

Customer Research

Third 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	17.5%
Field Service	20%	9.3	9.6	1.9	21.2%
Cashier Service	20%	9.4	9.6	1.9	18.9%
General Satisfaction	20%	8.7	8.7	1.7	
Customer Satisfaction Index:				9.1	
In-office Service				8.0	1.2%

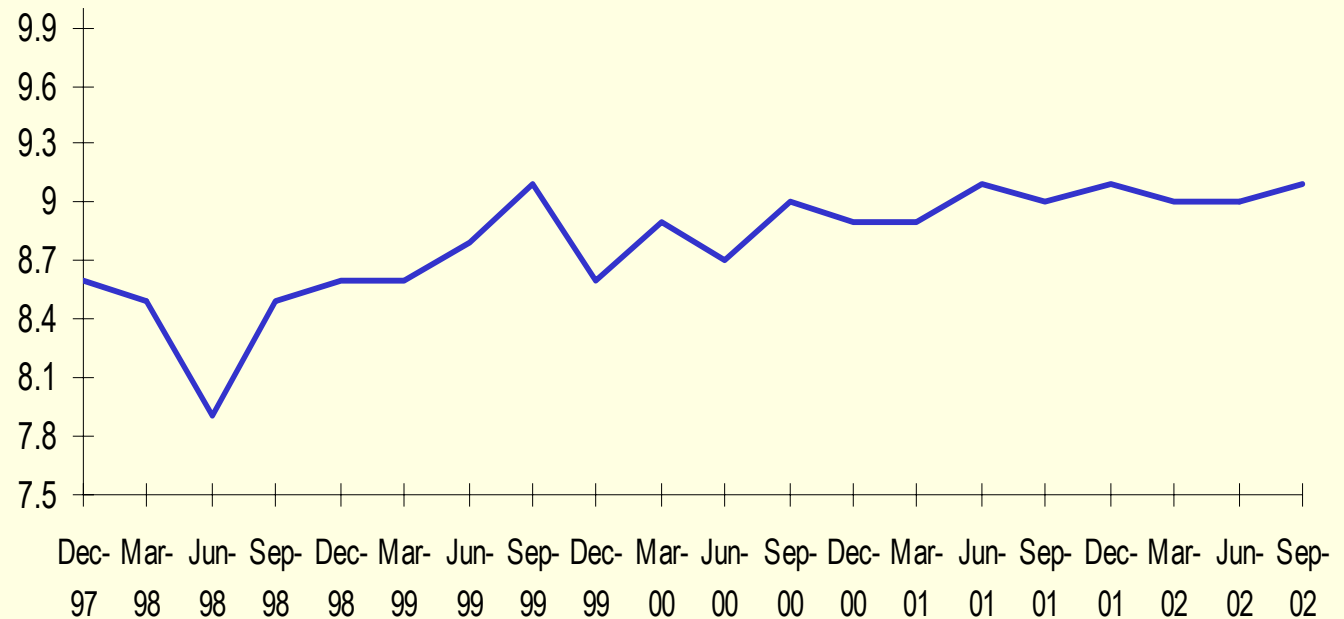
Notes:

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 September 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'.
5. Field Service usage figure is based on those who spoke to the meter reader, or were visited by other personnel.

Customer Satisfaction Index

The overall index result this quarter (9.1) is equal to the highest recorded to date (on four previous occasions).

Increases in satisfaction with field service and cashier service by commercial customers offset marginal decreases in residential customers' satisfaction with cash services and in commercial customers' general satisfaction levels.



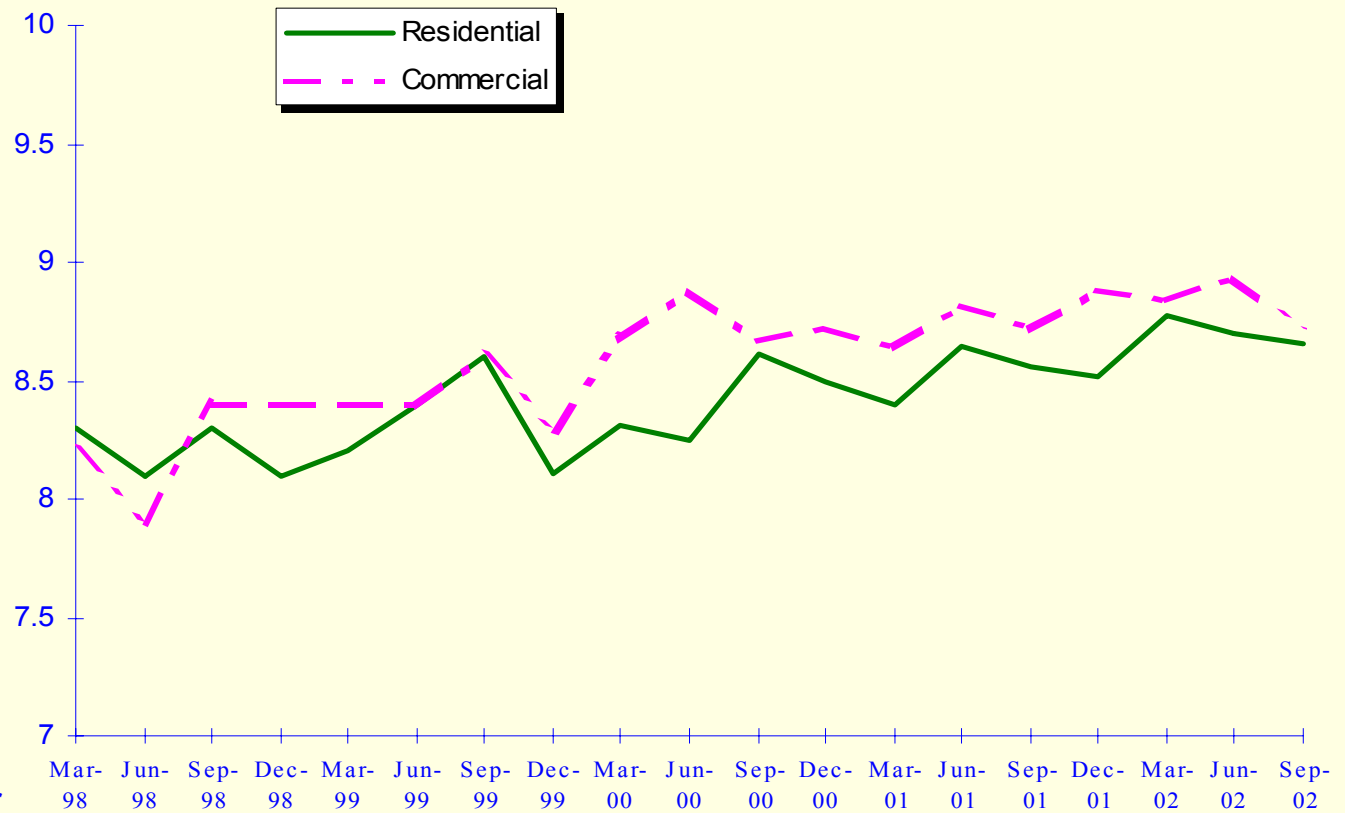
Average response out of 10

Overall Rating of Service



Satisfaction with Overall Service

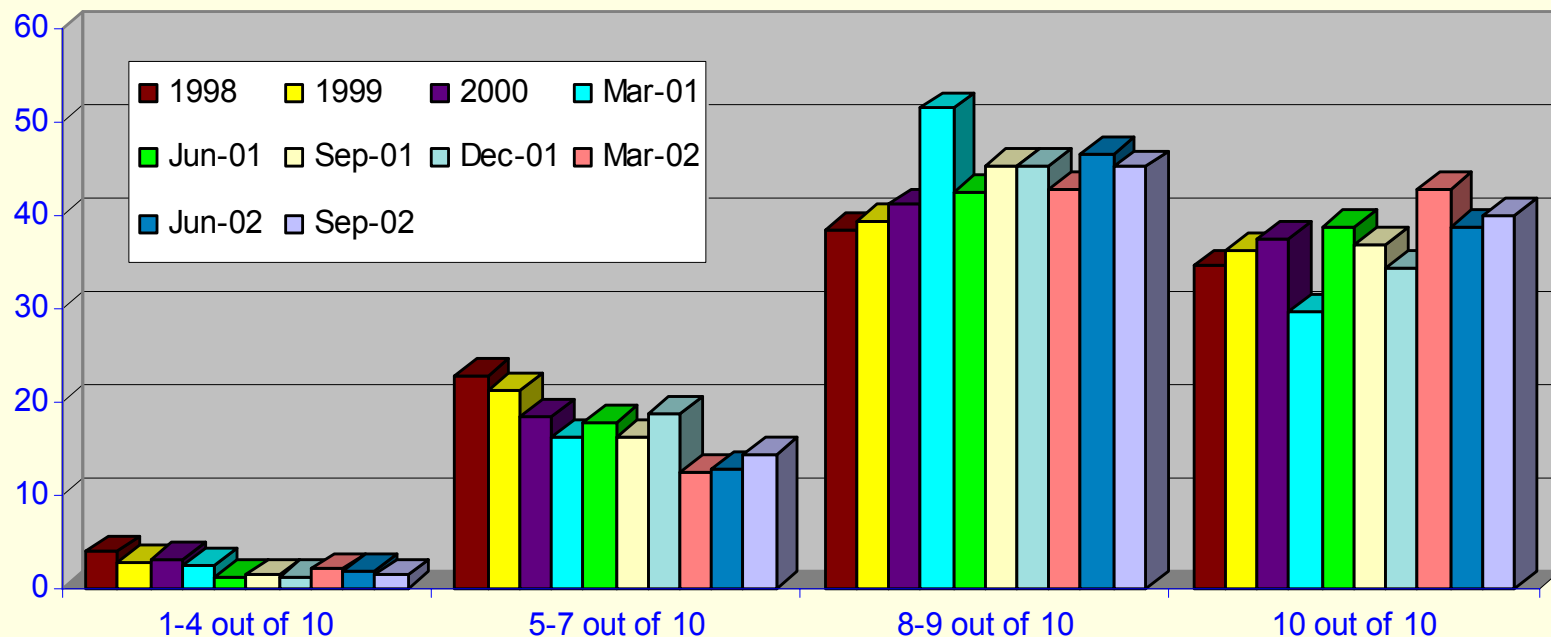
- Satisfaction with overall service for residential customers remains among the highest levels recorded to date.
- Satisfaction dropped marginally for both residential and commercial customers.
- Commercial customers' general satisfaction continues to track slightly higher than that of residential customers.



Average response out of 10

Satisfaction with Overall Service

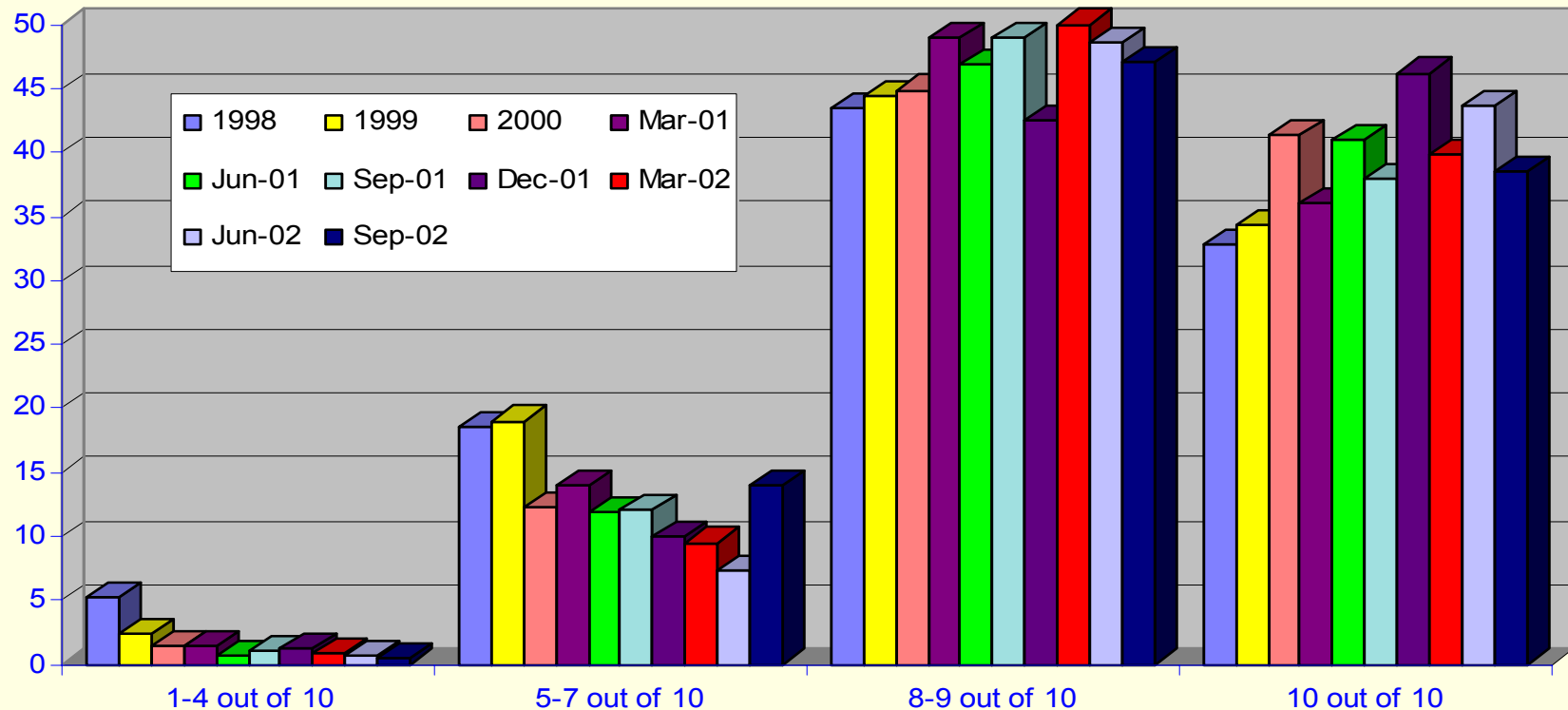
Residential Customers



- The percentage of residential customers who ranked our service ten out of ten is 40.0%, one of our highest rankings and an increase from 38.9% last quarter. September 2001's figure was 36.9%. The percentage ranking our service as 8 or 9 out of 10 declined from 46.7% in June to 45.2% in September. In comparison, in September 2001 the percentage providing rankings of 8 or 9 out of 10 was 45.5%. Overall, the percentage providing rankings from 8 to 10 dropped slightly from June to September (now 85.2%).
- Only 1.3% 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 between 15% and 20%.

Satisfaction with Overall Service

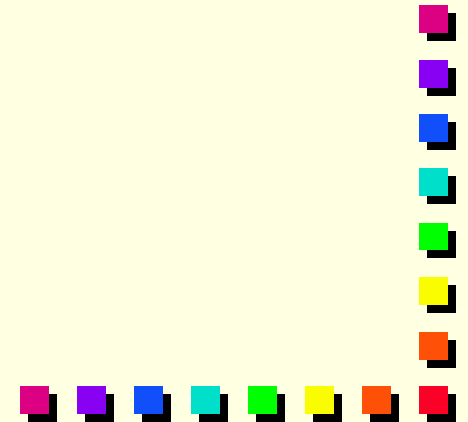
Commercial Customers



- This quarter, 38% of commercial customers ranked our service as ten out of ten, compared with 44% in June and 38% in September 2001. The total of those ranking 8,9, or 10 (85.5% in September 2002) is a reduction from 92% in June. In this survey the percentage ranking our service as 10 out of 10 decreased with a corresponding increase in the percentage ranking service as 5-7 out of 10.
- The percentage of commercial customers that ranked our service as one to four out of ten remains very low, at 0.5%. In these results the percentage providing a ranking of 5-7 out of 10 increased to 14%, from 7.3% in June.



Telephone Service



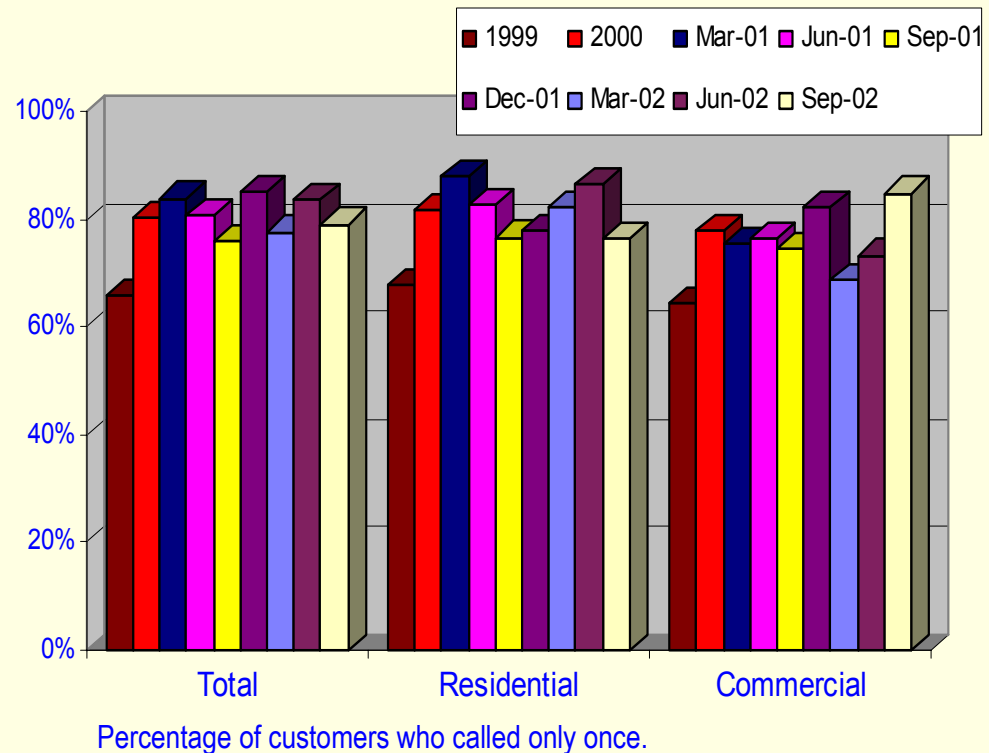
Main Reason for Calling

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Power Interruption	29.3%	57.1%	37.0%
Connect a New Service	17.4%	20.0%	18.1%
Payment Arrangements	17.4%	5.7%	14.2%
Balance on Account	9.8%	8.6%	9.4%
Name Change / Final Read	10.9%	2.9%	8.7%
Equal Payment Plan	8.7%	0.0%	6.3%

- Top six overall responses are shown. The above percentages are of customers who have called in the past six months.
- 17% of residential and 17.5% of commercial customers indicated they had called us in the past six months.
- 78% of residential customers indicated they had called to speak to a Customer Account Representative, 4% had called to obtain their account balance from the automated service, and 18% had called the trouble/emergency number. For commercial customers, 76% had phoned to speak to a representative, 7% the automated account balance service, and 17% the trouble/emergency number.

Percentage of Inquiries Resolved on the First Call

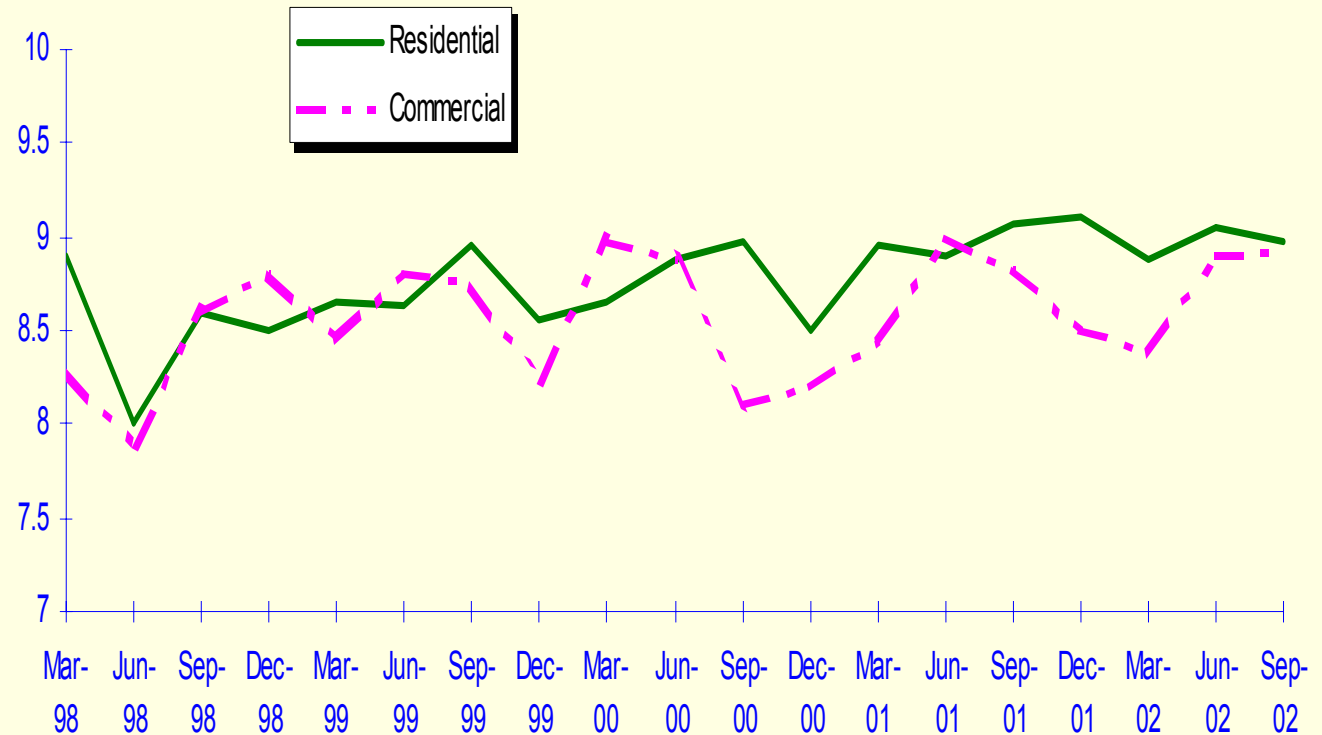
- 79% of customers who called in the past six months indicated their inquiry was handled on the first call; this is within the normal range of results.
- 23% of the customers who called more than once, or 7.3% of all callers, indicated they had called about the same issue twice.
- 32% of callers who called more than once indicated they called three times about the same issue and 35% called more than three times to have their issue resolved. These represented 10% and 11% of all callers.



- The above percentages relate only to customers who spoke to Customer Account Representatives; survey results for this question prior to June 2002 included customers who used our automated services.

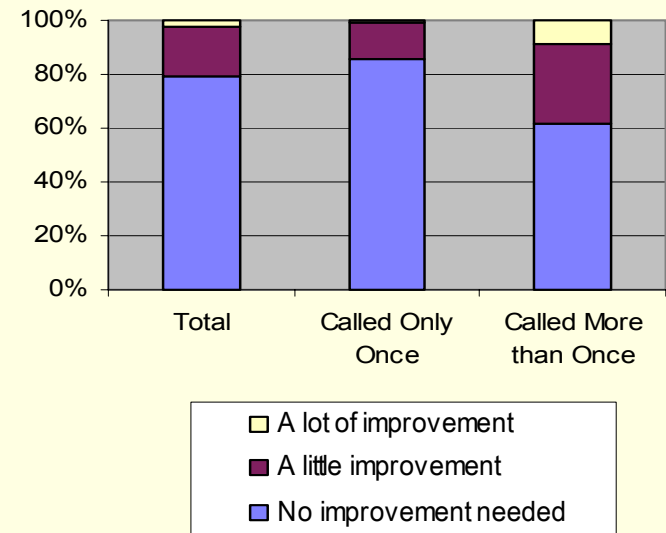
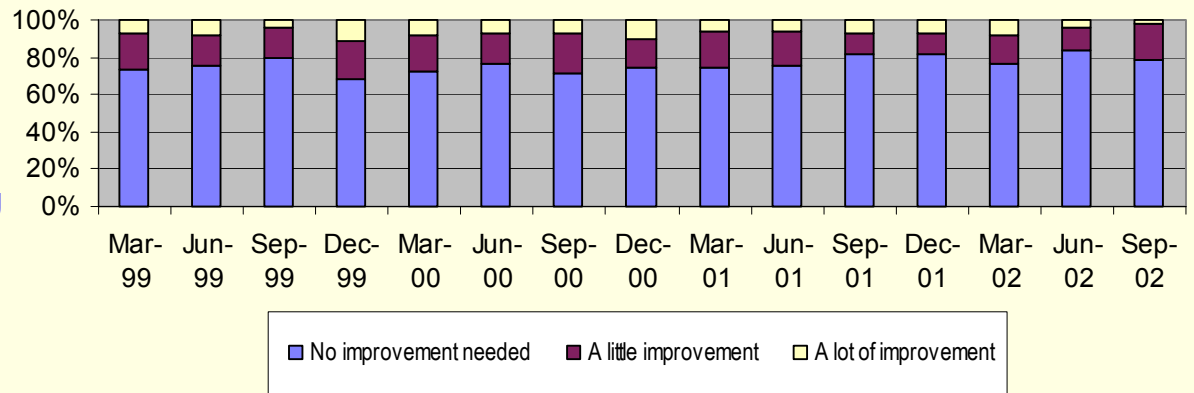
Satisfaction with Telephone Service

- Residential customers' ranking of our telephone service has been generally consistent over the period shown. It is presently 8.98 out of 10, a minor decrease from last quarter.
- Commercial customers' rankings generally fluctuate between 8 and 9 out of 10. The ranking is presently 8.92.
- 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.

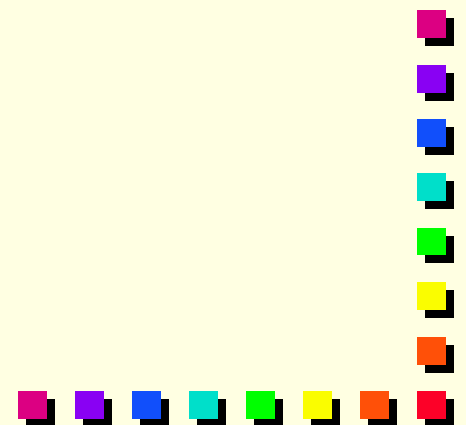


Improvements in Telephone Service

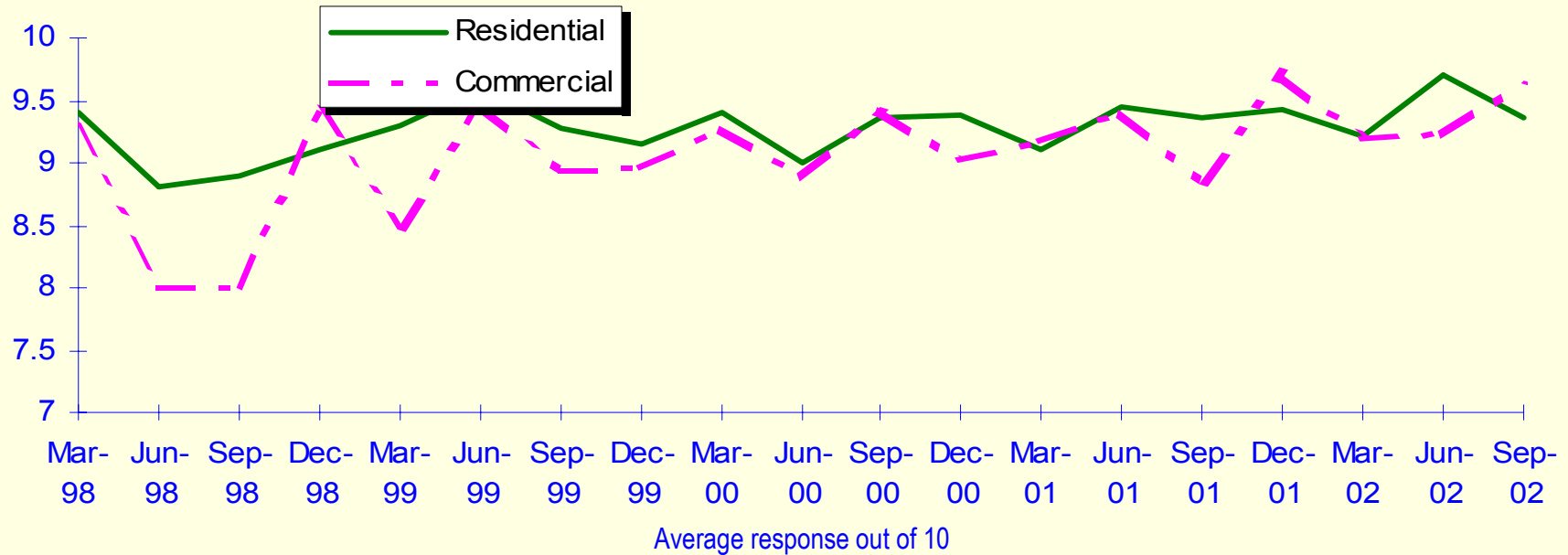
- The percentage of customers who feel we can improve our phone service remains fairly consistent with past quarters.
- In total, 78% of customers responding believe we need no improvement in the quality of our telephone service, 18% of customers think we can improve our telephone service a little and 2% think we can improve it a lot.
- 20% of commercial customers believe we can improve our telephone service a little and 3% believe we can improve our telephone service a lot. This compares to 18% and 2% 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 38% of customers who called more than once.



Cashier Services



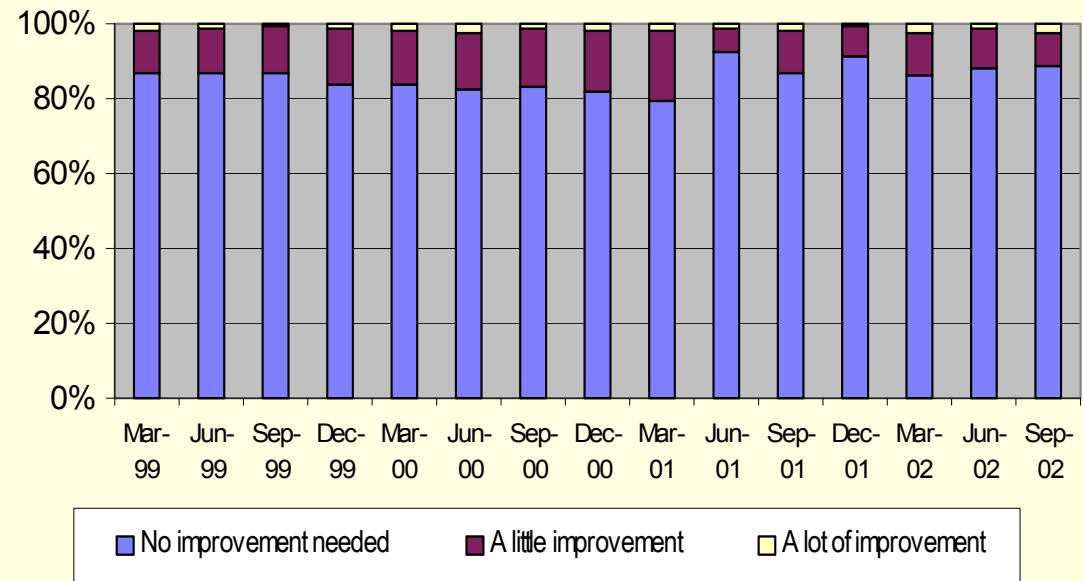
Satisfaction with Cashier Services



- 21% 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.

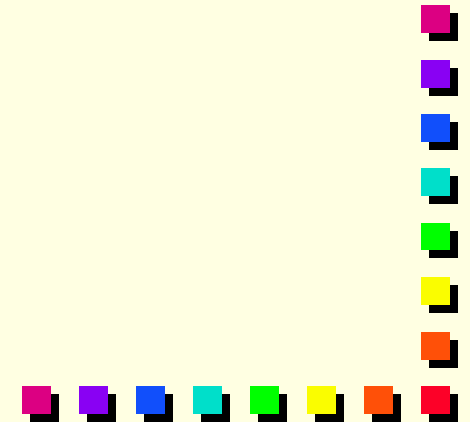
Improvement of Cashier Service

- The percentage of customers who feel we need to improve our cashier service has not changed significantly since March 1999.
- Currently, 9% of all customers believe we can improve a little and only 2.2% believe we need to improve a lot.
- 85% of commercial customers and 89% 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 all customers, or 7% of customers who actually used the cash service.





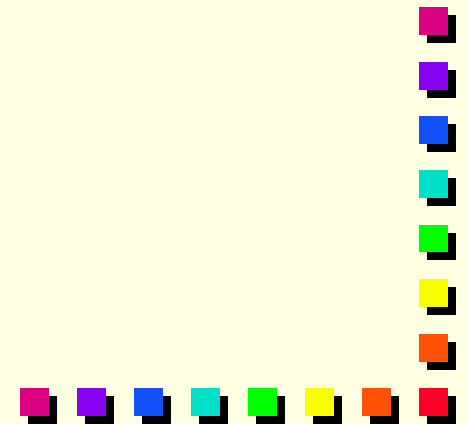
In-Office Service



Reason for Visit

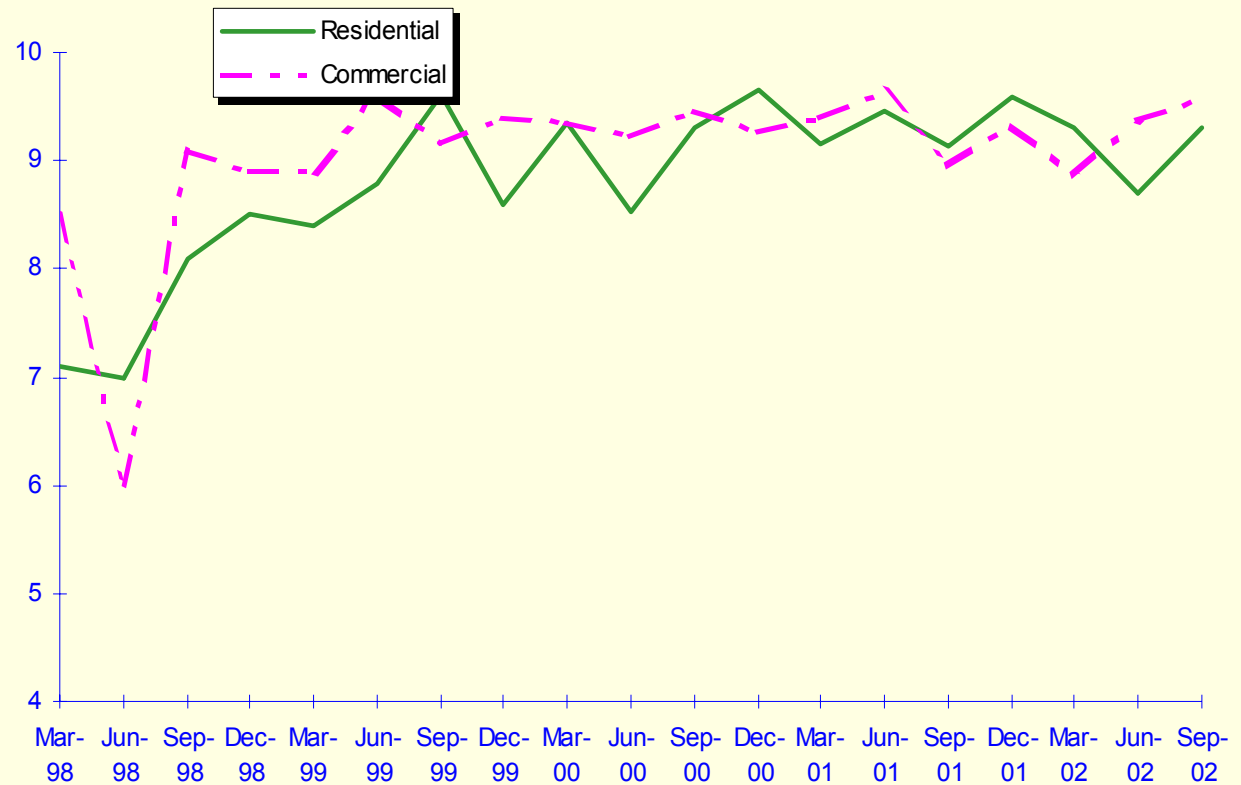
- This quarter, 1.2% of our residential and commercial customers indicated they have visited one of our offices for service (other than cashier services) in the past few months.
- Of the 12 respondents expressing an opinion, three rated our service as 10 out of 10, four as 9 out of 10, two as 8 out of 10, one as five out of 10, and one as one out of 10.
- The number of respondents involved is too small for further analysis.

Field Services



Satisfaction with Field Service

- 22% of the customers indicated they had been in contact with an employee making some form of field visit in the past six months. Most of these contacts were with meter readers.
- The quality of service rating given for our field services has remained fairly stable over the past three years.

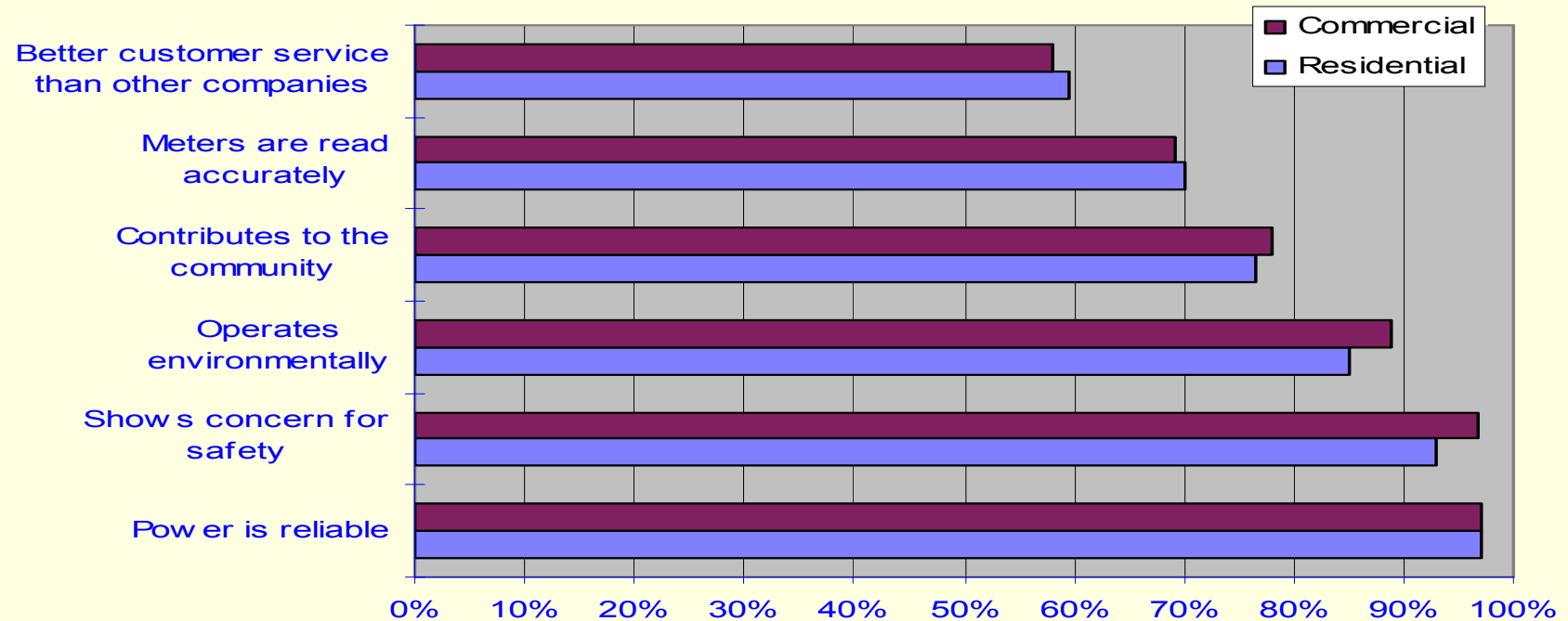


Average response out of 10

Ranking of Service Attributes



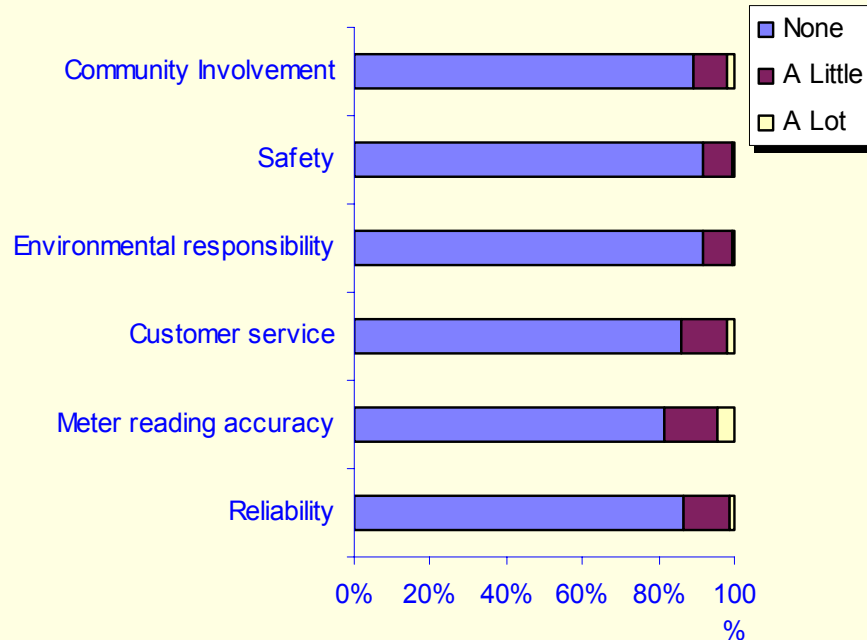
How Well We are Doing



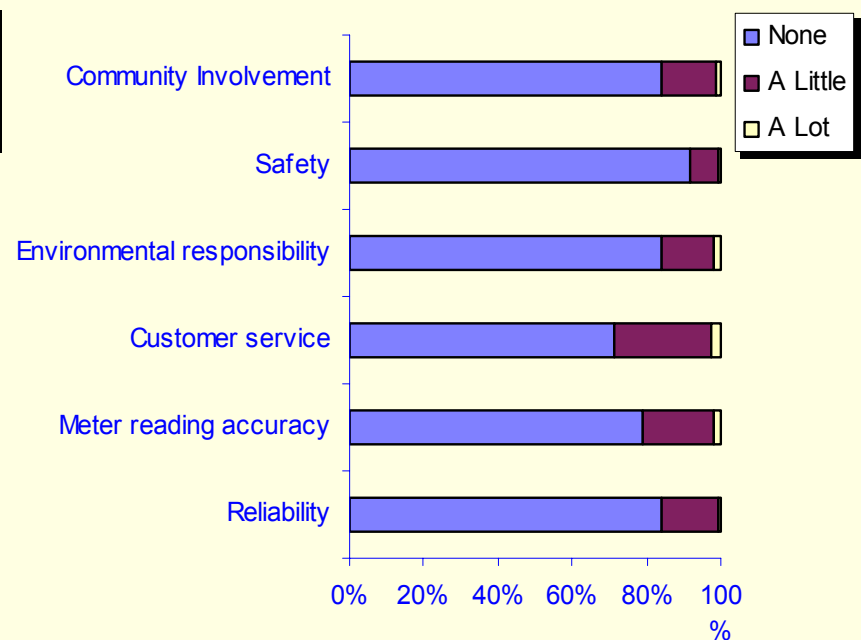
- The graph represents the percentage of customers who either strongly agree or somewhat agree with the statement.
- The degree of agreement expressed by customers to these statements has remained generally constant in the last number of surveys. This quarter we have seen a reduction in both residential and commercial customers' agreement that their meters are read accurately, and a reduction in commercial customers' level of agreement that we provide better customer service than other companies, and that we contribute to the community.

How We Can Improve

Residential Customers



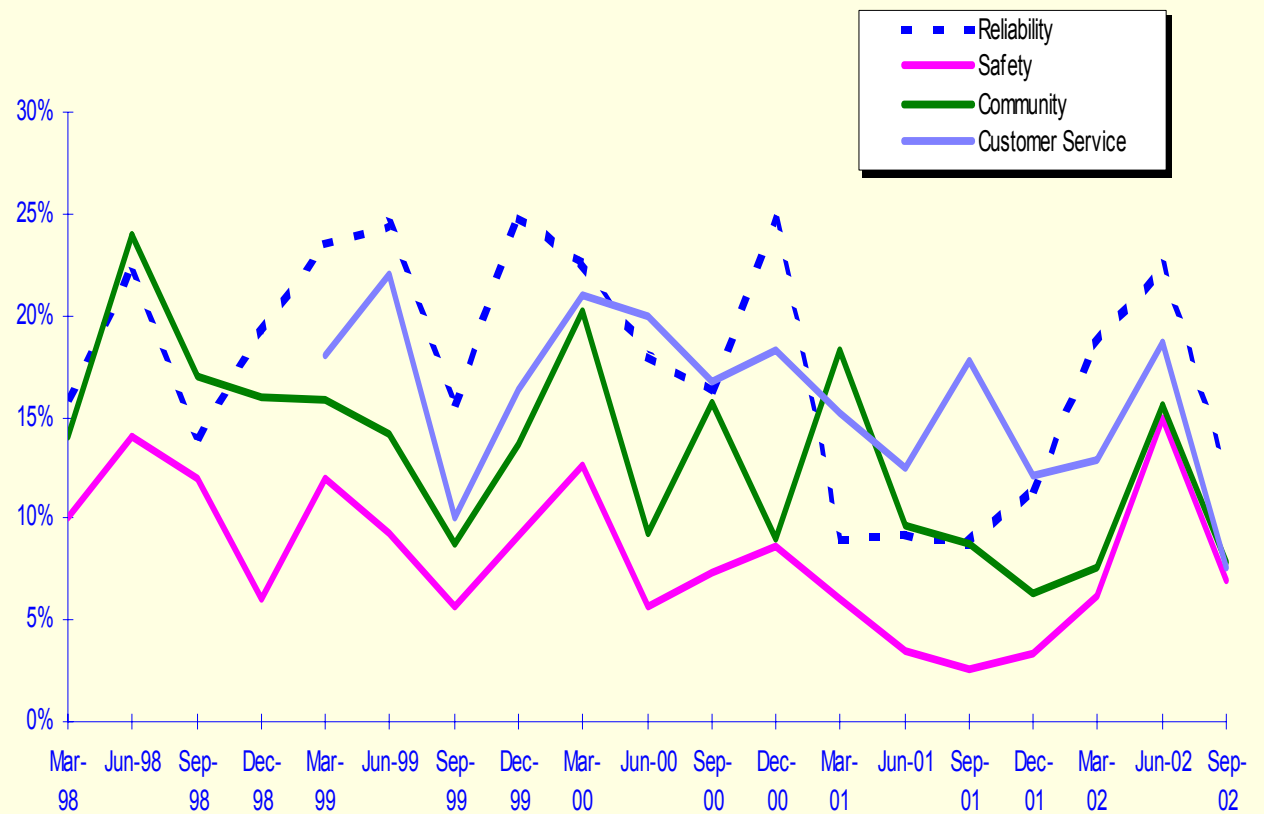
Commercial Customers



- 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 customer service, then meter reading accuracy; 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.
- Grand Falls and Burin residential customers expressed stronger opinions that there is room for improvement, in all attributes, than the remaining areas. St. John’s residents also identified a need for improvements in reliability and meter reading accuracy.
- Commercial customers in Corner Brook felt there was a need for improvement in all areas. Burin and Stephenville commercial customers expressed a need for improvement in reliability. Commercial customers in St. John’s and Grand Falls expressed a need for improvements in meter reading accuracy.

Change in Residential Customers' Perceptions

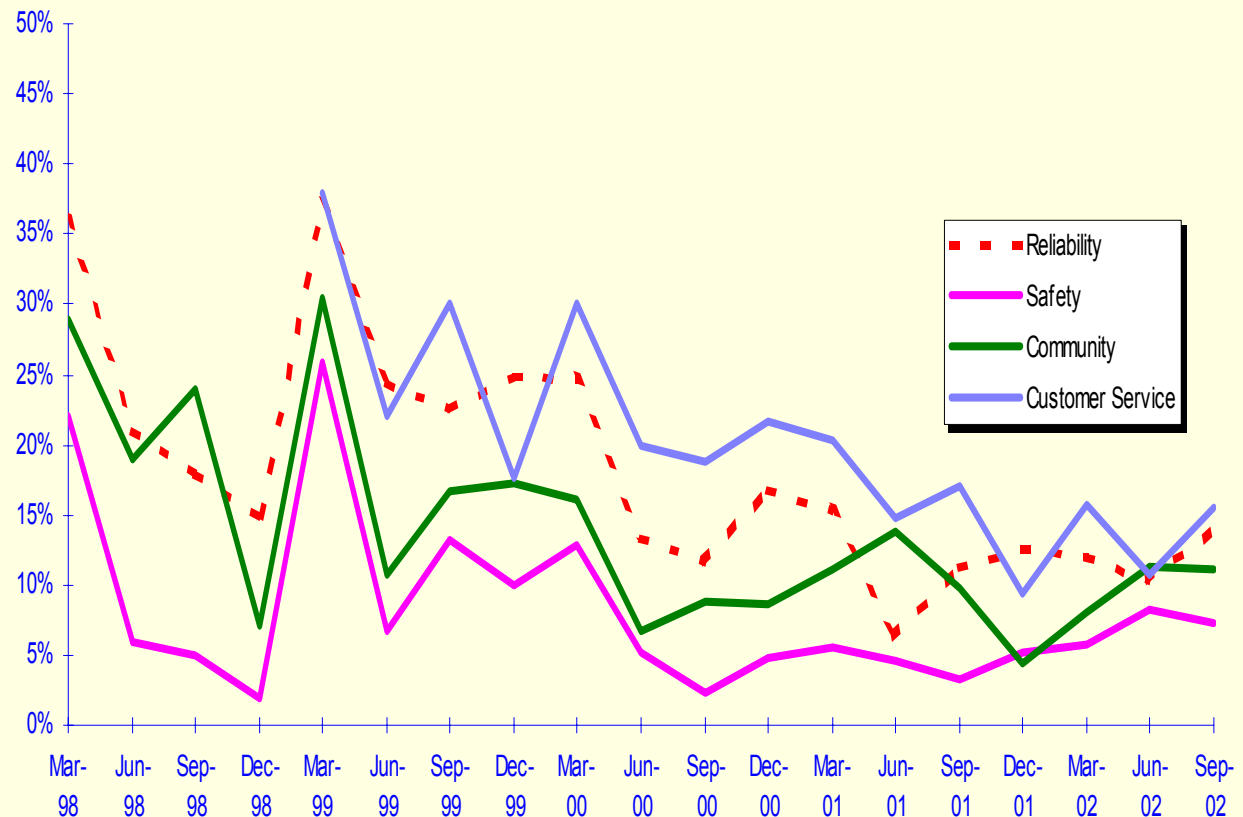
- The percentage of residential customers who believe we can improve reliability a little or a lot has dropped to 12%. This is within the normal range for this indicator.
- The percentage of customers who feel we can improve on our concern for public safety a little or a lot is 7%, which is a return to the normal range for this indicator.
- The percentage of customers who believe we can improve our contributions to the community has dropped from 15.6 % last quarter to 7.6%. This result has been quite volatile over time as the graph indicates.
- The percentage of customers who believe we can improve our customer service is 7.6%. This is a positive result as the figure 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.

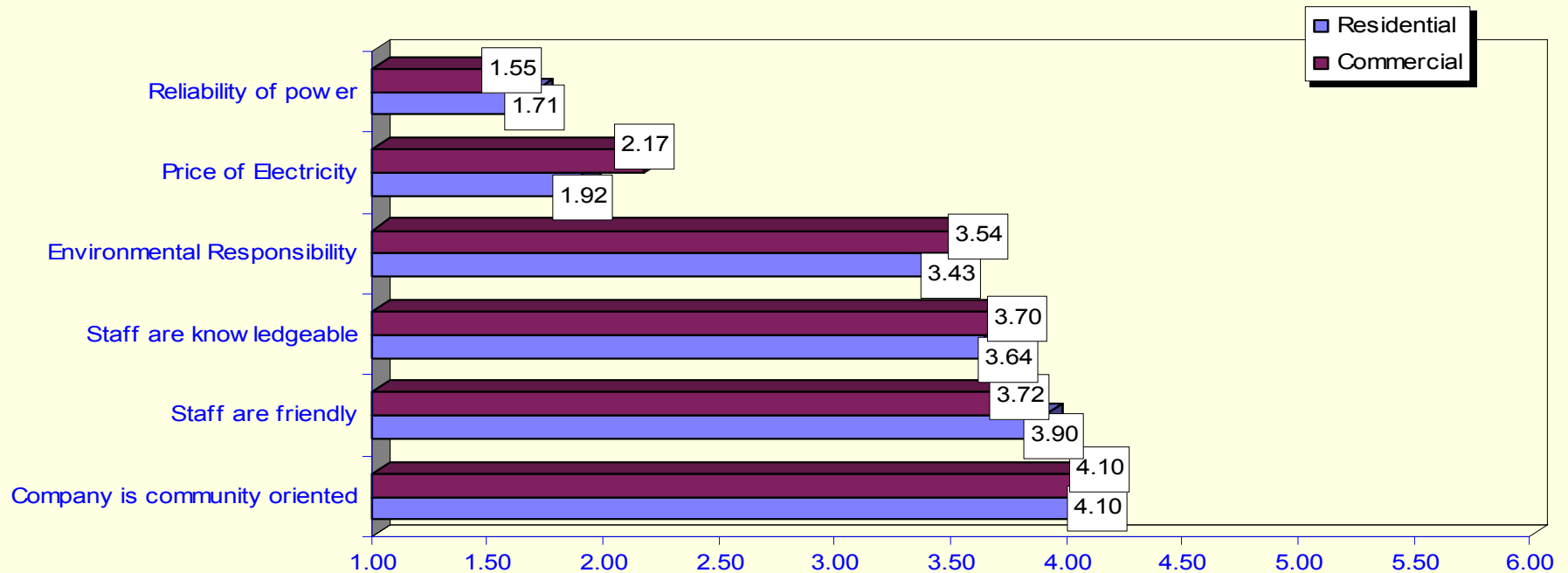
Change in Commercial Customers' Perceptions

- The percentage of commercial customers who believe we can improve our reliability of supply is 14% this quarter compared to 10% in June 2002 and 11% in September 2001.
- The percentage of commercial customers who believe we can improve our concern for public safety is 7.3% this quarter compared to 8.3% last quarter and 3.3% in September of 2001.
- The percentage of commercial customers who believe we can improve our community contribution is 11.1% this quarter compared to 11.3% in June 2002 and 9.8 % in September of 2001.
- 16% of commercial customers believe we can improve our customer service. This is an increase from 11% last quarter but slightly less than the 17% result of September 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 environmental responsibility, knowledgeable staff, friendly staff and community orientation following in descending order of importance.
- Among residential customers, those in Grand Falls placed the most importance on price and 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 placed more importance on price than reliability, which is unique amongst the areas.
- Commercial customers in Corner Brook placed the greatest emphasis on both reliability and price. Both residential and commercial customers in Corner Brook also placed the most emphasis on environmental responsibility, relative to the other areas.