

Customer Research

Second Quarter 2002 Results



Customer Satisfaction Index

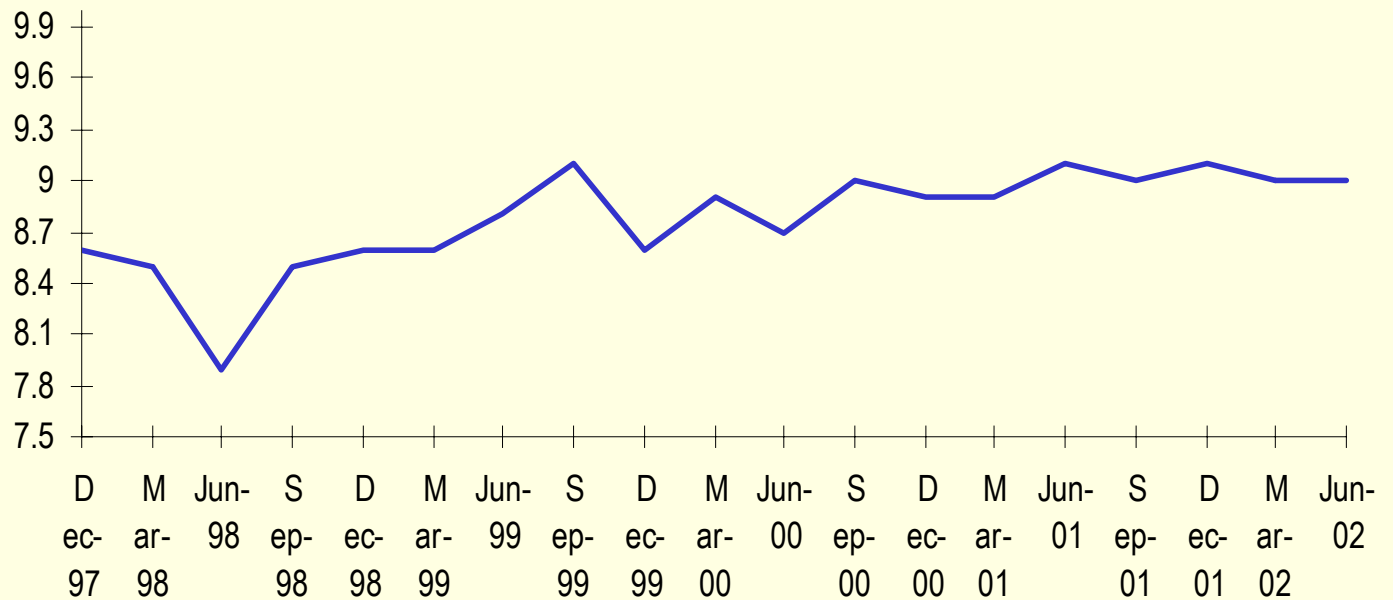
	Index Proportion	Residential Satisfaction Level	Commercial Satisfaction Level	Index Subtotal	Percentage of customers who use the service
Call Centre Service	40%	9.0	8.9	3.6	16.4%
Field Service	20%	8.7	9.4	1.8	17.5%
Cashier Service	20%	9.7	9.2	1.9	17.8%
General Satisfaction	20%	8.7	8.9	1.7	
Customer Satisfaction Index:				9.0	
In-office Service				7.8	1.0%

Notes:

1. Residential customers account for 90% of total customers.
2. The index has been calculated using results taken from the Customer Satisfaction research collected and analyzed in June 2002.
3. Satisfaction levels for the Call Centre, Field, and Cashier Services are for customers who availed of these services within the last six months.
4. The satisfaction levels are based on a scale of 1 to 10 where 1 is 'Not at all satisfied' and 10 is 'Extremely Satisfied'.

Customer Satisfaction Index

The overall index result this quarter (9.0) is close to the highest recorded to date (9.1, on three occasions). Increases in satisfaction with call centre service and cashier service offset marginal decreases in satisfaction with field services and with general satisfaction levels.



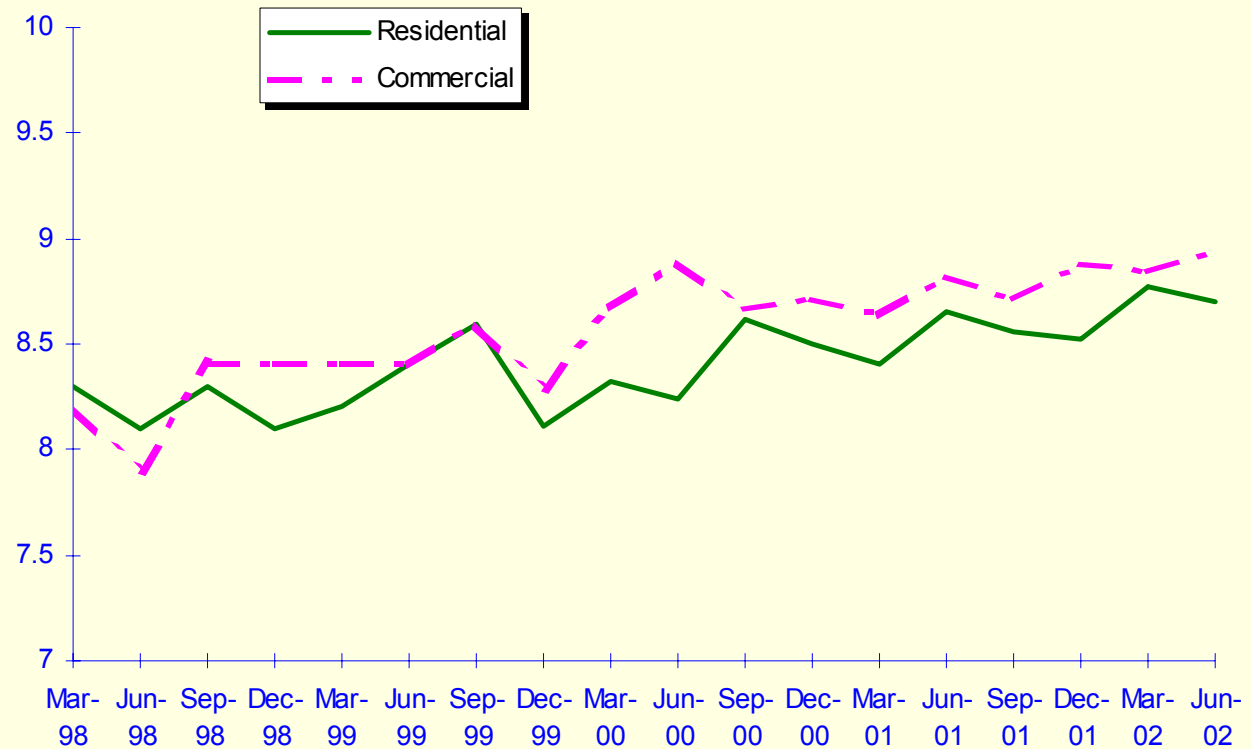
Average response out of 10

Overall Rating of Service



Satisfaction with Overall Service

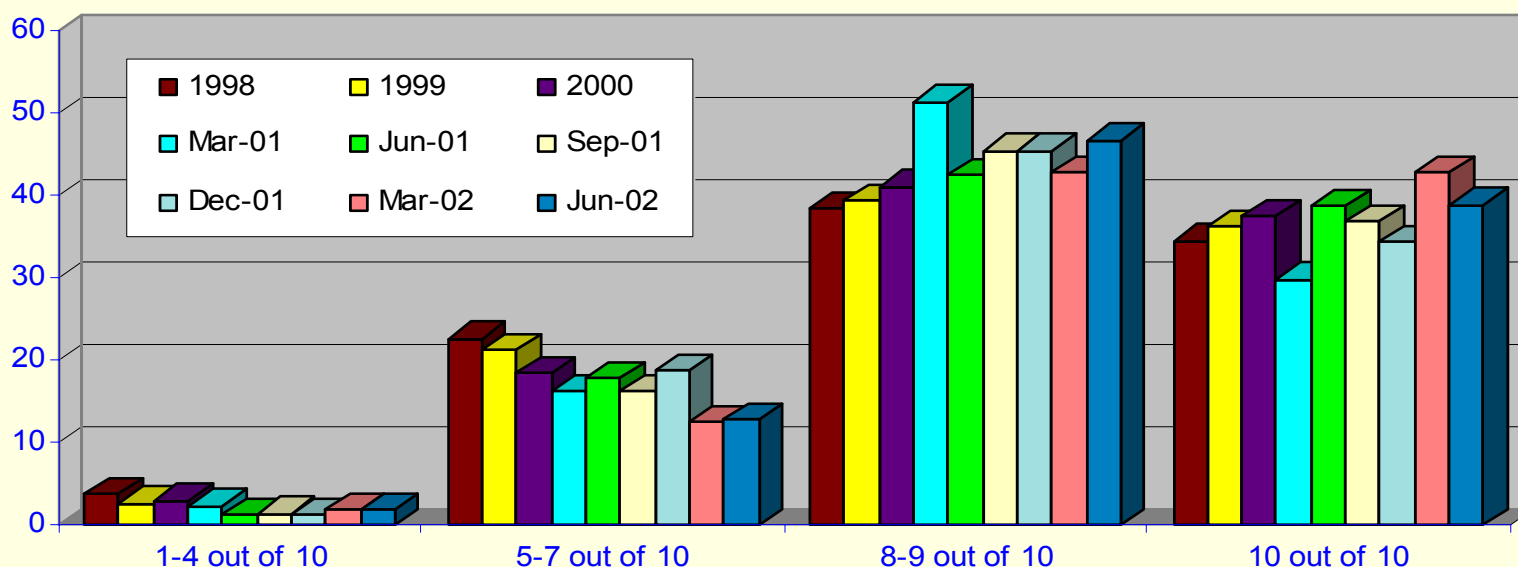
- Satisfaction with overall service for residential customers remains among the highest levels recorded to date.
- The result for commercial customers (8.94) is the highest recorded to date.
- Commercial customers' general satisfaction continues to track marginally higher than that of residential customers.



Average response out of 10

Satisfaction with Overall Service

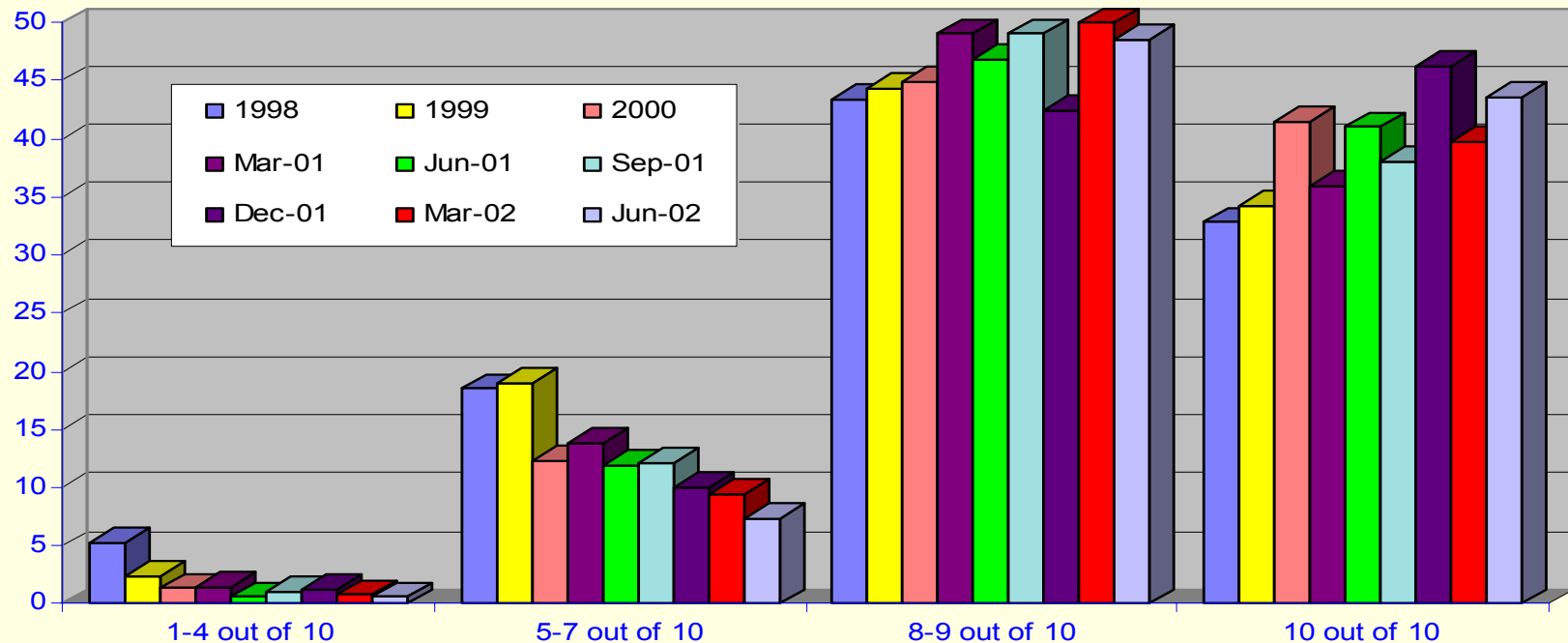
Residential Customers



- The percentage of residential customers who ranked our service ten out of ten is 38.9%, one of our highest rankings though a decline from 42.9% last quarter. June 2001's figure was 39.8%. The percentage ranking our service as 8 or 9 out of 10 rose from 42.8% in March to 46.7% in June. In comparison, in June 2001 the percentage providing rankings of 8 or 9 out of 10 was 42.5%. Overall, the percentage providing rankings from 8 to 10 remained constant from March to June (85.6%).
- Only 1.8% of residential customers ranked our service between one and four.
- During recent surveys, the percentage of customers who ranked our service as 1 to 7 out of 10 has been about 20%.

Satisfaction with Overall Service

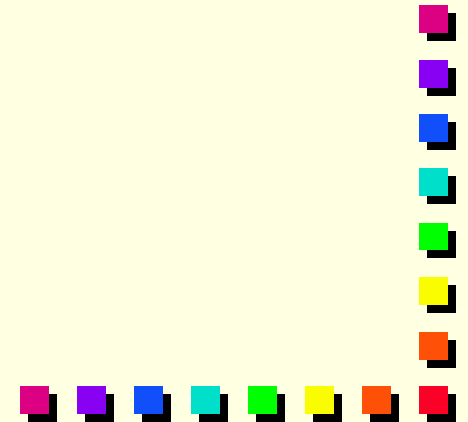
Commercial Customers



- This quarter, 44% of commercial customers ranked our service as ten out of ten, compared with 40% in March and 41% in June 2001. The total of those ranking 8,9, or 10 (92.2% in June 2002) is the highest recorded to date. In this survey the percentage ranking our service as 10 out of 10 increased while there was a slight decrease in the percentage ranking service as 8 or 9 out of 10.
- The percentage of commercial customers that ranked our service as one to four out of ten remains very low, at 0.6%. Another 7.3% provided a ranking of 5-7 out of 10.



Telephone Service



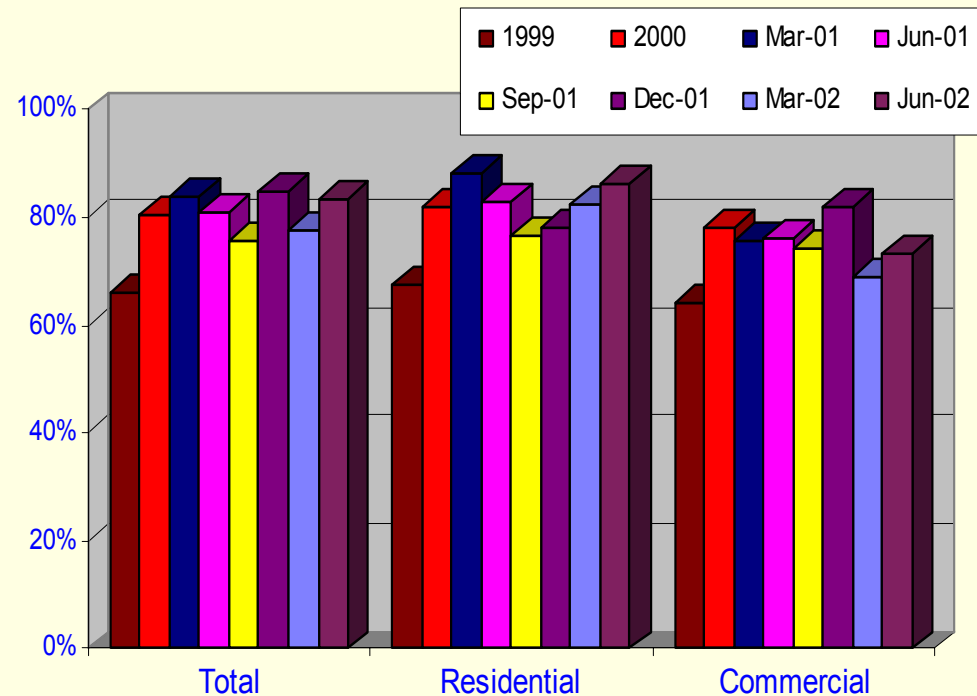
Main Reason for Calling

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Power Interruption	27.7%	42.3%	31.2%
Balance on Account	22.9%	15.4%	21.1%
Payment Arrangements	19.3%	3.8%	15.6%
Connect a New Service	9.6%	15.4%	11.0%
Name Change / Final Read	9.6%	7.7%	9.2%
Meter Reading / Estimate	7.2%	7.7%	7.3%

- Top six overall responses are shown. The above percentages are of customers who have called in the past six months.
- 19% of residential and 12% of commercial customers indicated they had called us in the past six months.
- 71% of residential customers indicated they had called to speak to a Customer Account Representative, 15% had called to obtain their account balance from the automated service, and 14% had called the trouble/emergency number. For commercial customers, 64% had phoned to speak to a representative, 8% the automated account balance service, and 28% the trouble/emergency number.

Percentage of Inquiries Resolved on the First Call

- 83.6% of customers indicated their inquiry was handled on the first call; this was among the largest percentages reported to date.
- 13% of the customers who called more than once, or 0.2% of all survey respondents, indicated they had called about the same issue twice.
- 30% of callers who called more than once indicated they called three times about the same issue and 56% called more than three times to have their issue resolved. These represented 0.6% and 1.1% of all respondents.

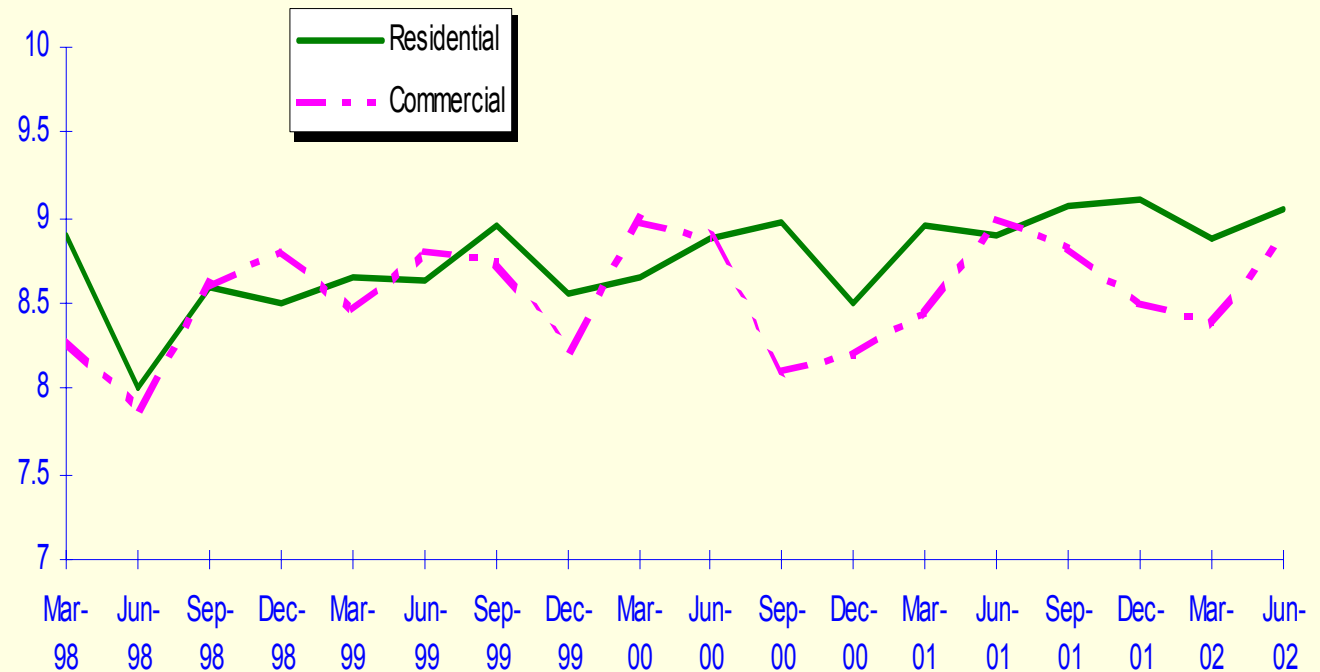


Percentage of customers who called only once.

- Due to a change in questionnaire design, the above percentages relate only to customers who spoke to Customer Account Representatives; previous survey results for this question included customers who used our automated services.

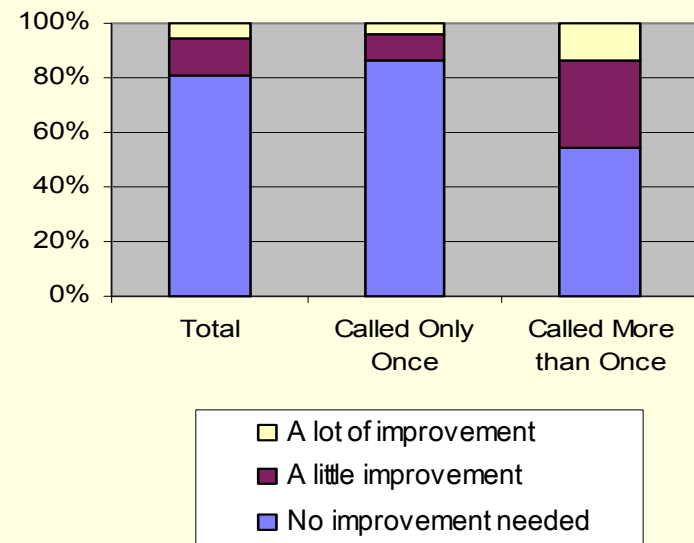
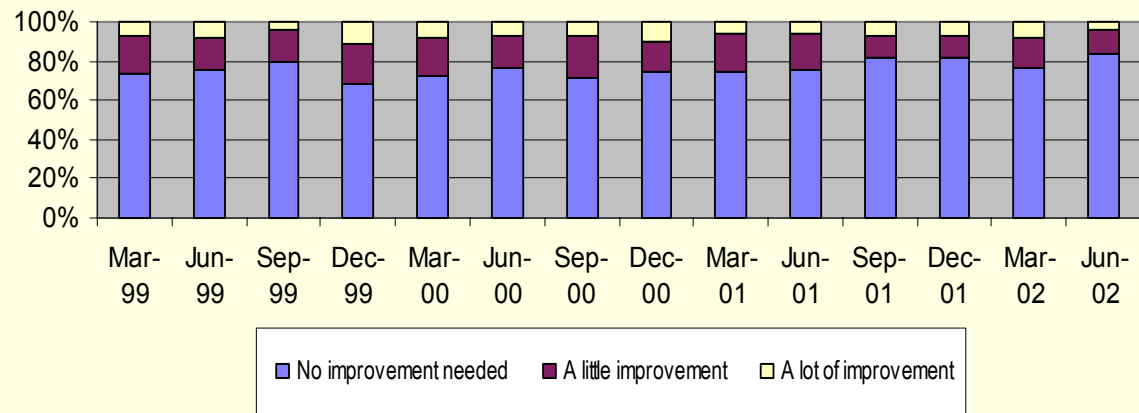
Satisfaction with Telephone Service

- Residential customers' ranking of our telephone service has been generally consistent over the period shown. It is presently 9.05 out of 10, an increase from last quarter.
- Commercial customers' rankings generally fluctuate between 8 and 9 out of 10. The ranking is presently 8.89.
- There was no significant difference in the rankings, for either residential or commercial customers, based on whether the customer had spoken to a representative or used either of the automated services.

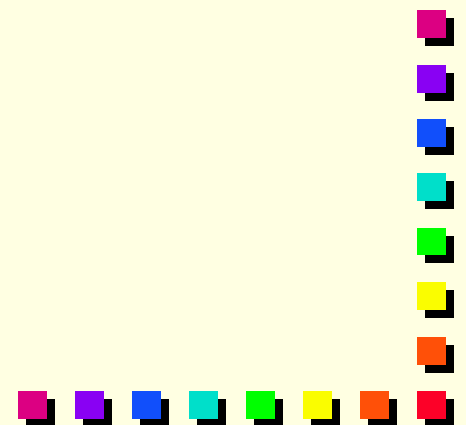


Improvements in Telephone Service

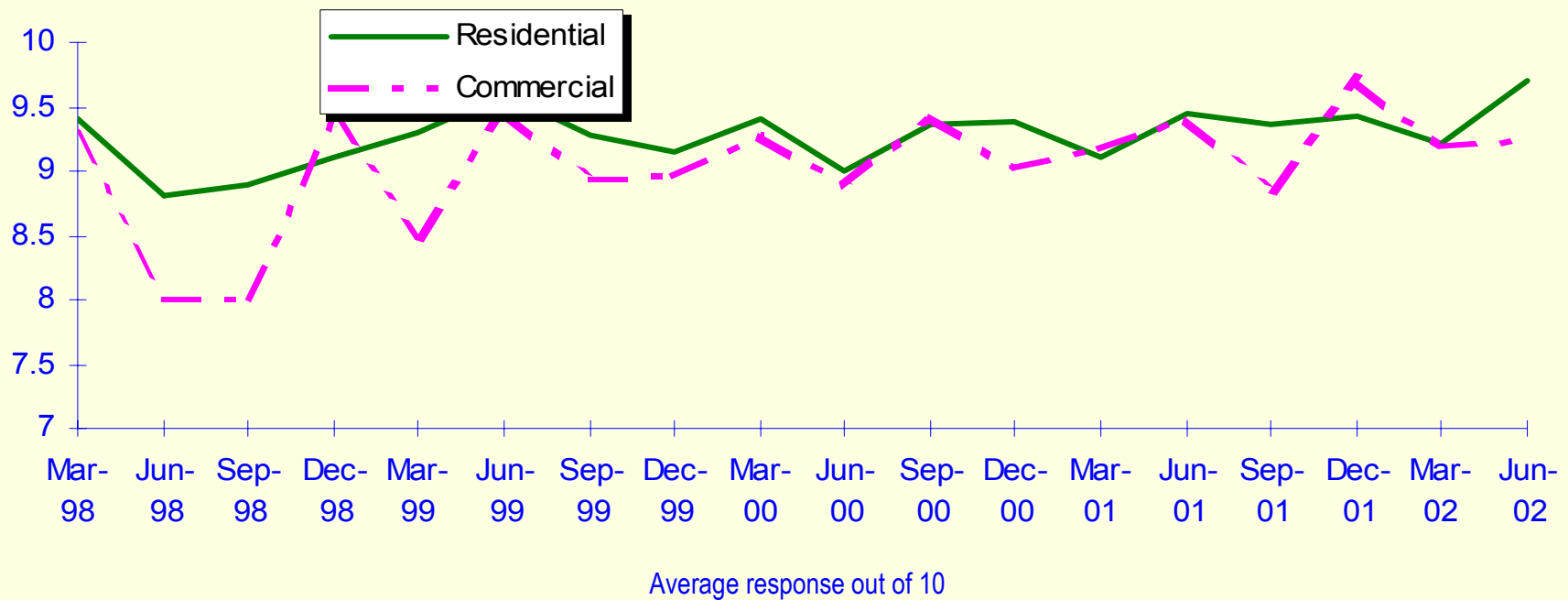
- The percentage of customers who feel we can improve our phone service remains fairly consistent with past quarters.
- In total, 83% of customers responding believe we need no improvement in the quality of our telephone service, 12% of customers think we can improve our telephone service a little and 4% think we can improve it a lot.
- 15% of commercial customers believe we can improve our telephone service a little and 4% believe we can improve our telephone service a lot. This compares to 12% and 3% respectively for residential customers.
- The particular service the customer called (representative v.s. automated account balance v.s. power outage line) had no significant effect on the percentage of customers who thought we could improve our telephone service. Likewise, there was no significant difference based on the reason the customer called.
- 14% of customers who called only once about a particular issue thought we could improve service a little or a lot as compared to 45% of customers who called more than once.



Cashier Services



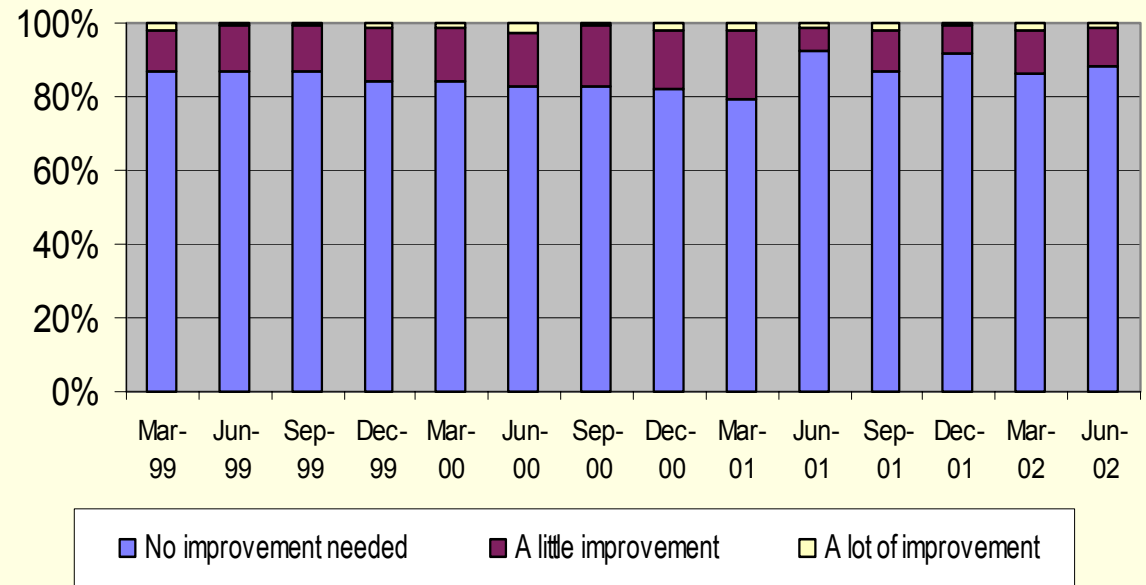
Satisfaction with Cashier Services



- 20% of residential customers and 13% of commercial customers indicated they had used our cash services in the past six months.
- Despite some variability in the quality of service rating, rating of our cash services continues to hover around 9 to 9.5.

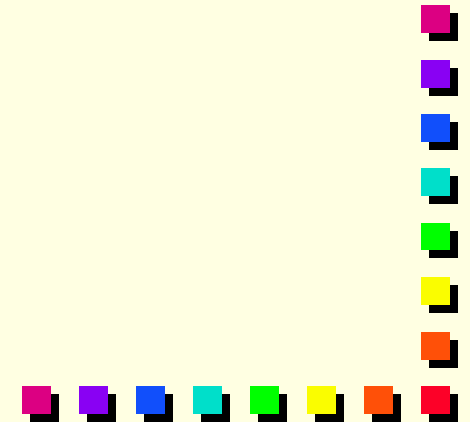
Improvement of Cashier Service

- The percentage of customers who feel we need to improve our cashier service has not changed significantly since March 1999.
- Currently, 10% of all customers believe we can improve a little and only 1.4% believe we need to improve a lot.
- 74% of commercial customers and 91% of residential customers believe our cashier service needs no improvement.
- The most common suggestion for improvement was to have more cashiers available during peak times. This suggestion was voiced by 1% of the customers.





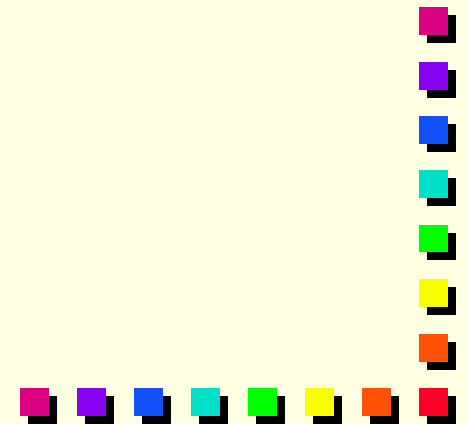
In-Office Service



Reason for Visit

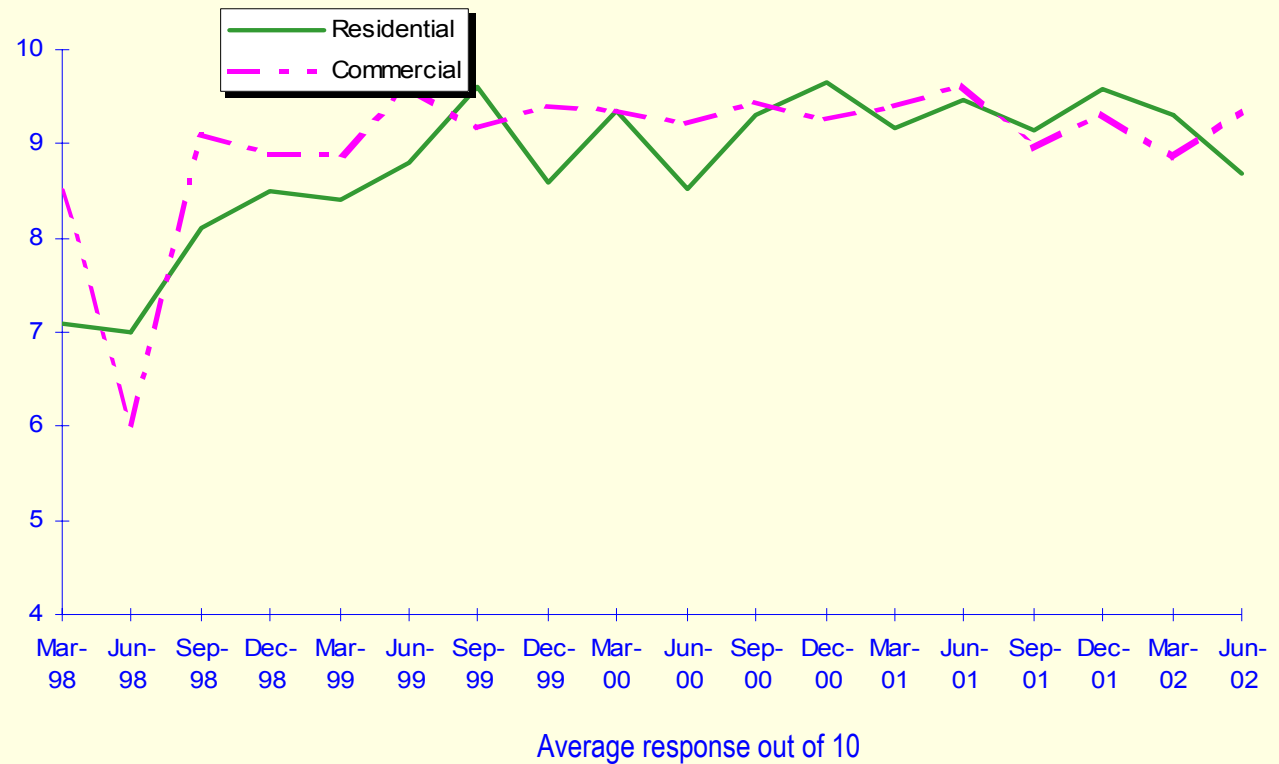
- This quarter, 1.0% of our residential and commercial customers indicated they have visited one of our offices for service (other than cashier services) in the past few months.
- Of the 12 respondents expressing an opinion, 7 rated our service as 10 out of 10, one as 9 out of 10, one as 8 out of 10, one as four out of 10, and two as 1 out of 10.
- The number of respondents involved is too small for further analysis.

Field Services



Satisfaction with Field Service

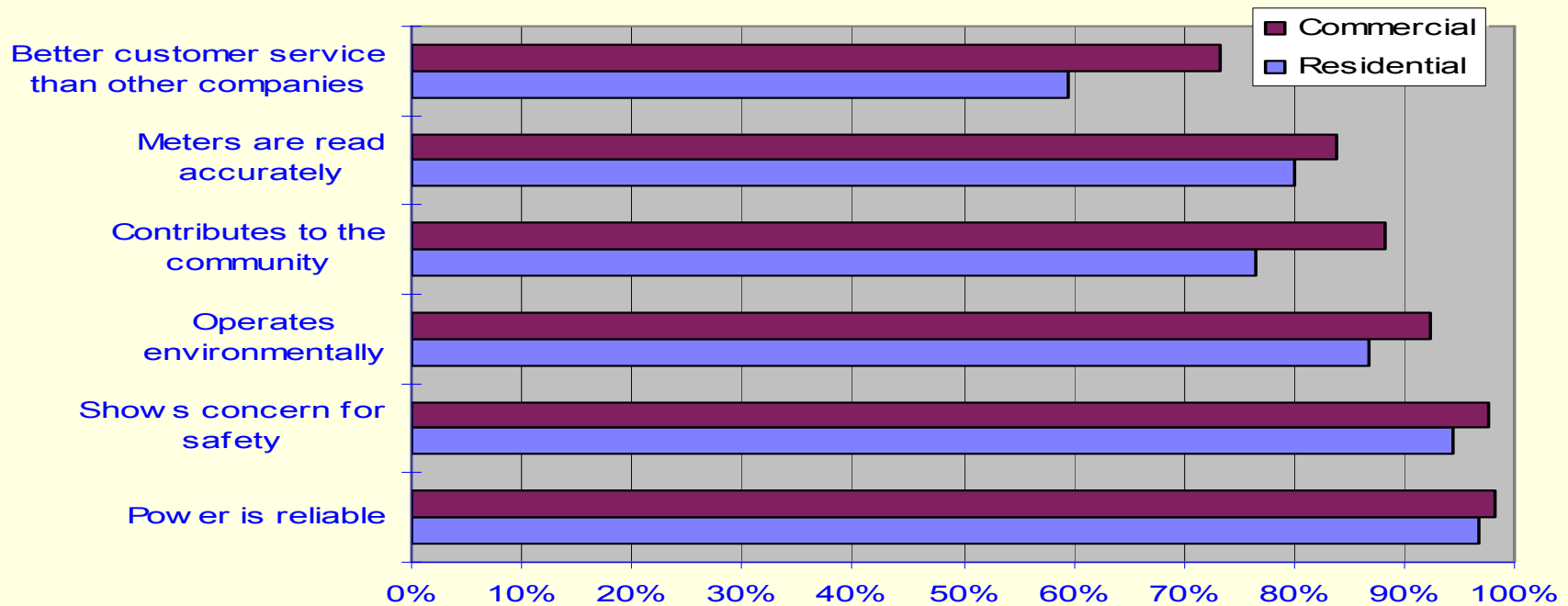
- 17% of the customers indicated they had received some form of field visit in the past six months. Most of these visits were from meter readers who did not have contact with customers.
- The quality of service rating given for our field services has remained fairly stable over the past year.



Ranking of Service Attributes



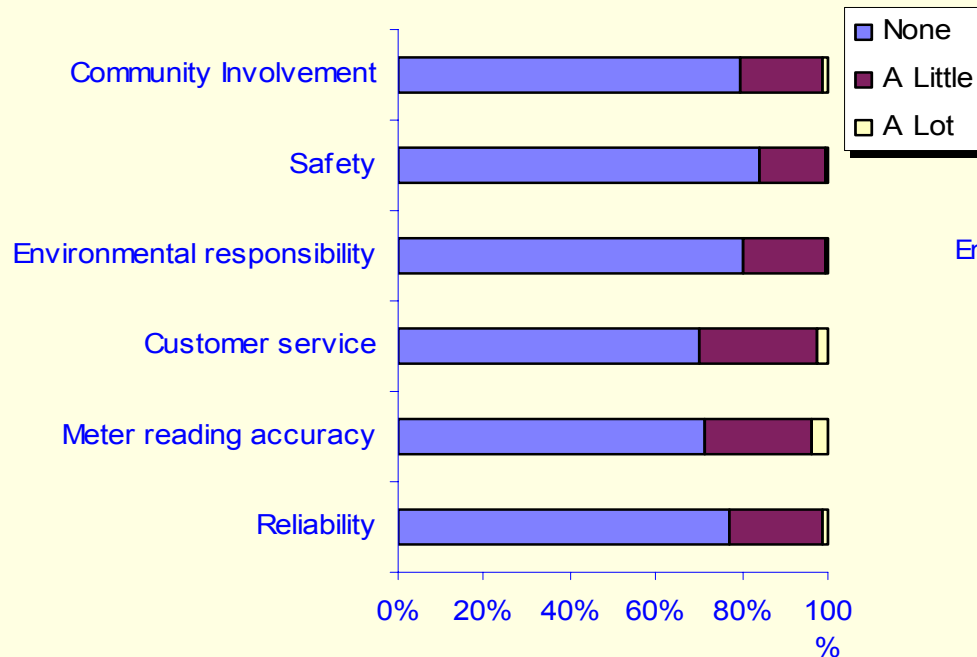
How Well We are Doing



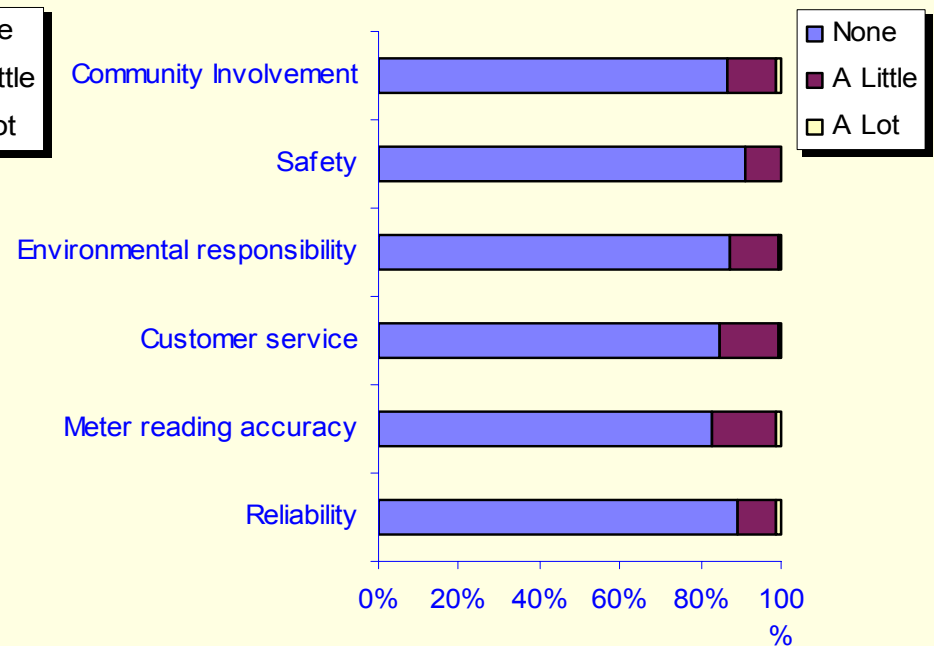
- The graph represents the percentage of customers who either strongly agree or somewhat agree with the statement.
- The degree of agreement expressed by customers to these statements has remained generally constant in the last number of surveys. This quarter we have seen a slight increase in residential customers' agreement that their meters are read accurately, and a reduction in residential customers' level of agreement that we provide better customer service than other companies. Commercial customers registered an increase in their agreement that we provide accurate meter readings, as well as in our concern for safety.

How We Can Improve

Residential Customers



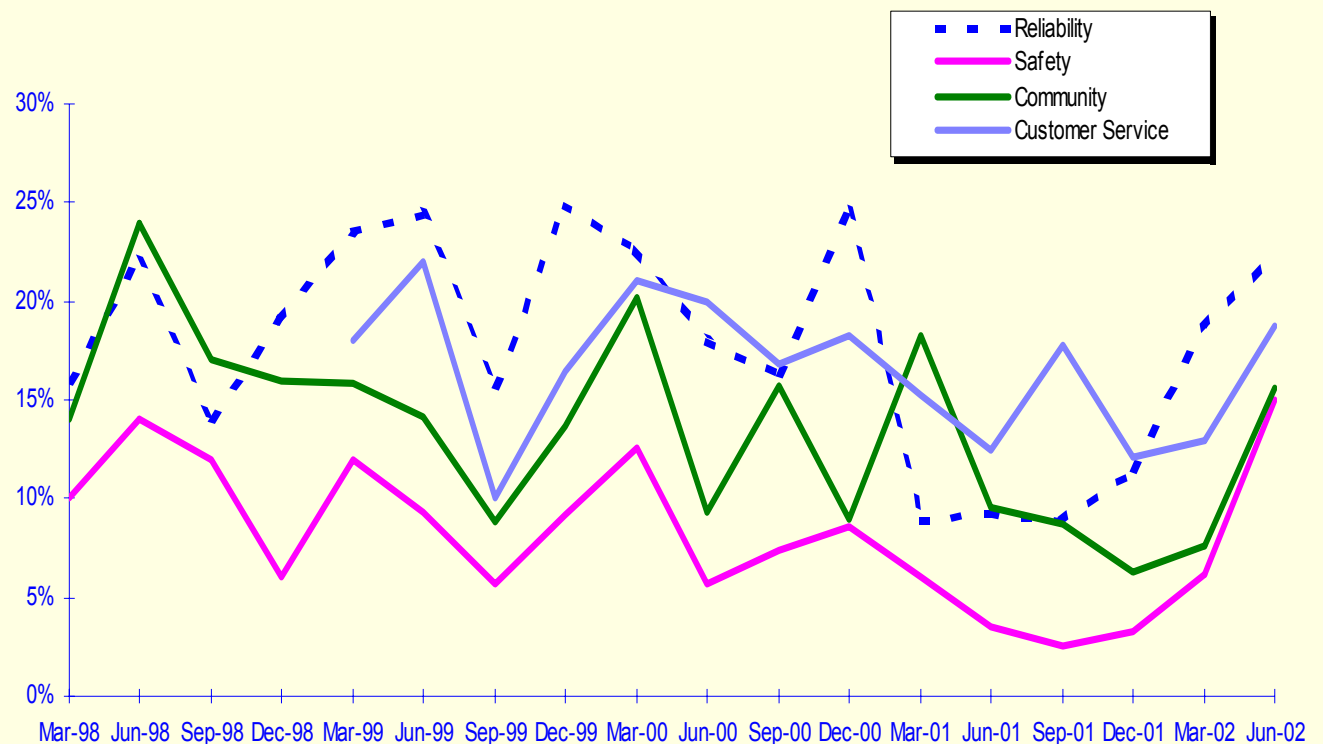
Commercial Customers



- Residential customers felt that improvements were most needed in meter reading accuracy, then reliability. In comparison to the last quarter, there are larger percentages of residential customers who feel there is “a little” room for improvements, in relation to each attribute listed above. Commercial customers’ opinions regarding improvement opportunities are highest for meter reading accuracy, then environmental responsibility; these results are driven mainly by customers who feel there is room for “a little” improvement instead of those who feel that “a lot” of improvement is required.
- Clarendville and Gander residential customers expressed stronger opinions that there is room for improvement, in all attributes, than the remaining areas. Burin and Stephenville residents also identified a need for improvements in reliability.
- Commercial customers in Gander felt there was a need for improvement in all areas. Burin commercial customers expressed a strong need for improvement in reliability.

Change in Residential Customers' Perceptions

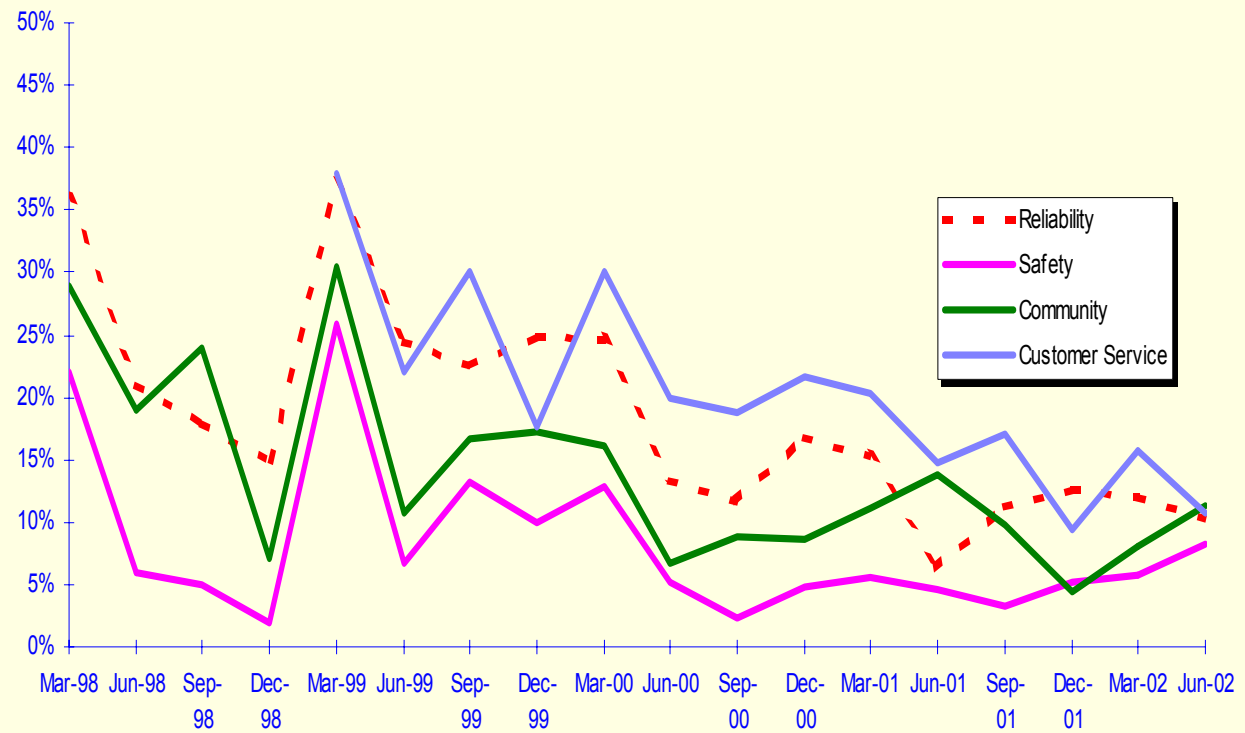
- The percentage of residential customers who believe we can improve reliability a little or a lot has risen to 22%. This is within the normal range for this indicator.
- The percentage of customers who feel we can improve on our concern for public safety a little or a lot is 15%, which is slightly higher than the normal range for this indicator.
- The percentage of customers who believe we can improve our contributions to the community increased from 7.6 % last quarter to 15.6%. We have experienced variation in this result over time as the graph indicates.
- The percentage of customers who believe we can improve our customer service is 18.7%. This result has ranged from 10% to 22% within the past three years.



Percentage of residential customers who believe we can improve the service either a little or a lot.

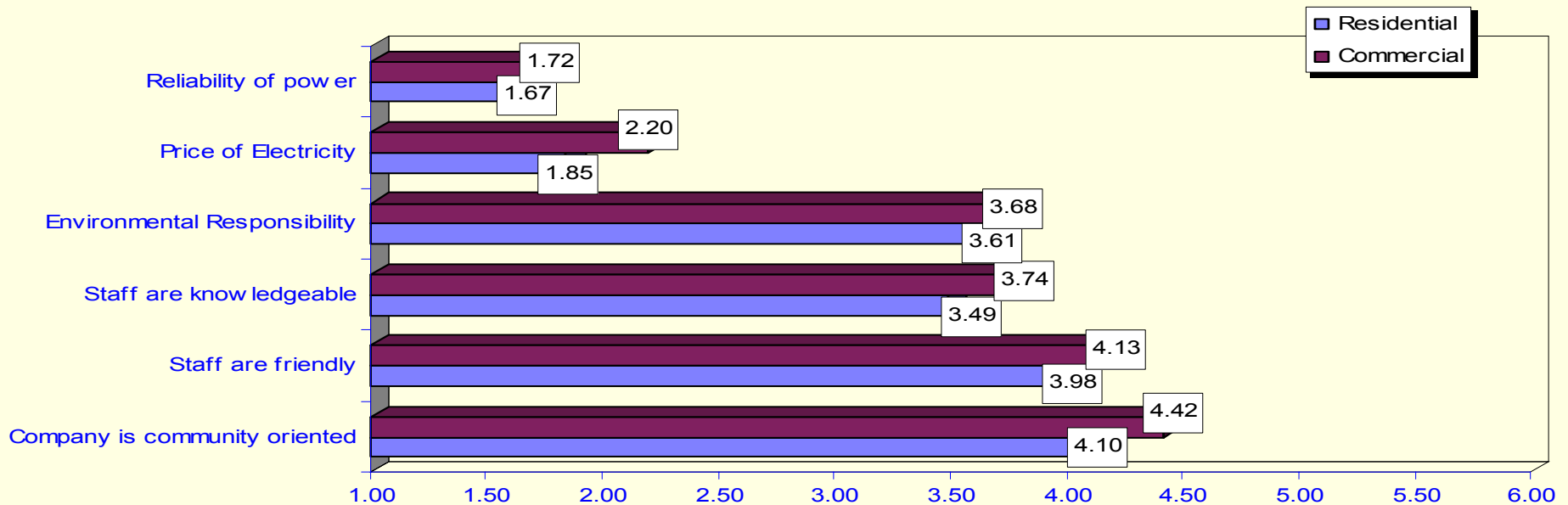
Change in Commercial Customers' Perceptions

- The percentage of commercial customers who believe we can improve our reliability of supply is 10% this quarter compared to 12% in March 2002 and 6% in June 2001.
- The percentage of commercial customers who believe we can improve our concern for public safety is 8.3% this quarter compared to 5.8% last quarter and 4.6% in June of 2001.
- The percentage of commercial customers who believe we can improve our community contribution is 11.3% this quarter compared to 8% in March 2001 and 11.3 % in June of 2001.
- 11% of commercial customers believe we can improve our customer service. This is a decrease from 16% last quarter and down from 15% in June 2001.



Percentage of commercial customers who believe we can improve the service either a little or a lot.

Ranking of Importance



Average response out of 6. Ranking is from 1 to 6 with 1 being the most important attribute.

- Reliability was ranked by commercial customers as the most important aspect of our service. Price is ranked second in importance. Knowledgeable staff and environmental responsibility seem to have equal importance, followed by friendly staff and community orientation.
- Residential customers ranked reliability as more important than price, with knowledgeable staff, environmental responsibility, friendly staff and community orientation being ranked in descending order of importance.
- Among residential customers, those in Clarendville place the most importance on price and the least on reliability; those in Corner Brook place the most importance on reliability while those in Carbonear place the least importance on price. Those in Corner Brook place the most importance on dealing with knowledgeable employees.
- Commercial customers in Grand Falls placed the greatest emphasis on reliability, while those in Gander and Stephenville placed the greatest importance on price.