

1 Q. It is stated in the Liberty Interim Report (page ES-2): *“Liberty believes it is time to*
2 *reassess the service reliability and cost balances that underlie the decisions on what*
3 *level of supply resources to make available”*. What does Hydro use as a guide on
4 cost trade-offs and rate impacts when considering projects to improve reliability?
5 Please provide copies of all studies undertaken by Hydro to determine customer
6 willingness to pay for reliability improvements and any sources for such studies
7 undertaken elsewhere in North America.

8

9

10 A. Changes, upgrades and replacement of existing facilities are recommended by
11 Hydro based on asset condition assessments, equipment operating performance in
12 terms of safety, reliability and costs, asset age and availability of parts,
13 manufacturer recommendations and industry experience. When any of these areas
14 indicate a need to change, upgrade or replace equipment, Hydro assesses the
15 options and recommends what it considers to be the least cost, reliable option in its
16 capital budget proposals to the Board. These capital budget proposals require
17 Board approval following a process, which includes ratepayer representative input.
18 In this manner, the reliable service options that are least cost and most appropriate
19 are determined and approved.

20

21 In determining whether or not to propose a change, upgrade or replacement of
22 existing facilities, Hydro considers established standards, which are periodically
23 reviewed by the Board. The current reliability standards for generation supply were
24 most recently reported on in Hydro’s report to the Board submitted on March 24,
25 2014. The transmission system planning criteria have been provided in Hydro's
26 response to PUB-NLH-176. There are similar standards applied for distribution
27 system planning and isolated generation plants. In addition to these standards,

1 which establish when facilities may need to change due to changing customer
2 demands, Hydro applies engineering design standards that have been developed
3 over time, with Hydro's operating experience and considering industry codes of
4 practice and standards.

5

6 From 2006 to 2009, Hydro had completed customer satisfaction surveys for its Rural
7 Customers that included a question on customer willingness to pay. These surveys
8 are provided as CA-NLH-024 Attachments 1 to 4.

9

10 Hydro is aware that the Canadian Electrical Association (CEA) performs an annual
11 "Public Attitudes Research Project" that surveys electricity consumers across
12 Canada, including ascertaining electricity consumers' interest in paying more for
13 increased reliability.

14

15 The issue of the balance between service reliability and cost for customers has
16 been, and will remain, a fundamental area of concern to Hydro, its customers and
17 the Board. Hydro is committed to providing an appropriate level of service and
18 reliability at least cost, as per the company's mandate. Hydro is also open to a
19 broader discussion and consultation with its customers, the Consumer Advocate,
20 the Board and other interested parties, around achieving this balance.

2006 RESIDENTIAL CUSTOMER SATISFACTION TRACKING STUDY

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EXECUTIVE SUMMARY

Study Background and Methodology

This report presents the findings of the 8th Annual *Residential Customer Satisfaction Study* conducted by MarketQuest Research on behalf of Newfoundland and Labrador Hydro (Hydro). The primary objective of the *Residential Customer Satisfaction Study* was to assess satisfaction with Hydro's performance in providing service to customers and to determine any changes in customer satisfaction over time. Other objectives of the study were to assess customers' opinions on service reliability and customer service, as well as to determine awareness and use of customer services.

This research was conducted via a telephone survey of a random sample of residential customers. To allow for analysis by region, sub-region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: Labrador West, Happy Valley/Goose Bay, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated. Due to the use of disproportionate sampling, weights were developed to ensure that the sample was a proportionate representation of the customer population at the overall level. In total, 728 customers completed the survey.

It is important to note that changes have been made to the *Residential Customer Satisfaction Study* to ensure consistency with the Canadian Electricity Association's (CEA's) Annual *Public Attitudes Research Project*. In particular, several study attributes were added or modified and rating scale endpoints were changed. As a result of these changes, caution should be used when comparing CSI, importance, satisfaction and gap scores over time. Furthermore, while the CSI that appears in this report was calculated using the same method as in previous years, this method is currently under review and may change in the future.

Key Findings

Customer Satisfaction

Overall, residential customers were generally satisfied with Hydro's performance. However, there is still room for improvement in some areas.

The Customer Satisfaction Index (CSI) for 2006 was 8.0. With a relatively stable CSI since 2002¹, it is evident that Hydro continues to meet customer expectations in most areas. The CSI was higher for Interconnected rate areas (8.1) than for Isolated areas (7.7). By region, the CSI was highest in Central (8.5), followed by Northern (7.9) and Labrador (7.6). By sub-region, the CSI was highest for Central Interconnected (8.5) and lowest for Northern Isolated (7.2). Overall, 89% of customers were satisfied with the performance of Hydro (49% *very* satisfied, 40% *somewhat* satisfied), with a mean satisfaction rating of 8.4 out of 10.

¹ The attributes used to calculate the 2006 CSI differ from those used to calculate previous CSIs. Furthermore, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.



While satisfaction with Hydro's performance can be considered favourable, there are some attributes within the three service dimensions for which Hydro may wish to consider focusing on improving performance. These attributes showed the greatest discrepancy in terms of the gap between importance and satisfaction.

Reliability

- Number of power outages.

Service

- Listens to and acts upon customer concerns; and
- The price you pay for electricity.

Corporate Citizenship

- Contributes back to the community through initiatives such as community sponsorship programs.

It is important to note that while a significant gap exists for 'Contributes back to the community', the importance rating for this attribute was lower in comparison to other attributes. Further to this, a considerable proportion of customers (26%) were unable to provide feedback on this attribute suggesting a lack of familiarity with Hydro's community contributions. Hydro may wish to consider educating customers on its involvement in the community to enable customers to more accurately evaluate Hydro on this attribute.

Furthermore, while 'The price you pay for electricity' was identified as an area for improvement, it is understood that Hydro is not in a position to change its cost structure. Therefore, Hydro should consider other ways to increase customers' perception of Hydro's performance in this area. For example, focusing on the overall value of Hydro's service to customers may help to improve satisfaction in this area.

Service Reliability

Overall, residential customers continued to be satisfied with the supply of electricity received from Hydro. However, approximately one-third of customers desire improved reliability with their electrical supply.

Residential customers reported a high level of satisfaction with the supply of electricity they receive from Hydro (average satisfaction: 9.0 out of 10). The majority of customers (66%) reported being *very* satisfied, while 29% were *somewhat* satisfied. Satisfaction with service reliability has remained relatively unchanged since 2002.

Despite this finding, 32% of residential customers desire improved reliability with their electrical utility supply, of which 19% would be willing to pay more in electricity costs for improved reliability.

Supporting this desire for improved reliability, nearly half of residential customers (49%) have experienced an unplanned power outage at their home that lasted longer than 30 minutes. These customers reported moderate satisfaction with Hydro's handling of this outage (The way Hydro dealt with the unplanned power outage: 7.3 out of 10; Hydro being easy to reach to discuss questions or concerns about power outages: 7.2 out of 10; Hydro letting them know when power would be restored: 6.2 out of 10).



Customer Service

Residential customers continued to be satisfied with the customer service received from Hydro.

Residential customers reported a high level of satisfaction with the customer service received from Hydro (average satisfaction: 8.9 out of 10). The majority of customers (63%) reported being *very* satisfied, while 29% were *somewhat* satisfied. Satisfaction with Hydro's customer service has remained relatively stable since 2002.

To further assess Hydro's customer service, customers were asked to identify how long they think it should take Hydro to respond to various service requests. On average, customers felt it should take 4 hours to respond to a full or partial power loss, 37 hours to respond to general questions and concerns that cannot be immediately addressed, and 44 hours to respond to a service request for their home or property. Compared to 2005, expected response times for general questions and concerns that cannot be immediately addressed and service requests for home or property have increased.

Awareness and Use of Programs and Services

Approximately one-quarter of residential customers have used Hydro's automated toll-free number within the past year. Three-quarters of those who have called the number needed to speak directly with a customer service agent. Of those who needed to speak to an agent, a small minority have experienced difficulty.

Slightly more than one-quarter of customers (26%) have called Hydro's automated toll-free number within the past year. Of customers who have called within the past year, three-quarters (66%) needed to speak with a customer service agent. The majority of those who needed to speak with an agent (88%) did not experience difficulty. However, 12% of these customers did experience difficulties, the most common being waiting/on hold too long (40%), an inability to get through/busy signal (34%), no agents available/outside working hours (14%) and problem using the automated system (10%). The majority of customers experiencing difficulty were calling to obtain billing/account information (61%).

Past year visitation to the Hydro website among customers with Internet access was low. However, customers who visited the website rated it favorably.

A minority of customers with Internet access (10%) have visited Hydro's website in the past year. Most customers who visited the site (89%) were able to find the information they were looking for. The most common information sought on the website was account/billing information (66%).

Customers who visited the Hydro website were asked to rate the site in terms of its layout and design, ease of navigation, ability to find the right information and overall quality. Consistent with 2005, a large proportion of customers who visited the site rated it favorably on all attributes.



The majority of residential customers were aware of Hydro's Equal Payment Plan, however usage of the plan was low. Awareness of the pre-authorized bill payment option was moderate. Interest in an electronic billing system was low.

Approximately 62% of customers were aware of the *Equal Payment Plan*, consistent with 2004 and 2005. Of those aware, fewer than one in ten (8%) currently use the plan. Usage was higher in the Labrador (13%) and Northern (10%) regions than in the Central region (1%). Of customers unaware or not currently using the plan, nearly four in ten (38%) would be interested in using the *Equal Payment Plan*.

Almost half of customers (45%) were aware of the pre-authorized bill payment option offered by Hydro, an increase of 6% since 2004. Customers were also asked about their interest in an electronic billing system if it were offered by Hydro. Approximately 30% of residential customers would be interested in this service. As would be expected, customers with Internet access were more likely to be interested in an electronic billing system than customers without Internet access (38% vs. 8%, respectively).

Residential customers showed varied levels of interest in energy efficiency resources. Almost half of customers were aware of 'Hydrowise', consistent with the previous year. Feedback on the program has remained positive. Visitation to the 'Hydrowise' website, however, was low.

Residential customers showed a wide range of interest in various energy efficiency resources. Interest levels were highest for rebates on home energy efficiency upgrades (8.1) and lowest for downloadable video/audio content on home efficiency issues (5.4).

Overall awareness of 'Hydrowise', Hydro's energy awareness program, was 45%, consistent with 2005, but an increase over 2004 (20%). Consistent with previous years, most customers indicated that they found out about the program through a brochure inserted with their Hydro statement (60%).

Feedback on the program among those aware of it remained positive this year, with a majority of customers reporting that it provided them with new (54%) and useful (76%) information and that they used some of the tips to reduce their costs (60%). Among those aware of 'Hydrowise', visitation to the program website was low (5%).

Consistent with 2005, awareness of the new quarterly newsletter 'Watts New' was low. Among those aware of the newsletter, almost half have read an issue. The majority of customers who have read an issue rated the newsletter favorably and also rated the content as informative.

Consistent with 2005, just over one-quarter of customers (26%) reported having heard of the quarterly newsletter 'Watts New', and of those, 46% have read at least one issue, a decrease of 14% since 2005.

Similar to 2005, the majority of customers who have read an issue rated the content of 'Watts New' as informative (93%), and approximately eight in ten customers rated the newsletter as good or excellent on overall content, usefulness of the information, design and layout, and overall appearance.



1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

For the eighth year, MarketQuest Research Group Inc. conducted the Annual *Residential Customer Satisfaction Study*, on behalf of Newfoundland and Labrador Hydro (Hydro). The primary objective of this study was to assess satisfaction with the performance of Hydro in providing service to residential customers, and to identify any changes in customer satisfaction over time.

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

While the primary objective was to determine customer satisfaction, the study also included questions to assess awareness and use of various programs and services offered by Hydro, including 'Hydrowise,' the automated toll-free number, the *Equal Payment Plan*, pre-authorized bill payment, Hydro's website, and the quarterly newsletter 'Watts New'. In addition, questions were included to assess customer opinions on particular areas of interest, such as service reliability and customer service.

1.2 Study Methodology

Consistent with previous years, the study was conducted via a telephone survey of Hydro's residential customers. Data was collected from November 22nd-29th, 2006. The sampling frame included all households within Hydro's service areas that identified Hydro as their electricity supplier. The sampling unit was the adult household member who is responsible for paying the electricity bill and dealing with Hydro. A total of 728 residential customers completed the survey, which provides a margin of error of ± 3.59 , 19 times out of 20 or at the 95% confidence level.

To allow for analysis by region, sub-region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: Labrador West, Happy Valley/Goose Bay, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated.

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



The questionnaire, which was similar to those used in previous years, was designed by MarketQuest in consultation with Hydro (see Appendix A). Following a review of the 2005 questionnaire, new questions were added related to service reliability, billing and payment options, Hydro's automated toll-free number, and the Hydro website. The questionnaire took approximately 10 minutes to administer by telephone.

1.3 This Report

This report presents the results of the *2006 Residential Customer Satisfaction Study* at the overall level. Results are also presented, where possible, for previous years (2002 to 2005) to allow for comparison and tracking over time. In addition, where insight and informational value is added, results are segmented by region (Labrador, Northern, and Central), sub-region (Happy Valley-Goose Bay, Labrador West, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated) rate area (Interconnected and Isolated) and demographics (gender, age, household income, education, employment status, and years of service relationship).

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

It is important to note that changes have been made to the *Residential Customer Satisfaction Study* to ensure consistency with the Canadian Electricity Association's (CEA's) Annual *Public Attitudes Research Project*. In particular, several study attributes were added or modified and rating scale endpoints were changed. As a result of these changes, caution should be used when comparing CSI, importance, satisfaction and gap scores over time. Furthermore, while the CSI that appears in this report was calculated using the same method as in previous years, this method is currently under review and may change in the future.

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



2.0 CUSTOMER SATISFACTION INDEX (CSI)

The Customer Satisfaction Index (CSI) is based on customer ratings of importance and satisfaction for 16 attributes. These attributes are the same attributes used in the Canadian Electricity Association's (CEA's) Annual *Public Attitudes Research Project*. The dimensions measured by these attributes are corporate citizenship, reliability and service. These dimensions of service and the attributes measured in the study are presented below³.

Corporate Citizenship

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

Reliability

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

Service

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

To determine the CSI, customers were first asked to think about their electricity supplier and to rate the importance of each attribute. Importance was rated on a 10 point scale, with 1 being "Not at all important" and 10 being "Very important". Second, customers were asked to rate their satisfaction with the performance of Hydro in providing each attribute. Satisfaction was also rated on a 10 point scale, ranging from "Not at all satisfied" (1) to "Very satisfied" (10).

³ The attribute 'Friendly and courteous employees' was not included in the calculation of the CSI.



Several of the attributes used to calculate the 2006 CSI differ from those used in 2005. During 2006, several attributes were added or modified to ensure consistency with the CEA's Annual *Public Attitudes Research Project*. A listing of the attributes used in 2005 and 2006 is provided below. As shown below, the first seven attributes have remained the same while the remaining nine have changed for 2006.

2005 Attributes

1. Operates in an environmentally responsible manner
2. Concern for public safety
3. Contributes back to the community through initiatives such as community sponsorship programs
4. Billing statement accuracy
5. Provides bills that are easy to read and understand
6. Cares about its customers
7. Friendly and courteous employees
8. Provides timely and accurate information on power outages
9. Convenient hours of operation
10. Easy access to account information at any time
11. Electricity at a reasonable cost
12. Educates customers on the efficient use of electricity
13. Responds to customer questions and concerns in a timely manner
14. Restores electricity promptly when there is a power outage
15. Provides a reliable uninterrupted supply of electricity
16. Responds to service requests in a timely manner

2006 Attributes

1. Operates in an environmentally responsible manner
2. Concern for public safety
3. Contributes back to the community through initiatives such as community sponsorship programs
4. Accuracy of billing
5. Provides bills that are easy to read and understand
6. Cares about its customers
7. Friendly and courteous employees⁴
8. The number of power outages
9. Ensures a sufficient supply of electricity for the foreseeable future
10. The quality of customer service received
11. The price you pay for electricity
12. Encourages customers to make more efficient use of electricity
13. Listens to and acts upon customer concerns
14. Speed in restoring power when a problem occurs
15. Good power quality that is free from voltage fluctuations
16. The way they maintain the electric system

Furthermore, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years. Satisfaction ratings for previous years were scored on a 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". In addition, importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".

As a result of these changes, the overall CSI for 2006 is not directly comparable to the CSIs from previous years. Further to this, the importance, satisfaction and gap scores can only be compared across years for the seven attributes that have remained the same.

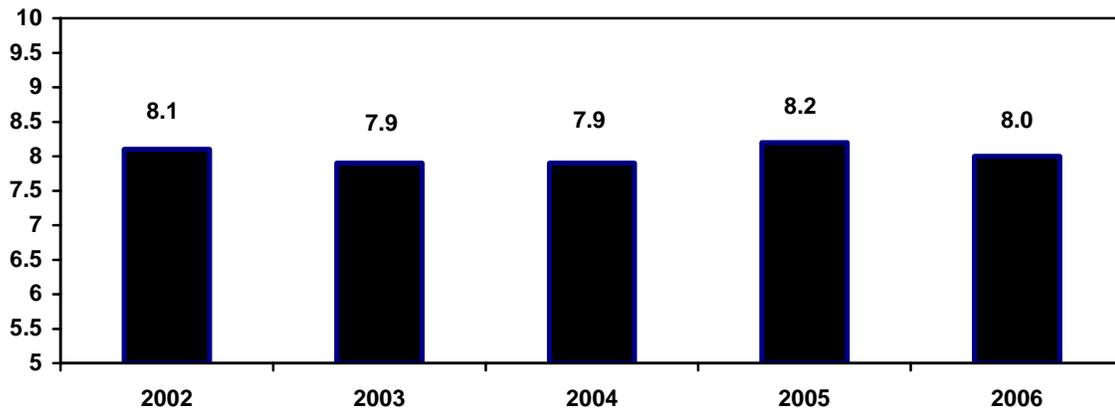
⁴ The attribute 'Friendly and courteous employees' was not included in the calculation of the CSI.



The CSI is a weighted average of the satisfaction ratings for each attribute. To calculate the CSI, the importance score for each attribute is divided by the sum of all importance scores and then multiplied by the satisfaction score assigned to Hydro for that particular attribute (in effect, weighting the satisfaction score by the relative importance). The resulting values are then summed, yielding a single customer satisfaction value for each respondent. The average of these values is the CSI in any one year. The CSI ranges between 1 and 10, and the higher the index the more satisfied Hydro's customers.

For 2006, the Customer Satisfaction Index for residential customers was **8.0**, indicating a relatively high level of satisfaction with the services received by Hydro. As demonstrated below, the CSI has remained relatively stable since 2002. However, as a result of changes made in 2006 to the importance and satisfaction attributes and the rating scale endpoints, caution should be used when comparing CSI scores over time.

Figure 1: Customer Satisfaction Index by Year

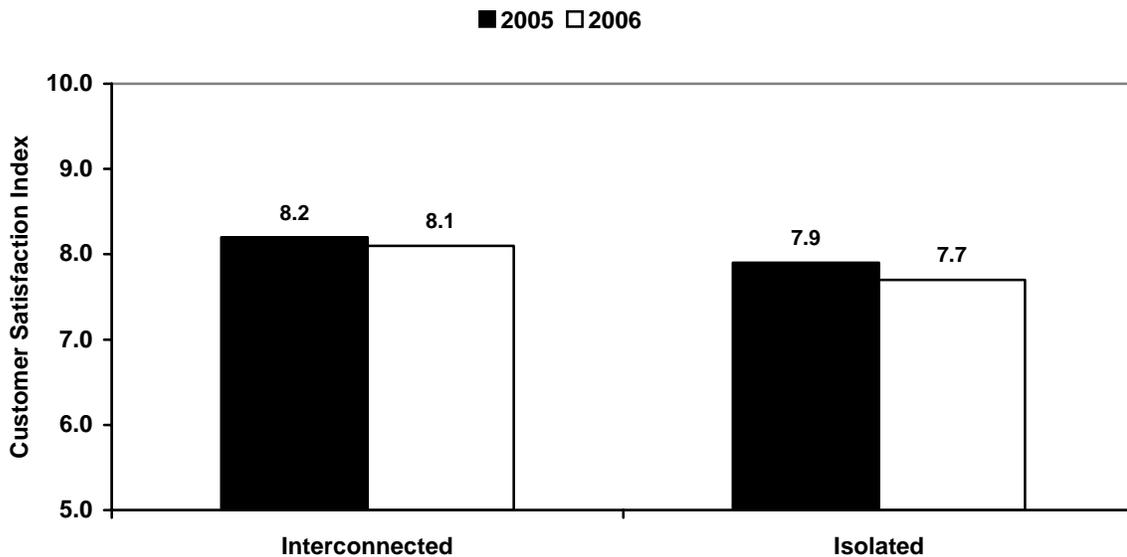


*Note that the attributes used to calculate the 2006 CSI differ from those used to calculate previous CSIs. Furthermore, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

The following figure presents the CSI results by rate area. Consistent with 2005, the CSI for Interconnected rate areas (8.1) was higher than the CSI for Isolated rate areas (7.7).



Figure 2: CSI by Rate Area



*Note that the attributes used to calculate the 2006 CSI differ from those used to calculate previous CSIs. Furthermore, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

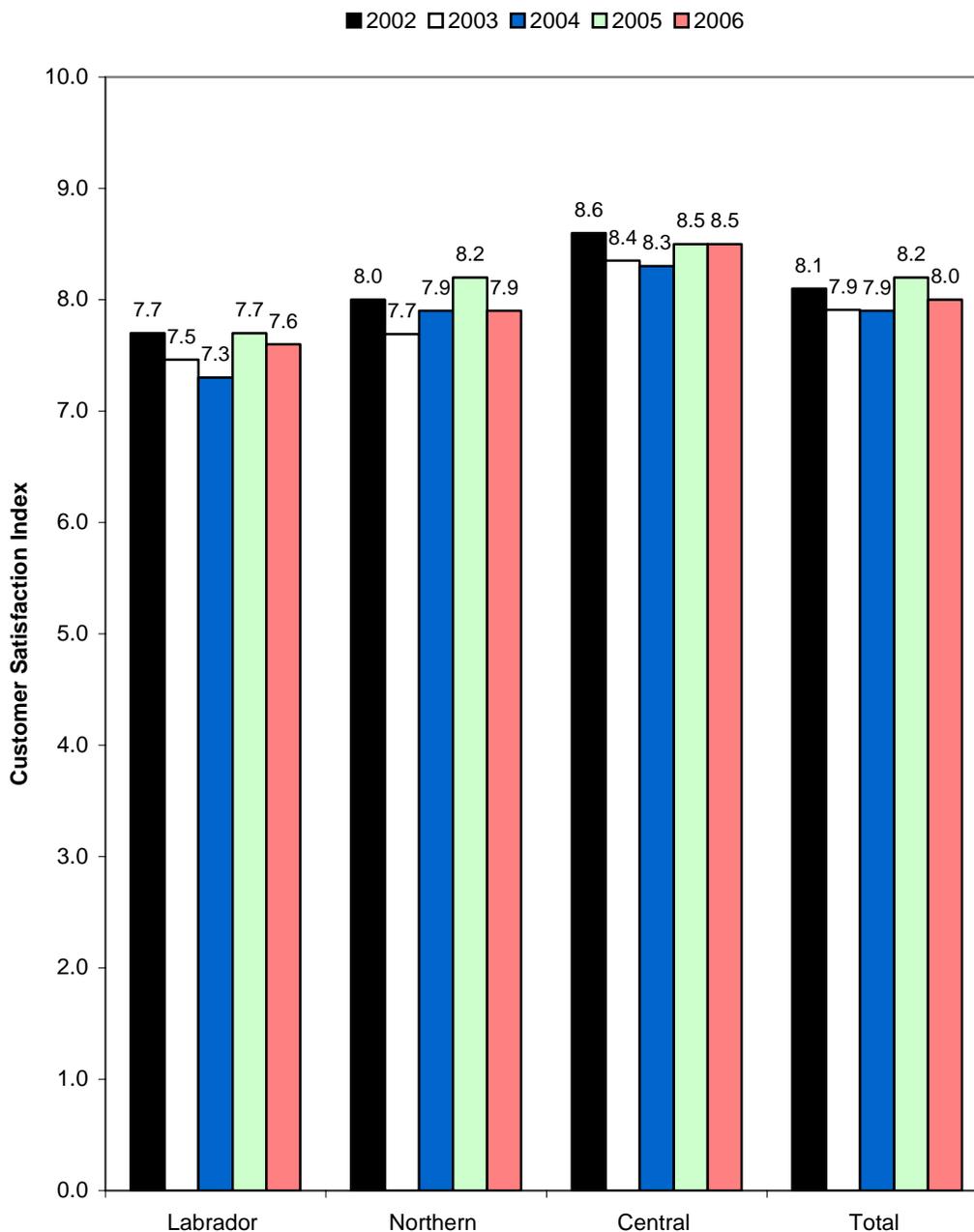
The following figures present the CSI results by region and sub-region. The key findings based on this regional analysis are highlighted below:

- The CSI for the Central region (8.5) was higher than the CSI for the Northern and Labrador regions (7.9 and 7.6, respectively). Similarly, the CSI for the Northern region was higher than the CSI for the Labrador region.
- In general, regional CSIs have fluctuated over the past five years; however, compared to 2005 and the baseline year, they have remained relatively unchanged.
- By sub-region, the CSI was the highest for Central Interconnected (8.5) and lowest for Northern Isolated (7.2). The following differences were found between sub-regional CSIs:
 - Central Interconnected (8.5) had a higher CSI than Happy Valley-Goose Bay (7.7), Labrador Isolated (7.6), Labrador West (7.5), and Northern Isolated (7.2).
 - Central Isolated (8.2) also had a higher CSI than Northern Isolated (7.2).
- Analysis at the sub-regional level shows that the CSIs have fluctuated over the past five years, however, compared to 2005 and the baseline year, they have remained relatively stable, with the exception of one sub-region. The CSI for Central Isolated has decreased compared to 2002 (8.2 vs. 8.7, respectively)⁵.

⁵ Note that for 2006, L'anse au Loup has been separated as a sub-region, whereas in previous years, L'anse au Loup was included under Northern Isolated. Therefore, caution should be used when comparing sub-regional CSIs across years.



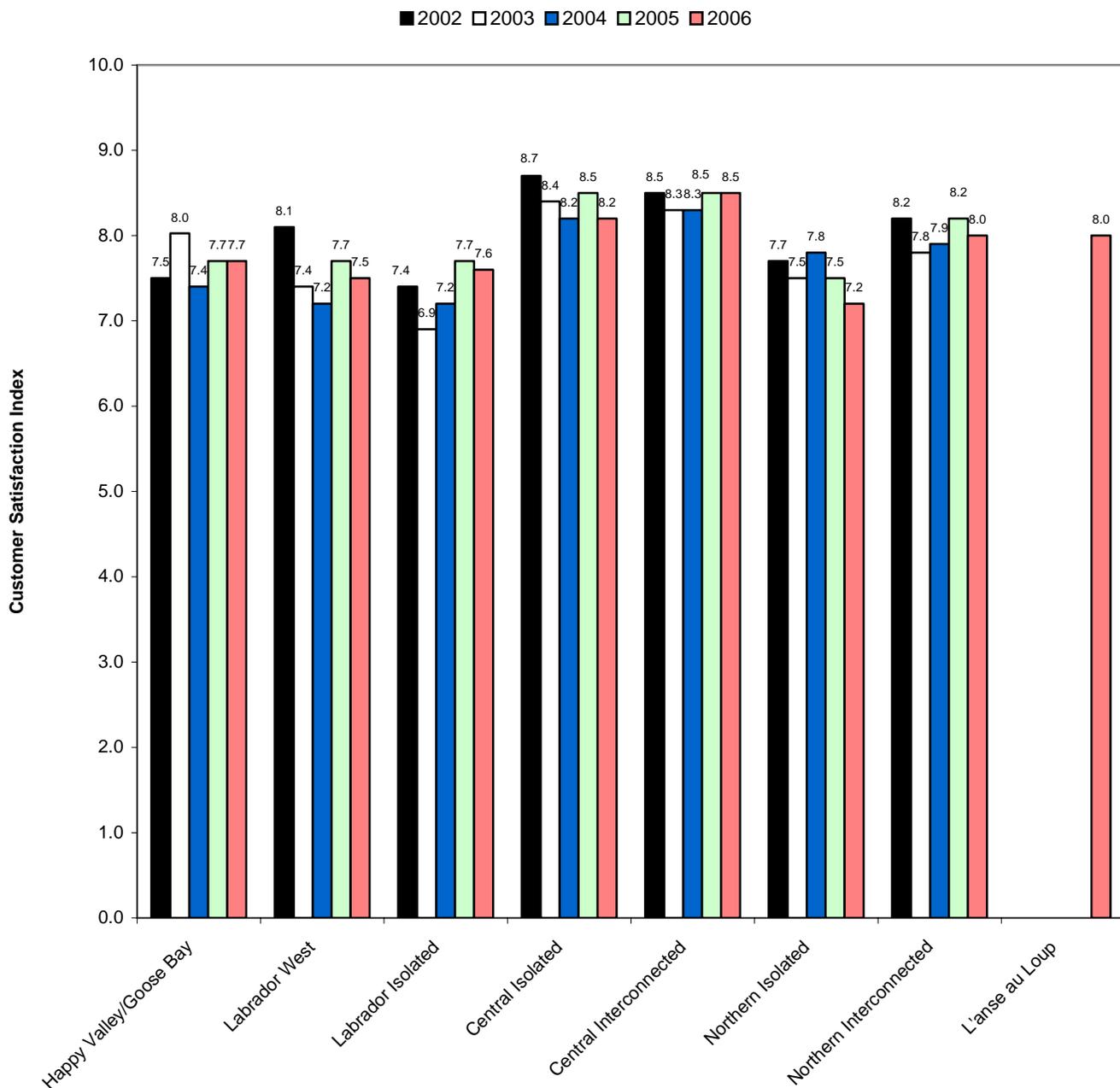
Figure 3: CSI by Region



*Note that the attributes used to calculate the 2006 CSI differ from those used to calculate previous CSIs. Furthermore, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.



Figure 4: CSI by Sub-Region*



*Note that for 2006, L'anse au Loup has been separated as a sub-region, whereas in previous years, L'anse au Loup was included under Northern Isolated. Therefore, caution should be used when comparing sub-regional CSIs across years.

*Also note that the attributes used to calculate the 2006 CSI differ from those used to calculate previous CSIs. Furthermore, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

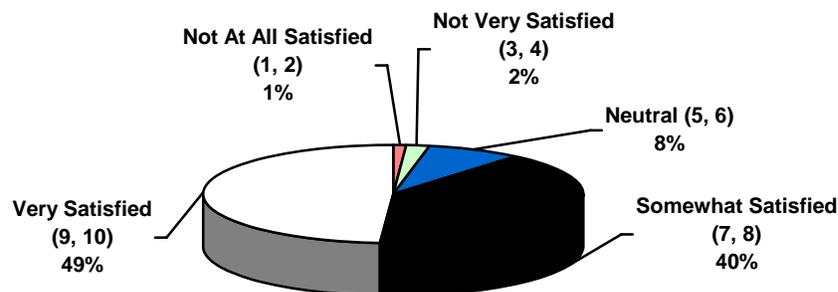


The following points highlight differences in the CSI when analyzed by demographics:

- Customers aged 45 or older (8.2) had a higher CSI than customers aged less than 45 years (7.7).
- Customers who worked full-time year round (7.6) had a lower CSI than those who worked part-time year round and those who worked seasonally/casually (8.4 each).
- Customers who earned less than \$40,000 (8.4) had a higher CSI than those who earned \$40,000 or more (7.7).
- Customers who had less than high school education (8.6) had a higher CSI than customers who had graduated high school (8.2) or had at least some post-secondary education (7.5).
- Customers who have been with Hydro for 20 years or more (8.1) had a higher CSI than customers who have been with Hydro for 10 years or less (7.5).

Customers were also asked to rate, on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied), their overall satisfaction with Hydro. Overall, the majority of residential customers (89%) were satisfied with the performance of Hydro (49% *very* satisfied, 40% *somewhat* satisfied), and customers rated their overall satisfaction as 8.4 out of 10. This is consistent with the overall satisfaction rating in 2005 (8.3).

Figure 5: Overall Satisfaction With Hydro



Regionally, customers from the Central (8.7) and Northern (8.5) regions reported greater overall satisfaction with Hydro compared to customers from the Labrador region (7.9). Furthermore, customers living in Interconnected areas (8.4) reported greater overall satisfaction with Hydro compared to customers living in Isolated areas (8.1).



3.0 ATTRIBUTES

This section presents customers' importance and satisfaction ratings for 2006. This is followed by an analysis of gaps between importance and satisfaction.

It is important to note that trends are presented only for the seven attributes that have been rated by customers in previous years. However, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years⁶. Therefore, caution should be used when comparing importance, satisfaction and gap scores over time.

3.1 Importance

Residential customers provided high importance ratings for all attributes, with average ratings ranging from 8.5 for 'Contributes back to the community' to 9.6 for 'Ensures a sufficient supply of electricity for the foreseeable future'.

The top-ranked attributes with respect to importance were:

1. Ensures a sufficient supply of electricity for the foreseeable future (9.6);
2. Concern for public safety (9.6);
3. Provides bills that are easy to read and understand (9.5);
4. Accuracy of billing (9.5);
5. Speed in restoring power when a problem occurs (9.5);
6. The way they maintain the electric system (9.5); and
7. Operates in an environmentally responsible manner (9.5)

The lowest ranked importance attributes included:

14. The price you pay for electricity (9.1);
15. Encourages customers to make more efficient use of electricity (8.9); and
16. Contributes back to the community through initiatives such as community sponsorship programs (8.5).

Consistent with 2005, 'Concern for public safety' and 'Accuracy of billing' were among the top ranked importance attributes. 'Concern for public safety' moved from being the top ranked attribute in 2005 to the second position in 2006, while 'Accuracy of billing' remained in the fourth position in 2006. The most important attribute, 'Ensures a sufficient supply of electricity for the foreseeable future', is new for 2006, along with the third, fifth, and sixth ranked attributes.

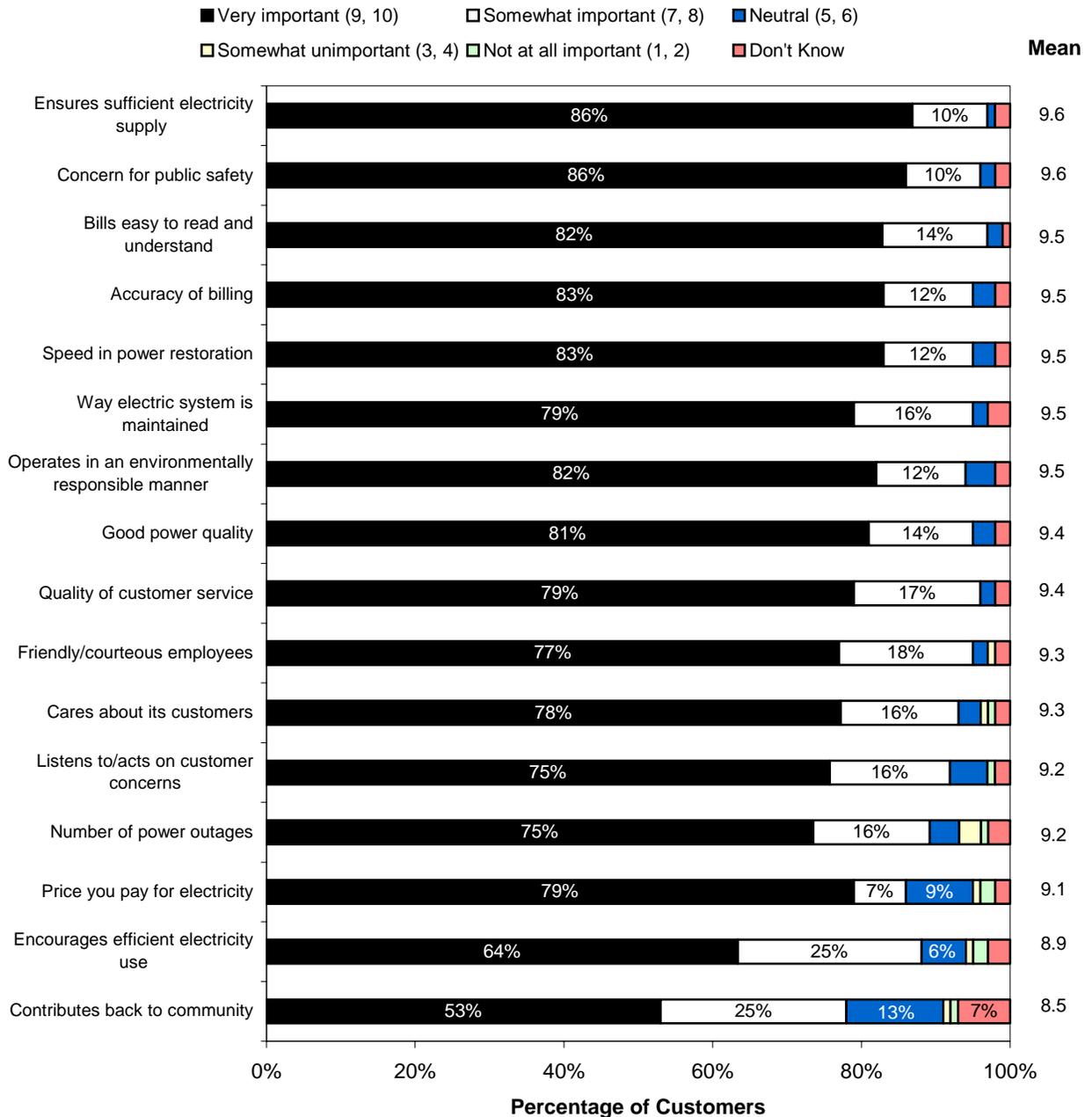
The lowest ranked attributes are all new to the lowest positions, with the exception of 'Contributes back to the community', which moved from the 14th position in 2005 to the lowest position in 2006.

⁶ Satisfaction ratings for previous years were scored on 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".



Recall that for 2006, importance ratings were scored on a 10 point scale with endpoints that differ from previous years⁷. Therefore, caution should be used when comparing importance scores over time.

Figure 6: Importance Ratings for 2006



⁷ Importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".



3.2 Satisfaction With Performance

Average satisfaction ratings ranged from 6.0 for 'The price you pay for electricity' to 9.2 for 'Friendly and courteous employees'.

The attributes for which satisfaction with Hydro's performance was ranked most highly were:

1. Friendly and courteous employees (9.2);
2. Provides bills that are easy to read and understand (9.1);
3. Concern for public safety (9.0);
4. Ensures a sufficient supply of electricity for the foreseeable future (8.9);
5. The quality of customer service received (8.8); and
6. Accuracy of billing (8.8).

The lowest ranked satisfaction attributes included:

14. The number of power outages (8.1);
15. Contributes back to the community through initiatives such as community sponsorship programs (7.4); and
16. The price you pay for electricity (6.0).

Four of the top ranked satisfaction attributes were also among the top ranked attributes in 2005. However, 'Friendly and courteous employees' moved from the second position in 2005 to the top position in 2006. In addition, 'Provides bills that are easy to read and understand' moved from fourth position in 2005 to second in 2006, while 'Concern for public safety' remained in the third position and 'Accuracy of billing' moved from the top position in 2005 to sixth position in 2006. The fourth and fifth ranked satisfaction attributes are new for 2006.

Two of the lowest ranked attributes are new for 2006, with the exception of 'Contributes back to the community', which also ranked in the 15th position in 2005.

Recall that for 2006, satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years⁸. Therefore, caution should be used when comparing satisfaction scores over time.

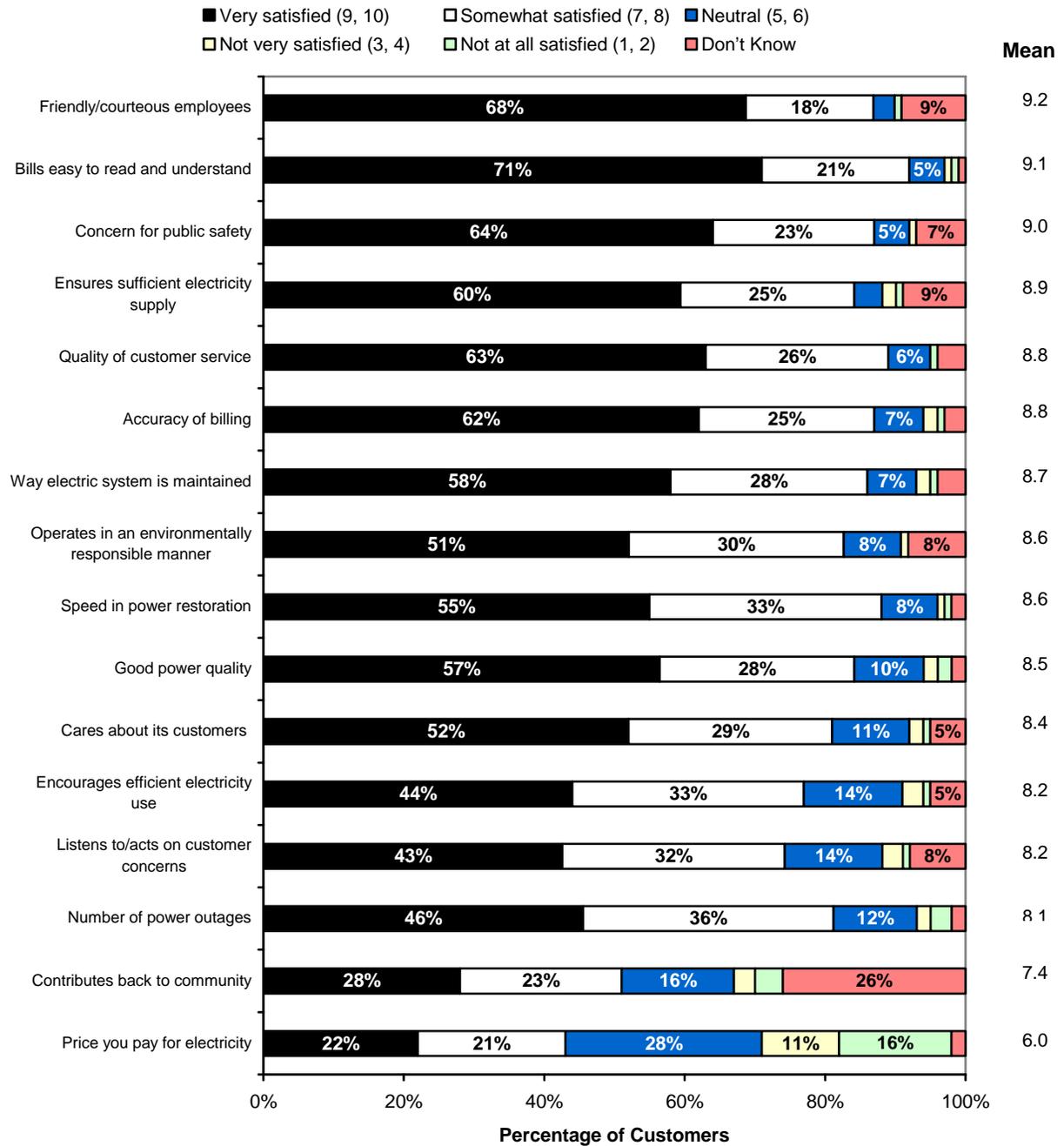
It is interesting to note that residential customers ranked 'Concern for public safety', 'Provides bills that are easy to read and understand' and 'Accuracy of billing' among the most important attributes, and also rated satisfaction with Hydro's performance favorably on these attributes. This indicates a relatively high level of satisfaction with Hydro on the attributes residential customers considered to be the most important.

As with previous years, it should be noted that considerable minority of customers (26%) were unable to rate satisfaction with respect to 'Contributes back to the community', which indicates less familiarity with Hydro's performance in this area.

⁸ Satisfaction ratings for previous years were scored on 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied".



Figure 7: Satisfaction Ratings for 2006





The figures on the following pages illustrate trends in terms of importance and satisfaction. Trends are presented only for the seven attributes that have been rated by customers in previous years. However, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years⁹. Therefore, caution should be used when comparing importance and satisfaction scores over time.

In comparison to 2005, perceived importance decreased for four of the seven comparable attributes:

- Accuracy of billing - Importance decreased from 9.7 in 2005 to 9.5 in 2006.
- Concern for public safety - Importance decreased from 9.8 in 2005 to 9.6 in 2006.
- Contributes back to the community - Importance decreased from 9.3 in 2005 to 8.5 in 2006.
- Cares about its customers - Importance decreased from 9.5 in 2005 to 9.3 in 2006.

Furthermore, in comparison to the baseline year, perceived importance decreased for 'Accuracy of billing' (decreased from 9.6 in 2002 to 9.5 in 2006) and 'Contributes back to the community' (decreased from 9.0 in 2002 to 8.5 in 2006).

Satisfaction ratings remained consistent with the 2005 ratings for all but one attribute. Compared to 2005, satisfaction was rated less favorably for 'Accuracy of billing' (9.2 in 2005 compared to 8.8 in 2006).

In comparison to the baseline year, satisfaction decreased for three of the attributes:

- Accuracy of billing - Satisfaction decreased from 9.1 in 2002 to 8.8 in 2006.
- Operates in an environmentally responsible manner – Satisfaction decreased from 8.9 in 2002 to 8.6 in 2006.
- Concern for public safety - Satisfaction decreased from 9.2 in 2002 to 9.0 in 2006.

Most attributes received high ratings in terms of importance and satisfaction, indicating a relatively high level of customer satisfaction with these attributes. 'Contributes back to the community', 'however, has been consistently rated higher in importance and lower in satisfaction over the years.

⁹ Satisfaction ratings for previous years were scored on 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".



Corporate Citizenship

Figure 8: Concern for public safety

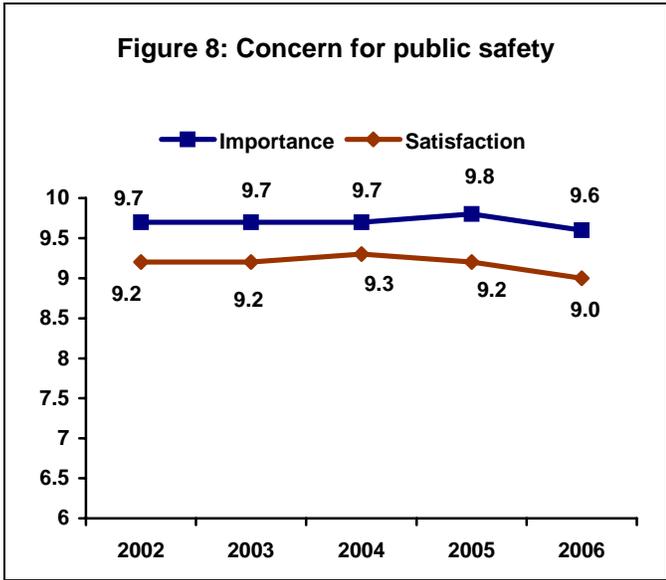


Figure 9: Operates in an environmentally responsible manner

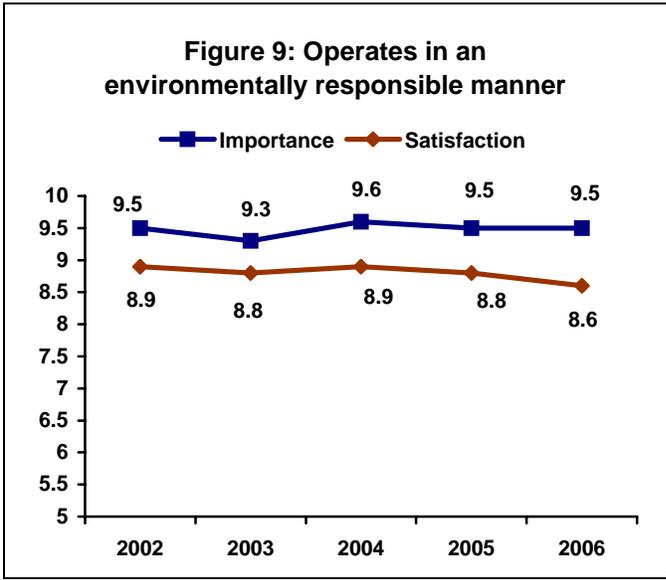
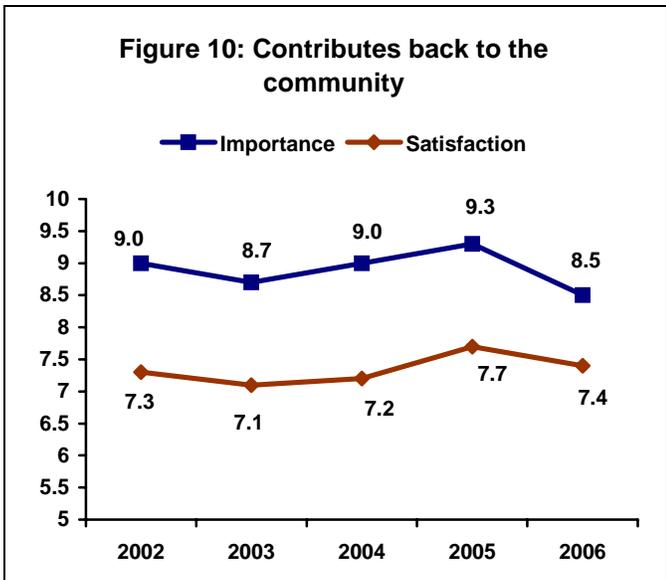


Figure 10: Contributes back to the community





Service

Figure 11: Provides bills that are easy to read and understand

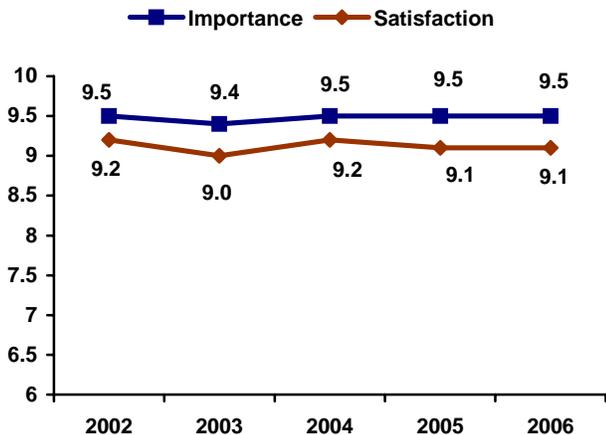


Figure 12: Accuracy of billing

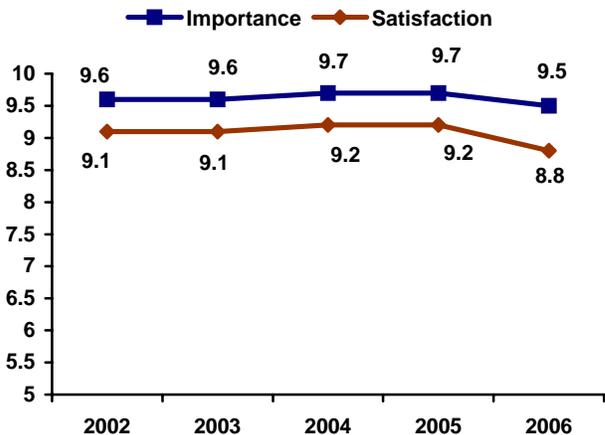


Figure 13: Friendly and courteous employees

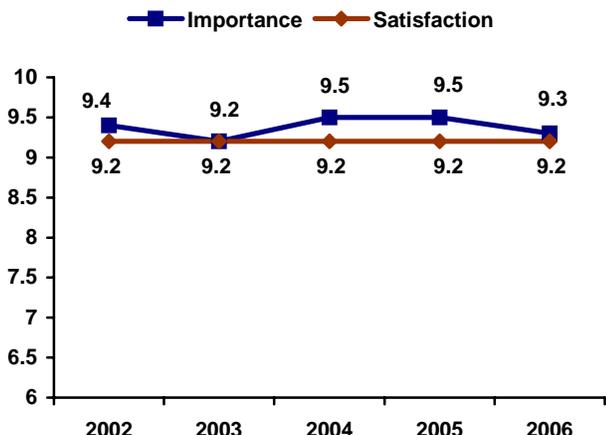
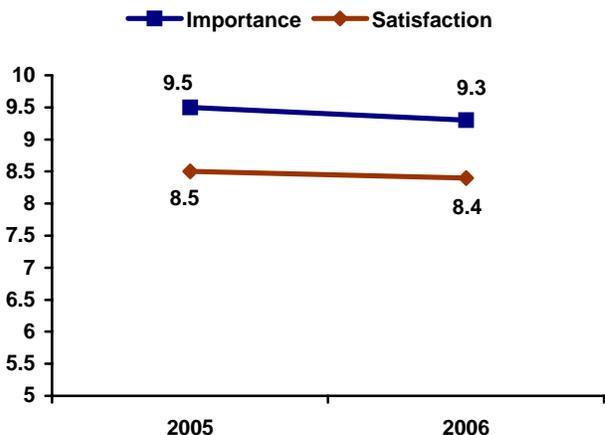


Figure 14: Cares about its customers





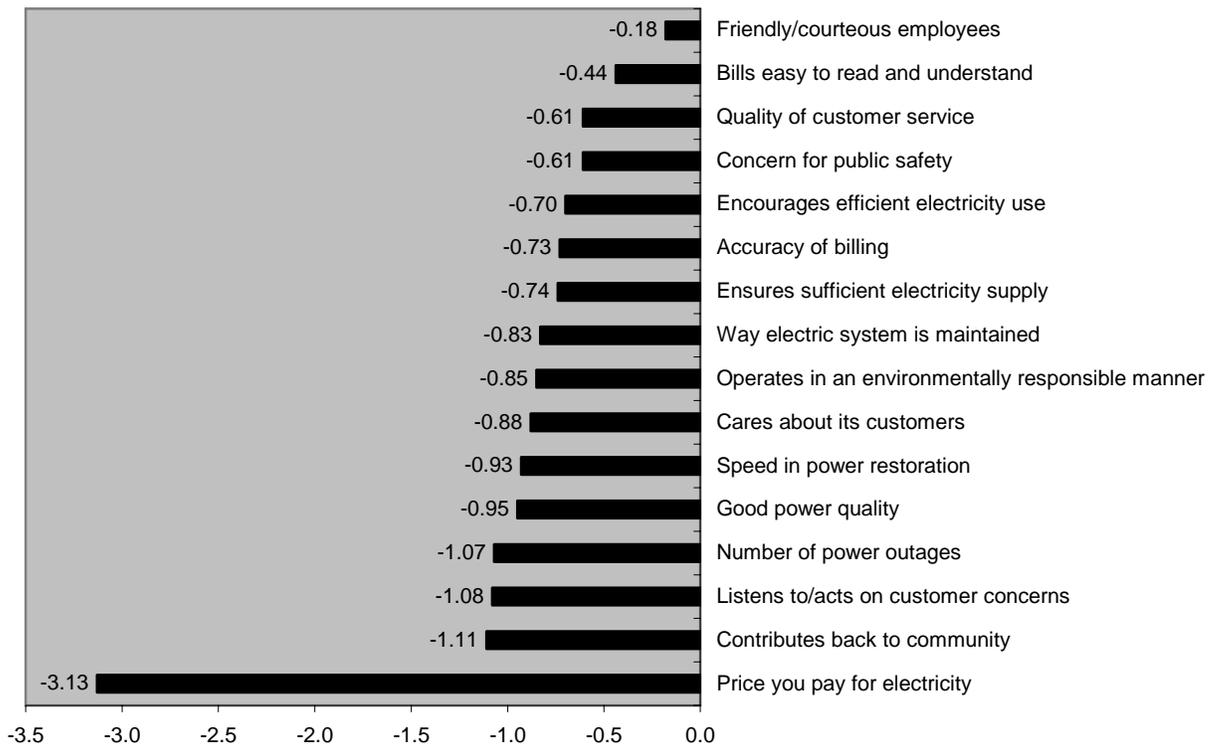
3.3 Gap Analysis

A gap score is essentially the difference between customers' evaluation of importance and satisfaction with performance on any one attribute. If perceived performance exceeds expectations, then the customer is satisfied; if it falls below expectations, the customer is dissatisfied. Mean gap ratings were obtained by averaging customer gap scores for each attribute.

As demonstrated in the figure below, gap ratings ranged from -3.13 for 'The price you pay for electricity' to -0.18 for 'Friendly and courteous employees'. Consistent with 2005¹⁰, 'Provides bills that are easy to read and understand' and 'Friendly and courteous employees' had the smallest gap ratings. This indicates that customers were generally most satisfied with these attributes.

However, the negative gaps indicate that satisfaction with the performance of Hydro falls below expectations for each of the 16 attributes. This is most evident for the attribute 'The price you pay for electricity', which had the highest gap rating (-3.13). Other attributes with large gap ratings were 'Contributes back to the community' (-1.11), 'Listens to and acts upon customer concerns' (-1.08), and 'The number of power outages' (-1.07).

Figure 15: 2006 Gap Ratings



¹⁰ For 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing gap scores over time.



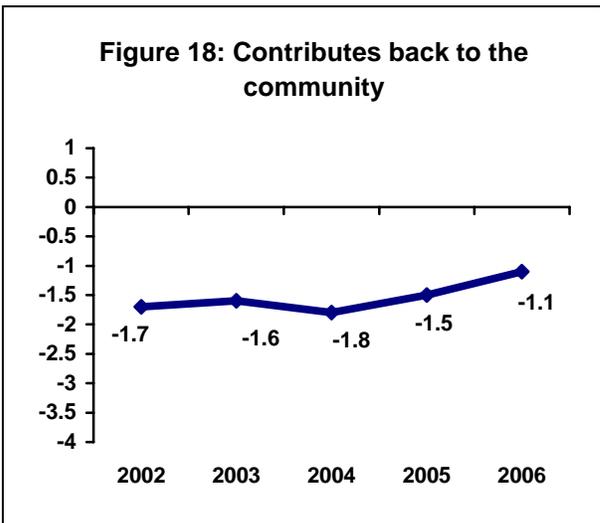
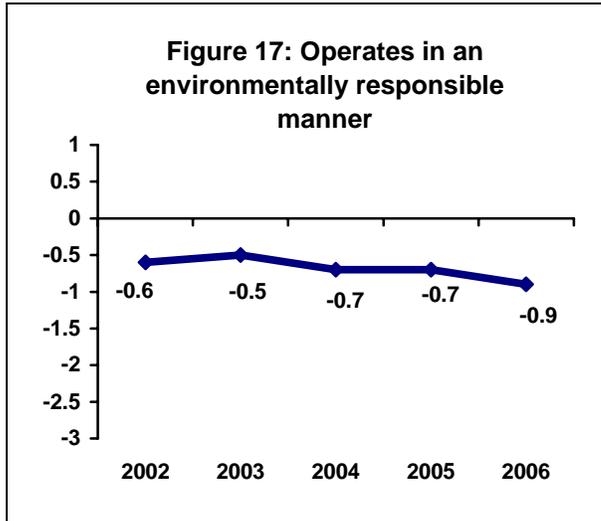
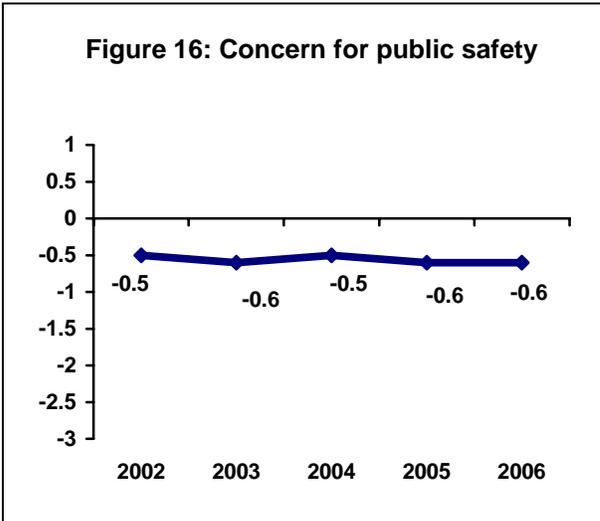
The following figures illustrate trends in terms of the gap between importance and satisfaction. Trends are presented only for the seven attributes that have been rated by customers in previous years. However, for 2006, importance and satisfaction ratings were scored on a 10 point scale with endpoints that differ from previous years¹¹. Therefore, caution should be used when comparing gap scores over time.

Gap ratings have remained relatively stable over the past five years. However, compared to 2005 (-0.4), the gap rating has increased for 'Accuracy of billing' (-0.7), suggesting decreased satisfaction with this attribute. Conversely, compared to the baseline year (-1.7), the gap rating has decreased for 'Contributes back to the community' (-1.1), suggesting increased satisfaction with Hydro's community contributions.

¹¹ Satisfaction ratings for previous years were scored on 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".

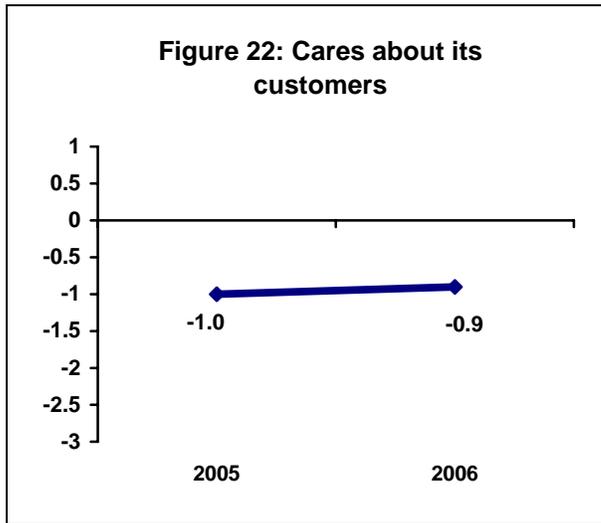
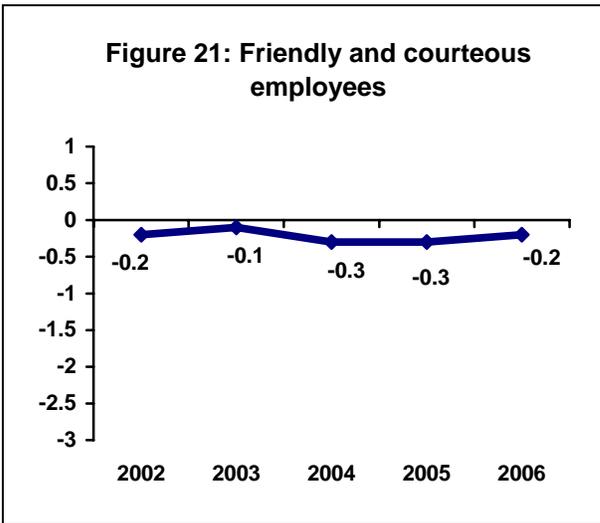
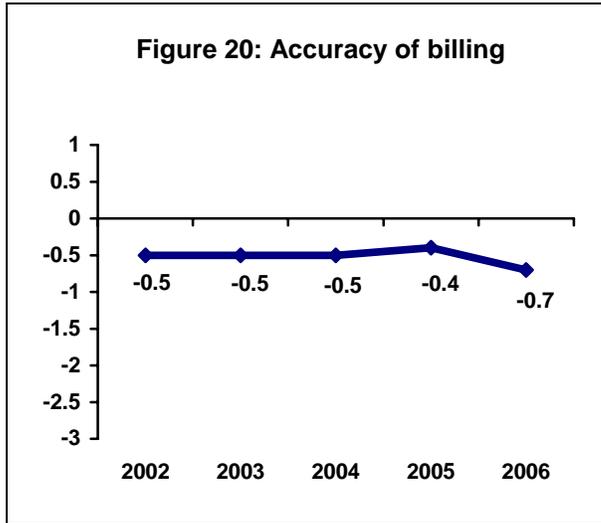
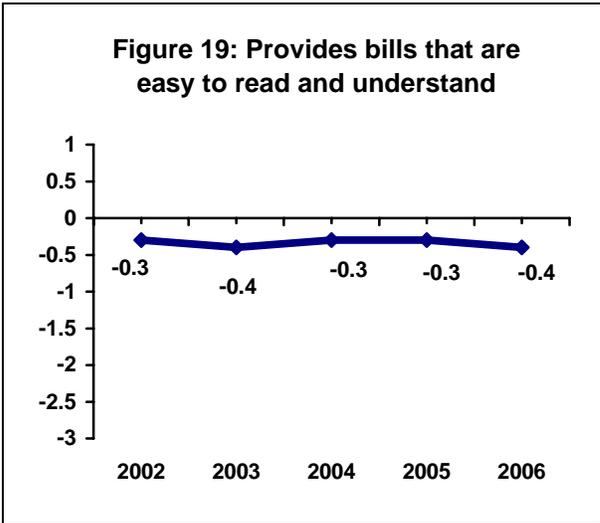


Corporate Citizenship





Service





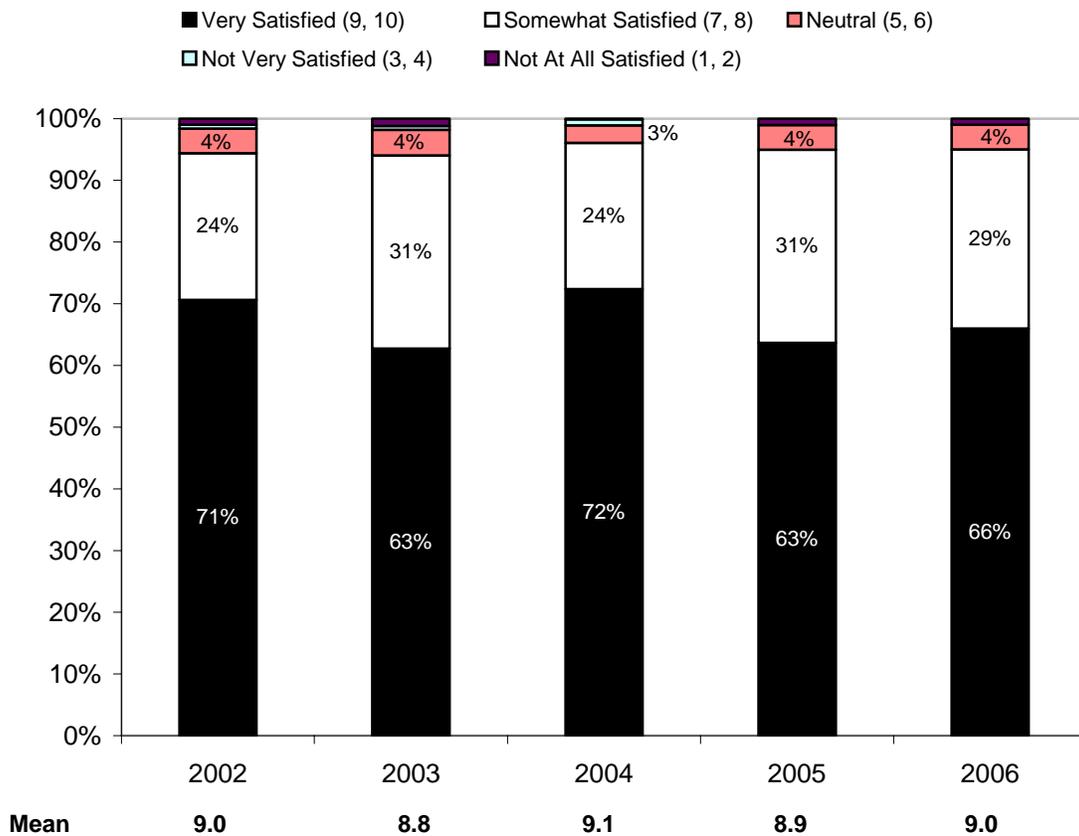
4.0 SERVICE RELIABILITY

4.1 Overall Satisfaction with Service Reliability

To determine satisfaction with Hydro’s service reliability, customers were asked to rate their satisfaction with the supply of electricity they receive from Newfoundland and Labrador Hydro on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied).

Overall, the large majority of customers (95%) were satisfied with the supply of electricity they have received from Hydro (66% *very* satisfied, 29% *somewhat* satisfied). On average, customers rated their satisfaction with Hydro’s supply of electricity as 9.0 out of 10, indicating a fairly high level of satisfaction. Despite minor fluctuations, satisfaction with service reliability has remained relatively unchanged since 2002.

Figure 23: Satisfaction With Service Reliability



When examined by region, Central customers reported greater satisfaction with Hydro’s service reliability (9.2) than did Labrador customers (8.8). Northern customers provided a mean satisfaction rating of 8.9. In addition, customers from Interconnected areas reported greater satisfaction (9.0) than did customers from Isolated areas (8.5).

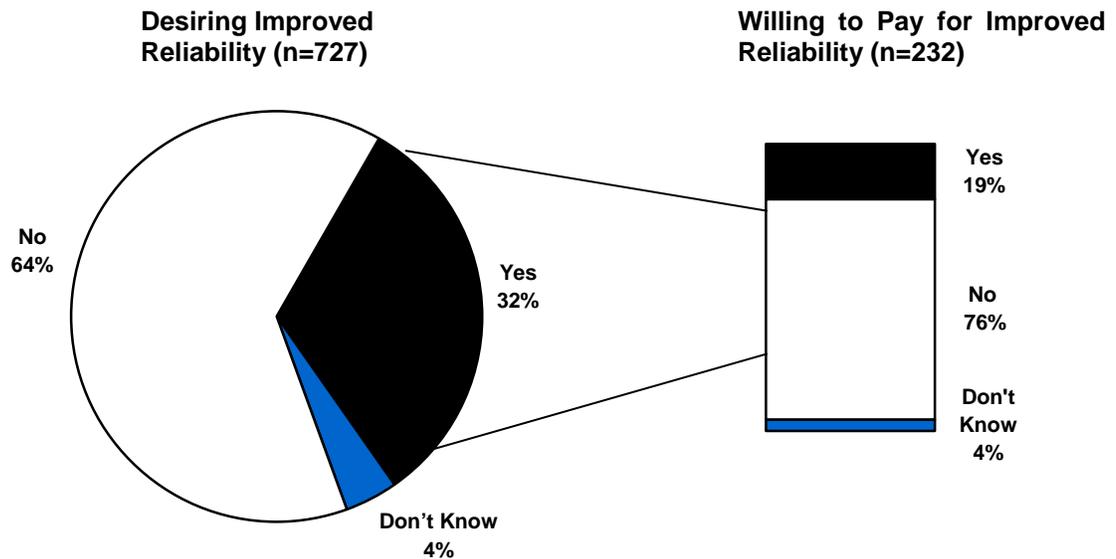


4.2 Improved Reliability & Willingness to Pay

To further explore opinions toward service reliability, residential customers were asked several questions regarding improved reliability and electricity costs.

Slightly more than three in ten customers (32%) desire improved reliability with their electrical utility supply, for example, fewer power outages. Of those desiring improved reliability (n=232), nearly two in ten (19%) would be willing to pay an increased cost for improved levels of reliability.

Figure 24: Customers Desiring Improved Reliability



Customers in Labrador (41%) and Northern (35%) regions were more likely than those in the Central region (22%) to desire improved reliability with their electrical supply. Furthermore, customers in the Labrador region (26%) would be more willing than customers in the Northern region (13%) to pay an increased cost for improved reliability. Nearly two in ten Central customers (19%) would be willing to pay an increased cost for improved reliability.

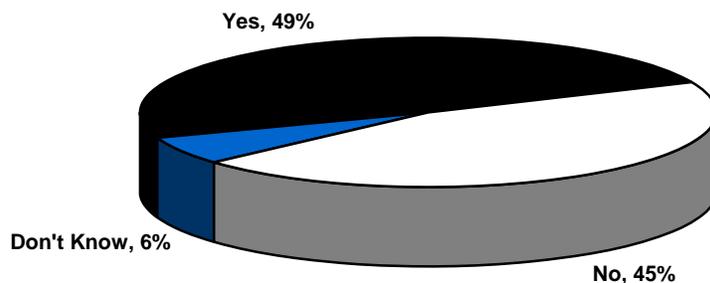
In addition, customers in Isolated areas (44%) were more likely than customers in Interconnected areas (30%) to desire improved reliability with their electrical utility supply.



4.3 Unplanned Power Outages Lasting Longer than 30 Minutes

In the past year, nearly half of residential customers (49%) have experienced an unplanned power outage at their home that lasted longer than 30 minutes.

Figure 25: In the past year, have you experienced an unplanned power outage that lasted more than 30 minutes?



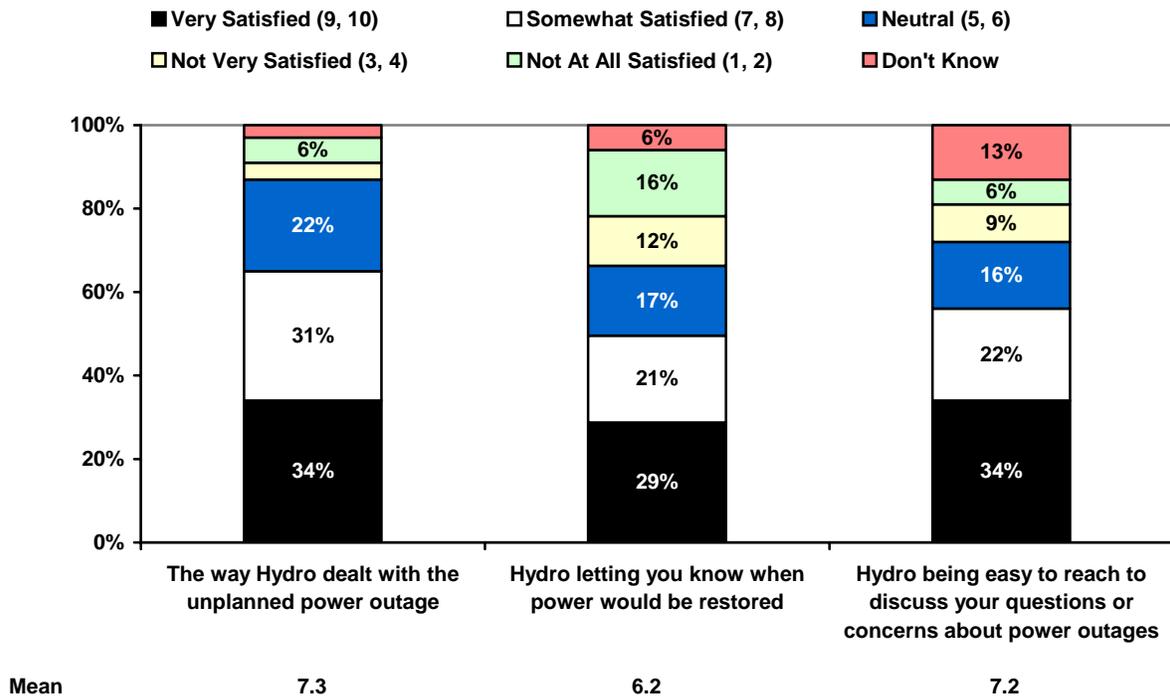
Residential customers in the Labrador region (66%) were more likely than customers in the Northern (46%) and Central (40%) regions to have experienced an unplanned power outage in the past year that lasted more than 30 minutes.



Residential customers who have experienced an unplanned power outage in the past year lasting more than 30 minutes were asked to rate, on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied), their satisfaction with a series of statements about how Hydro handled the outage.

As shown in the figure below, residential customers were moderately satisfied with Hydro's handling of their most recent unplanned power outage. Customers provided the highest rating for the way Hydro dealt with the unplanned power outage (7.3) and the lowest rating for Hydro letting them know when power would be restored (6.2).

Figure 26: Satisfaction With Hydro's Handling of Most Recent Unplanned Power Outage (n=358)





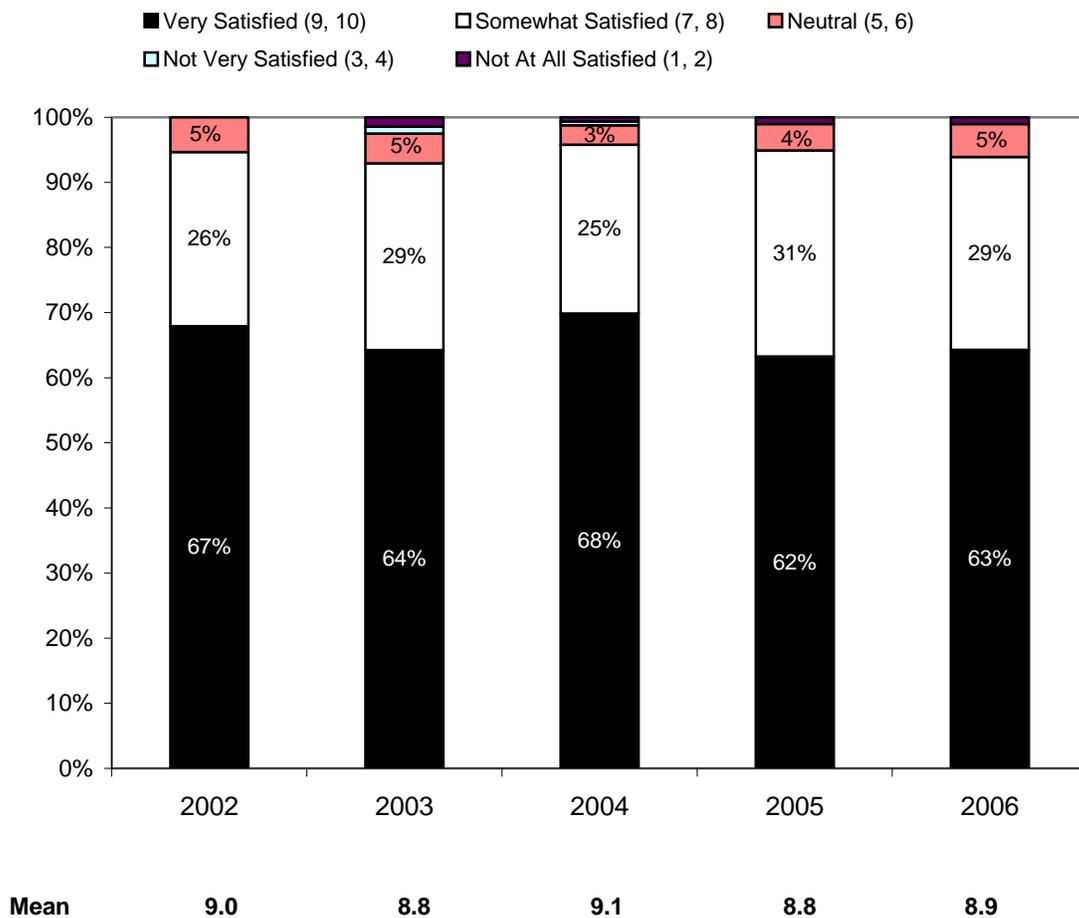
5.0 CUSTOMER SERVICE

5.1 Overall Satisfaction with Customer Service

To determine satisfaction with Hydro’s customer service, customers were asked to rate their satisfaction with the customer service they received from Hydro on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied).

Overall, the large majority of customers (92%) were satisfied with the customer service they have received from Hydro (63% *very* satisfied, 29% *somewhat* satisfied). The average satisfaction rating with overall customer service was 8.9 out of 10. Despite minor fluctuations, satisfaction with customer service has remained relatively stable since 2002.

Figure 27: Satisfaction With Customer Service



When examined by region, Central customers reported greater satisfaction with Hydro’s customer service (9.1) than did Labrador customers (8.6). Northern customers provided a mean satisfaction rating of 8.9. In addition, customers from Interconnected areas reported greater satisfaction (8.9) than did customers from Isolated areas (8.5).



5.2 Expected Response Times for Service Requests

All customers were asked how long they feel it should take Hydro to respond to three different types of service requests:

- Response to full loss or partial loss of power;
- Response to general questions and concerns that cannot be immediately addressed and require further investigation; and
- Response to a service request for your home or property (for example, new service, transfer or removal of service, repair of service), excluding power outages.

The following table presents the average amount of time customers felt it should take Hydro to respond to each type of request. On average, residential customers felt that it should take 4 hours to respond to a full or partial power loss, 37 hours to respond to general questions and concerns that cannot be immediately addressed, and 44 hours to respond to a service request for their home or property.

As further demonstrated in the table below, expected response times for Hydro to respond to general questions and concerns that cannot be immediately addressed and service requests for home or property have increased compared to 2005.

Table 1: Expected Average Response Time (Overall and by Region)

Type of Request	Average response time (2005)	Average response time (2006)	Central	Northern	Labrador
Response to full loss or partial loss of power	4 hours	4 hours	5 hours	3 hours	4 hours
Response to general questions and concerns that cannot be immediately addressed and require further investigation	26 hours	37 hours	35 hours	30 hours	45 hours
Response to a service request for your home or property (for example, new service, transfer or removal of service, repair of service), excluding power outages	38 hours	44 hours	45 hours	40 hours	47 hours

Customers in the Central region (5 hours) felt it should take longer for Hydro to respond to a full or partial loss of power compared to customers in the Northern region (3 hours). In addition, customers in the Labrador region (45 hours) felt it should take Hydro longer to respond to general questions and concerns that cannot be immediately addressed compared to customers in the Northern region (30 hours).



Furthermore, customers in Isolated rate areas (53 hours) felt it should take longer for Hydro to respond to a service request for home or property compared to customers in Interconnected rate areas (42 hours).

5.3 Customer Suggestions

Customers were asked to identify any services not currently offered by Hydro but which they feel should be offered. Almost nine in ten customers (87%) were unsure or had no suggestions. The remaining customers provided suggestions, the most common being payment by credit card (2%), and seniors discount/rebate (2%).

Table 2: Suggestions for Additional Services*

	% Respondents	
	2005 (n=648)	2006 (n=727)
Payment by credit card	1%	2%
Seniors discount/rebate	-	2%
Local office/bill payment centre	2%	1%
Other mentions	6%	8%
Nothing/Don't Know	91%	87%

*Multiple responses allowed.



6.0 AWARENESS & USE OF CUSTOMER SERVICES

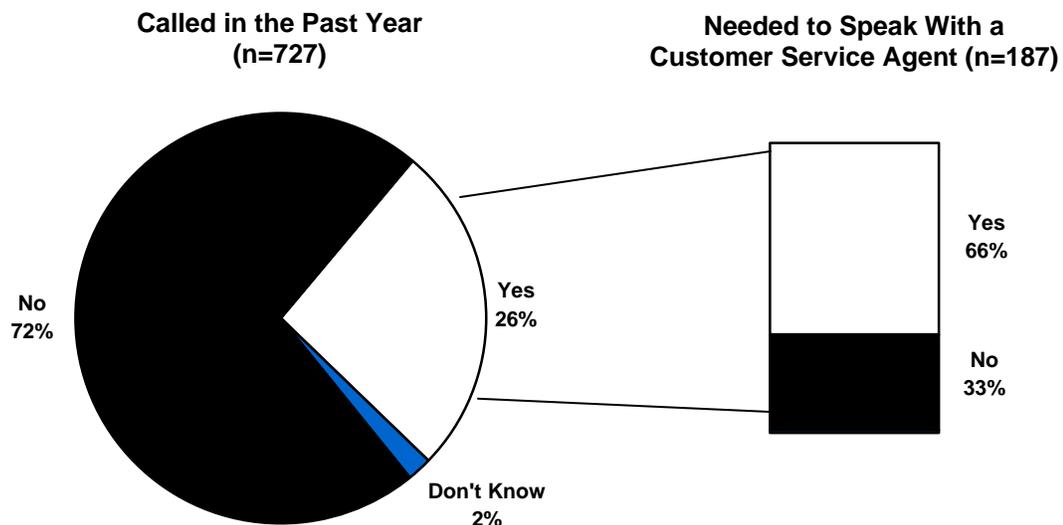
6.1 Use of Hydro's Automated Toll-Free Number

Hydro provides its customers with an automated toll-free number which provides power outage information and/or billing and account information 24 hours a day. Within the past year, slightly more than one-quarter of residential customers (26%) have called Hydro's automated toll-free number. Customers who have called the automated toll-free number in the past year made an average of three calls.

Customers in the Northern (32%) and Central (26%) regions were more likely than customers in the Labrador region (18%) to have called Hydro's automated toll-free number within the past year.

Of customers who have called the automated toll-free number in the past year (n=187), three-quarters (66%) needed to speak with a customer service agent.

Figure 28: Use of Hydro's Automated Toll-Free Number



Of customers who have called the automated toll-free number and needed to speak with a customer service agent (n=124), 12% have had difficulty reaching an agent at Hydro. The most common difficulties were waiting/on hold too long (40%), could not get through/busy signal (34%), no agents/available/outside working hours (14%), and problem using the automated system (10%)¹². The majority of customers experiencing difficulty were calling to obtain billing/account information (61%) or power outage information (26%)¹³.

¹² Multiple responses allowed.

¹³ Multiple responses allowed.



6.2 Knowledge and Use of Hydro’s Website among Internet Users

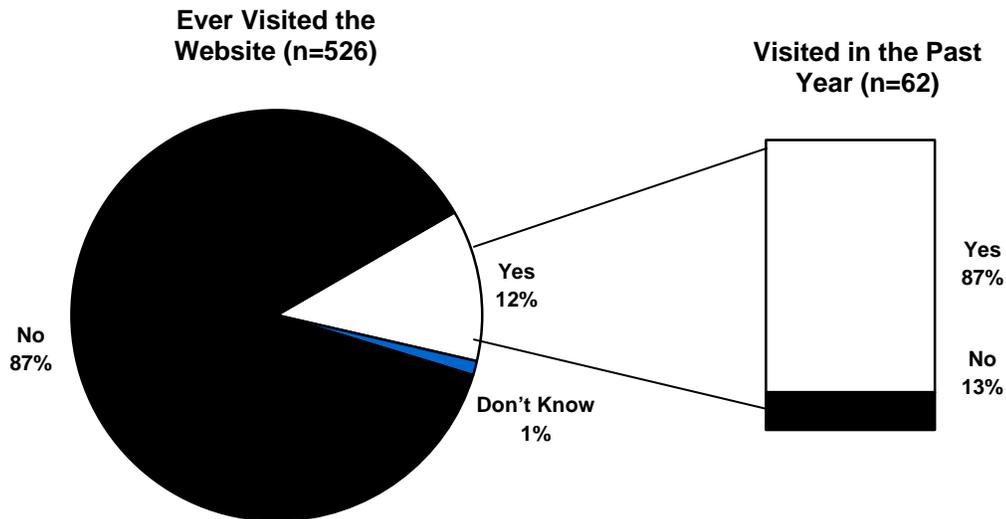
Almost three-quarters of residential customers (72%) reported having access to the Internet either at home, at work, school or elsewhere, an increase of 6% since 2005. Customers in the Labrador region (87%) were most likely to have Internet access, followed by customers in the Northern region (72%) and Central region (61%).

Website visitation has decreased over the past year. Of those with Internet access (n=526), approximately 12% have visited the Hydro website. This translates into 9% of all residential customers who have visited the site.

Of those with Internet access, customers in the Labrador region (16%) were more likely than those in the Northern region (9%) to have visited Hydro’s website. Visitation among customers with Internet access in the Central region was similar to that of customers in the Northern region (9%).

Of those with Internet access who have ever visited the website (n=62), 87% have visited in the past year. This translates into 10% of residential customers with Internet access who have visited the website in the past year. Compared to Isolated customers (70%), past year visitation was greater among Interconnected customers (90%).

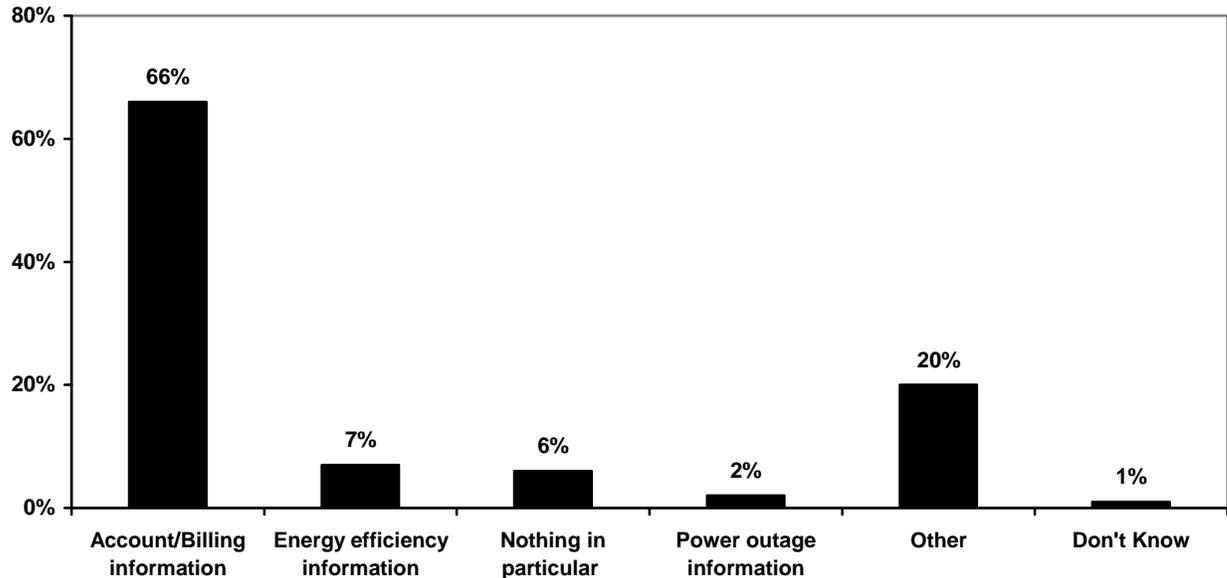
Figure 29: Visitation to the Hydro Website among Internet Users





Customers who have visited Hydro's website in the past year were asked to specify what kind of information they were looking for. Most commonly, customers were searching for account/billing information (66%).

Figure 30: Information Sought on Hydro's Website in the Past Year * (n=54)



*Multiple responses allowed.

The majority of residential customers who have visited Hydro's website in the past year (89%) were able to find the information that they were looking for. Those who did not find the information they were looking for were asked to identify what specifically they were looking for that they could not find. The following responses were provided:

- Wanted to see last electric bill;
- New service information; and
- Information on on-line billing and payments.

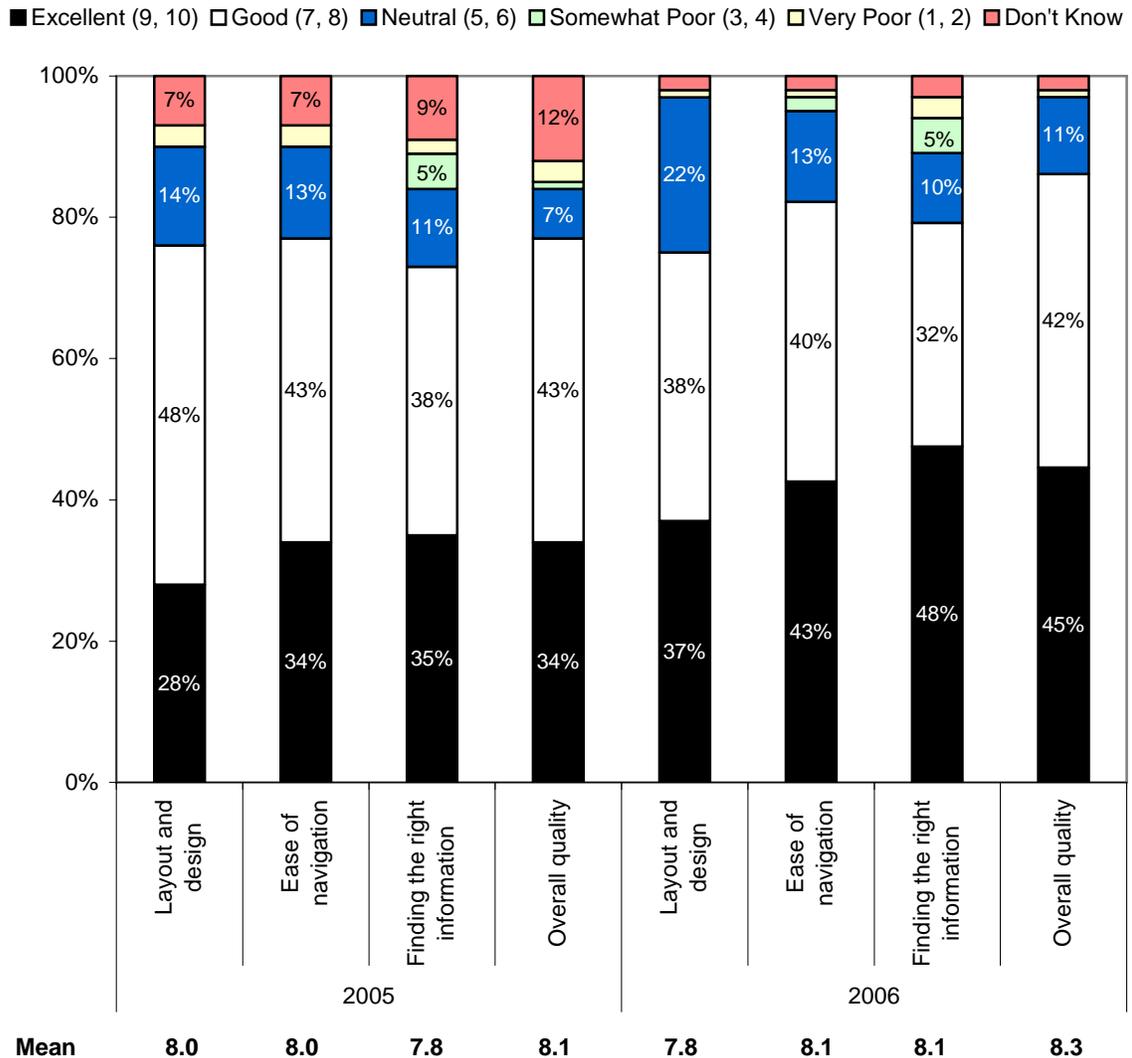


Customers who have visited Hydro’s website were asked to rate the website, on a scale of 1 (Very Poor) to 10 (Excellent), on the following attributes:

- Layout and design;
- Ease of navigation;
- Finding the right information to meet your needs; and
- Overall quality of the website.

Consistent with 2005, ratings of these attributes were very favourable, with the large majority of customers rating each attribute as good or excellent.

Figure 31: Hydro Website Ratings (n=54)





6.3 Billing and Payment Options

Electronic Billing

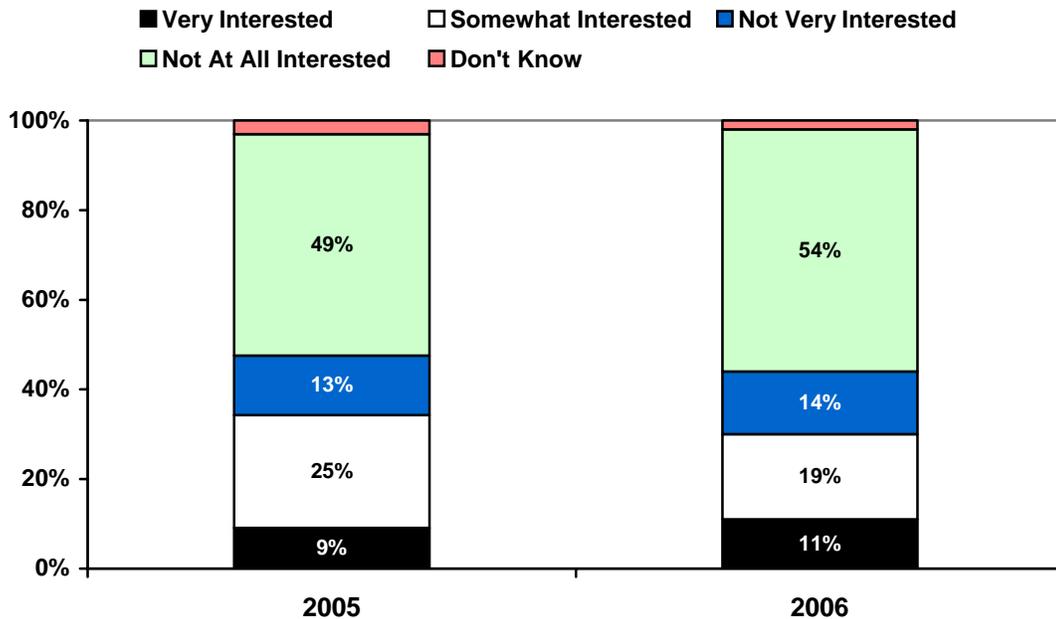
Electronic billing is a type of billing through which customers receive and view their monthly electric bill on-line. Through electronic billing, a customer receives an email once a month containing an Internet link to their on-line bill. Once a customer signs up for electronic billing, they no longer receive an electric bill in the mail. To determine interest in electronic billing, customers were asked how interested they would be in using this service if it was offered by Hydro.

Consistent with 2005, 30% of residential customers indicated that they would be interested in using an electronic billing service (11% *very* interested, 19% *somewhat* interested). As might be expected, customers with Internet access were more likely to be interested in an electronic billing system than customers without Internet access (38% vs. 8%, respectively).

Regionally, customers in the Labrador region (45%) were more likely to be interested in an electronic billing service than customers in the Northern (25%) and Central (22%) regions.

Furthermore, customers in Isolated areas (36%) were more likely to be interested this service than customers in Interconnected areas (29%).

Figure 32: Interest in Electronic Billing

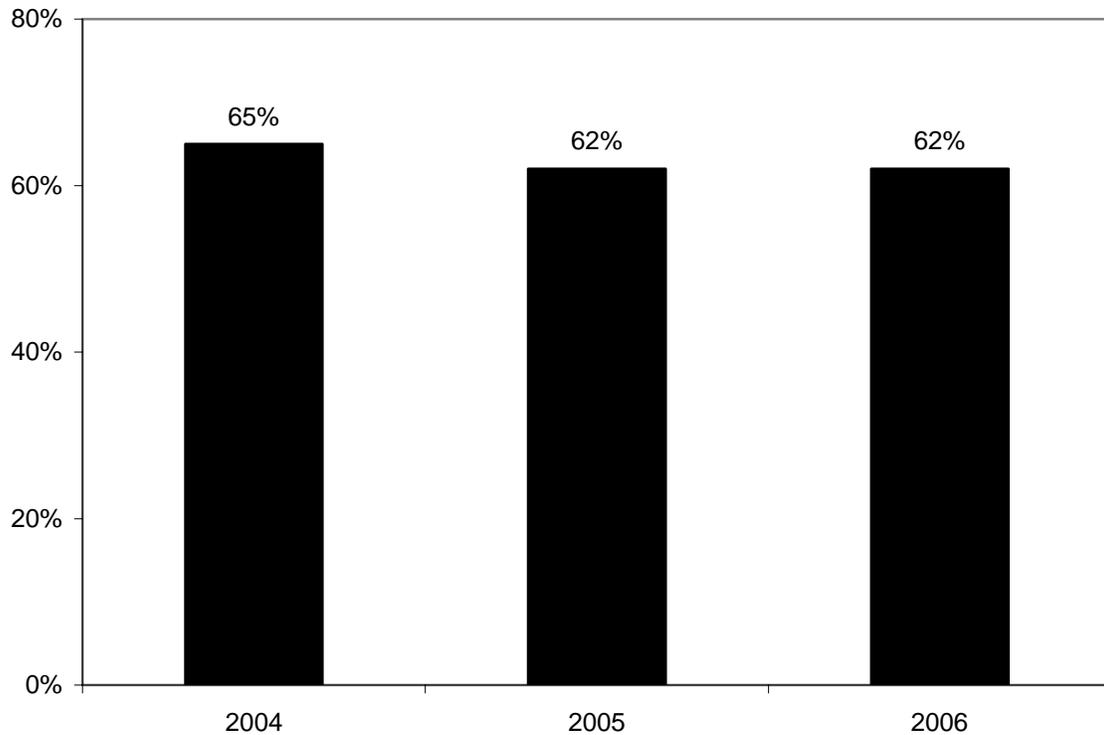




Equal Payment Plan

Equal Payment Plan is a form of billing whereby customers are billed an equal amount over 12 months, rather than being billed for their household's use of electricity for a particular month. Consistent with previous years, approximately six in ten residential customers (62%) were aware that Hydro offers an *Equal Payment Plan*.

Figure 33: Awareness of the Equal Payment Plan



Customers in the Labrador region (70%) were more aware of the *Equal Payment Plan* than customers in the Central region (55%). Almost two-thirds of customers in the Northern region (63%) were aware of the *Equal Payment Plan*.

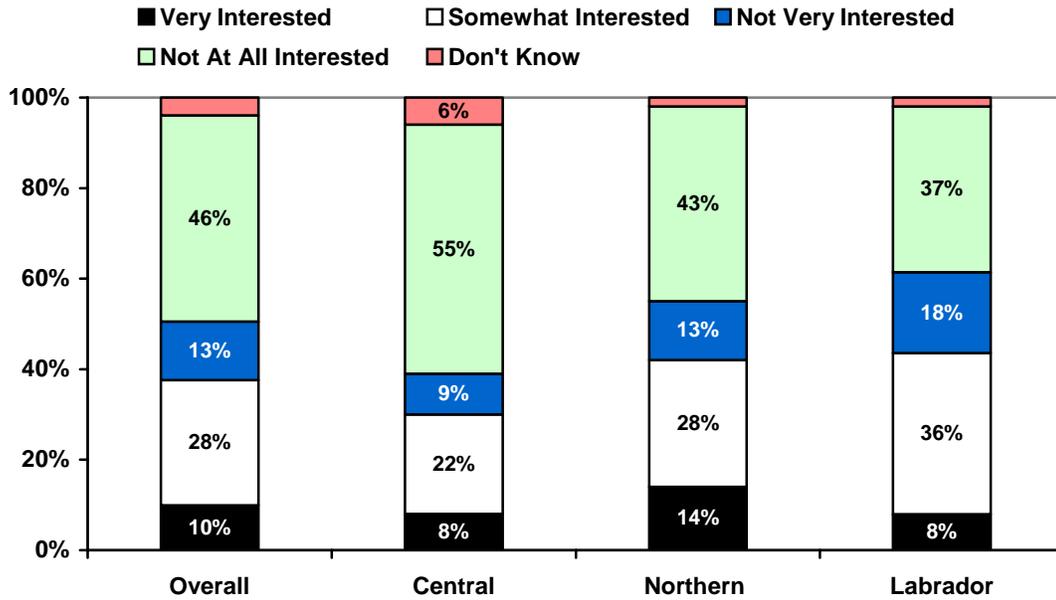
Furthermore, customers living in Interconnected rate areas (63%) were more aware of the *Equal Payment Plan* than customers living in Isolated rate areas (54%).



Of those customers who were aware of Hydro's *Equal Payment Plan* (n=452), fewer than one in ten (8%) reported currently using the plan. Usage was higher in the Labrador (13%) and Northern (10%) regions than in the Central region (1%).

Customers who were not aware or do not currently use the *Equal Payment Plan* (n=691) were asked how interested they would be in using the plan. Overall, nearly four in ten customers (38%) would be interested in using the *Equal Payment Plan* (10% very interested, 28% somewhat interested).

Figure 34: Interest in the 'Equal Payment Plan' among Non-Users and Those Unaware



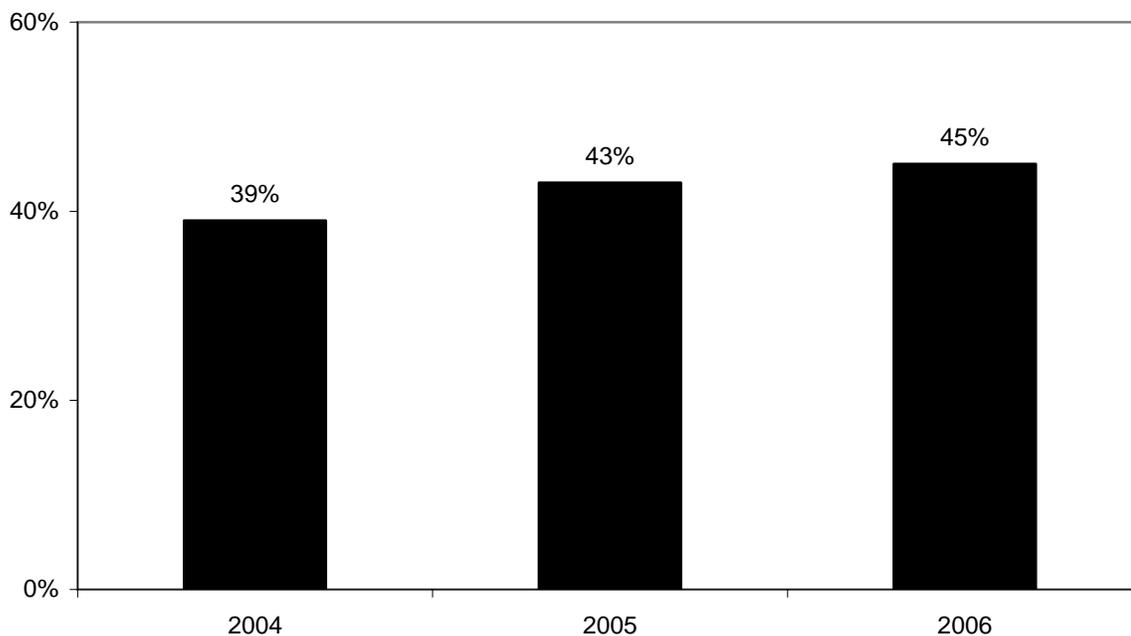
Interest in the Labrador and Northern regions (43% and 42%, respectively) was higher than in the Central region (31%).



Pre-Authorized Bill Payment

The pre-authorized bill payment option is a form of payment where the amount of a bill is automatically deducted from a customer's bank account each month. Forty-five percent of residential customers were aware that Hydro offers a pre-authorized bill payment option, an increase of 6% since 2004, but consistent with 2005.

Figure 35: Awareness of the Pre-Authorized Payment Option



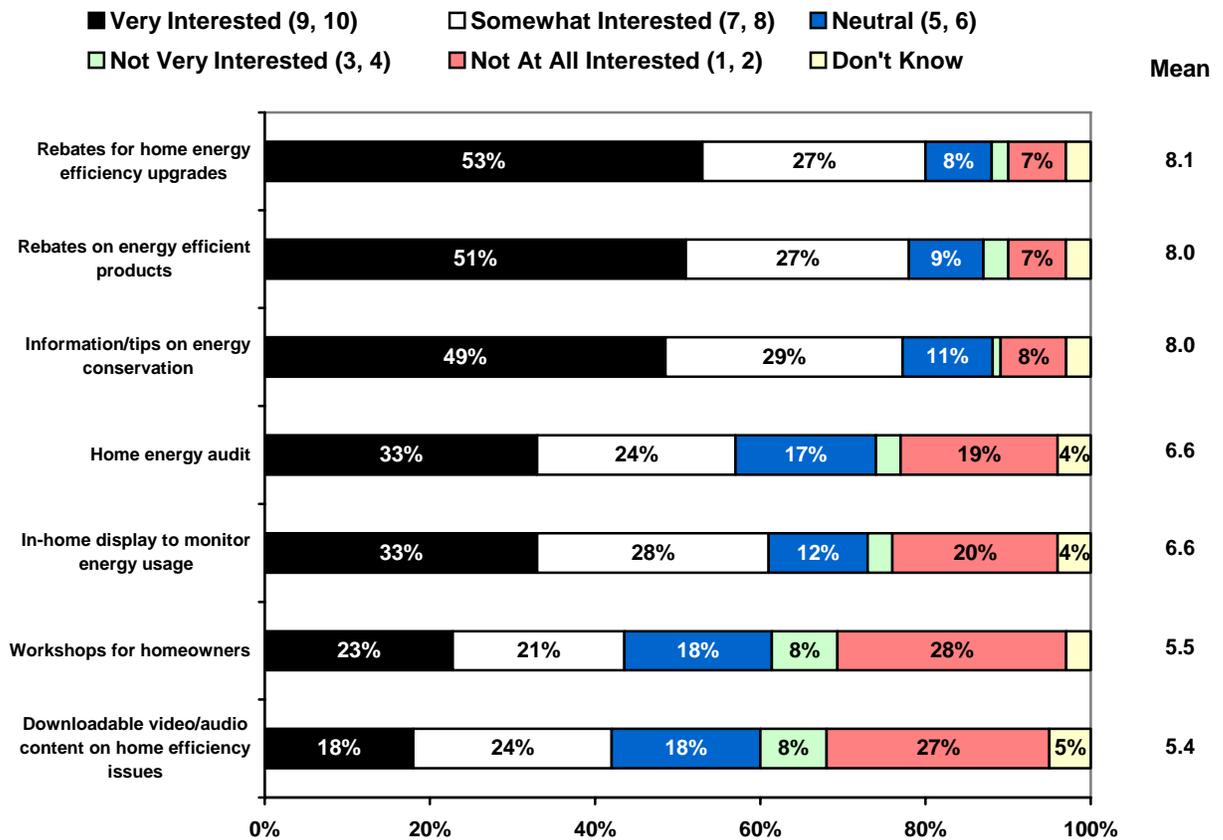


6.4 Energy Efficiency and Hydrowise

To determine interest in energy efficiency, customers were asked to indicate, on a scale of 1 (Not At All Interested) to 10 (Very Interested), how interested they would be in using various energy efficiency resources.

Residential customers showed a wide range of interest in the various energy efficiency resources mentioned. Interest levels were highest for rebates on home energy efficiency upgrades (8.1), rebates on energy efficient products (8.0), and information/tips on energy conservation (8.0). Customers exhibited the least amount of interest in workshops for home owners (5.5) and downloadable video/audio content on home efficiency issues (5.4).

Figure 36: Interest in Various Energy Efficiency Resources





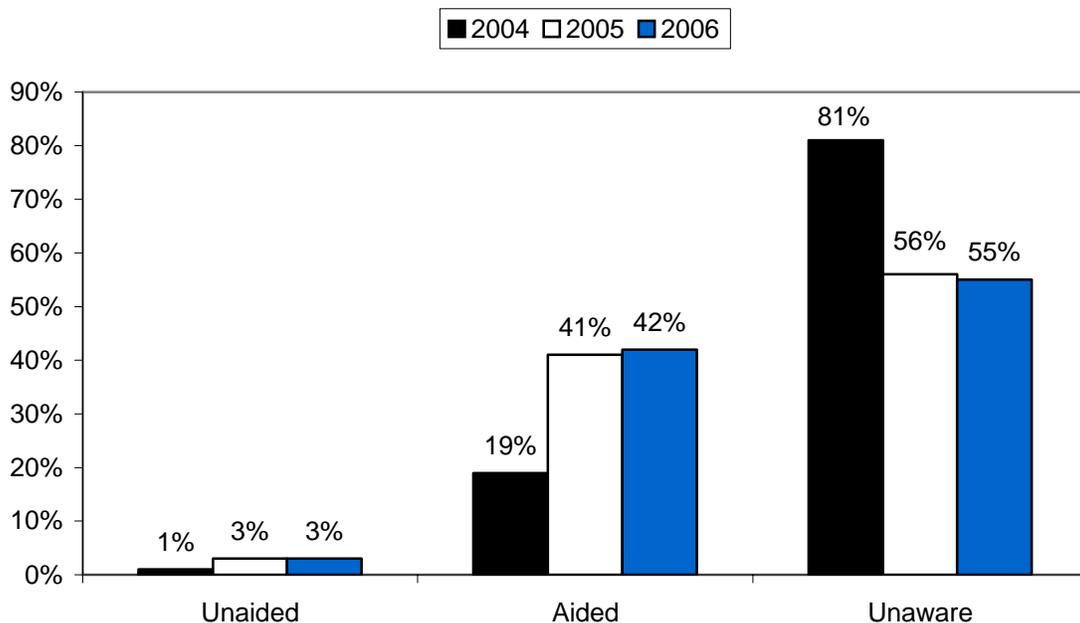
Based on their knowledge, customers were asked to indicate whether or not Hydro has an energy awareness program to help consumers learn how to understand and reduce energy costs. Compared to 2005, Hydro customers were less aware that Hydro has an energy conservation program (27% compared to 42% in 2005).

Though general awareness of an energy conservation program offered by Hydro has decreased since 2005, awareness of the program 'Hydrowise' has not changed. Awareness of 'Hydrowise' was determined through an examination of *unaided* and *aided* awareness of the program. *Unaided* awareness was determined by asking customers who were aware that Hydro has an energy conservation program to provide the name of the program. Out of all residential customers, 3% correctly identified 'Hydrowise' as Hydro's energy conservation program (n=21), an increase of 2% since 2004, but consistent with 2005.

To determine *aided* awareness, customers who could not name Hydro's energy conservation program were told that 'Hydrowise' is the name of Hydro's energy conservation program and were then asked if they had heard of it. Forty-two percent of customers indicated that they had heard of 'Hydrowise' (n=304), an increase of 23% since 2004, but consistent with 2005.

Overall awareness of the program (unaided and aided combined) was 45% (325/727). This awareness level is higher than the awareness level in 2004 (20%), but consistent with 2005 (44%).

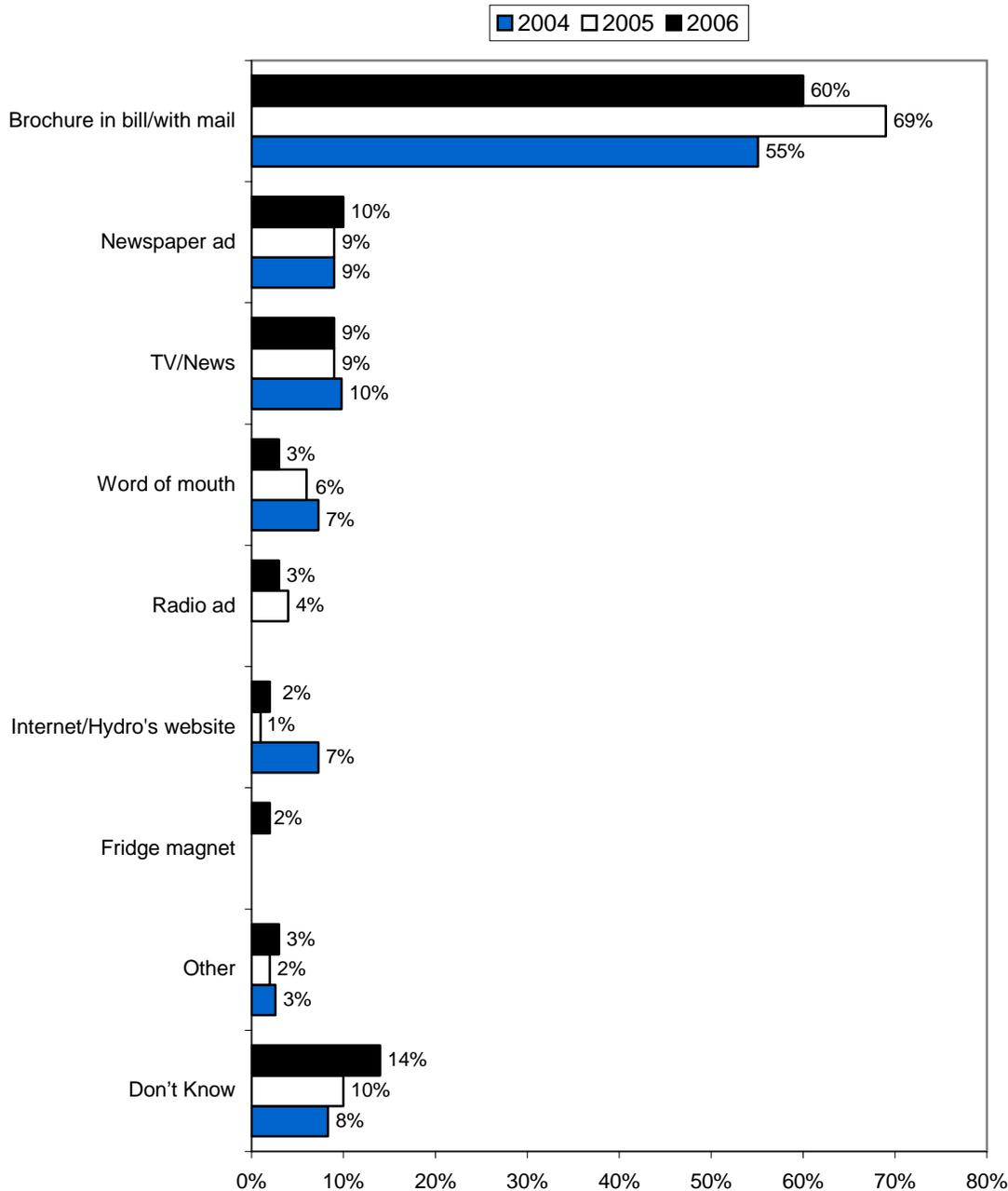
Figure 37: Awareness of 'Hydrowise' (N=727)





Customers who were aware of 'Hydrowise' were asked how they found out about the program. Consistent with previous years, most customers learned about the program through a brochure inserted with their Hydro statement/in the mail (60%). Compared to 2004, fewer customers found out about 'Hydrowise' through the Internet/Hydro's website.

Figure 38: How Customers Found Out About 'Hydrowise'* (n=325)



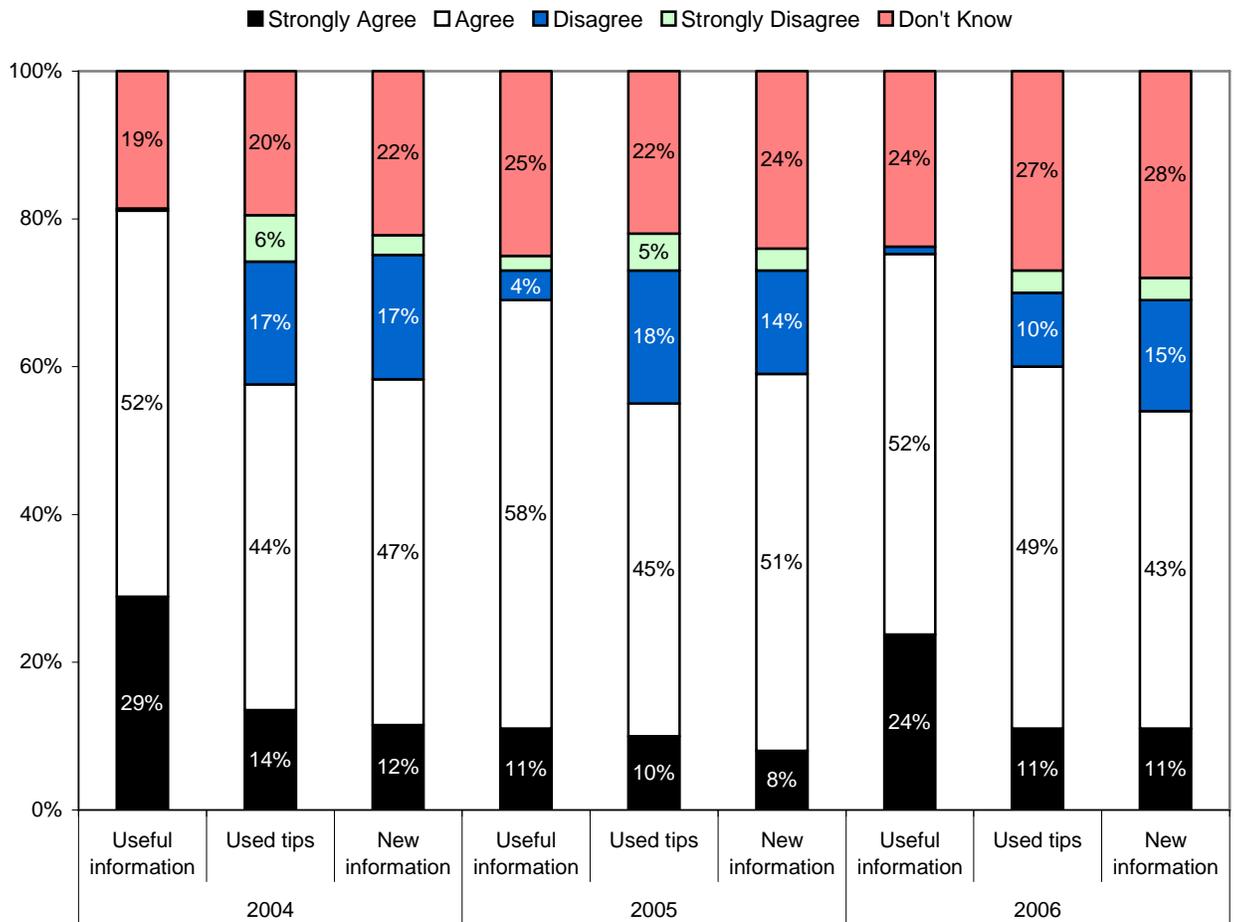
*Multiple responses allowed.



Customers who were aware of 'Hydrowise' were also asked if they strongly agreed, agreed, disagreed, or strongly disagreed with the following statements:

- The information provided by 'Hydrowise' is useful;
- I have used some of the 'Hydrowise' tips to help reduce my energy costs; and
- 'Hydrowise' provided me with some information I did not already know.

Figure 39: Opinions of 'Hydrowise' (n=325)



The majority of customers who were aware of 'Hydrowise' agreed¹⁴ that the information provided by the program is useful (76%), consistent with 2004 and 2005. Also similar to previous years, 60% of customers who were aware of 'Hydrowise' reported that they used some of the tips to reduce their energy costs, and 54% agreed¹⁵ that the program provided them with information they did not already possess.

Customers who were aware of 'Hydrowise' were also asked if they have visited the 'Hydrowise' website in the past year. Visitation to the 'Hydrowise' website was low among those aware of the program (5%).

¹⁴ Includes 'agree' and 'strongly agree'.

¹⁵ Includes 'agree' and 'strongly agree'.

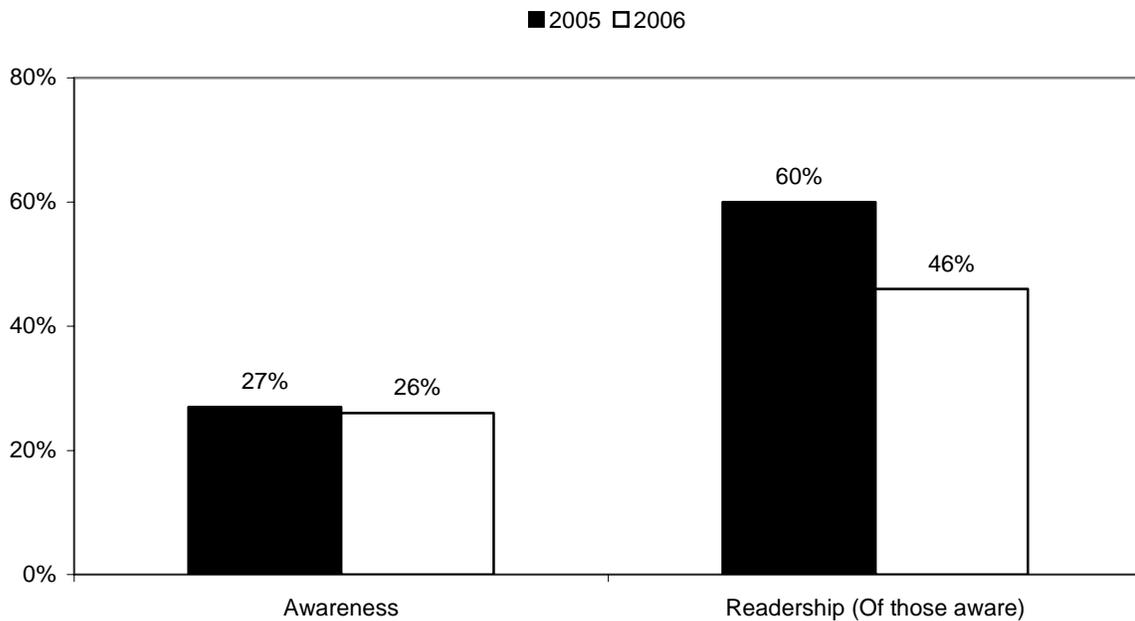


6.5 Watts New

In 2005, Hydro introduced a customer newsletter called 'Watts New'. This newsletter is distributed to all customers on a quarterly basis and is inserted with their Hydro bill. Consistent with 2005, just over one-quarter of customers (26%) reported having heard of 'Watts New'.

Those who had heard of 'Watts New' were asked if they had read an issue of the newsletter. Of those aware of the newsletter, 46% have read an issue. Readership was higher among customers in Isolated areas (68%) compared to customers in Interconnected areas (43%). Readership of 'Watts New' among those aware has decreased since 2005 (60%).

Figure 40: Awareness and Readership of 'Watts New'



Similar to 2005, the majority of customers who read an issue of 'Watts New' (93%) rated the content of the newsletter as informative (37% very informative, 56% somewhat informative).

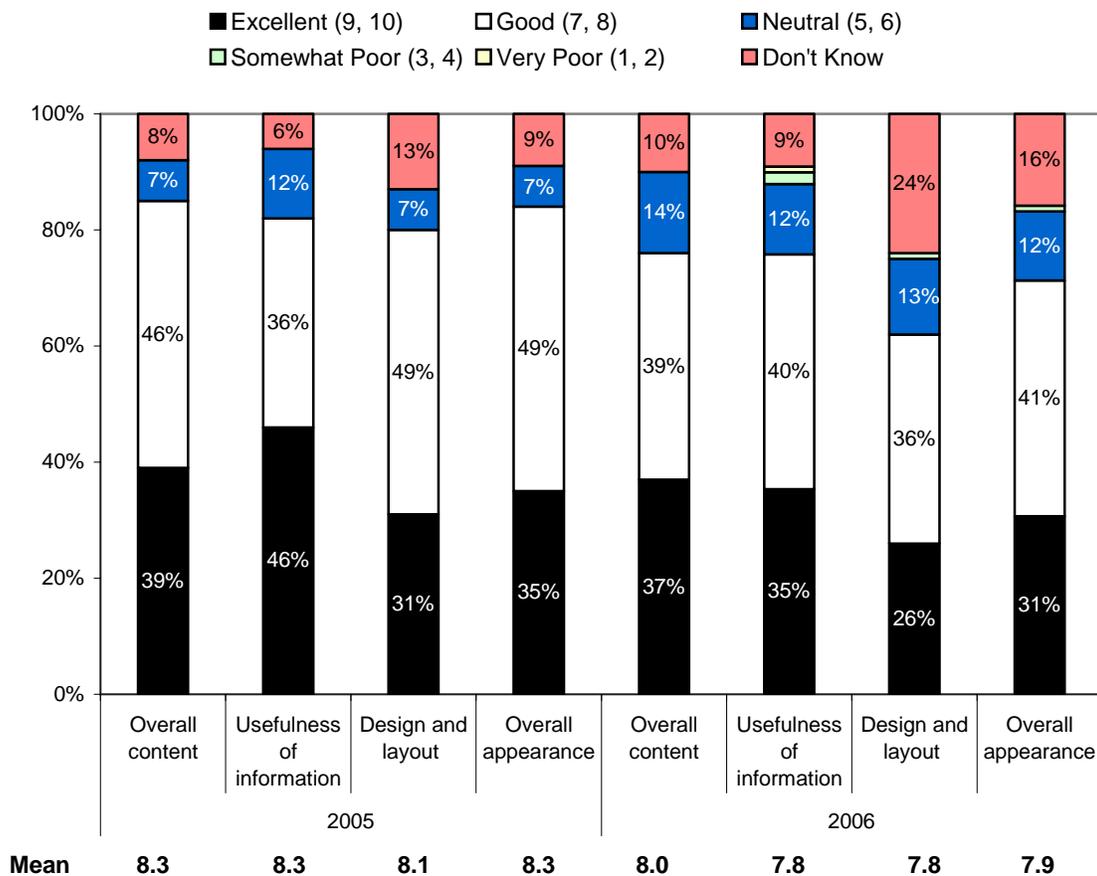


Customers who have read an issue of 'Watts New' were also asked to rate the newsletter, on a scale of 1 (Very Poor) to 10 (Excellent), on the following attributes:

- Overall content;
- Usefulness of the information contained in the articles;
- Design and layout; and
- Overall appearance.

Overall, 'Watts New' was rated favorably on these attributes, with mean ratings ranging from 7.8 to 8.0. Ratings were generally similar to 2005; however, compared to 2005, customers provided a lower rating for usefulness of information (8.3 vs. 7.8, respectively).

Figure 41: 'Watts New' Newsletter Ratings (n=89)



Customers who have read an issue of 'Watts New' (n=89) were also asked to provide suggestions on topics or areas of interest that they would like to see covered in future editions of the newsletter. The majority of customers (87%) indicated that they would like to see more content on energy conservation and savings.



7.0 PROFILE OF SURVEY RESPONDENTS

This section presents a profile of survey respondents, overall, by region and by rate area.

7.1 Demographic Characteristics

Table 3: Demographic Characteristics

	% Respondents
AGE:	N=723
18-24	<1%
25-34	10%
35-44	23%
45-54	29%
55-64	24%
65+	13%
EDUCATION:	N=722
Less than high school	32%
Graduated high school/GED	28%
Some post-secondary education	9%
College/Technical School certificate or diploma	20%
University certificate or diploma below bachelor's degree	3%
University degree (bachelors, masters, PhD)	8%
HOUSEHOLD INCOME CATEGORY:	N=626
Less than \$20,000	22%
\$20,000 to less than \$40,000	36%
\$40,000 to less than \$60,000	19%
\$60,000 to less than \$80,000	10%
Over \$80,000	13%
EMPLOYMENT CATEGORY:	N=727
Full-time, Permanent, Year-Round	27%
Part-time, Permanent, Year-Round	10%
Seasonal/Casual	22%
Homemaker	9%
Unemployed	6%
Retired	23%
Student	<1%
Disabled	1%
Self-Employed	1%
Other	<1%
GENDER:	N=727
Male	34%
Female	66%

Note: Individuals who refused or did not respond were excluded from this analysis.



The person in the household responsible for dealing with Hydro (i.e., the customer) was most often female (66%), between the ages of 35 to 64 (76%), and had an education of high school or less (60%).

The majority of Hydro customers worked in a full-time, permanent, year-round job, (27%), were retired (23%) or worked in a seasonal/casual position (22%). Their total household income most often fell below \$40,000 (58%).



7.2 Demographic Characteristics by Region

Table 4: Demographic Characteristics by Region

	Labrador % Respondents	Northern % Respondents	Central % Respondents
AGE:	N=280	N=267	N=178
18-24	1%	<1%	<1%
25-34	16%	7%	8%
35-44	23%	30%	18%
45-54	33%	27%	28%
55-64	20%	18%	33%
65+	7%	18%	14%
EDUCATION:	N=279	N=267	N=178
Less than High School	18%	36%	39%
Graduated High School	23%	29%	32%
Some Post-Secondary Education	12%	9%	7%
College/Technical School Certificate or Diploma	30%	16%	16%
University Certificate below Bachelors	5%	1%	3%
University Degree (Bachelors, Masters, PhD)	12%	9%	3%
HOUSEHOLD INCOME CATEGORY:	N=243	N=247	N=146
Less than \$20,000	10%	23%	32%
\$20,000 to less than \$40,000	19%	43%	43%
\$40,000 to less than \$60,000	19%	20%	20%
\$60,000 to less than \$80,000	21%	8%	3%
Over \$80,000	31%	6%	3%
EMPLOYMENT CATEGORY:	N=282	N=266	N=180
Full-time, Permanent, Year-Round	51%	21%	14%
Part-time, Permanent, Year-Round	9%	11%	11%
Seasonal/Casual	10%	32%	25%
Homemaker	10%	4%	11%
Unemployed	5%	5%	9%
Retired	13%	24%	30%
Student	<1%	-	-
Disabled	1%	1%	-
Self-Employed	1%	1%	-
Other	-	-	1%
GENDER:	N=282	N=267	N=180
Male	44%	29%	31%
Female	56%	71%	69%

Note: Individuals who refused or did not respond were excluded from this analysis.



7.3 Demographic Characteristics by Rate Area

Table 5: Demographic Characteristics by Rate Area

	Interconnected % Respondents	Isolated % Respondents
AGE:	N=381	N=345
18-24	<1%	1%
25-34	9%	13%
35-44	23%	24%
45-54	29%	29%
55-64	25%	21%
65+	14%	12%
EDUCATION:	N=381	N=345
Less than High School	30%	43%
Graduated High School	29%	23%
Some Post-Secondary Education	9%	10%
College/Technical School Certificate or Diploma	21%	12%
University Certificate below Bachelors	3%	2%
University Degree (Bachelors, Masters, PhD)	8%	9%
HOUSEHOLD INCOME CATEGORY:	N=329	N=306
Less than \$20,000	22%	22%
\$20,000 to less than \$40,000	35%	43%
\$40,000 to less than \$60,000	19%	21%
\$60,000 to less than \$80,000	10%	7%
\$80,000 or more	13%	7%
EMPLOYMENT CATEGORY:	N=383	N=344
Full-time, Permanent, Year-Round	27%	26%
Part-time, Permanent, Year-Round	10%	10%
Seasonal/Casual	21%	32%
Homemaker	9%	6%
Unemployed	6%	7%
Retired	24%	18%
Student	-	<1%
Disabled	1%	<1%
Self-Employed	1%	1%
Other	<1%	-
GENDER:	N=383	N=345
Male	33%	46%
Female	67%	54%

Note: Individuals who refused or did not respond were excluded from this analysis.



7.4 Years of Service Relationship: Comparison of 2002-2006

Table 6: Years of Service Relationship

	Average Number of Years	Length of Relationship			
		1-10 Years	11-19 Years	20 + Years	Don't Know
Labrador (N=282)					
2002	19.4	22%	15%	60%	3%
2003	20.9	25%	13%	55%	7%
2004	19.9	24%	20%	43%	13%
2005	22.9	19%	16%	59%	7%
2006	21.3	25%	19%	54%	2%
Northern (N=267)					
2002	21.5	14%	17%	67%	2%
2003	23.2	16%	12%	70%	2%
2004	22.7	19%	13%	50%	17%
2005	26.5	10%	16%	68%	5%
2006	24.8	12%	21%	63%	3%
Central (N=180)					
2002	22.7	10%	16%	74%	1%
2003	24.1	13%	16%	67%	5%
2004	23.9	15%	13%	55%	18%
2005	25.1	13%	15%	69%	3%
2006	28.3	7%	16%	75%	3%
Total (N=727)					
2002	21.0	16%	16%	66%	2%
2003	22.9	17%	14%	64%	5%
2004	22.3	19%	15%	50%	17%
2005	25.0	14%	16%	66%	5%
2006	25.1	14%	18%	65%	3%

On average, residential customers have been patrons of Hydro for 25 years, with most having been a customer for more than 20 years (65%).



7.5 Access to the Internet: Comparison of 2002-2006

Table 7: Internet Access

	Percentage with Access to the Internet				
	Access At All	At Home	At Work	At School	Elsewhere*
Labrador (N=282)					
2002	60%	43%	39%	20%	-
2003	76%	64%	43%	22%	-
2004	78%	64%	46%	4%	14%
2005	79%	68%	41%	14%	21%
2006	87%	79%	47%	8%	21%
Northern (N=267)					
2002	44%	28%	19%	22%	-
2003	61%	39%	22%	25%	-
2004	58%	44%	24%	6%	11%
2005	60%	44%	21%	10%	26%
2006	72%	58%	28%	18%	24%
Central (N=180)					
2002	45%	32%	17%	21%	-
2003	53%	39%	14%	19%	-
2004	51%	36%	15%	9%	17%
2005	61%	44%	16%	18%	25%
2006	61%	44%	15%	19%	24%
Total (N=727)					
2002	47%	34%	24%	18%	-
2003	63%	46%	25%	22%	-
2004	61%	47%	27%	6%	14%
2005	66%	51%	25%	14%	24%
2006	72%	59%	29%	16%	23%

* "Elsewhere" was added to the survey in 2004.

Since 2002, Internet access has increased for Hydro customers, rising from 47% to 72%.

APPENDIX A: QUESTIONNAIRE



Residential Customer Satisfaction Survey 2006
Newfoundland and Labrador Hydro
Final – November 10, 2006

Imported Fields: Community and Region

Hello, my name is _____ and I'm calling from MarketQuest Research, a professional marketing research firm. Today/tonight we are conducting a short survey on household electricity. May I please speak to the adult who is primarily responsible for paying your home electric bill and dealing with the electric company **[REPEAT INTRODUCTION IF NECESSARY]**. We would appreciate your participation, would you have a few minutes to complete the survey...it will take approximately 10 minutes of your time?

YES - CONTINUE
NO - THANK & TERMINATE

Screener:

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

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

IF YES TO ANY OF THE ABOVE - THANK & TERMINATE

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

	<u>NF & LAB</u> <u>HYDRO</u>	<u>NF</u> <u>POWER</u>	<u>D/K OR</u> <u>N/A</u>
...Supplies electricity to your permanent home or where you spend the majority of your time?	1	2	98
...Supplies electricity to a temporary dwelling such as a cabin, cottage or summer home?	1	2	98

IF NF & LAB HYDRO NOT MENTIONED- THANK & TERMINATE

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



Customer Satisfaction

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

	Not at all important										Very important	Don't know
	1	2	3	4	5	6	7	8	9	10		
The number of power outages	1	2	3	4	5	6	7	8	9	10	98	
that Hydro ensures a sufficient supply of electricity for the foreseeable future	1	2	3	4	5	6	7	8	9	10	98	
The quality of customer service you receive from Hydro	1	2	3	4	5	6	7	8	9	10	98	
The price you pay for electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	98	
Hydro's concern for public safety	1	2	3	4	5	6	7	8	9	10	98	
That Hydro contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	98	
That Hydro encourages consumers to make more efficient use of electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro listens to and acts upon customer concerns	1	2	3	4	5	6	7	8	9	10	98	
Speed in restoration of power when a problem occurs	1	2	3	4	5	6	7	8	9	10	98	
Accuracy of billing	1	2	3	4	5	6	7	8	9	10	98	
Bills that are easy to read and understand	1	2	3	4	5	6	7	8	9	10	98	
that Hydro cares about its customers	1	2	3	4	5	6	7	8	9	10	98	
Good power quality that is free from voltage fluctuations	1	2	3	4	5	6	7	8	9	10	98	
The way they maintain the electric system	1	2	3	4	5	6	7	8	9	10	98	
Having friendly and courteous employees	1	2	3	4	5	6	7	8	9	10	98	



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

	Not at all satisfied										Very satisfied	Don't know
	1	2	3	4	5	6	7	8	9	10		
With the number of power outages that Hydro ensures a sufficient supply of electricity for the foreseeable future	1	2	3	4	5	6	7	8	9	10	98	
With the quality of customer service you receive from Hydro	1	2	3	4	5	6	7	8	9	10	98	
With the price you pay for electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	98	
With Hydro's concern for public safety	1	2	3	4	5	6	7	8	9	10	98	
That Hydro contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	98	
That Hydro encourages consumers to make more efficient use of electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro listens to and acts upon customer concerns	1	2	3	4	5	6	7	8	9	10	98	
With the speed in restoring power when a problem occurs	1	2	3	4	5	6	7	8	9	10	98	
With the accuracy of Hydro's billing	1	2	3	4	5	6	7	8	9	10	98	
With Hydro providing bills that are easy to read and understand	1	2	3	4	5	6	7	8	9	10	98	
That Hydro cares about its customers	1	2	3	4	5	6	7	8	9	10	98	
Good power quality that is free from voltage fluctuations	1	2	3	4	5	6	7	8	9	10	98	
The way they maintain the electric system	1	2	3	4	5	6	7	8	9	10	98	
With how friendly and courteous Hydro's employees are	1	2	3	4	5	6	7	8	9	10	98	



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

8. Do you need improved reliability with your electrical utility supply, for example fewer outages?

Yes	1	- CONTINUE
No	2	-SKIP TO Q10
Don't Know	98	-SKIP TO Q10

9. Would you be willing to pay more for increased levels of reliability?

Yes	1
No	2
Don't Know	98

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

Yes	1	- CONTINUE
No	2	-SKIP TO Q12
Don't Know	98	-SKIP TO Q12

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

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



Billing Options

Now I would like to ask a couple of questions related to billing...

12. A common method of billing is to bill customers each month for their household's use of electricity in that particular month. Equal Payment Plan is a different method of billing, whereby customers are billed an equal amount over 12 months. To your knowledge, does Hydro offer an equal payment plan to its customers?

Yes - OFFERED	1	- CONTINUE
No - NOT OFFERED	2	- SKIP TO RULE BEFORE Q14
Don't Know	98	- SKIP TO RULE BEFORE Q14

13. Do you currently use Hydro's Equal Payment Plan?

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

IF NO OR DON'T KNOW TO Q12, READ: Hydro offers an equal payment plan to its customers.

14. Would you say you are very interested, somewhat interested, not very interested, or not at all interested in Hydro's Equal Payment Plan?

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

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

Yes - OFFERED	1
No - NOT OFFERED	2
Don't Know	98

16. Electronic billing is a type of billing through which customers receive and view their monthly bill on-line. Through electronic billing, a customer receives an email once a month containing an Internet link to their on-line bill. However, once a customer signs up for electronic billing, they no longer receive their bill in the mail. If Hydro offered electronic billing, would you be very interested, somewhat interested, not very interested, or not at all interested in using this service?

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



Accessing Information – Telephone and Website

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

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q23
Don't Know	98	-SKIP TO Q23

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

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

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q23
Don't Know	98	-SKIP TO Q23

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q23
Don't Know	98	-SKIP TO Q23

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

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

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

Power outage information	1
Billing or account information	2
Energy efficiency information (e.g. Wrap up for Savings Program, Hydrowise, etc.)	3
Or something else? - Specify	90
Don't know	98



Now moving on to the Internet...

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

	Yes	No	Not Applicable
At home	1	2	99
At work	1	2	99
At school	1	2	99
Somewhere other than home, work, or school?	1	2	99

24. Have you ever visited Hydro's website?

Yes	1	-CONTINUE
No	2	-SKIP TO Q30
Don't Know	98	-SKIP TO Q30

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q30
Don't Know	98	-SKIP TO Q30

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

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

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

Yes	1	-SKIP TO Q29
No	2	-CONTINUE
Don't Know/No response	98	-SKIP TO Q29

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



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

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

Energy Efficiency

Now, I would like to ask you about energy efficiency...

30. On a scale of 1 to 10, where 1 is “not at all interested” and 10 is “very interested”, how interested would you be in using the following energy efficiency resources? **[READ LIST] [ROTATE LIST]**

	NAI										VI	DK
Information & tips on energy conservation	1	2	3	4	5	6	7	8	9	10	98	
A home energy audit	1	2	3	4	5	6	7	8	9	10	98	
An in-home display to monitor your actual energy usage	1	2	3	4	5	6	7	8	9	10	98	
Workshops for homeowners	1	2	3	4	5	6	7	8	9	10	98	
Downloadable video or audio content on home efficiency issues	1	2	3	4	5	6	7	8	9	10	98	
Rebates on energy efficient products	1	2	3	4	5	6	7	8	9	10	98	
Rebates for home energy efficiency upgrades	1	2	3	4	5	6	7	8	9	10	98	

31. To your knowledge, does Hydro have an energy awareness program to help consumers learn how to understand and reduce energy costs?

Yes	1	- CONTINUE
No	2	- GO TO Q33
Don't know	98	- GO TO Q33



32. What is the name of the program? [**RECORD RESPONSE**]

**IF “HYDROWISE”, GO TO Q34
ELSE, CONTINUE**

33. Hydrowise is the name of Hydro’s energy awareness program that helps consumers learn how to understand and reduce energy costs. Have you heard of the program, “Hydrowise”?

Yes	1	- CONTINUE
No	2	- GO TO Q37

34. How did you find out about the Hydrowise program? [**DO NOT READ LIST**] [**RECORD ALL THAT APPLY**]

Radio Ad	01
Newspaper Ad	02
Word of Mouth	03
Hydro’s Website	04
Hydrowise website	05
Bill Insert	06
Other	90
Don’t know	98

35. Please indicate if you “strongly agree”, “agree”, “disagree”, or “strongly disagree” with the following statements: [**READ LIST**] [**ROTATE LIST**]

	SA	A	D	SD	DK
The information provided by Hydrowise is useful	1	2	3	4	98
I have used some of the Hydrowise tips to help reduce my energy costs	1	2	3	4	98
Hydrowise provided me with some information I did not already know	1	2	3	4	98

36. Have you visited the **Hydrowise** website in the past year?

Yes	1
No	2
Don’t know	98



“Watts New”

37. “Watts New”, Hydro’s quarterly customer newsletter, is distributed to customers with their Hydro bill. Have you ever heard of “Watts New”?

- Yes 1 - **CONTINUE**
- No 2 - **GO TO Q42**

38. Have you ever read an issue of “Watts New”?

- Yes 1 - **CONTINUE**
- No 2 - **GO TO Q42**

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

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

40. On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent”, how would you rate “Watts New” on the following: **[READ LIST] [ROTATE LIST]**

	Very Poor										Excellent	D/K
	1	2	3	4	5	6	7	8	9	10		
Overall content											98	
Usefulness of the information contained in the articles											98	
Design and Layout											98	
Overall appearance											98	

41. Are there any specific topics or areas of interest that you would like to see covered in “Watts New”? **[RECORD RESPONSE]**

Customer Suggestions

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



Demographics

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

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

44. In which community do you live? _____

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

Under 20	01
20-24	02
25-29	03
30-34	04
35-39	05
40-44	06
45-49	07
50-54	08
55-59	09
60-64	10
65+	11
Refused	99

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

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

2007 RESIDENTIAL CUSTOMER SATISFACTION TRACKING STUDY

Prepared For:



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

Prepared By:



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APPENDIX A: QUESTIONNAIRE



EXECUTIVE SUMMARY

Study Background and Methodology

This report presents the findings of the 9th Annual *Residential Customer Satisfaction Study* conducted by MarketQuest Research on behalf of Newfoundland and Labrador Hydro (Hydro). The primary objective of the *Residential Customer Satisfaction Study* was to assess satisfaction with Hydro's performance in providing service to customers and to determine any changes in customer satisfaction over time. Other objectives of the study were to assess customers' opinions on service reliability and customer service, as well as to determine awareness and use of customer services.

This research was conducted via a telephone survey of a random sample of residential customers. To allow for analysis by region, sub-region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: Labrador West, Happy Valley/Goose Bay, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated. Due to the use of disproportionate sampling, weights were developed to ensure that the sample was a proportionate representation of the customer population at the overall level. In total, 725 customers completed the survey.

Key Findings

Customer Satisfaction

Overall, residential customers were generally satisfied with Hydro's performance. However, there is still room for improvement in some areas.

The Customer Satisfaction Index (CSI) for 2007 was 7.9. With a relatively stable CSI since 2003¹, it is evident that Hydro continues to meet customer expectations in most areas. The CSI was similar for Interconnected and Isolated rate areas (7.9). By region, the CSI was highest in Central (8.3), followed by Northern (7.9) and Labrador (7.5). By sub-region, the CSI was highest for Central Isolated (8.5) and lowest for Labrador West (7.1). Overall, 89% of customers were satisfied with the performance of Hydro (47% very satisfied, 42% somewhat satisfied), with a mean satisfaction rating of 8.2 out of 10.

¹ The attributes used to calculate the 2007 CSI differ from those used to calculate CSIs in 2003, 2004 and 2005. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.



While satisfaction with Hydro's performance can be considered favourable, there are some attributes within the three service dimensions for which Hydro may wish to consider focusing on improving performance. Similar to 2006, these attributes showed the greatest discrepancy in terms of the gap between importance and satisfaction.

Reliability

- Number of power outages.

Service

- The price you pay for electricity.

Corporate Citizenship

- Contributes back to the community through initiatives such as community sponsorship programs.

It is important to note that while a significant gap exists for 'Contributes back to the community', the importance rating for this attribute was lower in comparison to other attributes. Further to this, a considerable proportion of customers (25%) were unable to provide feedback on this attribute suggesting a continued lack of familiarity with Hydro's community contributions. Hydro may wish to continue educating customers on its involvement in the community to enable customers to more accurately evaluate Hydro on this attribute.

Furthermore, while 'The price you pay for electricity' continues to be identified as an area for improvement, it is understood that Hydro is not in a position to change its cost structure. Therefore, Hydro should continue to consider other ways to increase customers' perception of Hydro's performance in this area. For example, focusing on the overall value of Hydro's service to customers may help to improve satisfaction in this area.

Service Reliability

Overall, residential customers continue to be satisfied with the supply of electricity received from Hydro. However, approximately four in ten customers continue to desire improved reliability with their electrical supply.

Residential customers reported a high level of satisfaction with the supply of electricity they receive from Hydro (average satisfaction: 8.9 out of 10). The majority of customers (64%) reported being *very* satisfied, while 31% were *somewhat* satisfied. Satisfaction with service reliability has remained relatively unchanged since 2003.

Despite this finding, 41% of residential customers desire improved reliability with their electrical utility supply, of which 23% would be willing to pay more in electricity costs for improved reliability.



Supporting this continuing desire for improved reliability, nearly two-thirds of residential customers (63%) have experienced an unplanned power outage at their home that lasted longer than 30 minutes, an increase of 14% since 2006. These customers reported moderate satisfaction with Hydro's handling of this outage (The way Hydro dealt with the unplanned power outage: 7.5 out of 10; Hydro being easy to reach to discuss questions or concerns about power outages: 7.0 out of 10; Hydro letting them know when power would be restored: 5.8 out of 10).

Customer Service

Residential customers continue to be satisfied with the customer service received from Hydro.

Residential customers reported a high level of satisfaction with the customer service received from Hydro (average satisfaction: 8.8 out of 10). The majority of customers (59%) reported being *very* satisfied, while 33% were *somewhat* satisfied. Satisfaction with Hydro's customer service has remained relatively stable since 2003.

To further assess Hydro's customer service, customers were asked to identify how long they think it should take Hydro to respond to various service requests. On average, customers felt it should take 3 hours to respond to a full or partial power loss, 35 hours to respond to general questions and concerns that cannot be immediately addressed, and 50 hours to respond to a service request for their home or property. Expected response times for service requests for home or property have increased steadily since 2005.

Awareness and Use of Programs and Services

Similar to 2006, three in ten residential customers have used Hydro's automated toll-free number within the past year. Almost two-thirds of those who have called the number needed to speak directly with a customer service agent. Of those who needed to speak to an agent, a small minority have experienced difficulty.

Three in ten customers (30%) have called Hydro's automated toll-free number within the past year. Of customers who have called within the past year, 62% needed to speak with a customer service agent. The majority of those who needed to speak with an agent (76%) did not experience difficulty. However, 24% of these customers did experience difficulties, a two-fold increase since 2006. The most common difficulties were waiting/on hold too long (48%), getting answering machine/voice mail (17%), problem using the automated system (12%), and an inability to get through/busy signal (3%). Most commonly, customers experiencing difficulty were calling to obtain power outage information (39%).



Past year visitation to the Hydro website among customers with Internet access has increased since 2006, but is still generally low. However, customers who visited the website continue to rate it favorably.

Two in ten customers with Internet access (20%) have visited Hydro's website in the past year, an increase of 8% since 2006. Most customers who visited the site (93%) were able to find the information they were looking for. The most common information sought on the website was account/billing information (60%).

Customers who visited the Hydro website were asked to rate the site in terms of its layout and design, ease of navigation, ability to find the right information and overall quality. Consistent with 2005 and 2006, a large proportion of customers who visited the site rated it favorably on all attributes.

Residential customers showed varied levels of interest in energy efficiency resources, however interest has increased since 2006. Over one-half of customers were aware of 'Hydrowise', an increase from previous years. Feedback on the program has remained positive. Visitation to the 'Hydrowise' website, however, continues to be low.

Residential customers showed a wide range of interest in various energy efficiency resources. Interest levels were highest for rebates on home energy efficiency upgrades (8.9) and lowest for downloadable video/audio content on home efficiency issues (6.1). Overall, interest in energy efficiency resources has increased over the past year.

Overall awareness of 'Hydrowise', Hydro's energy awareness program, was 53%, an increase over previous years (2004: 20%, 2005: 44%, and 2006: 45%). Consistent with previous years, most customers indicated that they found out about the program through a brochure inserted with their Hydro statement (61%).

Feedback on the program among those aware of it remained positive this year, with a majority of customers reporting that it provided them with new (60%) and useful (85%) information and that they used some of the tips to reduce their costs (73%). Among those aware of 'Hydrowise', visitation to the program website was low (8%).

Consistent with previous years, awareness of the new quarterly newsletter 'Watts New' was generally low. Among those aware of the newsletter, six in ten have read an issue, an increase from 2006. The majority of customers who have read an issue continue to rate the newsletter favorably and continue to rate the content as informative.

Similar to 2005 and 2006, nearly three in ten customers (29%) reported having heard of the quarterly newsletter 'Watts New', and of those, 60% have read at least one issue, an increase over 2006 (46%), but consistent with 2005 (60%).

Similar to 2005 and 2006, the majority of customers who have read an issue rated the content of 'Watts New' as informative (98%), and approximately eight in ten customers rated the newsletter as good or excellent on overall content, usefulness of the information, design and layout, and overall appearance.



1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

For the ninth year, MarketQuest Research Group Inc. conducted the Annual *Residential Customer Satisfaction Study*, on behalf of Newfoundland and Labrador Hydro (Hydro). The primary objective of this study was to assess satisfaction with the performance of Hydro in providing service to residential customers, and to identify any changes in customer satisfaction over time.

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

While the primary objective was to determine customer satisfaction, the study also included questions to assess awareness and use of various programs and services offered by Hydro, including 'Hydrowise,' the automated toll-free number, Hydro's website, and the quarterly newsletter 'Watts New'. In addition, questions were included to assess customer opinions on particular areas of interest, such as service reliability, customer service, and Hydro's reputation and corporate citizenship.

1.2 Study Methodology

Consistent with previous years, the study was conducted via a telephone survey of Hydro's residential customers. Data was collected from November 12th-26th, 2007. The sampling frame included all households within Hydro's service areas that identified Hydro as their electricity supplier. The sampling unit was the adult household member who is responsible for paying the electricity bill and dealing with Hydro. A total of 725 residential customers completed the survey, which provides a margin of error of ± 3.60 , 19 times out of 20 or at the 95% confidence level.

To allow for analysis by region, sub-region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: Labrador West, Happy Valley/Goose Bay, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated.

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



The questionnaire, which was similar to those used in previous years, was designed by MarketQuest in consultation with Hydro (see Appendix A). Following a review of the 2006 questionnaire, new questions were added to assess Hydro's reputation and corporate citizenship.

1.3 This Report

This report presents the results of the *2007 Residential Customer Satisfaction Study* at the overall level. Results are also presented, where possible, for previous years (2003 to 2006) to allow for comparison and tracking over time. In addition, where insight and informational value is added, results are segmented by region (Labrador, Northern, and Central), sub-region (Happy Valley-Goose Bay, Labrador West, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated) rate area (Interconnected and Isolated) and demographics (gender, age, household income, education, employment status, and years of service relationship).

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

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



2.0 CUSTOMER SATISFACTION INDEX (CSI)

The Customer Satisfaction Index (CSI) is based on customer ratings of importance and satisfaction for 16 attributes. These attributes are the same attributes used in the Canadian Electricity Association's (CEA's) Annual *Public Attitudes Research Project*. The dimensions measured by these attributes are corporate citizenship, reliability and service. These dimensions of service and the attributes measured in the study are presented below³.

Corporate Citizenship

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

Reliability

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

Service

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

To determine the CSI, customers were first asked to think about their electricity supplier and to rate the importance of each attribute. Importance was rated on a 10 point scale, with 1 being "Not at all important" and 10 being "Very important". Second, customers were asked to rate their satisfaction with the performance of Hydro in providing each attribute. Satisfaction was also rated on a 10 point scale, ranging from "Not at all satisfied" (1) to "Very satisfied" (10).

³ The attribute 'Friendly and courteous employees' was not included in the calculation of the CSI.



In 2006, the attributes used to calculate the CSI were changed to ensure consistency with the CEA's Annual *Public Attitudes Research Project*. As shown below, the first seven attributes have remained the same, while the remaining nine were modified or added in 2006.

2005 Attributes

1. Operates in an environmentally responsible manner
2. Concern for public safety
3. Contributes back to the community through initiatives such as community sponsorship programs
4. Billing statement accuracy
5. Provides bills that are easy to read and understand
6. Cares about its customers
7. Friendly and courteous employees
8. Provides timely and accurate information on power outages
9. Convenient hours of operation
10. Easy access to account information at any time
11. Electricity at a reasonable cost
12. Educates customers on the efficient use of electricity
13. Responds to customer questions and concerns in a timely manner
14. Restores electricity promptly when there is a power outage
15. Provides a reliable uninterrupted supply of electricity
16. Responds to service requests in a timely manner

2006/2007 Attributes

1. Operates in an environmentally responsible manner
2. Concern for public safety
3. Contributes back to the community through initiatives such as community sponsorship programs
4. Accuracy of billing
5. Provides bills that are easy to read and understand
6. Cares about its customers
7. Friendly and courteous employees⁴
8. The number of power outages
9. Ensures a sufficient supply of electricity for the foreseeable future
10. The quality of customer service received
11. The price you pay for electricity
12. Encourages customers to make more efficient use of electricity
13. Listens to and acts upon customer concerns
14. Speed in restoring power when a problem occurs
15. Good power quality that is free from voltage fluctuations
16. The way they maintain the electric system

Furthermore, in 2006, the end points for the 10-point satisfaction and importance scales were modified. Satisfaction ratings for previous years were scored on a 10-point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 and 2007 were scored on a 10-point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied".

Importance ratings for previous years were scored on a 10-point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 and 2007 were scored on a 10-point scale with 1 being "Not at all important" and 10 being "Very important".

As a result of these changes, the overall CSI for 2006 is not directly comparable to the CSIs from previous years. Further to this, the importance, satisfaction and gap scores can only be compared across years for the seven attributes that have remained the same.

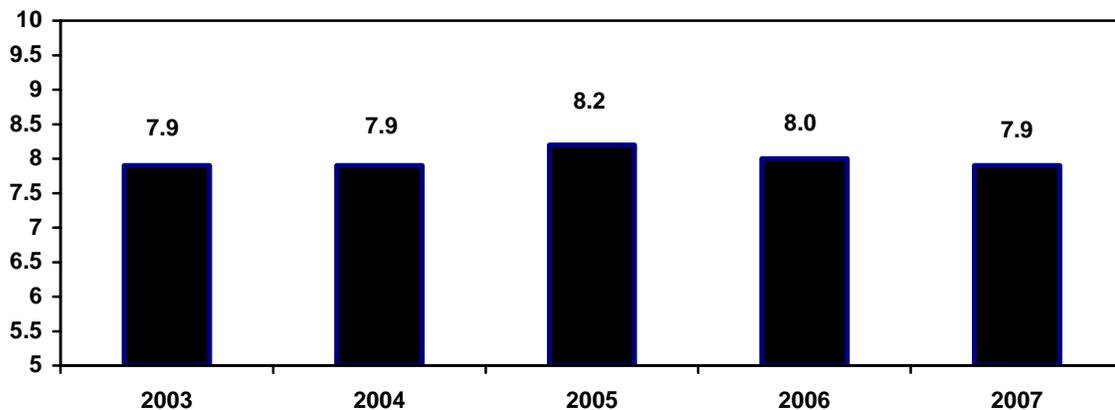
⁴ The attribute 'Friendly and courteous employees' was not included in the calculation of the CSI.



The CSI is a weighted average of the satisfaction ratings for each attribute. To calculate the CSI, the importance score for each attribute is divided by the sum of all importance scores and then multiplied by the satisfaction score assigned to Hydro for that particular attribute (in effect, weighting the satisfaction score by the relative importance). The resulting values are then summed, yielding a single customer satisfaction value for each respondent. The average of these values is the CSI in any one year. The CSI ranges between 1 and 10, and the higher the index the more satisfied Hydro's customers.

For 2007, the Customer Satisfaction Index for residential customers was **7.9**, indicating a relatively high level of satisfaction with the services received by Hydro. As demonstrated below, the CSI has remained relatively stable since 2003, with the exception of a peak in 2005. However, as a result of changes made in 2006 to the importance and satisfaction attributes and the rating scale endpoints, caution should be used when comparing CSI scores over time.

Figure 1: Customer Satisfaction Index by Year

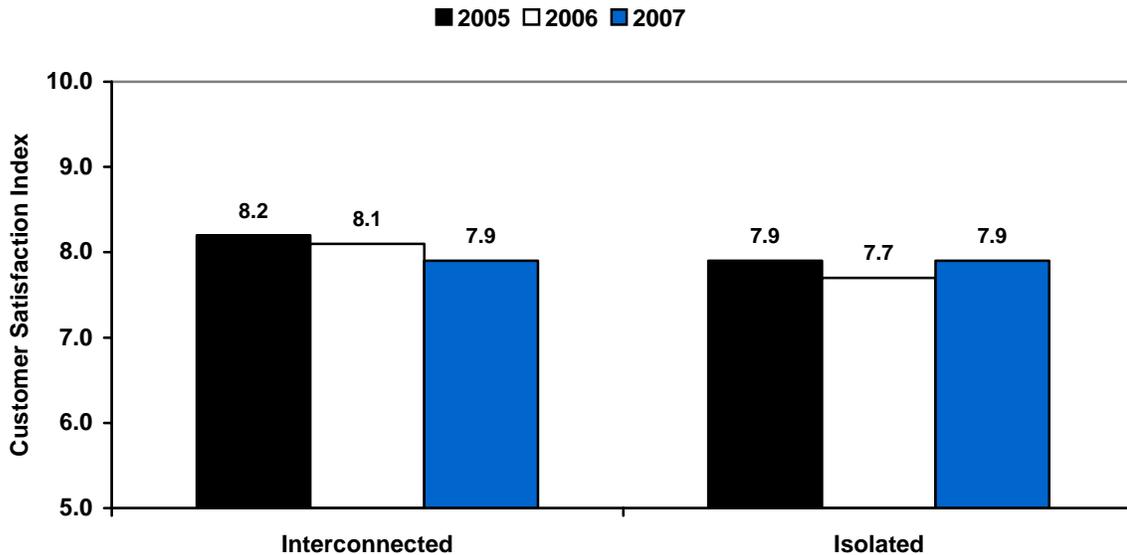


*Note that the attributes used to calculate the CSI since 2006 differ from those used to calculate previous CSIs. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

The following figure presents the CSI results by rate area. For 2007, the CSI for Interconnected and Isolated rate areas was similar (7.9). This differs from previous years, where the CSI for Interconnected rate areas was higher than the CSI for Isolated rate areas.



Figure 2: CSI by Rate Area



*Note that the attributes used to calculate the CSI since 2006 differ from those used to calculate previous CSIs. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

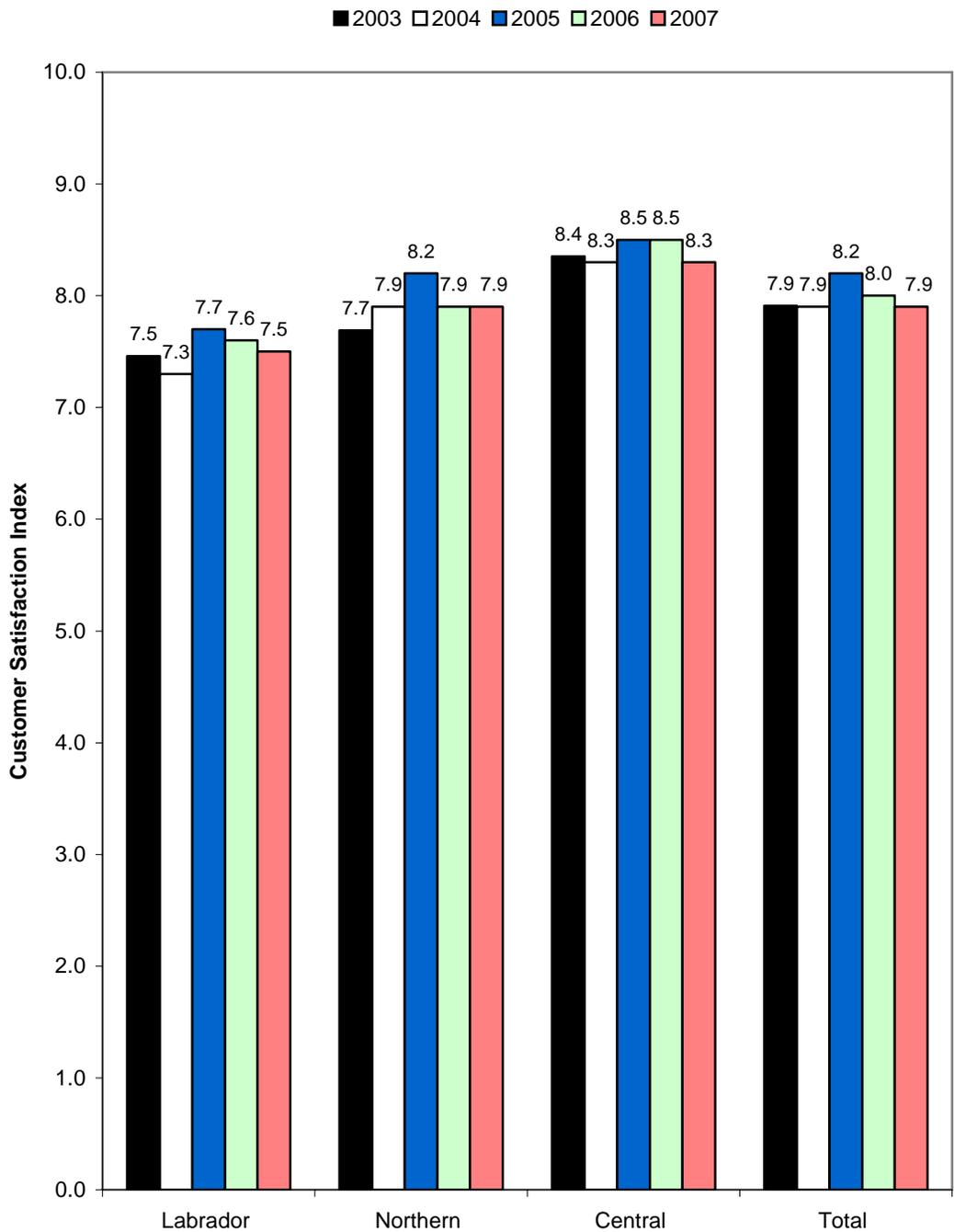
The following figures present the CSI results by region and sub-region. The key findings based on this regional analysis are highlighted below:

- The CSI for the Central region (8.3) was higher than the CSI for the Northern and Labrador regions (7.9 and 7.5, respectively). Similarly, the CSI for the Northern region was higher than the CSI for the Labrador region.
- In general, regional CSIs have fluctuated over the past five years; however, compared to 2006 and the baseline year, they have remained relatively unchanged.
- By sub-region, the CSI was the highest for Central Isolated (8.5) and lowest for Labrador West (7.1). The following differences were found between sub-regional CSIs:
 - Labrador West (7.1) had a lower CSI than Happy Valley-Goose Bay (7.9), Northern Interconnected (7.9), L'anse au Loup (8.2), Central Interconnected (8.3) and Central Isolated (8.5).
 - Labrador Isolated (7.6) and Northern Isolated (7.6) also had lower CSIs than Central Isolated (8.5).
- Analysis at the sub-regional level shows that the CSIs have fluctuated over the past five years, however, compared to 2006 and the baseline year, they have remained relatively stable⁵.

⁵ Note that since 2006, L'anse au Loup has been separated as a sub-region, whereas in previous years, L'anse au Loup was included under Northern Isolated. Therefore, caution should be used when comparing sub-regional CSIs across years.



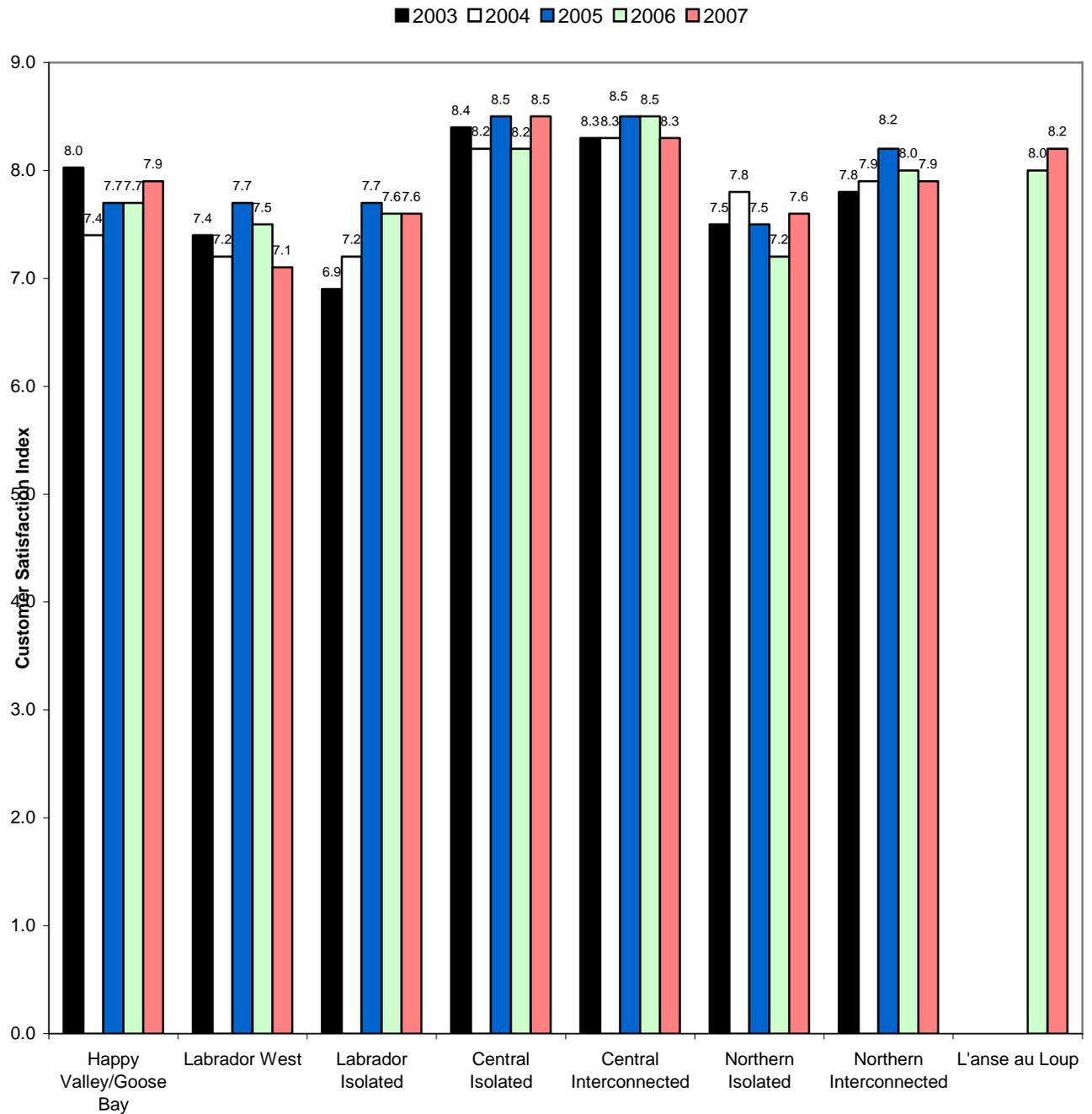
Figure 3: CSI by Region



*Note that the attributes used to calculate the CSI since 2006 differ from those used to calculate previous CSIs. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.



Figure 4: CSI by Sub-Region*



*Note that since 2006, L'anse au Loup has been separated as a sub-region, whereas in previous years, L'anse au Loup was included under Northern Isolated. Therefore, caution should be used when comparing sub-regional CSIs across years.

*Also note that the attributes used to calculate the CSI since 2006 differ from those used to calculate previous CSIs. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

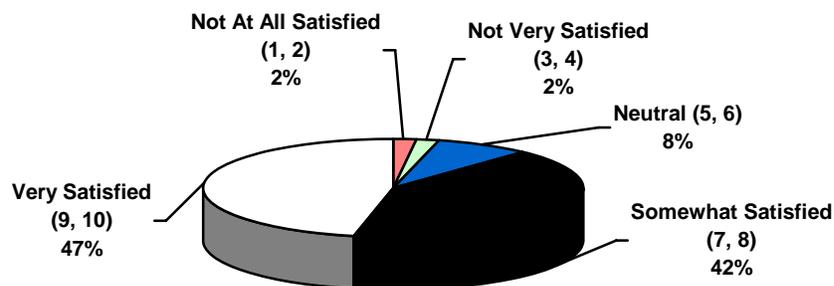


The following points highlight differences in the CSI when analyzed by demographics:

- Customers aged 45 or older (8.1) had a higher CSI than customers aged less than 45 years (7.7).
- Customers who worked full-time year round (7.4) had a lower CSI than those who worked seasonally/casually (8.3), were retired (8.2), or were homemakers (8.7).
- Customers who earned less than \$40,000 (8.2) had a higher CSI than those who earned \$40,000 or more (7.5).
- Customers who had less than high school education (8.6) had the highest CSI, followed by customers who had graduated high school (8.1) or had at least some post-secondary education (7.4).
- Customers who have been with Hydro for 20 years or more (8.1) had a higher CSI than customers who have been with Hydro for 10 years or less (7.5).

Customers were also asked to rate, on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied), their overall satisfaction with Hydro. Overall, the majority of residential customers (89%) were satisfied with the performance of Hydro (47% *very* satisfied, 42% *somewhat* satisfied), and customers rated their overall satisfaction as 8.2 out of 10. This is consistent with the overall satisfaction rating in 2005 (8.3) and 2006 (8.4).

Figure 5: Overall Satisfaction With Hydro



Regionally, customers from the Central (8.5) and Northern (8.3) regions reported greater overall satisfaction with Hydro compared to customers from the Labrador region (7.8). Overall satisfaction was similar across service areas (Interconnected: 8.2, Isolated: 8.3).



3.0 ATTRIBUTES

This section presents customers' importance and satisfaction ratings for 2007. This is followed by an analysis of gaps between importance and satisfaction.

It is important to note that since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years⁶. Therefore, caution should be used when comparing importance, satisfaction and gap scores over time.

3.1 Importance

Residential customers provided high importance ratings for all attributes, with average ratings ranging from 8.3 for 'Contributes back to the community' to 9.5 for 'Concern for public safety'.

The top-ranked attributes with respect to importance were:

1. Concern for public safety (9.5);
2. Speed in restoring power when a problem occurs (9.4);
3. Bills that are easy to read and understand (9.4);
4. Ensures a sufficient supply of electricity for the foreseeable future (9.4);
5. Accuracy of billing (9.3);
6. Good power quality that is free from voltage fluctuations (9.3); and
7. Quality of customer service (9.3).

The lowest ranked importance attributes included:

15. Encourages customers to make more efficient use of electricity (8.9); and
16. Contributes back to the community through initiatives such as community sponsorship programs (8.3).

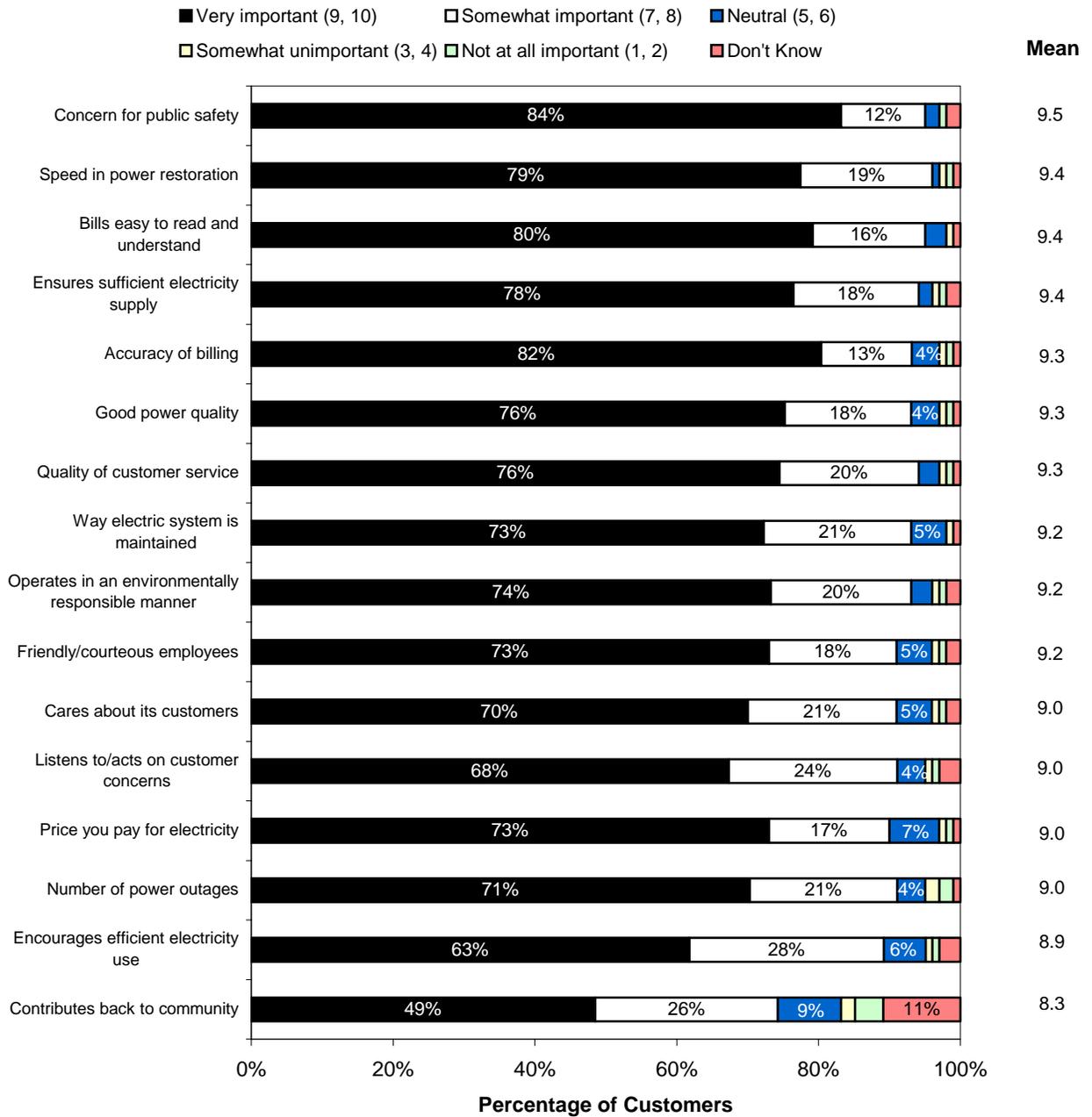
Consistent with 2006, 'Concern for public safety', 'Speed in restoring power when a problem occurs', 'Bills that are easy to read and understand', 'Ensures a sufficient supply of electricity for the foreseeable future' and 'Accuracy of billing' were among the top ranked importance attributes. 'Concern for public safety' moved from the second position in 2006 to being the top ranked attribute in 2007, while 'Speed in restoring power when a problem occurs' moved from fifth position in 2006 to second position in 2007. 'Bills that are easy to read and understand' remained in third position for the second consecutive year, while 'Ensures a sufficient supply of electricity for the foreseeable future' dropped from first position in 2006 to fourth position in 2007 and 'Accuracy of billing' dropped from fourth position in 2006 to fifth position in 2007. The sixth and seventh ranked attributes are new for 2007.

The lowest ranked attributes for 2007 were also the lowest ranked attributes in 2006.

⁶ Satisfaction ratings for previous years were scored on 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".



Figure 6: Importance Ratings for 2007





3.2 Satisfaction with Performance

Average satisfaction ratings ranged from 6.1 for 'The price you pay for electricity' to 9.1 for 'Bills that are easy to read and understand'.

The attributes for which satisfaction with Hydro's performance was ranked most highly were:

1. Bills that are easy to read and understand (9.1);
2. Friendly and courteous employees (8.9);
3. Concern for public safety (8.9);
4. Accuracy of billing (8.7); and
5. The quality of customer service received (8.6).

The lowest ranked satisfaction attributes included:

14. The number of power outages (7.8);
15. Contributes back to the community through initiatives such as community sponsorship programs (7.0); and
16. The price you pay for electricity (6.1).

All of the top ranked satisfaction attributes were also among the top ranked attributes in 2006. However, 'Friendly and courteous employees' and 'Bills that are easy to read and understand' switched positions for 2007, with the latter moving into the top position this year. 'Concern for public safety' remained in the third position for the second consecutive year and 'Accuracy of billing' moved from sixth position in 2006 to fourth position in 2007. 'The quality of customer service received' remained in fifth position in 2007.

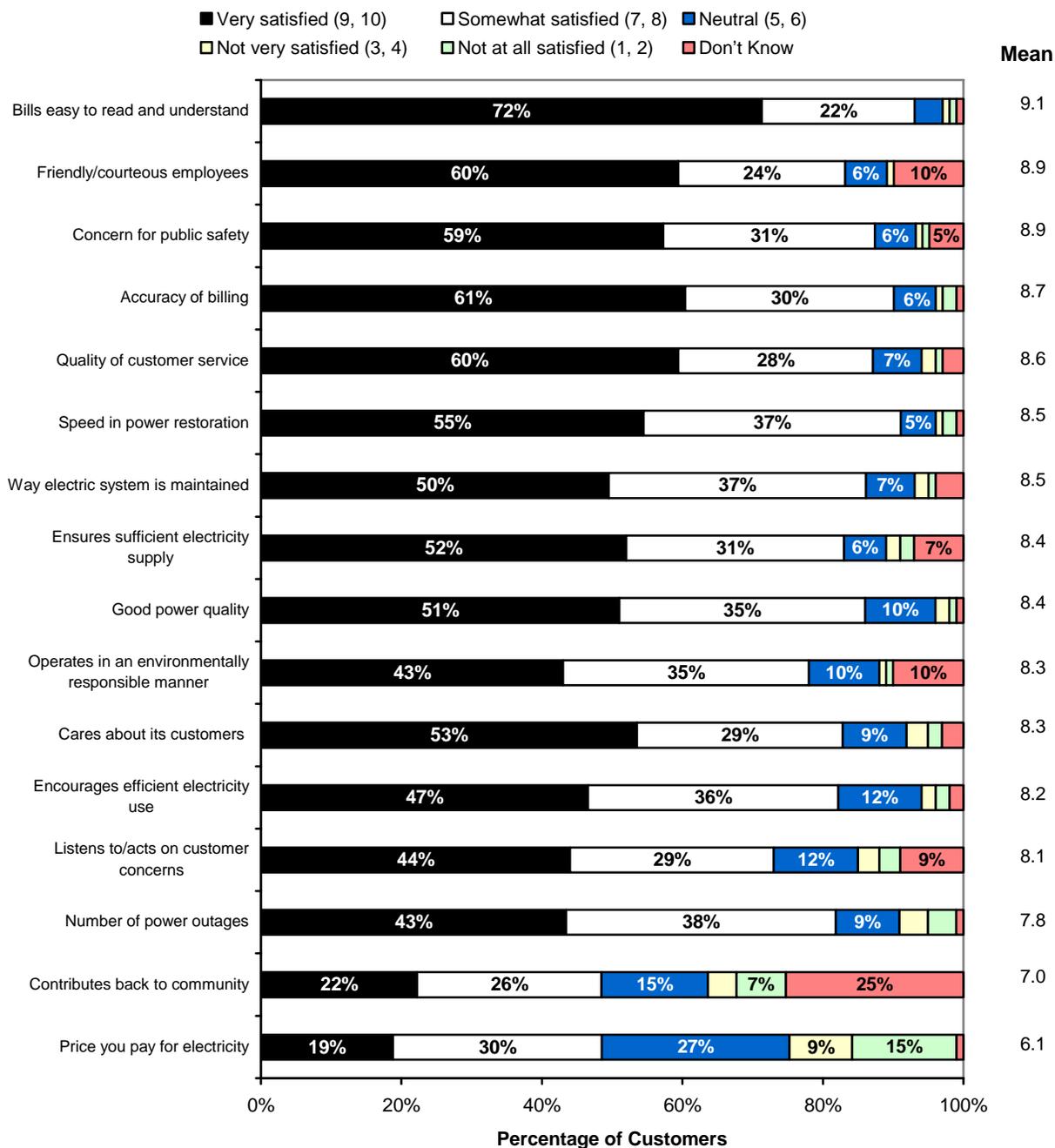
The lowest ranked attributes for 2007 were also the lowest ranked attributes in 2006.

It is interesting to note that residential customers ranked 'Concern for public safety', 'Bills that are easy to read and understand', 'Accuracy of billing' and 'The quality of customer service received' among the most important attributes, and also rated satisfaction with Hydro's performance favorably on these attributes. This indicates a relatively high level of satisfaction with Hydro on the attributes residential customers considered to be the most important.

As with previous years, it should be noted that one-quarter of customers (25%) were unable to rate satisfaction with respect to 'Contributes back to the community', which indicates a continued lack of familiarity with Hydro's performance in this area.



Figure 7: Satisfaction Ratings for 2007





The figures on the following pages illustrate trends in terms of importance and satisfaction. It is important to note that since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years⁷. Therefore, caution should be used when comparing importance, satisfaction and gap scores over time.

In comparison to 2006, perceived importance decreased for the following attributes:

- Accuracy of billing - Importance decreased from 9.5 in 2006 to 9.3 in 2007;
- Cares about its customers - Importance decreased from 9.3 in 2006 to 9.0 in 2007;
- Operates in an environmentally responsible manner - Importance decreased from 9.4 in 2006 to 9.2 in 2007;
- The number of power outages - Importance decreased from 9.2 in 2006 to 9.0 in 2007;
- Ensures a sufficient supply of electricity for the foreseeable future - Importance decreased from 9.6 in 2006 to 9.4 in 2007;
- Quality of customer service received - Importance decreased from 9.4 in 2006 to 9.3 in 2007;
- Listens to and acts upon customer concerns - Importance decreased from 9.2 in 2006 to 9.0 in 2007;
- Good power quality free from voltage fluctuations - Importance decreased from 9.4 in 2006 to 9.3 in 2007; and
- The way they maintain the electric system - Importance decreased from 9.5 in 2006 to 9.2 in 2007.

Furthermore, in comparison to the baseline year, perceived importance decreased for 'Accuracy of billing' (decreased from 9.6 in 2003 to 9.3 in 2007), 'Cares about its customers' (decreased from 9.5 in 2005 to 9.0 in 2007), 'Concern for public safety' (decreased from 9.7 in 2003 to 9.5 in 2007) and 'Contributes back to the community' (decreased from 8.7 in 2003 to 8.3 in 2007).

In comparison to 2006, satisfaction decreased for the following attributes:

- Friendly and courteous employees - Satisfaction decreased from 9.2 in 2006 to 8.9 in 2007;
- Operates in an environmentally responsible manner - Satisfaction decreased from 8.6 in 2006 to 8.3 in 2007;
- The number of power outages - Satisfaction decreased from 8.1 in 2006 to 7.8 in 2007; and
- Ensures a sufficient supply of electricity for the foreseeable future – Satisfaction decreased from 8.9 in 2006 to 8.4 in 2007.

In comparison to the baseline year, satisfaction decreased for four attributes:

- Accuracy of billing - Satisfaction decreased from 9.1 in 2003 to 8.7 in 2007;

⁷ Satisfaction ratings for previous years were scored on 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings since 2006 have been scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings since 2006 have been scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".



- Operates in an environmentally responsible manner – Satisfaction decreased from 8.8 in 2003 to 8.3 in 2007;
- Concern for public safety - Satisfaction decreased from 9.2 in 2003 to 8.9 in 2007; and
- Friendly and courteous employees - Satisfaction decreased from 9.2 in 2003 to 8.9 in 2007.

Most attributes received high ratings in terms of importance and satisfaction, indicating a relatively high level of customer satisfaction with these attributes. ‘Contributes back to the community’, ‘however, has been consistently rated higher in importance and lower in satisfaction over the years. Similarly, since 2006, ‘The price you pay for electricity’ has received high importance but low satisfaction ratings.

Corporate Citizenship

Figure 8: Concern for public safety

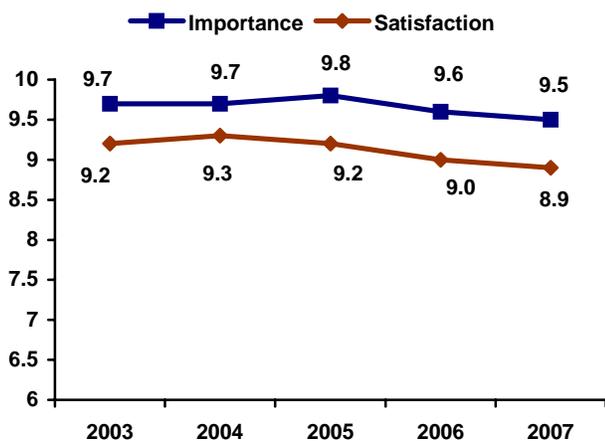


Figure 9: Operates in an environmentally responsible manner

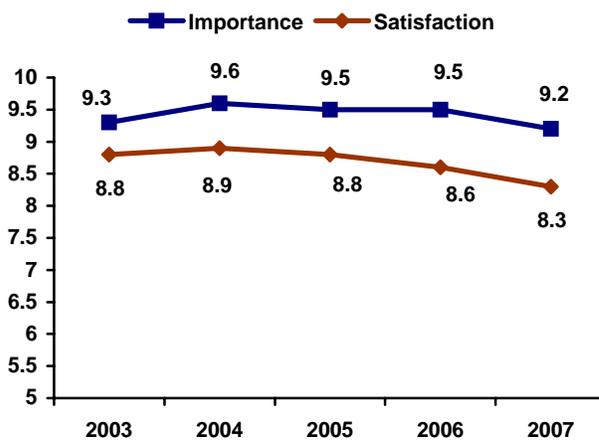


Figure 10: Contributes back to the community

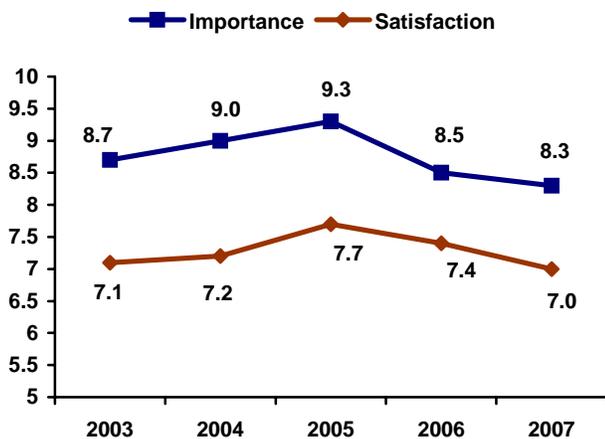
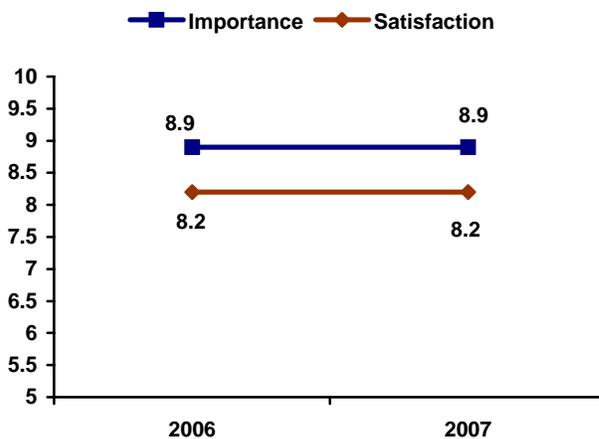


Figure 11: Encourages customers to make more efficient use of electricity





Reliability

Figure 12: Speed in restoring power when a problem occurs

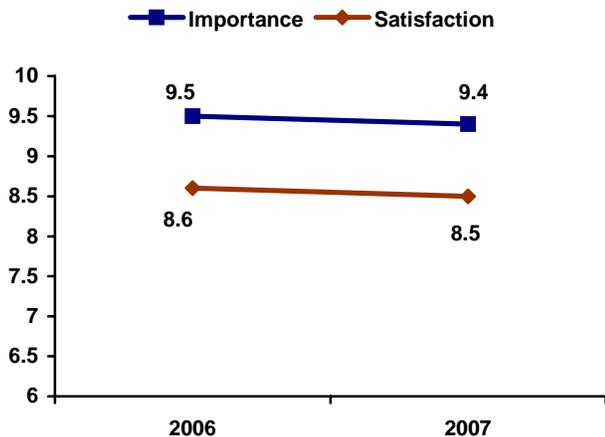


Figure 13: Ensures a sufficient supply of electricity for the foreseeable future

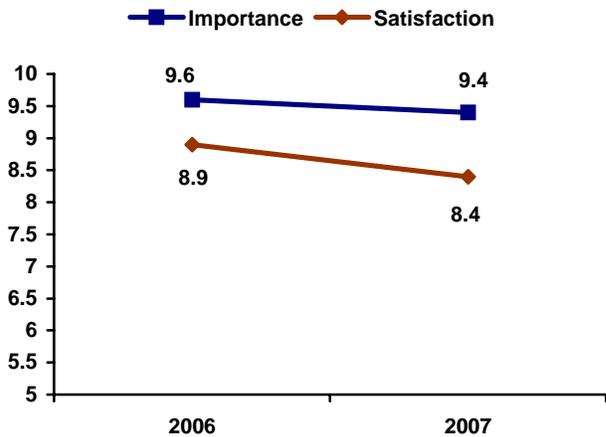
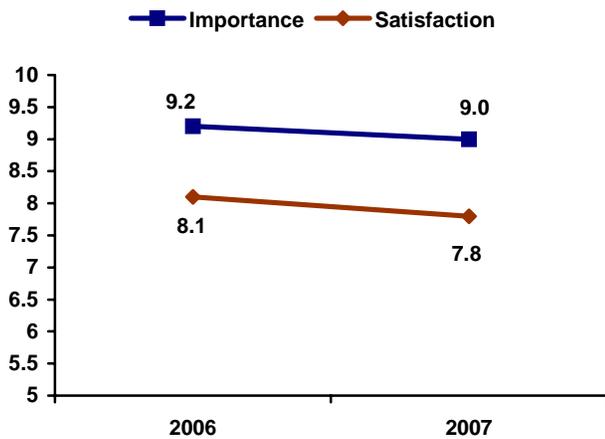


Figure 14: The number of power outages





Service

Figure 15: Bills that are easy to read and understand

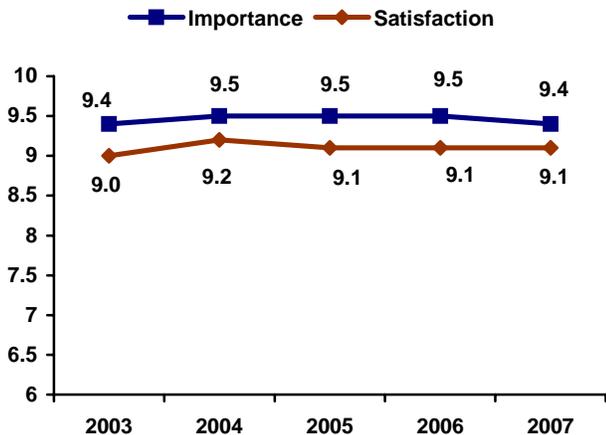


Figure 16: Accuracy of billing

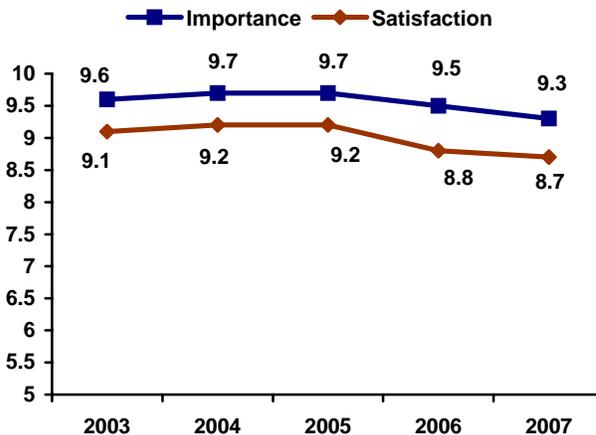


Figure 17: Friendly and courteous employees

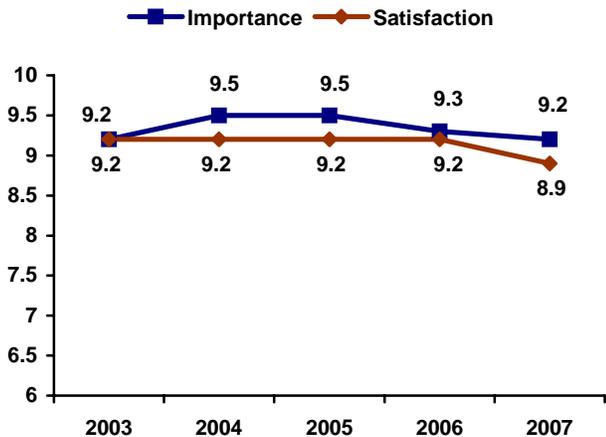


Figure 18: Cares about its customers

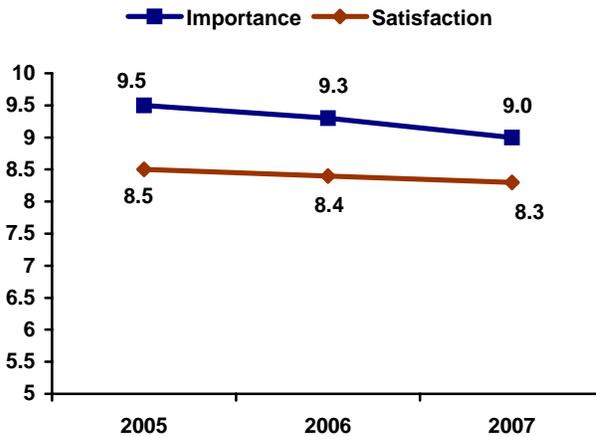




Figure 19: Good power quality free from voltage fluctuations

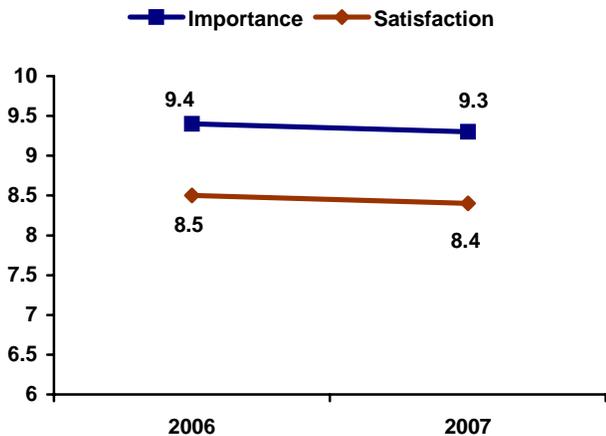


Figure 20: Quality of customer service received

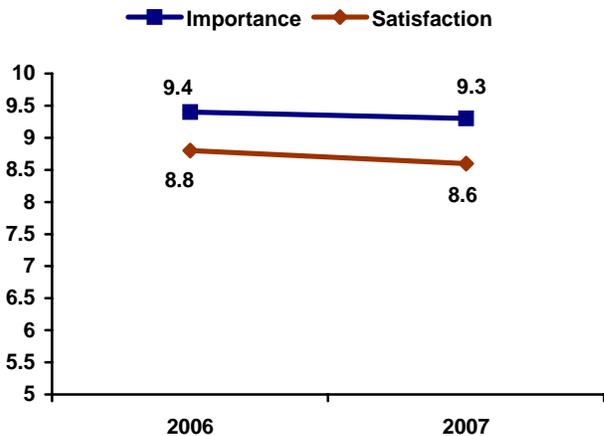


Figure 21: The way they maintain the electric system

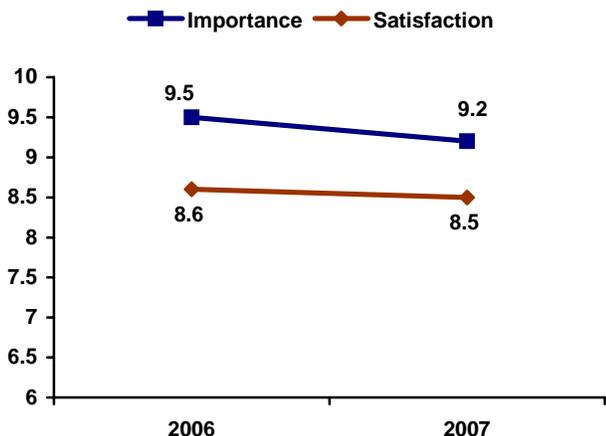


Figure 22: Listens to and acts upon customer concerns

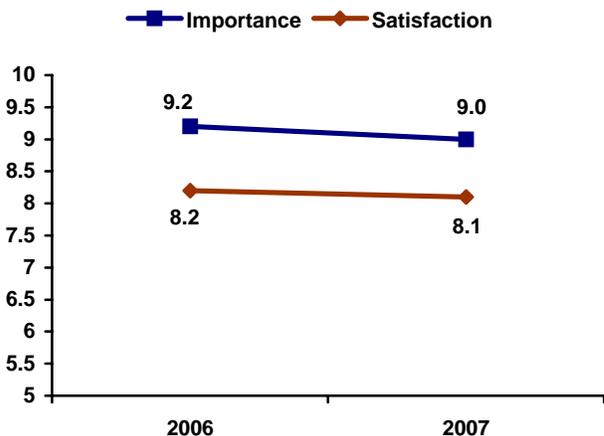
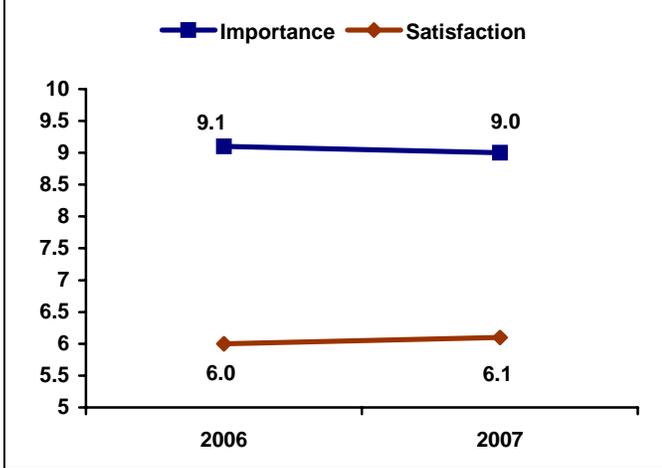




Figure 23: The price you pay for electricity





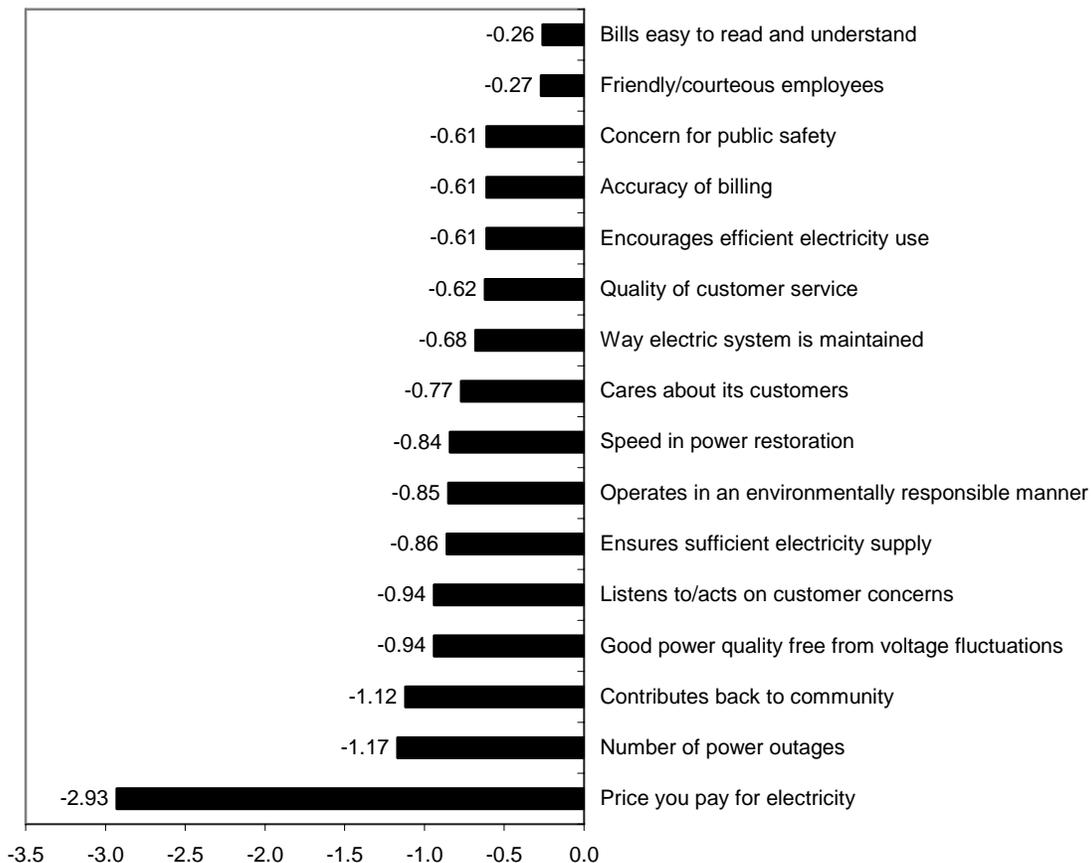
3.3 Gap Analysis

A gap score is essentially the difference between customers' evaluation of importance and satisfaction with performance on any one attribute. If perceived performance exceeds expectations, then the customer is satisfied; if it falls below expectations, the customer is dissatisfied. Mean gap ratings were obtained by averaging customer gap scores for each attribute.

As demonstrated in the figure below, gap ratings ranged from -2.93 for 'The price you pay for electricity' to -0.26 for 'Bills that are easy to read and understand'. Consistent with 2006, 'Provides bills that are easy to read and understand' and 'Friendly and courteous employees' had the smallest gap ratings. This indicates that customers were generally most satisfied with these attributes.

However, the negative gaps indicate that satisfaction with the performance of Hydro falls below expectations for each of the 16 attributes. This is most evident for the attribute 'The price you pay for electricity', which had the highest gap rating (-2.93). Other attributes with large gap ratings were 'Contributes back to the community' (-1.12) and 'The number of power outages' (-1.17), consistent with 2006.

Figure 24: 2007 Gap Ratings

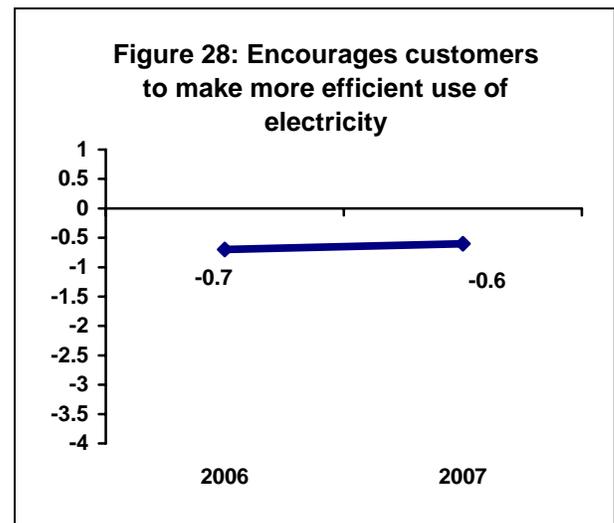
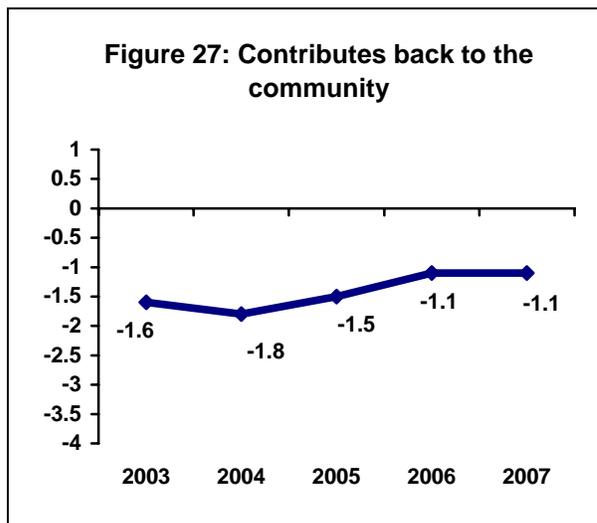
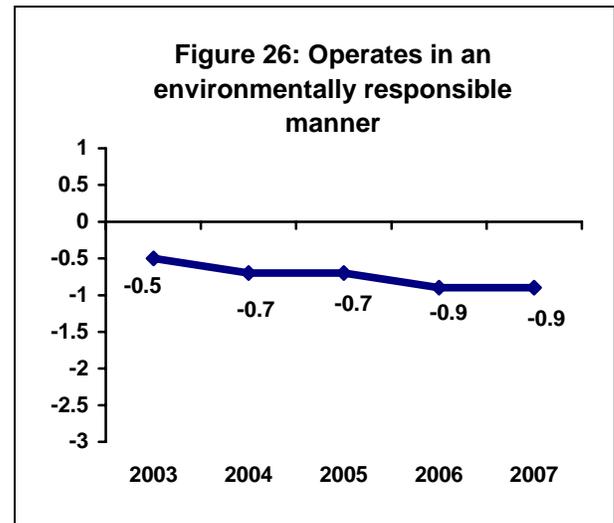
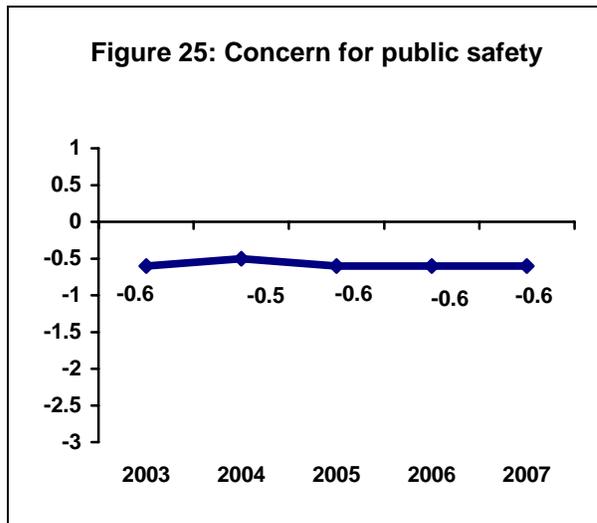




The following figures illustrate trends in terms of the gap between importance and satisfaction. It is important to note that since 2006, importance and satisfaction ratings have been scored on a 10-point scale with endpoints that differ from previous years⁸. Therefore, caution should be used when comparing gap scores over time.

Despite some minor fluctuations, gap ratings have remained relatively stable over the past five years. However, compared to the baseline year (-0.5), the gap rating has increased for 'Operates in an environmentally responsible manner' (-0.9), suggesting decreased satisfaction with this attribute.

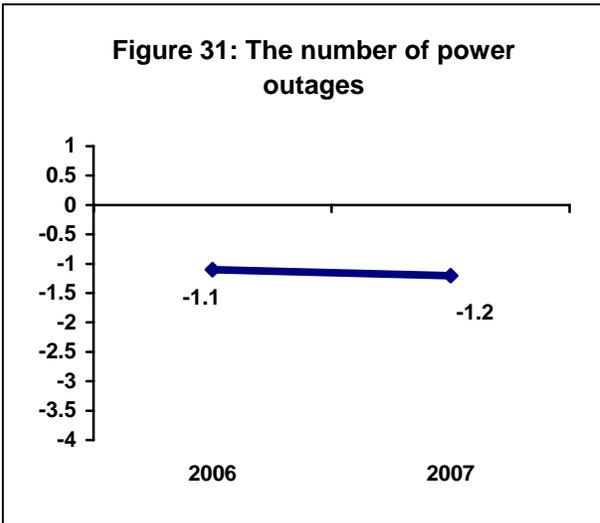
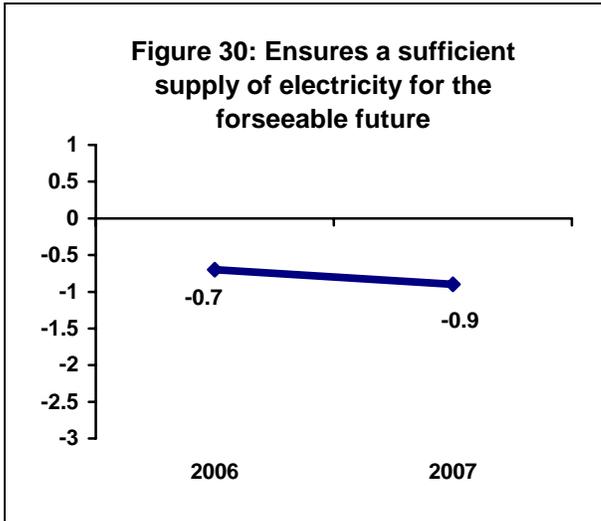
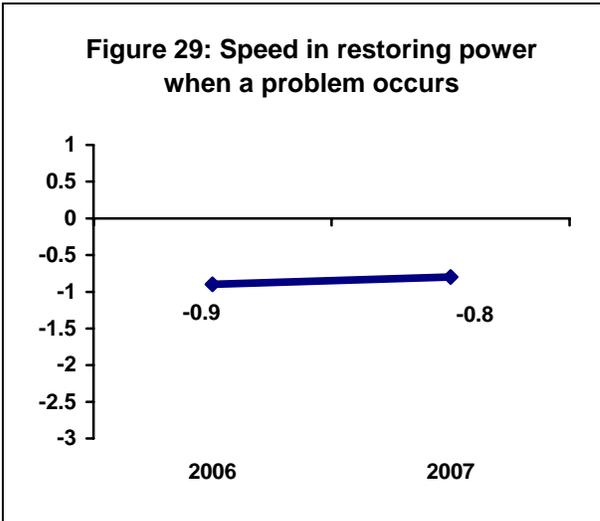
Corporate Citizenship



⁸ Satisfaction ratings for previous years were scored on 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".



Reliability





Service

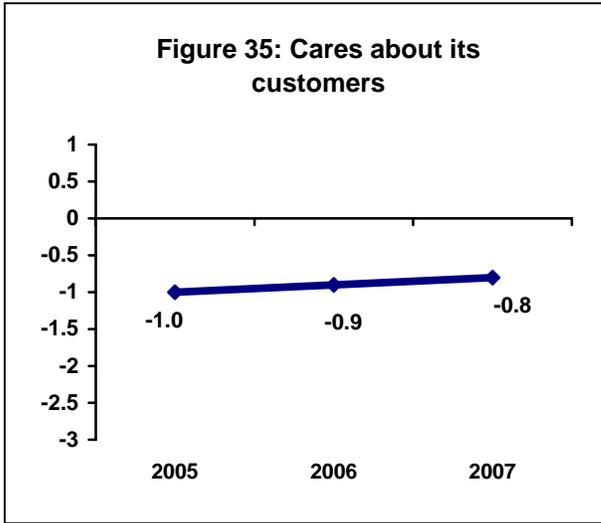
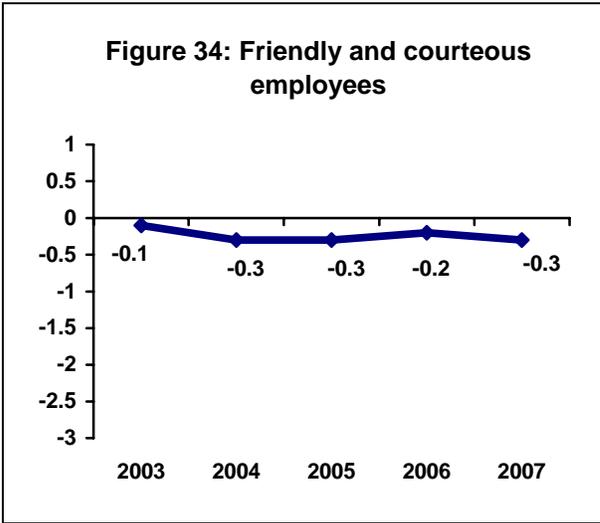
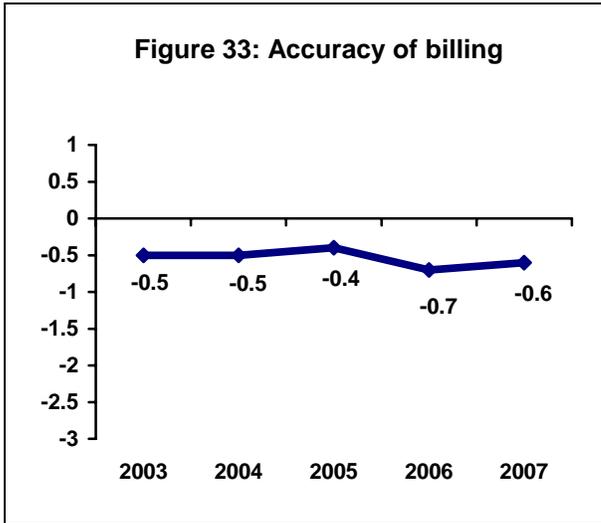
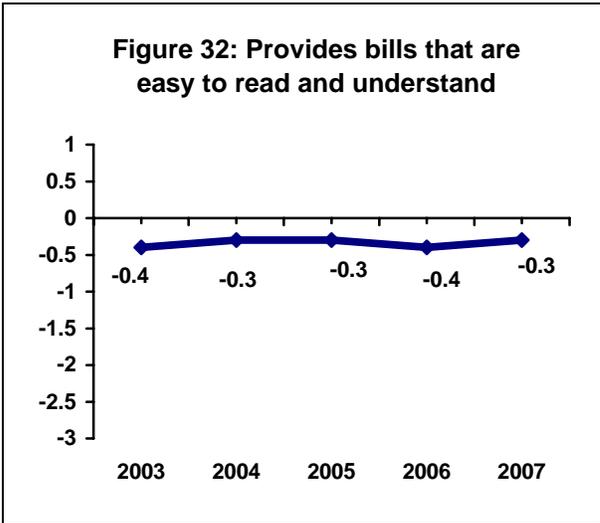




Figure 36: Good power quality free from voltage fluctuations

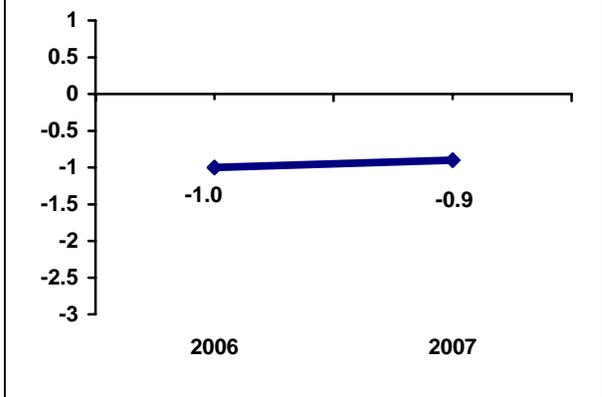


Figure 37: Quality of customer service received

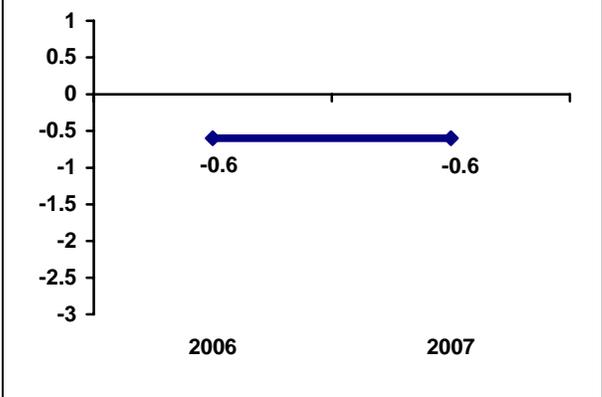


Figure 38: The way they maintain the electric system

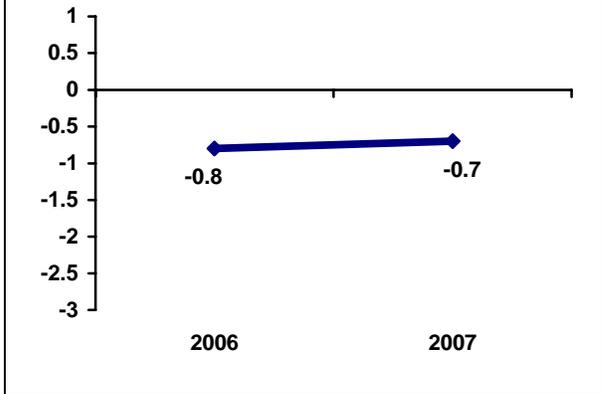


Figure 39: Listens to and acts upon customer concerns

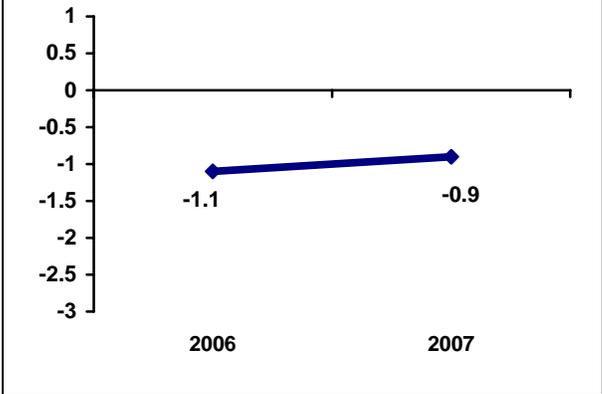
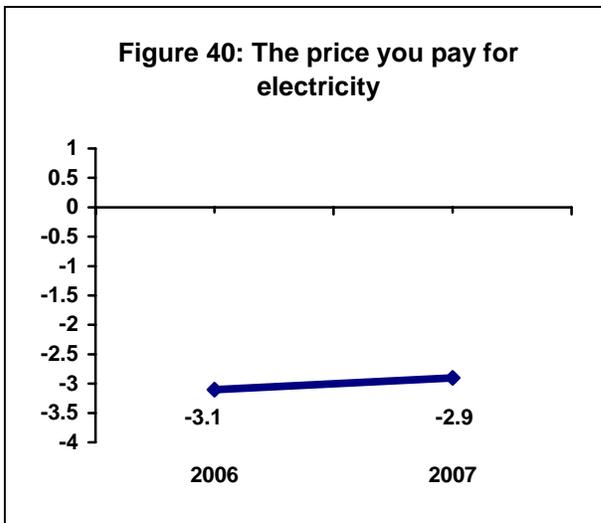




Figure 40: The price you pay for electricity





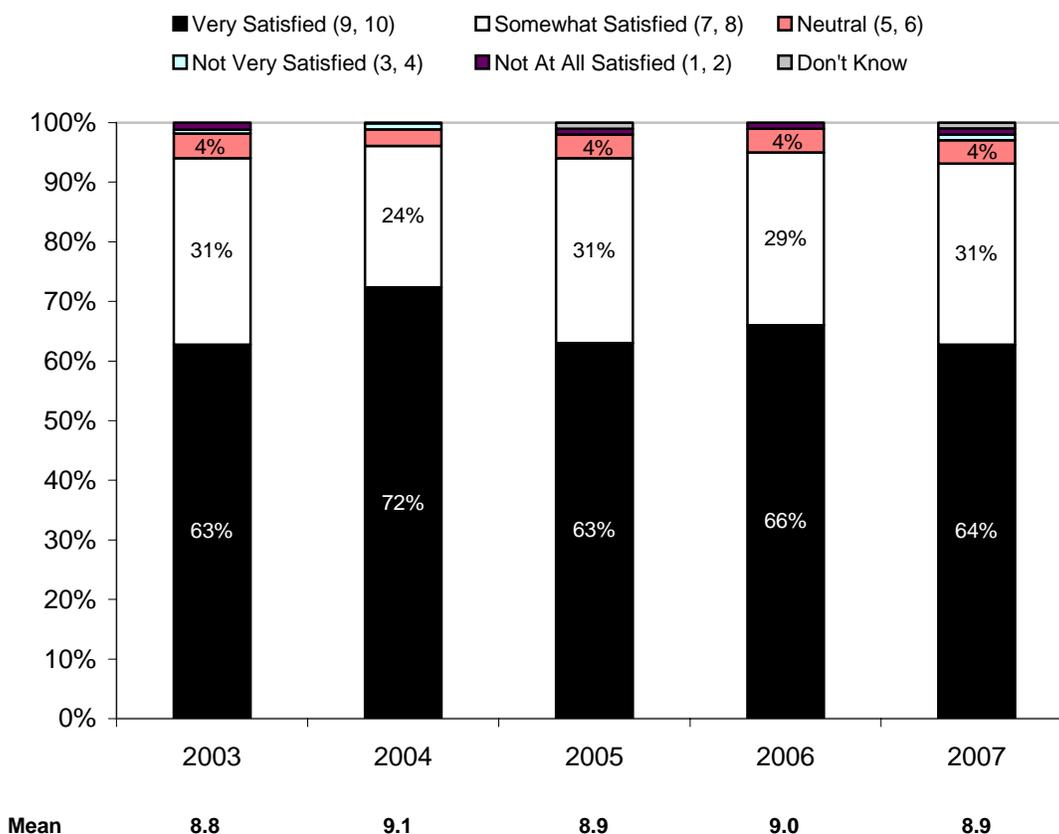
4.0 SERVICE RELIABILITY

4.1 Overall Satisfaction with Service Reliability

To determine satisfaction with Hydro’s service reliability, customers were asked to rate their satisfaction with the supply of electricity they receive from Newfoundland and Labrador Hydro on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied).

Overall, the large majority of customers (95%) were satisfied with the supply of electricity they have received from Hydro (64% *very* satisfied, 31% *somewhat* satisfied). On average, customers rated their satisfaction with Hydro’s supply of electricity as 8.9 out of 10, indicating a fairly high level of satisfaction. Despite minor fluctuations, satisfaction with service reliability has remained relatively unchanged since 2003.

Figure 41: Satisfaction With Service Reliability



When examined by region, Central customers reported the greatest satisfaction with Hydro’s service reliability (9.3), followed by Northern customers (8.9) and Labrador customers (8.6). In addition, customers from Interconnected areas reported greater satisfaction (9.0) than did customers from Isolated areas (8.6).

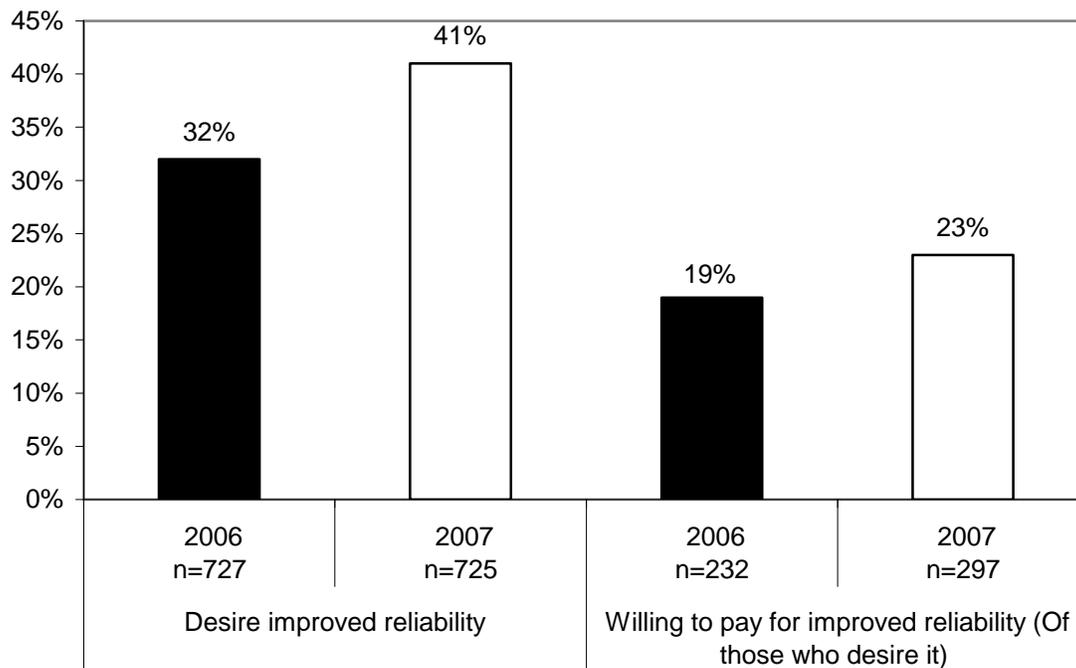


4.2 Improved Reliability & Willingness to Pay

To further explore opinions toward service reliability, residential customers were asked several questions, introduced in 2006, regarding improved reliability and electricity costs.

Slightly more than four in ten customers (41%) desire improved reliability with their electrical utility supply, for example, fewer power outages, an increase from 2006. Of those desiring improved reliability (n=297), nearly one-quarter (23%) would be willing to pay an increased cost for improved levels of reliability, consistent with 2006.

Figure 42: Improved Reliability and Willingness to Pay



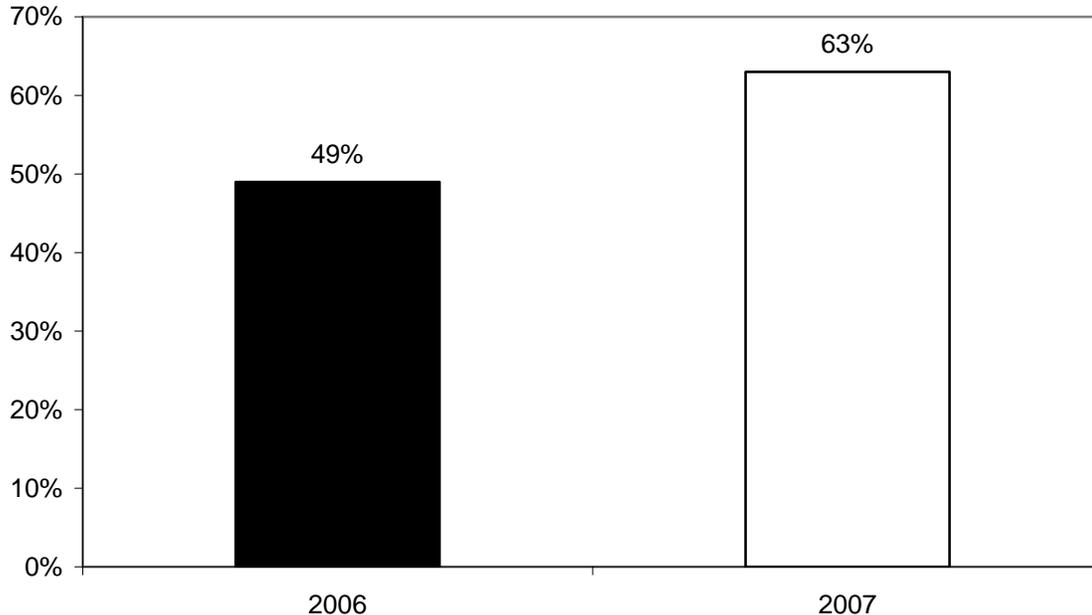
Customers in the Labrador region (52%) were more likely than those in the Northern (40%) and Central (33%) regions to desire improved reliability with their electrical supply. In addition, customers in Isolated areas (48%) were more likely than customers in Interconnected areas (40%) to desire improved reliability with their electrical utility supply.



4.3 Unplanned Power Outages Lasting Longer than 30 Minutes

In the past year, nearly two-thirds of residential customers (63%) have experienced an unplanned power outage at their home that lasted longer than 30 minutes, an increase of 14% since 2006.

Figure 43: Experienced an Unplanned Power Outage Longer than 30 Minutes in the Past Year



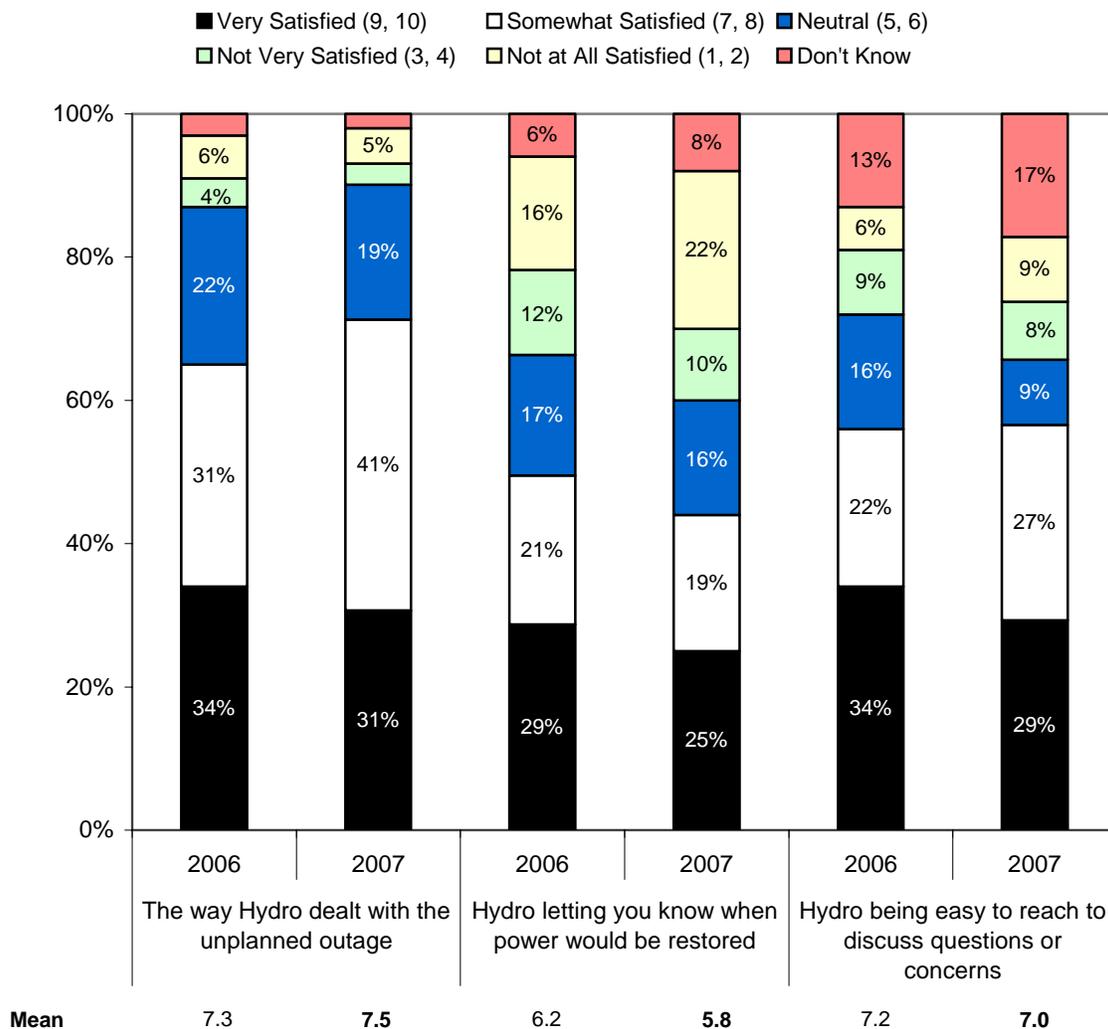
Residential customers in the Labrador region (82%) were most likely to have experienced an unplanned power outage in the past year that lasted more than 30 minutes, followed by customers in Northern (63%) and Central (47%) regions.



Residential customers who have experienced an unplanned power outage in the past year lasting more than 30 minutes were asked to rate, on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied), their satisfaction with a series of statements about how Hydro handled the outage.

As shown in the figure below, residential customers were moderately satisfied with Hydro's handling of their most recent unplanned power outage. Similar to 2006, customers provided the highest rating for the way Hydro dealt with the unplanned power outage (7.5) and the lowest rating for Hydro letting them know when power would be restored (5.8).

Figure 44: Satisfaction With Hydro's Handling of Most Recent Power Outage





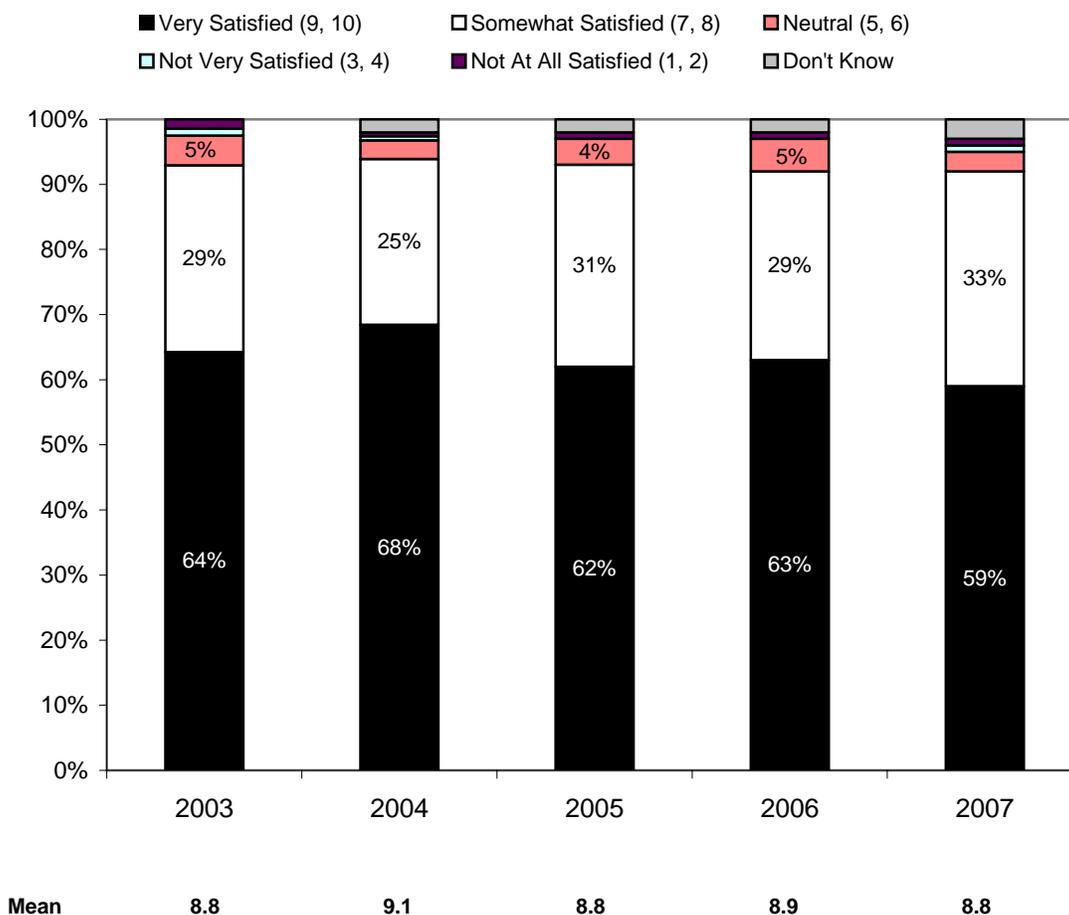
5.0 CUSTOMER SERVICE

5.1 Overall Satisfaction with Customer Service

To determine satisfaction with Hydro’s customer service, customers were asked to rate their satisfaction with the customer service they received from Hydro on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied).

Overall, the large majority of customers (92%) were satisfied with the customer service they have received from Hydro (59% *very* satisfied, 33% *somewhat* satisfied). The average satisfaction rating with overall customer service was 8.8 out of 10. Despite minor fluctuations, satisfaction with customer service has remained relatively stable since 2003.

Figure 45: Satisfaction With Customer Service



When examined by region, Central customers reported the greatest satisfaction with Hydro’s customer service (9.1), followed by Northern customers (8.7) and Labrador customers (8.4). In addition, customers from Interconnected areas reported greater satisfaction (8.8) than did customers from Isolated areas (8.6).



5.2 Expected Response Times for Service Requests

Starting in 2005, all customers were asked how long they feel it should take Hydro to respond to three different types of service requests:

- Response to full loss or partial loss of power;
- Response to general questions and concerns that cannot be immediately addressed and require further investigation; and
- Response to a service request for your home or property (for example, new service, transfer or removal of service, repair of service), excluding power outages.

The following table presents the average amount of time customers felt it should take Hydro to respond to each type of request. On average, residential customers felt that it should take 3 hours to respond to a full or partial power loss, 35 hours to respond to general questions and concerns that cannot be immediately addressed, and 50 hours to respond to a service request for their home or property.

As further demonstrated in the table below, expected response times for Hydro to respond to service requests for home or property have steadily increased since 2005.

Table 1: Expected Average Response Time (Overall and by Region)

Type of Request	Average response time (2005)	Average response time (2006)	Average response time (2007)	Central	Northern	Labrador
Response to full loss or partial loss of power	4 hours	4 hours	3 hours	3 hours	3 hours	3 hours
Response to general questions and concerns that cannot be immediately addressed and require further investigation	26 hours	37 hours	35 hours	35 hours	30 hours	41 hours
Response to a service request for your home or property (for example, new service, transfer or removal of service, repair of service), excluding power outages	38 hours	44 hours	50 hours	44 hours	49 hours	57 hours

Customers in the Labrador region (41 hours) felt it should take Hydro longer to respond to general questions and concerns that cannot be immediately addressed compared to customers in the Northern region (30 hours). In addition, customers in the Labrador region (57 hours) felt it should take Hydro longer to respond to a response to a service request for home or property compared to customers in the Central region (44 hours).



Furthermore, customers in Isolated rate areas were more likely than customers in Interconnected areas to feel it should take longer for Hydro to respond to a full or partial loss of power (4 hours and 3 hours, respectively) and respond to a service request for home or property (63 hours and 48 hours, respectively).

5.3 Customer Suggestions

Customers were asked to identify any services not currently offered by Hydro but which they feel should be offered. Over eight in ten customers (84%) were unsure or had no suggestions. The remaining customers provided suggestions, the most common being greater promotion of energy efficiency information (2%) and more power outage information (2%).

Table 2: Suggestions for Additional Services*

	% Respondents		
	2005 (n=648)	2006 (n=727)	2007 (n=725)
Greater promotion of energy efficiency information	-	1%	2%
More power outage information	-	-	2%
Payment by credit card	1%	2%	1%
Local office/bill payment centre	2%	1%	1%
More personalized customer services	-	-	1%
Rebates	-	1%	1%
Home energy audit	-	1%	1%
Seniors discount/rebate	-	2%	-
Other mentions	6%	7%	8%
Nothing/Don't Know	91%	87%	84%

*Multiple responses allowed.



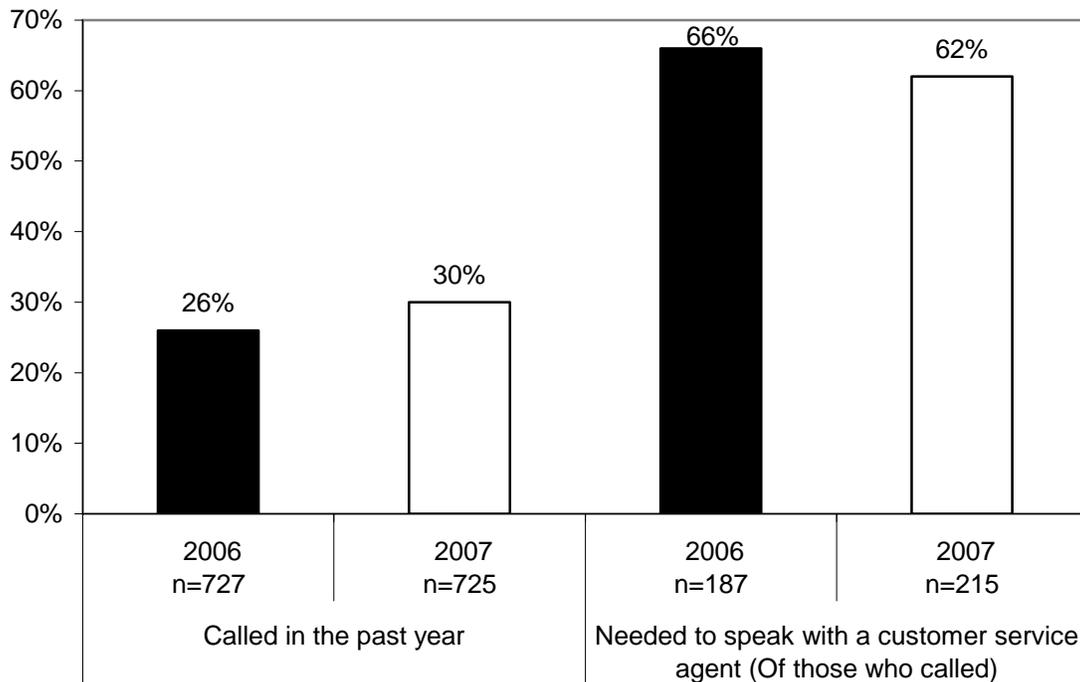
6.0 AWARENESS & USE OF CUSTOMER SERVICES

6.1 Use of Hydro's Automated Toll-Free Number

Hydro provides its customers with an automated toll-free number which provides power outage information and/or billing and account information 24 hours a day. Since 2006, customers have been asked questions about their use of this automated toll-free number. Within the past year, three in ten residential customers (30%) have called Hydro's automated toll-free number, similar to that found in 2006. Customers who have called the automated toll-free number in the past year made an average of three calls.

Of customers who have called the automated toll-free number in the past year (n=215), 62% needed to speak with a customer service agent. Customers in Isolated areas (76%) were more likely than customers in Interconnected areas (60%) to have needed to speak with a customer service agent.

Figure 46: Use of Hydro's Automated Toll-Free Number



Of customers who have called the automated toll-free number and needed to speak with a customer service agent (n=132), 24% have had difficulty reaching an agent at Hydro, a two-fold increase over that found in 2006. The most common difficulties were waiting/on hold too long (48%), getting answering machine/voice mail (17%), problem using the automated system (12%), and could not get through/busy signal (3%)⁹. The majority of customers experiencing difficulty were calling to obtain power outage information (39%) or billing/account information (35%)¹⁰.

⁹ Multiple responses allowed.

¹⁰ Multiple responses allowed.



6.2 Knowledge and Use of Hydro's Website among Internet Users

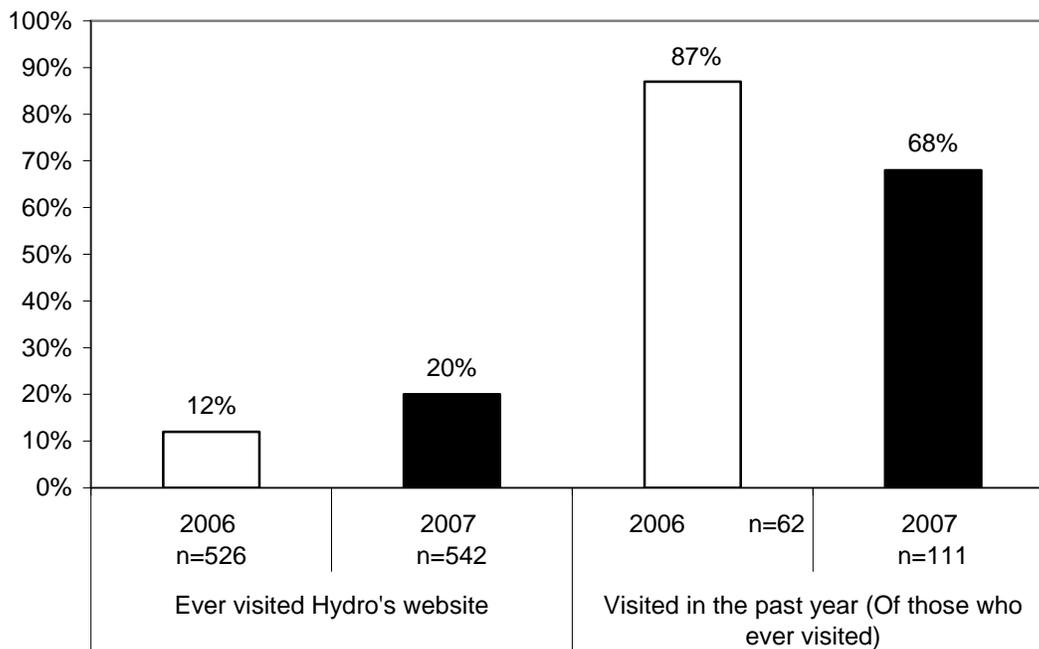
Three-quarters of residential customers (75%) reported having access to the Internet either at home, at work, school or elsewhere, compared to 72% in 2006 and 66% in 2005. Customers in the Labrador region (91%) were more likely to have Internet access, compared to customers in the Northern region (71%) and Central region (66%).

Of those with Internet access (n=542), approximately 20% have visited the Hydro website, an increase from 2006 (12%), but consistent with 2005 (23%). This translates into 16% of all residential customers who have visited the site.

Of those with Internet access, customers in the Labrador (28%) and Northern (21%) regions were more likely than those in the Central region (12%) to have visited Hydro's website.

Of those with Internet access who have ever visited the website (n=111), 68% have visited in the past year. This translates into 14% of residential customers with Internet access who have visited the website in the past year. Past year visitation among Labrador customers (79%) was greater than that of Northern customers (58%). Past year visitation among Central customers (58%) was similar to that of Northern customers.

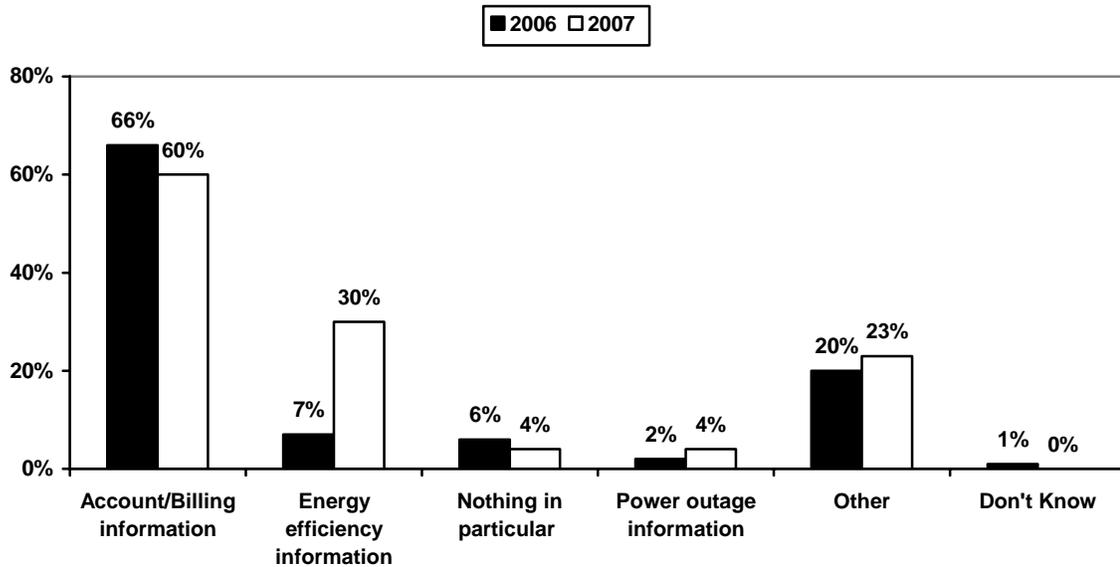
Figure 47: Visitation to the Hydro Website among Internet Users



Customers who have visited Hydro's website in the past year were asked to specify what kind of information they were looking for. Most commonly, customers were searching for account/billing information (60%). Three in ten of these customers (30%) were searching for energy efficiency information, a four-fold increase since 2006.



Figure 48: Information Sought on Hydro's Website in the Past Year * (n=75)



*Multiple responses allowed.

Similar to 2006 (89%), the majority of residential customers who have visited Hydro's website in the past year (93%) were able to find the information that they were looking for. Those who did not find the information they were looking for were asked to identify what specifically they were looking for that they could not find. The following responses were provided:

- When and if a representative would respond to a service call;
- Power outage information;
- Energy efficiency information;
- Account information; and
- Information on billing rates.

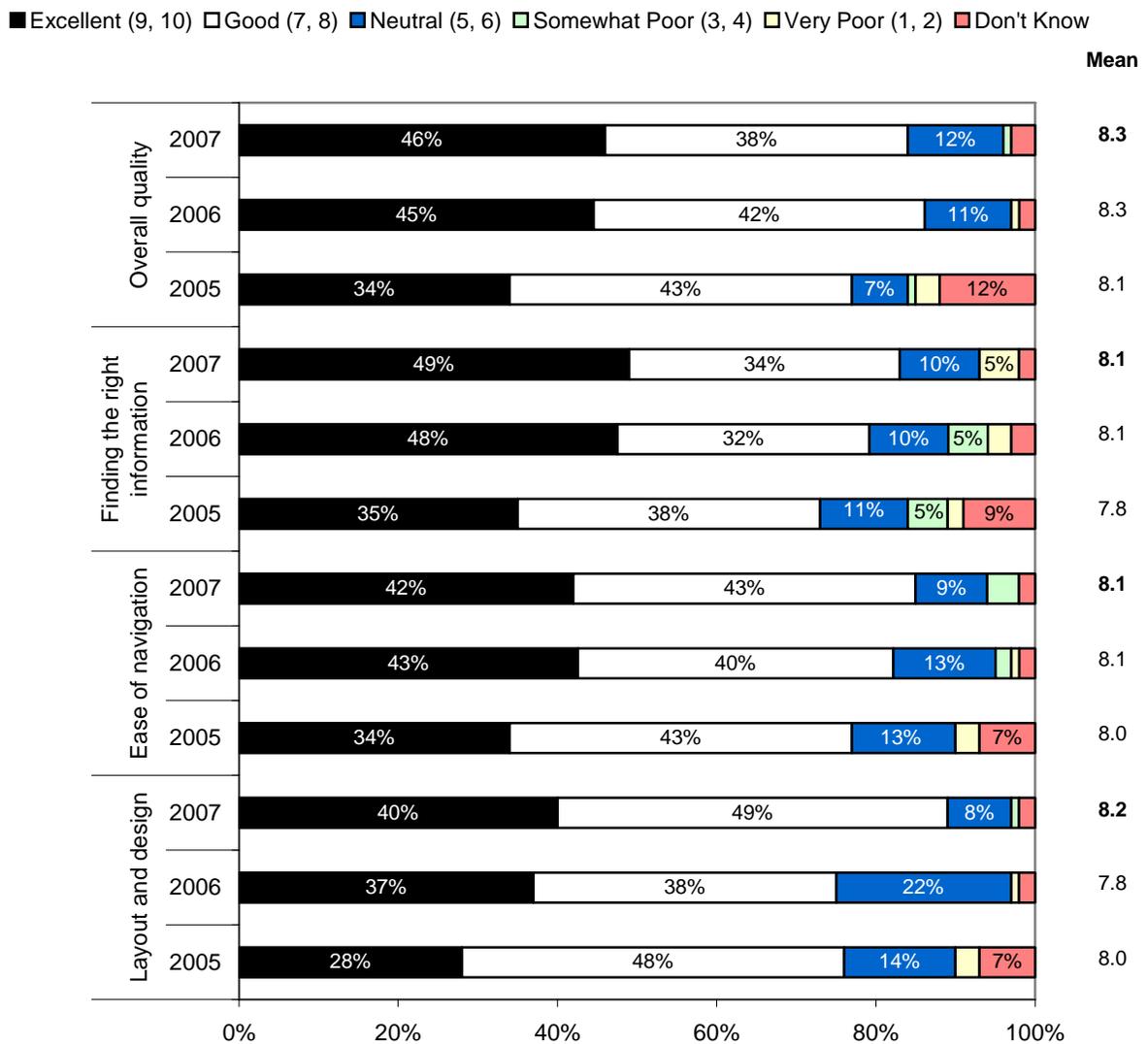


Customers who have visited Hydro’s website were asked to rate the website, on a scale of 1 (Very Poor) to 10 (Excellent), on the following attributes:

- Layout and design;
- Ease of navigation;
- Finding the right information to meet your needs; and
- Overall quality of the website.

Consistent with previous years, ratings of these attributes were very favourable, with the large majority of customers rating each attribute as good or excellent.

Figure 49: Hydro Website Ratings (n=75)



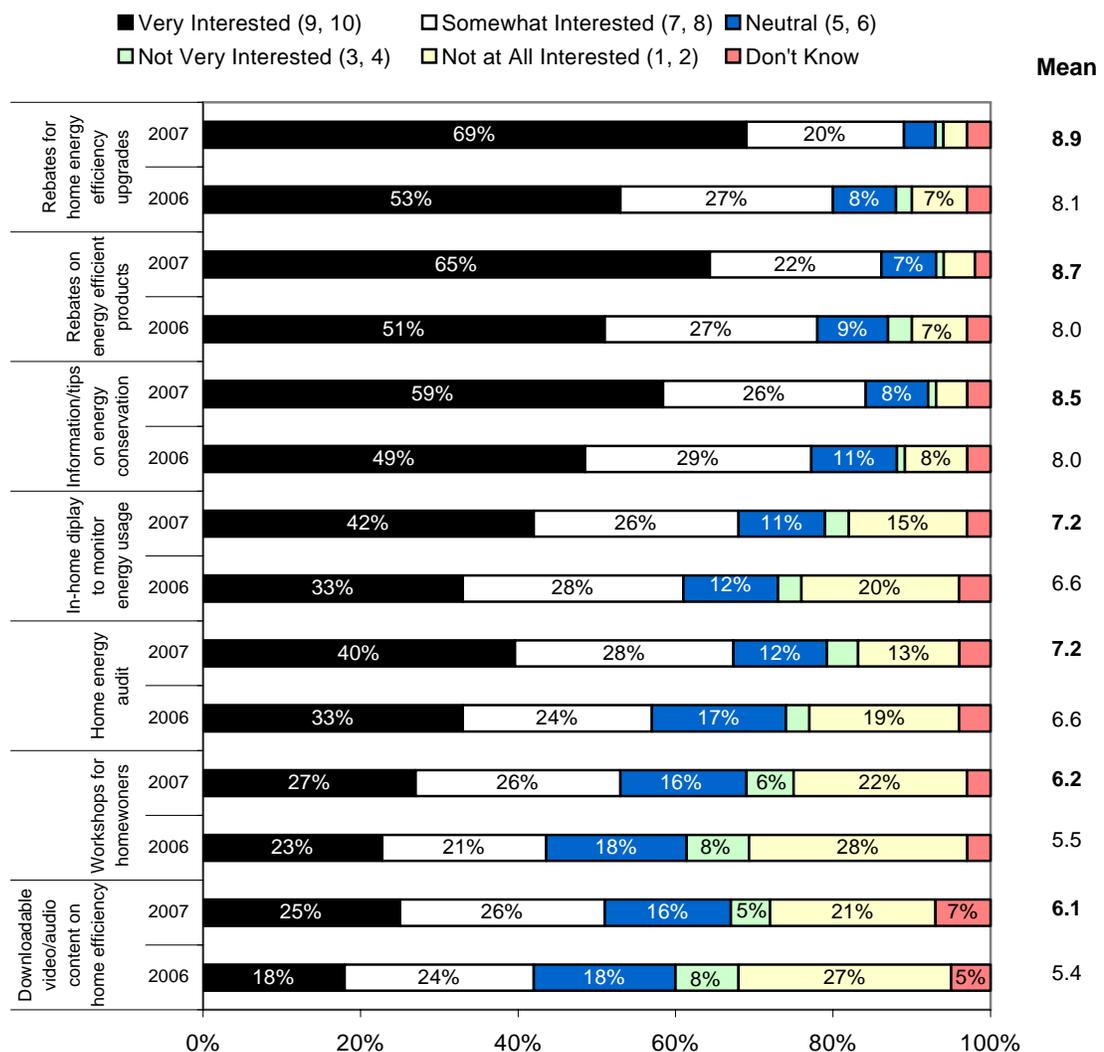


6.3 Energy Efficiency and Hydrowise

Since 2006, residential customers have been asked to indicate, on a scale of 1 (Not At All Interested) to 10 (Very Interested), how interested they would be in using various energy efficiency resources.

Customers showed a wide range of interest in the various energy efficiency resources. Interest levels were highest for rebates on home energy efficiency upgrades (8.9), rebates on energy efficient products (8.7), and information/tips on energy conservation (8.5). Customers exhibited the least amount of interest in workshops for home owners (6.2) and downloadable video/audio content on home efficiency (6.1). Overall, interest in energy efficiency has increased over the past year, with all resources seeing an increase in interest ratings since 2006.

Figure 50: Interest in Various Energy Efficiency Resources





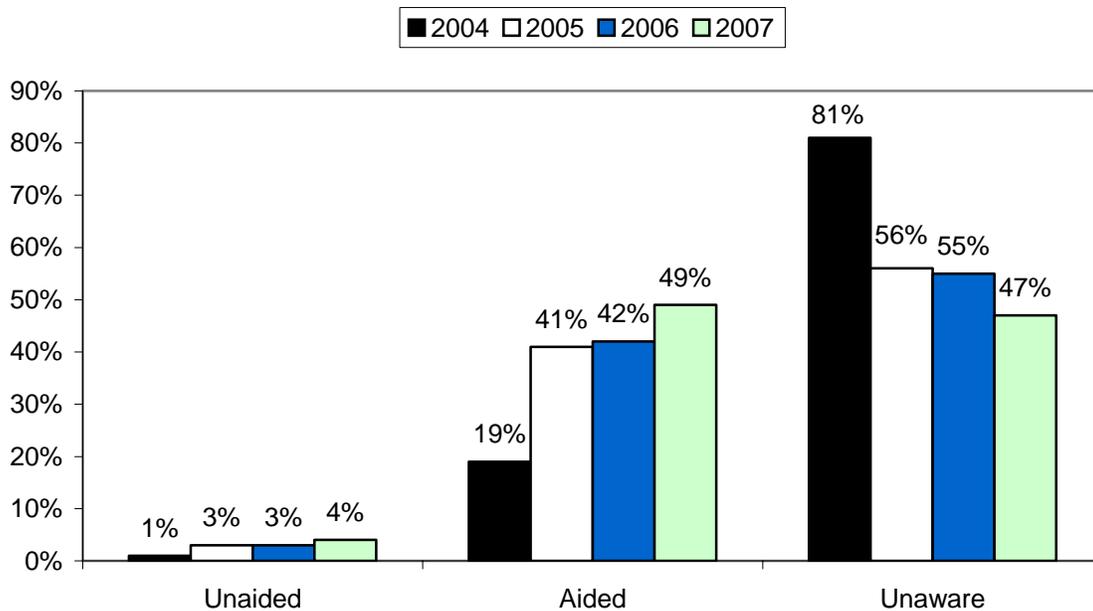
Based on their knowledge, customers were asked to indicate whether or not Hydro has an energy awareness program to help consumers learn how to understand and reduce energy costs. Just over one-third of customers (36%) were aware that Hydro has an energy conservation program, higher than 2006 (27%) but lower than 2005 (42%). Awareness was greater in Labrador (50%) than in Central (32%) and Northern (27%) regions.

Though general awareness of an energy conservation program offered by Hydro has fluctuated since 2005, awareness of the program 'Hydrowise' has not changed. Awareness of 'Hydrowise' was determined through an examination of *unaided* and *aided* awareness of the program. *Unaided* awareness was determined by asking customers who were aware that Hydro has an energy conservation program to provide the name of the program. Out of all residential customers, 4% correctly identified 'Hydrowise' as Hydro's energy conservation program (n=32), an increase of 3% since 2004, but consistent with 2005 and 2006. Customers in the Labrador region (7%) were more likely to identify 'Hydrowise' on an unaided basis compared to customers in the Northern region (2%). Four percent of customers in the Central region identified 'Hydrowise' on an unaided basis.

To determine *aided* awareness, customers who could not name Hydro's energy conservation program were told that 'Hydrowise' is the name of Hydro's energy conservation program and were then asked if they had heard of it. Forty-nine percent of customers indicated that they had heard of 'Hydrowise' (n=352), higher than 2004 (19%), 2005 (41%) and 2006 (42%).

Overall awareness of the program (unaided and aided combined) was 53% (384/725). This awareness level is higher than the awareness level for previous years (2004: 20%, 2005: 44%, and 2006: 45%).

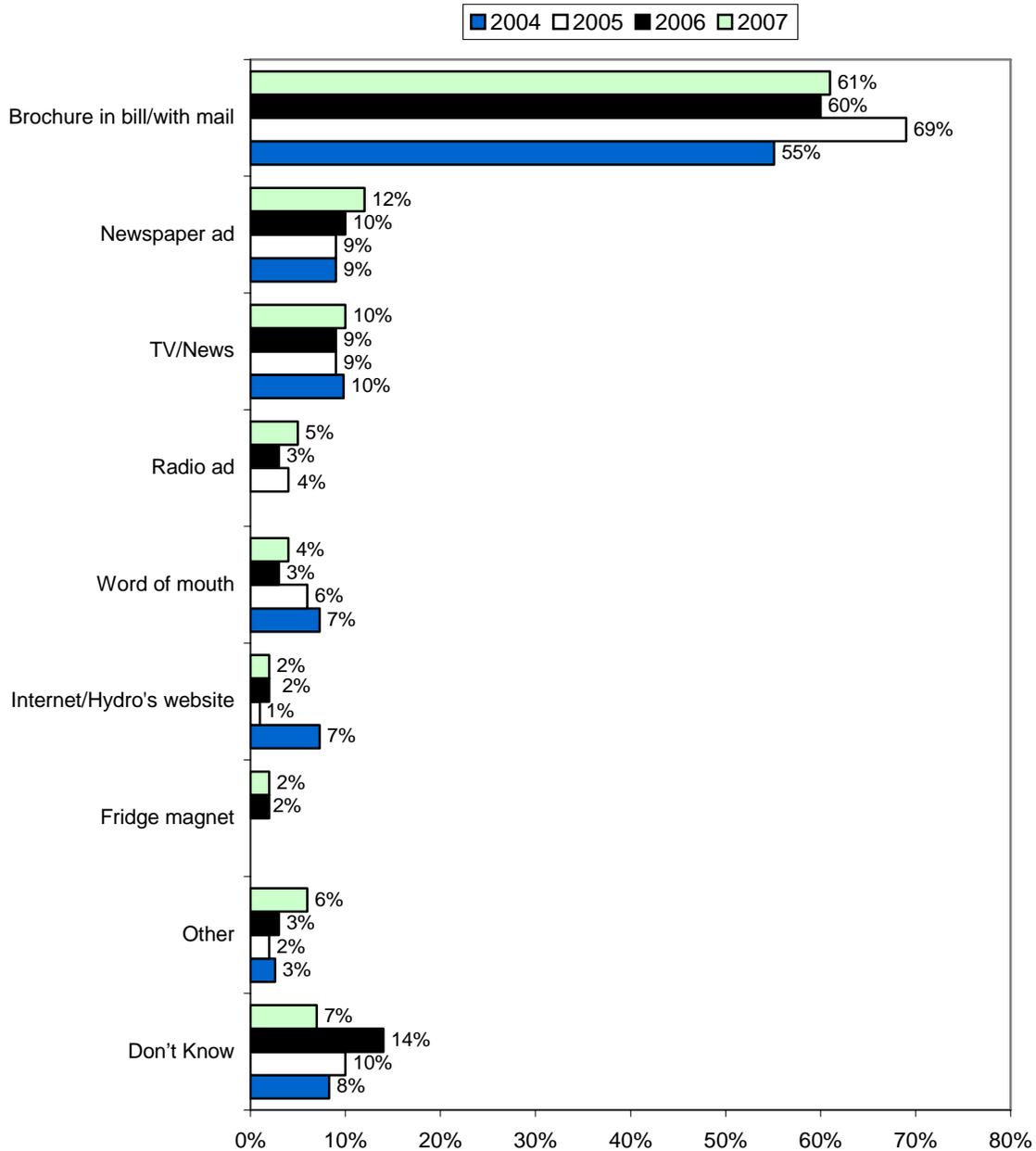
Figure 51: Awareness of 'Hydrowise' (N=725)





Customers who were aware of 'Hydrowise' were asked how they found out about the program. Consistent with previous years, most customers learned about the program through a brochure inserted with their Hydro statement/in the mail (61%). Compared to 2004, fewer customers found out about 'Hydrowise' through the Internet/Hydro's website.

Figure 52: How Customers Found Out About 'Hydrowise'* (n=384)



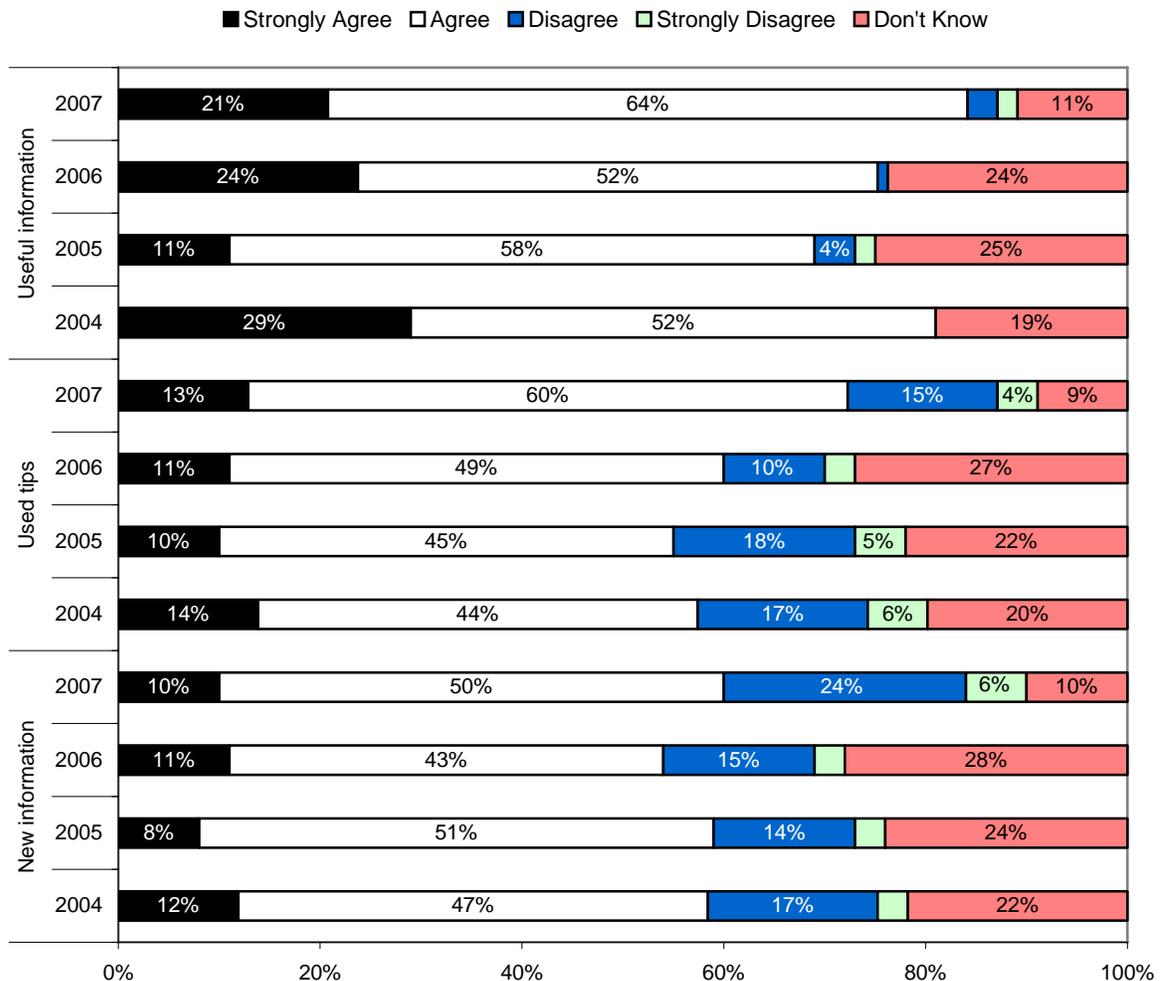
*Multiple responses allowed.



Customers who were aware of 'Hydrowise' were also asked if they strongly agreed, agreed, disagreed, or strongly disagreed with the following statements:

- The information provided by 'Hydrowise' is useful;
- I have used some of the 'Hydrowise' tips to help reduce my energy costs; and
- 'Hydrowise' provided me with some information I did not already know.

Figure 53: Opinions of 'Hydrowise' (n=384)



The majority of customers who were aware of 'Hydrowise' agreed¹¹ that the information provided by the program is useful (85%) and that they used some of the tips to reduce their energy costs (73%), higher than agreement rates in previous years. Also, 60% agreed¹² that the program provided them with information they did not already possess, similar to previous years.

Customers who were aware of 'Hydrowise' were also asked if they have visited the 'Hydrowise' website in the past year. Similar to 2006 (5%), visitation to the 'Hydrowise' website was low among those aware of the program (8%).

¹¹ Includes 'agree' and 'strongly agree'.

¹² Includes 'agree' and 'strongly agree'.

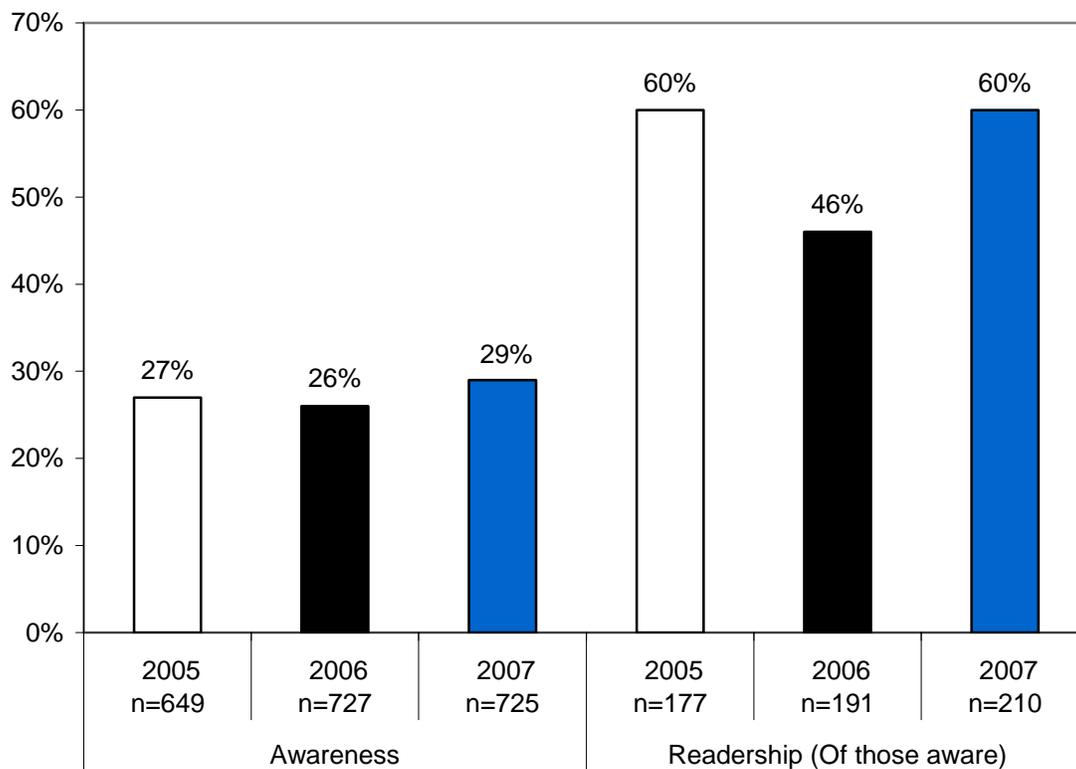


6.4 Watts New

In 2005, Hydro introduced a customer newsletter called 'Watts New'. This newsletter is distributed to all customers on a quarterly basis and is inserted with their Hydro bill. Consistent with previous years, 29% of customers reported that they had heard of 'Watts New'.

Those who had heard of 'Watts New' were asked if they had read an issue of the newsletter. Of the customers who were aware, 60% had read an issue. Readership of 'Watts New' increased over the past year (up from 46%) to a level consistent with 2005.

Figure 54: Awareness and Readership of 'Watts New'



The majority of customers (98%) who read an issue of 'Watts New' rated the content of the newsletter as informative (40% very informative, 58% somewhat informative).

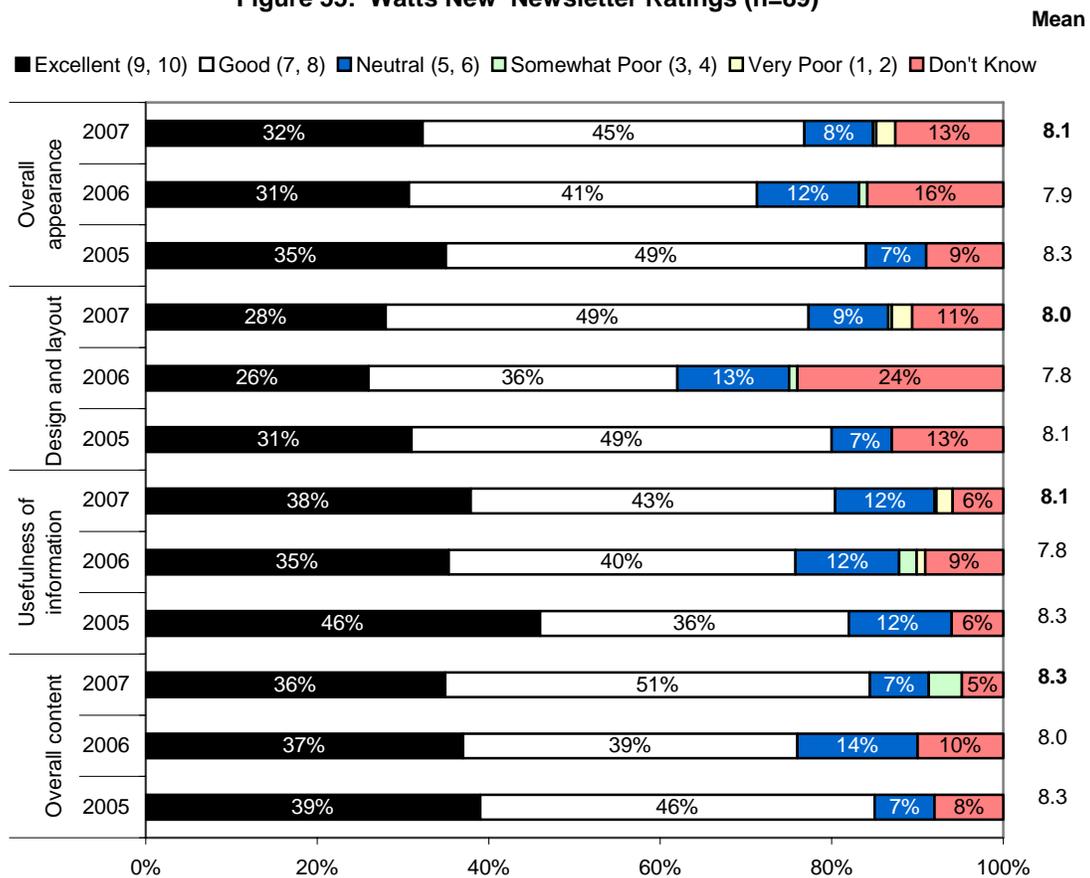


Customers who have read an issue of 'Watts New' were also asked to rate the newsletter, on a scale of 1 (Very Poor) to 10 (Excellent), on the following attributes:

- Overall content;
- Usefulness of the information contained in the articles;
- Design and layout; and
- Overall appearance.

Consistent with previous years, 'Watts New' was rated favorably on these attributes, with mean ratings ranging from 8.0 to 8.3.

Figure 55: 'Watts New' Newsletter Ratings (n=89)



Customers who have read an issue of 'Watts New' (n=126) were asked to provide suggestions on topics or areas of interest that they would like to see covered in future editions of the newsletter. Almost two-thirds of customers (65%) didn't provide any suggestions. The remaining customers suggested information on the following topics: conservation/energy savings (20%), new developments (5%), rebates (4%), alternative sources of energy (3%), and other mentions (7%).



7.0 PROFILE OF SURVEY RESPONDENTS

This section presents a profile of survey respondents, overall, by region and by rate area.

7.1 Demographic Characteristics

Table 3: Demographic Characteristics

	% Respondents
AGE:	N=721
18-24	1%
25-34	11%
35-44	23%
45-54	25%
55-64	26%
65+	14%
EDUCATION:	N=720
Less than high school	33%
Graduated high school/GED	26%
Some post-secondary education	11%
College/Technical School certificate or diploma	16%
University certificate or diploma below bachelor's degree	4%
University degree (Bachelors, Masters, PhD)	10%
HOUSEHOLD INCOME CATEGORY:	N=643
Less than \$20,000	18%
\$20,000 to less than \$40,000	37%
\$40,000 to less than \$60,000	17%
\$60,000 to less than \$80,000	11%
Over \$80,000	17%
EMPLOYMENT CATEGORY:	N=723
Full-time, Permanent, Year-Round	30%
Part-time, Permanent, Year-Round	11%
Seasonal/Casual	21%
Homemaker	6%
Unemployed	4%
Retired	25%
Student	1%
Disabled	<1%
Self-Employed	1%
Other	1%
GENDER:	N=725
Male	40%
Female	60%

Note: Individuals who refused or did not respond were excluded from this analysis.



The person in the household responsible for dealing with Hydro (i.e., the customer) was most often female (60%), between the ages of 35 to 64 (74%), and had an education of high school or less (59%).

The majority of Hydro customers worked in a full-time, permanent, year-round job, (30%), were retired (25%), or worked in a seasonal/casual position (21%). Their total household income most often fell below \$40,000 (55%).



7.2 Demographic Characteristics by Region

Table 4: Demographic Characteristics by Region

	Labrador % Respondents	Northern % Respondents	Central % Respondents
AGE:	N=286	N=264	N=170
18-24	3%	1%	-
25-34	17%	10%	6%
35-44	26%	22%	21%
45-54	27%	24%	24%
55-64	19%	25%	33%
65+	7%	18%	16%
EDUCATION:	N=284	N=264	N=170
Less than High School	14%	37%	46%
Graduated High School	19%	28%	30%
Some Post-Secondary Education	14%	11%	7%
College/Technical School Certificate or Diploma	30%	13%	8%
University Certificate below Bachelors	7%	4%	2%
University Degree (Bachelors, Masters, PhD)	16%	7%	7%
HOUSEHOLD INCOME CATEGORY:	N=257	N=231	N=153
Less than \$20,000	9%	16%	25%
\$20,000 to less than \$40,000	16%	44%	49%
\$40,000 to less than \$60,000	21%	18%	13%
\$60,000 to less than \$80,000	15%	10%	8%
Over \$80,000	39%	11%	5%
EMPLOYMENT CATEGORY:	N=286	N=266	N=170
Full-time, Permanent, Year-Round	58%	26%	12%
Part-time, Permanent, Year-Round	8%	12%	14%
Seasonal/Casual	10%	27%	24%
Homemaker	5%	2%	10%
Unemployed	3%	3%	4%
Retired	12%	29%	33%
Student	2%	1%	-
Disabled	-	-	1%
Self-Employed	2%	<1%	<1%
Other	1%	<1%	1%
GENDER:	N=286	N=269	N=170
Male	45%	43%	33%
Female	55%	57%	67%

Note: Individuals who refused or did not respond were excluded from this analysis.



7.3 Demographic Characteristics by Rate Area

Table 5: Demographic Characteristics by Rate Area

	Interconnected % Respondents	Isolated % Respondents
AGE:	N=385	N=338
18-24	1%	3%
25-34	11%	10%
35-44	22%	30%
45-54	25%	29%
55-64	27%	19%
65+	15%	10%
EDUCATION:	N=385	N=336
Less than High School	33%	35%
Graduated High School	26%	25%
Some Post-Secondary Education	10%	13%
College/Technical School Certificate or Diploma	16%	15%
University Certificate below Bachelors	4%	4%
University Degree (Bachelors, Masters, PhD)	10%	9%
HOUSEHOLD INCOME CATEGORY:	N=343	N=310
Less than \$20,000	18%	16%
\$20,000 to less than \$40,000	38%	36%
\$40,000 to less than \$60,000	16%	25%
\$60,000 to less than \$80,000	10%	13%
\$80,000 or more	18%	10%
EMPLOYMENT CATEGORY:	N=387	N=336
Full-time, Permanent, Year-Round	30%	35%
Part-time, Permanent, Year-Round	11%	9%
Seasonal/Casual	20%	30%
Homemaker	6%	4%
Unemployed	4%	5%
Retired	27%	15%
Student	1%	<1%
Disabled	<1%	-
Self-Employed	1%	1%
Other	1%	1%
GENDER:	N=388	N=338
Male	39%	44%
Female	61%	56%

Note: Individuals who refused or did not respond were excluded from this analysis.



7.4 Years of Service Relationship: Comparison of 2003-2007

Table 6: Years of Service Relationship

	Average Number of Years	Length of Relationship			
		10 Years or Less	11-19 Years	20 + Years	Don't Know
Labrador (N=286)					
2003	20.9	25%	13%	55%	7%
2004	19.9	24%	20%	43%	13%
2005	22.9	19%	16%	59%	7%
2006	21.3	25%	19%	54%	2%
2007	21.3	26%	19%	54%	2%
Northern (N=269)					
2003	23.2	16%	12%	70%	2%
2004	22.7	19%	13%	50%	17%
2005	26.5	10%	16%	68%	5%
2006	24.8	12%	21%	63%	3%
2007	26.0	17%	19%	64%	<1%
Central (N=170)					
2003	24.1	13%	16%	67%	5%
2004	23.9	15%	13%	55%	18%
2005	25.1	13%	15%	69%	3%
2006	28.3	7%	16%	75%	3%
2007	28.9	13%	10%	77%	<1%
Total (N=725)					
2003	22.9	17%	14%	64%	5%
2004	22.3	19%	15%	50%	17%
2005	25.0	14%	16%	66%	5%
2006	25.1	14%	18%	65%	3%
2007	25.7	18%	15%	66%	1%

On average, residential customers have been patrons of Hydro for 26 years, with 66% reporting a service relationship for more than 20 years.



7.5 Access to the Internet: Comparison of 2003-2007

Table 7: Internet Access

	Percentage with Access to the Internet				
	Access At All	At Home	At Work	At School	Elsewhere*
Labrador (N=286)					
2003	76%	64%	43%	22%	-
2004	78%	64%	46%	4%	14%
2005	79%	68%	41%	14%	21%
2006	87%	79%	47%	8%	21%
2007	91%	87%	56%	21%	29%
Northern (N=269)					
2003	61%	39%	22%	25%	-
2004	58%	44%	24%	6%	11%
2005	60%	44%	21%	10%	26%
2006	72%	58%	28%	18%	24%
2007	71%	59%	35%	17%	24%
Central (N=170)					
2003	53%	39%	14%	19%	-
2004	51%	36%	15%	9%	17%
2005	61%	44%	16%	18%	25%
2006	61%	44%	15%	19%	24%
2007	66%	54%	18%	16%	23%
Total (N=725)					
2003	63%	46%	25%	22%	-
2004	61%	47%	27%	6%	14%
2005	66%	51%	25%	14%	24%
2006	72%	59%	29%	16%	23%
2007	75%	66%	35%	18%	25%

* "Elsewhere" was added to the survey in 2004.

Access to the Internet among residential customers has steadily increased over the years, from 63% in 2003 to 75% in 2007.

APPENDIX A: QUESTIONNAIRE



Residential Customer Satisfaction Survey 2007
Newfoundland and Labrador Hydro
October 17, 2007

Imported Fields: Community and Region

Hello, my name is _____ and I'm calling from MarketQuest Research, a professional marketing research firm. Today/tonight we are conducting a short survey on household electricity. May I please speak to the adult who is primarily responsible for paying your home electric bill and dealing with the electric company **[REPEAT INTRODUCTION IF NECESSARY]**. We would appreciate your participation, would you have a few minutes to complete the survey...it will take approximately 10 minutes of your time?

YES - CONTINUE

NO - THANK & TERMINATE

Screener:

S1. Do you or does anyone in your household or immediate family work for:

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

IF YES TO ANY OF THE ABOVE - THANK & TERMINATE

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

	<i>NF & LAB HYDRO</i>	<i>NF POWER</i>	<i>D/K OR N/A</i>
<i>...Supplies electricity to your permanent home or where you spend the majority of your time?</i>	1	2	98
<i>...Supplies electricity to a temporary dwelling such as a cabin, cottage or summer home?</i>	1	2	98

IF NF & LAB HYDRO NOT MENTIONED- THANK & TERMINATE

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

- a. What companies which currently operate in Newfoundland and Labrador first come to mind when you think of "a good corporate citizen" or a company that gives back to the community? **RECORD RESPONSES - ACCEPT MULTIPLE RESPONSES**
- b. What is the first thing that comes to mind when you think about Newfoundland and Labrador Hydro? Anything else? **RECORD RESPONSE**



Appendix A: Questionnaire
2007 Residential Customer Satisfaction Study

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

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

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



Appendix A: Questionnaire
2007 Residential Customer Satisfaction Study

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

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





Customer Service and Service Reliability

6. Now I am going to list three types of requests that a customer can make to Hydro, and I would like you to think about how long you feel it should take Hydro to respond to each type of request. What do you feel is a reasonable amount of time for Hydro to respond to each of the following requests...**[READ LIST]**

Respond to a full loss or partial loss of power _____ min/hours/days

Respond to general questions and concerns that cannot be addressed immediately and require further investigation _____ min/hours/days

Respond to a service request for your home or property other than a power outage (e.g. new service, transfer or removal of service, and repair of service excluding power outages) _____ min/hours/days

7. Now please think of electric companies as serving customers in two ways: (1) the first being the supply of electricity to your home and (2) the second being customer service or response to customer needs, such as hook-ups, repairs, account billings and inquiries. On a scale of 1 to 10, where 1 means "not at all satisfied" and 10 means "very satisfied", how satisfied are you with: **[READ LIST]**

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



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

8. Do you need improved reliability with your electrical utility supply, for example fewer outages?

Yes	1	- CONTINUE
No	2	-SKIP TO Q10
Don't Know	98	-SKIP TO Q10

9. Would you be willing to pay more for increased levels of reliability?

Yes	1
No	2
Don't Know	98

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

Yes	1	- CONTINUE
No	2	-SKIP TO Q12
Don't Know	98	-SKIP TO Q12

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

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



Accessing Information – Telephone and Website

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

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q18
Don't Know	98	-SKIP TO Q18

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

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

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q18
Don't Know	98	-SKIP TO Q18

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q18
Don't Know	98	-SKIP TO Q18

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

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

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

Power outage information	1
Billing or account information	2
Energy efficiency information (e.g. Wrap up for Savings Program, Hydrowise, etc.)	3
Or something else? - Specify	90
Don't know	98



Now moving on to the Internet...

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

	Yes	No	Not Applicable
At home	1	2	99
At work	1	2	99
At school	1	2	99
Somewhere other than home, work, or school?	1	2	99

19. Have you ever visited Hydro's website?

Yes	1	-CONTINUE
No	2	-SKIP TO Q25
Don't Know	98	-SKIP TO Q25

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q25
Don't Know	98	-SKIP TO Q25

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

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

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

Yes	1	-SKIP TO Q24
No	2	-CONTINUE
Don't Know/No response	98	-SKIP TO Q24

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



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

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

Energy Efficiency

Now, I would like to ask you about energy efficiency...

25. On a scale of 1 to 10, where 1 is “not at all interested” and 10 is “very interested”, how interested would you be in using the following energy efficiency resources? **[READ LIST] [ROTATE LIST]**

	NAI										VI	DK
Information & tips on energy conservation	1	2	3	4	5	6	7	8	9	10	98	
A home energy audit	1	2	3	4	5	6	7	8	9	10	98	
An in-home display to monitor your actual energy usage	1	2	3	4	5	6	7	8	9	10	98	
Workshops for homeowners	1	2	3	4	5	6	7	8	9	10	98	
Downloadable video or audio content on home efficiency issues	1	2	3	4	5	6	7	8	9	10	98	
Rebates on energy efficient products	1	2	3	4	5	6	7	8	9	10	98	
Rebates for home energy efficiency upgrades	1	2	3	4	5	6	7	8	9	10	98	

26. To your knowledge, does Hydro have an energy awareness program to help consumers learn how to understand and reduce energy costs?

Yes	1	- CONTINUE
No	2	- GO TO Q28
Don't know	98	- GO TO Q28



27. What is the name of the program? [**RECORD RESPONSE**]

**IF “HYDROWISE”, GO TO Q29
ELSE, CONTINUE**

28. Hydrowise is the name of Hydro’s energy awareness program that helps consumers learn how to understand and reduce energy costs. Have you heard of the program, “Hydrowise”?

Yes	1	- CONTINUE
No	2	- GO TO Q32

29. How did you find out about the Hydrowise program? [**DO NOT READ LIST**] [**RECORD ALL THAT APPLY**]

Radio Ad	01
Newspaper Ad	02
Word of Mouth	03
Hydro’s Website	04
Hydrowise website	05
Bill Insert	06
Other	90
Don’t know	98

30. Please indicate if you “strongly agree”, “agree”, “disagree”, or “strongly disagree” with the following statements: [**READ LIST**] [**ROTATE LIST**]

	SA	A	D	SD	DK
The information provided by Hydrowise is useful	1	2	3	4	98
I have used some of the Hydrowise tips to help reduce my energy costs	1	2	3	4	98
Hydrowise provided me with some information I did not already know	1	2	3	4	98

31. Have you visited the **Hydrowise** website in the past year?

Yes	1
No	2
Don’t know	98



“Watts New”

32. “Watts New”, Hydro’s quarterly customer newsletter, is distributed to customers with their Hydro bill. Have you ever heard of “Watts New”?

- Yes 1 - CONTINUE
- No 2 - GO TO Q37

33. Have you ever read an issue of “Watts New”?

- Yes 1 - CONTINUE
- No 2 - GO TO Q37

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

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

35. On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent”, how would you rate “Watts New” on the following: [READ LIST] [ROTATE LIST]

	Very Poor										Excellent	D/K
Overall content	1	2	3	4	5	6	7	8	9	10	98	
Usefulness of the information contained in the articles	1	2	3	4	5	6	7	8	9	10	98	
Design and Layout	1	2	3	4	5	6	7	8	9	10	98	
Overall appearance	1	2	3	4	5	6	7	8	9	10	98	

36. Are there any specific topics or areas of interest that you would like to see covered in “Watts New”? [RECORD RESPONSE]

Customer Suggestions

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



Demographics

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

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

39. In which community do you live? _____

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

Under 20	01
20-24	02
25-29	03
30-34	04
35-39	05
40-44	06
45-49	07
50-54	08
55-59	09
60-64	10
65+	11
Refused	99

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

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



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

- 1 Working full-time in a permanent, year-round job
- 2 Working part-time in a permanent, year-round job
- 3 Working in a seasonal or casual job
- 4 Homemaker
- 5 Unemployed
- 6 Retired
- 7 or Student (includes upgrading/retraining)
- 99 Refused

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

- 1 Less than \$20,000
- 2 \$20,000 to less than \$40,000
- 3 \$40,000 to less than \$60,000
- 4 \$60,000 to less than \$80,000
- 5 or \$80,000 or more
- 99 Refused

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

- 1 Male
- 2 Female

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

2008 RESIDENTIAL CUSTOMER SATISFACTION TRACKING STUDY

Prepared For:



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APPENDIX: QUESTIONNAIRE



EXECUTIVE SUMMARY

Study Background and Methodology

This report presents the findings of the 10th Annual *Residential Customer Satisfaction Study* conducted by MarketQuest Research on behalf of Newfoundland and Labrador Hydro (Hydro). The primary objective of the *Residential Customer Satisfaction Study* is to assess satisfaction with Hydro's performance in providing service to customers and to determine any changes in customer satisfaction over time. Other objectives of the study are to assess customers' opinions on service reliability and customer service, as well as to determine awareness and use of customer services.

This research was conducted via a telephone survey of a random sample of residential customers. To allow for analysis by region, sub-region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: Labrador West, Happy Valley/Goose Bay, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated. Due to the use of disproportionate sampling, weights were developed to ensure that the sample was a proportionate representation of the customer population at the overall level. In total, 728 customers completed the survey.

Key Findings

Customer Satisfaction

Overall, residential customers were generally satisfied with Hydro's performance, however there is room for improvement on some attributes. Furthermore, regional results indicate that customer satisfaction is lowest in the Labrador region.

The Customer Satisfaction Index (CSI) for 2008 was 8.0. The CSI has remained relatively stable since 2004, with the exception of a small peak in 2005 (8.2). Overall, 89% of customers were satisfied with the performance of Hydro (48% very satisfied, 41% somewhat satisfied), with a mean satisfaction rating of 8.3 out of 10.

The CSI for the Central and Northern regions (8.5 and 8.1 respectively) were higher than the CSI for the Labrador region (7.4). CSI results varied significantly by sub-region, with Central Interconnected (8.5) having the highest CSI and Labrador West (7.2) having the lowest CSI.

While satisfaction with Hydro's performance can be considered favourable, there are some attributes within the Reliability and Service dimensions for which Hydro may wish to focus on to improve performance. These are attributes which had the greatest discrepancy in terms of importance and satisfaction ratings (i.e., largest gaps), specifically:

- Number of power outages (Reliability dimension);
- The price you pay for electricity (Service dimension); and
- Listens to/acts on customer concerns (Service dimension).



Most gap ratings have remained relatively stable over time, however there have been some changes in comparison to 2007 and the baseline year of 2004. Over the past year, gaps have increased for the attributes 'Listens and acts upon customer concerns' (from -0.94 in 2007 to -1.36 in 2008), 'Speed in power restoration (from -0.84 to -1.08)', and 'The way they maintain the electric system' (from -0.68 to -0.91). Attention to these areas may help to prevent any further gap increases.

In relation to the baseline year, there has been an increase in the gap rating for 'Operates in an environmentally responsible manner' (-0.65 in 2004 to -0.92 in 2008) and 'Accuracy of billing' (from -0.49 to -0.76). In contrast, the attribute 'Contributes back to the community' has decreased from -1.78 in 2004 to -0.94 in 2008, indicating improved satisfaction with Hydro in this regard.

While 'The price you pay for electricity' continues to be identified as an attribute with the largest gap, it is understood that Hydro is not in a position to change its cost structure. However, other means of changing customer perception of Hydro in this regard could be considered. For example, focusing on the overall value of Hydro's service to customers or educating customers on rates and cost structure may help to change expectations or improve satisfaction in this area.

Service Reliability

Overall, the majority of residential customers are satisfied with the supply of electricity they receive from Hydro. However, four in ten customers desire improved reliability with their electrical supply. Labrador customers are the least satisfied and the most likely to desire improved reliability.

Residential customers reported a high level of satisfaction with the supply of electricity they receive from Hydro (average satisfaction: 8.9 out of 10). The majority of customers (64%) reported being *very* satisfied, while 31% were *somewhat* satisfied. Satisfaction with service reliability has remained relatively unchanged since 2005.

Despite this finding, 40% of residential customers desired improved reliability with their electrical utility supply, of which 24% would be willing to pay more in electricity costs for improved reliability.

Nearly six in ten residential customers (58%) had experienced an unplanned power outage at their home in the past year which lasted longer than 30 minutes, a decrease of 5% since 2007. These customers reported moderate satisfaction with Hydro's handling of this outage (The way Hydro dealt with the unplanned power outage: 7.5 out of 10; Hydro being easy to reach to discuss questions or concerns about power outages: 7.2 out of 10; Hydro letting them know when power would be restored: 6.1 out of 10).

Customers in Labrador were the least satisfied with their supply of electricity (8.4) and the most likely to desire improved reliability (55%). Residential customers in the Labrador region (74%) were also most likely to have experienced an unplanned power outage in the past year which lasted more than 30 minutes, and were the least satisfied



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hydro

a nalcor energy company

2008 Residential Customer Satisfaction Study
Newfoundland and Labrador Hydro

with Hydro's response to the outage. These results are consistent with CSI findings which indicate that Labrador customers were the least satisfied overall.

Customer Service

There continues to be a high level of satisfaction among residential customers with the customer service they receive from Hydro. However, regional differences exist in this regard as well, with those in Labrador being the least satisfied.

Residential customers reported a high level of satisfaction with the customer service they received from Hydro (average satisfaction: 8.9 out of 10). The majority of customers (61%) reported being *very* satisfied, while 31% were *somewhat* satisfied. Satisfaction with Hydro's customer service has remained relatively stable since 2005. Central customers reported the greatest satisfaction with Hydro's customer service (9.4), followed by Northern customers (8.7) and Labrador customers (8.4).

To further assess Hydro's customer service, customers were asked to identify how long they think it should take Hydro to respond to various service requests. On average, customers felt it should take 4 hours to respond to a full or partial power loss, 45 hours to respond to general questions and concerns that cannot be immediately addressed, and 49 hours to respond to a service request for their home or property. Expected response times for service requests for home or property have increased steadily since 2005.

Awareness and Use of Programs and Services

Similar to previous years, almost three in ten residential customers have used Hydro's automated toll-free number within the past year. Since 2006, the number of customers (of those using the system) needing to speak to a customer service agent has declined. Furthermore, the number of customers who experienced difficulty when needing to speak with an agent has declined over the past year.

Twenty-nine percent (29%) of customers had called Hydro's automated toll-free number within the past year. Of these customers, 56% needed to speak with a customer service agent, which is down from 66% in 2006. A minority (14%) of those who needed to speak with an agent experienced difficulty, which is down from 24% in 2007.

Past year visitation to Hydro's website among customers with Internet access has risen since 2006 (from 10% to 18% in 2008). Similar to previous years, most customers who had visited the website rated it favorably.

Almost two in ten customers with Internet access (18%) have visited Hydro's website in the past year, an increase from 2007 (14%). Most customers who visited the site (90%) were able to find the information they were seeking. The most common information sought on the website was account/billing information (58%), followed by energy efficiency information (26%).



Customers who visited Hydro's website were asked to rate the site in terms of its layout and design, ease of navigation, ability to find the right information and overall quality. Consistent with 2006 and 2007, a large proportion of customers who visited the site rated it favorably on all attributes.

Interest in the different types of energy efficiency resources varied. Just over one-half of customers were aware of 'Hydrowise', a small decline from 2007. Feedback on the program has remained fairly positive. Visitation to the 'Hydrowise' website continues to be low.

Interest levels were highest for rebates on home energy efficiency upgrades (8.8), rebates on energy efficient products (8.6), and information/tips on energy conservation (8.3). Customers reported relatively less interest in workshops for home owners (5.8) and downloadable video/audio content on home efficiency (5.6).

Overall awareness of 'Hydrowise', Hydro's energy awareness program, was 52%, which is consistent with 2007 (53%) but an increase over previous years (2004: 20%, 2005: 44%, and 2006: 45%). Awareness of Hydrowise was higher in Labrador (64%) than in the other regions. While most customers found out about the program through a brochure inserted with their Hydro statement (70%), TV/news has become a more popular source of information over the past year (from 10% to 16%).

A large majority of customers reported that 'Hydrowise' provided them with useful (87%) information. In comparison, fewer customers agreed that it provides new information (66%) and that they have used some of the tips to reduce their costs (69%). Among those aware of 'Hydrowise', visitation to the program's website was low (6%).

Consistent with previous years, awareness of the quarterly newsletter 'Watts New' was relatively low. Among those aware of the newsletter, slightly more than half have read an issue. The majority of customers who have read an issue continue to rate the newsletter favorably and to rate the content as informative.

Nearly three in ten customers (29%) reported that they had heard of the quarterly newsletter 'Watts New', and of those, 56% have read at least one issue. Readership of 'Watts New' declined in 2006 (46%), but rebound in 2007 and has since remained relatively stable. Similar to 2006 and 2007, the majority of customers who have read an issue rated the content of 'Watts New' as informative (96%), and approximately eight in ten customers rated the newsletter as good or excellent on overall content, usefulness of the information, design and layout, and overall appearance.



1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

During the fall of 2008, MarketQuest Research Group Inc. conducted the 10th Annual Residential Customer Satisfaction Study on behalf of Newfoundland and Labrador Hydro (Hydro). The primary objective of this study was to assess satisfaction with the performance of Hydro in providing service to residential customers, and to identify any changes in customer satisfaction over time.

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

While the primary objective was to determine customer satisfaction, the study also included questions to assess awareness and use of various programs and services offered by Hydro, including 'Hydrowise,' the automated toll-free number, Hydro's website, and the quarterly newsletter 'Watts New'. In addition, questions were included to assess customer opinions on particular areas of interest, such as service reliability, customer service, and Hydro's reputation and corporate citizenship.

1.2 Study Methodology

Hydro's residential customers were surveyed, via telephone, between November 1st and 27th, 2008. The sampling frame included all households within Hydro's service areas that identified Hydro as their electricity supplier. The sampling unit was the adult household member who is responsible for paying the electricity bill and dealing with Hydro. A total of 728 residential customers completed the survey, which provides a margin of error of ± 3.6 , 19 times out of 20 or at the 95% confidence level.

To allow for analysis by region, sub-region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: Labrador West (n=100), Happy Valley/Goose Bay (n=97), Labrador Isolated (n=94), Northern Interconnected (n=97), Northern Isolated (n=86), L'anse au Loup (n=88), Central Interconnected (n=103), and Central Isolated (n=63).

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



The questionnaire, which was similar to those used in previous years, was designed by MarketQuest in consultation with Hydro (see Appendix A). Following a review of the 2007 questionnaire, new questions were added to assess interest in e-billing and online service requests.

1.3 This Report

This report presents the results of the *2008 Residential Customer Satisfaction Study* at the overall level. Results are also presented, where possible, for previous years (2004 to 2007) to allow for comparison and tracking over time. In addition, where insight and informational value is added, results are segmented by region (Labrador, Northern, and Central), sub-region (Happy Valley-Goose Bay, Labrador West, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated) rate area (Interconnected and Isolated) and demographics (gender, age, household income, education, employment status, and years of service relationship).

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

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



2.0 CUSTOMER SATISFACTION INDEX (CSI)

The Customer Satisfaction Index (CSI) is based on customer ratings of importance and satisfaction for 16 attributes. These attributes are the same attributes used in the Canadian Electricity Association's (CEA's) Annual *Public Attitudes Research Project*. The dimensions measured by these attributes are corporate citizenship, reliability and service. These dimensions of service and the attributes measured in the study are presented below².

Corporate Citizenship

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

Reliability

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

Service

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

To determine the CSI, customers were first asked to think about their electricity supplier and to rate the importance of each attribute. Importance was rated on a 10-point scale, with 1 being "Not at all important" and 10 being "Very important". Second, customers were asked to rate their satisfaction with the performance of Hydro in providing each attribute. Satisfaction was also rated on a 10-point scale, ranging from "Not at all satisfied" (1) to "Very satisfied" (10).

In 2006, the attributes used to calculate the CSI were changed to ensure consistency with the CEA's Annual *Public Attitudes Research Project*. As shown below, the first seven attributes have remained the same, while the remaining nine were modified or added in 2006.

² The attribute 'Friendly and courteous employees' was not included in the calculation of the CSI.



2005 Attributes

1. Operates in an environmentally responsible manner
2. Concern for public safety
3. Contributes back to the community through initiatives such as community sponsorship programs
4. Billing statement accuracy
5. Provides bills that are easy to read and understand
6. Cares about its customers
7. Friendly and courteous employees
8. Provides timely and accurate information on power outages
9. Convenient hours of operation
10. Easy access to account information at any time
11. Electricity at a reasonable cost
12. Educates customers on the efficient use of electricity
13. Responds to customer questions and concerns in a timely manner
14. Restores electricity promptly when there is a power outage
15. Provides a reliable uninterrupted supply of electricity
16. Responds to service requests in a timely manner

2006/2007/2008 Attributes

1. Operates in an environmentally responsible manner
2. Concern for public safety
3. Contributes back to the community through initiatives such as community sponsorship programs
4. Accuracy of billing
5. Provides bills that are easy to read and understand
6. Cares about its customers
7. Friendly and courteous employees³
8. The number of power outages
9. Ensures a sufficient supply of electricity for the foreseeable future
10. The quality of customer service received
11. The price you pay for electricity
12. Encourages customers to make more efficient use of electricity
13. Listens to and acts upon customer concerns
14. Speed in restoring power when a problem occurs
15. Good power quality that is free from voltage fluctuations
16. The way they maintain the electric system

Furthermore, in 2006, the end points for the 10-point satisfaction and importance scales were modified. Satisfaction ratings for previous years were scored on a 10-point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings since then were scored on a 10-point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied".

Importance ratings for previous years were scored on a 10-point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings since 2006 were scored on a 10-point scale with 1 being "Not at all important" and 10 being "Very important".

As a result of these changes, the overall CSI for 2006 is not directly comparable to the CSIs from previous years. Further to this, the importance, satisfaction and gap scores can only be compared across years for the seven attributes that have remained the same.

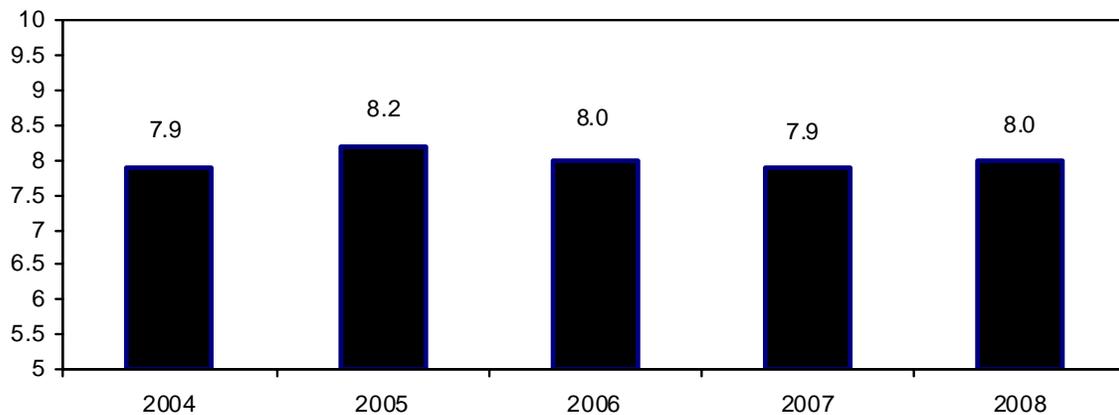
³ The attribute 'Friendly and courteous employees' was not included in the calculation of the CSI.



The CSI is a weighted average of the satisfaction ratings for each attribute. To calculate the CSI, the importance score for each attribute is divided by the sum of all importance scores and then multiplied by the satisfaction score assigned to Hydro for that particular attribute (in effect, weighting the satisfaction score by the relative importance). The resulting values are then summed, yielding a single customer satisfaction value for each respondent. The average of these values is the CSI in any one year. The CSI ranges between 1 and 10, and the higher the index the more satisfied Hydro's customers.

For 2008, the Customer Satisfaction Index for residential customers was **8.0**, indicating a relatively high level of satisfaction with the services received by Hydro. As demonstrated below, the CSI has remained relatively stable since 2004, with the exception of a small peak in 2005. However, as a result of changes made in 2006 to the importance and satisfaction attributes and the rating scale endpoints, caution should be used when comparing CSI scores over time.

Figure 1: Customer Satisfaction Index by Year

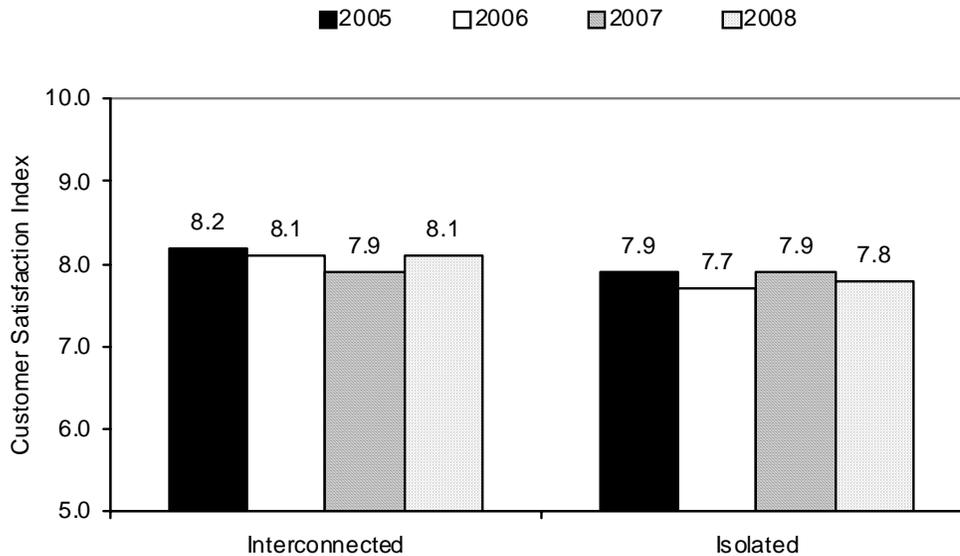


*Note that the attributes used to calculate the CSI since 2006 differ from those used to calculate previous CSIs. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.



The following figure presents the CSI results by rate area. For 2008, the CSI was 8.1 for Interconnected areas and 7.8 for Isolated areas.

Figure 2: CSI by Rate Area



*Note that the attributes used to calculate the CSI since 2006 differ from those used to calculate previous CSIs. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

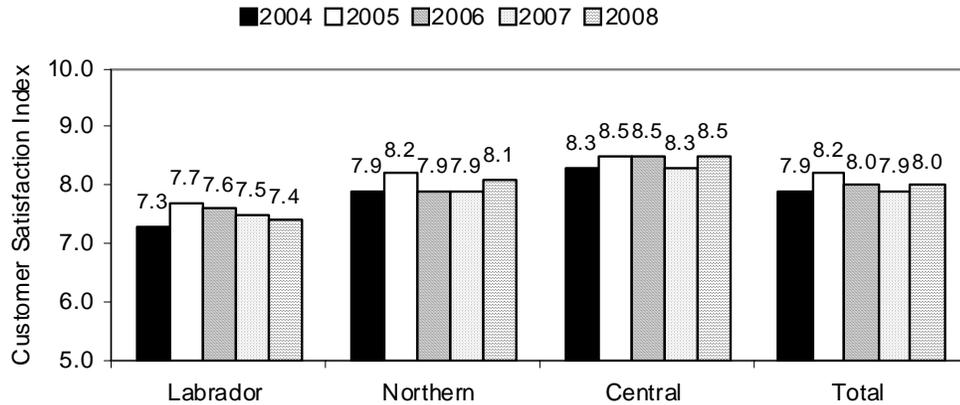
The following figures present the CSI results by region and sub-region. The key findings based on this regional analysis are highlighted below:

- The CSI for the Central and Northern regions (8.5 and 8.1 respectively) were higher than the CSI for the Labrador region (7.4).
- In general, regional CSIs have fluctuated over the past five years; however, 2008 CSIs are similar to those reported last year and the baseline year of 2004.
- By sub-region, the CSI was the highest for Central Interconnected (8.5) and lowest for Labrador West (7.2). The following differences were found between sub-regional CSIs:
 - Labrador West (7.2) had a lower CSI than Northern Isolated (8.0), Northern Interconnected (8.2), L'anse au Loup (8.2), Central Isolated (8.2) and Central Interconnected (8.5);
 - Labrador Isolated (7.3) had a lower CSI than Northern Interconnected (8.2), L'anse au Loup (8.2), Central Isolated (8.2) and Central Interconnected (8.5); and



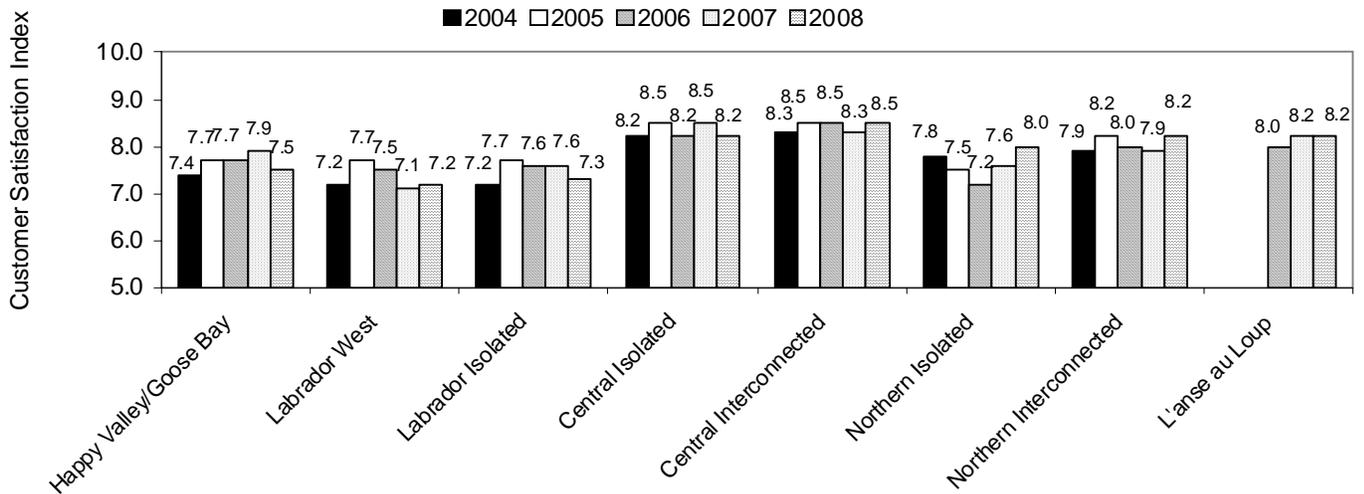
- Happy Valley-Goose Bay (7.5) had a lower CSI rating than Central Interconnected (8.5).

Figure 3: CSI by Region



*Note that the attributes used to calculate the CSI since 2006 differ from those used to calculate previous CSIs. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

Figure 4: CSI by Sub-Region*



*Note that since 2006, L'anse au Loup has been separated as a sub-region, whereas in previous years, L'anse au Loup was included under Northern Isolated. This should be considered when interpreting results for Northern Isolated.

*Also note that the attributes used to calculate the CSI since 2006 differ from those used to calculate previous CSIs. Furthermore, since 2006, importance and satisfaction ratings have been scored on a 10 point scale with endpoints that differ from previous years. Therefore, caution should be used when comparing CSI scores over time.

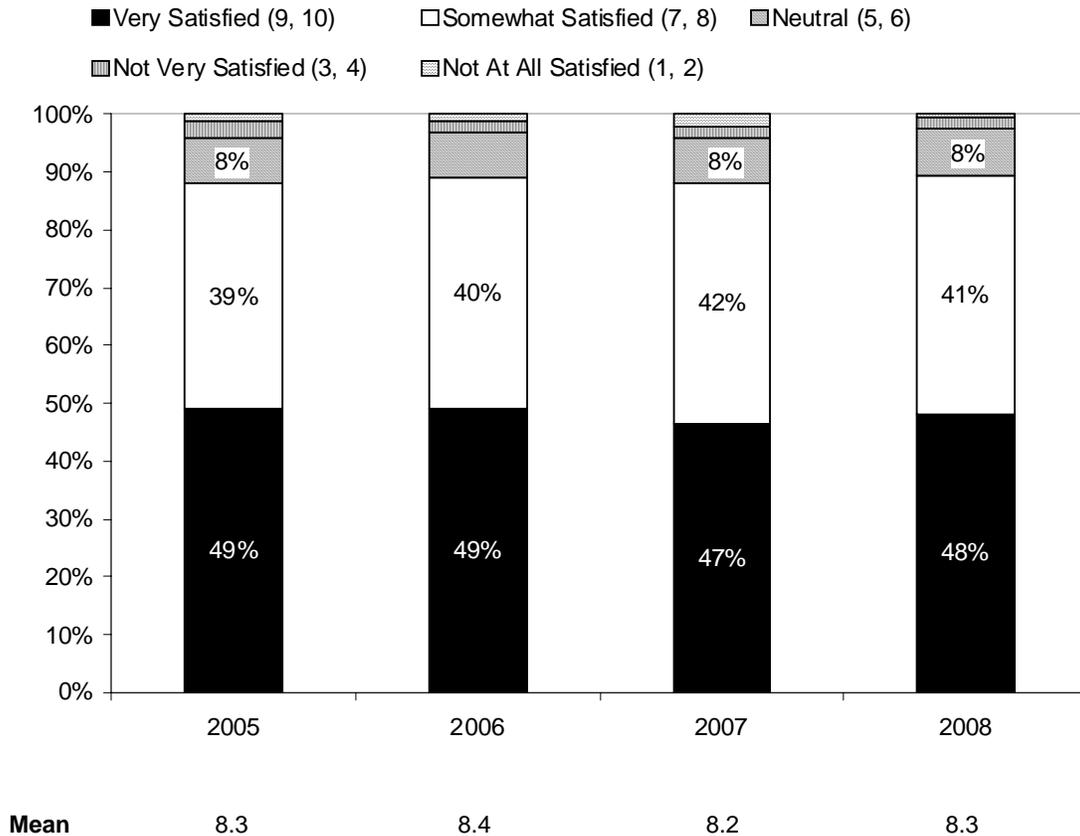


The following points highlight differences in the CSI when analyzed by demographics:

- Customers aged 45 years or older (8.2) had a higher CSI than younger customers (7.8).
- Customers who were not working (8.3) had a higher CSI than those who were working (7.9).
- Customers who earned less than \$40,000 (8.4) had a higher CSI than those who earned \$40,000 or more (7.7).
- Customers who had an education level of high school or less (8.4) had the highest CSI, followed by customers who had some post-secondary education (7.9) and those who had completed post-secondary education (7.4).

Customers were also asked to rate, on a scale of 1 (Not at all satisfied) to 10 (Very satisfied), their satisfaction with Hydro overall. The majority of residential customers (89%) were satisfied with the performance of Hydro overall (48% *very* satisfied, 41% *somewhat* satisfied), with a mean rating of 8.3 out of 10. This is consistent with the overall satisfaction rating in 2007 (8.2), 2006 (8.4) and 2005 (8.3).

Figure 5: Overall Satisfaction With Hydro





newfoundland labrador

hydro

a nalcor energy company

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Customers from the Northern region (8.3) reported a greater overall satisfaction with Hydro than customers from the Labrador region (7.6). Furthermore, customers from the Central region (8.9) reported greater overall satisfaction than both of the two other regions. Overall satisfaction was similar across service areas (Interconnected: 8.3, Isolated: 8.2).



3.0 ATTRIBUTES

This section presents customers' importance and satisfaction ratings for 2008. This is followed by an analysis of gaps between importance and satisfaction.

It is important to note that since 2006, importance and satisfaction ratings have been scored on a 10-point scale with endpoints that differ from previous years⁴. Therefore, caution should be used when comparing importance, satisfaction and gap scores over time.

3.1 Importance

Residential customers provided high importance ratings for all attributes, with average ratings ranging from 8.3 for 'Contributes back to the community' to 9.6 for 'Ensures a sufficient supply of electricity for the foreseeable future'.

The top-ranked attributes with respect to importance were:

1. Ensures a sufficient supply of electricity for the foreseeable future (9.6);
2. Concern for public safety (9.6);
3. Speed in restoring power when a problem occurs (9.5);
4. Good power quality that is free from voltage fluctuations (9.4);
5. Bills that are easy to read and understand (9.4);
6. The way they maintain the electric system (9.4);
7. Accuracy of billing (9.4); and
8. Operates in an environmentally responsible manner (9.4).

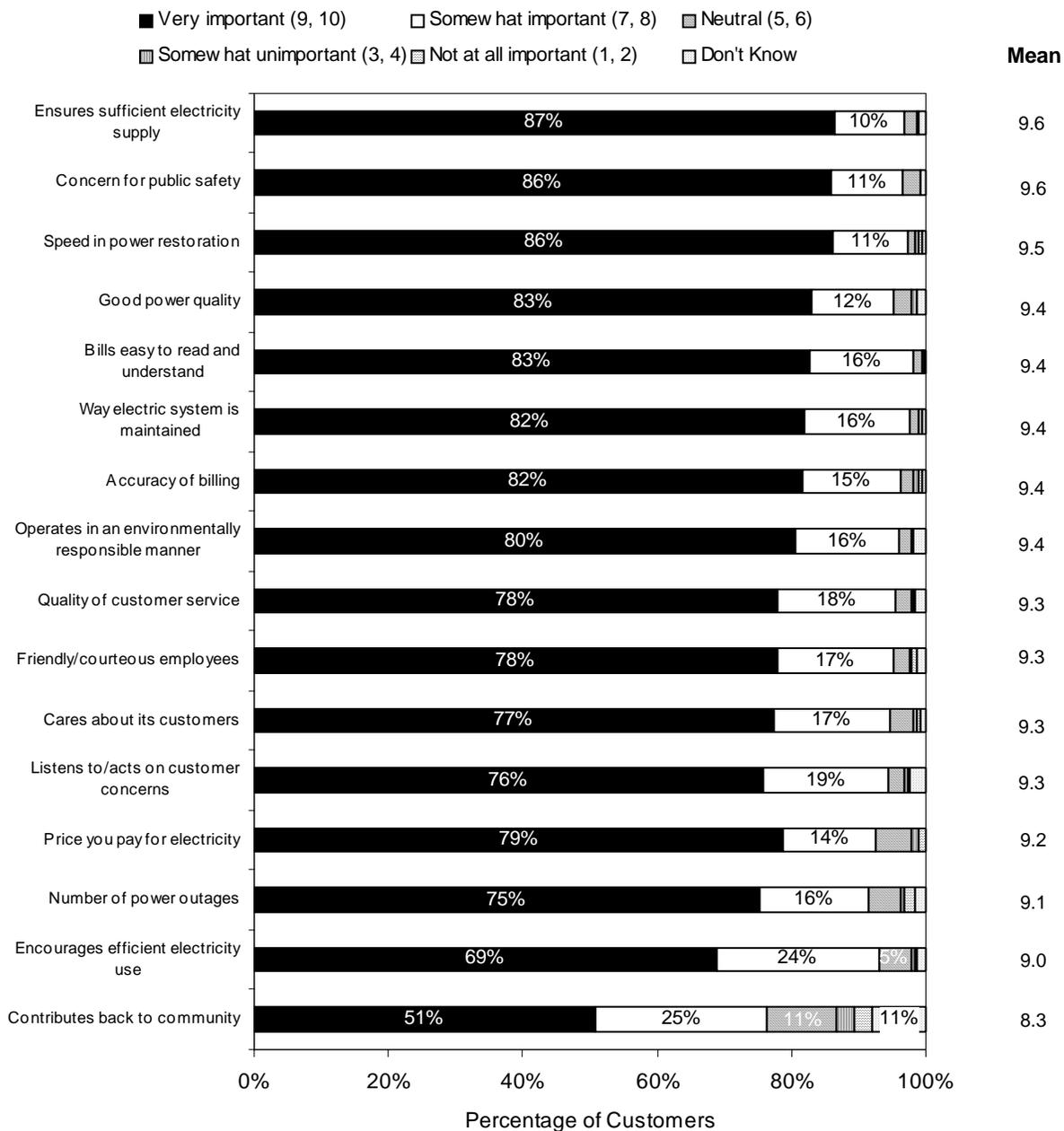
The lowest ranked importance attributes included:

15. Encourages customers to make more efficient use of electricity (9.0); and
16. Contributes back to the community through initiatives such as community sponsorship programs (8.3).

⁴ Satisfaction ratings for previous years were scored on 10 point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10 point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10 point scale with 1 being "Not at all important" and 10 being "Very important".



Figure 6: Importance Ratings for 2008





3.2 Satisfaction with Performance

Average satisfaction ratings ranged from 6.3 for 'The price you pay for electricity' to 9.1 for 'Bills that are easy to read and understand'.

The attributes for which satisfaction with Hydro's performance was ranked most highly were:

1. Bills that are easy to read and understand (9.1);
2. Friendly and courteous employees (9.1);
3. Concern for public safety (9.0);
4. The quality of customer service received (8.7); and
5. Ensuring sufficient electricity supply (8.7)

The lowest ranked satisfaction attributes included:

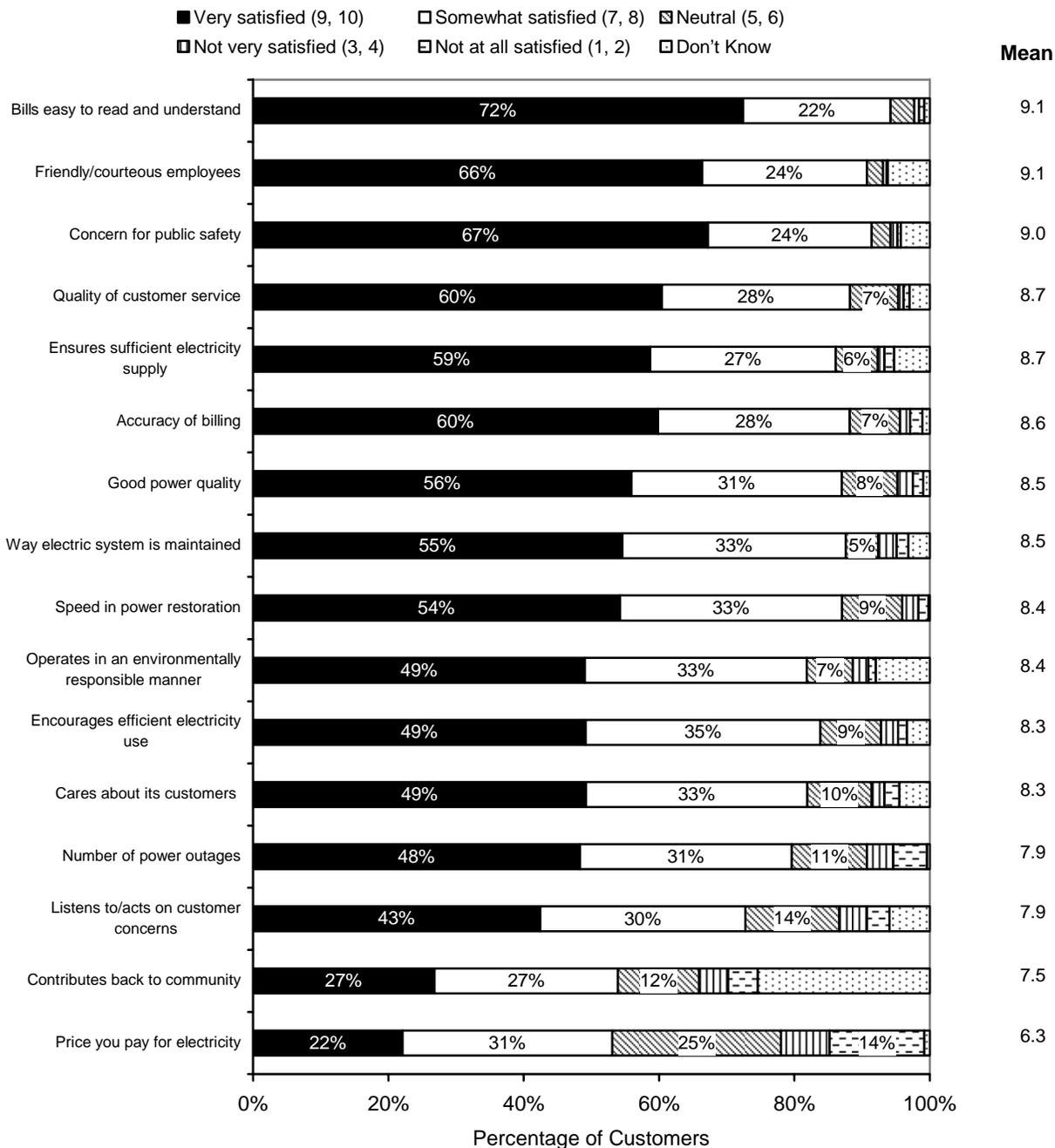
14. Listens to/acts on customer concerns (7.9);
15. Contributes back to the community through initiatives such as community sponsorship programs (7.5); and
16. The price you pay for electricity (6.3).

As with previous years, approximately one quarter of customers were unable to rate Hydro on the attribute 'Contributes back to the community'. However, satisfaction with Hydro in this regard has increased over the past year, contributing to a decreased gap for this attribute.



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Figure 7: Satisfaction Ratings for 2008





The figures on the following pages illustrate trends in importance and satisfaction ratings over the past five years.

The following attributes were rated higher in importance this year in comparison to 2007:

- The way they maintain the electric system (from 9.2 to 9.4);
- Ensures a sufficient supply of electricity for the foreseeable future (from 9.4 to 9.6);
- Price you pay for electricity (from 9.0 to 9.2);
- Operates in an environmentally responsible manner (from 9.2 to 9.4);
- Encourages efficient use of electricity (from 8.9 to 9.0);
- Listens to and acts upon customer concerns (from 9.0 to 9.3);
- Speed in restoring power when a problem occurs (from 9.4 to 9.5);
- Cares about its customers (from 9.0 to 9.3); and
- Good power quality free from voltage fluctuations (from 9.3 to 9.4).

Satisfaction ratings for several attributes have increased since 2007. These include:

- Ensures a sufficient supply of electricity for the foreseeable future (from 8.4 to 8.7);
- Concern for public safety (from 8.9 to 9.0);
- Contributes back to the community (from 7.0 to 7.5); and
- Friendly and courteous employees (from 8.9 to 9.1).

In comparison to the *baseline* year of 2004, perceived importance decreased for the following attributes:

- Operates in an environmentally responsible manner (from 9.6 to 9.4);
- Concern for public safety (from 9.7 to 9.6);
- Contributes back to the community (from 9.0 to 8.3);
- Accuracy of billing (from 9.7 to 9.4); and
- Friendly and courteous employees (from 9.5 to 9.3).

Satisfaction ratings also decreased in relation to the baseline year for the attributes:

- Operates in an environmentally responsible manner (from 8.9 to 8.4);
- Concern for public safety (from 9.3 to 9.0); and
- Accuracy of billing (from 9.2 to 8.6).



Corporate Citizenship

Figure 8: Concern for public safety

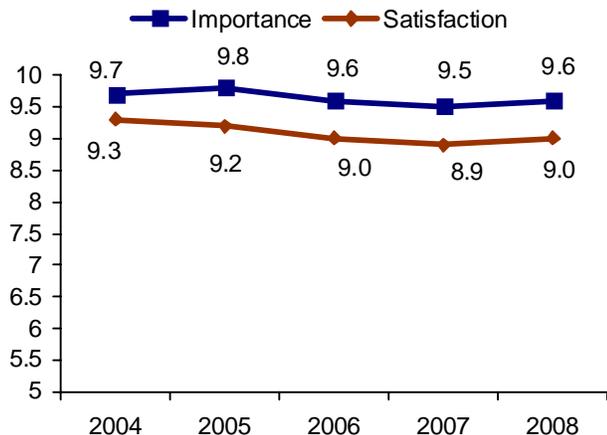


Figure 9: Operates in an environmentally responsible manner

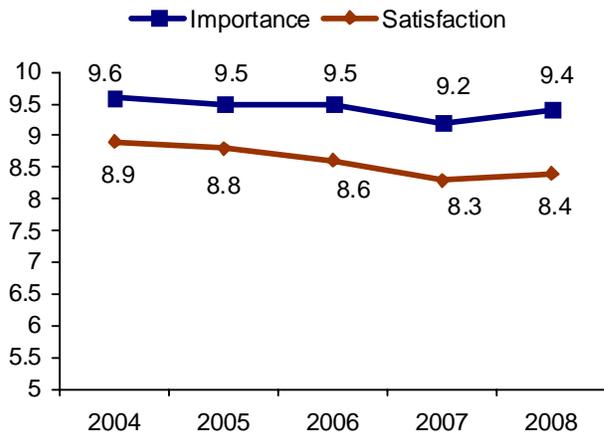


Figure 10: Contributes back to the community

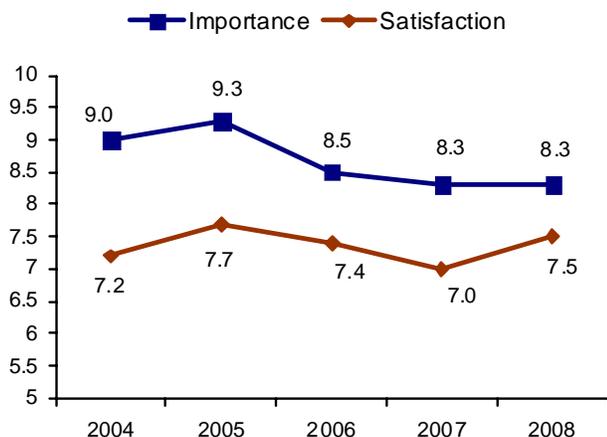
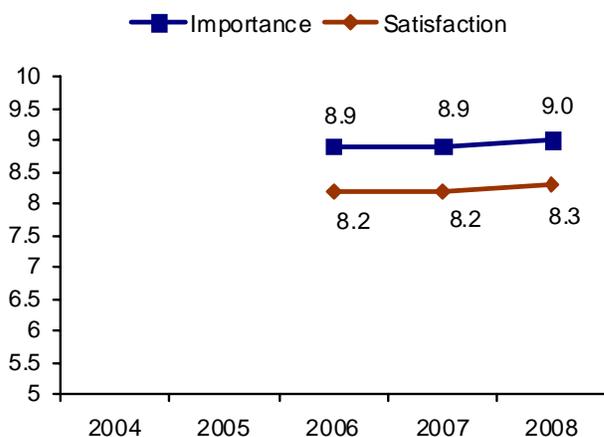


Figure 11: Encourages customers to make more efficient use of electricity





Reliability

Figure 12: Speed in restoring power when a problem occurs

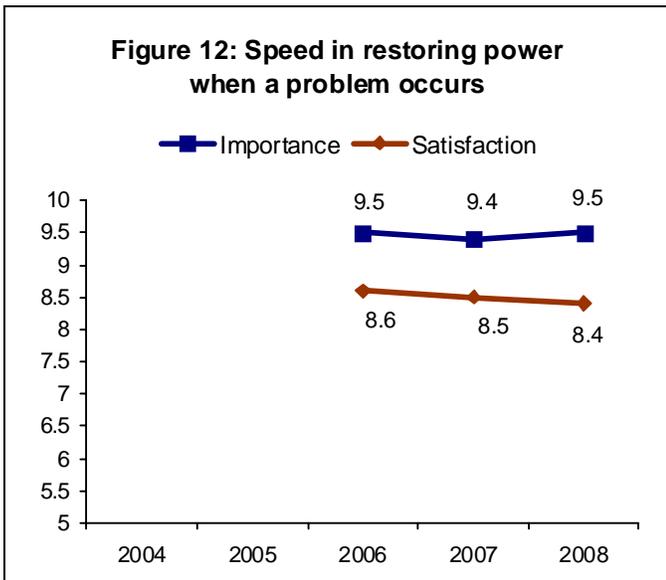


Figure 13: Ensures a sufficient supply of electricity for the foreseeable future

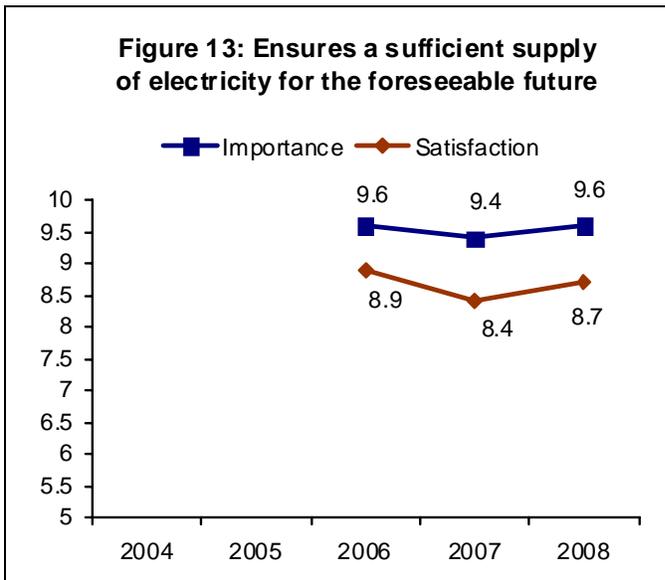
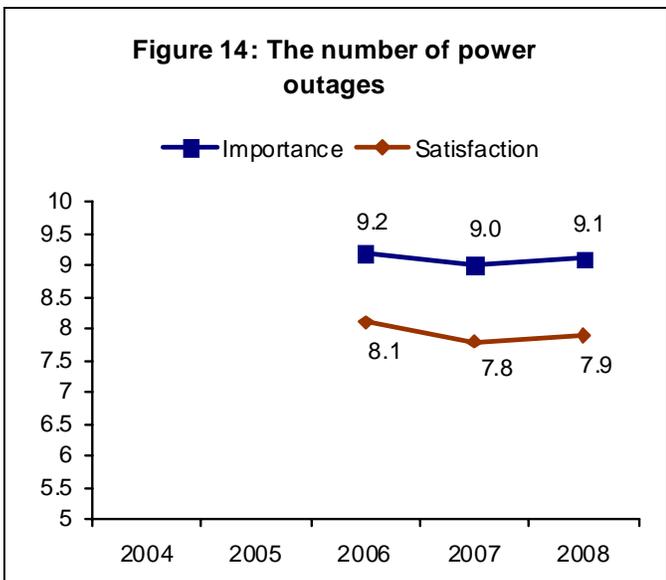


Figure 14: The number of power outages





Service

Figure 15: Bills that are easy to read and understand

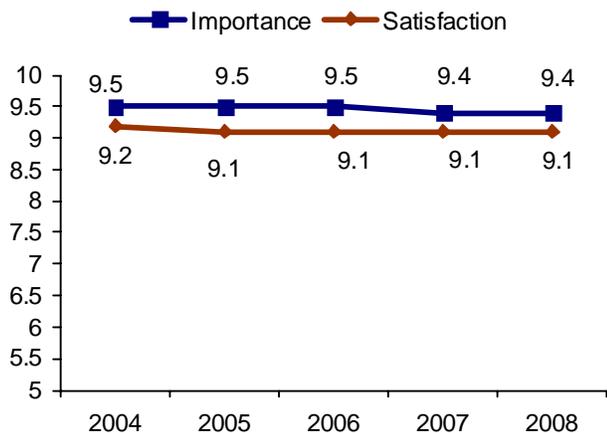


Figure 16: Accuracy of billing

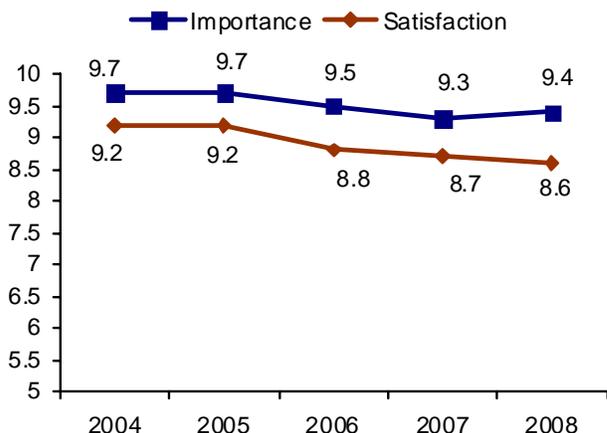


Figure 17: Friendly and courteous employees

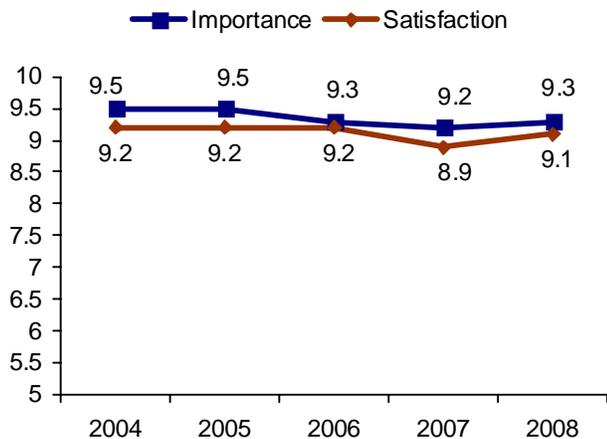


Figure 18: Cares about its customers

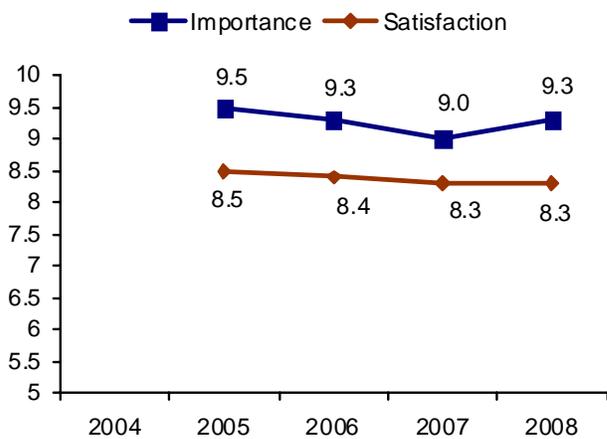




Figure 19: Good power quality free from voltage fluctuations

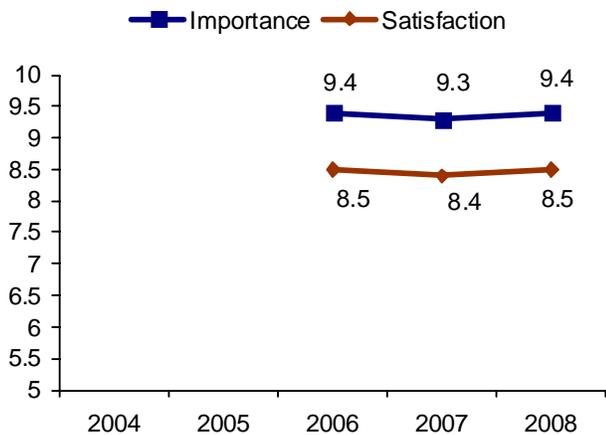


Figure 20: Quality of customer service received

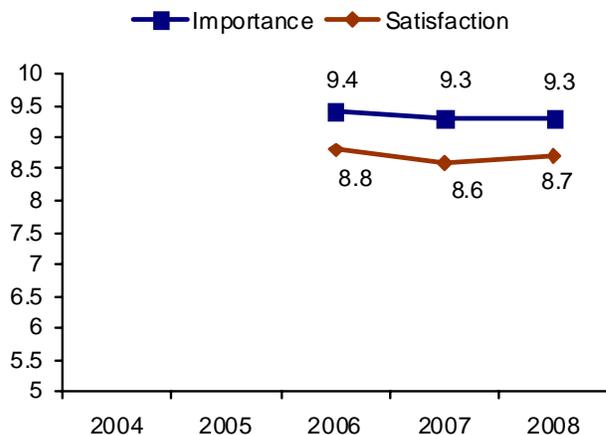


Figure 21: The way they maintain the electric system

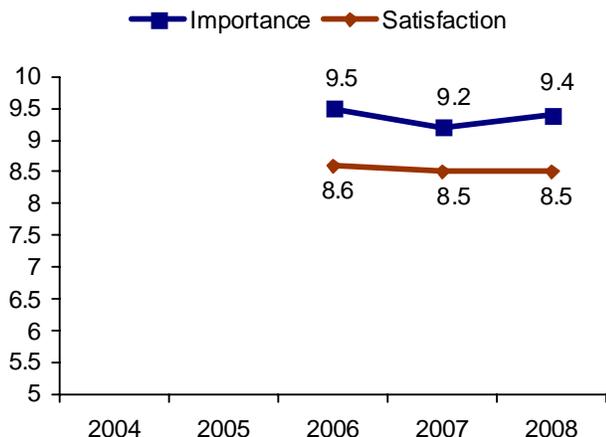
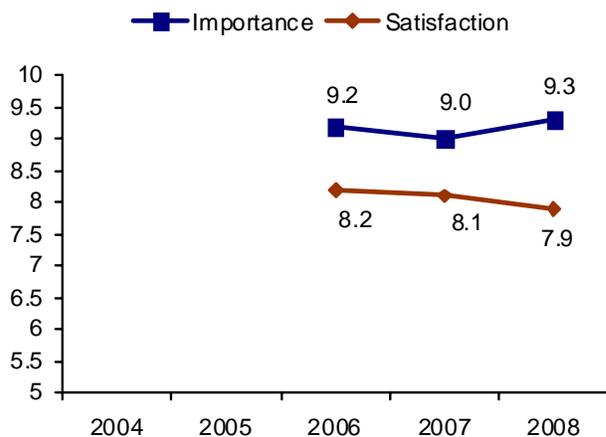


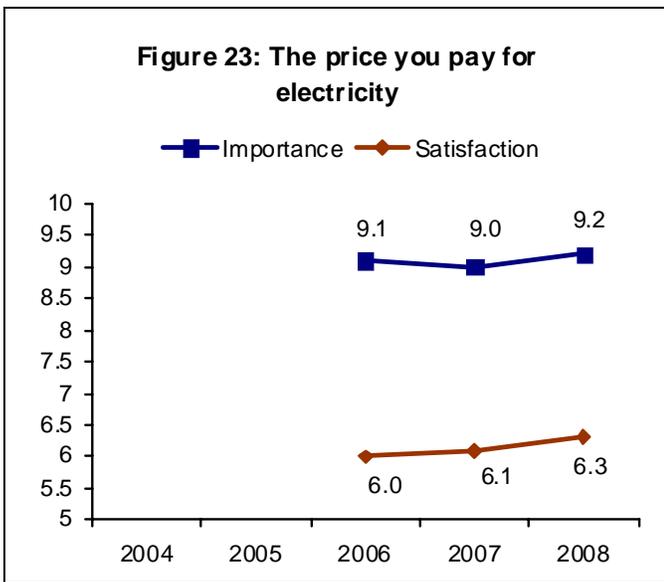
Figure 22: Listens to and acts upon customer concerns





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Figure 23: The price you pay for electricity





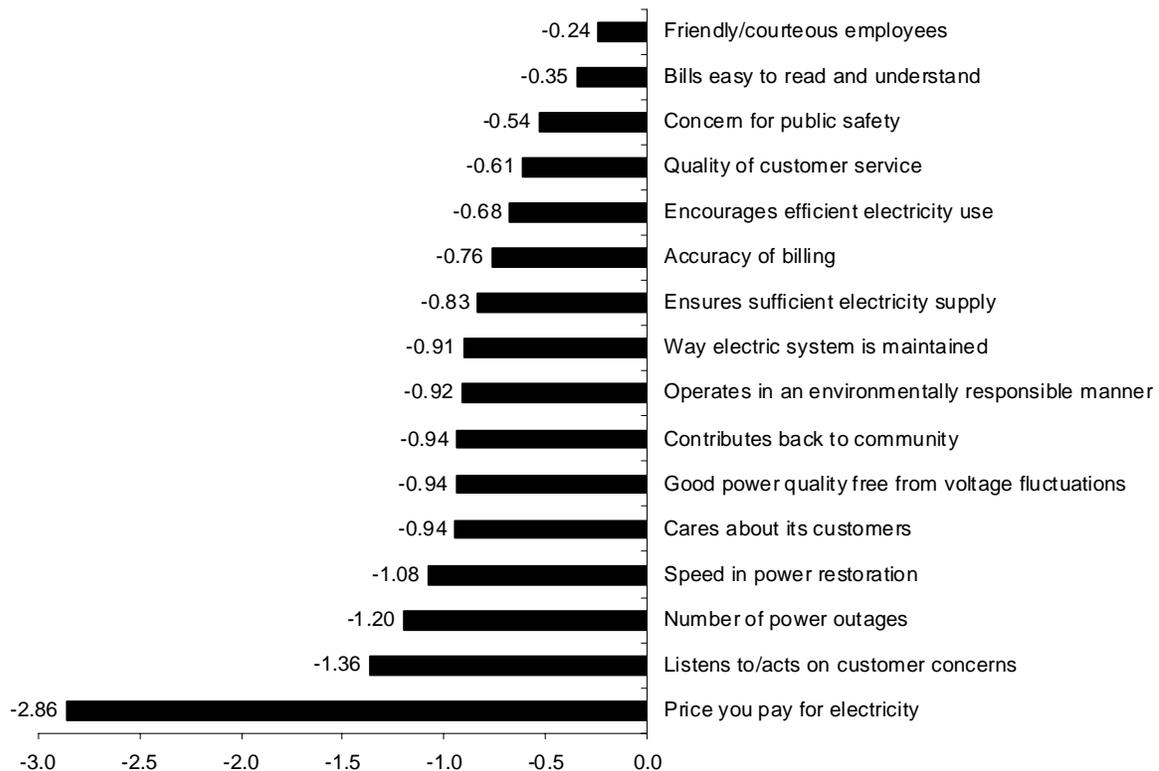
3.3 Gap Analysis

A gap score is essentially the difference between customers' evaluation of importance and satisfaction with performance on any one attribute. If perceived performance exceeds expectations, then the customer is satisfied; if it falls below expectations, the customer is dissatisfied. Mean gap ratings were obtained by averaging customer gap scores for each attribute.

As demonstrated in the figure below, gap ratings ranged from -2.86 for 'The price you pay for electricity' to -0.24 for 'Friendly/courteous employees'. Consistent with 2007, 'Friendly and courteous employees' and 'Provides bills that are easy to read and understand' had the smallest gap ratings. This indicates that customers, in general, were most satisfied with these attributes.

However, the negative gaps indicate that satisfaction with the performance of Hydro falls below expectations for each of the 16 attributes. This is most evident for the attribute 'The price you pay for electricity', which had the highest gap rating (-2.86). Other attributes with relatively larger gaps were 'The number of power outages' (-1.20) and 'Listens to/acts on customer concerns' (-1.36).

Figure 24: 2008 Gap Ratings





The following figures illustrate trends in terms of the gap between importance and satisfaction. It is important to note that since 2006, importance and satisfaction ratings have been scored on a 10-point scale with endpoints that differ from previous years⁵. Therefore, caution should be used when comparing gap scores over time.

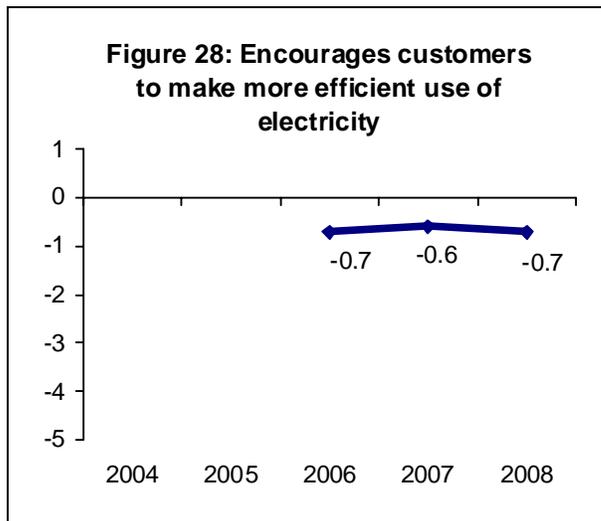
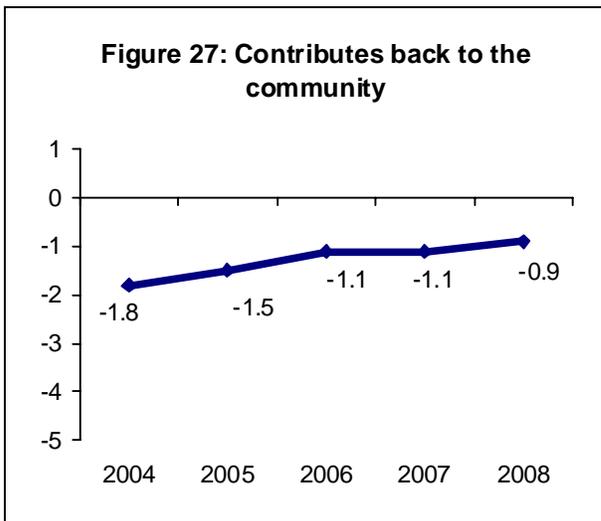
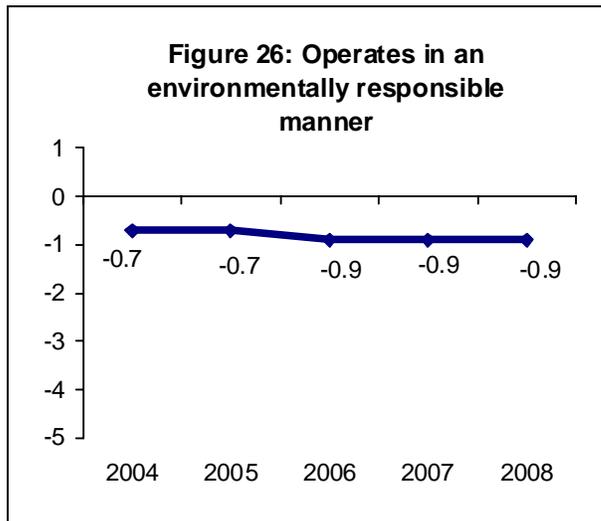
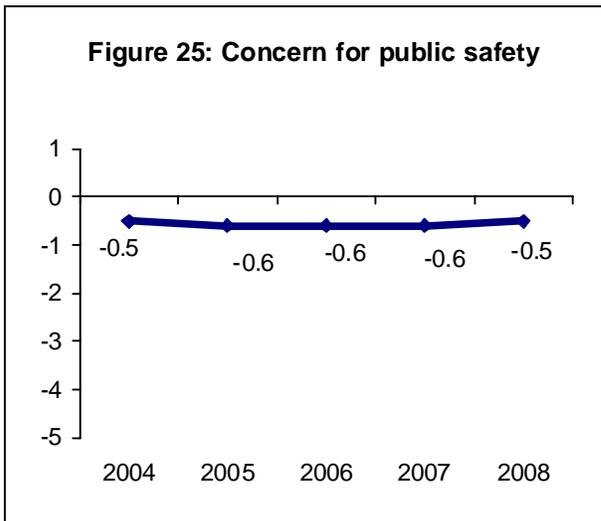
There have been several increases in gap ratings since 2007, which include 'Listens and acts upon customer concerns' (from -0.94 in 2007 to -1.36 in 2008), 'Speed in power restoration (from -0.84 to -1.08)', and 'The way they maintain the electric system' (from -0.68 to -0.91).

Most gap ratings have remained relatively stable over time, however compared to the baseline year of 2004 there has been an increase in the gap rating for 'Operates in an environmentally responsible manner' (-0.65 in 2004 to -0.92 in 2008) and 'Accuracy of billing' (from -0.49 to -0.76). In contrast, the attribute 'Contributes back to the community' has decreased from -1.78 in 2004 to -0.94 in 2008.

⁵ Satisfaction ratings for previous years were scored on 10-point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings for 2006 were scored on a 10-point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10-point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings for 2006 were scored on a 10-point scale with 1 being "Not at all important" and 10 being "Very important".

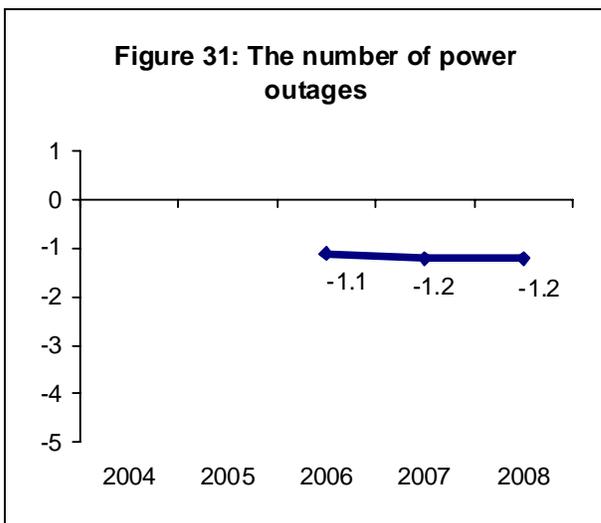
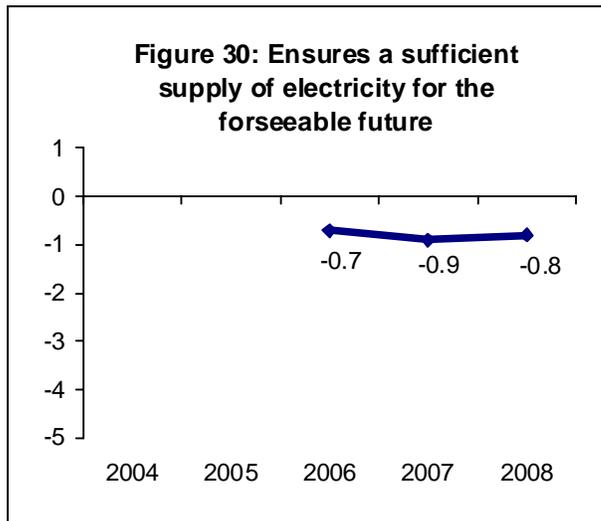
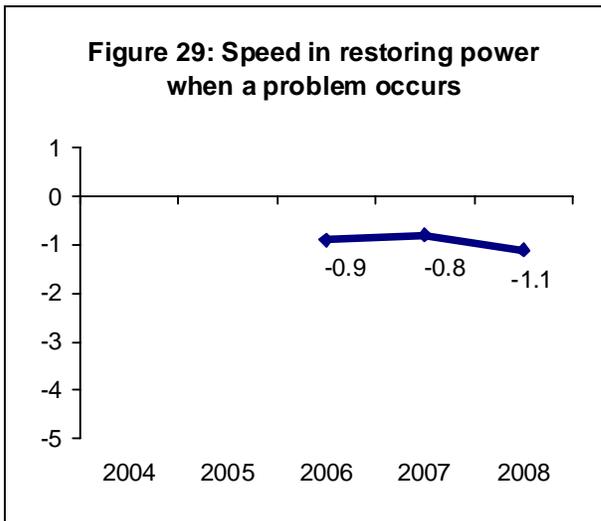


Corporate Citizenship



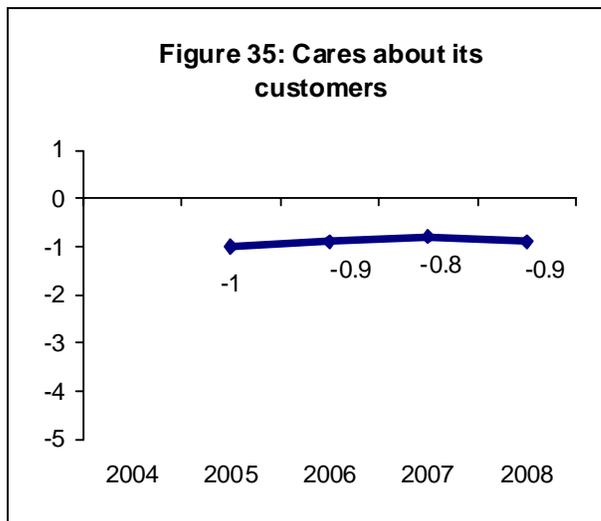
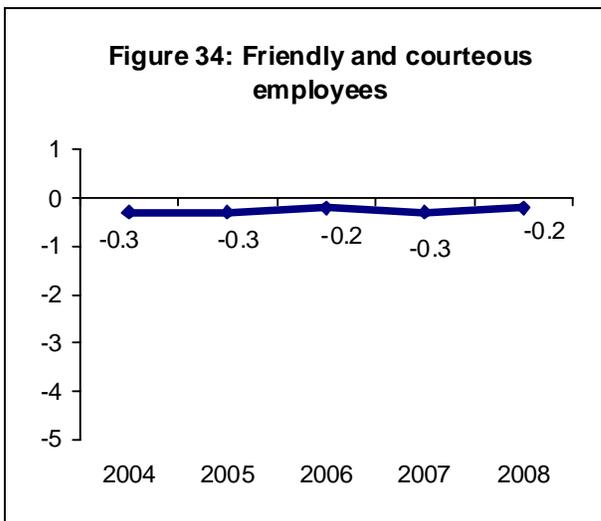
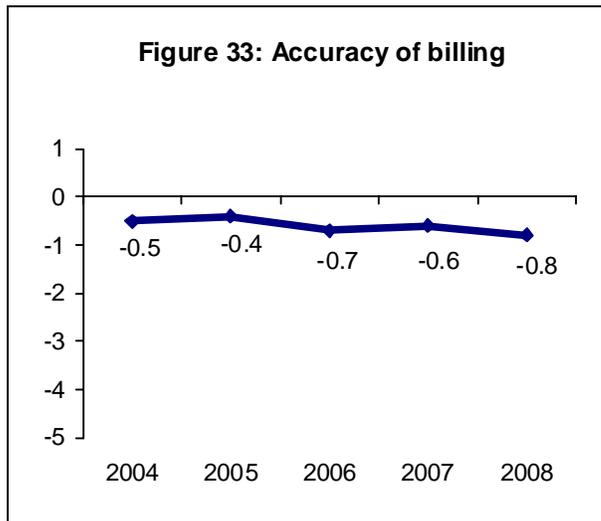
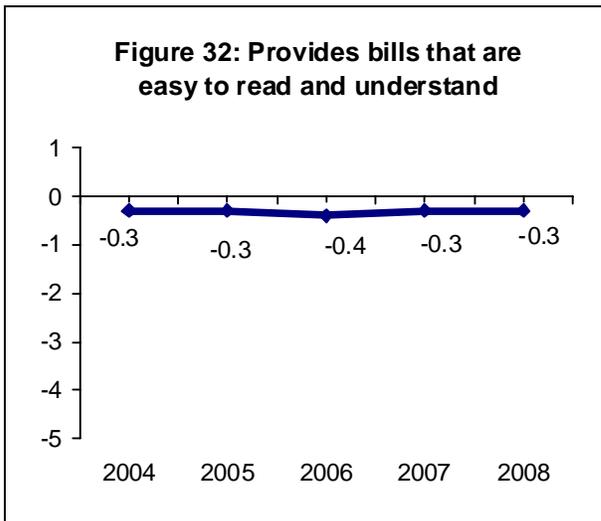


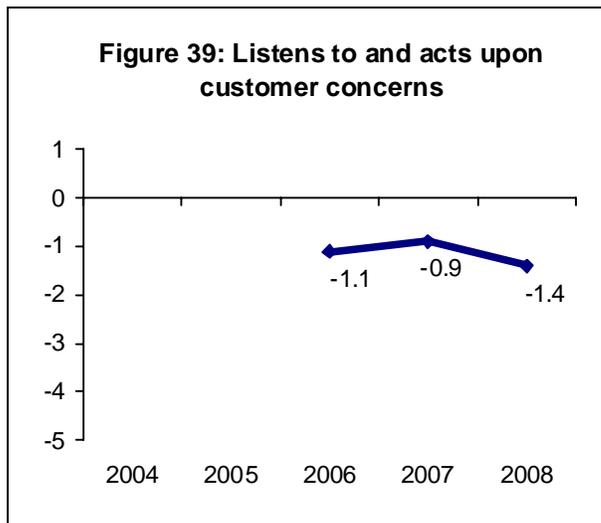
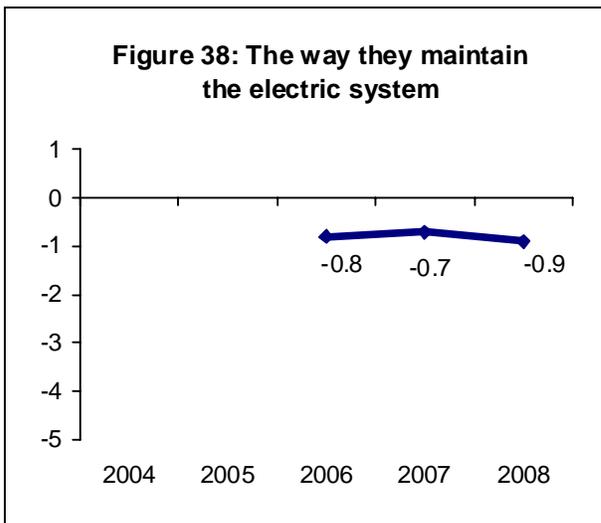
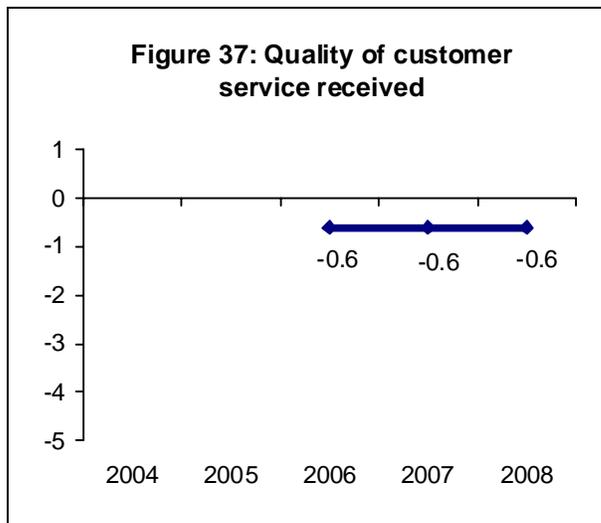
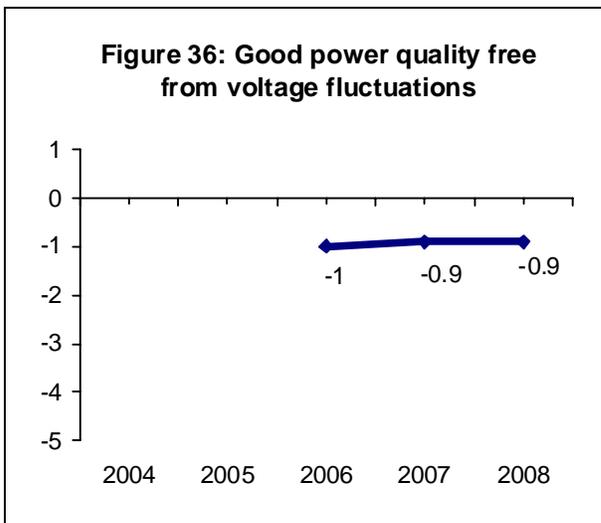
Reliability

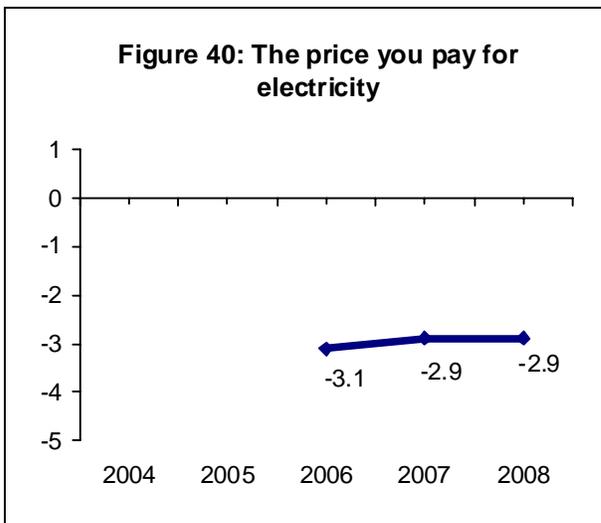




Service









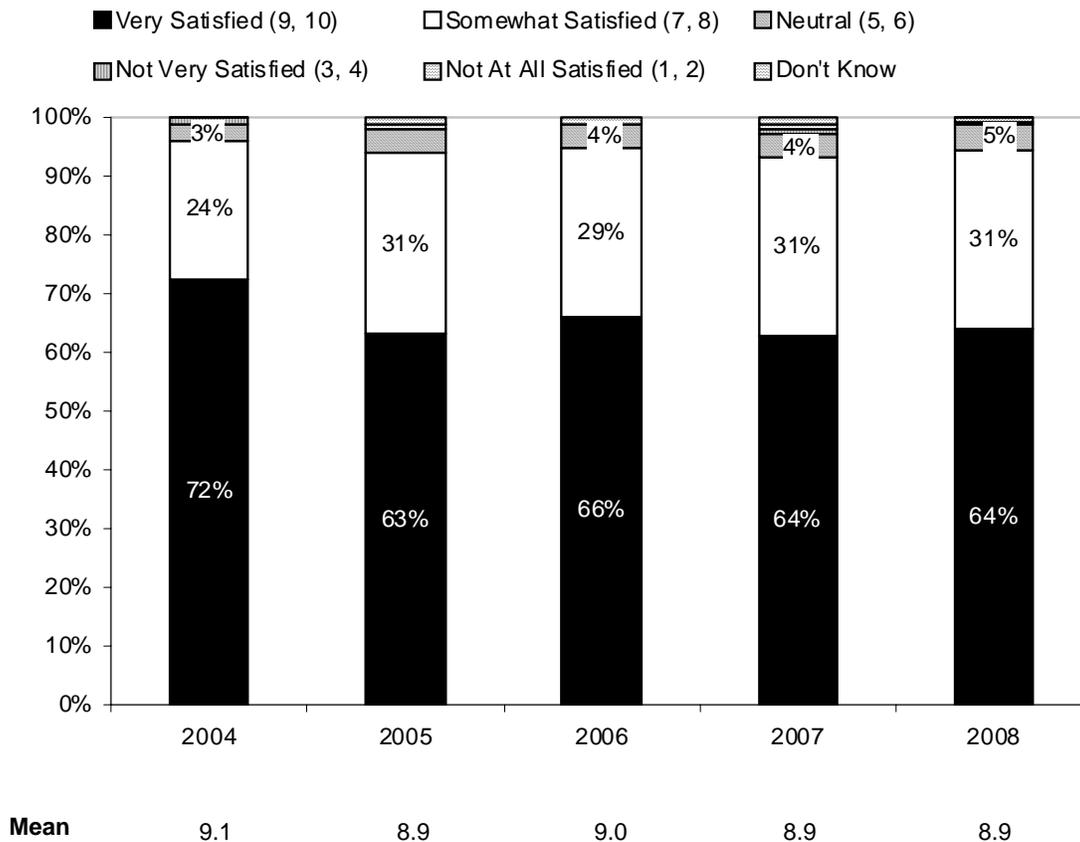
4.0 SERVICE RELIABILITY

4.1 Overall Satisfaction with Service Reliability

To determine satisfaction with Hydro’s service reliability, customers were asked to rate their satisfaction with the supply of electricity they receive from Newfoundland and Labrador Hydro on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied).

A large majority of customers (95%) were satisfied with the supply of electricity they have received from Hydro (64% *very* satisfied, 31% *somewhat* satisfied). On average, customers rated their satisfaction with Hydro’s supply of electricity as 8.9 out of 10. Following a slight decline in 2005, satisfaction with the supply of electricity has since remained fairly stable.

Figure 41: Satisfaction With Service Reliability



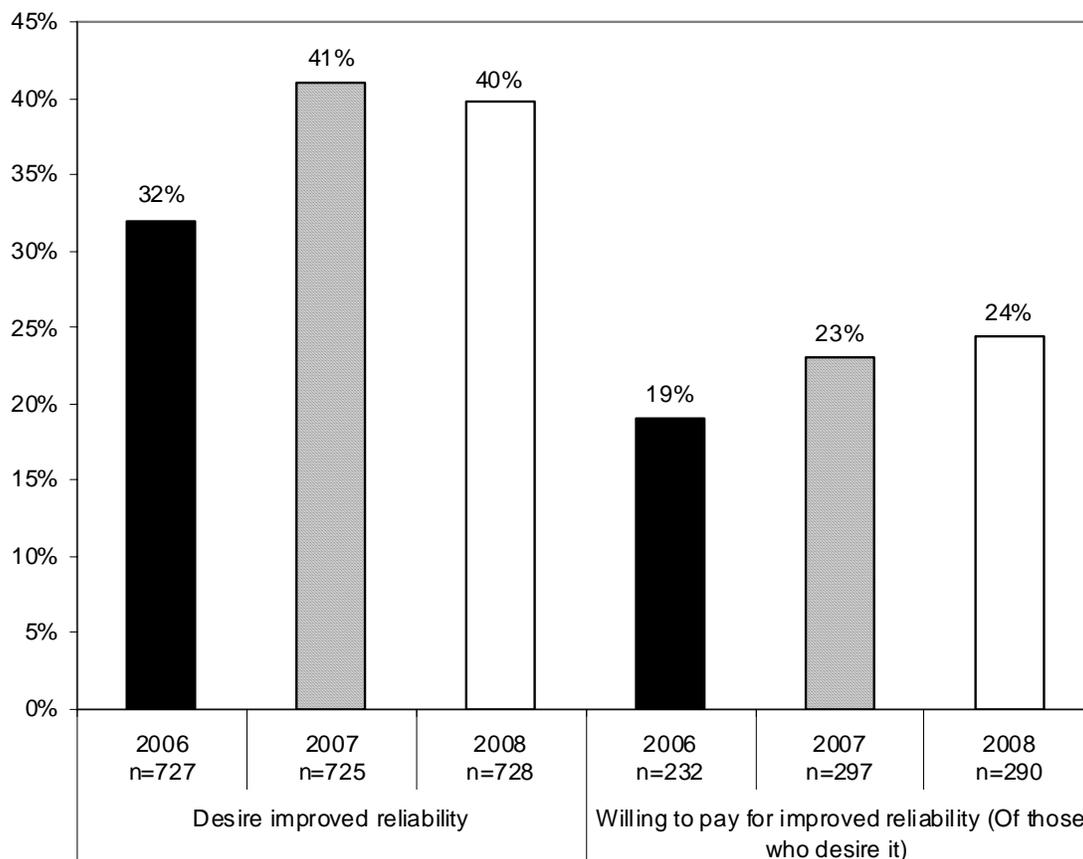
When examined by region, customers from both Central (9.2) and Northern (9.0) regions reported greater satisfaction with Hydro’s service reliability than those in the Labrador (8.4) region. By rate area, customers in Interconnected areas (9.0) reported greater satisfaction with service reliability than those in Isolated areas (8.4).

4.2 Improved Reliability & Willingness to Pay

To further explore opinions toward service reliability, residential customers were asked several questions (which were introduced in 2006) regarding improved reliability and electricity costs.

Similar to results in 2007, four in ten customers (40%) desire improved reliability with their electrical utility supply, for example, fewer power outages. Of those desiring improved reliability (n=290), nearly one-quarter (24%) would be willing to pay an increased cost for improved levels of reliability, which is also consistent with 2007.

Figure 42: Improved Reliability and Willingness to Pay



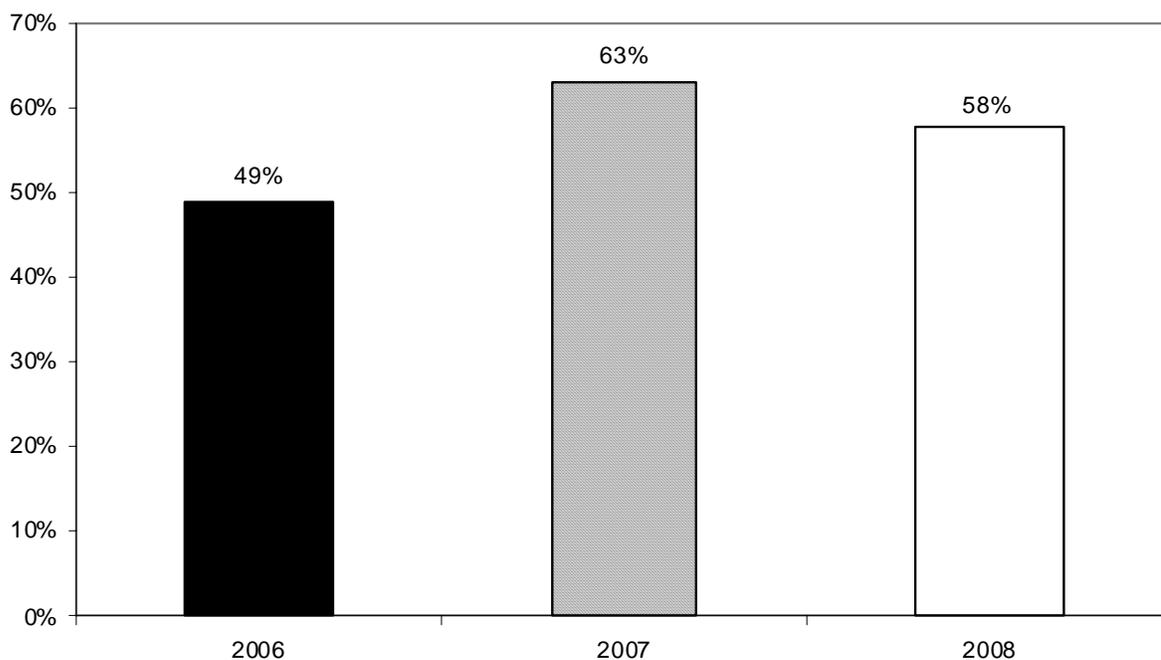
Customers in the Northern region (41%) were more likely than those in the Central region (27%) to desire improved reliability. Customers in the Labrador region (55%) were more likely than those in both of the other regions to desire improved reliability.

In addition, customers in Isolated areas (49%) were more likely than customers in Interconnected areas (39%) to desire improved reliability with their electrical utility supply.

4.3 Unplanned Power Outages Lasting Longer than 30 Minutes

Fifty-eight percent (58%) of residential customers reported experiencing an unplanned power outage at their home in the past year which lasted longer than 30 minutes. Following an increase of 14% from 2006 to 2007, the number of customers reporting such an experience has declined by 5% from 2007.

Figure 43: Experienced an Unplanned Power Outage Longer than 30 Minutes in the Past Year



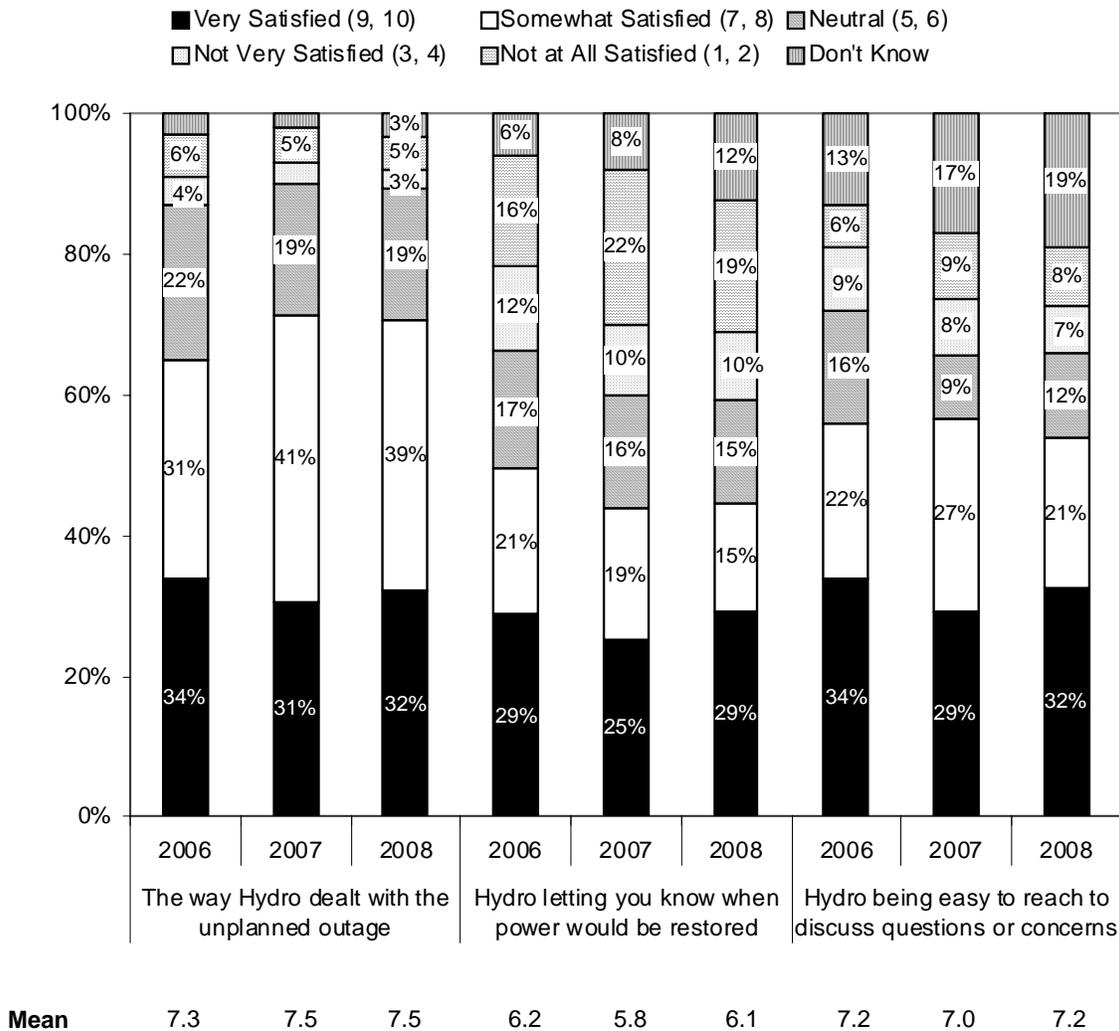
Residential customers in the Labrador region (74%) were most likely to have experienced an unplanned power outage in the past year which lasted more than 30 minutes, followed by customers in Northern (52%) and Central (51%) regions.



Residential customers who have experienced an unplanned power outage in the past year lasting more than 30 minutes were asked to rate, on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied), their satisfaction with a series of statements about how Hydro handled the outage.

As shown in the figure below, residential customers were moderately satisfied with Hydro’s handling of their most recent unplanned power outage. Similar to 2007, customers provided the highest rating for the way Hydro dealt with the unplanned power outage (7.5) and the lowest rating for Hydro letting them know when power would be restored (6.1).

Figure 44: Satisfaction With Hydro's Handling of Most Recent Power Outage





When examined by region, customers residing in the Central (8.0) and Northern (7.7) regions were more satisfied than those in the Labrador (6.9) region with the way that Hydro dealt with the unplanned power outage.

Satisfaction with 'Hydro letting them know when power would be restored' varied across all three regions, with customers in the Central region (7.3) being the most satisfied followed by the Northern (6.0) and Labrador (5.1) regions.

Similarly, customers in the Central region (8.1) were most satisfied with 'Hydro being easy to reach to discuss questions or concerns', followed by those in the Northern (7.2) and Labrador (6.2) regions.

By rate area, customers in Interconnected areas (7.5) reported greater satisfaction than those in Isolated areas (7.0) with how Hydro dealt with the unplanned power outage.



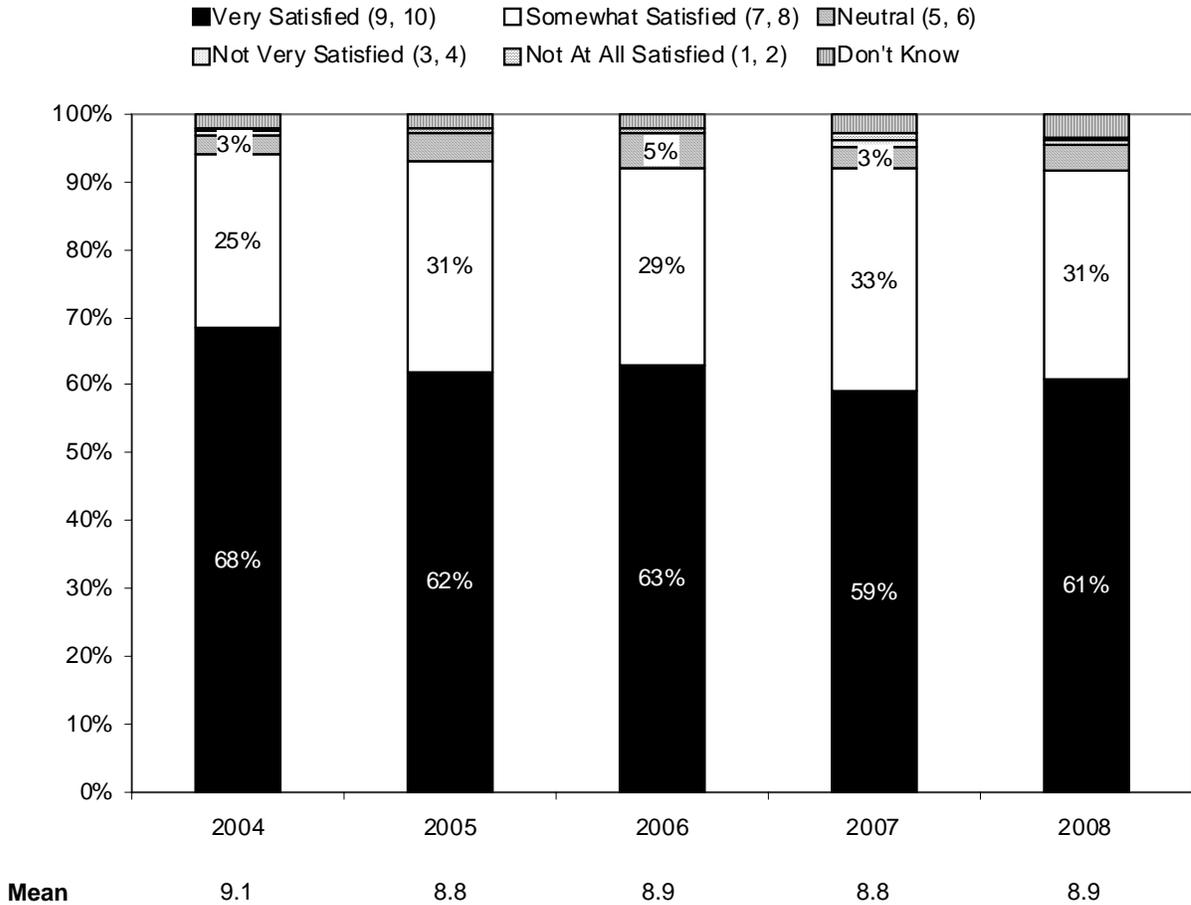
5.0 CUSTOMER SERVICE

5.1 Overall Satisfaction with Customer Service

To determine satisfaction with Hydro’s customer service, customers were asked to rate their satisfaction with the customer service they received from Hydro on a scale of 1 (Not at all satisfied) to 10 (Very satisfied).

A large majority of customers (92%) were satisfied with the customer service they have received from Hydro overall (61% *very* satisfied, 31% *somewhat* satisfied). The average satisfaction rating with overall customer service was 8.9 out of 10, which is slightly lower in comparison to the baseline year (9.1).

Figure 45: Satisfaction With Customer Service



When examined by region, Central customers reported the greatest satisfaction with Hydro’s customer service (9.4), followed by Northern customers (8.7) and Labrador customers (8.4). In addition, customers from Interconnected areas reported greater satisfaction (8.9) than customers from Isolated areas (8.5).



5.2 Expected Response Times for Service Requests

Starting in 2005, all customers were asked how long they feel it should take Hydro to respond to three different types of service requests:

- Response to full loss or partial loss of power;
- Response to general questions and concerns that cannot be immediately addressed and require further investigation; and
- Response to a service request for your home or property (for example, new service, transfer or removal of service, repair of service), excluding power outages.

The following table presents the average amount of time customers felt it should take Hydro to respond to each type of request. On average, residential customers felt that it should take 4 hours to respond to a full or partial power loss, 45 hours to respond to general questions and concerns that cannot be immediately addressed, and 49 hours to respond to a service request for their home or property.

As further demonstrated in the table below, expected response times for Hydro to respond to general questions and concerns has steadily increased since 2005. Expected response times for service requests for home or property also increased between 2005 and 2007, however expectations this year are consistent with the previous year.

Table 1: Expected Average Response Time (Overall and by Region)

Type of Request	Average response time (2005)	Average response time (2006)	Average response time (2007)	Average response time (2008)	Central	Northern	Labrador
Response to full loss or partial loss of power	4 hours	4 hours	3 hours	4 hours	5 hours	4 hours	3 hours
Response to general questions and concerns that cannot be immediately addressed and require further investigation	26 hours	37 hours	35 hours	45 hours	44 hours	42 hours	51 hours
Response to a service request for your home or property (for example, new service, transfer or removal of service, repair of service), excluding power outages	38 hours	44 hours	50 hours	49 hours	43 hours	52 hours	55 hours



On average, customers in Isolated rate areas (74 hours) reported higher response times for services requests at their home or property than those in Interconnected areas (57 hours).

5.3 Customer Suggestions

Customers were asked to identify any services not currently offered by Hydro but which they feel should be offered. Only 15% of customers provided suggestions, which are shown in the following table.

Table 2: Suggestions for Additional Services*

	% Respondents			
	2005 (n=648)	2006 (n=727)	2007 (n=725)	2008 (n=728)
Greater promotion of energy efficiency information	-	1%	2%	2%
Payment by credit card	1%	2%	1%	1%
More personalized customer services	-	-	1%	1%
Read/check meters more often	-	-	-	1%
More power outage information	-	-	2%	1%
Electronic/Online billing	-	-	-	1%
Rebates	-	1%	1%	1%
Local office/bill payment centre	2%	1%	1%	1%
Provide consumption information	-	-	-	1%
Other mentions	6%	10%	9%	5%
Nothing/Don't Know	91%	87%	84%	85%

*Multiple responses allowed.



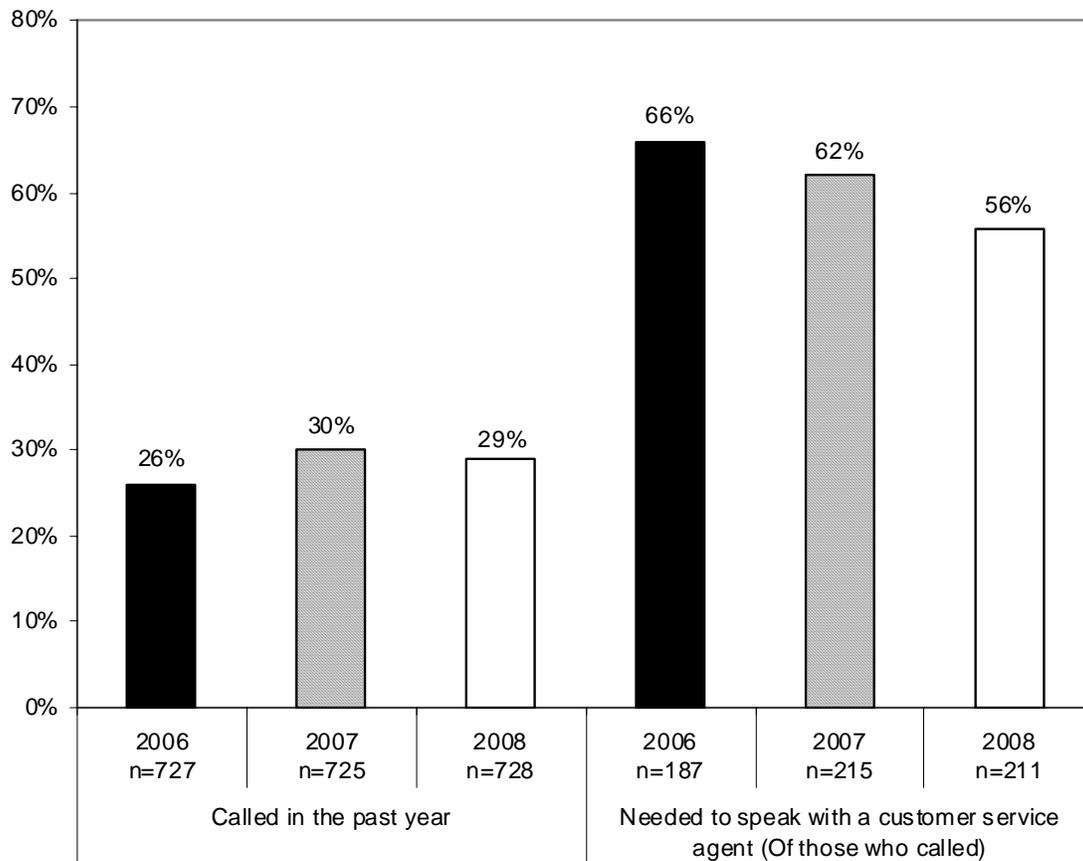
6.0 AWARENESS & USE OF CUSTOMER SERVICES

6.1 Use of Hydro's Automated Toll-Free Number

Hydro provides its customers with an automated toll-free number which provides power outage information and billing/account information 24 hours a day. Since 2006, customers have been asked questions about their use of this automated toll-free number. Similar to 2006 and 2007, approximately three in ten residential customers (29%) had called Hydro's automated toll-free number within the past year. Customers who had called the automated toll-free number in the past year made an average of three calls. Customers in the Northern (33%) and Central (32%) regions were more likely than those in Labrador (20%) to have called the automated toll-free line within the past year.

Of customers who have called the automated toll-free number in the past year (n=211), 56% needed to speak with a customer service agent, which has declined since 2006 (66%).

Figure 46: Use of Hydro's Automated Toll-Free Number





Of the customers who had called Hydro's automated toll-free number and needed to speak with a customer service agent (n=118), 14% (n=16) had difficulty reaching an agent. This represents a decline from the previous year (24%) in the number of customers experiencing difficulties.

No customers in the Central region (0%) encountered difficulties reaching a customer service agent, whereas 32% of customers in the Labrador region and 18% of customers in the Northern region reported difficulties.

The most common difficulties were waiting/on hold too long (n=7), getting voice mail (n=3), and having a problem using the automated system (n=2)⁶. The majority of customers experiencing difficulty were calling to obtain billing/account information (n=11), while others were calling for power outage information (n=4) or something else (n=3)⁷.

6.2 Knowledge and Use of Hydro's Website among Internet Users

Two-thirds of residential customers (67%) reported having access to the Internet, which is down from previous years (75% in 2007; 72% in 2006; 66% in 2005)⁸. Customers in the Labrador region (88%) were more likely to have Internet access, compared to customers in the Northern region (62%) and Central region (55%).

Approximately 21% of Internet users have visited Hydro's website at least once in the past, which is consistent with the previous year (20%).

Of those with Internet access, customers in the Labrador (25%) region were more likely than those in the Northern (12%) and Central (9%) regions to have visited Hydro's website.

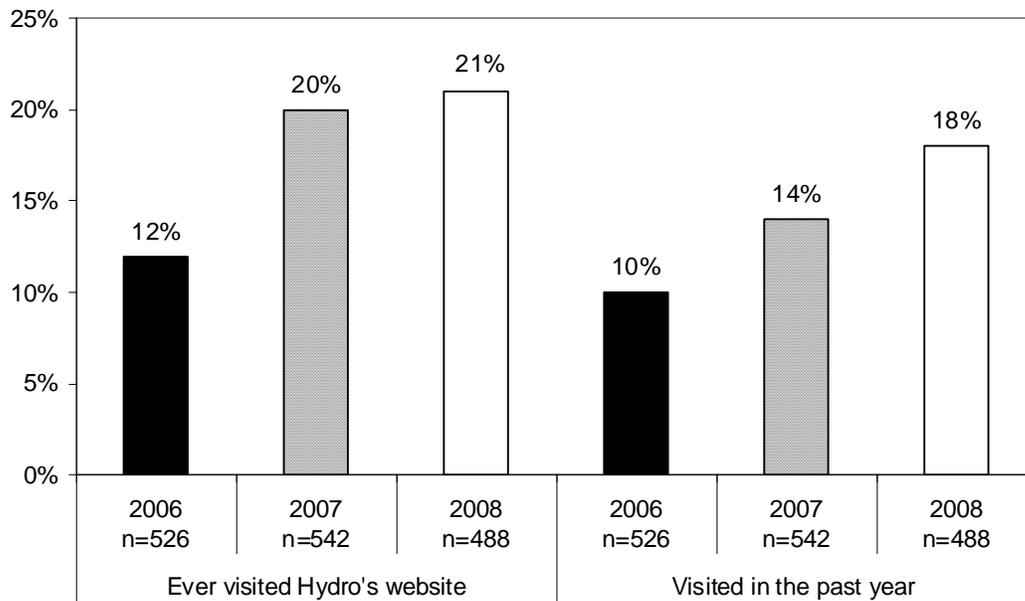
Eighteen percent (18%) of customers with Internet access had visited Hydro's website in the previous year, which has steadily increased since 2006 (10%).

⁶ Multiple responses allowed.

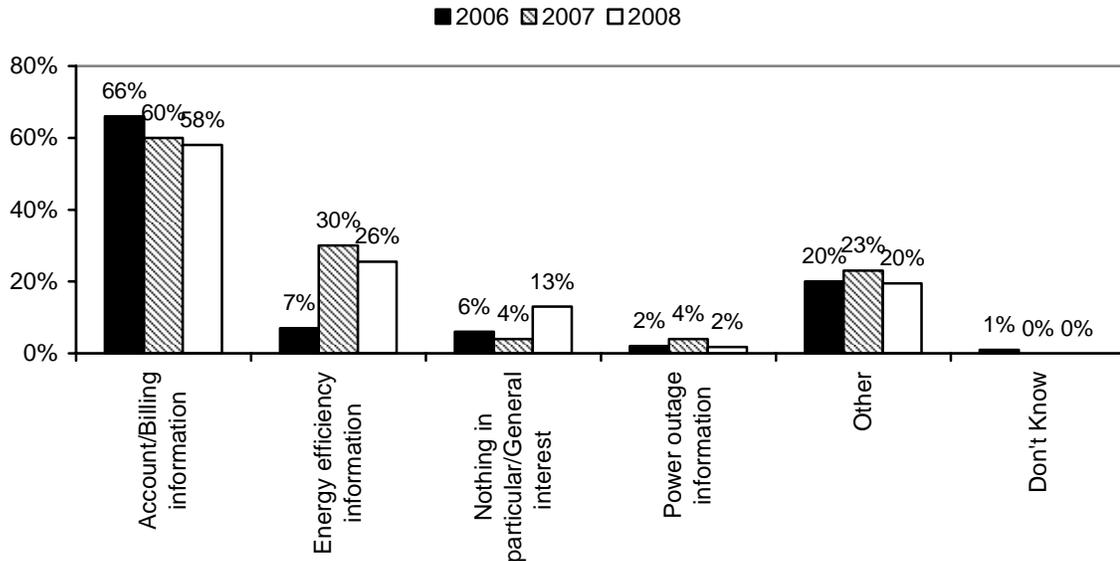
⁷ Multiple responses allowed.

⁸ It should be noted that in previous years, customers were asked 'Do you have access to the Internet at home, at work, at school, or elsewhere?'. This year, the question was changed to "Do you have access to the Internet"? This wording change may have impacted the results.

Figure 47: Visitation to the Hydro Website among Internet Users



Customers who had visited Hydro's website in the past year were asked to specify the type of information for which they had been looking. Most commonly, customers were searching for account/billing information (58%). From 2006 to 2007, there was a significant rise in the number of customers looking for energy efficiency information (increase of 23%). Results this year were relatively similar to last year, with just over one-quarter (26%) of customers looking for such information.

Figure 48: Information Sought on Hydro's Website in the Past Year * (n=89)


*Multiple responses allowed.

Similar to 2007 (93%), the majority of residential customers who had visited Hydro's website in the past year (90%) were able to find the information they were seeking. Those who were not able to find what they were looking for (n=6) were asked to identify the information they were seeking. This information is provided below:

- Billing and account information;
- Energy efficiency information;
- Tendering information;
- Information on hot water boiler replacement program;
- Information on demand meters; and
- Information on Lower Churchill floodplains.

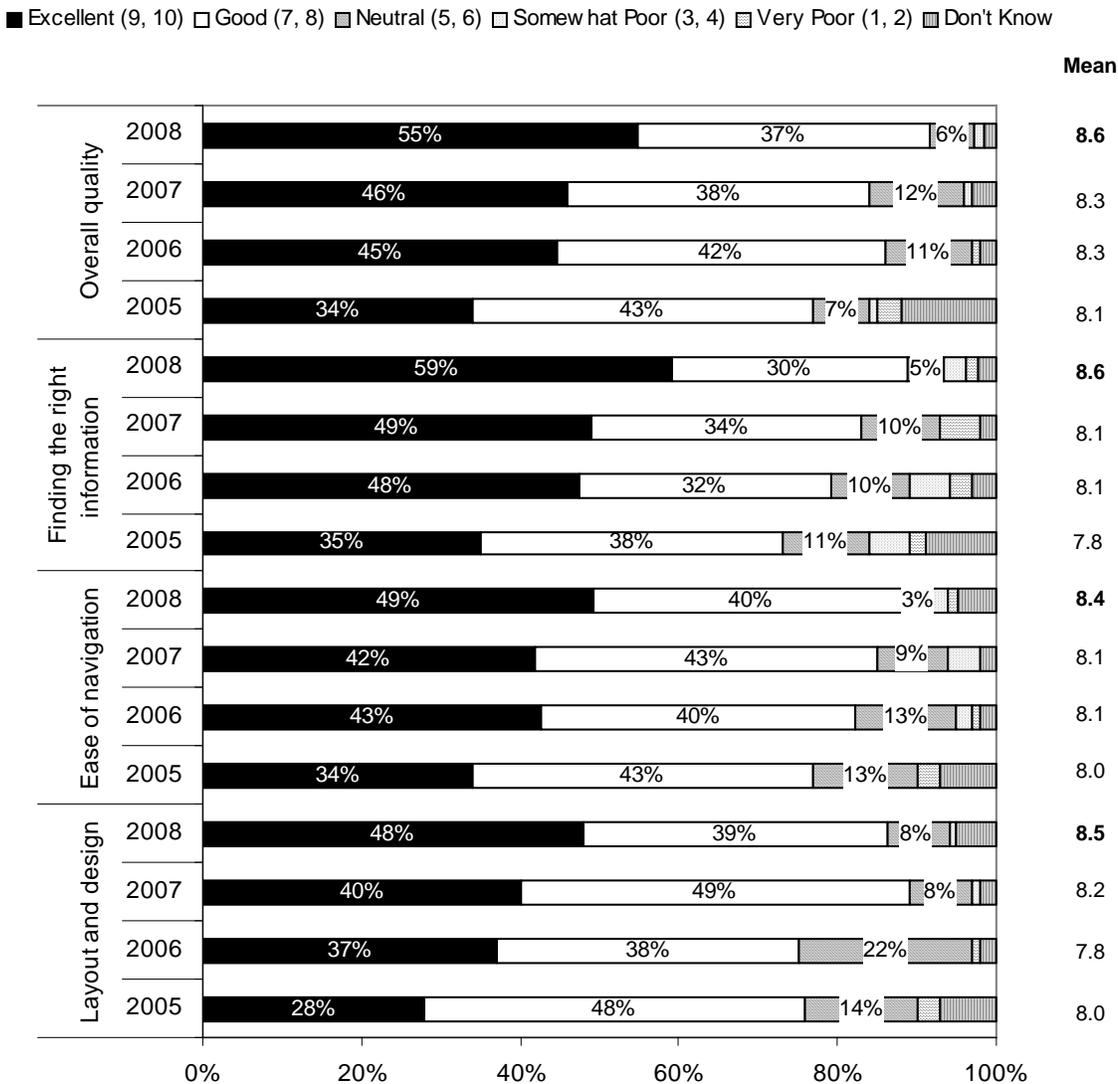
Customers who have visited Hydro's website were asked to rate the website, on a scale of 1 (Very poor) to 10 (Excellent), on the following attributes:

- Layout and design;
- Ease of navigation;
- Finding the right information to meet your needs; and
- Overall quality of the website.

Consistent with previous years, ratings of these attributes were favourable, with the large majority of customers rating each attribute as good or excellent (rating of 7 or higher). As shown in the following figure, the average satisfaction ratings ranged from 8.4 to 8.6 on a 10-point scale.



Figure 49: Hydro Website Ratings (n=84)





6.3 EBilling and Online Services

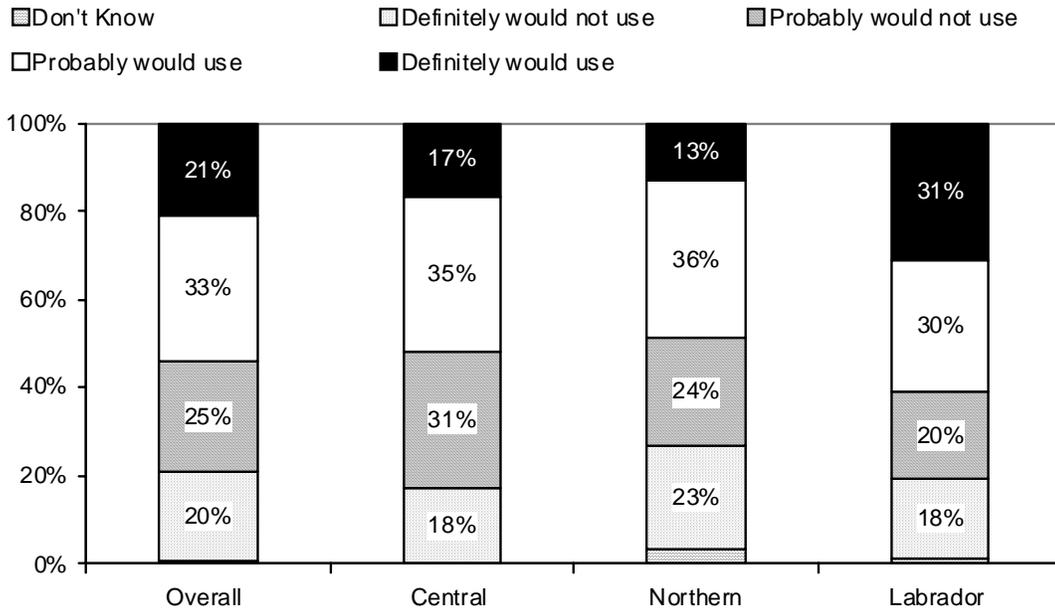
Electronic billing is a type of billing through which customers receive and view their monthly bill on-line. The customer receives an email once a month containing an Internet link to their on-line bill. Once a customer signs up for electronic billing, they no longer receive their bill in the mail. This year residential customers were asked about the likelihood that they would use this service if offered by Hydro. A similar question was included in 2005 and 2006, which asked customers to indicate how interested they were in this service (very interested, somewhat interested, not very interested, or not at all interested).

Overall, 54% of residential customers *with Internet access* indicated that they definitely (21%) or probably (33%) would use an electronic billing service. In comparison, interest in electronic billing was at 34% in 2005 and 30% in 2006.

Customers in the Labrador region (31%) were more likely than customers in the Central (17%) and Northern (13%) regions to say they would *definitely* use electronic billing if it was offered by Hydro.

By rate area, customers in Isolated areas (62%) were more likely than those in Interconnected areas (54%) to indicate that they *probably or definitely* would use this service.

Figure 50: Interest in Electronic Billing

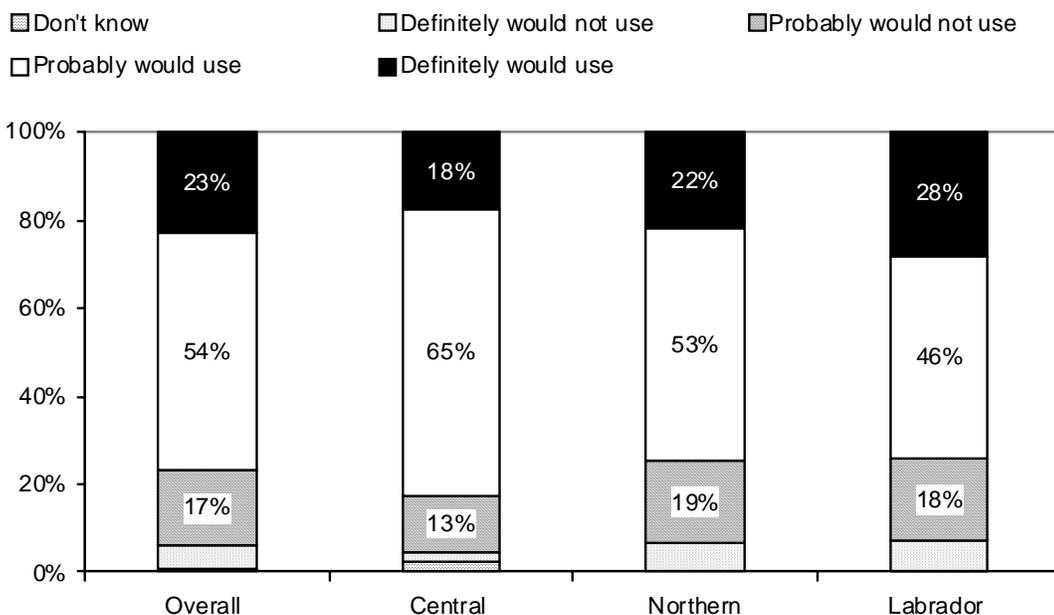




Hydro is considering expanding their Internet services by allowing customers to make a request for service or information online through their website. This could include things like setting up a new account or changing their address, requesting a streetlight, filling out an application for a rebate program, or requesting information on Hydro’s conservation initiatives. Customers were also asked about the likelihood of which they would use such online services.

Overall, most respondents indicated they would definitely (23%) or probably (54%) use these services if available.

Figure 51: Interest in Increased Online Services





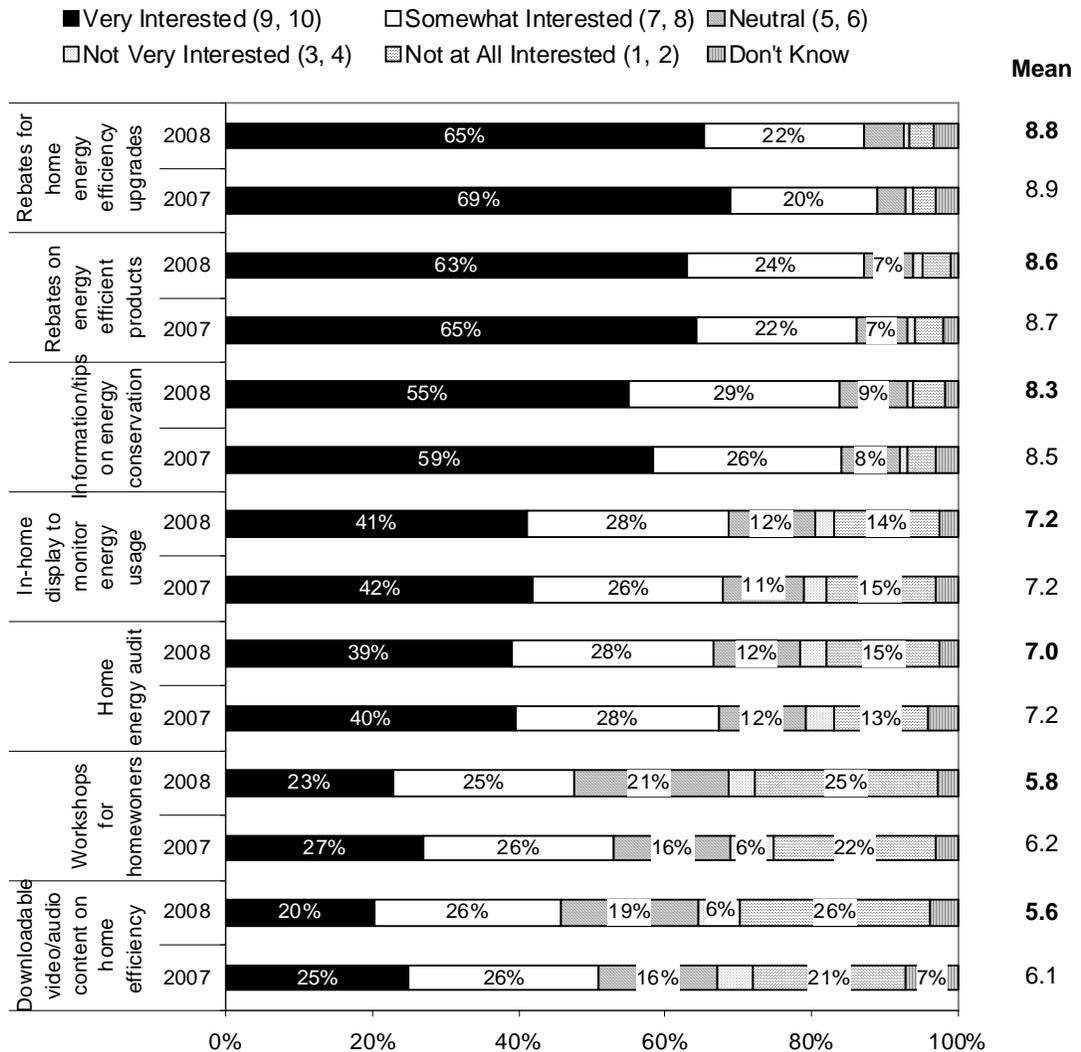
6.4 Energy Efficiency and Hydrowise

Since 2006, residential customers have been asked to indicate, on a scale of 1 (Not at all interested) to 10 (Very interested), how interested they would be in using various energy efficiency resources.

Interest in the different types of energy efficiency resources varied. Interest levels were highest for rebates on home energy efficiency upgrades (8.8), rebates on energy efficient products (8.6), and information/tips on energy conservation (8.3). Customers reported relatively less interest in workshops for home owners (5.8) and downloadable video/audio content on home efficiency (5.6).



Figure 52: Interest in Various Energy Efficiency Resources



Customers in the Central region (8.8) were more likely to be interested in rebates on energy efficient products than customers in the Labrador region (8.3). Similarly, the Central region (9.1) showed higher interest than the Labrador (8.5) or Northern (8.6) regions in rebates for home energy efficiency upgrades.

Customers were asked to indicate if, to their knowledge, Hydro has an energy conservation program to help consumers learn how to understand and reduce energy costs. Just under one-third of residential customers (31%) believed that Hydro has such a program. Over the past five years, general awareness of Hydrowise has fluctuated, peaking in 2005 at 42% and again in 2007 at 36%.⁹

⁹ 2004 – 28%; 2005 – 42%; 2006 – 27%; 2007 – 36%

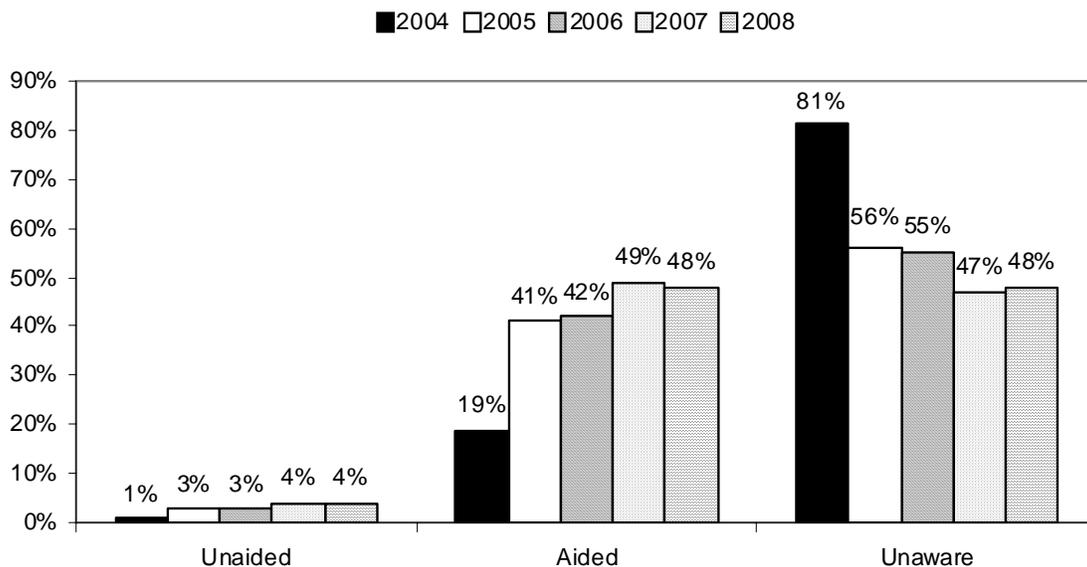


While the above results reflect general awareness that Hydro has such a program, more specific awareness of the 'Hydrowise' brand was assessed through an examination of *unaided* and *aided* awareness of the program name. *Unaided* awareness was determined by asking customers who were aware that Hydro has an energy conservation program to provide the name of the program. Out of all residential customers, 4% correctly identified 'Hydrowise' as Hydro's energy conservation program. Customers in the Labrador region (9%) were more likely than customers in the Northern and Central regions (2% each) to identify 'Hydrowise' on an unaided basis.

To determine *aided* awareness, customers who did not correctly identify Hydro's energy conservation program were told that the name of the program is 'Hydrowise' and were then asked if they had heard of it. Almost half of the residential customers (48%) indicated that they had heard of 'Hydrowise'. Aided awareness was also higher in the Labrador (55%) region as compared to the Northern (47%) and Central (44%) regions.

Overall awareness of the program (unaided and aided combined) was 52% for 2008. Awareness of the Hydrowise brand increased from 2004 and 2007, but has not changed significantly over the past year. Customers in the Labrador (64%) region were more aware (aided and unaided combined) of the 'Hydrowise' program than customers in the Northern (49%) and Central (46%) regions.

Figure 53: Awareness of 'Hydrowise' (N=728)

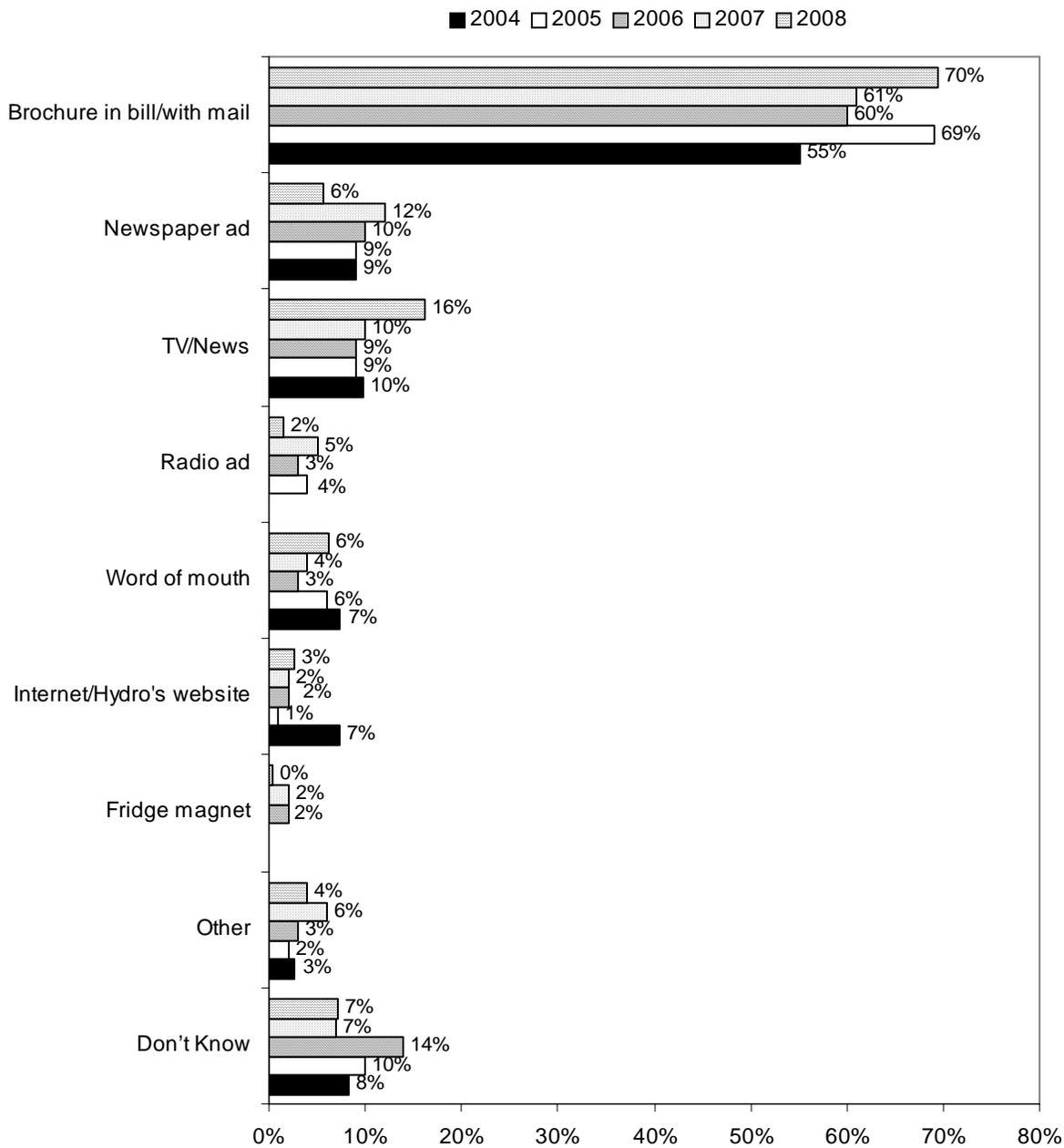




Customers who were aware of 'Hydrowise' were asked how they found out about the program. Consistent with previous years, most customers learned about the program through a brochure inserted with their Hydro statement/in the mail (70%). While this information source has consistently dominated other sources, it has fluctuated over time with peaks in 2005 and 2008. Mention of TV/news as an information source has increased from 2007, whereas mention of other media (newspaper and radio) has declined.



Figure 54: How Customers Found Out About 'Hydrowise'* (n=381)



*Multiple responses allowed.

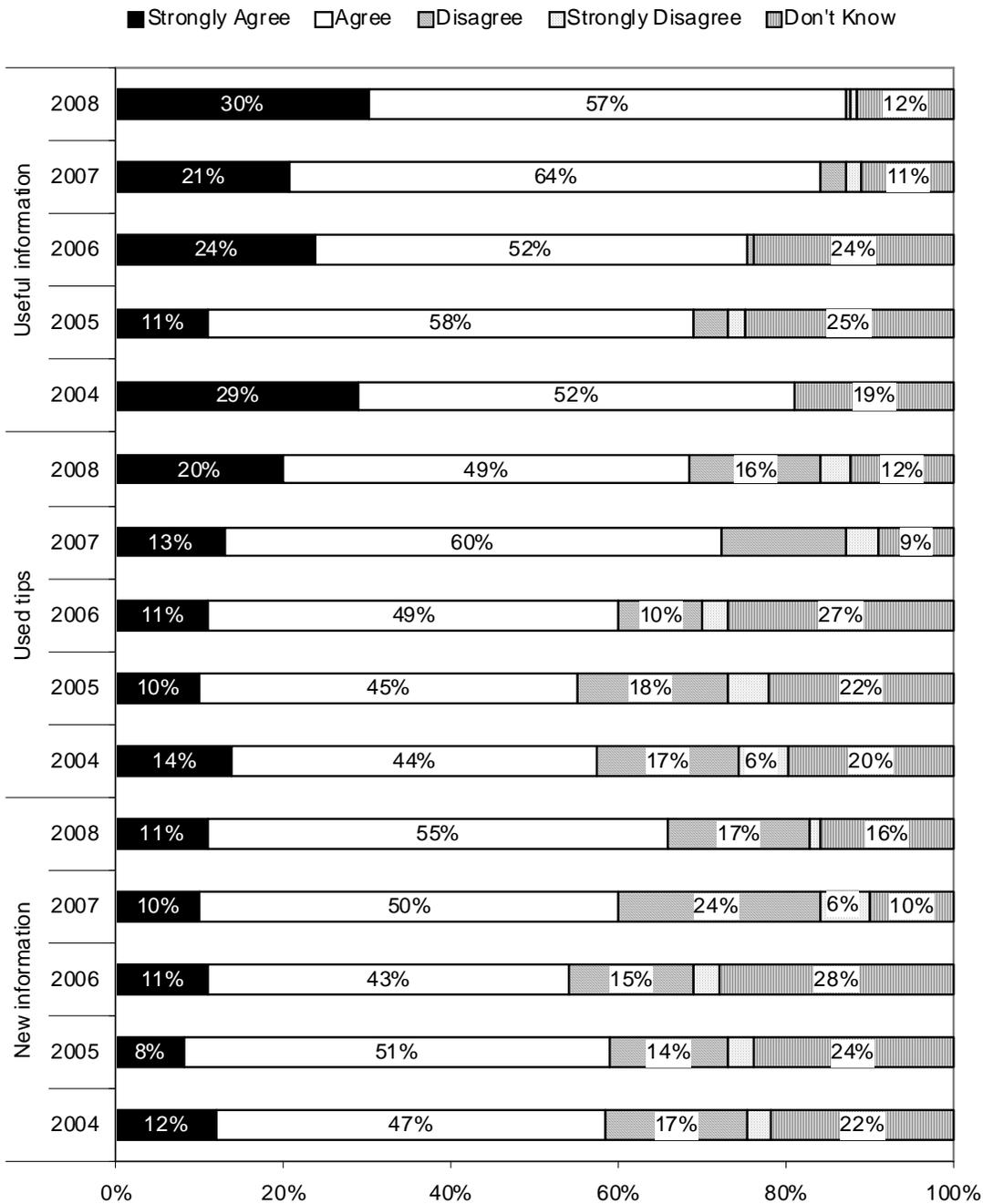


Customers who were aware of 'Hydrowise' were also asked if they strongly agreed, agreed, disagreed, or strongly disagreed with the following statements:

- The information provided by 'Hydrowise' is useful;
- I have used some of the 'Hydrowise' tips to help reduce my energy costs; and
- 'Hydrowise' provided me with some information I did not already know.



Figure 55: Opinions of 'Hydrowise' (n=381)





The majority (87%) of customers who were aware of 'Hydrowise' agreed¹⁰ that the information provided by the program is useful. Agreement with this statement has steadily increased since 2005 (69%), after an initial decline from the baseline year (81%).

Approximately two-thirds of customers (66%) agreed¹¹ that the program provided them with information they did not already possess and 69% indicated that they had used the tips to help reduce their energy costs. These results do not differ significantly from the previous year, although they represent a small increase in relation to the baseline year.

Customers in the Central region (29%) were more likely than those in the Northern (17%) and Labrador (13%) regions to strongly agree with the statement 'I have used some of the 'Hydrowise' tips to help reduce my energy costs'.

Customers who were aware of 'Hydrowise' were also asked if they have visited the 'Hydrowise' website in the past year. Similar to 2006 (5%) and 2007 (8%), visitation to the 'Hydrowise' website was low among those aware of the program (6%).

6.5 Watts New

In 2005, Hydro introduced a customer newsletter called 'Watts New'. This newsletter is distributed to all customers on a quarterly basis and is inserted with their Hydro bill. Consistent with previous years, 29% of customers reported that they had heard of 'Watts New'.

Those who had heard of 'Watts New' were asked if they had read an issue of the newsletter. Of the customers who were aware, 56% had read an issue. Readership of 'Watts New' declined in 2006 (46%), but rebounded in 2007 and has since remained relatively stable.

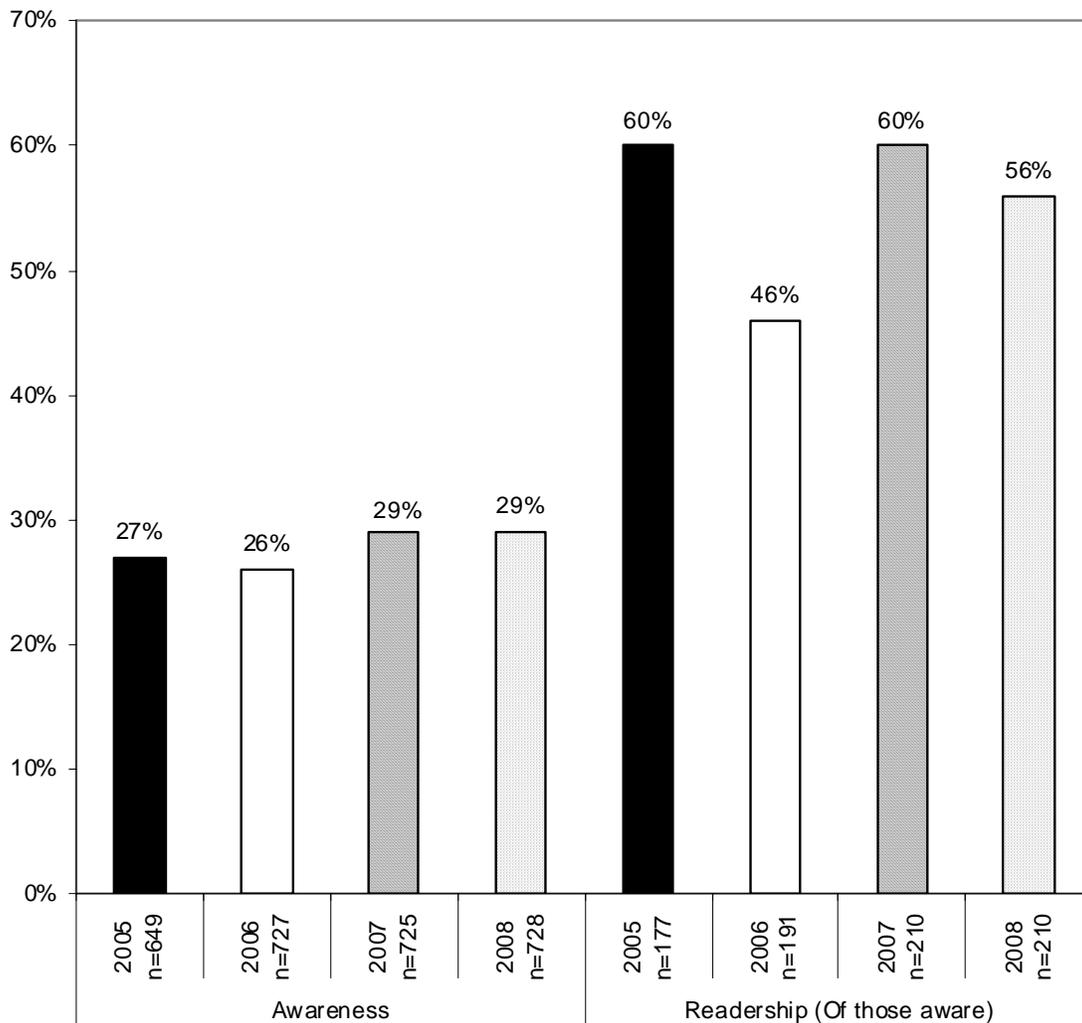
¹⁰ Includes 'agree' and 'strongly agree'.

¹¹ Includes 'agree' and 'strongly agree'.



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Figure 56: Awareness and Readership of 'Watts New'



The majority of customers (96%) who read an issue of 'Watts New' rated the content of the newsletter as informative (43% very informative, 53% somewhat informative).

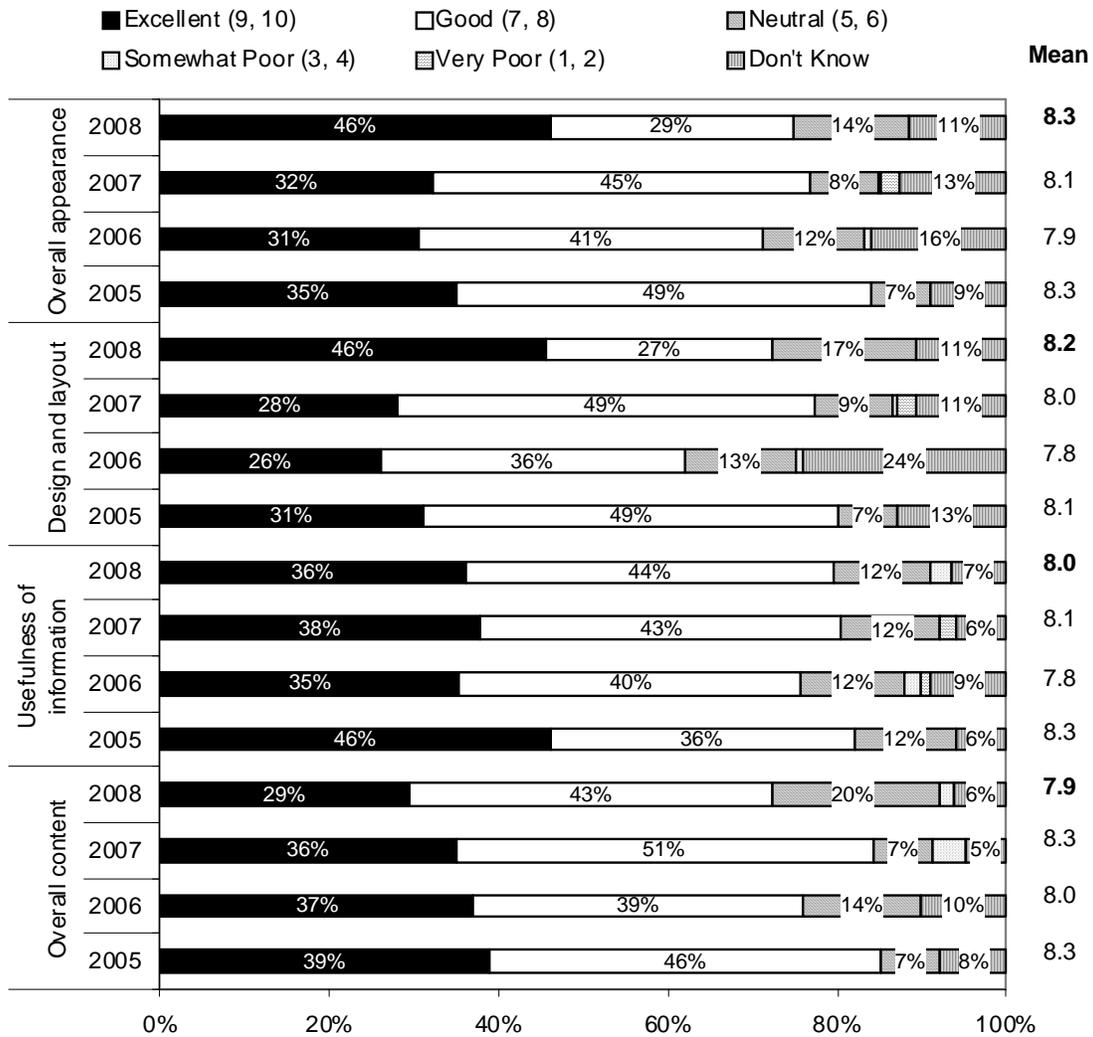


Customers who have read an issue of 'Watts New' were also asked to rate the newsletter, on a scale of 1 (Very poor) to 10 (Excellent), on the following attributes:

- Overall content;
- Usefulness of the information contained in the articles;
- Design and layout; and
- Overall appearance.

Consistent with previous years, 'Watts New' was rated favorably on these attributes, with mean ratings ranging from 7.9 to 8.3.

Figure 57: 'Watts New' Newsletter Ratings (n=117)





Customers who have read an issue of 'Watts New' (n=117) were asked to provide suggestions on topics or areas of interest that they would like to see covered in future editions of the newsletter. More than three-quarters of customers (78%) didn't provide any suggestions. The remaining customers suggested information on conservation/energy savings (n=20), environmental issues (n=3), and other topics (n=6).



7.0 PROFILE OF SURVEY RESPONDENTS

This section presents a profile of survey respondents, overall, by region and by rate area.

7.1 Demographic Characteristics

Table 3: Demographic Characteristics

	% Respondents
AGE:	N=721
18-24	1%
25-34	9%
35-44	23%
45-54	27%
55-64	26%
65+	14%
EDUCATION:	N=723
Less than high school	29%
Graduated high school/GED	28%
Some post-secondary education	12%
College/Technical School certificate or diploma	20%
University certificate or diploma below bachelor's degree	2%
University degree (Bachelors, Masters, PhD)	9%
HOUSEHOLD INCOME CATEGORY:	N=616
Less than \$20,000	15%
\$20,000 to less than \$40,000	36%
\$40,000 to less than \$60,000	23%
\$60,000 to less than \$80,000	8%
Over \$80,000	18%
EMPLOYMENT CATEGORY:	N=725
Full-time, Permanent, Year-Round	30%
Part-time, Permanent, Year-Round	11%
Seasonal/Casual	22%
Homemaker	9%
Unemployed	3%
Retired	22%
Student	1%
Disabled	1%
Self-Employed	1%
Other	1%
GENDER:	N=728
Male	40%
Female	60%

Note: Individuals who refused or did not respond were excluded from this analysis.



The person in the household responsible for dealing with Hydro (i.e., the customer) was most often:

- female (60%);
- between the ages of 35 to 64 (76%);
- had an education of high school or less (57%);
- employed (64%);
- and had a total household income of \$60,000 or less (74%).



7.2 Demographic Characteristics by Region

Table 4: Demographic Characteristics by Region

	Labrador % Respondents	Northern % Respondents	Central % Respondents
AGE:	N=288	N=266	N=166
18-24	3%	-	-
25-34	16%	10%	4%
35-44	26%	24%	20%
45-54	25%	27%	28%
55-64	20%	28%	29%
65+	10%	12%	19%
EDUCATION:	N=288	N=269	N=166
Less than High School	9%	28%	46%
Graduated High School	23%	31%	30%
Some Post-Secondary Education	15%	12%	10%
College/Technical School Certificate or Diploma	34%	21%	8%
University Certificate below Bachelors	5%	2%	<1%
University Degree (Bachelors, Masters, PhD)	14%	6%	6%
HOUSEHOLD INCOME CATEGORY:	N=258	N=220	N=140
Less than \$20,000	6%	16%	23%
\$20,000 to less than \$40,000	17%	44%	45%
\$40,000 to less than \$60,000	19%	27%	23%
\$60,000 to less than \$80,000	13%	8%	5%
Over \$80,000	45%	6%	5%
EMPLOYMENT CATEGORY:	N=290	N=269	N=166
Full-time, Permanent, Year-Round	59%	22%	15%
Part-time, Permanent, Year-Round	6%	13%	12%
Seasonal/Casual	7%	29%	27%
Homemaker	5%	7%	13%
Unemployed	3%	2%	3%
Retired	17%	22%	26%
Student	1%	1%	1%
Disabled	-	1%	2%
Self-Employed	3%	1%	1%
Other	-	1%	1%
GENDER:	N=291	N=271	N=166
Male	52%	33%	37%
Female	48%	67%	63%

Note: Individuals who refused or did not respond were excluded from this analysis.



7.3 Demographic Characteristics by Rate Area

Table 5: Demographic Characteristics by Rate Area

	Interconnected % Respondents	Isolated % Respondents
AGE:	N=393	N=329
18-24	1%	1%
25-34	9%	12%
35-44	23%	25%
45-54	26%	30%
55-64	27%	21%
65+	14%	12%
EDUCATION:	N=395	N=327
Less than High School	28%	36%
Graduated High School	28%	26%
Some Post-Secondary Education	12%	12%
College/Technical School Certificate or Diploma	21%	16%
University Certificate below Bachelors	2%	2%
University Degree (Bachelors, Masters, PhD)	9%	8%
HOUSEHOLD INCOME CATEGORY:	N=333	N=297
Less than \$20,000	15%	17%
\$20,000 to less than \$40,000	35%	40%
\$40,000 to less than \$60,000	23%	21%
\$60,000 to less than \$80,000	8%	11%
\$80,000 or more	19%	11%
EMPLOYMENT CATEGORY:	N=395	N=330
Full-time, Permanent, Year-Round	30%	32%
Part-time, Permanent, Year-Round	11%	10%
Seasonal/Casual	21%	28%
Homemaker	9%	5%
Unemployed	3%	5%
Retired	22%	18%
Student	1%	-
Disabled	1%	1%
Self-Employed	1%	1%
Other	1%	1%
GENDER:	N=397	N=331
Male	40%	44%
Female	60%	56%

Note: Individuals who refused or did not respond were excluded from this analysis.



7.4 Years of Service Relationship by Region and Rate Area

Table 6: Years of Service Relationship

	Region			Rate Area	
	Labrador (N=291)	Northern (N=271)	Central (N=166)	Interconnected (N=397)	Isolated (N=331)
One year or less	2%	1%	1%	1%	1%
2 – 10 years	26%	16%	9%	16%	15%
11 – 19 years	15%	12%	13%	13%	14%
20+ years	54%	67%	73%	65%	68%
Don't know	4%	5%	3%	4%	2%

On average, residential customers have been patrons of Hydro for 25 years, with 66% reporting a service relationship for more than 20 years.

APPENDIX A: QUESTIONNAIRE



Residential Customer Satisfaction Survey 2008 Newfoundland and Labrador Hydro

Imported Fields: Community and Region

Hello, my name is _____ and I'm calling from MarketQuest Research, a professional marketing research firm. Today/tonight we are conducting a short survey on household electricity. May I please speak to the adult who is primarily responsible for paying your home electric bill and dealing with the electric company **[REPEAT INTRODUCTION IF NECESSARY]**. We would appreciate your participation, would you have a few minutes to complete the survey...it will take approximately 10 minutes of your time?

YES - CONTINUE
NO - THANK & TERMINATE

Screener:

S1. Do you or does anyone in your household or immediate family work for:

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

IF YES TO ANY OF THE ABOVE - THANK & TERMINATE

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

	NF & LAB HYDRO	NF POWER	D/K OR N/A
...Supplies electricity to your permanent home or where you spend the majority of your time?	1	2	98
...Supplies electricity to a temporary dwelling such as a cabin, cottage or summer home?	1	2	98

IF NF & LAB HYDRO NOT MENTIONED- THANK & TERMINATE

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

1. What companies which currently operate in Newfoundland and Labrador first come to mind when you think of "a good corporate citizen" or a company that gives back to the community? **RECORD RESPONSES - ACCEPT MULTIPLE RESPONSES**
2. Other than electricity, what is the first thing that comes to mind when you think about Newfoundland and Labrador Hydro? Anything else? **RECORD RESPONSE**



Appendix A: Questionnaire
2008 Residential Customer Satisfaction Study

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

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

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



Appendix A: Questionnaire
2008 Residential Customer Satisfaction Study

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

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

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



Customer Service and Service Reliability

6. Now I am going to list three types of requests that a customer can make to Hydro, and I would like you to think about how long you feel it should take Hydro to respond to each type of request. What do you feel is a reasonable amount of time for Hydro to respond to each of the following requests...**[READ LIST]**

Respond to a full loss or partial loss of power _____ min/hours/days

Respond to general questions and concerns that cannot be addressed immediately and require further investigation _____ min/hours/days

Respond to a service request for your home or property other than a power outage (e.g. new service, transfer or removal of service, and repair of service excluding power outages) _____ min/hours/days

7. Now please think of electric companies as serving customers in two ways: (1) the first being the supply of electricity to your home and (2) the second being customer service or response to customer needs, such as hook-ups, repairs, account billings and inquiries. On a scale of 1 to 10, where 1 means "not at all satisfied" and 10 means "very satisfied", how satisfied are you with: **[READ LIST]**

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

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

8. Do you need improved reliability with your electrical utility supply, for example fewer outages?

Yes 1 - CONTINUE
No 2 -SKIP TO Q10
Don't Know 98 -SKIP TO Q10

9. Would you be willing to pay more for increased levels of reliability?

Yes 1
No 2
Don't Know 98



Appendix A: Questionnaire
2008 Residential Customer Satisfaction Study

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

Yes	1	- CONTINUE
No	2	-SKIP TO Q12
Don't Know	98	-SKIP TO Q12

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

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

Accessing Information – Telephone and Website

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

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q18
Don't Know	98	-SKIP TO Q18

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

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

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q18
Don't Know	98	-SKIP TO Q18

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q18
Don't Know	98	-SKIP TO Q18



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

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

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

Power outage information	1
Billing or account information	2
Energy efficiency information (e.g. Wrap up for Savings Program, Hydrowise, etc.)	3
Or something else? - Specify	90
Don't know	98

Now moving on to the Internet...

18. Do you have access to the Internet?

Yes	1
No	2

19. Have you ever visited Hydro's website?

Yes	1	-CONTINUE
No	2	-SKIP TO Q25
Don't Know	98	-SKIP TO Q25

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q25
Don't Know	98	-SKIP TO Q25

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

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



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

Yes	1	-SKIP TO Q24
No	2	-CONTINUE
Don't Know/No response	98	-SKIP TO Q24

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

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

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

eBilling and Online Services

IF INTERNET ACCESS (YES TO Q18), CONTINUE ELSE, SKIP TO Q27

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

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

26. Electronic billing is a type of billing through which customers receive and view their monthly bill on-line. Through electronic billing, a customer receives an email once a month containing an Internet link to their on-line bill. However, once a customer signs up for electronic billing, they no longer receive their bill in the mail. If Hydro offered electronic billing, how likely are you to use it...would you say you...[**READ LIST**]?

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



Energy Efficiency

Now, I would like to ask you about energy efficiency...

27. On a scale of 1 to 10, where 1 is “not at all interested” and 10 is “very interested”, how interested would you be in using the following energy efficiency resources? **[READ LIST]**
[ROTATE LIST]

	NAI									VI	DK
Information & tips on energy conservation	1	2	3	4	5	6	7	8	9	10	98
A home energy audit	1	2	3	4	5	6	7	8	9	10	98
An in-home display to monitor your actual energy usage	1	2	3	4	5	6	7	8	9	10	98
Workshops for homeowners	1	2	3	4	5	6	7	8	9	10	98
Downloadable video or audio content on home efficiency issues	1	2	3	4	5	6	7	8	9	10	98
Rebates on energy efficient products	1	2	3	4	5	6	7	8	9	10	98
Rebates for home energy efficiency upgrades	1	2	3	4	5	6	7	8	9	10	98

28. To your knowledge, does Hydro have an energy awareness program to help consumers learn how to understand and reduce energy costs?

Yes 1 - **CONTINUE**
No 2 - **GO TO Q30**
Don't know 98 - **GO TO Q30**

29. What is the name of the program? **[RECORD RESPONSE]**

**IF “HYDROWISE”, GO TO Q31
ELSE, CONTINUE**

30. Hydrowise is the name of Hydro’s energy awareness program that helps consumers learn how to understand and reduce energy costs. Have you heard of the program, “Hydrowise”?

Yes 1 - **CONTINUE**
No 2 - **GO TO Q34**

31. How did you find out about the Hydrowise program? **[DO NOT READ LIST]** **[RECORD ALL THAT APPLY]**

Radio Ad 01
Newspaper Ad 02
Word of Mouth 03
Hydro’s Website 04
Hydrowise website 05
Bill Insert 06
Other 90
Don't know 98



Appendix A: Questionnaire
2008 Residential Customer Satisfaction Study

32. Please indicate if you “strongly agree”, “agree”, “disagree”, or “strongly disagree” with the following statements: **[READ LIST] [ROTATE LIST]**

	SA	A	D	SD	DK
The information provided by Hydrowise is useful	1	2	3	4	98
I have used some of the Hydrowise tips to help reduce my energy costs	1	2	3	4	98
Hydrowise provided me with some information I did not already know	1	2	3	4	98

33. Have you visited the **Hydrowise** website in the past year?

Yes	1
No	2
Don't know	98

“Watts New”

34. “Watts New”, Hydro’s quarterly customer newsletter, is distributed to customers with their Hydro bill. Have you ever heard of “Watts New”?

Yes	1	- CONTINUE
No	2	- GO TO Q39

35. Have you ever read an issue of “Watts New”?

Yes	1	- CONTINUE
No	2	- GO TO Q39

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

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

37. On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent”, how would you rate “Watts New” on the following: **[READ LIST] [ROTATE LIST]**

	Very Poor										Excellent	D/K
Overall content	1	2	3	4	5	6	7	8	9	10	98	
Usefulness of the information contained in the articles	1	2	3	4	5	6	7	8	9	10	98	
Design and Layout	1	2	3	4	5	6	7	8	9	10	98	
Overall appearance	1	2	3	4	5	6	7	8	9	10	98	



38. Are there any specific topics or areas of interest that you would like to see covered in “Watts New”? **[RECORD RESPONSE]**

Customer Suggestions

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

Demographics

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

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

41. In which community do you live? _____

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

Under 20	01
20-24	02
25-29	03
30-34	04
35-39	05
40-44	06
45-49	07
50-54	08
55-59	09
60-64	10
65+	11
Refused	99

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

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



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

- 1 Working full-time in a permanent, year-round job
- 2 Working part-time in a permanent, year-round job
- 3 Working in a seasonal or casual job
- 4 Homemaker
- 5 Unemployed
- 6 Retired
- 7 or Student (includes upgrading/retraining)
- 99 Refused

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

- 1 Less than \$20,000
- 2 \$20,000 to less than \$40,000
- 3 \$40,000 to less than \$60,000
- 4 \$60,000 to less than \$80,000
- 5 or \$80,000 or more
- 99 Refused

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

- 1 Male
- 2 Female

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

2009 RESIDENTIAL CUSTOMER SATISFACTION TRACKING STUDY

Prepared For:



Newfoundland & Labrador Hydro
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St. John's, NL A1B 4K7

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APPENDIX A: QUESTIONNAIRE

1.0 STUDY BACKGROUND AND METHODOLOGY

1.1 Study Background

During the fall of 2009, MarketQuest Research Group Inc. conducted the 11th Annual *Residential Customer Satisfaction Study* on behalf of Newfoundland and Labrador Hydro (Hydro). The primary objective of this study was to assess satisfaction with the performance of Hydro in providing service to residential customers, and to identify any changes in customer satisfaction over time.

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

While the primary objective was to determine customer satisfaction, the survey also included questions to assess awareness and use of various programs and services offered by Hydro, including a new initiative called *'takeCHARGE'*, the automated toll-free number, Hydro's website, and the quarterly newsletter *'Watts New'*.

1.2 Study Methodology

Hydro's residential customers were surveyed, via telephone, between September 15th and October 1st, 2009. The sampling frame included all households within Hydro's service areas that identified Hydro as their electricity supplier. The sampling unit was the adult household member who is responsible for paying the electricity bill and dealing with Hydro. A total of 725 residential customers completed the survey, which provides a margin of error of $\pm 3.6\%$, 19 times out of 20 or at the 95% confidence level.

To allow for analysis by region, sub-region and rate area, disproportionate stratified sampling was used to draw a random sample from the following areas: Labrador West (N=95), Happy Valley/Goose Bay (N=95), Labrador Isolated (N=90), Northern Interconnected (N=95), Northern Isolated (N=85), L'anse au Loup (N=85), Central Interconnected (N=95), and Central Isolated (N=85).

Due to the use of disproportionate stratified sampling, weights were applied to ensure that the sample was a proportionate representation of the population at the overall level.

The questionnaire was designed by MarketQuest in consultation with Hydro (see Appendix A).



1.3 This Report

This report presents the results of the *2009 Residential Customer Satisfaction Study*. Where possible, the results for the previous four years (2005 to 2008) are shown to allow for comparisons over time. In addition, some results are segmented by region (*Labrador, Northern, and Central*), sub-region (*Happy Valley-Goose Bay, Labrador West, Labrador Isolated, Northern Interconnected, Northern Isolated, L'anse au Loup, Central Interconnected, and Central Isolated*), and rate area (*Interconnected and Isolated*).

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

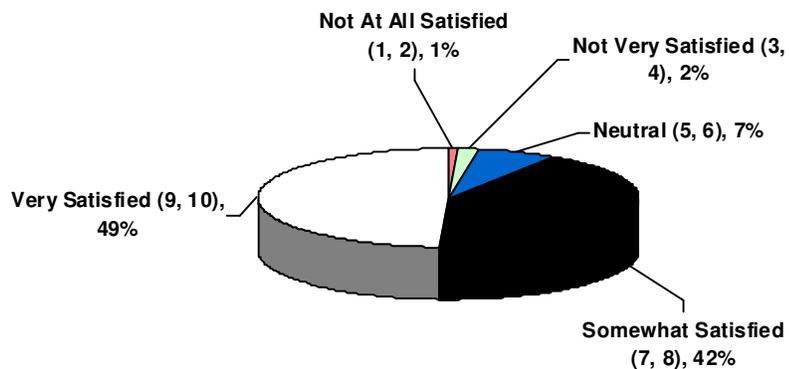
¹ What may seem to be a difference between percentages may simply be the result of sampling error or the margin of error associated with the sample size, and not a real or significant difference in the population.

2.0 CUSTOMER SATISFACTION

2.1 Overall Satisfaction

Customers were also asked to rate, on a scale of 1 (Not at all satisfied) to 10 (Very satisfied), their satisfaction with Hydro overall. The majority of residential customers (91%) were satisfied with the performance of Hydro overall (49% *very* satisfied; 42% *somewhat* satisfied), with a mean rating of 8.4 out of 10. This is consistent with the overall satisfaction rating in 2005 (8.3) and 2008 (8.3).

Figure 1: Overall Satisfaction With Hydro



Customers from the Northern region (8.4) were more satisfied with Hydro than were customers from the Labrador region (7.7). Furthermore, customers from the Central region (8.9) were more satisfied than those from the other two regions.

In terms of service areas, overall satisfaction was higher in Interconnected areas (8.4) than it was in Isolated areas (8.1).

2.2 Importance and Satisfaction Ratings of Service Attributes

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

Corporate Citizenship

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

Reliability

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

Service

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

Customers were first asked to think about their electricity supplier and to rate the importance of each attribute. Importance was rated on a 10-point scale, with 1 being “Not at all important” and 10 being “Very important”. Following this, customers were asked to rate their satisfaction with the performance of Hydro in providing each attribute. Satisfaction was also rated on a 10-point scale, ranging from “Not at all satisfied” (1) to “Very satisfied” (10).



In 2006, some attributes were changed to ensure consistency with the Canadian Electricity Association's (CEA's) Annual *Public Attitudes Research Project*. As shown below, the first seven attributes have remained the same, while the remaining nine were modified or added in 2006.

2005 Attributes

1. Operates in an environmentally responsible manner
2. Concern for public safety
3. Contributes back to the community through initiatives such as community sponsorship programs
4. Billing statement accuracy
5. Provides bills that are easy to read and understand
6. Cares about its customers
7. Friendly and courteous employees
8. Provides timely and accurate information on power outages
9. Convenient hours of operation
10. Easy access to account information at any time
11. Electricity at a reasonable cost
12. Educates customers on the efficient use of electricity
13. Responds to customer questions and concerns in a timely manner
14. Restores electricity promptly when there is a power outage
15. Provides a reliable uninterrupted supply of electricity
16. Responds to service requests in a timely manner

2006-2009 Attributes

1. Operates in an environmentally responsible manner
2. Concern for public safety
3. Contributes back to the community through initiatives such as community sponsorship programs
4. Accuracy of billing
5. Provides bills that are easy to read and understand
6. Cares about its customers
7. Friendly and courteous employees
8. The number of power outages
9. Ensures a sufficient supply of electricity for the foreseeable future
10. The quality of customer service received
11. The price you pay for electricity
12. Encourages customers to make more efficient use of electricity
13. Listens to and acts upon customer concerns
14. Speed in restoring power when a problem occurs
15. Good power quality that is free from voltage fluctuations
16. The way they maintain the electric system

Furthermore, in 2006, the end points for the 10-point satisfaction and importance scales were modified. Satisfaction ratings for previous years were scored on a 10-point scale with 1 being "Poor" and 10 being "Excellent", whereas satisfaction ratings since then were scored on a 10-point scale with 1 being "Not at all satisfied" and 10 being "Very satisfied". Importance ratings for previous years were scored on a 10-point scale with 1 being "Not at all important" and 10 being "Extremely important", whereas importance ratings since 2006 were scored on a 10-point scale with 1 being "Not at all important" and 10 being "Very important". As a result of these changes, caution should be exercised when comparing data for 2006-2009 to previous years.



Residential customers provided high importance ratings for all attributes, with average ratings ranging from 8.3 for 'Contributes back to the community' to 9.6 for 'Ensures a sufficient supply of electricity for the foreseeable future' and 'Concern for public safety'.

The top-ranked attributes with respect to importance were:

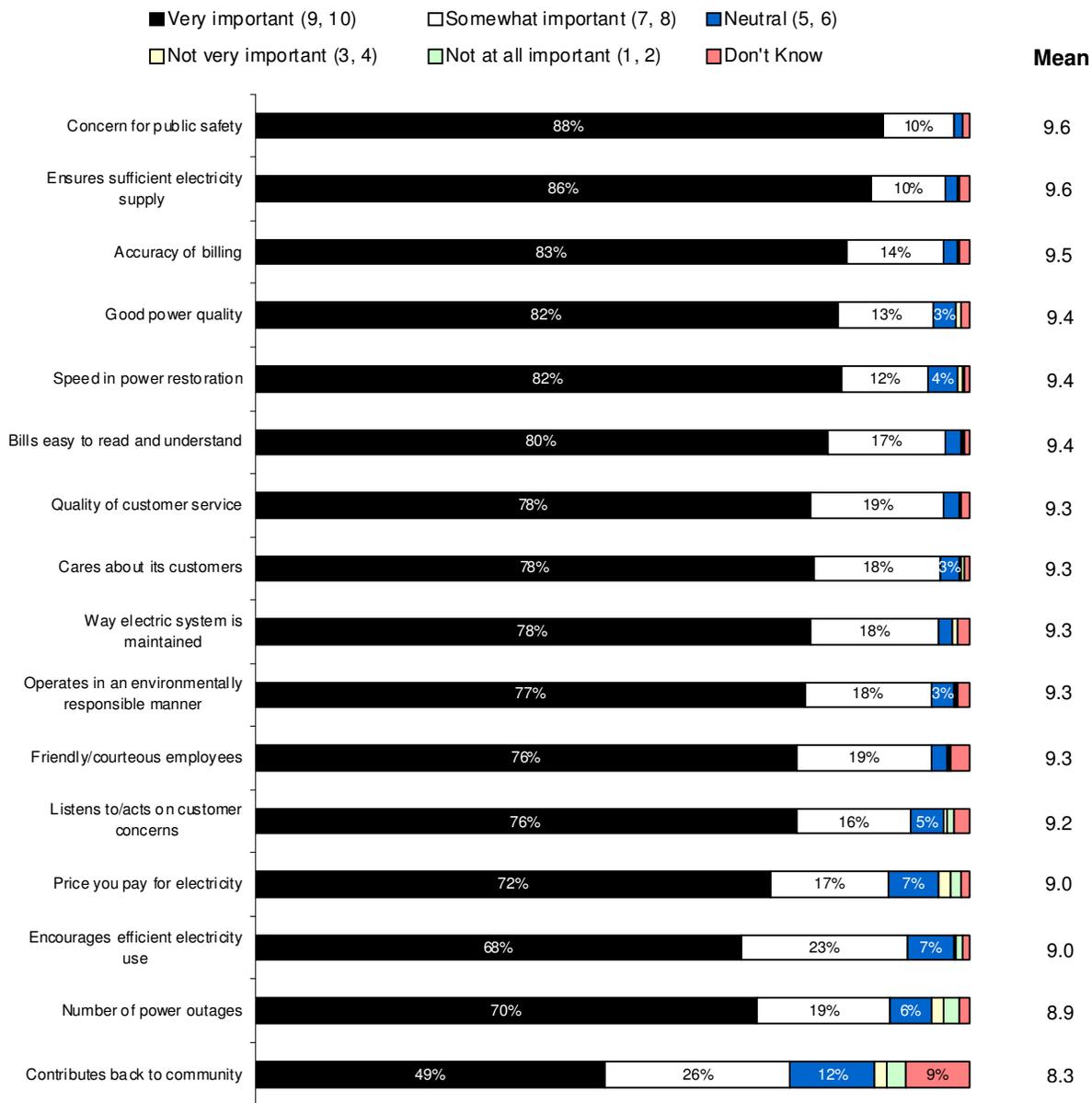
1. Concern for public safety (9.6);
2. Ensures a sufficient supply of electricity for the foreseeable future (9.6);
3. Accuracy of billing (9.5);
4. Good power quality that is free from voltage fluctuations (9.4);
5. Speed in restoring power when a problem occurs (9.4); and
6. Bills that are easy to read and understand (9.4).

The lowest ranked importance attributes included:

15. Number of power outages (8.9); and
16. Contributes back to the community through initiatives such as community sponsorship programs (8.3).



Figure 2: Importance Ratings for 2009





Average satisfaction ratings ranged from 6.4 for 'The price you pay for electricity' to 9.1 for 'Bills that are easy to read and understand'.

The attributes for which satisfaction with Hydro's performance was ranked most highly were:

1. Bills that are easy to read and understand (9.1);
2. Concern for public safety (9.0);
3. Friendly and courteous employees (8.9);
4. The quality of customer service received (8.8); and
5. Accuracy of Hydro's billing (8.7).

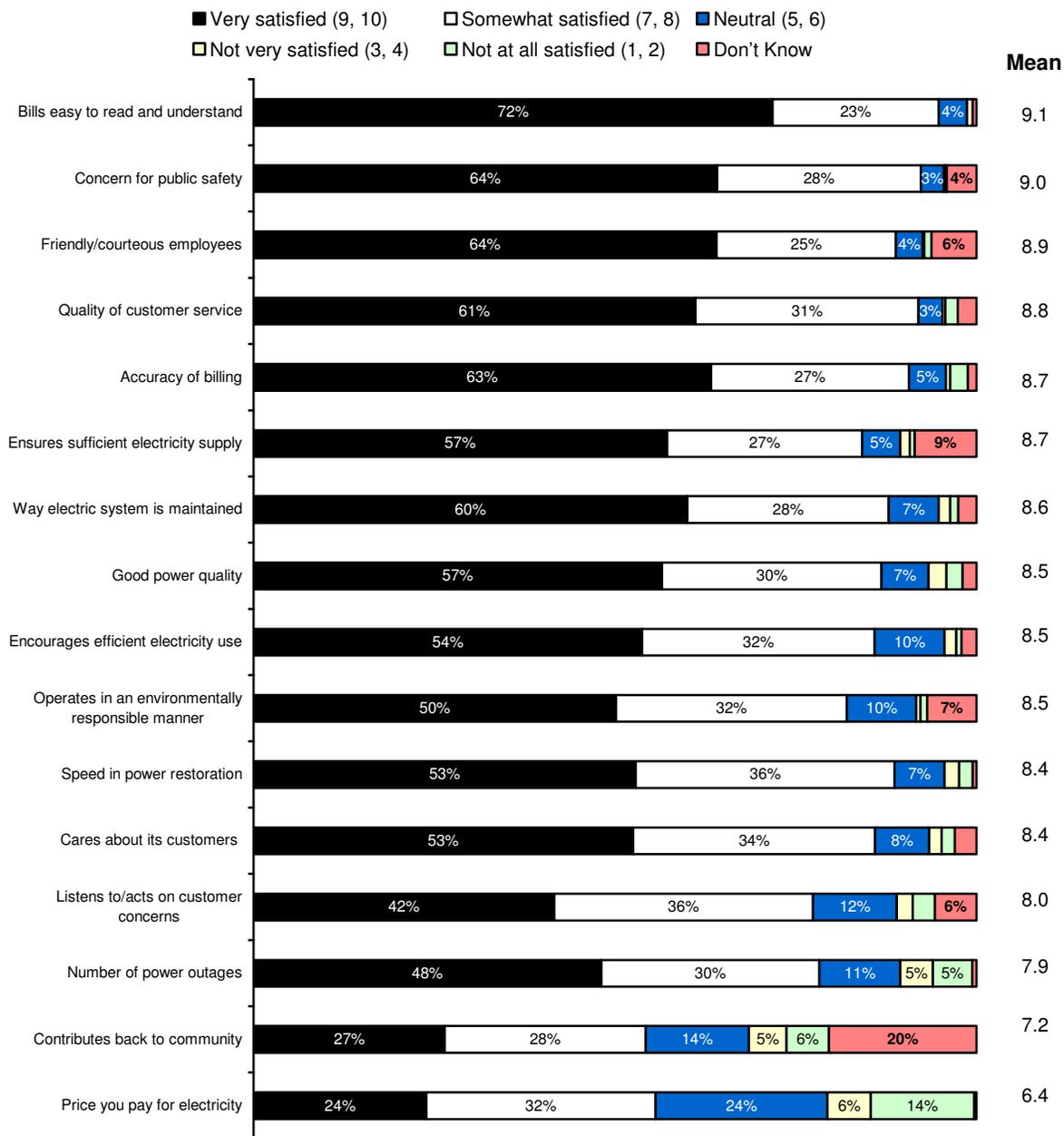
The lowest ranked satisfaction attributes included:

14. The number of power outages (7.9);
15. Contributes back to the community through initiatives such as community sponsorship programs (7.2); and
16. The price you pay for electricity (6.4).

It is important to note that 20% of customers were unable to rate Hydro on the attribute 'Contributes back to the community'.



Figure 3: Satisfaction Ratings for 2009



2.3 Drivers of Customer Satisfaction

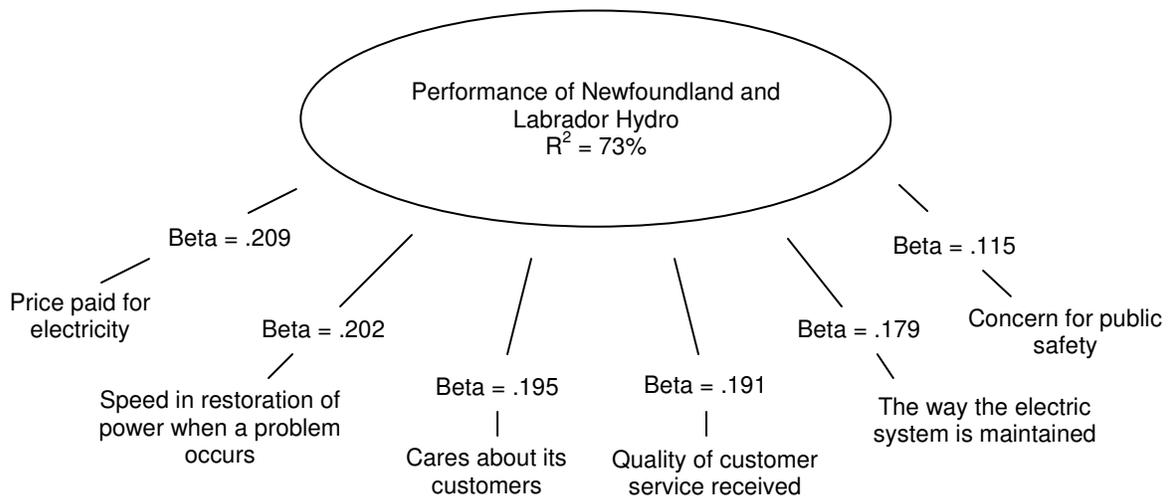
To further assess customer satisfaction, regression analysis was performed using overall satisfaction with Hydro as the dependent variable and satisfaction with the 16 service attributes as the independent variables. The regression analysis identifies the service attributes (independent variables) that contribute to the overall satisfaction score (dependent variable), as well as the relative weight each contributes to the overall satisfaction score.

The regression analysis identified the following elements as having the most impact on customer satisfaction or dissatisfaction (listed from highest to lowest impact):

- Price paid for electricity;
- Speed in restoration of power when a problem occurs;
- Cares about customers;
- Quality of customer service received from Hydro;
- The way they maintain the electric system; and
- Concern for public safety.

Together, these six attributes accounted for 73% of the variability in Hydro's overall satisfaction rating, indicating a strong model.

Figure 4: Drivers of Customer Satisfaction



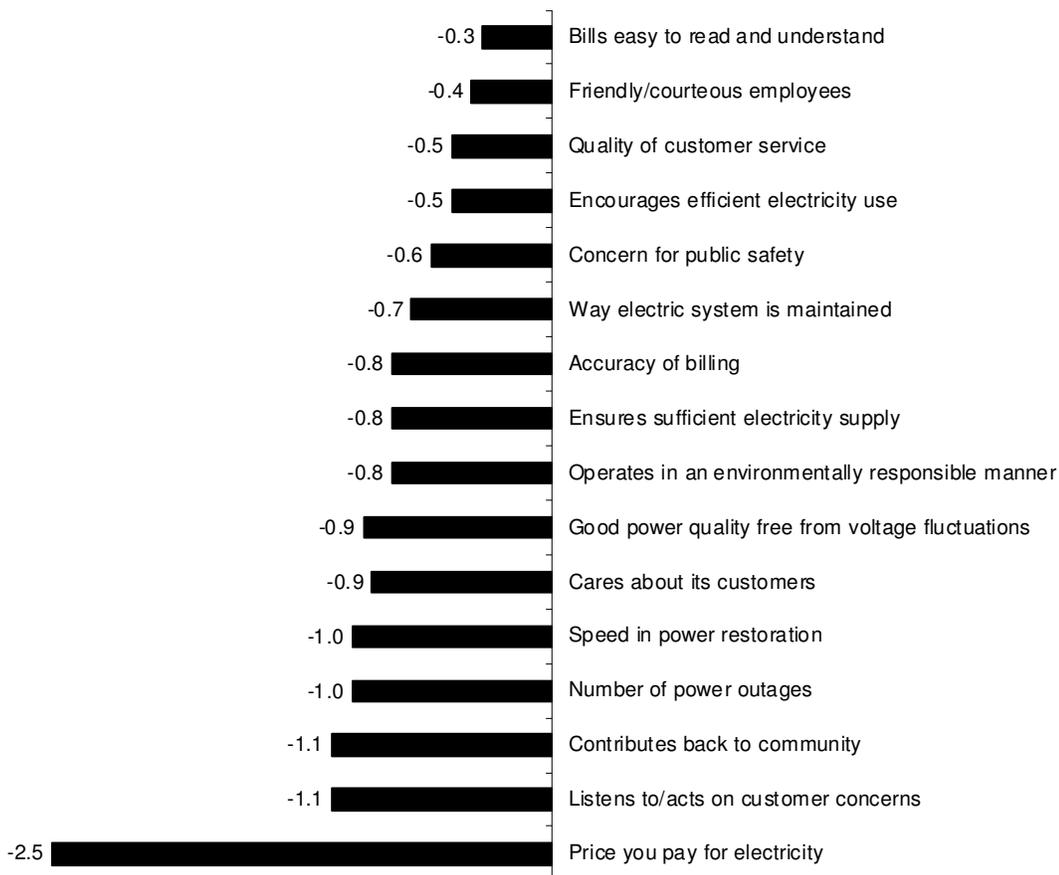
3.0 GAP ANALYSIS

A gap score is essentially the difference between customers' evaluation of importance and satisfaction with performance on any one attribute. If perceived performance exceeds expectations, then the customer is satisfied; if it falls below expectations, the customer is dissatisfied. Mean gap ratings were obtained by averaging customer gap scores for each attribute.

As demonstrated in Figure 5, gap ratings ranged from -2.54 for 'The price you pay for electricity' to -0.34 for 'Bills that are easy to read and understand'. Consistent with previous years, 'Friendly and courteous employees' and 'Bills that are easy to read and understand' had the smallest gap ratings. This indicates that customers, in general, were most satisfied with these attributes.

However, the negative gaps indicate that satisfaction with the performance of Hydro falls below expectations for each of the 16 attributes. This is most evident for the attribute 'The price you pay for electricity', which had the highest gap rating (-2.54). Other attributes with relatively larger gaps were 'Listens to/acts on customer concerns' (-1.15) and 'Contributes back to the community' (-1.11).

Figure 5: Gaps in 2009



The following figures illustrate trends in terms of the gap between importance and satisfaction. The 2009 results were compared to 2008 results and the baseline year (2005 or 2006 in cases where 2005 data did not exist).

While importance and satisfaction ratings have changed over time, in many cases they have changed in the same direction to a similar degree, thus maintaining the size of the gap between them. However, a few notable changes in gaps have occurred in relation to 2008 and the baseline year.

In particular, the gap for the 'Price you pay for electricity' was smaller in 2009 (-2.54) as compared to 2008 (-2.86). This change over the past year is primarily due to a small decline in the rated importance of this attribute. However, since 2006 there has been a steady increase in the satisfaction rating for this attribute, which has contributed to a smaller gap over time (-3.13 to -2.54).

The gap for 'Encourages efficient electricity use' was also smaller in 2009 (-0.48), in comparison to 2008 (-0.68) and 2006 (-0.70). This reduced gap is the result of increased satisfaction with this attribute over the past two years (from 8.2 to 8.5).

The gap for 'Contributes back to the community' decreased from -1.46 in 2005 to -1.11 in 2009. While both importance and satisfaction have declined over time for this attribute, importance has dropped at a faster rate than satisfaction, which has contributed to a smaller gap.

In contrast, the gap for 'Accuracy of billing' increased from -0.44 in 2005 to -0.77 in 2009. While both importance and satisfaction for this attribute declined over time, satisfaction decreased to a greater extent, which contributed to a larger gap. Even though 'Accuracy of billing' was not identified as a key driver of overall satisfaction this year, attention should be given to this service area to prevent further declines in satisfaction.



Corporate Citizenship

Figure 6: Concern for public safety

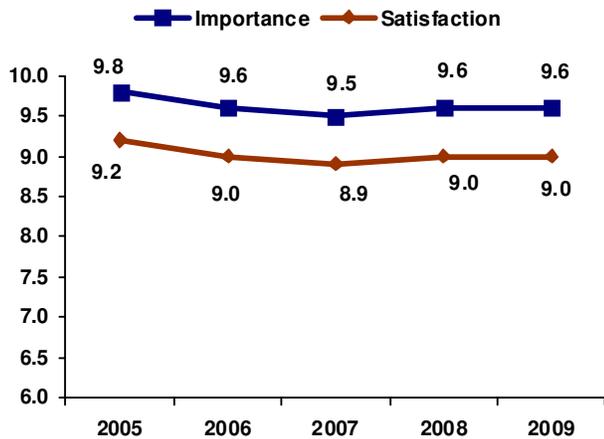


Figure 7: Operates in an environmentally responsible manner

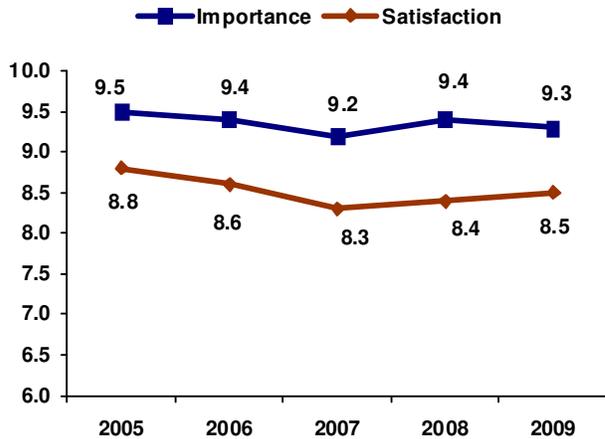


Figure 8: Contributes back to the community

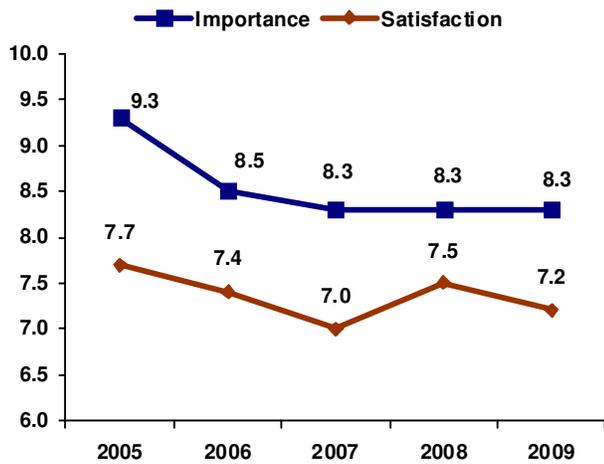
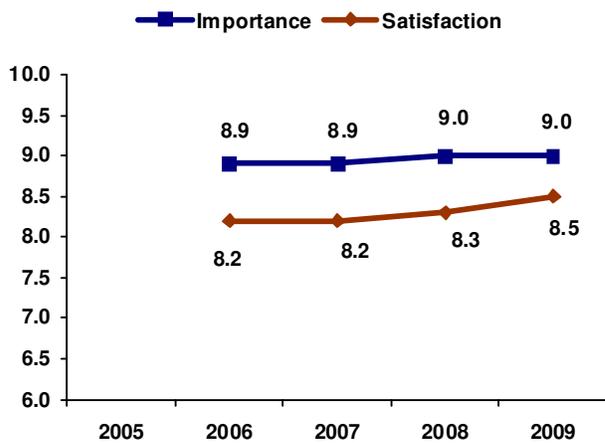


Figure 9: Encourages customers to make more efficient use of electricity





Reliability

Figure 10: Speed in restoring power when a problem occurs

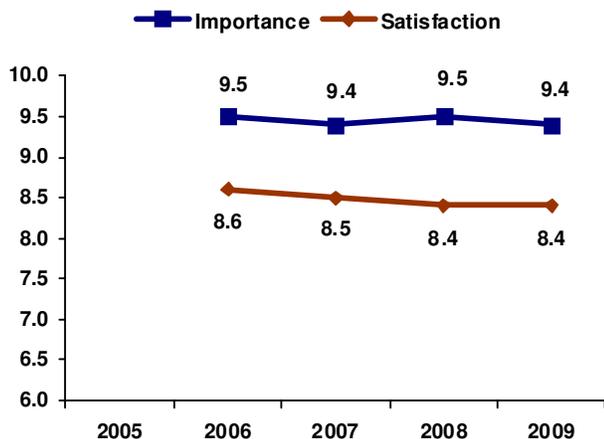


Figure 11: Ensures a sufficient supply of electricity for the foreseeable future

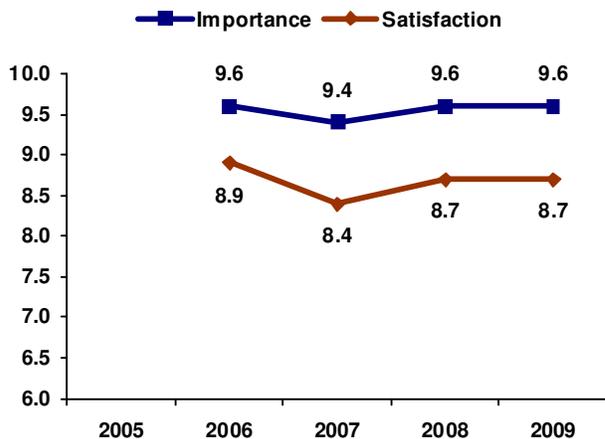
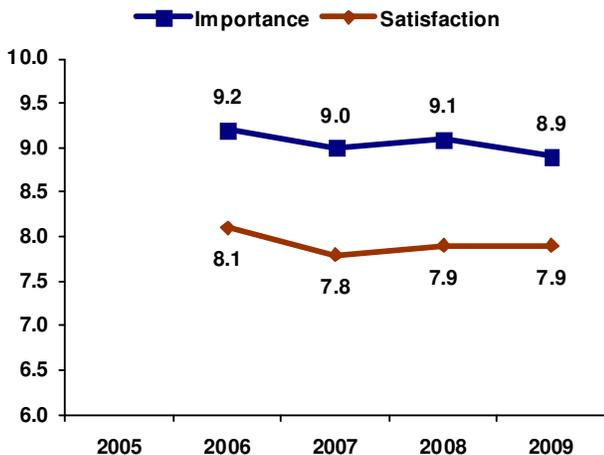


Figure 12: The number of power outages





Service

Figure 13: Bills that are easy to read and understand

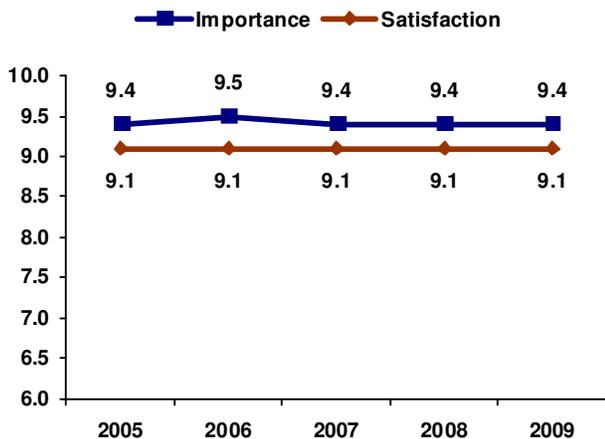


Figure 14: Accuracy of billing

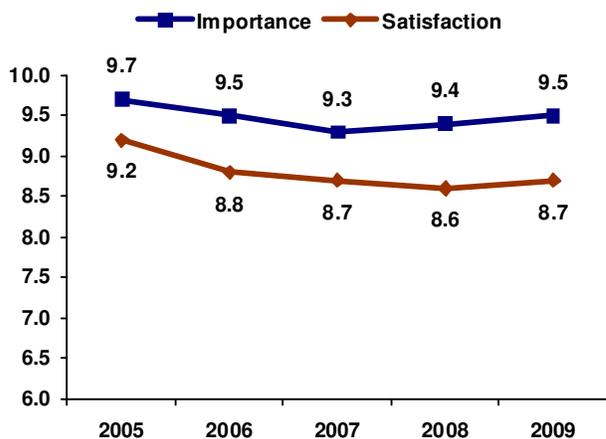


Figure 15: Friendly and courteous employees

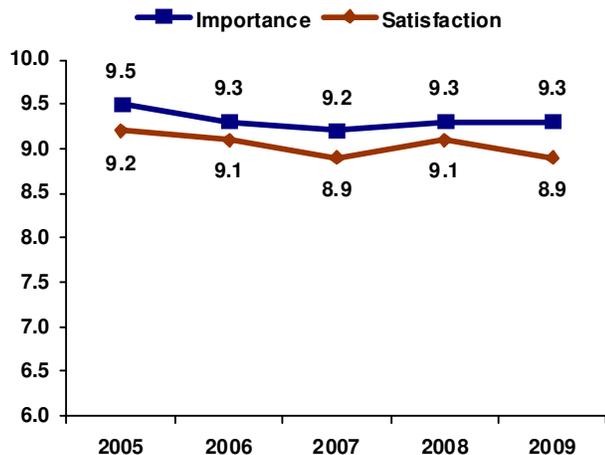
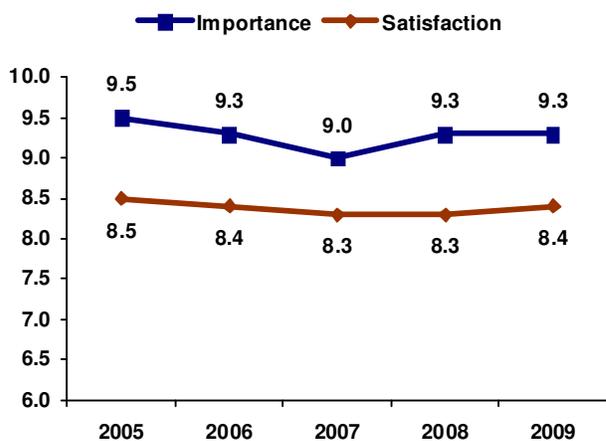


Figure 16: Cares about its customers



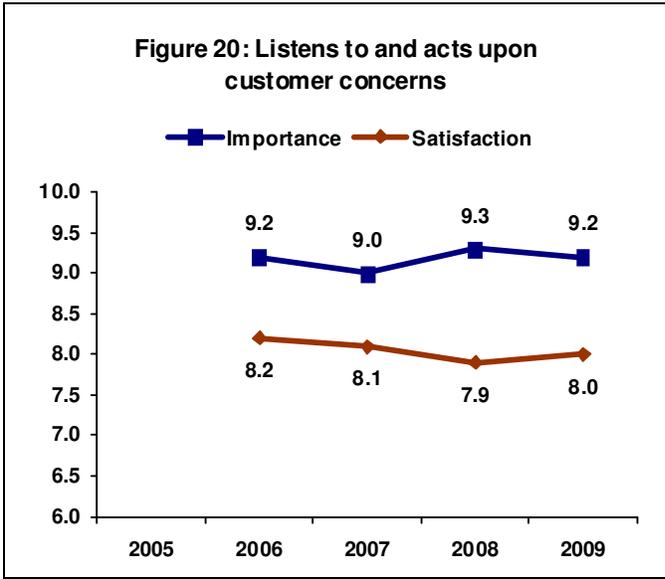
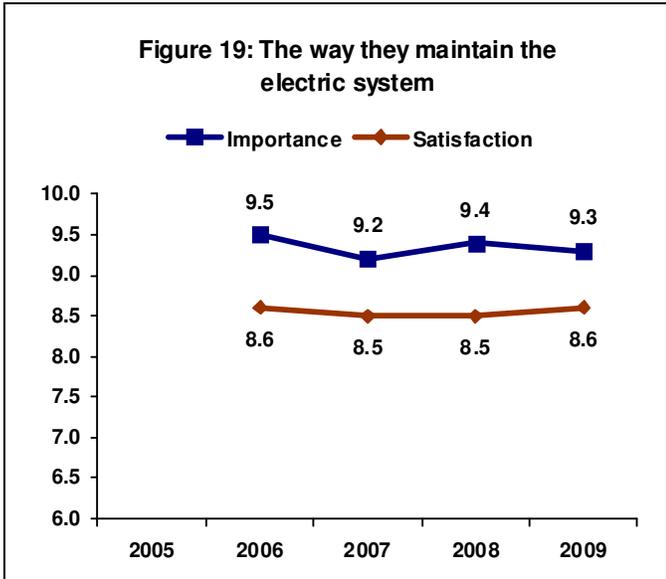
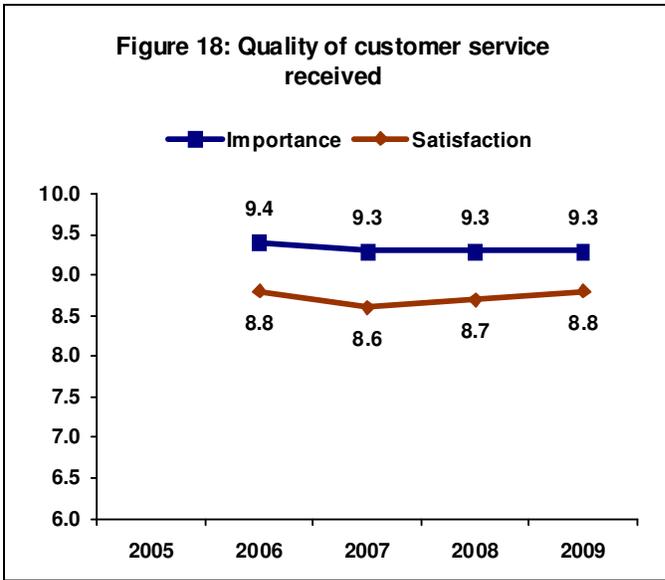
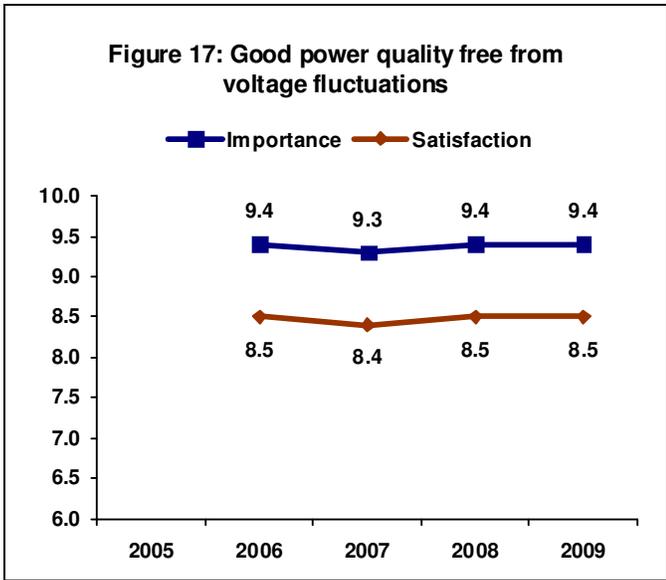
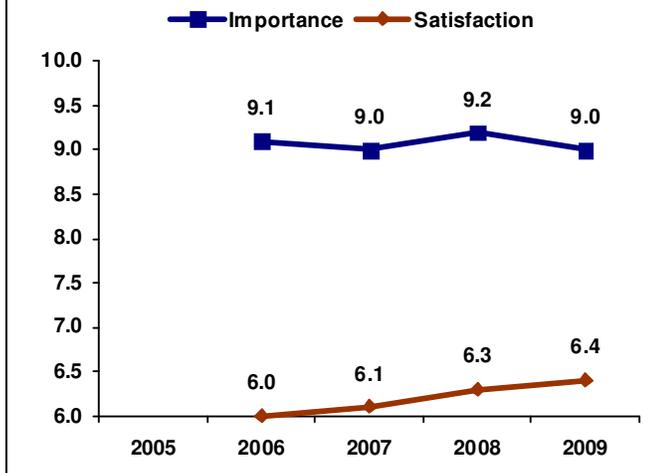




Figure 21: The price you pay for electricity





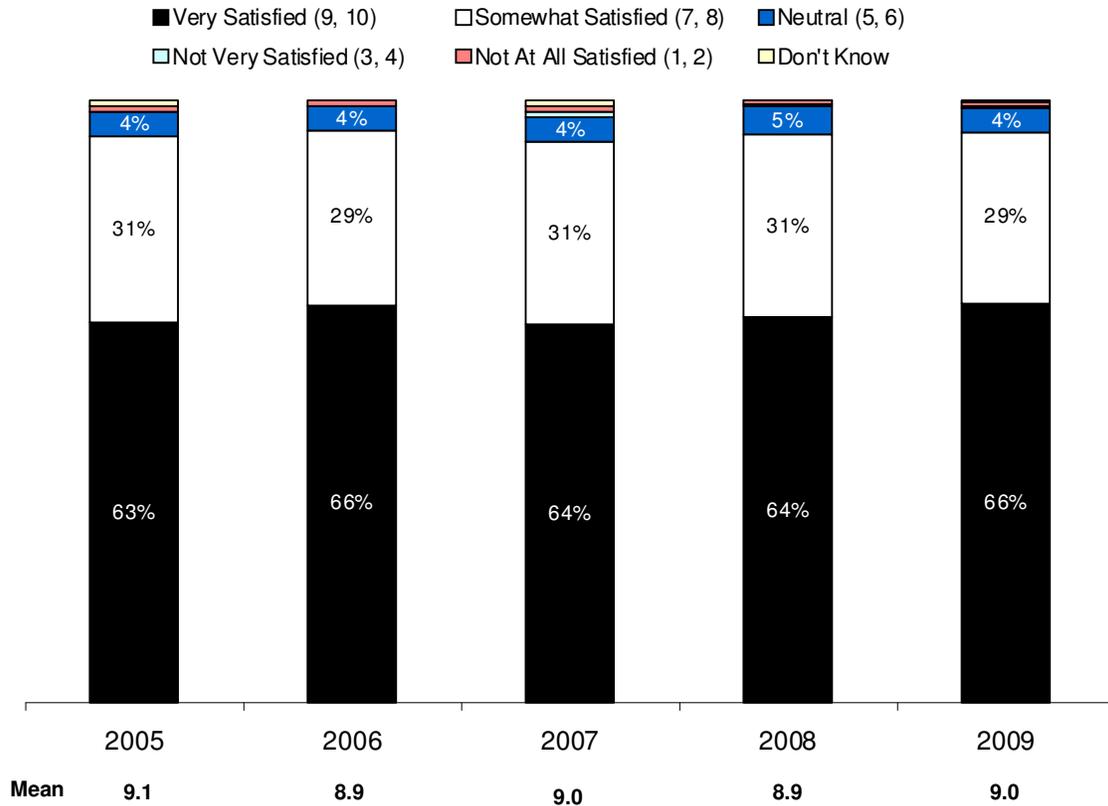
4.0 SERVICE RELIABILITY

4.1 Overall Satisfaction with Service Reliability

To determine satisfaction with Hydro’s service reliability, customers were asked to rate their satisfaction with the supply of electricity they receive from Newfoundland and Labrador Hydro on a scale of 1 (Not At All Satisfied) to 10 (Very Satisfied).

A large majority of customers (95%) were satisfied with the supply of electricity received from Hydro (66% *very* satisfied; 29% *somewhat* satisfied). On average, customers rated their satisfaction with Hydro’s supply of electricity as 9.0 out of 10. This is consistent with the average ratings given in 2008 (8.9) and 2005 (8.9).

Figure 22: Satisfaction With Service Reliability



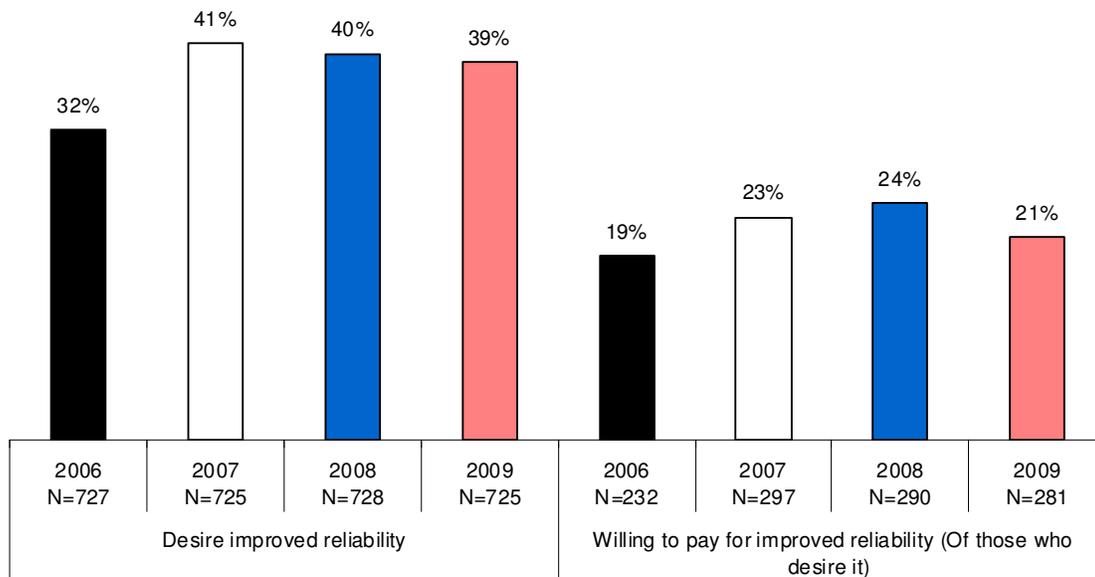
When examined by region, customers from both Central (9.2) and Northern (8.9) regions reported greater satisfaction with Hydro’s service reliability than those in the Labrador (8.6) region. By rate area, customers in Interconnected areas (9.0) reported greater satisfaction with service reliability than those in Isolated areas (8.6).

4.2 Improved Reliability & Willingness to Pay

To further explore opinions toward service reliability, residential customers were asked several questions (which were introduced in 2006) regarding improved reliability and electricity costs.

Similar to results in 2008, 39% of customers desire improved reliability with their electrical utility supply, for example, fewer power outages. Of those desiring improved reliability (N=281), 21% would be willing to pay an increased cost for improved levels of reliability. This result does not differ significantly from previous years.

Figure 23: Improved Reliability and Willingness to Pay



Customers in the Northern region (35%) were more likely than those in the Central region (30%) to desire improved reliability. Customers in the Labrador region (54%) were more likely than those in both of the other regions to desire improved reliability.

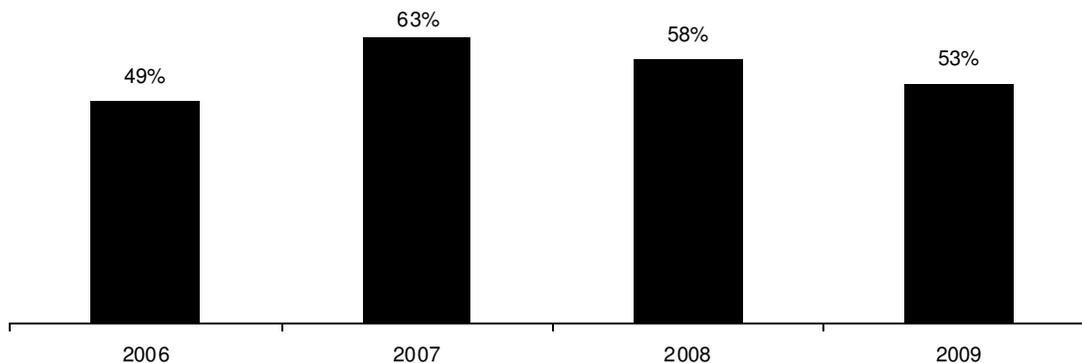
In addition, customers in Isolated areas (43%) were more likely than customers in Interconnected areas (38%) to desire improved reliability with their electrical utility supply.



4.3 Unplanned Power Outages Lasting Longer than 30 Minutes

Fifty-three percent (53%) of residential customers reported experiencing an unplanned power outage at their home in the past year which lasted longer than 30 minutes. Following an increase of 14% from 2006 to 2007, the number of customers reporting such an experience has steadily declined since 2007.

Figure 24: Experienced an Unplanned Power Outage which Lasted Longer than 30 Minutes in Past Year



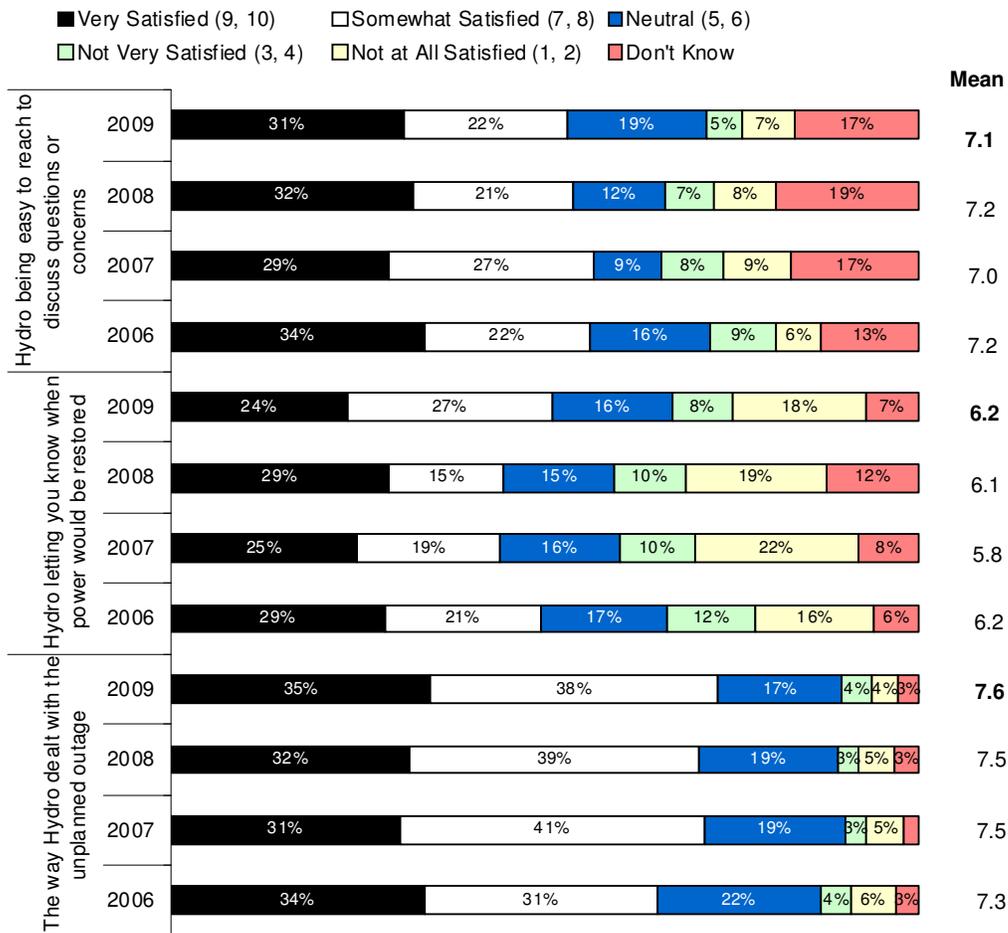
Residential customers in the Labrador region (69%) were most likely to have experienced an unplanned power outage in the past year which lasted more than 30 minutes, followed by customers in the Central (51%) and Northern (39%) regions.



Customers who had experienced an unplanned power outage in the previous year which lasted more than 30 minutes were asked to rate, on a scale of 1 (Not at all satisfied) to 10 (Very satisfied), their satisfaction with various aspects of Hydro's service during that experience.

As shown in the figure below, residential customers were moderately satisfied with the service they received from Hydro during their most recent unplanned power outage. Similar to previous years, customers provided the highest rating for the way Hydro dealt with the unplanned power outage (mean - 7.6; 73% satisfied) and the lowest rating for Hydro letting them know when power would be restored (mean - 6.2; 51% satisfied).

Figure 25: Satisfaction With Hydro's Handling of Most Recent Power Outage





When examined by region, customers residing in the Central (8.0) and Northern (8.2) regions were more satisfied than those in the Labrador (6.8) region with the way that Hydro dealt with the unplanned power outage.

Customers in the Central region (6.9) were also more satisfied with those in the Labrador region (5.4) with respect to Hydro letting them know when power would be restored.

Similarly, customers in the Central (7.7) and Northern region (7.4) were more satisfied than those in the Labrador region (6.3) with Hydro being easy to reach to discuss questions or concerns.

By rate area, customers in Interconnected areas reported greater satisfaction than those in Isolated areas with how Hydro dealt with the unplanned power outage (7.6 and 7.1, respectively) and the ease in reaching Hydro to discuss their questions or concerns (7.3 and 6.2, respectively).



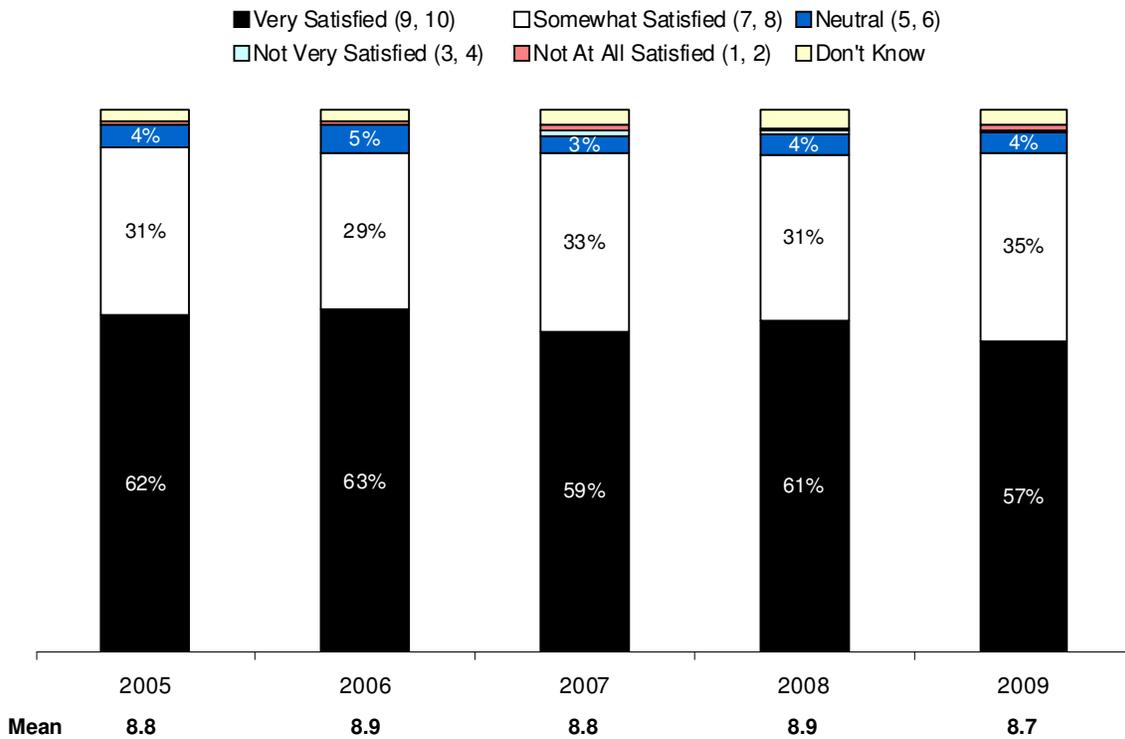
5.0 CUSTOMER SERVICE

5.1 Overall Satisfaction with Customer Service

Customers were asked to rate their satisfaction with the customer service they received from Hydro on a scale of 1 (Not at all satisfied) to 10 (Very satisfied).

A large majority of customers (92%) were satisfied with the customer service received from Hydro overall (57% *very* satisfied; 35% *somewhat* satisfied). The average satisfaction rating with overall customer service was 8.7 out of 10, a decline from last year (8.9).

Figure 26: Satisfaction With Customer Service



When examined by region, Central customers reported the greatest satisfaction with Hydro’s customer service (9.1), followed by Northern customers (8.7) and Labrador customers (8.3). In addition, customers from Interconnected areas reported greater satisfaction (8.8) than customers from Isolated areas (8.5).

5.2 Expected Response Times for Service Requests

Starting in 2005, all customers were asked how long they feel it should take Hydro to respond to three different types of service requests:

- Response to full loss or partial loss of power;
- Response to general questions and concerns that cannot be immediately addressed and require further investigation; and
- Response to a service request for your home or property (for example, new service, transfer or removal of service, repair of service), excluding power outages.

The following table presents the average amount of time customers felt it should take Hydro to respond to each type of request. On average, residential customers felt that it should take 3 hours to respond to a full or partial power loss, 34 hours to respond to general questions and concerns that cannot be immediately addressed, and 54 hours to respond to a service request for their home or property.

As further demonstrated in the table below, expected response times for Hydro to respond to general questions and concerns have fluctuated over time. The response time for this category has declined this year in comparison to 2008, and rests at a level consistent with 2006/2007. Expected response times for service requests for home or property have increased over time, up by 16 hours since 2005.

Table 1: Expected Average Response Time in Hours (Overall and by Region)

Type of Request	Overall					Central	Northern	Labrador
	2005	2006	2007	2008	2009	2009	2009	2009
Response to full loss or partial loss of power	4	4	3	4	3.3	2.9	4.0	2.9
Response to general questions and concerns that cannot be immediately addressed and require further investigation	26	37	35	45	34.1	29.7	33.1	40.7
Response to a service request for your home or property (for example, new service, transfer or removal of service, repair of service), excluding power outages	38	44	50	49	53.7	51.8	51.8	58.2

Labrador customers (41 hours) expected a longer response time for general questions and concerns than did Central customers (30 hours). On average, customers in Isolated areas (5 hours) expected a longer response time for a full or partial loss of power compared to those in Interconnected areas (3 hours).



5.3 Customer Suggestions

Customers were asked to identify any services not currently offered by Hydro which they feel should be offered. Fourteen percent (14%) of customers provided suggestions, which are shown in the following table.

Table 2: Suggestions for Additional Services*

	% Respondents				
	2005 (N=648)	2006 (N=727)	2007 (N=725)	2008 (N=728)	2009 (N=725)
Lower rates	-	-	-	-	2%
More personalized customer services	-	-	1%	1%	2%
Electronic/Online billing	-	-	-	1%	2%
Local office/bill payment centre	2%	1%	1%	1%	2%
Rebates	-	1%	1%	1%	1%
More information from Hydro	-	-	-	1%	1%
Greater promotion of energy efficiency information	-	1%	2%	2%	1%
Payment by credit card	1%	2%	1%	1%	1%
More/easier access to workmen in rural areas	-	-	-	-	1%
Read/check meters more often	-	-	-	1%	<1%
More power outage information	-	-	2%	1%	<1%
Other mentions	6%	10%	9%	5%	3%
Nothing/Don't know	91%	87%	84%	85%	86%

*Multiple responses allowed

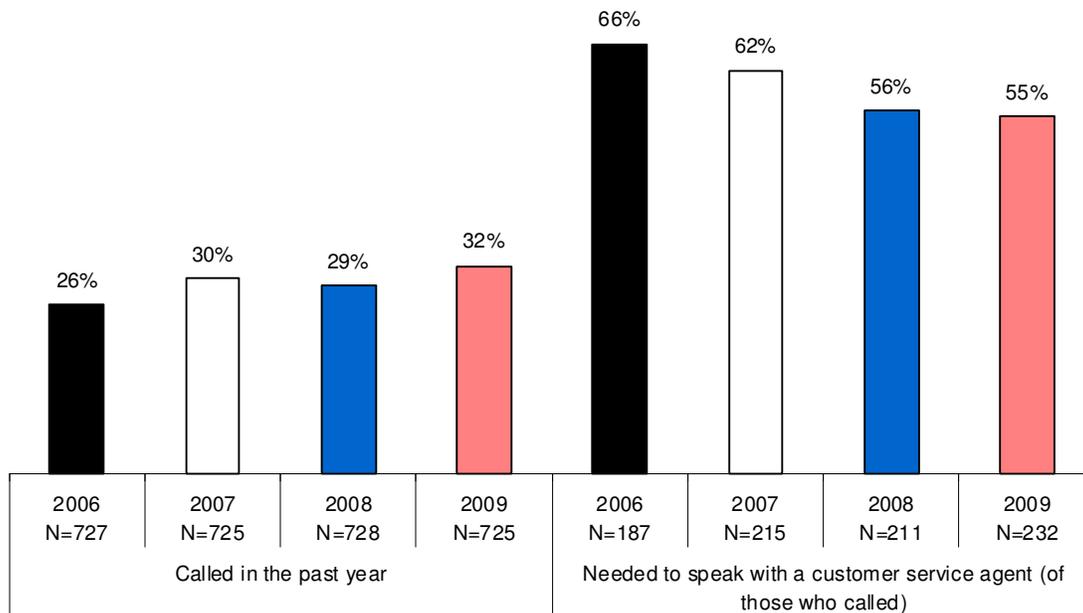
6.0 AWARENESS & USE OF CUSTOMER SERVICES

6.1 Use of Hydro's Automated Toll-Free Number

Hydro provides its customers with an automated toll-free number which provides power outage information and billing/account information 24 hours a day. Since 2006, customers have been asked questions about their use of this automated toll-free number. Similar to 2006 and 2007, approximately one-third of residential customers (32%) have called Hydro's automated toll-free number within the past year. Customers who have called the automated toll-free number in the past year made an average of three calls. Customers in the Central region (37%) were more likely than those in the Northern region (25%) to have called the automated toll-free line within the past year.

Of customers who have called the automated toll-free number in the past year (N=232), 55% needed to speak with a customer service agent, a decline since 2006 (66%).

Figure 27: Use of Hydro's Automated Toll-Free Number



Of customers who have called Hydro's automated toll-free number and needed to speak with a customer service agent (N=127), 15% (n=19) had difficulty reaching an agent. This result is similar to the previous year (14%).



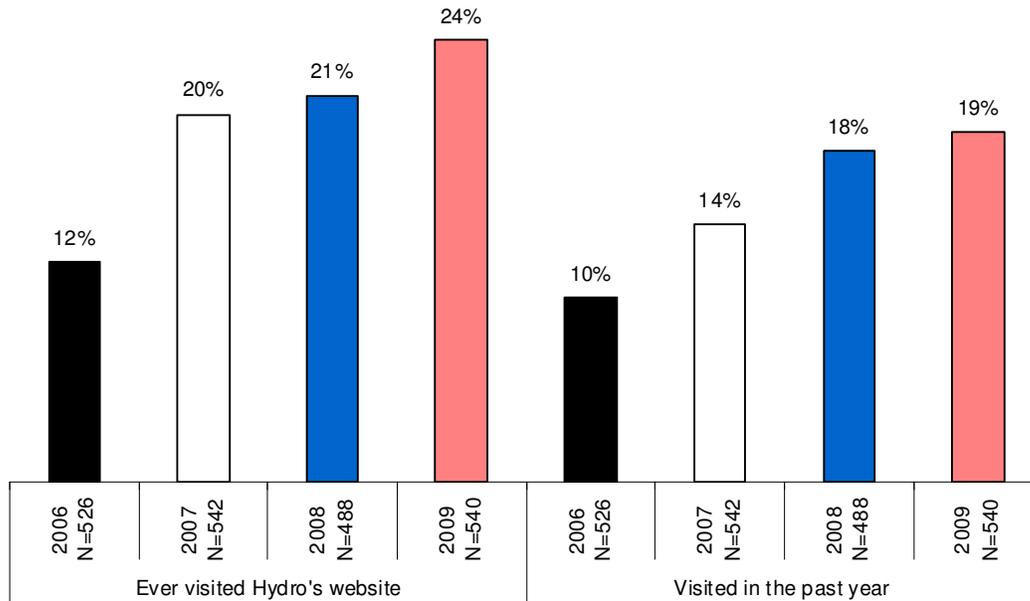
Of those who experienced difficulties (N=19), the most common difficulties were didn't reach anyone/went to voice mail (n=10) waiting/on hold too long (n=6), and having a problem using the automated system (n=4)². The majority of customers experiencing difficulty were calling for power outage information (n=9) or to obtain billing/account information (n=8), while others were calling for a repair/service call (n=5) or something else (n=1)³.

6.2 Knowledge and Use of Hydro's Website among Internet Users

Three-quarters of customers (75%) reported having access to the Internet, which is more than last year (67%); however it is on par with some previous years (75% in 2007; 72% in 2006; 66% in 2005)⁴. Customers in the Labrador region (89%) were more likely to have Internet access, compared to customers in the Northern region (70%) and Central region (67%).

Almost one-quarter (24%) of Internet users have visited Hydro's website at least once in the past. Consistent with results in 2008, 19% of customers with Internet access had visited Hydro's website in the past year.

Figure 28: Visitation of the Hydro Website among Internet Users



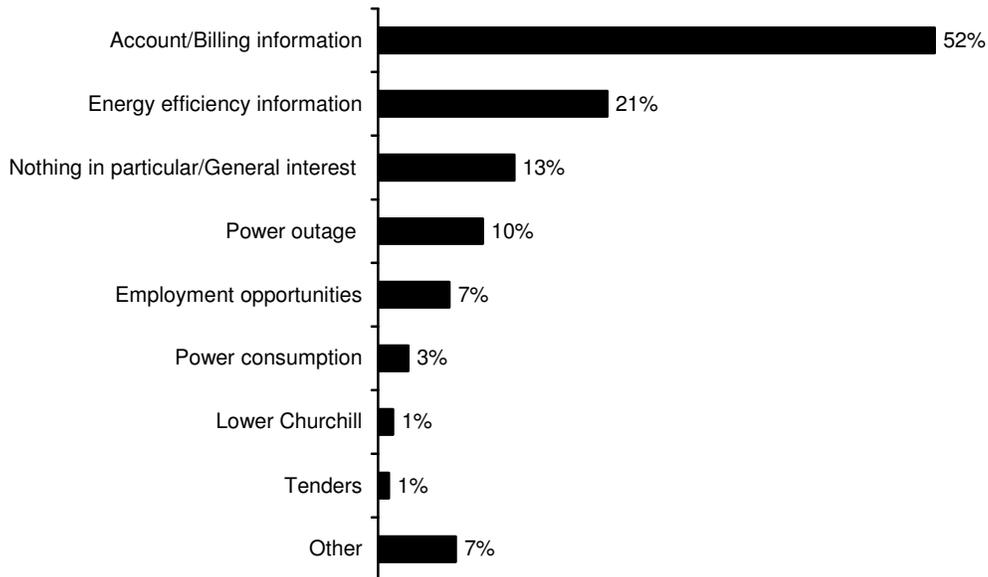
² Multiple responses allowed.

³ Multiple responses allowed.

⁴ It should be noted that prior to 2008, customers were asked 'Do you have access to the Internet at home, at work, at school, or elsewhere?'. In 2008, the question was changed to "Do you have access to the Internet"? As a result of this wording change, findings should be interpreted with caution.

Customers who had visited Hydro's website in the past year were asked to specify the type of information they were seeking. Most commonly, customers were seeking account/billing information (52%), followed by energy efficiency information (21%).

Figure 29: Information Sought on Hydro's Website in the Past Year* (N=105)



*Multiple responses allowed.

Most (88%) residential customers who had visited Hydro's website in the past year were able to find the information they were seeking. Those who were not able to find what they were looking for (n=7) were seeking information on:

- Plans for southern Labrador region;
- Online payment;
- Online billing;
- Epost billing;
- Windmills; and
- Financial revenue.

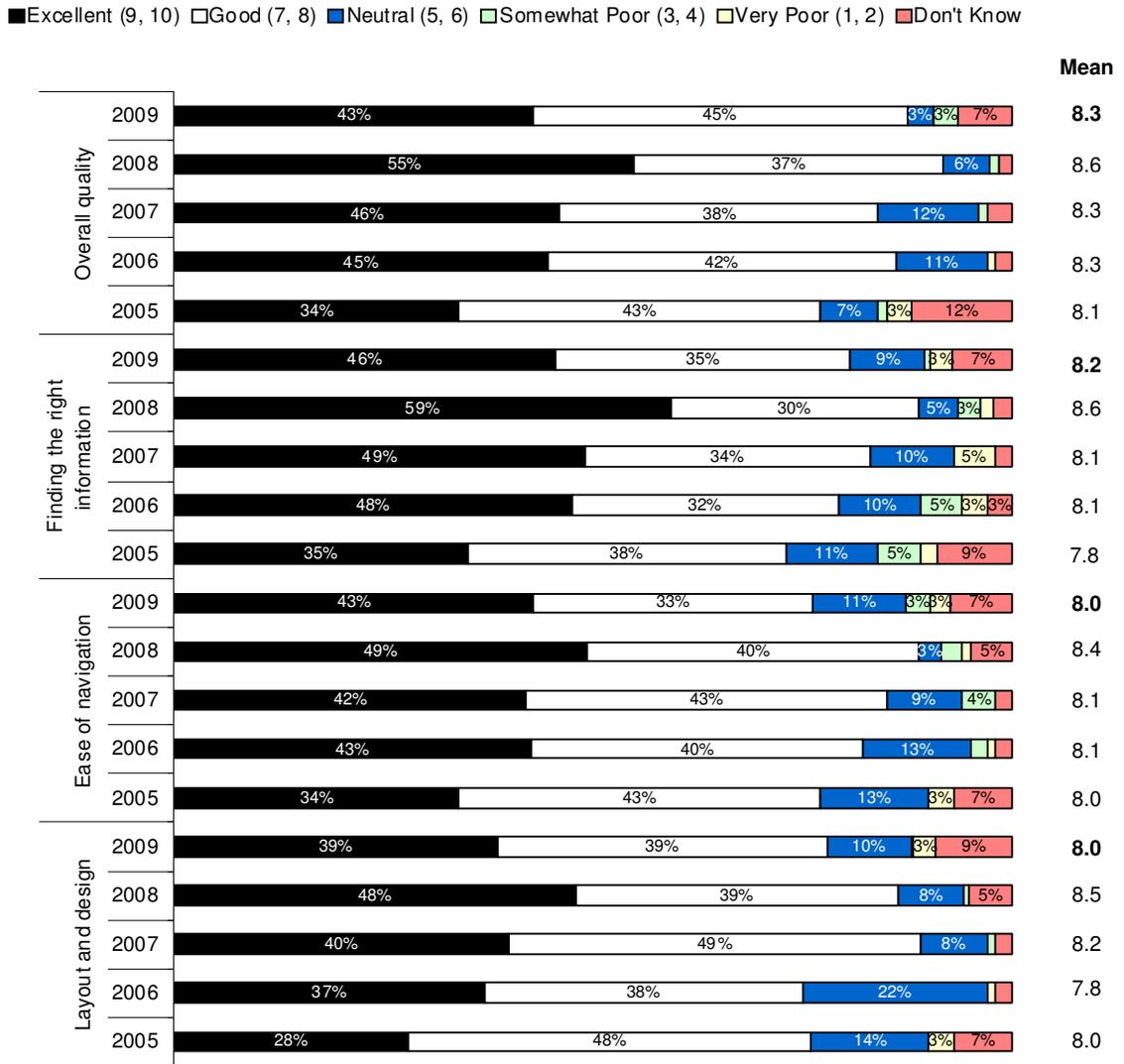
Customers who had visited Hydro's website were asked to rate the website, using a scale of 1 (Very poor) to 10 (Excellent), on the following attributes:

- Layout and design;
- Ease of navigation;
- Finding the right information to meet your needs; and
- Overall quality of the website.



Consistent with previous years, ratings of the website were favourable, with the large majority of customers rating each attribute as good or excellent (rating of 7 or higher). As shown in the following figure, the average satisfaction ratings ranged from 8.0 for ease of navigation and layout/design to 8.3 for overall quality.

Figure 30: Hydro's Website Ratings (N=105)



6.3 Electronic Billing and Online Services

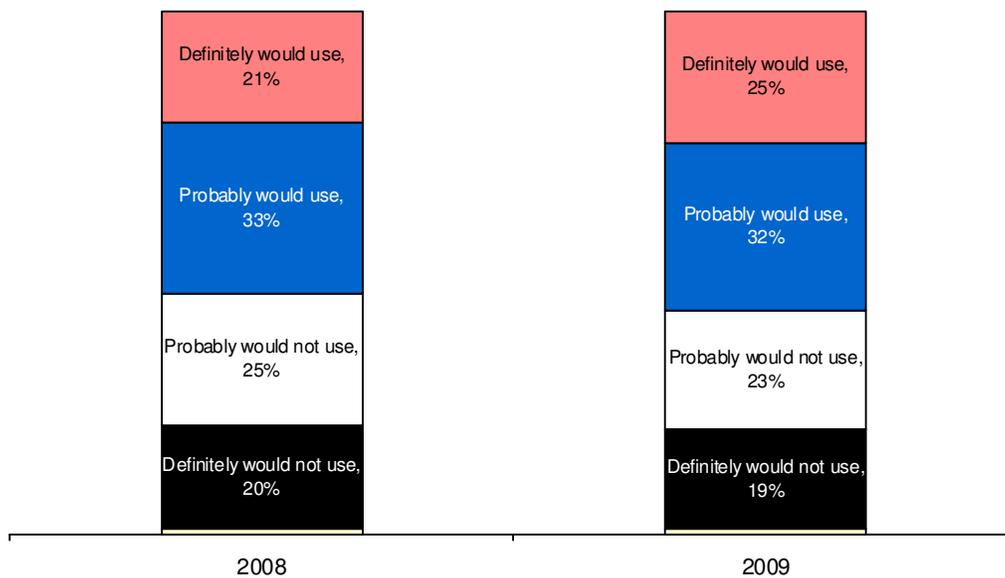
For electronic billing, the customer receives an email once a month containing an Internet link to their bill. Once a customer signs up for electronic billing, they no longer receive a paper copy in the mail. Starting with the 2008 survey, residential customers were asked about their likelihood of using this service if it were offered by Hydro.

Similar to the previous year, 25% of residential customers with Internet access indicated they *definitely* would use the electronic billing service, and 32% said they *probably* would use it.

Customers in the Labrador region (32%) were more likely than customers in the Central (20%) and Northern (22%) regions to say they *definitely* would use electronic billing if it was offered by Hydro.

By rate area, customers in Isolated areas (64%) were more likely than those in Interconnected areas (56%) to indicate that they *probably or definitely* would use this service.

Figure 31: Interest in Electronic Billing

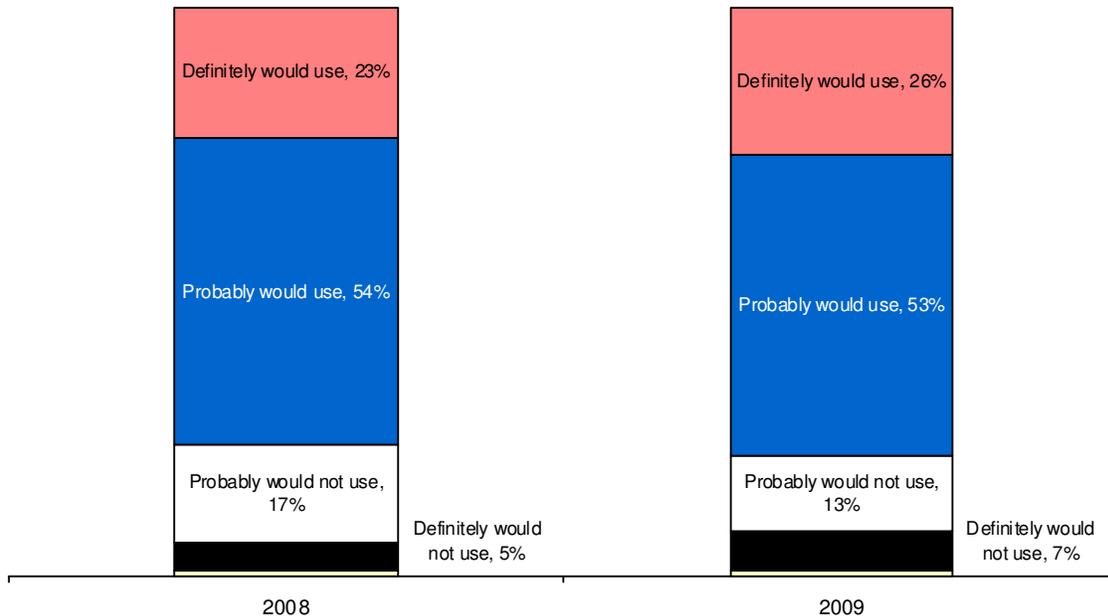




Hydro is considering expanding their online customer service capabilities by allowing customers to request service or information online. This may include services such as setting up a new account or changing their address, requesting a streetlight, applying for a rebate program, or requesting information on Hydro’s conservation initiatives. Customers were asked about the likelihood of which they would use online services.

Consistent with 2008, approximately one-quarter of customers (26%) indicated they definitely would use online services, and 53% said they probably would use the services.

Figure 32: Interest in Increased Online Services



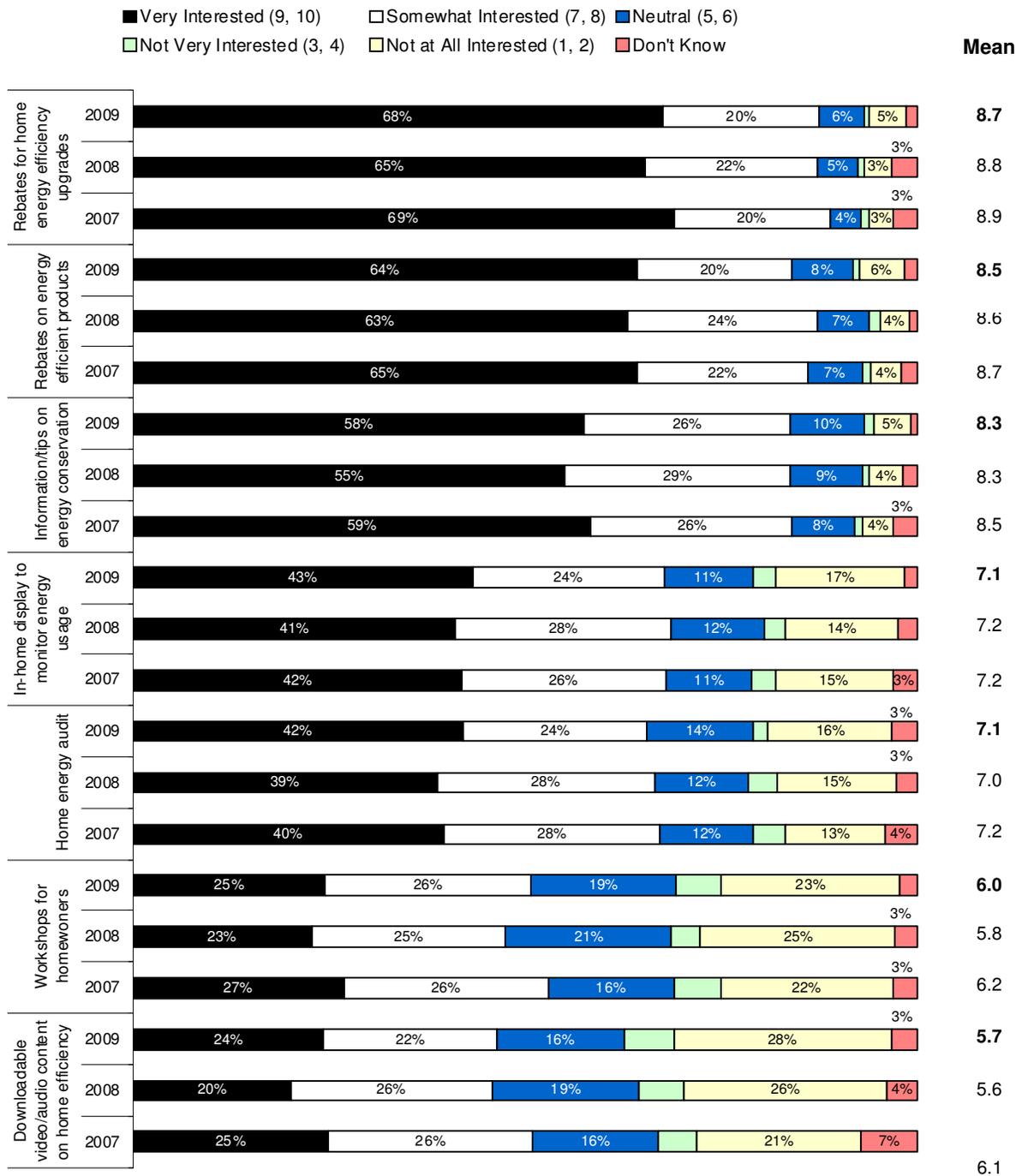
6.4 Energy Efficiency and Hydrowise

In 2007, new questions were included to assess interest in various energy efficiency resources. Residential customers are asked to rate their interest in seven different types of energy efficiency resources on a scale of 1 (Not at all interested) to 10 (Very interested).

Interest levels were highest for rebates on home energy efficiency upgrades (8.7), rebates on energy efficient products (8.5), and information/tips on energy conservation (8.3). Customers were least interested in workshops for home owners (6.0) and downloadable video/audio content on home efficiency (5.7). These results are consistent with those from previous years.



Figure 33: Interest in Various Energy Efficiency Resources



When compared to the other regions, customers in the Northern region reported the highest level of interest for information and tips on energy conservation (8.6) and rebates for home energy efficiency upgrades (9.0).

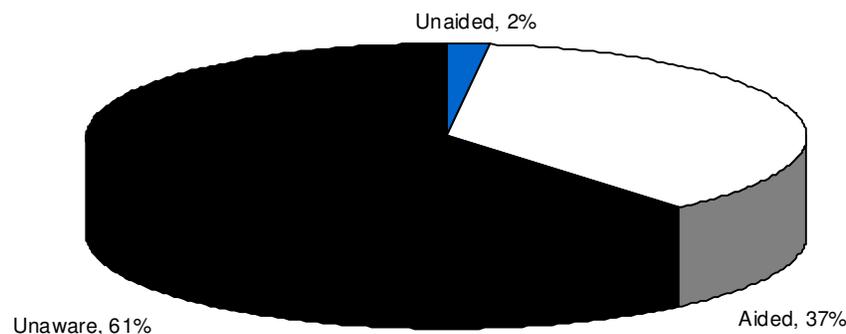
In 2009, Hydro partnered with Newfoundland Power to launch 'takeCHARGE', a new energy efficiency program.⁵ Customers were asked to indicate if, to their knowledge, Hydro has an energy efficiency program that provides information and rebates to consumers to reduce their energy costs. Approximately one-third of residential customers (32%) believed that Hydro has such a program.

While the above results reflect general awareness that Hydro has such a program, specific awareness of the 'takeCHARGE' program was assessed through additional questions. *Unaided* awareness was determined by asking customers who were aware that Hydro has an energy efficiency program to provide the name of the program. A small minority (2%) of all residential customers correctly identified 'takeCHARGE' as Hydro's energy efficiency program (*unaided awareness*).

To determine *aided* awareness, customers who did not identify Hydro's energy efficiency program were told that the name of the program is 'takeCHARGE' and were then asked if they had heard of it. More than one-third of residential customers (37%) indicated that they had heard of 'takeCHARGE'.

Overall awareness of the program (unaided and aided combined) was 39% for 2009.

Figure 34: Awareness of 'takeCHARGE' (N=725)

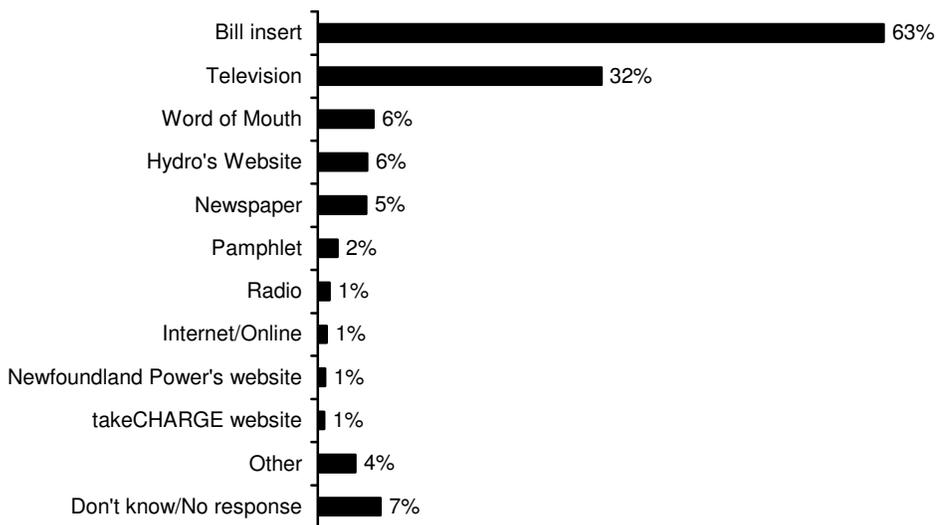


⁵ This program replaced the 'Hydrowise' program.



Customers who were aware of 'takeCHARGE' were asked where they had seen or heard information from the program. Customers most commonly recalled a bill insert (63%) as the source, followed by television (32%).

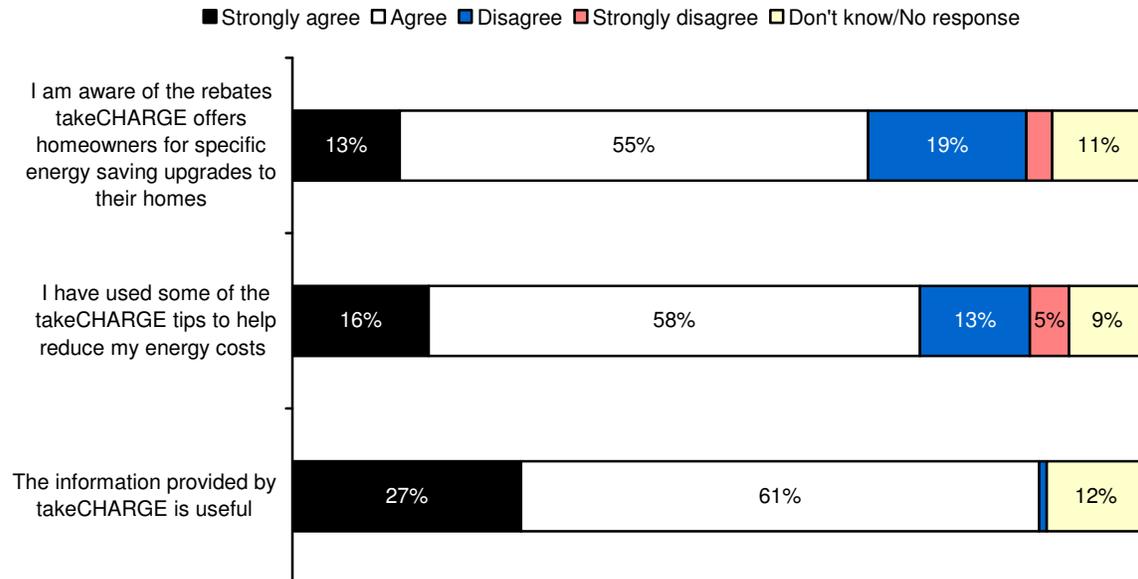
Figure 35: Where Customers have Heard or Seen Information from 'takeCHARGE'* (N=283)



*Multiple responses allowed.

Customers who were aware of 'takeCHARGE' were asked if they strongly agreed, agreed, disagreed, or strongly disagreed with the statements shown below.

Figure 36: Agreement with Statements on 'takeCHARGE' (N=283)



The majority (88%) of customers who were aware of 'takeCHARGE' agreed⁶ that the information provided by the program is useful. Approximately three-quarters of the customers (74%) agreed⁷ that they had used the tips to help reduce their energy costs. Just over two-thirds (68%) indicated they were aware of the rebates the program offers to homeowners.

Customers in the Northern region (92%) were more likely than those in the Labrador region (82%) to agree that the information provided by 'takeCHARGE' is useful.

Eight percent (8%) of the customers who were aware of 'takeCHARGE' had visited the 'takeCHARGE' website in the previous year.

⁶ Includes 'agree' and 'strongly agree'.

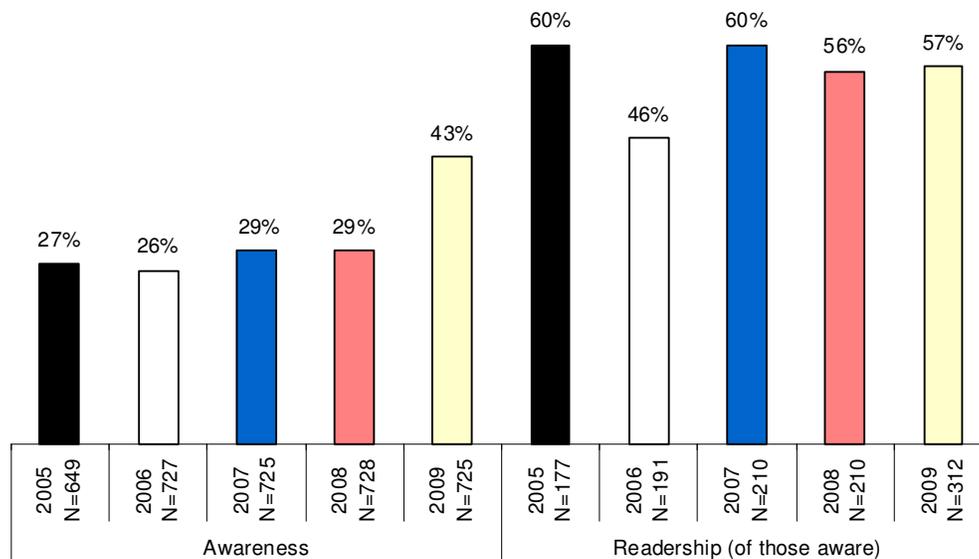
⁷ Includes 'agree' and 'strongly agree'.

6.5 Watts New

In 2005, Hydro introduced a customer newsletter called 'Watts New'. This newsletter is distributed to all customers on a quarterly basis and is inserted with their Hydro bill. Forty-three percent (43%) of customers reported that they had heard of 'Watts New', a significant increase from previous years.

Those who had heard of 'Watts New' were asked if they had read an issue of the newsletter. Of the customers who were aware, 57% had read an issue. Overall, readership of 'Watts New' declined in 2006 (46%) compared to 2005 (60%), but rebounded in 2007 and has since remained relatively stable.

Figure 37: Awareness and Readership of 'Watts New'



The majority of customers (97%) who read an issue of 'Watts New' rated the content of the newsletter as informative (42% *very* informative; 55% *somewhat* informative).

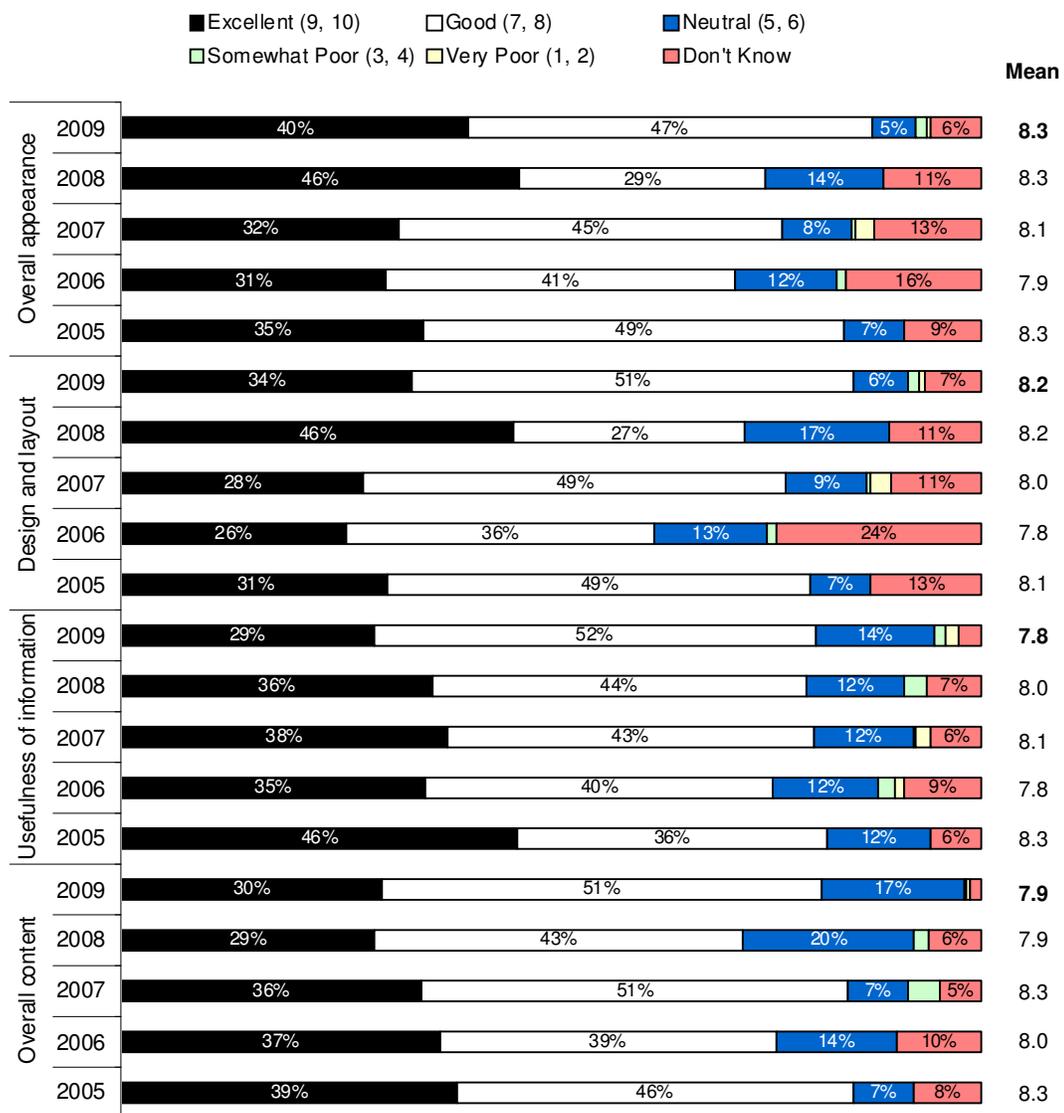


Customers who have read an issue of 'Watts New' were also asked to rate the newsletter, on a scale of 1 (Very poor) to 10 (Excellent), on the following attributes:

- Overall content;
- Usefulness of the information contained in the articles;
- Design and layout; and
- Overall appearance.

Consistent with previous years, 'Watts New' was rated favorably on these attributes, with mean ratings ranging from 7.8 for usefulness of the information to 8.3 for overall appearance.

Figure 38: 'Watts New' Newsletter Ratings (N=177)





Customers who have read an issue of 'Watts New' (N=177) were asked to provide suggestions on topics or areas of interest that they would like to see covered in future editions of the newsletter. Nineteen percent (19%) of these customers provided suggestions; most commonly, it was for information on energy conservation/savings (9%), energy consumption of appliances (2%), and environmental issues (1%).



7.0 PROFILE OF SURVEY RESPONDENTS

This section presents a profile of survey respondents, overall, by region and by rate area.

Table 3: Demographic Characteristics

	% Respondents
AGE:	N=720
18-24	1%
25-34	10%
35-44	22%
45-54	28%
55-64	27%
65+	13%
EDUCATION:	N=717
Less than high school	26%
Graduated high school/GED	25%
Some post-secondary education	11%
College/Technical School certificate or diploma	21%
University certificate or diploma below bachelor's degree	6%
University degree (Bachelors, Masters, PhD)	12%
HOUSEHOLD INCOME CATEGORY:	N=625
Less than \$20,000	13%
\$20,000 to less than \$40,000	29%
\$40,000 to less than \$60,000	26%
\$60,000 to less than \$80,000	13%
Over \$80,000	19%
EMPLOYMENT CATEGORY:	N=719
Full-time, Permanent, Year-Round	36%
Part-time, Permanent, Year-Round	9%
Seasonal/Casual	20%
Homemaker	6%
Unemployed	5%
Retired	21%
Student	1%
Self-Employed	2%
Other	1%
GENDER:	N=725
Male	37%
Female	63%



The most common characteristics of the person in the household responsible for dealing with Hydro (e.g., the customer surveyed) were:

- female (63%);
- between the ages of 35 to 64 (76%);
- employed (67%);
- completion of high school or less as their highest level of education (51%); and
- a total household income of \$60,000 or less (68%).

Table 4: Demographic Characteristics by Region

	Labrador % Respondents	Northern % Respondents	Central % Respondents
AGE:	N=280	N=262	N=178
18-24	2%	-	1%
25-34	14%	9%	6%
35-44	28%	15%	23%
45-54	27%	27%	29%
55-64	21%	31%	27%
65+	8%	19%	13%
EDUCATION:	N=278	N=265	N=176
Less than High School	12%	34%	30%
Graduated High School	18%	17%	36%
Some Post-Secondary Education	12%	12%	9%
College/Technical School Certificate or Diploma	35%	21%	11%
University Certificate below Bachelors	8%	6%	5%
University Degree (Bachelors, Masters, PhD)	16%	10%	9%
HOUSEHOLD INCOME CATEGORY:	N=237	N=235	N=153
Less than \$20,000	5%	17%	16%
\$20,000 to less than \$40,000	16%	35%	36%
\$40,000 to less than \$60,000	20%	24%	32%
\$60,000 to less than \$80,000	16%	18%	7%
Over \$80,000	44%	6%	10%
EMPLOYMENT CATEGORY:	N=280	N=262	N=178
Full-time, Permanent, Year-Round	62%	28%	23%
Part-time, Permanent, Year-Round	5%	11%	11%
Seasonal/Casual	8%	24%	25%
Homemaker	7%	4%	8%
Unemployed	2%	4%	7%
Retired	14%	26%	23%
Student	1%	<1%	1%
Self-Employed	1%	1%	2%
Other	1%	2%	<1%
GENDER:	N=280	N=265	N=180
Male	41%	34%	36%
Female	59%	66%	64%

Note: Individuals who refused or did not respond were excluded from this analysis.



Table 5: Demographic Characteristics by Rate Area

	Interconnected % Respondents	Isolated % Respondents
AGE:	N=377	N=342
18-24	1%	2%
25-34	10%	10%
35-44	22%	27%
45-54	28%	27%
55-64	27%	22%
65+	13%	13%
EDUCATION:	N=376	N=343
Less than High School	25%	31%
Graduated High School	24%	25%
Some Post-Secondary Education	11%	11%
College/Technical School Certificate or Diploma	22%	17%
University Certificate below Bachelors	7%	5%
University Degree (Bachelors, Masters, PhD)	12%	11%
HOUSEHOLD INCOME CATEGORY:	N=327	N=300
Less than \$20,000	13%	14%
\$20,000 to less than \$40,000	29%	34%
\$40,000 to less than \$60,000	26%	20%
\$60,000 to less than \$80,000	12%	16%
\$80,000 or more	19%	15%
EMPLOYMENT CATEGORY:	N=377	N=342
Full-time, Permanent, Year-Round	36%	40%
Part-time, Permanent, Year-Round	9%	9%
Seasonal/Casual	19%	26%
Homemaker	7%	4%
Unemployed	5%	3%
Retired	22%	17%
Student	1%	<1%
Self-Employed	2%	1%
Other	1%	<1%
GENDER:	N=380	N=345
Male	36%	40%
Female	64%	60%

Note: Individuals who refused or did not respond were excluded from this analysis.

Table 6: Years of Service Relationship

	Region			Rate Area	
	Labrador (N=280)	Northern (N=265)	Central (N=180)	Interconnected (N=380)	Isolated (N=345)
One year or less	2%	1%	3%	2%	3%
2 – 10 years	20%	11%	15%	16%	13%
11 – 19 years	17%	12%	12%	14%	10%
20+ years	59%	73%	66%	66%	70%
Don't know	1%	3%	3%	2%	4%

On average, residential customers have been served by Hydro for 25 years, with 66% reporting a service relationship for more than 20 years.

APPENDIX A: QUESTIONNAIRE



Residential Customer Satisfaction Survey 2009
Newfoundland and Labrador Hydro
FINAL

Imported Fields: Community and Region

Hello, my name is _____ and I'm calling from MarketQuest Research, a professional marketing research firm. Today/tonight we are conducting a short survey on household electricity. May I please speak to the adult who is primarily responsible for paying your home electric bill and dealing with the electric company **[REPEAT INTRODUCTION IF NECESSARY]**. We would appreciate your participation, would you have a few minutes to complete the survey...it will take approximately 10 minutes of your time?

YES - CONTINUE

NO - THANK & TERMINATE

Screener:

S1. Do you or does anyone in your household or immediate family work for:

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

IF YES TO ANY OF THE ABOVE - THANK & TERMINATE

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

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

IF NF & LAB HYDRO NOT MENTIONED- THANK & TERMINATE

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

1. What companies which currently operate in Newfoundland and Labrador first come to mind when you think of "a good corporate citizen" or a company that gives back to the community? **RECORD RESPONSES - ACCEPT MULTIPLE RESPONSES**
2. Other than electricity, what is the first thing that comes to mind when you think about Newfoundland and Labrador Hydro? Anything else? **RECORD RESPONSE**



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



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



Customer Satisfaction

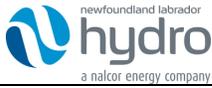
3. When thinking about your electricity supplier, I would like you to tell me how important you feel each of the following items is, on a scale of 1 to 10, where 1 means it is “not at all important” and 10 means it is “very important” to you. How important is... **[READ LIST] [ROTATE LIST]**

	Not at all important										Very important	Don't know
	1	2	3	4	5	6	7	8	9	10		
The number of power outages	1	2	3	4	5	6	7	8	9	10	98	
that Hydro ensures a sufficient supply of electricity for the foreseeable future	1	2	3	4	5	6	7	8	9	10	98	
The quality of customer service you receive from Hydro	1	2	3	4	5	6	7	8	9	10	98	
The price you pay for electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	98	
Hydro's concern for public safety	1	2	3	4	5	6	7	8	9	10	98	
That Hydro contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	98	
That Hydro encourages consumers to make more efficient use of electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro listens to and acts upon customer concerns	1	2	3	4	5	6	7	8	9	10	98	
Speed in restoration of power when a problem occurs	1	2	3	4	5	6	7	8	9	10	98	
Accuracy of billing	1	2	3	4	5	6	7	8	9	10	98	
Bills that are easy to read and understand	1	2	3	4	5	6	7	8	9	10	98	
that Hydro cares about its customers	1	2	3	4	5	6	7	8	9	10	98	
Good power quality that is free from voltage fluctuations	1	2	3	4	5	6	7	8	9	10	98	
The way they maintain the electric system	1	2	3	4	5	6	7	8	9	10	98	
Having friendly and courteous employees	1	2	3	4	5	6	7	8	9	10	98	



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

	Not at all satisfied										Very satisfied	Don't know
	1	2	3	4	5	6	7	8	9	10	98	
With the number of power outages that Hydro ensures a sufficient supply of electricity for the foreseeable future	1	2	3	4	5	6	7	8	9	10	98	
With the quality of customer service you receive from Hydro	1	2	3	4	5	6	7	8	9	10	98	
With the price you pay for electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro operates in an environmentally responsible manner	1	2	3	4	5	6	7	8	9	10	98	
With Hydro's concern for public safety	1	2	3	4	5	6	7	8	9	10	98	
That Hydro contributes back to the community through initiatives such as community sponsorship programs	1	2	3	4	5	6	7	8	9	10	98	
That Hydro encourages consumers to make more efficient use of electricity	1	2	3	4	5	6	7	8	9	10	98	
That Hydro listens to and acts upon customer concerns	1	2	3	4	5	6	7	8	9	10	98	
With the speed in restoring power when a problem occurs	1	2	3	4	5	6	7	8	9	10	98	
With the accuracy of Hydro's billing	1	2	3	4	5	6	7	8	9	10	98	
With Hydro providing bills that are easy to read and understand	1	2	3	4	5	6	7	8	9	10	98	
That Hydro cares about its customers	1	2	3	4	5	6	7	8	9	10	98	
Good power quality that is free from voltage fluctuations	1	2	3	4	5	6	7	8	9	10	98	
The way they maintain the electric system	1	2	3	4	5	6	7	8	9	10	98	
With how friendly and courteous Hydro's employees are	1	2	3	4	5	6	7	8	9	10	98	



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

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



Customer Service and Service Reliability

6. Now I am going to list three types of requests that a customer can make to Hydro, and I would like you to think about how long you feel it should take Hydro to respond to each type of request. What do you feel is a reasonable amount of time for Hydro to respond to each of the following requests...**[READ LIST]**

- Respond to a full loss or partial loss of power _____ min/hours/days

- Respond to general questions and concerns that cannot be addressed immediately and require further investigation _____ min/hours/days

- Respond to a service request for your home or property other than a power outage (e.g. new service, transfer or removal of service, and repair of service excluding power outages) _____ min/hours/days

7. Now please think of electric companies as serving customers in two ways: (1) the first being the supply of electricity to your home and (2) the second being customer service or response to customer needs, such as hook-ups, repairs, account billings and inquiries. On a scale of 1 to 10, where 1 means "not at all satisfied" and 10 means "very satisfied", how satisfied are you with: **[READ LIST]**

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

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

8. Do you need improved reliability with your electrical utility supply, for example fewer outages?

- Yes 1 - CONTINUE
- No 2 -SKIP TO Q10
- Don't Know 98 -SKIP TO Q10

9. Would you be willing to pay more for increased levels of reliability?

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



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

Yes	1	- CONTINUE
No	2	-SKIP TO Q12
Don't Know	98	-SKIP TO Q12

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

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

Accessing Information – Telephone and Website

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

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q18
Don't Know	98	-SKIP TO Q18

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

Don't Know	998
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14. In the past year, have you called Hydro's automated toll-free number and needed to speak with a customer service agent?

Yes	1	-CONTINUE
No	2	-SKIP TO Q18
Don't Know	98	-SKIP TO Q18

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q18



Don't Know 98 -SKIP TO Q18

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

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

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

Power outage information	1
Billing or account information	2
Energy efficiency information (e.g. Wrap up for Savings Program, Hydrowise, etc.)	3
Or something else? - Specify	90
Don't know	98

Now moving on to the Internet...

18. Do you have access to the Internet?

Yes	1
No	2

19. Have you ever visited Hydro's website?

Yes	1	-CONTINUE
No	2	-SKIP TO Q25
Don't Know	98	-SKIP TO Q25

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

Yes	1	-CONTINUE
No	2	-SKIP TO Q25
Don't Know	98	-SKIP TO Q25

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

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



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

Yes	1	-SKIP TO Q24
No	2	- CONTINUE
Don't Know/No response	98	-SKIP TO Q24

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

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

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

eBilling and Online Services

IF INTERNET ACCESS (YES TO Q18), CONTINUE ELSE, SKIP TO Q27

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

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

26. Electronic billing is a type of billing through which customers receive and view their monthly bill on-line. Through electronic billing, a customer receives an email once a month containing an Internet link to their on-line bill. However, once a customer signs up for electronic billing, they no longer receive their bill in the mail. If Hydro offered electronic billing, how likely are you to use it...would you say you...[**READ LIST**]?

Definitely would use it	1
Probably would	2
Probably would not	3



Definitely would not 4
Don't Know 98

Energy Efficiency

Now, I would like to ask you about energy efficiency...

27. On a scale of 1 to 10, where 1 is “not at all interested” and 10 is “very interested”, how interested would you be in using the following energy efficiency resources?
[READ LIST] [ROTATE LIST]

	NAI										VI	DK
Information & tips on energy conservation	1	2	3	4	5	6	7	8	9	10	98	
A home energy audit	1	2	3	4	5	6	7	8	9	10	98	
An in-home display to monitor your actual energy usage	1	2	3	4	5	6	7	8	9	10	98	
Workshops for homeowners	1	2	3	4	5	6	7	8	9	10	98	
Downloadable video or audio content on home efficiency issues	1	2	3	4	5	6	7	8	9	10	98	
Rebates on energy efficient products	1	2	3	4	5	6	7	8	9	10	98	
Rebates for home energy efficiency upgrades	1	2	3	4	5	6	7	8	9	10	98	

28. To your knowledge, does Hydro have an energy efficiency program that provides information and rebates for consumers to reduce their energy costs?

Yes 1 - **CONTINUE**
No 2 - **GO TO Q30**
Don't know 98 - **GO TO Q30**

29. What is the name of the program? **[RECORD RESPONSE]**

**IF “TAKECHARGE”, GO TO Q31
ELSE, CONTINUE**

30. “takeCHARGE” is the name of an energy efficiency partnership between Hydro and NL Power that helps consumers save energy and money. Have you heard of the program, “takeCHARGE”?

Yes 1 - **CONTINUE**
No 2 - **GO TO Q34**



31. Where have you heard or seen information from the “takeCHARGE” program? [**DO NOT READ LIST**] [**RECORD ALL THAT APPLY**]

Radio Ad	01
Newspaper Ad	02
Word of Mouth	03
Hydro’s Website	04
takeCHARGE website	05
Bill Insert	06
Newfoundland Power’s website	07
Television	08
Billboards	09
Other	90
Don’t know	98

32. Please indicate if you “strongly agree”, “agree”, “disagree”, or “strongly disagree” with the following statements: [**READ LIST**] [**ROTATE LIST**]

	SA	A	D	SD	DK
The information provided by takeCHARGE is useful	1	2	3	4	98
I have used some of the takeCHARGE tips to help reduce my energy costs	1	2	3	4	98
I am aware of the rebates takeCHARGE offers homeowners for specific energy saving upgrades to their homes	1	2	3	4	98

33. Have you visited the takechargenl.ca website in the past year?

Yes	1
No	2
Don’t know	98

“Watts New”

34. “Watts New”, Hydro’s quarterly customer newsletter, is distributed to customers with their Hydro bill. Have you ever heard of “Watts New”?

Yes	1	- CONTINUE
No	2	- GO TO Q39

35. Have you ever read an issue of “Watts New”?

Yes	1	- CONTINUE
No	2	- GO TO Q39



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

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

37. On a scale of 1 to 10, with 1 being “very poor” and 10 being “excellent”, how would you rate “Watts New” on the following: **[READ LIST] [ROTATE LIST]**

	Very Poor										Excellent	D/K
Overall content	1	2	3	4	5	6	7	8	9	10	98	
Usefulness of the information contained in the articles	1	2	3	4	5	6	7	8	9	10	98	
Design and Layout	1	2	3	4	5	6	7	8	9	10	98	
Overall appearance	1	2	3	4	5	6	7	8	9	10	98	

38. Are there any specific topics or areas of interest that you would like to see covered in “Watts New”? **[RECORD RESPONSE]**

Customer Suggestions

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

Demographics

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

40. For approximately how many years have you been a customer of Hydro?
___ Years

41. In which community do you live? _____

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

Under 20	01
20-24	02
25-29	03
30-34	04
35-39	05
40-44	06
45-49	07
50-54	08
55-59	09
60-64	10
65+	11
Refused	99

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

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

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

1	Working full-time in a permanent, year-round job
2	Working part-time in a permanent, year-round job
3	Working in a seasonal or casual job
4	Homemaker
5	Unemployed
6	Retired
7	or Student (includes upgrading/retraining)
99	Refused



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

- 1 Less than \$20,000
- 2 \$20,000 to less than \$40,000
- 3 \$40,000 to less than \$60,000
- 4 \$60,000 to less than \$80,000
- 5 or \$80,000 or more
- 99 Refused

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

- 1 Male
- 2 Female

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