Volume 1, Section 2 – Customer Operations

Q. (page 22, lines 1-8) Please provide for the record copies of the quarterly customer satisfaction surveys for 2005 and 2006 including the annual averages for each year.

A. The annual average for the Customer Satisfaction Index was 8.9 or 89% in both 2005 and 2006.

Please see the following attachments for the quarterly survey results for 2005, 2006, and the first quarter of 2007.

Attachment A	March 2005
Attachment B	June 2005
Attachment C	September 2005
Attachment D	December 2005
Attachment E	March 2006
Attachment F	June 2006
Attachment G	September 2006
Attachment H	December 2006
Attachment I	March 2007

Customer Satisfaction Survey Results
March 2005

Customer Satisfaction Survey Results
March 2005
Newfoundland Power

Summary

The Customer Satisfaction Index for the first quarter was 89%, which is the same as last quarter and exceeds our target of 85% for 2005. The following is a summary of the highlights.

Timing of Survey:
Based upon an analysis of customer feedback, the power outages experienced in Central Region just prior to the survey being completed have had an impact on the overall survey results. This is particularly true regarding questions about how little or a lot we can improve our service on page 17. There were significant differences in the feedback from customers in Grand Falls area and customers from other locations. In addition, there is a slightly lower satisfaction rating from customers who contacted us through the TVD system or who experienced wire down situations and power surges.

Overall Service:
Ratings of Overall Service satisfaction were most often impacted by rates or pricing concerns, followed by the frequency of outages. There were also a number of people who expressed concerns about individual situations involving various field services.

Contact Center Service:
Satisfaction with Contact Centre continues to be driven by whether or not the customer's concern was handled on the first call. While customers who called only once provided satisfaction ratings of 9.1 out of 10 on average, the 13% of customers who reported having to call more than once provided satisfaction ratings of 8.2 out of 10, in the case of residential customers, and 6.2 out of 10, in the case of commercial customers. The main reason for repeat calls related primarily to the type of calls, with calls associated with emergency repairs, pole relocations, malfunctioning streetlights, tree trimming, new service installations and high bill inquiries resulting in the highest percentage of repeat calls. Another interesting nuance in this survey is that one of the reasons for high ratings from commercial customers were related to calls from electricians and contractors providing some indication that the focus on the technical process between operations and customer service is having a positive impact.

Field Service:
Satisfaction with field service has remained fairly constant this quarter for residential customers at 9.1 but lower for commercial customers at 9.0. Most of the respondents who provided low ratings also indicated concerns about problems not being addressed quickly enough.

Cash Service:
Satisfaction with cash service remained consistent with previous quarters. A small number of customers suggested additional staff at peak times as a means of improving cashier service.

For residential customers, reliability and price continue to be the two most important aspects of our service, followed by a commitment to public and employee safety. The same relative ranking is true for commercial customers; however amongst the commercial customers reliability is becoming more important in comparison to price whereas the gap between reliability and price is shrinking among residential customers.

With regards to our performance on various service areas, only a small percentage of customers suggest we need “a lot” of improvement in our service. Meter reading accuracy, followed by reliability, are the areas of service customers feel can be improved the most. There are some indications that this quarter customers’ ratings were affected by their ability to get information promptly during recent power outages.

In general, these results are similar to those of last quarter, with good results for each contact type. Customer comments suggest that we need to focus on improvements in our coordination and responsiveness of field services, customers’ perceptions of meter reading accuracy and our responsiveness to inquiries during outages and in particular information via TVD.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of 800 residential and 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within the province. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our offices.

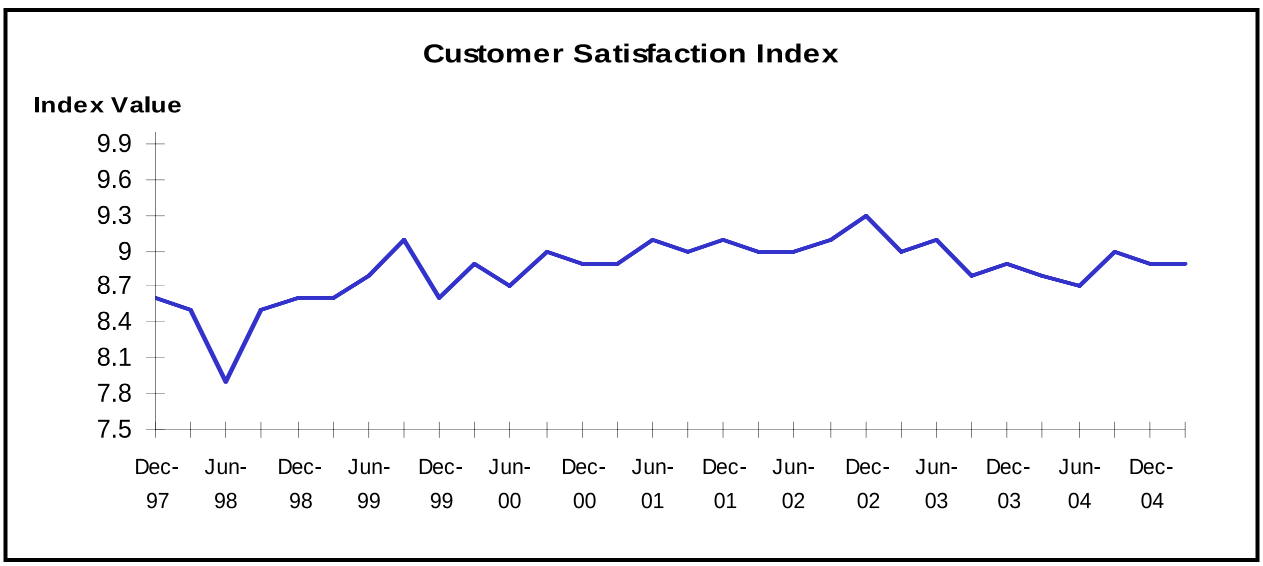
In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	This Quarter	Last Quarter	Same Quarter Last Year
Index Components				
Residential				
Call Centre Service	40%	8.7	8.7	8.6
Field Service	20%	9.1	9.0	8.7
Cashier Service	20%	9.4	9.5	9.1
Overall Service	20%	8.6	8.7	8.7
Commercial				
Call Centre Service	40%	8.5	8.4	8.9
Field Service	20%	9.0	9.5	8.9
Cashier Service	20%	9.2	9.4	9.6
Overall Service	20%	9.1	8.9	8.9
Customer Satisfaction Index		8.9	8.9	8.8
2005 Annual Target			85%	

Findings: The March index result of 8.9 compares with 8.9 in December 2004 and with 8.8 received in March 2004.



Compared with last quarter, residential customers' satisfaction with the various aspects of service has remained fairly constant. Ratings from commercial customers have dropped for field service, but have remained fairly stable for the other aspects of service.

The historical trend for the Customer Satisfaction Index is shown in the above graph. The Index has remained fairly stable for the past several years.

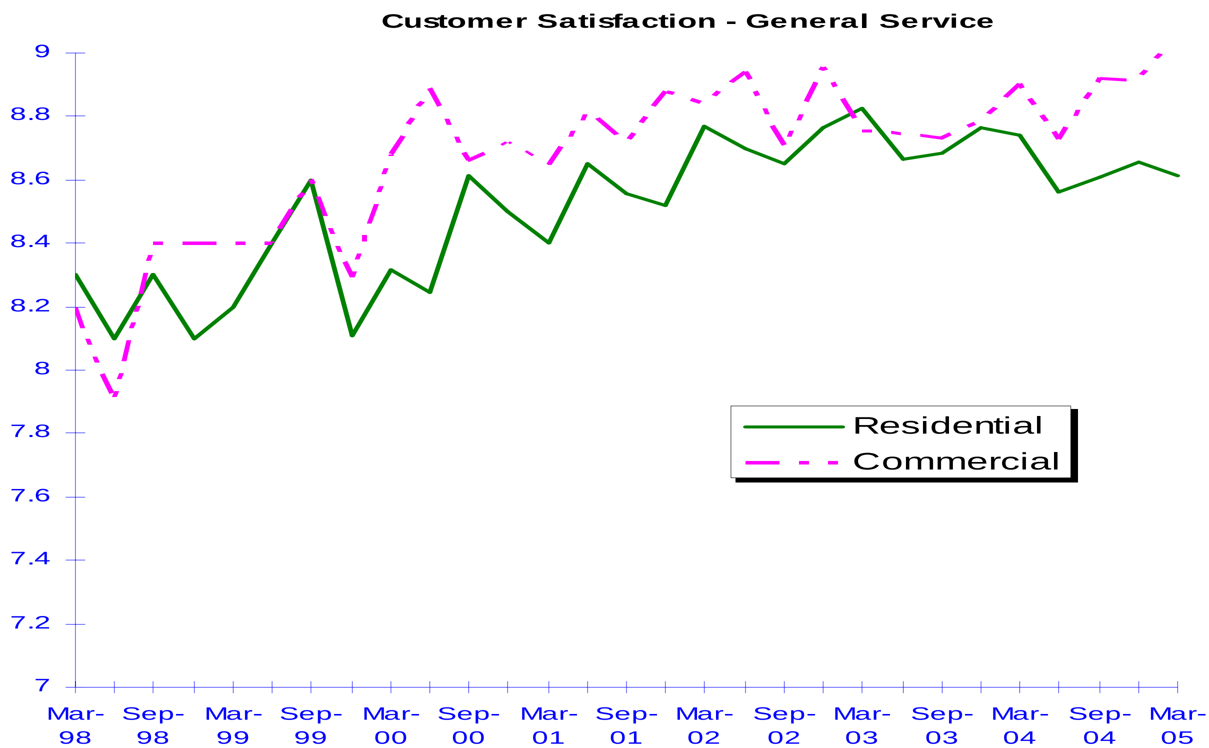
Satisfaction with Overall Service

Key Indicators:

Satisfaction with Service	This Quarter	Last Quarter	Same Quarter Last Year
Residential	8.6	8.7	8.7
Commercial	9.1	8.9	8.9
Total	8.8	8.7	8.8

Commentary:

Findings: We saw only a slight variation in this indicator this quarter in comparison with December. The present level of satisfaction among commercial customers is the highest recorded since 1998. Our residential customer satisfaction, however, has been trending slightly downwards since December 2003.



Among residential customers, the average score was highest in Burin (9.1) and the Clarenville and Carbonear areas (8.9), and lowest in St. John's (8.3) and Grand Falls (8.5). The average scores from commercial customers ranged from a high of 9.4 in Grand Falls to a low of 8.9 in Corner Brook.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 72 customers in this group, 37 (51%) referred to rates or pricing, 9 (12%) to the frequency of outages, and the remainder to a variety of issues such as meter reading (4), general service problems including pole repairs and time to set up new services, (7), plus mentions of notices, a damage claim, and provisions of landlord agreements (one each).

Summary: Customers who provide lower scores in their responses to this question seem to be motivated by concerns over pricing and the frequency of outages as well as some individual service related issues. Other than by controlling costs and hence rates, the most realistic opportunities for improvement in this category would be in limiting the number of outages and in improving our responsiveness to customers who require service in the field.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.7	8.7	8.6
Commercial	8.5	8.4	8.9
First Resolution			
Total	84.7%	85.4%	84.8%
Residential	87.0%	89.4%	81.1%
Commercial	81.0%	77.4%	86.3%
Improvements Needed			
None	61.1%	65.8%	76.7%
A Little	30.3%	21.1%	14.4%
A Lot	7.1%	10.5%	8.2%

Commentary:

Findings: 31% of residential and 35% of commercial participants in this quarter's survey said they had called within the last six months.

Among both groups, about 70% said they had called a Customer Account Representative, 21% the automated power outage information system (TVD) and 9% the automated account balance system. Among residential customers, those calling Customer Account Representatives or the automated account balance system provided higher telephone satisfaction ratings (9.0 and 8.4 respectively) than those who called TVD (7.9). Among commercial customers the callers to Customer Account Representatives provided the highest telephone satisfaction rating at 8.9, compared with 8.4 for TVD and 6.7 for the automated account balance. Based on the small number of available comments by commercial customers who provided low ratings (4), it seems the lower ratings for the automated account balance were due to customers having difficulties in reaching an agent and in getting required information, as well as a feeling the system was impersonal, and at least some confusion between the automated balance and automated TVD systems.

Customers' ratings of satisfaction with telephone service were steady this past quarter, with no change at 8.7 for residential customers and an increase from 8.4 to 8.5 among commercial customers. Although ratings from residential customers are higher than that received during the same time last year, ratings from commercial customers were lower.

Commercial customers in the Clarenville, Stephenville, and Burin areas had the greatest degree of satisfaction with telephone service. Gander showed the lowest degree of satisfaction. Clarenville also showed the highest rating for satisfaction among residential customers, followed by Gander, Stephenville, and Burin area customers. St. John's and Corner Brook had the lowest residential telephone ratings.

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among residential customers, new service connections, EPP, APP, and ebill calls, along with account balance calls seemed to have the greatest telephone satisfaction ratings, while high bill inquiries and calls relating to tree trimming (only 2 calls) resulted in the lowest ratings.

Ratings from commercial customers were lowest for calls relating to pole removals or replacements, tree trimming, and high bills. The highest ratings by commercial customers were for calls relating to account balances, as well as street lights, power interruptions, and calls from electricians and contractors.

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 40 such responses were made including both residential and commercial customers. The largest number of responses did not specify a clear reason (19), while those who did provide a reason, referred to either TVD (9), or the automated system (6). Individual issues were also recorded, mainly from residential customers, relating to messages not returned, wire down situations, power surges, or delays in getting a light changed.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call remained consistent with results of last quarter, at 84.7% compared with 85.4% in December. This is also similar to the 85% reported in March 2004.

However, there are differences in results from last quarter when the results are broken down by type of customer. The percentage of residential customers who had their issue handled on first call decreased from 89.4% to 87%; but the percentage of commercial customers who had their issue resolved on the first call increased from 77.4% to 81%. Residential first call resolution is presently greater than this time last year, while commercial first call resolution is lower.

Customers who said they had to call us more than once were asked why this was necessary. Seven of the 18 responses related to requirements to ensure field work was completed when expected, and three others related to emergency response, downed wires, and a downed guy wire. Three others were part of high bill enquiries.

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once. The difference was not as great as was seen in December 2004, however.

Customer Satisfaction Rating, Telephone Service				
	Resolved First Call		Not Resolved on First Call	
	Mar'05	Dec'04	Mar'05	Dec'04
Residential	9.1	9.2	8.2	4.3
Commercial	9.1	9.2	6.2	5.3

Improvements: The percentages of respondents who feel we can improve our telephone service "a little" has increased from 21% to 30% since last quarter, with those who say we can improve "a lot" having decreased from 10.5% to 7.1%. Taken together, the sum of these groups has increased from 22.6% to 37.4% over the past year.

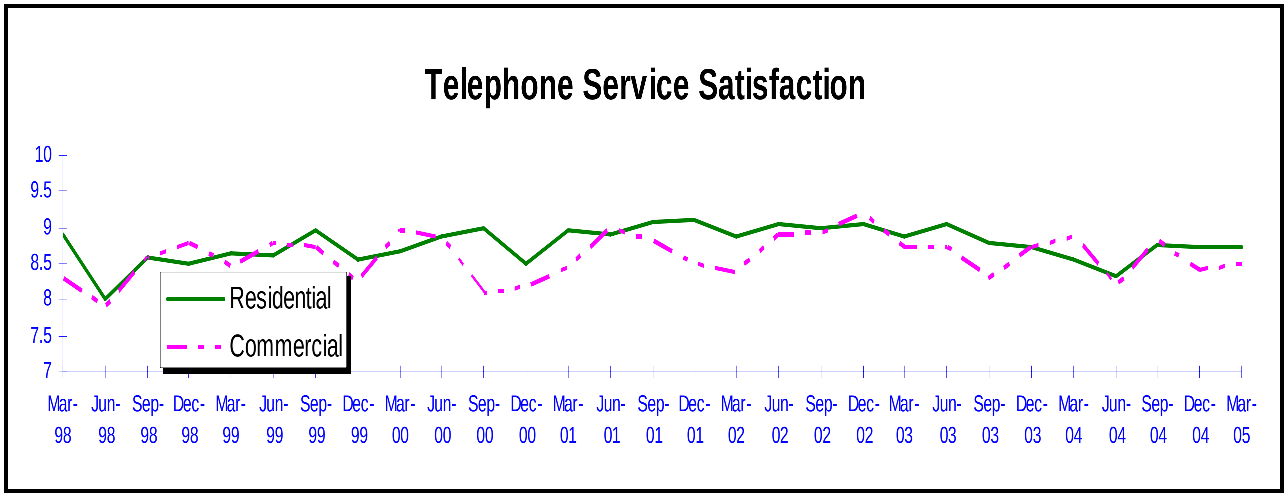
This growth is probably partly fuelled by power outages and customers' reactions to our automated phone services. This is shown in the table below:

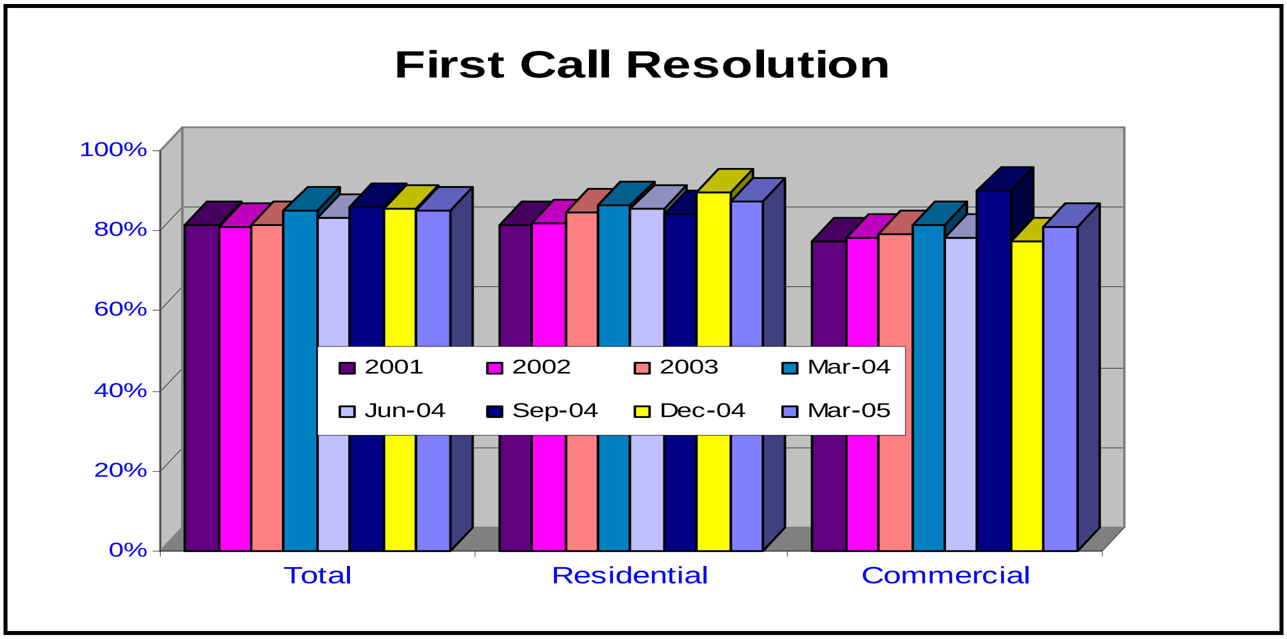
Improvement Requirements Identified			
Service Called	**None**	**A Little**	**A Lot**
Customer Acct Reps	66.4%	26%	6.5%
Automated Acct Balance	58.3%	27.8%	11.1%
TVD	44.6%	45.8%	7.2%

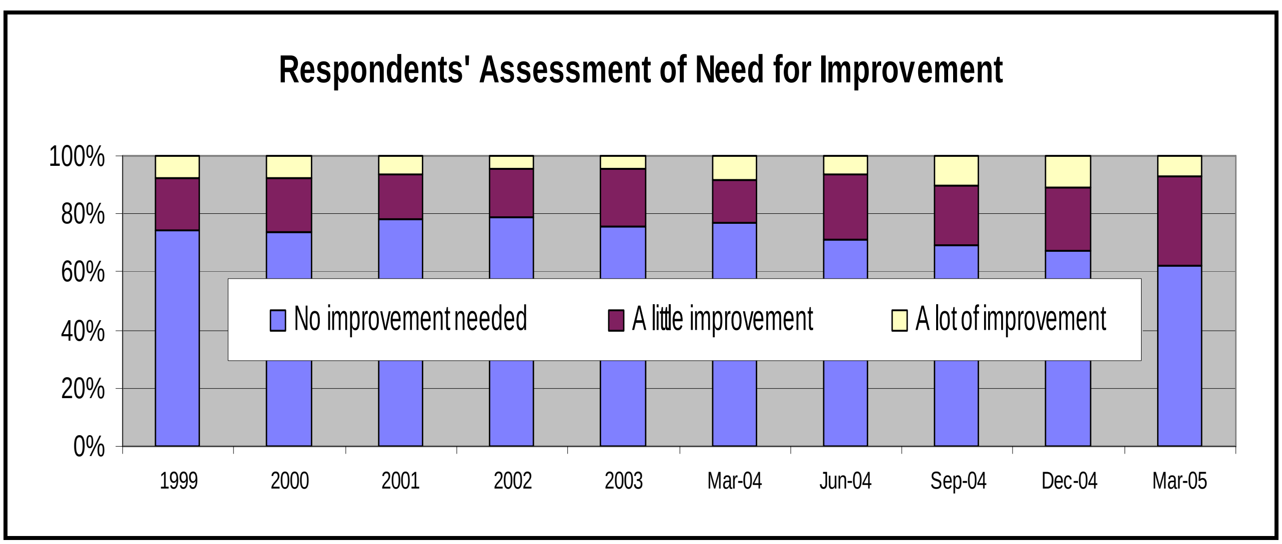
The greater the degree of improvement identified by customers, the lower the satisfaction rating with telephone service. In their comments respondents who said we can improve "a lot" indicated concerns about the automated system and a need to get questions answered quickly. In relation to subject matter of calls, the 28 customers who saw a need for "a lot" of improvement had most often called about power outages or interruptions (4), followed by meter reading (3) while the 120 customers who identified a need for "a little" improvement called most often about new services (17), followed by balances owing (12) and meter reading (11).

Summary: It is important to note that negative comments tend to come from a small portion of the overall respondents, for instance the 28 customers who saw "a lot"of room for improvement compared to the 1,200 in the survey. Considering responses to a number of the proceeding questions, in this survey the main source of customer concerns seems to be our ability to provide information during power outages.

Historical Data:







Satisfaction with Cashier Services

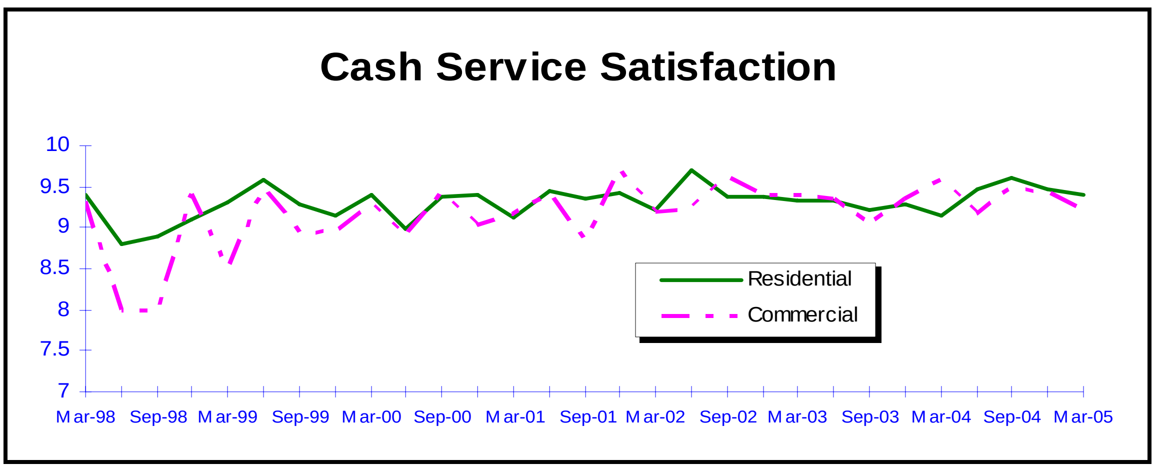
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	9.4	9.5	9.1
Commercial	9.2	9.4	9.6
Improvements Needed			
None	73.5%	84.6%	81.1%
A Little	22.5%	11.8%	16.4%
A Lot	2.9%	2.3%	1.5%

Commentary:

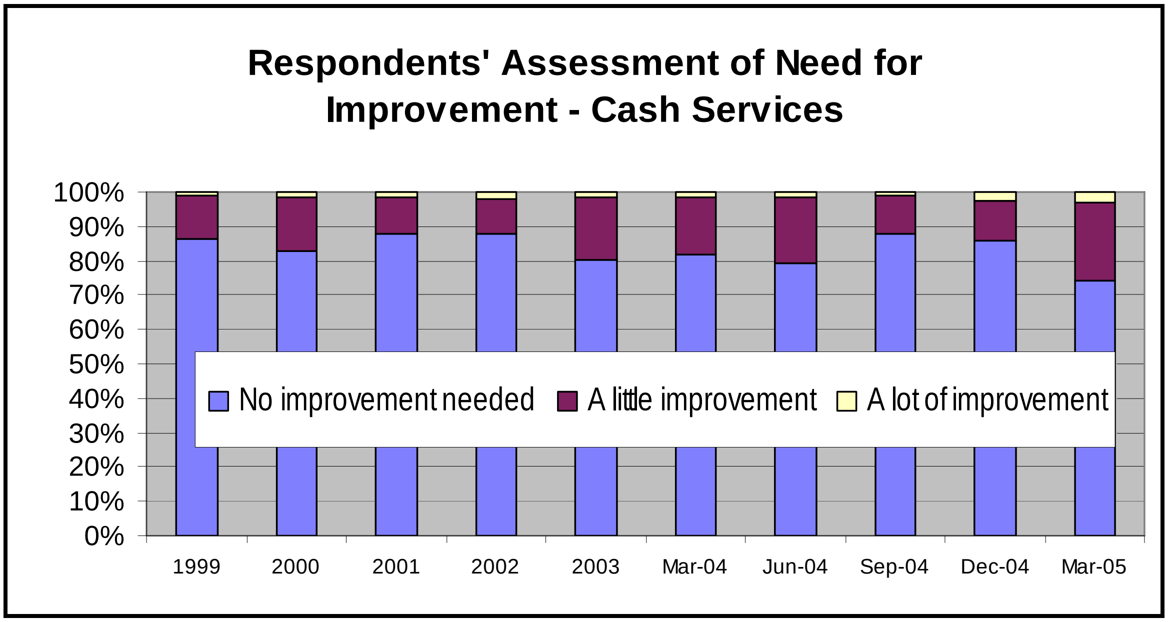
Findings: 18% of residential and 15% of commercial respondents indicated they had visited one of Newfoundland Power's offices to pay their electric bill in the past six months.

Customers' ratings of satisfaction with cash services declined slightly this quarter, for both residential and commercial customers. However, the ratings remain very high and comparable to previous quarters. The graph below indicates that the ratings for cash services are fairly consistent over time, fluctuating between 9.0 and 9.5.



Improvements: The percentage of customers who believe we could improve our cashier services "a little" has increased from 11.8% to 22.5%, while the percentage of customers who believe we can improve our cashier services "a lot" has also increased, from 2.3% to 2.9%. Most of the people who suggested improvements said there should be more cashiers on staff during peak periods.

Only four customers provided low ratings for our cashier services. Two indicated the employees were not friendly enough, one responded that there were no envelopes available at the drop box, and the final comment was that we closed the cash too early. Similarly, those who suggested improvements generally said there should be more cashiers available during peak periods.



Satisfaction with Field Services

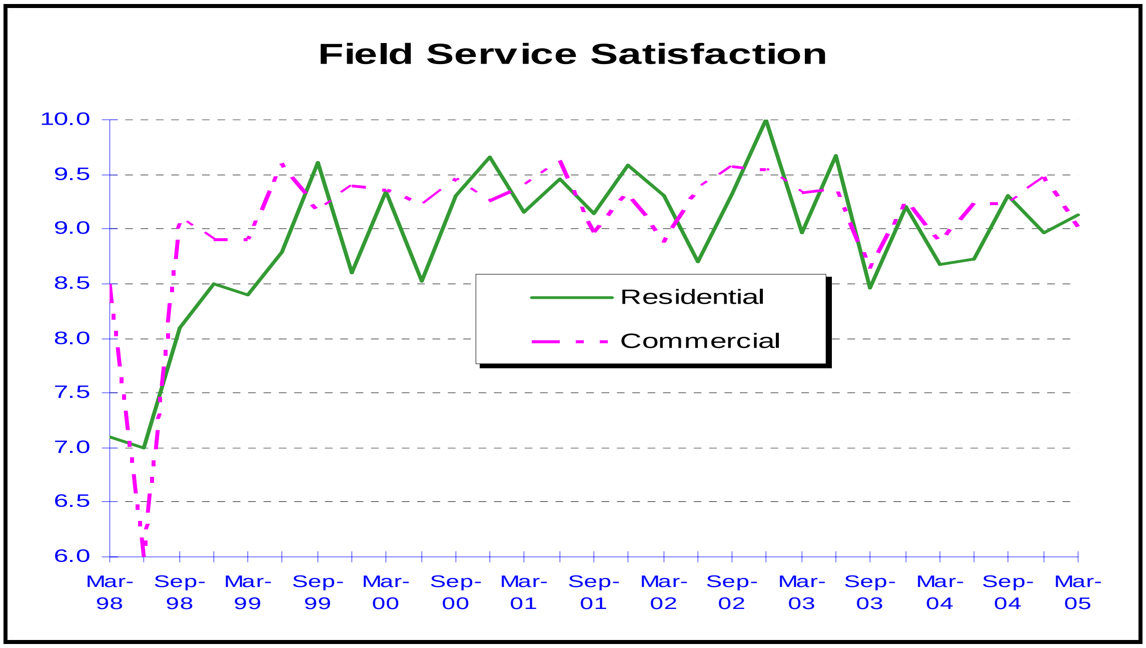
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	9.1	9.0	8.7
Commercial	9.0	9.5	8.9
Improvements Needed			
None	74.2%	73.2%	Not Asked
A Little	15.2%	23.2%	Not Asked
A Lot	6.1%	1.8%	Not Asked

Commentary:

Findings: Customers' satisfaction with the level of service provided during these field visits improved over last quarter for residential customers but decreased among commercial customers. For both residential and commercial customers the level of satisfaction is greater this year than last year in the same quarter. This seems to indicate some success in the efforts of customer service and operations groups in recent months.

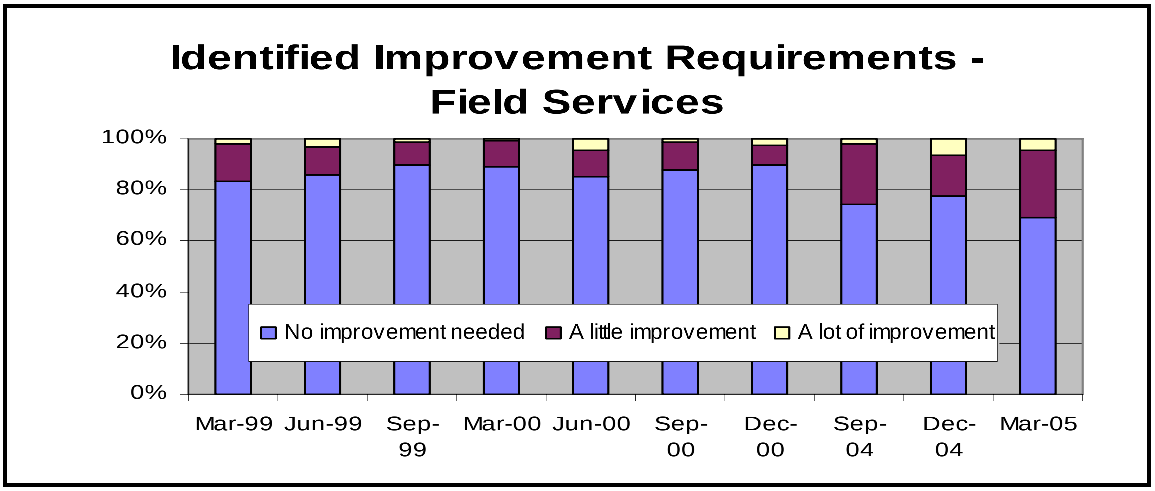
4.6% of residential (37 customers) and 12.7% of commercial customers (52) reported having been visited by a lineperson, technician, or customer services specialist in the past six months. The most common reason given for the visits was to make emergency repairs, followed by electrical service locations, wire or pole relocations, and transformer problems.



Primary Reasons for Low Ratings: Respondents who provided a rating of six or less were asked to provide the main reason for their response. Only seven responses were received; of these one indicated their problem took too long to fix, another did not like the way a pole relocation was explained, and two others though the employee involved could have done a better job.

Improvements: The percentage of respondents who said we need to improve field services "a little" increased this quarter in comparison to last quarter, however the percentage saying we needed to improve "a lot" has declined since last quarter. One of the people who said improvements were needed said we need to be more prompt in providing service, a second said NP should be more aware of customers' rights, and a third, who had had a faulty meter, said this was probably management's fault not the technician's. Other individuals said there was a need for prior notice of a meter change, that multiple outages had caused hard drive failures, there was "too much red tape getting service upgrades" and that items posted on telephone poles create a mess.

The following graph shows the trend in the percentage of customers who believe we can improve our field service.



Importance of Items

Key Indicators:

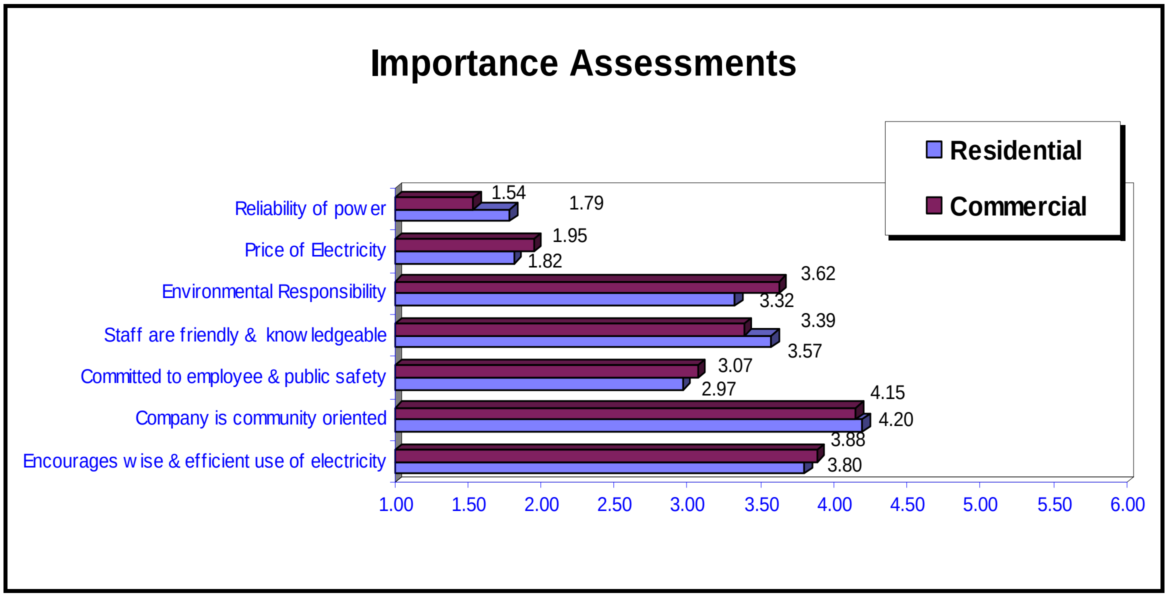
	This Quarter	Last Quarter	Same Quarter Last Year
Importance (Residential)			
Reliability of power	1.79	1.66	1.67
Price of Electricity	1.82	1.88	1.82
Committed to employee & public safety	2.97	3.53	N/A
Staff are friendly & knowledgeable	3.57	4.16	4.01
Environmental Responsibility	3.32	4.19	3.78
Company is community oriented	4.20	4.31	4.68
Encourages wise & efficient use of electricity	3.80	4.45	N/A
Importance (Commercial)			
Reliability of power	1.54	1.57	1.59
Price of Electricity	1.95	2.15	1.91
Committed to employee & public safety	3.07	3.38	N/A
Environmental Responsibility	3.62	3.91	3.49
Staff are friendly & knowledgeable	3.39	4.11	3.93
Company is community oriented	4.15	4.52	4.48
Encourages wise & efficient use of electricity	3.88	4.60	N/A

Note: The lower the number, the more importance placed on the item by the respondents.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute with both residential and commercial customers, followed by price. Whereas reliability and price are closely ranked by residential customers, commercial customers ranked reliability much greater in importance than price. This would be consistent with their greater reliance on technology and accompanying sensitivity to power interruptions or problems. Although the ranking has remained the same, price did increase in importance amongst residential customers while reliability had a corresponding decrease in importance.

The company's commitment to employee and public safety places third in importance, with the remaining aspects of service consistently seen as less important.



Improvement Requirements

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Meters are read accurately	72.0%	78.0%	69.8%
Power is reliable	97.0%	96.6%	96.3%
Contributes to the community	73.3%	82.6%	75.9%
Operates environmentally	81.9%	84.8%	79.5%
Encourages Wise Use of Electricity	96.0%	94.9%	N/A
Better customer service than other utilities **	48.8%	64.3%	50.6%
Shows concern for safety	93.5%	95.3%	93.5%
Company is easy to contact for service/information	80.4%	N/A	N/A
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Meters are read accurately	75.6%	80.0%	72.5%
Power is reliable	96.8%	97.3%	99.0%
Better customer service than other utilities **	47.1%	67.7%	58.5%
Operates environmentally	88.0%	88.3%	88.0%
Contributes to the community	78.3%	86.0%	81.8%
Encourages Wise Use of Electricity	98.8%	95.5%	N/A
Shows concern for safety	98.3%	95.8%	96.7%
Company is easy to contact for service/information	85.1%	N/A	N/A

** Up to June 2004 this said "Better customer service than other companies"

	This Quarter	Last Quarter	Same Quarter Last Year
Improvements required ("A Little" or "A Lot") (Residential)			
Meters are read accurately	28.2%	17.1%	29.0%
Power is reliable	19.0%	12.5%	21.6%
Contributes to the community	18.3%	12.5%	20.3%
Operates environmentally	18.6%	10.4%	22.2%
Encourages Wise Use of Electricity	18.0%	9.6%	N/A
Better customer service than other utilities **	18.6%	8.8%	22.4%
Shows concern for safety	16.3%	7.1%	18.0%
Company is easy to contact for service/information	20.0%	N/A	N/A
Improvements required ("A Little" or "A Lot") (Commercial)			
Meters are read accurately	13.9%	14.8%	20.3%
Power is reliable	14.7%	9.8%	7.6%
Better customer service than other utilities **	14.2%	12.3%	15.1%
Operates environmentally	9.3%	7.3%	5.0%
Contributes to the community	9.0%	9.8%	8.1%
Encourages Wise Use of Electricity	18.0%	6.8%	N/A
Shows concern for safety	8.7%	2.8%	4.8%
Company is easy to contact for service/information	15.4%	N/A	N/A

** Up to June 2004 this said "Better customer service than other companies"

Commentary:

Agreement with Service Statements: The first table (previous page) represents the percentage of customers who strongly or somewhat agreed with statements about various aspects of Newfoundland Power's service. Compared to last year, there were improvements in residential customers' opinions on a number of these statements, particularly meter reading accuracy, environmental awareness, and the reliability of power supply. (The degree of agreement concerning meter reading accuracy was less than in December, however, perhaps reflecting the difficulties of accessing many meters during the winter). We also saw declines in two areas, contributions to the community and "better customer service than other utilities". The degree of agreement concerning our commitment to public and employee safety, and to encouraging the wise use of efficiency, remains high. This quarter we also asked if customers agreed that it was easy to contact the company, and 80% agreed that this was the case.

Among commercial customers, the level of agreement concerning meter reading accuracy and concern for safety are higher this quarter than the same quarter last year, although the meter reading question shows a lower result than in December. Agreement concerning power reliability was down, although last year's figure was 99%. As with residential customers, there were declines in the two areas of contributions to the community and "better customer service than other utilities".

Generally speaking, however, the level of agreement with most of these indicators remains very high, suggesting that customers have a very positive impression of service.

Disagreement with "Better Service" Question: We asked customers who strongly or "somewhat" disagreed with the statement that "Newfoundland Power provides better service than other utilities," why they felt this way. About 50 respondents provided answers, many of which indicated they felt the utility companies were essentially the same and they did not want to say one was better. Six customers indicated they felt NP's responsiveness and accessibility could be improved, four indicated problems with rates or billing issues, three felt the phone company was more proactive, and the remainder had a variety of concerns including NP's monopoly status, unexplained past problems, late payment charges, the privacy act, and tar on poles.

Improvement Opportunities: The second table (previous page) indicates the percentage of customers who believe that improvement in these service areas can occur. These figures represent the percentage of customers who said that either "a little" or "a lot" of improvement is required in our performance on these various statements about our service. Overall, larger percentages of residential customers believed we need to improve than commercial customers.

Most customers who stated that improvement was required in these areas stated that "a little" improvement was needed. The largest percentages who said a lot of improvement was required said so in relation to meter reading accuracy (5.2% of residential and 3.4% of commercial), followed by the ease of contacting the company for service (asked for the first time this quarter) and that our customer service was better than other utilities.

We should also note that commercial customers indicate considerably less need for improvement in meter reading accuracy than at this time last year. The percentage that saw a need for improvement dropped from 20.3% to 13.9%. In general, most customers who indicate that they feel improvements are possible feel the degree of improvement required is not major.

Highlights of Residential Improvement Findings by Location:

The responses of residential customers, particularly in the Grand Falls area, may have been affected by power outages occurring just prior to this quarter's phone surveys. Grand Falls customers indicated much higher degrees of improvement were needed, in many aspects of our service, than customers in other locations. These included 50.7% who felt that improvement was needed in reliability (v.s. 19% overall); 44.9% in meter reading accuracy (28% overall); 47.8% in ease of contacting the company(v.s. 20% overall); 46.3% in environmental awareness (18.6% overall); 47.8% in commitment to public and employee safety (16% overall); 42% in commitment to the community (18% overall); and 52.1% in encouraging the wise use of electricity (18% overall). The only other finding of note among residential customers was in meter reading accuracy, where 36.6% of St. John's and 32.9% of Gander customers thought improvements were needed.

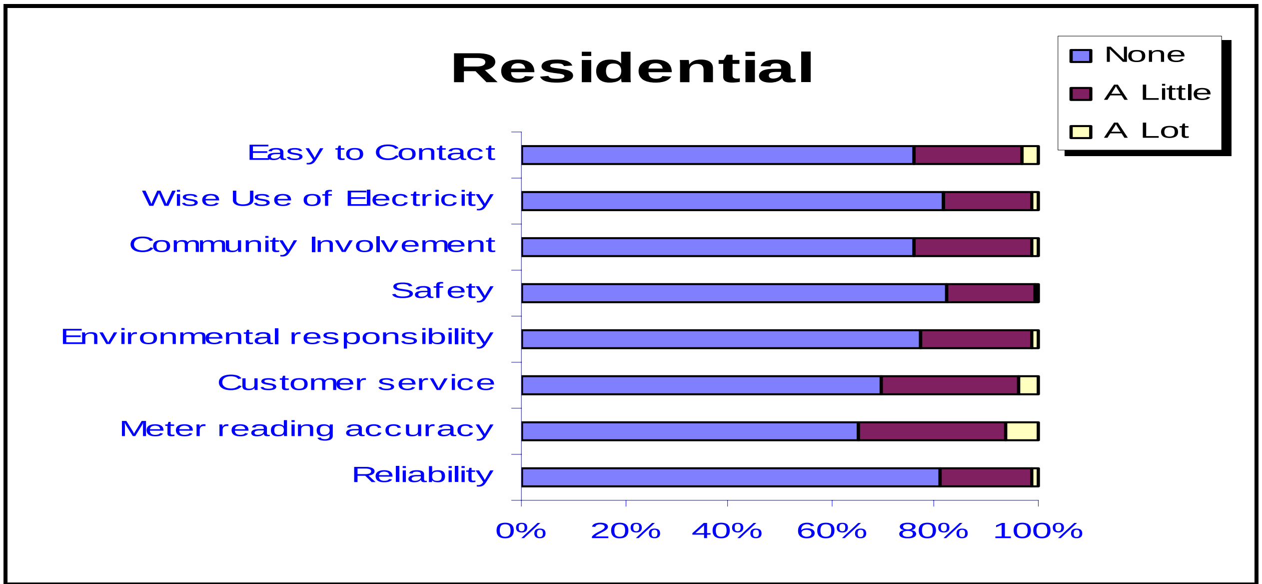
Highlights of Commercial Improvement Findings by Location:

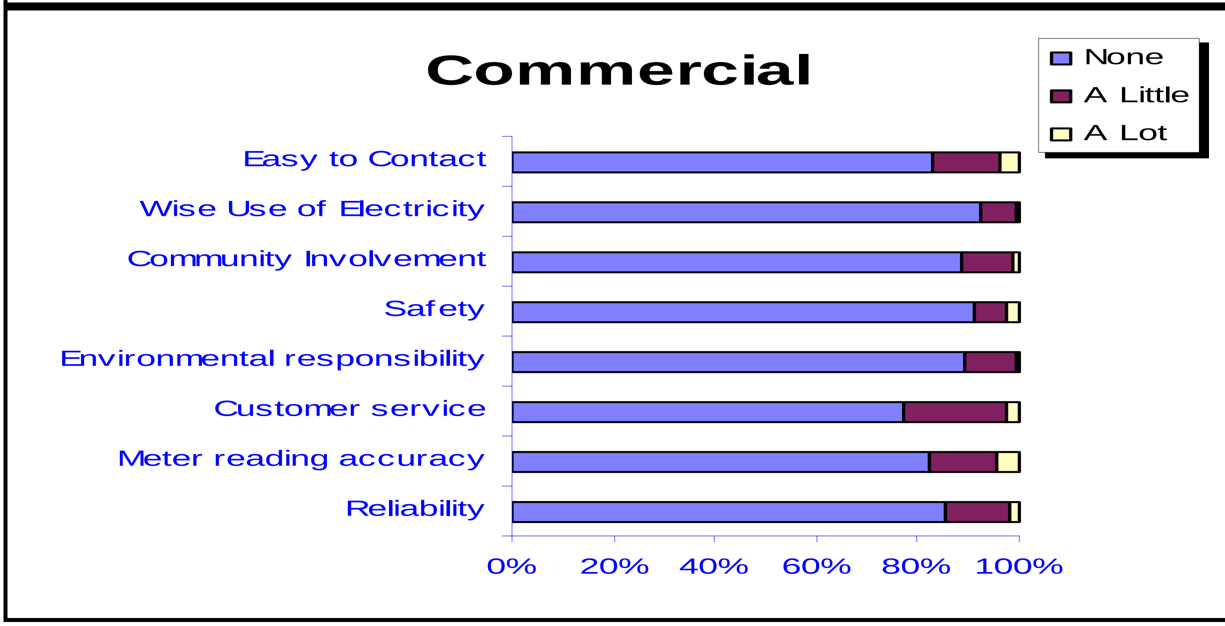
In last quarter's survey we found that commercial customers in the Gander area were more likely than other respondents to indicate improvement was needed in every area of the survey. This trend continued to the extent that commercial customers in that area identified the most need for improvement in reliability (22.2%), and meter reading accuracy (25%). These compare to 15% and 14% overall for reliability and meter reading accuracy.

Commercial customers in Stephenville (26%) and Gander (17%) were more likely than others to say that improvement is needed in contributions to the community, compared to 9% overall. Stephenville and Gander also identified the most need for improvement in encouraging the wise use of electricity (21.7% in Stephenville and 16.7% in Gander).

Improvement Requirement Graphs

(See next page)


Residential
None
A Little
A Lot
Easy to Contact
Wise Use of Electricity
Community Involvement
Safety
Environmental responsibility
Customer service
Meter reading accuracy
Reliability
0%
20%
40%
60%
80%
100%


Commercial
None
A Little
A Lot
Easy to Contact
Wise Use of Electricity
Community Involvement
Safety
Environmental responsibility
Customer service
Meter reading accuracy
Reliability
0%
20%
40%
60%
80%
100%

Power of Life Awareness

This quarter we also asked a number of questions concerning the degree to which customers were aware of the Power of Life project, as well as their opinions on various activities that could be carried out including how to encourage customers to make financial contributions.

Awareness of the Program: As a percentage of all respondents, 58% indicated they were aware of Newfoundland Power's sponsorship of the Power of Life project, including 54% of residential customers and 64% of commercial customers. The main avenue by which customers became aware of this sponsorship was through NP bill inserts (68%) and the bill itself (16%). In addition, 78% of customers who are aware of the project are aware that the funds raised are used to support cancer treatment, research and education in the province.

Support for Initiatives: Customers were asked the degree to which they would support various initiatives relating to the Power of Life project. The results were as follows:

Initiative	Residential Support	Commercial Support	Total Support
Distribute educational material with bills	73.7%	77.8%	75.1%
CARs requesting that customers donate	51.2%	52.2%	51.5%
Distribute pledge request cards with bills	58.5%	56.1%	57.7%
Hold annual telethon to encourage donations	70.1%	75.1%	71.8%
Provide one time donation line on bills	64.6%	67.6%	65.6%

One Time Donation Entry Line: Customers were also asked if they would take advantage of, or they thought others would use, a one time donation entry line on the coupon of their electricity bills in order to make contributions. 41.3% said they would take advantage of this, while 49.3% said they felt others would take advantage of the coupon to make a one-time donation.

Customers were asked if they supported a one time donation entry line on the coupon portion of the bill, to allow customers to make contributions to the Power of Life Project. 65.6% of the customers were supportive of this and another 17.5% were neutral to the idea. Based on the sum of these figures (83.1%) we could conclude that this option would be suitable for most customers.

Customer Satisfaction Survey Results
June 2005

Customer Satisfaction Survey Results
June 2005
Newfoundland Power

Summary

The customer satisfaction index for the second quarter was 90%, exceeding the 89% result from last quarter and our target of 85% for 2005.

Ratings of Overall Service satisfaction were most often impacted by rates or pricing concerns, followed by the frequency of outages. There were also a number of people who expressed concerns about individual situations involving various field services.

Contact Centre service ratings continue to be driven by whether or not the customer's concern was handled on the first call. While customers who called only once provided satisfaction ratings of 9.1 out of 10 on average, the 10% of customers who reported having to call more than once provided satisfaction ratings of 6.7 out of 10, in the case of residential customers, and 7.8 out of 10, in the case of commercial customers. However, the percentage of customers who called repeat times has declined from 15% in March to 10% this quarter. The main reason for repeat calls related primarily to the type of calls, with calls associated with tree trimming, new service installations, and malfunctioning streetlights, resulting in the highest percentages of repeat calls.

Satisfaction with field service increased this quarter, with residential customer satisfaction moving from 9.1 to 9.5 and commercial customer satisfaction from 9.0 to 9.2. The number of respondents who provided low ratings dropped, although there were several suggestions that staff should be more prompt in addressing customer requests.

Satisfaction with cash service remained consistent with previous quarters. A small number of customers suggested additional staff at peak times as a means of improving cashier service.

For residential and commercial customers, reliability and price continue to be the two most important aspects of our service, followed by a commitment to public and employee safety. While last quarter the commercial customers had indicated reliability was more important in comparison to price, this quarter the gap has narrowed.

With regards to our performance on various service areas, only a small percentage of customers suggest we need "a lot" of improvement in our service. Meter reading accuracy, followed by making it easier to contact us, are the areas of service customers feel can be improved the most. The degree of emphasis on meter reading accuracy seems to have abated as fewer customers identify this as an area needing improvement. This is presumably a reflection of the time of year and reduction of estimates as winter access issues come to an end.

Customers were asked their normal practices for obtaining information during power outages. The largest percentage of customers use the TVD service, and on average 86% of customers are satisfied with the information they obtain from the service. The main suggestions for improving communications during power outages were to place more emphasis on updating the information provided on TVD and place more information on radio stations. About one third of customers say they would be able to access outage information using either email or the Web, either from their workplace or through having battery backup. This percentage increases to over 40% among

St. John’s residential customers and as high as 57% among commercial customers in the Carbonear area.

In general, these results are similar to those of last quarter, with good results for each contact type. Customer comments suggest that we need to focus on improvements in our coordination and responsiveness of field services, customers’ perceptions of meter reading accuracy and our responsiveness to inquiries during outages and in particular information via TVD.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of over 800 residential and over 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within our service area. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our offices.

In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	This Quarter	Last Quarter	Same Quarter Last Year
Index Components				
Residential				
Call Centre Service	40%	8.8	8.7	8.3
Field Service	20%	9.5	9.1	8.7
Cashier Service	20%	9.4	9.4	9.5
Overall Service	20%	8.6	8.6	8.6
Commercial				
Call Centre Service	40%	8.8	8.5	8.2
Field Service	20%	9.2	9.0	9.2
Cashier Service	20%	9.4	9.2	9.2
Overall Service	20%	8.9	9.1	8.7
Customer Satisfaction Index		9.0	8.9	8.7
2005 Annual Target			85%	

Findings: The June index result of 9.0 compares with 8.9 in March and with 8.7 received in June 2004.

Compared to last quarter, residential customers' satisfaction with the various aspects of service increased for call centre service and field service. Ratings from commercial customers increased for call center, field, and cashier service, but dropped slightly for general satisfaction.

The historical trend for the Customer Satisfaction Index is shown in the above graph. The Index has remained fairly stable for the past several years.

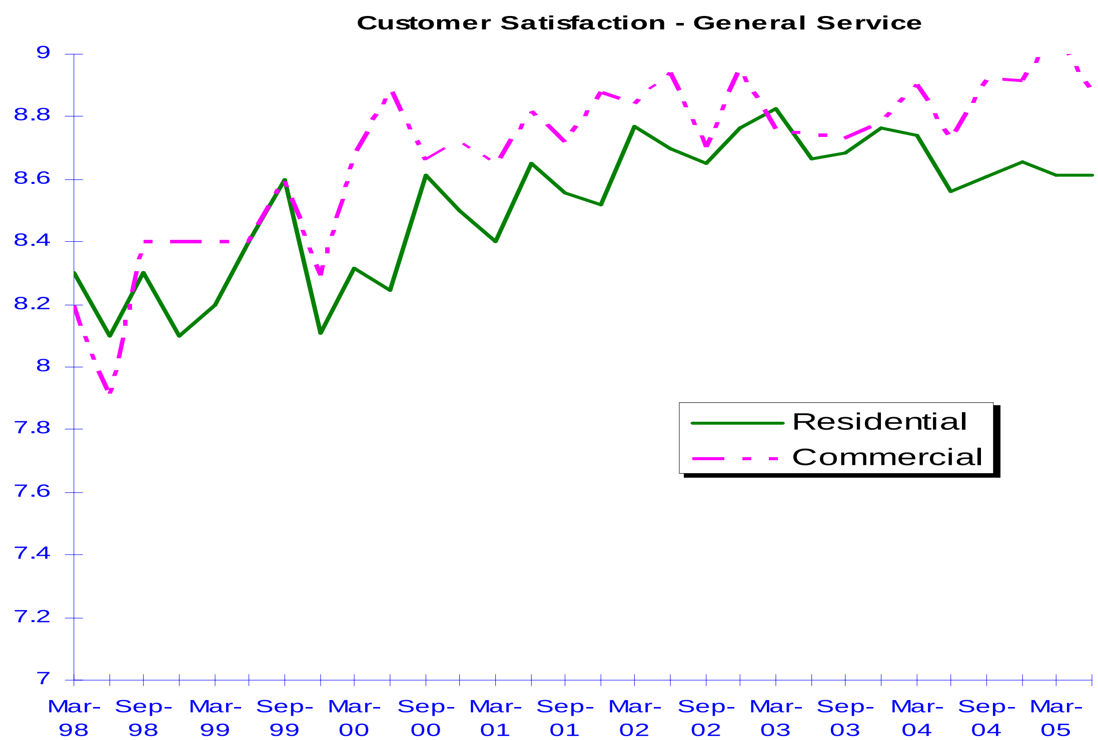
Satisfaction with Overall Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.6	8.6	8.6
Commercial	8.9	9.1	8.7
Total	8.7	8.8	8.6

Commentary:

Findings: We saw only a slight variation in this indicator this quarter in comparison with March. The present level of satisfaction among commercial customers is less than last quarter, which had been unusually high. Our residential customer satisfaction did not change from the previous quarter.



Among residential customers, the average score was highest in Grand Falls (8.9) and Clarenville (8.85), and lowest in Stephenville (8.16) and Corner Brook (8.28). The average scores from commercial customers ranged from a high of 9.3 in Carbonear to a low of 8.6 in Gander.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 62 customers in this group, 32 (51%) referred to rates or pricing, 13 (21%) to the frequency of outages or to lack of notice of impending outages, and the remainder to a variety of issues such as meter reading (2), telephone access (2), meter problems (2), estimates or unexplained high bills (3), EPP availability for customers with demand meters (1), and CIACs (1).

Summary: Customers who provide lower scores in their responses to this question seem to be motivated by concerns over pricing and the frequency of outages as well as some individual service related issues. Other than by controlling costs and hence rates, the most realistic opportunities for improvement in this category would be in limiting the number of outages and in improving our responsiveness to customers who require service in the field.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.8	8.7	8.3
Commercial	8.8	8.5	8.2
First Resolution			
Total	90.2%	84.7%	83.2%
Residential	91.8%	87.0%	85.5%
Commercial	87.0%	81.0%	78.1%
Improvements Needed			
None	62.4%	61.1%	69.8%
A Little	30.2%	30.3%	22.2%
A Lot	5.9%	7.1%	6.3%

Commentary:

Findings: 27% of residential and 33% of commercial participants in this quarter's survey said they had called within the last six months.

Among residential customers, about 77% said they had called a Customer Account Representative, 15% the automated power outage information system (TVD) and 9% the automated account balance system. The corresponding percentages for commercial customers were 66% to a Customer Account Representative, 19% to TVD and 15% to the automated account balance application.

Among residential customers, those calling Customer Account Representatives provided higher telephone satisfaction ratings (9.0) than those who called TVD (8.7) and the automated account system (7.8). Among commercial customers the callers to Customer Account Representatives provided the highest telephone satisfaction rating at 9.0, compared with 8.5 for the automated account balance and 8.3 for TVD. Based on the small number of available comments by customers who used the automated account balance application and provided low ratings (6), it seems the lower ratings for the automated account balance were due to customers having difficulties in reaching an agent and in getting required information, as well as a general dislike of such systems. There were only two comments referencing the TVD system, one a complaint that the customer had to stay on the line a long time, the other being that the estimated time for power restoration was inaccurate.

Customers' ratings of satisfaction with telephone service improved this past quarter, with residential customers moving from 8.7 to 8.8 and commercial customers increasing from 8.5 to 8.8. Both types of customers provided significantly higher ratings than for the same time last year.

Commercial customers in the Grand Falls area had the greatest degree of satisfaction (9.2) with telephone service. Stephenville and Burin showed the lowest degree of satisfaction (8.0). Burin residential customers, however, had the highest degree of satisfaction among residential customers (9.25), followed by Gander(9.19). Corner Brook (8.36) had the lowest residential telephone ratings.

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among residential customers, EPP, APP, and eBills calls, along with tree trimming and account balance calls seemed to have the greatest telephone satisfaction ratings, while calls involving new services, and outages resulted in the lowest ratings.

The highest ratings by commercial customers were for calls relating to street lights and meter reading. New service inquiries and EPP calls resulted in lower ratings. Individual calls concerning delays in obtaining temporary service and a customer being billed on the wrong meter also resulted in low ratings.

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 29 such responses were made including both residential and commercial customers. The largest number of responses referred to either TVD (6), or the automated balance system or automated systems in general (8). There were also three customers having difficulty getting information on new services, two for each of high bills and rude representatives, and single responses concerned with meter problems or temporary service.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call rose considerably over the results of last quarter, at 90.2% compared with 84.7% in March and 83.2% in June of last year.

Both residential and commercial customers reported higher levels of first call resolution in comparison with last quarter, and in comparison with June 2004.

Customers who said they had to call us more than once were asked why this was necessary. Three of the 14 responses related to tree trimming, three others related to problems finding out information about new service hookups, and two pertained to streetlights. The others were single responses concerning EPP, high bills, wrong meters, and temporary service.

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once.

Customer Satisfaction Rating, Telephone Service				
	Resolved First Call		**Not Resolved on First Call**	
	Jun'05	Mar'05	Jun'05	Mar'05
Residential	9.1	9.1	6.7	8.2
Commercial	9.1	9.1	7.8	6.2

Improvements: The percentages of respondents who feel we can improve our telephone service "a little" remained steady at 30% since last quarter, with those who say we can improve "a lot" decreased slightly from 7.1% to 5.9%. Taken together, the sum of these groups has increased from 28.5% to 36.1% over the past year.

The percentage of customers who feel we need to improve our telephone services is greater for those who call about power outages and our automated phone service. This is shown in the table below:

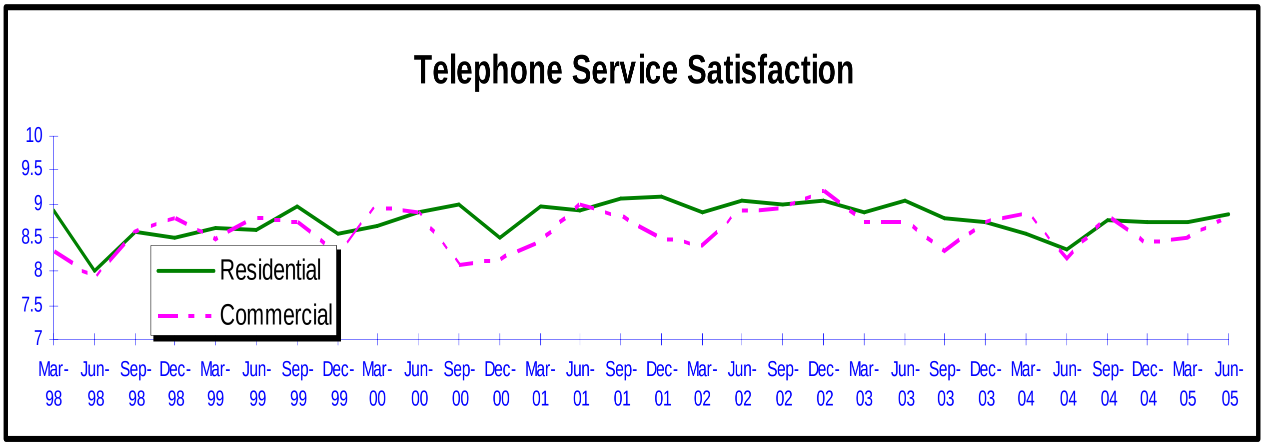
Improvement Requirements Identified			
Service Called	**None**	**A Little**	**A Lot**
Customer Acct Reps	67.6%	25.5%	5.0%
Automated Acct Balance	47.4%	42.1%	10.5%
TVD	49.1%	43.9%	7.0%

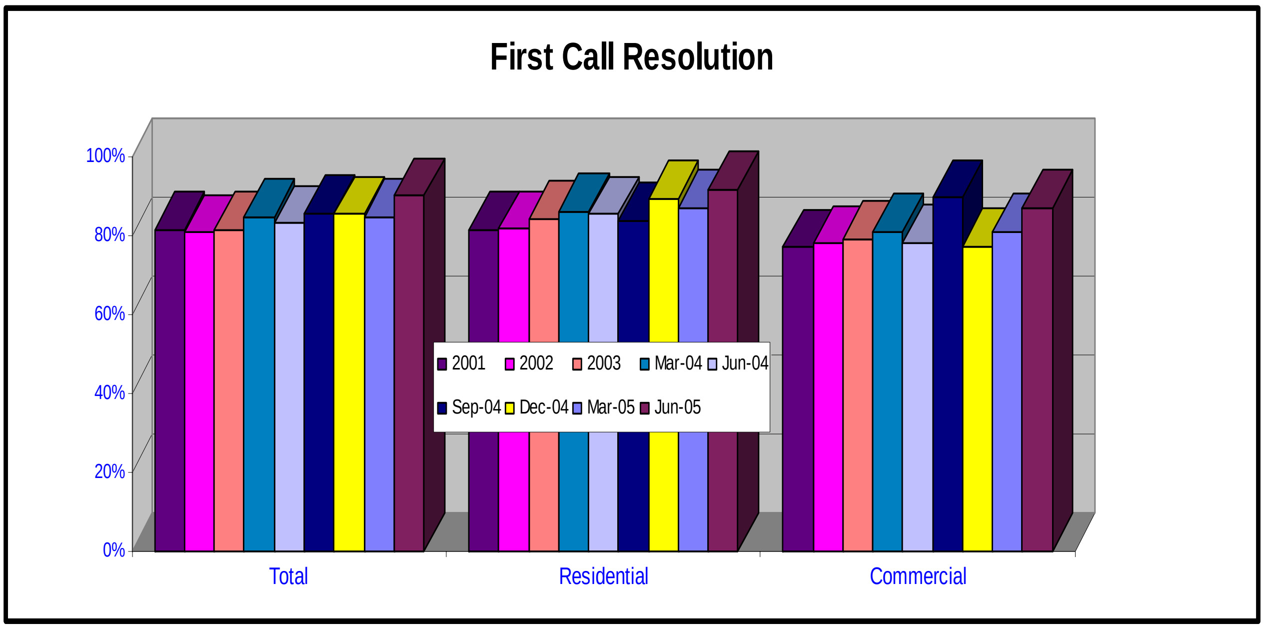
The greater the degree of improvement identified by customers, the lower the satisfaction rating with telephone service. In their comments, respondents who said we can improve "a lot" indicated concerns about automated systems and a need to get questions answered quickly. In relation to subject matter of calls, the 21 customers who saw a need for "a lot" of improvement had most often called about the balance on their account (5), followed by new services and name changes (5), with three others relating to issues with agents. The 107 customers who identified a need for "a little" improvement called most often about balance on account (17), followed by new services (13) and outages (10).

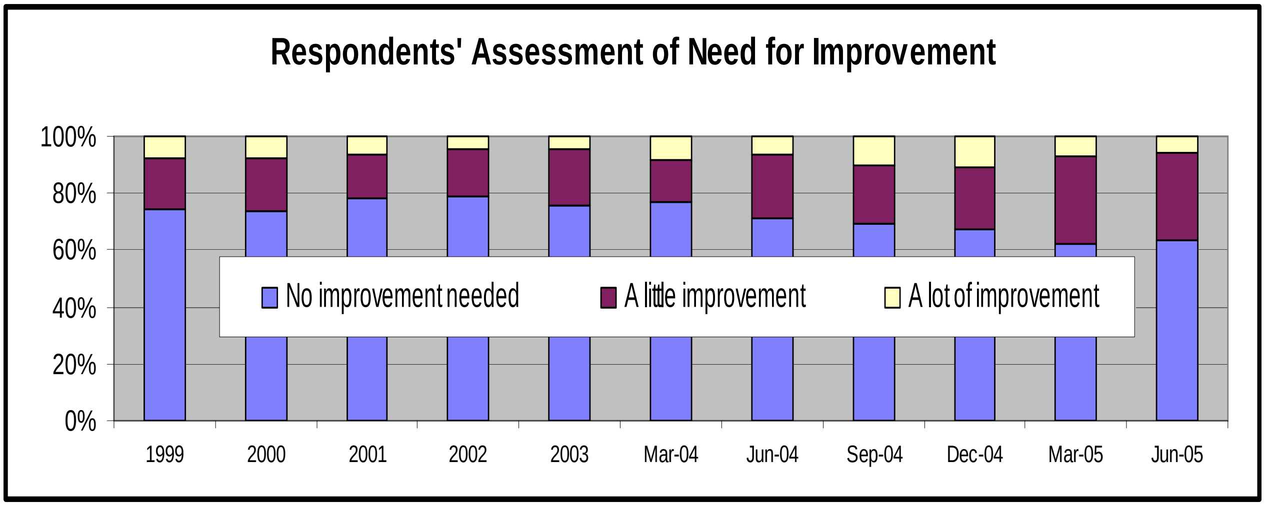
Individual suggestions for improvement included allowing customers to pay by Visa over the phone, having more reps available during the evening hours, and making more of an effort to do community works in small areas rather than just in larger ones.

Summary: It is important to note that negative comments tend to come from a small portion of the overall respondents, for instance the 21 customers who saw "a lot" of room for improvement is a small portion of the 1,228 customer who participated in the survey. Considering responses to a number of the proceeding questions, in this survey, customer concerns seem to be fairly rare, but very deeply felt when they occur.

Historical Data:







Satisfaction with Cashier Services

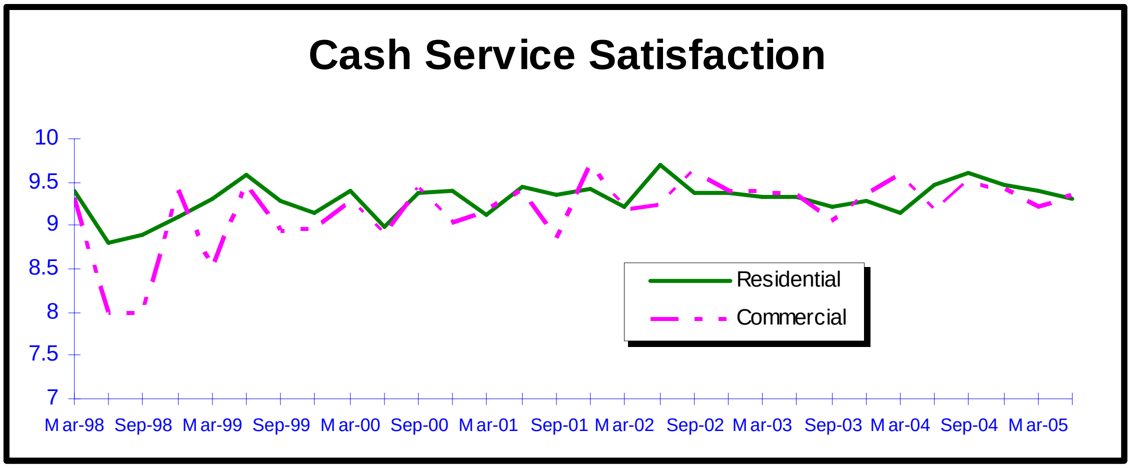
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	9.3	9.4	9.5
Commercial	9.4	9.2	9.2
Improvements Needed			
None	79.0%	73.5%	78.4%
A Little	17.8%	22.5%	19.1%
A Lot	0.9%	2.9%	1.5%

Commentary:

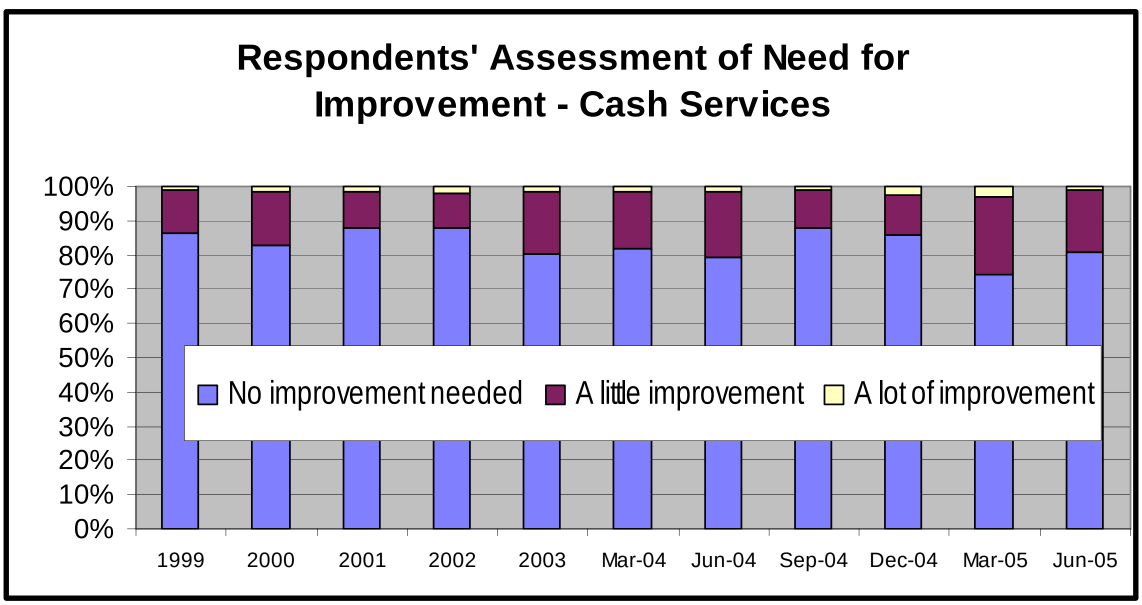
Findings: 18% of both residential and commercial respondents indicated they had visited one of Newfoundland Power's offices to pay their electric bill in the past six months.

Customers' ratings of satisfaction with cash services increased slightly this quarter for commercial customers and declined slightly for residential customers. However, the ratings remain very high and comparable to previous quarters. The graph below indicates that the ratings for cash services are fairly consistent over time, fluctuating between 9.0 and 9.5.



Improvements: The percentage of customers who believe we could improve our cashier services "a little" has declined from 22.5% to 17.8%, while the percentage of customers who believe we can improve our cashier services "a lot" has also decreased, from 2.9% to 0.9%. Only 24 people suggested improvements, with 13 of these saying we should have more cashiers during peak periods, six that the cashiers should be more friendly, four that we should accept Visa or MasterCard, and one other that we should include conservation information on the bills.

Only four customers provided ratings of six or lower for our cashier services. One said the environment and the service attitude were not friendly, one said the cashier was difficult due the customer not bringing their bill to the cash office, one said service was slow, and the last said there should be more cashiers. Another person said they had had an experience of paying their bill on time but the payment was subsequently lost and they were treated as delinquent. Overall, our experience has been that those who suggest improvements would like to see more cashiers available during peak periods.



Satisfaction with Field Services

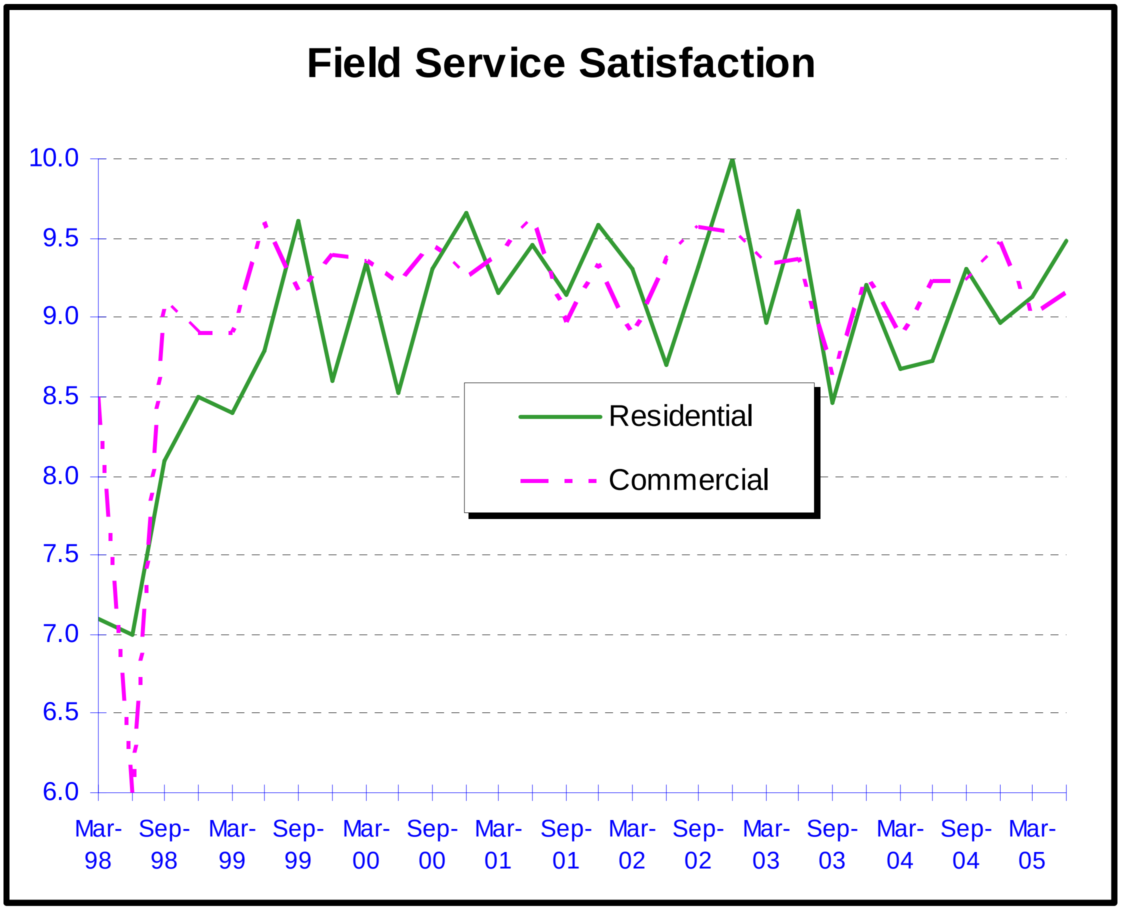
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	9.5	9.1	8.7
Commercial	9.2	9.0	9.2
Improvements Needed			
None	75.0%	66.3%	Not Asked
A Little	22.5%	24.7%	Not Asked
A Lot	1.3%	4.5%	Not Asked

Commentary:

Findings: 4.3% of residential (35 customers) and 11.1% of commercial customers (46) reported having been visited by a lineperson, technician, or customer services specialist in the past six months. The most common reason given for the visits was to make emergency repairs, followed by wire or pole relocations, electrical service locations, meter changes, and electrical service extensions.

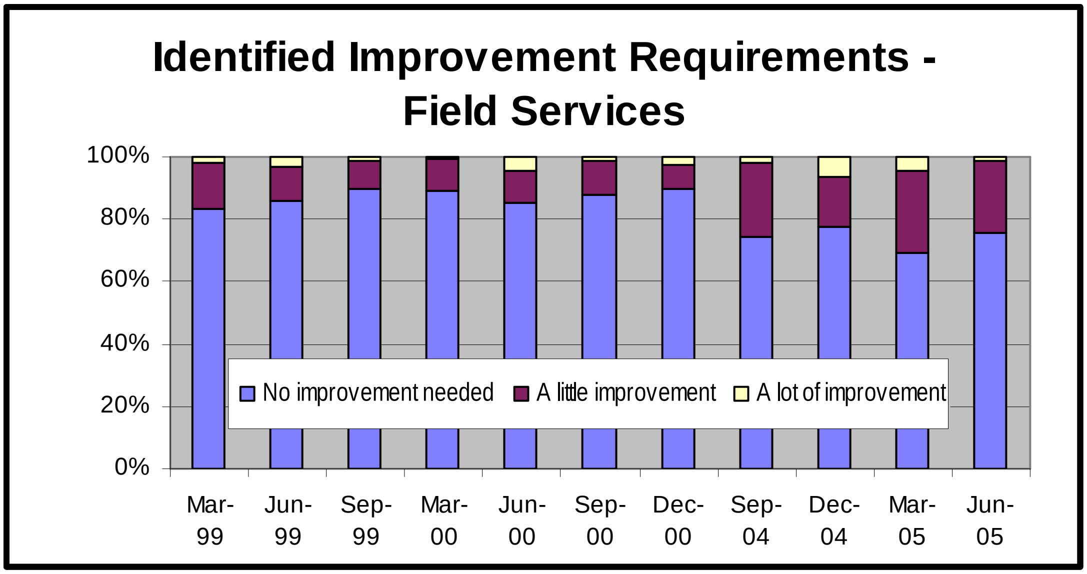
Customers' satisfaction with the level of service provided during these field visits improved over last quarter for residential customers but decreased among commercial customers. For both residential and commercial customers, the level of satisfaction is greater this year than for the same quarter last year. This seems to indicate some success in the efforts of customer service and operations groups in recent months to improve customer responsiveness to field requests.



Primary Reasons for Low Ratings: Respondents who provided a rating of six or less were asked to provide the main reason for their response. This amounted to only one customer (who gave a rating of 5). This customer said they felt the emergency repairs involved should have been handled more promptly.

Improvements: The percentage of respondents who stated we need to improve field services "a little" decreased this quarter in comparison to last quarter, as did the percentage saying we needed to improve "a lot". Only one person said "a lot" of improvement is needed, and this person did not have a suggestion for improvement although the field visit involved was for a temporary service disconnection. Of the 18 people who said "a little" improvement is needed, most had no suggestions for improvement. Three felt staff should be more prompt, two that staff should be more knowledgeable about products and services, and one that issues should be better explained. Other individual comments were that street light repairs should be improved, and that the customer had observed meter readers staying in their vehicle and using binoculars to read meters.

The following graph shows the trend in the percentage of customers who believe we can improve our field service.



Importance of Items

Key Indicators:

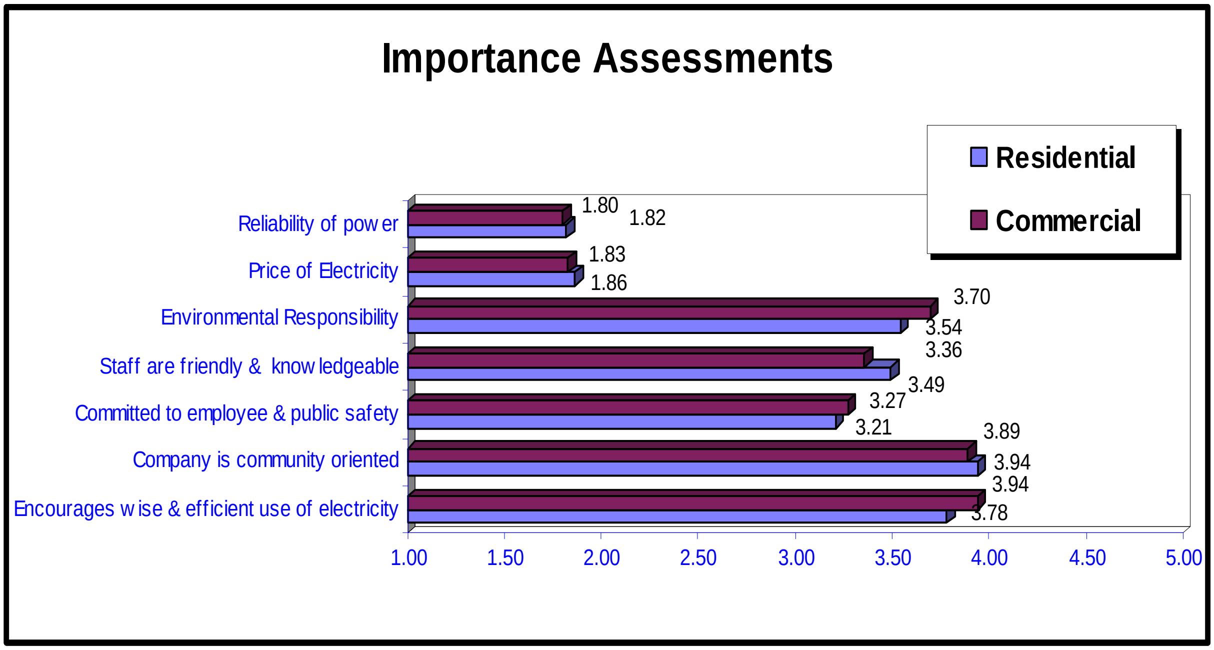
	This Quarter	Last Quarter	Same Quarter Last Year
Importance (Residential)			
Reliability of power	1.82	1.79	1.76
Price of Electricity	1.86	1.82	1.75
Committed to employee & public safety	3.21	2.97	N/A
Staff are friendly & knowledgeable	3.49	3.57	3.89
Environmental Responsibility	3.54	3.32	3.73
Company is community oriented	3.94	4.20	4.26
Encourages wise & efficient use of electricity	3.78	3.80	N/A
Importance (Commercial)			
Reliability of power	1.80	1.54	1.59
Price of Electricity	1.83	1.95	1.84
Committed to employee & public safety	3.27	3.07	N/A
Environmental Responsibility	3.70	3.62	3.91
Staff are friendly & knowledgeable	3.36	3.39	3.64
Company is community oriented	3.89	4.15	3.83
Encourages wise & efficient use of electricity	3.94	3.88	N/A

Note: The lower the number, the more importance placed on the item by the respondents.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute with both residential and commercial customers, followed by price. Both residential customers and commercial customers closely rank reliability and price, which differs from last quarter in that during March commercial customers placed greater emphasis on reliability. This would be consistent with winter related outages causing problems for businesses having a greater reliance on technology and bearing the potential cost of downtime when power is unavailable.

The company's commitment to employee and public safety places third in importance, with the remaining aspects of service consistently seen as less important.



Improvement Requirements

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Meters are read accurately	74.4%	72.0%	72.4%
Power is reliable	97.4%	97.0%	96.6%
Contributes to the community	74.0%	73.3%	74.4%
Operates environmentally	78.9%	81.9%	82.9%
Encourages Wise Use of Electricity	96.3%	96.0%	N/A
Better customer service than other utilities **	42.5%	48.8%	51.0%
Shows concern for safety	94.6%	93.5%	93.0%
Company is easy to contact for service/information	81.4%	80.4%	N/A
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Meters are read accurately	72.9%	75.6%	77.9%
Power is reliable	97.4%	96.8%	97.2%
Better customer service than other utilities **	50.7%	47.1%	50.9%
Operates environmentally	83.4%	88.0%	89.5%
Contributes to the community	80.3%	78.3%	76.2%
Encourages Wise Use of Electricity	96.9%	98.8%	N/A
Shows concern for safety	94.7%	98.3%	96.0%
Company is easy to contact for service/information	87.3%	85.1%	N/A

** Up to June 2004 this said "Better customer service than other companies"

	This Quarter	Last Quarter	Same Quarter Last Year
Improvements required ("A Little" or "A Lot") (Residential)			
Meters are read accurately	19.9%	28.2%	18.5%
Power is reliable	11.9%	19.0%	12.1%
Contributes to the community	14.2%	18.3%	14.2%
Operates environmentally	10.8%	18.6%	12.7%
Encourages Wise Use of Electricity	6.0%	18.0%	N/A
Better customer service than other utilities **	13.4%	18.6%	13.3%
Shows concern for safety	5.2%	16.3%	8.4%
Company is easy to contact for service/information	11.9%	20.0%	N/A
Improvements required ("A Little" or "A Lot") (Commercial)			
Meters are read accurately	13.0%	13.9%	14.1%
Power is reliable	12.5%	14.7%	6.3%
Better customer service than other utilities **	10.1%	14.2%	10.8%
Operates environmentally	9.3%	9.3%	6.1%
Contributes to the community	9.4%	9.0%	8.1%
Encourages Wise Use of Electricity	7.5%	7.6%	N/A
Shows concern for safety	5.5%	8.7%	3.6%
Company is easy to contact for service/information	14.1%	15.4%	N/A

** Up to June 2004 this said "Better customer service than other companies"

Commentary:

Agreement with Service Statements: The first table (previous page) represents the percentage of customers who strongly or somewhat agreed with statements about various aspects of Newfoundland Power's service. Compared to last year, there were slight improvements in residential customers' opinions on a number of these statements, particularly meter reading accuracy, concern for safety, and the reliability of power supply. We also saw declines in three areas, contributions to the community, environmental awareness, and "better customer service than other utilities". The degree of agreement concerning our encouraging the wise use of efficiency remains high at over 96%. This quarter we once again asked if customers agreed that it was easy to contact the company, and 81% agreed that this was the case, up from 80% last quarter.

Among commercial customers, the level of agreement concerning meter reading accuracy, "better customer service than other utilities", environmental awareness, and concern for safety are lower this quarter than the same quarter last year, although the service question shows a higher result than in March. Customers' agreement that power is reliable and that we contribute to the community were both slightly higher than last year. The question concerning encouraging the wise use of electricity showed less agreement (though still high at almost 97%), and 87% felt the company was easy to contact, an increase from 85% in March.

Generally, however, the level of agreement with most of these indicators remains very high, suggesting that customers have a very positive impression of service.

Disagreement with "Better Service" Question: We asked customers who strongly or "somewhat" disagreed with the statement that "Newfoundland Power provides better service than other utilities," why they felt this way. About 20 respondents provided answers, three of which indicated they felt the utility companies were essentially the same and they did not want to say one was better. Three customers indicated they felt NP's telephone system could be improved, three thought NP should offer discounts or "specials", one felt the agents on the phone were rude, and the remainder had a variety of individual concerns including NP's monopoly status, a desire for backup power on the Burin Peninsula, a desire that customers in arrears should not be cut off as quickly, and the timeliness of street light repairs.

Improvement Opportunities: The second table (previous page) indicates the percentage of customers who believe that improvement in these service areas can occur. These figures represent the percentage of customers who said that either "a little" or "a lot" of improvement is required in our performance on these various statements about our service. Where last quarter a larger percentage of residential customers believed we needed to improve service than commercial customers, this quarter the percentages among residential concerns have dropped and are closer to the results for commercial customers.

Most customers who stated that improvement was required in these areas stated that "a little" improvement was needed. The largest percentage of residential customers who said a lot of improvement was required said so in relation to customer service (4.8% of residential but only

0.7% of commercial), followed by meter reading accuracy (3.9% among residential and 3.4% among commercial customers).

We should also note that the percentage of residential customers indicating a need for improvement in meter reading accuracy increased sharply from December to March (18.5% to 28.2%), then dropped again to 19.9% in June. This presumably relates to estimates and weather related meter access problems over the course of the winter. The percentage of commercial customers seeing a need for meter reading accuracy improvement has been steady at the 13%-14% level.

Highlights of Residential Improvement Findings by Location:

In relation to reliability, the Burin area indicated the highest degree of desire for either a little or a lot of improvement, at 27.9%. The Gander, Grand Falls, and Corner Brook areas indicated the greatest need for improvement in meter reading accuracy, at 41.1%, 36.8%, and 24.3% respectively. These three areas also indicated the greatest degree of desire for improvement in environmental awareness (26.5%, 26.5%, and 13.5% respectively); in community involvement (36.8%, 26.5%, and 21.6% respectively); and in customer service relative to other utilities (39.7%, 25%, and 29.8% respectively).

In all such cases the number saying “a little” improvement is required is much larger than the number saying “a lot” of improvement is needed.

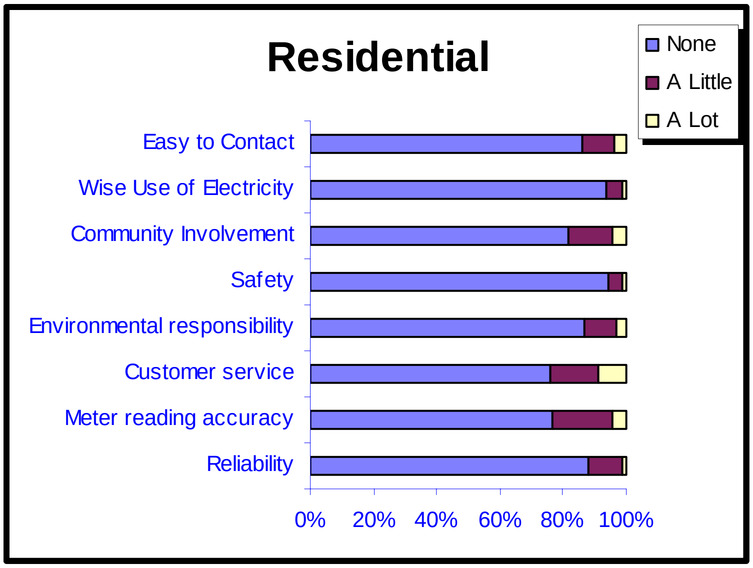
Highlights of Commercial Improvement Findings by Location:

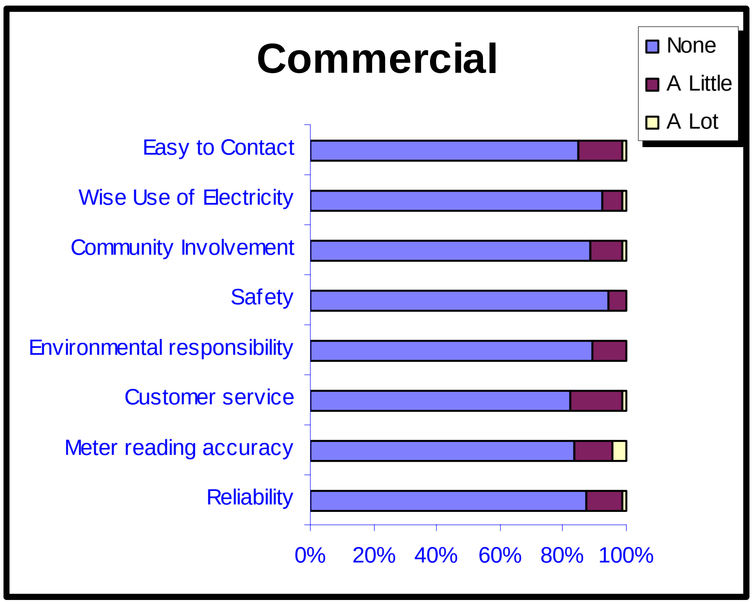
Commercial customers in Burin and Grand Falls were the most likely to identify a need for improvement in reliability, with 25% of Burin and 26.2% Grand Falls commercial customers saying “a little” improvement is needed (no one in either area said “a lot” of improvement is needed). Burin and Grand Falls commercial customer also expressed relatively high needs for improvement in encouraging wise and efficient use of electricity, with 30% of Burin and 19% of Grand Falls customers expressing this view. Customers in Grand Falls and Stephenville expressed the greatest need for improvement in meter reading accuracy, with 26.2% in Grand Falls and 28% in Stephenville indicating such a need exists.

Other percentages of note were that 30% of Burin commercial customers felt there is a need for improvement in the ease of contacting the company, and 28.6% of Grand Falls customers felt that there was a need for improvement in the degree of our environmental awareness.

Improvement Requirement Graphs

(See next page)


Residential
None
A Little
A Lot
Easy to Contact
Wise Use of Electricity
Community Involvement
Safety
Environmental responsibility
Customer service
Meter reading accuracy
Reliability
0%
20%
40%
60%
80%
100%


Commercial
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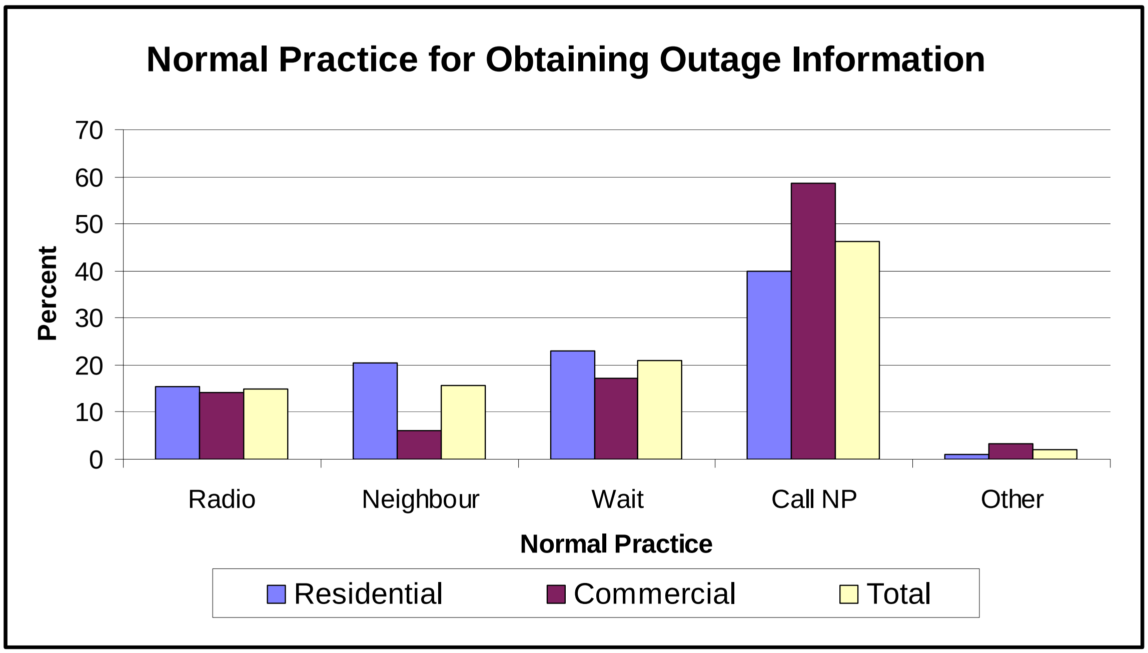
Community Involvement
Safety
Environmental responsibility
Customer service
Meter reading accuracy
Reliability
0%
20%
40%
60%
80%
100%

Power Outage Information

This quarter we also asked a number of questions concerning customers' opinions on our communications during power outages. Some of the questions were motivated by commentary concerning Nova Scotia Power's response to widespread winter storms in November of 2004.

Normal Information Practice:
Customers were asked how they would normally obtain information about outages. They were given the choices of: turn on a radio to check for an announcement; call a neighbour for information; wait for the power to be restored without looking for information; and calling Newfoundland Power's outage information line. The graph below indicates the results for residential and commercial customers as well as for all customers.



Commentary:

The above indicates that calling NP's outage information line is the primary means of obtaining information during power outages. However, there is a significant difference in the percentage of commercial customers who choose this option (59%) in comparison to residential customers (40%). We also noted that commercial customers in the Burin, Gander, and Stephenville areas are much more likely to call NP, with percentages of 75%, 70% and 76% selecting this option in the respective areas.

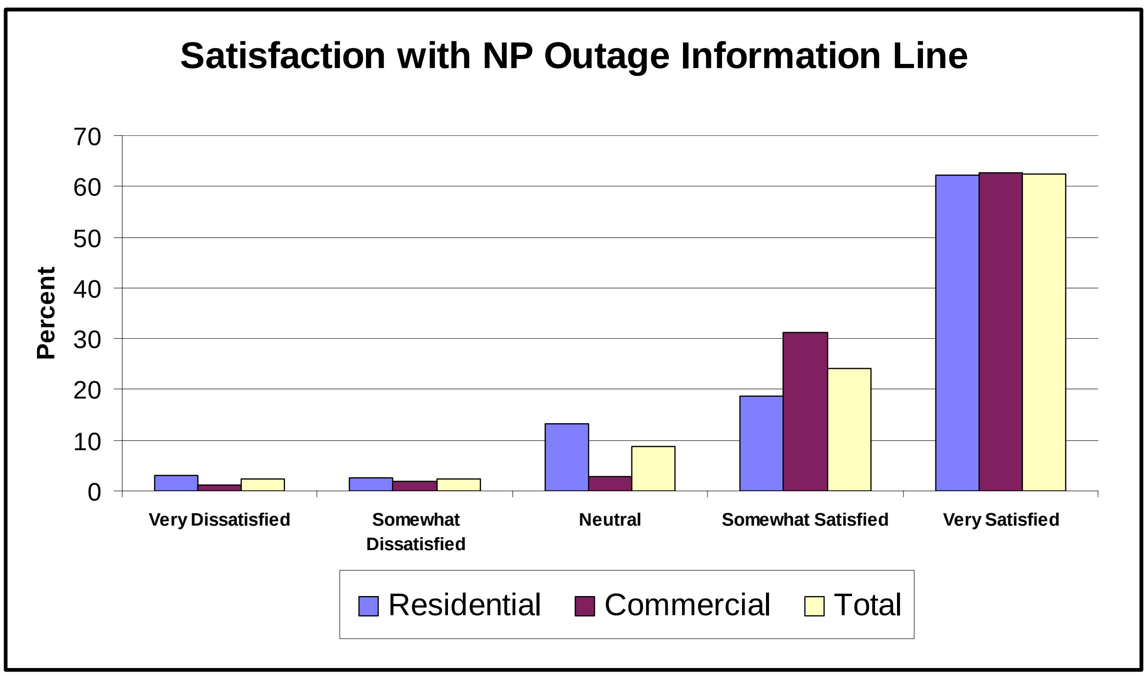
21.5% and 22.4% of residential customers in the St. John's and Carbonear areas respectively would listen to the radio for information on power outages. All other areas indicated 10% or less would use that option. This presumably reflects the concentration of the content of provincial radio stations in St. John's – people living in the rest of the island may not feel the radio is a useful means of obtaining up to date outage information about their area. It may also be, however, that the customers feel we are not providing enough information to radio stations for them to be useful. As will be seen below many customers made suggestions that more information be placed with media.

Persons who reported that they do use either the radio or a neighbour for information, however, appear to be very satisfied with this approach. 85% of residential customers and 83% of commercial customers who prefer either radio or neighbours feel this is an adequate means of finding out when power will be restored.

Among residential customers, we also saw that women report they are more likely than men to call NP (43.5% to 33.3%), and to ask a neighbour (23.4% to 15%). Men are more likely to listen to the radio or to wait. In addition, we looked at whether education, age, or main heating fuel had an impact on preferences, but there were no significant differences.

NP's Outage Information Service:

Customers who had said they would typically call NP's outage information line were then asked their level of satisfaction with this service. Their responses are shown in the graph below.



Commentary:

Level of Satisfaction:
The graph indicates that in general customers appear to be satisfied with the service. When those who answered either "somewhat satisfied" or "very satisfied" are combined, the percentage of satisfaction is 81.1% among residential customers and 93.8% among commercial customers (86.6% for the total).

While there are no significant differences among commercial customers by area, among residential customers the level of satisfaction is less in Grand Falls (64.3%). This may be a holdover from findings in our March survey where Grand Falls area residents were more dissatisfied with overall service due to recent outages.

Preference if Cause and Duration Not Known:
Respondents were also asked their preference as to whether Newfoundland Power should post a message on the outage information line if the cause and expected duration of the outage are not known (our present practice), or whether no message should be posted until better information is available.

Both residential and commercial customers reported they would prefer to see a message posted. 79% of commercial customers and 82% of residential customers supported this view.

Suggestions for Improvement

Customers were asked for their suggestions concerning improvements that might be made to the way information is provided to the public during a power outage. A total of 201 responses (128 residential, 73 commercial) were obtained from the 1,228 respondents.

Commercial Customers
Of the commercial customers (73), 36 indicated the main priority should be to update the information provided on the phone line, one saying it should be updated hourly. Another 10 said there should be more information posted on radio and/or television stations. Six customers said there should be more notice provided to business customers pertaining to planned outages, with one suggesting a separate line for businesses. Five others said that just keeping the communication lines open (whether by telephone or radio) would be an improvement, and two others said that there should be more public awareness of updates available on the telephone line. Five customers said the service was good as is and did not suggest changes.

Residential Customers
Of the residential customers (128), 55 said the most important thing was to keep the information on the outage line updated, with varying suggestions as to updating it hourly, every 10 minutes, or as information changes. Another 46 said more information should be placed on radio and/or television stations, with additional comments concerning selecting one station to provide information to, and updating this information frequently. 12 customers said the service was good as it is.

The remaining suggestions were limited in numbers: five asked for additional advance information of planned outages, three suggested that if the expected time of restoration is not known that we indicate the time is estimated, and three others said we should be honest with customers pertaining to the expected length of the outage. Individual suggestions related to using a web page, using the power bill for advance notifications, telling people we will have a set time for updated information, increasing the public's awareness of the telephone line, and trying to be more accurate with our estimates for power restoration.

Web or Email Access
Customers were also asked if they had access to email or the Web, either through their workplace or through battery backup, which would allow them to get information from Newfoundland Power relating to the cause of an outage or the expected restoration time. The results showed that 32% of residential customers and 36% of commercial customers would indeed have such access.

When broken down by area the results suggest that 57% of commercial customers in the Carbonear area have such backup or alternative access, as do 48% in Clarenville. Among residential customers, 41% of those in St. John’s indicate that they have such access (no other area has more than 30% with access).

Customer Satisfaction Survey Results
September 2005

Customer Satisfaction Survey Results
September 2005
Newfoundland Power

Summary

The customer satisfaction index for the third quarter was 88%, compared to the 90% result from last quarter. The average of the three quarters this year is 89%, equal to the average for the first three quarters of 2004. Our annual target for 2005 is 85%.

Ratings of *Overall Service* satisfaction were most often impacted by rates or pricing concerns, followed by a wide variety of other reasons from a small group of customers, indicating that there aren't any large glaring problems but instead are a number of "one-of" issues or situations. Other than by controlling costs and hence rates, the most realistic opportunity for improvement in this category is the work ongoing in the barriers to service project to eliminate the situations where customers slip through the cracks

Contact Centre service ratings continue to be driven by whether or not the customer's concern was handled on the first call. While residential customers who called only once provided satisfaction ratings of 9.2 out of 10 on average (v.s. 9.5 for commercial customers), the 12% of customers who reported having to call more than once provided satisfaction ratings of 3.8 out of 10, in the case of residential customers, and 7.7 out of 10, in the case of commercial customers. The highlight this quarter was the finding that the new services and electrician/contractor calls received some of the highest satisfaction ratings. This is an area that has received a lot of attention in the last year in order to correct known problems. Special attention is required in improving our handling of estimating, high bills, tree trimming, pole removals, and street lights.

Residential customer satisfaction with *field service* declined this quarter, from 9.5 to 8.2. Commercial customer satisfaction increased from 9.2 to 9.3. However, due to the very low number of respondents in the survey who utilized field service in this period and a very low number of people who provided a low rating, (6), large swings in ratings is not at all surprising. A review of the customer feedback doesn't indicate the development of any emerging or new problems.

Satisfaction with *cash service* remained consistent with previous quarters. A small number of customers suggested additional staff at peak times as a means of improving cashier service. The recent closure of cash services at Company offices did not have a significant effect upon satisfaction with cash service, although at least some customers were aware of the change and indicated such in their answers to the question which asks the level of agreement with various statements concerning NP service. About one third of those who disagreed that NP provides better service than other utilities made reference to cash locations or payments in their reasons.

For residential and commercial customers, reliability and price continue to be the two most *important aspects of our service*, followed by a commitment to public and employee safety. While last quarter the residential customers had indicated reliability was more important in comparison to price, this quarter they see price as more important.

With regards to our performance on various service areas, only a small percentage of customers suggest we need "a lot" of improvement in our service. Meter reading accuracy, followed by the level of service relative to other utilities, are the areas of service customers feel can be improved the most.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of over 800 residential and over 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within our service area. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our offices.

In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	This Quarter	Last Quarter	Same Quarter Last Year
Index Components				
Residential				
Call Centre Service	40%	8.7	8.8	8.8
Field Service	20%	8.2	9.5	9.3
Cashier Service	20%	9.6	9.4	9.6
Overall Service	20%	8.6	8.6	8.6
Commercial				
Call Centre Service	40%	9.0	8.8	8.8
Field Service	20%	9.3	9.2	9.2
Cashier Service	20%	9.5	9.4	9.5
Overall Service	20%	8.8	8.9	8.9
Customer Satisfaction Index		8.8	9.0	9.0
2005 Annual Target			85%	

Findings: The September index result of 8.8 compares with 9.0 in June and with 9.0 received in September 2004. The year to date average of 8.9 for three quarters is equal to the YTD average for the first three quarters of 2004.

The historical trend for the Customer Satisfaction Index is shown in the above graph. The Index has remained fairly stable for the past several years with very slight variations in the results from quarter to quarter. Compared to last quarter, residential customers' satisfaction with cash service slightly increased but slightly decreased for call centre and field service. Ratings from commercial customers slightly increased for call center, field, and cashier service, but dropped slightly for general satisfaction.

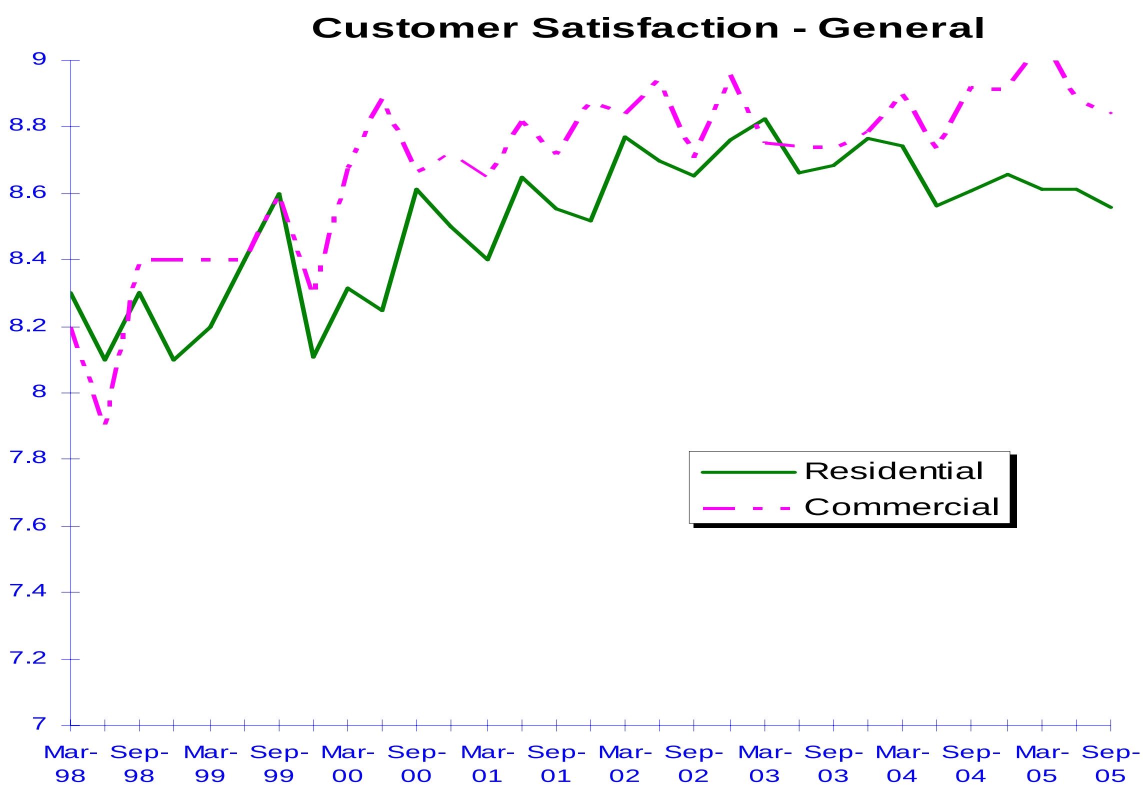
Satisfaction with Overall Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.6	8.6	8.6
Commercial	8.8	8.9	8.9
Total	8.7	8.7	8.7

Commentary:

Findings: We saw slight declines in this indicator this quarter in comparison with June. The present level of satisfaction among commercial customers, while still high, is slightly less than last quarter. The graph indicates a small but noticeable gradual decline in residential results since mid 2003.



While the overall average score from residential customers was 8.6, it was highest in Burin with 8.93 and Gander with 8.92, and lowest in Corner Brook with 8.35 and St. John's 8.43. The overall average score from commercial customers was 8.8, with a high of 9.14 from Gander customers and a low of 8.69 in Stephenville. Every quarter, the geographical distribution of high and low scores varies by location indicating that over the long term, location is not a factor in customers' satisfaction.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 76 customers in this group, 34 (45%) referred to rates or pricing while the remainder identified a wide variety of reasons for their dissatisfaction. The number of outages (7), time to get hooked up and other field issues (7), payment locations (6), are a monopoly (4), meter reading concerns (2), estimating concerns (3), billing problems (2), and EPP concerns (2) were identified as reasons for dissatisfaction.

Summary: Customers who provide lower scores in their responses to this question seem to be mainly motivated by concerns over pricing. There are also a wide variety of other reasons for dissatisfaction, albeit from small numbers of customers, indicating that there aren't any large glaring problems but instead are a number of "one-of" issues or situations. Other than by controlling costs and hence rates, the most realistic opportunities for improvement in this category is the ongoing work in the barriers to service project to eliminate the situations where customers slip through the cracks.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	**Last Quarter**	**Same Quarter Last Year**
Satisfaction with Service			
Residential	8.7	8.8	8.8
Commercial	9.0	8.8	8.8
First Resolution			
Total	88.1%	90.2%	85.6%
Residential	88.3%	91.8%	83.9%
Commercial	87.8%	87.0%	89.7%
Improvements Needed			
None	68.8%	62.4%	68.3%
A Little	21.9%	30.2%	19.8%
A Lot	7.4%	5.9%	10.3%

Commentary:

Findings: 24% of residential and 26% of commercial participants in this quarter's survey said they had called within the last six months.

Commercial customers' ratings of satisfaction with telephone service improved this past quarter, with a slight increase from 8.8 to 9.0. Residential customers' ratings declined slightly from 8.8 to 8.7.

Commercial customers in the Burin area had the greatest degree of satisfaction (9.8) with telephone service. Stephenville showed the lowest degree of satisfaction (8.3). Grand

Falls and Corner Brook residential customers had the highest degree of satisfaction among residential customers (9.0). Gander (8.1) had the lowest residential telephone ratings.

Among residential customers, about 80% said they had called a Customer Account Representative, 13% the automated power outage information system (TVD) and 7% the automated account balance system. The corresponding percentages for commercial customers were 67% to a Customer Account Representative, 18% to TVD and 15% to the automated account balance application.

Among residential customers, those calling Customer Account Representatives provided higher telephone satisfaction ratings (8.8) than those who called TVD (8.7) and the automated account system (7.5). Among commercial customers, the callers to TVD provided the highest telephone satisfaction rating at 9.2, compared with 9.1 for the Customer Account Representatives and 8.1 for the automated account balance.

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among residential customers, the greatest telephone satisfaction ratings were from calls relating to new services, EPP, APP, and eBills calls, along with outages, energy efficiency, electrician/contractor and account balance calls, while lower telephone satisfaction ratings than the residential average were from calls involving estimating, high bills, tree trimming, pole removals, and street lights.

The types of calls with ratings less than the average for commercial customers were for EPP, account balance, and electrician/contractors. All other types of calls resulted in ratings higher than the commercial customer average.

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 29 responses were made including both residential and commercial customers. These can be broken down by which service the customer called as follows:

There were 7 comments from customers using the automated account balance system; six were frustrations with generally using automated systems and the other was a general field service complaint about the length of time to get lights fixed on walkways.

There were 18 customers who had called a Customer Account Representative and subsequently provided ratings of six or less. Four of these referred to recurring problems or having to speak to several people on the phone, two indicated hold times were very long, two others said the employee was rude or unfriendly. Others mentioned meter reading problems, problems tracing payments, high bills or unspecified problems.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call declined slightly from last quarter, at 88.1% compared to 90.2% in June, however, it was still much higher than the 85.6% in September of last year.

Commercial customers reported slightly higher and residential customers lower levels of first call resolution in comparison with last quarter. Residential results were higher than September of 2004 although commercial results were slightly higher last year.

Customers who said they had to call us more than once were asked why this was necessary. 3 of the 19 responses were related to meter reading problems for which the customer had expected a call back, 5 said the person they spoke to did not have the information that was needed, 2 were related to pole removal problems, and another said they were told to hire an electrician and would not be accountable for the problem.

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once. The difference was especially vivid with residential customers.

Customer Satisfaction Rating, Telephone Service				
	Resolved First Call		**Not Resolved on First Call**	
	Sept’05	Jun’05	Sept’05	Jun’05
Residential	9.2	9.1	3.8	6.7
Commercial	9.5	9.1	7.7	7.8

Improvements: The percentages of respondents who feel we can improve our telephone service “a little” decreased from 30% to 22% since last quarter, with those who say we can improve “a lot” increased from 5.9% to 7.4%. Taken together, the sum of these groups has decreased from 30.1% to 29.3% over the past year.

The percentage of customers who feel we need to improve our telephone services is greater for those who call about power outages and our automated phone service. This is shown in the table below:

Improvement Requirements Identified			
Service	**None**	**A Little**	**A Lot**
Customer Acct Reps	72.2%	20.9%	4.7%
Automated Acct Balance	43.3%	26.7%	26.7%
TVD	69.6%	21.7%	8.7%
Overall	68.8%	21.9%	7.4%

The greater the degree of improvement identified by customers, the lower the satisfaction rating with telephone service. In their comments, respondents who said we can improve “a lot” indicated concerns about automated systems and a need to get questions answered quickly. In relation to subject matter of calls, the 23 customers who saw a need for “a lot” of improvement had most often called about the balance on their account (8), followed by power outages (4), with 3 others relating to new services. The 68 customers who identified a need for “a little” improvement called most often about outages (21), followed by new services (14) and account balance (12).

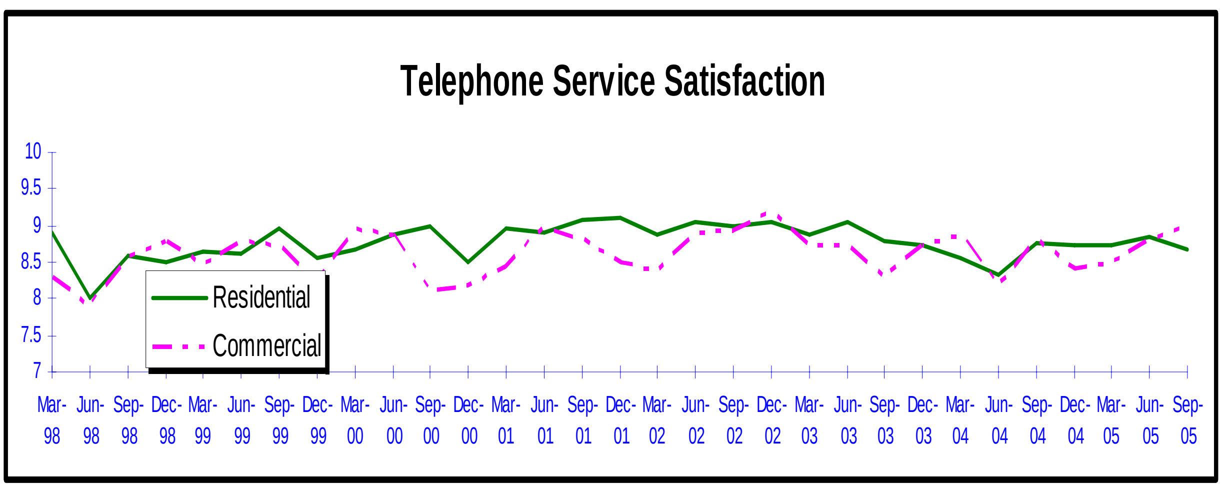
Individual suggestions for improvement included having the company phone number on refrigerator magnets, a customer being able to contact the same representative in follow-up calls concerning the same matter, and having backup personnel for technicians available in the office to deal with questions.

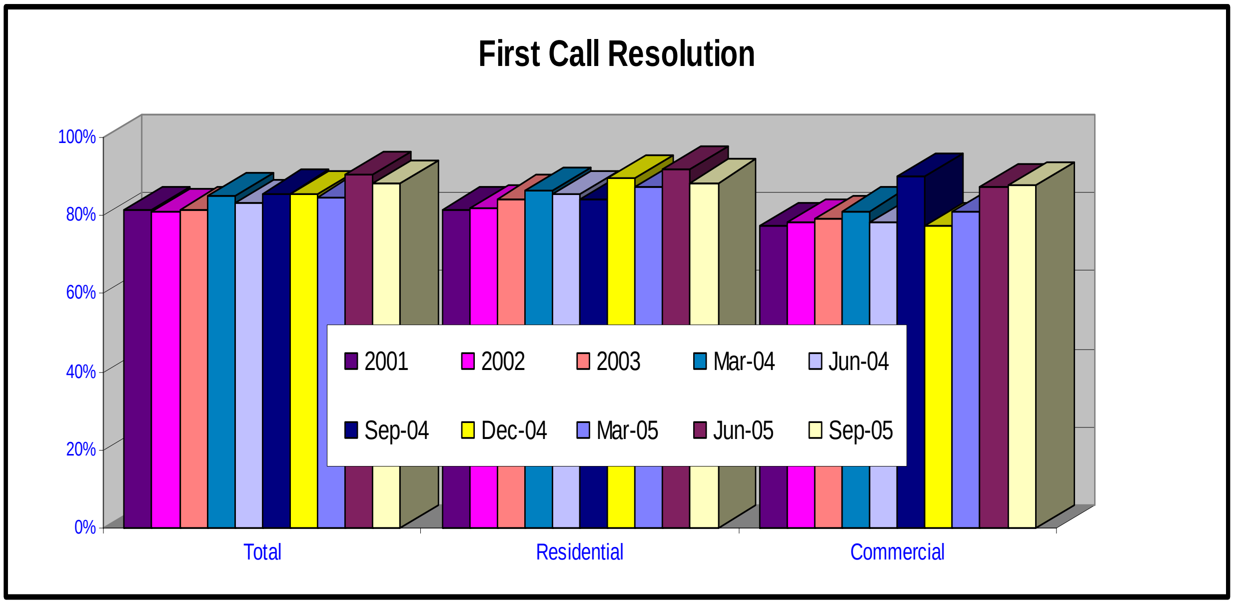
Summary: The highlight of this section of the survey was the finding that the new services and electrician/contractor calls received some of the highest satisfaction ratings. This is an area that has received a lot of attention in the last year in order to correct known problems. Special attention is required in improving our handling of estimating, high bills, tree trimming, pole removals, and street lights.

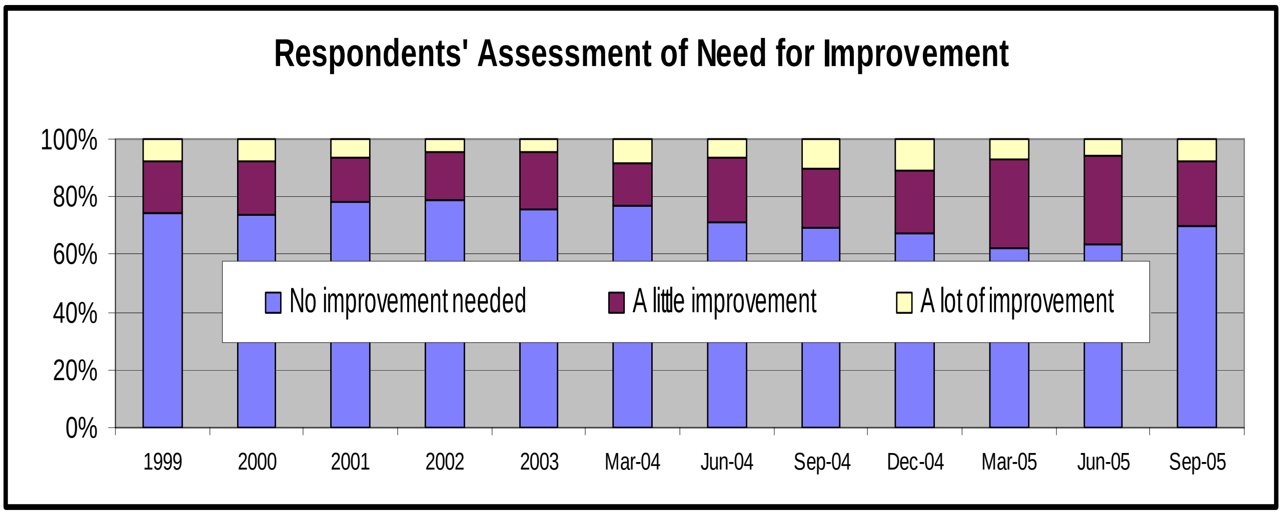
It is important to note that the negative comments come from a small portion of the overall respondents. The 23 customers who saw “a lot” of room for improvement is a small portion of the 1,240 customers who participated in the survey. Considering responses to a number of the proceeding questions, in this survey, major customer concerns seem to be fairly rare, but are very deeply felt when they occur. Judging from comments it appears that negative feelings can carry forward for considerable periods of time.

In addition, in analyzing the responses on the use of the automated account balance system, it appears that customers may have thought that they used this system but actually used the main menu in the IVR to have their calls distributed to an agent. It was surprising that a number of customers who used the automated account balance system and provided a low rating said they did because they don’t like automated systems. As a result, at the next quarterly survey, we will rework the questions to ensure that the customer can easily understand them and we can better understand the issue.

Historical Data:







Satisfaction with Cashier Services

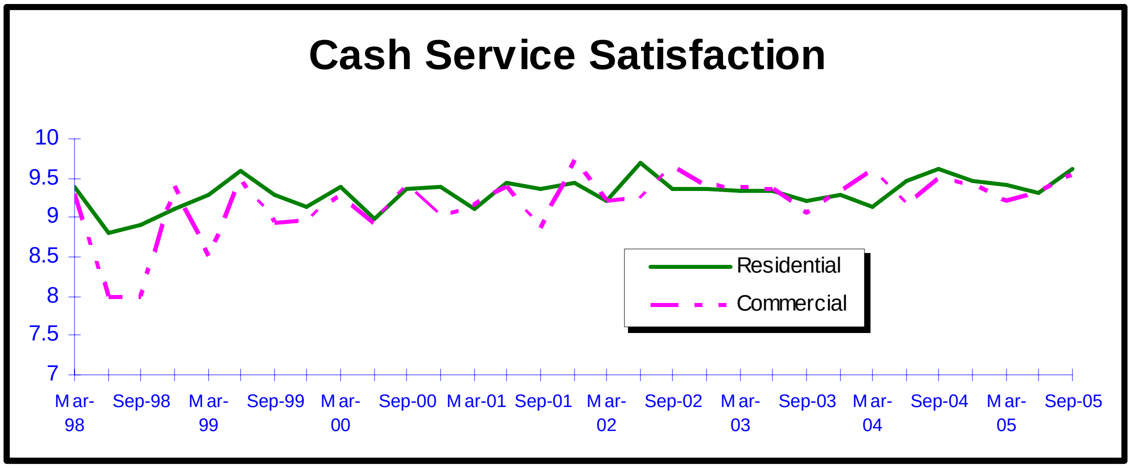
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	9.6	9.3	9.6
Commercial	9.5	9.4	9.5
Improvements Needed			
None	87.7%	79.0%	87.5%
A Little	9.1%	17.8%	10.8%
A Lot	2.1%	0.9%	1.1%

Commentary:

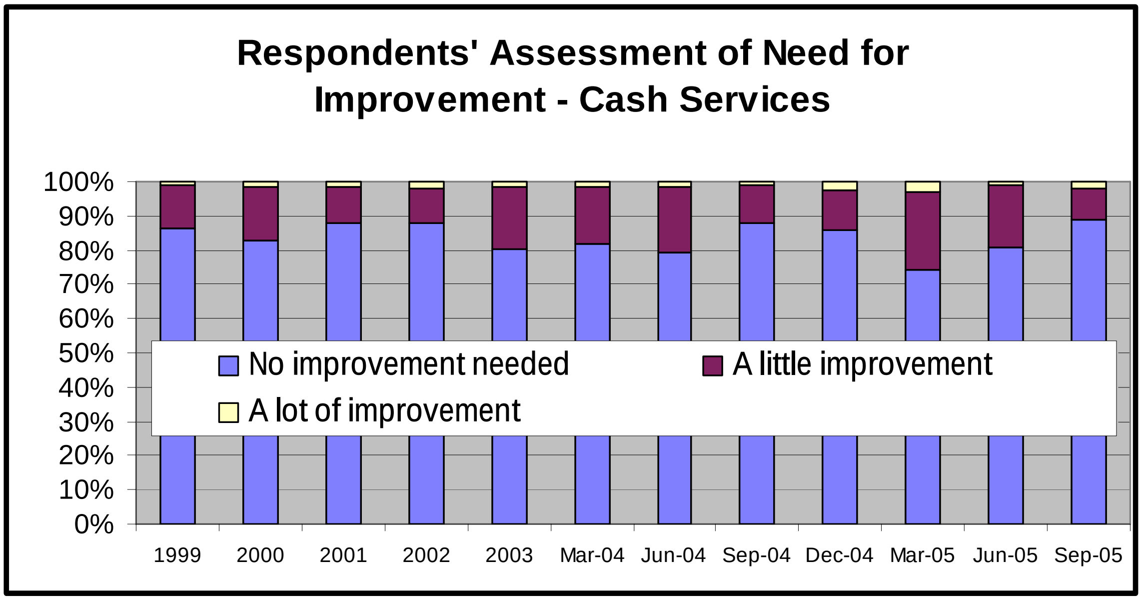
Findings: 15% of both residential and commercial respondents indicated they had visited one of Newfoundland Power's offices to pay their electric bill in the past six months.

Customers' ratings of satisfaction with cash services increased this quarter for both residential and commercial customers. The ratings remain very high and comparable to previous quarters. The graph below indicates that the ratings for cash services are fairly consistent over time, fluctuating between 9.0 and 9.5.



Improvements: The percentage of customers who believe we could improve our cashier services "a little" has declined from 17.8% to 9.1%, while the percentage of customers who believe we can improve our cashier services "a lot" has increased, from 0.9% to 2.1%. Only 19 people suggested improvements, with five of these saying we should have more cashiers during peak periods, three that the cashiers should be more friendly, two that the Company should not be closing the cash offices, and one that cash services should be in a different location in Corner Brook.

Only four customers provided ratings of six or lower for our cashier services. One said the staff were not friendly, two said the lineup was too long, and the last said the staff was excellent but there was a need for more people on duty.



Satisfaction with Field Services

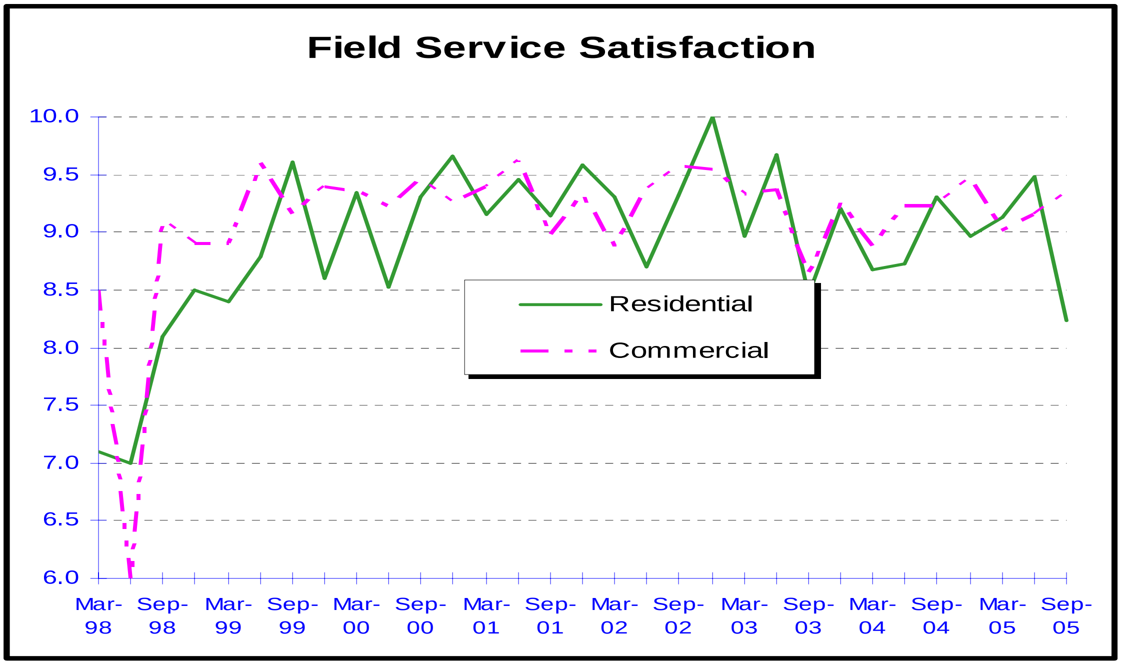
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.2	9.5	9.3
Commercial	9.3	9.2	9.2
Improvements Needed			
None	75.0%	75.0%	73.2%
A Little	17.6%	22.5%	23.2%
A Lot	4.4%	1.3%	1.8%

Commentary:

Findings: 4.2% of residential customers (35) and 8.0% of commercial customers (33) reported having been visited by a lineperson, technician, or customer services specialist in the past six months. The most common reason given for the visits was to install or replace meters, followed by emergency repairs, followed by wire or pole relocations, electrical service locations, and electrical service extensions.

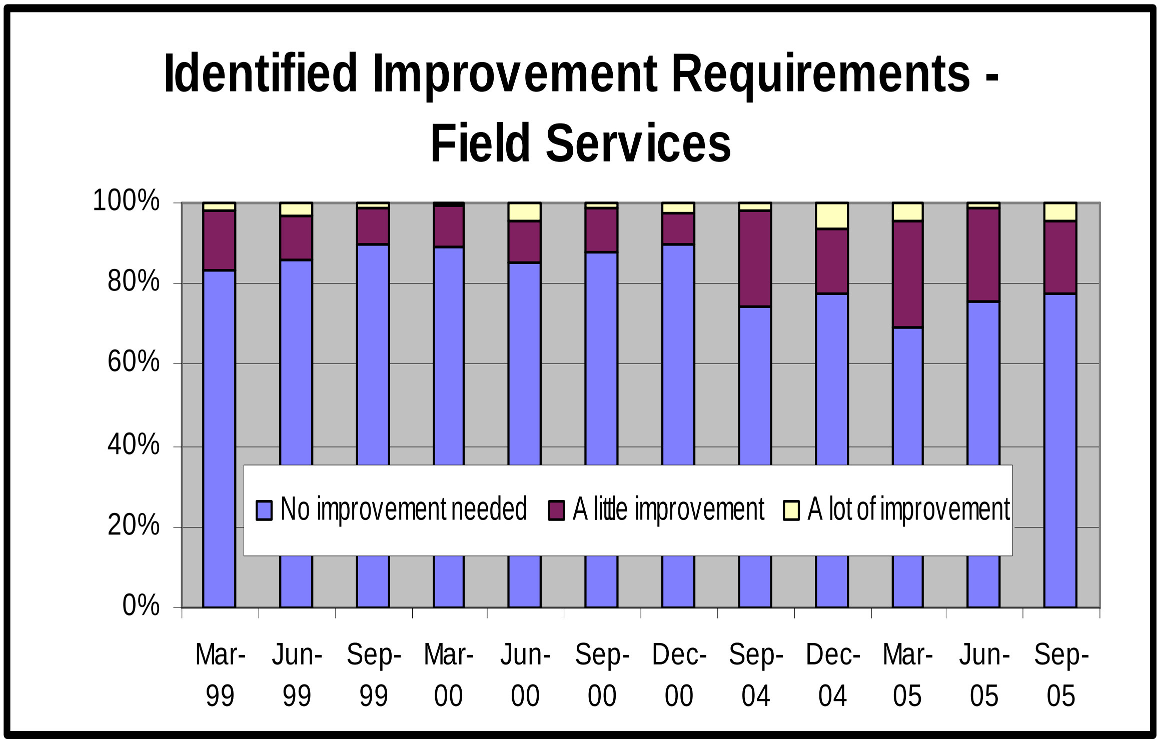
Customers' satisfaction with the level of service provided during these field visits declined from last quarter for residential customers but increased among commercial customers. For residential customers, the level of satisfaction is the lowest recorded since 1998, although for commercial customers the level of satisfaction is slightly higher than last quarter. The relatively small number of respondents that provide ratings of field services means that the greater volatility of the results to this indicator is not surprising.



Primary Reasons for Low Ratings: The six respondents who provided a rating of six or less were asked to provide the main reason for their response. The answers given did not have a common theme: one customer said he had had to hire someone else for a wire relocation, another who had been cut off said they did not like the employee's attitude, another who had had a meter replaced said it was NP's error that had caused to meter to be replaced, another who had experienced problems with power surges said the employee did not properly check the site and subsequently ended up with damages, and a fifth said their bills were too high.

Improvements: The percentage of respondents who stated we need to improve field services "a little" decreased this quarter in comparison to last quarter, although the percentage saying we needed to improve "a lot" increased. Only three persons said "a lot" of improvement is needed. One was the individual who had been cut off, and suggested we should be accepting VISA as payment. A second was from the individual who experienced the power surges, who said that emergency response personnel should be more thorough in their investigations. The third was from the person who had their meter replaced, and felt they should have had prior notification. Of the 12 people who said "a little" improvement is needed, only three had a suggestion for improvement. One felt the Company could be more prompt in responding to emergencies, a second felt there should be notification when meters are to be replaced, and the third said trees could have been trimmed back on the occasion staff came to the house to replace a meter.

The following graph shows the trend in the percentage of customers who believe we can improve our field service.



Importance of Items

Key Indicators:

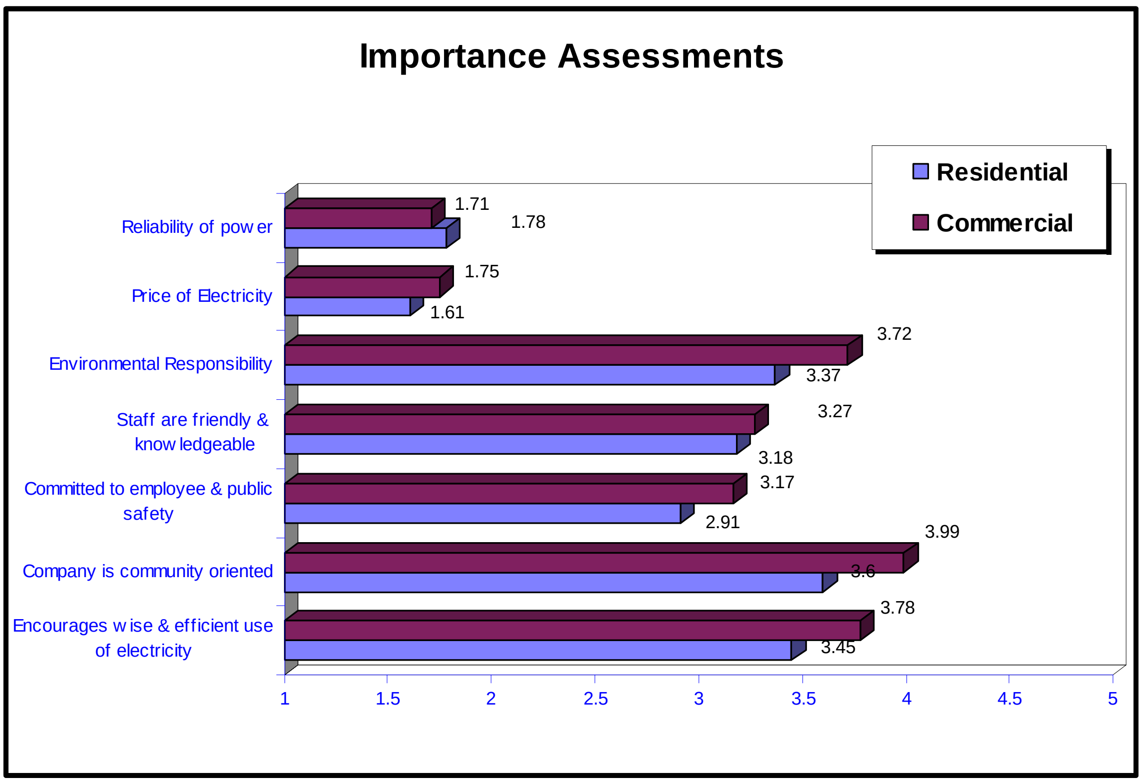
	This Quarter	Last Quarter	Same Quarter Last Year
Importance (Residential)			
Reliability of power	1.78	1.82	1.68
Price of Electricity	1.61	1.86	1.89
Committed to employee & public safety	2.91	2.97	3.53
Staff are friendly & knowledgeable	3.18	3.57	4.16
Environmental Responsibility	3.37	3.32	4.19
Company is community oriented	3.60	4.20	4.31
Encourages wise & efficient use of electricity	3.45	3.80	4.45
Importance (Commercial)			
Reliability of power	1.71	1.80	1.77
Price of Electricity	1.75	1.83	2.00
Committed to employee & public safety	3.17	3.07	3.38
Environmental Responsibility	3.72	3.62	3.91
Staff are friendly & knowledgeable	3.27	3.39	4.11
Company is community oriented	3.99	4.15	4.52
Encourages wise & efficient use of electricity	3.78	3.88	4.60

Note: The lower the number, the more importance placed on the item by the respondents.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute with commercial customers, followed by price. Residential customers, however, in this survey placed price ahead of reliability in importance. This may reflect this summer's rate increase. Both residential customers and commercial customers closely rank reliability and price. This would be consistent with winter related outages causing problems for businesses having a greater reliance on technology and bearing the potential cost of downtime when power is unavailable.

The company's commitment to employee and public safety places third in importance, with friendly and knowledgeable staff becoming more important in the eyes of both residential and commercial customers to be ranked fourth. The remaining aspects of service are consistently seen as less important.



Improvement Requirements

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Meters are read accurately	75.4%	74.4%	74.3%
Power is reliable	97.0%	97.4%	95.6%
Contributes to the community	70.6%	74.0%	74.3%
Operates environmentally	78.8%	78.9%	84.5%
Encourages Wise Use of Electricity	95.0%	96.3%	N/A
Better customer service than other utilities	45.2%	42.5%	63.3%
Shows concern for safety	93.9%	94.6%	96.1%
Company is easy to contact for service/information	81.1%	81.4%	N/A
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Meters are read accurately	75.4%	72.9%	80.7%
Power is reliable	95.2%	95.4%	99.0%
Better customer service than other utilities	49.5%	50.7%	69.5%
Operates environmentally	79.2%	83.4%	91.2%
Contributes to the community	72.5%	80.3%	83.0%
Encourages Wise Use of Electricity	96.9%	96.9%	N/A
Shows concern for safety	94.7%	94.7%	96.2%
Company is easy to contact for service/information	83.1%	87.3%	N/A

	This Quarter	Last Quarter	Same Quarter Last Year
Improvements required ("A Little" or "A Lot") (Residential)			
Meters are read accurately	20.1%	19.9%	18.5%
Power is reliable	16.6%	11.9%	20.8%
Contributes to the community	15.4%	14.2%	14.8%
Operates environmentally	10.8%	10.8%	13.9%
Encourages Wise Use of Electricity	9.5%	6.0%	N/A
Better customer service than other utilities	18.3%	13.4%	13.5%
Shows concern for safety	8.1%	5.2%	8.4%
Company is easy to contact for service/information	10.9%	11.9%	N/A
Improvements required ("A Little" or "A Lot") (Commercial)			
Meters are read accurately	12.1%	13.0%	14.8%
Power is reliable	17.6%	12.5%	9.8%
Better customer service than other utilities	18.3%	10.1%	12.3%
Operates environmentally	6.7%	9.3%	7.3%
Contributes to the community	9.2%	9.4%	9.8%
Encourages Wise Use of Electricity	8.9%	7.5%	N/A
Shows concern for safety	4.3%	5.5%	2.8%
Company is easy to contact for service/information	12.5%	14.1%	N/A

Commentary:

Agreement with Service Statements: The first table (previous page) represents the percentage of customers who strongly or somewhat agreed with statements about various aspects of Newfoundland Power's service. Compared to last year, there were slight improvements in residential customers' agreement that meters are read accurately and that power is reliable. There were declines in four areas, contributions to the community, environmental awareness, concern for safety, and "better customer service than other utilities". The degree of agreement concerning our encouraging the wise use of efficiency remains high at 95%. This quarter we once again asked if customers agreed that it was easy to contact the company, and 81% agreed that this was the case.

Among commercial customers, the level of agreement with all comparable statements, including meter reading accuracy, power reliability, "better customer service than other utilities", environmental awareness, contributions to the community, and concern for safety are lower this quarter than the same quarter last year, although statement concerning meter reading accuracy shows higher agreement than in June. The question concerning encouraging the wise use of electricity was still high at almost 97%, and 83% felt the company was easy to contact, a decrease from 87% in March.

Generally, however, the level of agreement with most of these indicators remains very high, suggesting that customers have a very positive impression of service.

Disagreement with "Better Service" Question: We asked customers who strongly or "somewhat" disagreed with the statement that "Newfoundland Power provides better service than other utilities," why they felt this way. 44 respondents provided answers, the largest group of which (14) indicated they had had problems with payments or payment locations. Four others said rates were too high, four said they wanted to pay their bills using Visa, and three said NP should offer discounts or "specials. Other issues identified by single individuals included meter reading or estimates, slow response to transformer and street light repairs, high bills, and outages.

Improvement Opportunities: The second table (previous page) indicates the percentage of customers who believe that there should be improvement in these service areas. These figures represent the percentage of customers who said that either "a little" or "a lot" of improvement is required in our performance on these various statements about our service. Generally larger percentages of residential customers believe we need to improve service in the different service areas than commercial customers. Among residential customers the largest percentages who feel some improvement is needed feel this way about meter reading accuracy (20%), customer service in comparison to other utilities (18%), reliability of power (17%), and contributions to the community (15%).

Commercial customers indicated that the need for improvement is greatest in relation to service in comparison with other utilities (18%), reliability of power (18%), ease of contacting the Company (12.5%) and meter reading accuracy (12%).

Most customers who stated that improvement was required in these areas stated that "a little" improvement was needed. The largest percentage of residential customers who said a lot of improvement was required said so in relation to meter reading accuracy (3.9% of residential and 2.4% of commercial), followed by ease of contacting the company (2.4% of both residential and commercial customers).

The percentage of residential customers indicating a need for improvement in meter reading accuracy increased sharply from December to March (18.5% to 28.2%), then dropped again to 19.9% in June and is stable in September at 20.1%. This presumably relates to estimates and weather related meter access problems over the course of the winter. The percentage of commercial customers seeing a need for meter reading accuracy improvement was at 12.1% in September, consistent with previous findings.

Highlights of Residential Improvement Findings by Location:

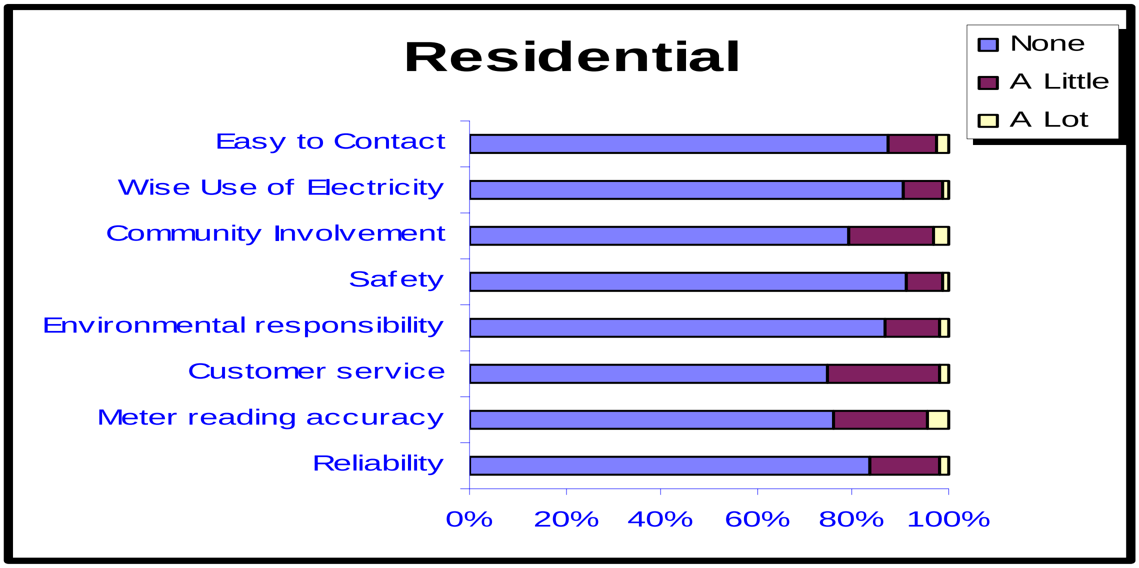
In relation to reliability, the Stephenville area indicated the highest degree of desire for either a little or a lot of improvement, at 22.9%. The Gander and Burin areas indicated the greatest need for improvement in meter reading accuracy, at 27% and 26.1% respectively. The Grand Falls and Burin areas indicated the greatest need for improvement in ease of contacting the Company, at 15.5% and 15.2%. Burin also indicated the greatest need for improvement in environmental commitment and safety, at 15.2% and 13% for these indicators. Clarenville indicated the highest degree of desire for improved encouragement of wise and efficient use fo electricity, at 14.3%. Burin and Grand Falls indicated the most desire to see improvements in community involvement, 23.9% and 18.3%.
In all such cases the number saying “a little” improvement is required is much larger than the number saying “a lot” of improvement is needed.

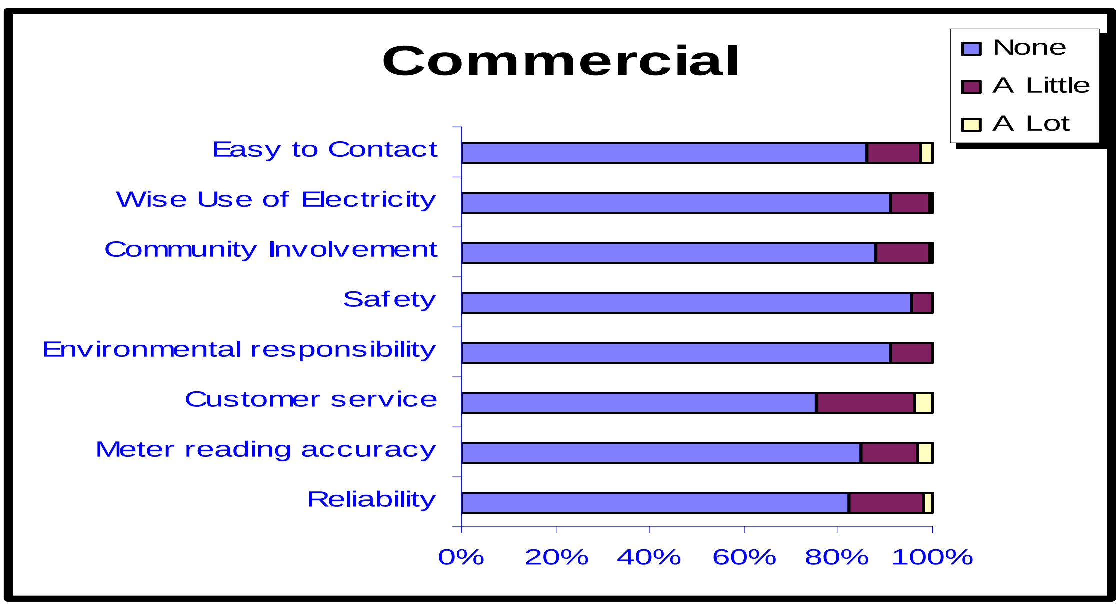
Highlights of Commercial Improvement Findings by Location:

Commercial customers in Carbonear were the most likely to identify a need for improvement in reliability, at 29.2%. Clarenville and Carbonear customers identified the greatest need for improvement in meter reading accuracy, at 18.5% and 14.6%. Stephenville and Carbonear customers indicated the greatest need for improvement in ease of contacting the company, at 23.1% and 20.9%. Stephenville customers indicated the greatest need for improvement in community involvement, at 26.9%. Corner Brook and Stephenville customers indicated the greatest need for improvement in our encouragement of efficient energy use, at 21.6% and 15.4%.

Improvement Requirement Graphs

(See next page)


Residential
None
A Little
A Lot
Easy to Contact
Wise Use of Electricity
Community Involvement
Safety
Environmental responsibility
Customer service
Meter reading accuracy
Reliability
0%
20%
40%
60%
80%
100%


Commercial
None
A Little
A Lot
Easy to Contact
Wise Use of Electricity
Community Involvement
Safety
Environmental responsibility
Customer service
Meter reading accuracy
Reliability
0%
20%
40%
60%
80%
100%

Customer Satisfaction Survey Results
December 2005

Customer Satisfaction Survey Results
December 2005
Newfoundland Power

Summary

The customer satisfaction index for the fourth quarter was 88%, the same as the result from last quarter. The average of the four quarters this year is 89%, equal to the average for the four quarters of 2004. Our annual target for 2005 was 85%.

Ratings of Overall Service satisfaction were the highest ever for commercial customers, and the second highest recorded for residential customers. Persons who provided low ratings were motivated most often by rates or pricing concerns, followed by the movement of cash services to Dominion and delays in getting through or in response time relating to new services.

Contact Centre service ratings continue to be driven by whether or not the customer's concern was handled on the first call. While residential customers who called only once provided satisfaction ratings of 9.4 out of 10 on average (v.s. 8.8 for commercial customers), the 14% of customers who reported having to call more than once provided satisfaction ratings of 6.9 out of 10, in the case of residential customers, and 6.8 out of 10, in the case of commercial customers. The percentage of customers who report calling more than once has increased from 10% in June, to 12% in September, to 13.6% this quarter. The main types of calls associated with repeat calls were those associated with new services, pole installation, or technical issues, with others reported for meter reading, billing, and a high bill problem.

Residential customer satisfaction with field service increased this quarter, from 8.2 to 9.0. Commercial customer satisfaction decreased from 9.3 to 9.0. The number of respondents who provided low ratings was actually small (9), with a variety of reasons given by the respondents for the ratings.

Satisfaction with cash service declined from previous levels, dropping from 9.6 to 8.6 out of 10 for residential customers and 9.5 to 8.0 out of 10 for commercial customers. Persons who provided ratings of six or less indicated that they felt lineups were too slow or too long, that there were problems with the setup of the payment locations, and provided some other comments such as problems with cheques, paying the bills in smoke shops, and attitude of the staff..

For residential and commercial customers, reliability and price continue to be the two most important aspects of our service, followed by a commitment to public and employee safety. Residential customers indicated reliability was slightly more important in comparison to price, while commercial customers also saw reliability as more important but by a greater margin.

With regards to our performance on various service areas, only a small percentage of customers suggest we need "a lot" of improvement in our service. Meter reading accuracy, followed by ease of contacting the company, are the areas residential customers feel can be improved the most. For commercial customers the opposite is true: ease of contacting the company, followed by meter reading accuracy, are the areas of service customers feel can be improved the most. Based on a question concerning how customers think we can improve the "accuracy" of meter reading, it appears that the main issue with "accuracy" is actually the level of meter estimating.

Customers were asked if they had taken action in the last three months to improve their energy efficiency either at home or in their business. Nearly 42% of residential customers and 28% of commercial customers said they had done so. The most common actions for residential customers were the adoption of fluorescent light bulbs, followed by turning off lights and turning down heat, and insulation. Commercial customers reported turning down heat or turning off lights was the most common action, followed by adopting the fluorescent bulbs.

In general, these results are similar to those of last quarter, with good results for each contact type. Customers' comments consistently suggest that we need to focus on improvements in our coordination and responsiveness of field services, ensuring services requested by customers are addressed in a timely manner and that we can provide good information to customers about the status of the field work. In addition the results show the importance of the Contact Centre ensuring customer enquiries are answered on the first call if at all possible.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of over 800 residential and over 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within our service area. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our offices.

In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	This Quarter	Last Quarter	Same Quarter Last Year
Index Components				
Residential				
Call Centre Service	40%	8.9	8.7	8.7
Field Service	20%	9.0	8.2	9.0
Cashier Service	20%	-	9.6	9.5
First Call Resolution	20%	8.8	-	-
Overall Service	20%	8.8	8.6	8.7
Commercial				
Call Centre Service	40%	8.6	9.0	8.4
Field Service	20%	9.0	9.3	9.5
Cashier Service	20%	-	9.5	9.4
First Call Resolution	20%	8.4	-	-
Overall Service	20%	9.1	8.8	8.9
Customer Satisfaction Index		8.8	8.8	8.9
Annual Result		89%		89%
2005 Annual Target			85%	

Findings:

- The December 2005 result of 8.8 compares with 8.8 in September 2005 and 8.9 in December 2004.
- The 2005 result of 8.9 is equal to the 2004 result and exceeds the 2005 target of 8.5.
- In the December survey, we changed the index and replaced Cashier Service with First Call Resolution as a result of the closure of cashier services in our area offices. This change did impact the overall index results as first call resolution ratings have always been notably lower than the cashier service ratings in the past. If cashier service and first call resolution ratings were excluded from the index for this quarter, last quarter and same quarter last year, the recalculated index would be 8.9, 8.7 and 8.7 respectively, indicating that the results for this quarter are actually better than September 2005 and December 2004.
- Comparing this quarter to last quarter, there were small variations in ratings.
  In Residential:
  - Call Center Service increased by 0.2
  - Field Service increased by 0.8
  - Overall Service increased by 0.2

  In Commercial:
  - Call Center Service decreased by 0.4
  - Field Service decreased by 0.3

- Overall Service increased by 0.3

The historical trend for the Customer Satisfaction Index is shown in the above graph. The Index has remained fairly stable for the past several years.

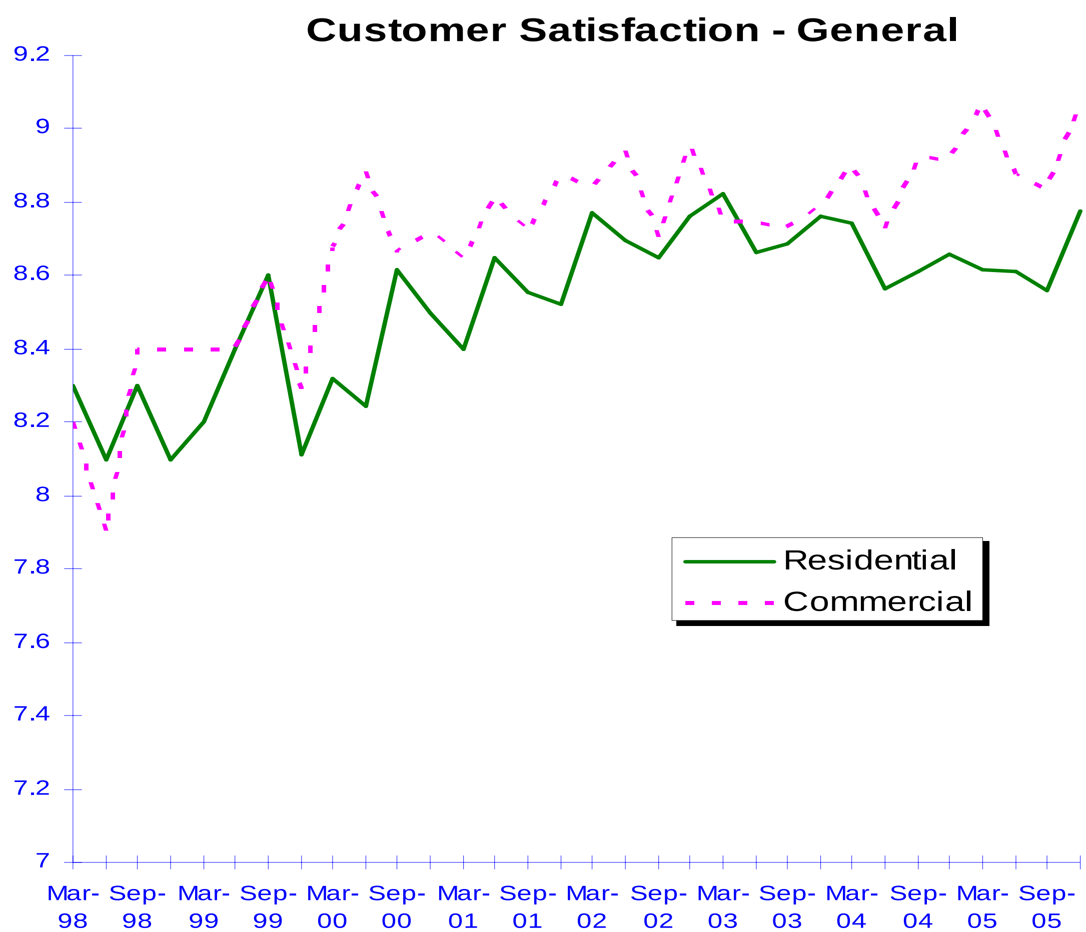
Satisfaction with Overall Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.8	8.6	8.7
Commercial	9.1	8.8	8.9
Total	8.9	8.7	8.7

Commentary:

Findings: We saw improvements in the rating for overall service this quarter in comparison with September. In fact, the level of satisfaction with overall service among commercial customers was the second highest recorded to date, and among residential customers the rating was the second highest recorded to date. The graph shows that this quarter's residential result returned to the levels of mid-2003.



Among residential customers, the average score was highest in Clarenville (8.96) and Gander (8.88), and lowest in Burin (8.41) and Corner Brook (8.47). The average scores from commercial customers ranged from a high of 9.53 in Clarenville to a low of 8.84 in Corner Brook.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 65 customers in this group, 30 (46%) referred to rates or pricing, 7 (11%) to the movement of cash services to Dominion, 4 (6%) to delays in getting through or slow response time for new service hookups, and single mentions of several other issues such as power supply, outages, power surges, dimming lights, interference with radios, VISA payments, tree trimming, meter reading, EPP, NP's monopoly status, and billing problems. This distribution is very similar to last quarter.

Summary: Customers who provide lower scores in their responses to this question are primarily motivated by pricing. With the exception of those dissatisfied with the move of cash services to Dominion, the majority of the remaining issues are "one-of's" that are expected to be dealt with through the "barriers to service" project.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.9	8.7	8.7
Commercial	8.6	9.0	8.4
First Resolution			
Total	86.4%	88.1%	85.4%
Residential	87.5%	88.3%	89.4%
Commercial	83.7%	87.8%	77.4%
Improvements Needed			
None	64.8%	68.8%	65.8%
A Little	25.6%	21.9%	21.1%
A Lot	7.5%	7.4%	10.5%

Commentary:

Findings: 27% of residential and 27% of commercial participants in this quarter's survey said they had called within the last six months. This is typical of previous surveys.

Residential customers' ratings of satisfaction with telephone service improved by 0.2 this past quarter, with an increase from 8.7 to 8.9. Commercial customers' ratings declined by 0.4 from 9.0 to 8.6.

Commercial customers in the Clarenville and Burin areas had the greatest degree of satisfaction (9.6 and 9.3) with telephone service. Stephenville showed the lowest degree of satisfaction (7.5). Burin and Clarenville residential customers (with 9.8 and 9.4) had the highest degree of satisfaction among residential customers. Corner Brook (8.0) had the lowest residential telephone ratings.

Among residential customers, about 82% said they had called a Customer Account Representative, 10% the automated power outage information system (TVD) and 8% the automated account balance system. The corresponding percentages for commercial customers were 69% to a Customer Account Representative, 25% to TVD and 6% to the automated account balance application.

Among residential customers, those calling Customer Account Representatives provided higher telephone satisfaction ratings (9.0) than those who called TVD (8.6) and the automated account system (8.3). Among commercial customers, the callers to Customer Account Representatives provided the highest telephone satisfaction rating at 8.8, compared with 8.7 for TVD and 5.9 for the automated account balance.

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among residential customers, the highest telephone satisfaction ratings were for calls relating to new services, meter reading, and account balance calls, while not surprisingly, calls involving EPP, outages, high bills, and tree trimming resulted in ratings lower than the residential average.

For commercial customers, calls with ratings lower than the average were for new services, pole installations, bills going to the wrong address, technical information and power outages. Calls with higher than average ratings were related to balance owing, outages and street lights.

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 34 such responses were made including both residential and commercial customers. These can be broken down by which service the customer called as follows:

Of those who explained why they rated us low, there were 9 individuals who provided rankings of 6 or less who used the account balance application or TVD application and said they were frustrated because they couldn't speak to someone. We are investigating these comments to ensure that when the customer selects the option to speak to someone directly, that the applications are working properly and have the proper priority for transferring the call. Five individuals who called to obtain a new service or on a technical issue and all complained that they experienced too much trouble getting a hold of someone and there were delays in hearing back from us. Another 4 individuals complained of speaking with an unfriendly Customer

Service Representative. As well, there were 4 individuals who said their problem was not resolved and they didn't get satisfactory answers; one called regarding EPP, one about a billing problem, one about trouble and one about how to pay at Dominion.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call slightly declined from last quarter, at 86.4% compared to 88.1% in September but higher than the 85.4% of December 2004.

Both residential and commercial customers reported lower results than in September. Residential results were lower than December of 2004, although commercial results have increased from the same period last year.

The 23 customers who said they had to call us more than once were asked why this was necessary. Of those that remembered, 6 called back regarding high bills or billing problems primarily because they weren't confident that the person they spoke with knew the answer, the customer didn't understand their answer or they weren't satisfied with the answer. This is an area that we need to investigate to ensure that the Customer Service Representatives are fully equipped to deal with these types of issues. There were 4 customers who called back to find out the status of their new service connection, while one person called about tree trimming, two due to unresolved meter problems and one due to unresolved trouble. Of the 23 respondents, 14 said they had called twice, five three times, and three more than three times.

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once. The difference was especially vivid with residential customers.

Customer Satisfaction Rating, Telephone Service				
	Resolved First Call		**Not Resolved on First Call**	
	Dec'05	Sept'05	Dec'05	Sept'05
Residential	9.4	9.2	6.9	3.8
Commercial	8.8	9.5	6.8	7.7

Improvements: The percentages of respondents who feel we can improve our telephone service "a little" increased from 22% to 26% since last quarter, with those who say we can improve "a lot" increased from 7.4% to 7.5%. Taken together, the sum of these groups has increased from 31.6% to 33.1% over the past year.

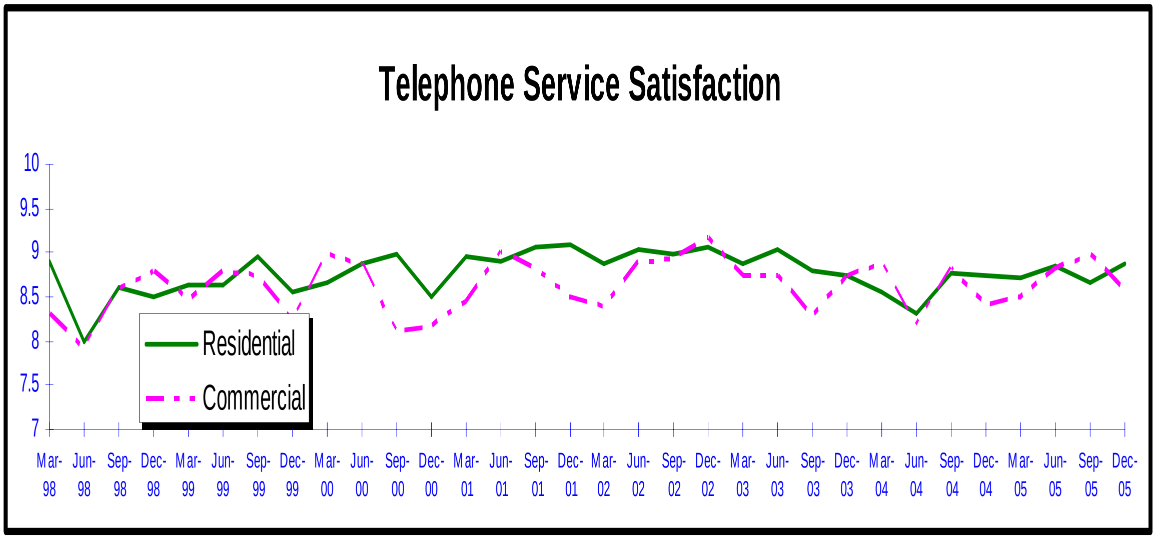
Improvement Requirements Identified			
Service Called	**None**	**A Little**	**A Lot**
Customer Acct Reps	69.6%	22.2%	6.2%
Automated Acct Balance	44.0%	32.0%	20.0%
TVD	50.0%	40.0%	8.0%

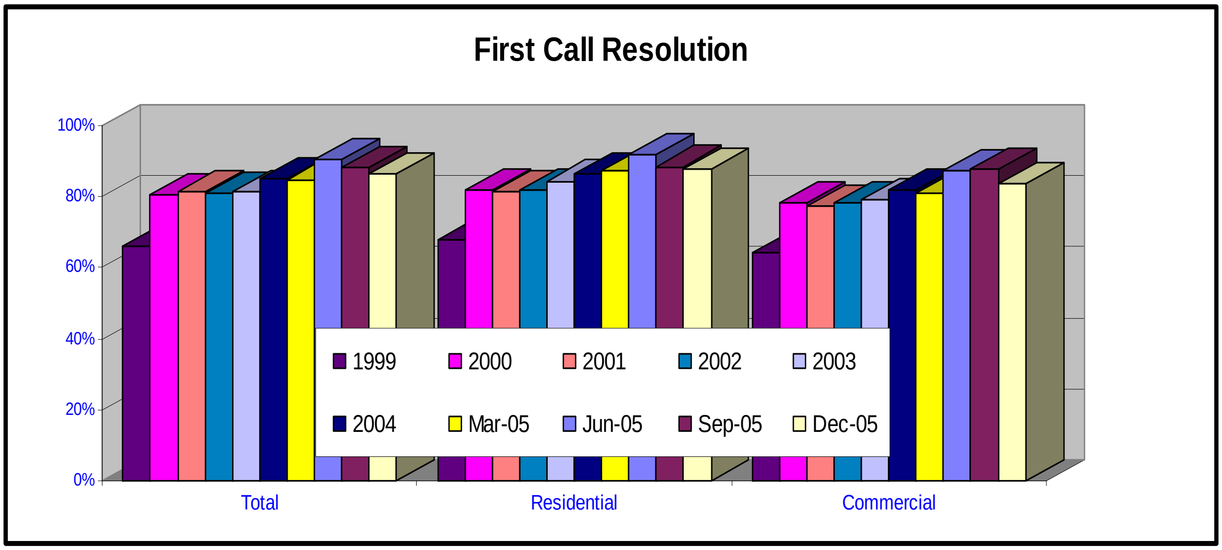
The greater the degree of improvement identified by customers, the lower the satisfaction rating with telephone service. In their comments, respondents who said we can improve "a lot"

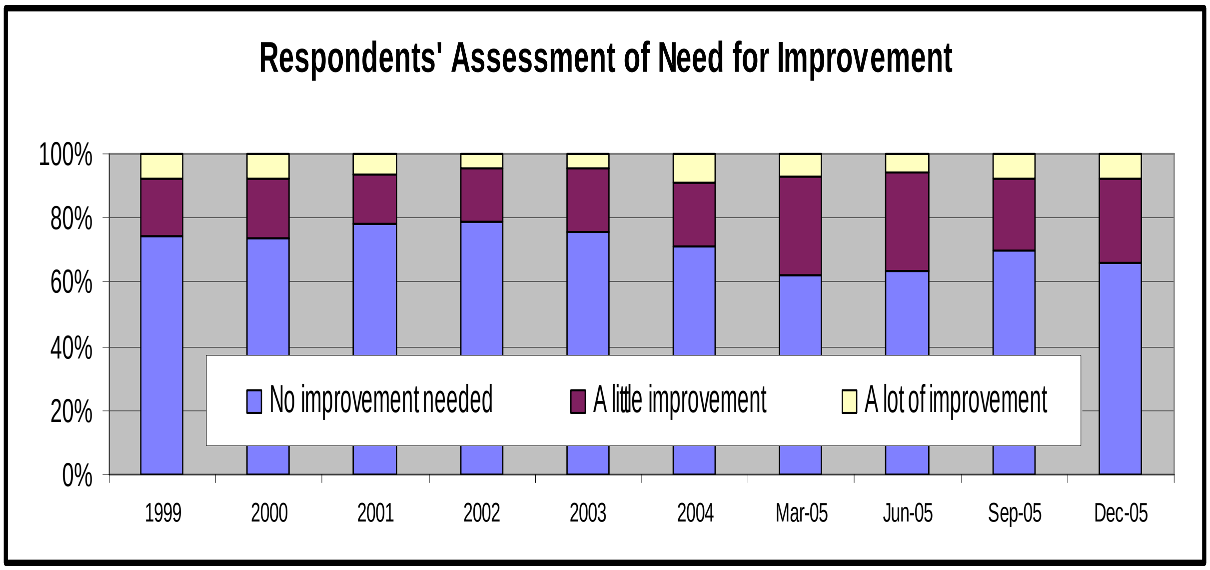
indicated concerns about automated systems and a need to get questions answered quickly, particularly concerning contractor or technical issues.
Aside from having dedicated lines for contractors, individual customer suggestions for improvement included easier menus within the automated systems, ability to key in a payment over the phone, ability to leave a number to have someone get back to you on power outages, an advisory group of customers, being able to pay by credit card.

Summary: It is important to note that negative comments tend to come from a small portion of the overall respondents. The 23 customers who saw “a lot” of room for improvement is a small portion of the 1,211 customers who participated in the survey. Considering responses to a number of the proceeding questions, in this survey, major customer concerns seem to be fairly rare, but are very deeply felt when they occur. Judging from comments it appears that such problems can drag on for considerable periods of time.

Historical Data:




First Call Resolution
100%
80%
60%
40%
20%
0%
1999
2000
2001
2002
2003
2004
Mar-05
Jun-05
Sep-05
Dec-05
Total
Residential
Commercial


Respondents' Assessment of Need for Improvement
100%
80%
60%
40%
20%
0%
No improvement needed
A little improvement
A lot of improvement
1999
2000
2001
2002
2003
2004
Mar-05
Jun-05
Sep-05
Dec-05

Satisfaction with Field Services

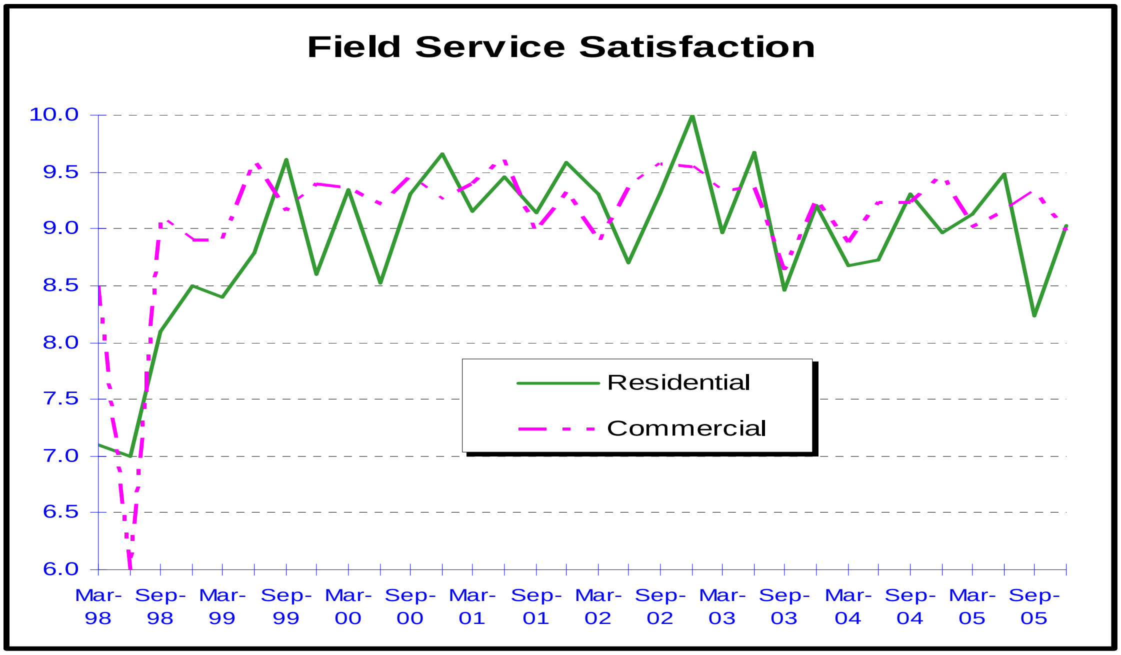
Key Indicators:

	This Quarter	**Last Quarter**	**Same Quarter Last Year**
Satisfaction with Service			
Residential	9.0	8.2	9.0
Commercial	9.0	9.3	9.5
Improvements Needed			
None	65.1%	75.0%	74.2%
A Little	23.6%	17.6%	15.2%
A Lot	2.8%	4.4%	6.1%

Commentary:

Findings: 8.0% of residential (31 customers) and 10.3% of commercial customers (42) reported having been visited by a lineperson, technician, or customer services specialist in the past six months. The most common reason given for the visits was to install or replace meters, followed by electrical service locations, wire or pole relocations, and emergency repairs.

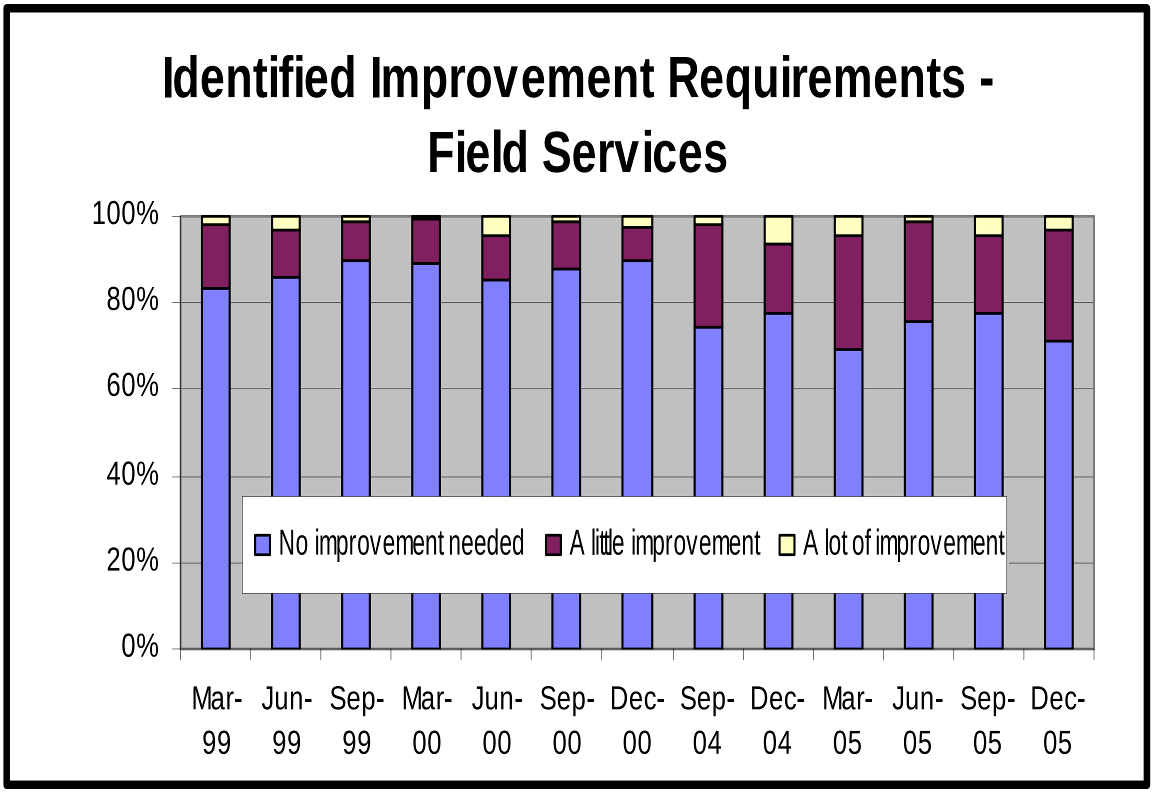
Customers' satisfaction with the level of service provided during these field visits increased from last quarter for residential customers but decreased among commercial customers. For residential customers, the level of satisfaction has returned to its normal range, although for commercial customers the level of satisfaction is slightly lower than last quarter. The relatively small number of respondents that provide ratings of field services means that the greater volatility of the results to this indicator is not surprising.



Primary Reasons for Low Ratings: The nine respondents who provided a rating of six or less were asked to provide the main reason for their response. The answers given did not have a common theme: one said there are not enough technicians, another that the service line into their house is dangerously low, another that NP has been unable to solve his problem with dimming lights, another that NPP has been unable to solve a problem with power lines causing radio interference, another concerning confusion over a meter change appointment, and two relating to tree trimming or cutting.

Improvements: The percentage of respondents who stated we need to improve field services “a little” increased this quarter in comparison to last quarter, although the percentage saying we needed to improve “a lot” was less. Only three persons said “a lot” of improvement is needed. One was the person who felt there should be more technicians, the second was the person who felt their service line was too low, and the third had called about wires relocation and actually gave field services a rating of 8 while saying a lot of improvement is needed. Of the 25 people who said “a little” improvement is needed, one said questions should be answered right away, another that there should be more people on staff, and a third that staff should be more prompt and come when expected. One individual suggested customers should be able to pay their bills on the internet, while two others were concerned about tree trimming and said customers should be told about the trees to be cut down (one customer was involved in a planned outage where trees were cut).

The following graph shows the trend in the percentage of customers who believe we can improve our field service.



Satisfaction with Cashier Services (Dominion)

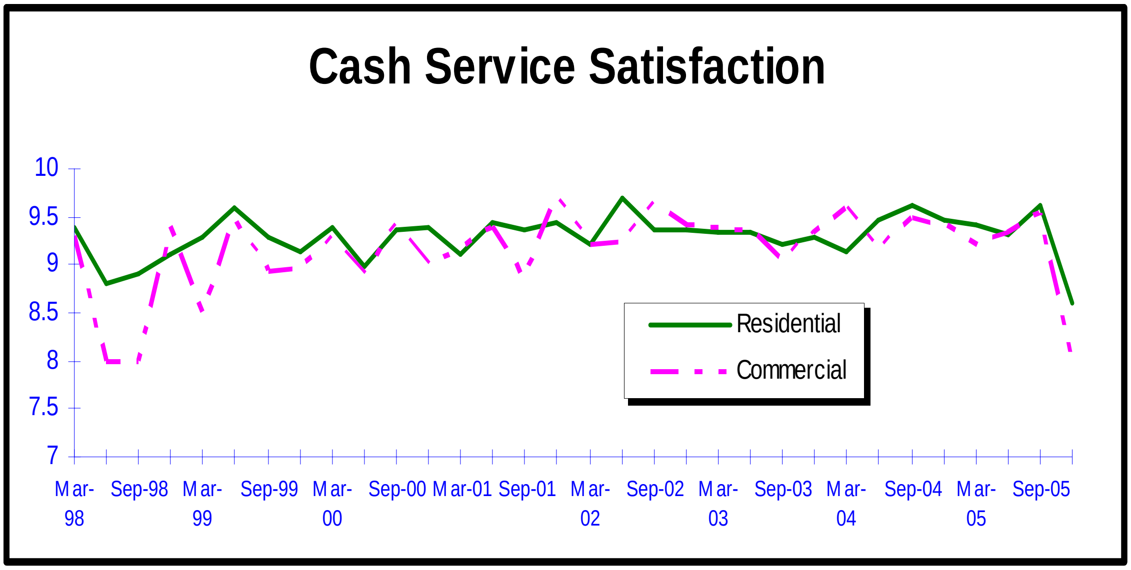
Key Indicators:

	This Quarter (Dominion)	Last Quarter (NP)	Same Quarter Last Year (NP)
Satisfaction with Service			
Residential	8.6	9.6	9.5
Commercial	8.0	9.5	9.4
Improvements Needed			
None	63.2%	87.7%	84.6%
A Little	20.4%	9.1%	11.8%
A Lot	11.8%	2.1%	2.3%

Commentary:

Findings: For this quarter, respondents were asked their opinions concerning the payment centres established by the Company at Dominion stores across the island. Comparative numbers for past periods refer to payment locations at Newfoundland Power offices. 13.1% of residential and 9.8% of commercial respondents indicated they had visited one of the Dominion locations to pay their electric bill in the past three months.

Customers' ratings of satisfaction with cash services declined this quarter, for both residential (-1.0) and commercial customers (-1.5). The graph below indicates that the ratings for cash services were consistent historically, fluctuating between 9.0 and 9.5. We will be sharing these results with Dominion.



Ratings by Area: Customers' Satisfaction ratings with cash service by area were compared with the following results:

Area	Residential	Commercial
St. John's	8.79	9.00
Carbonear	8.82	8.40
Burin	10.00	10.00 (1)
Clarenville	9.00	8.50 (2)
Gander	8.11	6.00
Grand Falls	9.00	7.43
Corner Brook	7.47	6.86
Stephenville	7.00 (2)	No Response
Total Company	**8.59**	**7.98**

(1) Based on one response.
(2) Based on two responses.

Primary Reasons for Low Ratings: The 27 respondents who provided a rating of six or less were asked to provide the main reason for their response. Of the 27, 10 indicated they felt lineups were too long or slow, eight that either the location or the setup within the location were poor, two had problems using cheques, one had difficulties due to not having a bill, one objected to going into a smoke shop selling tobacco to pay bills, and one thought the staff did not want to be doing this work.

Improvements: The percentage of customers who believe we could improve our cashier services "a little" has increased from 9.1% to 20.4%, while the percentage of customers who believe we can improve our cashier services "a lot" has increased, from 2.1% to 11.8%. A total of 26 people suggested improvements, seven of which related to preference for the previous location, another six for smaller lineups or more staff, four for a return to use of the NP office, three for more access to account information, and single suggestions for VISA payments, more organization at site, more signage at site, more privacy to discuss bills, and an easier way to pay bills.

Importance of Items

Key Indicators:

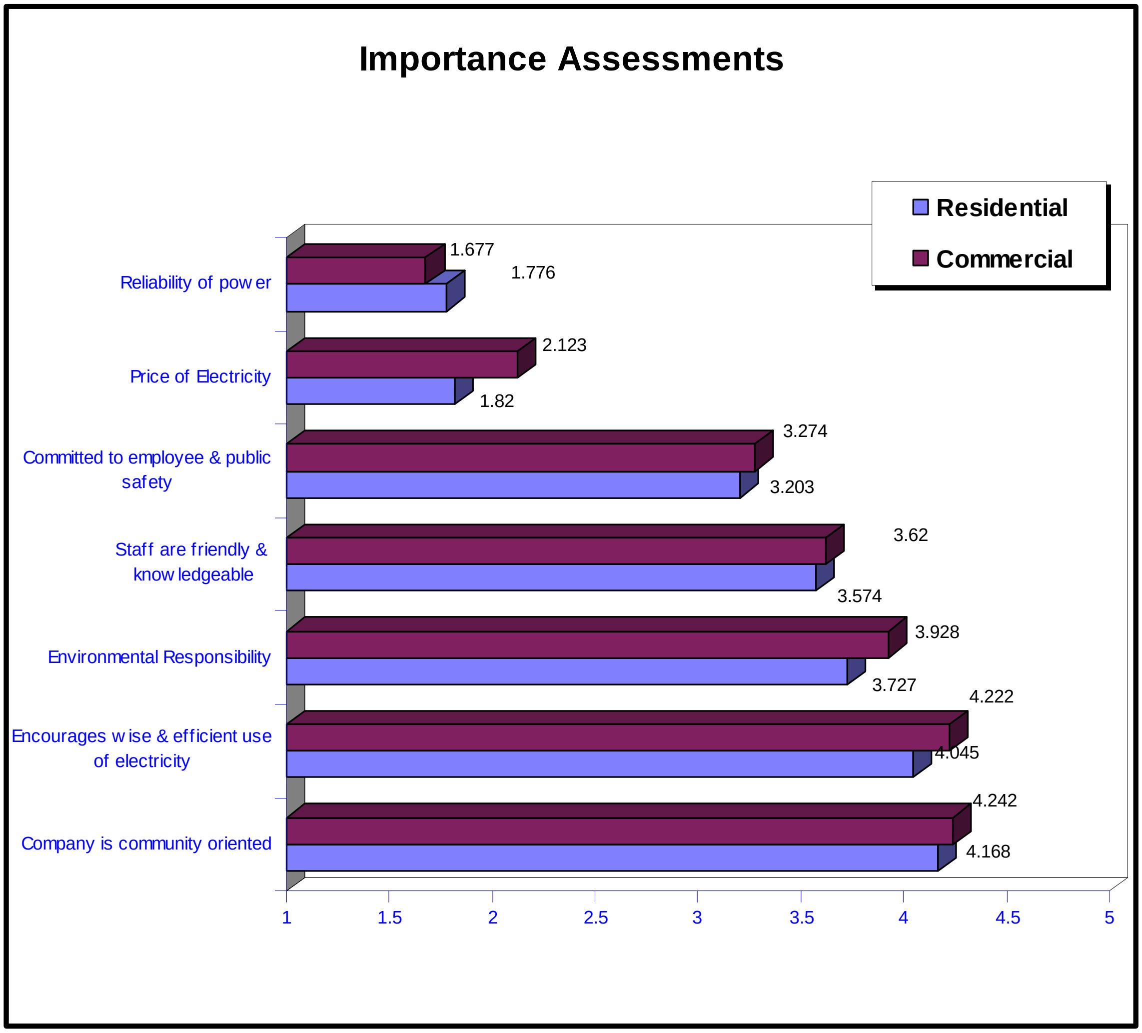
	This Quarter	Last Quarter	Same Quarter Last Year
Importance (Residential)			
Reliability of power	1.78 (1)	1.78 (2)	1.66 (1)
Price of Electricity	1.82 (2)	1.61 (1)	1.88 (2)
Committed to employee & public safety	3.20 (3)	2.97 (3)	3.32 (3)
Staff are friendly & knowledgeable	3.57 (4)	3.57 (5)	4.27 (6)
Environmental Responsibility	3.73 (5)	3.32 (4)	3.78 (4)
Company is community oriented	4.17 (7)	4.20 (7)	4.40 (7)
Encourages wise & efficient use of electricity	4.04 (6)	3.80 (6)	4.01 (5)
Importance (Commercial)			
Reliability of power	1.68 (1)	1.71 (1)	1.57 (1)
Price of Electricity	2.12 (2)	1.75 (2)	2.15 (2)
Committed to employee & public safety	3.27 (3)	3.07 (3)	3.32 (3)
Environmental Responsibility	3.93 (5)	3.62 (5)	3.97 (5)
Staff are friendly & knowledgeable	3.62 (4)	3.39 (4)	3.94 (4)
Company is community oriented	4.24 (7)	4.15 (7)	4.08 (7)
Encourages wise & efficient use of electricity	4.22 (6)	3.88 (6)	4.01 (6)

Note: The lower the number, the more importance placed on the item by the respondents.
The number in brackets is the ranking relative to the other items.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute with commercial customers, followed by price. The same is true for residential customers, although the two considerations are roughly at the same importance for residential customers where commercial customers placed greater importance upon reliability. This would be consistent with winter related outages causing problems for businesses having a greater reliance on technology and bearing the potential cost of downtime when power is unavailable.

The company's commitment to employee and public safety places third in importance, with friendly and knowledgeable staff becoming more important in the eyes of both residential and commercial customers to be ranked fourth. Interestingly, the ranking of friendly and knowledgeable staff for Residential Customers is the only indicator to have shifted more than one place over the last year. It has moved from 6th place to 4th place. This is a positive indicator of our heightened emphasis on customers. The remaining aspects of service are consistently seen as less important.



Importance Assessments
Residential
Commercial
Reliability of pow er
Price of Electricity
Committed to employee & public safety
Staff are friendly & know ledgeable
Environmental Responsibility
Encourages w ise & efficient use of electricity
Company is community oriented
1.677
1.776
2.123
1.82
3.274
3.203
3.62
3.574
3.928
3.727
4.222
4.045
4.242
4.168
1
1.5
2
2.5
3
3.5
4
4.5
5

Improvement Requirements

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Meters are read accurately	75.6%	75.4%	78.0%
Power is reliable	97.9%	97.0%	96.6%
Contributes to the community	71.0%	70.6%	82.6%
Operates environmentally	77.1%	78.8%	84.8%
NP Electricity Bill is easy to read/understand	94.4%	N/A	N/A
Better customer service than other utilities	41.3%	45.2%	64.3%
Shows concern for safety	93.8%	93.9%	95.3%
Company is easy to contact for service/information	79.4%	81.1%	N/A
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Meters are read accurately	74.2%	75.4%	80.0%
Power is reliable	97.3%	95.2%	97.3%
Better customer service than other utilities	45.2%	49.5%	67.7%
Operates environmentally	80.3%	79.2%	88.3%
Contributes to the community	79.4%	72.5%	86.0%
NP Electricity Bill is easy to read/understand	94.3%	N/A	N/A
Shows concern for safety	94.8%	94.7%	95.8%
Company is easy to contact for service/information	81.8%	83.1%	N/A

	This Quarter	Last Quarter	Same Quarter Last Year
Improvements required ("A Little" or "A Lot") (Residential)			
Meters are read accurately	15.3%	20.1%	17.1%
Power is reliable	12.7%	16.6%	12.5%
Contributes to the community	9.2%	15.4%	12.5%
Operates environmentally	6.6%	10.8%	10.4%
NP Electricity Bill is easy to read/understand	6.3%	N/A	N/A
Better customer service than other utilities	14.5%	18.3%	8.8%
Shows concern for safety	5.7%	8.1%	7.1%
Company is easy to contact for service/information	13.3%	10.9%	N/A
Improvements required ("A Little" or "A Lot") (Commercial)			
Meters are read accurately	10.1%	12.1%	19.0%
Power is reliable	9.9%	17.6%	13.8%
Better customer service than other utilities	17.7%	18.3%	13.8%
Operates environmentally	3.9%	6.7%	12.8%
Contributes to the community	5.9%	9.2%	11.6%
NP Electricity Bill is easy to read/understand	4.7%	N/A	N/A
Shows concern for safety	1.7%	4.3%	10.3%
Company is easy to contact for service/information	15.0%	12.5%	N/A

Commentary:

Agreement with Service Statements: The first table (previous page) represents the percentage of customers who agreed with statements about various aspects of Newfoundland Power's service. Compared to last year, there were slight improvements in residential customers' agreement that power is reliable and that the Company is concerned for public safety. There were declines in four areas; meters are read accurately, contributions to the community, environmental awareness, and better customer service than other utilities. This quarter we once again asked if customers agreed that it was easy to contact the company, and 79% agreed that this was the case (v.s. 81% in September). We also asked customers if NP's bill was easy to read and understand and 94.4% agreed.

Similarly among commercial customers, the level of agreement with the comparable statements of meter reading accuracy, better customer service than other utilities, environmental awareness, contributions to the community, and concern for safety are lower this quarter than the same quarter last year. The exception was the reliability of power, which was constant at 97.3% agreement. The question concerning the ease of reading and understanding the NP bill showed 94.3% agreement, and 82% felt the company was easy to contact.

Generally, however, the level of agreement with most of these indicators remains very high, suggesting that customers have a very positive impression of service.

Disagreement with "Better Service" Question: We asked customers who strongly or "somewhat" disagreed with the statement that "Newfoundland Power provides better service than other utilities," why they felt this way. 51 respondents provided answers; the largest group (10) indicated they had problems with payments or payment locations. Eight others said staff were hard to reach or did not like the phone system, two said they wanted to pay their bills using Visa, and one said NP should offer discounts for interrupted service. Other issues identified by single individuals included a comment that they don't respect visually impaired people, billing, inability to pay online, red tape, and outages.

Improvement Opportunities: The second table indicates the percentage of customers who believe that there should be improvement in these service areas. These figures represent the percentage of customers who said that either "a little" or "a lot" of improvement is required in our performance on these various statements about our service. With the exceptions of contributions to the community and ease of contacting the company, larger percentages of residential customers believe we need to improve service in the different service areas than commercial customers. Among residential customers, the largest percentages who feel some improvement is needed feel this way about meter reading accuracy (15%), customer service in comparison to other utilities (14%), ease of contacting the company (13%) and reliability of power (13%).

Commercial customers indicated that the need for improvement is greatest in relation to service in comparison with other utilities (18%), ease of contacting the Company (15%), and both power reliability and meter reading accuracy (10%).

Most customers who stated that improvement was required in these areas stated that "a little" improvement was needed. The largest percentage of residential customers who said a lot of improvement was required said so in relation to meter reading accuracy (3.6%) followed by ease of contacting the company (3.2%). With commercial customers, the largest percentage who said “a lot” of improvement was needed was in respect to ease of contacting the company (5.7%), followed by customer service in comparison to other utilities (3.2%).

In 2005, the percentage of residential customers indicating a need for improvement in meter reading accuracy increased sharply in from December to March (18.5% to 28.2%), then dropped again to 19.9% in June, rose slightly to 20.1% in September, then dropped to 15.3% in December. This presumably relates to estimates and weather related meter access problems over the course of the winter. The percentage of commercial customers seeing a need for meter reading accuracy improvement was at 10.1% (12.1% in September).

Since we consistently receive a number of respondents suggesting we need to improve meter reading accuracy, in this quarter we asked respondents if they had any suggestions pertaining to meter reading. We received responses from 39 customers. The largest group of responses (16) was that we should not estimate readings. Four others said meter readers are too far away when reading, two said readings should be more accurate, while one said meters are read too quickly. Two others thought the meters should be checked for correct functioning more often. It appears from these responses, however, that the respondents think in terms of estimating when asked about meter reading “accuracy” rather than in relation to whether the reader is accurately reading the meters.

Highlights of Residential Improvement Findings by Location: (Company Average is indicated in Brackets)

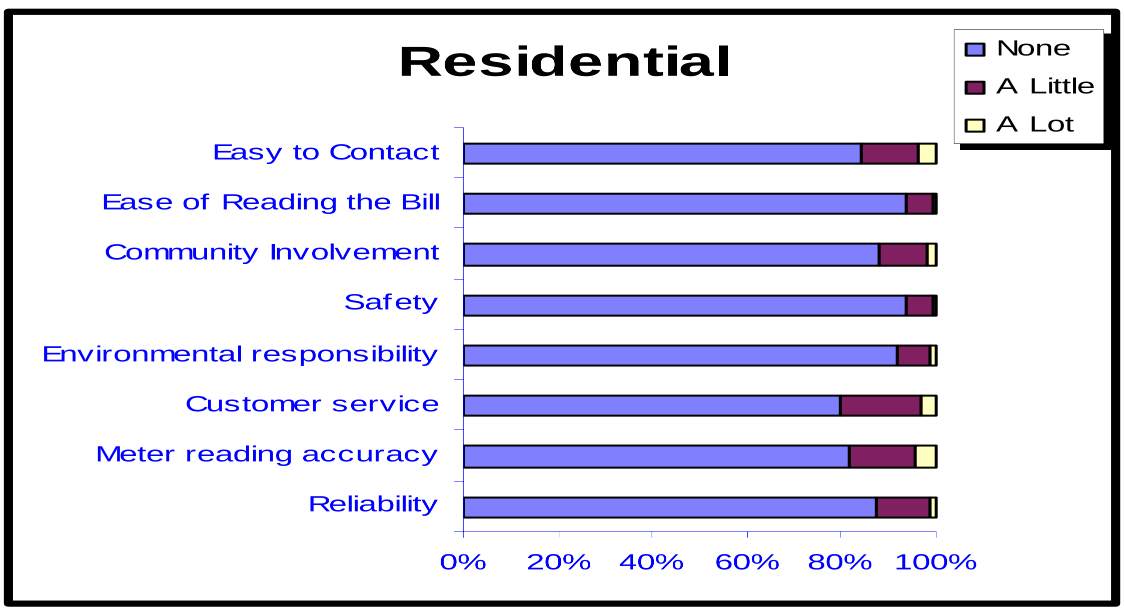
- Clarenville and Stephenville areas indicated the highest degree of desire for either a little or a lot of improvement in reliability, at 17.0% and 16.1%. (12.7%)
- Grand Falls area indicated the greatest need for improvement in meter reading accuracy, at 22.8%. (15.3%)
- Corner Brook area indicated the greatest need for improvement in ease of contacting the Company, at 17.6%. (13.3%)
- Grand Falls and Corner Brook indicated the most desire to see improvements in customer service relative to other utilities, at 22.8% and 21.6%. (14.5%)
- Burin indicated the greatest need for improvement in environmental commitment, at 12.2% (6.6%), and in commitment to the community, at 17.1%. (9.2%)
- Gander indicated the greatest need for improvement in commitment to safety, at 10.3%. (5.7%)
- Stephenville, at 10.7% and Gander, at 10.3%, saw the greatest need for improvement in the ease of reading and understanding the bill. (6.3%)

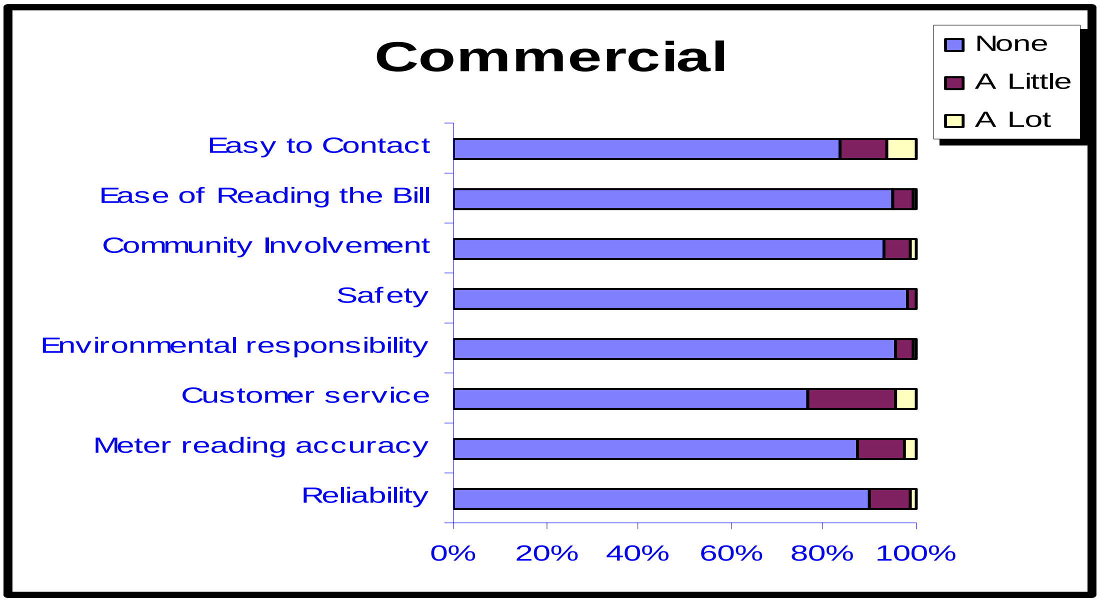
In all such cases the number saying “a little” improvement is required is much larger than the number saying “a lot” of improvement is needed.

Highlights of Commercial Improvement Findings by Location: (Company Average is indicated in Brackets)

- Burin were the most likely to identify a need for improvement in reliability, at 15.8%. (9.9%)
- Gander customers identified the greatest need for improvement in meter reading accuracy, at 20.0%. (10.1%)
- Carbonear and Corner Brook customers indicated the greatest need for improvement in ease of contacting the company, at 22.7% and 20.5%. (15.0%)
- Corner Brook identified the greatest need for improvement in environmental commitment, at 10.3%. (3.9%)
- Corner Brook customers indicated the greatest need for improvement in our customer service in comparison to other utilities, at 25.6%. (17.7%)
- Grand Falls customers identified the greatest need for improvement in safety commitment, at 4.8%. (1.7%) Grand Falls customers also indicated the greatest need for improvement in community involvement, at 11.9%. (5.9%)
- Stephenville customers identified the greatest need for improvement in ease of reading and understanding the bill, at 8.4%. (4.7%)

Improvement Requirement Graphs




Commercial
None
A Little
A Lot
Easy to Contact
Ease of Reading the Bill
Community Involvement
Safety
Environmental responsibility
Customer service
Meter reading accuracy
Reliability
0%
20%
40%
60%
80%
100%

Customer Energy Changes

In this survey, the customers were asked if they had implemented any action in their home or business to reduce energy usage in the last three months, what those actions were, and what had influenced their decision to make the change.

Findings:
Customers reported their energy actions as follows:

	Residential	Commercial	Total
Percent Taking Action	41.7%	27.5%	36.9%
Those Taking Action Influenced By:			
Advertising	17.4%	7.4 %	14.8 %
NP Advice	8.2 %	6.5 %	7.8 %
Retailers/Contractors	1.4 %	1.8 %	1.4 %
Internet	1.3 %	0.0 %	1.0 %
NP Website	0.3 %	0.9 %	0.5 %
Other	71.4 %	83.3 %	74.5 %

Almost all of those who responded that they were influenced by “Other” said that they took action on their “own decision.”

Among residential customers, the most commonly reported energy efficiency change was to introduce fluorescent light bulbs (199), followed by turning down lights and/or heat (116), insulation (49), replacing windows, doors, or siding (35), weather stripping (19), burning more wood (18), reducing hot water usage (15), reducing dryer use and washing with cold water (14 each), and replacing appliances (13). Note that customers frequently reported multiple changes.

Among commercial customers the most common change was to turn down heat, lights, or air conditioning (50), followed by adopting fluorescent light bulbs (21), changing doors, windows or siding (14), and insulation (10).

Commentary:
The customer’s reported main fuel source did not have a significant impact upon whether the customer reported an energy action item, for either residential or commercial customers. Among residential customers, the percent reporting having taken an energy improvement action increased generally with education level (46% of those having either some college or university education, a university degree, or a post graduate degree reported having taken some form of action). However the percentage does not increase directly in relation to the education increase.

There is also an indication that persons who have less favourable views about the company in general may be more likely to adopt some form of energy action. A majority (52%) of residential customers who ranked the company at seven or less on the general satisfaction measure also reported adopting some form of energy improvement.

Customer Satisfaction Survey Results
March 2006

Customer Satisfaction Survey Results
March 2006
Newfoundland Power

Summary

The customer satisfaction index for the first quarter was 89%, an increase from 88% last quarter. Our annual target for 2006 is 87%.

Ratings of Overall Service satisfaction declined slightly for both commercial and residential customers. The results were still, however, among the highest overall service satisfaction ratings recorded to date. Persons who provided low ratings were motivated most often by rates or pricing concerns. While the movement of cash services to Dominion was an issue in December for this question, this quarter the location of cash services was not mentioned as a reason for overall service ratings.

Contact Centre service ratings improved this quarter, particularly among commercial customers where the rating increased from 8.5 to 9.1. The customers' ratings continue to be heavily influenced by whether or not the customer's concern was handled on the first call. While residential customers who called only once provided satisfaction ratings of 9.3 out of 10 on average (v.s. 9.4 for commercial customers), the 11% of customers who reported having to call more than once provided satisfaction ratings of 4.9 out of 10, in the case of residential customers, and 6.6 out of 10, in the case of commercial customers.

The percentage of customers who report calling more than once has moved from 10% in June, to 12% in September, to 13.6% in December, to 11% this quarter. The main types of calls associated with repeat calls were those associated with pole removals, billing and meter reading issues, new services, and high bill problems.

Residential customer satisfaction with field service was constant this quarter, at 9.0. Commercial customer satisfaction increased from 9.0 to 9.2. Only two respondents provided ratings of six or less, one of these having a concern with a service location and the other with tree trimming.

Satisfaction with cash service increased from previous levels, moving from 8.6 to 8.8 for residential customers and remaining steady at 8.0 out of 10 for commercial customers. The ratings are significantly below the former ratings for satisfaction with former area cash offices. The most common issues among respondents who provided ratings of six or less indicated they felt lineups were too long or slow, or that either the location or the setup within the location was poor.

For residential and commercial customers, reliability and price continue to be the two most important aspects of our service, followed by a commitment to public and employee safety and by friendly and knowledgeable staff.

With regards to our performance on various service areas, only a small percentage of customers suggest we need "a lot" of improvement in our service. Meter reading accuracy, followed by reliability of power supply, are the areas residential customers feel can be improved the most. For commercial customers meter reading accuracy is also the most mentioned area, followed by the ease of contacting the company. Based on a question and followup comments concerning

how customers think we can improve the “accuracy” of meter reading, it appears that the main issue with “accuracy” is actually the level of meter estimating.

Customers were asked if they had taken action in the last three months to improve their energy efficiency either at home or in their business. Nearly 41% of residential customers and 27% of commercial customers said they had done so. The most common actions for residential customers were the adoption of fluorescent light bulbs, followed by turning off lights and turning down heat, and using more cold water. Commercial customers reported turning down heat or turning off lights was the most common action, followed by adopting the fluorescent bulbs.

The persons responding to the energy efficiency questions in this quarter reported a much greater degree of being influenced by advertising and by advice from NP than in the last survey. Retailers and contractors, and NP’s Web site, are not indicated to be major sources of influence for these people.

In general, these results are similar to those of last quarter, with good results for each contact type. Customers’ comments consistently suggest that we need to focus on improvements in our coordination and responsiveness of field services, ensuring services requested by customers are addressed in a timely manner and that we can provide good information to customers about the status of the field work. In addition the results show the importance of the Contact Centre ensuring customer enquiries are answered on the first call if at all possible.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of over 800 residential and over 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within our service area. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our offices.

In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	**This Quarter**	**Last Quarter**	**Same Quarter Last Year**
Index Components				
Residential				
Call Centre Service	40%	8.9	8.9	8.7
Field Service	20%	9.1	9.0	9.1
Cashier Service	20%	-	-	9.4
First Call Resolution	20%	8.8	8.8	-
Overall Service	20%	8.8	8.8	8.6
Commercial				
Call Centre Service	40%	9.1	8.6	8.5
Field Service	20%	9.2	9.0	9.0
Cashier Service	20%	-	-	9.2
First Call Resolution	20%	9.2	8.4	-
Overall Service	20%	8.9	9.1	9.1
Customer Satisfaction Index		8.9	8.8	8.9
2006 Annual Target	87%			

Findings:

- The March 2006 result of 8.9 compares with 8.8 in December 2005 and 8.9 in March 2005.
- We saw slight improvements in residential customers' ratings of field service, and of commercial customers' ratings of call centre and field services. First call resolution also increased for commercial customers. There was a decline in overall service ratings by commercial customers.
  In Residential:
    - Field Service increased by 0.1

  In Commercial:
    - Call Center Service increased by 0.5
    - Field Service increased by 0.2
    - First Call Resolution increased by 0.8
    - Overall Service decreased by 0.2

The historical trend for the Customer Satisfaction Index is shown in the above graph. The Index has remained fairly stable for the past several years.

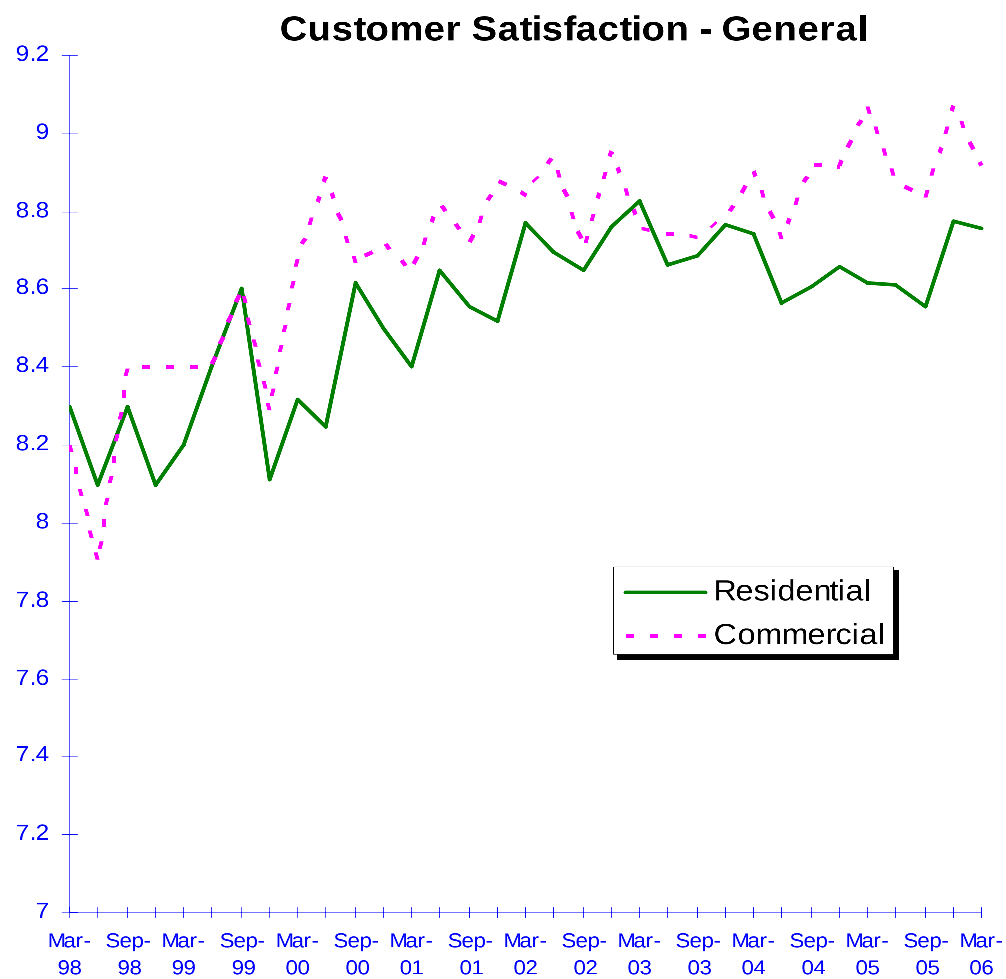
Satisfaction with Overall Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.8	8.8	8.6
Commercial	8.9	9.1	9.1
Total	8.8	8.9	8.8

Commentary:

Findings: We saw a slight decline this quarter in the rating for overall service in comparison with December. Both residential and commercial customers provided slightly lower ratings. The residential rating was still among the highest recorded so far, however, and the commercial customer rating was also comparable to the highest ratings in the past several years. This is shown in the following graph.



Among residential customers, the average score was highest in Stephenville (9.02) and Clarenville (8.94), and lowest in Corner Brook (8.67). The average scores from commercial customers ranged from a high of 9.17 in Corner Brook to a low of 8.73 in St. John's.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 68 customers in this group, 41 (60%) referred to rates or pricing, 6 (9%) to meters being estimated or billing issues, 5 (7%) to outages, three (4%) to waiting time for services or lights not being fixed, two (3%) to NP's monopoly status, and single mentions of several other issues such as tree trimming, agent error, demand charges, lack of maintenance, and a meter not working correctly. Last quarter we had a small number of mentions of the move of cash services to Dominion, but this time there were no mentions of this change.

Summary: Customers who provide lower scores in their responses to this question are primarily motivated by pricing. Of the second largest group, those concerned about meter reading, one lives in a cabin area and would have a number of estimates annually while of the remainder the number of estimates in the past year were actually few or non existent. The majority of the remaining issues are "one-of's" that are expected to be dealt with through the "barriers to service" project.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	**Last Quarter**	**Same Quarter Last Year**
Satisfaction with Service			
Residential	8.9	8.9	8.7
Commercial	9.1	8.6	8.5
First Resolution			
Total	89.0%	86.4%	84.7%
Residential	87.6%	87.5%	87.0%
Commercial	91.5%	83.7%	81.0%
Improvements Needed			
None	70.7%	64.8%	61.1%
A Little	21.4%	25.6%	30.3%
A Lot	5.8%	7.5%	7.1%

Commentary:

Findings: 31% of residential and 29% of commercial participants in this quarter's survey said they had called within the last six months. This is typical of previous surveys.

Residential customers' ratings of satisfaction with telephone service remained unchanged at 8.9. Commercial customers' ratings increased by 0.5 from 8.6 to 9.1.

Commercial customers in the Burin and Stephenville areas had the greatest degree of satisfaction (10.0 and 9.6) with telephone service. Carbonear showed the lowest degree of satisfaction (7.9). Burin and Carbonear residential customers (with 9.4) had the highest degree of satisfaction among residential customers. Corner Brook (8.1) had the lowest residential telephone ratings.

Among residential customers, about 73% said they had called a Customer Account Representative, 18% the automated power outage information system (TVD) and 8% the automated account balance system. The corresponding percentages for commercial customers were 77% to a Customer Account Representative, 20% to TVD and 2% to the automated account balance application.

Among residential customers, those calling Customer Account Representatives provided higher telephone satisfaction ratings (8.91) than those who called TVD (8.89) and the automated account system (8.33). Among commercial customers, the automated account balance provided the highest telephone satisfaction rating (3 respondents each with 10.0), followed by callers to Customer Account Representatives (9.05) and TVD (8.92). The differences are very slight.

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among commercial customers, the highest telephone satisfaction rating was for one enquiry about energy efficiency programs and information (10.0), followed by calls relating to new services / names changes / final reads, and by high bill enquiries. Calls concerning balance owing on accounts, power interruptions or service problems, or pole removals resulted in ratings lower than the commercial average.

For residential customers, calls with ratings lower than the average were for meter readings or estimated readings, high bills, energy efficiency programs, and pole removals. Calls relating to new services, billing plans, balance owing, outages, tree trimming, electricians, and street lights resulted in satisfaction ratings higher than the residential average.

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 19 such responses were made including both residential and commercial customers. These can be broken down by which service the customer called as follows:

Of those who explained why they provided a low rating, three said the telephone representative was rude, impersonal or not knowledgeable. One had a billing concern and another said the meter reader wasn't reading the meter. Two said their problems were not resolved, one said their request couldn't be met (possibly a credit card enquiry), and other single issues related to an electrician who couldn't get an order completed, a pole issue, tree trimming, and payment arrangements.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call slightly declined from last quarter, at 89.0% compared to 86.4% in December and the 84.7% of March 2005.

Both residential and commercial customers reported higher results than in December. Residential results increased slightly while commercial results increased from 83.7% to 91.5%.

The 19 customers who said they had to call us more than once were asked why this was necessary. Four said there was an issue with poles or pole removals, six indicated billing problems, and two mentioned each of new service, meter reading, and high bill issues. Tree trimming and new construction issues were each mentioned once. Of the 19 respondents, 11 said they had called twice, two three times, and six more than three times.

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once. The difference was especially vivid with residential customers.

Customer Satisfaction Rating, Telephone Service				
	Resolved First Call		**Not Resolved on First Call**	
	Mar'06	Dec'05	Mar'06	Dec'05
Residential	9.3	9.4	4.9	6.9
Commercial	9.4	8.8	6.6	6.8

Improvements: The percentages of respondents who feel we can improve our telephone service "a little" decreased from 26% to 21% since last quarter, with those who say we can improve "a lot" decreased from 7.5% to 5.8%. Taken together, the sum of these groups has increased from 37.4% to 27.2% over the past year.

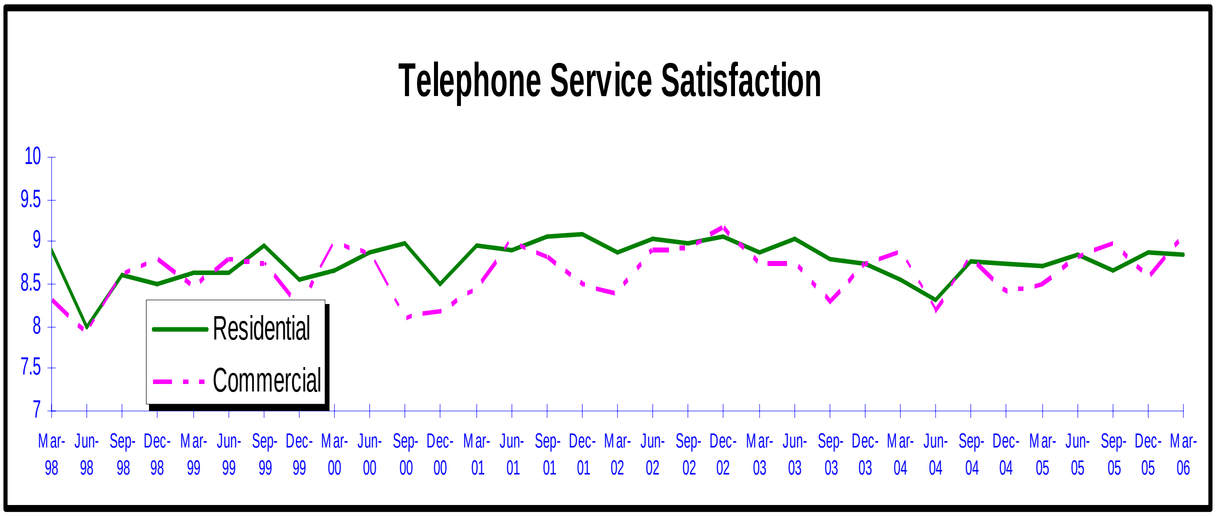
Improvement Requirements Identified			
Service Called	**None**	**A Little**	**A Lot**
Customer Acct Reps	72.5%	18.7%	6.2%
Automated Acct Balance	58.3%	37.5%	4.2%
TVD	67.6%	26.5%	4.4%

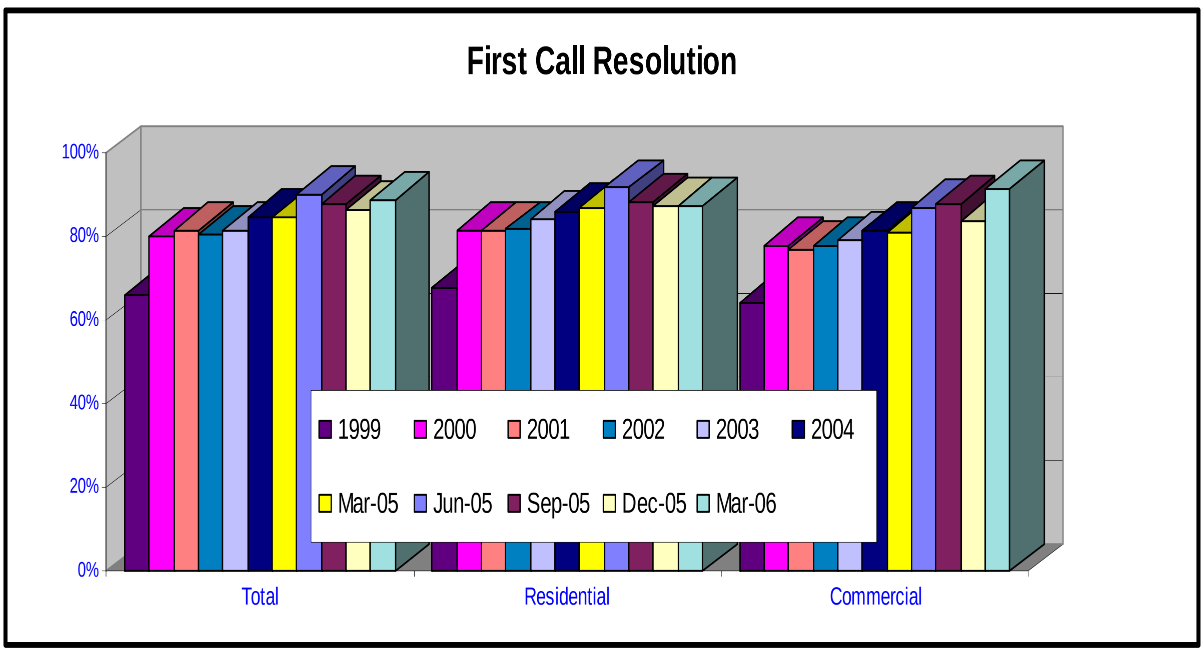
In their comments, respondents who said we can improve "a lot" (21) indicated they felt we should have more courteous and polite staff (3), should provide answers right away (3), and a need to get questions answered on the first call (3). Two others said they felt staff should be answering phones in local offices across the island. Other comments related to keeping pre-recorded messages updated, having more ways to contact field staff, and following up on issues.

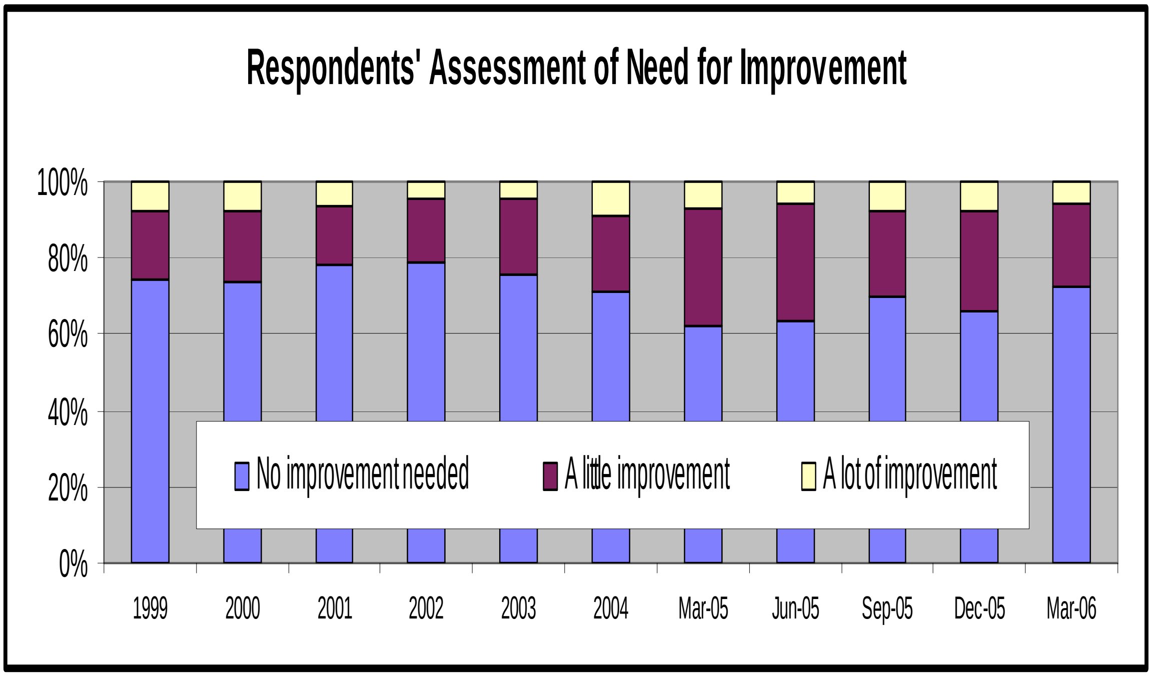
Of the 78 customers who said "a little" improvement was required, 13 said calls should be answered right away and another 9 said more people should be answering the phone. In written comments, four indicated problems with the automated service while individual others said agents should be more honest, not assume the customer is incorrect about their consumption, have better estimates of outage restoration, and the company should allow service for credit cards.

Summary: It is important to note that negative comments tend to come from a small portion of the overall respondents. The 21 customers who saw "a lot" of room for improvement is a small portion of the 1,225 customers who participated in the survey. Considering responses to a number of the proceeding questions, in this survey, major customer concerns seem to be fairly rare, but are very deeply felt when they occur. Judging from comments it appears that such problems can drag on for considerable periods of time.

Historical Data:






Respondents' Assessment of Need for Improvement
100%
80%
60%
40%
20%
0%
No improvement needed
A little improvement
A lot of improvement
1999
2000
2001
2002
2003
2004
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06

Satisfaction with Field Services

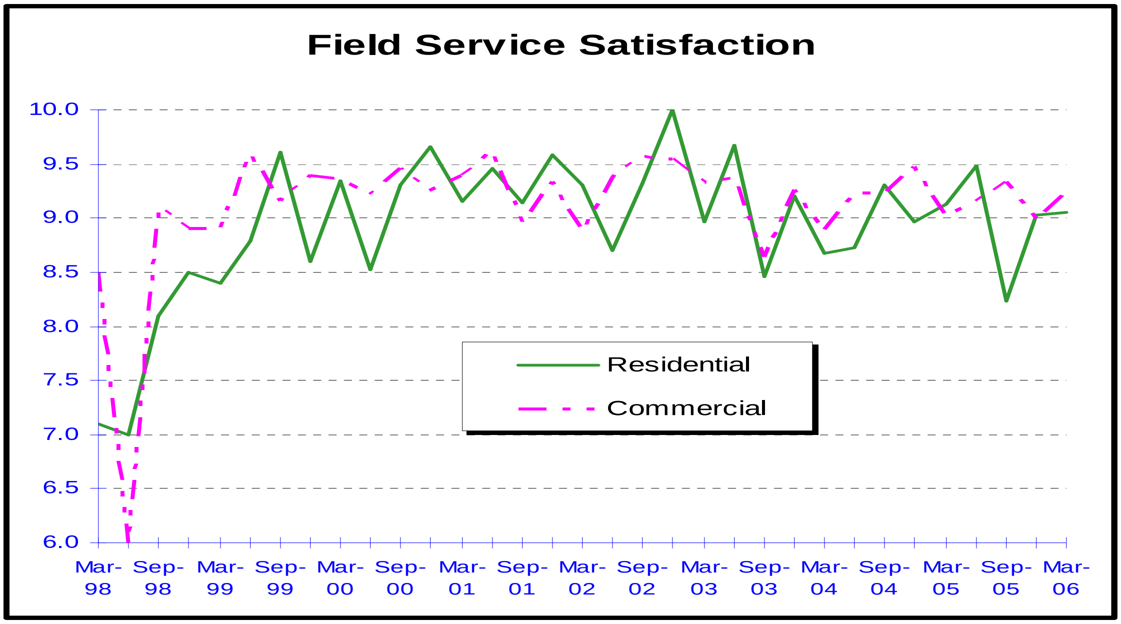
Key Indicators:

	This Quarter	**Last Quarter**	**Same Quarter Last Year**
Satisfaction with Service			
Residential	9.0	9.0	9.1
Commercial	9.2	9.0	9.0
Improvements Needed			
None	89.3%	65.1%	74.2%
A Little	7.1%	23.6%	15.2%
A Lot	2.4%	2.8%	6.1%

Commentary:

Findings: 4.8 % of residential (39 customers) and 11% of commercial customers (45) reported having been visited by a lineperson, technician, or customer services specialist in the past six months. The most common reasons given for the visits was for emergency repairs, followed by replacing / installing a meter, temporary work requiring power disconnection, and wire clearances.

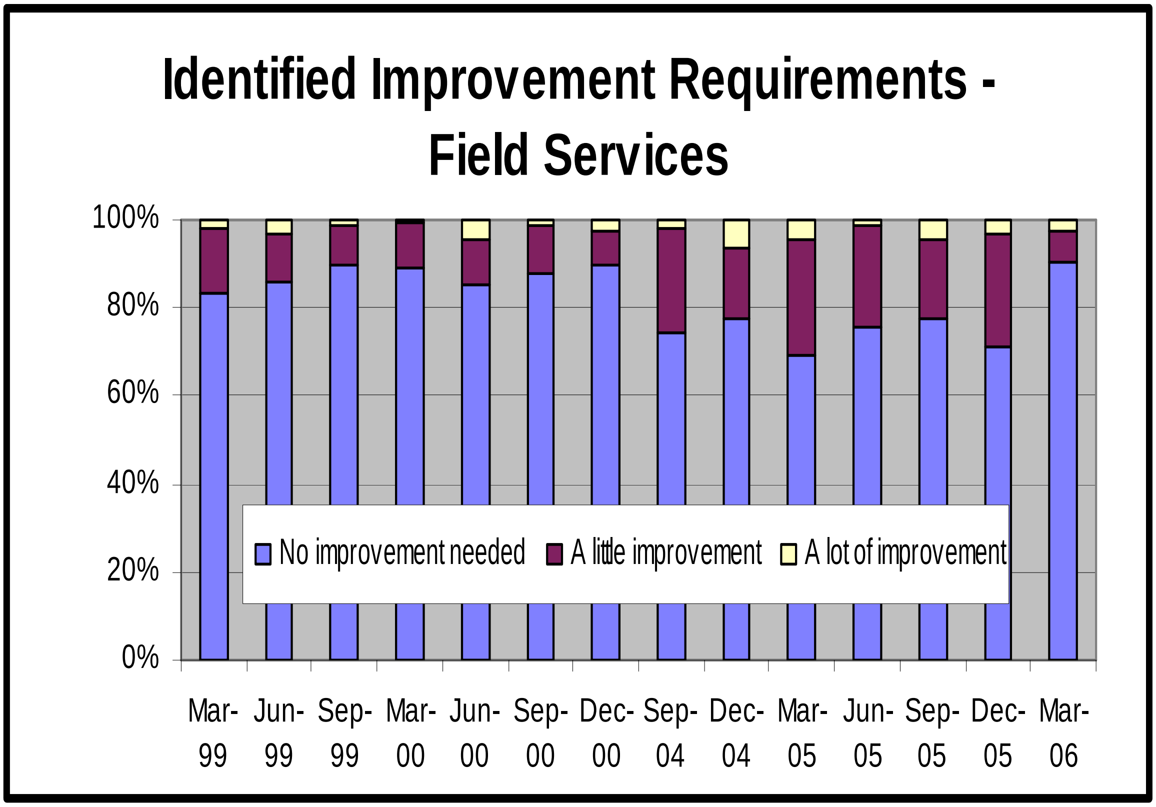
Customers' satisfaction with the level of service provided during these field visits was stable compared to last quarter for both residential and commercial customers. For residential customers, the level of satisfaction has returned to its normal range, although for commercial customers the level of satisfaction is slightly lower than last quarter. The relatively small number of respondents that provide ratings of field services means that the greater volatility of the results to this indicator is not surprising.



Primary Reasons for Low Ratings: The two respondents who provided a rating of six or less were asked to provide the main reason for their response. One said they had called about tree trimming, but that the trees were not trimmed; the other called concerning a service location (their only comment was "poor" so the nature of the problem is not clear).

Improvements: The percentage of respondents who stated we need to improve field services "a little" declined this quarter in comparison to last quarter, while the percentage saying we needed to improve "a lot" remained at a low level. These were the same two persons noted above. Of the 6 people who said "a little" improvement is needed, all rated the service at 8 or above with three giving ratings of 10. Only two provided comments – one said meter persons should announce themselves, and the other said there should be followups (this person said they had called about transformers and cancer).

The following graph shows the trend in the percentage of customers who believe we can improve our field service.



Identified Improvement Requirements -
Field Services
100%
80%
60%
40%
20%
0%
No improvement needed
A little improvement
A lot of improvement
Mar-99
Jun-99
Sep-99
Mar-00
Jun-00
Sep-00
Dec-00
Sep-04
Dec-04
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06

Satisfaction with Cashier Services (Dominion)

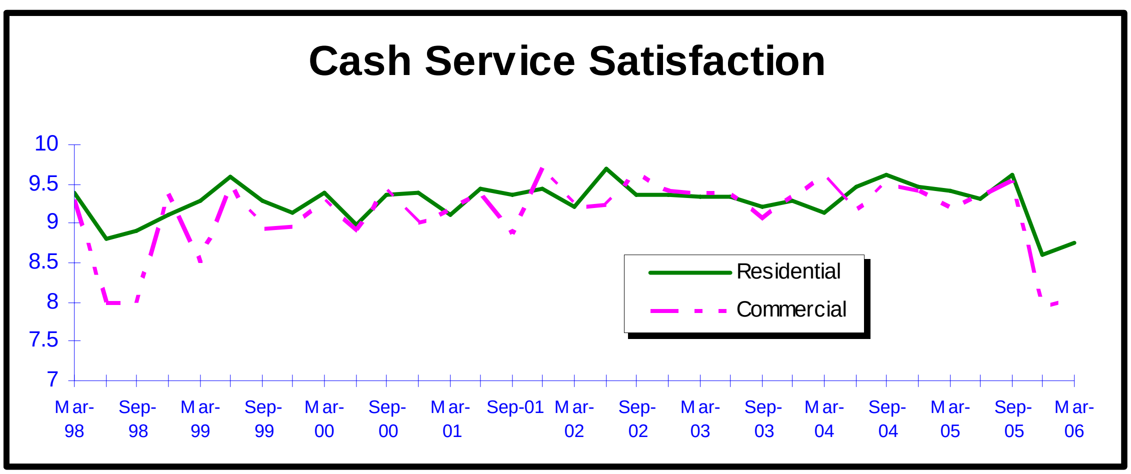
Key Indicators:

	This Quarter (Dominion)	Last Quarter (Dominion)	Same Quarter Last Year (NP)
Satisfaction with Service			
Residential	8.8	8.6	9.4
Commercial	8.0	8.0	9.2
Improvements Needed			
None	72.2%	63.2%	73.5%
A Little	18.1%	20.4%	22.5%
A Lot	9.0%	11.8%	2.9%

Commentary:

Findings: For this quarter, respondents were asked their opinions concerning the payment centres established by the Company at Dominion stores across the island. Comparative numbers for December refers to Dominion while the "same quarter last year" refers to payment locations at Newfoundland Power offices. 14 % of residential and 7.4 % of commercial respondents indicated they had visited one of the Dominion locations to pay their electric bill in the past three months.

Customers' ratings of satisfaction with cash services improved for residential and stayed the same for commercial customers. The graph below indicates that the ratings for cash services were consistent historically, fluctuating between 9.0 and 9.5. We will be sharing these results with Dominion.



Ratings by Area: Customers' Satisfaction ratings with cash service by area were compared with the following results:

Area	**Residential**	**Commercial**
St. John's	9.09	7.93
Carbonear	8.47	9.67
Burin	9.50	No Response
Clarenville	8.50	7.33
Gander	8.54	8.00 (1)
Grand Falls	8.43	9.00
Corner Brook	8.38	7.17
Stephenville	9.50 (2)	No Response
Total Company	**8.75**	**8.00**

(1) Based on one response.
(2) Based on two responses.

Primary Reasons for Low Ratings: The 21 respondents who provided a rating of six or less were asked to provide the main reason for their response. Of the 21, eight indicated they felt lineups were too long or slow, four that either the location or the setup within the location were poor, three had problems using cheques, one had difficulties due to not having a bill, and two thought the cash clerk was unfriendly or rude.

Improvements: The percentage of customers who believe we could improve our cashier services "a little" has decreased from 20.4% to 18.1, while the percentage of customers who believe we can improve our cashier services "a lot" has also decreased, from 11.8% to 9.0%. A total of 25 people suggested improvements, of whom 11 wanted more cashiers on staff during peak periods, four preferred a return to use of the NP office , another six for separate lineups for bill payments, two that cheques should be accepted, and one that cash staff should be able to reference accounts by phone number.

Importance of Items

Key Indicators:

	This Quarter	**Last Quarter**	**Same Quarter Last Year**
Importance (Residential)			
Reliability of power	1.74 (1)	1.78 (1)	1.79 (1)
Price of Electricity	1.90 (2)	1.82 (2)	1.82 (2)
Committed to employee & public safety	3.20 (3)	3.20 (3)	3.20 (3)
Staff are friendly & knowledgeable	3.34 (4)	3.57 (4)	3.57 (4)
Environmental Responsibility	3.70 (5)	3.73 (5)	3.73 (5)
Company is community oriented	4.13 (7)	4.17 (7)	4.17 (7)
Encourages wise & efficient use of electricity	3.90 (6)	4.04 (6)	4.04 (6)
Importance (Commercial)			
Reliability of power	1.55 (1)	1.68 (1)	1.54 (1)
Price of Electricity	1.96 (2)	2.12 (2)	1.95 (2)
Committed to employee & public safety	3.23 (3)	3.27 (3)	3.07 (3)
Environmental Responsibility	3.70 (5)	3.93 (5)	3.62 (5)
Staff are friendly & knowledgeable	3.47 (4)	3.62 (4)	3.39 (4)
Company is community oriented	4.41 (7)	4.24 (7)	4.15 (7)
Encourages wise & efficient use of electricity	4.18 (6)	4.22 (6)	3.88 (6)

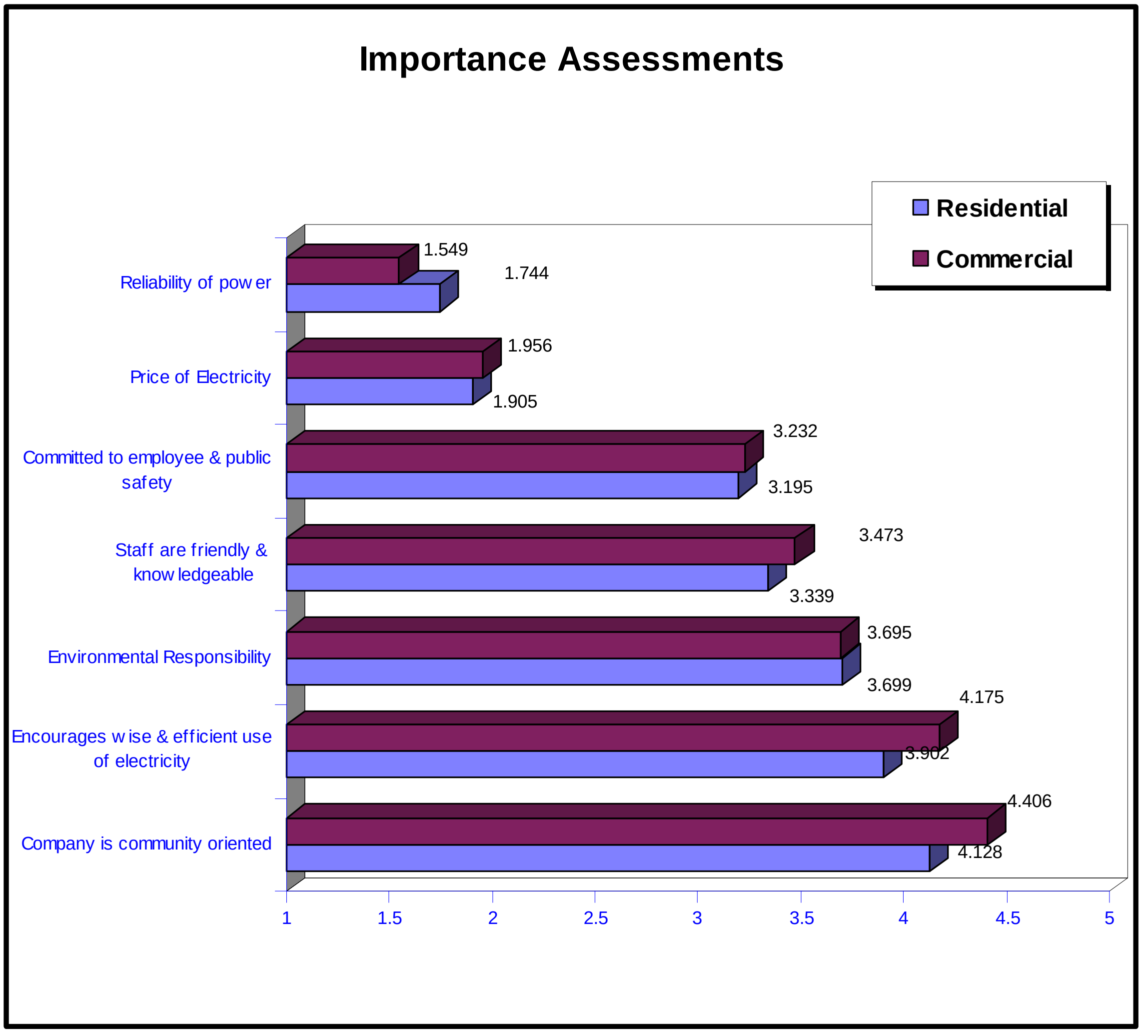
Note: The lower the number, the more importance placed on the item by the respondents.
The number in brackets is the ranking relative to the other items.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute with commercial customers, followed by price. The same is true for residential customers, although the two considerations are roughly at the same importance for residential customers where commercial customers placed greater importance upon reliability. This would be consistent with winter related outages causing problems for businesses having a greater reliance on technology and bearing the potential cost of downtime when power is unavailable.

The company's commitment to employee and public safety places third in importance, with friendly and knowledgeable staff ranking fourth among both residential and commercial customers. The remaining aspects of service are consistently seen as less important.

The rankings of all items have remained the same since last quarter, and actually are the same as compared with the same quarter last year.


Importance Assessments
Residential
Commercial
Reliability of pow er
1.549
1.744
Price of Electricity
1.956
1.905
Committed to employee & public safety
3.232
3.195
Staff are friendly & know ledgeable
3.473
3.339
Environmental Responsibility
3.695
3.699
Encourages w ise & efficient use of electricity
4.175
3.902
Company is community oriented
4.406
4.128
1
1.5
2
2.5
3
3.5
4
4.5
5

Improvement Requirements

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Meters are read accurately	72.7%	75.6%	72.0%
Power is reliable	98.5%	97.9%	97.0%
Contributes to the community	64.0%	71.0%	73.3%
Operates environmentally	74.4%	77.1%	81.9%
NP Electricity Bill is easy to read/understand	93.9%	94.4%	N/A
Better customer service than other utilities	37.0%	41.3%	48.8%
Shows concern for safety	92.4%	93.8%	93.5%
Company is easy to contact for service/information	80.5%	79.4%	80.4%
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Meters are read accurately	63.7%	74.2%	75.6%
Power is reliable	98.3%	97.3%	96.8%
Better customer service than other utilities	46.3%	45.2%	47.1%
Operates environmentally	76.5%	80.3%	88.0%
Contributes to the community	69.4%	79.4%	78.3%
NP Electricity Bill is easy to read/understand	92.4%	94.3%	N/A
Shows concern for safety	93.6%	94.8%	98.3%
Company is easy to contact for service/information	83.1%	81.8%	85.1%

	This Quarter	Last Quarter	Same Quarter Last Year
Improvements required ("A Little" or "A Lot") (Residential)			
Meters are read accurately	16.4%	15.3%	28.2%
Power is reliable	8.2%	12.7%	19.0%
Contributes to the community	7.9%	9.2%	18.3%
Operates environmentally	5.1%	6.6%	18.6%
NP Electricity Bill is easy to read/understand	5.4%	6.3%	N/A
Better customer service than other utilities	5.5%	14.5%	18.6%
Shows concern for safety	4.0%	5.7%	16.3%
Company is easy to contact for service/information	7.1%	13.3%	20.0%
Improvements required ("A Little" or "A Lot") (Commercial)			
Meters are read accurately	10.8%	10.1%	13.9%
Power is reliable	9.3%	9.9%	14.7%
Better customer service than other utilities	5.7%	17.7%	14.2%
Operates environmentally	4.4%	3.9%	9.3%
Contributes to the community	9.1%	5.9%	9.0%
NP Electricity Bill is easy to read/understand	6.6%	4.7%	N/A
Shows concern for safety	3.1%	1.7%	8.7%
Company is easy to contact for service/information	10.5%	15.0%	15.4%

Commentary:

Agreement with Service Statements: The first table (previous page) represents the percentage of customers who agreed with statements about various aspects of Newfoundland Power's service. Compared to last year, there were slight improvements in residential customers' agreement that power is reliable, that meters are read accurately, and that the Company is easy to contact. There were declines in four areas; contributions to the community, environmental awareness, concern for public safety, and better customer service than other utilities. We also asked customers if NP's bill was easy to read and understand and 93.9% agreed, compared with 94.4% in December.

Similarly among commercial customers, the level of agreement with the comparable statements of meter reading accuracy, better customer service than other utilities, environmental awareness, contributions to the community, ease of contacting the company, and concern for safety are lower this quarter than the same quarter last year. The exception was the reliability of power, which was higher, at 98.3% agreement. The question concerning the ease of reading and understanding the NP bill showed 92.4% agreement (94.3% in December), and 82% felt the company was easy to contact.

Generally, however, the level of agreement with most of these indicators remains very high, suggesting that customers have a very positive impression of service.

The lower ranked items are "better customer service than other utilities," "contributes to the community," "meters are read accurately," and "operates environmentally." These findings may not be reflecting necessarily negative views by the customers so much as neutral views – in other words, the customers may not know whether to agree with these statements. This is borne out by the percentage of customers who neither agree nor disagree with the statements. Among residential customers, for instance, the percentages expressing "neither" were 61.2% for "better customer service than other utilities," 32% for "contributes to the community," and 24.6% for "operates environmentally," and 19.4% for "meters are read accurately." For commercial customers, the corresponding percentages were 51.5% for "better customer service than other utilities," 27.5% for "contributes to the community," 22.3% for "operates environmentally," and 30.1% for "meters are read accurately." There may be an opportunity for the company to improve upon its standing on these measures via communications activity.

Disagreement with "Better Service" Question: We asked customers who strongly or "somewhat" disagreed with the statement that "Newfoundland Power provides better service than other utilities," why they felt this way. 24 respondents provided answers; the largest group (9) indicated they had problems with payments or payment locations. Three more appeared to have difficulties in regard to credit and four others indicated problems with the staff (at least one of which may have been related to credit). Others made reference to the level of service offered, difficulty in getting in touch, or lack of speed in dealing with problems, or gave undisclosed reasons.

Improvement Opportunities: The second table indicates the percentage of customers who believe that there should be improvement in these service areas. These figures represent the percentage of customers who said that either “a little” or “a lot” of improvement is required in our performance on these various statements about our service. Among residential customers, the largest percentages who feel some improvement is needed feel this way about meter reading accuracy (16%), reliability of power (8%), and contributions to the community (8%).

Commercial customers indicated that the need for improvement is greatest in relation to meter reading accuracy (11%), ease of contacting the Company (10%), and contributions to the community (9%).

Most customers who stated that improvement was required in these areas stated that "a little" improvement was needed. The largest percentage of residential customers who said a lot of improvement was required said so in relation to meter reading accuracy (5.0%) followed by community involvement (2.5%). With commercial customers, the largest percentage who said “a lot” of improvement was needed was in respect to meter reading accuracy (3.4%), followed by ease of contacting the company (2.2%).

The percentage of residential customers indicating a need for improvement in meter reading accuracy over the past year has ranged from 28.2% in March of 2005 to 19.9% in June, 20.1% in September, then 15.3% in December. There was an increase to 16.4% in March 2006. This presumably relates to estimates and weather related meter access problems over the course of the winter. The percentage of commercial customers seeing a need for meter reading accuracy improvement was at 10.8% (10.1% in December).

Since we consistently receive a number of respondents suggesting we need to improve meter reading accuracy, in this quarter we asked respondents if they had any suggestions pertaining to meter reading. We received responses from 55 customers. The largest group of responses (20) was that we should not estimate readings. Nine others suggested the meters are not read accurately or that the readers are too far away to make good readings. Four others said they would like either digital meters or meters that display the amount used and dollars owing. One said they would like the reader to tell them what was on the meter when it was read and another said management should follow up on the reads to ensure they are accurate.

Similar to last quarter, in general, it appears that the respondents think in terms of estimating when asked about meter reading “accuracy” rather than in relation to whether the reader is accurately reading the meters.

Highlights of Residential Improvement Findings by Location: (Company Average is indicated in Brackets)

- Clarenville and Stephenville areas indicated the highest degree of desire for either a little or a lot of improvement in reliability, at 13.2% and 12.5%. (8.2%)
- Clarenville and St. John’s indicated the greatest need for improvement in meter reading accuracy, at 18.9% and 18.8%. (16.4%)
- Stephenville and Gander indicated the greatest need for improvement in ease of contacting the Company, at 10.7% and 10.5%. (7.1%)

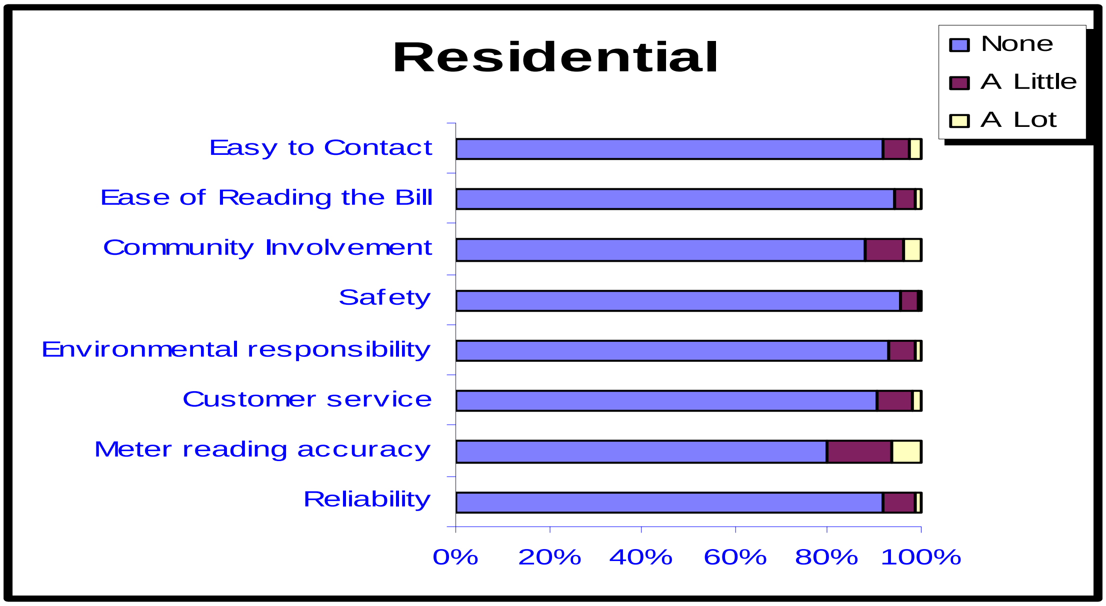
- Clarenville and Gander indicated the most desire to see improvements in customer service relative to other utilities, at 9.4% and 9.2%. (5.5%)
- Corner Brook indicated the greatest need for improvement in environmental commitment, at 8.2%. (5.1%)
- Burin indicated the greatest need for improvement in commitment to safety, at 7.3% (4.0%); in contributions to the community at 17.1% (7.9%), and in ease of reading the bill at 12.2% (5.4%).

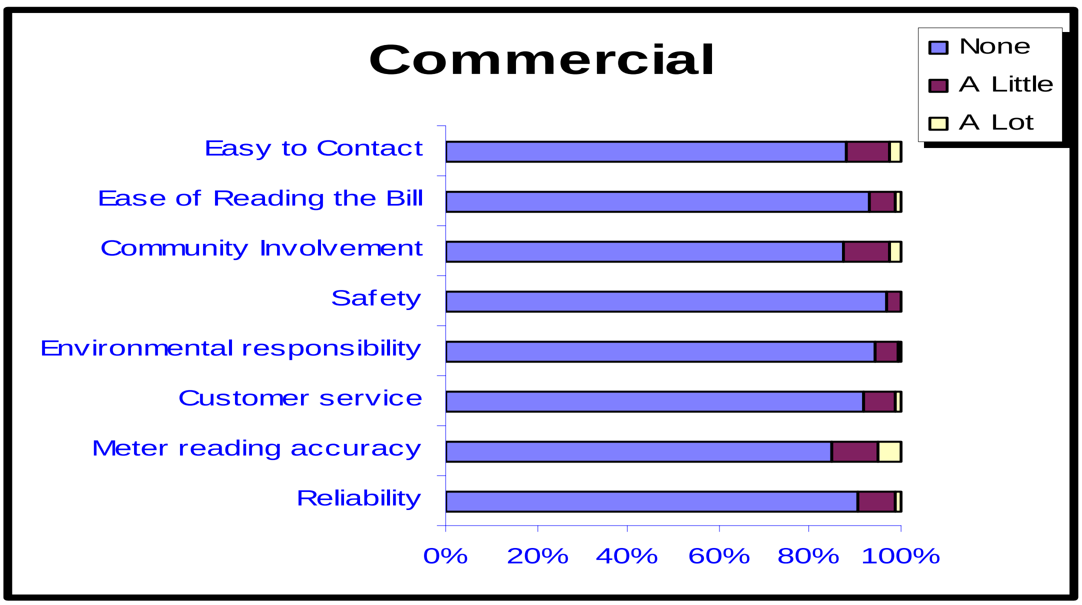
In all such cases the number saying "a little" improvement is required is much larger than the number saying "a lot" of improvement is needed.

Highlights of Commercial Improvement Findings by Location: (Company Average is indicated in Brackets)

- Grand Falls was the most likely to identify a need for improvement in reliability, at 16.7%. (9.3%)
- Gander customers identified the greatest need for improvement in meter reading accuracy, at 22.8%. (10.8%) Note this is the second consecutive quarter Gander commercial customers said this.
- St. John's customers indicated the greatest need for improvement in ease of contacting the company, at 13.2%. (10.5%)
- Grand Falls identified the greatest need for improvement in environmental commitment, at 7.1%. (4.4%)
- Carbonear customers indicated the greatest need for improvement in our customer service in comparison to other utilities, at 13.3% (5.7%); in safety commitment, at 8.9% (3.1%); and in ease of understanding the bill, at 13.3% (6.6%).
- Stephenville customers identified the greatest need for improvement in community involvement, at 19.2%. (9.1%)

Improvement Requirement Graphs





Customer Energy Changes

In this survey, the customers were asked if they had implemented any action in their home or business to reduce energy usage in the last three months, what those actions were, and what had influenced their decision to make the change. The same questions were asked in December, providing an opportunity for comparison.

Findings:
Customers reported their energy actions as follows:

	This Quarter	**Last Quarter**
Have you implemented any action to reduce your home's business's energy usage?		
Residential	40.8%	41.7%
Commercial	26.7%	27.5%
Total	36.1%	36.9%
Which Influenced your Decision (Residential)?		
Advertising	31.2%	17.4%
Advice from Newfoundland Power	15.9%	8.2 %
Advice from Retailers	2.1%	1.4 %*
Advice from Contractors	0.6%	N/A
The Internet	0.6%	1.3 %
NP's Web Site	1.2%	0.3 %
Other	57.7%	71.4 %
Which Influenced your Decision (Commercial)?		
Advertising	34.9%	7.4 %
Advice from Newfoundland Power	9.2%	6.5 %
Advice from Retailers	0.9%	1.8 %*
Advice from Contractors	0.0%	N/A
The Internet	0.0%	0.0 %
NP's Web Site	0.0%	0.9 %
Other	57.8%	83.3 %

** In December Retailers and Contractors were a combined option.*
*** The questions on influence only include customers who had taken an action.*

Those who responded that they were influenced by "Other" invariably said that they took action on their "own decision" or due to the cost of electricity.

Among residential customers, the most commonly reported renovation related to energy efficiency change was to introduce fluorescent light bulbs (112, or 33.6% of those who took an action), followed by weather stripping around exterior doors (20, or 6%), and insulating walls (18, or 5.4%). Many others reported taking conservation measures, however. The most popular were turning down lights and appliances (66), turning down the heat (55), using cold water (45), general energy consciousness (38), cutting back on washer and dryer use (15), and using more wood (12).

Among commercial customers the most common renovation change was to start using fluorescent light bulbs (31, or 28.4% of those taking an action). The most common conservation measures were to turn down heat (36), cut back on lighting or computer use (31), and encourage energy conservation (8).

Energy Use:
Respondents were asked about their source of heating for their home/ business. Following are the results (of those who said "Other", three said they had heat pumps, one oil, and the rest did not know). There was little relationship between the respondents' heating source and the likelihood of their undertaking an energy efficiency activity, with the exception that commercial customers using electricity as a heating source seemed somewhat more likely to have carried out an activity (29%) than were those using oil (21.5%).

Heating Sources:
(Note multiple answers were allowed)

	Residential	**Commercial**	**Total**
Electricity	67.2%	69.4%	67.8%
Oil	33.5%	35.3%	34.0%
Wood	18.9%	3.2%	13.6%
Propane	3.4%	4.4%	3.8%
Other	1.0%	3.9%	2.0%

Commentary:
Among residential customers, the percent reporting having taken an energy improvement action increased generally with education level (46% of those having either some college or university education, a university degree, or a post graduate degree reported having taken some form of action). It also appears that the percent reporting taking an energy efficiency action decreases with age.

It appears that customers were more influenced by advertising and/ or advice from NP during the most recent quarter. This seems to indicate that the company's current efforts to promote energy efficiency in the media and in communities are resulting in some activity among customers.

Customer Satisfaction Survey Results
June 2006

Customer Satisfaction Survey Results
June 2006
Newfoundland Power

Summary

The customer satisfaction index for the second quarter was 87%, a decrease from 89% last quarter and a decrease from 90% same quarter last year. Our annual target for 2006 is 87%. This quarter the PUB announced its approval of a rate increase for NP customers on June 22. We calculated the index for customers who had responded prior to June 22, and then for those responding on June 22 and afterwards. The difference was slight although significant, with the index being 88% for the group surveyed prior to the PUB's announcement and 87% for those surveyed afterwards.

Ratings of Overall Service satisfaction declined for residential customers and were unchanged for commercial customers. The residential results were consistent with those seen over the past four years, while commercial results were among the highest overall recorded to date. Persons who provided low ratings were motivated most often by rates or pricing concerns.

Contact Centre service ratings were lower this quarter, with the largest decline among commercial customers where the rating moved from 9.1 to 8.7. The customers' ratings continue to be heavily influenced by whether or not the customer's concern was handled on the first call. While residential customers who called only once provided satisfaction ratings of 9.1 out of 10 on average (v.s. 9.4 for commercial customers), the 15% of customers who reported having to call more than once (v.s. 11% in March) provided satisfaction ratings of 6.0 out of 10, in the case of residential customers, and 5.5 out of 10, in the case of commercial customers.

The percentage of customers who report calling more than once has a history of moving up and down from quarter to quarter; from 10% in June 2005, to 12% in September 2005, to 13.6% in December 2005, to 11% in March 2006 and 14.6% in June 2006. The main types of calls associated with repeat calls were those associated with pole removals, billing and meter reading issues, new services, and tree trimming problems.

Residential customer satisfaction with field service slightly declined this quarter, from 9.0 to 8.9. Commercial customer satisfaction increased from 9.2 to 9.3. Seven respondents provided ratings of six or less, three of these having concerns with notification of meter changes.

Satisfaction with cash service decreased from previous levels, moving from 8.8 to 8.6 for residential customers and increasing steady from 8.0 to 8.3 for commercial customers. The ratings are significantly below the former ratings for satisfaction when cash services were provided at Newfoundland Power. The most common issues among respondents who provided ratings of six or less were they felt lineups were too long or slow, or that either the location or the setup within the location was poor. There were only two comments about concern with the smoke shop location.

For residential and commercial customers, reliability and price continue to be the two most important aspects of our service, followed by a commitment to public and employee safety and by environmental responsibility.

Customers were asked the degree to which they agreed with various statements regarding NP service areas such as reliability, community concerns, safety, environmental responsibility, and concern for customers. Over 90% of the respondents strongly or somewhat agreed with most of the statements. In the cases where the agreement was less, a significant majority was neutral. Only a small percentages (less than 4%) disagreed with the various statements included.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of over 800 residential and over 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within our service area. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our offices.

In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	This Quarter	Last Quarter	Same Quarter Last Year
Index Components				
Residential				
Call Centre Service	40%	8.7	8.9	8.8
Field Service	20%	8.9	9.1	9.5
Cashier Service	20%	-	-	9.5
First Call Resolution	20%	8.7	8.8	-
Overall Service	20%	8.6	8.8	8.6
Commercial				
Call Centre Service	40%	8.7	9.1	8.8
Field Service	20%	9.3	9.2	9.2
Cashier Service	20%	-	-	9.4
First Call Resolution	20%	8.3	9.2	-
Overall Service	20%	8.9	8.9	8.9
Customer Satisfaction Index		8.7	8.9	9.0
2006 Annual Target	87%			

Findings:

- The June 2006 result of 8.7 compares with 8.9 in March 2006 and 9.0 in June 2005.
- We saw a slight improvement in commercial customers' ratings of field service, and commercial customers' ratings of general satisfaction remained the same as in the last quarter. There were declines in all other ratings.
  In Residential:
  - Call Centre decreased by 0.2
  - Field Service decreased by 0.2
  - First Call Resolution decreased by 0.1
  - General Satisfaction decreased by 0.2

  In Commercial:
  - Call Center Service decreased by 0.4
  - Field Service increased by 0.1
  - First Call Resolution decreased by 0.9
  - Overall Service remained the same

- This quarter the PUB announced its approval of a rate increase for NP customers on June 22. We calculated the index for customers who had responded prior to June 22, and then for those responding on June 22 and afterwards. The difference was slight, with the index being 8.8 for the group surveyed prior to the PUB's announcement and 8.7 for those surveyed afterwards.

The historical trend for the Customer Satisfaction Index is shown in the above graph. The Index has remained fairly stable for the past several years, but the trend appears to show a gradual increase through December 2002 followed by general decrease since that quarter.

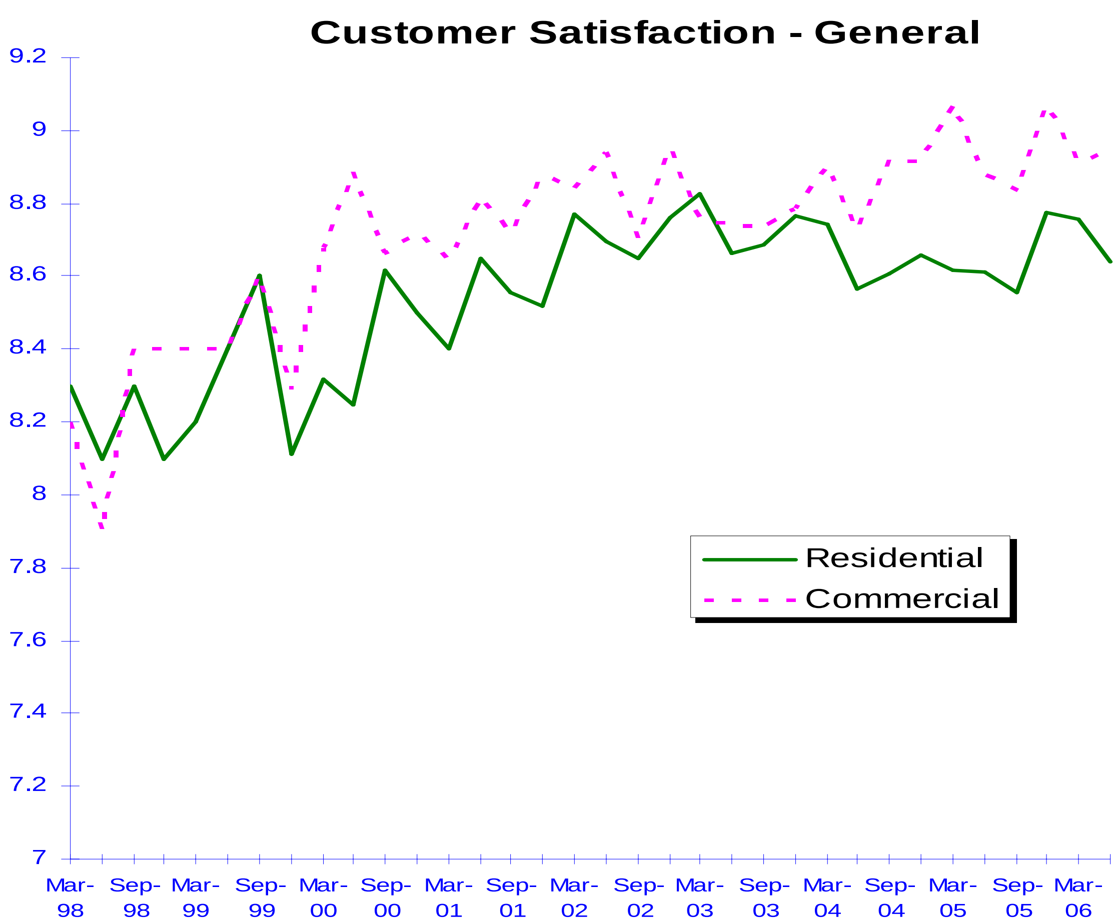
Satisfaction with Overall Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.6	8.8	8.6
Commercial	8.9	8.9	8.9
Total	8.7	8.8	8.7

Commentary:

Findings: We saw a slight decline this quarter in the rating for overall service in comparison with December. This was sparked by a decline in residential ratings, while commercial customer ratings increased fractionally. The residential rating followed one of the highest ratings recorded to date in the last quarter (8.8), however, and the commercial customer rating was also comparable to some of the highest ratings in the past several years. This is shown in the following graph.



Among residential customers, the average score was highest in Burin (9.05) and Grand Falls (8.96), and lowest in Carbonear (8.47). The average scores from commercial customers ranged from a high of 9.36 in Clarenville to a low of 8.71 in Grand Falls.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 79 customers in this group, 66 gave us a reason for their ratings; 43 (65%) referred to rates or pricing, 4 (6%) to service, and two each to Dominion, power surges or power quality and meter reading or estimating. Unlike the last quarter, 2005, this is the second quarter in a row, that there was very little mention of concerns of moving cash to Dominion.

Summary: Customers who provide lower scores in their responses to this question are primarily motivated by high prices.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	**Last Quarter**	**Same Quarter Last Year**
Satisfaction with Service			
Residential	8.7	8.9	8.8
Commercial	8.7	9.1	8.8
First Resolution			
Total	85.4%	89.0%	90.2%
Residential	87.4%	87.6%	91.8%
Commercial	82.8%	91.5%	87.0%
Improvements Needed			
None	51.8%	70.7%	62.4%
A Little	36.3%	21.4%	30.2%
A Lot	8.9%	5.8%	5.9%

Commentary:

Findings: 29% of residential and 32% of commercial participants in this quarter's survey said they had called within the last six months. This is typical of previous surveys.

Residential customers' ratings of satisfaction with telephone service declined slightly from 8.9 to 8.7. Commercial customers' ratings decreased more significantly by 0.4 from 9.1 to 8.7.

Commercial customers in the Stephenville and Burin areas had the greatest degree of satisfaction (9.7 and 9.6) with telephone service. Clarenville showed the lowest degree of satisfaction (8.2).

Clarenville residential customers (with 9.5) had the highest degree of satisfaction among residential customers. St. John’s (8.2) had the lowest residential telephone ratings.

Among residential customers, about 71% said they had called a Customer Account Representative, 18% the automated power outage information system (TVD) and 10% the automated account balance system. The corresponding percentages for commercial customers were 76% to a Customer Account Representative, 21% to TVD and 3% to the automated account balance application. This is similar to previous survey’s.

Among residential customers, those calling TVD provided marginally higher telephone satisfaction ratings (8.86) than those who called Customer Account Representatives (8.74) and the automated account system (8.17). Among commercial customers, the TVD system also provided the highest telephone satisfaction rating (9.0), followed by callers to Customer Account Representatives (8.62) and the automated account balance application (7.5 from four respondents). Although only marginally different, these results were unusual; normally the Customer Account representatives receive higher satisfaction ratings than TVD.

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among commercial customers, the highest telephone satisfaction rating was for one enquiry about electronic billing plans (10.0), followed by calls relating to new service installations, energy efficiency programs, and pole removal/replacement.. Calls concerning balance owing on accounts, meter reading, high bills, power interruptions, and tree trimming resulted in ratings lower than the commercial average.

For residential customers, calls relating to meter reading, street lights, new services, balance on accounts, and pole removals resulted in satisfaction ratings higher than the residential average. Calls with ratings lower than the average were for high bills, new services, electronic billing/EPP, and power interruptions. Calls

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 35 such responses were made including both residential and commercial customers. Interestingly, 10 of the 35 responses had called as a result of arrears on their account and commented that they were not satisfied with our response, or had not listened or had received poor treatment. Due to the topic of these calls, many times it may not be possible to satisfy the customer. Another 5 had called about new services but were not specific about the reasons why they were not satisfied. Another 5 mentioned outages, 4 called for the balance on their accounts, 3 meter reading, and 2 tree trimming.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call declined from last quarter, at 85.4% compared to 89.0% in March and 90.2% in June 2005.

Residential results were relatively the same from 87.6% to 87.4% but commercial results dropped more substantially, from 91.5% to 82.8%.

The 22 customers who said they had to call us more than once were asked why this was necessary. 14% or 3 said there was an issue with a new service, 14% or 3 others indicated meter reading issues, 6% or 2 said they were waiting on tree trimming, 6% or 2 others said they were waiting on poles or pole removals, and there were a variety of single mentions. Of the 22 respondents, 13 said they had called twice, seven three times, and two more than three times. The reason for a significant drop in the commercial results was not obvious as there was no common underlying theme.

Customer Satisfaction Rating, Telephone Service						
	Resolved First Call			**Not Resolved on First Call**		
	Jun'06	Mar'06	Dec'05	Jun'06	Mar'06	Dec'05
Residential	9.1	9.3	9.4	6.0	4.9	6.9
Commercial	9.4	9.4	8.8	5.5	6.6	6.8

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once.

Improvements: The percentages of respondents who feel we can improve our telephone service "a little" increased from 26% to 36% since last quarter, with those who say we can improve "a lot" increased from 7.5% to 8.9%. In comparison to June 2005, the sum of these groups has increased from 36.1% to 45.2%.

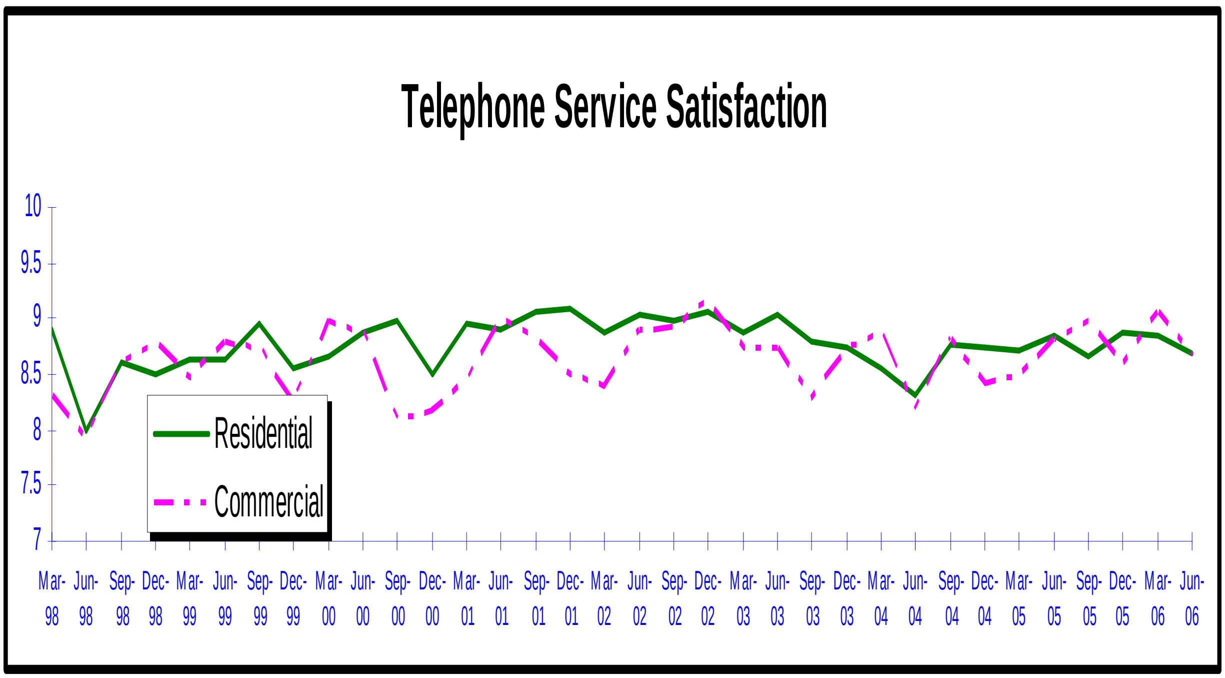
Improvement Requirements Identified			
Service Called	**None**	**A Little**	**A Lot**
Customer Acct Reps	50.8%	38.3%	8.0%
Automated Acct Balance	42.9%	42.9%	14.3%
TVD	59.4%	26.1%	10.1%

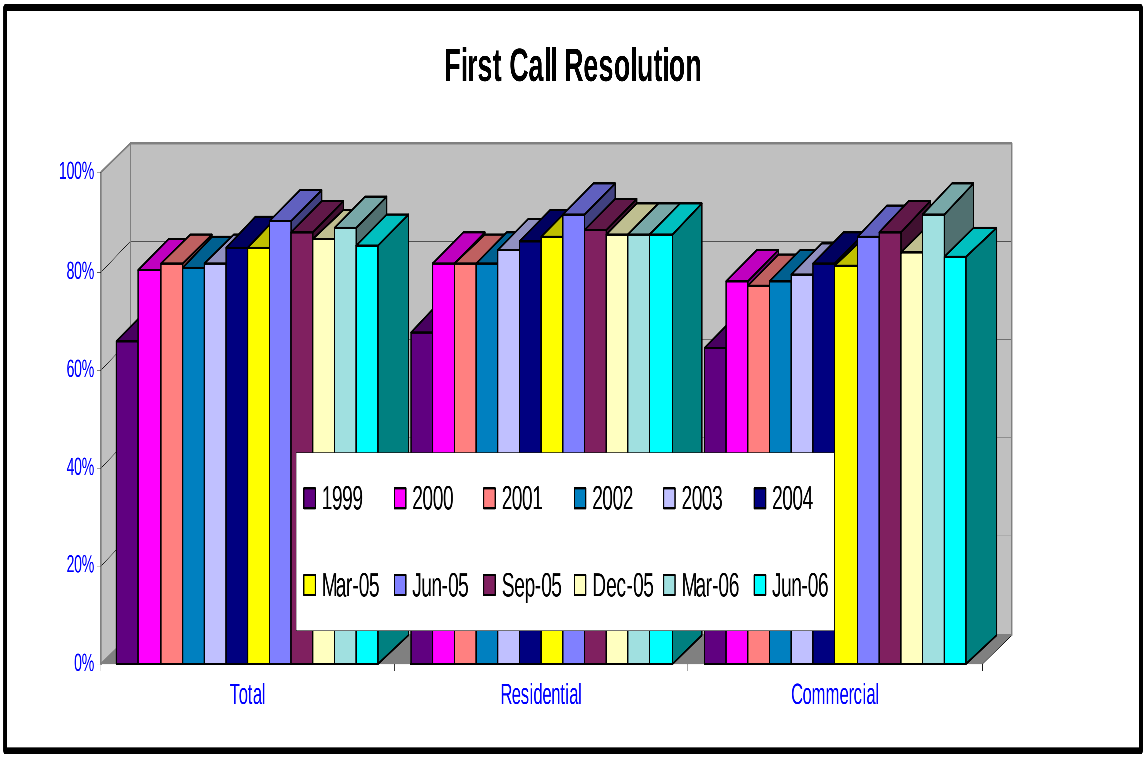
In their comments, the 32 respondents who said we can improve "a lot", 17 indicated they felt we should have more people answering the phone, 6 said should not have an automated system, and 4 said we should provide answers right away. Other suggestions were 2 said that we should answer questions on the first call, 2 said agents should be more knowledgeable, and 2 said we should provide service at the local offices.

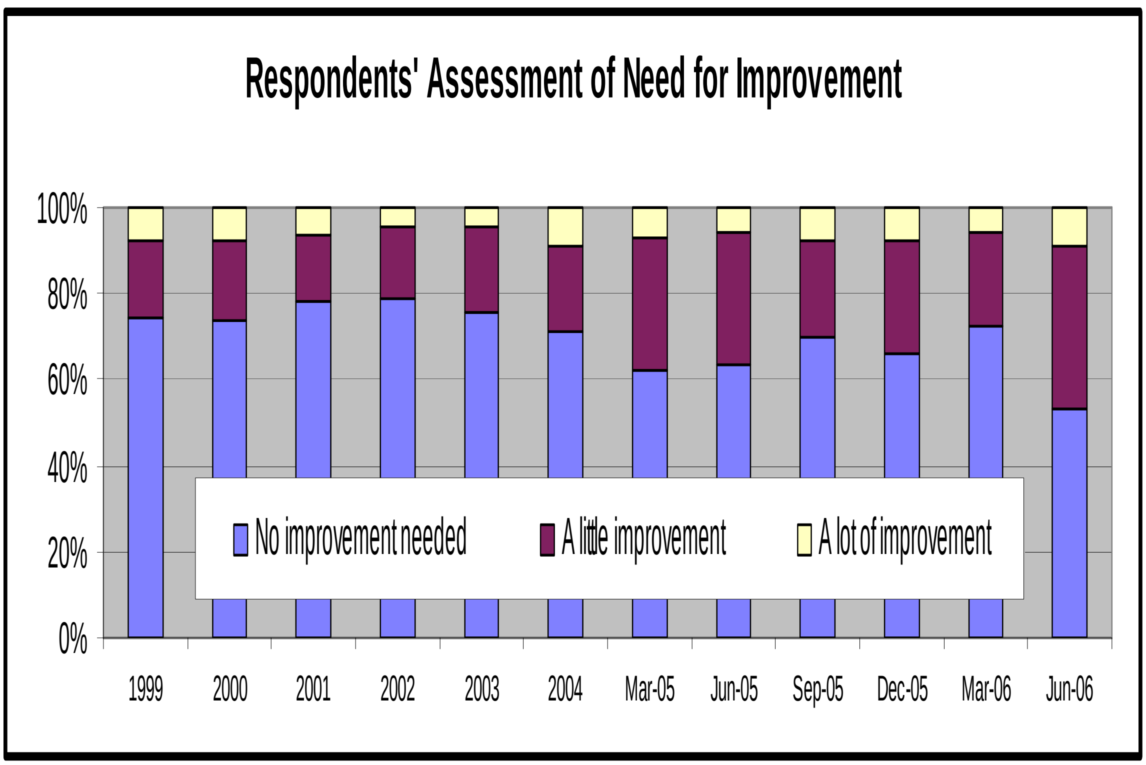
Of the 131 customers who said "a little" improvement was required, 18 said more people should be answering the phone, while 13 wanted us to eliminate the automated phone system. Six said we should answer questions on the first call, five that we should answer right away, four that we should accept payments and have staff to talk to in local offices, and three that we should have better information available about upcoming outages as well as more numbers to call when outages occur. Two respondents suggested each of “more courteous / polite staff”, “fewer busy signals”, and “agents should be more knowledgeable”.

Summary: The graph below suggests that while both residential and commercial customer satisfaction dropped this quarter, both are still within the normal range of responses. It is important to note that negative comments tend to come from a small portion of the overall respondents. The 32 customers who saw “a lot” of room for improvement is a small portion (2.6%) of the 1,216 customers who participated in the survey. It seems, however, that at least some customers were having difficulty reaching a company representative able to answer the customer’s question. Major customer concerns seem to be fairly rare, but are very deeply felt when they occur. Judging from comments it appears that such problems can affect a person’s feeling of satisfaction for years.

Historical Data:




First Call Resolution
100%
80%
60%
40%
20%
0%
1999
2000
2001
2002
2003
2004
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06
Jun-06
Total
Residential
Commercial


Respondents' Assessment of Need for Improvement
100%
80%
60%
40%
20%
0%
No improvement needed
A little improvement
A lot of improvement
1999
2000
2001
2002
2003
2004
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06
Jun-06

Satisfaction with Field Services

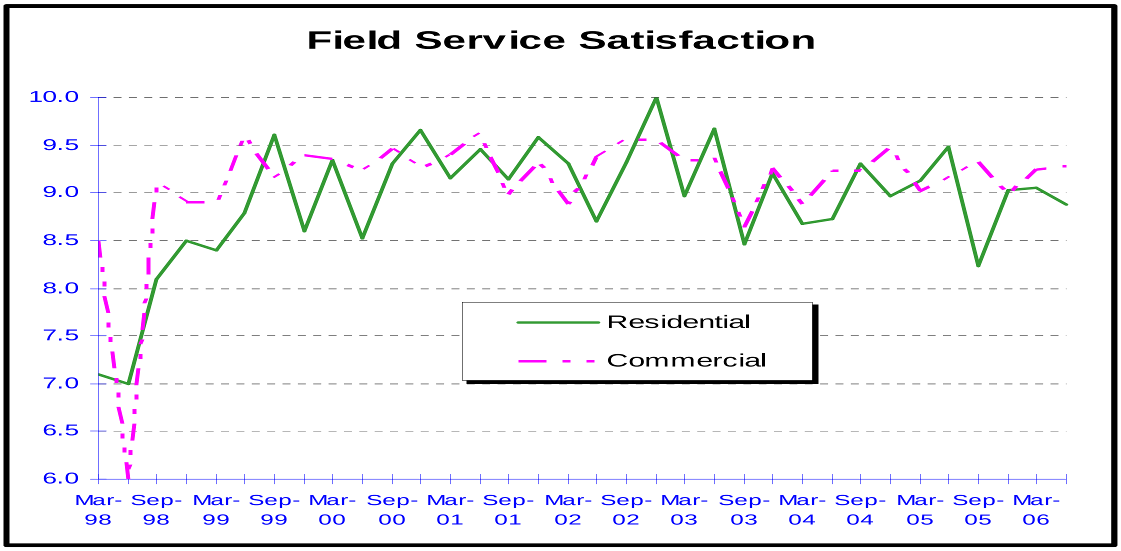
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.9	9.0	9.5
Commercial	9.3	9.2	9.2
Improvements Needed			
None	60.2%	89.3%	75.0%
A Little	31.3%	7.1%	22.5%
A Lot	2.4%	2.4%	1.3%

Commentary:

Findings: 5.1 % of residential (41 customers) and 10.2% of commercial customers (42) reported having been visited by a lineperson, technician, or customer services specialist in the past six months. The most common reasons given for the visits were to replace or install a meter, followed by obtaining an electrical service location, wires or poles relocation, and emergency repairs.

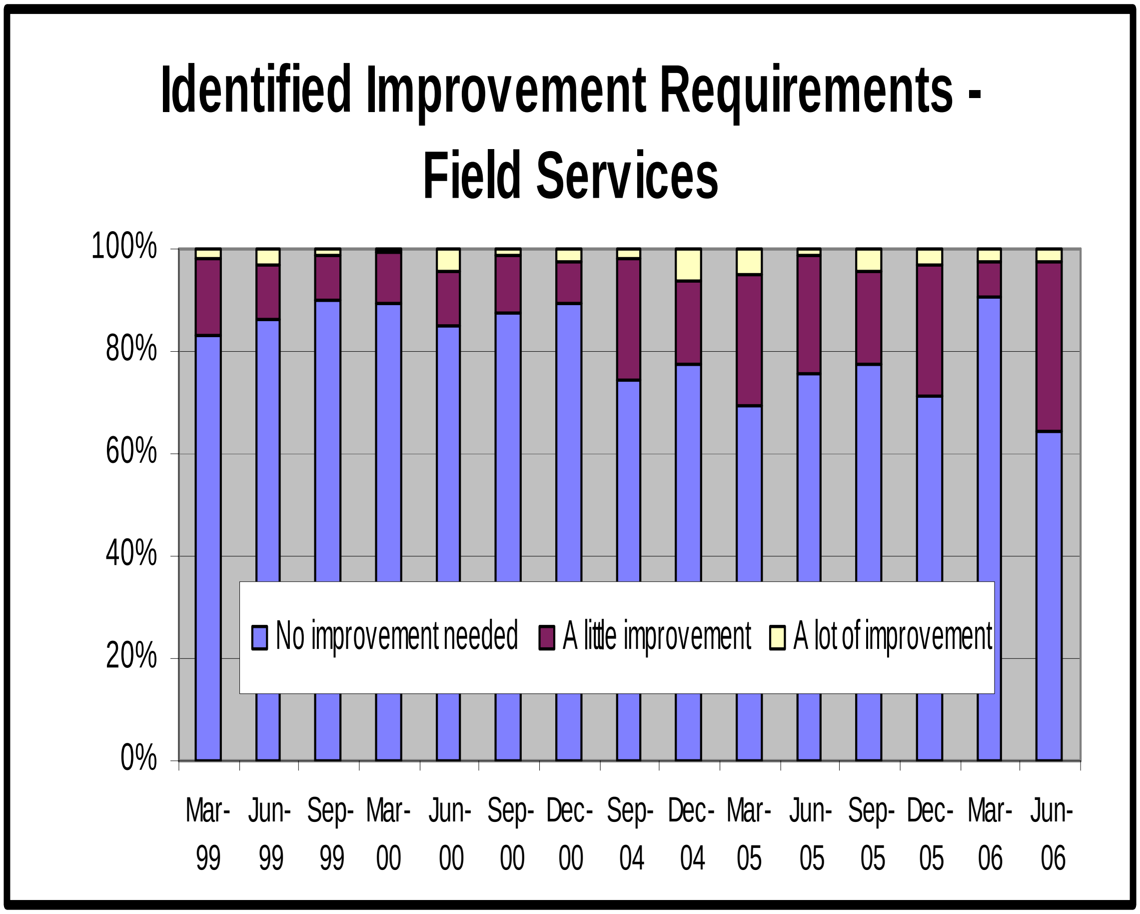
Customers' satisfaction with the level of service provided during these field visits was stable compared to last quarter for both residential and commercial customers. For residential customers, the level of satisfaction is marginally lower than last quarter while for commercial customers the level of satisfaction is marginally higher than last quarter. This is the only area in the Customer Satisfaction Index where satisfaction increased over last quarter. The relatively small number of respondents results in greater volatility of the results, which is shown on the following graph.



Primary Reasons for Low Ratings: The 7 respondents who provided a rating of six or less were asked to provide the main reason for their response. Three said they had had no warning of an upcoming meter change. Although this is a very low number of responses, this is an easy area to investigate due to the specific nature of the concern. This issue will be investigated.

Improvements: The percentage of respondents who stated we need to improve field services "a little" declined this quarter in comparison to last quarter, while the percentage saying we needed to improve "a lot" remained at a low level. The persons saying "a lot" of improvement was needed included the person disconnected for debt and a business concerned they had not had notice of a meter change. Of the 26 people who said "a little" improvement is needed, most rated the service at 8 or above with 13 giving ratings of 10, but one provided a rating of one, one a rating of five and one a rating of six. The three with the lower ratings were included among the "low ratings" group above – one was concerned about emergency repairs not handling the full problem, and the other two about meter changes occurring without warning.

The following graph shows the trend in the percentage of customers who believe we can improve our field service.


Identified Improvement Requirements -
Field Services
100%
80%
60%
40%
20%
0%
No improvement needed
A little improvement
A lot of improvement
Mar-99
Jun-99
Sep-99
Mar-00
Jun-00
Sep-00
Dec-00
Sep-04
Dec-04
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06
Jun-06

Satisfaction with Cashier Services (Dominion)

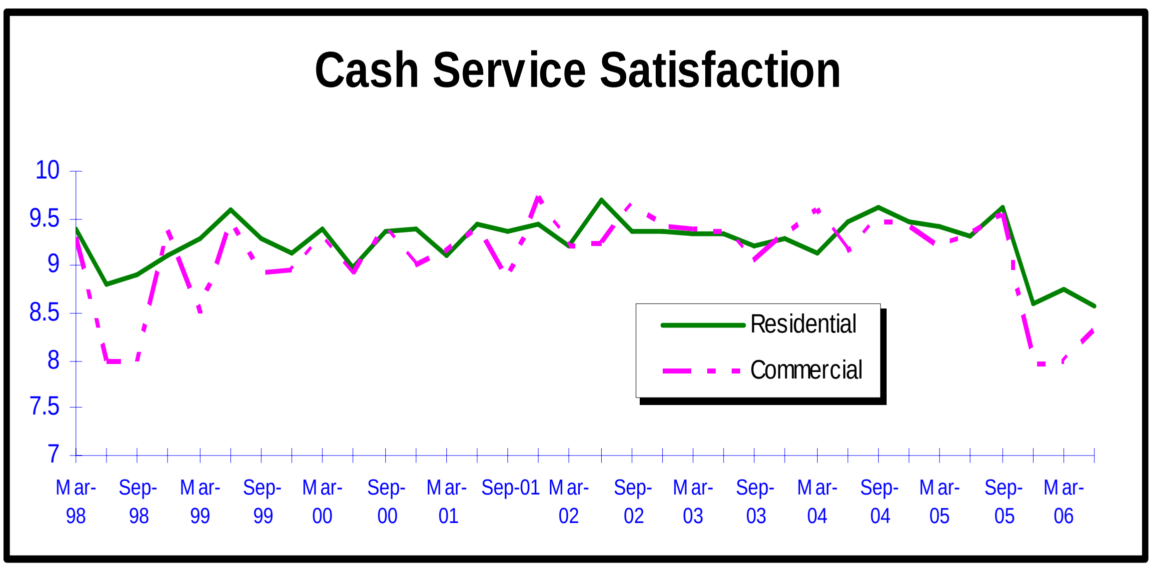
Key Indicators:

	This Quarter (Dominion)	Last Quarter (Dominion)	Same Quarter Last Year (NP)
Satisfaction with Service			
Residential	8.6	8.8	9.3
Commercial	8.3	8.0	9.4
Improvements Needed			
None	61.5%	72.2%	79.0%
A Little	24.4%	18.1%	17.8%
A Lot	11.1%	9.0%	0.9%

Commentary:

Findings: 12% of residential customers (96) and 9% of commercial customers (39) reported having visited a Dominion payment center in the last three months. For this quarter, respondents were asked their opinions concerning the payment centres established by the Company at Dominion stores across the island. Comparative numbers for March refer to Dominion while the "same quarter last year" refers to payment locations at Newfoundland Power offices.

Customers' ratings of satisfaction with cash services declined for residential and improved for commercial customers. The graph below indicates that the ratings for cash services were consistent historically, fluctuating between 9.0 and 9.5. Ratings are at a lower level since the payment locations were moved to Dominion. We will be sharing these results with Dominion.



Ratings by Area: Customers' Satisfaction ratings with cash service by area were compared with the following results:

Area	**Residential**	**Commercial**
St. John's	8.41	8.17
Carbonear	9.45	8.75
Burin	9.50 (2)	10.00 (1)
Clarenville	9.50 (2)	10.00 (2)
Gander	8.90	9.33 (3)
Grand Falls	7.33	4.67 (3)
Corner Brook	8.06	8.63
Stephenville	10.00 (2)	10.00 (1)
Total Company	**8.58**	**8.33**

(1) Based on one response.
(2) Based on two responses.
(3) Based on three responses

Note: Grand Falls' ratings are much lower than the other areas. We will be asking Dominion to investigate.

Primary Reasons for Low Ratings: The 19 respondents who provided a rating of six or less were asked to provide the main reason for their response. Of the 19, 7 indicated they felt lineups were too long or slow, 5 that the employees were lacking knowledge or good manners, 3 that they didn't like the location (2 of which said they didn't like the location in the smoke shop), and 2 that they should be able to pay with Visa.

Improvements: The percentage of customers who believe we could improve our cashier services "a little" has increased from 18.1% to 24.4%, while the percentage of customers who believe we can improve our cashier services "a lot" has also increased, from 9.0% to 11.1%. A total of 39 people suggested improvements, with 8 suggesting a different set up at Dominion (eg., special counter for NP payments, more room for lineups), 7 suggesting more cashiers, 6 suggesting each of "more courteous/polite cashiers", "accept Visa", and "more knowledgeable staff", and 3 "accept MasterCard". 4 others suggested moving cash services back to NP offices, and 3 didn't like having it at Dominion.

Importance of Items

Key Indicators:

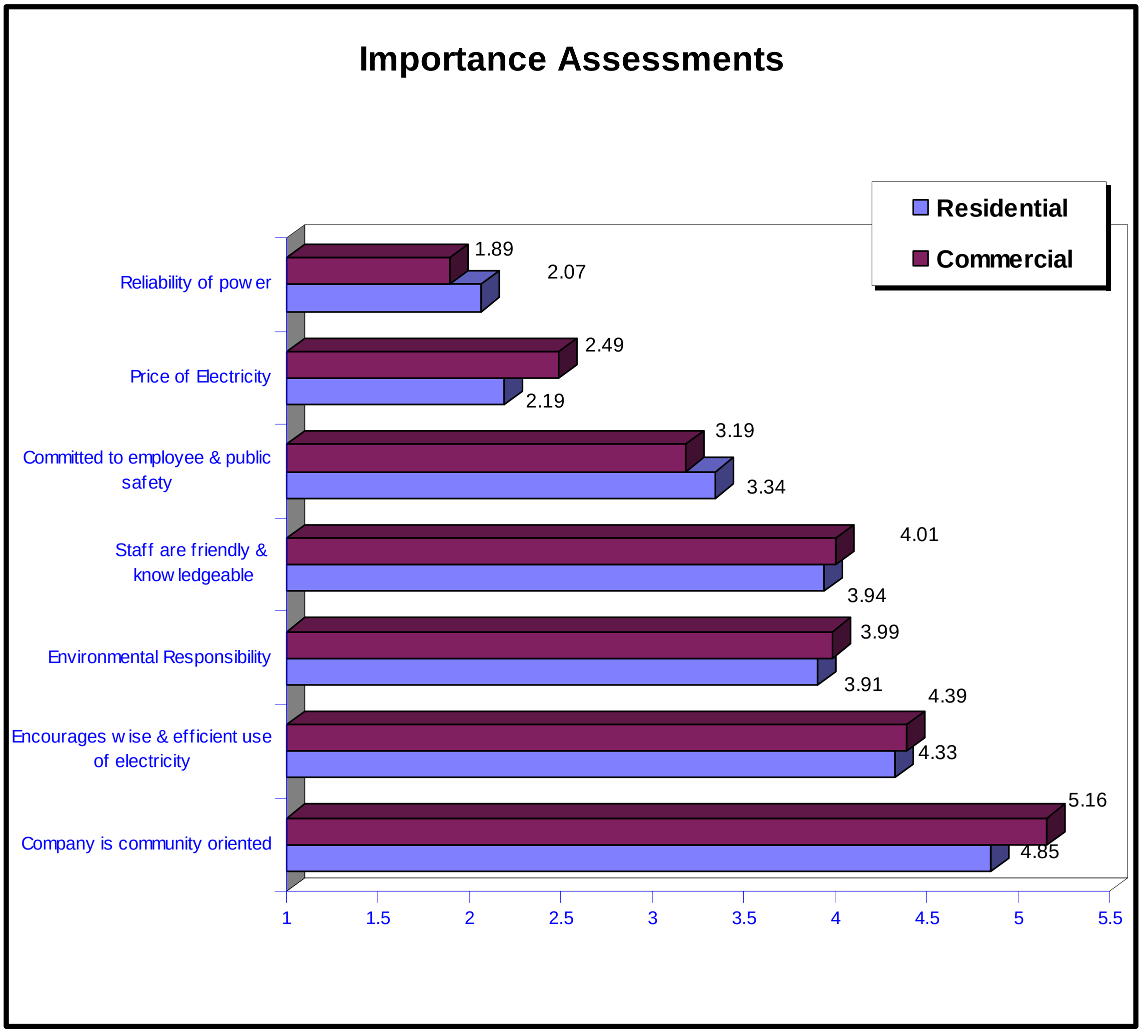
	This Quarter	Last Quarter	Same Quarter Last Year
Importance (Residential)			
Reliability of power	2.06 (1)	1.74 (1)	1.82 (1)
Price of Electricity	2.19 (2)	1.90 (2)	1.86 (2)
Committed to employee & public safety	3.34 (3)	3.20 (3)	3.21 (3)
Staff are friendly & knowledgeable	3.94 (5)	3.57 (4)	3.49 (4)
Environmental Responsibility	3.91 (4)	3.73 (5)	3.54 (5)
Company is community oriented	4.85 (7)	4.17 (7)	3.94 (7)
Encourages wise & efficient use of electricity	4.33 (6)	4.04 (6)	3.78 (6)
Importance (Commercial)			
Reliability of power	1.89 (1)	1.55 (1)	1.80 (1)
Price of Electricity	2.49 (2)	1.96 (2)	1.83 (2)
Committed to employee & public safety	3.18 (3)	3.27 (3)	3.27 (3)
Environmental Responsibility	3.98 (4)	3.93 (5)	3.70 (5)
Staff are friendly & knowledgeable	4.01 (5)	3.62 (4)	3.36 (4)
Company is community oriented	5.16 (7)	4.24 (7)	3.89 (6)
Encourages wise & efficient use of electricity	4.39 (6)	4.22 (6)	3.94 (7)

Note: The lower the number, the more importance placed on the item by the respondents.
The number in brackets is the ranking relative to the other items.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute with commercial customers, followed by price. The same is true for residential customers, although the two considerations are roughly at the same importance for residential customers where commercial customers placed greater importance upon reliability. This would be consistent with businesses having a greater reliance on technology and bearing the potential cost of downtime when power is unavailable.

The company's commitment to employee and public safety places third in importance, with environmental responsibility ranking fourth, just ahead of friendly and knowledgeable staff. The remaining aspects of service are consistently seen as less important.


Importance Assessments
Residential
Commercial
Reliability of power
1.89
2.07
Price of Electricity
2.49
2.19
Committed to employee & public safety
3.19
3.34
Staff are friendly & knowledgeable
4.01
3.94
Environmental Responsibility
3.99
3.91
Encourages wise & efficient use of electricity
4.39
4.33
Company is community oriented
5.16
4.85
1
1.5
2
2.5
3
3.5
4
4.5
5
5.5

Agreement with Service Features

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Power is reliable	98.4%	98.5%	97.4%
NP shows concern for public safety	92.3%	92.4%	94.6%
NP contributes to the community	77.0%	64.0%	74.0%
NP operates in an environmentally responsible manner	75.3%	74.4%	78.9%
NP is easy to contact for service/information	82.3%	80.5%	81.4%
NP's electricity bill is easy to read/understand	95.1%	93.9%	-
NP's billing is accurate	86.4%	-	-
NP provides high quality customer service	92.4%	-	-
There are very few power outages	94.8%	-	-
NP encourages customers to make more efficient use of electricity	93.8%	-	-
NP listens to and acts upon customer concerns	77.8%	-	-
NP restores power quickly when a problem occurs	96.0%	-	-
NP cares about its customers	90.8%	-	-
NP does a good job upgrading and maintaining the electric system	91.4%	-	-
NP provides high power quality free from voltage fluctuations	85.1%	-	-
NP has friendly and courteous staff	89.3%	-	-
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Power is reliable	97.8%	98.3%	97.4%
NP shows concern for public safety	94.2%	93.6%	94.7%
NP contributes to the community	77.0%	69.4%	80.3%
NP operates in an environmentally responsible manner	76.5%	76.5%	83.4%
NP is easy to contact for service/information	85.5%	83.1%	87.3%
NP electricity bill is easy to read/understand	90.6%	92.4%	-
NP's billing is accurate	78.5%	-	-
NP provides high quality customer service	93.2%	-	-
There are very few power outages	96.9%	-	-
NP encourages customers to make more efficient use of electricity	94.9%	-	-
NP listens to and acts upon customer concerns	78.0%	-	-
NP restores power quickly when a problem occurs	96.9%	-	-
NP cares about its customers	92.5%	-	-
NP does a good job upgrading and maintaining the electric system	90.1%	-	-
NP provides high power quality free from voltage fluctuations	84.5%	-	-
NP has friendly and courteous staff	93.2%	-	-

Commentary:

Agreement with Service Statements: This quarter 10 new statements were added to provide additional insight into the customer's overall opinion of how the Company is performing in specific service areas. All of the 10 new statements are similar to questions included in CEA's Public Attitudes Survey.

The table on the previous page represents the percentage of customers who agreed with statements about various aspects of Newfoundland Power's service. Compared to last year, there were slight improvements in residential customers' agreement that power is reliable, that the Company contributes to the community, and that the Company is easy to contact. Customers (95.1%) also agreed that NP's bill was easy to read and understand, compared with 93.9% in March and 94.4% in December 2005.

Customers were also asked whether they agreed with each of a number of new statements. Over 90% of the residential customers agreed that NP restores power quickly after a problem occurs, that there are very few power outages, that NP encourages customers to make more efficient use of electricity, that the Company provides high quality customer service, that NP does a good job upgrading and maintaining the electrical system, and that NP cares about its customers. In addition 89.3% of customers agreed that NP has friendly and courteous staff, 86.4% that NP's billing is accurate, 85.1% that NP provides high quality power free from voltage fluctuations, and 77.8% that NP listens to and acts upon customer concerns.

Among commercial customers, in comparison with last year there was greater agreement that power is reliable. There was less agreement that NP shows concern for public safety, contributes to the community, operates in an environmentally responsible manner, and is easy to contact.. Among the newer statements asked this quarter, over 90% agreed that there are very few power outages, that NP restores power quickly when a problem occurs, encourages customers to make more efficient use of electricity, provides high quality customer service, has friendly and courteous staff, cares about its customers, and does a good job upgrading and maintaining the electrical system. As well, 84.5% agree that the Company provides high power quality free from voltage fluctuations, 78.5% that NP billing is accurate, and 78.0% that the company listens to and acts upon customer concerns.

Overall, the level of agreement with these indicators remains very high, thereby suggesting that customers have a very positive impression of service.

Looking at items where the level of agreement was lower than the others (contribution to the community, operating in an environmentally responsible manner, and listening to / acting on customer concerns), the lower rankings do not reflect negative views by the customers so much as neutral views. With residential customers, 19.8%, 21.4%, and 18.4% of those responding on these three statements expressed neither agreement nor disagreement. Those expressing disagreement with the statements were only 3.3%, 3.2% and 3.7% of the total respectively. Similarly with commercial customers, customers who do not agree with the statements about service are actually neutral rather than actually disagreeing.

No other factors were identified as contributing to the levels of agreement with the different statements, beyond an apparent relationship between education level and residential agreement with the statement concerning environmental responsibility – 29% of persons identifying themselves as college graduates and 42% of those with a post graduate degree expressed neither agreement nor disagreement that the company operates in an environmentally responsible manner.

Customer Satisfaction Survey Results
September 2006

Customer Satisfaction Survey Results
September 2006
Newfoundland Power

Summary

The customer satisfaction index for the third quarter was 88%, an increase from 87% last quarter and the same as September 2005. Our annual target for 2006 is 87%.

Ratings of Overall Service satisfaction were unchanged from last quarter for both residential and commercial customers. Persons who provided low ratings were motivated most often by rates or pricing concerns.

Contact Centre service ratings improved this quarter for residential customers, with the satisfaction rating moving from 8.7 to 8.9. Commercial customer ratings declined from 8.7 to 8.5. The customers' ratings continue to be heavily influenced by whether or not the customer's concern was handled on the first call. While residential customers who called only once provided satisfaction ratings of 9.2 out of 10 on average (v.s. 9.0 for commercial customers), the 15% of customers who reported having to call more than once provided satisfaction ratings of 6.7 out of 10, in the case of residential customers, and 7.9 out of 10, in the case of commercial customers.

The percentage of customers who report calling more than once continued its trend of moving up and down from quarter to quarter; from 10% in June 2005, to 12% in September 2005, to 13.6% in December 2005, to 11% in March 2006 and 14.6% in both June and September 2006. The main types of calls associated with repeat calls were those associated with new services, meter reading / high bill issues, pole removals, and street light repairs.

Residential customer satisfaction with field service was unchanged this quarter from the last quarter, at 8.9. Commercial customer satisfaction decreased from 9.3 to 9.0. Only four respondents provided ratings of six or less, two of whom had issues with damage to their property as a result of pole installations.

Satisfaction with cash services decreased for residential customers this quarter from 8.6 to 8.4 and increased from 8.3 to 8.9 for commercial customers. The ratings are lower than when cash services were provided at Newfoundland Power, but have maintained ratings of between 8.0 and 8.9 since it moved to Dominion. The most common issue among respondents who provided ratings of six or less was that they felt line-ups were too long or slow.

For residential and commercial customers, reliability and price continue to be the two most important aspects of our service, followed by a commitment to public and friendly or knowledgeable staff.

Customers were asked the degree to which they agreed with various statements regarding NP service areas such as reliability, community concerns, safety, environmental responsibility, and concern for customers. Over 90% of the respondents strongly or somewhat agreed with most of the statements. In the cases where the agreement was less, a significant majority was neutral. Only small percentages (less than 4%) disagreed with the various statements included.
This quarter we asked the respondents whether they had implemented any energy saving measures in their home or business. Just over 41% of residential and nearly 28% of commercial

customers said they had taken action in this regard. These percentages are consistent with results from March 2006 and December 2005 surveys. Conservation measures such as turning off lights and heat were the most commonly cited, though the installation of compact fluorescent bulbs was a close second.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of over 800 residential and over 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within our service area. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our offices.

In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	This Quarter	Last Quarter	Same Quarter Last Year
Index Components				
Residential				
Call Centre Service	40%	8.9	8.7	8.7
Field Service	20%	8.9	8.9	8.2
Cashier Service	20%	-	-	9.6
First Call Resolution	20%	8.9	8.7	-
Overall Service	20%	8.6	8.6	8.6
Commercial				
Call Centre Service	40%	8.5	8.7	9.0
Field Service	20%	9.0	9.3	9.3
Cashier Service	20%	-	-	9.5
First Call Resolution	20%	7.8	8.3	-
Overall Service	20%	8.9	8.9	8.8
Customer Satisfaction Index		8.8	8.7	8.8
2006 Annual Target	87%			

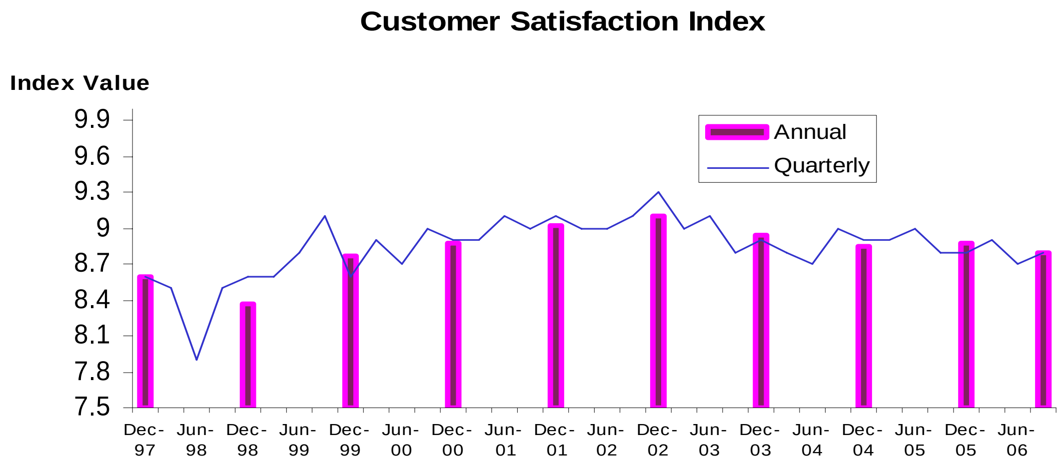
Findings:

- The September 2006 result of 8.8 is a slight increase from 8.7 in June 2006 and is the same result as September 2005. From September 2005 to September 2006, customers have experienced a rate increase of 5.5%, yet the Index has remained stable throughout the same period.

- We saw slight improvements in residential customers' ratings of call centre service and first call resolution. Commercial customers reported slightly lower satisfaction with call centre service, field service, and lower first call resolution. Other aspects of service were rated the same as in June.

  In Residential:
  - Call Centre increased by 0.2
  - Field Service remained the same
  - First Call Resolution increased by 0.2
  - General Satisfaction remained the same

  In Commercial:
  - Call Center Service decreased by 0.2
  - Field Service decreased by 0.3
  - First Call Resolution decreased by 0.5
  - General Satisfaction remained the same



The historical quarterly and annual trend for the Customer Satisfaction Index is shown in the above graph. The quarterly index is represented by the line graph and it continues to fluctuate slightly from quarter to quarter. The annual index is represented by the bar graph. Annually, the index has been relatively stable since 1999 with the annual results fluctuating between 8.8 and 9.1 over this seven year period.

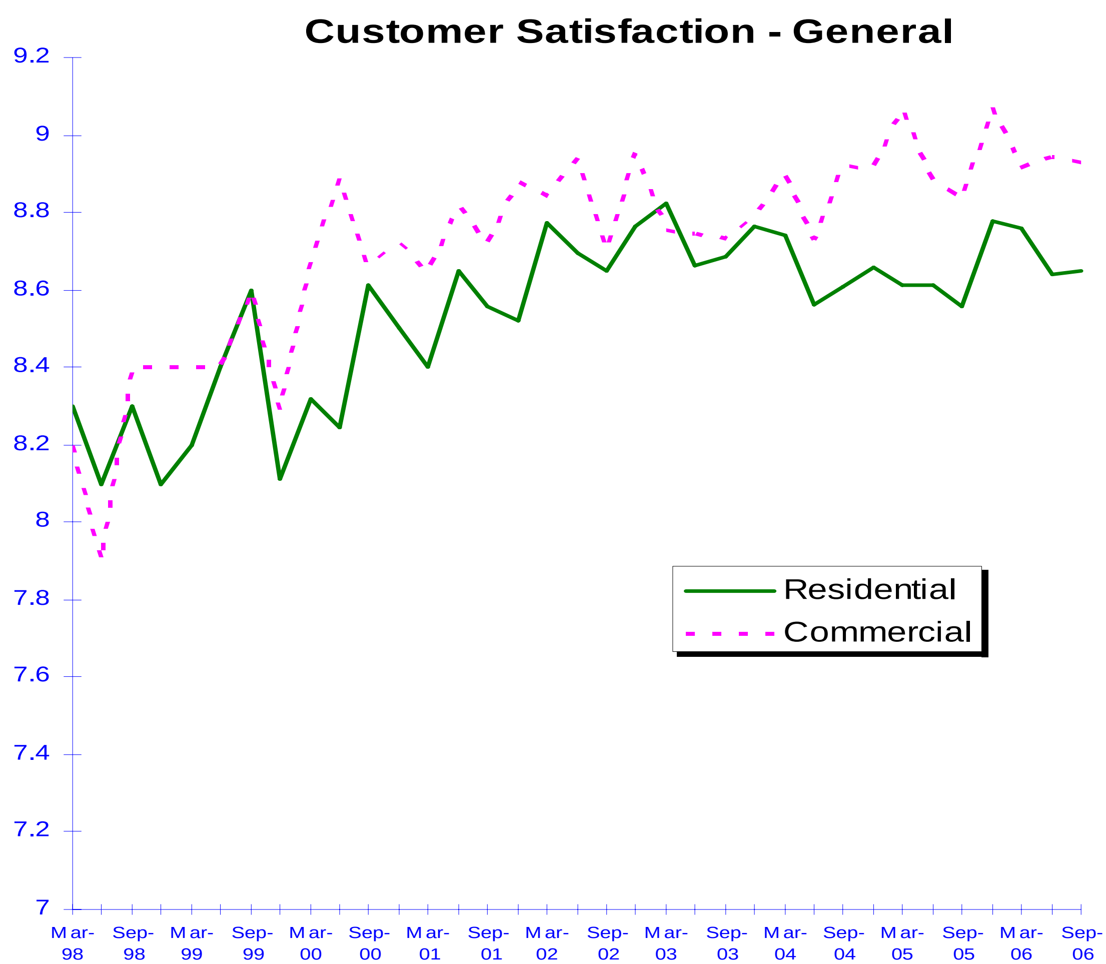
Satisfaction with Overall Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.6	8.6	8.6
Commercial	8.9	8.9	8.8
Total	8.7	8.7	8.7

Commentary:

Findings: All three ratings remained the same as last quarter. There was a slight improvement in the ratings from commercial customer over the same quarter last year.



Among residential customers, the average score was highest in Gander (9.04) and lowest in Corner Brook (8.16). The average scores from commercial customers ranged from a high of

9.22 in Clarenville to a low of 8.64 in Gander. There continues to be geographical variations in ratings every quarter, however, there is no trend of high or low ratings from specific areas.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 76 customers in this group, 63 provided a reason. Of the 63, the more significant reasons were 35 (56%) referred to rates, costs, or pricing, 9 (14%) to outages or power quality problems, and 5 (8%) to service in general.

Summary: Customers who provide lower scores in their responses to this question are primarily motivated by high prices.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.9	8.7	8.7
Commercial	8.5	8.7	9.0
First Resolution			
Total	85.4%	85.4%	88.1%
Residential	88.7%	87.4%	88.3%
Commercial	78.1%	82.8%	87.8%
Improvements Needed			
None	56.4%	51.8%	68.8%
A Little	35.4%	36.3%	21.9%
A Lot	6.4%	8.9%	7.4%

Commentary:

Findings: 28% of residential and 25% of commercial participants in this quarter's survey said they had called within the last six months. The % of residential participants is typical of previous survey results, however, the % of commercial participants is lower than the normal range of 28-32%.

This quarter, residential customers' ratings of satisfaction with telephone service improved from 8.7 to 8.9. commercial customers' ratings decreased by 0.2 from 8.7 to 8.5.

Commercial customers in the Clarenville and Burin areas had the greatest degree of satisfaction (9.5 and 9.3) with telephone service. Carbonear showed the lowest degree of satisfaction (7.8). Grand Falls residential customers (9.3) had the highest degree of satisfaction among residential customers. Corner Brook (8.3) had the lowest residential telephone ratings.   There continues to be geographical variations in ratings every quarter, however, there is no trend of high or low ratings from specific areas.

Among residential customers, about 78% said they had called a Customer Account Representative, 18% the automated power outage information system (TVD) and 4% the automated account balance system. The corresponding percentages for commercial customers were 72% to a Customer Account Representative, 23% to TVD and 5% to the automated account balance application. This is similar to previous surveys.

Among residential customers, those calling Customer Account Representatives provided higher telephone satisfaction ratings (8.98) than those who called the automated account system (8.54) and TVD (8.43). Among commercial customers, the automated account balance application (9.0 although used by only five commercial respondents in this survey), received the highest rating, compared with 8.63 for Customer Account Representatives and 8.17 for TVD.

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among commercial customers, the highest telephone satisfaction ratings were for two enquiries about energy efficiency programs (10.0). Other subjects where satisfaction was at or above the commercial average of 8.5 were, in descending order, high bill; EPP/Automatic Payment/electronic billing; meter reading or estimating; street lights; new services; pole removals; and electrician calls. Calls concerning balance owing on accounts, and power interruptions resulted in ratings slightly lower than the commercial average.

For residential customers, calls relating to EPP/Automatic Payment/electronic billing; electrician calls; new services; street lights; balance on accounts; and power outages resulted in satisfaction ratings higher than the residential average. Calls with ratings slightly lower than the average were for meter reading / estimating and high bills.

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 29 such responses were made including both residential and commercial customers. The most common issues was a dislike of interactive voice response systems (ten or 35%), followed by delays in responding to power outages (five or 17%). The remainder were single mentions of various items.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call remained the same as last quarter, at 85.4%.

Residential results improved from 87.4% to 88.7% but commercial results dropped more substantially, from 82.8 to 78.1%. The residential result was the fourth highest quarter result historically and the highest since June 2005, but the commercial result was the lowest first call resolution rate since December 2004.

The 30 customers who said they had to call us more than once were asked why this was necessary. Seven or 23% said there was an issue with a new service; 3 others (10% each) indicated each of meter reading or high billing issues, pole removals, and street light repairs and two referred to each of outages and tree trimming. The rest were single mentions of particular issues.

Customer Satisfaction Rating, Telephone Service								
	Resolved First Call				Not Resolved on First Call			
	Sept'06	Jun'06	Mar'06	Dec'05	Sept'06	Jun'06	Mar'06	Dec'05
Residential	9.2	9.1	9.3	9.4	6.7	6.0	4.9	6.9
Commercial	9.0	9.4	9.4	8.8	7.9	5.5	6.6	6.8

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once.

Improvements: The percentages of respondents who feel we can improve our telephone service "a little" decreased from 36% to 35% since last quarter, with those who say we can improve "a lot" decreased from 8.9% to 6.4%.

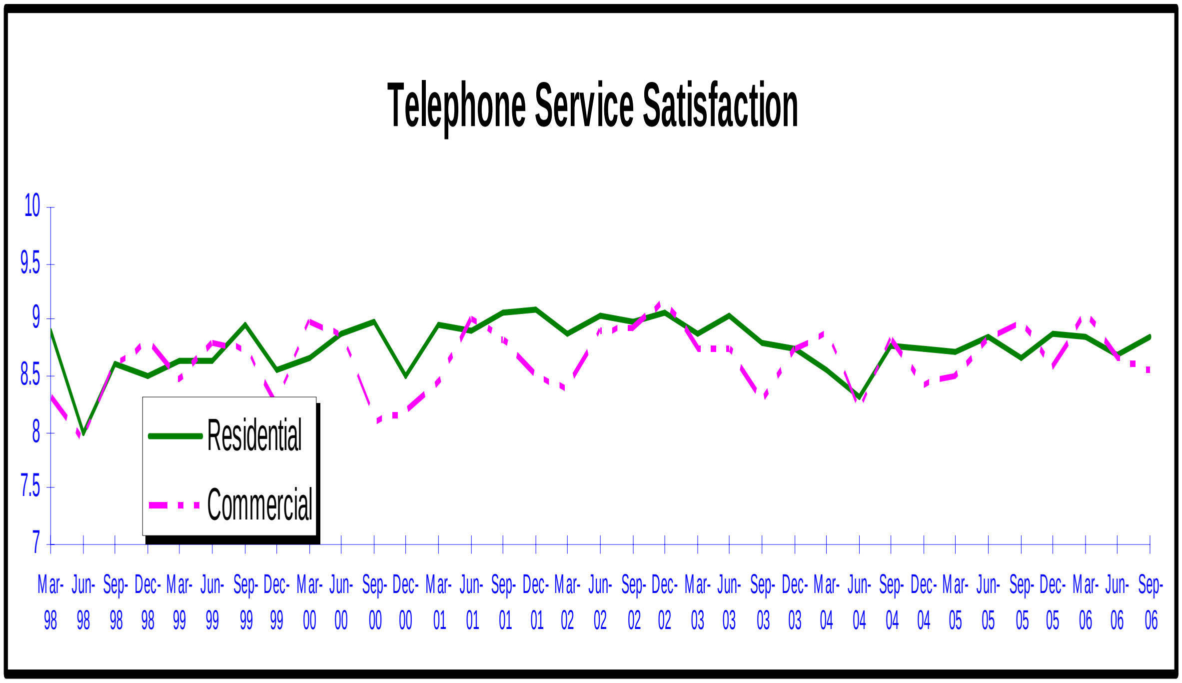
Improvement Requirements Identified			
Service Called	**None**	**A Little**	**A Lot**
Customer Acct Reps	63.4%	31.7%	4.5%
Automated Acct Balance	45.5%	45.5%	0%
TVD	54.3%	28.3%	15.2%

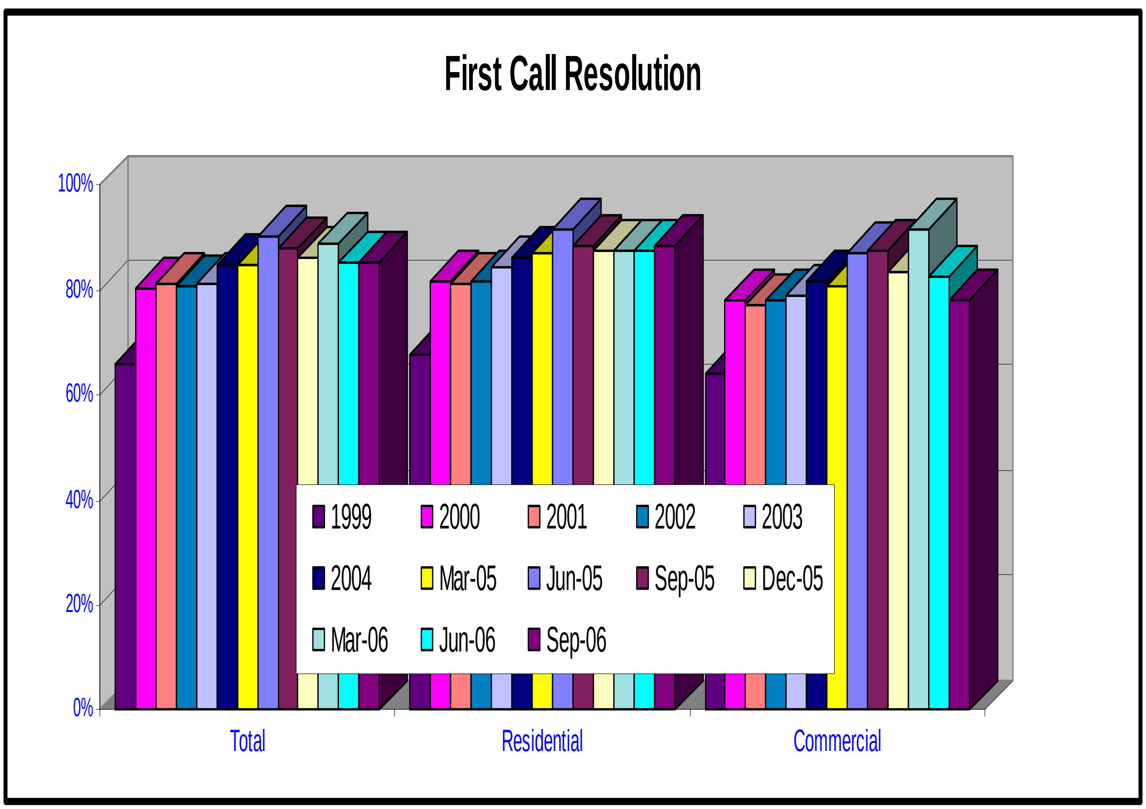
In their comments, of the 23 respondents who said we can improve "a lot", 22% or 5 indicated they felt we should have more people answering the phone, 17% or 4 that we should answer right away, two that we should have more courteous staff, and two that questions should be answered on the first call.

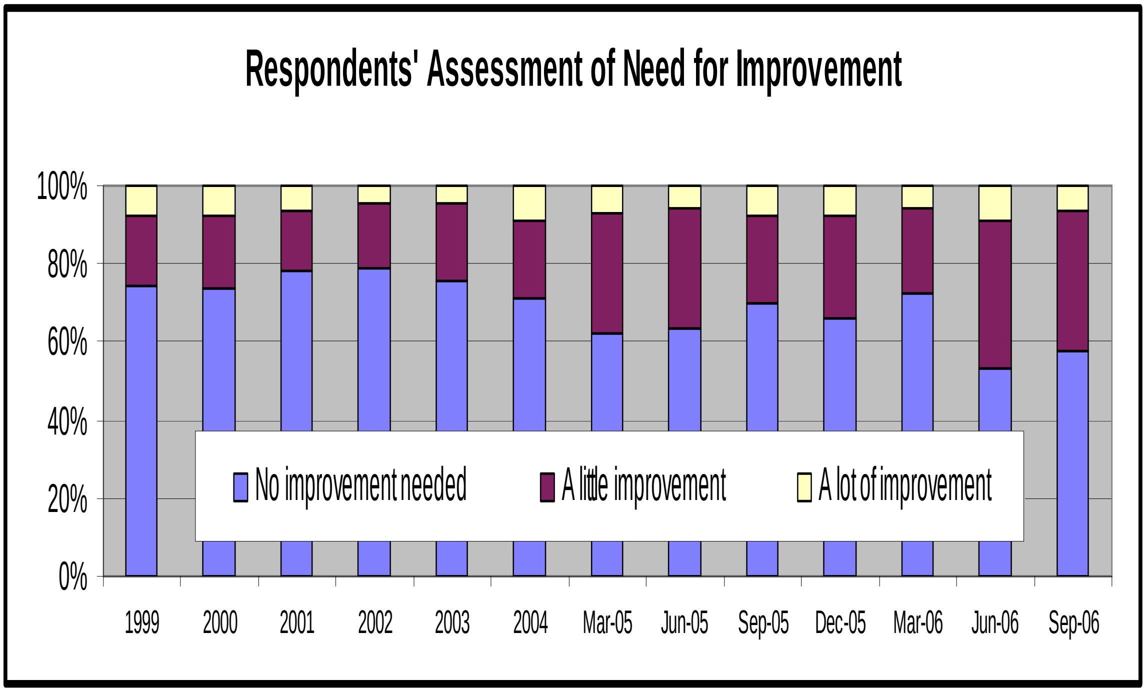
Of the 128 customers who said "a little" improvement was required, 17% or 22 said more people should be answering the phone, and 16% or 20 identified their dislike of the interactive voice response system. 6% or 8 said we should answer questions on the first call.

Summary: The graph below indicates that residential customer satisfaction has moved upward this quarter, while commercial customer satisfaction has dropped slightly in each of the last two quarters. Both are still within the normal range of responses. It is important to note that negative comments tend to come from a small portion of the overall respondents. The 23 customers who saw "a lot" of room for improvement is a small portion (6.4%) of the 362 customers who called us in the last six months.

Historical Data:







Satisfaction with Field Services

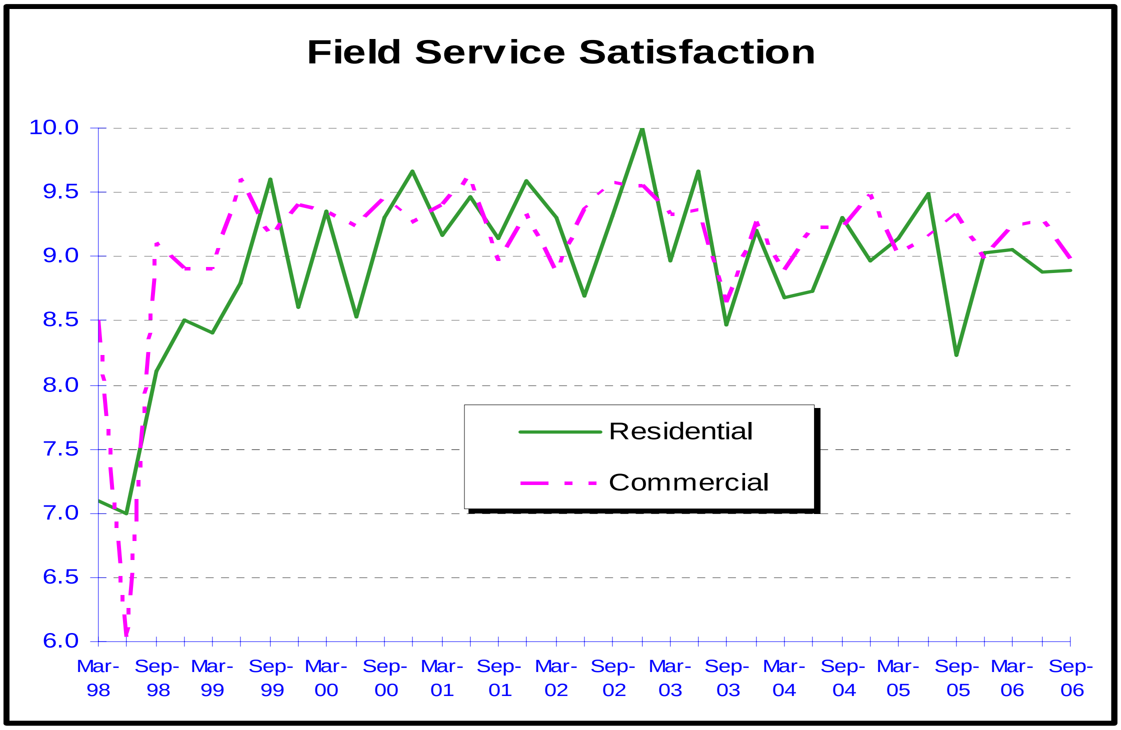
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.9	8.9	8.2
Commercial	9.0	9.3	9.3
Improvements Needed			
None	62.3%	60.2%	75.0%
A Little	26.1%	31.3%	17.6%
A Lot	1.4%	2.4%	4.4%

Commentary:

Findings: 4.2 % of residential (38 customers) and 8.1% of commercial customers (33) reported having been visited by a lineperson, technician, collector, or customer services specialist in the past six months. The most common reasons given for the visits were to replace or install a meter, followed by obtaining an electrical service location, tree trimming and temporary service disconnections.

Customers' satisfaction with the level of service provided during these field visits was stable compared to last quarter for residential customers, and declined slightly for commercial customers. The relatively small number of respondents results in greater volatility of the results, which is shown on the following graph.

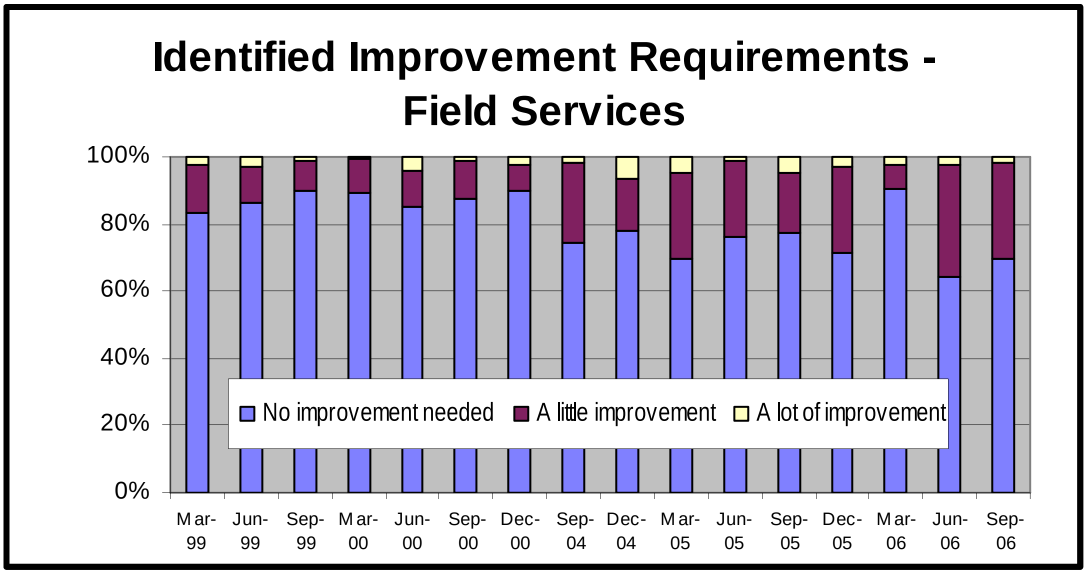


Primary Reasons for Low Ratings: Only 4 of the 71 customers who received a field visit in the last six months provided a rating of six or less. Two mentioned a concern with minor damage to their property after poles were installed. The other two were one-of issues.

Improvements: The percentage of respondents who stated we need to improve field services "a little" declined this quarter in comparison to last quarter, while the percentage saying we needed to improve "a lot" remained at a low level. There was only one response that "a lot" of improvement was needed; this was a business that actually provided an overall rating of 8 out of 10 for satisfaction with field service, but indicated they had had an electrical problem and felt we should have responded more quickly.

There were 18 responses that "a little" improvement is needed in field service, including three of the four persons who provided ratings of six or less. 33% or 6 of the 18 had been in contact in relation to electrical service location, 4 in relation to installing or replacing a meter, 3 in regards to tree trimming and 2 with wire/poles relocation issues.

The following graph shows the trend in the percentage of customers who believe we can improve our field service.


Identified Improvement Requirements - Field Services
100%
80%
60%
40%
20%
0%
No improvement needed
A little improvement
A lot of improvement
Mar-99
Jun-99
Sep-99
Mar-00
Jun-00
Sep-00
Dec-00
Sep-04
Dec-04
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06
Jun-06
Sep-06

Satisfaction with Cashier Services (Dominion)

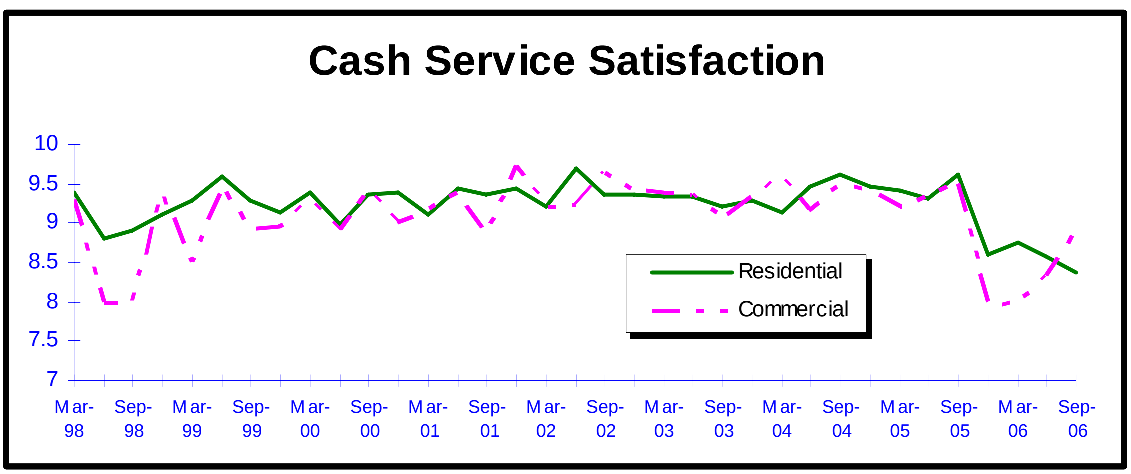
Key Indicators:

	This Quarter (Dominion)	Last Quarter (Dominion)	Same Quarter Last Year (NP)
Satisfaction with Service			
Residential	8.4	8.6	9.6
Commercial	8.9	8.3	9.5
Improvements Needed			
None	60.7%	61.5%	87.7%
A Little	26.2%	24.4%	9.1%
A Lot	10.3%	11.1%	2.1%

Commentary:

Findings: 13% of residential customers (122) and 5.6% of commercial customers (23) reported having visited a Dominion payment center in the last three months. Comparative numbers for June refer to Dominion while the "same quarter last year" refers to payment locations at Newfoundland Power offices. Customers' ratings of satisfaction with cash services slightly declined for residential and improved for commercial customers.

As per the graph below, cash service ratings were typically in the 9.0-9.5 range until after September, 2005 when the company closed the cash offices and moved this service to Dominion. Since that time, the cash service ratings have been in the range of 8.0-8.9. While the commercial rating has improved in the last two quarters, the residential rating has slightly declined. We will be sharing these results with Dominion.



Ratings by Area: Customers' Satisfaction ratings with cash service by area were compared with the following results. Note many of the areas had no commercial customer responses.

Area	**Residential**	**Commercial**
St. John's	8.29	9.33
Carbonear	8.90	-
Burin	9.00	-
Clarenville	9.13	-
Gander	8.53	6.67
Grand Falls	8.81	9.75
Corner Brook	7.24	8.50
Stephenville	10.00 (1)	-
Total Company	**8.39**	**8.91**

(1) Based on one response.

Primary Reasons for Low Ratings: The 22 respondents who provided a rating of six or less were asked to provide the main reason for their response. Of the 22, 27% or 6 indicated they felt the line-ups were too long or slow, while 2 each (9% each) mentioned impersonal service, dislike of the smoke shop locations, and issues with not being able to pay by cheque.

Improvements: The percentage of customers who believe we could improve our cashier services "a little" has increased from 24.4% to 26.2%, while the percentage of customers who believe we can improve our cashier services "a lot" has decreased, from 11.1% to 10.3%. A total of 53 people suggested improvements, with 24% or 13 suggesting more cashiers during peak periods, 21% or 11 suggesting changes to the layout or facility, 13% or 7 suggesting it be moved from the smoke shop, 11% or 6 suggesting that credit card payments be accepted, 8% or 4 suggesting that cheques be accepted and 8% or 4 requesting more courteous cashiers. There were a number of other one-of suggestions.

Importance of Items

Key Indicators:

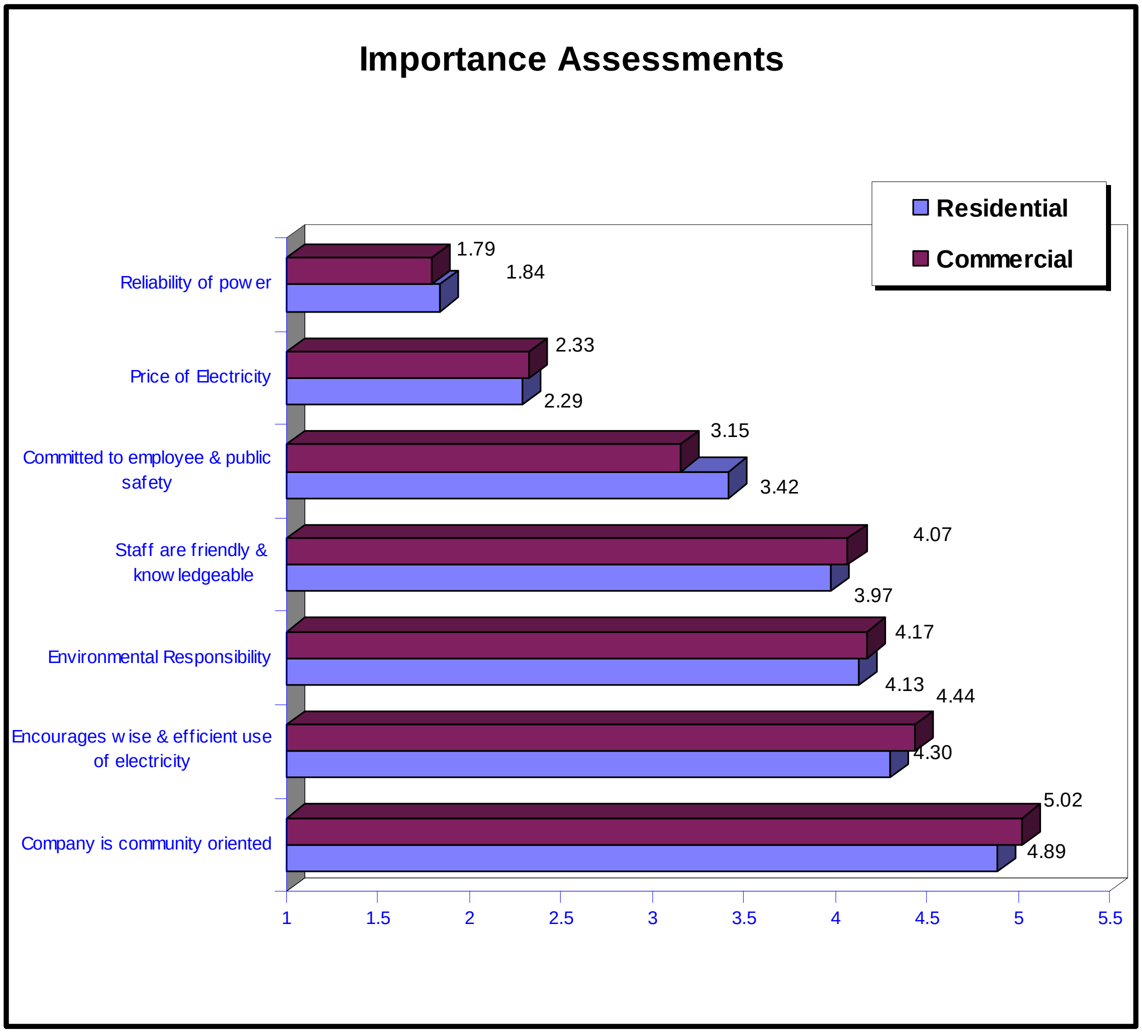
	This Quarter	Last Quarter	Same Quarter Last Year
Importance (Residential)			
Reliability of power	1.84 (1)	2.06 (1)	1.78 (1)
Price of Electricity	2.29 (2)	2.19 (2)	1.61 (2)
Committed to employee & public safety	3.42 (3)	3.34 (3)	3.34 (3)
Staff are friendly & knowledgeable	3.97 (4)	3.94 (5)	3.94 (5)
Environmental Responsibility	4.13 (5)	3.91 (4)	3.91 (4)
Encourages wise & efficient use of electricity	4.30 (6)	4.33 (6)	4.33 (6)
Company is community oriented	4.89 (7)	4.85 (7)	4.85 (7)
Importance (Commercial)			
Reliability of power	1.79 (1)	1.89 (1)	1.71 (1)
Price of Electricity	2.32 (2)	2.49 (2)	1.75 (2)
Committed to employee & public safety	3.15 (3)	3.18 (3)	3.17 (3)
Staff are friendly & knowledgeable	4.07 (4)	4.01 (5)	3.27 (5)
Environmental Responsibility	4.17 (5)	3.98 (4)	3.72 (4)
Encourages wise & efficient use of electricity	4.44 (6)	4.39 (6)	3.78 (7)
Company is community oriented	5.02 (7)	5.16 (7)	3.99 (6)

Note: The lower the number, the more importance placed on the item by the respondents.
The number in brackets is the ranking relative to the other items.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute for both residential and commercial customers, followed by price. For residential customers, the relative importance of reliability has increased this quarter (1.84 as compared to 2.29 for price).

The company's commitment to employee and public safety places third in importance, with friendly and knowledgeable staff ranking fourth, just ahead of environmental responsibility. The remaining aspects of service are consistently seen as less important, although encouraging the wise and efficient use of electricity is consistently seen as more important than community orientation.



Importance Assessments
Residential
Commercial
Reliability of pow er
1.79
1.84
Price of Electricity
2.33
2.29
Committed to employee & public safety
3.15
3.42
Staff are friendly & know ledgeable
4.07
3.97
Environmental Responsibility
4.17
4.13
Encourages w ise & efficient use of electricity
4.44
4.30
Company is community oriented
5.02
4.89
1
1.5
2
2.5
3
3.5
4
4.5
5
5.5

Agreement with Service Features

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Power is reliable	99.1%	98.4%	97.0%
NP shows concern for public safety	95.0%	92.3%	93.9%
NP contributes to the community	74.1%	77.0%	70.6%
NP operates in an environmentally responsible manner	76.6%	75.3%	78.8%
NP is easy to contact for service/information	82.4%	82.3%	81.1%
NP's electricity bill is easy to read/understand	96.3%	95.1%	-
NP's billing is accurate	85.1%	86.4%	-
NP provides high quality customer service	91.9%	92.4%	-
There are very few power outages	95.2%	94.8%	-
NP encourages customers to make more efficient use of electricity	93.6%	93.8%	95.0%
NP listens to and acts upon customer concerns	76.4%	77.8%	-
NP restores power quickly when a problem occurs	96.5%	96.0%	-
NP cares about its customers	89.5%	90.8%	-
NP does a good job upgrading and maintaining the electric system	90.7%	91.4%	-
NP provides high power quality free from voltage fluctuations	87.6%	85.1%	-
NP has friendly and courteous staff	87.0%	89.3%	-
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Power is reliable	97.8%	97.8%	95.2%
NP shows concern for public safety	94.9%	94.2%	94.7%
NP contributes to the community	77.0%	77.0%	72.5%
NP operates in an environmentally responsible manner	79.5%	76.5%	79.2%
NP is easy to contact for service/information	82.6%	85.5%	83.1%
NP electricity bill is easy to read/understand	91.2%	90.6%	-
NP's billing is accurate	81.4%	78.5%	-
NP provides high quality customer service	90.5%	93.2%	-
There are very few power outages	94.4%	96.9%	-
NP encourages customers to make more efficient use of electricity	96.1%	94.9%	96.9%
NP listens to and acts upon customer concerns	78.2%	78.0%	-
NP restores power quickly when a problem occurs	96.8%	96.9%	-
NP cares about its customers	91.4%	92.5%	-
NP does a good job upgrading and maintaining the electric system	91.0%	90.1%	-
NP provides high power quality free from voltage fluctuations	86.1%	84.5%	-
NP has friendly and courteous staff	94.6%	93.2%	-

Commentary:

Agreement with Service Statements: The table on the previous page represents the percentage of customers who agreed with statements about various aspects of Newfoundland Power's service.

Among residential customers, compared to last year there were slight improvements in residential customers' agreement that power is reliable, that the Company contributes to the community, shows concern for public safety, and that the Company is easy to contact. There were slight declines in customer agreement that the Company operates in an environmentally responsible manner, and encourages customers to make more efficient use of electricity. One interesting note is that over 99% of residential customers agree that "power is reliable."

Many of the statements were only introduced for the first time in June of 2006 so the only comparison available is with the last quarter. Over 90% of the residential customers, agreed that NP restores power quickly after a problem occurs, that there are very few power outages, that NP encourages customers to make more efficient use of electricity, that the Company provides high quality customer service, that NP does a good job upgrading and maintaining the electrical system, and that the electricity bill is easy to read and understand. In addition 89.5% of customers agreed that NP cares about its customers, 87.6% that NP provides high quality power free from voltage fluctuations, and 87.0% that NP has friendly and courteous staff. Over 85% agree that NP's billing is accurate and 82.4% said the company is easy to contact, while 76.4% agreed that NP listens to and acts upon customer concerns.

Among commercial customers, in comparison with last year, there was greater agreement that power is reliable, that NP shows concern for public safety, contributes to the community, and operates in an environmentally responsible manner. There was less agreement that NP encourages customers to make more efficient use of electricity and is easy to contact. However, all the variances from last year were slight.

Among the newer statements, over 90% agreed that there are very few power outages, that NP's electricity bill is easy to read and understand, provides high quality customer service, there are few power outages, the company restores power quickly when a problem occurs, has friendly and courteous staff, cares about its customers, and does a good job upgrading and maintaining the electrical system. As well, 86.1% agree that the Company provides high power quality free from voltage fluctuations, 81.4% that NP billing is accurate, and 78.2% that the company listens to and acts upon customer concerns.

Overall, the level of agreement with these indicators remains very high, thereby suggesting that customers have a very positive impression of service.

Looking at items where the level of agreement was lower than the others (contribution to the community, operating in an environmentally responsible manner, and listening to / acting on customer concerns), the lower rankings do not reflect negative views by the customers so much as neutral views. With residential customers, 23.3%, 20.6%, and 19.5% of those responding on these three statements expressed neither agreement nor disagreement. Those expressing disagreement with the statements were only 2.7%, 2.8% and 4.0% of the total respectively. Similarly with commercial customers, customers who do not agree with the statements about service are generally neutral rather than actually disagreeing.

There seems to be a relationship between education level and residential agreement with a number of statements, including concern for public safety, environmental responsibility, contribution to the community, ease of contacting for service, high quality customer service, listening to and acting upon customer concerns, caring about its customers, upgrading the electric system, and having friendly and courteous staff. With increasing education level the degree of agreement is reduced as more customers move from the “strongly agree” category to the “somewhat agree” category, or to the “neither” category. This may be a reflection of individuals feeling they are not as familiar with the company and not wanting to commit themselves, or perhaps having less contact with the company.

Customer Energy Changes

In this survey, the customers were asked if they had taken any action in their home or business to reduce energy usage in the last three months, and what those actions had been. The same questions were asked in March 2006 and December 2005, providing a comparison.

Findings:
Customers reported their energy actions as follows:

	September 2006	**March 2006**	**December 2005**
Have you implemented any action to reduce your home's business's energy usage?			
Residential	41.2%	40.8%	41.7%
Commercial	27.6%	26.7%	27.5%
Total	37.0%	36.1%	36.9%

The action items reported by the respondents were as shown in the following table:

Energy Saving Action	Residential Mentions	Percent of Those Taking Action	Commercial Mentions	Percent of Those Taking Action
Conservation (lights, appliances)	127	33.9%	38	33.6%
Compact Fluorescent Light Bulbs	113	30.1%	36	31.9%
Maintain or purchase windows / doors	32	8.5%	10	8.8%
Basement Insulation	31	8.3%	8	7.1%
Clothesline usage	26	6.9%	3	2.7%
Conservation (heat)	23	6.1%	17	15.0%
Cold Water Wash	23	6.1%	2	1.8%
Attic Insulation	19	5.1%	4	3.5%
Conservation (hot water)	19	5.1%	0	0.0%
New appliances	18	4.8%	2	1.8%
Weather Stripping Exterior Doors	15	4.0%	3	2.7%
Low Flow Shower Heads	8	2.1%	2	1.8%
Repairs including caulking	8	2.1%	2	1.8%
Wood stove or fireplace	8	2.1%	1	0.9%
Insulation	7	1.9%	1	0.9%
Programmable Thermostats	6	1.6%	3	2.7%
High Performance Thermostats	5	1.3%	0	0.0%
Better heating equipment	5	1.3%	3	2.7%
Faucet Aerators	3	0.8%	1	0.9%
Foam Insulation around Hot Water Pipes	2	0.5%	1	0.9%
Insulation Blanket around Hot Water Tank	1	0.3%	1	0.9%
Other	12	3.2%	13	11.5%
Total Items Mentioned	511		151	

Energy Use:

Respondents were asked about their source of heating for their home/ business. The following are the results (of those who said "Other", three said they had hot water radiation, two heat pumps, one diesel, one heat from an adjacent factory, and the rest did not indicate a source).

Heating Sources:
(Note multiple answers were allowed)

	Residential	Commercial	Total
Electricity	66.5%	76.3%	69.5%
Oil	31.7%	35.2%	32.8%
Wood	19.0%	4.6%	14.5%
Propane	4.1%	4.2%	4.1%
Other	1.6%	2.9%	2.0%

Commentary:

Among residential customers, the percent reporting having taken an energy improvement action increased generally with education level (47% of those having either some college or university education, a university degree, or a post graduate degree reported having taken some form of action). It also appears that the percent reporting taking an energy efficiency action decreases with age.

Geographically, the percentage of residential customers who said they had implemented an energy saving action varies from a low of 32% in Grand Falls to a high of 48% in Gander. Other area percentages are 34% (Carbonear); 36% (Burin); 41% (Clarenville); 43% (Corner Brook); and 44% (Stephenville and St. John's).

Customer Satisfaction Survey Results
December 2006

Customer Satisfaction Survey Results
December 2006
Newfoundland Power

Summary

The customer satisfaction index for the fourth quarter was 92%, an increase from 88% last quarter and 88% in December 2005. Our annual result for the year was 89% compared with the target of 87%.

Ratings of Overall Service satisfaction increased to 8.8 from 8.7 last quarter for both residential and commercial customers. Commercial customers' ratings stayed the same at 8.9 but residential customers' rating of overall satisfaction increased from 8.6 to 8.7. Persons who provided low ratings were motivated most often by rates or pricing concerns, then by outages and various service issues.

Contact Centre service ratings improved this quarter for both residential and commercial customers, with the satisfaction rating moving from 8.9 to 9.2 for residential and from 8.5 to 9.0 for commercial customers. The customers' ratings continue to be heavily influenced by whether or not the customer's concern was handled on the first call. While residential customers who called only once provided satisfaction ratings of 9.1 out of 10 on average (v.s. 9.4 for commercial customers), the 10% of customers who reported having to call more than once provided satisfaction ratings of 7.6 out of 10, in the case of residential customers, and 5.8 out of 10, in the case of commercial customers.

The fact that the percentage of customers having to call more than once declined from 15% last quarter to 10% this quarter, seems to have contributed greatly to the improved results this quarter. This percentage continued its trend of moving up and down from quarter to quarter; from 10% in June 2005, to 12% in September 2005, to 13.6% in December 2005, to 11% in March 2006 and 14.6% in both June and September 2006. This quarter the main types of calls associated with repeat calls were those associated with pole removals, high bill enquiries, billing, and new services.

Residential customer satisfaction with field service improved this quarter, from 8.9 to 9.4. Commercial customer satisfaction also increased, from 9.0 to 9.2. Only four respondents provided ratings of six or less; two of these had issues with meter changes, one with a pole removal and the fourth with perceived delays obtaining underground service.

Satisfaction with cash services increased this quarter from 8.4 to 8.6 for residential customers and decreased from 8.9 to 8.7 for commercial customers. The ratings are lower than when cash services were provided at Newfoundland Power, but the ratings have held within the range of 8.0 and 8.9 since the service moved to Dominion. The most common issue among respondents who provided ratings of six or less was that they felt line-ups were too long or slow.

For residential and commercial customers, reliability and price continue to be the two most important aspects of our service, followed by a commitment to public safety and friendly or knowledgeable staff.

Customers were asked the degree to which they agreed with various statements regarding NP service areas such as reliability, community concerns, safety, environmental responsibility, and concern for customers. Over 90% of the respondents strongly or somewhat agreed with most of the statements. In the cases where the agreement was less, a significant portion of the respondents were neutral in their responses. Only small percentages (less than 4%) disagreed with the various statements included.

This quarter we asked the respondents whether they had implemented any energy saving measures in their home or business. Over 80% of customers reported having conserved electricity by using less heating, lighting, or appliances. Conservation measures were the most commonly cited action taken, followed by washing laundry in cold water, with the installation of compact fluorescent bulbs being the next most common type of action.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of over 800 residential and over 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within our service area. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our payment centre.

In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	This Quarter	Last Quarter	Same Quarter Last Year
Index Components				
Residential				
Call Centre Service	40%	9.2	8.9	8.9
Field Service	20%	9.4	8.9	9.0
First Call Resolution	20%	9.5	8.9	8.8
Overall Service	20%	8.7	8.6	8.8
Commercial				
Call Centre Service	40%	9.0	8.5	8.6
Field Service	20%	9.2	9.0	9.0
First Call Resolution	20%	8.3	7.8	8.4
Overall Service	20%	8.9	8.9	9.1
Customer Satisfaction Index		9.2	8.7	8.8
2006 Annual Result		89%		
2006 Annual Target		87%		

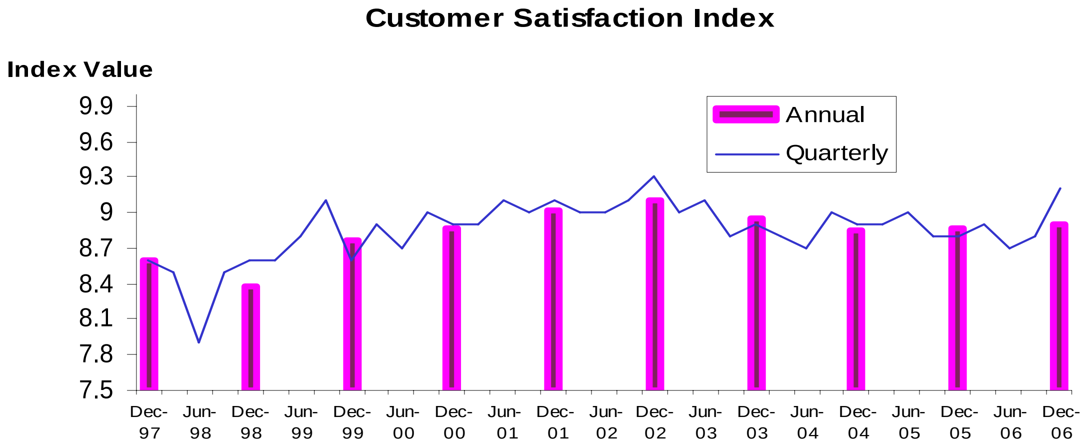
Findings:

- The December 2006 result of 9.2 is significantly above the 8.7 result of September and the 8.8 of December 2005. The 9.2 result is the second highest quarterly figure since the survey was begun in 1997.

- We saw improvements in all residential customers' ratings, with the largest increase being in first call resolution. Commercial customers reported increases in all aspects except for overall service, which remained the same as in September.

  In Residential:
  - Call Centre increased by 0.3
  - Field Service increased by 0.5
  - First Call Resolution increased by 0.6
  - General Satisfaction increased by 0.1

  In Commercial:
  - Call Center Service increased by 0.5
  - Field Service increased by 0.2
  - First Call Resolution increased by 0.5
  - General Satisfaction remained the same



The historical quarterly and annual trend for the Customer Satisfaction Index is shown in the above graph. The quarterly index is represented by the line graph and it continues to fluctuate slightly from quarter to quarter. The annual index is represented by the bar graph. Annually, the index has been relatively stable since 1999 with the annual results fluctuating between 8.8 and 9.1 over this seven year period.

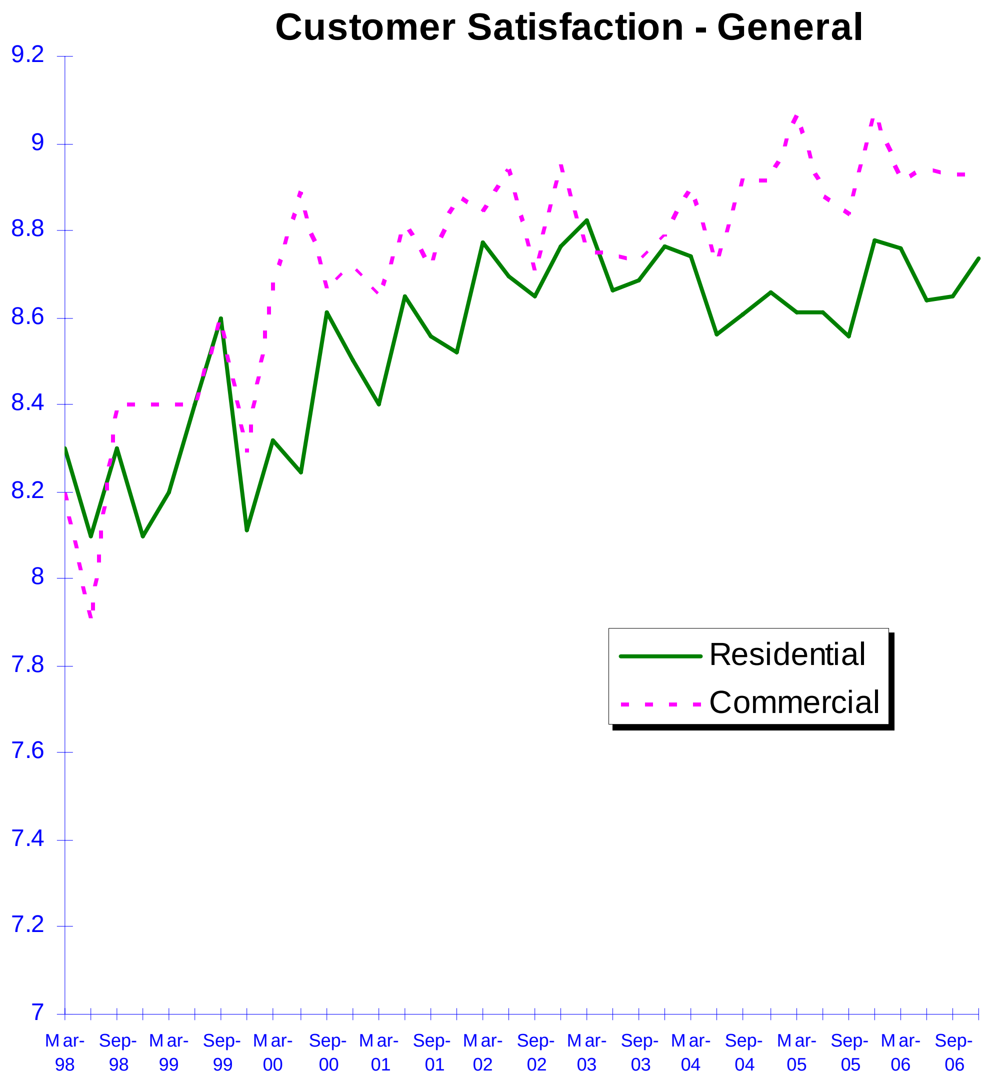
Satisfaction with Overall Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.7	8.6	8.8
Commercial	8.9	8.9	9.1
Total	8.8	8.7	8.9

Commentary:

Findings: The residential rating increased slightly while the commercial rating remained the same as last quarter. There were declines in the ratings from both residential and commercial customers compared to the same quarter last year.



Among residential customers, the average score was highest in Stephenville (9.28) and lowest in St. John's (8.50). The average scores from commercial customers ranged from a high of 9.18 in Burin to a low of 8.56 in Clarenville. There continue to be geographical variations in ratings every quarter, however, there is no trend of high or low ratings from specific areas.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 79 customers in this group, 65 provided a reason. Of the 65, the more significant reasons were 24 (37%) referred to rates, costs, or pricing, 6 (9%) to outages or power quality problems, and 5 (8%) to service in general. Remaining comments covered a variety of issues including delays in services, pole work, street lights, damage claims or tree trimming (7 altogether), staff being hard to reach (3), and billing issues (3).

Summary: The largest number of customers who provided lower scores in their responses to this question are normally motivated by high prices, however in this quarter the proportion of responses citing other reasons was higher than normal. Despite this, however, other reasons were not provided to the extent that any single issue stood out.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	9.2	8.9	8.9
Commercial	9.0	8.5	8.6
First Resolution			
Total	90.4%	85.4%	86.4%
Residential	95.1%	88.7%	87.5%
Commercial	83.1%	78.1%	83.7%
Improvements Needed			
None	62.3%	56.4%	64.8%
A Little	31.4%	35.4%	25.6%
A Lot	4.7%	6.4%	7.5%

Commentary:

Findings: 24% of residential and 29.5% of commercial participants in this quarter's survey said they had called within the last six months. The % of residential participants is lower than the usual 27-28% of previous survey results, however, the % of commercial participants is within the normal range of 28-32%.

This quarter, residential customers' ratings of satisfaction with telephone service improved from 8.9 to 9.1. Commercial customers' ratings increased by 0.5 from 8.5 to 9.0.

Commercial customers in the Carbonear and Burin areas had the greatest degree of satisfaction (9.6 and 9.4) with telephone service. Grand Falls showed the lowest degree of satisfaction (7.8). Stephenville residential customers (9.8) had the highest degree of satisfaction among residential customers. Grand Falls (8.4) had the lowest residential telephone ratings. There continues to be geographical variations in ratings every quarter, however, there is no trend of high or low ratings from specific areas.

Among residential customers, about 72% said they had called a Customer Account Representative, 19% the automated power outage information system (TVD) and 8% the automated account balance system. The corresponding percentages for commercial customers were 71% to a Customer Account Representative, 25% to TVD and 4% to the automated account balance application. This is similar to previous surveys.

Among residential customers, those calling the automated account system provided higher telephone satisfaction ratings (9.5) than those who called the Customer Account Representatives (9.16) and TVD (9.11). Among commercial customers, the automated account balance application also received the highest rating, (10.0 although used by only five commercial respondents in this survey), compared with 8.95 for Customer Account Representatives and 8.87 for TVD.

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among commercial customers, the highest telephone satisfaction ratings were for three enquiries about payment plans and two about meter reading (10.0). Other subjects where satisfaction was at or above the commercial average of 9.0 were, in descending order, balance on account; new service installation; power outage reporting; and new service connection. Calls concerning pole removals, energy efficiency programs, and high bill enquiries resulted in ratings slightly lower than the commercial average.

For residential customers, calls relating to balance on accounts; power outages; tree trimming; high bill enquiries; and payment plans resulted in satisfaction ratings higher than the residential average. Calls with ratings slightly lower than the average were for energy efficiency programs; meter reading; new service installations; pole removals; street lights; and new service installations.

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 18 such responses were made including both residential and commercial customers. The most common issue expressed was unspecified dissatisfaction (5 or 27%), followed by billing issues (three or 17%) and issues with the telephone system (also three or 17%) The remainder were single mentions of various items.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call increased from last quarter, from 85.4% to 90.4%.

Residential results improved from 88.7% to 95.1% while commercial results moved from 78.1% to 83.1%. The residential result was the highest quarterly result historically, while the commercial result was within the usual range of results.

The 16 customers who said they had to call us more than once were asked why this was necessary. Three or 19% said they had had delays getting a pole removed, while three others said they had been calling about high bills or consumption issues. Two (12%) indicated problems with billing while two others had been calling about new services but the exact issue was unclear. The rest were single mentions of particular issues including street light repairs, damage claims, disconnecting a property, and being disconnected in the phone system.

Of the 16 customers who said they had to call more than once, 11 were commercial customers.

Customer Satisfaction Rating, Telephone Service		
	Residential	
	Resolved First Call	Not Resolved First Call
December 2005	9.4	6.9
March 2006	9.3	4.9
June 2006	9.1	6.0
September 2006	9.2	6.7
December 2006	9.1	7.6
	Commercial	
	Resolved First Call	Not Resolved First Call
December 2005	8.8	6.8
March 2006	9.4	6.6
June 2006	9.4	5.5
September 2006	9.0	7.9
December 2006	9.4	5.8

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once.

Improvements: The percentages of respondents who feel we can improve our telephone service "a little" decreased from 35% to 31% since last quarter, with those who say we can improve "a lot" decreased from 6.4% to 4.7%.

In their comments, of the 15 respondents who said we can improve "a lot", 33% or 5 indicated they felt we should have more people answering the phone, another five felt we should answer questions on the first call, four said we should have live people answering the phones rather than an electronic system or less wait time, one that we should answer right away, and one that representatives should be more knowledgeable about products and services (multiple answers were allowed).

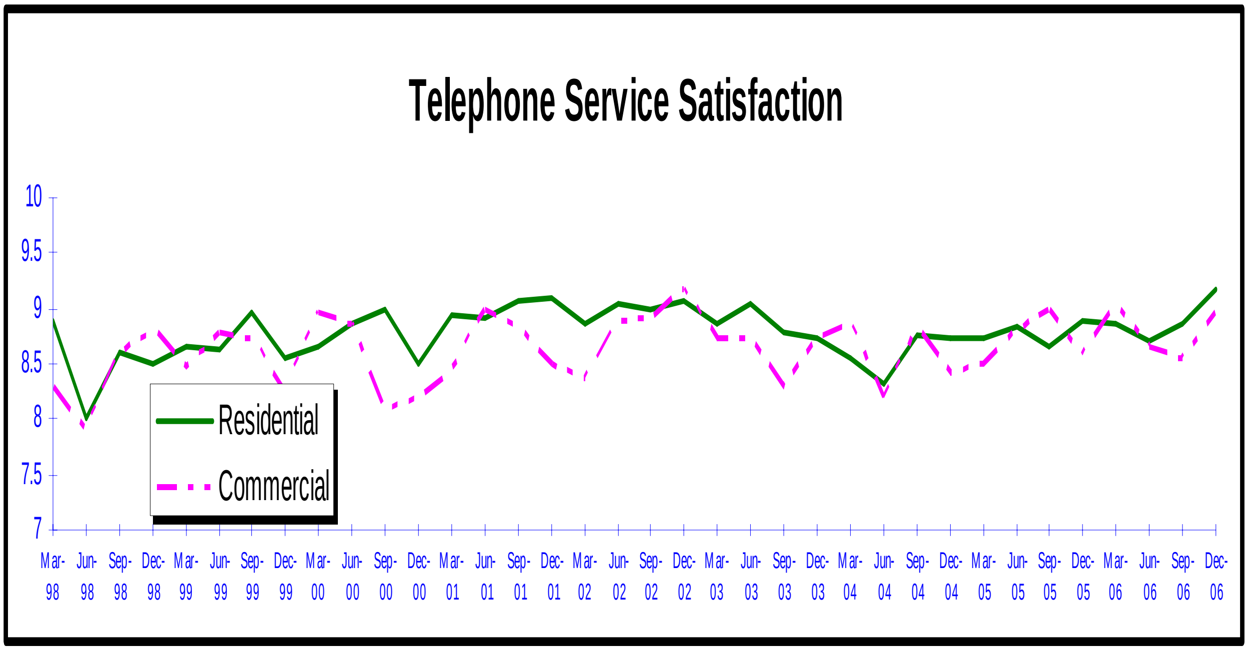
Improvement Requirements Identified			
Service Called	**None**	**A Little**	**A Lot**
Customer Acct Reps	66.4%	27.5%	4.4%
Automated Acct Balance	81.0%	19.0%	0%
TVD	42.6%	48.5%	7.4%

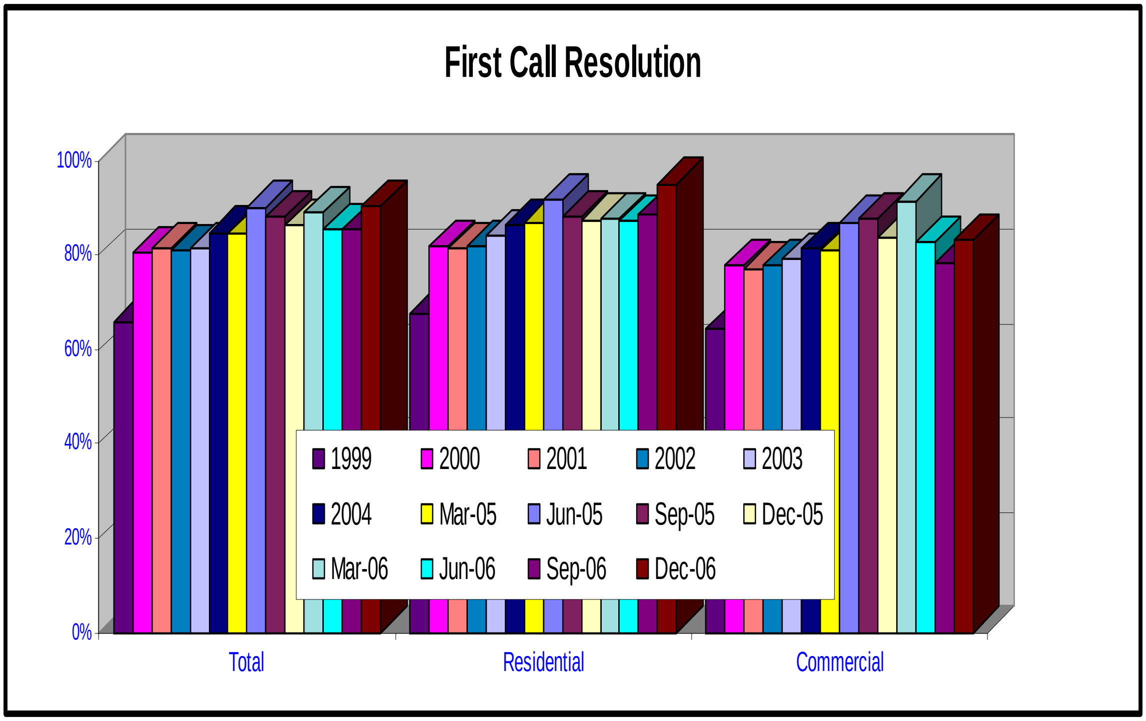
Of the 100 customers who

said “a little” improvement was required, 10% said more people should be answering the phone, and another 10% said phones should be answered right away. Another 12 said they did not like various aspects of the telephone system, and three said TVD should be updated more quickly.

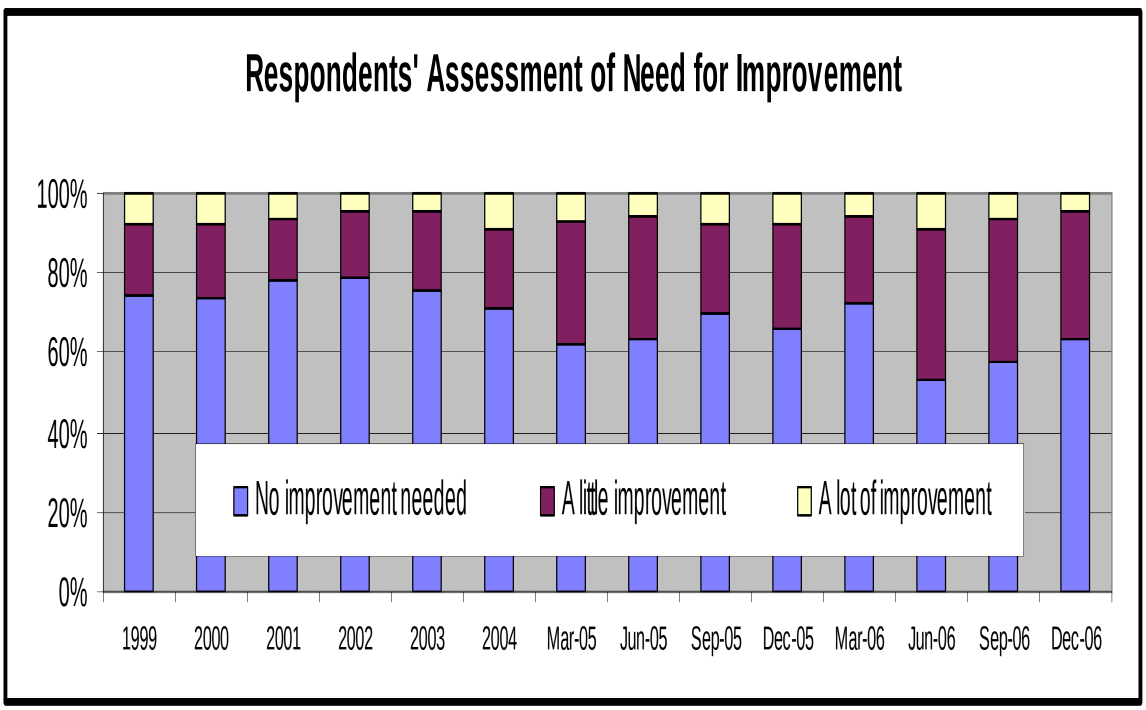
Summary: The graph below indicates that residential customer satisfaction has moved upward again this quarter, while commercial customer satisfaction has rebounded after dropping slightly in each of the last two quarters. Both are at the upper end of the normal range of responses. It is important to note that negative comments tend to come from a small portion of the overall respondents. The 15 customers who saw “a lot” of room for improvement is a small portion (4.7%) of the 318 customers who called us in the last six months.

Historical Data:





First Call Resolution
100%
80%
60%
40%
20%
0%
1999
2000
2001
2002
2003
2004
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06
Jun-06
Sep-06
Dec-06
Total
Residential
Commercial



Respondents' Assessment of Need for Improvement
100%
80%
60%
40%
20%
0%
No improvement needed
A little improvement
A lot of improvement
1999
2000
2001
2002
2003
2004
Mar-05
Jun-05
Sep-05
Dec-05
Mar-06
Jun-06
Sep-06
Dec-06

Satisfaction with Field Services

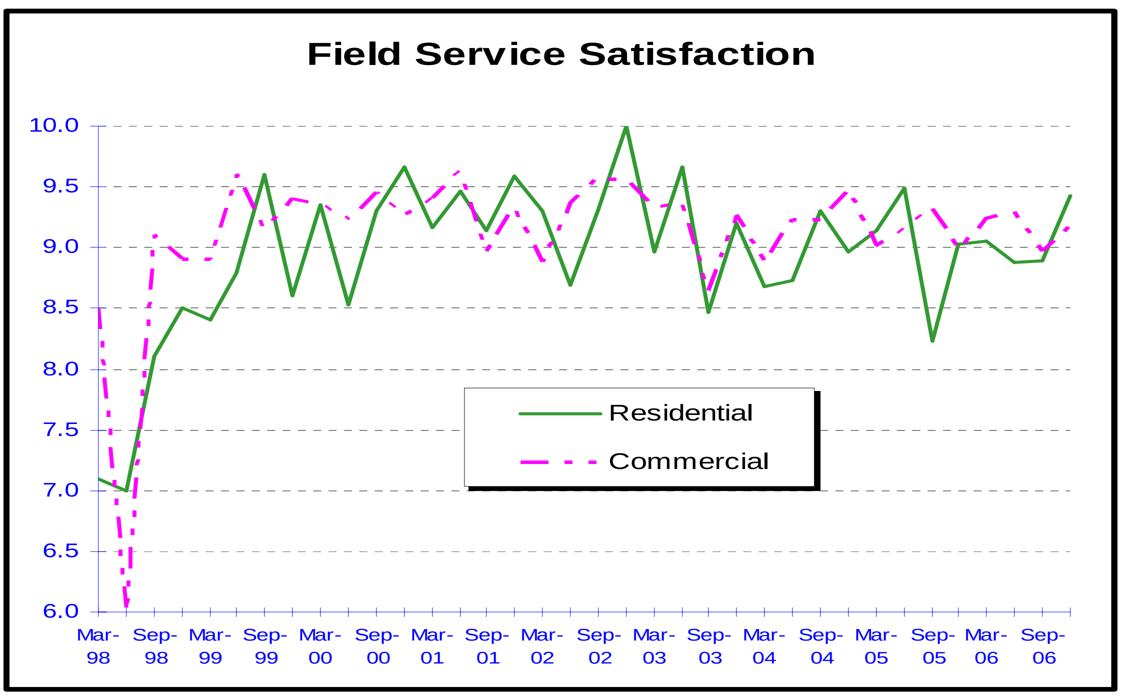
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	9.4	8.9	9.0
Commercial	9.2	9.0	9.0
Improvements Needed			
None	61.3%	62.3%	65.1%
A Little	30.1%	26.1%	23.6%
A Lot	3.2%	1.4%	2.8%

Commentary:

Findings: 6.6 % of residential (53 customers) and 10.4% of commercial customers (43 customers) reported having been visited by a lineperson, technician, collector, meterperson, or customer services specialist in the past six months. The most common reasons given for the visits were to replace or install a meter, followed by relocating poles, determining electrical service locations, and emergency repairs.

Customers' satisfaction with the level of service provided during these field visits was higher compared to last quarter for both residential and commercial customers. The relatively small number of respondents results in greater volatility of the results, which is shown on the following graph.



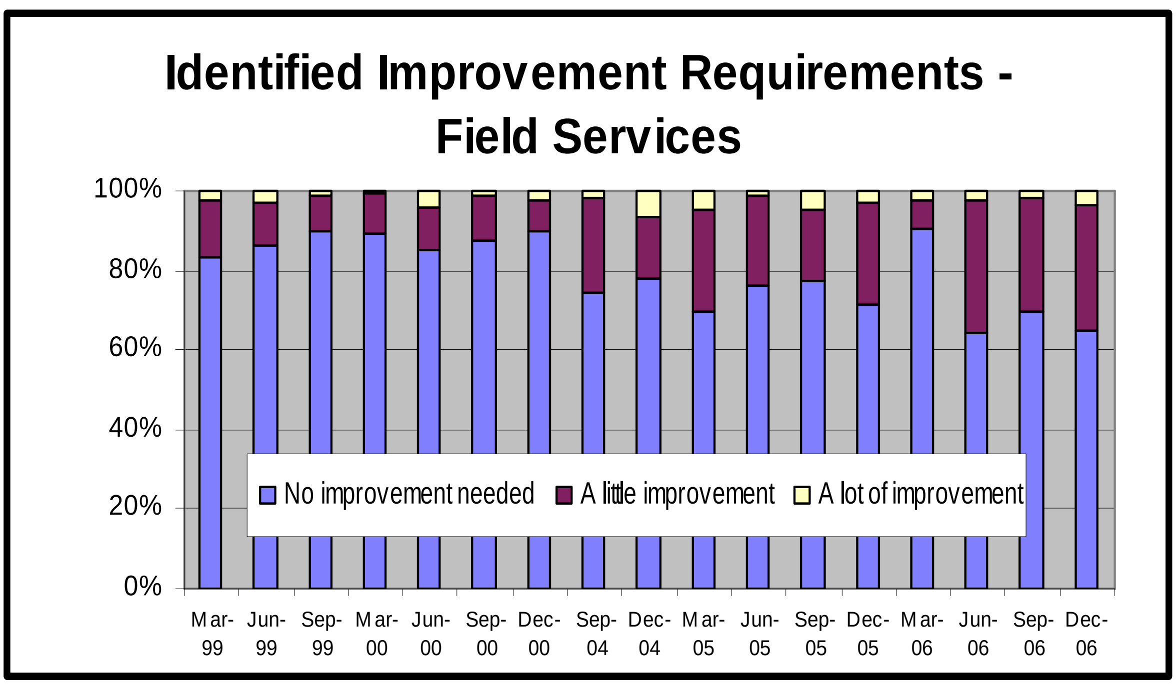
Primary Reasons for Low Ratings: Only 4 of the 93 customers who received a field visit in the last six months provided a rating of six or less. Two said they should have been contacted before the person came to change the meter. One said their poles had not been moved and the fourth said it took a long time for them to get their underground service.

Improvements: The percentage of respondents who stated we need to improve field services "a little" increased this quarter in comparison to last quarter, while the percentage saying we needed to improve "a lot" remained at a low level but increased slightly.

There were only three responses that "a lot" of improvement was needed. One of these felt we should have given more notice about a meter change, and a second that we should have been more prompt about relocating poles. The third actually provided an overall rating of 8 out of 10 for satisfaction with field service, indicating the field visit related to emergency repairs.

There were 28 responses that "a little" improvement is needed in field service, including two of the four persons who provided ratings of six or less. Five of the 23 felt we should respond more quickly, while other single comments were that the Company should have more courteous staff, should better explain possible solutions to problems, should be more thorough, should stop changing staff to prevent the customer having to explain things again, and should have more equipment. In relation to the subject of the visit, 10 of these customers were having a meter changed, three were having an electrical service located, and others related to a variety of issues mentioned once each.

The following graph shows the trend in the percentage of customers who believe we can improve our field service.



Satisfaction with Cashier Services (Dominion)

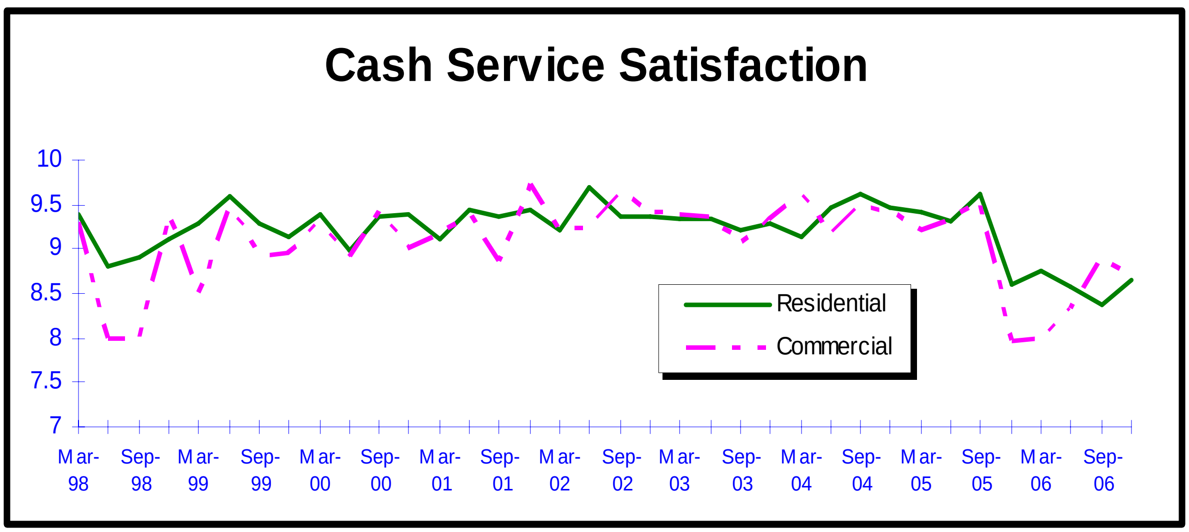
Key Indicators:

	This Quarter (Dominion)	Last Quarter (Dominion)	Same Quarter Last Year (Dominion)
Satisfaction with Service			
Residential	8.6	8.4	8.6
Commercial	8.7	8.9	8.0
Improvements Needed			
None	62.6%	60.7%	63.2%
A Little	24.5%	26.2%	20.4%
A Lot	10.9%	10.3%	11.8%

Commentary:

Findings: 13% of residential customers (104) and 10.4% of commercial customers (43) reported having visited a Dominion payment center in the last three months. Comparative numbers for September and for the "same quarter last year" refer to payment locations at Dominion stores, as cash payments have now been at those locations for over a year. Compared with last quarter, customers' ratings of satisfaction with cash services slightly improved for residential and declined for commercial customers.

As per the graph below, cash service ratings were typically in the 9.0-9.5 range until after September, 2005 when the company closed the cash offices and moved this service to Dominion. Since that time, the cash service ratings have been in the range of 8.0-8.9. While the commercial rating has improved in the last two quarters, the residential rating has slightly declined. We will be sharing these results with Dominion.



Ratings by Area: Customers' Satisfaction ratings with cash service by area were compared with the following results. Note many of the areas had few commercial customer responses.

Area	Residential	Commercial
St. John's	8.26	9.35
Carbonear	8.91	5.67 (1)
Burin	9.50 (2)	10.0 (3)
Clarenville	9.50	9.33 (1)
Gander	8.83	9.33 (1)
Grand Falls	7.91	8.44
Corner Brook	8.90	7.83
Stephenville	10.00 (3)	9.00 (3)
Total Company	**8.64**	**8.70**

(1) Based on three responses.
(2) Based on two responses.
(3) Based on one response.

Primary Reasons for Low Ratings: The 21 respondents who provided a rating of six or less were asked to provide the main reason for their response. Of the 21, six (28%) indicated they felt the line-ups were too long or slow, while four mentioned each of not being able to pay by personal cheque and staff being rude or unfriendly. Three said they preferred the NP office while two mentioned the staff being busy or wanting to pay by credit card.

Improvements: The percentage of customers who believe we could improve our cashier services "a little" has decreased from 26.2% to 24.5%, while the percentage of customers who believe we can improve our cashier services "a lot" has slightly increased, from 10.3% to 10.9%. A total of 43 people suggested improvements, with 21% or nine suggesting more cashiers during peak periods, 19% or eight suggesting more courteous and polite cashiers, six suggesting staff be dedicated to the function, five that a larger area be allotted for the bill payments, three each suggesting the function move back to NP, lineups be shortened, and customers be allowed to pay by personal cheque. Other suggestions included having more privacy, a different location, moving out of the smoke shop, opening earlier, providing the service at all cashiers, and providing a drop off for cheque payments.

Importance of Items

Key Indicators:

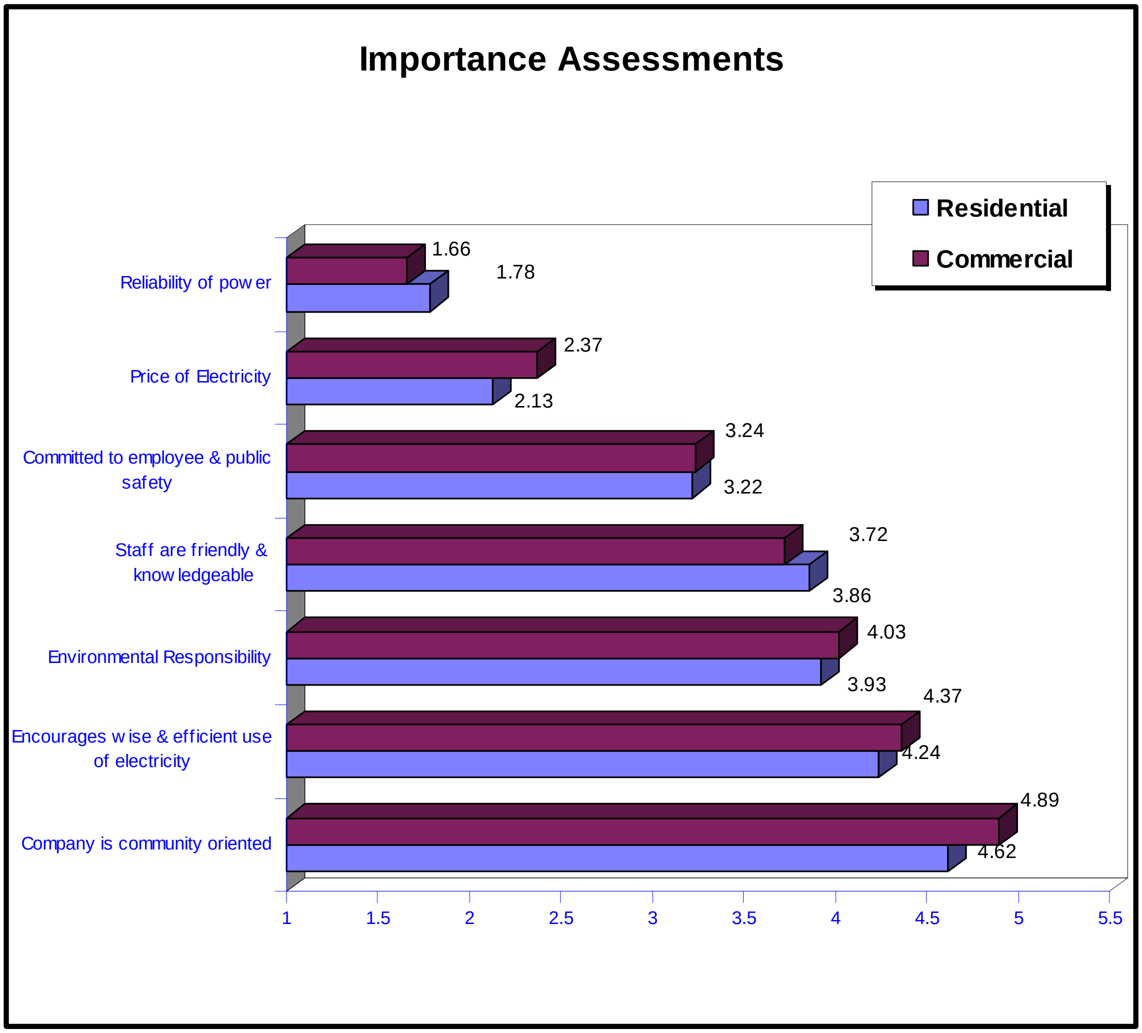
	This Quarter	Last Quarter	Same Quarter Last Year
Importance (Residential)			
Reliability of power	1.78 (1)	1.84 (1)	1.78 (1)
Price of Electricity	2.13 (2)	2.29 (2)	1.82 (2)
Committed to employee & public safety	3.22 (3)	3.42 (3)	3.20 (3)
Staff are friendly & knowledgeable	3.86 (4)	3.97 (5)	3.57 (4)
Environmental Responsibility	3.93 (5)	4.13 (4)	3.73 (5)
Encourages wise & efficient use of electricity	4.24 (6)	4.30 (6)	4.04 (6)
Company is community oriented	4.62 (7)	4.89 (7)	4.17 (7)
Importance (Commercial)			
Reliability of power	1.66 (1)	1.79 (1)	1.68 (1)
Price of Electricity	2.37 (2)	2.32 (2)	2.12 (2)
Committed to employee & public safety	3.24 (3)	3.15 (3)	3.27 (3)
Staff are friendly & knowledgeable	3.72 (4)	4.07 (4)	3.62 (4)
Environmental Responsibility	4.02 (5)	4.17 (5)	3.93 (5)
Encourages wise & efficient use of electricity	4.37 (6)	4.44 (6)	4.22 (6)
Company is community oriented	4.89 (7)	5.02 (7)	4.24 (7)

Note: The lower the number, the more importance placed on the item by the respondents.
The number in brackets is the ranking relative to the other items.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute for both residential and commercial customers, followed by price.

The company's commitment to employee and public safety places third in importance, with friendly and knowledgeable staff ranking fourth, just ahead of environmental responsibility. The remaining aspects of service are consistently seen as less important, although encouraging the wise and efficient use of electricity is consistently seen as more important than community orientation.



Importance Assessments
Residential
Commercial
Reliability of pow er
1.66
1.78
Price of Electricity
2.37
2.13
Committed to employee & public safety
3.24
3.22
Staff are friendly & know ledgeable
3.72
3.86
Environmental Responsibility
4.03
3.93
Encourages w ise & efficient use of electricity
4.37
4.24
Company is community oriented
4.89
4.62
1
1.5
2
2.5
3
3.5
4
4.5
5
5.5

Agreement with Service Features

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Power is reliable	97.9%	99.1%	97.9%
NP shows concern for public safety	92.8%	95.0%	93.8%
NP contributes to the community	76.9%	74.1%	71.0%
NP operates in an environmentally responsible manner	76.4%	76.6%	78.8%
NP is easy to contact for service/information	80.3%	82.4%	79.4%
NP's electricity bill is easy to read/understand	95.0%	96.3%	94.4%
NP's billing is accurate	87.0%	85.1%	-
NP provides high quality customer service	89.6%	91.9%	-
There are very few power outages	93.8%	95.2%	-
NP encourages customers to make more efficient use of electricity	94.9%	93.6%	-
NP listens to and acts upon customer concerns	75.1%	76.4%	-
NP restores power quickly when a problem occurs	96.2%	96.5%	-
NP cares about its customers	90.0%	89.5%	-
NP does a good job upgrading and maintaining the electric system	86.9%	90.7%	-
NP provides high power quality free from voltage fluctuations	83.0%	87.6%	-
NP has friendly and courteous staff	89.0%	87.0%	-
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Power is reliable	98.3%	97.8%	97.3%
NP shows concern for public safety	96.9%	94.2%	94.8%
NP contributes to the community	80.9%	77.0%	79.4%
NP operates in an environmentally responsible manner	82.6%	76.5%	80.3%
NP is easy to contact for service/information	85.3%	85.5%	81.8%
NP electricity bill is easy to read/understand	90.6%	90.6%	94.3%
NP's billing is accurate	83.1%	78.5%	-
NP provides high quality customer service	94.4%	93.2%	-
There are very few power outages	95.2%	96.9%	-
NP encourages customers to make more efficient use of electricity	94.7%	94.9%	-
NP listens to and acts upon customer concerns	86.2%	78.0%	-
NP restores power quickly when a problem occurs	97.6%	96.9%	-
NP cares about its customers	94.0%	92.5%	-
NP does a good job upgrading and maintaining the electric system	93.2%	90.1%	-
NP provides high power quality free from voltage fluctuations	87.7%	84.5%	-
NP has friendly and courteous staff	94.4%	93.2%	-

Commentary:

Agreement with Service Statements: The table on the previous page represents the percentage of customers who agreed with statements about various aspects of Newfoundland Power's service.

Among residential customers, compared to last year there were slight improvements in residential customers' agreement that the Company contributes to the community, is easy to contact, and that the electricity bill is easy to read and understand. There were slight declines in customer agreement that the Company operates in an environmentally responsible manner and shows concern for public safety. Nearly 98% of residential customers agree that "power is reliable," which is the same result as December of 2005 and slightly less than September 2006.

Many of the statements were only introduced for the first time in June of 2006 so the only comparison provided is with the last quarter. Over 90% of the residential customers, agreed that NP restores power quickly after a problem occurs, that there are very few power outages, and that NP encourages customers to make more efficient use of electricity. Exactly 90% agreed that NP cares about its customers, while 89.6% agreed that the Company provides high quality customer service, and 89% that NP has friendly and courteous staff. All the other indicators showed over 80% agreement except that 75% felt the Company listens to and acts upon customer concerns, 76% that it operates in an environmentally responsible manner, and 77% that it contributes to the community.

Among commercial customers, in comparison with last year, there was greater agreement that power is reliable, that NP shows concern for public safety, contributes to the community, and is easy to contact. There was less agreement that NP operates in an environmentally responsible manner and that the bill is easy to read and understand.

Among the other statements, over 90% agreed that there are very few power outages, that NP provides high quality customer service, there are few power outages, the company restores power quickly when a problem occurs, has friendly and courteous staff, cares about its customers, encourages customers to make more efficient use of electricity, and does a good job upgrading and maintaining the electrical system. As well, 87.7% agree that the Company provides high power quality free from voltage fluctuations, 83.1% that NP billing is accurate, and 86.2% that the company listens to and acts upon customer concerns.

Overall, the level of agreement with these indicators remains very high, thereby suggesting that customers have a very positive impression of service.

Looking at items where the level of agreement was lower than the others (contribution to the community, operating in an environmentally responsible manner, and listening to / acting on customer concerns), the lower rankings do not reflect negative views by the customers so much as neutral views. With residential customers, 21.7%, 21.4%, and 21.5% of those responding on these three statements expressed neither agreement nor disagreement. Those expressing disagreement with the statements were only 1.5%, 2.2% and 3.3% of the total respectively.

Similarly with commercial customers, customers who do not agree with the statements about service are generally neutral rather than actually disagreeing.

The Power of Life and NP's Role

The customers were asked if were aware of any activity by Newfoundland Power to support the fight against cancer in this province. The total group provided a 50-50 split, half aware of the Company's efforts and half unaware. With residential and commercial customers separated, the difference was very slight, with 49.6% of residential and 50.7% of commercial customers saying they were aware.

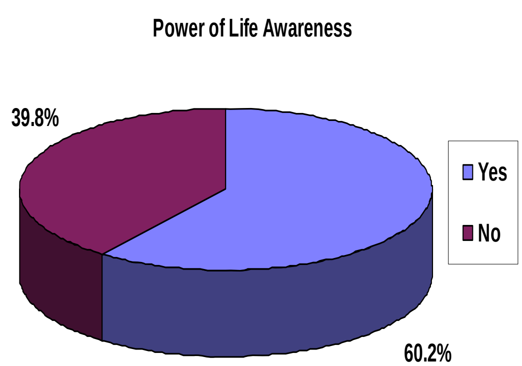
Customer responses were compared against their geographic area, age, education, and gender to determine if any of these factors influenced the result. For residential customers, there was slightly more awareness from female customers in the Carbonear area (69%) and Gander area (64%), and with customers having a post graduate degree (57%).

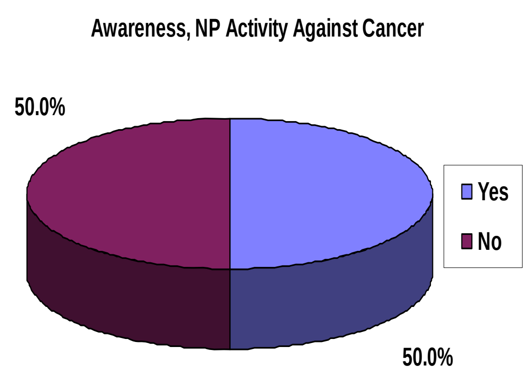
Customers were also asked about their awareness of the Power of Life project. Overall, there was more awareness of the project, with 60.2% being aware of the project in total with 59.5% of residential and 61.6% of commercial customers being aware. Among residential customers, females seem to be more aware of the project (63% compared with 53% for males). Younger respondents (up to age 34) are less aware of the project (52%).

Among commercial customers, awareness of NP's efforts is greatest in the Burin area (70%), Carbonear and Clarenville (63% each).

Commercial customers in Corner Brook are the most aware of the Power of Life project (72.5%), while 70% of those in each of Carbonear, Burin, and Clarenville also said they were aware of the project.

The following graphs illustrate the overall findings.





Customer Energy Changes

In this survey, the customers were asked what type of action they had taken in their home or business to reduce energy usage.

Findings:
Customers reported they had taken energy actions as follows. The percentages are those who said they had taken the actions listed.

Energy Saving Action	Residential	Commercial
Conservation	83.9%	68.4%
Adding Insulation	48.6%	29.2%
Compact fluorescent light bulbs	65.7%	64.0%
Sealing drafts around doors or windows	67.2%	55.3%
Low flow shower heads (residential only)	58.5%	
Washing laundry in cold water	80.8%	
Reduce temperature of hot water tank	45.9%	28.0%
Programmable thermostats	24.9%	26.1%
Install more energy efficient heat system	17.2%	11.4%
Other	2.0%	0.5%

Energy Use:
Respondents were asked about their source of heating for their home/ business. The following are the results (of the three residential customers who said "Other", one said they had a propane fireplace, another a fireplace, and a third auxiliary heaters. Three of the five commercial respondents did not know what their heat source was, while one said they had three phase heaters and another in-floor heating.

Heating Sources:
(Note multiple answers were allowed)

	Residential	Commercial	Total
Electricity	67.1%	73.2%	69.1%
Oil	32.9%	33.3%	33.1%
Wood	20.8%	4.3%	15.2%
Propane	2.2%	5.6%	3.4%
Other	0.4%	1.2%	0.7%

Commentary:
The most common energy actions were washing laundry in cold water and sealing drafts around windows and doors. The installation of compact fluorescent light bulbs ranked third in energy actions engaged in by the customers.

Customer Satisfaction Survey Results
March 2007

Customer Satisfaction Survey Results
March 2007
Newfoundland Power

Summary

The customer satisfaction index for the first quarter was 88%, a reduction from 92% last quarter. This compares with 89% in March of both 2006 and 2005 and 88% in March 2004. Our target for this year is 89%.

Ratings of Overall Service satisfaction remained at 8.8, based on 8.7 for residential customers and 9.0 for commercial customers. The commercial customer ratings increased from 8.9 to 9.0 while the residential customers' rating was unchanged. Persons who provided low ratings were motivated most often by rates or pricing concerns, then by outages and various service issues.

Contact Centre service ratings decreased this quarter for both residential and commercial customers, with the satisfaction rating moving from 9.2 to 8.8 for residential and from 9.0 to 8.8 for commercial customers. The customers' ratings continue to be heavily influenced by whether or not the customer's concern was handled on the first call. While residential customers who called only once provided satisfaction ratings of 9.1 out of 10 on average (v.s. 9.3 for commercial customers), the 13.2% of customers who reported having to call more than once provided satisfaction ratings of 6.7 out of 10, in the case of residential customers, and 6.1 out of 10, in the case of commercial customers.

The percentage of customers calling more than once has increased from 10% last quarter to 13% this quarter. This percentage continued its trend of moving up and down from quarter to quarter; from 10% in June 2005, to 12% in September 2005, to 13.6% in December 2005, to 11% in March 2006, to 14.6% in both June and September 2006, 10% last quarter and 13.2% in March. This quarter the main types of calls associated with repeat calls were those associated with high bill enquiries, meter reading estimates, and a variety of field issues.

Residential customer satisfaction with field service declined this quarter, from 9.4 to 9.0. Commercial customer satisfaction also dropped, from 9.2 to 9.0. Only four respondents provided ratings of six or less; one said a situation with downed wires was not resolved properly at first, a second said it should be easier to read their meter, and the other two were not happy with meter reading estimates.

Satisfaction with cash services increased this quarter from 8.6 to 9.2 for residential customers while declining from 8.7 to 8.2 for commercial customers. The ratings are still lower than when cash services were provided at Newfoundland Power, but this quarter the residential rating has increased to the range which was achieved when the service was provided by NP at its offices. The most common issue among respondents who provided ratings of six or less was that they felt line-ups were too long or slow.

For residential and commercial customers, reliability and price continue to be the two most important aspects of our service, followed by a commitment to public safety, environmental responsibility, and friendly or knowledgeable staff.

Customers were asked the degree to which they agreed with various statements regarding NP service areas such as reliability, community concerns, safety, environmental responsibility, and

concern for customers. Over 90% of the respondents strongly or somewhat agreed with most of the statements. In the cases where the agreement was less, a significant portion of the respondents were neutral in their responses. Only small percentages (less than 4%) disagreed with the various statements included.

This quarter we asked the respondents whether they had implemented any energy saving measures in their home or business. Over 80% of customers reported having conserved electricity by using less heating, lighting, or appliances. Conservation measures were the most commonly cited action taken, followed by washing laundry in cold water, with the installation of compact fluorescent bulbs being the next most common type of action. The type of home has an impact on the degree of actions taken, with fewer energy actions being taken by people in apartments.

Customers were also asked about their familiarity with a number of the Company's service and payment options. Customers indicated they were quite familiar with 12 month EPP, APP, and eBills, somewhat less familiar with 10 month EPP and the ability to view their account information on line, and still less with the ability to open and close accounts over the Internet and submit meter readings either by phone or online. Customers were asked the level of their use of these options, and the likelihood they would use them in future. The ability to view account information on line was the most widely used of the services listed. Younger respondents indicated the greatest level of awareness as well as likelihood of use of the Internet based options.

Methodology

Newfoundland Power's customer satisfaction results are based on detailed telephone interviews of over 800 residential and over 400 commercial customers conducted by Telelink the Call Centre Inc, an independent St. John's firm. The residential customers come from a sample of active bill accounts in CSS while the sample of commercial customers was created by Telelink from a database of non residential customers based within Newfoundland Power's service territory.

The selection of customers is random and based purely on the customer having a valid telephone number within our service area. There is no special effort made to select customers who have recently had any form of interaction with Newfoundland Power, including having contacted the Contact Centre, initiated field work, or paid a bill at one of our payment centre.

In creating the sample, we do ensure that the mix of customers within our various operating areas is consistent with the population and age breakdown of customers across our service territory to ensure the responses are representative of the population as a whole.

Customer Satisfaction Index

Key Indicators:

	Index Proportion	**This Quarter**	**Last Quarter**	**Same Quarter Last Year**
Index Components				
Residential				
Call Centre Service	40%	8.8	9.2	8.9
Field Service	20%	9.0	9.4	9.1
First Call Resolution	20%	8.6	9.5	8.8
Overall Service	20%	8.7	8.7	8.8
Commercial				
Call Centre Service	40%	8.8	9.0	9.1
Field Service	20%	9.0	9.2	9.2
First Call Resolution	20%	8.8	8.3	9.2
Overall Service	20%	9.0	8.9	8.9
Customer Satisfaction Index		8.8	9.2	8.9
2007 Annual Target		%		

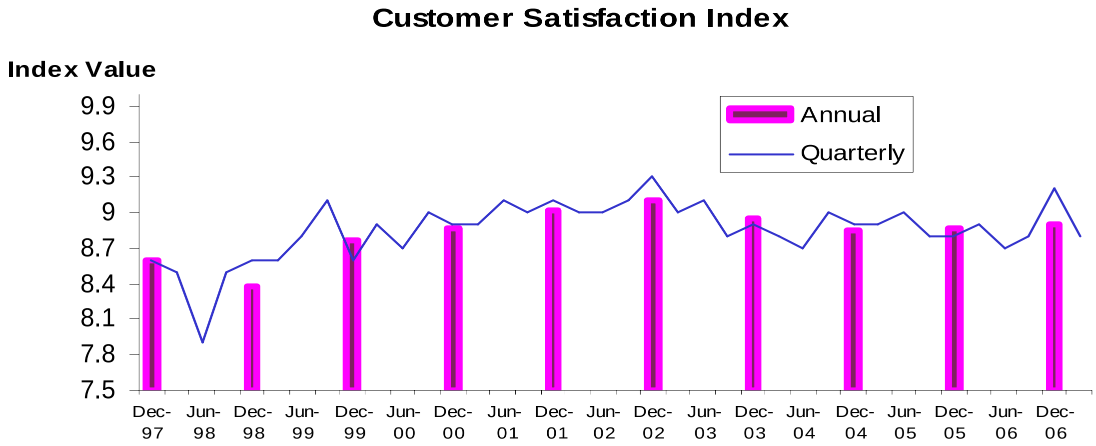
Findings:

- The March 2007 result of 8.8 is a return to normal levels from the index of 9.2 achieved in December 2006. This compares with 8.9 in March of both 2006 and 2005 and 8.8 in March 2004.

- We saw lower results from residential customers in three of the four index components, with the exception being an unchanged rating for overall service. Commercial customers reported increases in two aspects, being first call resolution and overall service, with declines in call centre service satisfaction and field service satisfaction.

  In Residential:
    - Call Centre decreased by 0.4
    - Field Service decreased by 0.4
    - First Call Resolution decreased by 0.9
    - General Satisfaction unchanged.

  In Commercial:
    - Call Center Service decreased by 0.2
    - Field Service decreased by 0.2
    - First Call Resolution increased by 0.5
    - General Satisfaction increased by 0.1.



The historical quarterly and annual trend for the Customer Satisfaction Index is shown in the above graph. The quarterly index is represented by the line graph and it continues to fluctuate slightly from quarter to quarter. The annual index is represented by the bar graph. Annually, the index has been relatively stable since 1999 with the annual results fluctuating between 8.8 and 9.1 over this seven year period.

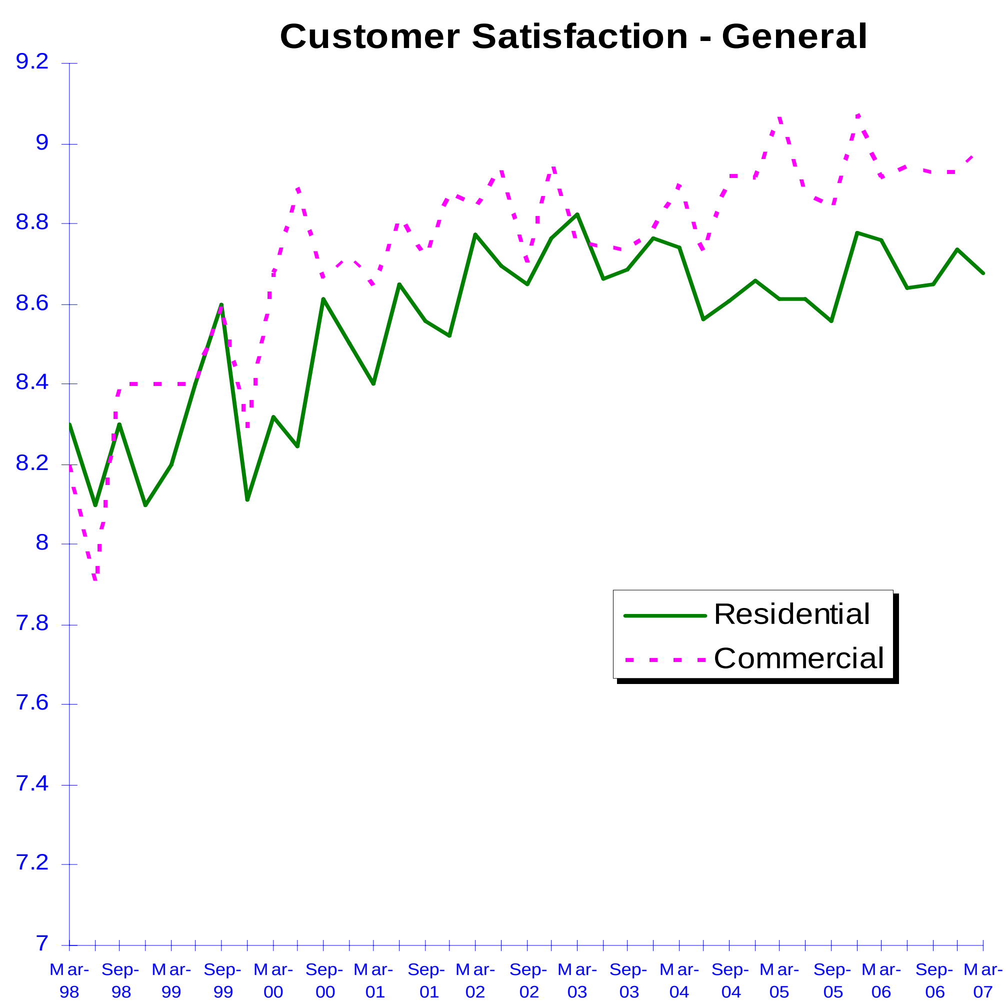
Satisfaction with Overall Service

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	8.7	8.7	8.8
Commercial	9.0	8.9	8.9
Total	8.8	8.8	8.8

Commentary:

Findings: The residential rating was slightly lower, but when rounded remained the same while the commercial rating increased slightly from last quarter. Compared to March 2006 the residential rating this quarter was a bit lower while the commercial rating was slightly higher.



Among residential customers, the average score was highest in Carbonear and Gander (9.00) and lowest in Corner Brook (8.20). The average scores from commercial customers ranged from a high of 9.39 in Burin to a low of 8.69 in Corner Brook. There continue to be geographical variations in ratings every quarter, however, there is no trend of high or low ratings from specific areas.

Primary Reasons for Lower Ratings: Respondents who provided ratings of 6 or less were asked the main reason for their response. Of the 78 customers in this group, 50 (64%) referred to rates, costs, or pricing, 3 (4%) to meter changeout issues including installation of digital meters and to having to pay demand charges, and two each (2.5%) to outages, and estimated meter reads. Remaining single comments covered a variety of issues including pole work, tree trimming, paying by Visa, paying taxes on power bills, the automated phone system, and CIACs.

Summary: The largest number of customers who provided lower scores in their responses to this question are normally motivated by high prices, and in this quarter the emphasis on price issues was even stronger than usual. No other reasons appeared to be significant.

Satisfaction with Contact Centre Service

Key Indicators:

	This Quarter	**Last Quarter**	**Same Quarter Last Year**
Satisfaction with Service			
Residential	8.8	9.2	8.9
Commercial	8.8	9.0	9.1
First Call Resolution			
Total	86.8%	90.4%	89.0%
Residential	86.4%	95.1%	87.6%
Commercial	87.7%	83.1%	91.5%
Improvements Needed			
None	65.6%	62.3%	70.7%
A Little	27.4%	31.4%	21.4%
A Lot	5.2%	4.7%	5.8%

Commentary:

Findings: 27.3% of residential and 29.4% of commercial participants in this quarter's survey said they had called within the last six months.

This quarter, residential customers' ratings of satisfaction with telephone service dropped from 9.2 to 8.8. Commercial customers' ratings decreased by 0.2 from 9.0 to 8.8.

Commercial customers in the Burin area had the greatest degree of satisfaction (10.0, for five respondents) with telephone service. Gander showed the lowest degree of satisfaction (8.2). Burin residential customers also had the highest degree of satisfaction among residential customers, and the seven respondents all provided rankings of 10.0. St. John's (8.6) had the lowest residential telephone ratings. There continue to be geographical variations in ratings every quarter, however, there is no trend of high or low ratings from specific areas.

Among residential customers, about 75% said they had called a Customer Account Representative, 20% the automated power outage information system (TVD) and 5% the automated account balance system. The corresponding percentages for commercial customers were 66% to a Customer Account Representative, 29% to TVD and 5% to the automated account balance application. This is similar to previous surveys.

Among residential customers, those calling Customer Account Representatives provided higher telephone satisfaction ratings (8.8) than those who called the automated account balance application and TVD (both at 8.7). Among commercial customers, the Customer Account Representatives and TVD received the highest rating, (8.9), compared with 6.5 for the automated account balance application (only six respondents).

There were some differences in satisfaction ratings depending on the subject matter of the telephone call. Among commercial customers, the highest telephone satisfaction ratings (10) were for two enquiries about payment plans and two about meter reading. Other subjects where satisfaction was at or above the commercial average of 8.8 were, in descending order, street lights; balance on account; and new service connection. Customers who had made calls concerning meter readings / estimated readings (6.4), power outages (8.3), pole removals, and new service installations (both 8.0), provided ratings lower than the commercial average.

For residential customers, calls relating to street lights, tree trimming, payment plans, balance on account, connecting a new service, and pole removals resulted in satisfaction ratings higher than the residential average. Calls with ratings less than the average were for high bills, meter readings or estimates, energy efficiency programs, and power outages.

Primary Reasons for Low Ratings: Customers who provided a satisfaction rating for telephone service of 6 or less were asked the main reason for their response. A total of 32 such responses were made including both residential (22) and commercial (10) customers. The most common issue expressed was not being able to get the information wanted (8 or 25%), followed by the automated system (6 or 19%), high bills (3 or 9%), issues with the agent (also 3 or 9%), and two mentions each of "problem not fixed," outages, and CIAC issues. The remainder were single mentions of various items.

First Call Resolution: The percentage of customers who reported their issue or inquiry was handled on the first call decreased from last quarter, from 90.4% to 86.8%.

Residential results declined from 95.1% to 86.4% while commercial results moved from 83.1% to 87.7%. Both the residential and commercial results were within the usual range of results.

The 24 customers who said they had to call us more than once were asked why this was necessary. Four or 17% said they had had various issues about field service (damage, pole removals, light sensor not replaced, voltage), while three others said they had been calling about high bills, three said they had called concerning meter reading / estimating issues and another three called about new services, name changes, or final reads. Two (8%) indicated issues with CIAC requirements while two others had been calling about credit or payment issues. The rest were single mentions of particular issues including account changes, mailing addresses, payment plans, getting an estimate on the cost of equipment, and finance forms.

Taken together, 6 or 25% of the callers who had to call once were calling about the consumption related issues of high bills or meter reading / estimating.

Of the 24 customers who said they had to call more than once, 7 were commercial customers.

Customer Satisfaction Rating, Telephone Service		
	Residential	
	Resolved First Call	**Not Resolved First Call**
December 2005	**9.4**	**6.9**
March 2006	**9.3**	**4.9**
June 2006	**9.1**	**6.0**
September 2006	**9.2**	**6.7**
December 2006	**9.1**	**7.6**
March 2007	**9.1**	**6.7**
	Commercial	
	Resolved First Call	**Not Resolved First Call**
December 2005	**8.8**	**6.8**
March 2006	**9.4**	**6.6**
June 2006	**9.4**	**5.5**
September 2006	**9.0**	**7.9**
December 2006	**9.4**	**5.8**
March 2007	**9.3**	**6.1**

As we have concluded from previous surveys, customers who were required to call more than once to solve their issue or inquiry were less satisfied with our service than customers who called only once. Combined with the higher numbers of customers who called concerning high bills or meter reading / estimating issues, these seem to have had a strong influence on the overall ratings this quarter.

Improvements: The percentages of respondents who feel we can improve our telephone service "a little" decreased from 31% to 27% since last quarter, with those who say we can improve "a lot" increased from 4.7% to 5.2%.

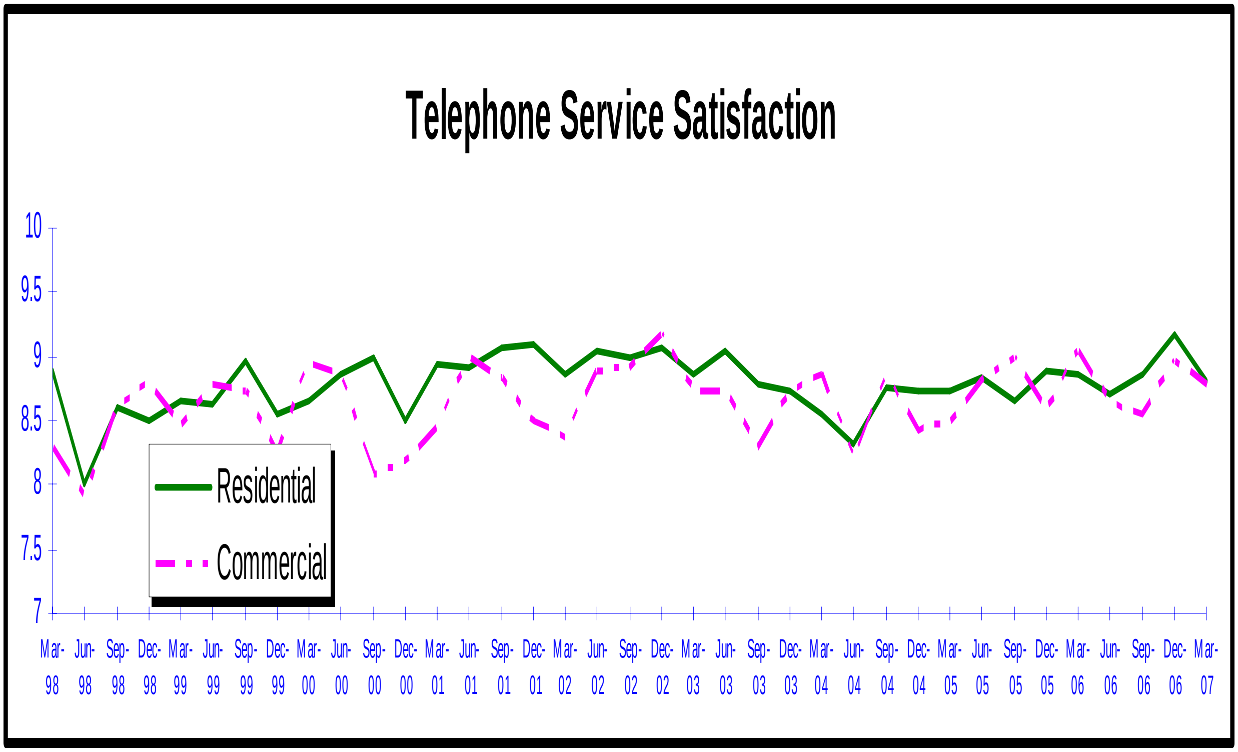
In their comments, of the 18 respondents who said we can improve "a lot", 28% or 5 indicated they felt we should have more people answering the phone, another four (22%) felt we should answer questions on the first call, three said we should have live people answering the phones rather than an electronic system, and two each that we should expand our hours of operation, answer right away, and that the agents should be more knowledgeable about products and services.

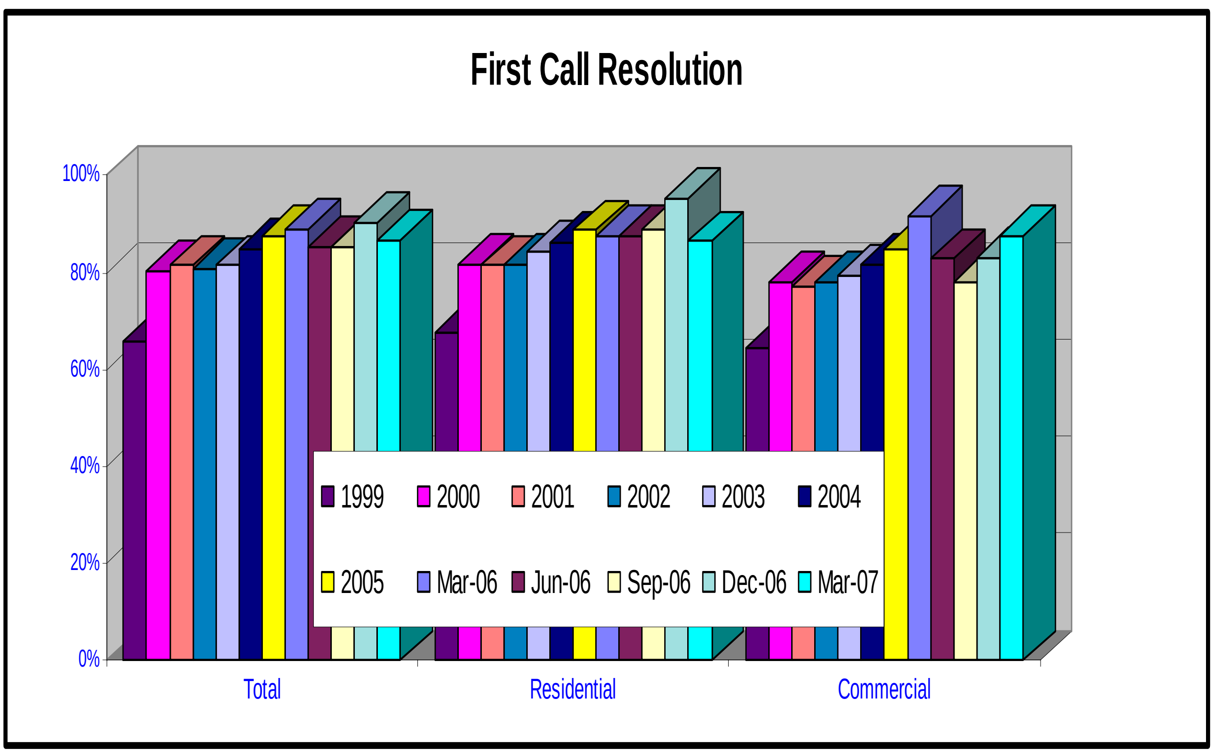
Improvement Requirements Identified			
Service Called	**None**	**A Little**	**A Lot**
Customer Acct Reps	67.5%	26.4%	4.5%
Automated Acct Balance	58.8%	23.5%	17.6%
TVD	61.3%	31.3%	5.0%

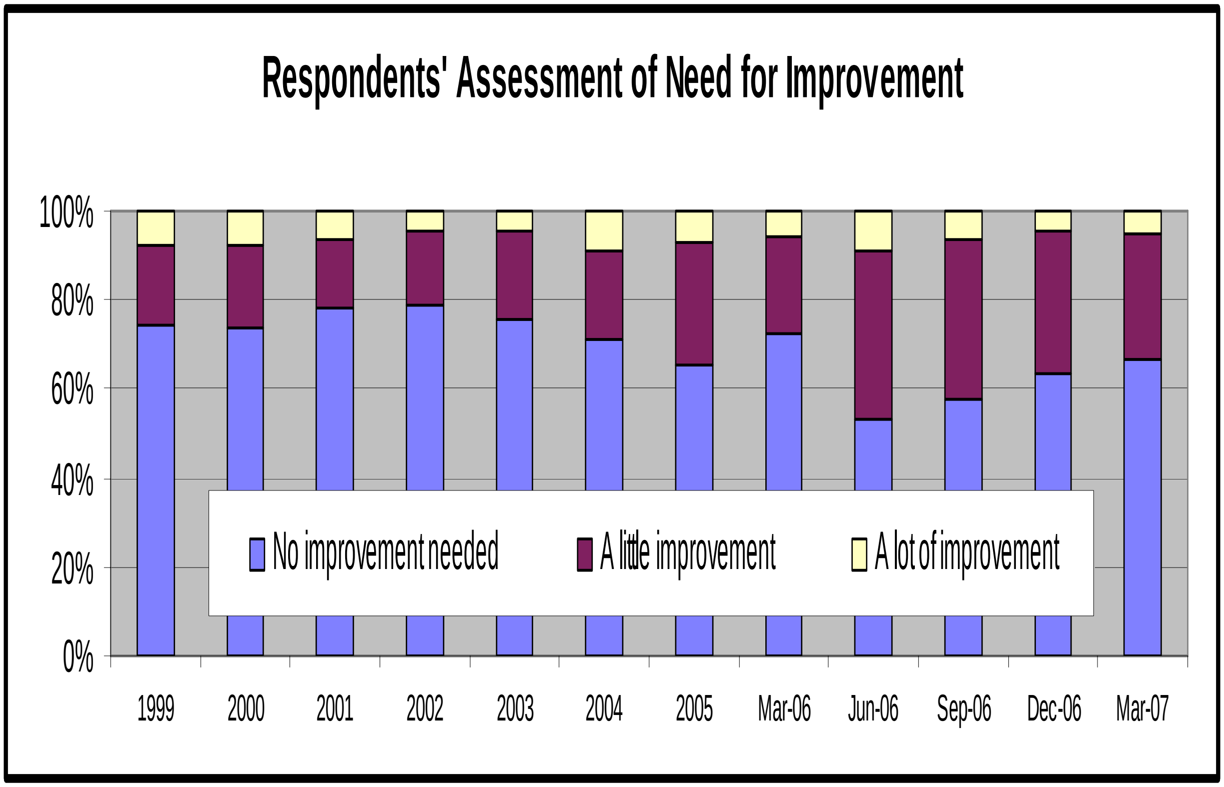
Of the 94 customers who said "a little" improvement was required, 14 or 15% said more people should be answering the phone, and another 9 or 9.5% would rather not use the automated system. Six said phones should be answered more quickly, and four said questions should be answered on the first call. Three suggested each of the following: update the outage system more quickly/concisely; return calls more promptly; have more courteous and polite staff; and agents be more knowledgeable about products and services.

Summary: The graph on the next page indicates that both residential and commercial customer satisfaction declined this quarter. Both remain within the normal range of responses established over the past three years. Seasonal factors such as high electricity consumption seem to have had an impact on satisfaction ratings, particularly as a number of these customers felt they had to call more than once to try to resolve their concerns. It is important to note that negative comments tend to come from a small portion of the overall respondents. The 18 customers who saw "a lot" of room for improvement is a small portion (5.2%) of the 343 customers who called us in the last six months.

Historical Data:






Respondents' Assessment of Need for Improvement
100%
80%
60%
40%
20%
0%
1999
2000
2001
2002
2003
2004
2005
Mar-06
Jun-06
Sep-06
Dec-06
Mar-07
No improvement needed
A little improvement
A lot of improvement

Satisfaction with Field Services

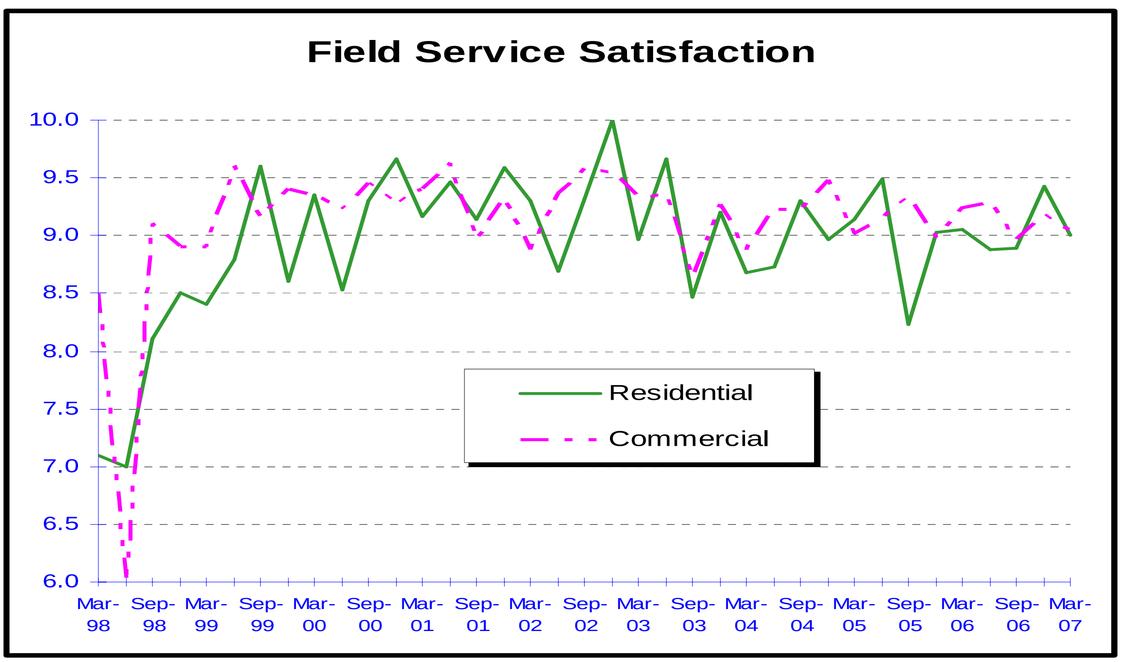
Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Satisfaction with Service			
Residential	9.0	9.4	9.0
Commercial	9.0	9.2	9.2
Improvements Needed			
None	61.0%	61.3%	89.3%
A Little	32.2%	30.1%	7.1%
A Lot	1.7%	3.2%	2.4%

Commentary:

Findings: 4.1 % of residential (33 customers) and 6.6% of commercial customers (27 customers) reported having been visited by a lineperson, technician, collector, meterperson, or customer services specialist in the past six months. The most common reasons given for the visits were emergency or other planned repairs, followed by replacement or installation of meters, installing street lights, and wires/poles relocations.

Customers' satisfaction with the level of service provided during these field visits was lower than last quarter for both residential and commercial customers. The relatively small number of respondents results in greater volatility of the results, which is shown on the following graph.

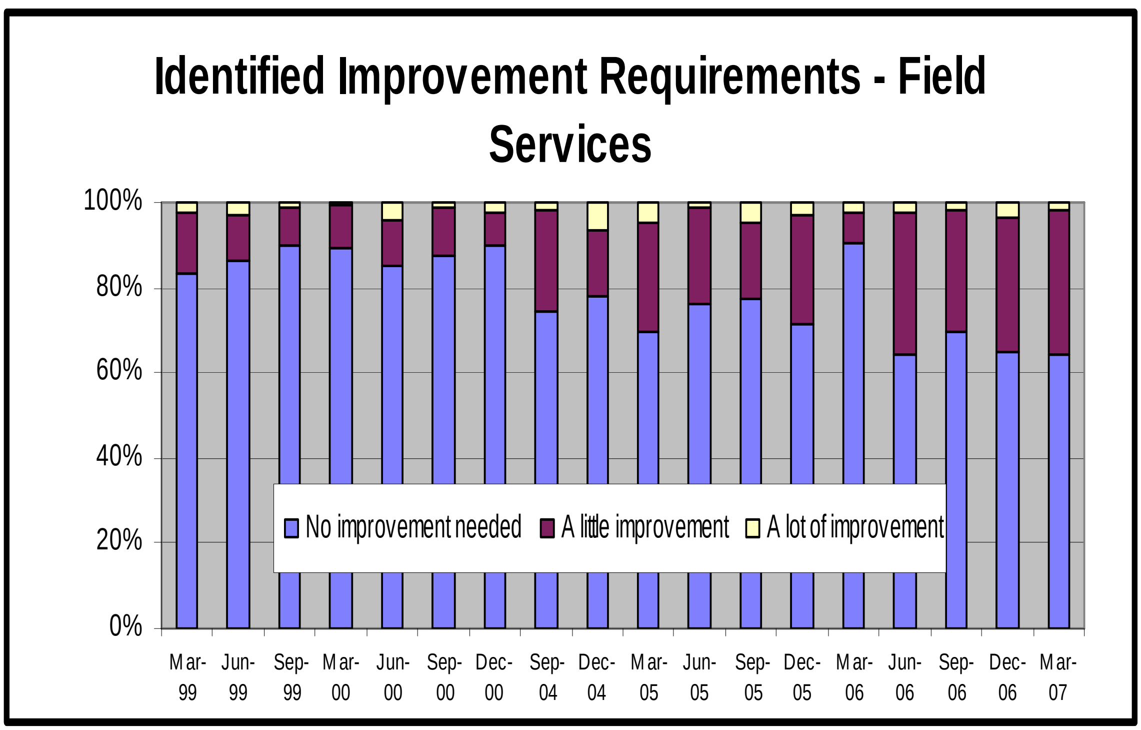


Primary Reasons for Low Ratings: Only 4 of the 60 customers who received a field visit in the last six months provided a rating of six or less. Two of these were actually complaining about meter reading estimates, rather than field services. One said a crew had had to visit a second time to deal with wires on the ground, and the last said they should be able to read the meter more easily.

Improvements: The percentage of respondents who stated we need to improve field services "a little" increased this quarter in comparison to last quarter, while the percentage saying we needed to improve "a lot" declined (actually, to one person).

The customer who said "a lot" of improvement was needed did not actually provide a suggestion, but felt their electricity estimate was too high. There were 19 responses that "a little" improvement is needed in field service, including two of the four persons who provided ratings of six or less. Two thought our trucks should have better equipment, one (the person who said a crew had to return for wires down) said the staff should be more thorough in their work, one said crews should be more prompt, one said the crew was "too casual", and one said he should not have to pay CIAC charges.

The following graph shows the trend in the percentage of customers who believe we can improve our field service.



Satisfaction with Cashier Services (Dominion)

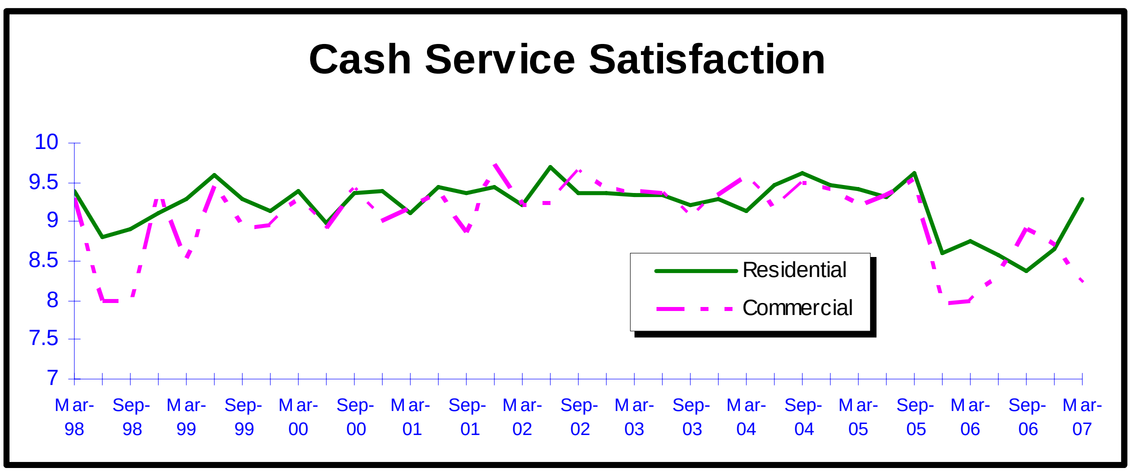
Key Indicators:

	This Quarter (Dominion)	Last Quarter (Dominion)	Same Quarter Last Year (Dominion)
Satisfaction with Service			
Residential	9.3	8.6	8.8
Commercial	8.2	8.7	8.0
Improvements Needed			
None	64.4%	62.6%	72.2%
A Little	28.1%	24.5%	18.1%
A Lot	5.2%	10.9%	9.0%

Commentary:

Findings: 13% of residential customers (102) and 8% of commercial customers (33) reported having visited a Dominion payment center in the last three months. All figures refer to payment locations at Dominion stores, as cash payments have now been at those locations for over a year. Compared with last quarter, customers' ratings of satisfaction with cash services increased for residential and dropped for commercial customers. Compared to March 2006 both residential and commercial ratings have increased.

As per the graph below, cash service ratings were typically in the 9.0-9.5 range until after September, 2005 when the company closed the cash offices and moved this service to Dominion. Since that time, the cash service ratings have been in the range of 8.0-8.9 until this quarter with the increase in residential ratings. This is the first time any of the Dominion ratings have approached the company office ratings. We will be sharing these results with Dominion.



Ratings by Area: Customers' Satisfaction ratings with cash service by area were compared with the following results. Note three of the areas had no commercial customer responses.

Area	Residential	Commercial
St. John's	8.56	9.07
Carbonear	9.85	
Burin	9.66 (1)	
Clarenville	9.71	7.33 (1)
Gander	9.62	8.80
Grand Falls	9.75	5.25
Corner Brook	9.14	8.00
Stephenville	10.00 (2)	
Total Company	**9.29**	**8.21**

(1) Based on three responses.
(2) Based on five responses.

Primary Reasons for Low Ratings: The 14 respondents who provided a rating of six or less were asked to provide the main reason for their response. Of the 14, five (36%) indicated they felt the line-ups were too long or slow, while three (21%) mentioned each of not being able to pay by credit card and having to pay in a smoke shop. Three said they would rather pay at the NP office but didn't provide a reason, while one other said the cashier was "unpleasant."

Improvements: The percentage of customers who believe we could improve our cashier services "a little" has increased from 24.5% to 28.1%, while the percentage of customers who believe we can improve our cashier services "a lot" has decreased, from 10.9% to 5.2%. A total of 32 people suggested improvements, with 34% or 11 suggesting more cashiers during peak periods, 19% or six suggesting either an improved space or environment in the pay area or an area dedicated to paying light bills, four that there should be more courteous and polite cashiers, plus two suggesting more privacy, two who felt it was unnecessary to be required to bring the bill when paying and single responses about paying by credit card and having to pay multiple bills in separate transactions.

Importance of Items

Key Indicators:

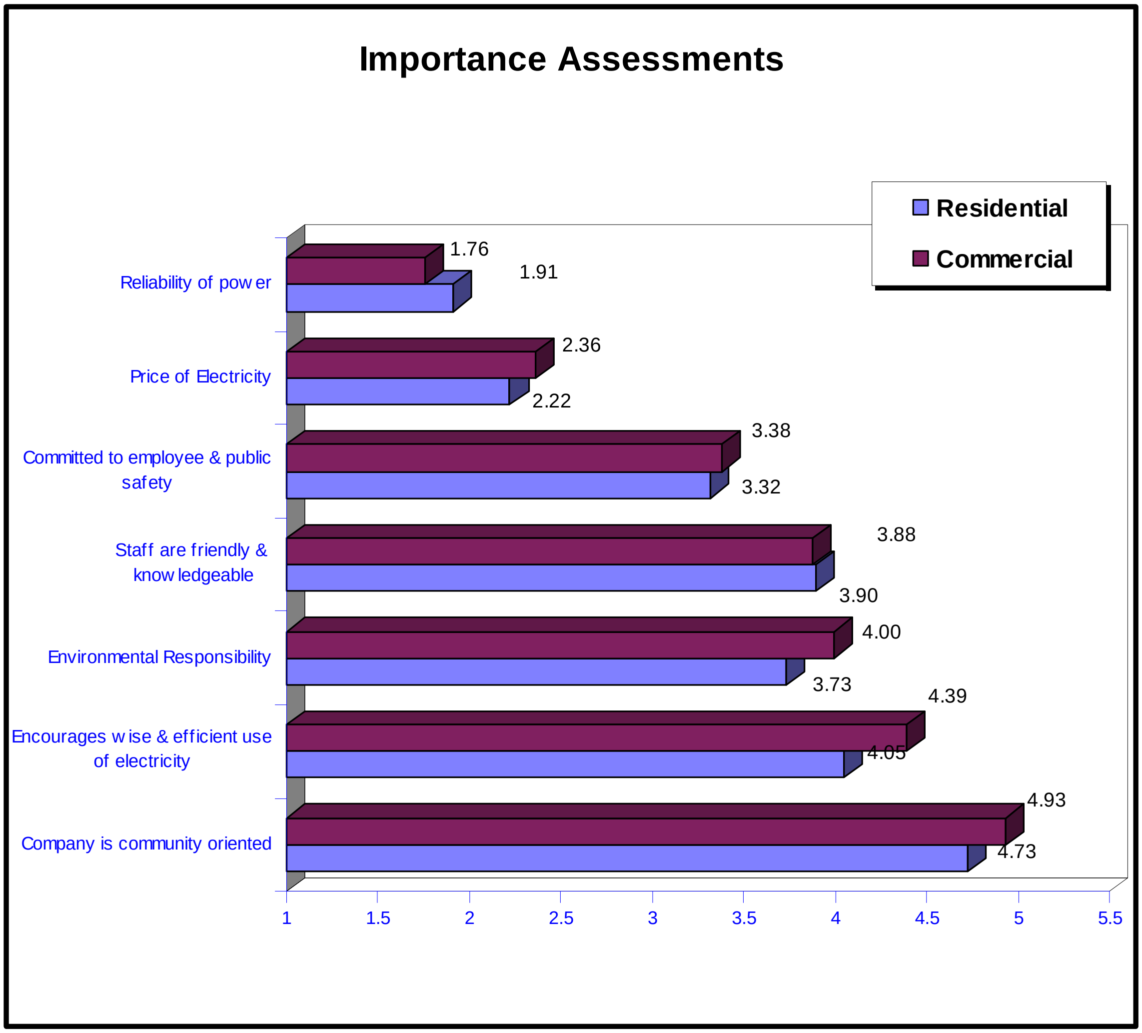
	This Quarter	Last Quarter	Same Quarter Last Year
Importance (Residential)			
Reliability of power	1.91 (1)	1.78 (1)	1.74 (1)
Price of Electricity	2.22 (2)	2.13 (2)	1.90 (2)
Committed to employee & public safety	3.32 (3)	3.22 (3)	3.20 (3)
Environmental Responsibility	3.73 (4)	3.93 (5)	3.70 (5)
Staff are friendly & knowledgeable	3.90 (5)	3.86 (4)	3.34 (4)
Encourages wise & efficient use of electricity	4.05 (6)	4.24 (6)	4.13 (7)
Company is community oriented	4.72 (7)	4.62 (7)	3.90 (6)
Importance (Commercial)			
Reliability of power	1.76 (1)	1.66 (1)	1.55 (1)
Price of Electricity	2.36 (2)	2.37 (2)	1.96 (2)
Committed to employee & public safety	3.38 (3)	3.24 (3)	3.23 (3)
Staff are friendly & knowledgeable	3.88 (4)	3.72 (4)	3.70 (5)
Environmental Responsibility	4.00 (5)	4.02 (5)	3.47 (4)
Encourages wise & efficient use of electricity	4.39 (6)	4.37 (6)	4.41 (7)
Company is community oriented	4.93 (7)	4.89 (7)	4.18 (6)

Note: The lower the number, the more importance placed on the item by the respondents.
The number in brackets is the ranking relative to the other items.

Commentary:

This quarter's results on these measures are consistent with previous surveys. Reliability continues to be the most important attribute for both residential and commercial customers, followed by price.

The company's commitment to employee and public safety places third in importance. For residential customers environmental responsibility is fourth this quarter, followed by friendly and knowledgeable staff. The fourth and fifth place rankings are reversed for commercial customers. The remaining aspects of service are consistently seen as less important, although encouraging the wise and efficient use of electricity is consistently seen as more important than community orientation.



Importance Assessments
Residential
Commercial
Reliability of power
Price of Electricity
Committed to employee & public safety
Staff are friendly & knowledgeable
Environmental Responsibility
Encourages wise & efficient use of electricity
Company is community oriented
1.76
1.91
2.36
2.22
3.38
3.32
3.88
3.90
4.00
3.73
4.39
4.05
4.93
4.73
1
1.5
2
2.5
3
3.5
4
4.5
5
5.5

Agreement with Service Features

Key Indicators:

	This Quarter	Last Quarter	Same Quarter Last Year
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Residential)			
Power is reliable	98.8%	97.9%	98.5%
NP shows concern for public safety	94.2%	92.8%	92.4%
NP contributes to the community	73.6%	76.9%	64.0%
NP operates in an environmentally responsible manner	77.5%	76.4%	74.4%
NP is easy to contact for service/information	82.0%	80.3%	80.5%
NP's electricity bill is easy to read/understand	95.6%	95.0%	93.9%
NP's billing is accurate	80.8%	87.0%	-
NP provides high quality customer service	91.0%	89.6%	-
There are very few power outages	96.4%	93.8%	-
NP encourages customers to make more efficient use of electricity	95.4%	94.9%	-
NP listens to and acts upon customer concerns	77.5%	75.1%	-
NP restores power quickly when a problem occurs	96.8%	96.2%	-
NP cares about its customers	91.1%	90.0%	-
NP does a good job upgrading and maintaining the electric system	89.7%	86.9%	-
NP provides high power quality free from voltage fluctuations	87.3%	83.0%	-
NP has friendly and courteous staff	86.3%	89.0%	-
Agreement with Statements ("Strongly Agree" or "Somewhat Agree") (Commercial)			
Power is reliable	99.3%	98.3%	98.3%
NP shows concern for public safety	94.7%	96.9%	93.6%
NP contributes to the community	79.9%	80.9%	69.4%
NP operates in an environmentally responsible manner	78.4%	82.6%	76.5%
NP is easy to contact for service/information	83.0%	85.3%	83.1%
NP electricity bill is easy to read/understand	91.5%	90.6%	92.4%
NP's billing is accurate	76.5%	83.1%	-
NP provides high quality customer service	91.5%	94.4%	-
There are very few power outages	95.4%	95.2%	-
NP encourages customers to make more efficient use of electricity	94.4%	94.7%	-
NP listens to and acts upon customer concerns	79.1%	86.2%	-
NP restores power quickly when a problem occurs	96.8%	97.6%	-
NP cares about its customers	92.0%	94.0%	-
NP does a good job upgrading and maintaining the electric system	88.6%	93.2%	-
NP provides high power quality free from voltage fluctuations	85.9%	87.7%	-
NP has friendly and courteous staff	91.0%	94.4%	-

Commentary:

Agreement with Service Statements: The table on the previous page represents the percentage of customers who agreed with statements about various aspects of Newfoundland Power's service.

Among residential customers, compared to last year there were slight improvements in residential customers' agreement that power is reliable, the Company operates in an environmentally responsible manner, is easy to contact, and that the electricity bill is easy to read and understand. There was a sizeable increase in agreement that NP contributes to the community, an increase from 64% in March 2006 to almost 74% this quarter. There was a slight decline in the level of agreement that the Company shows concern for public safety. In most cases the level of agreement is so high ("power is reliable is at 98.8% for instance) that slight changes are not significant.

Many of the statements were only introduced for the first time in June of 2006 so the only comparison provided is with the last quarter. Among these, over 90% of the residential customers, agreed that NP restores power quickly after a problem occurs, there are very few power outages, and that NP cares about its customers, provides high quality customer service, and encourages customers to make more efficient use of electricity. All the other indicators showed over 85% agreement except that 77.5% felt the Company listens to and acts upon customer concerns, and 80.8% feel NP's billing is accurate (this was 87% last quarter, which suggests that estimated readings during the winter led to this decline).

Among commercial customers, in comparison with last year, there was greater agreement that power is reliable, that NP shows concern for public safety, contributes to the community, and operates in an environmentally responsible manner. Compared to last year, this quarter showed less agreement that NP is easy to contact and that the bill is easy to read and understand.

Among the other statements, over 90% agreed that there are very few power outages, that NP provides high quality customer service, the company restores power quickly when a problem occurs, has friendly and courteous staff, cares about its customers, and encourages customers to make more efficient use of electricity. As well, 88.6% agree that the Company does a good job upgrading and maintaining the electric system, 85.9% that the Company provides high power quality free from voltage fluctuations, 79.1% that the company listens to and acts upon customer concerns, and 76.5% that NP billing is accurate.

Overall, the level of agreement with these indicators remains very high, thereby suggesting that customers have a very positive impression of service.

Looking at items where the level of agreement was lower than the others (contribution to the community, operating in an environmentally responsible manner, and listening to / acting on customer concerns), the lower rankings do not reflect negative views by the customers so much as neutral views. With residential customers, 14.8%, 20.9%, and 18.8% of those responding on these three statements expressed neither agreement nor disagreement. Those expressing disagreement with the statements were only 3.2%, 1.6% and 3.7% of the total respectively.

Similarly with commercial customers, customers who do not agree with the statements about service are generally neutral rather than actually disagreeing. Large percentages of commercial customers are also neutral on the subjects of the accuracy of NP's billing (19.2%).

Service and Payment Options

The customers were asked about their level of awareness and use or (if not presently using) willingness to use various service and payment options available from the Company. The following table summarizes the responses.

Residential

Service or Option	**Awareness of Service (%)**	**Use of Service (If Aware) (%)**	**Likelihood of Using (Not Presently Using) (%)**
eBills	61.5	9.6	6.9
12 Month EPP	89.8	22.6	5.0
10 Month EPP	50.1	1.7	2.0
APP	79.8	19.3	5.2
Self Serve Meter Read - Phone	25.1	6.4	4.7
Self Serve Meter Read - Internet	18.8	2.0	3.3
Close Acct - Internet	22.0	6.1	16.1
Open Acct - Internet	22.4	6.0	14.6
View Usage and Payments on Internet	34.7	36.2	20.0

Commercial

Service or Option	**Awareness of Service (%)**	**Use of Service (If Aware) (%)**	**Likelihood of Using (Not Presently Using) (%)**
eBills	75.7	7.7	8.5
12 Month EPP	92.7	9.9	2.3
10 Month EPP	56.3	1.7	9.2
APP	84.7	10.6	3.6
Self Serve Meter Read - Phone	25.5	4.8	1.1
Self Serve Meter Read - Internet	22.3	2.2	3.5
Close Acct - Internet	29.6	5.7	14.2
Open Acct - Internet	26.9	7.2	22.3
View Usage and Payments on Internet	47.1	30.4	16.1

Commentary:

Findings: Awareness of the 12 month EPP option is the greatest in both residential and commercial customers, followed by APP, eBills, and 10 Month EPP, then viewing of account information on the Internet. The remaining options have awareness levels in the 20% range. Both types of customers report that viewing account and payment information on the Internet is the most widely used, followed by 12 month EPP and APP for residential customers and by APP for commercial customers.
The options that customers say they are the most likely to use (where they are not already using them) are to view information on the Internet, followed by opening and closing accounts on the Internet.
Residential customer responses were compared with the respondents' area, age, and education. There was a greater interest in using eBills among younger people, and younger people were also more likely to be aware of the capability of viewing account and payment information on the Internet, opening and closing accounts on the Internet, as well as eBills and APP. The younger group also said they would be more likely to use the 12 month EPP option. In addition, awareness of APP, 12 Month EPP and viewing account information on the Internet increases with educational level. No significant differences were found in relation to area of residence.
Commercial responses were compared with the customers' area. No significant differences were found among the areas for any of these responses.

Customer Energy Changes

In this survey, the customers were asked what type of action they had taken in their home or business to reduce energy usage.

Findings:
Customers reported they had taken energy actions as follows. The percentages are those who said they had taken the actions listed.

Energy Saving Action	Residential		Commercial	
	Dec-2006	Mar-2007	Dec-2006	Mar-2007
Conservation	83.9%	85.2%	68.4%	78.6%
Adding Insulation	48.6%	43.6%	29.2%	27.4%
Compact fluorescent light bulbs	65.7%	69.8%	64.0%	59.7%
Sealing drafts around doors or windows	67.2%	60.3%	55.3%	51.7%
Low flow shower heads (residential only)	58.5%	54.3%		
Washing laundry in cold water	80.8%	85.0%		
Reduce temperature of hot water tank	45.9%	46.7%	28.0%	28.4%
Programmable thermostats	24.9%	22.8%	26.1%	25.5%
Install more energy efficient heat system	17.2%	11.8%	11.4%	11.7%
Other	2.0%	1.8%	0.5%	0.0%

Residential customers were also asked about their type of housing. The type of housing had a number of impacts upon the type of energy actions the customers carried out, as follows:

Energy Saving Action (Percent Carried Out)	Detached	Semi Detached	2 Apt Home Upstairs In Home with Basement Apt	Downstairs Basement Apts	Mobile Home	Apt in Apt Bldg
Conservation	84.0%	87.8%	88.9%	86.4%	77.8%	91.7%
Adding Insulation	49.3%	28.6%	27.2%	22.7%	44.4%	8.3%
Compact fluorescent light bulbs	73.3%	73.5%	63.0%	50.0%	33.3%	41.7%
Sealing drafts around doors/windows	64.2%	51.0%	50.6%	50.0%	77.8%	29.2%
Low flow shower heads	55.7%	59.2%	53.1%	45.5%	44.4%	45.8%
Washing laundry in cold water	84.3%	91.8%	91.4%	72.7%	100.0%	66.7%
Reduce temperature of hot water tank	46.8%	53.1%	50.6%	45.5%	33.3%	33.3%
Programmable thermostats	23.2%	28.6%	27.2%	27.3%	11.1%	0.0%
Install more efficient heat system	13.8%	0.0%	11.1%	4.5%	22.2%	0.0%

While we do not have information about the extent to which the respondents actually own the housing, it appears that the energy saving actions which imply investment in a home (insulation, compact fluorescent light bulbs, sealing drafts, thermostats, and heat system) are not common in apartments.

Energy Use:
Respondents were asked about their source of heating for their home/ business. The following are the results (of the five residential customers who said "Other", one said they had a fireplace, another a wood-oil furnace, one a heat pump, one hot water radiation, and the last stove oil. Nine commercial respondents said they had other heating sources: four of these said they had a heat pump while the others did not know what their company used for a heat source.

Heating Sources:
(Note multiple answers were allowed)

	Residential	Commercial	Total
Electricity	67.7%	71.6%	69.0%
Oil	33.1%	31.8%	32.7%
Wood	20.3%	3.6%	14.7%
Propane	3.2%	4.1%	3.5%
Other	0.4%	2.2%	1.1%

Commentary:
The most common residential energy actions (aside from general conservation) were washing laundry in cold water and installing compact fluorescent light bulbs. Sealing drafts around windows and doors ranked third in energy actions engaged in by the customers.

With commercial customers, aside from general conservation, the installation of compact fluorescent light bulbs was the most commonly reported action.