity use'* with an 8.9 rating, and *'contributes back to the community'* with a mean rating of 9.0. Both attributes were assigned the same rank in 2001.
- With the exception of *'education or information about electricity use'*, customers are significantly less likely to rank the attributes as "very important" and more likely to rank the attributes as "somewhat important" when compared to 2001. Customers' perceptions of importance seem to have returned to the importance levels first reported in 1999-2000.
- It is interesting to note that the importance of the cost of electricity continues to fall in importance, compared to the relative importance of each of the other attributes. This year, *'electricity at a reasonable cost'*, falls to the sixth spot, with 90% of customers rating it is "very important".

5.2 Performance Evaluation: Comparison of 2002, 2001, 2000 and 1999

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Concern for public safety</i>								
2000	1	69.0	19.3	2.4	0.4	1.0	7.9	9.1
2001	1	76.3	15.0	1.8	0.1	0.3	6.5	9.3
2002	1	70.9	19.4	2.2	0.6	0.5	6.3	9.2
<i>Bills easy to read and understand*</i>								
2001	2	79.3	16.1	3.1	0.6	0.2	0.7	9.2
2002	2	75.4	20.3	2.8	0.6	0.1	0.8	9.2
<i>Friendly & courteous employees</i>								
1999	1	69.5	17.4	2.1	1.0	1.5	8.5	9.0
2000	2	70.4	17.6	5.4	0.5	0.8	5.3	9.0
2001	4	75.2	15.0	2.8	0.8	0.3	6.0	9.2
2002	3	71.5	17.7	3.9	0.2	0.2	6.4	9.2
<i>Convenient methods of payment</i>								
1999	2	71.5	18.2	4.8	2.4	1.5	1.6	8.8
2000	4	70.9	18.6	5.4	0.8	1.8	2.5	8.8
2001	3	78.0	13.9	3.2	0.6	1.1	3.3	9.2
2002	4	73.3	19.6	4.0	0.8	0.2	2.1	9.2
<i>Billing statement accuracy*</i>								
2001	5	80.1	14.1	1.5	1.4	0.7	2.4	9.1
2002	5	74.1	19.3	3.4	1.3	0.2	1.6	9.1
<i>Easy access to account information at any time</i>								
1999	5	54.1	22.4	5.6	2.4	1.5	14.1	8.5
2000	6	53.1	18.6	7.0	1.3	1.1	18.8	8.6
2001	8	62.6	16.6	5.6	0.1	1.3	13.8	9.0
2002	6	65.3	19.5	4.1	1.0	0.6	9.4	9.1
<i>Operates in an environmentally friendly manner</i>								
2000	3	57.7	19.2	5.0	1.0	0.6	16.5	8.9
2001	7	59.9	16.7	2.3	0.6	0.3	20.1	9.0
2002	7	59.5	21.6	6.2	0.8	0.2	11.7	8.9
<i>Convenient hours of operation</i>								
1999	3	61.8	18.5	7.3	2.5	1.4	8.4	8.6
2000	7	54.6	26.7	7.1	0.8	1.5	9.4	8.6
2001	6	66.9	17.3	4.4	0.5	0.9	10.0	9.0
2002	8	63.4	20.5	4.5	1.1	1.3	9.3	8.9

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Able to complete equipment repairs and service right the first time</i>								
1999	4	57.6	26.6	6.8	0.6	1.1	7.3	8.6
2000	5	56.0	23.8	6.3	1.7	1.4	10.8	8.7
2001	9	63.2	21.2	5.5	0.8	0.3	9.0	8.8
2002	9	61.0	23.8	4.7	1.3	0.7	8.5	8.9
<i>Quick response to customer questions and inquiries</i>								
1999	8	46.2	22.1	7.8	3.2	1.4	19.2	8.3
2000	10	46.7	23.7	11.0	3.0	1.5	14.1	8.2
2001	10	56.8	19.6	6.7	1.1	0.9	15.0	8.6
2002	10	61.9	21.3	5.1	1.7	0.7	9.2	8.9
<i>A reliable, uninterrupted supply of electricity</i>								
1999	6	53.7	31.0	10.8	2.4	1.8	0.3	8.3
2000	8	60.2	27.0	10.0	1.7	1.2	--	8.5
2001	11	58.4	33.2	6.2	1.7	0.4	--	8.5
2002	11	62.0	24.5	8.9	1.9	2.2	0.4	8.6
<i>Electricity quickly restored when there is a power outage</i>								
1999	7	52.7	34.6	8.6	2.0	1.9	0.2	8.3
2000	9	51.0	33.6	10.0	2.5	2.3	0.7	8.4
2001	12	54.9	30.3	11.6	1.1	1.2	0.8	8.3
2002	12	60.4	25.9	8.8	1.6	1.8	1.4	8.6
<i>A company which has the customer's best interest at heart</i>								
1999	11	47.8	28.2	11.8	3.7	3.0	5.4	8.0
2000	13	41.5	26.7	17.5	3.3	3.3	7.6	7.9
2001	13	52.9	24.7	9.8	2.4	1.5	8.7	8.2
2002	13	51.6	26.7	11.3	2.0	2.8	5.6	8.3
<i>Education or information about electricity use</i>								
1999	12	39.8	28.1	11.9	7.6	4.3	8.3	7.6
2000	14	36.8	26.9	17.9	4.8	3.7	9.8	7.6
2001	14	43.6	26.2	10.0	3.3	4.3	12.6	7.9
2002	14	49.2	25.8	9.3	4.3	2.9	8.4	8.2
<i>Contributes back to the community</i>								
2000	16	16.1	11.5	7.5	6.2	11.8	46.8	6.2
2001	16	21.4	14.9	6.4	2.7	8.2	46.2	6.8
2002	15	31.6	17.2	11.5	2.1	9.0	28.6	7.3

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Electricity at a reasonable cost</i>								
1999	13	25.2	30.8	25.9	6.7	9.6	1.7	6.7
2000	15	30.9	30.4	23.9	5.8	8.4	0.6	6.8
2001	15	33.0	31.4	23.3	5.6	4.9	2.0	6.9
2002	16	36.1	26.2	23.2	6.3	6.8	1.4	7.2

* - New attribute included in the 2001/02 Tracking studies

 - indicates significant differences at the 90% confidence level

- In 2002, customers perceive Hydro to perform favorably on the sixteen attributes defined in the study, with average ratings ranging from 7.2 to 9.2.
- In 2002, the top five Hydro performance characteristics remained consistent with previous studies with only the 3rd and 4th variables changing place from 2001 (*'friendly and courteous employees'* ranked 3rd and *'convenient method of payment'* ranked fourth in 2002.) The two most highly rated performance characteristics include *'concern for public safety'* and *'bills easy to read and understand'* with mean ratings of 9.2 for both. Both attributes have been ranked at the top of the performance list for each year they have been included in the study.
- For the most part, satisfaction ratings for most attributes continue to increase over ratings collected in the 1999 and 2000 studies. As compared to 2001, the ratings for most attributes have increased slightly or remained consistent.
- Respondents were significantly more likely to rate the following four attributes as excellent in 2002 than in 2001: *'quick response to customer questions and inquiries'*, *'electricity quickly restored when there is a power outage'*, *'education or information about electricity use'* and *'contributes back to the community'*.
- Each of the 8 attributes ranked in the bottom half of the 2001 performance ratings increased its' mean performance rating for 2002. Last years worst performance attribute *'contributes back to the community'* experienced significant improvements in each of the "excellent", "very good" and "neutral" categories, as its mean performance rating increased from 6.8 to 7.3 over the last year.
- The poorest performing attribute in 2002, *'electricity at a reasonable cost'* has gradually improved since the baseline report in 1999. Its mean rating has steadily improved from 6.7 in 1999, 6.8 in 2000, and 6.9 in 2001 to 7.2 this year.

6.0 CUSTOMER SATISFACTION INDEX (CSI)

The importance and satisfaction scores measured in this study can be combined to generate an overall measure called the Customer Satisfaction Index (CSI).

The CSI is a weighted average of satisfaction ratings for each of the service attributes used to elicit respondent feedback in the survey instrument. Each importance score on these attributes is divided by the sum of all importance scores and then multiplied by the perceived performance score assigned to Hydro on that one attribute (in effect, weighting the performance score by the relative importance). The resulting values are then summed, yielding a single Customer Service Index value for each respondent. The average of these values is the CSI in any one year.

The CSI ranges between one and ten (a ten-point scale is the measurement used by customers to rate importance and performance) and is used to track movement in overall satisfaction as defined by the service attributes specified within the study. The higher the index the better the customer service. In 1999, the CSI was based upon a set of thirteen defined service attributes and from 2000 to 2002, the CSI is based upon sixteen defined service attributes that are considered important to the provision of service by Hydro. The CSI for 2000 and for 2001/2002 are not directly comparable, due to the addition of two new attributes, namely “bills easy to read and understand” and “billing statement accuracy”. The service attributes “Up to date billing procedures and changes” and “Up to date information on customer services and changes” have been removed from the 2001 and 2002 studies.

	<u>Labrador</u>	<u>Northern</u>	<u>Central</u>	<u>Total</u>
<i>2000 Customer Service Index</i>	7.5	7.5	7.7	7.6
<i>2001 Customer Service Index</i>	7.4	8.1	8.3	7.9
<i>2002 Customer Service Index</i>	7.7	8.0	8.6	8.1

	<u>Happy Valley-G.B.</u>	<u>Labrador Isolated</u>	<u>Lab City Wabush</u>	<u>Northern Inter.</u>	<u>Northern Isolated</u>	<u>Central Inter.</u>	<u>Central Isolated</u>
<i>2001 CSI</i>	7.0	7.4	7.8	8.5	7.8	8.2	8.4
<i>2002 CSI</i>	7.5	7.4	8.1	8.2	7.7	8.5	8.7

- **The Consumer Service Index for Newfoundland and Labrador Hydro is 8.1 during November 2002.** This index score compares favorably with the national index score of 7.9, based on the 2002 survey of Canadian Attitudes and Opinions of Electric Utilities, completed on behalf of the Canadian Electricity Association.

- When the 2002 CSI for Hydro is examined on a regional basis, the greatest level of customer satisfaction is evident in Central, with a CSI of 8.6, considerably higher than both the Northern (8.0), and Labrador (7.7) regions. These CSI statistics are consistent with the regional results found later in this report.
- Based on CSI performance of 2001, both the Central and Labrador regions have seen an increase in customer satisfaction in 2002, gaining +0.3 percentage points in 2002. The Northern region has remained relatively consistent at 8.0 in 2002, down from 8.1 last year.
- When the CSI of Hydro is examined by sub-region, five of the seven regions have improved upon their performance from 2001, with the largest jump in index rating experienced in Happy Valley-Goose Bay (7.5, from 7.0 in 2001). The Northern Interconnected region dropped -0.3 points to 8.2, while the Northern Isolated region fell -0.1 points to 7.7.

	1999	2000	2001	2002
Customer Service Index	7.8	7.6	7.9	8.1

Note: the 1999 CSI is based on thirteen attributes and the CSI's for 2000-2002 are based on sixteen attributes, although not identical in content.

The CSI for the overall customer base of Hydro has improved +0.2 percentage points from the Index in 2001. This is most likely attributable to the slight increase in performance on many of the attributes evaluated in the 2002 study.

Other subgroups where notable differences occur in the CSI ratings include:

- Hydro customers who have 20+years of service relationship (8.3 vs. 7.6 for those who had less than 10 years of service relationship with Hydro);
- Hydro customers aged 65 years or older (8.5 vs. 7.5 for customers aged 25-34);
- Hydro customers with less than a high school education (8.3 - 8.8 for those with elementary/some high school vs. 7.2 for those with a university education);
- Hydro customers who are employed full time (7.6 vs. 8.6 for customers who are homemakers or retired);
- Hydro customers with the lowest household income level of \$20,000 or less (8.3 vs. 7.3 for those customers with a household income of \$80,000 or more).

7.0 SERVICE GAP ANALYSIS

7.1 “Gap” on Specific Service Attributes: Comparisons between 2002, 2001, 2000 and 1999

A gap score is essentially the difference between customers’ evaluation of importance and perceived performance of any one attribute. If perceived performance exceeds expectations, then the customer is satisfied, if it falls below expectations, the customer is dissatisfied. A gap score of 2.0 or greater should be considered significant and as shown in the following table, customer evaluation of Hydro results in an average negative gap score from -2.5 to -0.2 percentage points.

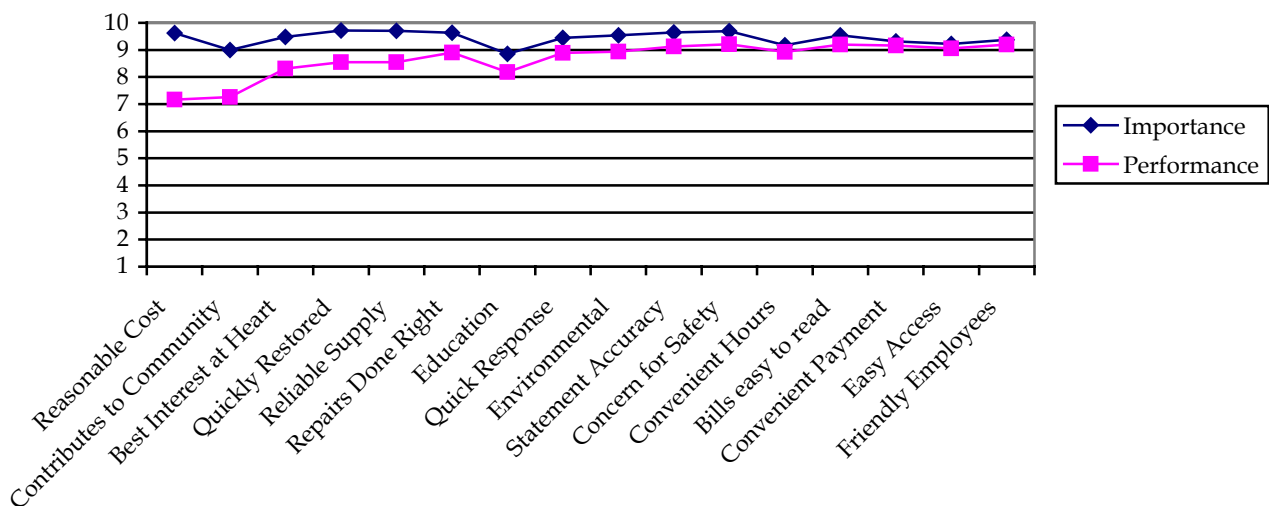
	IMPORTANCE		PERFORMANCE		Mean Gap Rating	% change
	Mean Rating	Rank	Mean Rating	Rank		
<i>Electricity at a reasonable cost</i>						
1999	9.6	4	6.7	13	-2.9	--
2000	9.7	3	6.8	15	-2.9	--
2001	9.8	3	6.9	15	-2.9	--
2002	9.6	6	7.2	16	-2.5	+0.4
<i>Contributes back to community</i>						
2000	9.0	11	6.2	16	-2.7	--
2001	9.4	15	6.8	16	-2.5	+0.2
2002	9.0	15	7.3	15	-1.7	+0.8
<i>A company which has the customer's best interest at heart</i>						
1999	9.6	5	8.0	11	-1.6	--
2000	9.5	6	7.9	13	-1.6	--
2001	9.8	5	8.2	13	-1.6	--
2002	9.5	9	8.3	13	-1.2	+0.4
<i>Electricity quickly restored when there is a power outage</i>						
1999	9.7	1	8.3	7	-1.3	--
2000	9.7	4	8.4	9	-1.3	--
2001	9.8	6	8.3	12	-1.5	-0.2
2002	9.7	1	8.6	12	-1.2	+0.3

	IMPORTANCE		PERFORMANCE		Mean Gap Rating	% change
	Mean Rating	Rank	Mean Rating	Rank		
<i>A reliable, uninterrupted supply of electricity</i>						
1999	9.6	3	8.3	6	-1.4	--
2000	9.8	1	8.5	8	-1.3	+0.1
2001	9.8	4	8.5	11	-1.4	-0.1
2002	9.7	2	8.6	11	-1.2	+0.2
<i>Able to complete equip. repairs/ service right the first time</i>						
1999	9.6	2	8.6	4	-0.9	--
2000	9.6	5	8.7	5	-1.0	-0.1
2001	9.8	7	8.8	9	-1.0	--
2002	9.6	5	8.9	9	-0.7	+0.3
<i>Education or information about electricity use</i>						
1999	8.5	13	7.6	12	-1.0	--
2000	8.3	16	7.6	14	-0.7	+0.3
2001	8.9	16	7.9	14	-1.0	-0.3
2002	8.9	16	8.2	14	-0.7	+0.3
<i>Quick response to customer questions and inquiries</i>						
1999	9.3	8	8.3	8	-1.0	--
2000	9.2	10	8.2	10	-0.9	+0.1
2001	9.6	11	8.6	10	-1.0	-0.1
2002	9.5	10	8.9	10	-0.6	+0.4
<i>Operates in an environmentally friendly manner</i>						
2000	9.5	7	8.9	3	-0.6	--
2001	9.7	8	9.0	7	-0.7	-0.1
2002	9.5	7	8.9	7	-0.6	+0.1
<i>Billing statement accuracy*</i>						
2001	9.8	2	9.2	5	-0.7	--
2002	9.6	4	9.1	5	-0.5	+0.2

	IMPORTANCE		PERFORMANCE		Mean Gap Rating	% change
	Mean Rating	Rank	Mean Rating	Rank		
<i>Concern for public safety</i>						
2000	9.8	2	9.1	1	-0.7	--
2001	9.9	1	9.3	1	-0.7	--
2002	9.7	3	9.2	1	-0.5	+0.2
<i>Convenient hours of operation</i>						
1999	9.2	9	8.6	3	-0.6	--
2000	9.0	12	8.6	7	-0.4	+0.2
2001	9.4	13	9.0	6	-0.5	-0.1
2002	9.2	14	8.9	8	-0.3	+0.2
<i>Bills easy to read and understand*</i>						
2001	9.6	12	9.2	2	-0.4	--
2002	9.5	8	9.2	2	-0.3	+0.1
<i>Convenient methods of payment</i>						
1999	9.5	6	8.8	2	-0.7	--
2000	9.4	8	8.8	4	-0.6	+0.1
2001	9.7	10	9.2	3	-0.5	+0.1
2002	9.3	12	9.2	4	-0.2	+0.3
<i>Easy access to account information at any time</i>						
1999	9.2	10	8.5	5	-0.6	--
2000	8.9	13	8.6	6	-0.4	+0.2
2001	9.4	14	9.0	8	-0.5	-0.1
2002	9.2	13	9.1	6	-0.2	+0.3
<i>Friendly & courteous employees</i>						
1999	9.5	7	9.0	1	-0.5	--
2000	9.4	9	9.0	2	-0.4	+0.1
2001	9.7	9	9.2	4	-0.5	-0.1
2002	9.4	11	9.2	3	-0.2	+0.3

* - New attribute included in the 2001/02 Tracking studies

“Gap” in Importance Vs. Performance Total Customer Base 2002



- Similar to each of the previous studies, Newfoundland and Labrador Hydro falls below customer expectations for each of the 16 service attributes. However, for many of the attributes, the gap scores have continually improved since the baseline study in 1999.
- Each of the sixteen attributes in 2002 has experienced an improvement in the mean gap rating, with improvements ranging from +0.1 to +0.8. These improvements in gap scores are most likely attributable to slight improvements in performance ratings, as well as decreases in customer expectations on several attributes.
- Continuing with the trend since 1999, the gap score is most pronounced with the attribute *'electricity at a reasonable cost'*, with a mean gap rating of -2.5 for 2002. However, for the first time, the service gap has been narrowed by 0.4 points from -2.9 (the service gap score in each of the first three years). *'Electricity at a reasonable cost'* remains the only attribute with a significant gap score of greater than 2.0.
- Although there has been significant improvement in the gap score from 2001, the attribute *'contributes back to the community'* has the second largest gap, falling 1.7 points below customer expectations and narrowing 0.8 points from 2.5 in 2001. The shift is the largest for any of the attributes, and most likely reflects the improved perceptions among customers with regards to Hydro's community contributions.

- Similar to previous years, Hydro comes closest to meeting customer expectations on the attributes of *'convenient methods of payment'*, *'easy access to account information at any time'* and *'friendly and courteous employees'*, with performance on all three attributes falling -0.2 points below expectations.

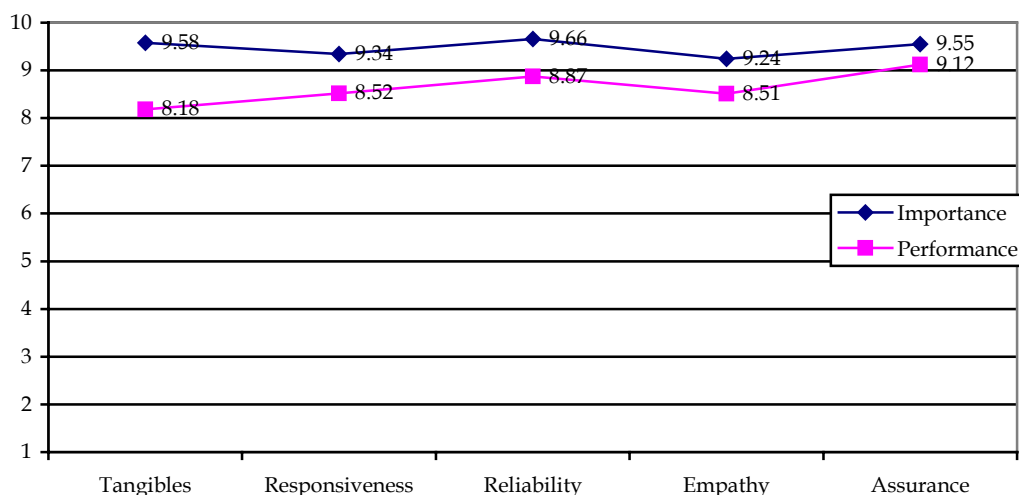
7.2 “Gap” on Key Service Dimensions

To assess the service quality of Hydro, each individual service attribute is compiled into the one of the five dimensions of the SERVQUAL model. The difference between expectations and performance on each dimension is calculated, enabling an evaluation of the overall service of the company.

	IMPORTANCE		PERFORMANCE		Mean Gap Rating	% change
	Mean Rating	Rank	Mean Rating	Rank		
<i>Tangibles*</i>						
1999	9.60	1	6.70	5	-2.90	--
2000	9.71	2	6.79	5	-2.92	-0.02
2001	9.71	3	8.06	5	-1.66	+1.26
2002	9.58	2	8.18	5	-1.40	+0.26
<i>Responsiveness</i>						
1999	9.17	4	8.06	4	-1.11	--
2000	9.04	5	8.02	3	-1.04	+0.07
2001	9.43	5	8.23	4	-1.18	-0.14
2002	9.34	4	8.52	3	-0.83	+0.35
<i>Reliability*</i>						
1999	9.60	2	8.47	2	-1.14	--
2000	9.73	1	8.59	2	-1.15	-0.01
2001	9.80	1	8.81	2	-0.99	+0.16
2002	9.66	1	8.87	2	-0.79	+0.20
<i>Empathy</i>						
1999	9.37	3	8.49	1	-0.86	--
2000	9.19	4	7.99	4	-1.15	-0.29
2001	9.54	4	8.30	3	-1.22	-0.07
2002	9.24	5	8.51	4	-0.69	+0.53
<i>Assurance</i>						
1999	9.07	5	8.43	3	-0.65	--
2000	9.22	3	8.70	1	-0.53	+0.12
2001	9.78	2	9.16	1	-0.63	-0.10
2002	9.55	3	9.12	1	-0.44	+0.19

* includes a new attribute added in 2001 and 2002

“Gap” in Importance Vs. Performance - 2002



- The gap between customer expectations and perceived performance has narrowed for each of the service dimensions, with negative gap scores ranging from 0.44 to 1.40.
- Consistent with years past, ‘Tangibles’ remains the dimension customers are most dissatisfied with, having a mean gap rating of -1.40. However, the gap score for ‘Tangibles’ continues to improve, closing the satisfaction gap +0.26 points, from -1.66 in 2001.
- Each of the service gap dimensions have improved from 2001, with ‘Empathy’ having the largest improvement with an increase of +0.53 in its service gap score, from -1.22 in 2001 to -0.69 in 2002. This is the first gap improvement for ‘Empathy’, as its rating has faltered in previous studies.
- ‘Assurance’ remains the dimension with the narrowest margin between importance and performance with a gap score of -0.44, up +0.19 from its score in 2001 and overall, up +0.21 since 1999.

8.0 SERVICE RELIABILITY

8.1 Overall Satisfaction with Service Reliability


On a scale of 1 to 10, with a 1 meaning "Very Dissatisfied" and a 10 meaning "Very Satisfied", how satisfied are you with: the supply of electricity you receive from NF & Lab. Hydro?

		Overall Satisfaction with Service Reliability					MEAN RATING
		Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied	
Labrador	1999	60.8	29.6	6.3	2.1	1.1	8.6
	2000	57.1	28.3	10.8	1.7	2.1	8.5
	2001	63.4	27.6	7.4	0.8	0.8	8.8
	2002	57.9	29.8	6.6	2.9	2.9	8.40
Northern	1999	63.9	28.8	6.3	-	1.0	8.5
	2000	63.5	26.5	9.5	-	-	8.8
	2001	71.1	18.9	5.7	1.4	2.3	8.9
	2002	66.8	24.9	6.8	1.5	-	8.84
Central	1999	73.7	20.7	4.0	0.8	0.8	9.2
	2000	76.5	17.0	5.0	0.5	0.5	9.1
	2001	74.5	19.5	5.0	0.5	0.5	9.1
	2002	77.5	18.5	3.5	-	0.5	9.24
Total	1999	66.8	25.9	5.4	0.9	0.9	8.7
	2000	68.5	22.5	7.2	0.7	0.9	8.8
	2001	75.1	19.5	3.7	0.6	0.7	8.9
	2002	70.6	23.8	4.0	0.6	1.0	8.97

- indicates significant differences at the 90% confidence level between 2000 and 2001 data

- Consistent with the previous findings, most Hydro customers (94%) are either somewhat satisfied or very satisfied with the supply of electricity received from Newfoundland and Labrador Hydro. However, 2002 ratings are similar to those findings in 1999 and 2000, with a decrease in the number of customers who rate Hydro as "excellent" and an increase in the number who rate them as "good".
- The mean performance rating for the supply of electricity has steadily climbed since 1999, increasing approximately +0.1 each year since the baseline study. In 2002, the mean rating for supply of electricity is at 9.0, increasing from 8.9 in 2001.
- Regionally, Labrador appears to have the largest number of dissatisfied customers with regards to the supply of electricity, with only 58% of customers very satisfied on this issue, compared to 67% in the Northern region and 78% in Central. This lower level of satisfaction in the Labrador region is consistent with previous years, however is slightly more pronounced in 2002.

		Exceeded Expectations	Met Expectations	Have Not Met Expectations
Labrador	1999	6.9	86.1	6.9
	2000	9.2	81.3	9.6
	2001	6.2	88.5	4.9
	2002	5.0	85.5	9.5
Northern	1999	3.9	87.4	8.7
	2000	5.5	87.0	7.5
	2001	10.4	86.7	2.8
	2002	5.4	87.2	7.4
Central	1999	6.1	89.9	4.0
	2000	4.0	91.0	5.0
	2001	4.0	89.0	7.0
	2002	8.5	88.0	3.5
Total	1999	5.7	87.7	6.6
	2000	7.3	85.8	6.9
	2001	3.9	89.8	6.1
	2002	5.9	88.8	4.8

 - indicates significant differences at the 90% confidence level between 2000 and 2001 data

- The service reliability of Hydro continues to meet (89%), but not exceed (6%) the expectations of customers. For 5% of its customers, Hydro falls below customer expectations with regards to the supply of electricity.
- In Northern and Labrador, the proportion of customers who suggest their expectations were not met increased in 2002, consistent the levels reported in earlier studies. In Central, the number of customers who report that Hydro exceeds their expectations has increased to its highest level to date.

8.2 Gap on Service Reliability

	Mean Importance Rating				Mean Performance				Mean Gap Rating			
	1999	2000	2001	2002	1999	2000	2001	2002	1999	2000	2001	2002
<i>A reliable, uninterrupted supply of electricity</i>	9.6	9.8	9.8	9.7	8.3	8.5	8.5	8.6	-1.4	-1.3	-1.3	-1.2
<i>Electricity quickly restored when there is a power outage</i>	9.7	9.7	9.8	9.7	8.3	8.4	8.3	8.6	-1.3	-1.3	-1.5	-1.2


- As mentioned earlier, the two attributes of service reliability, ‘a reliable, uninterrupted supply of electricity’ and ‘electricity quickly restored when there is a power outage’ continue to have negative gap scores (both at -1.2). However, the gap scores for both of these attributes are the lowest they have been since the baseline report in 1999.

9.0 CUSTOMER SERVICE

9.1 Overall Satisfaction with Customer Service


On a scale of 1 to 10, with one meaning "Very Dissatisfied" and ten meaning "Very Satisfied", how satisfied are you with: the overall customer service you receive from NF & Lab. Hydro?

		Overall Satisfaction with Customer Service					MEAN RATING
		Very Satisfied	Somewhat Satisfied	Neutral	Somewhat Dissatisfied	Very Dissatisfied	
Labrador	1999	57.7	34.6	4.4	2.2	1.1	8.5
	2000	54.2	32.4	9.2	2.1	2.1	8.4
	2001	62.0	28.7	7.2	0.8	1.2	8.7
	2002	56.1	31.0	10.5	1.7	0.8	8.48
Northern	1999	61.6	30.0	6.8	1.6	-	8.6
	2000	62.2	29.1	8.2	0.5	-	8.8
	2001	70.8	23.0	4.3	1.4	0.4	9.0
	2002	64.7	29.4	4.9	1.0	-	8.89
Central	1999	69.8	22.9	4.5	2.0	0.8	9.0
	2000	72.9	21.1	4.5	0.5	1.0	9.0
	2001	80.0	16.8	3.6	-	-	9.2
	2002	75.4	20.1	4.5	-	-	9.19
Total	1999	63.7	28.5	5.2	1.9	0.6	8.7
	2000	65.1	26.3	6.2	1.1	1.3	8.7
	2001	76.3	19.7	3.4	0.4	0.1	9.0
	2002	66.5	26.2	5.2	0.6	0.1	8.96

 - indicates significant differences at the 90% confidence level between 2000 and 2001 data

- Overall, satisfaction levels with customer service are down marginally from 2001, with a significant number of those who were satisfied with customer service now suggesting they are somewhat satisfied. However, the mean rating for overall customer service remained constant at 9.0 out of 10, consistent with the mean rating for 2001, and increased over 1999-2000.
- When examined by region, it appears that the slight decline in satisfaction rating is most likely attributable to a decline in the Labrador region, where the mean satisfaction rating has declined to 8.5 from 8.7 in 2001. Satisfaction ratings in the remaining two regions have remained fairly consistent with 2001 findings.

		Exceeded Expectations	Met Expectations	Have Not Met Expectations
Labrador	1999	6.7	86.1	7.1
	2000	9.6	83.3	7.1
	2001	5.3	90.1	4.1
	2002	5.9	88.7	5.4
Northern	1999	4.0	92.0	4.0
	2000	5.0	87.0	8.0
	2001	7.1	90.0	2.8
	2002	5.9	90.1	4.0
Central	1999	4.7	90.7	4.7
	2000	4.5	90.5	5.0
	2001	2.0	93.5	4.5
	2002	5.1	93.4	1.5
Total	1999	5.2	89.3	5.4
	2000	8.8	84.6	6.6
	2001	3.3	91.5	5.1
	2002	5.5	91.2	2.4

 - indicates significant differences at the 90% confidence level between 2000 and 2001 data

- In comparison to 2001, there has been a slight increase in the number of respondents that indicate Hydro's customer service exceeded their expectations (at 6% in 2002, up from 3% in 2001), as well as a significant decrease in the number of customers suggesting their expectations have not been met (2% in 2002, down from 5% in 2001).
- However, for the most part, Hydro continues to meet (91%), but not exceed (6%) customer expectations with regards to the level of customer service provided. It should be noted that an opportunity does exist for Hydro to improve the level of customer service, as well as the level of service reliability it provides to its customer base.

10.0 SERVICE GAP BY REGION: COMPARISONS OF 2002, 2001, 2000 AND 1999

	LABRADOR				NORTHERN				CENTRAL				TOTAL			
	99	00	01	02	99	00	01	02	99	00	01	02	99	00	01	02
<i>A reliable, uninterrupted supply of electricity</i>	-1.5	-1.6	-1.6	-1.6	-1.7	-1.3	-1.4	-1.5	-0.9	-0.9	-1.1	-0.8	-1.4	-1.3	-1.4	-1.2
<i>Electricity at a reasonable cost</i>	-2.2	-2.5	-2.6	-2.7	-3.4	-3.5	-3.5	-2.9	-3.4	-2.9	-2.8	-2.2	-2.9	-2.9	-2.9	-2.5
<i>Electricity quickly restored when there is a power outage</i>	-1.4	-1.5	-1.8	-1.4	-1.5	-1.3	-1.5	-1.3	-1.1	-1.2	-1.1	-0.9	-1.3	-1.3	-1.5	-1.2
<i>Bills easy to read and understand*</i>	--	--	-0.4	-0.4	--	--	-0.5	-0.5	--	--	-0.2	-0.2	--	--	-0.4	-0.3
<i>Billing statement accuracy*</i>	--	--	-0.9	-0.7	--	--	-0.7	-0.5	--	--	-0.4	-0.2	--	--	-0.7	-0.5
<i>Quick response to customer questions and inquiries</i>	-1.0	-1.1	-1.4	-0.9	-1.2	-1.0	-0.9	-0.6	-0.7	-0.6	-0.5	-0.4	-1.0	-0.9	-1.0	-0.6
<i>Convenient hours of operation</i>	-0.8	-0.8	-0.8	-0.5	-0.6	-0.3	-0.5	-0.3	-0.2	-0.2	-0.3	-0.2	-0.6	-0.4	-0.5	-0.3
<i>Easy access to account information at any time</i>	-0.9	-0.7	-0.6	-0.4	-0.6	-0.1	-0.4	-0.3	-0.3	-0.1	-0.4	-0.2	-0.6	-0.4	-0.5	-0.2
<i>Able to complete equipment repairs and service right the first time</i>	-1.0	-1.1	-1.4	-1.1	-1.1	-1.0	-0.9	-1.0	-0.7	-0.8	-0.6	-0.6	-0.9	-1.0	-1.0	-0.7
<i>Education or information about electricity use</i>	-0.8	-0.6	-1.0	-1.0	-1.3	-1.0	-1.1	-0.9	-1.0	-0.4	-0.9	-0.6	-1.0	-0.7	-1.0	-0.7
<i>Friendly & courteous employees</i>	-0.8	-0.7	-0.9	-0.4	-0.4	-0.3	-0.4	-0.2	-0.3	-0.2	-0.2	-0.2	-0.5	-0.4	-0.5	-0.2
<i>A company which has the customer's best interest at heart</i>	-1.5	-1.8	-2.2	-1.8	-1.6	-1.6	-1.4	-1.2	-1.7	-1.5	-1.3	-0.7	-1.6	-1.6	-1.6	-1.2
<i>Convenient methods of payment</i>	-1.1	-1.0	-0.7	-0.4	-0.5	-0.6	-0.4	-0.3	-0.3	-0.1	-0.4	-0.1	-0.7	-0.6	-0.5	-0.2
<i>Operates in an environmentally friendly manner</i>	--	-0.9	-1.2	-1.1	--	-0.5	-0.6	-0.6	--	-0.3	-0.4	-0.4	--	-0.6	-0.7	-0.6

	LABRADOR				NORTHERN				CENTRAL				TOTAL			
	99	00	01	02	99	00	01	02	99	00	01	02	99	00	01	02
<i>Concern for public safety</i>	--	-0.8	-1.0	-0.9	--	-0.7	-0.6	-0.6	--	-0.5	-0.4	-0.3	--	-0.7	-0.7	-0.5
<i>Contributes back to the community</i>	--	-2.7	-2.6	-1.9	--	-2.8	-2.7	-1.7	--	-2.5	-2.3	-1.6	--	-2.7	-2.5	-1.7

* - New attribute included in the 2001/02 Tracking studies

- In examining the service gaps within the specific regions, the results are relatively consistent, with the majority of attributes experiencing improvements for each of the service gap scores since the baseline study in 1999. For many attributes, the gap score is currently at its narrowest point to date.
- Analysis and tracking of the importance and performance scores of each region, as well as the service gap ratings follows in Section 12 to Section 14 of this report.

11.0 GAPS BY SUB REGION: COMPARISONS OF 2002, 2001, 2000 AND 1999

	Lab City Wabush	H.Valley/ G.Bay	Labrador Isolated	Northern Inter.	Northern Isol.	Central Inter.	Central Isol.
<i>A reliable, uninterrupted supply of electricity</i>							
1999	-0.5	-1.9	-1.9	-1.3	-2.1	-1.4	-0.3
2000	-0.4	-2.2	-2.4	-1.2	-1.4	-1.4	-0.3
2001	-1.1	-1.6	-2.1	-0.6	-2.3	-1.2	-1.0
2002	-0.6	-1.6	-2.7	-1.2	-1.8	-1.0	-0.7
<i>Electricity at a reasonable cost</i>							
1999	-0.4	-2.2	-3.8	-3.4	-3.4	-3.6	-3.3
2000	-0.3	-2.3	-4.9	-3.4	-3.5	-2.9	-2.9
2001	-0.8	-2.6	-4.2	-2.9	-4.2	-2.6	-2.9
2002	-1.9	-2.0	-4.4	-2.5	-3.2	-2.6	-1.9
<i>Electricity quickly restored when there is a power outage</i>							
1999	-0.8	-1.8	-1.7	-1.2	-1.7	-1.5	-0.6
2000	-0.5	-1.9	-2.1	-1.0	-1.5	-1.8	-0.6
2001	-0.9	-2.1	-2.4	-0.8	-2.2	-1.5	-0.7
2002	-0.7	-1.7	-1.9	-1.2	-1.4	-1.1	-0.6
<i>Bills easy to read and understand*</i>							
2001	+0.1	-0.7	-0.7	-0.3	-0.6	-0.3	-0.2
2002	-0.2	-0.4	-0.5	-0.5	-0.4	-0.3	-0.2
<i>Billing Statement Accuracy*</i>							
2001	-0.3	-1.0	-1.3	-0.4	-1.0	-0.4	-0.4
2002	-0.2	-1.0	-1.1	-0.5	-0.5	-0.4	-0.03
<i>Quick response to customer questions and</i>							
1999	-0.8	-1.2	-1.0	-1.1	-1.3	-1.0	-0.4
2000	-0.6	-1.4	-1.4	-0.7	-1.2	-1.0	-0.1
2001	-0.8	-2.0	-1.4	-0.7	-1.1	-0.6	-0.4
2002	-0.5	-1.1	-1.2	-0.5	-0.8	-0.5	-0.3
<i>Convenient hours of operation</i>							
1999	-0.4	-1.6	-0.4	-0.4	-0.7	-0.3	-0.2
2000	-0.8	-0.7	-0.8	-0.2	-0.4	-0.3	-0.1
2001	-0.3	-0.9	-1.2	-0.2	-0.8	-0.4	-0.2
2002	+0.2	-0.8	-0.8	-0.2	-0.3	-0.3	-0.1
<i>Easy access to account information at any time</i>							
1999	-0.4	-1.2	-1.0	-0.4	-0.9	-0.5	-0.2
2000	-0.3	-1.0	-0.9	+0.1	-0.3	-0.2	-0.1
2001	+0.1	-0.7	-1.3	-0.2	-0.6	-0.8	-0.1
2002	-0.3	-0.3	-0.6	-0.1	-0.6	-0.1	-0.2

	Lab City Wabush	H.Valley/ G.Bay	Labrador Isolated	Northern Inter.	Northern Isol.	Central Inter.	Central Isol.
<i>Able to complete equipment repairs and service right the first time</i>							
1999	-0.6	-1.2	-1.2	-0.8	-1.4	-0.9	-0.5
2000	-0.4	-1.5	-1.4	-0.8	-1.2	-1.4	-0.2
2001	-0.9	-1.5	-1.8	-0.3	-1.5	-0.7	-0.6
2002	-0.3	-1.0	-2.0	-0.7	-1.2	-0.6	-0.5
<i>Education or information about electricity use</i>							
1999	-0.2	-1.2	-1.0	-1.0	-1.6	-1.2	-0.8
2000	0.3	-0.7	-1.4	-1.1	-1.0	-0.7	-0.2
2001	+0.2	-1.6	-1.7	-0.8	-1.2	-1.0	-0.7
2002	-0.3	-1.0	-1.8	-1.0	-0.8	-0.6	-0.7
<i>Friendly & courteous employees</i>							
1999	-0.6	-0.9	-0.8	-0.1	-0.8	-0.3	-0.3
2000	-0.2	-0.9	-0.8	-0.04	-0.7	-0.3	-0.03
2001	-0.3	-1.1	-1.2	-0.1	-0.8	-0.4	-0.1
2002	-0.1	-0.6	-0.6	-0.04	-0.3	-0.2	-0.1
<i>A company which has the customer's best interest at heart</i>							
1999	-0.9	-2.3	-1.3	-1.2	-1.9	-1.7	-1.6
2000	-1.0	-1.7	-2.5	-1.7	-1.6	-1.8	-1.1
2001	-1.8	-2.2	-2.5	-0.9	-1.8	-1.1	-1.4
2002	-1.8	-1.9	-1.8	-1.0	-1.4	-0.9	-0.6
<i>Convenient methods of payment</i>							
1999	-0.7	-1.6	-1.1	-0.2	-0.9	-0.3	-0.2
2000	-0.5	-1.3	-1.1	-0.3	-0.8	-0.3	+0.1
2001	-0.4	-0.9	-0.8	-0.2	-0.6	-0.5	-0.3
2002	+0.1	-0.5	-0.8	-0.1	-0.5	-0.1	-0.1
<i>Operates in an environmentally friendly</i>							
2000	-0.4	-0.9	-1.2	-0.6	-0.5	-0.4	-0.3
2001	-0.7	-1.4	-1.5	-0.1	-1.1	-0.5	-0.3
2002	-0.6	-1.4	-1.2	-0.4	-0.8	-0.4	-0.4
<i>Concern for public safety</i>							
2000	-0.5	-0.9	-1.2	-0.7	-0.7	-0.6	-0.4
2001	-0.8	-1.0	-1.2	-0.2	-0.9	-0.4	-0.4
2002	-0.6	-1.1	-1.0	-0.4	-0.8	-0.3	-0.3

	Lab City Wabush	H.Valley/ G.Bay	Labrador Isolated	Northern Inter.	Northern Isol.	Central Inter.	Central Isol.
<i>Contributes back to the community</i>							
2000	-1.6	-1.0	-4.9	-2.8	-2.9	-3.5	-1.8
2001	-2.0	-2.0	-3.5	-2.0	-3.0	-2.4	-2.3
2002	-0.9	-1.6	-3.4	-1.6	-1.8	-2.0	-1.3

* - New attribute included in the 2001/02 Tracking studies

- As mentioned previously, the largest overall service gap is associated with the attribute 'electricity at a reasonable cost' where the gap stands at -2.5 percentage points improved from a score of -2.9 in each of the first three years. This improvement in the mean gap can be primarily attributed to full percentage point improvements in the areas of Northern Isolated (-3.2, from -4.2 in 2001) and Central Isolated (-1.9, from -2.9 in 2001). The gap score for this attribute continues to remain one of concern in the Labrador region, with a negative gap score of 4.4 in Labrador Isolated, and a negative score of 2.0 in Happy Valley and Labrador City.
- The largest improvement in service gap is associated with the attribute 'contributes back to the community', improving to -1.7 from -2.5 in 2001. This can be credited to considerable gap reductions in the areas of Labrador City/Wabush (-0.9, from -2.0 in 2001), Northern Isolated (-1.8, from -3.0 in 2001) and Central Isolated (-1.3, from -2.3 in 2001).
- Compared to 2001, each of the specific regions have experienced improved or consistent service gap scores, with the exception of the Northern Interconnected region. In Northern Interconnected, 9 of the 16 attributes have gap increases, or have become more negative, since 2001. Attributes with the largest increases in the Northern Interconnected region include 'a reliable, uninterrupted supply of electricity,' (-1.2, from -0.6 in 2001), 'electricity quickly restored when there is a power outage', (-1.2, from -0.8 in 2001) and 'able to complete equipment repairs and service right the first time,' (-0.7, from -0.3 in 2001).

12.0 LABRADOR REGION


12.1 Importance Factors Labrador: Comparison of 2002, 2001, 2000 and 1999

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	87.9	8.4	3.2	--	0.5	--	9.5
2000	93.7	5.4	0.4	0.4	--	--	9.8
2001	94.2	5.8	--	--	--	--	9.8
2002	90.1	7.4	1.2	0.8	--	0.4	9.6
<i>Electricity at a reasonable cost</i>							
1999	89.4	6.3	3.7	0.5	--	--	9.5
2000	88.7	9.6	0.8	--	0.8	--	9.6
2001	95.5	3.3	0.8	0.4	--	--	9.8
2002	88.8	7.9	0.8	0.4	1.2	0.8	9.6
<i>Electricity quickly restored when there is a power outage</i>							
1999	89.4	7.4	3.2	--	--	--	9.6
2000	89.5	8.4	1.3	0.4	0.4	--	9.7
2001	95.5	3.7	0.8	--	--	--	9.8
2002	90.1	9.1	0.8	--	--	--	9.7
<i>Bills easy to read and understand**</i>							
2001	80.7	14.0	4.0	0.8	0.4	--	9.4
2002	78.5	17.4	1.7	0.8	1.7	--	9.3
<i>Billing Statement Accuracy**</i>							
2001	93.4	6.2	0.4	--	--	--	9.8
2002	83.9	12.8	2.5	--	0.8	--	9.5
<i>Quick response to customer questions and inquiries</i>							
1999	71.1	19.5	5.8	0.5	--	3.2	9.1
2000	72.0	23.4	2.9	--	0.8	0.8	9.2
2001	83.1	13.6	2.5	--	0.4	0.4	9.5
2002	74.0	22.7	2.1	0.4	0.4	0.4	9.3
<i>Convenient hours of operation</i>							
1999	70.0	22.1	5.8	--	1.1	1.1	9.0
2000	67.8	20.1	7.1	1.3	2.5	1.3	8.8
2001	75.3	14.8	6.6	--	1.6	1.6	9.2
2002	66.5	23.1	7.0	--	2.1	1.2	8.9

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Easy access to account information at any time</i>							
1999	68.3	21.7	6.3	2.1	0.5	1.1	9.0
2000	65.3	21.8	8.4	1.7	1.3	1.7	8.8
2001	76.1	12.8	7.8	0.4	0.8	2.1	9.2
2002	70.2	18.6	8.7	0.8	1.2	0.4	8.9
<i>Able to complete equipment repairs and service right the first time</i>							
1999	84.7	11.6	2.1	0.5	--	1.1	9.4
2000	86.2	10.9	0.8	--	0.4	1.7	9.6
2001	93.0	5.3	0.8	--	0.4	0.4	9.8
2002	83.1	12.0	2.9	0.4	0.8	0.8	9.4
<i>Education or information about electricity use</i>							
1999	47.9	33.7	12.6	3.2	2.1	0.5	8.2
2000	47.3	32.2	14.2	3.3	2.1	0.8	8.1
2001	55.6	25.9	15.2	1.6	0.8	0.8	8.5
2002	58.7	23.6	11.2	2.5	2.9	1.2	8.4
<i>Friendly & courteous employees</i>							
1999	82.1	12.1	4.7	--	--	1.1	9.5
2000	81.2	13.8	2.9	0.4	0.4	1.3	9.4
2001	87.7	9.5	2.1	--	--	0.8	9.7
2002	79.8	12.0	6.2	--	1.7	0.4	9.2
<i>A company which has the customer's best interest at heart</i>							
1999	84.7	12.1	2.1	--	0.5	0.5	9.5
2000	85.4	10.5	2.9	--	0.4	0.8	9.5
2001	93.4	5.8	--	--	--	0.8	9.8
2002	83.9	9.9	4.5	0.4	1.2	--	9.3
<i>Convenient methods of payment</i>							
1999	78.3	16.9	4.2	--	--	0.5	9.4
2000	80.3	16.3	2.5	0.4	0.4	--	9.4
2001	84.8	9.1	2.9	0.4	0.4	2.5	9.5
2002	75.6	18.6	4.5	0.4	0.4	0.4	9.2
<i>Operates in an environmentally friendly manner</i>							
2000	87.9	9.6	2.1	--	--	0.4	9.6
2001	87.2	9.1	1.2	--	--	2.5	9.7
2002	84.3	11.2	2.9	--	--	1.7	9.5
<i>Concern for public safety</i>							
2000	94.6	4.6	0.4	--	--	0.4	9.8
2001	97.9	1.2	0.4	--	--	0.4	9.9
2002	90.1	6.6	2.5	--	0.4	0.4	9.6

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Contributes back to the community</i>							
2000	61.5	24.3	7.9	0.8	0.8	4.6	8.8
2001	72.8	18.1	4.9	1.6	0.4	2.1	9.2
2002	66.5	21.1	7.4	1.7	0.8	2.5	8.9

* *- New attribute included in the 2001/02 Tracking studies

 - indicates significant differences at the 90% confidence level

- For Labrador customers, overall importance levels have marginally declined for each of the 16 attributes in 2002. The attributes which customers in Labrador consider to be most important include 'electricity quickly restored when there is a power outage' (90% very important, 9.7 mean rating), 'concern for public safety' (90% very important, 9.6 mean rating) and 'a reliable uninterrupted supply of electricity' (90% very important, 9.6 mean rating).
- The most notable difference in importance ratings is evident with the attributes 'friendly and courteous employees' (mean importance of 9.2, from 9.7 in 2001) and 'a company which has the customers best interest at heart' (mean importance of 9.3, from 9.8 in 2001).
- 'Education about electricity use' remains as the attribute viewed by customers in the Labrador region as having the lowest level of importance. Only 59% of customers perceive this attribute as very important, and the mean importance of the attribute remains low at 8.4, down from 8.5 in 2001.

12.2 Performance Evaluation Labrador: Comparison of 2002, 2001, 2000 and 1999

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	51.6	33.7	10.5	2.6	1.6	--	8.1
2000	53.6	26.4	13.4	3.8	2.9	--	8.2
2001	46.5	39.9	9.9	2.1	1.6	--	8.2
2002	54.5	25.2	9.5	5.0	5.4	0.4	8.0
<i>Electricity at a reasonable cost</i>							
1999	48.4	28.2	13.8	3.7	4.3	1.6	7.4
2000	42.3	20.1	19.2	9.6	8.8	--	7.2
2001	36.2	28.8	19.3	7.8	5.8	2.1	7.3
2002	36.4	26.9	12.8	7.9	14.5	1.7	6.9
<i>Electricity quickly restored when there is a power outage</i>							
1999	50.0	38.4	6.8	1.6	2.6	0.5	8.2
2000	51.0	32.2	9.2	2.9	3.8	0.8	8.2
2001	44.4	36.6	14.4	1.6	2.5	0.4	8.0
2002	55.0	24.8	12.8	3.7	1.7	2.1	8.3
<i>Bills easy to read and understand**</i>							
2001	68.7	21.0	7.0	1.2	0.8	1.2	8.9
2002	69.4	21.9	5.4	1.7	0.4	1.2	8.9
<i>Billing Statement Accuracy**</i>							
2001	67.1	18.9	4.5	2.1	1.2	6.2	8.9
2002	64.5	24.0	5.4	2.9	1.2	2.1	8.7
<i>Quick response to customer questions and inquiries</i>							
1999	44.5	26.7	9.4	4.2	2.1	13.1	8.1
2000	40.6	31.0	11.7	2.9	2.1	11.7	8.1
2001	39.5	25.1	9.5	3.7	2.5	19.8	8.1
2002	51.2	23.6	7.4	4.5	2.1	11.2	8.3
<i>Convenient hours of operation</i>							
1999	53.2	23.4	11.7	3.2	4.3	4.3	8.2
2000	49.4	24.3	9.2	2.5	4.2	10.5	8.2
2001	51.4	25.1	7.4	0.4	2.9	12.8	8.5
2002	53.3	23.6	11.6	1.2	1.7	8.7	8.4
<i>Easy access to account information at any time</i>							
1999	46.3	28.4	10.0	3.2	2.6	9.5	8.2
2000	49.4	23.4	9.6	3.3	2.5	11.7	8.2
2001	50.6	22.2	7.4	0.8	1.6	17.3	8.6
2002	54.5	21.9	8.3	2.5	0.8	12.0	8.6

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Able to complete equipment repairs and service right the first time</i>							
1999	50.8	31.7	6.3	1.1	1.1	9.0	8.4
2000	56.5	22.2	8.8	1.7	2.1	8.8	8.5
2001	47.3	29.2	8.2	2.5	1.2	11.5	8.4
2002	50.0	28.5	7.9	2.9	2.5	8.3	8.3
<i>Education or information about electricity use</i>							
1999	38.1	31.2	14.8	3.2	5.8	6.9	7.5
2000	35.6	31.8	19.2	5.4	3.8	4.2	7.5
2001	33.7	30.9	15.2	4.9	4.9	10.3	7.5
2002	38.0	27.3	12.4	6.6	7.4	8.3	7.4
<i>Friendly & courteous employees</i>							
1999	62.6	21.1	5.3	2.1	2.6	6.3	8.7
2000	61.1	24.7	6.3	1.3	1.7	5.0	8.8
2001	59.3	25.9	6.6	0.4	1.2	6.6	8.8
2002	63.2	21.9	6.6	0.8	0.8	6.6	8.8
<i>A company which has the customer's best interest at heart</i>							
1999	43.7	31.1	13.2	3.2	3.7	5.3	7.9
2000	42.7	28.9	15.9	5.0	3.3	4.2	7.8
2001	38.7	29.2	15.2	4.9	3.3	8.6	7.7
2002	41.3	23.6	20.7	5.8	4.1	4.5	7.6
<i>Convenient methods of payment</i>							
1999	58.9	20.0	9.5	4.7	4.7	2.1	8.3
2000	61.1	20.9	10.5	2.1	4.2	1.3	8.4
2001	66.7	18.9	6.6	2.1	1.2	4.5	8.9
2002	66.5	20.2	7.9	2.5	0.8	2.1	8.8
<i>Operates in an environmentally friendly manner</i>							
2000	55.2	23.8	6.7	1.3	0.8	12.1	8.7
2001	43.6	23.0	5.8	2.9	0.8	23.9	8.5
2002	48.8	27.3	9.5	1.7	1.2	11.6	8.4
<i>Concern for public safety</i>							
2000	64.0	25.9	3.8	0.4	0.4	5.4	9.0
2001	58.4	25.5	2.5	0.4	1.2	11.9	8.9
2002	59.1	24.4	7.0	1.7	1.2	6.6	8.7

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Contributes back to the community</i>							
2000	17.2	15.9	13.4	7.1	10.5	36.0	6.3
2001	14.0	17.3	7.8	4.5	8.2	48.1	6.5
2002	25.6	19.0	12.0	5.4	8.3	29.8	7.0

* - New attribute included in the 2001/02 Tracking studies

■ - indicates significant differences at the 90% confidence level

- For the most part, Labrador customers have rated Hydro's performance favorably on each of the sixteen attributes. However, it is interesting to note that for half of the attributes, the perceived performance of Hydro has fallen to its lowest point to date.
- The top performing attributes from Labrador customers' point of view include 'Bills easy to read and understand' (with a performance mean of 8.9), 'Convenient methods of payment' (with a performance mean of 8.8) and 'Friendly and courteous employees' (with a performance mean of 8.8). These attributes were also the top performers in 2001 (in addition to 'Billing statement accuracy' and 'Concern for public safety', which fell to 8.7, from 8.9 last year).
- In comparison to 2001, there has been a shift in the attribute that Labradorians perceive to perform the poorest of the sixteen. 'Electricity at a reasonable cost' (6.9 mean performance rating, from 7.3 in 2001) displaces 'Contributes back to the community' (7.0 mean performance rating, from 6.5 in 2001), as the worst performer in 2002. Hydro's performance on the reasonable cost of electricity has continued to decline since 1999. It is also worthy to note that Hydro's contribution to the community has been perceived by Labrador customers to improve each year (from a mean performance of 6.3 to 7.0).

12.3 Service Gap Analysis Labrador: Comparison of 2002, 2001, 2000 and 1999

Comparing the importance ratings on each service attribute to the performance evaluation of Hydro on these attributes, an average “gap” score is calculated. Essentially, this is the difference between customer perception and expectation on each service attribute. A negative gap score represents lower-than-expected service.

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Electricity at a reasonable cost</i>				
1999	9.5	7.4	-2.2	--
2000	9.6	7.2	-2.5	-0.3
2001	9.8	7.3	-2.6	-0.1
2002	9.6	6.9	-2.7	-0.1
<i>Contributes back to community</i>				
2000	8.8	6.3	-2.7	--
2001	9.2	6.5	-2.6	+0.1
2002	8.9	7.0	-1.9	+0.7
<i>A company which has the customer's best interest at heart</i>				
1999	9.5	7.9	-1.5	--
2000	9.5	7.8	-1.8	-0.3
2001	9.8	7.7	-2.2	-0.4
2002	9.3	7.6	-1.8	+0.4
<i>A reliable, uninterrupted supply of electricity</i>				
1999	9.5	8.1	-1.5	--
2000	9.8	8.2	-1.6	-0.1
2001	9.8	8.2	-1.6	--
2002	9.6	8.0	-1.6	--
<i>Electricity quickly restored when there is a power outage</i>				
1999	9.6	8.2	-1.4	--
2000	9.7	8.3	-1.5	-0.1
2001	9.8	8.0	-1.8	-0.3
2002	9.7	8.3	-1.4	+0.4

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Able to complete equip. repairs/ service right the first time</i>				
1999	9.4	8.4	-1.0	--
2000	9.6	8.5	-1.1	-0.1
2001	9.8	8.4	-1.4	-0.3
2002	9.4	8.3	-1.1	+0.3
<i>Operates in an environmentally friendly manner</i>				
2000	9.6	8.7	-0.9	--
2001	9.7	8.5	-1.2	-0.3
2002	9.5	8.4	-1.1	+0.1
<i>Education or information about electricity use</i>				
1999	8.2	7.5	-0.8	--
2000	8.1	7.5	-0.6	+0.2
2001	8.5	7.5	-1.0	-0.4
2002	8.4	7.4	-1.0	--
<i>Quick response to customer questions and inquiries</i>				
1999	9.1	8.1	-1.0	--
2000	8.8	8.1	-1.1	-0.1
2001	9.5	8.1	-1.4	-0.3
2002	9.3	8.3	-0.9	+0.5
<i>Concern for public safety</i>				
2000	9.8	9.0	-0.8	--
2001	9.9	8.9	-1.0	-0.2
2002	9.6	8.7	-0.9	+0.1
<i>Billing Statement Accuracy*</i>				
2001	9.8	8.9	-0.9	--
2002	9.5	8.7	-0.7	+0.2
<i>Convenient hours of operation</i>				
1999	9.0	8.2	-0.8	
2000	8.8	8.2	-0.8	--
2001	9.2	8.5	-0.8	--
2002	8.9	8.4	-0.5	+0.3

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Easy access to account information at any time</i>				
1999	9.0	8.2	-0.9	
2000	8.8	8.2	-0.7	+0.2
2001	9.2	8.6	-0.6	+0.1
2002	8.9	8.6	-0.4	+0.2
<i>Friendly & courteous employees</i>				
1999	9.5	8.7	-0.8	--
2000	9.4	8.8	-0.7	+0.1
2001	9.7	8.8	-0.9	-0.2
2002	9.2	8.8	-0.4	+0.5
<i>Convenient methods of payment</i>				
1999	9.4	8.3	-1.1	--
2000	9.4	8.4	-1.0	+0.1
2001	9.5	8.9	-0.7	+0.3
2002	9.2	8.8	-0.4	+0.3
<i>Bills easy to read and understand*</i>				
2001	9.4	8.9	-0.4	--
2002	9.3	8.9	-0.4	--

* - New attribute included in the 2001/02 Tracking studies

- For most attributes, gap scores have narrowed since 2001, and this is most likely attributable to a marginal decline in customer expectations on the majority of attributes.
- Consistent with 2001 and with the overall Hydro customer population, the attribute 'Electricity at a reasonable cost' has the largest service gap rating for Labradorians, with the difference between performance and importance at -2.7. This attribute's service gap has slowly continued to widen every year since 1999, from -2.2 to its current gap rating of -2.7.
- The attribute 'Contributes back to the community' has the second largest mean gap rating at -1.9. However, there has been a significant reduction of this gap from 2001, as it improved +0.7 percentage points from -2.6 in 2001, and -2.7 in 2000. This +0.7 improvement was the largest of any attribute over the year.

- Since the baseline study in 1999, two attributes have continued experience a narrowing in their gap scores. *‘Convenient methods of payment’* has improved on a yearly basis, from a gap of -1.1 in 1999, to -0.4 in the current year. As well, *‘Easy access to account information’* has also progressed annually, from -0.9 in 1999, to -0.4 in 2002.

13.0 NORTHERN REGION

13.1 Importance Factors Northern: Comparison of 2002, 2001, 2000 and 1999

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	93.8	2.4	2.9	1.0	--	--	9.8
2000	95.5	3.0	1.5	--	--	--	9.8
2001	96.7	2.4	0.5	--	0.5	--	9.9
2002	90.2	4.9	3.4	--	1.0	0.5	9.6
<i>Electricity at a reasonable cost</i>							
1999	88.9	8.2	1.9	--	1.0	--	9.6
2000	93.0	5.0	2.0	--	--	--	9.8
2001	94.8	2.8	1.4	--	0.9	--	9.8
2002	88.3	6.8	2.9	1.0	0.5	0.5	9.6
<i>Electricity quickly restored when there is a power outage</i>							
1999	92.3	6.7	1.0	--	--	--	9.7
2000	89.6	9.5	1.0	--	--	--	9.7
2001	93.8	5.2	0.9	--	--	--	9.8
2002	90.7	5.4	2.4	0.5	1.0	--	9.6
<i>Bills easy to read and understand**</i>							
2001	92.9	7.1	--	--	--	--	9.8
2002	87.3	12.2	--	--	0.5	--	9.6
<i>Billing Statement Accuracy**</i>							
2001	96.2	3.8	--	--	--	--	9.9
2002	88.8	9.3	1.0	0.5	0.5	--	9.6
<i>Quick response to customer questions and inquiries</i>							
1999	88.0	8.6	1.4	--	1.0	1.0	9.5
2000	76.6	17.4	4.0	1.5	0.5	--	9.2
2001	89.1	10.0	0.9	--	--	--	9.7
2002	80.5	12.7	3.4	0.5	1.0	2.0	9.4
<i>Convenient hours of operation</i>							
1999	84.1	7.7	3.8	--	1.4	2.9	9.4
2000	71.1	21.9	4.0	2.0	1.0	--	9.0
2001	88.6	9.5	0.9	--	0.5	0.5	9.7
2002	76.6	14.6	3.9	0.5	1.5	2.9	9.2

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Easy access to account information at any time</i>							
1999	81.3	9.1	7.7	1.0	1.0	--	9.3
2000	72.6	15.4	5.5	1.5	3.0	2.0	8.9
2001	87.7	9.5	0.5	--	1.4	0.9	9.6
2002	81.0	11.2	4.9	1.0	0.5	1.5	9.3
<i>Able to complete equipment repairs and service right the first time</i>							
1999	96.2	2.9	1.0	--	--	--	9.7
2000	88.1	10.0	1.0	--	0.5	0.5	9.6
2001	91.9	4.3	1.9	--	0.9	0.9	9.7
2002	88.8	6.3	2.9	--	--	2.0	9.6
<i>Education or information about electricity use</i>							
1999	72.2	17.7	6.2	1.0	2.9	--	8.9
2000	57.7	24.9	10.9	3.0	3.0	0.5	8.4
2001	73.0	16.6	6.6	0.9	--	2.8	9.2
2002	72.2	15.6	7.8	1.5	2.0	1.0	8.9
<i>Friendly & courteous employees</i>							
1999	89.0	6.7	1.0	1.0	1.4	1.0	9.6
2000	85.1	9.5	2.5	1.0	1.0	1.0	9.4
2001	91.5	5.7	1.4	--	0.5	0.9	9.7
2002	80.5	11.7	4.9	--	1.0	2.0	9.3
<i>A company which has the customer's best interest at heart</i>							
1999	95.2	2.9	1.0	--	1.0	--	9.8
2000	88.6	6.0	3.5	1.0	1.0	--	9.5
2001	92.4	6.2	0.5	--	--	0.9	9.8
2002	86.3	8.8	2.4	0.5	--	2.0	9.6
<i>Convenient methods of payment</i>							
1999	87.0	8.1	1.9	1.4	1.0	--	9.6
2000	84.6	12.4	1.0	1.0	--	1.0	9.5
2001	92.9	6.2	0.5	--	0.5	--	9.7
2002	81.0	14.1	3.4	--	0.5	1.0	9.4
<i>Operates in an environmentally responsible manner</i>							
2000	79.1	15.9	1.5	0.5	0.5	2.5	9.4
2001	91.9	6.2	0.5	0.5	--	0.9	9.8
2002	82.4	14.6	1.5	--	0.5	1.0	9.5
<i>Concern for public safety</i>							
2000	92.0	5.5	1.5	--	--	1.0	9.8
2001	99.1	0.9	--	--	--	--	10.0
2002	91.7	4.4	2.4	--	0.5	1.0	9.7

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Contributes back to the community</i>							
2000	70.6	15.4	4.0	0.5	1.0	8.5	9.2
2001	80.1	10.4	1.4	0.5	0.9	6.6	9.5
2002	71.2	14.1	5.9	1.5	2.4	4.9	9.0

** - New attribute included in the 2001/02 Tracking studies
 ■ - indicates significant differences at the 90% confidence level

- In comparison to 2001, importance levels have marginally declined for the customers of the Northern region. This is consistent with the overall population of Hydro customers.
- As in the past tracking studies for the Northern region, ‘*concern for public safety*’ is rated as the attribute of highest importance with a mean of 9.7, with 92% suggesting the attribute is very important.
- The attribute ‘*education or information about electricity use*’ remains the least important variable to Northern Hydro consumers, as only 72% suggest it is very important, while its mean importance rating stands at 8.9. This finding is consistent with past results, as it was also ranked the lowest of all attributes in previous years (2001: 73% very important, 9.2 mean importance rating).
- The most significant drop in importance from the perspective of Northern customers concerns the attributes ‘*convenient hours of operation*’ and ‘*contributes back to the community*’. Both attributes experienced a 0.5 point decline in mean importance rating from last year, with hours of operation falling from 9.7 to 9.2 (77% very important, from 89% in 2001) and community contribution dropping from 9.5 to 9.0 (71% very important, from 80% in 2001).

13.2 Performance Evaluation Northern: Comparison of 2002, 2001, 2000 and 1999

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	49.3	36.8	9.6	0.5	2.9	1.0	8.0
2000	57.2	31.8	8.5	1.5	1.0	--	8.5
2001	60.2	24.6	10.0	3.3	1.9	--	8.5
2002	53.7	23.9	14.6	4.9	2.9	--	8.1
<i>Electricity at a reasonable cost</i>							
1999	13.5	36.1	34.1	5.3	9.6	1.4	6.2
2000	19.4	34.3	25.4	8.5	11.9	0.5	6.3
2001	19.9	28.4	29.4	11.4	10.4	0.5	6.2
2002	29.8	25.9	25.9	8.3	9.3	1.0	6.7
<i>Electricity quickly restored when there is a power outage</i>							
1999	60.0	28.2	7.6	1.4	2.8	--	8.3
2000	54.7	32.8	10.0	2.0	0.5	--	8.4
2001	56.9	25.1	10.9	2.8	3.3	0.9	8.3
2002	56.6	26.3	11.2	3.4	2.0	0.5	8.3
<i>Bills easy to read and understand**</i>							
2001	79.6	16.6	2.4	0.5	0.5	0.5	9.3
2002	70.2	25.9	2.4	0.5	--	1.0	9.1
<i>Billing statement accuracy**</i>							
2001	78.7	15.2	3.8	0.9	1.4	--	9.2
2002	72.2	20.0	5.9	1.0	--	1.0	9.1
<i>Quick response to customer questions and inquiries</i>							
1999	53.8	20.2	6.3	2.9	2.9	13.9	8.3
2000	46.3	22.4	13.4	3.0	1.5	13.4	8.2
2001	62.1	20.4	8.5	0.5	1.9	6.6	8.8
2002	59.5	20.0	7.8	1.5	1.0	10.2	8.8
<i>Convenient hours of operation</i>							
1999	67.0	17.2	4.8	2.9	0.5	7.7	8.8
2000	52.2	26.9	8.0	0.5	0.5	11.9	8.7
2001	73.9	16.6	5.2	0.9	--	3.3	9.2
2002	63.4	22.0	3.9	0.5	0.5	9.8	9.0
<i>Easy access to account information at any time</i>							
1999	58.7	18.8	4.8	2.9	1.9	13.0	8.6
2000	56.2	16.9	5.5	2.0	1.0	18.4	8.7
2001	66.8	17.5	5.7	--	0.5	9.5	9.1
2002	67.3	19.5	2.4	1.0	1.0	8.8	9.1

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Able to complete equipment repairs and service right the first time</i>							
1999	60.6	24.0	6.3	0.5	--	8.7	8.6
2000	57.2	26.4	7.5	2.0	1.0	6.0	8.6
2001	62.6	22.7	7.1	0.9	1.9	4.7	8.8
2002	57.1	22.4	8.8	1.5	1.0	9.3	8.7
<i>Education or information about electricity use</i>							
1999	43.1	30.1	10.0	5.7	4.3	6.7	7.6
2000	37.3	23.4	17.9	6.0	5.0	10.4	7.4
2001	47.9	24.6	12.3	5.2	2.4	7.6	8.1
2002	47.3	26.3	11.2	2.9	2.9	9.3	8.1
<i>Friendly & courteous employees</i>							
1999	74.5	14.4	0.5	1.0	--	9.6	9.2
2000	72.6	16.9	3.5	2.0	1.0	4.0	9.1
2001	80.1	14.2	3.8	--	0.5	1.4	9.3
2002	70.2	18.5	5.4	0.5	--	5.4	9.2
<i>A company which has the customer's best interest at heart</i>							
1999	57.9	21.5	9.6	2.9	1.9	6.2	8.2
2000	42.8	26.9	16.4	3.5	3.0	7.5	7.9
2001	52.1	25.6	8.1	4.3	1.9	8.1	8.4
2002	48.8	30.7	9.8	1.5	1.5	7.8	8.4
<i>Convenient methods of payment</i>							
1999	78.8	14.4	3.8	1.9	--	1.0	9.0
2000	71.1	16.4	3.5	2.0	2.0	5.0	9.0
2001	79.6	15.6	3.3	0.5	--	0.9	9.3
2002	72.2	17.6	3.9	1.0	0.5	4.9	9.1
<i>Operates in an environmentally responsible manner</i>							
2000	56.7	16.4	7.0	0.5	0.5	18.9	8.9
2001	66.4	16.6	5.2	--	0.5	11.4	9.1
2002	55.1	20.5	7.3	--	--	17.1	8.9
<i>Concern for public safety</i>							
2000	72.6	14.4	3.0	--	2.0	8.0	9.1
2001	79.6	15.2	2.8	--	--	2.4	9.4
2002	63.4	21.5	2.9	0.5	0.5	11.2	9.1

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Contributes back to community</i>							
2000	20.4	9.0	7.0	5.0	12.4	46.3	6.3
2001	19.9	13.3	8.1	5.2	10.0	43.6	6.6
2002	35.1	10.7	12.2	5.4	8.8	27.8	7.2

** - New attribute included in the 2001/02 Tracking studies
 ■ - indicates significant differences at the 90% confidence level

- The performance means of the 16 attributes, when rated by Northern region customers, range from 6.7 to 9.2. The performance means are relatively consistent with those of the 2001 tracking study, with several slight declines in performance (2001 performance mean range: 6.2 to 9.4).
- Customers in the Northern region view *'friendly and courteous employees'* as the top performing attribute of Newfoundland and Labrador Hydro in 2002, with a performance mean of 9.2. This attribute displaces *'concern for public safety'* (2001: 9.4, 2002: 9.1) as the top attribute from the 2001 study.
- Consistent with the findings in each of the previous years, *'electricity at a reasonable cost'* continues to perform poorly, with a 6.7 performance mean, with 30% rating Hydro as excellent on this point. However, this is the strongest rating the Northern region has given Hydro on this attribute in the past four years (1999: 6.2 performance rating, and 14% excellent; 2000: 6.3 performance rating, and 19% excellent; 2001: 6.2 performance rating, and 20% excellent).
- The attribute *'contributes back to the community'* has consistently increased since 2000, from a mean performance rating two years ago of 6.3 (20% rating Hydro as excellent), to a mean rating of 7.2 (35% giving Hydro a rating of excellent) in 2002. This attribute also is responsible for the largest shift in performance from last year, jumping +0.6 points in mean rating.

13.3 Service Gap Analysis Northern: Comparison of 2002, 2001, 2000 and 1999

Comparing the importance ratings on each service attribute to the performance evaluation of Hydro on these attributes, an average “gap” score is calculated. Essentially, this is the difference between customer perception and expectation on each service attribute. A negative gap score represents lower-than-expected service.

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Electricity at a reasonable cost</i>				
1999	9.6	6.2	-3.4	--
2000	9.8	6.3	-3.5	-0.1
2001	9.8	6.2	-3.5	--
2002	9.6	6.7	-2.9	+0.6
<i>Contributes back to community</i>				
2000	9.2	6.3	-2.8	--
2001	9.5	6.6	-2.7	+0.1
2002	9.0	7.2	-1.7	+1.0
<i>A reliable, uninterrupted supply of electricity</i>				
1999	9.8	8.0	-1.7	--
2000	9.8	8.5	-1.3	+0.4
2001	9.9	8.5	-1.4	-0.1
2002	9.6	8.1	-1.5	-0.1
<i>Electricity quickly restored when there is a power outage</i>				
1999	9.7	8.3	-1.5	--
2000	9.7	8.4	-1.3	+0.2
2001	9.8	8.3	-1.5	-0.2
2002	9.6	8.3	-1.3	+0.2
<i>A company which has the customer's best interest at heart</i>				
1999	9.8	8.2	-1.6	--
2000	9.5	7.9	-1.6	--
2001	9.8	8.4	-1.4	+0.2
2002	9.6	8.4	-1.2	+0.2

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Able to complete equip. repairs/ service right the first time</i>				
1999	9.7	8.6	-1.1	--
2000	9.6	8.6	-1.0	+0.1
2001	9.7	8.8	-0.9	+0.1
2002	9.6	8.7	-1.0	-0.1
<i>Education or information about electricity use</i>				
1999	8.9	7.6	-1.3	--
2000	8.4	7.4	-1.0	+0.1
2001	9.2	8.1	-1.1	-0.1
2002	8.9	8.1	-0.9	+0.2
<i>Quick response to customer questions and inquiries</i>				
1999	9.5	8.3	-1.2	--
2000	9.2	8.2	-1.0	+0.2
2001	9.7	8.8	-0.9	+0.1
2002	9.4	8.8	-0.6	+0.3
<i>Concern for public safety</i>				
2000	9.8	9.1	-0.7	--
2001	10.0	9.4	-0.6	+0.1
2002	9.7	9.1	-0.6	--
<i>Operates in an environmentally friendly manner</i>				
2000	9.4	8.9	-0.5	--
2001	9.8	9.1	-0.6	-0.1
2002	9.5	8.9	-0.6	--
<i>Bills easy to read and understand*</i>				
2001	9.8	9.3	-0.5	--
2002	9.6	9.1	-0.5	--
<i>Billing Statement Accuracy*</i>				
2001	9.9	9.2	-0.7	--
2002	9.6	9.1	-0.5	+0.2

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Convenient methods of payment</i>				
1999	9.6	9.0	-0.5	--
2000	9.5	9.0	-0.6	-0.1
2001	9.7	9.3	-0.5	+0.1
2002	9.4	9.2	-0.3	+0.2
<i>Convenient hours of operation</i>				
1999	9.4	8.8	-0.6	--
2000	9.0	8.7	-0.3	+0.3
2001	9.7	9.2	-0.5	-0.2
2002	9.2	9.0	-0.3	+0.2
<i>Easy access to account information at any time</i>				
1999	9.3	8.6	-0.6	--
2000	8.9	8.7	-0.1	+0.5
2001	9.6	9.1	-0.4	-0.3
2002	9.3	9.1	-0.3	+0.1
<i>Friendly & courteous employees</i>				
1999	9.6	9.2	-0.4	--
2000	9.4	9.1	-0.3	+0.1
2001	9.7	9.3	-0.4	-0.1
2002	9.3	9.2	-0.2	+0.2

* - New attribute included in the 2001/02 Tracking studies

- Similar to the other service regions, eleven service gaps in the Northern region have also experienced considerable improvement in 2002.. The fluctuations in the mean service gaps ranged from -0.1 to +1.0 in 2002 and are most likely attributable to slight decreases in customer expectations on each attribute.

- Consistent with previous years and with other Hydro service regions, *'Electricity at a reasonable cost'* remains the attribute with the largest service gap. However, considerable progress has been made in reducing this gap, as it has improved +0.6 points to -2.9 from -3.5 in 2001. The attribute *'contributes back to the community'* has the second largest gap at -1.7 percentage points, and has experienced improvement since 2000.
- In addition to *'contributes back to the community'*, the attribute *'quick response to customer questions and inquiries'* has also improved steadily each year for the Northern region since the original baseline study in 1999. The mean gap rating for this attribute has improved annually from -1.2 in 1999 to -0.6 in 2002, an improvement of +0.6 points over that period.
- In 2002, the service gaps for both *'A reliable, uninterrupted supply of electricity'* (gap rating of -1.5 for 2002) and *'able to complete equipment repairs and service right the first time'* (gap rating of -1.0 for 2002) expanded by -0.1 from their mean gap ratings in 2001.

14.0 CENTRAL REGION

14.1 Importance Factors Central: Comparison of 2002, 2001, 2000 and 1999

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	92.0	4.8	2.8	--	0.4	--	9.7
2000	97.0	2.5	0.5	--	--	--	9.9
2001	94.0	4.0	0.5	0.5	0.5	0.5	9.8
2002	93.5	5.0	1.0	0.5	--	--	9.7
<i>Electricity at a reasonable cost</i>							
1999	90.9	6.7	2.4	--	--	--	9.6
2000	92.0	5.5	2.5	--	--	--	9.7
2001	97.0	2.5	--	0.5	--	--	9.9
2002	91.5	4.5	3.0	0.5	0.5	--	9.6
<i>Electricity quickly restored when there is a power outage</i>							
1999	88.9	8.7	1.2	--	--	1.2	9.7
2000	93.5	4.5	1.5	--	--	0.5	9.8
2001	93.5	4.5	1.5	--	--	0.5	9.8
2002	91.5	7.5	0.5	--	--	0.5	9.7
<i>Bills easy to read and understand**</i>							
2001	88.0	9.5	2.0	--	--	0.5	9.7
2002	90.0	7.5	1.0	--	0.5	1.0	9.7
<i>Billing Statement Accuracy**</i>							
2001	95.0	4.5	0.5	--	--	--	9.8
2002	93.5	4.5	1.5	--	0.5	--	9.7
<i>Quick response to customer questions and inquiries</i>							
1999	82.9	12.7	1.2	1.2	--	2.0	9.4
2000	74.0	18.5	6.0	0.5	--	1.0	9.2
2001	85.5	11.5	1.0	--	0.5	1.5	9.6
2002	84.6	12.4	2.0	--	0.5	0.5	9.5
<i>Convenient hours of operation</i>							
1999	77.2	16.0	4.8	0.8	--	1.2	9.3
2000	75.0	15.5	8.0	0.5	0.5	0.5	9.1
2001	80.5	12.5	2.5	0.5	0.5	3.5	9.5
2002	84.1	10.9	2.5	0.5	1.5	0.5	9.4

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Easy access to account information at any time</i>							
1999	81.3	17.1	0.4	1.2	--	--	9.3
2000	74.0	18.5	6.0	0.5	0.5	0.5	9.1
2001	82.0	11.5	2.5	0.5	1.5	2.0	9.4
2002	84.1	11.4	3.0	0.5	0.5	0.5	9.5
<i>Able to complete equipment repairs and service right the first time</i>							
1999	84.5	13.5	2.0	--	--	--	9.6
2000	89.0	8.0	1.0	--	--	2.0	9.7
2001	93.5	5.0	1.0	--	--	0.5	9.8
2002	93.5	4.0	0.5	0.5	1.0	0.5	9.7
<i>Education or information about electricity use</i>							
1999	59.4	27.5	11.2	0.8	--	1.2	8.7
2000	51.5	28.5	15.5	2.5	0.5	1.5	8.3
2001	67.5	22.0	7.0	1.5	--	2.0	9.0
2002	75.1	15.9	7.0	--	1.5	0.5	9.1
<i>Friendly & courteous employees</i>							
1999	88.8	10.0	1.2	--	--	--	9.5
2000	87.0	10.5	1.5	1.0	--	--	9.5
2001	90.0	7.5	1.0	0.5	--	1.0	9.7
2002	86.6	10.0	2.0	--	1.0	0.5	9.5
<i>A company which has the customer's best interest at heart</i>							
1999	89.6	6.4	2.8	--	--	1.2	9.6
2000	85.5	9.5	4.0	--	--	1.0	9.5
2001	94.5	2.5	2.0	--	--	1.0	9.8
2002	85.6	9.5	2.5	1.0	0.5	1.0	9.5
<i>Convenient methods of payment</i>							
1999	84.5	13.1	1.2	--	--	1.2	9.5
2000	81.5	15.0	2.5	0.5	--	0.5	9.3
2001	92.5	4.5	1.5	--	0.5	1.0	9.7
2002	84.6	10.4	3.0	--	1.5	0.5	9.4
<i>Operates in an environmentally responsible manner</i>							
2000	86.0	10.5	1.5	0.5	--	1.5	9.6
2001	86.5	9.0	1.5	0.5	--	2.5	9.7
2002	85.1	10.9	1.5	0.5	0.5	1.5	9.6
<i>Concern for public safety</i>							
2000	96.5	3.0	0.5	--	--	--	9.8
2001	97.0	2.0	0.5	--	--	0.5	9.9
2002	94.0	5.0	--	0.5	--	0.5	9.8

	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Contributes back to community</i>							
2000	61.0	21.5	4.5	1.0	--	12.0	9.1
2001	76.5	15.0	1.5	--	0.5	6.5	9.5
2002	74.1	15.9	5.0	0.5	1.5	3.0	9.2

* * New attribute included in the 2001/02 Tracking studies

■ - indicates significant differences at the 90% confidence level

- In comparison to other service regions, Central's importance levels remain slightly more consistent, with fewer attributes experiencing a decline in importance ratings.
- The attribute '*concern for public safety*' stands alone as the most important attribute for Central customers, with a mean rating of 9.8 and 94% of respondents rating this attribute as "very important". This is consistent with the tracking studies from previous years and with the other Hydro service areas.
- '*Education or information about electricity use*' is the least important attribute to Central residents, with a mean importance rating of 9.1 and only 75% of respondents indicating that this variable is "very important". This finding is similar to that in 2001, where the mean importance rating was 9.0 and 68% rated this attribute "very important".

14.2 Performance Evaluation Central: Comparison of 2002, 2001, 2000 and 1999

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>A reliable, uninterrupted supply of electricity</i>							
1999	59.0	24.3	12.4	3.6	0.8	--	8.8
2000	72.0	20.5	6.5	0.5	0.5	--	9.0
2001	60.0	31.5	6.5	1.5	0.5	--	8.7
2002	69.2	19.4	9.0	1.0	0.5	1.0	8.9
<i>Electricity at a reasonable cost</i>							
1999	17.5	28.7	28.3	10.0	13.5	2.0	6.2
2000	26.0	36.5	22.0	6.0	9.0	0.5	6.8
2001	29.5	34.0	25.0	4.5	5.5	1.5	7.1
2002	37.8	25.9	27.4	4.0	4.5	0.5	7.4
<i>Electricity quickly restored when there is a power outage</i>							
1999	49.0	36.7	10.8	2.8	0.8	--	8.6
2000	59.5	29.5	7.0	2.0	1.5	0.5	8.6
2001	63.0	25.5	10.0	0.5	0.5	0.5	8.7
2002	68.2	23.4	6.5	0.5	1.0	0.5	8.9
<i>Bills easy to read and understand**</i>							
2001	86.0	10.5	3.0	--	--	0.5	9.4
2002	84.6	13.9	1.5	--	--	--	9.5
<i>Billing statement accuracy**</i>							
2001	85.5	11.5	1.0	0.5	0.5	1.0	9.5
2002	84.6	13.4	1.0	--	--	1.0	9.5
<i>Quick response to customer questions and inquiries</i>							
1999	41.0	20.0	8.0	2.8		28.3	8.6
2000	50.0	20.5	8.0	2.5	1.0	18.0	8.5
2001	61.0	17.0	6.0	--	--	16.0	9.1
2002	65.7	19.9	3.5	1.0	--	10.0	9.1
<i>Convenient hours of operation</i>							
1999	64.1	16.0	6.0	2.0		12.0	9.1
2000	61.5	23.0	5.0	0.5	0.5	9.5	8.9
2001	68.5	13.5	3.0	1.0	--	14.0	9.3
2002	73.1	16.4	3.0	0.5	1.0	6.0	9.2
<i>Easy access to account information at any time</i>							
1999	56.0	21.0	3.2	1.2	--	18.7	9.0
2000	60.5	14.0	4.0	1.0	--	20.5	9.1
2001	63.5	14.0	5.5	--	1.0	16.0	9.1
2002	71.1	17.4	3.5	--	--	8.0	9.3

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Able to complete equipment repairs and service right the first time</i>							
1999	60.3	25.0	7.5	--	2.0	5.2	8.9
2000	62.0	20.5	3.5	1.5	1.0	11.5	8.9
2001	71.5	19.0	3.0	0.5	0.5	5.5	9.2
2002	68.2	21.4	2.5	1.0	0.5	6.5	9.1
<i>Education or information about electricity use</i>							
1999	38.5	24.2	11.1	12.3	3.2	10.7	7.7
2000	41.5	27.5	16.0	3.5	2.0	9.5	7.9
2001	45.0	24.5	7.5	2.0	5.5	15.5	8.2
2002	57.2	21.9	11.9	3.5	0.5	5.0	8.5
<i>Friendly & courteous employees</i>							
1999	70.2	17.1	1.2		2.0	9.5	9.2
2000	76.5	13.0	5.0	--	--	5.5	9.3
2001	82.0	10.0	1.0	1.0	--	6.0	9.5
2002	78.1	15.9	3.0	--	--	3.0	9.4
<i>A company which has the customer's best interest at heart</i>							
1999	42.7	31.6	12.6	4.7	3.2	5.1	7.9
2000	47.5	27.0	16.0	2.5	3.0	4.0	8.0
2001	56.0	23.0	11.0	1.5	1.5	7.0	8.6
2002	61.2	25.4	5.5	0.5	3.0	4.5	8.8
<i>Convenient methods of payment</i>							
1999	74.6	20.2	2.4	0.8		2.0	9.2
2000	76.5	18.0	3.0	0.5	--	2.0	9.2
2001	81.5	10.5	3.0	--	1.5	3.5	9.4
2002	79.1	16.4	4.0	--	--	0.5	9.3
<i>Operates in an environmentally responsible manner</i>							
2000	65.5	18.0	2.5	0.5	--	13.5	9.2
2001	64.0	16.0	2.0	--	--	18.0	9.3
2002	71.1	18.4	4.5	1.0	0.5	4.5	9.1
<i>Concern for public safety</i>							
2000	74.0	18.0	2.0	0.5	--	5.5	9.3
2001	80.5	14.0	1.5	0.5	--	3.5	9.5
2002	82.6	13.4	2.5	--	--	1.5	9.5

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Contributes back to community</i>							
2000	13.5	13.0	6.0	5.0	10.5	52.0	6.1
2001	27.5	16.0	9.5	1.0	10.5	35.5	7.2
2002	37.3	18.4	12.9	1.0	8.5	21.9	7.5

* *- New attribute included in the 2001/02 Tracking studies

■ - indicates significant differences at the 90% confidence level

- The performance means of the 16 attributes, when rated by customers in the Central region, range from 7.4 to 9.5. In 2002, eight of the 16 attributes experienced marginal increases in perceived performance from 2001, while five attributes declined and three attributes remained constant.
- Consistent with the top performers in the Central region in 2001, 'billing statement accuracy' (mean rating of 9.5; 85% rate Hydro as excellent) and 'concern for public safety' (mean rating of 9.5; 83% rate as excellent) are again perceived most favorably for Hydro in 2002. In addition, 'bills easy to read and understand' (mean rating of 9.5; 85% rate Hydro as excellent) is also perceived by customers in Central as a top performing attribute.
- Customers in the Central region rate Hydro the most poorly on 'electricity at a reasonable cost,' (mean performance rating of 7.5) followed by 'contributes back to the community' (mean performance rating of 7.4). This finding is consistent with the performance results for Central in 2001.
- The performance of the attribute 'electricity at a reasonable cost' has consistently improved since the baseline study in 1999. Since 1999, the mean performance rating has increased +1.2 points, improving every year from 6.2 in 1999 to 7.4 in 2002. This trend of annual improvement also holds true for the variables 'education or information about electricity use' (from 7.7 in 1999 to 8.5 in 2002) and 'a company which has the customers' best interests at heart' (from 7.9 in 1999 to 8.8 in 2002).

14.3 Service Gap Analysis Central: Comparison of 2002, 2001, 2000 and 1999

Comparing the importance ratings on each service attribute to the performance evaluation of Hydro on these attributes, an average “gap” score is calculated. Essentially, this is the difference between customer perception and expectation on each service attribute. A negative gap score represents lower-than-expected service.

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Electricity at a reasonable cost</i>				
1999	9.6	6.2	-3.4	--
2000	9.7	6.8	-2.9	+0.5
2001	9.9	7.1	-2.8	+0.1
2002	9.6	7.4	-2.2	+0.6
<i>Contributes back to community</i>				
2000	9.1	6.2	-2.5	--
2001	9.5	7.2	-2.3	+0.2
2002	9.2	7.5	-1.6	+0.7
<i>Electricity quickly restored when there is a power outage</i>				
1999	9.7	8.6	-1.1	--
2000	9.8	8.6	-1.2	-0.1
2001	9.8	8.7	-1.1	+0.1
2002	9.7	8.9	-0.9	+0.2
<i>A reliable, uninterrupted supply of electricity</i>				
1999	9.7	8.8	-0.9	--
2000	9.9	9.0	-0.9	--
2001	9.8	8.7	-1.1	-0.2
2002	9.7	8.9	-0.8	+0.3
<i>A company which has the customer's best interest at heart</i>				
1999	9.6	7.9	-1.7	--
2000	9.5	8.0	-1.5	+0.2
2001	9.8	8.6	-1.3	+0.2
2002	9.5	8.8	-0.7	+0.6

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Able to complete equip. repairs/ service right the first time</i>				
1999	9.6	8.9	-0.7	--
2000	9.7	8.9	-0.8	-0.1
2001	9.8	9.2	-0.6	+0.2
2002	9.7	9.1	-0.6	--
<i>Education or information about electricity use</i>				
1999	8.7	7.7	-1.0	--
2000	8.3	7.9	-0.4	+0.6
2001	9.0	8.2	-0.9	-0.5
2002	9.1	8.5	-0.6	+0.3
<i>Quick response to customer questions and inquiries</i>				
1999	9.4	8.6	-0.7	--
2000	9.2	8.5	-0.6	+0.1
2001	9.6	9.1	-0.5	+0.1
2002	9.5	9.1	-0.4	+0.1
<i>Operates in an environmentally friendly manner</i>				
2000	9.6	9.2	-0.3	--
2001	9.7	9.3	-0.4	-0.1
2002	9.6	9.1	-0.4	--
<i>Concern for public safety</i>				
2000	9.8	9.3	-0.5	--
2001	9.9	9.5	-0.4	+0.1
2002	9.8	9.5	-0.3	+0.1
<i>Bills easy to read and understand*</i>				
2001	9.7	9.4	-0.2	--
2002	9.7	9.5	-0.2	--
<i>Billing Statement Accuracy*</i>				
2001	9.8	9.5	-0.4	--
2002	9.7	9.5	-0.2	+0.2

	IMPORTANCE Mean Rating	PERFORMANCE Mean Rating	GAP Mean Rating	% Change
<i>Convenient hours of operation</i>				
1999	9.3	9.1	-0.2	--
2000	9.1	8.9	-0.2	--
2001	9.5	9.3	-0.3	-0.1
2002	9.4	9.2	-0.2	+0.1
<i>Easy access to account information at any time</i>				
1999	9.3	9.0	-0.3	--
2000	9.1	9.1	-0.1	+0.2
2001	9.4	9.1	-0.4	-0.3
2002	9.5	9.3	-0.2	+0.2
<i>Friendly & courteous employees</i>				
1999	9.5	9.2	-0.3	--
2000	9.5	9.3	-0.2	+0.1
2001	9.7	9.5	-0.2	--
2002	9.5	9.4	-0.2	--
<i>Convenient methods of payment</i>				
1999	9.5	9.2	-0.3	--
2000	9.3	9.2	-0.1	+0.2
2001	9.7	9.4	-0.3	-0.2
2002	9.4	9.3	-0.1	+0.2

* - New attribute included in the 2001/02 Tracking studies

- Consistent with the other service areas, Central service gaps have also experienced improvement in 2002. The fluctuations in the mean service gaps ranged from +0.1 to +0.7 in 2002. In the Central region, this improvement in gap score is attributed to slight increases in performance, as well as slight decreases in customer expectations.
- Similar to the past years and the other service regions, the attribute 'electricity at a reasonable cost' continues to have the widest margin of service gap between performance and importance at -2.2 percentage points.

- The variable *'contributes back to the community'* has undergone the most significant change in service gap rating, improving from -2.3 in 2001 to -1.6 in 2002. Other significant changes concern *'electricity at a reasonable cost'* and *'a company which has the customers best interest at heart'*, both improving by +0.6 percentage points from the previous year.
- Three of the sixteen attributes have experienced improved mean service gap each year since the baseline study. These attributes include *'electricity at a reasonable cost'* (-3.4 in '99 to -2.2 in '02), *'a company which has its customers best interests at heart'* (-1.7 in '99 to -0.7 in '02), and *'quick response to customer questions and inquiries'* (-0.7 in '99 to -0.4 in '02).

APPENDIX A: SURVEY INSTRUMENT

Customer Satisfaction Survey October, 2002

Hello, my name is _____ from Market Quest Research, a professional marketing research firm. Today/tonight we are conducting a short survey on household electricity. May I please speak to the adult who is primarily responsible for paying your home electric bill and dealing with the electric company [REPEAT INTRO. IF NECESSARY]. We would appreciate your participation, would you have a few minutes to complete the survey? ...it will take approximately 5 minutes of your time.

YES - CONTINUE

NO - THANK & TERMINATE

Screener:

1a. Do you or does anyone in your household or immediate family work for:

	Yes	No
an electric company	1	2
an advertising or marketing research firm	1	2

IF YES TO ANY OF THE ABOVE - THANK & TERMINATE

1b. What is the name of the electric company which....

	NF & LAB. <u>HYDRO</u>	NF <u>POWER</u>	D/K OR <u>N/A</u>
...Supplies electricity to your permanent home or where you spend the majority of your time?	1	2	3
...Supplies electricity to a temporary dwelling such as a cabin, cottage or summer home?	1	2	3

IF NF & LAB HYDRO NOT MENTIONED- THANK & TERMINATE

We are conducting this survey on behalf of NF & Labrador Hydro to measure customer satisfaction and identify ways to improve the service they offer you. Your household has been randomly selected to participate in this survey. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, I would like to ask you to be honest in your response, whether good or bad.

2. Before we talk specifically about NF & Lab. Hydro, please think about electric companies in general, and about what is important for any electric company to provide you and your household. Using a scale of 1 to 10 where 1 means "Not At All Important" and 10 means "Extremely Important", please rate the importance of: [READ LIST]

	Not At All Imp.							Extremely Imp.			D/K
	1	2	3	4	5	6	7	8	9	10	11
A reliable, uninterrupted supply of electricity											
Electricity at a reasonable cost											

Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11
Billing statement accuracy	1	2	3	4	5	6	7	8	9	10	11
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11

3. Now think specifically about the service, which you currently receive from NF & Labrador Hydro. Based on your experienced to date and using a scale of 1 to 10 where 1 means "Very Poor" and 10 means "Excellent"... please rate the performance of NF & Labrador Hydro in providing you: **[READ LIST]**

	Very Poor								Excellent		D/K
A reliable, uninterrupted supply of electricity	1	2	3	4	5	6	7	8	9	10	11
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11

Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11
Billing Statement Accuracy	1	2	3	4	5	6	7	8	9	10	11
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11

Billing

4. I would like you to think specifically about the content of your electric bill, which you receive from NF & Labrador Hydro. Using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate the monthly electric bill that your household receives from NF and Lab. Hydro on each of the following: **[READ LIST]**

	Very Poor										Excellent	D/K
Overall layout of the bill	1	2	3	4	5	6	7	8	9	10	11	
Explanation of electricity usage	1	2	3	4	5	6	7	8	9	10	11	
Explanation of current account balance	1	2	3	4	5	6	7	8	9	10	11	
Overall content of the bill	1	2	3	4	5	6	7	8	9	10	11	
Availability of company contact information for inquiries and questions	1	2	3	4	5	6	7	8	9	10	11	

5. Thinking specifically about how easy or difficult it is to understand and read your household electricity bill, how would you rate your household electricity bill.... Would you say it is very easy to understand, somewhat easy to understand, somewhat difficult to understand, very difficult to understand?

Very Easy to understand	1	
Somewhat Easy to understand	2	
Somewhat Difficult to understand	3	-Why? _____
Very Difficult to understand	4	-Why? _____
Don't Know	5	

6. *In addition to payment information such as previous and current balance, your monthly bill from NF and Lab. Hydro includes details such as total electricity usage, meter readings and cost information. Is there any additional information you would like to see added to the monthly electric bill your household receives from NF and Lab. Hydro? (Probe: Anything you would like to see changed?)*
-

- 7a. Currently, the electric bill most Hydro customers receive each month is for their household's use of electricity in that particular month. Equal payment plan is a different method of billing, whereby customers are billed an equal amount over 12 months. To your knowledge, does NF and Lab. Hydro offer an equal payment plan to its customers?

- 7b. **IF YES IN Q7A:** Do you currently use the equal payment plan offered by NF and Lab. Hydro?

	Q7a	Q7b
Yes	1	1
No	2	2
Don't Know	3	3

IF YES IN Q7B GO TO Q9, ELSE CONTINUE

8. Currently, NF and Lab. Hydro offers their customers an equal payment plan, whereby customers are billed an equal amount over 12 months. Although you pay equal amounts, you are still required to pay for the electricity you actually use. At the end of the year, if your household used more or less electricity than the amount paid, your equal payment is adjusted being either increased or decreased for each month in the next year. How likely are you to use the equal payment plan offered by NF Hydro? Would you say you are very likely , somewhat likely, somewhat unlikely or very unlikely to use the equal payment plan?

Very Likely	1
Somewhat Unlikely	2
Somewhat Unlikely	3
Very Unlikely	4
Don't Know	5

- 9a. To your knowledge, does NF and Lab. Hydro offer a pre authorized bill payment option, where the amount of your bill is automatically deducted from your bank account each month?

- 9b. **IF YES IN Q9A:** Do you currently use the pre authorized bill payment option?

	Q9a	Q9b
Yes	1	1
No	2	2
Don't Know	3	3

IF YES IN Q9B GO TO Q11, ELSE CONTINUE

10. Currently, NF and Lab. Hydro offers a pre authorized bill payment option, where the amount of your bill is automatically deducted from your bank account each month. How likely are you to use the pre authorized bill payment option offered by NF Hydro? Would you say you are very likely , somewhat likely, somewhat unlikely or very unlikely to use the pre authorized bill payment option?

Very Likely	1
Somewhat Unlikely	2
Somewhat Unlikely	3
Very Unlikely	4
Don't Know	5

Internet/IVR

11. An Interactive Voice Response System is an automated telephone system, whereby all phone calls are answered by an automated voice, instead of a live person. If NF and Lab. Hydro were to offer twenty four hour access to customer information such as account balance, account history and consumption history through an automated toll free number...would you definitely use, likely use or not likely use this service...

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

- 12a. Do you have access to the Internet.... **[READ LIST]**

	Yes	No	N/A
At home	1	2	3
At work	1	2	3
At School	1	2	3

IF YES TO ANY OF THE ABOVE CONTINUE, ELSE GO TO Q15

- 12b. In an average week, how frequently do you access the Internet?

Once a week	1
Twice a week	2
Three times a week	3
Four times a week	4
Five times a week	5
Six times a week	6
Daily	7
Less than once a week	8
No answer	99

- 13a. To your knowledge, does NF and Lab. Hydro have a website?

- 13b. **IF YES IN Q13A:** Have you ever visited the NF and Lab. Hydro website ?

	Q13a	Q13b
Yes	1	1
No	2	2
Don't Know	3	3

14. If NF & Lab. Hydro were to offer access to customer information such as account balance, account history and consumption history over the Internet, how likely you would be to use this service... would you definitely use, likely use or not likely use this service...

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

GENERAL

15. Now please think of electric companies as serving customers in two ways: (1) the first, being the supply of electricity to your home and (2) the second being, customer service or response to customer needs, such as hook-ups, repairs, account billings and inquiries. On a scale of 1 to 10, with a 1 meaning "Very Dissatisfied" and a 10 meaning "Very Satisfied", how satisfied are you with: **[READ LIST]**

	Very Dissat.										Very Sat.		D/K
The <u>supply of electricity</u> you receive from NF & Lab. Hydro	1	2	3	4	5	6	7	8	9	10	11		
The overall <u>customer service</u> you receive from NF & Lab. Hydro	1	2	3	4	5	6	7	8	9	10	11		

16. Which of the following statements best describes... **[READ LIST]**

	Have not met my expectations	Met my expectations	Exceeded my expectations
The <u>supply of electricity</u> you receive from NF & Lab. Hydro	1	2	3
The overall <u>customer service</u> you receive from NF & Lab. Hydro	1	2	3

DEMOGRAPHICS

Now just some final questions for classification purposes only....

17. For approximately how many years have you been a customer of NF & Lab. Hydro? _____ years
18. In which community do you live? _____
19. In what year were you born? 19_____

20. What is the highest level of education you have completed? **[READ LIST]**

Elementary School	1
Some High School	2
Graduated High School	3
Vocational/Technical College	4
Some University	5
Graduated University	6
Refused	7

21. Which of the following best describes your present employment status? **[READ LIST]**

Working full time	1
Working part time	2
Working seasonally	3
Unemployed	4
Homemaker	5
Retraining / upgrading	6
Retired	7

22. Which of the following best describes your total household income (before taxes)? **[READ LIST]**

\$20,000 and under	1
\$20,001 to \$40,000	2
\$40,001 to \$60,000	3
\$60,001 to \$80,000	4
\$80,001 and over	5
Refused	6

Before we finish, I would like to inform you that you may receive a quality control check. My supervisor calls back 10% of all my completed surveys just to ensure that you were comfortable participating and that I was doing my job correctly. In case my supervisor would like to verify this survey, may I have your first name or initials _____.

I would like to thank you for your participation, your assistance is greatly appreciated. Have a good day/evening!

INTERVIEWER USE ONLY:

Gender:		Region:		Community:	
Male	1	Labrador	1	Interconnected	1
Female	2	Northern	2	Isolated	2
		Central	3		

Interviewer: _____ Date: _____

Phone Number: _____

Data Entry: _____ Quality Control: _____

APPENDIX B: THEORY OF Z-TESTS

Throughout this report, significant differences between proportions are indicated by a shaded area and the following footnote:

 - indicates a significant difference at the 90% confidence level

Sometimes the focus of attention in a table might be on the percentage of respondents from two different groups (for example from two different areas). When data is segmented by groups, in most situations, it is of value to test for a difference between two proportions or groups.

When interested in comparing two population proportions from two independent samples, the focus of statistical testing is concentrated on the size of the difference between the two percentages. To test for a statistical difference, the null hypothesis is the hypotheses which is tested, that is, that there is no difference between the proportions. To determine if the difference in the proportions is significant a z-score is used. The distance that this measurement lies above or below the mean of the data set, measured in units of standard deviation is called the z-score for the measurement.

In the Marketing Research Industry it is typical to use a 90% confidence coefficient as the critical value or a z-score of 1.64. This specifies what is known as the “reject region” for the null hypothesis. When the difference between the measures indicates a z-score either above or below this critical value (1.64), the difference is considered significant. That is, there is evidence to suggest that the null hypothesis should be rejected and that a statistical difference between the two proportions exists and is not due to uncontrollable sampling error.

**2002 CUSTOMER SATISFACTION RESEARCH
GENERAL SERVICE ACCOUNTS
TRACKING STUDY**

FINAL REPORT

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TABLE OF CONTENTS

1.0	STUDY BACKGROUND AND METHODOLOGY	3
1.1	STUDY BACKGROUND	3
1.2	STUDY METHODOLOGY	4
1.3	THIS REPORT	5
2.0	SUMMARY OF KEY FINDINGS.....	6
3.0	CUSTOMER PROFILE.....	9
3.1	DEMOGRAPHIC PROFILE.....	9
3.2	RATE AREAS	10
3.3	YEARS OF SERVICE RELATIONSHIP	10
4.0	IMPORTANCE & PERFORMANCE RATINGS	11
4.1	IMPORTANCE FACTORS	12
4.2	PERFORMANCE EVALUATION.....	15
5.0	SERVICE GAP ANALYSIS	18
5.1	“GAP” ON SPECIFIC SERVICE ATTRIBUTES	18
5.2	“GAP” ON KEY SERVICE DIMENSIONS	22
6.0	SERVICE RELIABILITY	24
6.1	OVERALL SATISFACTION WITH SERVICE RELIABILITY	24
6.2	GAP	25
7.0	CUSTOMER SERVICE.....	26
7.1	OVERALL SATISFACTION WITH CUSTOMER SERVICE	26
8.0	BILLING	27
8.1	SATISFACTION WITH CONTENT OF MONTHLY ELECTRIC BILL	27
8.2	EASE OF READING AND UNDERSTANDING THE BILL	29
8.3	SUGGESTED IMPROVEMENTS TO MONTHLY BILL	30
9.0	WEBSITE/INTERACTIVE VOICE RESPONSE SYSTEM	31
9.1	LIKELIHOOD OF USING IVR SYSTEM.....	31
9.2	ACCESS TO THE INTERNET	32
9.3	AWARENESS AND USE OF HYDRO WEBSITE	33
	APPENDIX A: SURVEY INSTRUMENT	34

1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

On behalf of Newfoundland & Labrador Hydro (Hydro), during October 2001, Market Quest Research completed Customer Satisfaction Research Study of Hydro's general service customers. Newfoundland & Labrador Hydro has approximately 28,000 residential accounts and 4,700 general service accounts in rural Newfoundland and Labrador communities. The main purpose of this baseline research study was to assess the performance of Hydro in providing customer service to its general service or commercial customers and to provide a baseline against which to compare future company performance.

2002 is the first year that Hydro has tracked customer satisfaction for its commercial customers. This first annual tracking study was undertaken to identify any changes in consumer attitudes towards the importance of specific service attributes and to assess the quality of customer service delivered by Hydro to its general service customers.

Service quality is a measure of the degree of discrepancy between the level of service customers feel a company should offer and their perception of the company's actual performance. This study recognizes that customer satisfaction is not only a function of service delivery but also a function of specific attributes of the physical service. As a service company, to achieve sustainable customer satisfaction and loyalty, Hydro must aim to provide customers with excellent value, exceeding their expectations on all aspects of customer service. Customer satisfaction research pinpoints critical performance attributes that directly relate to customer satisfaction and dissatisfaction. The findings of this report identify areas of potential improvement upon which service initiatives and goals should be established and monitored to motivate staff in providing *exceptional service* that far exceeds customer expectations.

1.2 Study Methodology

A quantitative telephone survey of Hydro's general service customer base in Newfoundland & Labrador was the chosen methodology for this study. The methodology of the 2002 study mirrored that of the 2001 General Service Baseline Study. Data collection was undertaken from November 15th-23rd and a total of 270 customers were contacted. This study sample size¹ is sufficient to provide a high level of confidence (overall study margin of error: $\pm 5.0\%$, 19 times out to 20 or at the 95% confidence level).

A database of general service customers was provided to Market Quest by Hydro, and formed the sampling frame for the study. This sampling frame included all general service customers within Hydro's service areas/communities who recognize Hydro as their service provider. The sampling unit was selected to be the individual within the organization who is responsible for paying the electric bill and dealing with the electric company on customer service issues.

The questionnaire or survey instrument was designed by Market Quest Research in consultation with the client (Appendix A) and was approximately 10 minutes in length. The survey instrument was the same as was used in the 2001 study, with the exception of the addition of several new questions on billing and Internet usage. Prior to full-scale data collection efforts, a pretest of approximately 30 surveys was completed to ensure an efficient and effective flow of information, an accurate sample selection and to confirm the survey length. Subsequent to this pre-test, modifications were made to the survey design and finalized prior to undertaking a full scale data collection effort.

All data collection was completed at Market Quest's in-house interviewing facilities with the use of CATI Interviewer software. A senior Market Quest field manager continually monitored all fieldwork. All data analysis was conducted in-house using the SPSS 9.0 statistical analysis program.

¹ Although Hydro has approximately 4700 general service accounts, one "customer" may be responsible for more than one account in more than one rate area. The population from which this sample was created includes each customer only once, regardless of the number of accounts they hold with Hydro.

1.3 *This Report*

The analysis contained in this report profiles the population of Hydro's general service customers. The survey data has been either analyzed or cross-tabulated by the demographic characteristics of customers (gender, industry, number of properties, rate area and years of service) and where appropriate, it is noted when this analysis provides insight and informational value to the purpose of this study.

In order to note differences in comparing the 2001/2002 data, statistical tests of significance have been completed at the 90% confidence level. Essentially, when comparing percentages drawn from different populations, a statistical test of proportions will guide us to be confident that any apparent difference between the two percentages is "statistically real" or "significant". (What may seem to be a difference between percentages may simply be the result of sampling error or the margin of error associated with the sample size and not a real or significant difference in the study results). Throughout this report, where a "significant" difference exists between two or more percentages, the percentages are shaded. Where this occurs, we can say that we are 90% confident that the difference between the percentages in question are "significant" or real and not simply due to uncontrollable sampling error.

All detailed findings are presented in the body of this report and for the reader's convenience, a Summary of Key Findings is presented in Section 2.0.

2.0 SUMMARY OF KEY FINDINGS

In 2002, the customer satisfaction rating for Hydro among its commercial customers is 90%. That is, 90% of commercial customers are satisfied with the customer service they currently receive from Hydro (56% very satisfied, 34% somewhat satisfied).

- For the most part, Hydro meets (89%) but does not exceed the expectations of customers with regards to customer service. It should be noted that there is indeed room for improvement with the delivery of customer service.

When asked to evaluate the supply of electricity provided by Hydro, 87% of commercial customers report they are either very (54%) or somewhat (34%) satisfied on this issue. This represents a slight decline in satisfaction with service reliability since 2001, when 94% of customers were satisfied on this point.

- Consistent with the 2001 study, commercial customers are most likely to report that Hydro meets their expectations with regards to the supply of electricity (89%). Only 4% of customers report that Hydro exceeds their expectations.
- This year, an increase in the gap rating for the attribute “a reliable, uninterrupted supply of electricity” was evident, with Hydro now falling 1.81 points below customer expectations (compared to 1.44 points in 2001).

According to commercial customers, ‘service reliability’ and ‘the reasonable cost of electricity’ are the most important characteristics for an electricity company to possess.

- Almost all commercial customers rate “electricity at a reasonable cost” as the most important attribute of an electricity company. In close second, 91% of commercial customers report that the quick restoration of electricity is “very important”.
- Rounding out the top five characteristics, commercial customers rate “concern for public safety”, “a reliable, uninterrupted supply of electricity”, and “billing statement accuracy” as important attributes of an electricity company.

Commercial customers continue to rate Hydro favorably on all service attributes. Customers rate Hydro most favorably on billing statement accuracy and concern for public safety (mean ratings of 8.9 out of 10).

- This year, each service attribute experienced a slight decline in perceived performance, most likely due to respondents less often rating Hydro as “excellent” and more often rating them as “good”.
- Attributes experiencing the largest decline in perceived performance include “operates in an environmentally friendly manner” (8.4 mean rating, compared to 8.9

in 2001) and “a reliable, uninterrupted supply of electricity” (7.9 mean rating, compared to 8.4 in 2001).

- Compared to the 2001 study, several attributes did experience an increase in perceived performance, namely “quick response to customer questions and inquiries”, “a company which has the customer’s best interest at heart” and “contributes back to the community”.

In 2002, the rated performance of Hydro continues to fall below customer expectations, thus resulting in service gaps of –0.2 to –3.2 for all customer service attributes.

- As in 2001, the service gaps most pronounced are those related to the attributes “electricity at a reasonable cost” and “contributes back to the community” (negative gap scores of -3.2 and -2.5, respectively).
- As compared to the 2001 study, three attributes did experience a widening in the gap between customer expectations and perceived performance. The attributes “Operates in an environmentally friendly manner”, “a reliable, uninterrupted supply of electricity” and “concern for public safety” experienced increases in their service gap. This increase in gap rating is most likely due to a decrease in customer performance ratings for these attributes.

The majority of commercial customers have access to the Internet, and use it on a daily basis. However, awareness and visitation of the Hydro website is extremely low.

- Overall, 68% of commercial customers report having access to the Internet, with the majority accessing the Internet every day (66%).
- Thirty-two percent of those customers with access to the Internet are aware that Hydro has a website, with 14% having ever visited the Site. Overall, less than a quarter of commercial customers are aware of Hydro’s Internet presence (22%).
- It appears that opportunity does exist for the implementation of an interactive website through which customers can access account information. Of those customers with access to the Internet, 59% indicate they would use this service if made available by Hydro.

Hydro should evaluate modifying the content and layout of the commercial electricity bill. A significant number of customers are less than extremely satisfied with the layout and content of their electricity bill.

- Although service customers are generally satisfied with the layout and content of the electricity bill, the percentage of commercial customers rating the features of their bill as “excellent” is at only 56% to 65%.
- Customers express the lowest level of satisfaction with the explanation of electricity usage and the provision of company contact information (57% and 56% rate as excellent, respectively).
- When asked to evaluate the electricity bill they receive from Hydro, 64% report the bill is very easy to understand, with the remainder of customers indicating they have some level of difficulty reading and understanding the monthly bill (36%).

3.0 CUSTOMER PROFILE

3.1 Demographic Profile

This section details the demographic composition of survey respondents. In addition, years as a customer and rate area/region are also profiled.

	Respondents (n=270)
GENDER:	
Male	46.7
Female	53.3
INDUSTRY:	
Wholesale/Retail Trade	30.0
Service	19.6
Government-related	17.8
Non Profit	9.3
Hospitality and Tourism	8.9
Construction	4.8
Natural Resources	3.3
Manufacturing	1.9
Health Care	1.9
Transportation and Storage	1.9
Communications/Utilities	0.7
NUMBER OF PROPERTIES	
1 – 10	93.0
11 – 20	3.0
21-30	1.1
31+	0.4
Don't Know	2.6

- General service customers represent a large range of industries, with the majority of those surveyed representing the wholesale/retail (30%), service (20%) and government related sectors (18%).
- Similar to 2001 study, the individual responsible for paying the bill and dealing with Hydro for commercial accounts is more often female and less often male (53% and 47% respectively).
- Approximately half of Hydro's commercial customers interviewed own one property or building (50%), while 33% own between two and five properties. For the remainder of those interviewed, Hydro supplies electricity to more than five properties (14%).

3.2 Rate Areas

	% Respondents (n=260)*	Population
Happy Valley	10.0	13.3
Labrador City	11.9	10.4
Island / Labrador Interconnected	71.9	64.3
Island / Labrador Isolated	8.8	11.8

* Customers can represent more than one rate area. Customers with properties in more than five communities were excluded from analysis.

- The geographic region of those customers surveyed closely matches the population of Hydro general service customers. Seventy-two percent of those surveyed retain a property in the Island/Labrador Interconnected region, while the remaining properties are in Happy Valley (10%), Labrador City (12%), and/or the region of Island/Labrador Isolated (9%).

3.3 Years of Service Relationship

	2001 (n=278)	2002 (n=270)
Average Number of Years	17.8	16.1
Length of relationship:		
One year or less	--	3.3
2 – 10 years	33.8	34.4
11 – 19 years	16.2	13.1
20+ years	46.8	31.2
Always	--	13.7
Don't Know	3.2	4.4

- For those commercial customers interviewed, the length of the service relationship ranged from less than one year to 53 years, with an average service relationship of 16.1 years.

4.0 IMPORTANCE & PERFORMANCE RATINGS

Within the survey design, sixteen service attributes were specified upon which assess Hydro's performance. This list of service attributes is based upon criterion used by utilities; the Servqual research model; as well as the input of Hydro management. Servqual is a multiple-item instrument for measuring and monitoring service quality, based on five quality dimensions shown to be key to the performance of service companies: tangibles, reliability, responsiveness, assurance, and empathy. The survey attributes included to define these five key dimensions are as follows:

Tangibles

"Electricity at a reasonable cost"

"Bills easy to read and understand"

Reliability

"Able to complete equipment repairs and service right the first time"

"A reliable, uninterrupted supply of electricity"

"Billing statement accuracy"

Responsiveness

"Electricity quickly restored when there is a power outage"

"Quick response to customer questions and inquiries"

"Education or information about electricity use"

Assurance

"Friendly & courteous employees"

"Concern for public safety"

"Operates in an environmentally responsible manner"

Empathy

"A company which has the customer's best interest at heart"

"Convenient hours of operation"

"Convenient methods of payment"

"Easy access to account information at any time"

"Contributes back to the community through initiatives such as community sponsorship programs"

Customers were first asked to rate the *importance* of any electric company in providing each service attribute (Importance Rating) and secondly, based on the customer's experience, to specifically rate the *performance* of Hydro on providing each attribute (Performance Rating). This report section details customer response toward each individual service attribute.

4.1 Importance Factors

	Rank	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Electricity at a reasonable cost</i>								
2001	1	97.7	1.5	1.0	--	--	--	9.90
2002	1	94.0	2.6	2.6	--	0.4	0.4	9.71
<i>Electricity quickly restored when there is a power outage</i>								
2001	2	96.3	3.7	--	--	--	--	9.89
2002	2	90.7	7.8	0.7	-	0.4	0.4	9.68
<i>Concern for public safety</i>								
2001	6	95.2	4.1	--	--	0.7	--	9.83
2002	3	91.5	5.5	1.8	--	0.4	0.7	9.68
<i>A reliable, uninterrupted supply of electricity</i>								
2001	5	95.9	3.3	1.0	--	--	--	9.87
2002	4	91.1	6.3	1.8	--	0.4	0.4	9.66
<i>Billing statement accuracy</i>								
2001	4	95.9	3.7	--	0.3	--	--	9.87
2002	5	90.0	8.2	1.1	--	0.4	0.4	9.65
<i>Able to complete equipment repairs and service right the first time</i>								
2001	3	95.6	4.1	--	--	--	--	9.87
2002	6	88.5	10.0	0.4	--	0.4	0.7	9.64
<i>Operates in an environmentally friendly manner</i>								
2001	10	88.1	10.0	0.7	--	0.7	0.3	9.66
2002	7	86.0	10.4	2.9	--	0.4	0.4	9.52

	Rank	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>A company which has the customer's best interest at heart</i>								
2001	9	90.0	7.4	1.1	--	0.3	0.7	9.66
2002	8	84.1	12.2	2.2	0.4	0.4	0.7	9.46
<i>Bills easy to read and understand</i>								
2001	7	87.8	11.5	0.3	0.3	--	--	9.69
2002	9	79.6	16.7	2.6	--	0.7	0.4	9.39
<i>Friendly & courteous employees</i>								
2001	8	88.9	9.6	1.5	--	--	--	9.68
2002	10	80.7	15.2	2.6	0.4	0.7	0.4	9.38
<i>Quick response to customer questions and inquiries</i>								
2001	11	87.8	9.1	1.9	--	--	1.2	9.66
2002	11	76.3	20.0	2.2	0.4	0.4	0.7	9.32
<i>Convenient methods of payment</i>								
2001	12	85.9	11.9	1.9	--	--	0.3	9.65
2002	12	74.9	18.2	4.5	0.4	1.1	1.1	9.17
<i>Easy access to account information at any time</i>								
2001	13	83.0	14.4	1.5	--	--	1.1	9.56
2002	13	69.2	23.7	5.2	0.7	0.4	0.7	9.04
<i>Convenient hours of operation</i>								
2001	14	82.6	13.7	3.0	0.3	--	0.3	9.49
2002	14	68.1	24.8	3.7	1.5	0.8	1.1	9.04

	Rank	Very. Imp.	Somewhat Imp.	Neutral	Somewhat Unimp.	Not At All Imp.	N/A	Mean
<i>Contributes back to the community</i>								
2001	15	73.0	16.7	3.7	0.3	0.7	5.6	9.31
2002	15	62.6	25.9	7.5	1.8	0.7	1.5	8.76
<i>Education or information about electricity use</i>								
2001	16	67.0	18.5	10.4	--	1.5	2.6	8.90
2002	16	57.4	25.9	13.0	0.8	1.9	1.1	8.49

- For the most part, general service customers continue to rate all service attributes as important for an electric company to possess. Mean importance ratings for each attribute ranged from 8.5 to 9.7 on a ten- point importance scale.
- Consistent with 2001, the attributes “electricity at a reasonable cost” (94% very important) and “electricity quickly restored when there is a power outage” (91% very important) are ranked as the most important characteristics of an electric company by commercial customers.
- In 2002, general service customers continue to rank attributes related to service reliability as important characteristics for an electric company to possess. Service attributes such as “able to complete equipment repairs right the first time”, “a reliable, uninterrupted supply of electricity”, and “billing statement accuracy” were each perceived to be the top characteristics of an electricity company.
- Similar to 2002, the attributes that are least likely to be rated as critically important for an electric company to possess include “convenient hours of operation” (68% very important), “contributes back to the community” (63% very important), and “education or information about electricity use” (57% very important).

4.2 Performance Evaluation

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Billing Statement Accuracy</i>								
2001	3	76.3	14.8	5.2	0.7	1.9	1.1	9.12
2002	1	68.5	22.9	6.7	0.4	0.4	1.1	8.94
<i>Concern for public safety</i>								
2001	1	72.2	21.5	0.7	--	0.7	4.8	9.26
2002	2	67.1	23.4	4.1	1.4	1.1	3.0	8.91
<i>Friendly & courteous employees</i>								
2001	2	74.1	21.9	2.6	0.3	0.3	0.7	9.19
2002	3	64.8	28.9	3.8	0.8	0.4	1.5	8.91
<i>Easy access to account information at any time</i>								
2001	7	58.3	24.4	4.8	0.3	0.7	11.1	8.93
2002	4	60.0	28.9	3.7	0.8	0.8	5.9	8.85
<i>Bills easy to read and understand</i>								
2001	4	75.6	17.8	5.2	0.3	0.7	0.3	9.12
2002	5	65.9	27.4	5.2	0.7	0.7	--	8.84
<i>Convenient methods of payment</i>								
2001	5	74.4	18.5	4.8	--	1.9	0.3	9.10
2002	6	64.8	25.9	5.2	1.1	2.6	0.4	8.76
<i>Quick response to customer questions and inquiries</i>								
2001	10	50.4	26.7	7.8	3.0	0.3	11.9	8.53
2002	7	52.6	31.1	7.4	1.1	0.4	7.4	8.63

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Able to complete equipment repairs and service right the first time</i>								
2001	8	56.7	27.8	4.8	0.3	--	10.3	8.87
2002	8	53.7	33.4	5.9	0.7	0.7	5.6	8.62
<i>Convenient hours of operation</i>								
2001	9	60.0	27.4	5.6	1.1	0.7	5.2	8.81
2002	9	53.0	35.2	6.7	0.7	1.4	3.0	8.55
<i>Operates in an environmentally friendly manner</i>								
2001	6	57.4	27.8	3.0	0.7	0.3	10.7	8.95
2002	10	50.8	29.7	8.1	2.2	1.1	8.1	8.40
<i>Electricity quickly restored when there is a power outage</i>								
2001	12	48.1	38.5	8.9	2.6	1.5	0.3	8.29
2002	11	48.5	36.3	10.0	3.0	1.5	0.7	8.19
<i>A reliable, uninterrupted supply of electricity</i>								
2001	11	53.0	33.7	10.7	1.1	1.5	--	8.43
2002	12	44.5	33.8	12.9	4.5	3.8	0.7	7.85
<i>A company which has the customer's best interest at heart</i>								
2001	14	34.1	38.9	17.0	1.5	3.0	5.6	7.74
2002	13	41.5	32.2	16.6	3.4	4.0	2.2	7.75
<i>Education or information about electricity use</i>								
2001	13	36.7	33.3	13.3	2.2	2.2	12.2	7.97
2002	14	34.1	31.2	21.9	1.9	3.7	7.4	7.57

	Rank	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Electricity at a reasonable cost</i>								
2001	15	21.5	34.8	25.9	7.0	9.3	1.5	6.60
2002	15	23.7	31.5	24.4	8.9	9.7	1.9	6.52
<i>Contributes back to the community</i>								
2001	16	11.9	13.3	17.8	3.7	11.9	41.5	5.85
2002	16	16.3	24.1	17.5	3.7	13.3	25.2	6.22

- For the most part, customers continue to evaluate Hydro favorably on each service attribute. In comparison to 2001, most attributes experienced a slight decrease in their performance rank, mainly attributable to respondents less often rating an attribute as “excellent” and more often rating the attribute as “good”. Overall, the average performance ratings in the 2002 Tracking Study ranged from 6.2 to 8.9 on a ten-point scale (2001 ratings ranged from 5.9 to 9.1).
- Consistent with 2001 findings, general service customers rate Hydro most positively on “billing statement accuracy” (69% excellent), “concern for public safety” (67% excellent) and “friendly and courteous employees” (65% excellent). Although satisfaction ratings are for the most part favorable, it is evident that there remains room for improvement on all service attributes.
- The largest decline over last year is evident in the performance of Hydro on the attribute of “operates in an environmentally friendly manner” (mean rating 8.4) and “a reliable, uninterrupted supply of electricity” (mean rating 7.9). This drop in performance is most likely attributable to a decline in the number of customers rating these attributes as “excellent”, and more often rating Hydro as “poor” or “very poor” on these issues.
- Although experiencing a slight increase in performance, Hydro customers continue to rate the company least favorably on their initiatives to contribute back to the community (6.2 mean rating out of 10). As well, customers rate Hydro poorly on the cost of electricity (6.5 mean rating out of 10).

5.0 SERVICE GAP ANALYSIS

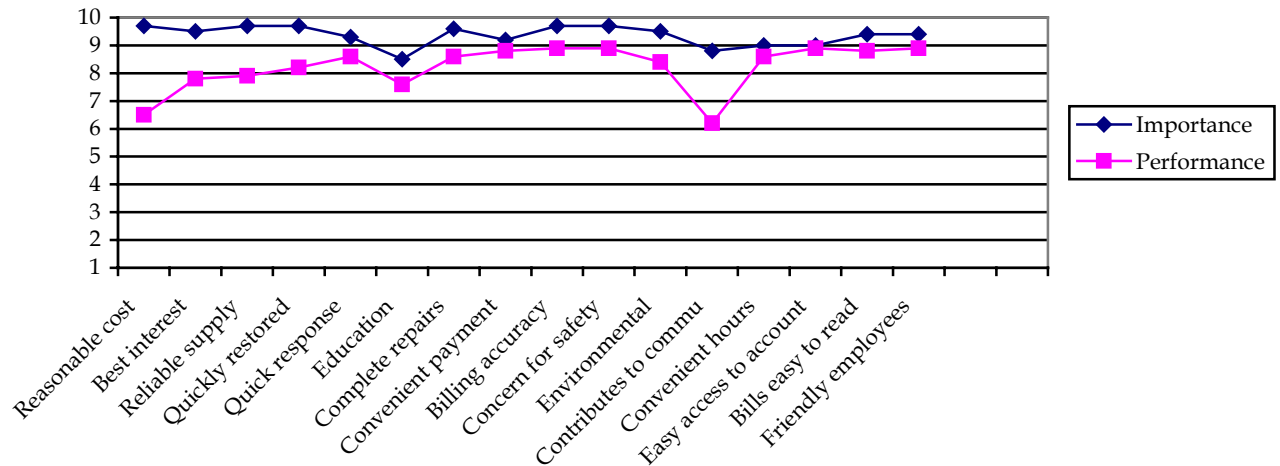
5.1 “Gap” on Specific Service Attributes

Comparing the importance ratings on each service attribute to the performance evaluation of Hydro on these attributes, an average “gap” score is calculated. Essentially, this is the difference between customer perception and expectation on each service attribute. A negative gap score represents lower-than-expected service, that is, the company’s performance is not meeting the service level desired by customers. A gap score of 2.0 or greater should be considered significant.

	Importance		Performance		Mean Gap Rating
	Mean Rating	Rank	Mean Rating	Rank	
<i>Electricity at a reasonable cost</i>					
2001	9.9	1	6.6	15	-3.3
2002	9.7	1	6.5	15	-3.2
<i>Contributes back to the community</i>					
2001	9.3	15	5.9	16	-3.3
2002	8.8	15	6.2	16	-2.5
<i>A reliable, uninterrupted supply of electricity</i>					
2001	9.9	5	8.4	11	-1.4
2002	9.7	4	7.9	12	-1.8
<i>A company which has the customer’s best interest at heart</i>					
2001	9.7	9	7.7	14	-1.9
2002	9.5	8	7.8	13	-1.7
<i>Electricity quickly restored when there is a power outage</i>					
2001	9.9	2	8.2	12	-1.6
2002	9.7	2	8.2	11	-1.5
<i>Operates in an environmentally friendly manner</i>					
2001	9.7	10	8.9	6	-0.7
2002	9.5	7	8.4	10	-1.1
<i>Able to complete equipment repairs and service right the first time</i>					
2001	9.9	3	8.9	8	-1.0
2002	9.6	6	8.6	8	-1.0

	IMPORTANCE		PERFORMANCE		
	Mean Rating	Rank	Mean Rating	Rank	Mean Gap Rating
<i>Education or information about electricity use</i>					
2001	8.9	16	8.0	13	-1.0
2002	8.5	16	7.6	14	-1.0
<i>Concern for Public Safety</i>					
2001	9.8	6	9.3	1	-0.6
2002	9.7	3	8.9	2	-0.8
<i>Billing Statement Accuracy</i>					
2001	9.9	4	9.1	3	-0.8
2002	9.7	5	8.9	1	-0.7
<i>Quick response to customer questions and inquiries</i>					
2001	9.7	11	8.5	10	-1.1
2002	9.3	11	8.6	7	-0.7
<i>Bills easy to read and understand</i>					
2001	9.7	7	9.1	4	-0.6
2002	9.4	9	8.8	5	-0.5
<i>Convenient hours of operation</i>					
2001	9.5	14	8.8	9	-0.7
2002	9.0	14	8.6	9	-0.5
<i>Friendly & courteous employees</i>					
2001	9.7	8	9.2	2	-0.5
2002	9.4	10	8.9	3	-0.5
<i>Convenient methods of payment</i>					
2001	9.7	12	9.1	5	-0.6
2002	9.2	12	8.8	6	-0.4
<i>Easy access to account information at any time</i>					
2001	9.6	13	8.9	7	-0.7
2002	9.0	13	8.9	4	-0.2

“Gap” in Importance Vs. Performance- 2002
Total Commercial Customer Base



- In general, Hydro customers consistently rate the importance of each service attribute more highly than they rate their satisfaction, thus resulting in negative service gaps of -0.2 to -3.2 for all attributes.
- For several attributes, service gaps have improved since last year's study. This reduction in service gap is most likely attributable to a decrease in importance ratings for these attributes.
- As in 2001, the service gap most pronounced is that related to the attribute "electricity at a reasonable cost", with performance falling 3.2 points below perceived importance.
- Although experiencing the greatest improvement in service gap, the gap score associated with "contributes back to the community" remains one of concern. In 2002, Hydro's performance on this attribute falls 2.5 points below customer expectations, as compared to 3.3 points below expectations in 2001.
- Hydro comes closest to meeting customer expectations on the attribute "easy access to account information at any time", with a negative gap score of -0.2. Next to this, Hydro falls slightly below expectations when evaluated on "convenient methods of payment", and "friendly and courteous employees" (0.4 and 0.5, respectively).

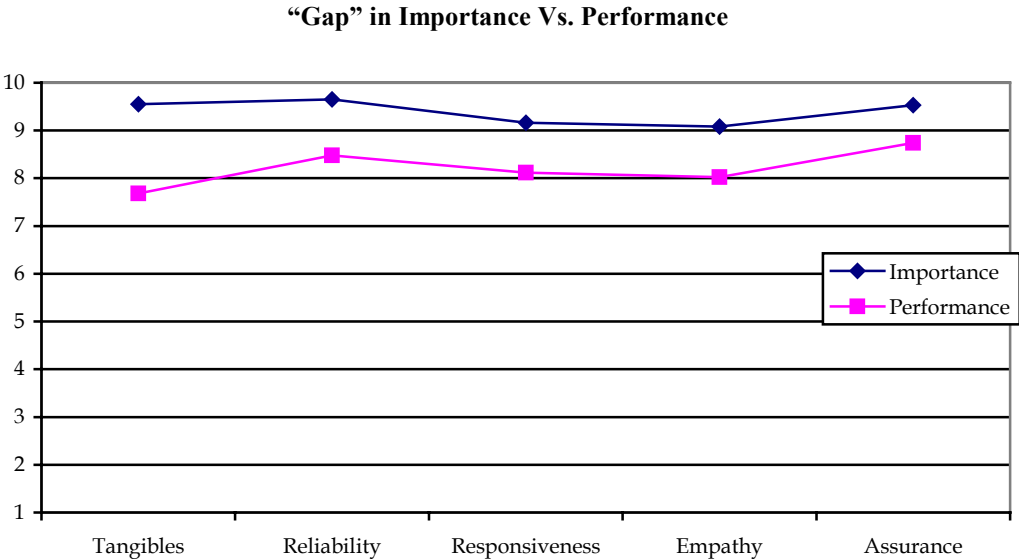
- In the 2002 study, three attributes did experience a widening in the gap between customer expectations and perceived performance. The attributes “Operates in an environmentally friendly manner”, “a reliable, uninterrupted supply of electricity” and “concern for public safety” experienced increases in their gap rating. This increase in gap rating is most likely attributable to a decrease in customer performance ratings for these attributes.

5.2 “Gap” on Key Service Dimensions

To evaluate overall performance in general, the individual service attributes are grouped to represent the five key service quality dimensions. “Service Gaps” or differences between customer expectation and perceived performance of Hydro are then calculated, as an overall measure of performance in relation to customer needs.

	IMPORTANCE		PERFORMANCE		Mean Gap Rating
	Mean Rating	Rank	Mean Rating	Rank	
<i>Tangibles</i>					
2001	9.79	2	7.86	5	-1.95
2002	9.55	2	7.68	5	-1.86
<i>Reliability</i>					
2001	9.88	1	8.75	2	-1.11
2002	9.66	1	8.48	2	-1.15
<i>Responsiveness</i>					
2001	9.49	5	8.27	3	-1.20
2002	9.16	4	8.12	3	-1.07
<i>Empathy</i>					
2001	9.55	4	7.92	4	-1.54
2002	9.08	5	8.02	4	-1.00
<i>Assurance</i>					
2001	9.72	3	9.14	1	-0.56
2002	9.53	3	8.74	1	-0.76

- With the exception of the dimensions of “assurance” and “reliability”, the gap score has narrowed for each service dimension (negative gap scores range from -0.76 to -1.86).
- Hydro comes closest to matching commercial customer expectations on the dimension of “assurance” and consistent with 2001, customer expectations fall furthest away from perceived performance for the service dimension “tangibles”.
- The greatest improvement in gap rating exists for the dimension “empathy”, with the gap narrowing from -1.54 in 2001 to -1.00 in 2002.



6.0 SERVICE RELIABILITY

6.1 Overall Satisfaction with Service Reliability

On a scale of 1 to 10, with a 1 meaning “Very Dissatisfied” and a 10 meaning “Very Satisfied”, how satisfied are you with: the supply of electricity you receive from NF & Lab. Hydro?

	2001 (n=278)*	2002 (n=270)
Very Satisfied	60.0	53.7
Somewhat Satisfied	33.5	33.7
Neutral	5.0	10.7
Somewhat Dissatisfied	0.8	0.8
Very Dissatisfied	0.4	1.1
Mean Rating	8.81	8.52
Exceeded Expectations	5.4	4.1
Met Expectations	92.8	88.5
Have Not Met Expectations	1.8	7.0

* For eight of the companies contacted, the individuals responsible for billings and customer service were different.

- In 2002, the large majority of Hydro’s general service customers are either very (54%) or somewhat (34%) satisfied with the supply of electricity they receive from the company. This is consistent with 2001 findings.
- Only 4% of commercial customers report that Hydro exceeds their expectations with regards to the supply of electricity they receive, with the majority of commercial customers (89%) reporting that Hydro has met their expectations. For seven percent of customers, Hydro has fallen below customer expectations. Consistent with last year’s findings, there is opportunity for Hydro to improve performance with regards to service reliability.

6.2 Gap

	Mean Importance Rating		Mean Performance		Mean Gap Rating	
	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>
<i>A reliable, uninterrupted supply of electricity</i>	9.87	9.66	8.43	7.85	-1.44	-1.81
<i>Electricity quickly restored when there is a power outage</i>	9.89	9.68	8.29	8.19	-1.60	-1.49

- A gap exists between customer expectations and perceived performance with regards to the service reliability provided by Hydro. As compared to 2001, the service gap widened for the attribute “a reliable, uninterrupted supply of electricity” (-1.4 and -1.8, respectively) and narrowed slightly for the attribute “electricity quickly restored when there is a power outage” (-1.6 and -1.5, respectively).

7.0 CUSTOMER SERVICE

7.1 Overall Satisfaction with Customer Service

On a scale of 1 to 10, with a 1 meaning “Very Dissatisfied” and a 10 meaning “Very Satisfied”, how satisfied are you with: the overall customer service you receive from NF & Lab. Hydro?

	2001 (n=278)*	2002 (n=270)
Very Satisfied	62.6	56.0
Somewhat Satisfied	30.9	33.7
Neutral	5.0	7.4
Somewhat Dissatisfied	--	0.7
Very Dissatisfied	0.4	1.9
Don't Know	1.1	0.4
Mean Rating	8.9	8.5
Exceeded Expectations	2.5	5.2
Met Expectations	94.2	88.9
Have Not Met Expectations	3.2	5.9

** For eight of the companies contacted, the individuals responsible for billings and customer service was different.*

- When evaluating the customer service received from Hydro, 90% of commercial customers report they are very (56%) or somewhat (34%) satisfied on this issue. In 2002, it appears that there has been a slight drop in the proportion of customers “very satisfied” with the level of customer service provided by Hydro (63% and 56%, respectively).
- For the most part, the level of customer service provided by Hydro meets (89%), but does not exceed (5%) the expectations of its customers. Similar to reliability, there is room for improvement with regards to the delivery of customer service.

8.0 BILLING

8.1 Satisfaction with Content of Monthly Electric Bill

	Excellent	Good	Neutral	Poor	Very Poor	N/A	Mean
<i>Explanation of current account balance</i>							
2001	73.7	21.9	2.3	0.4	1.1	0.7	9.17
2002	65.2	28.9	3.7	0.4	1.8	--	8.85
<i>Overall layout of the bill</i>							
2001	58.2	35.9	4.5	0.4	0.7	0.4	8.84
2002	61.4	31.9	5.2	--	1.5	--	8.79
<i>Overall content of the bill</i>							
2001	66.0	28.2	3.3	1.1	0.7	0.7	8.97
2002	56.7	36.3	6.0	--	1.1	--	8.72
<i>Explanation of Electricity Usage</i>							
2001	57.1	30.8	8.5	1.8	0.7	1.1	8.63
2002	57.4	31.1	8.6	1.1	1.5	0.4	8.59
<i>Company contact information for inquiries and questions</i>							
2001	60.4	25.9	4.8	2.2	--	6.7	8.86
2002	55.9	31.1	7.1	0.4	2.3	3.3	8.57

- In 2002, commercial customers are generally satisfied with the layout and content of the electricity bill, with mean satisfaction ratings ranging from 8.6 to 8.9 out of 10. However, it appears that there is opportunity for Hydro to improve the commercial bill, as only 56% to 65% of commercial customers rate any feature of their bill as “excellent”.
- For the most part, satisfaction ratings with regards to billing are consistent with findings of the 2001 study. In 2002, customers are less likely to rate Hydro as “excellent” and more likely to rate them as “good” on the attributes “explanation of current account balance” and “overall content of the bill”.

- Customers express the lowest level of satisfaction with the explanation of electricity usage and the provision of company contact information (89% and 87% satisfied, respectively).

8.2 *Ease of Reading and Understanding the Bill*

Thinking specifically about how easy or difficult it is to understand and read the electricity bill your company receives from NF and Lab. Hydro, how would you rate your electricity bill...Would you say it is very easy to understand, somewhat easy to understand, somewhat difficult to understand, or very difficult to understand?

	2002 (n=270)
Very Easy to Understand	64.1%
Somewhat Easy to Understand	29.3%
Somewhat Difficult to Understand	5.9%
Very Difficult to Understand	0.7%

- The majority of general service customers consider their electricity bills very easy(64%) or somewhat easy(29%) to understand. Only a small proportion of general service customers considers their bill difficult to understand (7%). Reasons for this difficulty include a confusing breakdown of charges and/or difficult terminology.

8.3 Suggested Improvements to Monthly Bill

Is there any additional information you would like to see added to the monthly electricity bill your company receives from NF and Lab. Hydro?

	2002 (n=270)*
Nothing/No additional information required	85.5%
Year to Date totals	1.9%
Previous Years Consumption	1.5%
Clearer Explanation of Terms/Rate Used	7.0%
Don't Know	0.7%
Invoice Number added to bill	0.7%
Other	3.0%

** Note: Multiple Responses Allowed*

- Most often, commercial customers report that they require no additional information included on their current electricity bill (86%). For those requesting changes, seven percent suggest a clearer explanation of terms/rates, while the remainder suggest adding a year to date total, previous years consumption, or an invoice number.

9.0 WEBSITE/INTERACTIVE VOICE RESPONSE SYSTEM

9.1 *Likelihood of Using IVR System*

If NF and Lab. Hydro were to offer twenty four hour access to customer information such as account balance, account history and consumption history through an automated toll free number, would you definitely use, likely use or not likely use this service to access information on your commercial account?

	2002 (n=270)
Definitely Use	18.5%
Likely Use	33.3%
Not likely use	48.1%

- General service customers are equally split on their likelihood of using an IVR system to access customer information, with 48% reporting they would not use the system, and 52% indicating they would utilize an IVR.

9.2 Access to the Internet

Do you have access to the Internet?

	2002 (n=270)
Access at All	68.1%
Access at Home	60.7%
Access at Work	54.4%

In an average week, how frequently do you access the Internet?

	2002 (n=184)
Every Day	65.8%
One-Three Times a week	17.4%
Four -Six Times a week	8.1%
Less than Once a Week	3.8%
Do not Use	3.8%
Don't Know/No Answer	1.1%

- The majority of general service customers have access to the Internet (68%), either at home (61%) or at their place of work (54%).
- Of those customers with access, 66% report using the Internet on a daily basis, while 26% report accessing it one to six times a week.

9.3 Awareness and Use of Hydro Website

*To your knowledge, does NF and Lab. Hydro have a website?
 Have you ever visited the website?*

	% of those with access to Internet (n=184)	% all commercial customers (n=270)
% of commercial customers aware of Hydro website	31.5%	21.5%
% who have visited the website	13.8%	3.0%

If NF and Lab. Hydro were to offer access to customer information such as account balance, account history and consumption history over the Internet, how likely would you be to use this service to access information on your commercial account...would you definitely use, likely use or not likely use this service?

	2002 (n=184)
Definitely Use	22.3%
Likely Use	37.0%
Not likely use	39.1%
Don't Know	1.6%

- Awareness and use of the Hydro website is relatively low with only one-third of those customers with access to the Internet aware of the Website (22% of all customers) and only 14% who have ever used the Site (3% of all customers).
- Approximately 59% of those with access to the Internet report they would be likely to use the Hydro website to access account information. On the other hand, 39% would not be likely to use this service, if available.

APPENDIX A: SURVEY INSTRUMENT

Commercial Satisfaction Survey
October, 2002

Hello, my name is _____ from Market Quest Research, a professional marketing research firm. Today we are conducting a short survey on commercial electricity. May I please speak to the individual in your organization who is primarily responsible for dealing with the electric company [REPEAT INTRO IF NECESSARY].

We would appreciate your participation, would you have a few minutes to complete the survey? ...it will take approximately 5 minutes of your time.

YES - CONTINUE

NO - THANK & TERMINATE

Screener:

1a. What is the name of the electric company which....

	NF & LAB. HYDRO	NF POWER	D/K OR N/A
...Supplies electricity to the properties owned or operated by your company or organization	1	2	3

IF NF & LAB HYDRO NOT MENTIONED- THANK & TERMINATE

1b. Are you the representative of your company/organization who is responsible for dealing with NF Hydro on bill payments:

Yes	No
1	2

IF YES, CONTINUE

IF NO: Who in your organization is responsible for dealing with NF Hydro on bill payments?

NAME _____ pH _____

CONTINUE

- 1c. Are you the representative of your company/organization who is responsible for dealing with NF Hydro on Customer Service Issues:

Yes	No
1	2

IF YES, CONTINUE

IF NO, Who in your organization is responsible for dealing with NF Hydro on customer service issues?

NAME _____ pH _____

IF YES TO Q1B & Q1C- CONTINUE

IF YES TO Q1B & NO TO Q1C GO TO Q3

IF NO TO Q1B & YES TO Q1C GO TO Q4

**IF NO TO BOTH- GET CONTACT INFO FOR APPROPRIATE INDIVIDUAL-
THANK AND TERMINATE**

2. We are conducting this survey on behalf of NF & Labrador Hydro to measure customer satisfaction and identify ways to improve the service they offer you as a commercial customer. Your company has been randomly selected to participate in this survey. When answering these questions, please refer to the service provided to you as a commercial customer. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, I would like to ask you to be honest in your response, whether good or bad.

- 2a. Before we talk specifically about NF & Lab. Hydro, please think about electric companies in general, and about what is important for any electric company to provide your company. Using a scale of 1 to 10 where 1 means “Not At All Important” and 10 means “Extremely Important”, please rate the importance of:
[READ LIST]

	Not At All Imp.								Extremely Imp.			D/K
	1	2	3	4	5	6	7	8	9	10	11	
A reliable, uninterrupted supply of electricity												
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11	
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11	
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11	
Billing statement accuracy	1	2	3	4	5	6	7	8	9	10	11	
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11	
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11	
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11	
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11	
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11	
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11	
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11	
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11	
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11	
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11	
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11	

2b. Now think specifically about the service which you currently receive from NF & Labrador Hydro. Based on your experienced to date and using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate the performance of NF & Labrador Hydro in providing you: **[READ LIST]**

	Very Poor										Excellent	D/K
	1	2	3	4	5	6	7	8	9	10	11	
A reliable, uninterrupted supply of electricity												
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11	
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11	
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11	
Billing statement accuracy	1	2	3	4	5	6	7	8	9	10	11	
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11	
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11	
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11	
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11	
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11	
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11	
A company which has the customer’s best interest at heart	1	2	3	4	5	6	7	8	9	10	11	
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11	
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11	
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11	
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11	

- 2c. Now think specifically about the content of your electric bill which you receive from NF & Labrador Hydro. Using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate the monthly electric bill that your company receives from NF and Lab. Hydro on each of the following: **[READ LIST]**

	Very Poor										Excellent	D/K
Overall layout of the bill	1	2	3	4	5	6	7	8	9	10	11	
Explanation of electricity usage	1	2	3	4	5	6	7	8	9	10	11	
Explanation of current account balance	1	2	3	4	5	6	7	8	9	10	11	
Overall content of the bill	1	2	3	4	5	6	7	8	9	10	11	
Availability of company contact information for inquires and questions	1	2	3	4	5	6	7	8	9	10	11	

- 2d. Thinking specifically about how easy or difficult it is to understand and read the electricity bill your company receives from NF and Lab. Hydro, how would you rate your electricity bill.... Would you say it is very easy to understand, somewhat easy to understand, somewhat difficult to understand, very difficult to understand?

Very Easy to understand	1	
Somewhat Easy to understand	2	
Somewhat Difficult to understand	3	-Why?
Very Difficult to understand	4	-Why?
Don't Know	5	

- 2e. In addition to payment information such as previous and current balance, your monthly commercial bill from NF and Lab. Hydro includes details such as total electricity usage, meter readings and cost information. Is there any additional information you would like to see added to the monthly electric bill your company receives from NF and Lab. Hydro? (Probe: Anything you would like to see changed?)
-

2f. An Interactive Voice Response System is an automated telephone system, whereby all phone calls are answered by an automated voice, instead of a live person. If NF and Lab. Hydro were to offer twenty four hour access to customer information such as account balance, account history and consumption history through an automated toll free number...would you definitely use, likely use or not likely use this service to access information on your commercial account...

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

2g. Do you have access to the Internet.... **[READ LIST]**

	Yes
Yes	1
No	2
Don't Know	3

IF YES CONTINUE, ELSE GO TO Q5

2h. In an average week, how frequently do you access the Internet?

Once a week	1
Twice a week	2
Three times a week	3
Four times a week	4
Five times a week	5
Six times a week	6
Daily	7
Less than once a week	8
No answer	99

2i. To your knowledge, does NF and Lab. Hydro have a website?

2j. **IF YES IN Q2i:** Have you ever visited the NF and Lab. Hydro website ?

	Q2i	Q2j
Yes	1	1
No	2	2
Don't Know	3	3

- 2k. If NF & Lab. Hydro were to offer access to customer information such as account balance, account history and consumption history over the Internet, how likely you would be to use this service to access information on your commercial account... would you definitely use, likely use or not likely use this service ...

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

GO TO QUESTION 5

3. We are conducting this survey on behalf of NF & Labrador Hydro to measure customer satisfaction and identify ways to improve the service they offer you as a commercial customer. Your company has been randomly selected to participate in this survey. When answering these questions, please refer to the service provided to you as a commercial customer. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, I would like to ask you to be honest in your response, whether good or bad.

3a. Before we talk specifically about NF & Lab. Hydro, please think about electric companies in general, and about what is important for any electric company to provide your company. Using a scale of 1 to 10 where 1 means “Not At All Important” and 10 means “Extremely Important”, please rate the importance of: **[READ LIST]**

	Not At All Imp.										Extremely Imp.	D/K
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11	
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11	
Billing statement accuracy	1	2	3	4	5	6	7	8	9	10	11	
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11	
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11	

3b. Now think specifically about the service, which you currently receive from NF & Labrador Hydro. Based on your experience to date and using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate the performance of NF & Labrador Hydro in providing you: **[READ LIST]**

	Very Poor										Excellent	D/K
Electricity at a reasonable cost	1	2	3	4	5	6	7	8	9	10	11	
Bills easy to read and understand	1	2	3	4	5	6	7	8	9	10	11	
Billing statement accuracy	1	2	3	4	5	6	7	8	9	10	11	
Easy access to account information at any time	1	2	3	4	5	6	7	8	9	10	11	
Convenient methods of payment	1	2	3	4	5	6	7	8	9	10	11	

- 3c. Now think specifically about the content of your electric bill, which you receive from NF & Labrador Hydro. Using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate your company’s monthly electric bill on each of the following: **[READ LIST]**

	Very Poor										Excellent	D/K
Overall layout of the bill	1	2	3	4	5	6	7	8	9	10	11	
Explanation of electricity usage	1	2	3	4	5	6	7	8	9	10	11	
Explanation of current account balance	1	2	3	4	5	6	7	8	9	10	11	
Overall content of the bill	1	2	3	4	5	6	7	8	9	10	11	
Availability of company contact information for inquires and questions	1	2	3	4	5	6	7	8	9	10	11	

- 3d. Thinking specifically about how easy or difficult it is to understand and read the electricity bill your company receives from NF and Lab. Hydro, how would you rate your electricity bill.... Would you say it is very easy to understand, somewhat easy to understand, somewhat difficult to understand, very difficult to understand?

Very Easy to understand	1	
Somewhat Easy to understand	2	
Somewhat Difficult to understand	3	-Why?
Very Difficult to understand	4	-Why?
Don’t Know	5	

- 3e. In addition to payment information such as previous and current balance, your monthly commercial bill from NF and Lab. Hydro includes details such as total electricity usage, meter readings and cost information. Is there any additional information you would like to see added to the monthly electric bill your company receives from NF and Lab. Hydro? (Probe: Anything you would like to see changed?)
-

3f. An Interactive Voice Response System is an automated telephone system, whereby all phone calls are answered by an automated voice, instead of a live person. If NF and Lab. Hydro were to offer twenty four hour access to customer information such as account balance, account history and consumption history through an automated toll free number...would you definitely use, likely use or not likely use this service to access information on your commercial account...

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

3g. Do you have access to the Internet.... **[READ LIST]**

Yes	1
No	2
Don't Know	3

IF YES CONTINUE, ELSE GO TO Q5

3h. In an average week, how frequently do you access the Internet?

Once a week	1
Twice a week	2
Three times a week	3
Four times a week	4
Five times a week	5
Six times a week	6
Daily	7
Less than once a week	8
No answer	99

3i. To your knowledge, does NF and Lab. Hydro have a website?

3j. **IF YES IN Q3i:** Have you ever visited the NF and Lab. Hydro website ?

	Q3i	Q3j
Yes	1	1
No	2	2
Don't Know	3	3

- 3k. If NF & Lab. Hydro were to offer access to customer information such as account balance, account history and consumption history over the Internet, how likely you would be to use this service to access information on your commercial account... would you definitely use, likely use or not likely use this service...

Definitely Use	1
Likely Use	2
Not Likely Use	3
Don't Know	4

GOTO QUESTION 5

4. We are conducting this survey on behalf of NF & Labrador Hydro to measure customer satisfaction and identify ways to improve the service they offer you as a commercial customer. Your company has been randomly selected to participate in this survey. When answering these questions, please refer to the service provided to you as a commercial customer. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, I would like to ask you to be honest in your response, whether good or bad.

4a. Before we talk specifically about NF & Lab. Hydro, please think about electric companies in general, and about what is important for any electric company to provide your company. Using a scale of 1 to 10 where 1 means “Not At All Important” and 10 means “Extremely Important”, please rate the importance of:
[READ LIST]

	Not At All Imp.								Extremely Imp.			D/K
	1	2	3	4	5	6	7	8	9	10	11	
A reliable, uninterrupted supply of electricity												
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11	
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11	
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11	
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11	
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11	
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11	
A company which has the customer's best interest at heart	1	2	3	4	5	6	7	8	9	10	11	
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11	
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11	
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11	

4b. Now think specifically about the service, which you currently receive from NF & Labrador Hydro. Based on your experienced to date and using a scale of 1 to 10 where 1 means “Very Poor” and 10 means “Excellent”... please rate the performance of NF & Labrador Hydro in providing you: **[READ LIST]**

	Very Poor									Excellent	D/K
	1	2	3	4	5	6	7	8	9	10	11
A reliable, uninterrupted supply of electricity											
Electricity quickly restored when there is a power outage	1	2	3	4	5	6	7	8	9	10	11
Quick response to customer questions and inquiries	1	2	3	4	5	6	7	8	9	10	11
Convenient hours of operation	1	2	3	4	5	6	7	8	9	10	11
Able to complete equipment repairs and service right the first time	1	2	3	4	5	6	7	8	9	10	11
Education or information about electricity use	1	2	3	4	5	6	7	8	9	10	11
Friendly & courteous employees	1	2	3	4	5	6	7	8	9	10	11
A company which has the customer’s best interest at heart	1	2	3	4	5	6	7	8	9	10	11
Operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	11
Concern for public safety	1	2	3	4	5	6	7	8	9	10	11
Contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	11

GOTO QUESTION 5

5. Now please think of electric companies as serving customers in two ways: (1) the first, being the supply of electricity to your commercial property and (2) the second being, customer service or response to customer needs, such as hook-ups, repairs, account billings and inquiries. On a scale of 1 to 10, with a 1 meaning "Very Dissatisfied" and a 10 meaning "Very Satisfied", how satisfied are you with: **[READ LIST]**

	Very Dissat.										Very Sat.	D/K
The <u>supply of electricity</u> you receive from NF & Lab. Hydro	1	2	3	4	5	6	7	8	9	10	11	
The overall <u>customer service</u> you receive from NF & Lab. Hydro	1	2	3	4	5	6	7	8	9	10	11	

6. Which of the following statements best describes... **[READ LIST]**

	Have not met my expectations	Met my expectations	Exceeded my expectations
The <u>supply of electricity</u> you receive from NF & Lab. Hydro	1	2	3
The overall <u>customer service</u> you receive from NF & Lab. Hydro	1	2	3

DEMOGRAPHICS

Now just some final questions for classification purposes only....

7. For approximately how many years has your company been a customer of NF & Lab. Hydro? _____years

8. In which industry does your company operate?
- _____

9. To how many properties/buildings owned by your company does NF Hydro supply electricity? _____

IF ONE- GO TO Q12

10. Are these properties/buildings.....

...located in the same community	1	-GO TO Q12
...located in different communities	2	-CONTINUE

11. In how many different communities are the properties/buildings located?

IF FIVE OR LESS- CONTINUE, ELSE GO TO END

12. In what community/communities are the properties/buildings located?

I would like to thank you for your participation, your assistance is greatly appreciated.
Have a good day/evening!

INTERVIEWER USE ONLY:

Gender:		Region:		Sections Done:	
Male	1	Happy Valley	1	Question 2	1
Female	2	Lab City	2	Question 3	2
		Island/Lab	3	Question 4	3
		Interconnected			
		Island/Lab Isolated	4		
		Other	5		

Company Name: _____

Interviewer: _____ Date: _____

Phone Number: _____