

1 Q. **Other**

2 Further to CA-NLH-051, was the five-year customer service strategy completed in
3 2014? If not, what is its status?

4

5

6 A. The five-year customer service strategy was filed with the Board on September 30,
7 2014, and is attached as CA-NLH-322 Attachment 1.

Customer Service

Strategic Roadmap 2015-2017





The contents of this document are subject to review and revision. This document is owned and maintained by the Customer Service Department within the Corporate Relations Division. Questions about this document should be directed to tonylve@nlh.nl.ca

Requested By

Requestor	Dawn S. Dalley	Department	Corporate Relations	Project Name	Customer Service Strategy
------------------	----------------	-------------------	---------------------	---------------------	---------------------------

Prepared By

Name	Tony Lye
	Customer Service Manager

Approved By

Vice President of Corporate Relations & Customer Service	
	Dawn S. Dalley (signature) (date)

Revision History

Version	Date	Summary of Changes	Name
1.0	2014-09-27	Document Creation	Tony Lye

Table of Contents

1.	Introduction	4
2.	Executive Summary	6
3.	Approach	7
4.	Customer Service Department	7
4.1	Call Center	8
4.2	Billing	8
4.3	Meter Reading	8
4.4	Technical Support	8
4.5	Revenue Metering and Quality Assurance	8
5.	Current State Opportunity – Customer Service Department.....	9
6.	Future State	11
6.1.1	Vision, Objectives and KPIS	11
6.1.2	Customer Service Excellence Framework	12
7.	Strategic Roadmap Outline.....	13
7.1	Principles.....	13
7.2	Initiatives Map	13
7.2.1	Near term priorities.....	13
7.2.2	2015	14
7.2.3	2016	14
7.2.4	2017	15
7.3	Methodology For Updating Roadmap	15
7.3.1	Measuring Success	15
7.3.2	Oversight	15
7.3.3	Review.....	16
8.	Customer Service Department Goals.....	16
9.	Critical Success Factors	16
10.	Communication Plan.....	16
11.	Next Steps.....	17
12.	Appendix A - Customer Service Strategic Map	18
13.	Appendix B - Customer Service Research 2011-2012	19

Preface

This document outlines a strategic roadmap for customer service at Newfoundland and Labrador Hydro (Hydro) from 2015 to 2017. The strategy will evolve and change as required during the execution of the various elements.

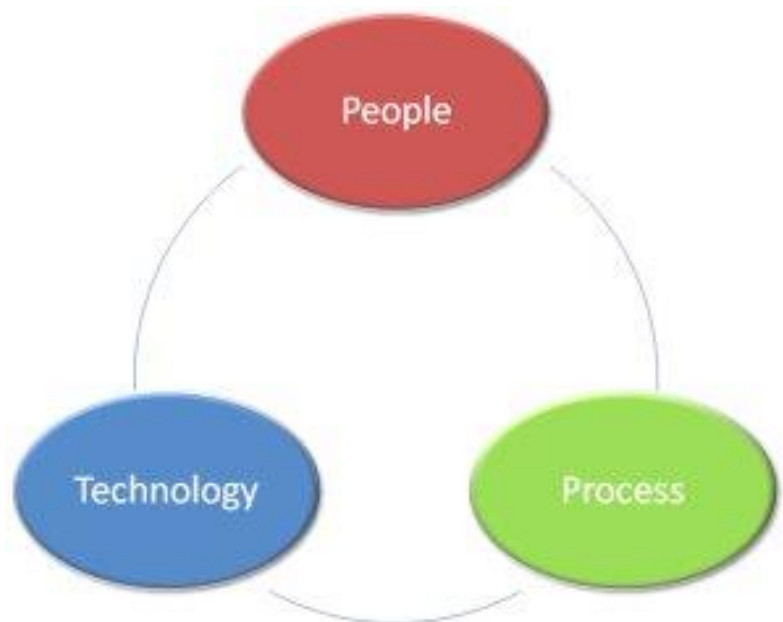
The roadmap describes a vision for improving service to Hydro's industrial, utility and retail customers and how it is translated into action and experienced by customers will be the real measure of its success.

This document identifies the vision, supporting strategies, and guiding principles to meet Hydro's current business needs and support long-term customer service strategies. Specific findings and recommendations relevant to establishing a customer service policy and/or standards are subject to appropriate adjustment, review and approval.

1. Introduction

Strategic planning is a critical element for articulating a shared vision and for building the partnerships that are necessary for an organization to work effectively together on common goals.

A typical strategic plan involves elements of people, process and technology. As well as these three fundamental areas, vision, values and leadership are also an important component of the strategy.



The Customer Service Strategic Roadmap outlines a plan for the delivery of service to Newfoundland and Labrador Hydro's industrial, utility and retail customers as well as identified improvements within the Customer Service Department at Hydro.

This Customer Service Strategic Roadmap will provide Customer Service a planning horizon of three years from 2015 to 2017. When a budget and resource assessment is completed the strategic plan could potentially evolve into a five year plan.

The strategic initiatives are informed by both primary and secondary research outlined in the document. The goals and objectives outlined are focused on enabling the Customer Service Department to perform its roles and responsibilities, develop supporting processes and solutions, and implement technology required by the Customer Service Department and they are also meant to inspire and direct a broader, companywide approach to service excellence for customers.

This strategic roadmap provides an explanation of how the Customer Service strategic goals are to be achieved and the order and timeline that each initiative will be addressed. This planning roadmap will outline both short and long-term initiatives which are tied to company goals and objectives.

The strategic planning review cycle and process is iterative and maps a clear path between a present condition and a vision for the future. Revisiting the strategic roadmap to review accomplishments against documented goals and objectives, establishes a feedback loop that can then influence future planning and decision making. The expectation is that the plan will be reviewed and updated annually.

The fundamental function of this roadmap is to provide answers to the following:

- Where are we?
- Where do we want to go?
- How do we get there?
- How do we know when we get there?

2. Executive Summary

Recognizing a desire to improve customer service, and the experience for its customers, Newfoundland Labrador Hydro (Hydro) identified that a customer service strategy and roadmap was required.

Hydro plans to enhance the customer experience during all interactions with our customers. To improve our service to customers Hydro is developing a corporate focused three year strategic roadmap. The roadmap will facilitate improvements of Hydro's service to our customers and allow Hydro to be seen as a leader when it comes to service delivery by developing people, process and technology. Executing a corporate focused Customer Service strategic roadmap will provide our customers with additional services alternatives that are not available today and are suited to their particular needs. The plan will be adjusted as required following a budget and resource assessment.

Through our corporate surveys customers are telling us they want to make sure we keep the lights on, provide them with the best pricing options, bill them accurately and restore service in a timely manner. Customer service standards, as you would expect, are high. Customers are asking for personalized service, expect proactive customer care and want service outside normal business hours. Our customers experience is not only guided by their interactions with us, but shaped by interactions with many provincial, national and international service providers.

Customers today have become independent and want self-service options. Today's customer is more technological savvy and wants to help themselves at their convenience.

Our three year plan will look at our current technologies and processes with a view to improve service to customers and validate a long term vision for the company's customer service vision. The areas in scope for this strategic roadmap include our call center, rural billing, and meter reading and other cross organization integration points. The customer service strategy will focus on Hydro's 38,000 residential, commercial, and industrial customers in the province served directly by Hydro. Newfoundland Power, Hydro's largest customer, will also be in scope for this plan.

Internally, the Customer Service team is focused on the customer; however we need to ensure the entire organization remains customer focused. This strategic roadmap will also focus on internal processes that cross over to other parts of our organization such as Transmission & Rural Operations, System Operations & Planning and operations in Churchill Falls.

Our strategic approach will ensure we continue to do the basics well, have a clearly defined customer experience that is appropriate for our company and our customer, and grow our corporate customer focus. We will also establish additional service standards, increase our

operational efficiency, and focus on the quality of our customer service and maintain our customer trust.

Strategic objectives will be built into our annual workplans. Objectives will be developed, tracked through key performance measures, and reports will be generated to measure progress to the Customer Service Strategy Steering Committee and also to the Hydro Leadership Team. Using this approach will position Hydro to become a strong and focused customer service utility.

3. Approach

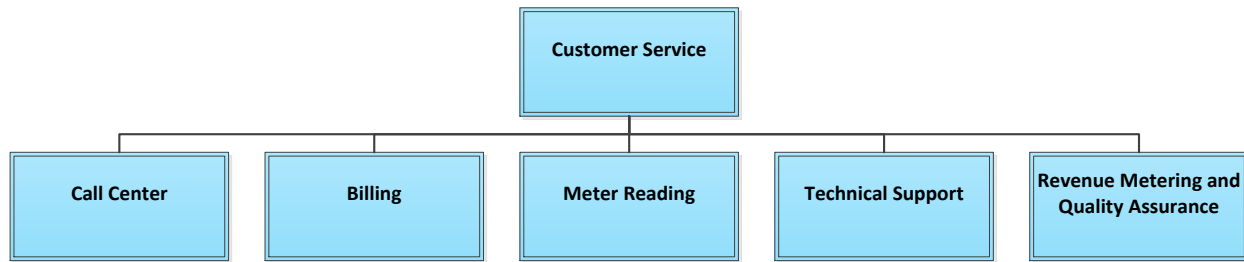
This report represents a customer service direction for the future that will enhance the current level of service for Hydro's customers. This document relates to customer service and takes a holistic approach to how Hydro can enhance service to its customers. In an effort to develop a comprehensive Customer Service roadmap for Hydro, the following primary and secondary research was undertaken:

- Hydro Customer Surveys: Residential and Commercial
- Residential Customer Focus groups
- Review of other customer service strategies
- Feedback and engagement sessions with internal stakeholders, Customer Service Representatives/Customer Service Staff
- Canadian Electricity Association national research
- Customer Service Utility Best Practice research

Hydro faces challenges with aging infrastructure, a changing workforce, keeping up with technology, and cost and productivity pressure. Customers' expectations have also changed. They expect to use mobile and other new technologies.

4. Customer Service Department

The Customer Service Department provides support for Hydro's customers. The Customer Service Department works with other Hydro departments in the provision of service to resolve customer inquiries and issues. The Customer Service Department is normally the first point of contact for customer service work with other internal stakeholders on behalf of the customer. The Customer Service Department falls under Corporate Relations and is comprised of five teams as described below:



4.1 Call Center

The Call Center consists of one Lead Customer Service Representative (CSR) Supervisor, five CSR's and two additional staff that are used on a temporary basis. The team receives 50,000 customer phones calls, 6,000 emails and 3,500 account transfers or new service requests annually.

4.2 Billing

The Billing team consists of three staff, a Billing Officer, Billing Data Officer and an Industrial Billing Officer. The Billing team are responsible for producing approximately 432,000 bills annually for our rural residential, commercial and industrial customers. As well they also produce bills for Hydro's utility customer, Newfoundland Power. Hydro generates its bills from meter data received from handhelds, Automated Meter Reading (AMR), and manual paper sources. Currently there are approximately 13,000 customers on AMR and 25,000 read from a handheld or manually.

4.3 Meter Reading

Hydro has 14 Meter Readers (full and part-time) reading meters in our rural areas. Our Meter Readers performs 445,000 reads annually. There are also Diesel Service Representatives in Isolated Diesel Communities who read meters as part of their duties in those communities.

4.4 Technical Support

The Technical Support team has two Customer Service Technologists that carry out all activities associated with the contribution in aid of construction (CIAC), damage claims, energy management and customer communications processes.

4.5 Revenue Metering and Quality Assurance

The team consists of a supervisor, two technologists and currently one temporary utility worker. The team is responsible to ensure all our customer meters are working correctly,

replacing any defective meters and to complete sampling of meters that are in service as set out in our Quality Management System (QMS) as governed by Measurement Canada. The team also has responsibility for the execution of our automated meter reading rollout. The Meter Service Team is has been accredited since February 21, 2001 for the certification and re-certification of energy and combination energy/demand meters of the electro-mechanical or electronic type, both as an Accredited Meter Verifier and as a Meter Service Organization.

5. Current State Opportunity – Customer Service Department

We have a Customer Service team that is providing excellent service with the tools that they have. Based on our customer satisfaction surveys our customer satisfaction score is currently at 80%. This is greater than the CEA average which is in the 60% range. Although our customer satisfaction results are at a acceptable level we are experiencing a downward trend from 92% to 80% over the last three surveys.(See Appendix B for recent surveys and focus groups)

Our call center currently receives approximately 50,000 calls, 6,000 customer emails and 3500 requests for new and transfer accounts. Customer service processes can have many manual steps and can be prone to errors and delays. Staff working in the call center have multiple tasks outside of calls with multiple interfaces, many of which are manual. They provide customer service using multiple systems that are not always integrated.

The staff supporting Hydro's billing function are responsible for approximately 432,000 customer bills annually for our rural residential, commercial, industrial and Newfoundland Power. The billing area is using technology that is dated and should be reviewed for currency. The billing team receives its meter billing data from three sources; handheld devices, Automatic Meter Reading (AMR), and manual paper sources.

Hydro's has 14 permanent/part-time meter readers and temporary readers as backfill. In areas serviced by diesel the staff working in that area provide meter reading services for the Customer Service team. Manual meter reads can be prone to errors, schedules delays, or missed altogether if the individual is not available for any reason (weather, illness, vacation). Safety is a major concern with this work in remote and isolated areas.

We see an opportunity to improve relationships and processes with our large account commercial and industrial customers by implementing an account management program. We also see opportunities to further develop our social media channels. Hydro would also like to integrate our energy efficiency programs as a proactive service to our customer. Hydro needs to find other ways, other than customer satisfaction surveys, to engage our customers.

We need to ensure we are tracking our first call resolution so the service is "once and done" Even though we are a small call center by staff numbers, we need to ensure our customers feel like they are working with a best in class customer focused organization. Processes need to be reviewed to ensure they are effective and efficient. We also need to track our progress by

defining additional key performance indicators (KPI) that allow us to report our grade of service.

Customers today expect information in real time so is incumbent on Hydro that we establish communication mechanisms that provide customers with timely service disruption information. When customers are not satisfied with our service and provide Hydro with feedback we need to establish a process to ensure we are capturing that information to feed into our continuous improvement program. However, we need to ensure the Customer Service team is measuring the correct KPI's and that reporting is structured appropriately and strategies and changes are data driven.

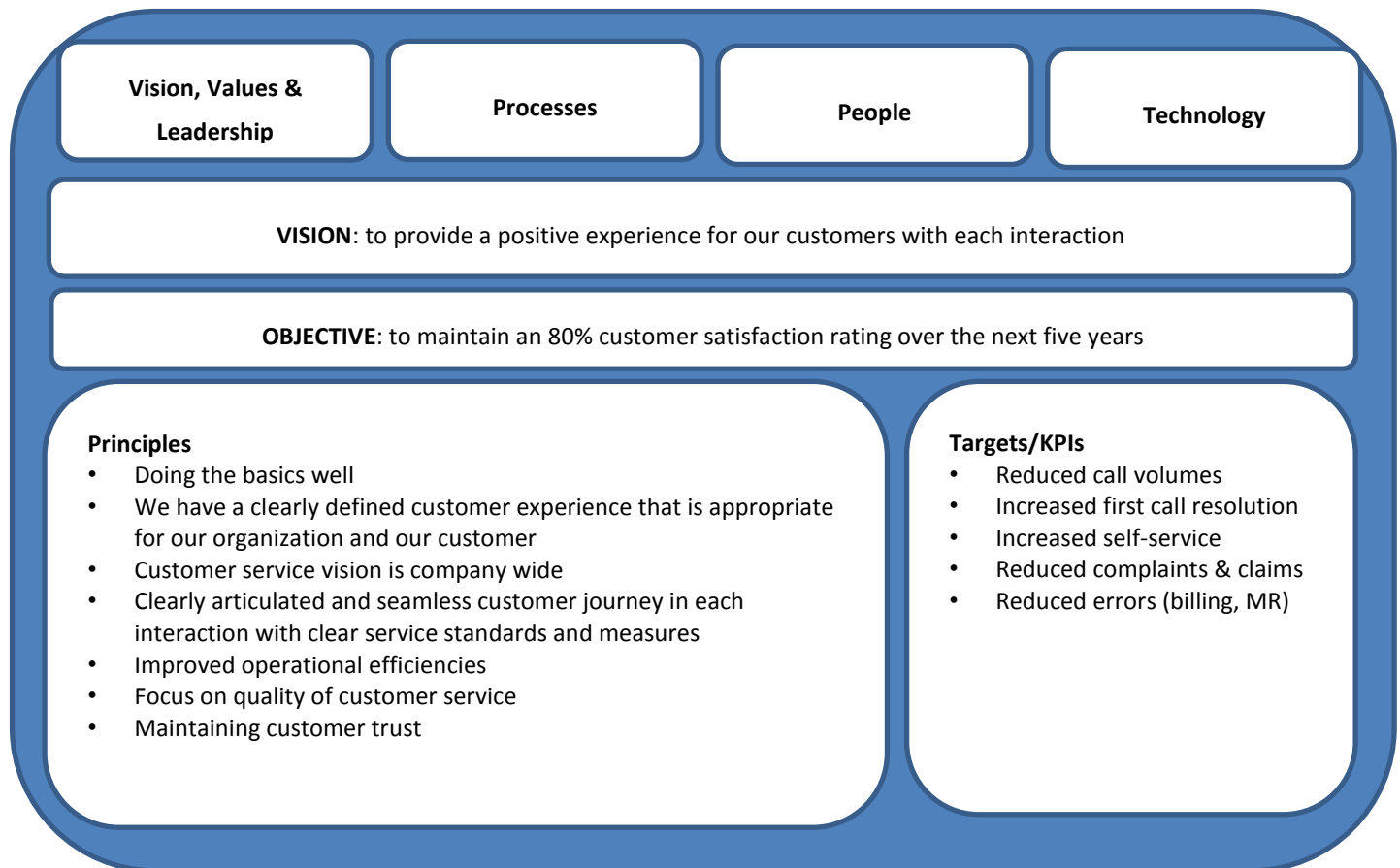
The Customer Service team needs to be provided with tools to deliver effective customer service. One of the key's to Hydro's customer service success is to make sure all stakeholders across the organization are consulted and accountable for their part of service delivery and we create a culture where customer service is a function of the entire organization.

6. Future State

6.1.1 Vision, Objectives and KPIS

Hydro has developed a vision and strategy that allows Hydro to;

- Make customer service a priority throughout the company
- Provide customer engagement and self-service options for our customers
- Streamline processes and establish standards and measures
- Keep pace with customer expectations; and
- Enhance our processes, people and technology.



6.1.2 Customer Service Excellence Framework

To facilitate and focus our strategic roadmap, we have defined a Customer Service Excellence Framework – “What does success look like?” which will guide our planning and initiatives over the strategy timeline and allow for measurement of our outcomes.

	Vision, Values & Leadership	People & Culture	Process & Metrics	Tools & Technology
Customer Service Excellence Framework	<ul style="list-style-type: none"> Importance of customer service clearly articulated Integrated view of customer service across internal stakeholders Integrated energy efficiency & customer service Internal and external engagement to achieve results Internal customer council to lead cross functional interfaces Clear, timely & consistent customer communication 	<ul style="list-style-type: none"> Trained/competent employees empowered to make decisions Employees are trusted advisors to customers Clear roles, responsibilities across functions supporting customers Engaged & motivated employees Supervisors focus on coaching Customer orientation built into appropriate job descriptions Customer Service Representatives have deep customer knowledge Service culture in operations 	<ul style="list-style-type: none"> Detailed processes & standards for customer requests Clearly mapped interfaces to operations End to end accountability defined Single point of access/contact for key commercial accounts Effective handling & timely response/resolution Clear KPIs identified & are being met Timely & accurate bills Consistent service delivery within acceptable standards 	<ul style="list-style-type: none"> System makes it easy for Customer Service Representatives to serve customers Enable self-serve/online options Migrate customers to lower cost options Manual processes reduced/eliminated Technology supported by sound processes Proactive, personalized service for customers

7. Strategic Roadmap Outline

7.1 Principles

These principles form the basis to enable the Customer Service Department to move from where we are to where they want to be.

- Doing the basics well
- We have a clearly defined customer experience that is appropriate for our organization and our customer
- Customer service vision is company wide
- Clearly articulated and seamless customer journey in each interaction with clear service standards and measures
- Improved operational efficiencies
- Focus on quality of customer service
- Maintaining customer trust

7.2 Initiatives Map

The following outline and initiatives are subject to review and adjustments based on budget and resource allocations.

7.2.1 Near term priorities

1. Complete current state assessment
2. Finalize and validate Customer Service roadmap, excellence framework & vision and plans
3. Develop resourcing and budget for the outlined strategy
4. Develop base training & orientation program in Customer Service skills for Customer Service Representatives and Technologists
5. Review and revise outage protocols and processes
6. Develop long term business case for complete AMR
7. Define and evaluate current service offerings
8. Enable online documentation
9. Formalize after hours support
10. Complete a review of current billing cycles
11. Develop a plan with targets for increasing eBilling with our customers
12. Complete requirements of Hydro's QMS program
13. Develop three year meter replacement plan
14. Complete 2014 customer satisfaction survey
15. Work with NL Power to develop synergies for shared technologies

16. Create a Customer Service improvement committee
17. Develop a Customer Service continuous improvement plan
18. Complete outstanding items related to the Liberty audit

7.2.2 2015

1. Promote eBilling with our customers
2. Identify Customer Service Strategy Project Team
3. Structure cross functional customer steering committee leading and advising on long term customer service strategy are focused on "making it right"
4. Complete resource assessment for Customer Service Strategic Roadmap execution
5. Scope and secure external resource support as required
6. Develop communication strategy for social media integration
7. Develop strategy for tighter cross functional integration with TakeCharge team to maximize customer value
8. Conduct internal focus groups and research for input strategy
9. Develop training program for all customer touchpoints/contacts on broader strategy, standards, processes, etc.
10. Framework developed for integrated account management for commercial and key customers
11. Implement new customer focused web site with mobile capabilities
12. Implement process and software to track customer interactions
13. Implement process to establish transactional surveys as part of a broader research and insights plan
14. Enhance our Customer Service account information online web portal
15. Review AMR business case being developed by engineering
16. Create an action plan from the customer satisfaction survey
17. Broaden our strategy to enhance industrial and NL Power customer experience
18. Secure Hydro Leadership Team alignment
19. Establish regular reporting and updates to Hydro Leadership Team

7.2.3 2016

1. Develop service standards, establish KPIs for Customer Service services
2. Investigate new metering/billing /customer interface systems and make recommendations for 2016 implementation
3. Enhance our customer communications through an upgraded IVR phone system
4. Begin assessment of automated billing tools
5. Complete an assessment of key Customer Service processes and procedures and map corporately
6. Develop a Customer Service complaint process
7. Customer Service Training plan for Energy Efficiency

8. Define new online service offerings determined for customers integrated with billing application
9. Upgrade MV-PBS application to improve billing process
10. Develop a research strategy and conduct deep research to understand our customer and their expectations
11. Map all key customers processes & associated work flow

7.2.4 2017

1. Launch online service offerings
2. Complete mobile and self-service options
3. Continue to improve our billing and payment options
4. Investigate an outage management system – online & IVR system and implement enhancements
5. Clear targets for customer interactions such as ebilling, autopay, account alerts
6. Create a Customer Service knowledge base that can be shared across the organization
7. Implement enhancements to the collection process such as automated outbound calling, effective and efficient processes
8. Complete a Customer Service maturity assessment and revise strategy as required

See Appendix A - Customer Service Strategic Map for roadmap diagram.

7.3 Methodology For Updating Roadmap

7.3.1 Measuring Success

Customer Service will measure ongoing progress against the realization of the strategic roadmaps goals and initiatives. This will be achieved through the collection of business-relevant metrics such as project status reports, customer satisfaction, implementation of new technologies, process improvements and time to deliver services. The exact form of measurement will depend on the goals, objectives and tasks being measured. This will enable Customer Service to ascertain whether the strategic roadmap is creating real business value.

7.3.2 Oversight

The Strategic Roadmap is owned and endorsed by the Customer Service Manager. The Vice President, Corporate Relations and Customer Service as well as the Hydro Leadership Team will be provided with regular reports on the realization of the goals and objectives and will provide ongoing oversight of the strategic roadmap.

7.3.3 Review

The Strategic Roadmap will be reviewed and updated annually by the Customer Service Manager through its annual goal and objective setting that is aligned with the organization planning process.

The annual review of this document will form part of the broader Customer Service corporate planning cycle. The planning cycle is intended as an ongoing dialogue with key stakeholders and will:

- Review outcomes from the previous planning cycle;
- Consider current trends and external influences;
- Assess the efficiency and relevance of current Customer Service offerings;
- Review Customer Service strategies with key stakeholders;
- Publish the strategic roadmap annual update; and
- Manage / monitor the projects that comprise the annual Customer Service program.

8. Customer Service Department Goals

- Improve safety performance to world class standards and sustain this performance
- Contribute to Nalcor's Environmental Policy and Guiding Principles (PIC)
 - ▶ Prevent Pollution - Improve Continually - Comply with Legislation
 - ▶ Contribute to internal energy efficiency
- Rural Residential Customer Satisfaction target of $\geq 80\%$ achieved for rural residential customers
- Improve employee engagement to a level where Hydro would qualify for recognition as one of Canada's best employers
- Support community organizations and support employee volunteerism

9. Critical Success Factors

- Support and engagement of Customer Service Team
- Budget allocation for people, process and technology
- Availability of resources
- Support from internal stakeholders
- Support and endorsement from Hydro Leadership Team

10. Communication Plan

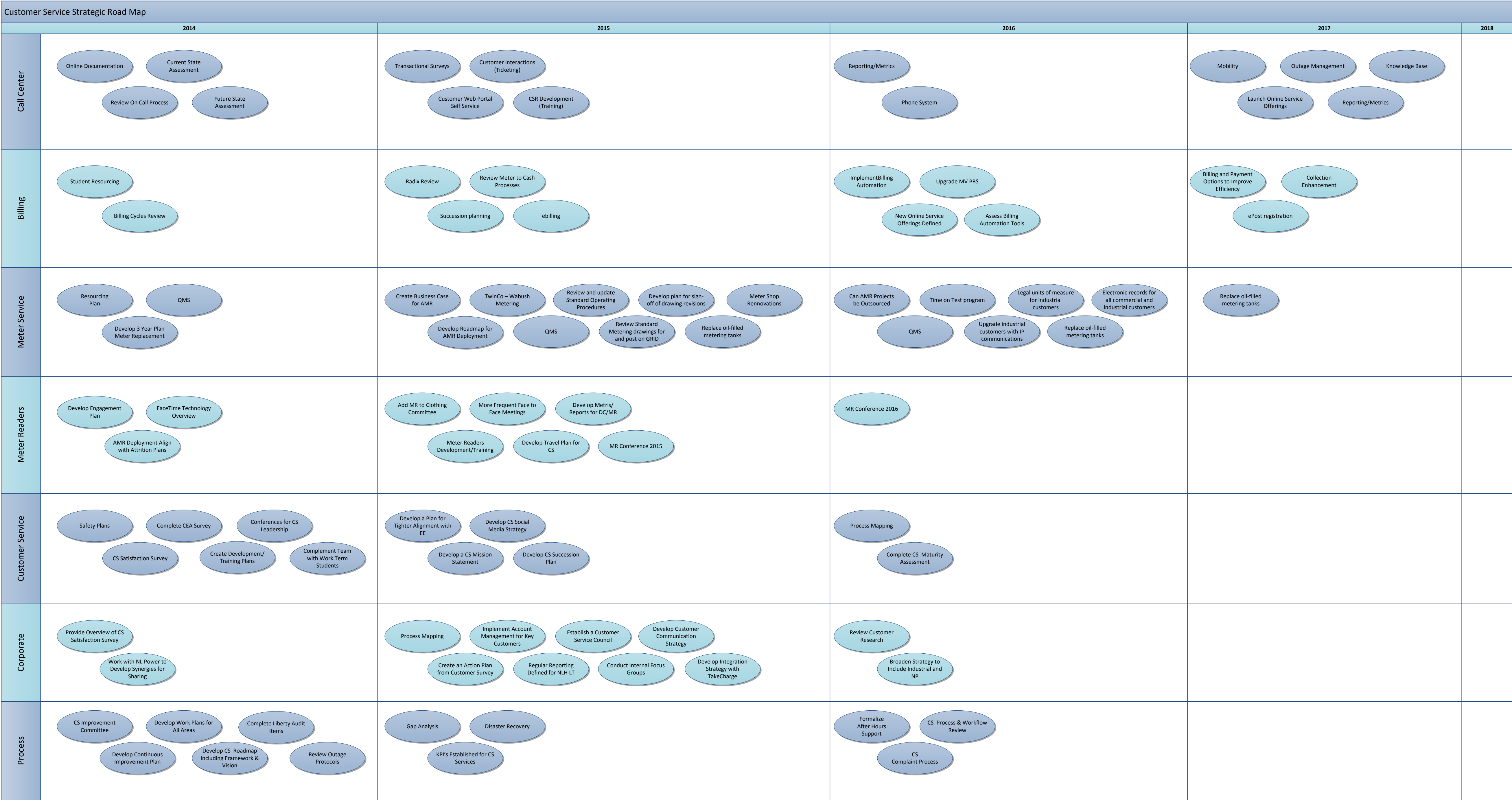
Successful communication of this strategic roadmap will be an ongoing process. The purpose of the communication is to provide all stakeholders with a status of the progress being achieved

with the Customer Service Department's strategic roadmap. Communication will be provided through many channels including email, regular reports, team and corporate meetings and through an annual update. The Customer Service team will also take advantage of its internal website to post regular updates. Objectives of the strategic roadmap will also become part of the annual corporate planning process and be reported through already established internal processes.

11. Next Steps

- Identify Customer Service Strategy Project Team and Steering Committee
- Establish an Internal Customer Service Council
- Create a Customer Service Roadmap working committee
- Complete resource and budget assessment for execution
- Scope and secure external support as required
- Establish regular reporting and updates to Hydro Leadership Team

12. Appendix A - Customer Service Strategic Map



13. Appendix B - Customer Service Research 2011-2012

2012 Residential Customer Satisfaction Tracking Study



Study Methodology

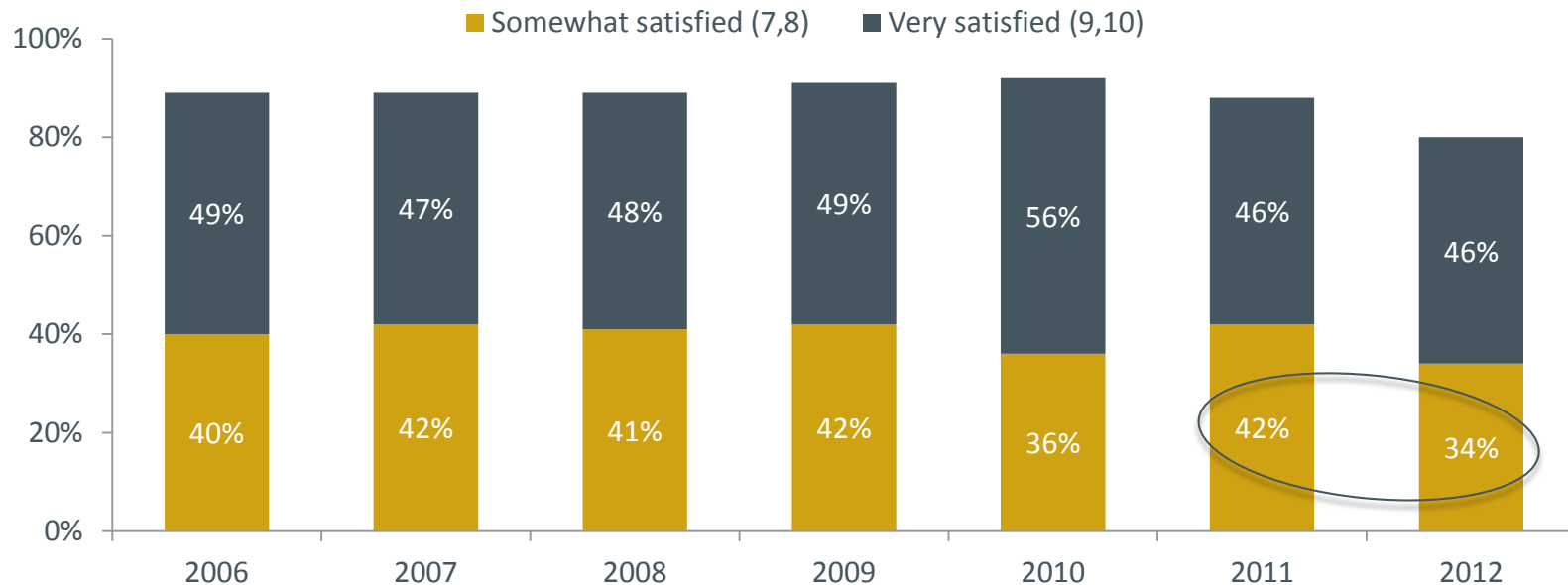
- For this research study, Hydro's residential customers were surveyed via telephone.
- The pre-test occurred on November 29th and interviews were conducted between November 30th and December 10th, 2012.
- The sampling unit was the adult household member responsible for paying the electricity bill and dealing with Hydro.
- To allow for analysis by region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: **Labrador West** (n=105), **Happy Valley/Goose Bay** (n=105), **Labrador Isolated** (n=85), **Northern Interconnected** (n=115), **Northern Isolated** (n=55), **Southern Labrador** (n=94), **Central Interconnected** (n=121) and **Central Isolated** (n=46).
- Due to the use of disproportionate sampling, regional weights were applied to ensure that the sample was a proportionate representation of the population at the overall level.

Study Methodology (cont'd)

- A total of 726 residential customers completed the survey, which provides a margin of error of $\pm 3.6\%$, 19 times out of 20.
- This year NL Hydro conducted qualitative research with their residential customers and as a result, for 2012, the annual tracking survey was condensed considerably and covered the following areas:
 - ▣ Overall satisfaction with Hydro;
 - ▣ Satisfaction with the supply of electricity received from Hydro; and
 - ▣ Satisfaction with the overall customer service received from Hydro.
- The survey also included demographic questions (age and gender).
- The following slides present the results of the *2012 Residential Customer Satisfaction Tracking Study*.

Overall Satisfaction

- Customers were asked to rate their overall satisfaction with Hydro using a scale of 1 to 10 where 1 is '**not at all satisfied**' and 10 is '**very satisfied**'. The majority of customers (80%) are either **very satisfied** (46% provided a rating of 9 or 10) or **somewhat satisfied** (34% provided a rating of 7 or 8) with Hydro.
- Compared to last year, the proportion of customers who provided a rating of 7 or 8 **decreased significantly** from 42% to 34% however; the proportion who provided a rating of 9 or 10 held steady.
- In 2012, there was an **increase** in the proportion of customers who provided a rating of 5 or 6 (from 9% in 2011 to 14% in 2012). **Although these results indicate slippage in customer satisfaction, results remain positive as the majority of customers are satisfied with Hydro.**



Q1. In general, how satisfied are you with Hydro on a scale of 1 to 10 where 1 means '**not at all satisfied**' and 10 means '**very satisfied**'?

Overall Satisfaction (cont'd)

- From a regional perspective, compared to 2011, the proportion of customers in **Central** and **Northern** who provided a rating of 7 or higher **decreased significantly**.
- The proportion of customers in **interconnected areas** who provided a rating of 7 or higher **decreased significantly** from 89% in 2011 to 80% in 2012.

	2012 % Indicating 7+	2011 % Indicating 7+	2010 % Indicating 7+
Overall	80%	88%	92%
Region			
<i>Central</i>	77%	94%	95%
<i>Northern</i>	83%	91%	95%
<i>Labrador</i>	80%	78%	86%
Rate Area			
<i>Interconnected</i>	80%	89%	93%
<i>Isolated</i>	80%	83%	89%

Overall Satisfaction (cont'd)

- As previously mentioned, overall, the proportion of customers who provided a rating of 5 or 6 **increased** from 9% in 2011 to 14% in 2012.
- The table below details the proportion of customers who provided a rating of 5 or 6 by region and rate area. The highlighted cells indicate **significant increases**.
- So in terms of overall satisfaction there has been **slippage** in the proportion of customers who provided a rating of 7 or 8 and an **increase** in the proportion who provided a rating of 5 or 6.

	2012 % Indicating 5 or 6	2011 % Indicating 5 or 6
Overall	14%	9%
Region		
<i>Central</i>	16%	4%
<i>Northern</i>	12%	7%
<i>Labrador</i>	16%	18%
Rate Area		
<i>Interconnected</i>	15%	9%
<i>Isolated</i>	16%	11%

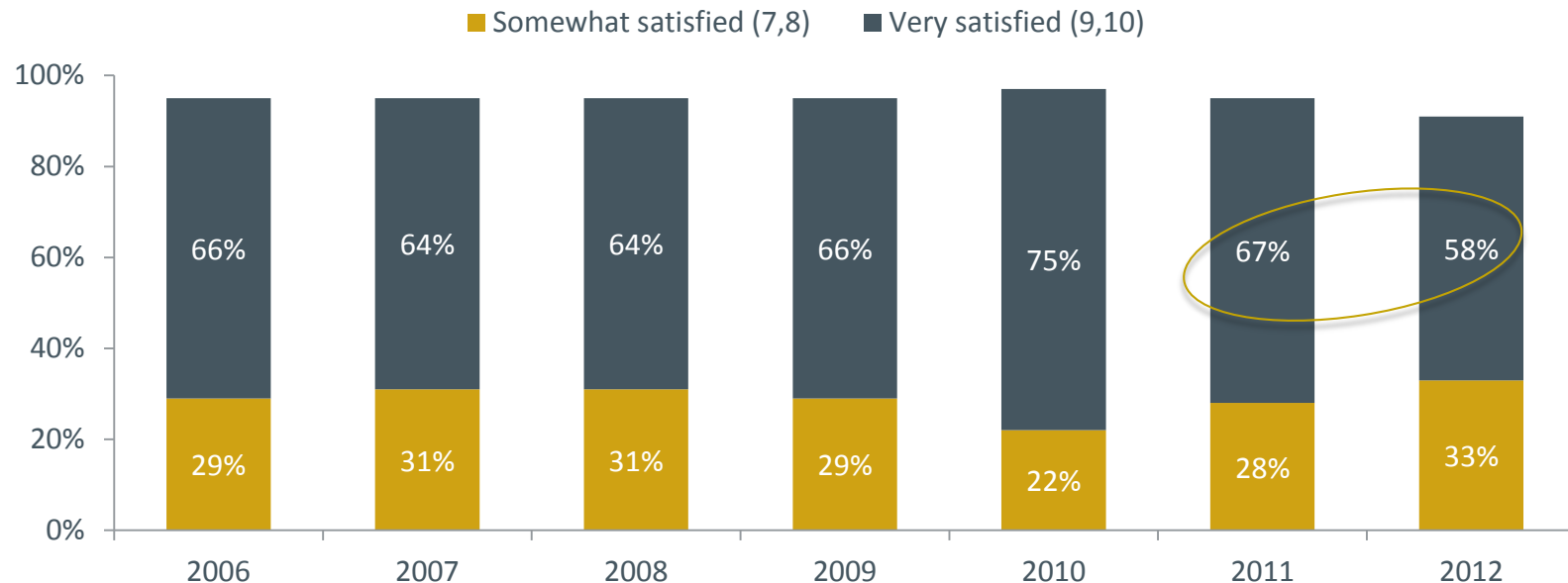
Overall Satisfaction (cont'd)

- The table below details overall satisfaction results by age and gender.
- Elderly customers (those 70 years of age or older) are **significantly** more likely to be very satisfied with Hydro.
- Female customers are **significantly** more likely than male customers to be very satisfied with Hydro.

	2012 % Indicating 9 or 10
Overall	46%
Age	
<i>20-39 years</i>	41%
<i>40-59 years</i>	40%
<i>60-69 years</i>	51%
<i>70 years or older</i>	74%
Gender	
<i>Male</i>	42%
<i>Female</i>	49%

Service Reliability

- To determine satisfaction with Hydro's service reliability, customers were asked to rate their satisfaction with the supply of electricity they receive from Hydro using a scale of 1 to 10, with 1 being '**not at all satisfied**' and 10 being '**very satisfied**'.
- The vast majority of customers (91%) are satisfied with the supply of electricity received from Hydro (58% **very** satisfied; 33% **somewhat** satisfied). Compared to last year, the proportion of customers who provided a rating of 9 or 10 **decreased** from 67% to 58% and the proportion of customers who provided a rating of 7 or 8 **increased** from 28% to 33%.



Q2. On a scale of 1 to 10 where 1 means '**not at all satisfied**' and 10 means '**very satisfied**', how satisfied are you with the supply of electricity you receive from Hydro?

Service Reliability (cont'd)

- As detailed in the table below, the top two score ***decreased significantly*** from 2011 for both the ***Central*** and ***Northern*** region. In terms of rate area, satisfaction with service reliability ***decreased significantly*** for those in ***interconnected areas*** for the second consecutive year.

	2012 % Indicating 9 or 10	2011 % Indicating 9 or 10	2010 % Indicating 9 or 10
Overall	58%	67%	75%
Region			
Central	66%	77%	82%
Northern	58%	68%	82%
Labrador	49%	53%	60%
Rate Area			
Interconnected	60%	68%	77%
Isolated	52%	57%	63%

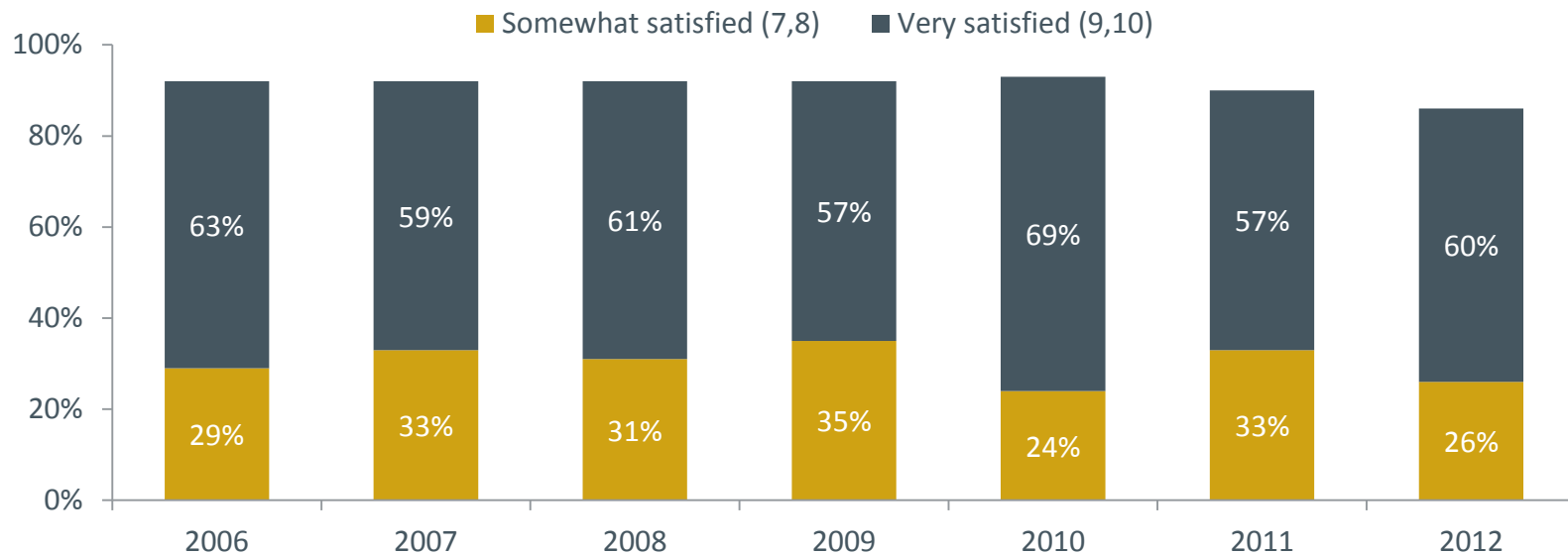
Service Reliability (cont'd)

- The table below details service reliability results by age and gender.
- Seventy-three percent of those aged 70 years or older provided a rating of 9 or 10.
- Female customers are **significantly** more likely than male customers to be very satisfied with Hydro's service reliability.

	2012 % Indicating 9 or 10
Overall	58%
Age	
<i>20-39 years</i>	53%
<i>40-59 years</i>	56%
<i>60-69 years</i>	63%
<i>70 years or older</i>	73%
Gender	
<i>Male</i>	52%
<i>Female</i>	63%

Customer Service

- Customers were asked to rate their satisfaction with the customer service they receive from Hydro on a scale of 1 to 10, with 1 being '**not at all satisfied**' and 10 being '**very satisfied**'.
- A large majority of customers (86%) are satisfied with the customer service they receive from Hydro (60% **very** satisfied; 26% **somewhat** satisfied).
- Compared to 2011, there is a directional **increase** in the proportion of customers who provided a rating of 9 or 10.



Q3. On a scale of 1 to 10 where 1 means '**not at all satisfied**' and 10 means '**very satisfied**', how satisfied are you with the overall customer service you receive from Hydro?

Customer Service (cont'd)

- The table below details the proportion of customers who provided a rating of 9 or 10 by region and rate area.
- Analysis revealed no significant differences from 2011 to 2012 by either region or rate area.

	2012 % Indicating 9 or 10	2011 % Indicating 9 or 10	2010 % Indicating 9 or 10
Overall	60%	57%	69%
Region			
<i>Central</i>	65%	65%	75%
<i>Northern</i>	62%	61%	77%
<i>Labrador</i>	49%	43%	54%
Rate Area			
<i>Interconnected</i>	60%	58%	70%
<i>Isolated</i>	58%	55%	61%

Customer Service (cont'd)

- The table below details customer service results by age and gender.
- Elderly customers (those 70 years of age or older) are **significantly** more likely to be very satisfied with the customer service they receive from Hydro.
- Female customers are **significantly** more likely than male customers to be very satisfied with Hydro's customer service.

	2012 % Indicating 9 or 10
Overall	60%
Age	
<i>20-39 years</i>	44%
<i>40-59 years</i>	56%
<i>60-69 years</i>	64%
<i>70 years or older</i>	86%
Gender	
<i>Male</i>	53%
<i>Female</i>	64%

Summary

- **The majority of residential customers are satisfied with the performance of Hydro.** Forty-six percent provided a rating of 9 or 10 when asked to rate their overall satisfaction with Hydro using a 10-point scale with 1 being *'not at all satisfied'* and 10 being *'very satisfied'*. Thirty-four percent provided a rating of 7 or 8. Compared to 2011 results, the proportion of customers who provided a rating of 7 or 8 **decreased** from 42% in 2011 to 34% in 2012. In 2012 there was an **increase** in the proportion of customers who provided a rating of 5 or 6. *Although these results indicate slippage in customer satisfaction, results remain positive as the majority of customers are satisfied with Hydro. It is important to consider whether recent events (such as power outages or winter weather) could be impacting results.*
- **Residential customers continue to be satisfied with Hydro's service reliability.** Fifty-eight percent provided a rating of 9 or 10 when asked to rate their satisfaction with the supply of electricity they receive from Hydro using a scale of 1 to 10, with 1 being *'not at all satisfied'* and 10 being *'very satisfied'*. Thirty-three percent provided a rating of 7 or 8.
- **Residential customers are satisfied with the customer service received from Hydro.** A large majority of customers (86%) provided a rating of 7 or higher when asked to rate their satisfaction with the customer service received from Hydro using a 10-point scale with 1 being *'not at all satisfied'* and 10 being *'very satisfied'*. Compared to 2011, there is a directional **increase** in the proportion of customers who provided a rating of 9 or 10.

Residential Customer Satisfaction Research



Study Methodology

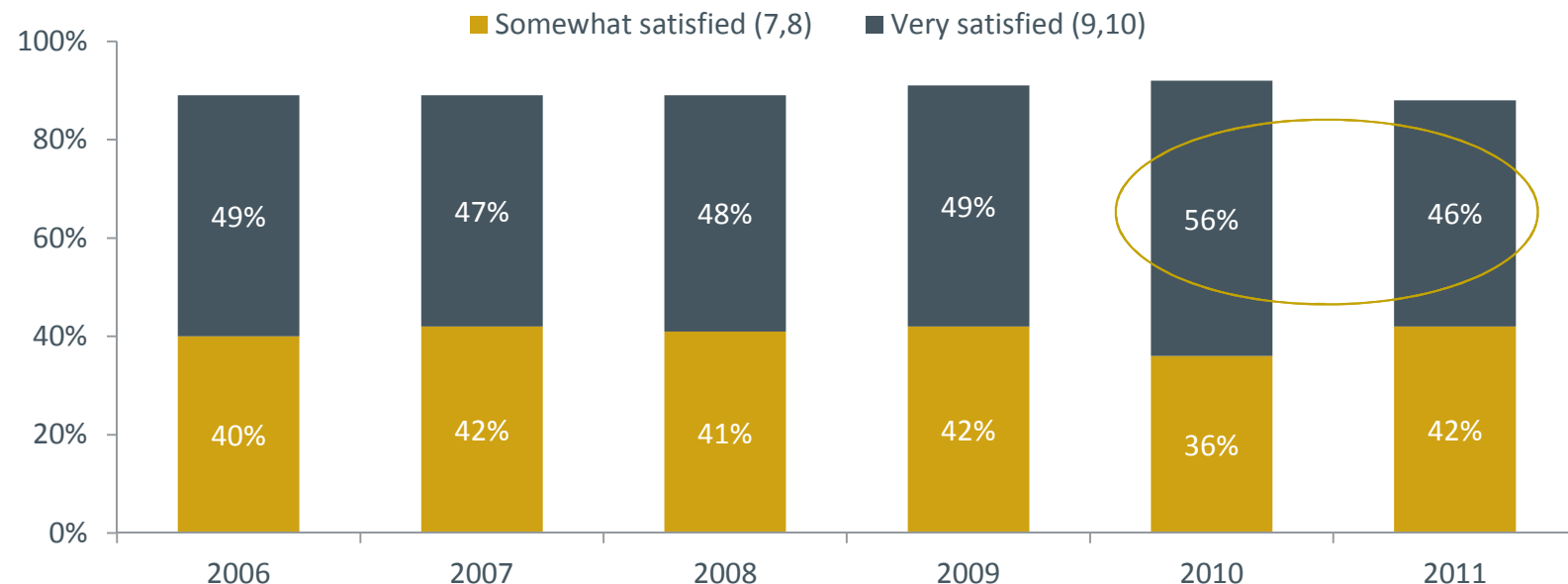


- For a number of years, MQO Research has conducted Hydro's annual residential customer satisfaction tracking research.
- This research is conducted via telephone.
- The sampling unit is the adult household member who is responsible for paying the electricity bill and dealing with Hydro.
- A total of 725 residential customers complete this survey annually, which provides a margin of error of $\pm 3.6\%$, 19 times out of 20.

Overall Satisfaction



- Customers are asked to rate their overall satisfaction with Hydro using a scale of 1 to 10 where 1 is '**not at all satisfied**' and 10 is '**very satisfied**'.
- Results have remained consistent. The vast majority of customers are either **very satisfied** or **somewhat satisfied** with the performance of Hydro. In 2011, there was a decrease in the proportion of customers who provided a rating of 9 or 10.

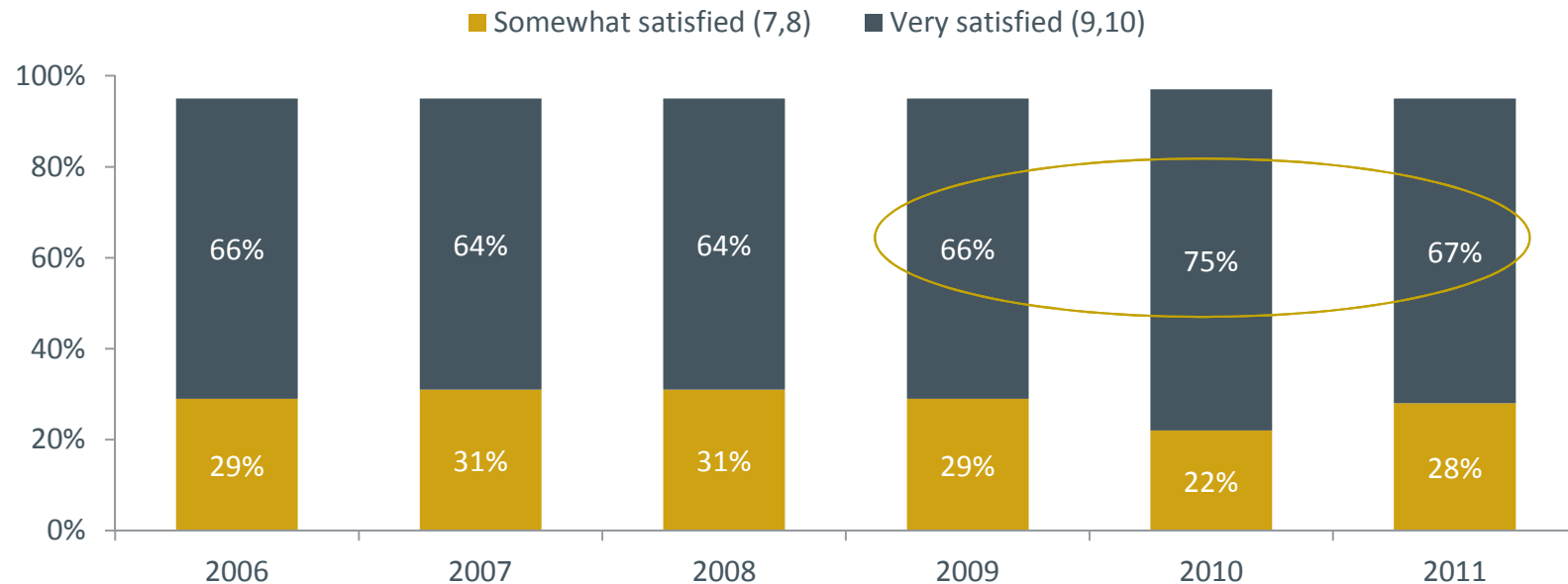


Q5. In general, how satisfied are you with Hydro on a scale of 1 to 10 where 1 means '**not at all satisfied**' and 10 means '**very satisfied**'?

Service Reliability



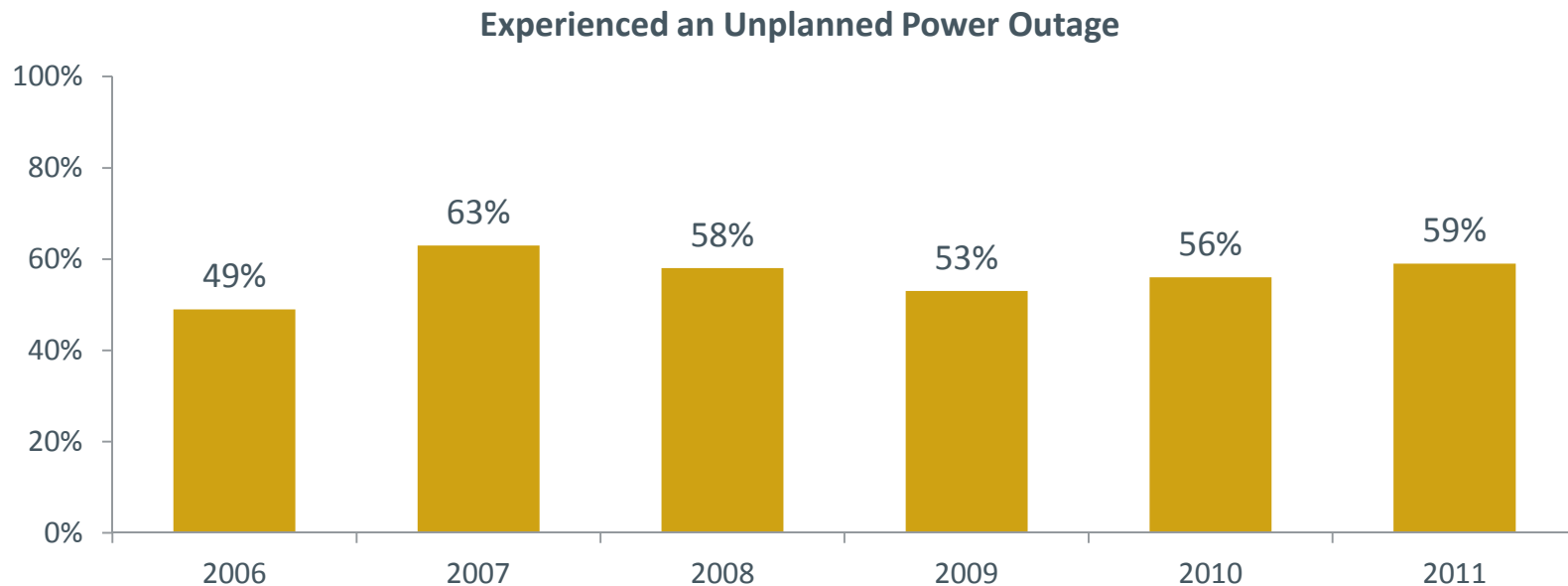
- To determine satisfaction with Hydro's service reliability, customers are asked to rate their satisfaction with the **supply of electricity** they receive from Hydro.
- In 2010, there was a **significant increase** in the proportion who provided a rating of 9 or 10.
- This research has consistently revealed that customers in both Central and Northern regions report greater satisfaction with Hydro's service reliability than those in Labrador.



Q6A. On a scale of 1 to 10 where 1 means 'not at all satisfied' and 10 means 'very satisfied', how satisfied are you with the supply of electricity you receive from Hydro?

Unplanned Power Outages

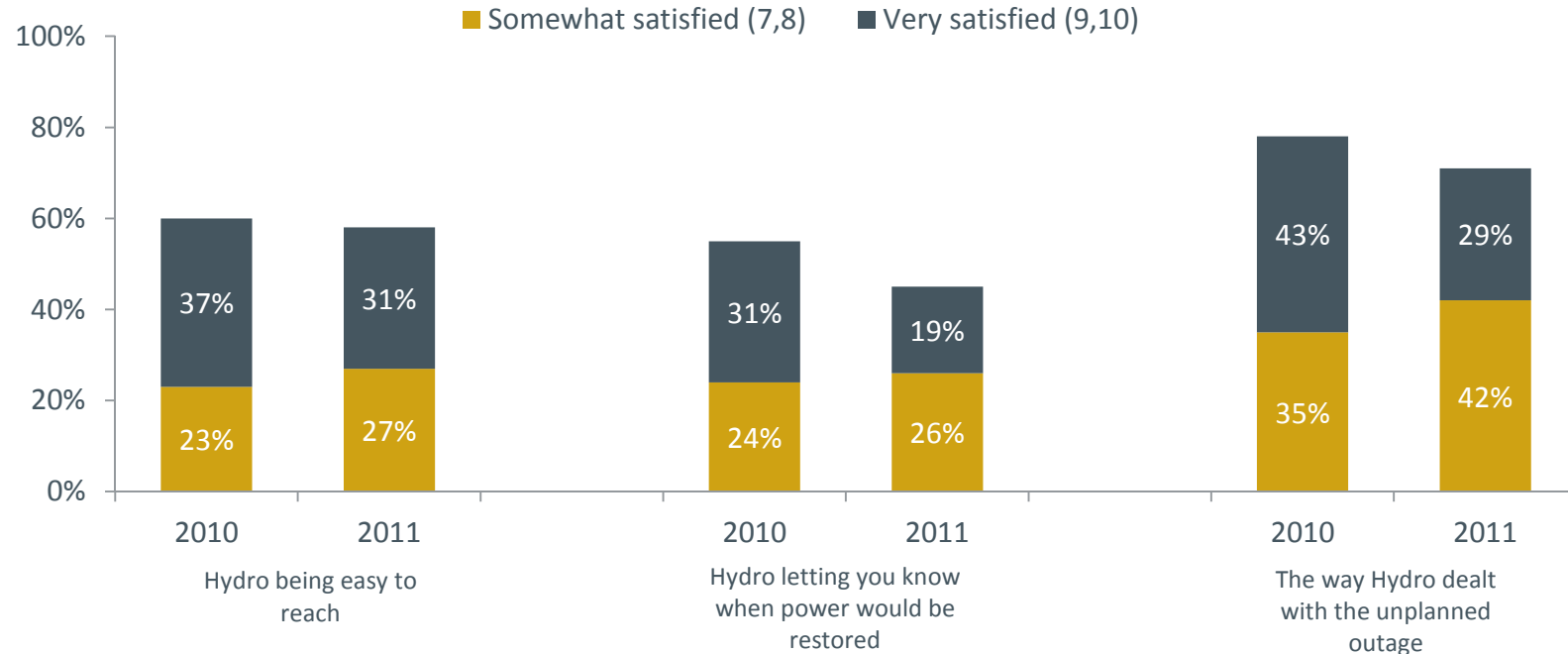
- The graph below details the percentage of residential customers who have ***experienced an unplanned power outage*** at their home which lasted longer than 30 minutes.
- After declining from 2007 to 2009, the percentage of customers reporting such an experience ***increased slightly*** over the past three years.



Unplanned Power Outages (cont'd)



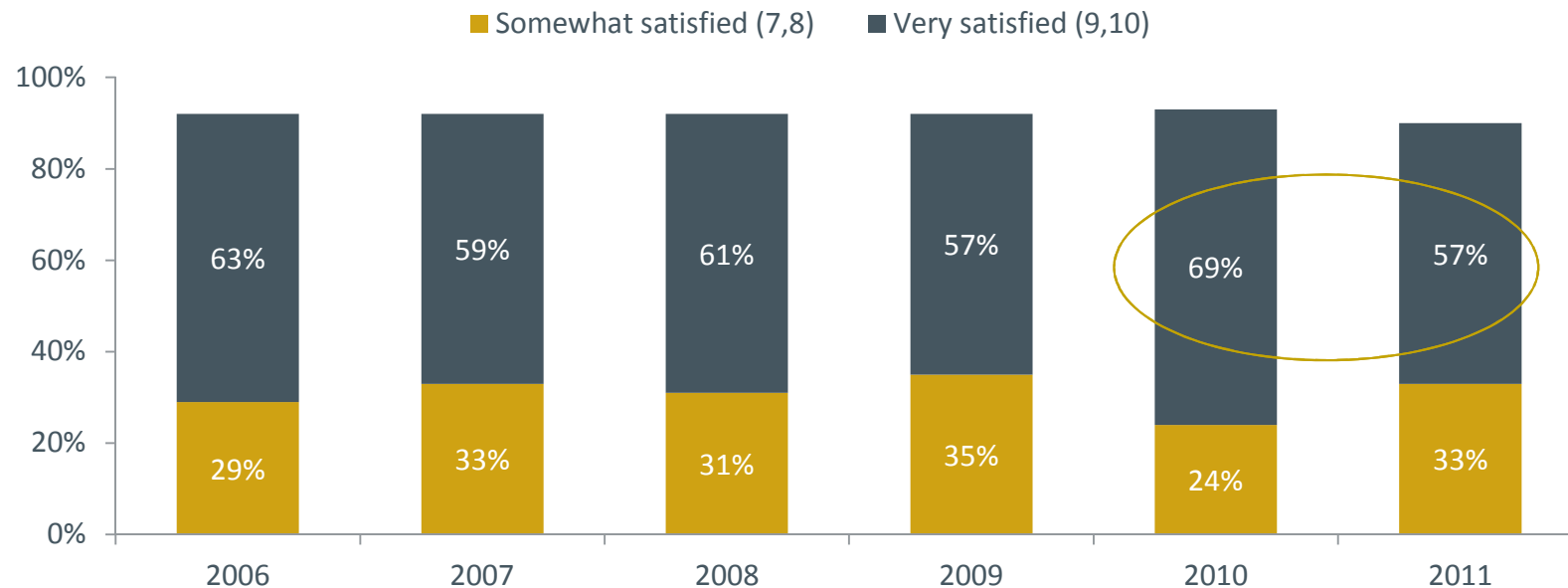
- Customers who experienced an unplanned power outage are asked to rate their satisfaction with various aspects of Hydro's service during that experience using a scale of 1 to 10.
- Looking back at the past two years, residential customers are ***moderately satisfied*** with the service received from Hydro during a recent power outage.
- It is important to note that for each of the three attributes, compared to 2010 there is a ***significant decrease*** in the percentage of customers who provided a rating of 9 or 10 (that is, those who are '***very satisfied***').



Customer Service



- Customers are asked to rate their satisfaction with the **customer service** they receive from Hydro on a scale of 1 to 10, with 1 being '**not at all satisfied**' and 10 being '**very satisfied**'.
- Results have consistently revealed that residential customers are **satisfied** with the customer service received from Hydro.
- Compared to 2010, the proportion of customers who provided a rating of 9 or 10 **decreased significantly** (from 69% in 2010 to 57% in 2011). However, the proportion of customers who provided a rating of 7 or 8 **increased significantly**.



Q6B. On a scale of 1 to 10 where 1 means '**not at all satisfied**' and 10 means '**very satisfied**', how satisfied are you with the overall customer service you receive from Hydro?

Summary

Focus Group Findings

Methodology



- 4 Focus Groups – 2 St. Anthony, 2 Goosebay.
- Dates: October 17th and 18th.
- Composition:
 - Mix of men and women.
 - Responsible for paying their power bill.
 - Ages between 25 and 65.
 - 3 per group to have more mediocre ratings.

Purpose

- Understand customer satisfaction with Hydro in more depth.
- Generate tactics to improve customer satisfaction.
- Update satisfaction tracking survey with questions reflecting new findings.

Ratings of Satisfaction



- Early in group, participants asked to rate Hydro - 1 – 10.
- Ratings generally high – 19 out of 33 were 8 or higher. 13 were 6 or 7 and 1, 5.
- Remember that we recruited to have a few per group who were recruited to have ratings of 5 and 6.
- Generally positive reaction so discussion positioned as areas of service where Hydro could improve.

Main Positives



- Very fast emergency or power out response.
- People “love” linesmen – the main face of Hydro in these communities.
- Community involvement – visible around town – act and conduct themselves as part of the community.
- Very consistent/reliable service in Goosebay.
- Keeping of diesel backup in St. Anthony.
- Safety of Employees.

Main “Areas for Improvement”



- ❑ Rates/monthly bill. More on this later.
- ❑ Frequent short outages in St. Anthony.
- ❑ Long wait times for new hook-ups/inspections.
- ❑ Lack of appointments/Specific time frames for hook-ups.
- ❑ Difficulty reaching local people – have to go through St. John’s. (St. Anthony – “worst answering system you can have”)
- ❑ Planned outages when weather is cooler.
- ❑ Accessing inspectors for energy audit money – Goosebay.
- ❑ Difficulty understanding usage – away, but bill is higher?
- ❑ Communication (energy efficient programs, power outages, appointments, what to do to save money)
- ❑ Linesmen great ambassadors, but not Hydro as a whole.

Understanding Rates/Prices



- ❑ An issue even in Goosebay with their low rates.
- ❑ Partly the total amount they have to pay.
- ❑ Partly the fact they feel they have no choice.
- ❑ There is no clear link between what the customer uses and what it costs.
- ❑ Perception that price increases are very regular and increases in their salary are not.
- ❑ Reaction to perception of high salaries of senior execs at Hydro.
- ❑ High profits at Hydro and the lack of competition.

Customer Suggestions - Costs



- ❑ Help customer find ways to use less.
- ❑ How to deal with no auditor for programs in Goosebay?
- ❑ Government could subsidize low income earners.
- ❑ Target high users to help them – pro-active.
- ❑ More concerned about their costs than the environmental advantages of using less.
- ❑ Promote existing rebates.
- ❑ Particularly concerned about seniors.

Dealing with non-emergencies



- ❑ Schedule specific appointments.
- ❑ Use of cell phones to confirm arrival time.
- ❑ More manpower at peak times.
- ❑ Sense that local office/contact would do a better job with this.

Communication

- ❑ General sense that Hydro does more and offers more than they are aware of – blame this on communications efforts.
- ❑ No strong sense of Hydro beyond the local linesmen who are seen as folk heroes.
- ❑ Various suggestions – email, website, information spots (Labrador Morning), Open House, mail out with bill, seminars, 1-800 number to call with questions.
- ❑ Particular interest in their own consumption compared to previous years and neighbours.
- ❑ Facebook and automatic telephone messages.

Power Outages-St. Anthony



- ❑ More of an issue for short outages that are not weather related.
- ❑ Need more manpower.
- ❑ More preventive maintenance.
- ❑ Do an assessment of lines – why are frequent outages happening.

Local Office



- ❑ Feel that people they are calling do not know their situation or the area; “they don’t even know where St. Anthony is.”
- ❑ Related to communication – cant speak native language.
- ❑ Hire or train people for native language.
- ❑ Open the office again.
- ❑ Seniors want to pay in person.

Corporate Citizenship



- ❑ Confusion in Goosebay – Nalcor is promoted more, not Hydro.
- ❑ Nalcor, not as positive because of Lower Churchill and sense of “bulldozing ahead.”
- ❑ Need to be in the community more – linesmen are, but not rest of company.

Listening to Customers



- ❑ Don't listen about costs. Rates are high.
- ❑ No choice.
- ❑ The process for a hook-up and vagueness about when the job will be done.
- ❑ New person in St. John's – no idea of the area.
- ❑ The middleman between the customer and Hydro.
- ❑ Listen to seniors – always talking about expenses and lights.
- ❑ Linesmen are an “ordinary Joe” - people relate to them.
- ❑ Don't get clear answers when talking on the phone.

Changes to Questionnaire



- ❑ We ask about energy efficiency – should also ask about helping customers save money.
- ❑ Survey asks about all employees together – suggest we separate into linesmen, other employees and maybe even senior management.
- ❑ Add rating on communicating with customers.
- ❑ More detail on costs – value for money.
- ❑ Outages – understand difference between short and longer outages.
- ❑ Making it clear or helping you understand what you are paying for.

Workshop Assignments



- ❑ One large group or split into groups?
- ❑ Consider the task based on the spirit of what the customer is saying.
- ❑ Please don't worry about what you can and cant do at this stage – let's not exclude any idea because it seems that it is not feasible.

- ❑ Costs – Value for Money.
- ❑ Communication Efforts.
- ❑ Local Office.
- ❑ Corporate Citizenship.
- ❑ Non-emergency Service.

2011 RESIDENTIAL CUSTOMER SATISFACTION TRACKING STUDY

Prepared For:



Newfoundland & Labrador Hydro
Hydro Place, Columbus Drive
P.O. Box 12400
St. John's, NL
A1B 4K7

Prepared By:



1.0	STUDY BACKGROUND AND METHODOLOGY	3
1.1	STUDY BACKGROUND	3
1.2	STUDY METHODOLOGY.....	3
1.3	THIS REPORT	4
2.0	CUSTOMER SATISFACTION	5
2.1	OVERALL SATISFACTION	5
2.2	OVERALL REPUTATION.....	6
2.3	IMPORTANCE AND SATISFACTION RATINGS OF SERVICE ATTRIBUTES.....	7
2.4	DRIVERS OF CUSTOMER SATISFACTION	14
3.0	GAP ANALYSIS	19
4.0	SERVICE RELIABILITY	26
4.1	OVERALL SATISFACTION WITH SERVICE RELIABILITY	26
4.2	UNPLANNED POWER OUTAGES LASTING LONGER THAN 30 MINUTES	27
5.0	CUSTOMER SERVICE.....	29
5.1	OVERALL SATISFACTION WITH CUSTOMER SERVICE	29
6.0	AWARENESS & USE OF CUSTOMER SERVICES.....	30
6.1	USE OF HYDRO’S AUTOMATED TOLL-FREE NUMBER.....	30
6.2	KNOWLEDGE AND USE OF HYDRO’S WEBSITE.....	31
6.3	ONLINE SERVICES AND ELECTRONIC BILLING.....	34
6.4	WATTS NEW.....	35
6.5	AWARENESS OF PUBLIC SAFETY ADVERTISING PROGRAMS.....	35
6.6	SOCIAL MEDIA	36
7.0	CONCLUSIONS	36
8.0	PROFILE OF SURVEY RESPONDENTS.....	38
APPENDIX A: SURVEY		39
APPENDIX B: GRIDS.....		53

1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

During the fall of 2011, MQO Research conducted the Annual *Residential Customer Satisfaction Study* on behalf of Newfoundland and Labrador Hydro (hereafter referred to as Hydro). ***The primary objectives of this research are to assess customer satisfaction with the service provided by Hydro and to identify any changes in customer satisfaction over time.***

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 meets or exceeds customer expectations.

While the primary objectives are to determine customer satisfaction and assess change over time, the survey also includes questions to assess awareness and use of Hydro's automated toll-free number, website, quarterly newsletter 'Watts New' and public safety advertising programs. In addition, this year questions were added to the survey to assess awareness and usage of Hydro's social media sites on Facebook and Twitter.

1.2 Study Methodology

For this research study, Hydro's residential customers were surveyed via telephone. The pre-test occurred on September 29th and interviews were conducted between September 30th and October 25th, 2011. The sampling frame included all households within Hydro's service areas that identified Hydro or Nalcor Energy as their electricity supplier. The sampling unit was the adult household member responsible for paying the electricity bill and dealing with Hydro. A total of 725 residential customers completed the survey, which provides a margin of error of $\pm 3.6\%$, 19 times out of 20 or at the 95% confidence level.

To allow for analysis by region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: Labrador West (n=123), Happy Valley/Goose Bay (n=118), Labrador Isolated (n=82), Northern Interconnected (n=119), Northern Isolated (n=63), Southern Labrador (n=51), Central Interconnected (n=124) and Central Isolated (n=45).

Due to the use of disproportionate sampling, regional weights were applied to ensure that the sample was a proportionate representation of the population at the overall level. The survey was designed by MQO Research in consultation with Hydro. The final approved survey is presented in Appendix A.

1.3 This Report

This report presents the results of the *2011 Residential Customer Satisfaction Tracking Study*. Where possible, the results for the previous four years (2007 to 2010) are shown to allow for comparisons over time. In addition, some results are segmented by region (*Labrador, Northern and Central*) and rate area (*Interconnected and Isolated*).

To identify differences between segments, statistical tests of significance have been completed at the 95% and 90% confidence levels. Essentially, when comparing two values obtained from different populations, a statistical test will guide us to be confident that any apparent difference between the values is *statistically real or significant*¹. ***Throughout this report, differences between groups or years are noted only if they are statistically significant.*** Where this occurs, we can say that we are either 95% or 90% confident that the difference between the values in question exists in the population and is not simply due to uncontrollable sampling error. The term ‘significant’ is used only to denote *statistically significant* differences and is not synonymous with ‘important’.

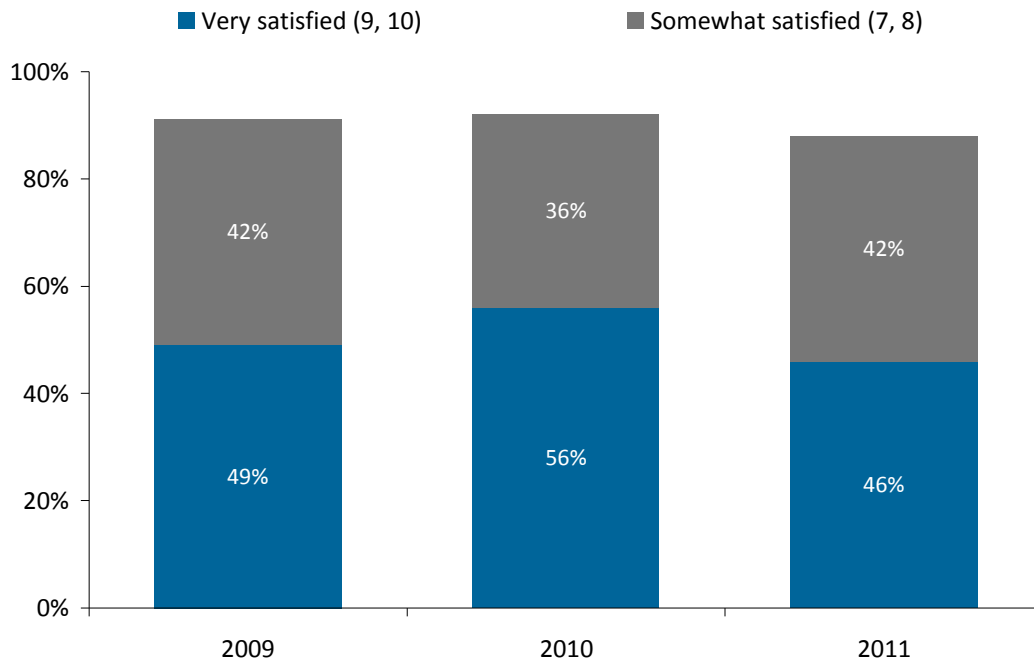
¹ What may seem to be a difference between percentages may simply be the result of sampling error or the margin of error associated with the sample size and not a real or significant difference in the population.

2.0 CUSTOMER SATISFACTION

2.1 Overall Satisfaction

Customers were asked to rate their *overall satisfaction* with Hydro using a 10-point scale where 1 is ‘*not at all satisfied*’ and 10 is ‘*very satisfied*’. The vast majority of customers (88%) are either *very satisfied* (46% provided a rating of 9 or 10) or *somewhat satisfied* (42% provided a rating of 7 or 8) with Hydro. As detailed in Figure 1, compared to 2010, the proportion of customers who provided a rating of 9 or 10 **decreased** from 56% to 46%.

Figure 1: Satisfaction with Hydro



From a regional perspective, compared to 2010, the proportion of customers in Labrador who provided a rating of 7 or higher **decreased significantly**.

Looking at the 2011 results detailed in Table 1, customers from the Central and Northern region are **significantly** more likely to be satisfied with Hydro than customers from the Labrador region. In addition, customers in interconnected areas are **significantly** more likely than those in isolated areas to be satisfied with Hydro.

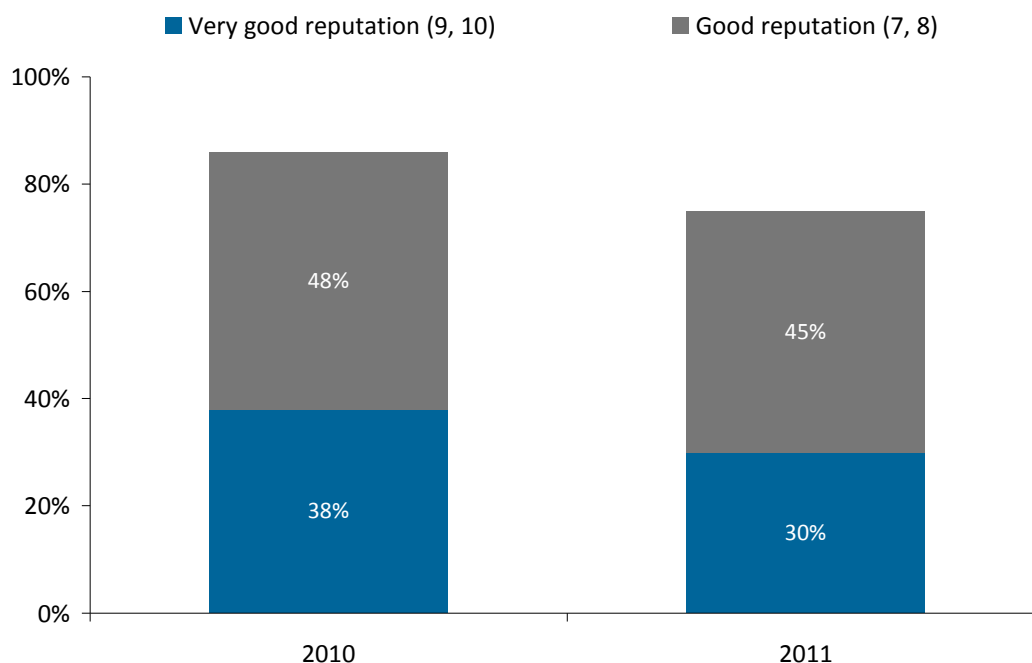
Table 1: Satisfaction with Hydro

	2011 % Indicating 7+	2010 % Indicating 7+
Overall	88%	92%
Region		
<i>Central</i>	94%	95%
<i>Northern</i>	91%	95%
<i>Labrador</i>	78%	86%
Rate Area		
<i>Interconnected</i>	89%	93%
<i>Isolated</i>	83%	89%

2.2 Overall Reputation

Customers were asked to rate Hydro's *overall reputation* using a 10-point scale where 1 is 'a very bad reputation' and 10 is 'a very good reputation'. As detailed in Figure 2, the majority of customers (75%) provided a rating of 7 or higher. However, compared to 2010, the proportion of customers who provided a rating of 7 or higher **decreased** from 86% to 75%.

Figure 2: Hydro's Overall Reputation



As detailed in Table 2, each of the three regions experienced **significant declines in reputation ratings** from 2010 to 2011.

Looking at 2011 results, those customers in Central are **significantly** more likely to provide a rating of 9 or 10 when asked to rate Hydro's overall reputation (42%, compared to 26% for those in the Northern region and 18% for those in Labrador).

Table 2: Hydro's Overall Reputation

	2011 % Indicating 7+	2010 % Indicating 7+
Overall	75%	86%
Region		
<i>Central</i>	80%	93%
<i>Northern</i>	79%	88%
<i>Labrador</i>	64%	75%
Rate Area		
<i>Interconnected</i>	75%	87%
<i>Isolated</i>	76%	81%

2.3 Importance and Satisfaction Ratings of Service Attributes

Customers were asked to rate 16 service attributes in terms of **importance** and **satisfaction**. The dimensions measured by these attributes are: i) service, ii) corporate citizenship and iii) reliability. These dimensions of service and the attributes measured in the study are presented below.

Service

- Accuracy of billing;
- Good power quality that is free from voltage fluctuations;
- Bills that are easy to read and understand;
- The quality of customer service received;
- The way Hydro maintains the electric system;
- Listens to and acts upon customer concerns;
- Cares about its customers;
- The price you pay for electricity; and
- Friendly and courteous employees.

Corporate Citizenship

- Concern for public safety;
- Operates in an environmentally responsible manner;
- Encourages customers to make more efficient use of electricity; and
- Contributes back to the community through initiatives such as community sponsorship programs.

Reliability

- Speed in restoring power when a problem occurs;
- Ensures a sufficient supply of electricity for the foreseeable future; and

- The number of power outages.

Customers were first asked to think about their electricity supplier and to rate the **importance** of each service attribute using a scale of 1 to 10, with 1 being 'not at all important' and 10 being 'very important'. Following this, customers were then asked to rate their **satisfaction** with the performance of Hydro on each attribute using a scale of 1 to 10, with 1 being 'not at all satisfied' and 10 being 'very satisfied'.

Table 3 presents a summary of the service attributes rated as being *most important* and *least important* for an electricity company to possess as well as the attributes which commercial customers are *most satisfied* and *least satisfied* with.

The top-ranked attributes with respect to **importance** are:

1. Concern for public safety (9.5);
2. Accuracy of billing (9.4);
3. Good power quality that is free from voltage fluctuations (9.4); and
4. Ensures a sufficient supply of electricity for the foreseeable future (9.4).

The lowest ranked **importance** attributes include:

1. Contributes back to the community through initiatives such as community sponsorship programs (8.2);
2. The number of power outages (8.8); and
3. Encourages consumers to make more efficient use of electricity (8.9).

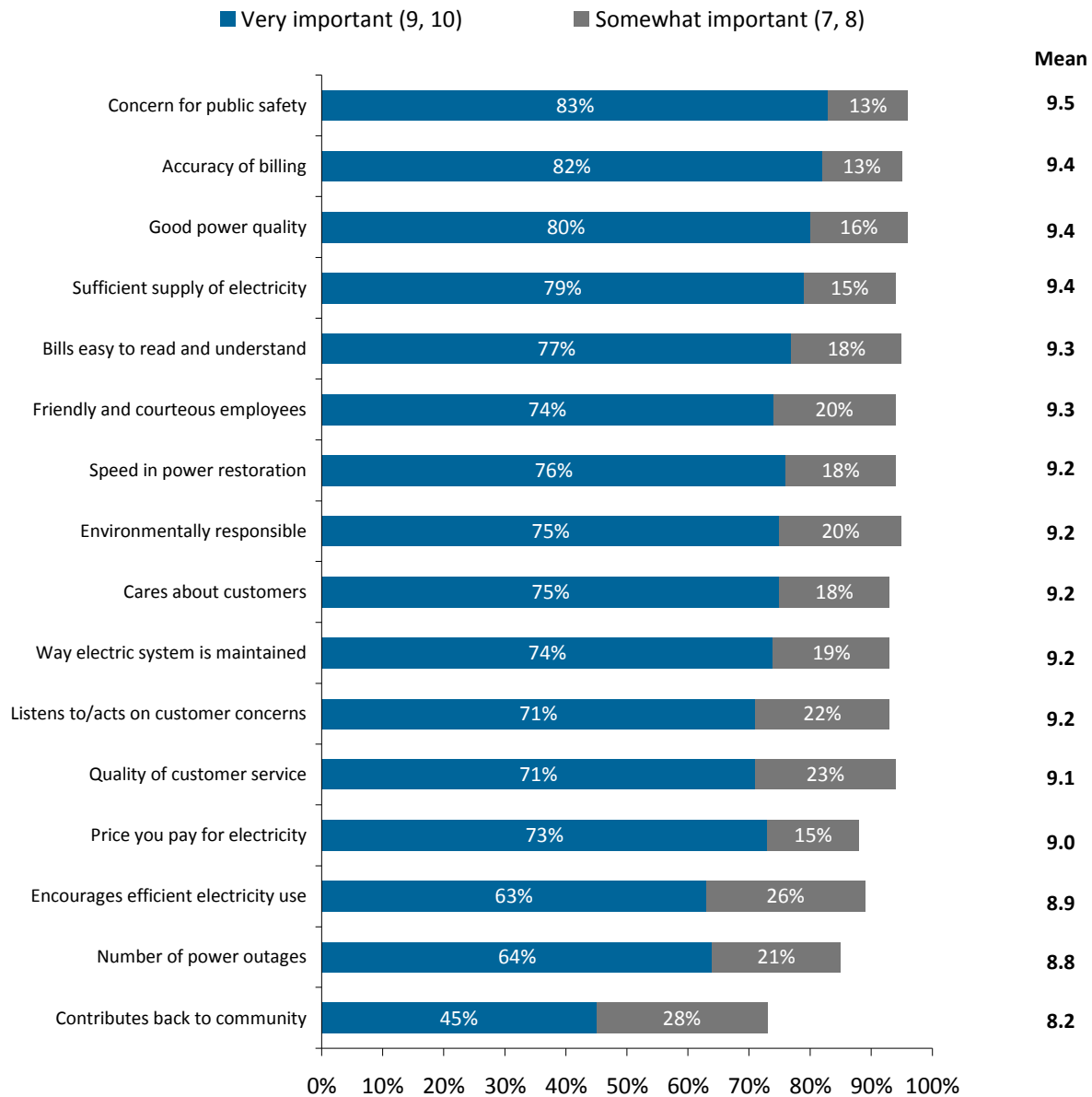
Table 3: Importance and Satisfaction Attribute Summary

What Attributes Are <i>Most Important</i> to Customers in 2011	2011 Mean Rating (out of 10)	2010 Mean Rating (out of 10)
Concern for public safety	9.5	9.5
Accuracy of billing	9.4	9.5
Good power quality that is free from voltage fluctuations	9.4	9.5
Ensures a sufficient supply of electricity for the foreseeable future	9.4	9.4
What Attributes Are <i>Least Important</i> to Customers in 2011		
Contributes back to the community	8.2	8.3
The number of power outages	8.8	8.9
Encourages consumers to make more efficient use of electricity	8.9	8.9
What Attributes Are Customers <i>Most Satisfied</i> With in 2011		
Bills that are easy to read and understand	9.0	9.2
Concern for public safety	9.0	9.1
Friendly and courteous employees	8.8	9.1
What Attributes Are Customers <i>Least Satisfied</i> With in 2011		
Price paid for electricity	6.4	7.0
Contributes back to the community	7.1	7.4
The number of power outages	7.8	8.2

Residential customers provided high **importance** ratings for all attributes. For 2011, mean **importance** ratings range from a high of 9.5 ('concern for public safety') to a low of 8.2 ('contributes back to the community'). It is important to note that analysis revealed **statistically significant decreases** from 2010 in **importance** ratings for each of the following four attributes: i) 'the quality of customer service you receive from Hydro' (-0.2), ii) 'speed in the restoration of power when a problem occurs' (-0.2), iii) 'Hydro listens to and acts upon customer concerns' (-0.1) and iv) 'accuracy of billing' (-0.1).

Figure 3 details the percentage of customers who provided an **importance** rating of either 9/10 ('very important') or 7/8 ('somewhat important'). Mean ratings out of 10 are also provided.

Figure 3: Importance Ratings for 2011





For 2011, mean **satisfaction** ratings range from a high of 9.0 ('bills that are easy to read and understand' and 'concern for public safety') to a low of 6.4 ('price paid for electricity').

The attributes rated highest in terms of **satisfaction** include:

1. Bills that are easy to read and understand (9.0);
2. Concern for public safety (9.0); and
3. Friendly and courteous employees (8.8).

The attributes rated lowest in terms of **satisfaction** include:

1. The price you pay for electricity (6.4);
2. Contributes back to the community through initiatives such as community sponsorship programs (7.1); and
3. The number of power outages (7.8).

It is important to note that analysis revealed **statistically significant decreases** in the mean satisfaction rating for 14 of the 16 service attributes (2010 compared to 2011). The table below summarizes the results of the analysis.

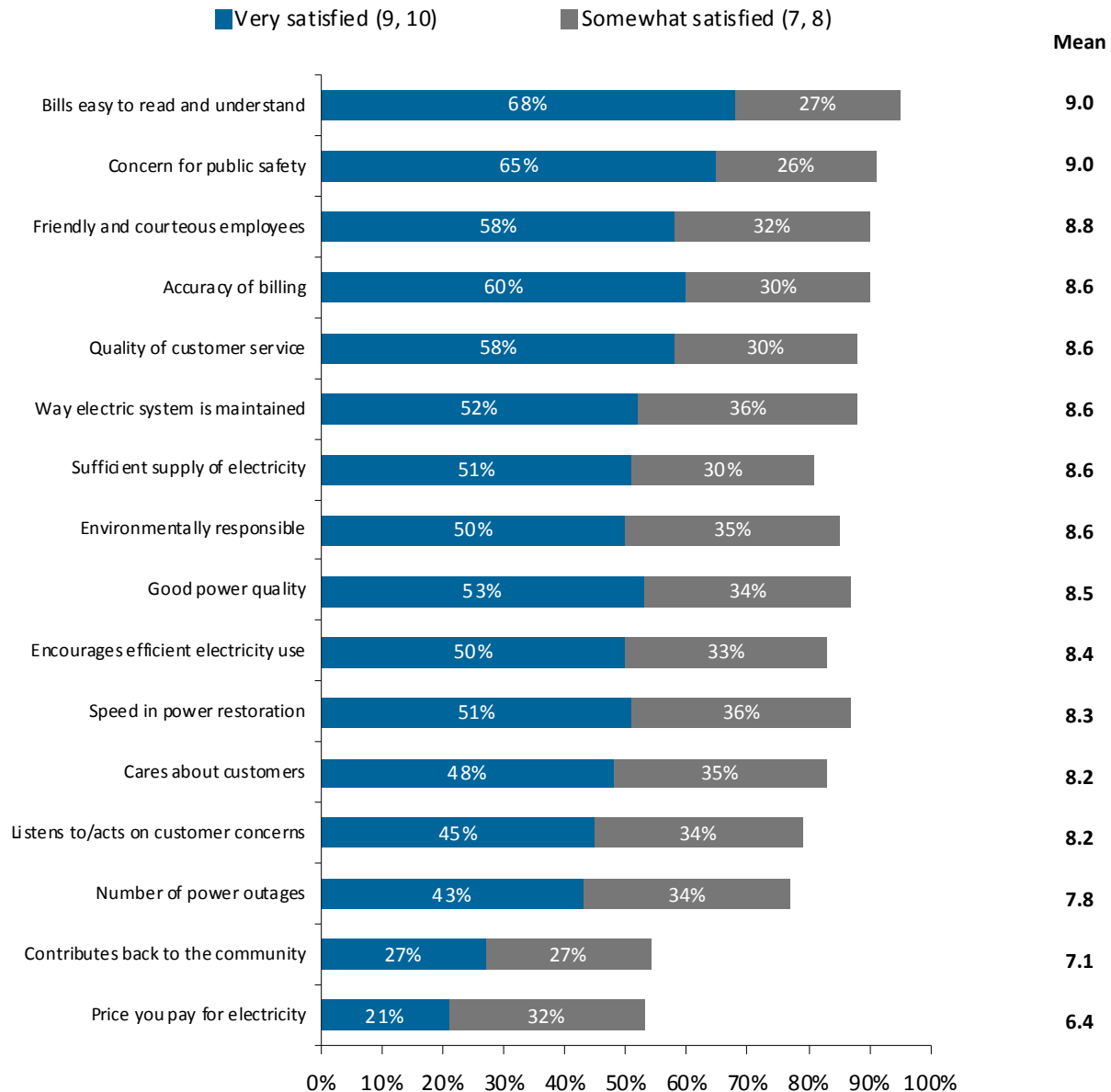
Table 4: Significant Decreases in Satisfaction Ratings

Service Dimension	2011 Mean Rating (out of 10)	2010 Mean Rating (out of 10)	Change From 2010 to 2011 ²	2009 Mean Rating (out of 10)
The price you pay for electricity	6.4	7.0	-0.6	6.4
Listens to and acts upon customer concerns	8.2	8.4	-0.2	8.0
Cares about its customers	8.2	8.6	-0.4	8.4
Accuracy of billing	8.6	8.9	-0.3	8.7
The way Hydro maintains the electric system	8.6	8.8	-0.2	8.6
Quality of customer service received	8.6	8.9	-0.3	8.8
Bills that are easy to read and understand	9.0	9.2	-0.2	9.1
Friendly and courteous employees	8.8	9.1	-0.3	8.9
Corporate Citizenship Dimension				
Contributes back to the community	7.1	7.4	-0.3	7.2
Operates in an environmentally responsible manner	8.6	8.8	-0.2	8.5
Encourages consumers to make more efficient use of electricity	8.4	8.7	-0.3	8.5
Reliability Dimension				
The number of power outages	7.8	8.2	-0.4	7.9
Speed in restoring power when a problem occurs	8.3	8.7	-0.4	8.4
Ensures a sufficient supply of electricity for the foreseeable future	8.6	8.9	-0.3	8.7

² All changes from 2010 to 2011 detailed in the table are statistically significant.

Figure 4 details the percentage of customers who provided a **satisfaction** rating of either 9/10 ('very satisfied') or 7/8 ('somewhat satisfied'). Mean ratings out of 10 are also provided.

Figure 4: Satisfaction Ratings for 2011



Those customers who provided a **satisfaction** rating of 6 or less (n=123) for the attribute 'Hydro listens to and acts upon customer concerns', were asked to provide a reason for their evaluation. The key sources of dissatisfaction include: 'issues with customer service (in terms of billings and unfriendly employees)', 'not being serviced immediately/service too slow' and 'rates too high/too many increases'.

The following table details some of the verbatim responses from customers for each key source of dissatisfaction.

Table 5: Customer Verbatim Responses

Source of Dissatisfaction	Reasons for Dissatisfaction
Issues with customer service (in terms of billings and unfriendly employees)	<ul style="list-style-type: none"> ○ <i>"One incidence was they moved the billing date from the middle of the month to the first. They did it in such a manner that my bill was overall, for seven or eight months, higher that it should have been. They added two days to each billing period".</i> ○ <i>"There are no offices here so if I have any concerns I don't know where to go. If I have any questions I have to resort to calling someone and waiting for an answer".</i> ○ <i>"I find customer service is friendless. It takes a long time to speak to someone. By the time you get to speak to someone your patience is worn".</i>
Not being serviced immediately/service too slow	<ul style="list-style-type: none"> ○ <i>"If you got a problem and you call them, they come in their own good time".</i> ○ <i>"A friend had to wait eight weeks to be reconnected after being disconnected to move his house".</i> ○ <i>"There was a couple of times that I called about an issue and I had to call a second time because they did not fix my problem".</i>
Rates too high/too many increases	<ul style="list-style-type: none"> ○ <i>"You constantly hear individuals talking about how overpriced our power is and it certainly puts a stress on people with a fixed income. Our bills constantly go up and there is a boast of high profits every year".</i> ○ <i>"I think the biggest concern is the price that they charge. Nothing is done about it. It is put up or shut up".</i> ○ <i>"Over the past few years our hydro bills have almost doubled. They don't care about the complaints we give them. They don't give any explanation for the price increase and no warning".</i>

It is also important to point out that when asked this particular question, some customers made comments about the Lower Churchill Project and Muskrat Falls. Some of these comments are presented below:

- *“The people in our town have a lot of concerns about Lower Churchill development. Our town was not included when they were questioning towns on how they felt about the project”.*
- *“I don’t think that they have listened to people’s concerns regarding the Lower Churchill project and people’s concerns in the coastal areas and having to use diesel fuel for power generation on the coast”.*
- *“They’re part of the Muskrat Falls deal. Not much more of an explanation than that”.*
- *“It’s the Hydro Electric proposal (Lower Churchill) that is done poorly. As this stands it’s not a good project”.*

2.4 Drivers of Customer Satisfaction

To identify the drivers of satisfaction for Hydro, specialized statistical techniques were employed, including a factor analysis and regression analysis.

In order to provide meaningful analysis based on the large list of statements asked in the survey, MQO conducted a factor analysis. This is a statistical technique where all of the statements are compared and then the ones that are most similar (in that people have answered them in a similar manner) are grouped together.

Generally, it is possible to recognize a “theme” or common element in each factor that indicates what it is about the individual statements that has caused them to be grouped together. Again, the questions are grouped by the way in which people respond to them but the name of the factor is chosen by the researcher and is applied so that the reader can easily remember the types of questions that went into the grouping. It is important to note that in some instances, statements are not grouped but instead are kept as individual statements.

Even though the factors “replace” all the individual questions for analysis and reporting, it is always possible to move back to the root questions. For example, if over time there is a decline in scores for a particular factor, the individual questions can be examined to see what exactly is causing the change.

The factors and individual statements that emerged from the factor analysis are shown below. The specific statements that go together to make up each factor are shown directly below each title.

Customer Concern

- Hydro listens to and acts upon customer concerns
- Hydro cares about its customers

Price

- Price you pay for electricity

Maintenance of the Electric System

- Way Hydro maintains the electric system

Customer Service

- Quality of customer service you receive from Hydro
- Friendly and courteous employees

Reliability

- Number of power outages
- Good power quality that is free from voltage fluctuations

Sufficient Supply of Electricity

- Hydro ensures a sufficient supply of electricity for the foreseeable future

Environmentally Responsible

- Hydro operates in an environmentally responsible manner

Concern for Public Safety

- Hydro's concern for public safety

Community Investment/Involvement

- Hydro contributes back to the community through initiatives such as community sponsorship programs

Efficient Use of Electricity

- Hydro encourages consumers to make more efficient use of electricity

Billing

- Accuracy of Hydro's billing
- Hydro providing bills that are easy to read and understand

Power Restoration

- Speed in restoring power when a problem occurs

Using a regression analysis, the data was analyzed to determine which of the factors have the most influence on perceptions of overall satisfaction with Hydro. All things being equal, the greatest improvement will come from efforts related to the factors that are the main drivers of satisfaction and logically, Hydro will be able to demonstrate the most improvement in the areas where performance is currently not strong. This knowledge is combined with judgment and experience of what can best be done to influence those influential factors. When the analysis is run, a calculation is made of how much of the overall variable is explained by the model (R-squared value). To be clear, the analysis shows which factors/statements have the most influence in terms of changing the overall satisfaction score, however it does not necessarily mean that the other factors are not important to customers. A factor/statement not showing as a driver does not necessarily mean that the focus should be taken off this particular area.

The following graphic shows the key drivers of overall satisfaction. This analysis has an R-squared value of 0.69 which is strong and means that the model includes variables that explain 69% of the variance in the overall measure of satisfaction. In other words, the model does a good job of explaining what actually influences satisfaction scores for Hydro. The percentages show the relative contribution of each factor with higher numbers meaning there is more influence on the overall measure of satisfaction.

Although there are twelve groupings, only five **significantly** contribute to overall satisfaction with Hydro.

**Figure 5: Key Drivers of Overall Measures
- Satisfaction -**

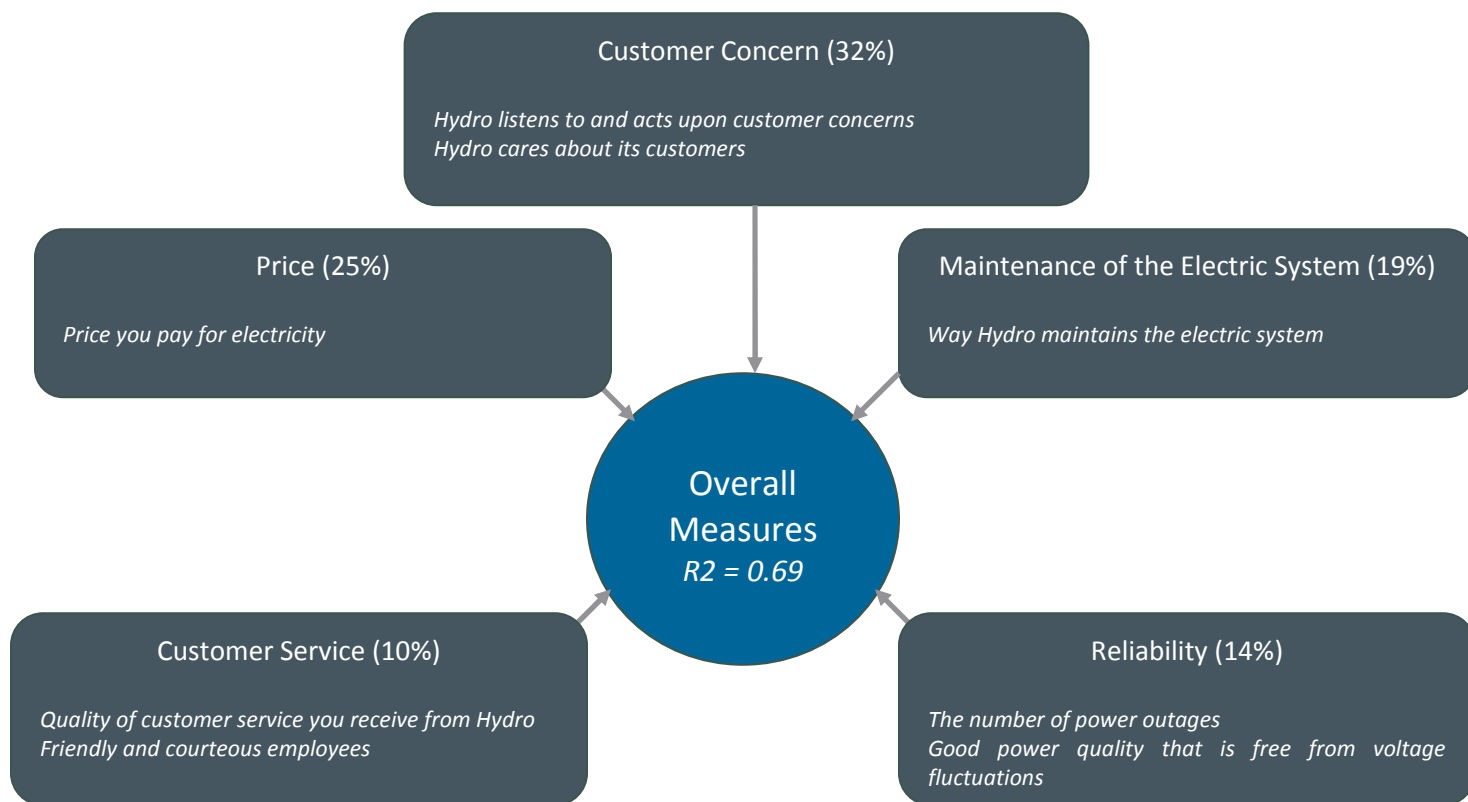


Table 6 details how Hydro is performing on each driver overall as well as the performance score for the elements which make up the driver. In both cases, top 3 scores (that is, the percentage indicating 8 or higher on a 10-point scale) are shown. There is some colour-coding in the table under the assumption that areas where performance is already strong (marked in green) will be difficult to improve such that overall ratings will also improve. Yellow is reasonably strong as well but orange and red indicate areas of weak performance. Based on this analysis, **price** is the only area of weak performance. It is understood that Hydro is not in a position to change its cost structure and therefore, Hydro should continue to consider other ways to increase customer perceptions of Hydro's performance in this area. For example, focusing on the overall value of Hydro's service and educating customers on rates and cost structure may help to improve satisfaction in this area.

Table 6: Performance on Key Drivers³

	Top 3 Scores
Customer Concern (High Importance 32%)	67%
Hydro listens to and acts upon customer concerns	72%
Hydro cares about its customers	72%
Price (High Importance 25%)	41%
Price you pay for electricity	41%
Maintenance of the Electric System (Medium Importance 19%)	81%
Way Hydro maintains the electric system	81%
Reliability (Medium Importance 14%)	69%
The number of power outages	68%
Good power quality that is free from voltage fluctuations	79%
Customer Service (Medium Importance 10%)	80%
Quality of customer service you receive from Hydro	81%
Friendly and courteous employees	85%

Legend			
Excellent	Good	Fair	Poor

³ Don't Knows and refusals have been removed from this analysis.

3.0 GAP ANALYSIS

This section of the report presents the gap scores for residential customers. A gap score is essentially the ***difference between the evaluation of importance and the evaluation of satisfaction with performance on any one service attribute***. Through gap analysis, we can identify those service attributes for which there is a gap in performance and Hydro is not meeting customer expectations. If perceived performance exceeds expectations the score will be positive whereas if perceived performance does not meet or exceed expectations, the score will be negative.

As detailed in Table 7, 2011 gap ratings range from -2.6 ('the price you pay for electricity') to -0.3 ('bills that are easy to read and understand'). ***Compared to 2010, for 15 of the 16 attributes the gap between importance and satisfaction increased in 2011.*** The negative gaps indicate that satisfaction with the performance of Hydro falls below expectations for each of the 16 attributes.

Attributes with relatively larger gaps include 'contributes back to the community' (-1.1), 'listens to and acts on customer concerns' (-1.0), 'cares about its customers' (-1.0) and 'the number of power outages' (-1.0).

Table 7: Gap Analysis Results

Service Dimension	Gap in 2011	Gap in 2010
The price you pay for electricity	-2.6	-2.1
Listens to and acts upon customer concerns	-1.0	-0.9
Good power quality free from voltage fluctuations	-0.9	-0.9
Cares about its customers	-1.0	-0.7
Accuracy of billing	-0.8	-0.6
The way Hydro maintains the electric system	-0.6	-0.5
Quality of customer service received	-0.5	-0.4
Bills that are easy to read and understand	-0.3	-0.2
Friendly and courteous employees	-0.5	-0.2
Corporate Citizenship Dimension		
Contributes back to the community	-1.1	-0.9
Operates in an environmentally responsible manner	-0.6	-0.5
Concern for public safety	-0.5	-0.4
Encourages consumers to make more efficient use of electricity	-0.5	-0.2
Reliability Dimension		
The number of power outages	-1.0	-0.7
Speed in restoring power when a problem occurs	-0.9	-0.7
Ensures a sufficient supply of electricity for the foreseeable future	-0.8	-0.5

Figure 6 through Figure 21 illustrate trends in terms of the gap between **importance** and **satisfaction**.

While importance and satisfaction ratings have changed over time, in many cases they have shifted in the same direction to a similar degree, thus maintaining the size of the gap between them. There are however, a few changes to note. Specifically, increased gaps in 2011 are for the most part due to decreases in customer satisfaction.

The gap for 'accuracy of billing' was smaller in 2010 (-0.6) than in 2011 (-0.8). This change over the past year is due to a **statistically significant decrease** in **satisfaction** (from 8.9 in 2010 to 8.6 in 2011).

The gap for 'friendly and courteous employees', 'ensures a sufficient supply of electricity for the foreseeable future' and 'encourages customers to make more efficient use of electricity' increased 0.3 points from 2010. For all three attributes, the **importance rating** remained consistent over the past two years while the **satisfaction rating decreased significantly**.

The gap for 'the number of power outages' was smaller in 2010 (-0.7) than in 2011 (-1.0). **Importance** declined slightly (from 8.9 to 8.8) however; the **satisfaction** rating **decreased significantly** from 8.2 in 2010 to 7.8 in 2011.

The gap for 'cares about its customers' increased from -0.7 in 2010 to -1.0 in 2011. **Importance** declined slightly (from 9.3 to 9.2) however; the **satisfaction** rating **decreased significantly** from 8.6 in 2010 to 8.2 in 2011.

The gap for 'the price you pay for electricity' was smaller in 2010 (-2.1) than in 2011 (-2.6). **Importance** declined slightly (from 9.1 to 9.0) however; the **satisfaction** rating **decreased significantly** from 7.0 in 2010 to 6.4 in 2011.

Corporate Citizenship

Figure 6: Concern for public safety

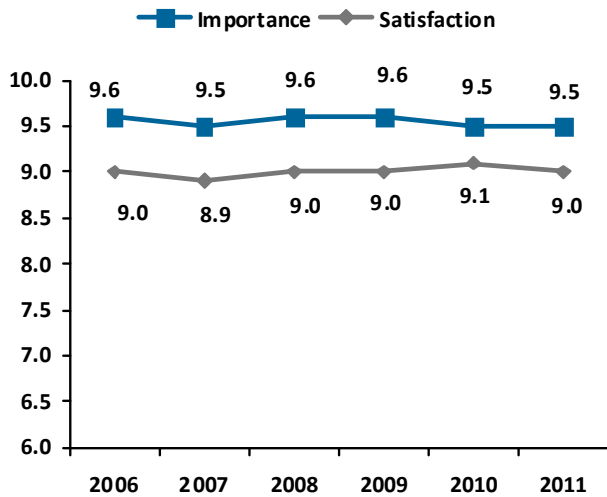


Figure 7: Operates in an environmentally responsible manner

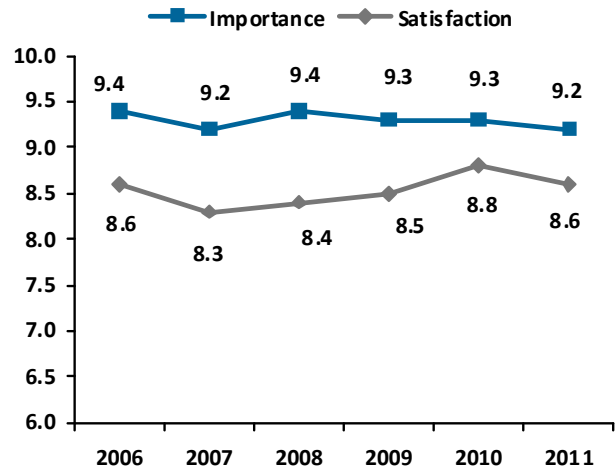


Figure 8: Contributes back to the community

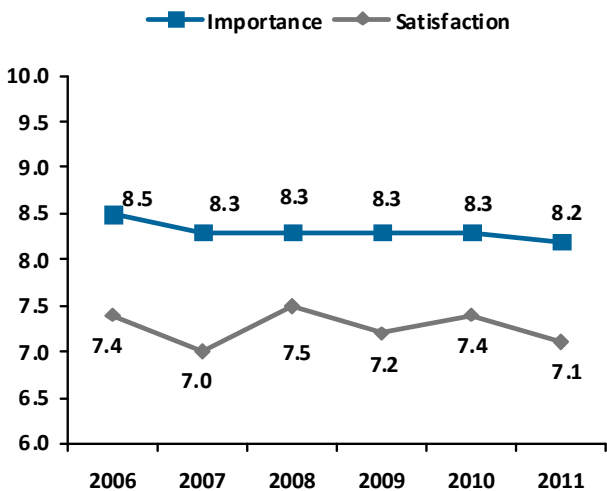
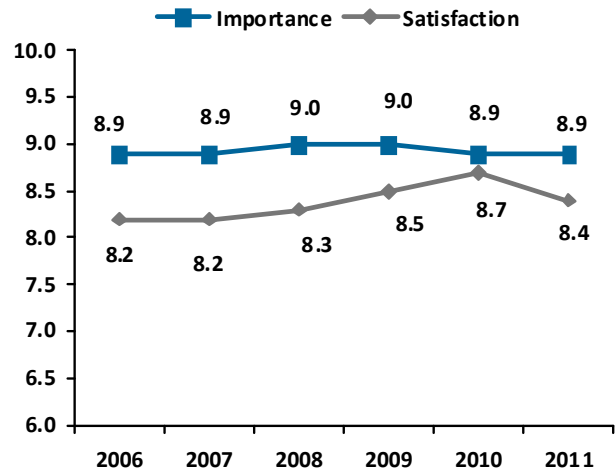


Figure 9: Encourages customers to make more efficient use of electricity



Reliability

Figure 10: Speed in restoring power when a problem occurs

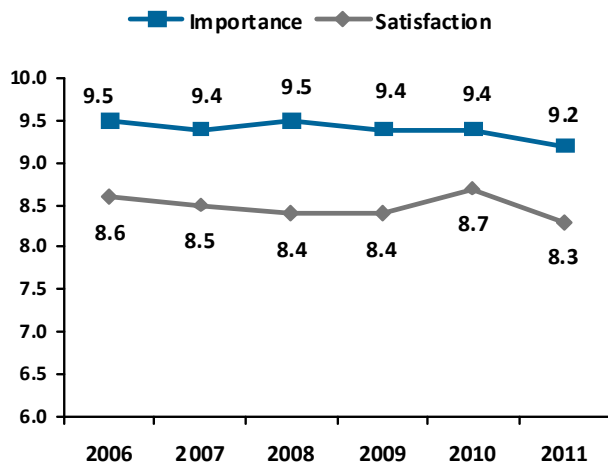


Figure 11: Ensures a sufficient supply of electricity for the foreseeable future

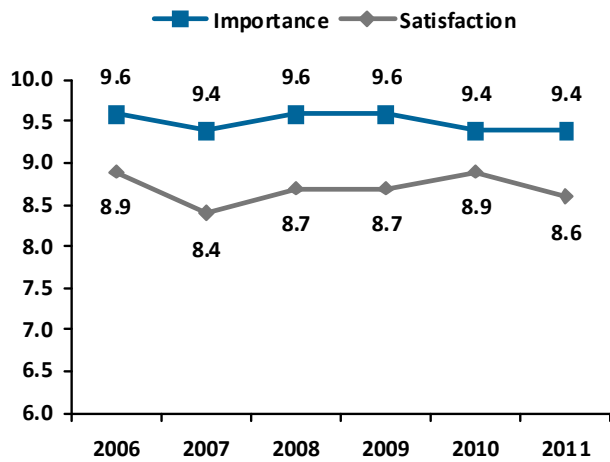
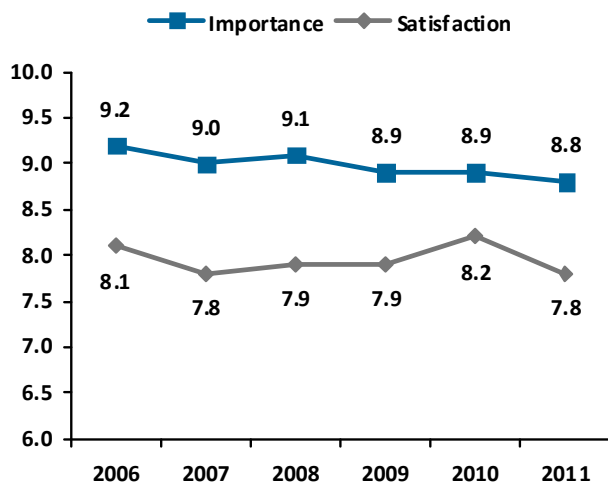


Figure 12: The number of power outages



Service

Figure 13: Bills that are easy to read and understand

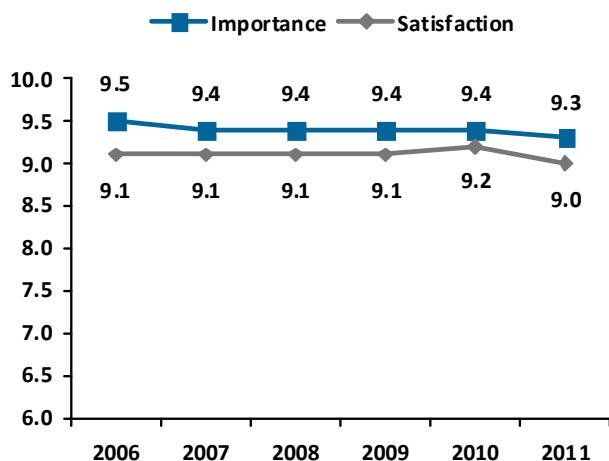


Figure 14: Accuracy of billing

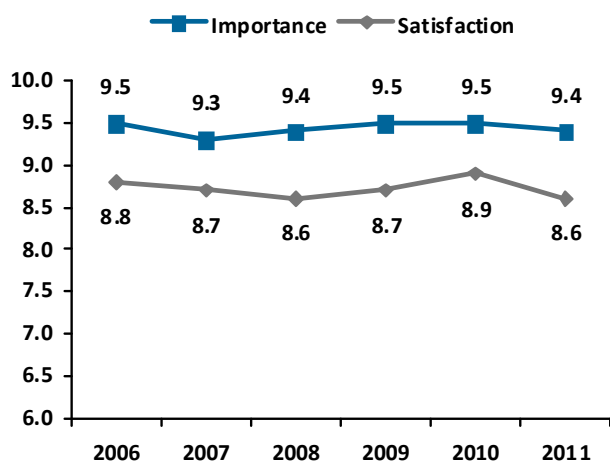


Figure 15: Friendly and courteous employees

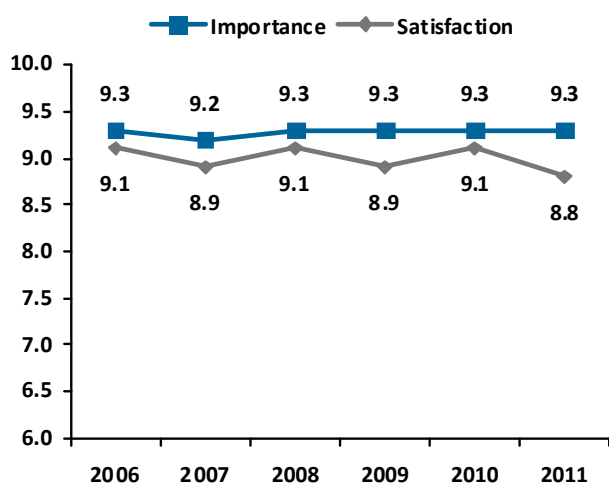


Figure 16: Cares about its customers

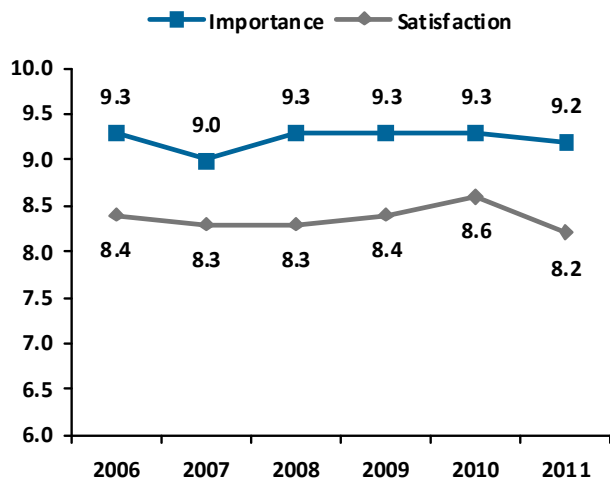


Figure 17: Good power quality free from voltage fluctuations

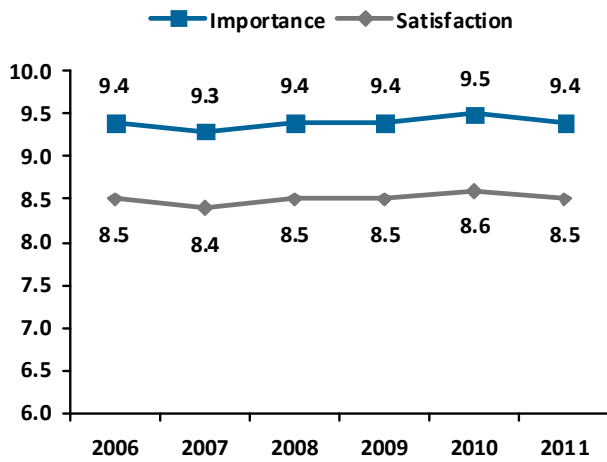


Figure 18: Quality of customer service received

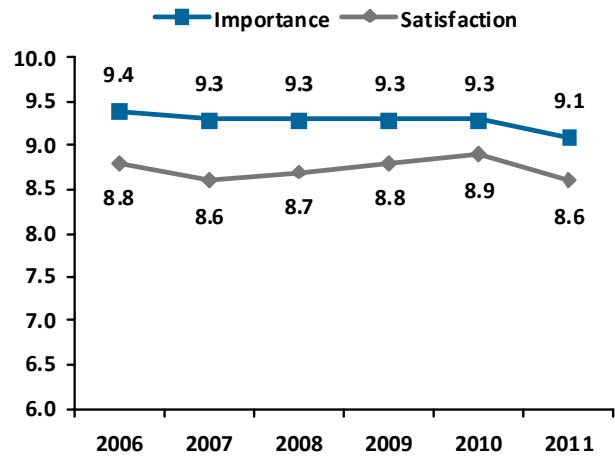


Figure 19: The way Hydro maintains the electric system

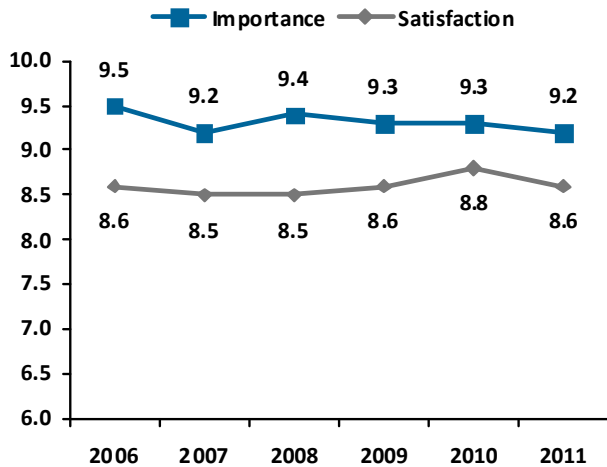


Figure 20: Listens to and acts upon customer concerns

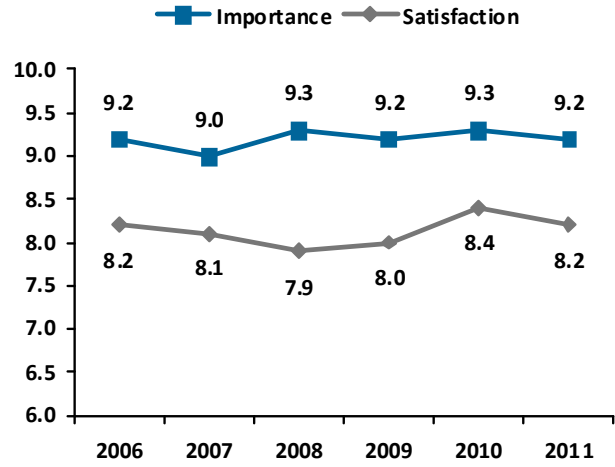
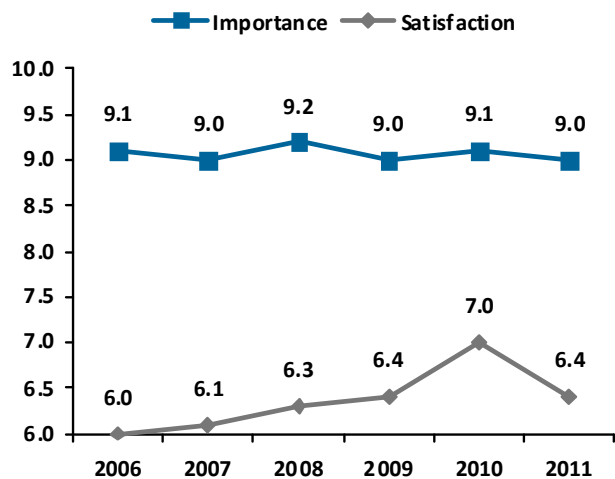


Figure 21: The price you pay for electricity



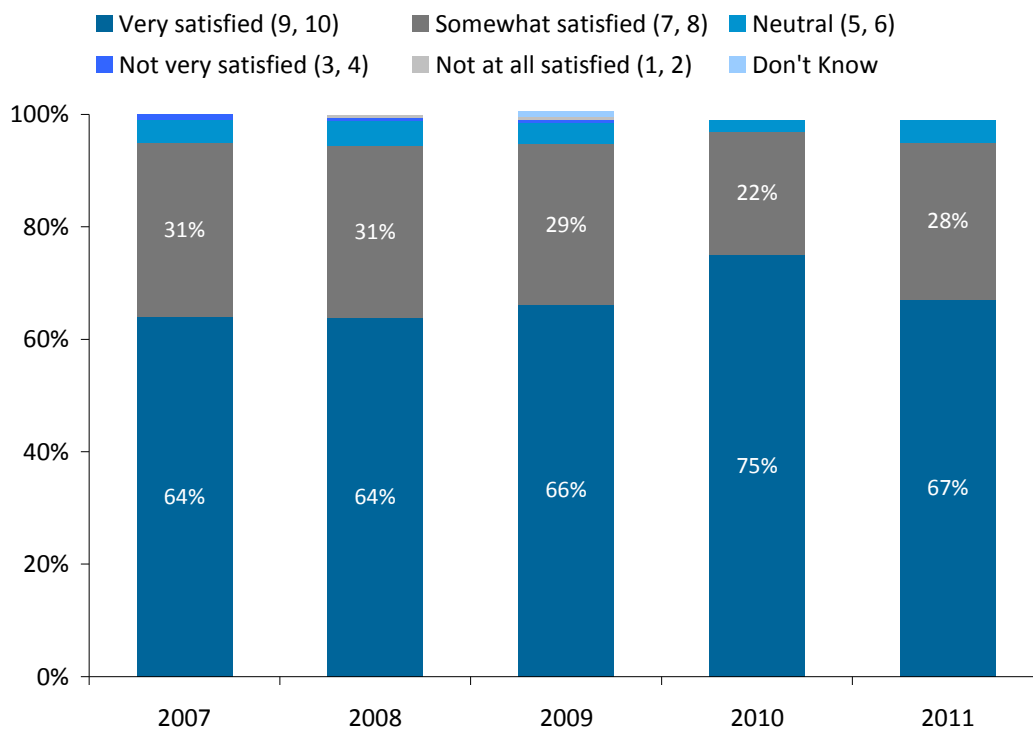
4.0 SERVICE RELIABILITY

4.1 Overall Satisfaction with Service Reliability

To determine satisfaction with Hydro's *service reliability*, customers were asked to rate their satisfaction with the supply of electricity they receive from Hydro using a scale of 1 to 10, with 1 being 'not at all satisfied' and 10 being 'very satisfied'.

The vast majority of customers (95%) are satisfied with the supply of electricity received from Hydro (67% very satisfied; 28% somewhat satisfied). In 2010, there was a **significant increase** in the proportion of customers who provided a rating of 9 or 10 (from 66% in 2009 to 75% in 2010). This year, the number fell back to 67%.

Figure 22: Satisfaction with Service Reliability



Analysis revealed a **significant decrease** in the percentage of customers who provided a rating of either 9 or 10 (top two score) at both the regional and rate area level. Specifically, as detailed in Table 8, the top two score **significantly decreased** from 2010 for both the Northern and Labrador region. In terms of rate area, satisfaction with service reliability **significantly decreased** for those in interconnected areas (from 77% in 2010 to 68% in 2011).

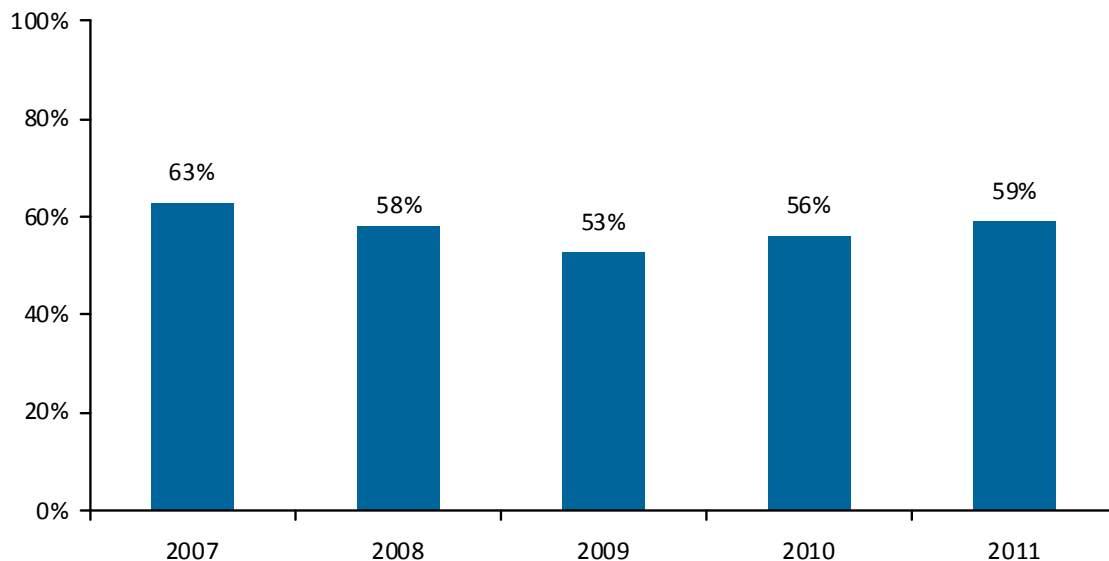
Table 8: Satisfaction with Service Reliability

	2011 % Indicating 9 or 10	2010 % Indicating 9 or 10
Overall	67%	75%
Region		
<i>Central</i>	77%	82%
<i>Northern</i>	68%	82%
<i>Labrador</i>	53%	60%
Rate Area		
<i>Interconnected</i>	68%	77%
<i>Isolated</i>	57%	63%

4.2 Unplanned Power Outages Lasting Longer than 30 Minutes

Fifty-nine percent of residential customers report experiencing an **unplanned** power outage at their home in the past year which lasted longer than 30 minutes. After declining in 2009, the number of customers reporting such an experience increased slightly over the past two years, similar to the incidence reported in 2008.

Figure 23: Experienced an Unplanned Power Outage which Lasted Longer than 30 Minutes in Past Year



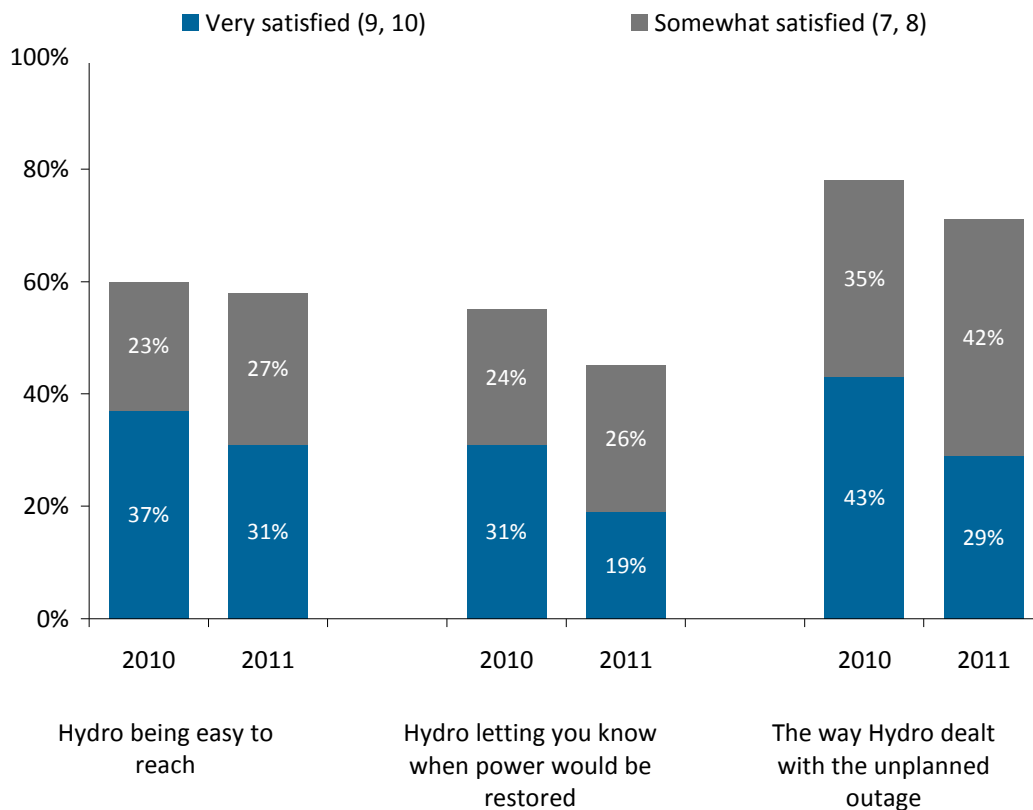
Residential customers in the Labrador region are most likely to have experienced an unplanned power outage in the past year which lasted more than 30 minutes (84%, up 4% from 2010), followed by customers in the Northern region (56%, up 17% from 2010) and Central region (42%, down 10% from 2010). It is important to note that compared to 2010, there is a **significant increase** in the proportion of customers in the Northern region who experienced an unplanned power outage. However, there is a **significant decrease** in the proportion of customers in the Central region who experienced an unplanned power outage.

Customers who experienced an unplanned power outage in the past year were asked to rate their satisfaction with various aspects of Hydro's service during that experience using a scale of 1 to 10, with 1 being 'not at all satisfied' and 10 being 'very satisfied'.

As shown in Figure 24, residential customers are moderately satisfied with the service they received from Hydro during their **most recent** unplanned power outage. Similar to previous years, customers provided the highest rating for 'the way Hydro dealt with the unplanned power outage' (71% *very* or *somewhat* satisfied). Compared to 2010, the proportion of customers who provided a rating of 7 or higher **decreased significantly** for two attributes: 'Hydro letting you know when the power would be restored' (down from 55% in 2010 to 45% in 2011) and 'the way Hydro dealt with the unplanned power outage' (down from 78% in 2010 to 71% in 2011).

It is important to note that for each of the three attributes, compared to 2010 there is a **significant decrease** in the percentage of customers who provided a rating of 9 or 10 (that is, those who are 'very satisfied').

Figure 24: Satisfaction with Hydro's Handling of Most Recent Power Outage



When examined by region, customers residing in Labrador provided **significantly lower** satisfaction scores than those customers residing in the Central and Northern regions for the following two attributes: 'the way Hydro dealt with the unplanned power outage' (60% provided a rating of 7 or higher – compared to 80% in the Northern region and 75% in the Central region) and 'Hydro letting you know when power would be restored' (32% provided a rating of 7 or higher – compared to 59% in the Central region and 50% in the Northern region).

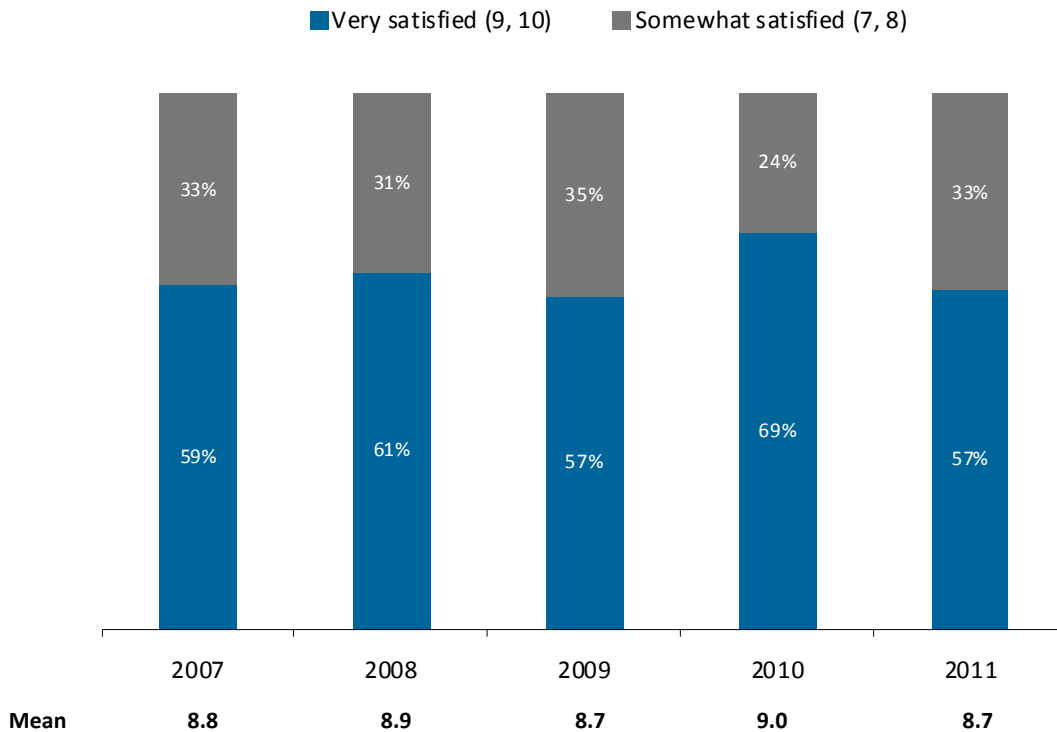
5.0 CUSTOMER SERVICE

5.1 Overall Satisfaction with Customer Service

Customers were asked to rate their satisfaction with the *customer service* they receive from Hydro on a scale of 1 to 10, with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'.

A large majority of customers (90%) are satisfied with the customer service they receive from Hydro (57% *very satisfied*; 33% *somewhat satisfied*). Compared to 2010, the proportion of customers who provided a rating of 9 or 10 **decreased significantly** (from 69% in 2010 to 57% in 2011). However, the proportion of customers who provided a rating of 7 or 8 **increased significantly** (from 24% in 2010 to 33% in 2011).

Figure 25: Satisfaction with Hydro's Customer Service



As detailed in the following table, there is a **significant decline** in the proportion of customers in the Labrador region who provided a rating of 7 or higher.

Table 9: Satisfaction with Hydro's Customer Service

	2011 % Indicating 7+	2010 % Indicating 7+
Overall	90%	93%
Region		
<i>Central</i>	94%	93%
<i>Northern</i>	92%	96%
<i>Labrador</i>	82%	90%
Rate Area		
<i>Interconnected</i>	90%	93%
<i>Isolated</i>	89%	92%

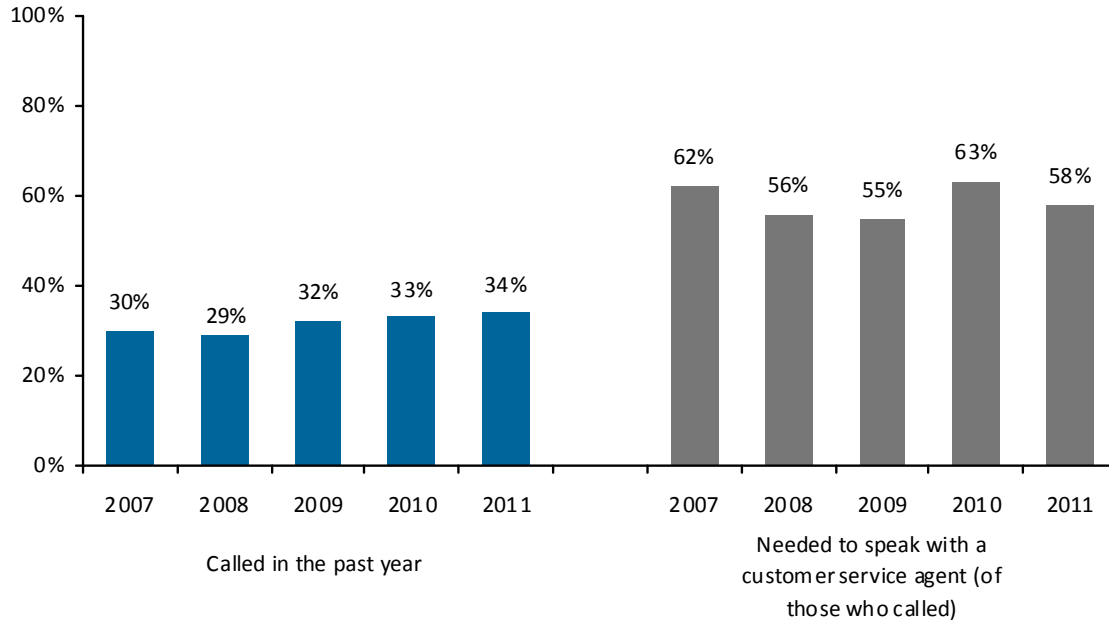
6.0 AWARENESS & USE OF CUSTOMER SERVICES

6.1 Use of Hydro's Automated Toll-Free Number

Hydro makes available to its customers an automated toll-free number which provides power outage information and billing/account information 24 hours a day. Consistent with 2010 and 2009 results, 34% of residential customers have called Hydro's automated toll-free number within the past year. The majority of customers who called the line made either just one (32%) or two (31%) calls.

Of those customers who called the automated toll-free number (n=235), 58% needed to speak with a customer service agent (compared to 63% in 2010).

Figure 26: Use of Hydro's Automated Toll-Free Number



Of those customers who called Hydro's automated toll-free number and needed to speak with a customer service agent, 26% (n=39) had difficulty reaching an agent.

Most customers experiencing difficulty were calling to obtain power outage information (n=22) or billing/account information (n=14)⁴.

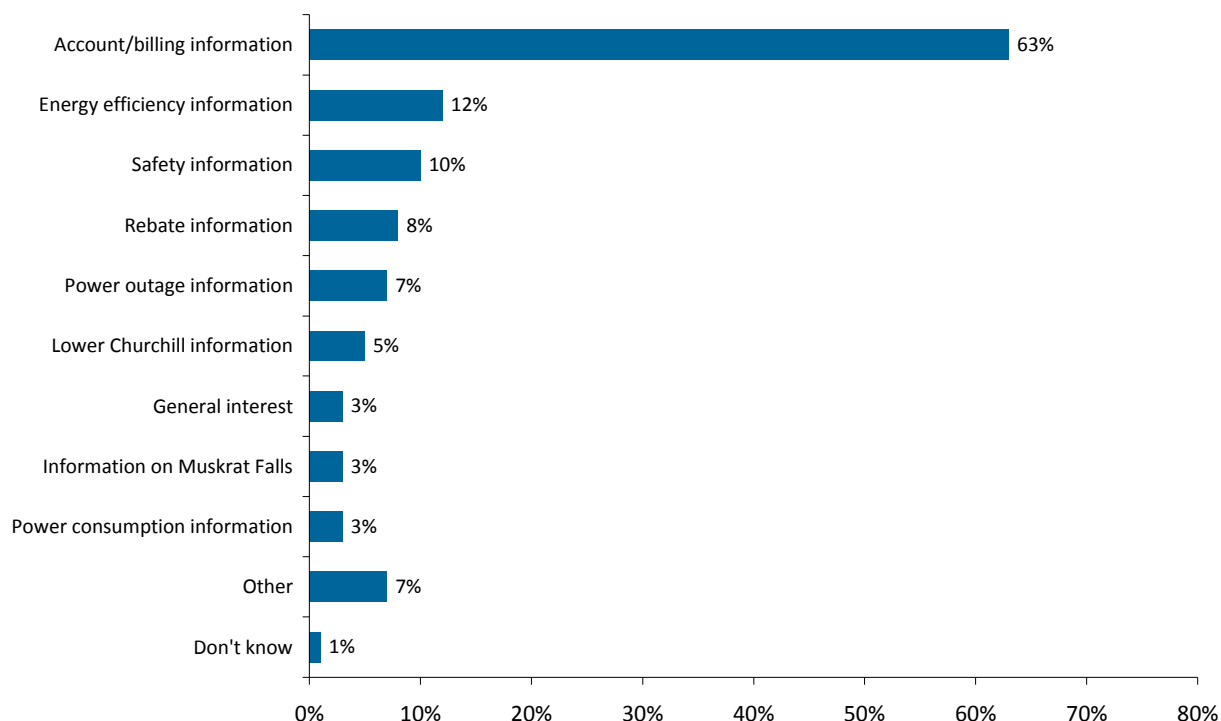
6.2 Knowledge and Use of Hydro's Website

Approximately 17% of residential customers have visited Hydro's website at least once in the past year.

Customers who visited Hydro's website over the past year were asked to specify the type of information they were seeking. As detailed in Figure 27, many customers were seeking account/billing information (63%).

⁴ Multiple responses allowed.

Figure 27: Information Sought on Hydro's Website in the Past Year*



*Multiple responses allowed.

Most residential customers (89%) who visited Hydro's website in the past year were able to find the information they were seeking. Those who were not able to find what they were looking for (n=14) were seeking information on the following⁵:

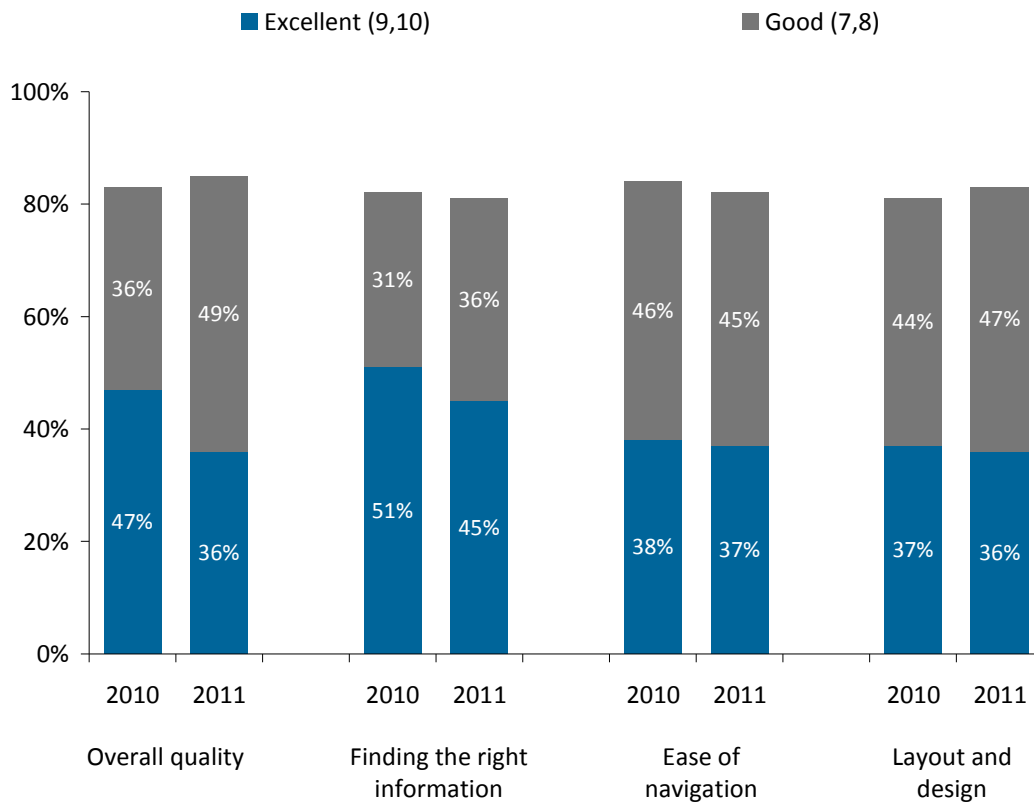
- Online billing/payment information (n=7);
- Energy saving programs and incentives/rebates (n=3);
- New project information (Lower Churchill, Muskrat Falls) (n=2);
- Environmental assessment (n=1);
- Power restoration time (n=1); and
- Employment (n=1).

Those who visited Hydro's website over the past year were asked to rate the site on a variety of attributes using a 10-point scale where 1 is 'very poor' and 10 is 'excellent'. As detailed in Figure 28, ratings of the website are favorable as the majority of customers provided a rating of 7 or higher on each of the four attributes.

Compared to 2010, the proportion of customers who provided a rating of 9 or 10 **decreased significantly** for the attribute 'overall quality' (from 47% in 2010 to 36% in 2011).

⁵ Multiple responses allowed.

Figure 28: Hydro's Website Ratings (n=147)

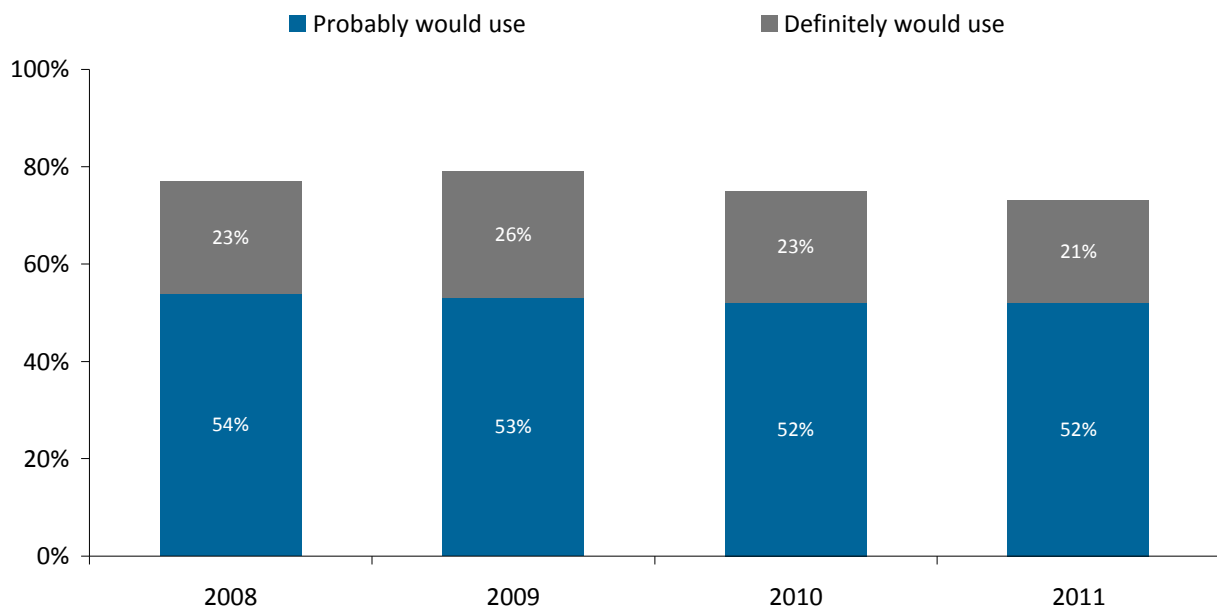


6.3 Online Services and Electronic Billing

Hydro is considering expanding their online customer service capabilities by allowing customers to request service or information online through their website. This may include services such as setting up a new account or changing an address, requesting a streetlight, filling out an application for an energy efficiency rebate program or requesting information on Hydro's energy efficiency programs. Customers were asked about the likelihood of using such online services.

In 2011, 21% of those residential customers with internet access **definitely would use** online services and 52% **probably would use** online services.

Figure 29 : Interest in Increased Online Services



Electronic billing is a type of billing offered by Hydro through which customers receive and view their monthly bill online through their email. Once a customer signs up for electronic billing, they no longer receive their bill in the mail. Starting in 2010, customers were asked about their use of this service.

Seventy-seven percent of residential customers have access to the Internet. Of those customers, 9% **currently** use electronic billing from Hydro (up from 4% in 2010). Those customers who do not **currently** use this service (and have access to the Internet) were asked if they have **ever** used this service from Hydro. Four customers said they had **previously** used this service.

Those who are not currently using (or have never used) this service from Hydro were asked to identify if, over the next six months, they plan to sign up for electronic billing with Hydro. Twenty-five percent said 'yes' while an additional 16% said 'do not know'.

6.4 Watts New

In 2005, Hydro introduced a customer newsletter called '*Watts New*', which is distributed to all customers on a quarterly basis as an insert with their Hydro bill.

Customers were asked if they had read an issue of the newsletter over the past year⁶. Forty-two percent of residential customers have read an issue of '*Watts New*' over the past year. This finding is consistent throughout the Central, Northern and Labrador regions.

The majority of customers (94%) who read an issue of '*Watts New*' over the past year rated the content of the newsletter as informative (39% *very* informative; 55% *somewhat* informative).

6.5 Awareness of Public Safety Advertising Programs

Residential customers were asked questions to assess their knowledge of public safety advertising programs established by Hydro. Thirty-seven percent of customers are aware of such programs established by Hydro.

While the above results reflect general awareness that Hydro has public safety advertising programs, more specific awareness of '*Back It Up*' and '*Power Line Safety*' brands were assessed through an examination of *unaided* and *aided* awareness of both programs. *Unaided* awareness was assessed by asking those who are aware that Hydro has public safety programs to provide the name of the programs. Of all residential customers, 1% (9 customers) correctly identified '*Back It Up*' as one of Hydro's public safety advertising programs. Of all residential customers, 7% (54 customers) correctly identified '*Power Line Safety*' as one of Hydro's public safety advertising programs.

To determine *aided* awareness, customers who did not correctly identify '*Back It Up*' were told that the name of one of Hydro's public safety advertising programs is '*Back It Up*' and were then asked if they had heard of it. Sixteen percent indicated that they had heard of '*Back It Up*'.

Customers who did not correctly identify '*Power Line Safety*' were told that the name of one of Hydro's public safety advertising programs is '*Power Line Safety*' and were then asked if they had heard of it. Fifty-eight percent indicated that they had heard of '*Power Line Safety*'.

The website HydroSafety.ca delivers Hydro's '*Back It Up*' safety program, Hydro's '*Power Line Safety*' program and is where the public can get information about electrical safety, emergency preparedness and safety for children. Very few residential customers (1%, 8 customers) have visited the HydroSafety.ca website over the past year.

⁶ In 2011 the wording of this question changed to '*Over the past year have you read an issue of Hydro's customer newsletter 'Watts New'?*' In addition, in the 2011 survey, all respondents were asked if they had read an issue of Watts New. As a result of this wording change, the results for this question should not be compared to previous years.

6.6 Social Media

For the first time, residential customers were asked if they are aware of Hydro's social media site on Facebook and Twitter. Six percent (43 customers) are aware of Hydro's social media site on Facebook and 2% (15 customers) are aware of Hydro's social media site on Twitter.

Of those aware of Hydro's social media site on Facebook (and with internet access), 24% have visited the site over the past twelve months. Of those aware of Hydro's social media site on Twitter (and with internet access), 3% have visited the site over the past twelve months.

Of those customers who have not visited either Hydro's Facebook or Twitter site (and who have internet access), 25% have visited other social media sites to receive information over the past twelve months.

7.0 CONCLUSIONS

The majority of residential customers are satisfied with the performance of Hydro. Forty-six percent provided a rating of 9 or 10 when asked to rate their *overall satisfaction* with Hydro using a 10-point scale with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'. Forty-two percent provided a rating of 7 or 8. Compared to 2010 results, there is a decrease in the proportion of customers who provided a rating of 9 of 10 (from 56% in 2010 to 46% in 2011). Focus should be placed on moving those customers who are just 'somewhat satisfied' (rating of 7 or 8) to being 'very satisfied'.

Customers rate Newfoundland and Labrador Hydro's reputation positively. Specifically, the majority of customers (75%) provided a rating of 7 or higher when asked to rate Hydro's *overall reputation* using a 10-point scale where 1 is '*a very bad reputation*' and 10 is '*a very good reputation*'. Compared to 2010 results, there is a decrease in the proportion of customers who provided a rating of 7 or higher (from 86% to 75%).

Compared to 2010, customer satisfaction with Hydro's service delivery has declined in certain areas. Residential customers were asked to rate their satisfaction with the performance of Hydro on sixteen attributes using a scale of 1 to 10, with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'. Analysis revealed **statistically significant decreases** for 14 of the 16 attributes. To provide meaningful analysis based on the large list of statements, a factor analysis was initially conducted. A regression analysis was then conducted to isolate the factors with the greatest impact on *overall satisfaction*. The model identifies those factors (and the statements that make them up) that most influence satisfaction.

The regression analysis revealed that the most important driver of satisfaction is Customer Concern. In terms of performance, the attributes 'listens to and acts upon customer concerns' and 'cares about its customers' received very good performance ratings – that is, 72% provided a rating of 8 or higher. **Price is also an important driver of satisfaction however; performance in this area is weaker.** That is, 41% provided a rating of 8 or higher. It is understood that Hydro is not in a position to change its cost structure and therefore, Hydro should continue to consider other ways to increase customer perceptions of Hydro's performance in this area. For example,

focusing on the overall value of Hydro's service and educating customers on rates and cost structure may help to improve satisfaction in this area.

Residential customers continue to be satisfied with Hydro's service reliability. Sixty-seven percent provided a rating of 9 or 10 when asked to rate their satisfaction with the supply of *electricity* they receive from Hydro using a scale of 1 to 10, with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'.

Residential customers are satisfied with the customer service received from Hydro. A large majority of customers (90%) provided a rating of 7 or higher when asked to rate their satisfaction with the *customer service* received from Hydro using a 10-point scale with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'. Compared to 2010, the proportion of customers who provided a rating of 9 or 10 **decreased significantly** (from 69% in 2010 to 57% in 2011). However; the proportion of customers who provided a rating of 7 or 8 **increased significantly** (from 24% in 2010 to 33% in 2011).

Approximately 17% of residential customers have visited Hydro's website at least once in the past year. This is a potential area of focus over the coming months. That is, promoting Hydro's website among residential customers. Doing so may entice customers to use online customer service capabilities currently offered by Hydro and may also increase awareness of Hydro's social media site on Facebook and Twitter.

Compared to 2010, more customers are currently using Hydro's electronic billing service. Of those customers with internet access, 9% are currently using this service from Hydro (up from 4% in 2010).

A relatively small proportion of customers are aware of Hydro's public safety advertising campaign called 'Back It Up'. Aided awareness of Hydro's public safety advertising campaign called '*Power Line Safety*' is stronger. In addition, just eight customers have visited the HydroSafety.ca website over the past year. Consideration should be given to increasing awareness of both campaigns through avenues such as Hydro's quarterly newsletter.

A small proportion of customers are aware of Hydro's social media site on Facebook and Twitter. Six percent (43 customers) are aware of Hydro's social media site on Facebook and 2% (15 customers) are aware of Hydro's social media site on Twitter.

8.0 PROFILE OF SURVEY RESPONDENTS

The table below presents a profile of survey respondents.

Table 10: Demographic Profile of Survey Respondents

	% Respondents
AGE:	n=725
20-24	1%
25-34	8%
35-44	19%
45-54	27%
55-64	29%
65+	16%
Refused	0%
EDUCATION:	n=725
Less than High School	27%
Graduated High School	25%
Some Post-Secondary Education	6%
College/Technical School Certificate or Diploma	26%
University Certificate Below Bachelor's Degree	4%
University Degree (Bachelors, Masters, PhD)	11%
HOUSEHOLD INCOME CATEGORY:	n=725
Less than \$20,000	11%
\$20,000 to less than \$40,000	25%
\$40,000 to less than \$60,000	16%
\$60,000 to less than \$80,000	13%
Over \$80,000	22%
Refused	13%
EMPLOYMENT CATEGORY:	n=725
Full-time, Permanent, Year-Round	33%
Part-time, Permanent, Year-Round	12%
Seasonal/Casual	18%
Homemaker	6%
Unemployed	5%
Retired	25%
Refused	1%
GENDER:	n=725
Male	42%
Female	68%

APPENDIX A: SURVEY



**Residential Customer Satisfaction Survey 2011
Newfoundland and Labrador Hydro
FINAL**

Imported Fields: Community and Region

Hello, my name is _____ and I'm calling from MQO Research, a professional marketing research firm. Today/tonight we are conducting a 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 INTRODUCTION IF NECESSARY]**. We would appreciate your participation; would you have a few minutes to complete the survey...it will take approximately 12 to 13 minutes of your time?

YES - CONTINUE

NO - THANK & TERMINATE

Screener:

S1. 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

S2. What is the name of the electric company which....

	NL & Lab <u>Hydro</u>	NL <u>Power</u>	NalcOR <u>Energy</u>	D/K or <u>N/A</u>
<i>...Supplies electricity to your permanent home or where you spend the majority of your time?</i>	1	2	3	98
<i>...Supplies electricity to a temporary dwelling such as a cabin, cottage or summer home?</i>	1	2	3	98

IF NL & LAB HYDRO OR NALCOR ENERGY NOT MENTIONED- THANK & TERMINATE

Before we talk about electricity, I'd like to start with a general question...

1. What companies which currently operate in Newfoundland and Labrador first come to mind when you think of "a good corporate citizen" or a company that gives back to the community?

RECORD RESPONSES - ACCEPT MULTIPLE RESPONSES



IF NALCOR ENERGY MENTIONED IN S2 PLEASE READ THE FOLLOWING: As you may or may not know Newfoundland and Labrador Hydro is a subsidiary company of Nalcor Energy. Throughout the remainder of this survey I will be referring to Newfoundland and Labrador Hydro.

2. Based on what you know or have heard, how would you rate Newfoundland and Labrador Hydro's overall reputation, using a scale of 1 to 10, where 1 is a "very bad reputation" and 10 is a "very good reputation"?

Very bad reputation					Very good reputation				
1	2	3	4	5	6	7	8	9	10

We are conducting this survey on behalf of Newfoundland & 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, please be honest in your response, whether good or bad.

Customer Satisfaction

3. When thinking about your electricity supplier, I would like you to tell me how important you feel each of the following items is, on a scale of 1 to 10, where 1 means it is "not at all important" and 10 means it is "very important" to you. How important is... **[READ LIST] [ROTATE LIST]**

	Not At All Important					Very Important				
The number of power outages	1	2	3	4	5	6	7	8	9	10
That Hydro ensures a sufficient supply of electricity for the foreseeable future	1	2	3	4	5	6	7	8	9	10
The quality of customer service you receive from Hydro	1	2	3	4	5	6	7	8	9	10
The price you pay for electricity	1	2	3	4	5	6	7	8	9	10
That Hydro operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10

	Not At All Important					Very Important				
Hydro's concern for public safety	1	2	3	4	5	6	7	8	9	10
That Hydro contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10
That Hydro encourages consumers to make more efficient use of electricity	1	2	3	4	5	6	7	8	9	10
That Hydro listens to and acts upon customer concerns	1	2	3	4	5	6	7	8	9	10
Speed in restoration of power when a problem occurs	1	2	3	4	5	6	7	8	9	10
Accuracy of billing	1	2	3	4	5	6	7	8	9	10
Bills that are easy to read and understand	1	2	3	4	5	6	7	8	9	10
That Hydro cares about its customers	1	2	3	4	5	6	7	8	9	10
Good power quality that is free from voltage fluctuations	1	2	3	4	5	6	7	8	9	10
The way Hydro maintains the electric system	1	2	3	4	5	6	7	8	9	10
Having friendly and courteous employees	1	2	3	4	5	6	7	8	9	10

4. Now I would like you to tell me how satisfied you are with the way Newfoundland and Labrador Hydro is performing on each of the following. On a 10-point scale from 1 to 10, where 1 means that you are "not at all satisfied" and 10 means that you are "very satisfied" with their performance, how satisfied are you: **[READ LIST] [ROTATE LIST]**

	Not At All Satisfied					Very Satisfied				
With the number of power outages	1	2	3	4	5	6	7	8	9	10
That Hydro ensures a sufficient supply of electricity for the foreseeable future	1	2	3	4	5	6	7	8	9	10

	Not At All Satisfied					Very Satisfied				
With the quality of customer service you receive from Hydro	1	2	3	4	5	6	7	8	9	10
With the price you pay for electricity	1	2	3	4	5	6	7	8	9	10
That Hydro operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10
With Hydro's concern for public safety	1	2	3	4	5	6	7	8	9	10
That Hydro contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10
That Hydro encourages consumers to make more efficient use of electricity	1	2	3	4	5	6	7	8	9	10
That Hydro listens to and acts upon customer concerns	1	2	3	4	5	6	7	8	9	10
With the speed in restoring power when a problem occurs	1	2	3	4	5	6	7	8	9	10
With the accuracy of Hydro's billing	1	2	3	4	5	6	7	8	9	10
With Hydro providing bills that are easy to read and understand	1	2	3	4	5	6	7	8	9	10
That Hydro cares about its customers	1	2	3	4	5	6	7	8	9	10
Good power quality that is free from voltage fluctuations	1	2	3	4	5	6	7	8	9	10
The way Hydro maintains the electric system	1	2	3	4	5	6	7	8	9	10
With how friendly and courteous Hydro's employees are	1	2	3	4	5	6	7	8	9	10

5. In general, how satisfied are you with Hydro on a scale of 1 to 10, where 1 means "not at all satisfied" and 10 means "very satisfied"?

Not At All Satisfied					Very Satisfied				
1	2	3	4	5	6	7	8	9	10

ASK Q5_1 IF RESPONDENT PROVIDED A SATISFACTION RATING OF 6 OR LESS TO 'THAT HYDRO LISTENS TO AND ACTS UPON CUSTOMER CONCERNS'.

5_1. In evaluating Hydro you gave a score of <recall score> for listens to and acts upon customer concerns. Could you tell me the reason for your evaluation? **RECORD RESPONSES - ACCEPT MULTIPLE RESPONSES**

Customer Service and Service Reliability

6. Now please think of electric companies as serving customers in two ways: the first being the supply of electricity to your home and 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, where 1 means "not at all satisfied" and 10 means "very satisfied", how satisfied are you with:
[READ LIST]

	Not At All Satisfied					Very Satisfied				
The <u>supply of electricity</u> you receive from Hydro	1	2	3	4	5	6	7	8	9	10
The overall <u>customer service</u> you receive from Hydro	1	2	3	4	5	6	7	8	9	10

Now I would like to ask about the reliability of your electricity supply...

7. Within the past year, have you experienced an unplanned power outage at your home that lasted more than 30 minutes?

Yes	1	- CONTINUE
No	2	-SKIP TO Q9
Don't Know	98	-SKIP TO Q9

8. Thinking about the most recent unplanned power outage at your home, please rate the following using a scale of 1 to 10, where 1 means that you were "not at all satisfied" and 10 means that you were "very satisfied". How satisfied were you with: **[READ LIST]**

	Not At All Satisfied					Very Satisfied				
The way Hydro dealt with the unplanned power outage	1	2	3	4	5	6	7	8	9	10
Hydro in letting you know when power would be restored	1	2	3	4	5	6	7	8	9	10
Hydro being easy to reach to discuss your questions or concerns about power outages	1	2	3	4	5	6	7	8	9	10

Accessing Information – Telephone and Website

The next couple of questions are about accessing information...

9. Have you called Hydro's automated toll-free number within the past year?

Yes	1	-CONTINUE
No	2	-SKIP TO Q15
Don't Know	98	-SKIP TO Q15

10. How many times have you called Hydro's automated toll-free number within the past year?
[RECORD RESPONSE]

Don't Know	998
------------	-----

11. In the past year, have you called Hydro's automated toll-free number and needed to speak with a customer service agent?

Yes	1	-CONTINUE
No	2	-SKIP TO Q15
Don't Know	98	-SKIP TO Q15

12. In the past year, have you had any difficulty reaching a customer service agent at Hydro?

Yes	1	-CONTINUE
No	2	-SKIP TO Q15
Don't Know	98	-SKIP TO Q15

13. What was the main difficulty or problem you had in the past year with trying to reach a customer service agent? [RECORD RESPONSE]

[Note to interviewer: This question refers to the problem related to reaching the agent...not the reason for the call. Probe for specific problem, such as "waiting time for agent too long", "called outside hours of customer service centre/agents", etc.]

14. When you had this particular problem reaching an agent, what was the nature of your call...was it... **[READ RESPONSE OPTIONS 1 -4] [RECORD ALL THAT APPLY]**

Power outage information	1
Billing or account information	2
Energy efficiency information (e.g. takeCHARGE program, etc.)	3
Or something else? (INTERVIEWER NOTE: Please Specify)	90
Don't know	98

Now moving on to the Internet...

15. Do you have access to the Internet? (Interviewer note: Please note that this could be at home, at work etc).

Yes	1
No	2

16. Have you ever visited Hydro's website?

Yes	1	-CONTINUE
No	2	-SKIP TO Q22
Don't Know	98	-SKIP TO Q22

17. Have you visited Hydro's website in the past year?

Yes	1	-CONTINUE
No	2	-SKIP TO Q22
Don't Know	98	-SKIP TO Q22

18. In the past year, what information have you looked for on Hydro's website? **[DO NOT READ] [ACCEPT MULTIPLE RESPONSES]**

Account/Billing information	1
Power outage information	2
Energy efficiency information	3
Safety Information	4
Other - Specify	90
Nothing in particular	97
Don't know/No response	98

19. Did you find the information you were looking for?

Yes	1	-SKIP TO Q21
No	2	- CONTINUE
Don't Know/No response	98	-SKIP TO Q21

20. What information were you looking for that you couldn't find? [**Probe, if necessary, for specific information**] [**RECORD RESPONSE**]

21. On a scale of 1 to 10, with 1 being "very poor" and 10 being "excellent", please rate Hydro's website on the following: [**READ LIST**] [**ROTATE LIST**]

	Very Poor										Excellent
Layout and design	1	2	3	4	5	6	7	8	9	10	
Ease of navigation	1	2	3	4	5	6	7	8	9	10	
Finding the right information to meet your needs	1	2	3	4	5	6	7	8	9	10	
Overall quality of the website	1	2	3	4	5	6	7	8	9	10	

eBilling and Online Services

**IF INTERNET ACCESS (YES TO Q15), CONTINUE
ELSE, SKIP TO Q27**

22. Hydro is considering expanding access to services by allowing customers to make a request for service or a request for information online through their website...this could include things like setting up a new account or changing your address, requesting a streetlight, filling out an application for an energy efficiency rebate program, or requesting information on Hydro's energy efficiency programs. If such online services were available, how likely are you to use them...would you say you...[**READ LIST**]?

Definitely would use them	1
Probably would	2
Probably would not	3
Definitely would not	4
Don't Know	98

23. Electronic billing is a type of billing offered by Hydro through which customers receive and view their monthly bill online through their email. Once a customer signs up for electronic billing, they no longer receive their bill in the mail. Do you currently use this service from Hydro?

Yes	1	-SKIP TO Q26
No	2	- CONTINUE
Don't Know/No response	98	-SKIP TO Q27



Appendix: Survey
2011 Residential Customer Satisfaction Tracking Study

24. Have you ever used this service from Hydro?

Yes	1	-SKIP TO Q26
No	2	- CONTINUE
Don't Know/No response	98	-SKIP TO Q27

25. Thinking ahead, over the next 6 months, do you plan to sign up for electronic billing with Hydro?

Yes	1	-SKIP TO Q27
No	2	-SKIP TO Q27
Don't Know/No response	98	-SKIP TO Q27

26. Do you have any comments or feedback about Hydro's electronic billing service that you would like to make? **[RECORD RESPONSE]**

"Watts New"

27. Over the past year have you read an issue of Hydro's customer newsletter "Watts New"?

Yes	1	- CONTINUE
No	2	- GO TO Q29

28. And overall, would you rate the content of "Watts New" as very informative, somewhat informative, not very informative or not at all informative to you as a Hydro customer?

Very informative	1
Somewhat informative	2
Not very informative	3
Not at all informative	4
Don't Know	98

Safety

29. Are you aware of any public safety advertising programs established by Hydro?

Yes	1	-CONTINUE
No	2	-SKIP TO Q31A
Don't Know	98	-SKIP TO Q31A

30. Can you tell me the name of the advertising programs you are aware of?

ACCEPT MULTIPLE MENTIONS

IF "BACK IT UP" MENTIONED SKIP Q31A

IF POWER LINE SAFETY MENTIONED, SKIP Q31B

31a. Back it Up is one of Hydro's public safety advertising programs. Have you heard of this program?

Yes	1
No	2
Don't Know	98

Q31b. Power Line Safety is one of Hydro's public safety advertising programs. Have you heard of this program?

Yes	1
No	2
Don't Know	98

32. **ASK TO ALL:** The website HydroSafety.ca delivers Hydro's Back it Up safety program, Hydro's Power Line Safety program and is where the public can get information about electrical safety, emergency preparedness, safety for children, etc. In the past year, have you visited the HydroSafety.ca website?

Yes	1	-CONTINUE
No	2	-CONTINUE
Don't Know	98	-CONTINUE

Social Media

33. Are you aware of Hydro's social media site...?

- a. on Facebook?
- b. on Twitter

Yes	1
No	2
Don't Know	98

IF 'YES' TO Q33A – ASK Q34A.

IF 'YES' TO Q33B – ASK Q34B.

IF NO OR DON'T KNOW TO BOTH Q33A & Q33B – SKIP TO Q36.

34. Over the past twelve months have you visited Hydro's social media site...?

- a. on Facebook?
- b. on Twitter

Yes	1
No	2



Don't Know 98

IF 'YES' TO Q34A – ASK Q35A.

35a. On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent”, how would you rate Hydro’s social media site on Facebook as being timely and relevant?

IF 'YES' TO Q34B – ASK Q35B.

35b. On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent”, how would you rate Hydro’s social media site on Twitter as being timely and relevant?

ASK Q36 IF 'NO' OR 'DON'T KNOW' TO BOTH Q34A AND Q34B.

36. Thinking back over the past twelve months, have you visited any social media sites to receive information?

Yes	1
No	2
Don't Know	98

Customer Suggestions

37. Before we finish, please take a moment to think about customer services. Are there any customer services not currently offered by Newfoundland and Labrador Hydro that you feel should be offered? **[RECORD RESPONSE]**

Demographics

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

38. For approximately how many years have you been a customer of Hydro? _____ Years

39. In which community do you live? _____

40. In which age category do you belong? **[READ LIST]**

Under 20	01
20-24	02
25-29	03
30-34	04
35-39	05
40-44	06
45-49	07

50-54	08
55-59	09
60-64	10
65+	11
Refused	99

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

Less than high school	01
Graduated high school	02
Some post-secondary education	03
College/Technical School certificate or diploma	04
University certificate or diploma below a bachelor's degree or University degree (e.g., bachelors, masters, PhD	05
Refused	06
	99

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

Working full-time in a permanent, year-round job	01
Working part-time in a permanent, year-round job	02
Working in a seasonal or casual job	03
Homemaker	04
Unemployed	05
Retired	06
Or student (includes upgrading/retraining)	07
Refused	99

43. Which of the following best describes your total household's gross income, before taxes and other deductions? **[READ LIST]**

Less than \$20,000	01
\$20,000 to less than \$40,000	02
\$40,000 to less than \$60,000	03
\$60,000 to less than \$80,000	04
or \$80,000 or more	05
Refused	99

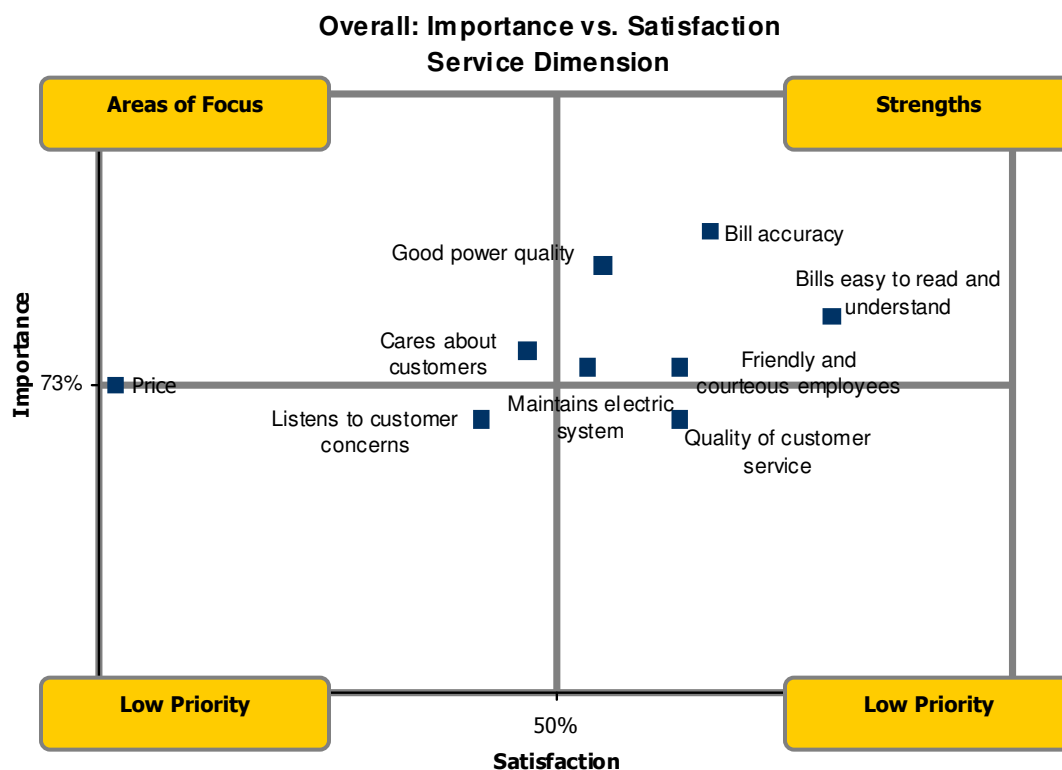
44. Record Gender [**Do not ask**]

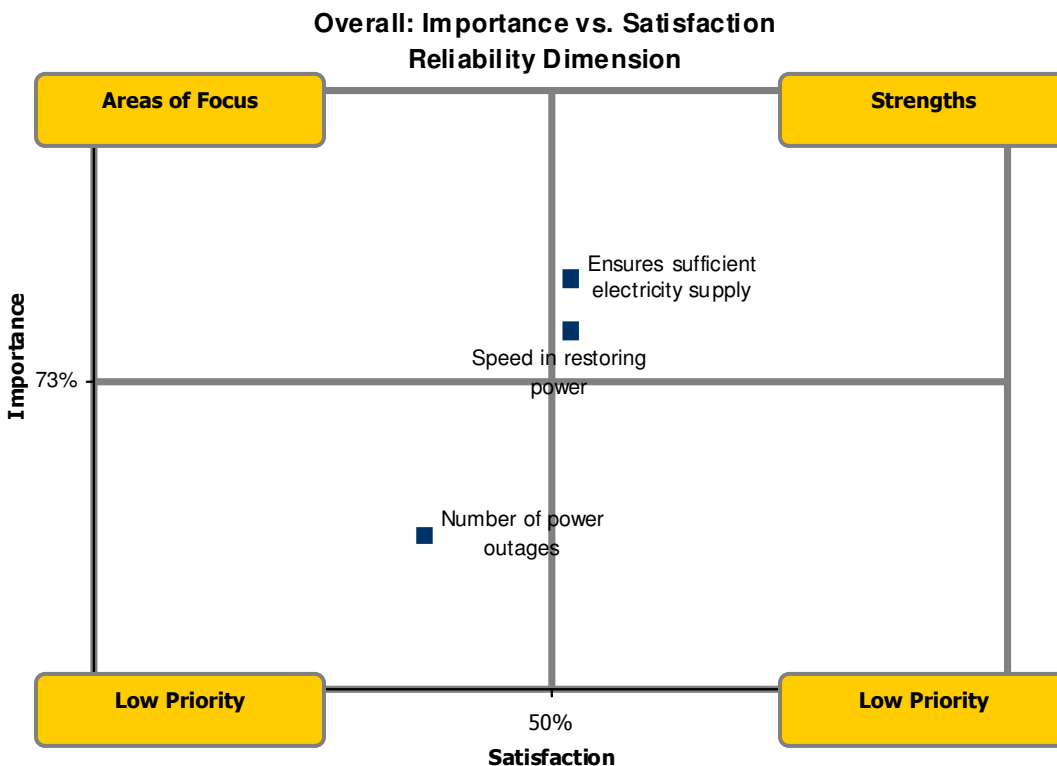
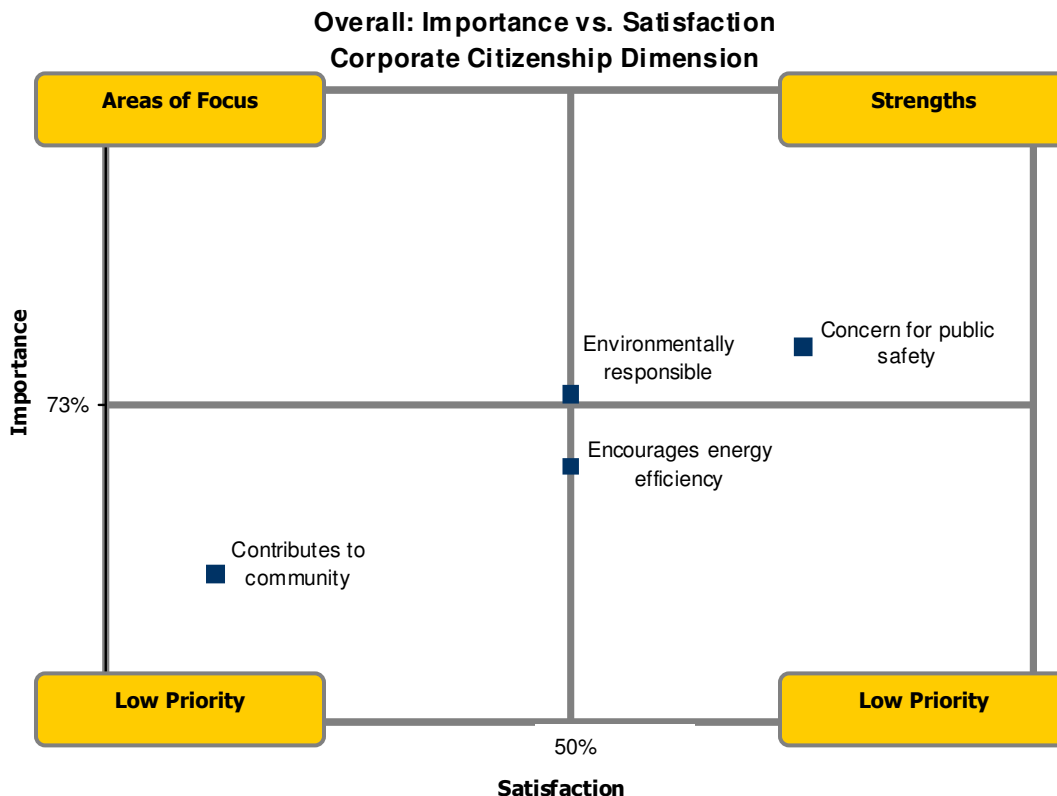
Male	01
Female	02

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

APPENDIX B: GRIDS

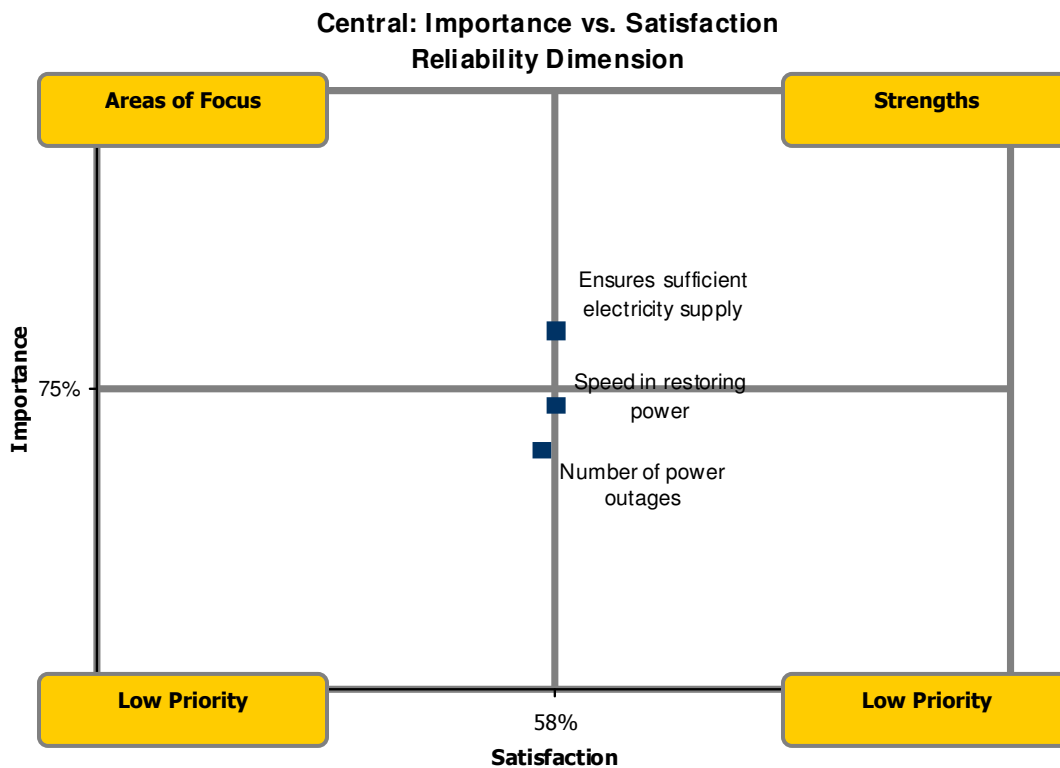
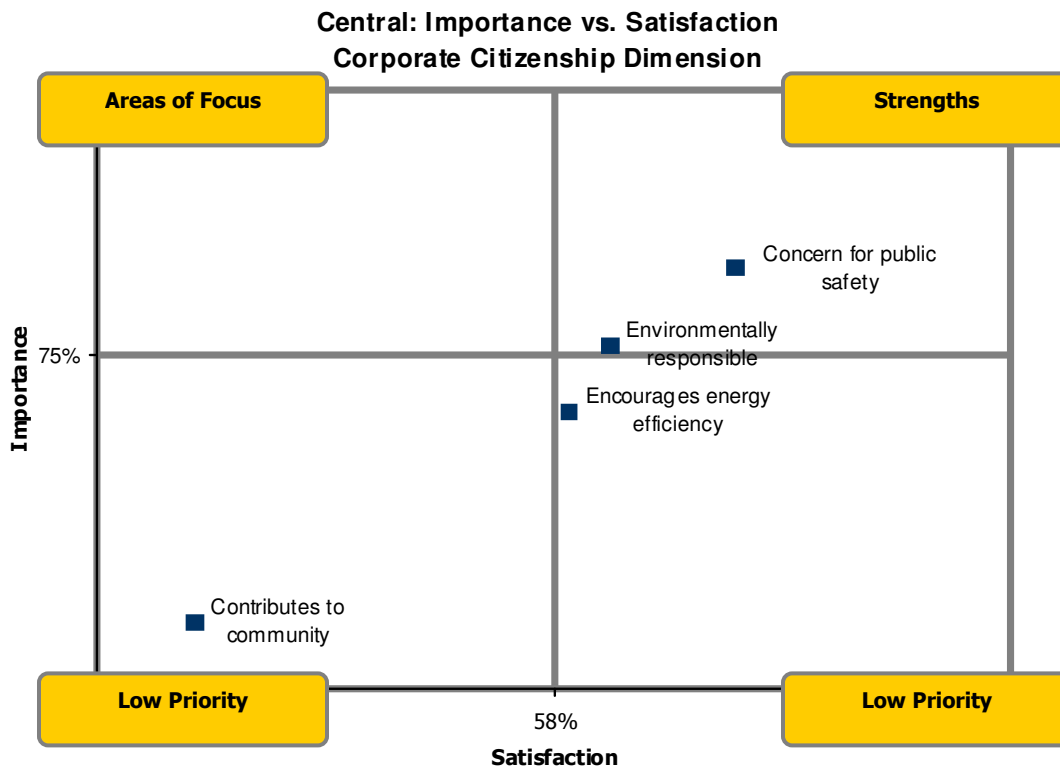
By comparing the importance and satisfaction for each of the 16 service attributes measured, each attribute can be classified into one of the following segments: strength areas (high importance and satisfaction), areas of focus (high importance and lower satisfaction) and low priority areas (low importance). The following three charts outline the attributes which fall into each of these three areas on an **overall basis**.



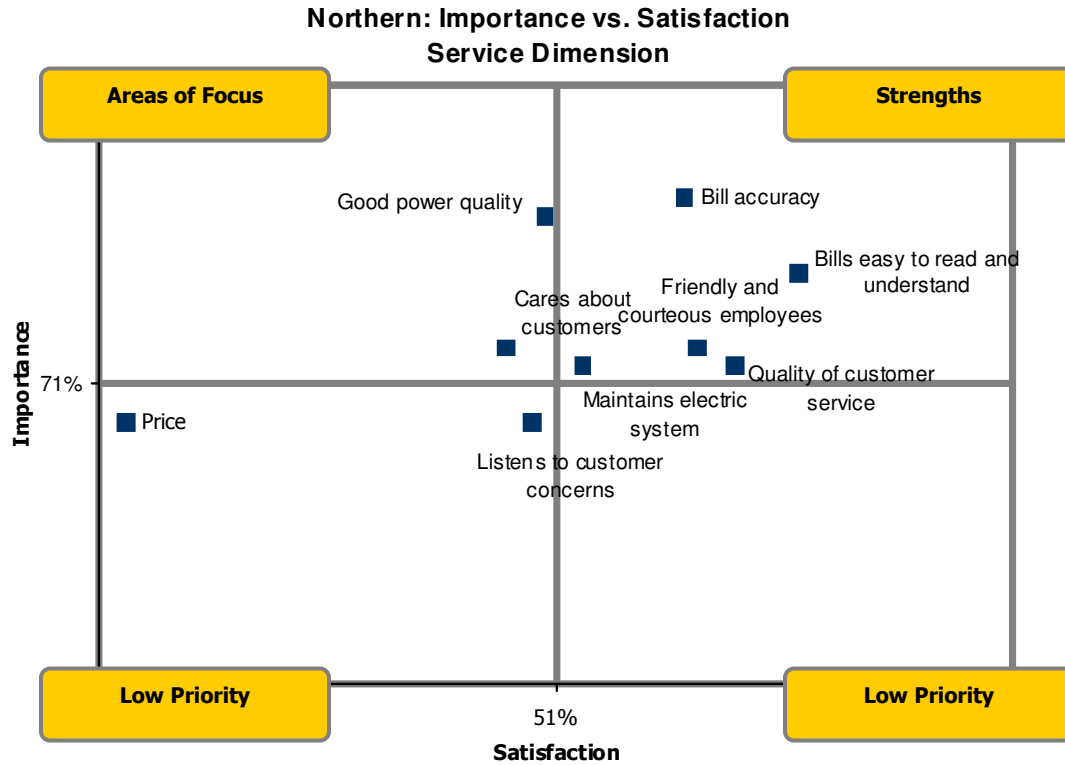


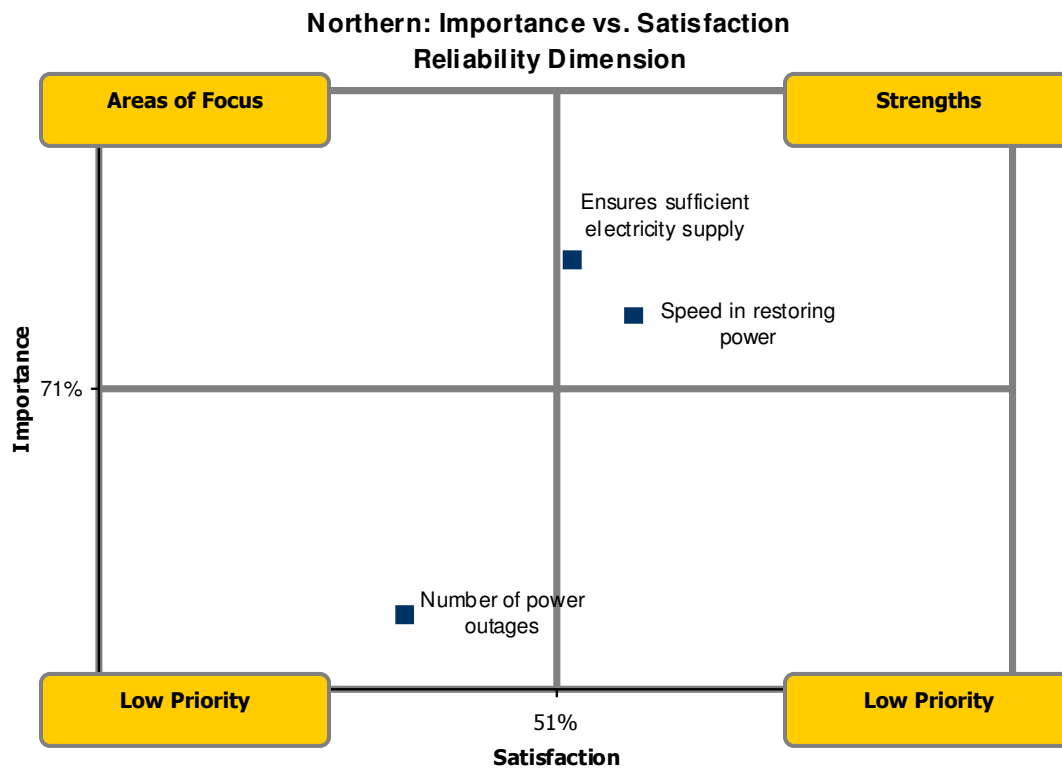
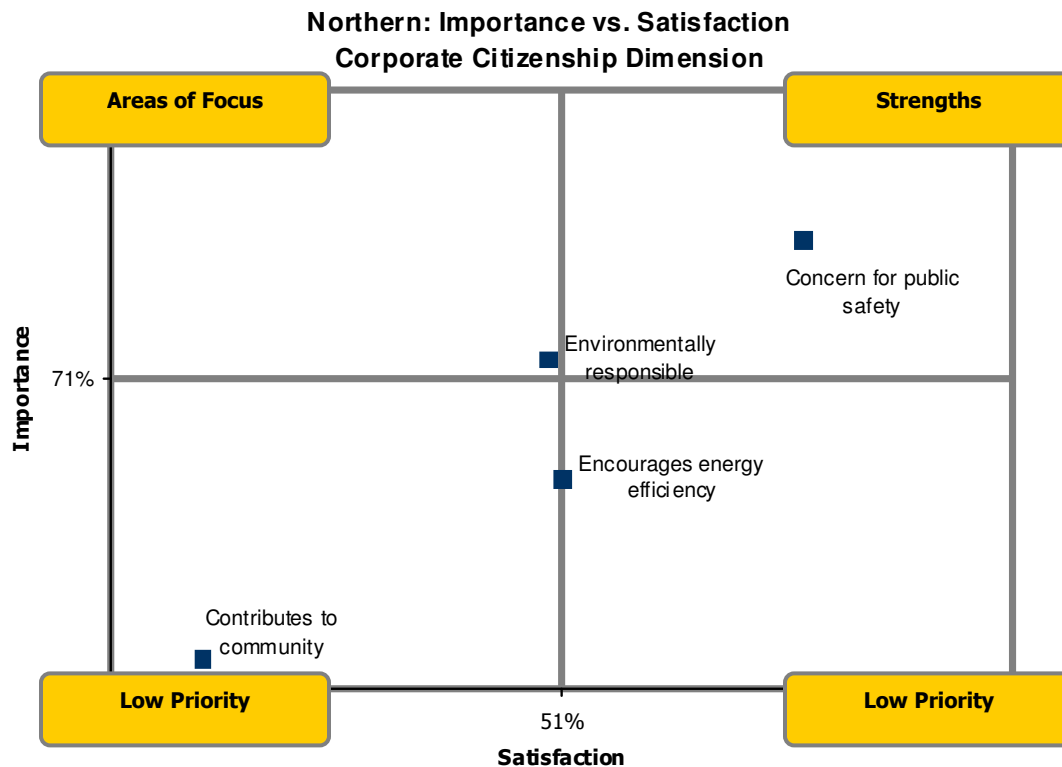
The following three charts focus on the **Central Region**.



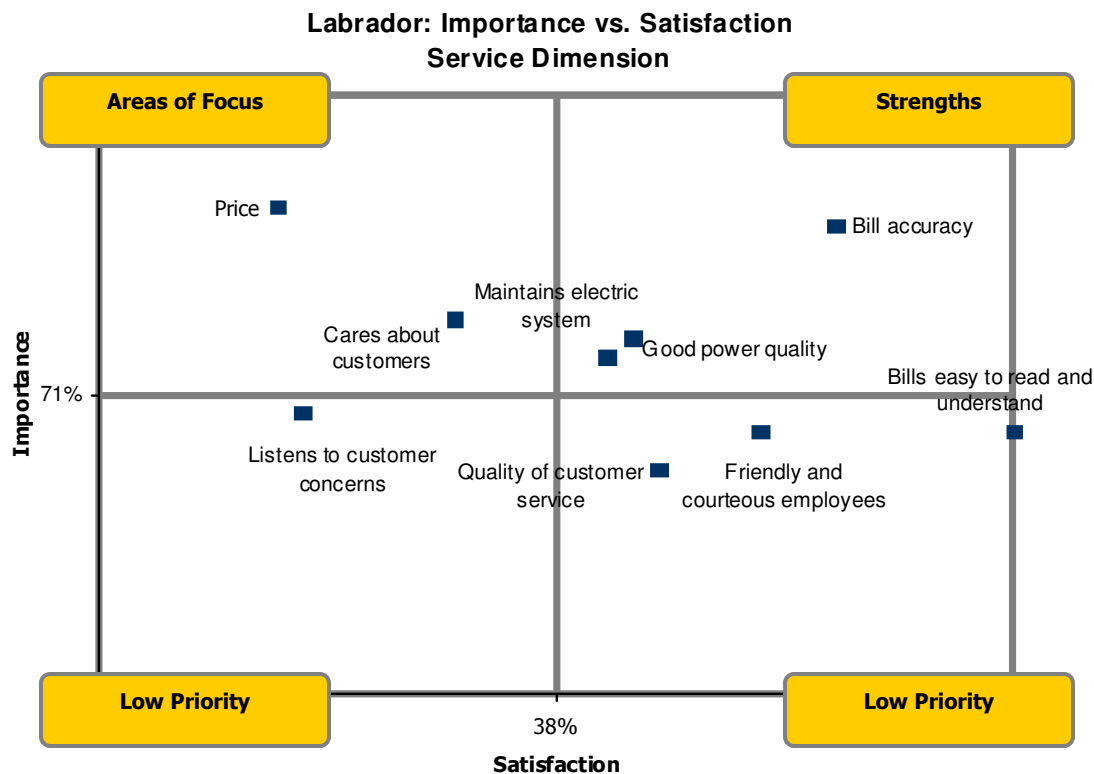


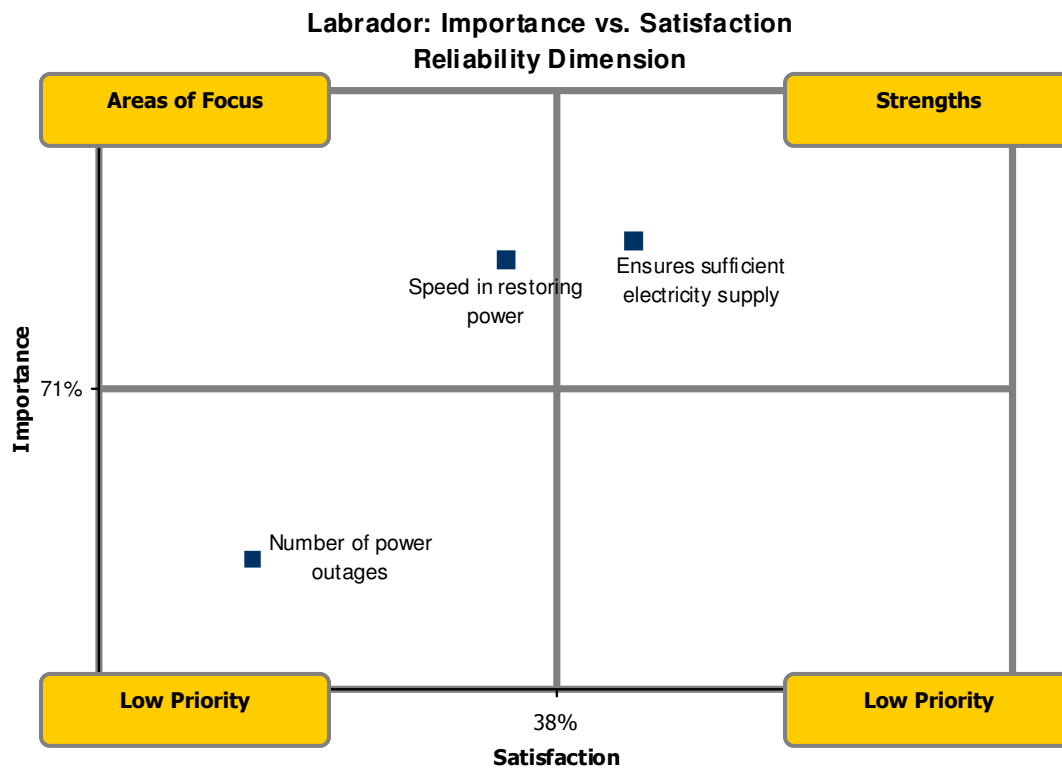
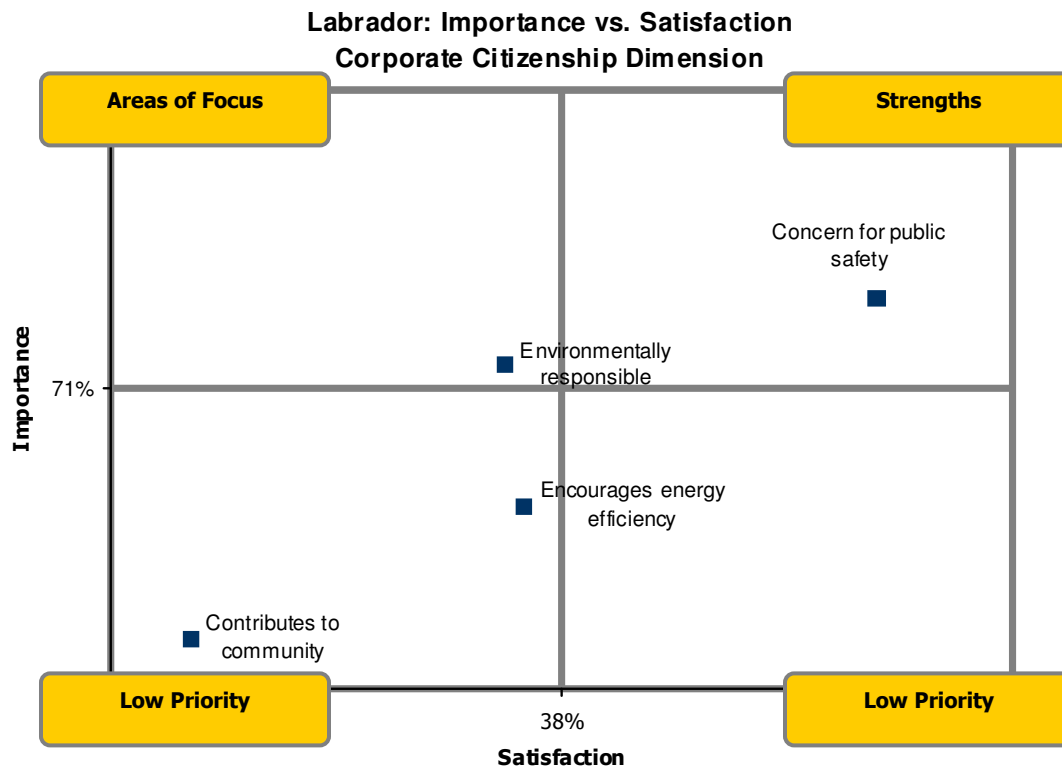
The following three charts focus on the **Northern Region**.





The following three charts focus on the **Labrador Region**.





2011 COMMERCIAL CUSTOMER SATISFACTION TRACKING STUDY

Prepared For:



Newfoundland & Labrador Hydro
Hydro Place, Columbus Drive
P.O. Box 12400
St. John's, NL
A1B 4K7

Prepared By:



1.0	STUDY BACKGROUND AND METHODOLOGY	3
1.1	STUDY BACKGROUND	3
1.2	STUDY METHODOLOGY	3
1.3	THIS REPORT	4
2.0	CUSTOMER SATISFACTION	5
2.1	OVERALL SATISFACTION	5
2.2	OVERALL REPUTATION	5
2.3	IMPORTANCE AND SATISFACTION RATINGS OF SERVICE ATTRIBUTES	6
3.0	GAP ANALYSIS	13
4.0	SERVICE RELIABILITY	20
4.1	OVERALL SATISFACTION WITH SERVICE RELIABILITY	20
4.2	UNPLANNED POWER OUTAGES LASTING LONGER THAN 30 MINUTES	20
5.0	CUSTOMER SERVICE	23
5.1	OVERALL SATISFACTION WITH CUSTOMER SERVICE	23
6.0	AWARENESS & USE OF CUSTOMER SERVICES	23
6.1	USE OF HYDRO'S AUTOMATED TOLL-FREE NUMBER	23
6.2	KNOWLEDGE AND USE OF HYDRO'S WEBSITE	24
6.3	ONLINE SERVICES AND ELECTRONIC BILLING	26
6.4	WATTS NEW	28
6.5	AWARENESS OF PUBLIC SAFETY ADVERTISING PROGRAMS	28
6.6	SOCIAL MEDIA	29
7.0	CONCLUSIONS	29
8.0	PROFILE OF SURVEY RESPONDENTS	31
	APPENDIX A: SURVEY	33
	APPENDIX B: GRIDS	45

1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

In the fall of 2011, MQO Research conducted the *Annual Commercial Customer Satisfaction Study* on behalf of Newfoundland and Labrador Hydro (hereafter referred to as Hydro). ***The primary objectives of this research are to assess satisfaction with Hydro's performance in providing service to commercial customers and to determine any changes in customer satisfaction over time.***

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 meets or exceeds customer expectations.

While the primary objectives are to determine customer satisfaction and assess change over time, the survey also includes questions to assess awareness and use of Hydro's automated toll-free number, website, quarterly newsletter 'Watts New' and public safety advertising programs. In addition, this year questions were added to the survey to assess awareness and usage of Hydro's social media sites on Facebook and Twitter.

1.2 Study Methodology

A total of 310 commercial customers were surveyed via telephone between October 6th and October 21st, 2011. The sample size is sufficient to provide a high level of confidence (overall margin of error: $\pm 5.5\%$, 19 times out of 20 or at the 95% confidence level). To allow for analysis by region, disproportionate stratified sampling was used to draw a random sample from the following areas:

- Central (n=115);
- Northern (n=114); and
- Labrador (n=81).

Due to the use of disproportionate sampling, weights were developed to ensure the sample was a proportionate representation of the commercial customer population at the overall level.

The sample was drawn from a database of commercial customers provided by Hydro. The sampling unit was the individual within the organization primarily responsible for dealing with Hydro.

The survey was designed by MQO Research in consultation with Hydro. The final approved survey is presented in Appendix A and took approximately 16 to 17 minutes to administer by telephone. It is important to note that all customers were advised at the beginning of the interview that when answering questions, to please refer to the service provided to them as a commercial customer through their company/organization.

1.3 This Report

This report presents the results of the *2011 Commercial Customer Satisfaction Tracking Study*. Where possible, the results for the previous three years (2007 to 2009¹) are shown to allow for comparisons over time. In addition, some results are segmented by region (*Labrador, Northern and Central*).

To identify differences between segments, statistical tests of significance have been completed at the 95% and 90% confidence levels. Essentially, when comparing two values obtained from different populations, a statistical test will guide us to be confident that any apparent difference between the values is *statistically real* or *significant*². ***Throughout this report, differences between groups or years are noted only if they are statistically significant.*** Where this occurs, we can say that we are either 95% or 90% confident that the difference between the values in question exists in the population and is not simply due to uncontrollable sampling error. The term 'significant' is used only to denote *statistically significant* differences and is not synonymous with 'important'.

¹ This study was not conducted in 2010.

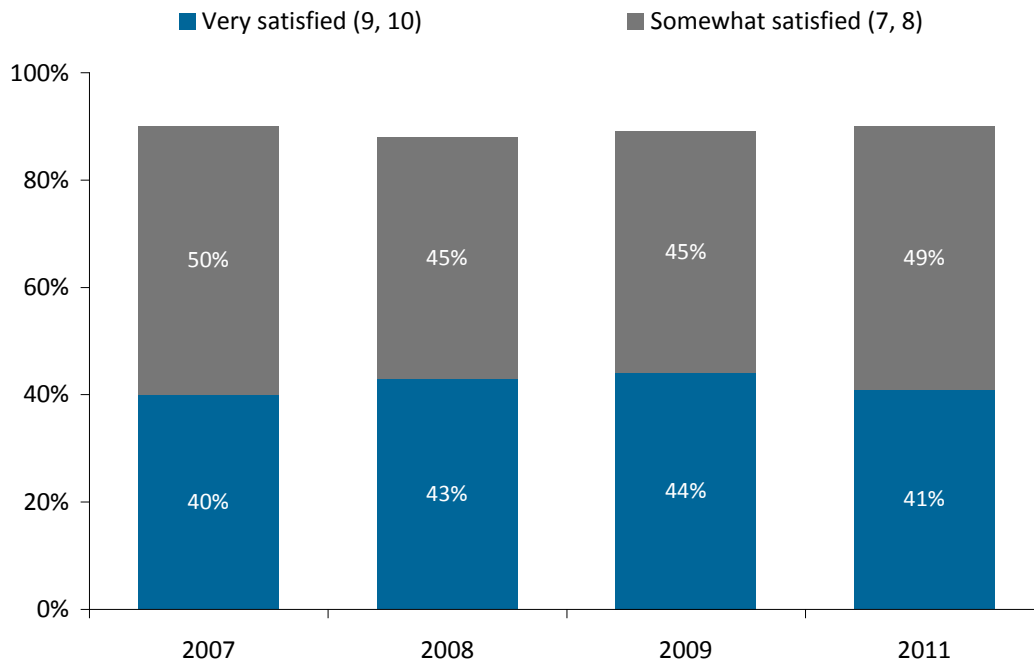
² What may seem to be a difference between percentages may simply be the result of sampling error or the margin of error associated with the sample size and not a real or significant difference in the population.

2.0 CUSTOMER SATISFACTION

2.1 Overall Satisfaction

Customers were asked to rate their *overall satisfaction* with Hydro using a 10-point scale where 1 is 'not at all satisfied' and 10 is 'very satisfied'. The vast majority of customers (90%) are either *very satisfied* (41% provided a rating of 9 or 10) or *somewhat satisfied* (49% provided a rating of 7 or 8) with Hydro. As detailed in Figure 1, 2011 results are consistent with historic results.

Figure 1: Satisfaction with Hydro

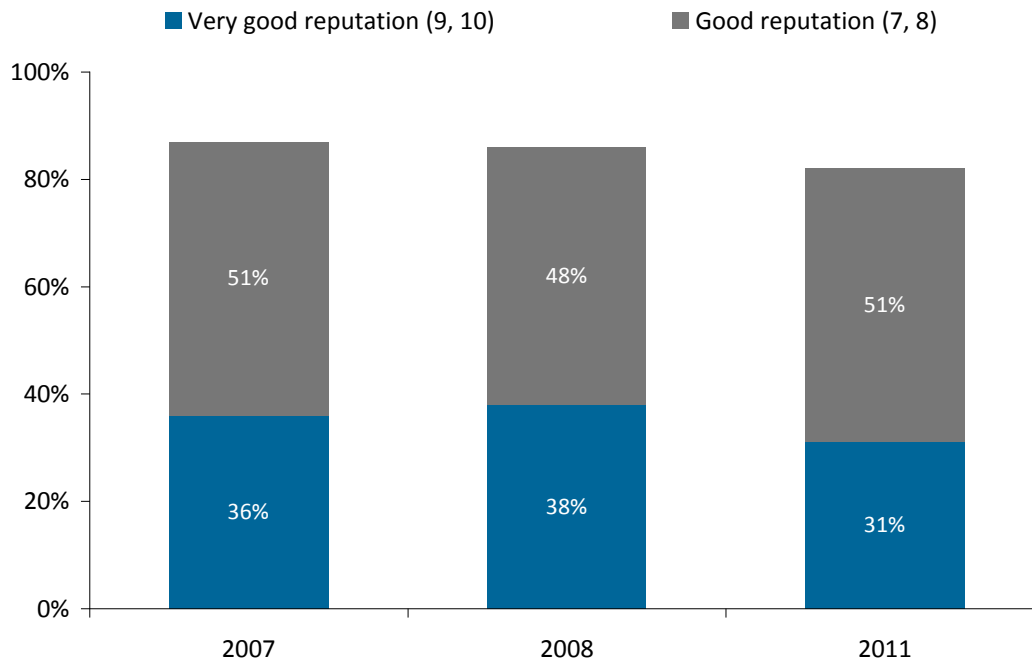


From a regional perspective, customers in Central are **significantly** more likely to provide a rating of 7 or higher when asked to rate their overall satisfaction with Hydro (96%, compared to 88% for those in the Northern region and 85% for those in Labrador).

2.2 Overall Reputation

Customers were asked to rate Hydro's *overall reputation* using a 10-point scale where 1 is 'a very bad reputation' and 10 is 'a very good reputation'. As detailed in Figure 2, the majority of customers (82%) provided a rating of 7 or higher. However, compared to 2008, the proportion of customers who provided a rating of 9 or 10 **decreased** from 38% to 31%.

Figure 2: Hydro's Overall Reputation



2.3 Importance and Satisfaction Ratings of Service Attributes

Commercial customers were asked to rate 16 service attributes in terms of **importance** and **satisfaction**. The dimensions measured by these attributes are: i) service, ii) corporate citizenship and iii) reliability. These dimensions of service and the attributes measured in the study are presented below.

Service

- Accuracy of billing;
- Good power quality that is free from voltage fluctuations;
- Bills that are easy to read and understand;
- The quality of customer service received;
- The way Hydro maintains the electric system;
- Listens to and acts upon customer concerns;
- Cares about its customers;
- The price you pay for electricity; and
- Friendly and courteous employees.

Corporate Citizenship

- Concern for public safety;
- Operates in an environmentally responsible manner;

- Encourages customers to make more efficient use of electricity; and
- Contributes back to the community through initiatives such as community sponsorship programs.

Reliability

- Speed in restoring power when a problem occurs;
- Ensures a sufficient supply of electricity for the foreseeable future; and
- The number of power outages.

Customers were first asked to think about their electricity supplier and to rate the **importance** of each service attribute using a scale of 1 to 10, with 1 being 'not at all important' and 10 being 'very important'. Following this, customers were then asked to rate their **satisfaction** with the performance of Hydro on each attribute using a scale of 1 to 10, with 1 being 'not at all satisfied' and 10 being 'very satisfied'.

Table 1 presents a summary of the service attributes rated as being *most important* and *least important* for an electricity company to possess as well as the attributes which commercial customers are *most satisfied* and *least satisfied* with.

The top-ranked attributes with respect to **importance** are:

1. Concern for public safety (9.7);
2. Ensures a sufficient supply of electricity for the foreseeable future (9.6);
3. Good power quality that is free from voltage fluctuations (9.6); and
4. Speed in restoring power when a problem occurs (9.6).

The lowest ranked **importance** attributes include:

1. Contributes back to the community through initiatives such as community sponsorship programs (8.6); and
2. Encourages efficient use of electricity (9.1).

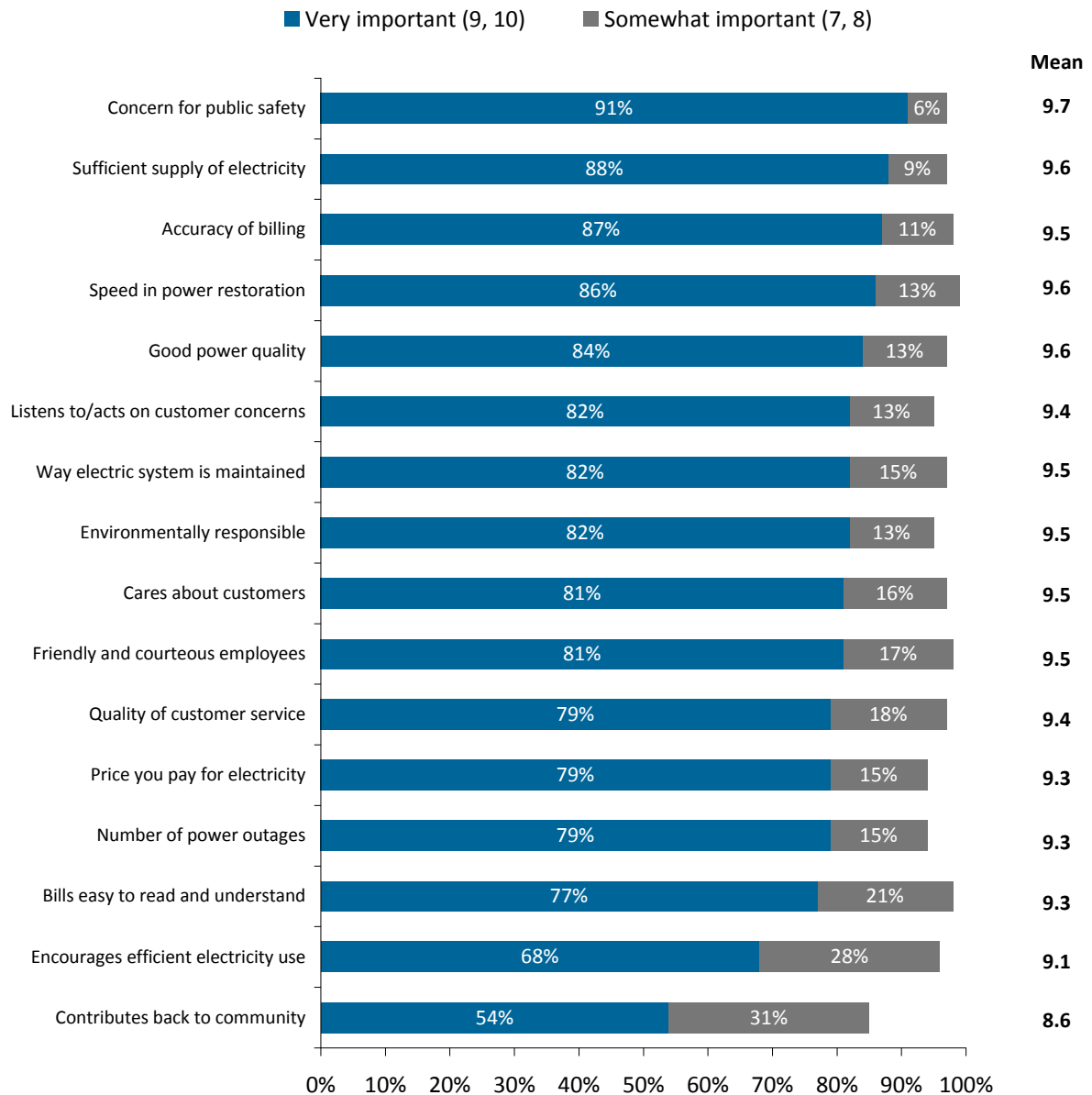
Table 1: Importance and Satisfaction Attribute Summary

What Attributes Are <u>Most Important</u> to Customers in 2011	2011 Mean Rating (out of 10)	2009 Mean Rating (out of 10)
Concern for public safety	9.7	9.7
Ensures a sufficient supply of electricity for the foreseeable future	9.6	9.7
Good power quality that is free from voltage fluctuations	9.6	9.6
Speed in restoring power when a problem occurs	9.6	9.6
What Attributes Are <u>Least Important</u> to Customers in 2011		
Contributes back to the community	8.6	8.6
Encourages efficient use of electricity	9.1	9.1
What Attributes Are Customers <u>Most Satisfied</u> With in 2011		
Concern for public safety	9.1	9.0
Friendly and courteous employees	9.0	9.1
Bills that are easy to read and understand	8.9	8.9
What Attributes Are Customers <u>Least Satisfied</u> With in 2011		
Price paid for electricity	6.3	6.6
Contributes back to the community	7.3	7.2
The number of power outages	7.6	8.0

Commercial customers provided high **importance** ratings for all attributes. For 2011, mean **importance** ratings range from a high of 9.7 ('concern for public safety') to a low of 8.6 ('contributes back to the community').

Figure 3 details the percentage of customers who provided an **importance** rating of either 9/10 ('very important') or 7/8 ('somewhat important'). Mean ratings out of 10 are also provided.

Figure 3: Importance Ratings for 2011



For 2011, mean **satisfaction** ratings range from a high of 9.1 ('concern for public safety') to a low of 6.3 ('price paid for electricity').

The attributes rated highest in terms of **satisfaction** include:

1. Concern for public safety (9.1);
2. Friendly and courteous employees (9.0); and
3. Bills that are easy to read and understand (8.9).

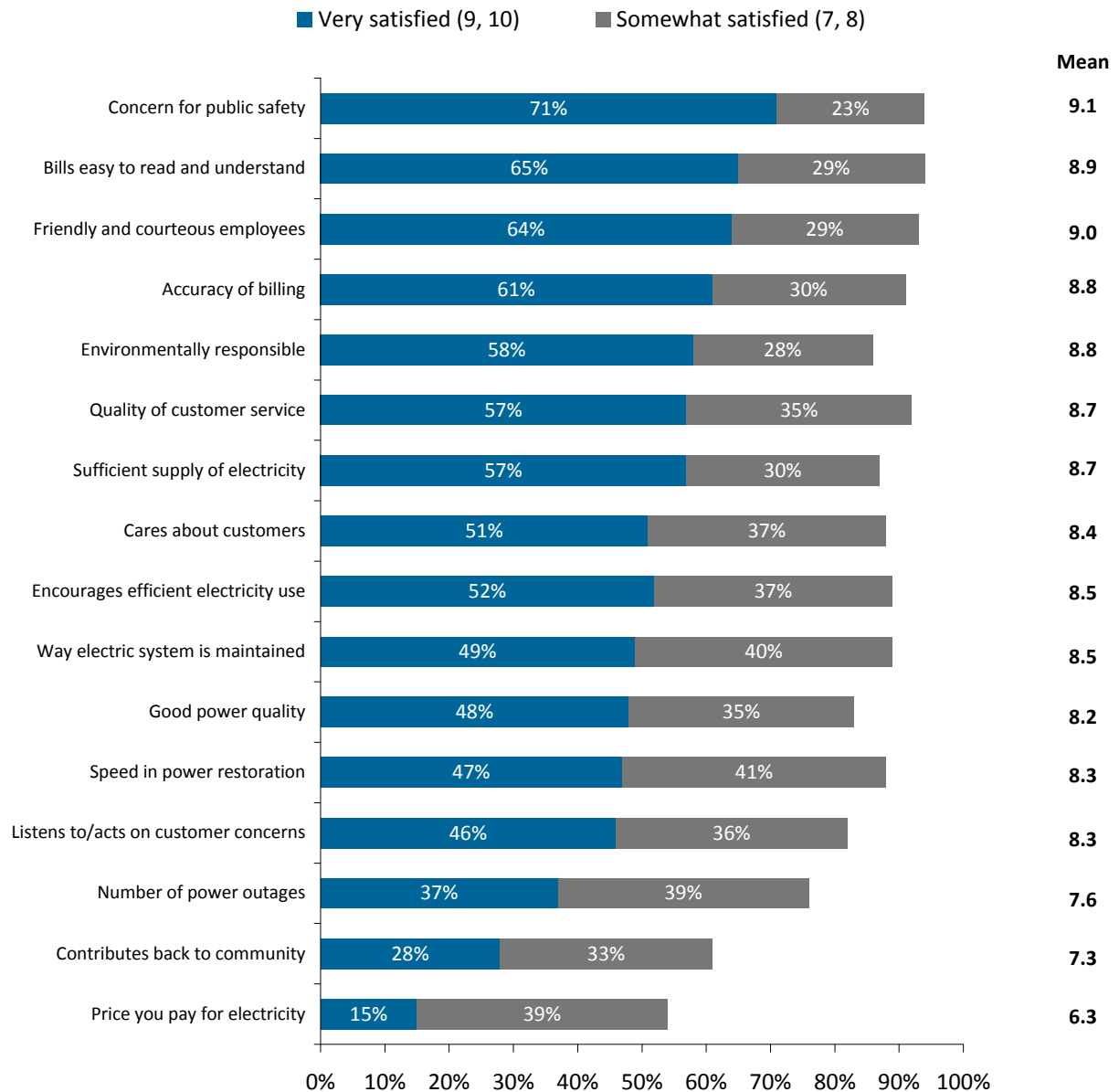
The attributes rated lowest in terms of satisfaction include:

1. The price you pay for electricity (6.3);
2. Contributes back to the community through initiatives such as community sponsorship programs (7.3); and
3. The number of power outages (7.6).

It is important to note that compared to 2009 results, the mean satisfaction rating for 'number of power outages' **decreased** from 8.0 to 7.6 and the mean satisfaction rating for 'price paid for electricity' **decreased** from 6.6 to 6.3.

Figure 4 details the percentage of customers who provided a **satisfaction** rating of either 9/10 ('very satisfied') or 7/8 ('somewhat satisfied'). Mean ratings out of 10 are also provided.

Figure 4: Satisfaction Ratings for 2011



Those customers who provided a satisfaction rating of 6 or less (n=40) when asked to rate Hydro in terms of 'listens to and acts upon customer concerns', were asked to provide a reason for their evaluation. The key sources of dissatisfaction include: 'issues with customer service (in terms of billing and reaching employees)', 'Outage issues (better scheduling, notification, too many of them)' and 'power surges causing problems'. The following table details some of the verbatim responses from customers for each of the sources of dissatisfaction mentioned above.

Table 2: Customer Verbatim Responses

Source of Dissatisfaction	Reasons for Dissatisfaction
Issues with customer service (in terms of billing and reaching employees)	<ul style="list-style-type: none"> ○ <i>"Every time I call I am transferred from representative to representative. I always find it hard to reach the right person".</i> ○ <i>"One time I called and the bill was inaccurate and they said it was estimated and that made it twice as high the next month".</i> ○ <i>"I find it hard to reach a representative and to get answers to my questions".</i> ○ <i>"We use to be able to contact Newfoundland and Labrador Hydro but now we don't have contact numbers. I don't think there's an office here now, in Labrador West".</i>
Outage issues (better scheduling, notification, too many of them)	<ul style="list-style-type: none"> ○ <i>"This is a business and when I hear there is going to be a power interruption I call and I ask if this will affect our business and the person I speak to says the outage is not in the area and then we get a power outage, a surge or bump".</i> ○ <i>"The most recent power outage was scheduled on a Sunday. If it had been at night as opposed to morning/all day, we would have not lost as much business that day. We also lost a piece of equipment that day".</i> ○ <i>"I'm not notified of power outages. The other day I called and was told there would be none and there was".</i>
Power surges causing problems	<ul style="list-style-type: none"> ○ <i>"We have had a lot of power fluctuations lately and it has cost me a lot. We have burned out two compressors and the electrician said it is due to the power fluctuations".</i> ○ <i>"We had some damage done to equipment and Hydro weaseled their way out of not paying for it. They didn't seem to care".</i>

3.0 GAP ANALYSIS

This section of the report presents the gap scores for commercial customers. A gap score is essentially the ***difference between the evaluation of importance and satisfaction with performance on any one service attribute***. Through gap analysis, we can identify those service attributes for which there is a gap in performance and Hydro is not meeting customer expectations. If perceived performance exceeds expectations the score will be positive whereas if perceived performance does not meet or exceed expectations, the score will be negative.

As detailed in Table 3, 2011 gap ratings range from -3.0 ('the price you pay for electricity') to -0.4 ('bills that are easy to read and understand'). The negative gaps indicate that satisfaction with the performance of Hydro falls below expectations for each of the 16 attributes.

Attributes with relatively larger gaps include 'the number of power outages' (-1.7), 'good power quality that is free from voltage fluctuations' (-1.4), 'contributes back to the community' (-1.3), 'speed in restoring power when a problem occurs' (-1.3), 'listens to and acts upon customer concerns' (-1.1) and 'cares about its customers' (-1.1).

Table 3: Gap Analysis Results

Service Dimension	Gap in 2011	Gap in 2009
The price you pay for electricity	-3.0	-2.9
Listens to and acts upon customer concerns	-1.1	-1.2
Good power quality free from voltage fluctuations	-1.4	-1.2
Cares about its customers	-1.1	-1.0
Accuracy of billing	-0.7	-0.9
The way Hydro maintains the electric system	-1.0	-1.1
Quality of customer service received	-0.7	-0.7
Bills that are easy to read and understand	-0.4	-0.6
Friendly and courteous employees	-0.5	-0.2
Corporate Citizenship Dimension		
Contributes back to the community	-1.3	-1.4
Operates in an environmentally responsible manner	-0.7	-0.8
Concern for public safety	-0.6	-0.7
Encourages consumers to make more efficient use of electricity	-0.6	-0.7
Reliability Dimension		
The number of power outages	-1.7	-1.5
Speed in restoring power when a problem occurs	-1.3	-1.3
Ensures a sufficient supply of electricity for the foreseeable future	-0.9	-1.1

Figure 5 through Figure 20 illustrate trends in terms of the gap between **importance** and **satisfaction**.

While importance and satisfaction ratings have changed over time, in many cases they have shifted in the same direction to a similar degree, thus maintaining the size of the gap between them. There are however, a few changes to note.

The gap for 'friendly and courteous employees' was smaller in 2009 (-0.2) than in 2011 (-0.5). This change is due to a slight **decrease in satisfaction** (from 9.1 in 2009 to 9.0 in 2011) and an **increase in importance** (from 9.3 in 2009 to 9.5 in 2011).

The gap for 'operates in an environmentally responsible manner' **decreased** slightly however; **satisfaction increased** from 8.5 in 2009 to 8.8 in 2011 and **importance increased** from 9.3 in 2009 to 9.5 in 2011.

The gap for 'the number of power outages' was smaller in 2009 (-1.5) than in 2011 (-1.7). **Importance decreased** from 9.5 in 2009 to 9.3 in 2011 and **satisfaction decreased** from 8.0 in 2009 to 7.6 in 2011.

The gap for 'accuracy of billing' **decreased** by 0.2. **Importance** did not change from 2009 to 2011 (9.5) however; **satisfaction increased** from 8.6 in 2009 to 8.8 in 2011

The gap for 'the price you pay for electricity' **increased** slightly. **Satisfaction decreased** from 6.6 in 2009 to 6.3 in 2011 while **importance decreased** from 9.5 in 2009 to 9.3 in 2011.

Corporate Citizenship

Figure 5: Concern for public safety

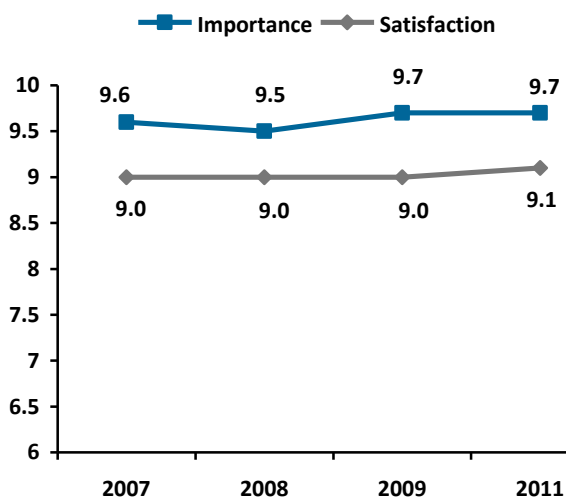


Figure 6: Operates in an environmentally responsible manner

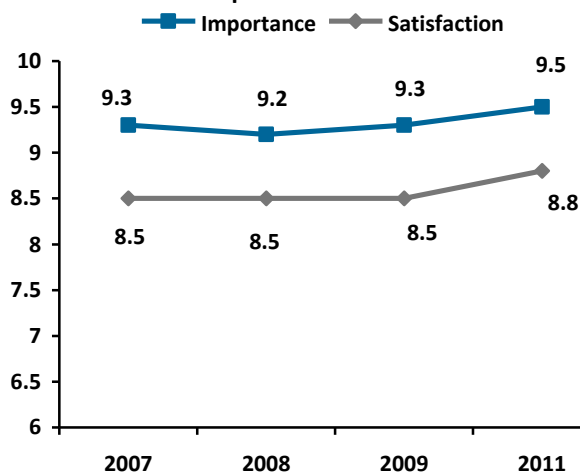


Figure 7: Contributes back to the community

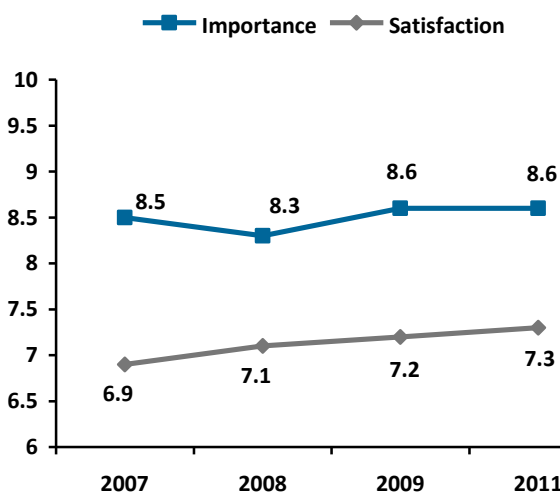
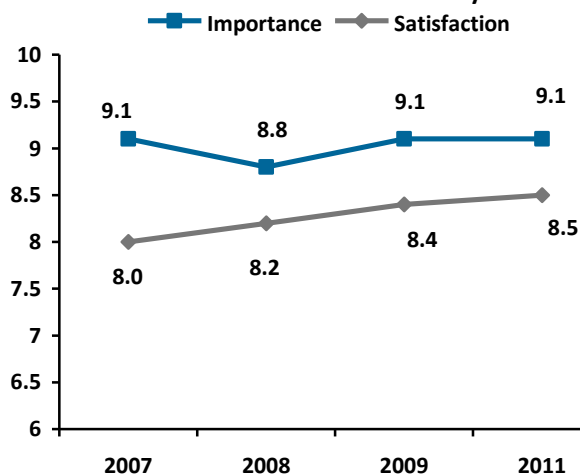


Figure 8: Encourages customers to make more efficient use of electricity



Reliability

Figure 9: Speed in restoring power when a problem occurs

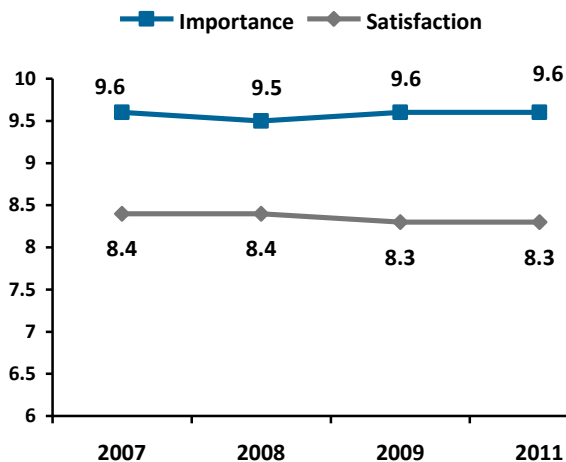


Figure 10: Ensures a sufficient supply of electricity for the foreseeable future

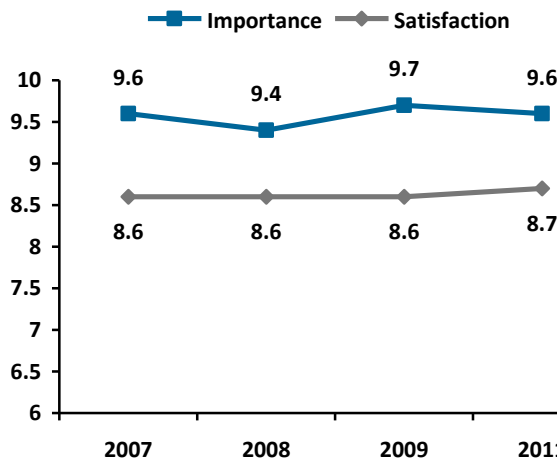
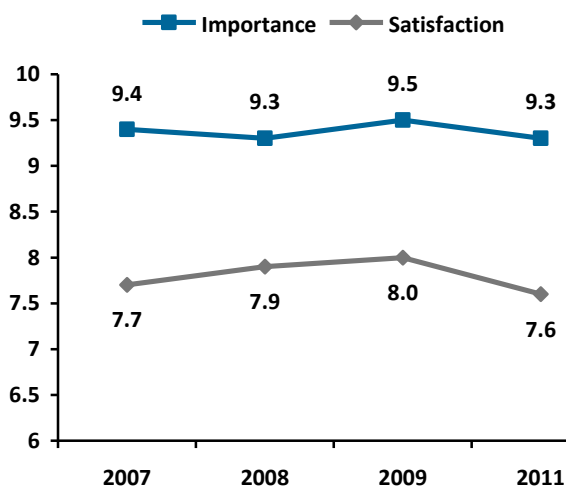


Figure 11: The number of power outages



Service

Figure 12: Bills that are easy to read and understand

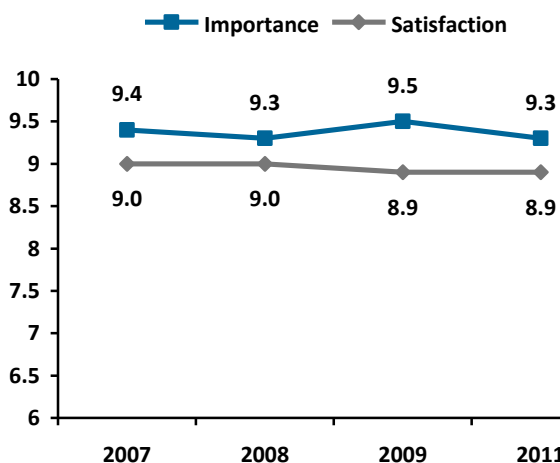


Figure 13: Accuracy of billing

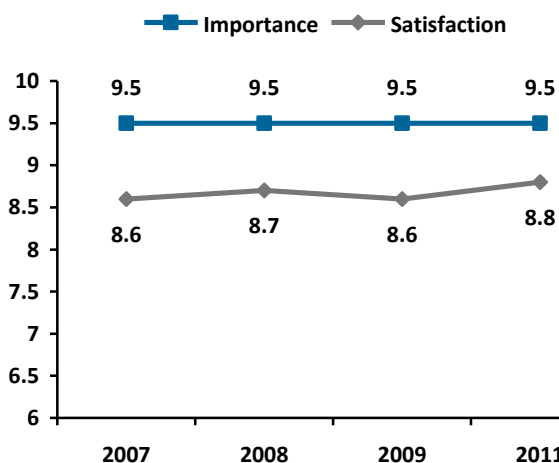


Figure 14: Friendly and courteous employees

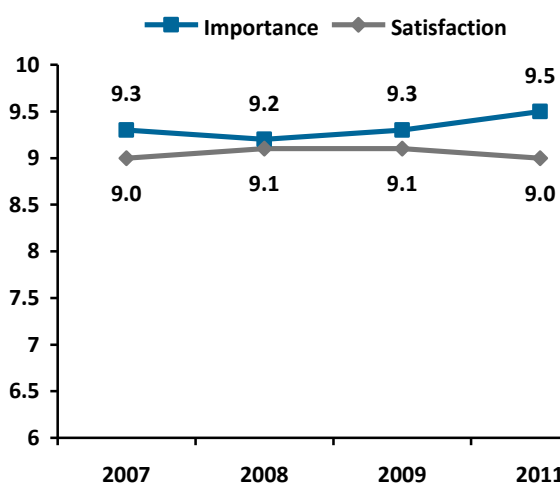


Figure 15: Cares about its customers

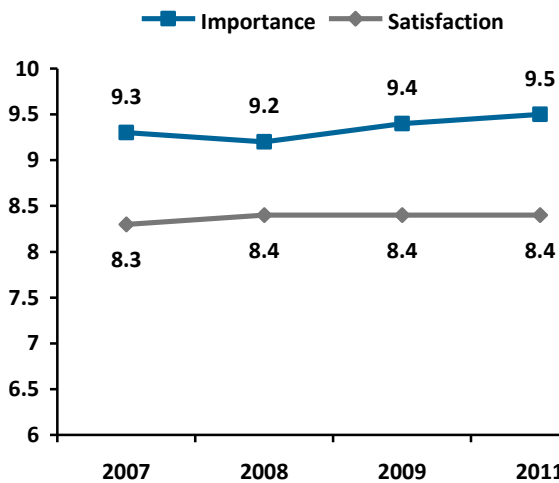


Figure 16: Good power quality free from voltage fluctuations

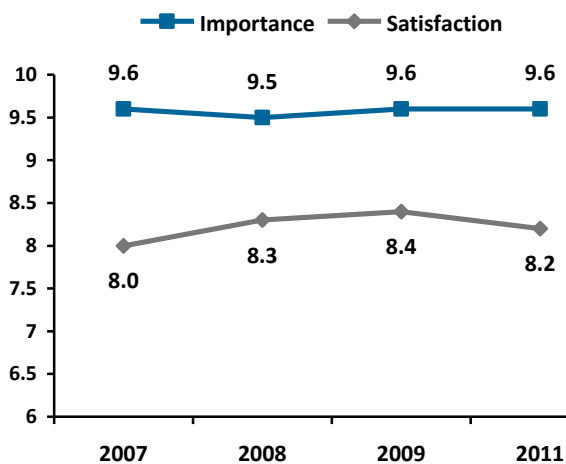


Figure 17: Quality of customer service received

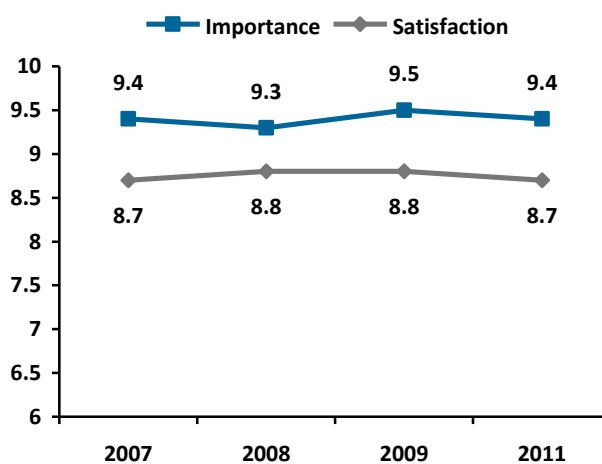


Figure 18: The way Hydro maintains the electric system

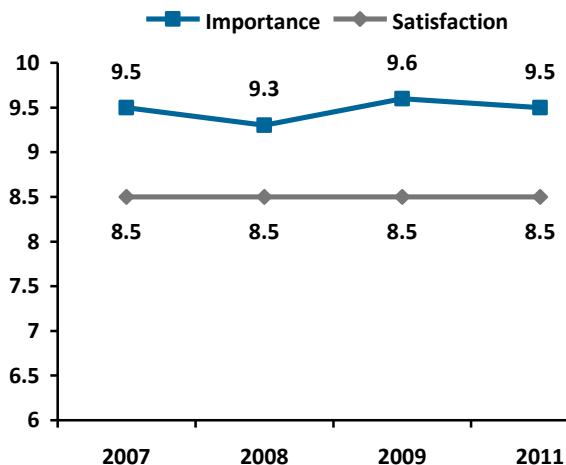


Figure 19: Listens to and acts upon customer concerns

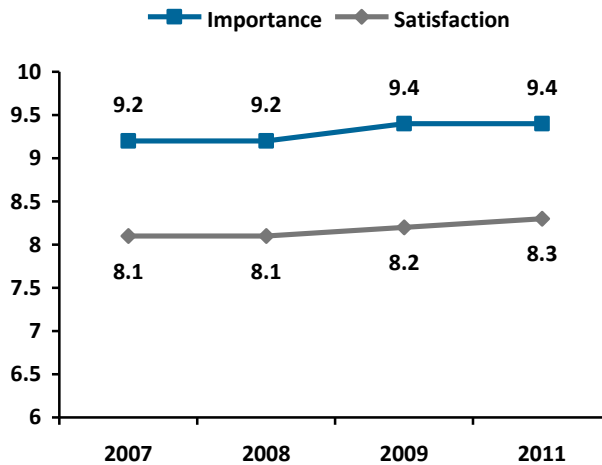
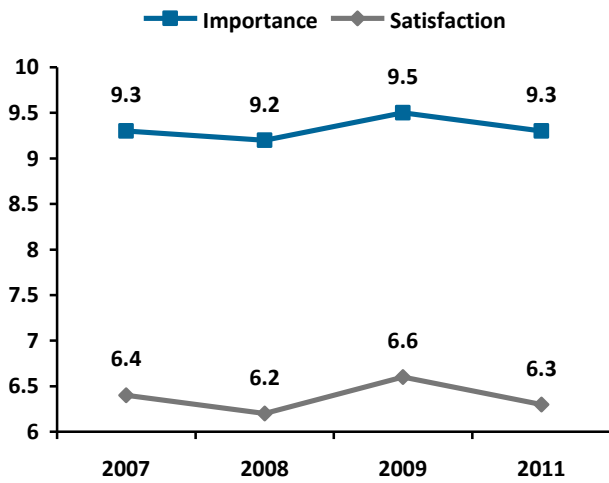


Figure 20: The price you pay for electricity



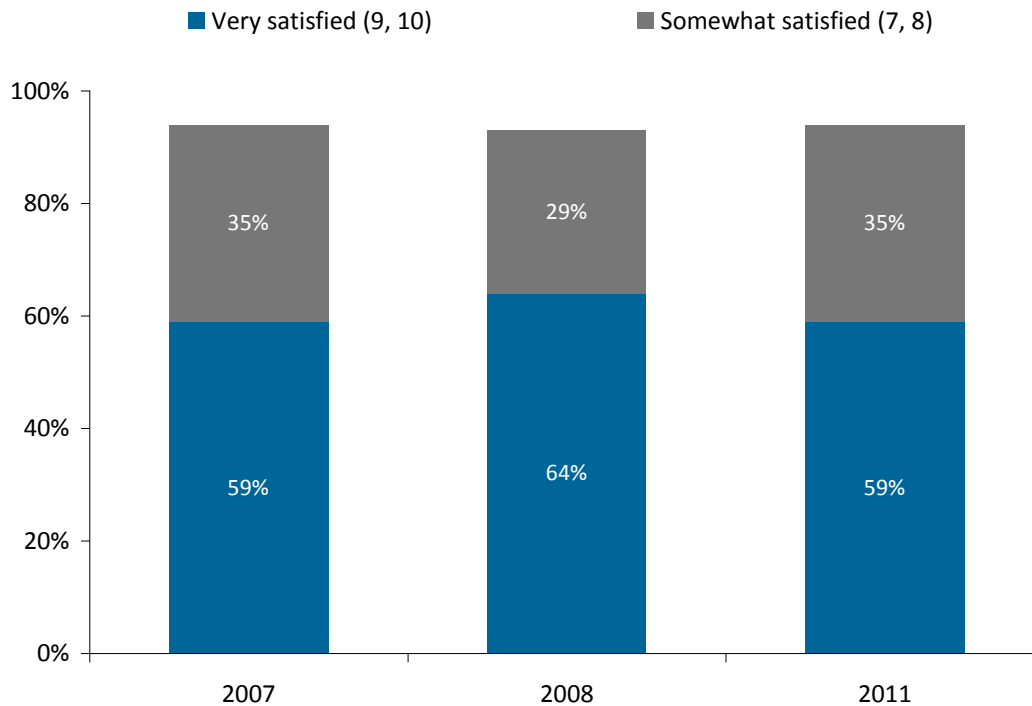
4.0 SERVICE RELIABILITY

4.1 Overall Satisfaction with Service Reliability

To determine satisfaction with Hydro's service reliability, commercial customers were asked to rate their satisfaction with the supply of electricity they receive from Hydro using a scale of 1 to 10, with 1 being 'not at all satisfied' and 10 being 'very satisfied'.

The vast majority of customers (94%) are satisfied with the supply of electricity received from Hydro (59% *very* satisfied; 35% *somewhat* satisfied). This finding is consistent with 2007 and 2008 results.

Figure 21: Satisfaction with Service Reliability

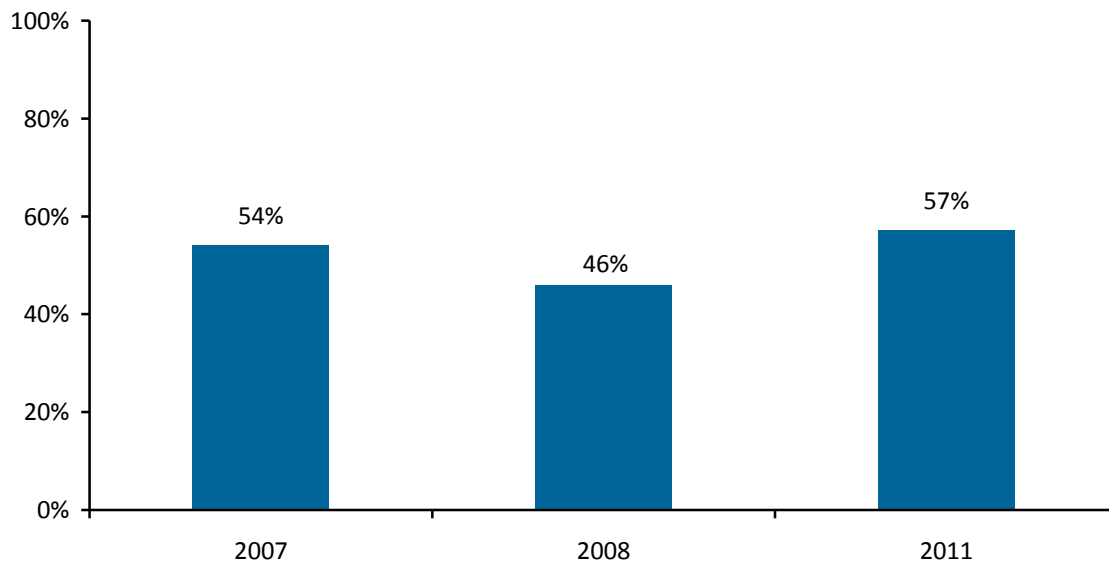


When examined by region, customers residing in the Central region are **significantly more likely** than customers in the Northern and Labrador regions to provide a rating of 9 or 10. Specifically, 74% of customers in Central provided a rating of 9 or 10 - compared to 57% in Northern and 42% in Labrador.

4.2 Unplanned Power Outages Lasting Longer than 30 Minutes

Fifty-seven percent of commercial customers report experiencing an **unplanned** power outage at their company/organization in the past year which lasted longer than 30 minutes. Compared to 2008 the proportion of customers who experienced an unplanned power outage **increased** from 46% to 57%.

Figure 22: Experienced an Unplanned Power Outage which Lasted Longer than 30 Minutes in Past Year

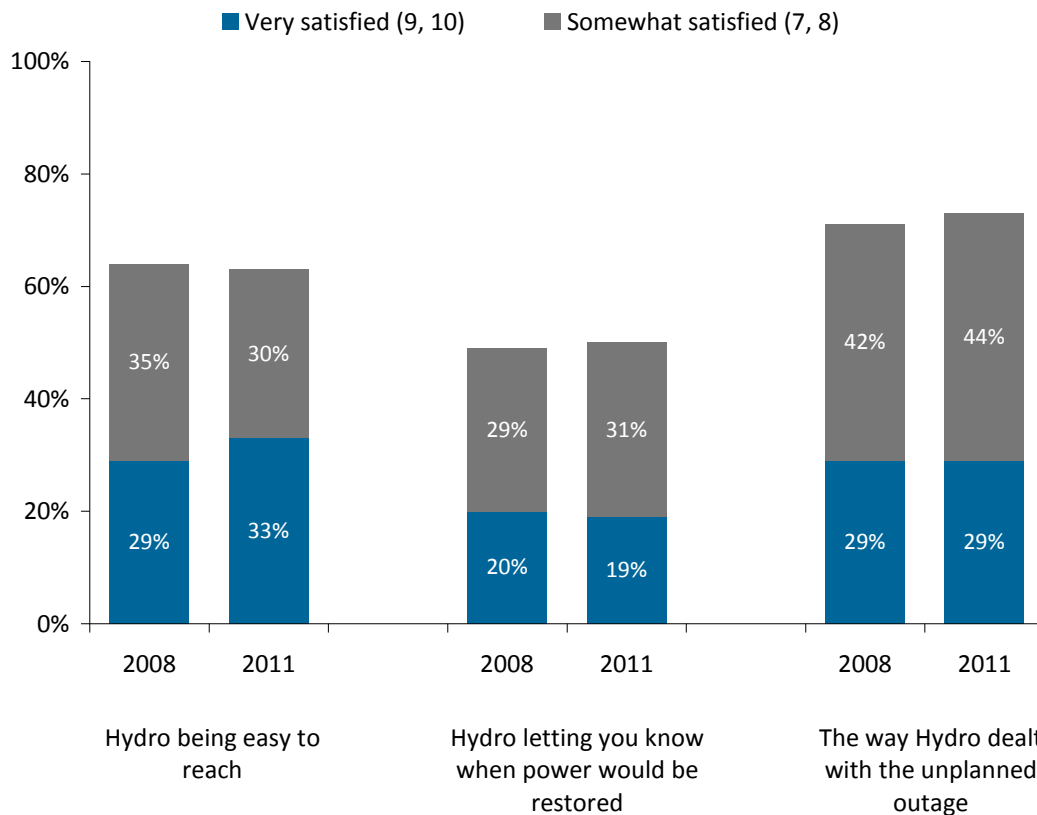


Commercial customers in the Labrador region are most likely to have experienced an unplanned power outage in the past year which lasted more than 30 minutes (77%, up from 57% in 2008), followed by customers in the Northern region (55%, up from 44% in 2008) and Central region (47%, up from 39% in 2008). It is important to note that compared to 2008, there is a **significant increase** in the proportion of customers in the Labrador and the Northern regions who experienced an unplanned power outage.

Customers who experienced an unplanned power outage in the past year were asked to rate their satisfaction with various aspects of Hydro's service during that experience using a scale of 1 to 10, with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'.

As shown in Figure 23, commercial customers are moderately satisfied with the service they received from Hydro during their **most recent** unplanned power outage. Similar to previous years, customers provided the highest rating for 'the way Hydro dealt with the unplanned power outage' (73% *very* or *somewhat* satisfied) and the lowest rating for 'Hydro letting you know when the power would be restored' (50% *very* or *somewhat* satisfied). It is important to note that 2011 results are consistent with 2008 results.

Figure 23: Satisfaction with Hydro's Handling of Most Recent Power Outage



When examined by region, customers residing in Central provided **significantly higher** satisfaction scores than those customers residing in the Labrador and Northern regions for the following two attributes: 'Hydro being easy to reach to discuss your questions or concerns about power outages' (80% provided a rating of 7 or higher – compared to 59% in the Northern region and 53% in the Labrador region) and 'Hydro letting you know when power would be restored' (71% provided a rating of 7 or higher – compared to 44% in the Northern region and 38% in the Labrador region).

Customers in Labrador also provided lower satisfaction scores than those in the Central and Northern regions for the attribute: 'the way Hydro dealt with the unplanned power outage' (55% provided a rating of 7 or higher – compared to 84% in Central and 78% in Northern).

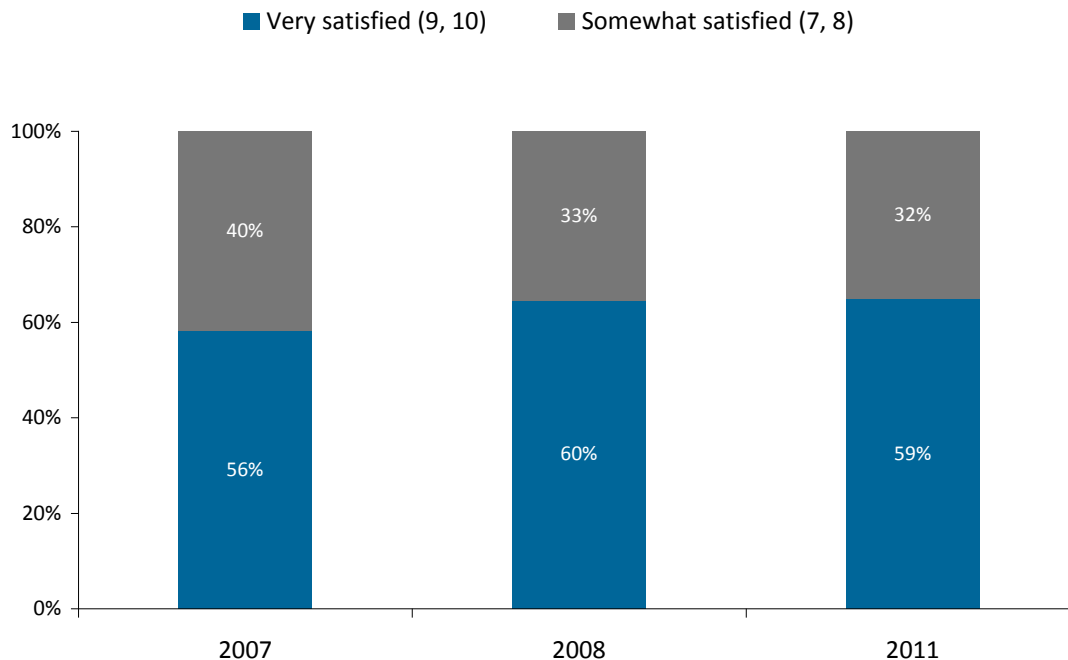
5.0 CUSTOMER SERVICE

5.1 Overall Satisfaction with Customer Service

Customers were asked to rate their satisfaction with the customer service they receive from Hydro on a scale of 1 to 10, with 1 being 'not at all satisfied' and 10 being 'very satisfied'.

A large majority of customers (91%) are satisfied with the customer service they receive from Hydro (59% *very* satisfied; 32% *somewhat* satisfied). From a regional perspective, those customers in Central are **significantly** more likely to provide a rating of 9 or 10 when asked to rate their overall satisfaction with Hydro's customer service (73%, compared to 53% for those in Northern and 47% for those in Labrador).

Figure 24: Satisfaction With Customer Service



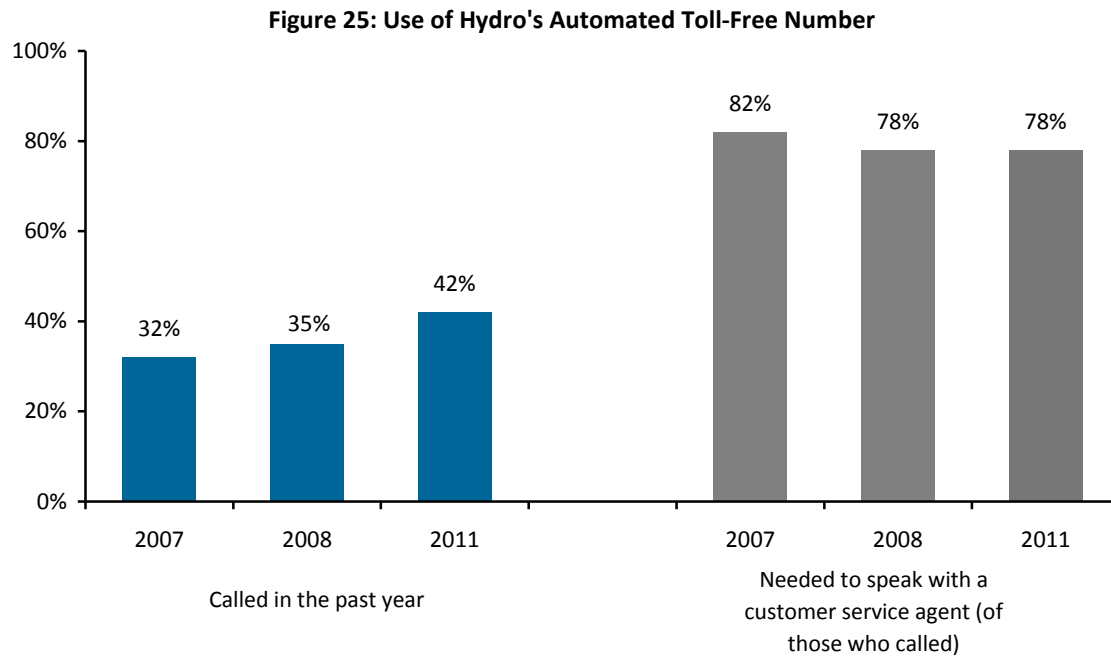
6.0 AWARENESS & USE OF CUSTOMER SERVICES

6.1 Use of Hydro's Automated Toll-Free Number

Hydro makes available to its customers an automated toll-free number which provides power outage and billing/account information 24 hours a day. Commercial customers were asked about their use of this automated toll-free number.

Compared to 2008, there is a **significant increase** in the proportion of commercial customers who have called Hydro's automated toll-free number within the past year (from 35% in 2008 to 42% in 2011). Fifty-seven percent have called either once (16%), twice (25%) or three times (16%) over the past year.

Of those customers who called the automated toll-free number (n=132), the majority (78%) needed to speak with a customer service agent.



Of those customers who called Hydro's automated toll-free number and needed to speak with a customer service agent, 15% (n=15) had difficulty reaching an agent.

Most customers experiencing difficulty were calling to obtain power outage information (n=11)³.

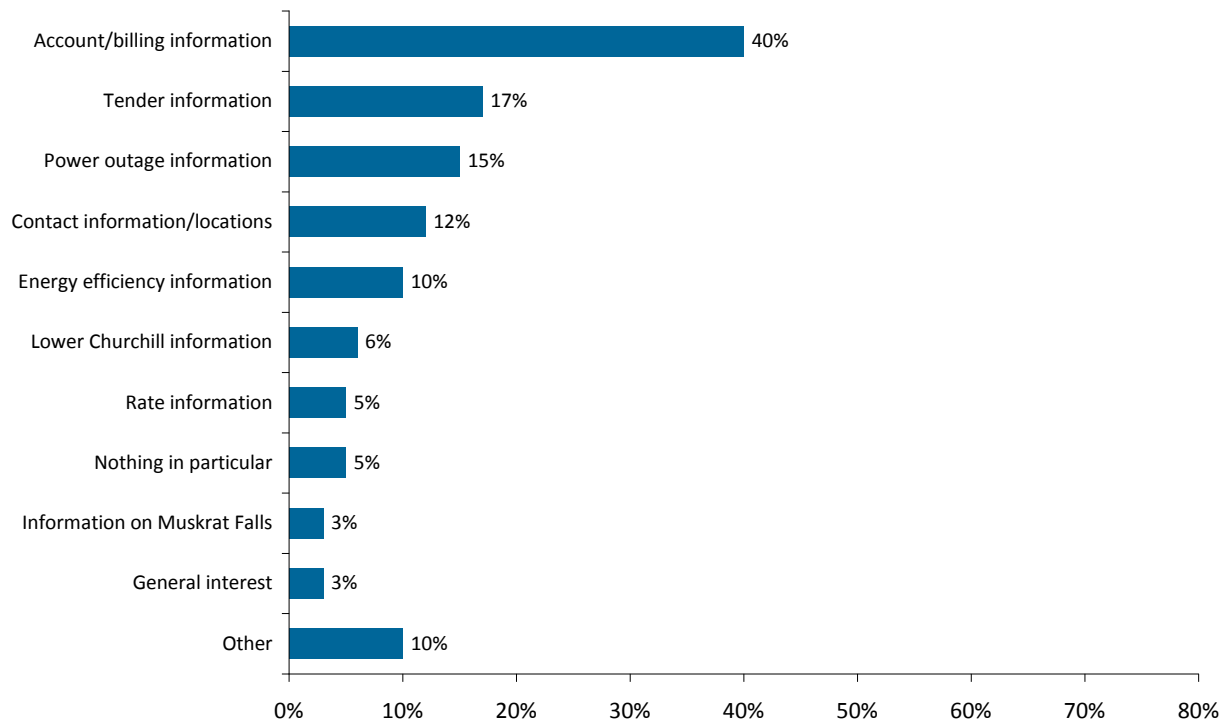
6.2 Knowledge and Use of Hydro's Website

Nineteen percent of commercial customers have visited Hydro's website at least once in the past year.

Customers who visited Hydro's website over the past year (n=59) were asked to specify the type of information they were seeking. As detailed in Figure 26, many customers were seeking account/billing information (40%).

³ Multiple responses allowed.

Figure 26: Information Sought on Hydro's Website in the Past Year*

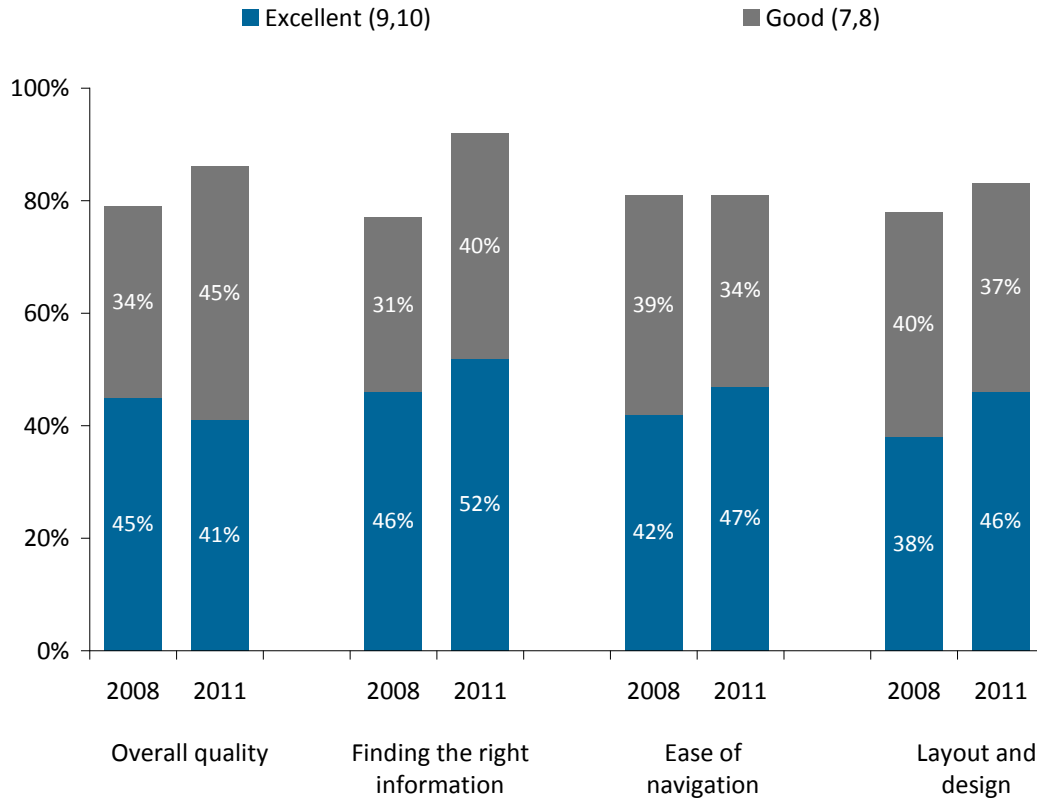


*Multiple responses allowed.

The vast majority of those commercial customers (95%) who visited Hydro's website in the past year were able to find the information they were seeking.

Those who visited Hydro's website over the past year were asked to rate the site on a variety of attributes using a 10-point scale where 1 is 'very poor' and 10 is 'excellent'. As detailed in Figure 27, ratings of the website are favorable as the majority of customers provided a rating of 7 or higher on each of the four attributes. Please note that for this particular question, the overall sample size is small (n=59) and therefore, results should be interpreted with caution.

Figure 27: Hydro's Website Ratings (n=59)

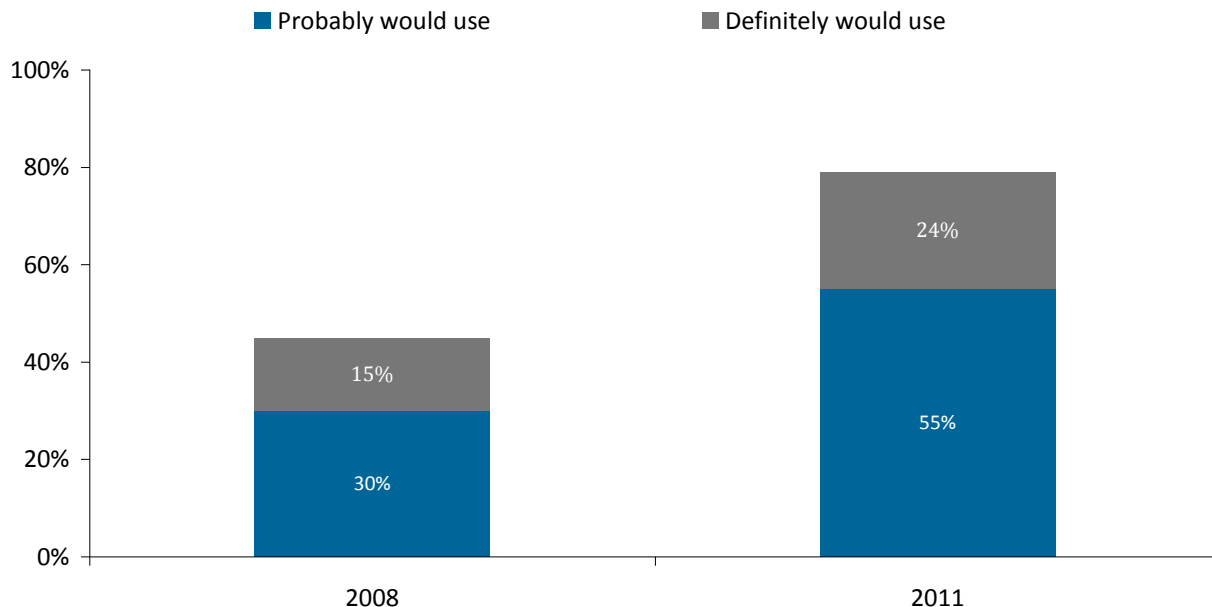


6.3 Online Services and Electronic Billing

Hydro is considering expanding their online customer service capabilities by allowing customers to request service or information through their website. This may include services such as setting up a new account or changing an address, requesting a streetlight or requesting information on Hydro's energy efficiency initiatives. Customers were asked about the likelihood of using such online services.

In 2011, 24% of those commercial customers with internet access ***definitely would use*** online services and 55% ***probably would use*** online services. Compared to 2008, the proportion of customers who said either '***definitely would use***' or '***probably would use***' increased significantly from 45% to 79% in 2011.

Figure 28: Interest in Increased Online Services



Electronic billing is a type of billing offered by Hydro through which customers receive and view their monthly bill online through their email. Once a customer signs up for electronic billing, they no longer receive their bill in the mail. For the first time, commercial customers were asked about their use of this service.

Ninety-four percent of commercial customers have access to the Internet. Of those customers, 6% (17 customers) **currently** use electronic billing from Hydro. Those customers who do not **currently** use this service (and have access to the Internet) were asked if they have **ever** used this service from Hydro. Seven customers (3%) said they had **previously** used this service.

Those who are not currently using (or have never used) this service from Hydro were asked to identify if, over the next six months, they plan to sign up for electronic billing with Hydro. Sixteen percent said 'yes' while an additional 17% said 'do not know'.

6.4 Watts New

In 2005, Hydro introduced a customer newsletter called '*Watts New*', which is distributed to all customers on a quarterly basis as an insert with their Hydro bill.

Customers were asked if they had read an issue of the newsletter over the past year⁴. Forty-nine percent of commercial customers have read an issue of '*Watts New*' over the past year.

The vast majority of customers (96%) who read an issue of '*Watts New*' over the past year rated the content of the newsletter as informative (32% *very* informative; 64% *somewhat* informative).

6.5 Awareness of Public Safety Advertising Programs

Commercial customers were asked questions to assess their knowledge of public safety advertising programs established by Hydro. Thirty-nine percent of customers are aware of public safety advertising programs established by Hydro.

While the above results reflect general awareness that Hydro has public safety advertising programs, more specific awareness of '*Back It Up*' and '*Power Line Safety*' advertising programs were assessed through an examination of *unaided* and *aided* awareness of both programs. *Unaided* awareness was assessed by asking those customers who are aware that Hydro has public safety programs to provide the name of the programs. Out of all commercial customers 1% (4 customers) correctly identified '*Back It Up*' as one of Hydro's public safety advertising programs. Out of all commercial customers 2% (7 customers) correctly identified '*Power Line Safety*' as one of Hydro's public safety advertising programs.

To determine aided awareness, customers who did not correctly identify '*Back It Up*' were told that the name of one of Hydro's safety advertising programs is '*Back It Up*' and were then asked if they had heard of it. Twenty-four percent indicated that they had heard of '*Back It Up*'.

Customers who did not correctly identify '*Power Line Safety*' were told that the name of one of Hydro's safety advertising programs is '*Power Line Safety*' and were then asked if they had heard of it. Sixty-seven percent indicated that they had heard of '*Power Line Safety*'.

The website HydroSafety.ca delivers Hydro's '*Back It Up*' safety program, Hydro's '*Power Line Safety*' program and is where the public can get information about electrical safety, emergency preparedness and safety for children. Very few commercial customers (1%, 2 customers) have visited the HydroSafety.ca website over the past year.

⁴ In 2011 the wording of this question changed to '*Over the past year have you read an issue of Hydro's customer newsletter 'Watts New'?*' In addition, in the 2011 survey, all respondents were asked if they had read an issue of Watts New. As a result of this wording change, the results for this question should not be compared to previous years.

6.6 Social Media

For the first time, commercial customers were asked if they are aware of Hydro's social media site on Facebook and Twitter. Five percent (14 customers) are aware of Hydro's social media site on Facebook and 2% (6 customers) are aware of Hydro's social media site on Twitter.

Of those aware of Hydro's social media site on Facebook (and with internet access), 14% have visited the site over the past twelve months. Of those aware of Hydro's social media site on Twitter (and with internet access), 0% have visited the site over the past twelve months.

Of those customers who have not visited Hydro's Facebook or Twitter site (and who have internet access), 19% have visited other social media sites to receive information over the past twelve months.

7.0 CONCLUSIONS

The majority of commercial customers are satisfied with the performance of Hydro. Forty-one percent provided a rating of 9 or 10 when asked to rate their *overall satisfaction* with Hydro using a 10-point scale with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'. Forty-nine percent provided a rating of 7 or 8. Focus should be placed on moving those customers who are just 'somewhat satisfied' (rating of 7 or 8) to being 'very satisfied'.

Commercial customers rate Newfoundland and Labrador Hydro's reputation positively. Specifically, the majority of customers (82%) provided a rating of 7 or higher when asked to rate Hydro's *overall reputation* using a 10-point scale where 1 is '*a very bad reputation*' and 10 is '*a very good reputation*'. Compared to 2008, the proportion of customers who provided a rating of 9 or 10 **decreased** from 38% to 31%.

Commercial customers continue to be satisfied with Hydro's service reliability. Fifty-nine percent provided a rating of 9 or 10 when asked to rate their satisfaction with the supply of electricity they receive from Hydro using a scale of 1 to 10, with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'.

Commercial customers are satisfied with the customer service received from Hydro. A large majority of customers (91%) provided a rating of 7 or higher when asked to rate their satisfaction with the customer service received from Hydro using a 10-point scale with 1 being '*not at all satisfied*' and 10 being '*very satisfied*'. Those customers in Central are **significantly** more likely to provide a rating of 9 or 10 when asked to rate their overall satisfaction with Hydro's customer service (73%, compared to 53% for those in Northern and 47% for those in Labrador).

Nineteen percent of all commercial customers have visited Hydro's website at least once in the past year. This is a potential area of focus over the coming months. That is, promoting Hydro's website among commercial customers. Doing so may entice customers to use online customer service capabilities currently offered by Hydro.

A relatively small proportion of commercial customers are currently using Hydro's electronic billing service. Of those customers with internet access, 6% are currently using this service from Hydro.

A relatively small proportion of customers are aware of Hydro's public safety advertising campaign called 'Back It Up'. Aided awareness of Hydro's public safety advertising campaign called '**Power Line Safety**' is stronger. Consideration should be given to increasing awareness of both campaigns through avenues such as Hydro's quarterly newsletter.

A small proportion of commercial customers are aware of Hydro's social media site on Facebook and Twitter. Five percent (14 customers) are aware of Hydro's social media site on Facebook and 2% (6 customers) are aware of Hydro's social media site on Twitter.

8.0 PROFILE OF SURVEY RESPONDENTS

This section presents a profile of survey respondents.

Commercial customers who participated in the survey represented a wide range of industries, however the majority were from the retail trade (20%), public administration (20%) or other services (except public administration) (18%).

Most commonly, survey respondents were owners/part owners (31%) or managers (24%) of the company or organization.

Table 4: Firmographic Profile

	% Respondents (n=310)
INDUSTRY	
Retail trade	20%
Public administration	20%
Other services (except public administration)	18%
Accommodation and food services	13%
Real estate and rental and leasing	5%
Manufacturing	3%
Professional, scientific and technical services	3%
Construction	3%
Wholesale trade	3%
Professional, scientific and technical services	3%
Agriculture, forestry, fishing and hunting	2%
Arts, entertainment and recreation	2%
Health care and social assistance	2%
Transportation and warehousing	2%
Information and cultural industries	2%
Mining and oil and gas extraction operation	1%
Educational services	1%

Table 4: Firmographic Profile (Continued)

	% Respondents (n=310)
POSITION WITHIN COMPANY	
Owner/part owner	31%
Manager	24%
Town clerk	9%
President/Vice president/Principal/CEO/Director	8%
Secretary/treasurer	8%
Office/Administrative assistant	5%
Bookkeeper	2%
Minister/Pastor	2%
Other	10%
Refused	1%

APPENDIX A: SURVEY



Commercial Customer Satisfaction Survey 2011 Newfoundland and Labrador Hydro Final

Imported Fields: Company/Organization, Region, and Community

Hello, my name is _____ and I'm calling from MQO Research, a professional marketing research firm. We are conducting a survey on behalf of Newfoundland and Labrador Hydro to measure customer satisfaction and identify ways to improve the service they provide commercial customers. May I please speak to the individual in your organization who is primarily responsible for dealing with Newfoundland and Labrador Hydro? **[REPEAT INTRO IF NECESSARY]**

We would appreciate your participation, would you have a few minutes to complete the survey?
...it will take approximately 10-12 minutes of your time.

YES - CONTINUE

NO - THANK & TERMINATE

Screener:

S1. What is the name of the electric company which....

	NL & Lab Hydro	NL Power	Nalcor Energy	D/K or N/A
<i>Supplies electricity to the properties owned or operated by your company or organization?</i>	1	2	3	98

IF NL & LAB HYDRO OR NALCOR ENERGY NOT MENTIONED- THANK & TERMINATE

Before we talk about electricity, I'd like to start with a general question...

1. What companies which currently operate in Newfoundland and Labrador first come to mind when you think of "a good corporate citizen" or a company that gives back to the community? **RECORD RESPONSES - ACCEPT MULTIPLE RESPONSES**

IF NALCOR ENERGY MENTIONED IN S1 PLEASE READ THE FOLLOWING: As you may or may not know Newfoundland and Labrador Hydro is a subsidiary company of Nalcor Energy. Throughout the remainder of this survey I will be referring to Newfoundland and Labrador Hydro.

2. Based on what you know or have heard, how would you rate Newfoundland and Labrador Hydro's overall reputation, using a scale of 1 to 10, where 1 is a "very bad reputation" and 10 is a "very good reputation"?

Very bad reputation									Very good reputation		Don't know
	1	2	3	4	5	6	7	8	9	10	

When answering the following questions, please refer to the service provided to you as a commercial customer through [insert company/organization]. The information you provide is confidential and will be analyzed with all other responses. Since the accuracy of the study depends on your answers, please be honest in your response, whether good or bad.

Customer Satisfaction

3. When thinking about **your** electricity supplier, I would like you to tell me how **important** you feel each of the following items is, on a scale of 1 to 10, where 1 means it is "not at all important" and 10 means it is "very important" to you. How important is... [READ LIST] [ROTATE LIST]

	Not at all important										Very important	Don't know
The number of power outages	1	2	3	4	5	6	7	8	9	10	98	
That Hydro ensures a sufficient supply of electricity for the foreseeable future	1	2	3	4	5	6	7	8	9	10	98	
The quality of customer service you receive from Hydro	1	2	3	4	5	6	7	8	9	10	98	
The price you pay for electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	98	
Hydro's concern for public safety	1	2	3	4	5	6	7	8	9	10	98	
That Hydro contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	98	
That Hydro encourages consumers to make more efficient use of electricity	1	2	3	4	5	6	7	8	9	10	98	

	Not at all important										Very important	Don't know
That Hydro listens to and acts upon customer concerns	1	2	3	4	5	6	7	8	9	10	98	
Speed in restoration of power when a problem occurs	1	2	3	4	5	6	7	8	9	10	98	
Accuracy of billing	1	2	3	4	5	6	7	8	9	10	98	
Bills that are easy to read and understand	1	2	3	4	5	6	7	8	9	10	98	
That Hydro cares about its customers	1	2	3	4	5	6	7	8	9	10	98	
Good power quality that is free from voltage fluctuations	1	2	3	4	5	6	7	8	9	10	98	
The way Hydro maintains the electric system	1	2	3	4	5	6	7	8	9	10	98	
Having friendly and courteous employees	1	2	3	4	5	6	7	8	9	10	98	

4. Now I would like you to tell me how satisfied you are with the way Newfoundland and Labrador Hydro is performing on each of the following. On a 10-point scale from 1 to 10, where 1 means that you are “not at all satisfied” and 10 means that you are “very satisfied” with their performance, how satisfied are you: **[READ LIST] [ROTATE LIST]**

	Not at all satisfied										Very satisfied	Don't know
With the number of power outages	1	2	3	4	5	6	7	8	9	10	98	
That Hydro ensures a sufficient supply of electricity for the foreseeable future	1	2	3	4	5	6	7	8	9	10	98	
With the quality of customer service you receive from Hydro	1	2	3	4	5	6	7	8	9	10	98	
With the price you pay for electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	98	
With Hydro's concern for public safety	1	2	3	4	5	6	7	8	9	10	98	

	Not at all satisfied										Very satisfied	Don't know
That Hydro contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	98	
That Hydro encourages consumers to make more efficient use of electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro listens to and acts upon customer concerns	1	2	3	4	5	6	7	8	9	10	98	
With the speed in restoring power when a problem occurs	1	2	3	4	5	6	7	8	9	10	98	
With the accuracy of Hydro's billing	1	2	3	4	5	6	7	8	9	10	98	
With Hydro providing bills that are easy to read and understand	1	2	3	4	5	6	7	8	9	10	98	
That Hydro cares about its customers	1	2	3	4	5	6	7	8	9	10	98	
Good power quality that is free from voltage fluctuations	1	2	3	4	5	6	7	8	9	10	98	
The way Hydro maintains the electric system	1	2	3	4	5	6	7	8	9	10	98	
With how friendly and courteous Hydro's employees are	1	2	3	4	5	6	7	8	9	10	98	

5. In general, how satisfied are you with Hydro on a scale of 1 to 10, where 1 means "not at all satisfied" and 10 means "very satisfied"?

Not at all Satisfied										Very Satisfied	Don't Know
1	2	3	4	5	6	7	8	9	10	98	

ASK Q5_1 IF RESPONDENT PROVIDED A SATISFACTION RATING OF 6 OR LESS TO 'THAT HYDRO LISTENS TO AND ACTS UPON CUSTOMER CONCERNS'.

Q5_1. In evaluating Hydro you gave a score of <recall score> for listens to and acts upon customer concerns. Could you tell me the reason for your evaluation? **RECORD RESPONSES - ACCEPT MULTIPLE RESPONSES**

Customer Service and Service Reliability

6. Now please think of electric companies as serving customers in two ways: the first being the supply of electricity to your commercial property and 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, where 1 means "not at all satisfied" and 10 means "very satisfied", how satisfied are you with: **[READ LIST]**

	Not at all Sat.										Very Sat.	D/K
The <u>supply of electricity</u> you receive from Hydro	1	2	3	4	5	6	7	8	9	10		98
The overall <u>customer service</u> you receive from Hydro	1	2	3	4	5	6	7	8	9	10		98

Now I would like to ask about the reliability of your electricity supply...

7. Within the past year, have you experienced an unplanned power outage at your company or organization that lasted more than 30 minutes?

Yes	01	- CONTINUE
No	02	-SKIP TO Q9
Don't Know	98	-SKIP TO Q9

8. Thinking about the most recent unplanned power outage at your company or organization, please rate the following using a scale of 1 to 10, where 1 means that you were "not at all satisfied" and 10 means that you were "very satisfied". How satisfied were you with: **[READ LIST]**

	Not at all Sat.										Very Sat.	DK
The way Hydro dealt with the unplanned power outage	1	2	3	4	5	6	7	8	9	10		98
Hydro in letting you know when power would be restored	1	2	3	4	5	6	7	8	9	10		98
Hydro being easy to reach to discuss your questions or concerns about power outages	1	2	3	4	5	6	7	8	9	10		98

Accessing Information – Telephone and Website

The next couple of questions are about accessing information...I would like to remind you that these questions refer to any dealings you have had with Hydro on behalf of [insert company/organization], and not any personal dealings.

9. Have you called Hydro's automated toll-free number on behalf of [insert company/organization] within the past year?

Yes	01	-CONTINUE
No	02	-SKIP TO Q15
Don't Know	98	-SKIP TO Q15

10. How many times have you called Hydro's automated toll-free number within the past year? **[RECORD RESPONSE]**

Don't Know	998
------------	-----

11. In the past year, have you called Hydro's automated toll-free number and needed to speak with a customer service agent?

Yes	01	-CONTINUE
No	02	-SKIP TO Q15
Don't Know	98	-SKIP TO Q15

12. In the past year, have you had any difficulty reaching a customer service agent at Hydro?

Yes	01	-CONTINUE
No	02	-SKIP TO Q15
Don't Know	98	-SKIP TO Q15

13. What was the main difficulty or problem you had in the past year with trying to reach a customer service agent? **[RECORD RESPONSE]**

[Note to interviewer: This question refers to the problem related to reaching the agent...not the reason for the call. Probe for specific problem, such as "waiting time for agent too long", "called outside hours of customer service centre/agents", etc.]

14. When you had this particular problem reaching an agent, what was the nature of your call...was it...**[READ LIST] [RECORD ALL THAT APPLY]**

Power outage information	01
Billing or account information	02
Energy efficiency information (e.g. takeCHARGE program, etc.)	03
Or something else? - Specify	90

Don't know 98

Now moving on to the Internet...

15. Do you have access to the Internet? **(Interviewer note: Please note that this could be at home, at work etc).**

Yes 1
No 2

16. Have you ever visited Hydro's website?

Yes 01 -CONTINUE
No 02 -SKIP TO Q22
Don't Know 98 -SKIP TO Q22

17. Have you visited Hydro's website in the past year?

Yes 01 -CONTINUE
No 02 -SKIP TO Q22
Don't Know 98 -SKIP TO Q22

18. In the past year, what information have you looked for on Hydro's website? **[DO NOT READ] [ACCEPT MULTIPLE RESPONSES]**

Account/Billing information 01
Power outage information 02
Energy efficiency information 03
Safety Information
Other - Specify 90
Nothing in particular 97
Don't know/No response 98

19. Did you find the information you were looking for?

Yes 01 -SKIP TO Q21
No 02 - CONTINUE
Don't Know/No response 98 -SKIP TO Q21

20. What information were you looking for that you couldn't find? **[Probe, if necessary, for specific information] [RECORD RESPONSE]**

21. On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent”, please rate Hydro’s website on the following: **[READ LIST] [ROTATE LIST]**

	Very Poor										Excellent	DK
Layout and design	1	2	3	4	5	6	7	8	9	10		98
Ease of navigation	1	2	3	4	5	6	7	8	9	10		98
Finding the right information to meet your needs	1	2	3	4	5	6	7	8	9	10		98
Overall quality of the website	1	2	3	4	5	6	7	8	9	10		98

eBilling and Online Services

**IF INTERNET ACCESS (YES TO Q15), CONTINUE
ELSE, SKIP TO Q27**

22. Hydro is considering expanding access to services by allowing customers to make a request for service or a request for information online through their website...this could include things like setting up a new account or changing your address, requesting a streetlight, or requesting information on Hydro’s energy efficiency initiatives. If such online services were available, how likely are you to use them...would you say you... **[READ LIST]**?

Definitely would use them	1
Probably would	2
Probably would not	3
Definitely would not	4
Don’t Know	98

23. Electronic billing is a type of billing offered by Hydro through which customers receive and view their monthly bill on-line through their email. Once a customer signs up for electronic billing, they no longer receive their bill in the mail. Do you currently use this service from Hydro?

Yes	1	-SKIP TO Q26
No	2	- CONTINUE
Don’t Know/No response	98	-SKIP TO Q27

Q24. Have you ever used this service from Hydro?

Yes	1	-SKIP TO Q26
No	2	- CONTINUE
Don’t Know/No response	98	-SKIP TO Q27

Q25. Thinking ahead, over the next 6 months, do you plan to sign up for electronic billing with Hydro?



Yes	1	-SKIP TO Q27
No	2	-SKIP TO Q27
Don't Know/No response	98	-SKIP TO Q27

Q26. Do you have any comments or feedback about Hydro's electronic billing service that you would like to make? **[RECORD RESPONSE]**

Watts New

27. Over the past year have you read an issue of Hydro's customer newsletter "Watts New"?

Yes	1	- CONTINUE
No	2	- GO TO Q29

28. And overall, would you rate the content of "Watts New" as very informative, somewhat informative, not very informative or not at all informative to you as a Hydro customer?

Very informative	1
Somewhat informative	2
Not very informative	3
Not at all informative	4
Don't Know	98

Safety

29. Are you aware any public safety advertising programs established by Hydro?

Yes	1	-CONTINUE
No	2	-SKIP TO Q31A
Don't Know	98	-SKIP TO Q31A

30. Can you tell me the name of the advertising programs you are aware of?
ACCEPT MULTIPLE MENTIONS.

IF "BACK IT UP", MENTIONED SKIP Q31A
IF POWER LINE SAFETY MENTIONED, SKIP Q31B

31a. Back it Up is one of Hydro's public safety advertising programs. Have you heard of this program?

Yes	1
No	2
Don't Know	98

Q31b. Power Line Safety is one of Hydro's public safety advertising programs. Have you heard of this program?

Yes	1
No	2
Don't Know	98

32. **ASK TO ALL:** The website HydroSafety.ca delivers Hydro's Back it Up safety program, Hydro's Power Line Safety program and is where the public can get information about electrical safety, emergency preparedness, safety for children, etc. In the past year, have you visited the HydroSafety.ca website?

Yes	1	-CONTINUE
No	2	-CONTINUE
Don't Know	98	-CONTINUE

Social Media

Q33. Are you aware of Hydro's social media site...?

- a. on Facebook?
- b. on Twitter

Yes	1
No	2
Don't Know	98

IF 'YES' TO Q33A – ASK Q34A.

IF 'YES' TO Q33B – ASK Q34B.

IF NO OR DON'T KNOW TO BOTH Q33A & Q33B – SKIP TO Q36

Q34. Over the past twelve months have you visited Hydro's social media site...?

- a. on Facebook?
- b. on Twitter

Yes	1
No	2
Don't Know	98

IF 'YES' TO Q34A – ASK Q35A.

Q35a. On a scale of 1 to 10, with 1 being "very poor" and 10 being "excellent", how would you rate Hydro's social media site on Facebook as being timely and relevant?

IF 'YES' TO Q34B – ASK Q35B.

Q35b. On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent”, how would you rate Hydro’s social media site on Twitter as being timely and relevant?

ASK Q36 IF 'NO' OR 'DON'T KNOW TO BOTH Q34A AND Q34B.

36. Thinking back over the past twelve months, have you visited any social media sites to receive information?

Yes	1
No	2
Don't Know	98

Customer Suggestions

37. Before we finish, please take a moment to think about customer services. Are there any customer services not currently offered by Newfoundland and Labrador Hydro that you feel should be offered? **[RECORD RESPONSE]**

Demographics

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

38. For approximately how many years has your company or organization been a customer of Newfoundland and Labrador Hydro? **[RECORD RESPONSE]**

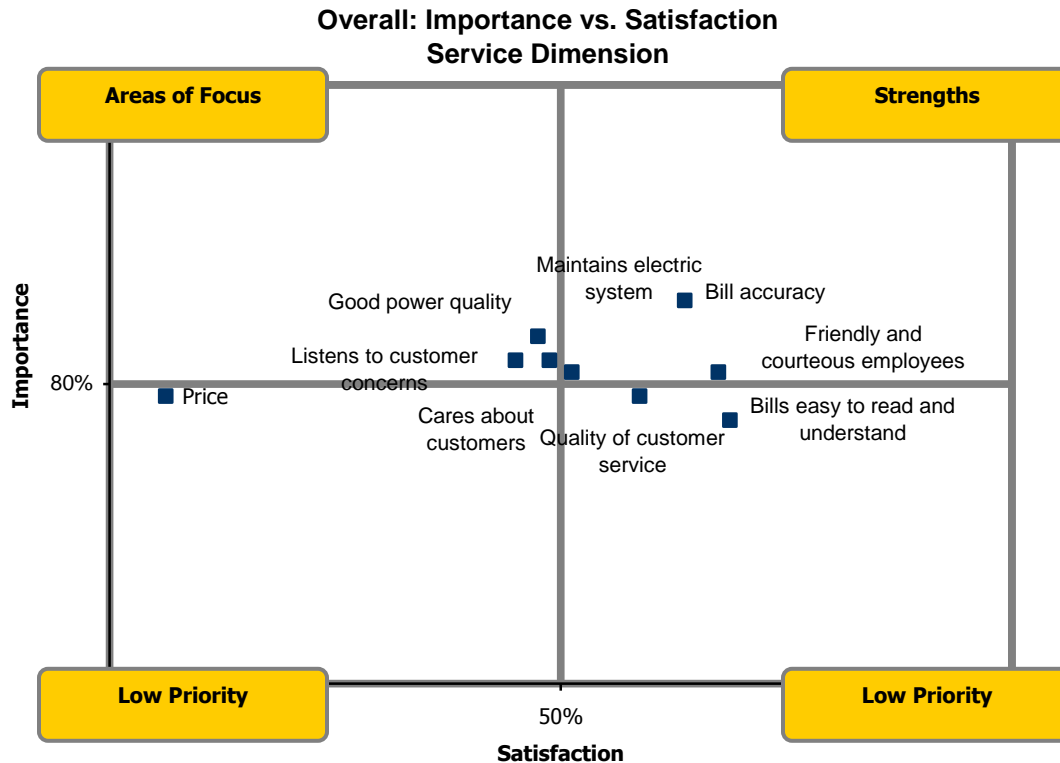
39. In what type of business, service, or industry is your company or organization? **[RECORD RESPONSE; CODE BY NAICS]**

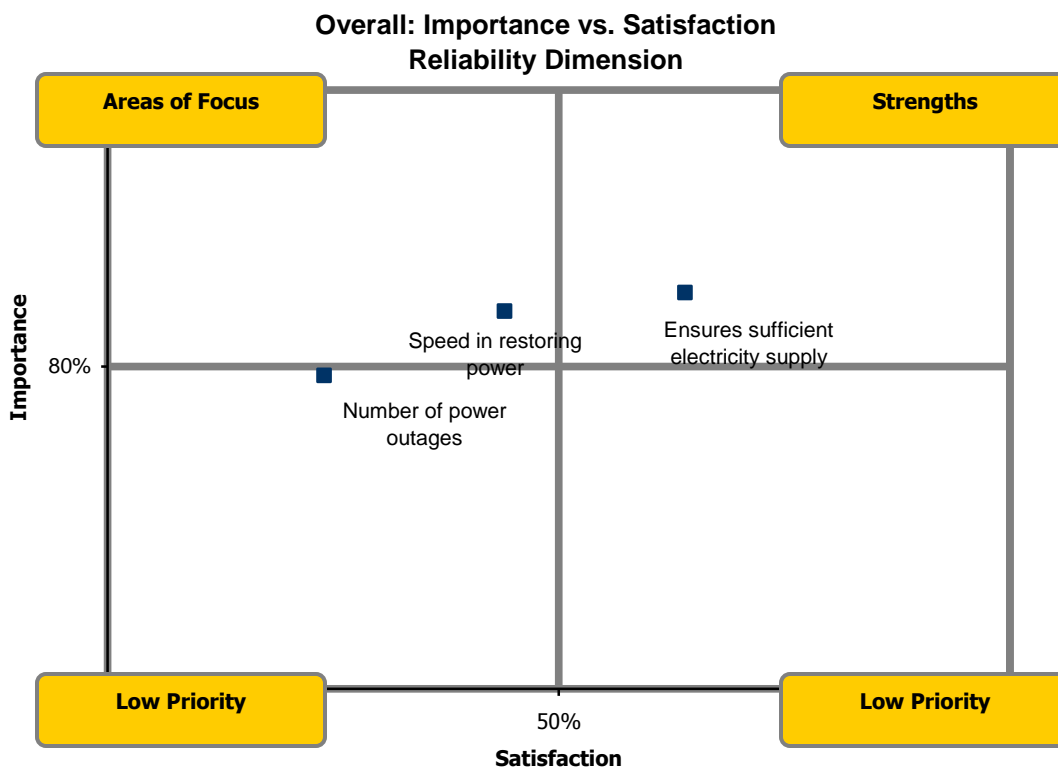
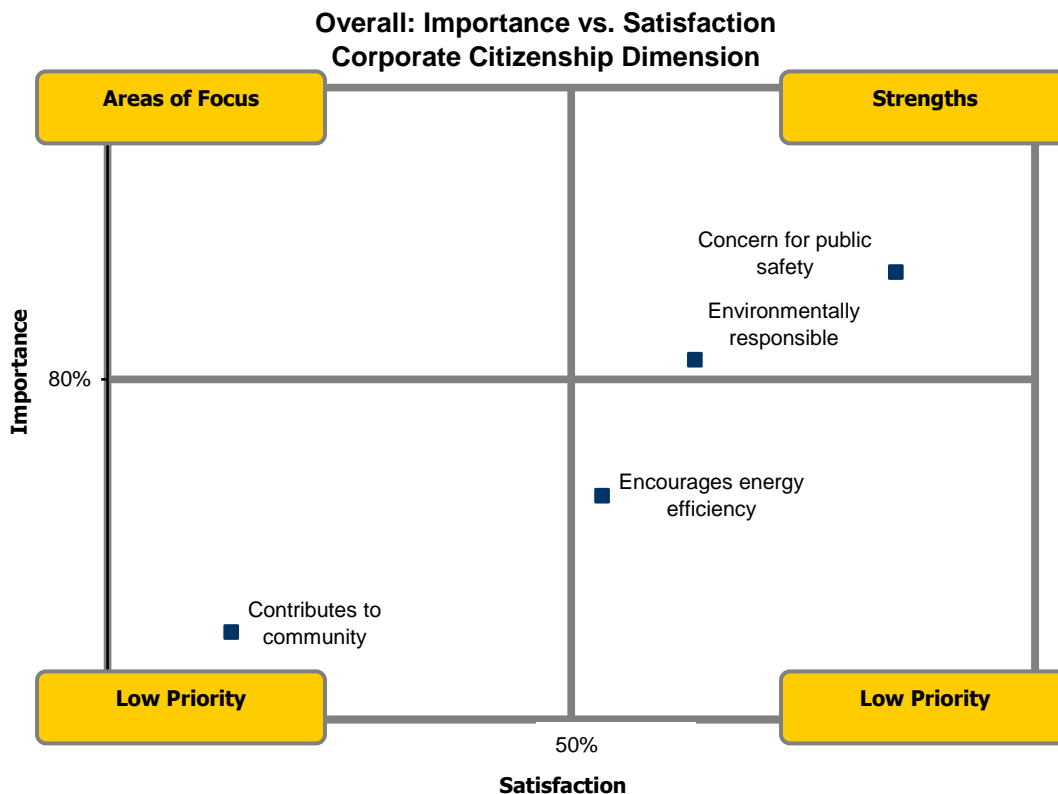
40. What is your position within the company or organization? **[RECORD RESPONSE]**

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

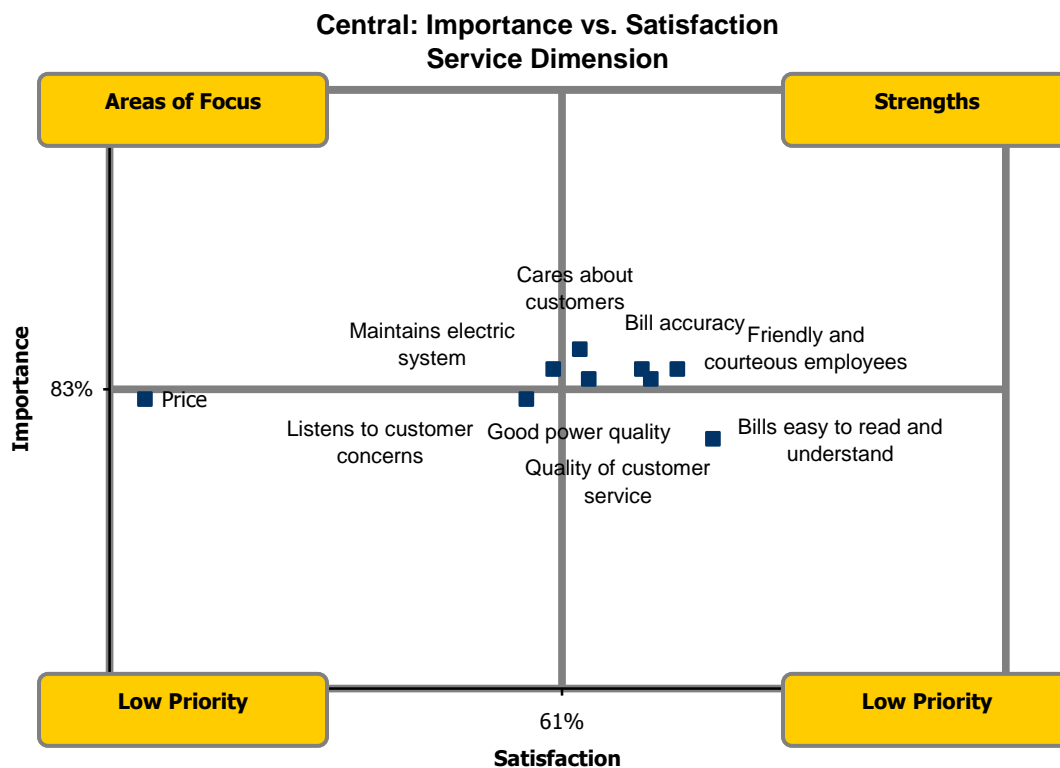
APPENDIX B: GRIDS

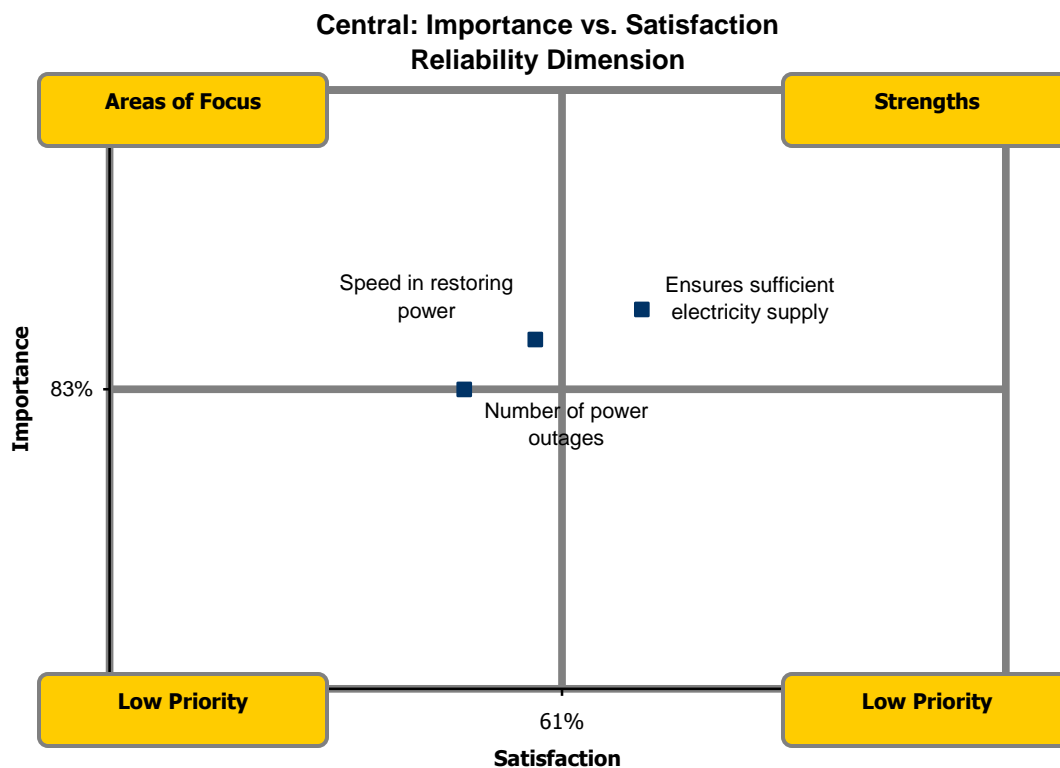
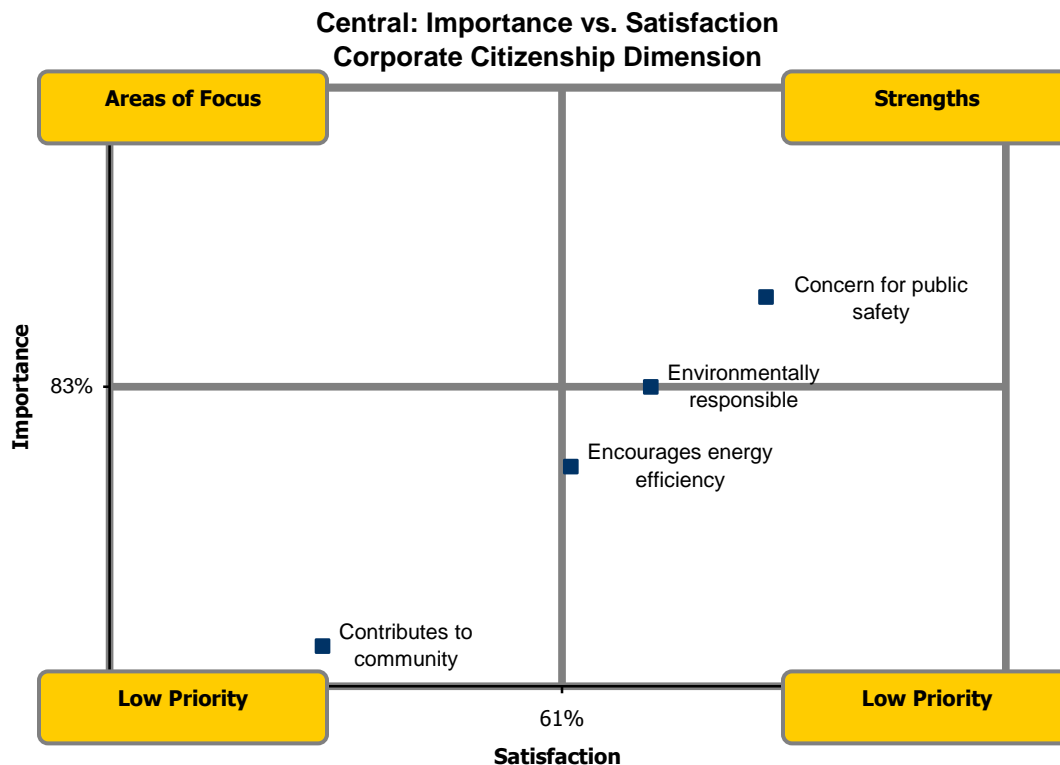
By comparing the importance and satisfaction for each of the 16 service attributes measured, each attribute can be classified into one of the following segments: strength areas (high importance and satisfaction), areas of focus (high importance and lower satisfaction) and low priority areas (low importance). The following three charts outline the attributes which fall into each of these three areas on an **overall basis**.



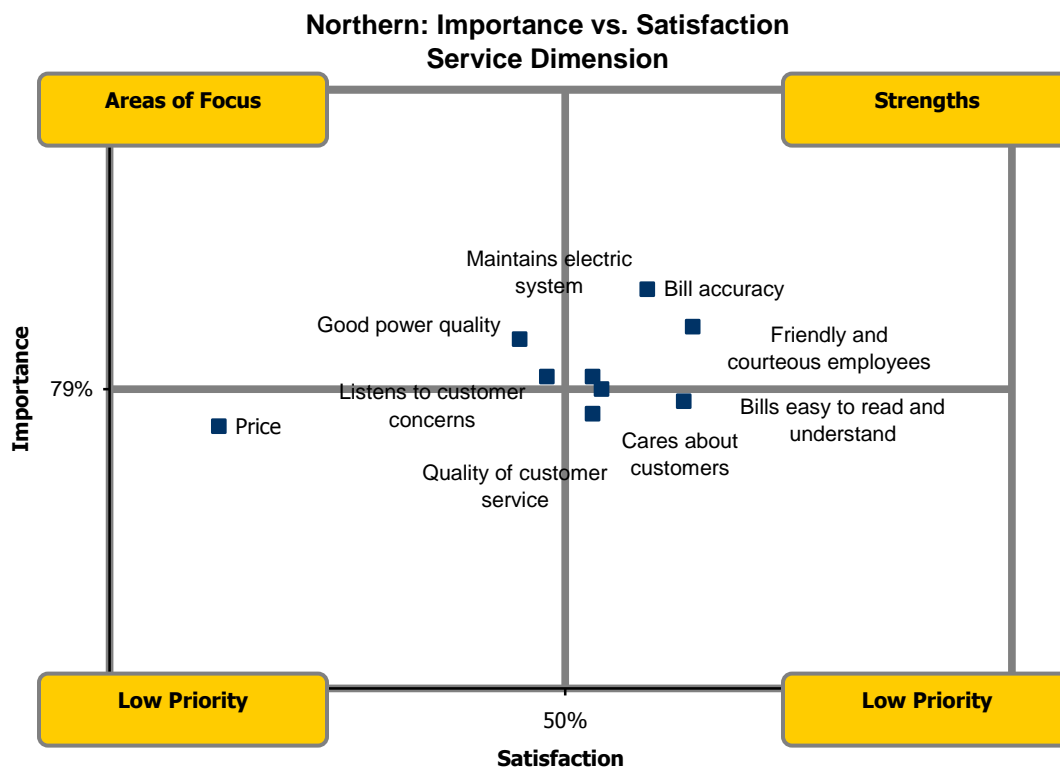


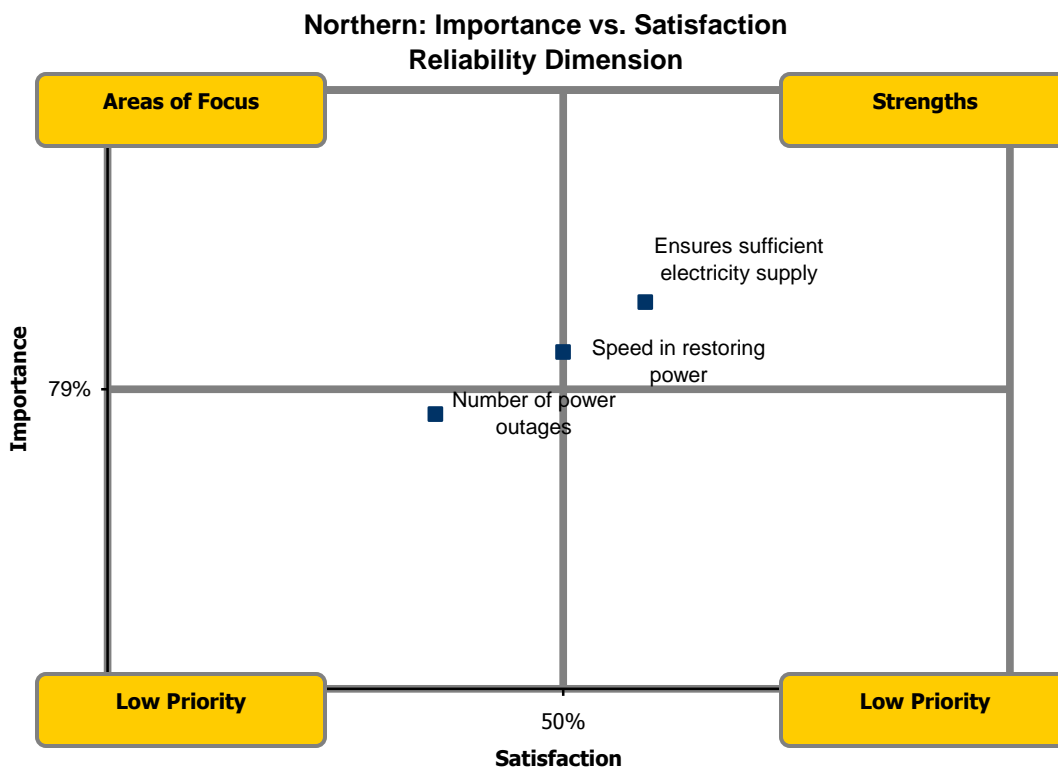
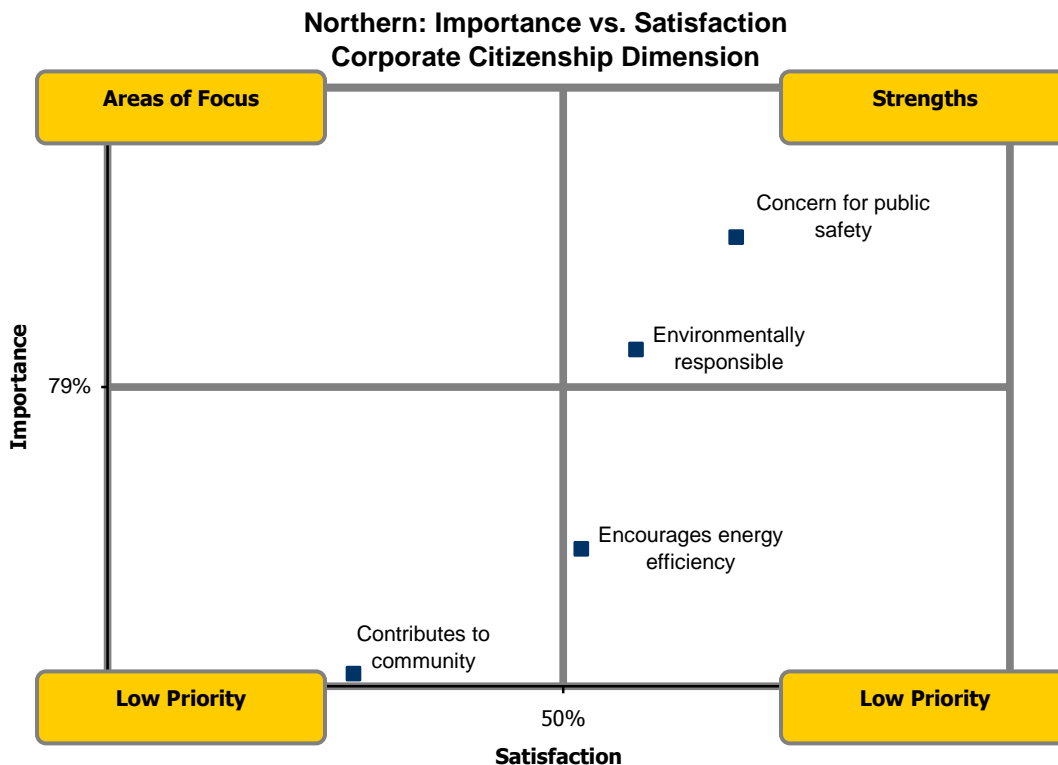
The following three charts focus on the **Central Region**.





The following three charts focus on the **Northern Region**.





The following three charts focus on the **Labrador Region**.

