

nationalgrid

**2009 Residential Customer Satisfaction Study
~ New Hampshire ~**

Prepared by Interviewing Service of America, Inc.

December 2009

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Objectives

Background & Methodology

Respondent Demographic Profile

Project Objectives

- ◆ Evaluate current levels of satisfaction with National Grid among New Hampshire residents
- ◆ Compare trends in New Hampshire Residential customer satisfaction over time (back to 2003 where available)

Background & Methodology

- ◆ This study has been conducted annually since 1997 for New Hampshire.
- ◆ Residential customers were randomly selected for participation in the survey. The survey sample is representative of the National Grid residential customer base in New Hampshire.
- ◆ Base counts throughout this report refer to total responding, eliminating those with no opinion or “don’t know” responses, or who are not asked the question due to a skip pattern.
- ◆ **Sampling Error**
 - ◆ As is the case in all survey samples, there is an element of sampling error that is known and measurable when making projections to the universe of all National Grid residential customers. Sampling error varies inversely with the size of the sample.
 - ◆ With a sample size of 1,000 and a 95% level of confidence, the range of error for proportions observed in this survey is +/- 3.0 percentage points.

Respondent Demographic Profile - 2009 Survey

Main Heat Source for Home	New Hampshire	
	2008	2009
Oil	61%	61%
Natural Gas	4	3
Electric	8	7
Propane	16	18
Wood	8	8
Other/incl with rent	3	3
	100%	100%

Home Ownership	New Hampshire	
	2008	2009
Rent	12%	13%
Own	86	87
Refused/DK	2	0
	100%	100%

Gender	New Hampshire	
	2008	2009
Male	45%	42%
Female	55	58
	100%	100%

Total Household Income	New Hampshire	
	2008	2009
Under \$20,000	7%	10%
\$20,000-\$39,999	19	18
\$40,000-\$74,999	30	31
\$75,000-\$125,000	28	28
Over \$125,000	16	13
	100%	100%

Type of Home	New Hampshire	
	2008	2009
Single	87%	86%
Multi-family/Apartment	11	14
Other	1	0
Refused/DK	1	0
	100%	100%

Air Conditioning	New Hampshire	
	2008	2009
% w/ Central Air Conditioning*	22%	18%
No room or window units*	45%	45%
1 room or window unit*	22	21
2 room or window units*	17	19
3+ room or window units*	16	15
* Multiple Responses Allowed		

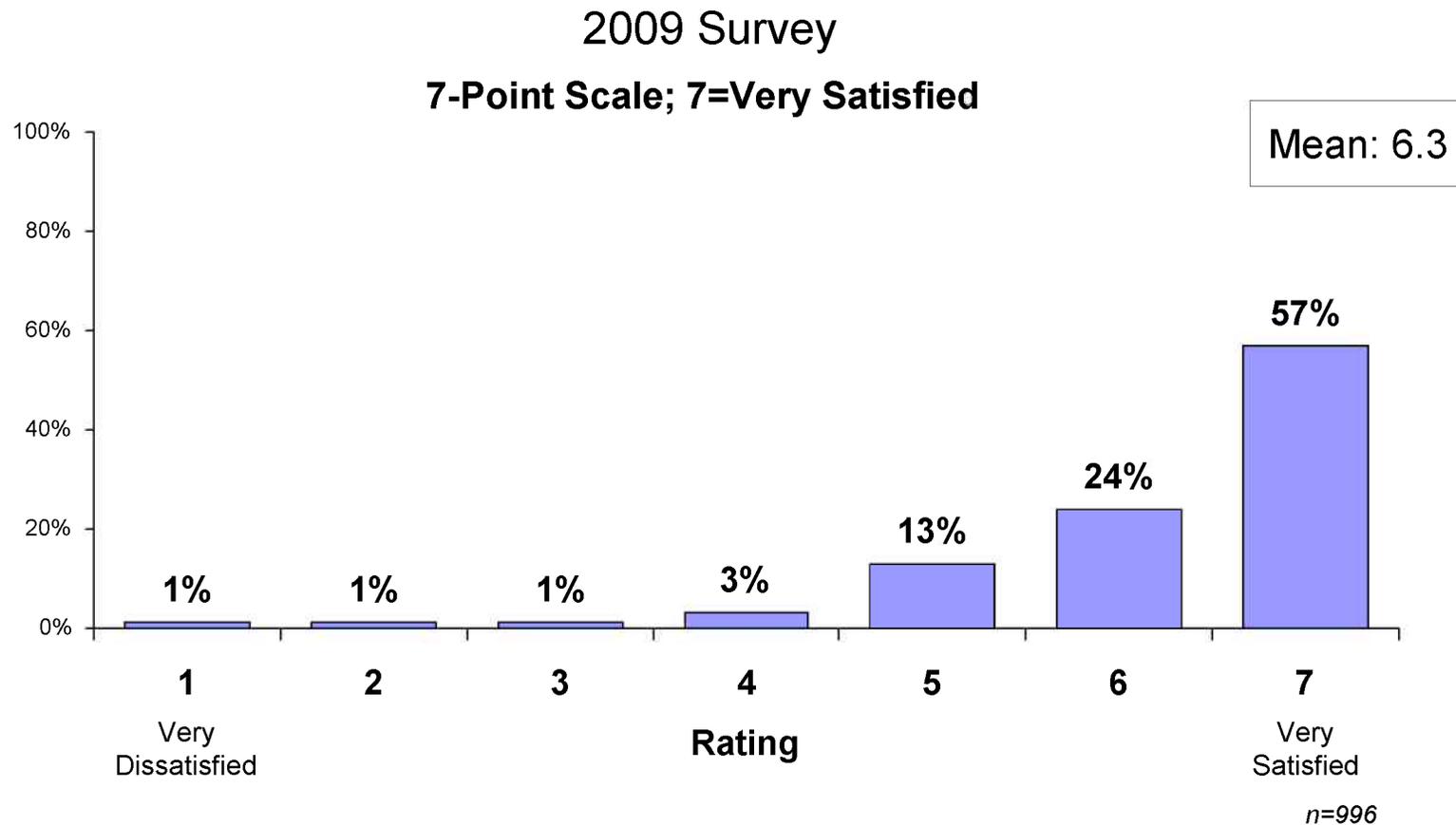
2008 n=1001
2009 n=1000

Detailed Findings

1. Overall Satisfaction

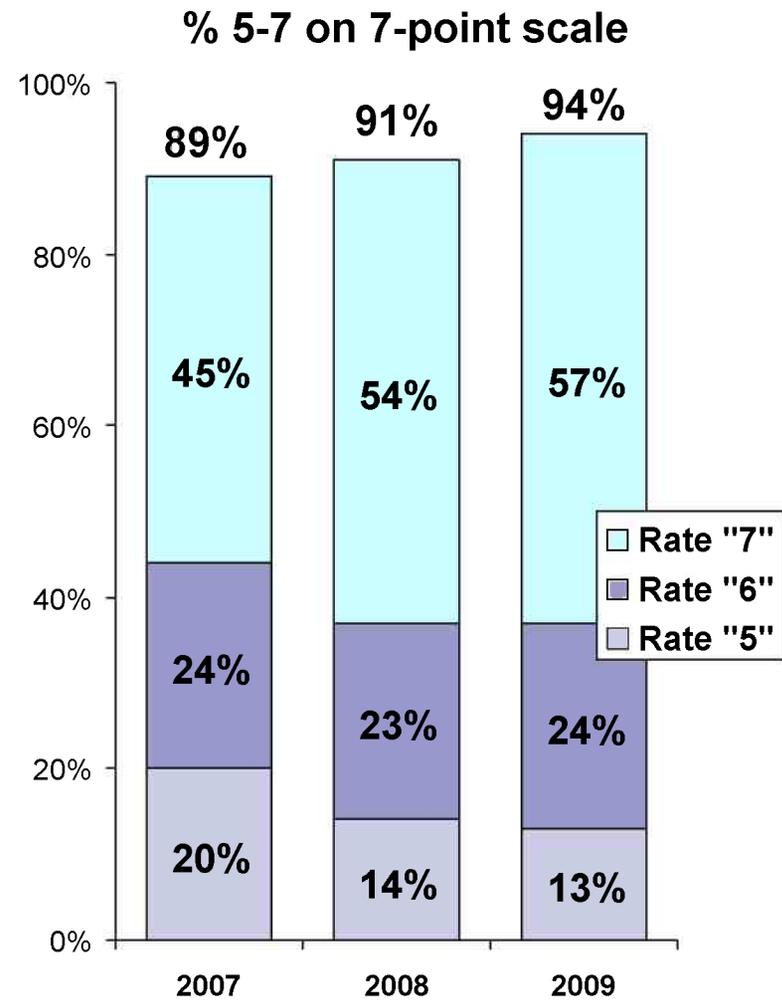
Overall Satisfaction with National Grid is Very High

- Over half of NH residents are highly satisfied; 57% rate their satisfaction a “7”.



Overall Satisfaction with National Grid Has Increased This Year

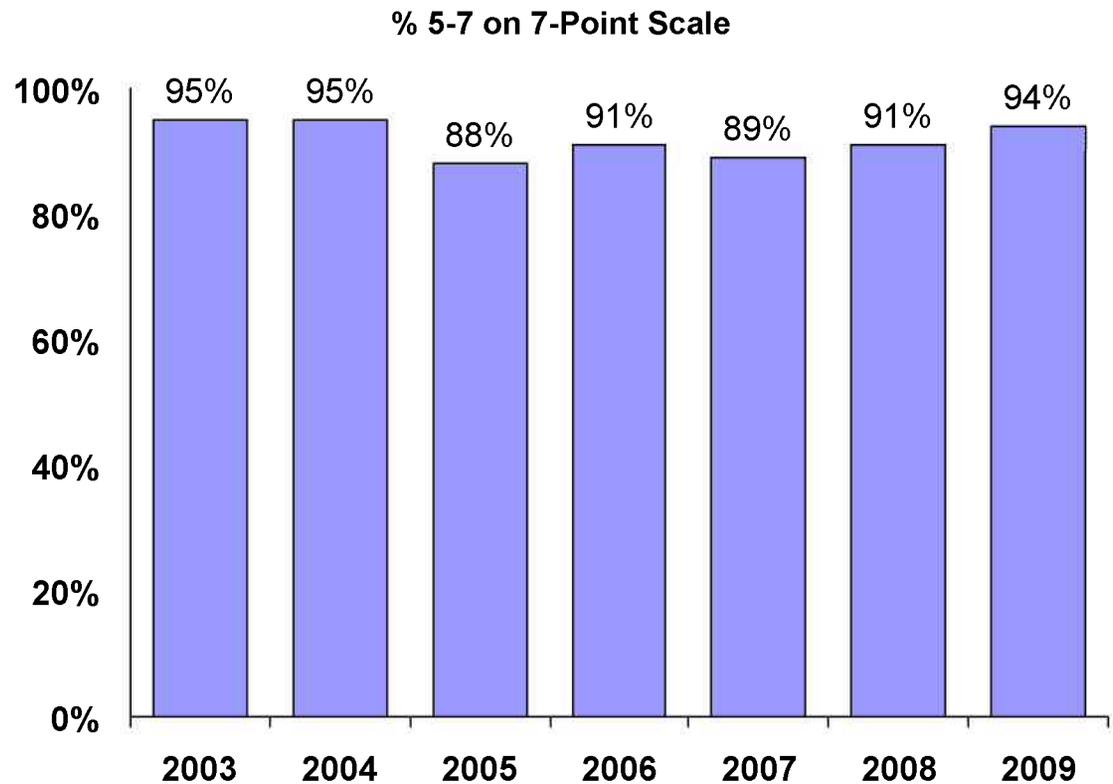
- Overall satisfaction with National Grid has increased over last year; 3% more respondents give the highest rating (7) this year.
- The top three box rating (5-7) also increased by 3 percentage points this year.



2007 n=1134; 2008 n=994; 2009 n=996

Overall Satisfaction with National Grid Increases Again

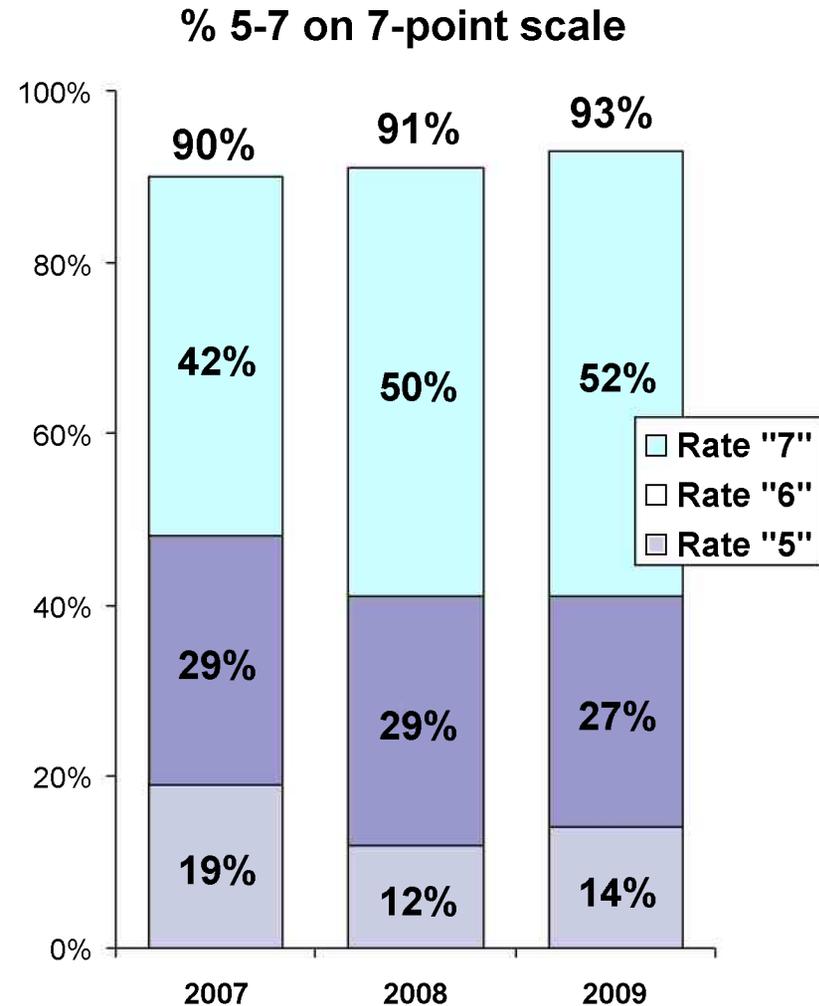
- Overall satisfaction for NH residents is very high; 94% (rate 5-7) is the highest since 2004.



Base: 2009 n=996

Satisfaction Excluding Price has also Improved

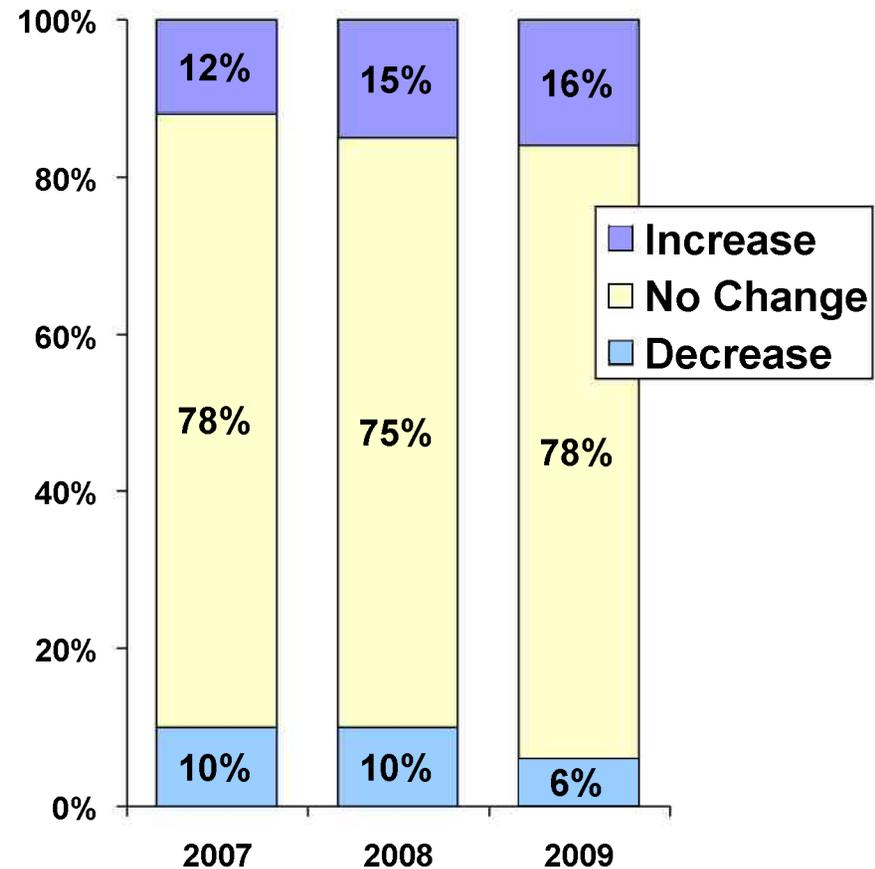
- Overall satisfaction, excluding price, has improved in terms of the proportion of customers giving the highest rating (7); 2% more give this rating in 2009 than in 2008 and 10% more than in 2007.
- In addition, the top three box rating has improved two percentage points this year to 93%.



Base: 2009 n=987

Slightly More Claim an Increase in Satisfaction

- Similar to results from previous surveys, most NH residents this year (78%) say their satisfaction has remained the same as last year.
- One percent more claim to have experienced an increase in satisfaction and four percent fewer have experienced a decrease.

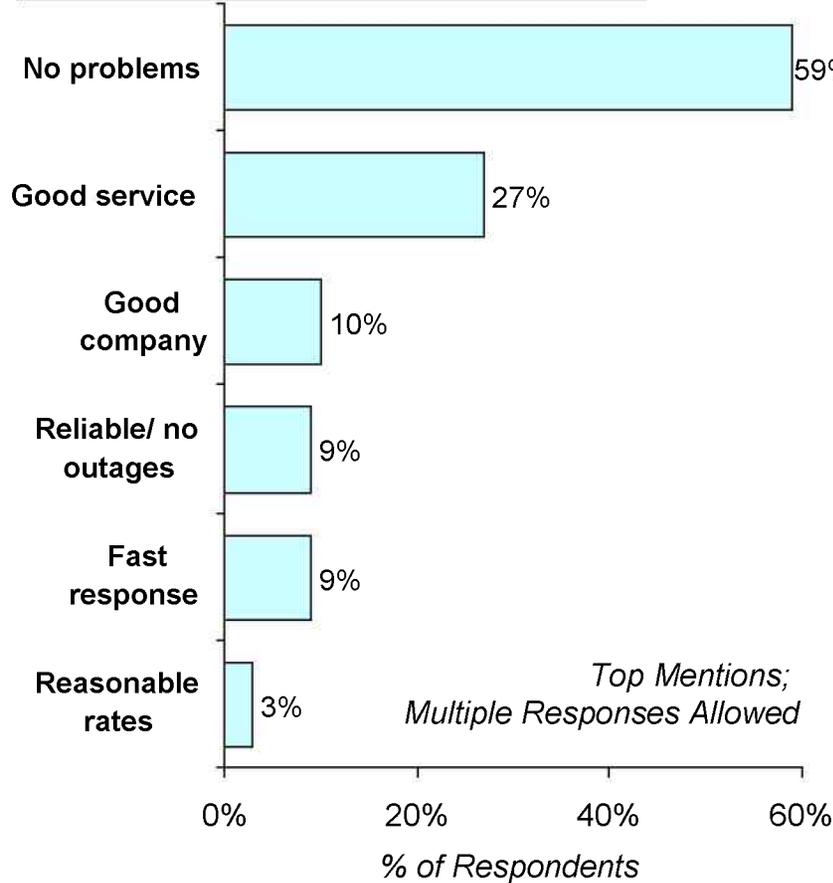


Base: 2009 n=981

Lack of Problems Contribute to Satisfaction; Power Outages Create Dissatisfaction

2009 Survey

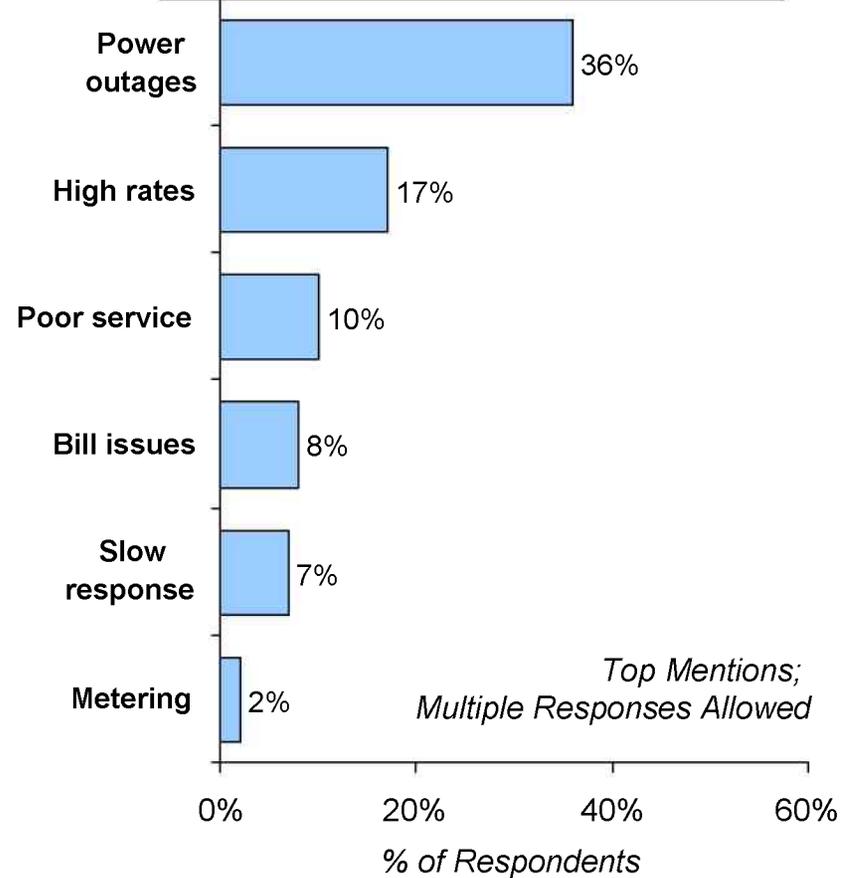
More Satisfied Customers Cite:



More Satisfied=6-7 on 7-Point Scale

n=804

Less Satisfied Customers Cite:



Less Satisfied=1-5 on 7-Point Scale

n=183

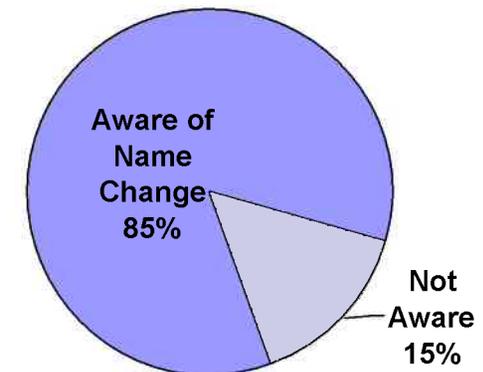
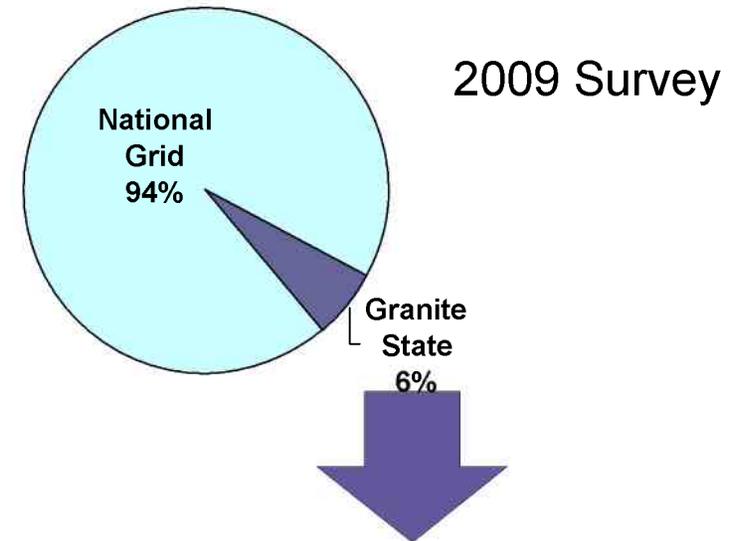
Detailed Findings

2. Perceptions of National Grid

Awareness of National Grid as Electric Company is High

- Nearly all survey respondents are aware of National Grid as their electric company (94%).
 - Most of those who named Granite State as their electric company are aware that the name has been changed.

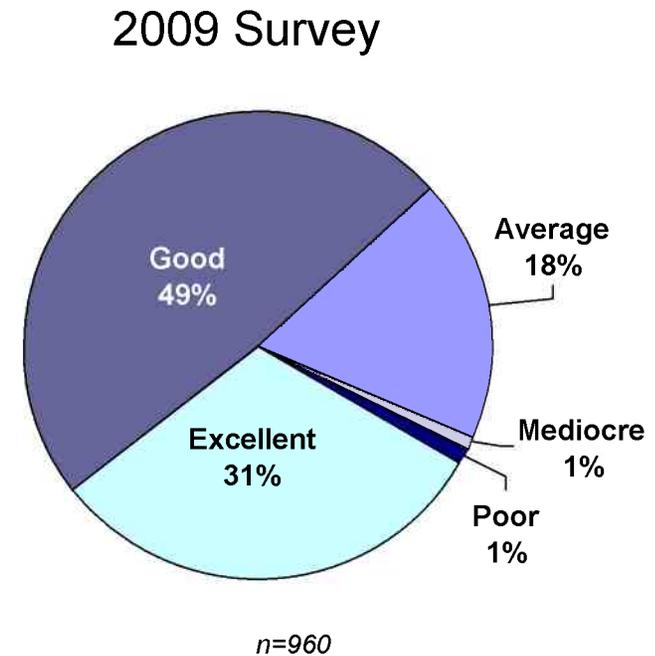
Base=Aware of Utility Name; n=1000



Base=Named Granite State as Local Utility; n=62

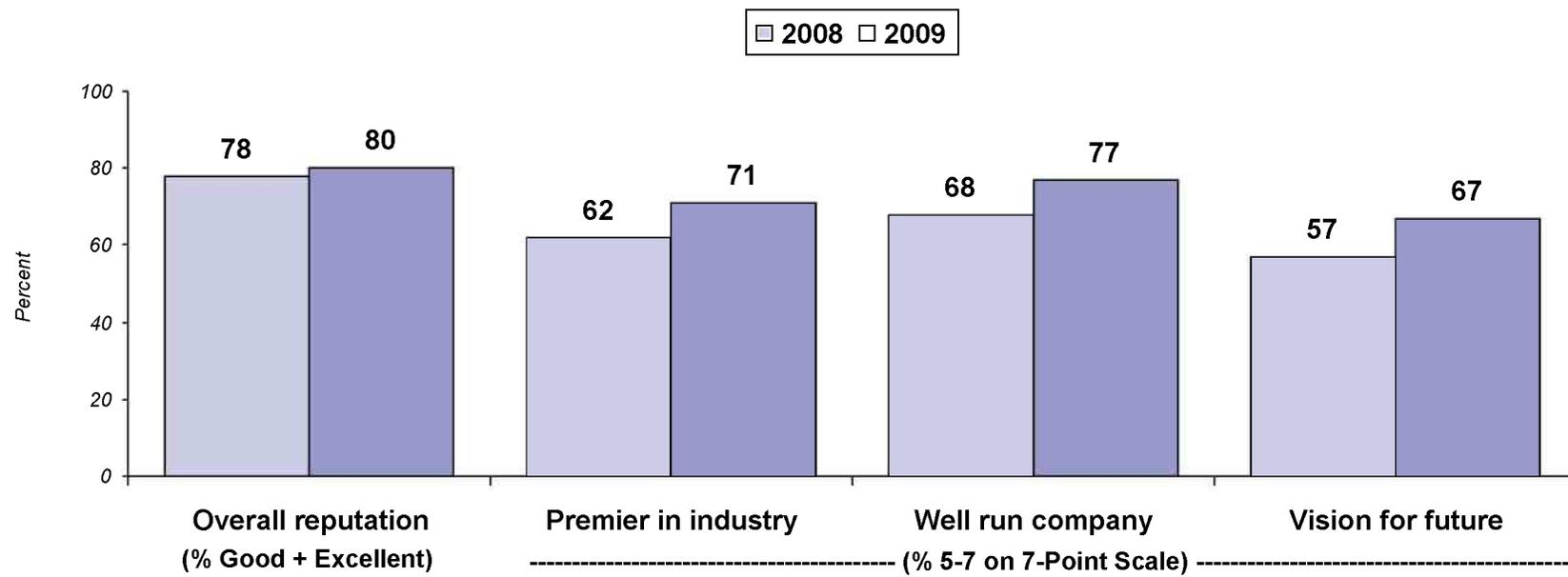
National Grid has a Strong Reputation as a Company

- Most residents consider National Grid an “excellent” or “good” company (80%).



Perceptions of Business Aspects - Trended

- Perceptions of all the various business aspects shown below improved in 2009.
- The largest percentage improvement (+10 points) is for “vision for the future,”
- “Premier in the industry” and a “well run company” each improved 9 percentage points.



Differences Between Highly Satisfied vs. Less Satisfied Customers Regarding Perceptions of Performance on Business Aspects

- Highly satisfied and less satisfied customers have widely differing perceptions of National Grid in terms of performance on all four of the business aspects measured in the survey.

2009 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
<i>(Base)</i>	<i>(809)</i>	<i>(187)</i>	
Vision for the future (% 5-7)	73%	39%	34
Being a well run company (% 5-7)	83	50	33
Being premier in its industry (% 5-7)	77	47	30
Overall reputation (% 5-7)	89	61	28

Detailed Findings

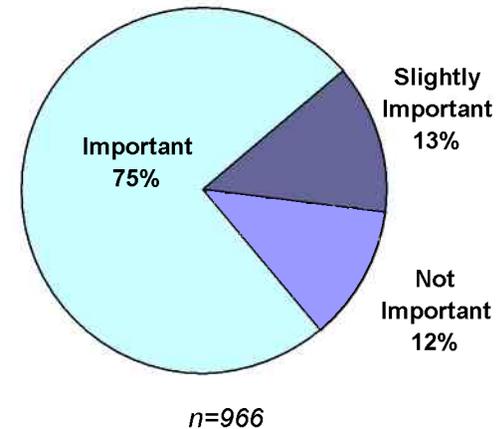
3. Social Responsibility Issues

Utilities are Expected to Play a Role in Minimizing Global Climate Change

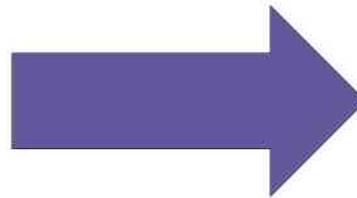
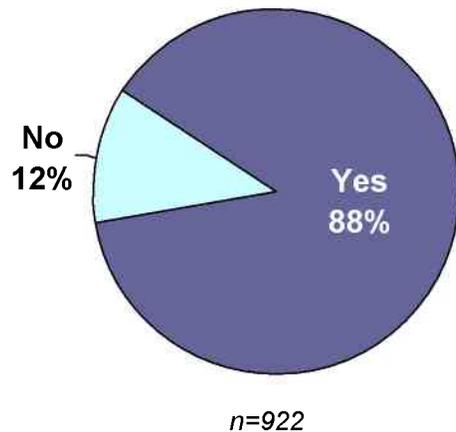
- Most NH residents believe that global climate change is important (75%) and that utilities have an important role in minimizing the impact (88%).

Issue of Global Climate Change is...

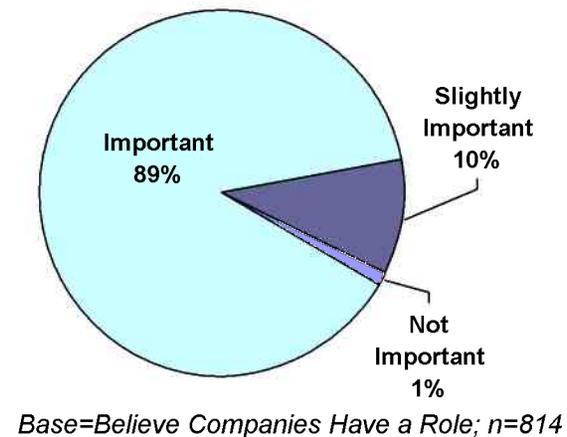
2009
Survey



Do Electric & Gas Companies Have a Role in Minimizing Impact of Global Climate Change?



Is this Role...?



Greenhouse Gas Control is a Key Issue

- ◆ Nearly all respondents agree that utilities should take responsibility regarding greenhouse gases.

85% Agree:

Electric & gas companies should reduce the release of natural gas, a potent greenhouse gas, from their gas distribution and transmission systems.

n=814

86% Agree:

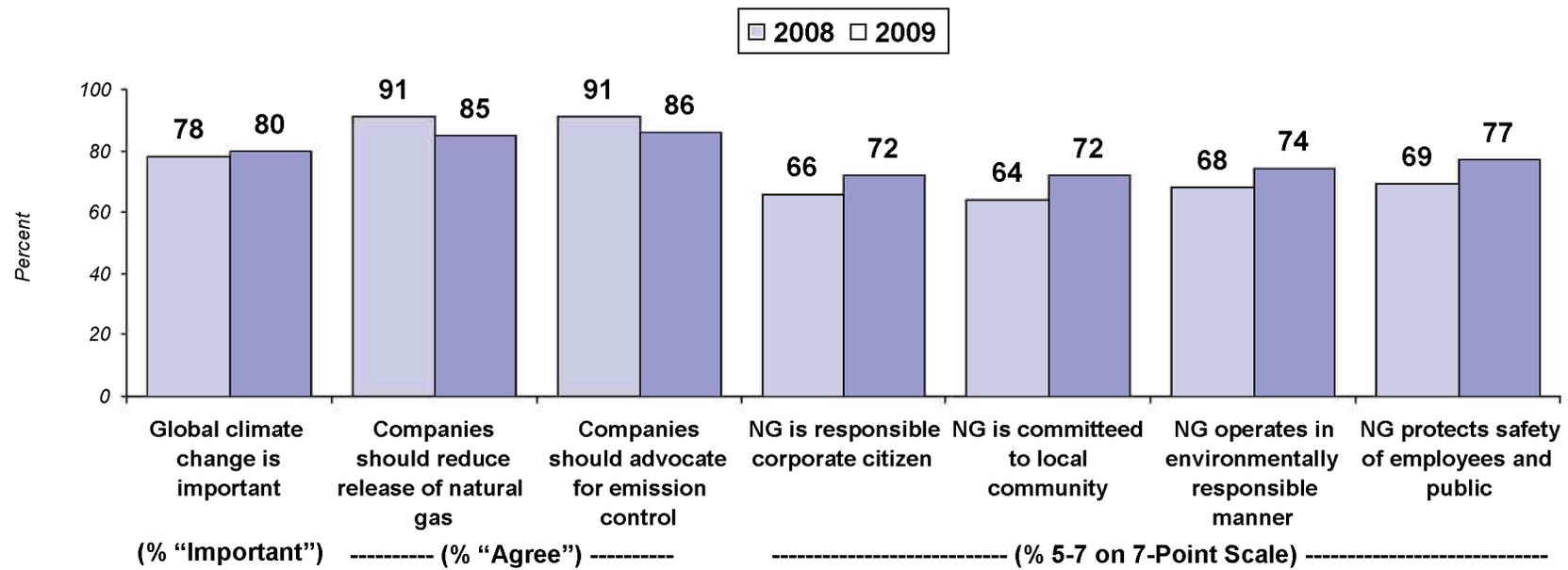
Electric & gas companies should advocate for the implementation of greenhouse gas emission control programs on a regional and national basis.

n=830

2009 Survey

Social Responsibility Aspects - Trended

- Several social responsibility aspects improved considerably this year: “committed to local community” +8 points, “protects employees and public” +8 points, “responsible corporate citizen” +6 points, and “environmentally responsible” +6 points.
- Only two aspects decreased: “reduce release of natural gas” -6 points, “advocate for emission control” -5 points.



Differences Between Highly Satisfied vs. Less Satisfied Customers Regarding Social Responsibility Aspects

- Perceptions of National Grid regarding social responsibility differ substantially between customers who are highly satisfied overall and those who are less satisfied.

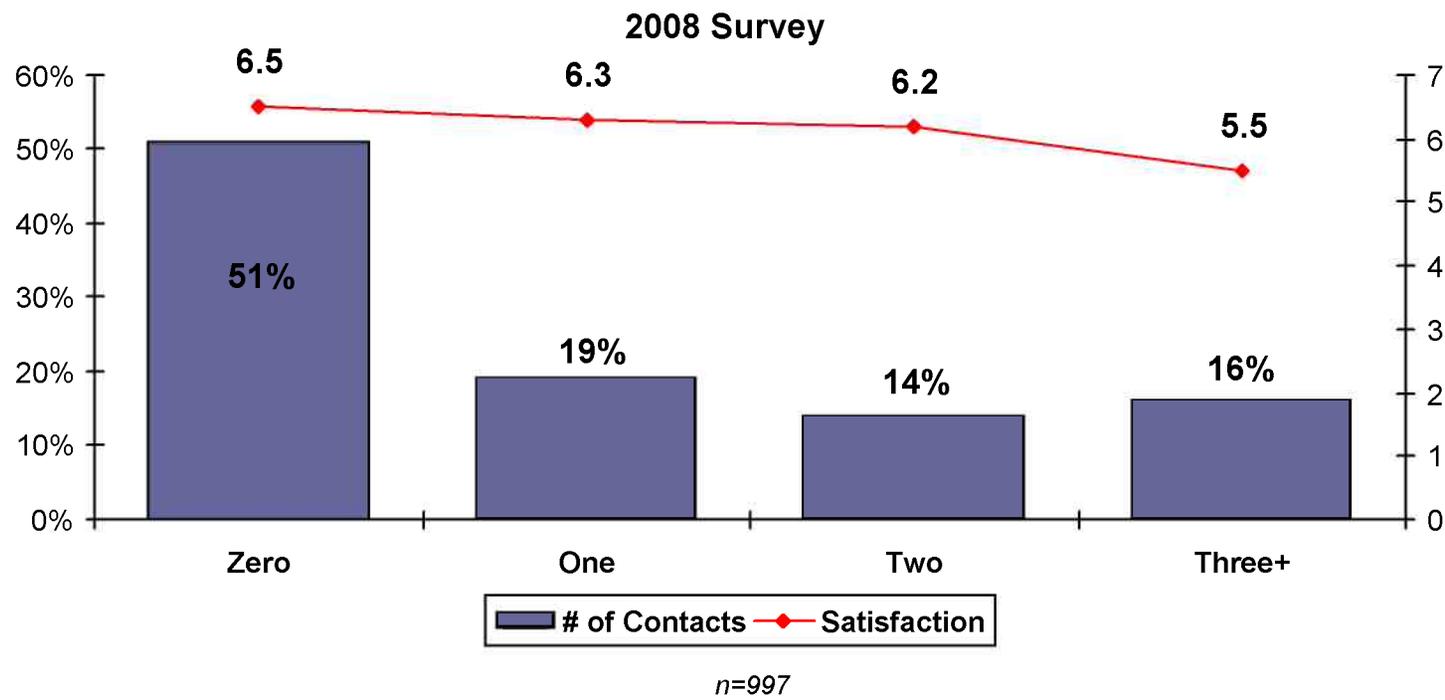
2009 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Base)	(809)	(187)	
Being a responsible corporate citizen (% 5-7)	78%	45%	33
Commitment to the local community (% 5-7)	78	49	29
Operating in an environmentally responsible manner (% 5-7)	80	51	29
Protecting the safety of employees and the public (% 5-7)	81	58	23

Detailed Findings

4. Contact with National Grid

Overall Satisfaction Declines as the Number of Contacts Increases

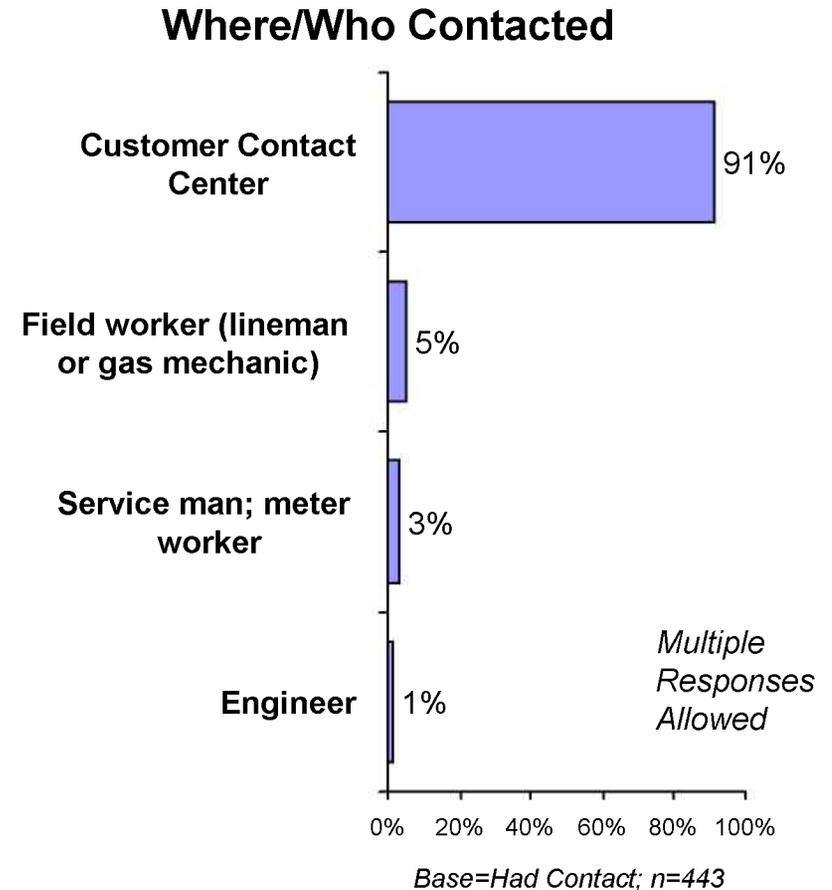
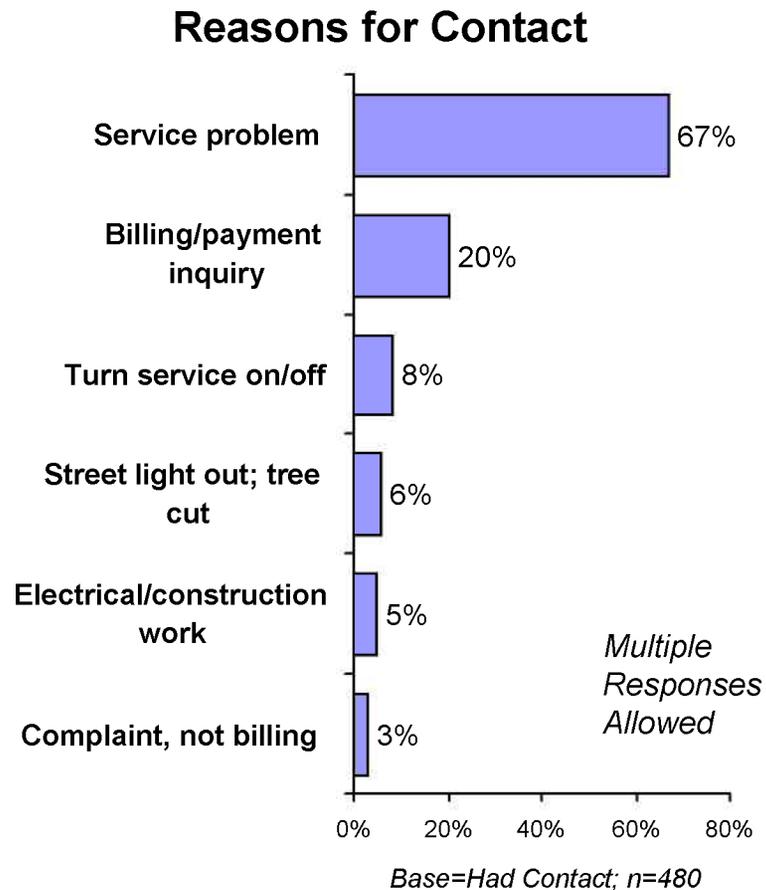
- ◆ Fewer than half of all NH customers (49%) have had some contact with National Grid (or attempted to contact National Grid) in the past 12 months.
- ◆ Those with no contact (mean 6.5) are much more satisfied than those who have had contact (mean 5.5-6.3), demonstrating that contacts correlate to satisfaction.



Most Customers Contacted the CCC for Service Problems

- A service problem is the most common reason to contact National Grid (67%) and the Customer Contact Center (phone center) is the place where most residents make contact (91%).

2009 Survey

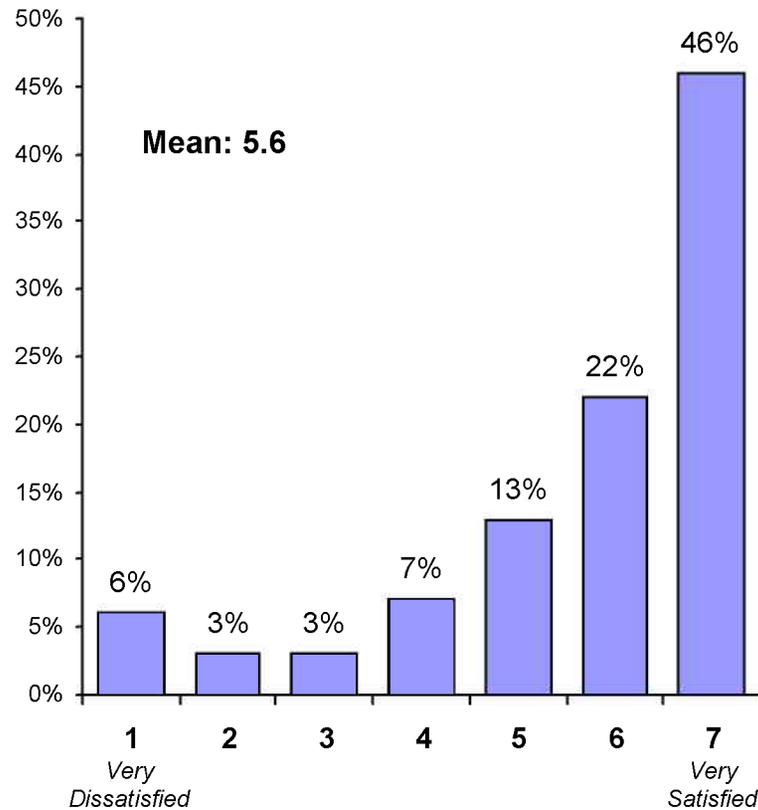


Service Levels Correlate to Satisfaction with Contact

- Most customers are satisfied with their most recent contact although those who are not satisfied mention the length of time it took to obtain a response (33%) and generally poor service (29%) as issues.

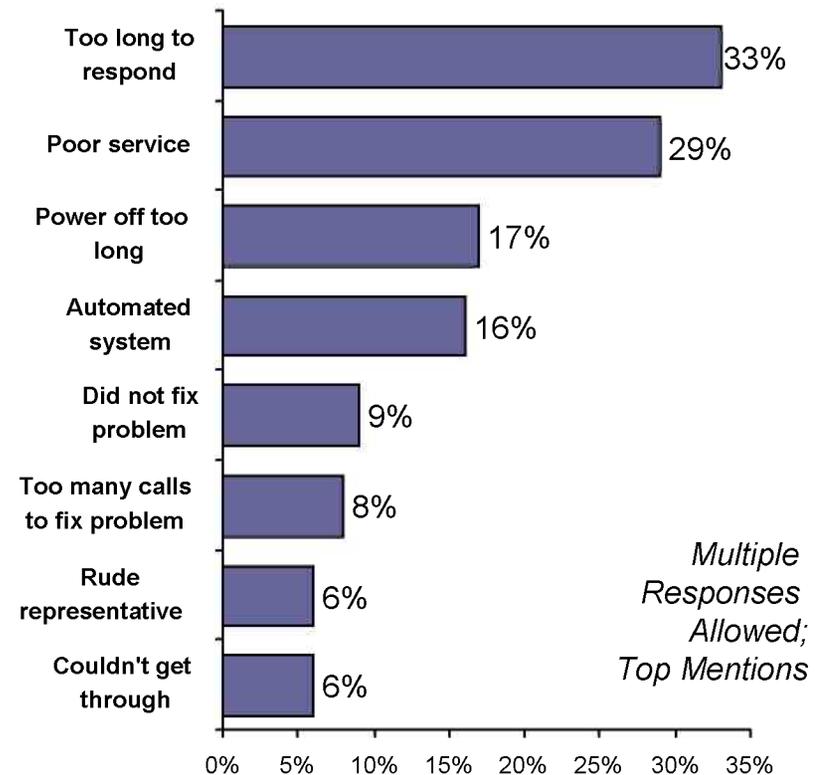
2009 Survey

Satisfaction with Contact



Base=Had Contact; n=477

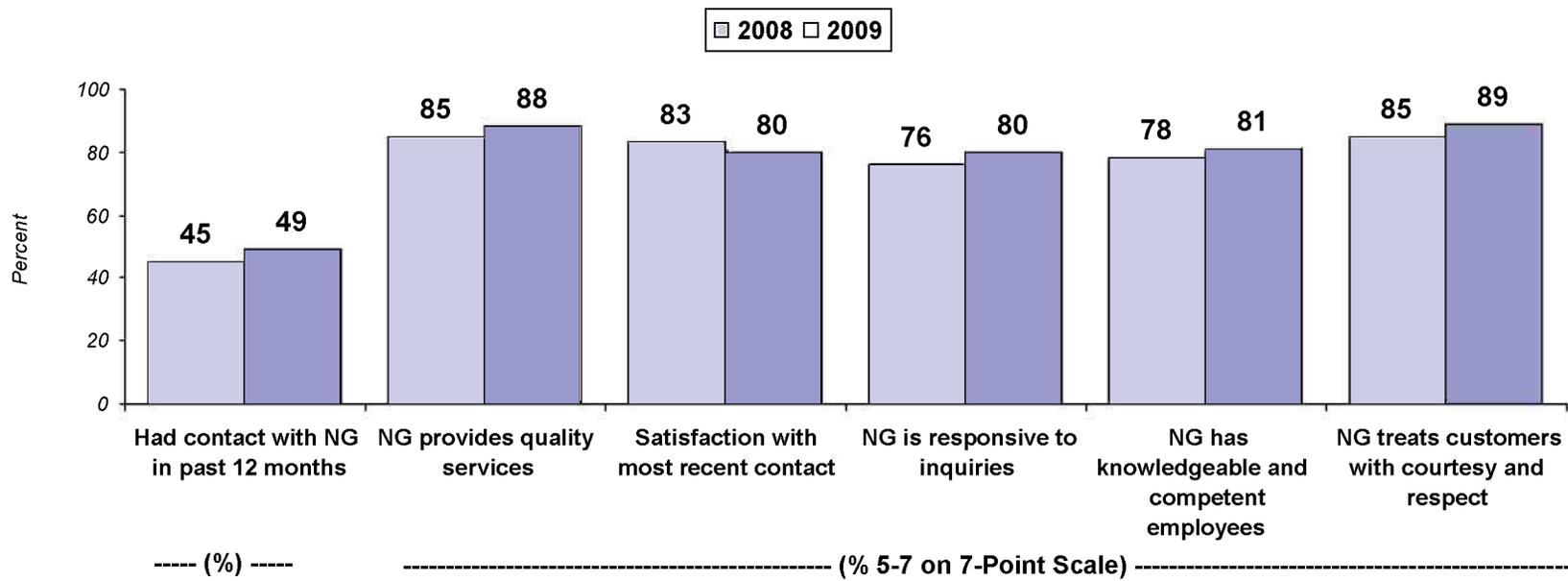
Why Dissatisfied?



Base=Had Contact and Sat=1-4; n=93

Contacts - Trended

- A higher proportion of customers this year (49%) than last year (45%) had contact with National Grid.
- “Satisfaction with the most recent contact” decreased 3 percentage points this year.
- All the other ratings related to contacts improved by +3 or +4 points in 2009.



Differences Between Highly Satisfied vs. Less Satisfied Customers Regarding Contacts

- Perceptions of National Grid in terms of providing good customer service have a major impact on overall satisfaction. Highly satisfied and less satisfied customers give very different ratings.

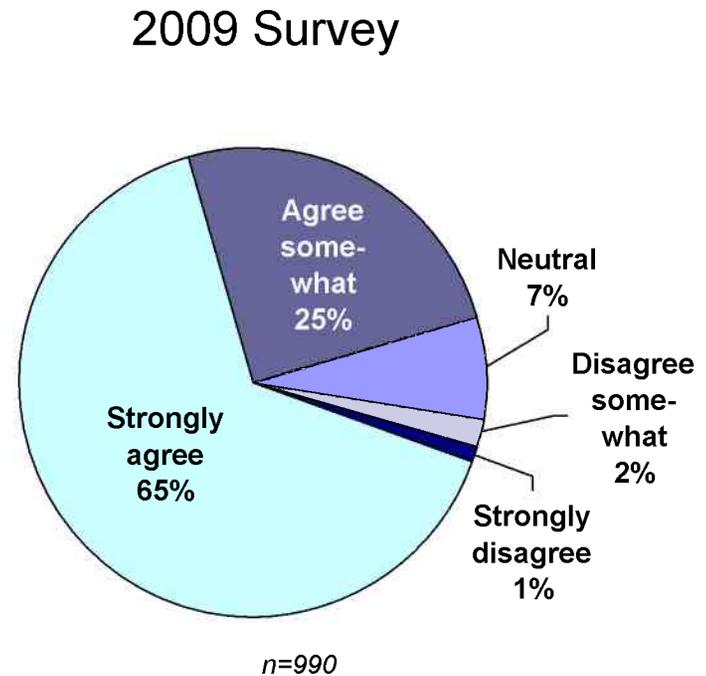
2009 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
<i>(Base)</i>	<i>(809)</i>	<i>(187)</i>	
High satisfaction (% 5-7) with most recent contact	89%	56%	33
NG provides quality services to customers (% 5-7)	94	65	29
NG is responsive to your inquiries (% 5-7)	86	57	29
NG has knowledgeable and competent employees (% 5-7)	86	60	26
Contacted NG 3+ times in past 12 months	11	37	26
Contacted NG 0 times in past 12 months	30	56	26
Treat you with courtesy and respect (% 5-7)	92	76	16
Mean number of contacts in past 12 months	1.0	2.8	-

Detailed Findings

5. Reliability: Outages & Power Quality

National Grid Provides Reliable Service

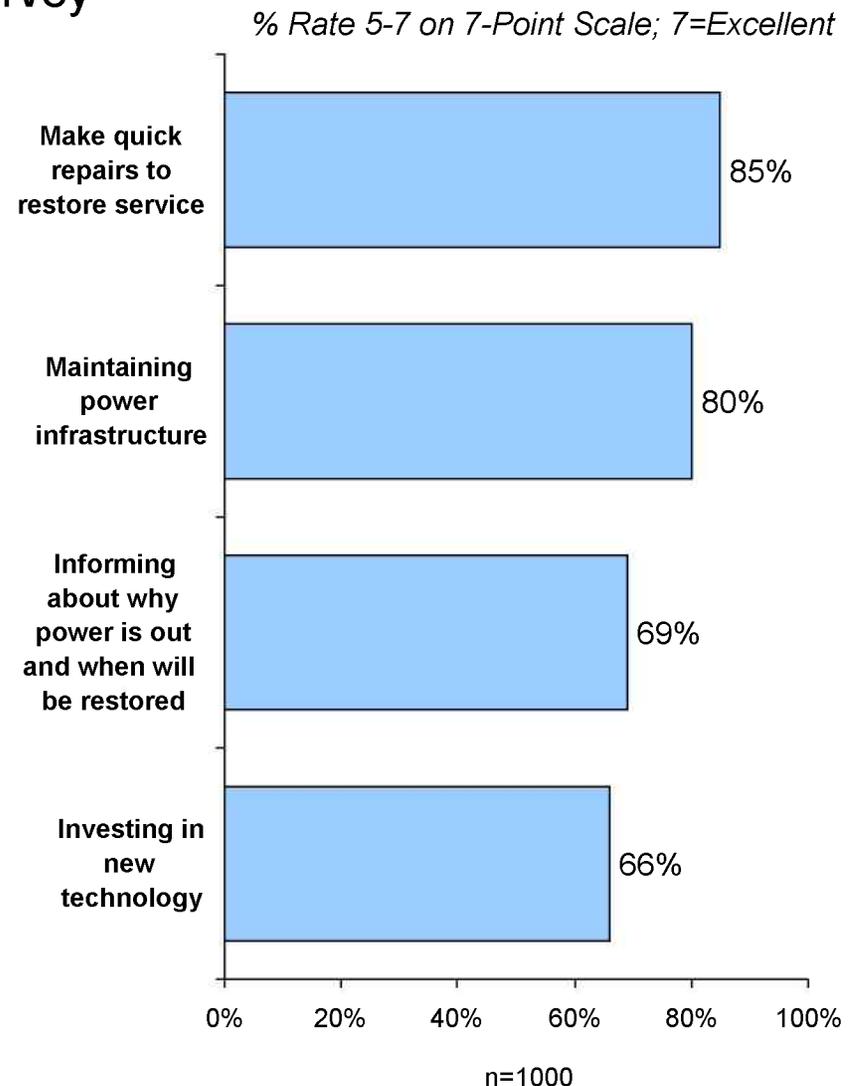
- Most customers agree (90%) that National Grid provides reliable electric service.



NH Residents Give National Grid High Marks on Reliability

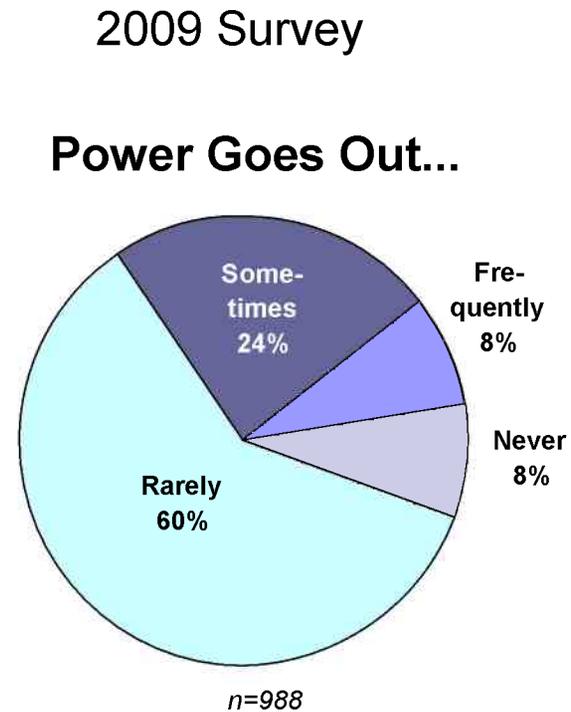
2009 Survey

- Most survey respondents give high ratings to National Grid's performance on four reliability aspects.
- Lowest rated is the extent to which National Grid invests in new technology (66%).



NH Residents Are Tolerant of More Outages Than They Experience

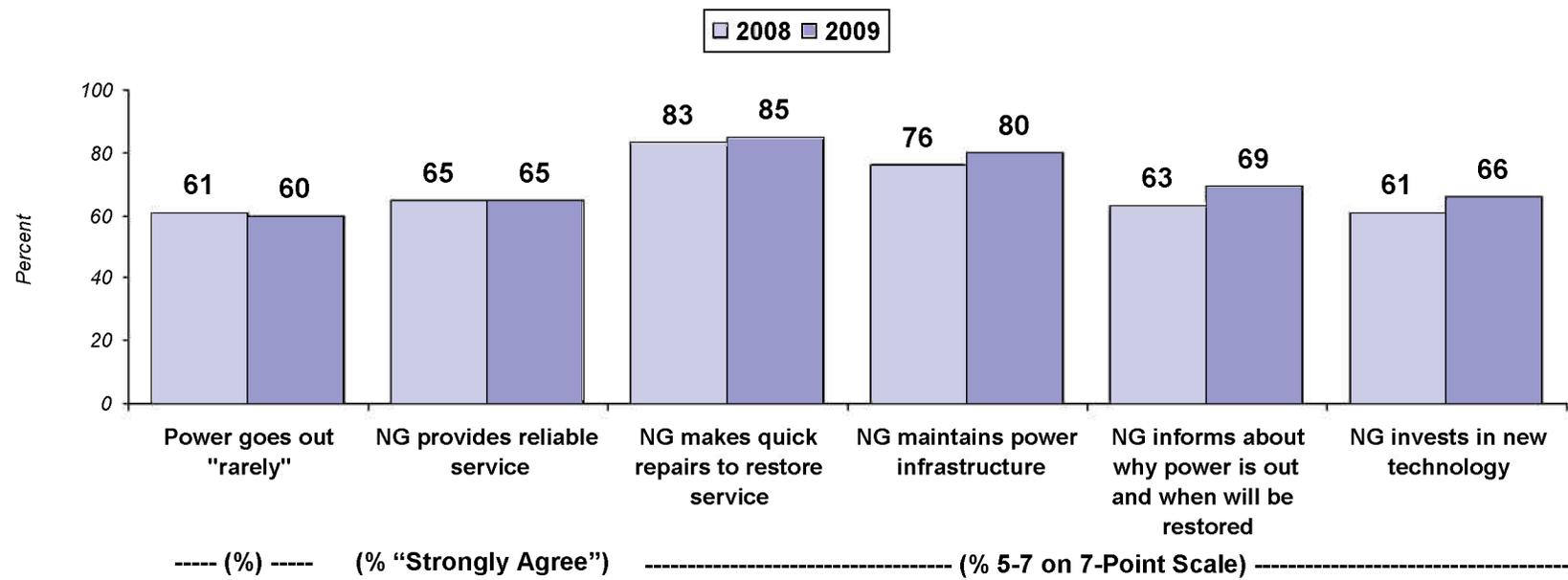
- Most residents have experienced few, if any, power outages.
- NH residents are tolerant of nearly three outages per year.



An average of 2.6 outages are tolerable over a 12-month period

Reliability - Trended

- Trends regarding reliability are mostly positive. The only aspect that did not improve this year is “power goes out rarely” - down only one percentage point.
- Other aspects of reliability stayed the same (reliable service) or improved by between two points (quick repairs) and six points (power outage information).



Differences Between Highly Satisfied vs. Less Satisfied Customers Regarding Reliability

- Highly satisfied customers are much more likely to give National Grid high ratings on all aspects of power reliability, particularly relating to service reliability and infrastructure.

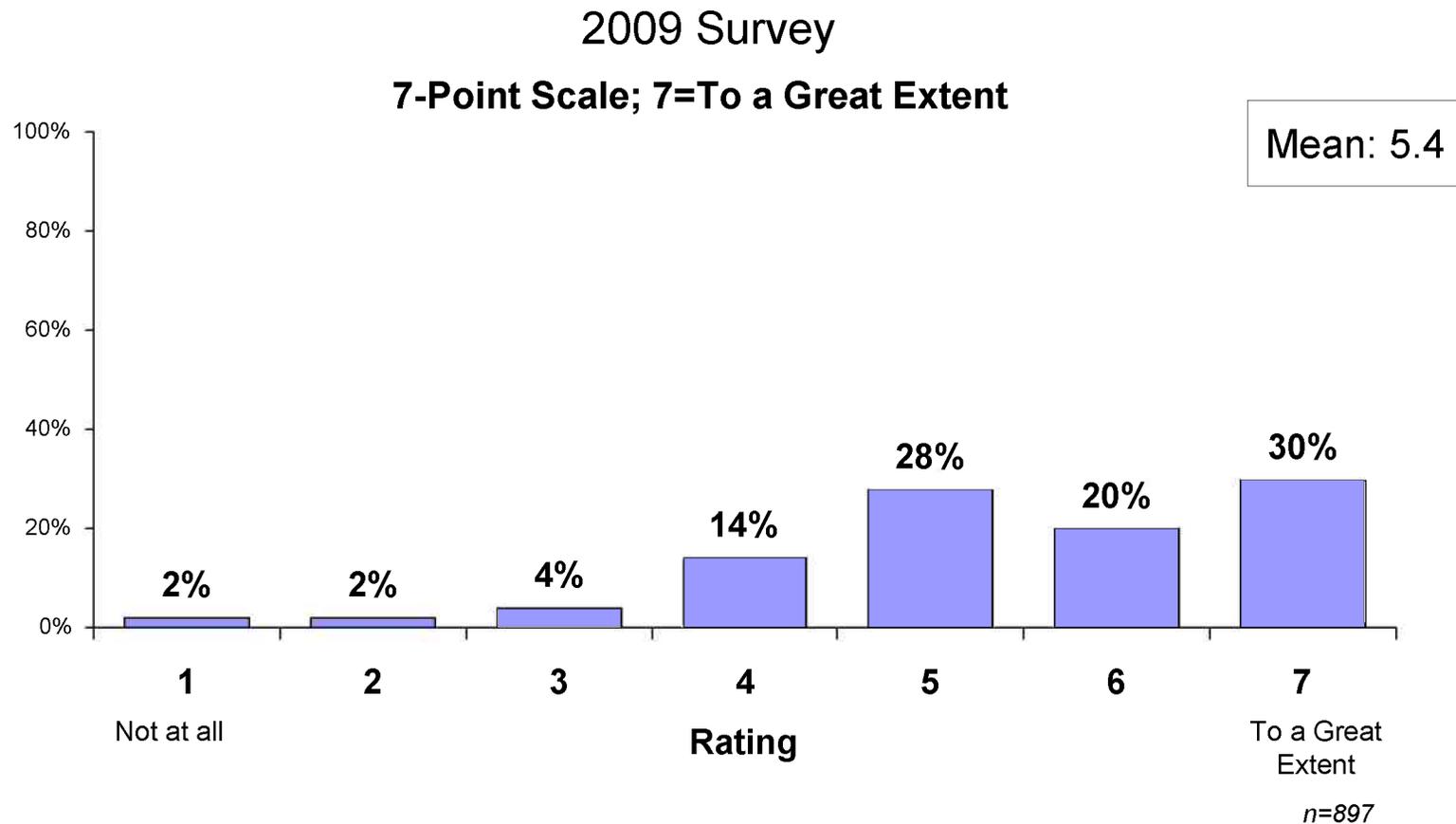
2009 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Base)	(809)	(187)	
Strongly agree/agree that NG provides reliable service	73%	33%	40
NG adequately maintains power infrastructure (% 5-7)	86	53	33
Informs why power is out and when will be restored (% 5-7)	75	42	33
Cite "power outages" as reason for low satisfaction rating	3	36	33
NG makes quick repairs to restore service (% 5-7)	91	60	31
NG invests in new technology to ensure uninterrupted power (% 5-7)	72	42	30
Power goes out "rarely"	65	37	28
Power goes out "frequently"	6	21	15

Detailed Findings

6. Rates & Billing

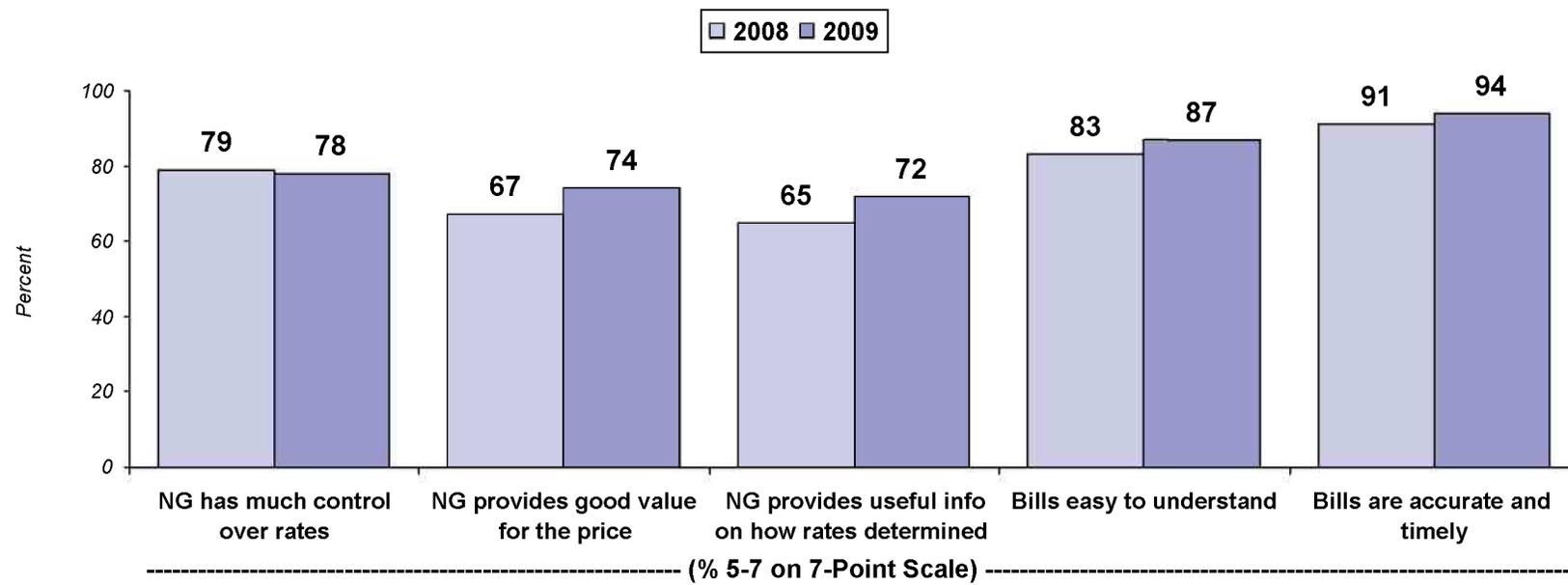
Perceptions are that National Grid has Some Control over Rates

- ◆ Half of NH residents (50%) believe that National Grid has a great deal of control over rates (rate 6-7).



Rates and Billing - Trended

- Positive trends are evident relative to the value that National Grid provides to customers (“good value for the price” +7 points) and information provided about rates (“how rates are determined” +7 points).
- The only decrease in rate-related aspects this year concerns “control over rates” which is down only one percentage point.



Differences Between Highly Satisfied vs. Less Satisfied Customers Regarding Rates & Billing

- Perceptions of rates and billing aspects vary significantly between highly satisfied and less satisfied NH residents. Perceptions about the value provided by National Grid and information on how rates are determined are key differentiating factors.

2009 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Base)	(809)	(187)	
NG provides a good value for the price (% 5-7)	81%	44%	37
Useful info on how rates are determined (% 5-7)	78	48	30
Bills are easy to understand (% 5-7)	91	71	20
Cite "high rates" as reason for low satisfaction rating	2	17	15
Bills are accurate and timely (% 5-7)	96	81	15
Contacted for billing/payment inquiry	17	27	10
Believe that NG has control over rates (% 5-7)	78	72	6

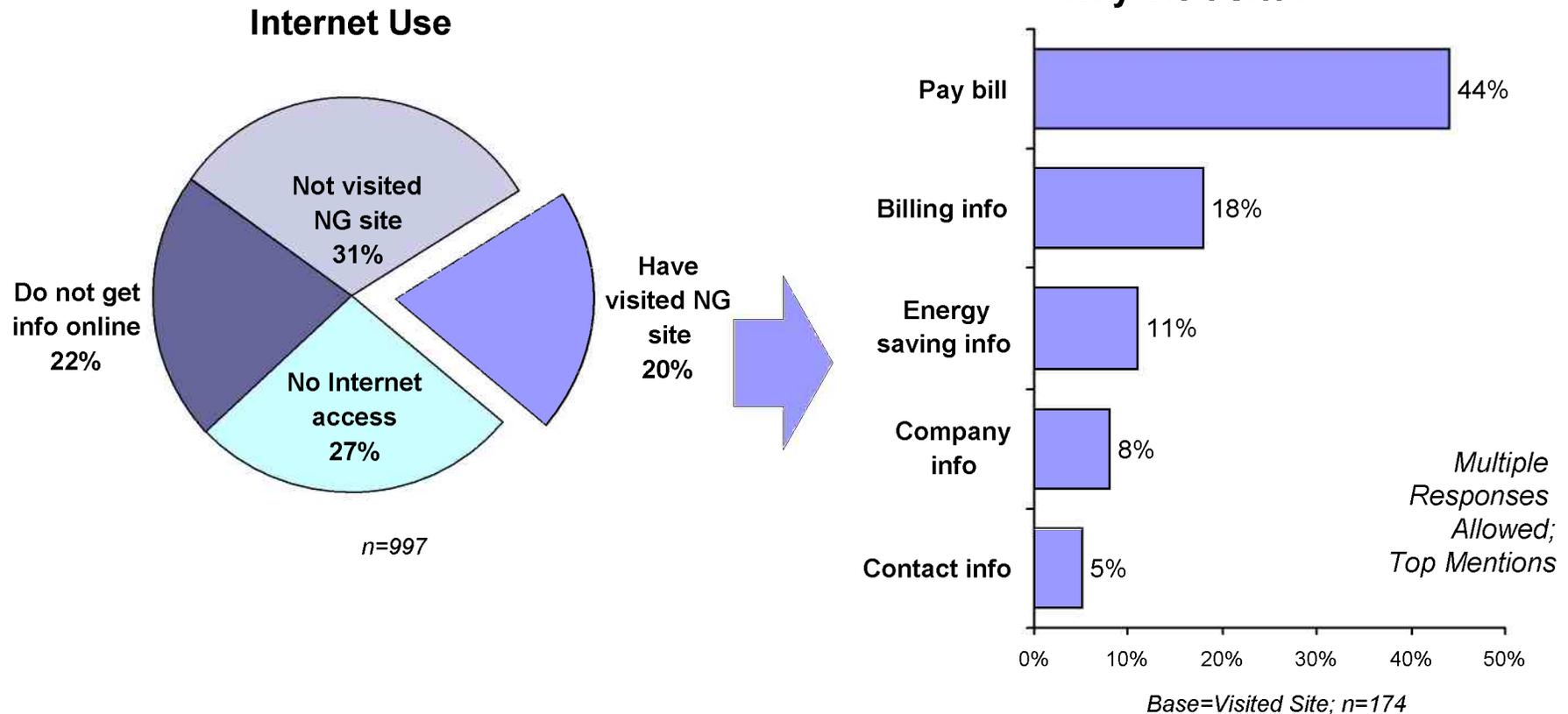
Detailed Findings

7. Internet

A Small Number of Customers Go to the Web Site to Pay a Bill

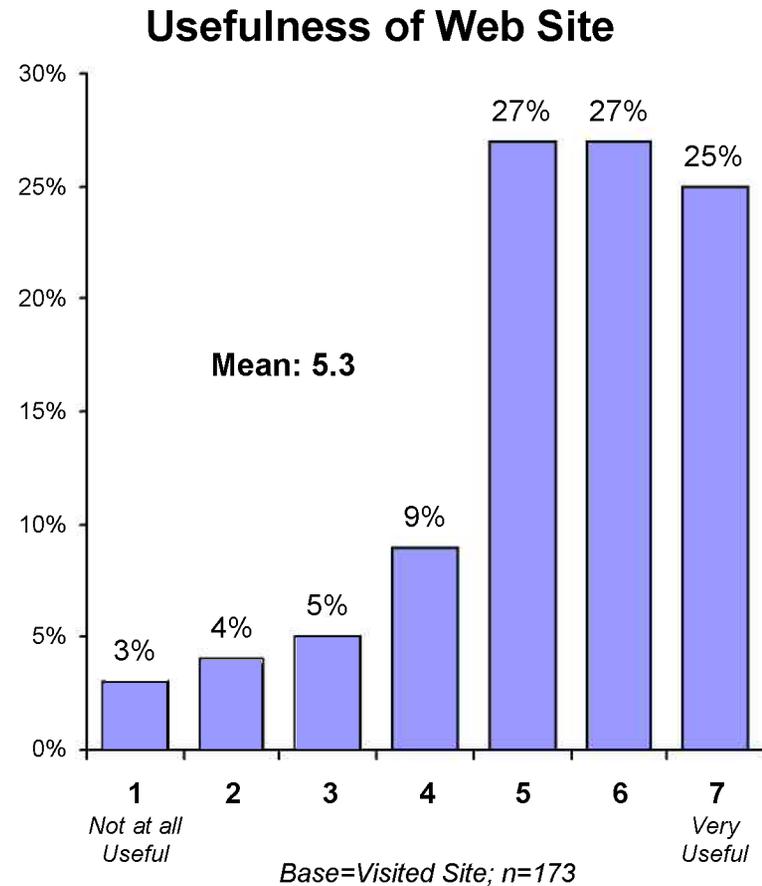
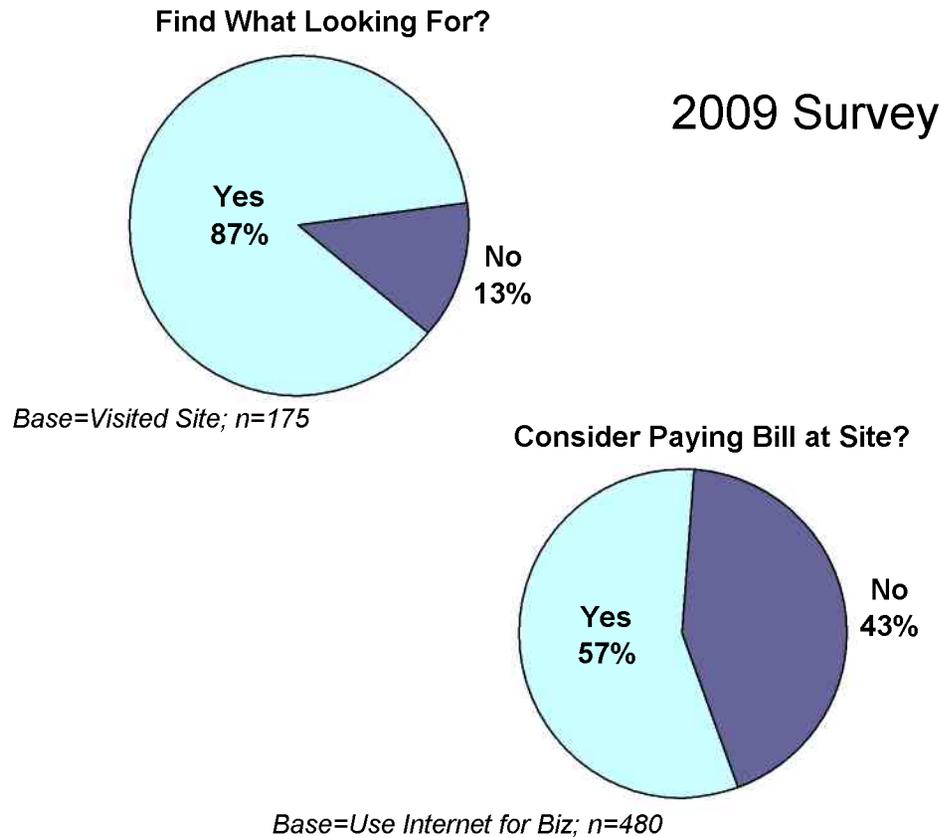
- Only a few NH residents have visited the National Grid Web site (20%), but most of these visitors went there to pay a bill (44%).

2009 Survey



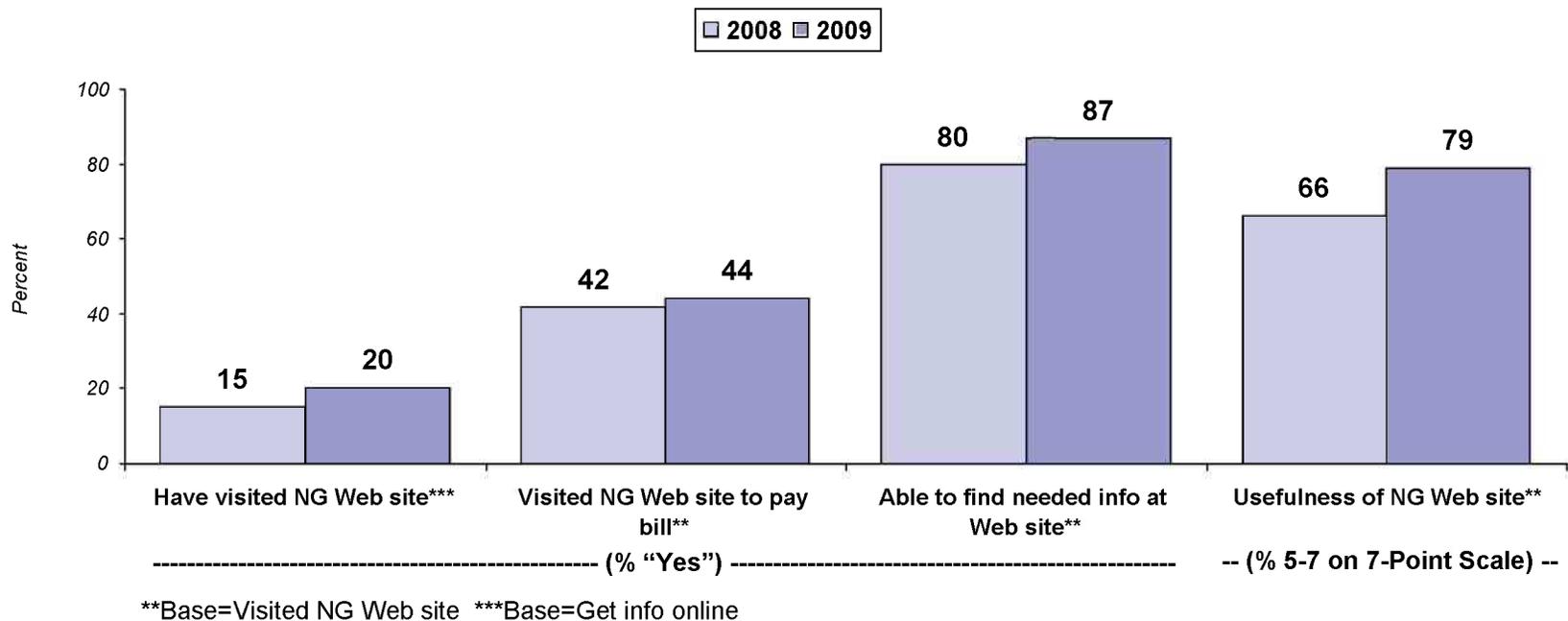
The Web Site Provides a Satisfactory Experience

- Most customers (87%) found what they were looking for at the National Grid Web site, and most consider the site valuable (79% rate 5-7).
- More than half (57%) would use the site to pay their bill.



Internet - Trended

- The Internet-related measurements have increased this year compared to last year's survey. More customers are visiting the site (+5 points) and paying their bills online (+2 points) this year.
- In addition, more are able to find the information they need (+7 points) and consider the site more useful (+13 points) than in the past.



Differences Between Highly Satisfied vs. Less Satisfied Customers Regarding the Internet

- There are only small differences between highly satisfied and less satisfied customers regarding aspects of the NG Web site; Internet-related aspects are not strong differentiators and therefore do not have a great deal of impact upon satisfaction.
- However, highly satisfied customers consider the National Grid Web site somewhat more useful than less satisfied customers.

2009 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
<i>(Total Base)</i>	<i>(809)</i>	<i>(187)</i>	
Overall usefulness of NG Web site (% 5-7)**	80%	72%	8
Visited Web site to pay a bill**	46	38	8
Visited NG Web site***	36	40	4
Have Internet access	72	75	3
Able to find needed information at the NG Web site**	86	89	3
Would use Web site to pay bill online**	57	54	3
Get information/do business online*	69	67	2

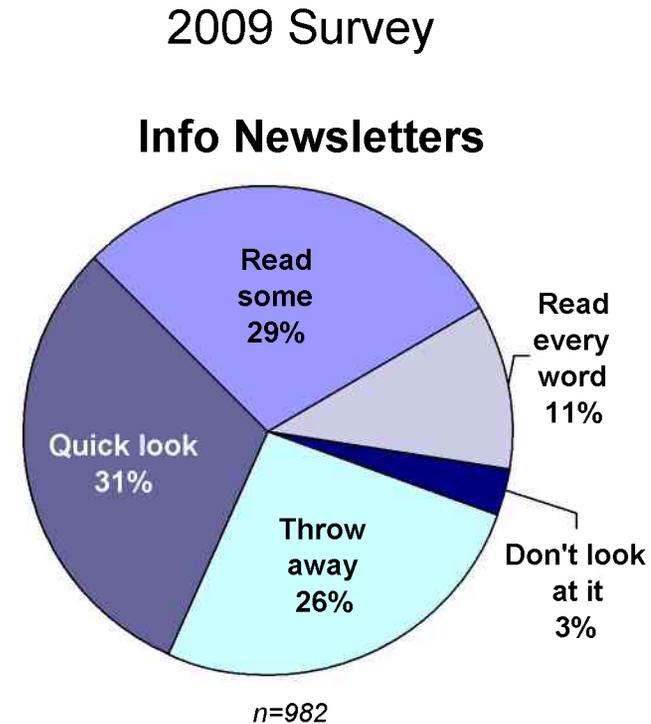
*Base=Have Internet access **Base=Visited NG Web site ***Base=Get info online

Detailed Findings

8. Communications with Customers

A Small Number of Residents Read the Newsletter

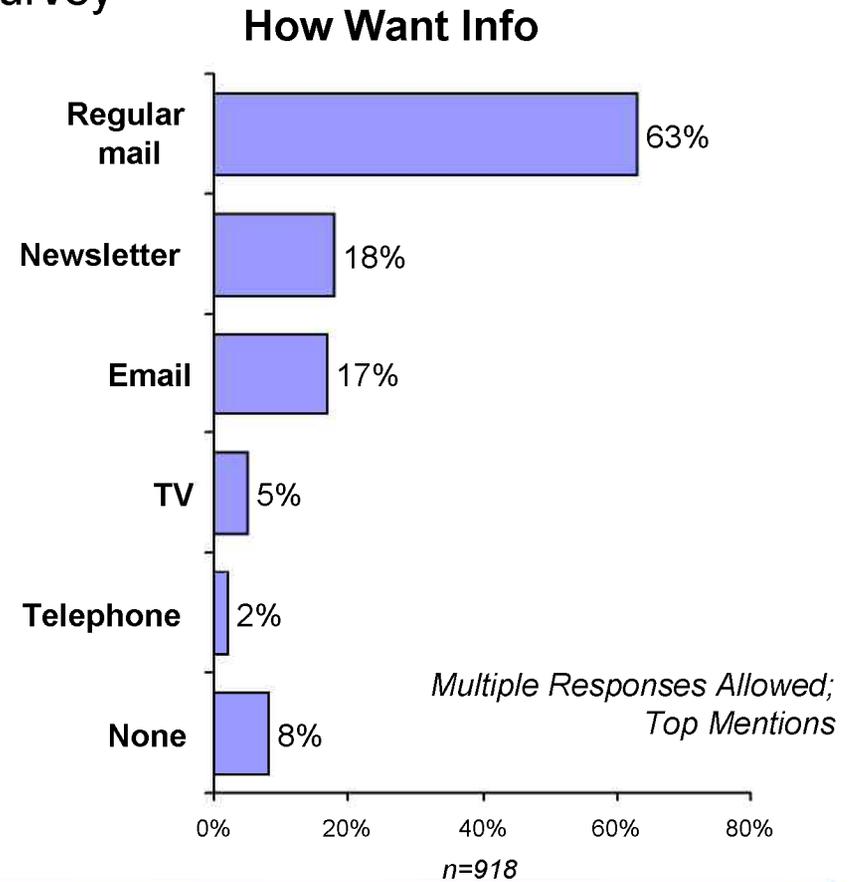
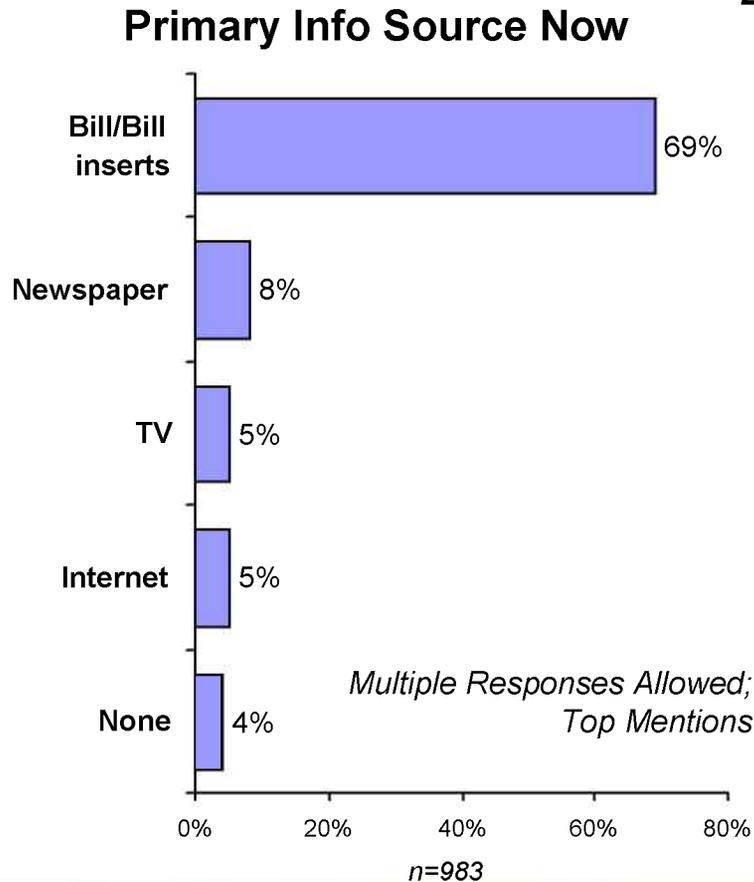
- Two in five residents (40%) read the newsletter and another one-third takes a quick look (31%).



The Mail is the Preferred Method of Communication

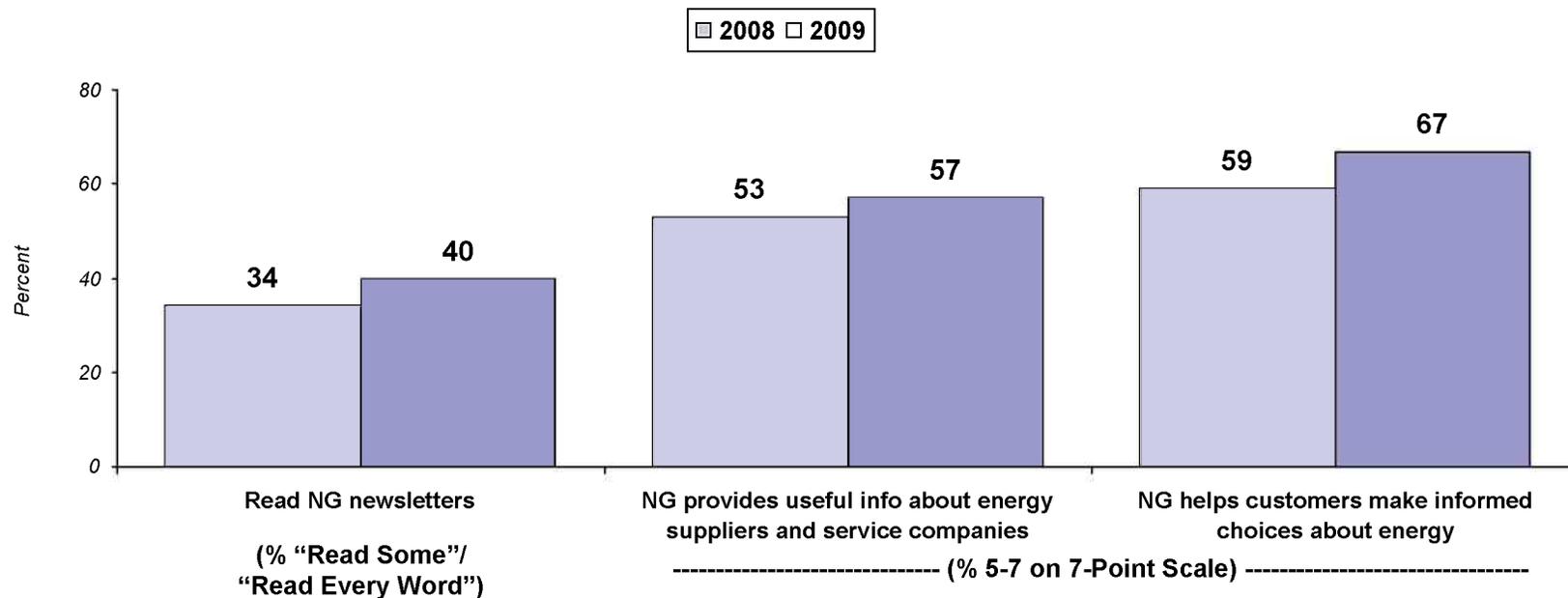
- Most people currently look to their bill inserts for information (69%) and would like to continue receiving info through the mail (63%).
- NH residents want more info on energy/cost-saving tips (27%) and rates (24%).

2009 Survey



Communications - Trended

- All communication trends are positive compared to the 2008 survey: more customers are reading the newsletter (+6 points), more are finding useful information about energy suppliers/service companies (+4 points), and more believe the company is helping them to make more informed choices about energy (+8 points).



Differences Between Highly Satisfied vs. Less Satisfied Customers Regarding Communications

- There is considerable differentiation between the two satisfaction segments regarding the information communicated by National Grid.

2009 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
<i>(Base)</i>	<i>(809)</i>	<i>(187)</i>	
NG helps you make informed choices regarding energy (% 5-7)	73%	44%	29
NG provides useful info about different energy suppliers and energy service companies (% 5-7)	62	34	28

Conclusions & Recommendations

Overall Satisfaction is High and Perceptions are Positive

- Overall satisfaction is high in New Hampshire (57% “very satisfied”; highest rating of “7”) and has improved each year for the past three years.
 - The proportion of NH residents giving the highest satisfaction rating (“7”) increased from 45% in 2007, to 54% last year (2008), and is currently at 57%.
 - Similarly, top box ratings (% rate 5-7) rose from 89% in 2007 to 91% last year and is currently at 94%.

- Satisfaction is driven by a lack of problems (59% of highly satisfied customers give this as a reason for their high rating).
 - Several also cite “good service” (27%) as contributing to their satisfaction level.

- Perceptions of National Grid are very positive (80% say it is an “excellent” or “good” company).
 - Many more survey participants this year than in past years describe National Grid as **premier in the industry** (+9 points), a **well run company** (+9 points), and a company with **vision for the future** (+10 points)

- ❖ Continue to provide high levels of service to customers and minimize problem occurrences. Also continue to promote and position the company in order to maintain perceptions of National Grid as a “premier” organization.

A Key Area of Dissatisfaction is Service - Both Power Interruption & Customer Service

- NH residents claim that their dissatisfaction is driven primarily by power outages (36% of less satisfied customers).
- Issues such as outages prompt customers to contact National Grid.
 - Although most customers agree that National Grid provides **reliable** electric service (90%), and most say their **power goes out “rarely”** (60%), most contacts with National Grid are for **service problems** (67%).
- While many interactions are satisfactory (46% “very satisfied” with most recent contact), satisfaction with the most recent contact is within the top three variables that differentiate the most between highly satisfied and less satisfied customers and is one of only two ratings that declined since the last survey (see tables in Appendix).
 - Dissatisfied customers complain specifically about **power problems**:
 - Power was off for too long (17%), having a problem that was not fixed (9%), and having to make multiple contacts in order to get a problem fixed (8%).
 - Other dissatisfied customers mention issues with **customer service**:
 - Problems with the automated phone system (16%), an inability to get through (6%), and unhelpful representatives (6%).
- ❖ Outages cause customers to contact National Grid; ensure that these contacts are handled quickly and efficiently and strive to improve satisfaction in this area as it will have a major impact on satisfaction overall.

Rates are also Causing Dissatisfaction for Customers

- The single differentiating variable that shows the widest discrepancy between highly satisfied and less satisfied customers in NH is the perception of the value that National Grid provides for the price that customers pay (see table in Appendix).
 - While a majority of customers give high ratings to the value that National Grid provides (74%), and this proportion has improved since the last survey (+7 points), value has the most impact on customer satisfaction.
- Most of the NH residents surveyed believe that National Grid has control over rates (78%); when rates are high, they blame National Grid.
- Customers recognize and appreciate information provided by National Grid about rates.
 - Most believe that National Grid provides useful information about **how rates are determined** (72%) and this proportion has improved since the last survey (+7 points).
 - NH customers also agree that National Grid provides **useful information** about energy suppliers and service companies (57%; +4 points) and helps customers make informed choices about energy (67%; +8 points).
 - However, one in four (24%) would like even **more information** about rates.
- ❖ Understand that rates will always be an issue for customers and continue to provide useful information about rates and how they are established. Use several forms of media (mail is preferred by customers; 63%) to communicate rate information.

There are a Few Interesting Changes Since the Last Survey

- Fewer residents believe greenhouse gas control is the responsibility of utility companies.
 - **Global climate change** continues to be an important issue for NH residents.
 - However, fewer residents put **responsibility** for controlling greenhouse gases into the hands of electric and gas companies.
 - Agreement that companies should reduce release of natural gas declined from 91% to 85%.
 - Agreement that companies should advocate for implementation of greenhouse gas emission control programs on a regional and national basis declined from 91% to 86%.

- The National Grid Web site is becoming more popular.
 - More NH customers are visiting the site (from 15% in 2008 to 20% currently); the primary reason is to **pay a bill**.
 - The usefulness of the Web site improved more than any other measurement in this year's survey - from 66% to 79% rating 5-7.
 - More were able to find that they needed; increase from 80% to 87% among Web visitors.

- The NG newsletter is not widely read.
 - Fewer residents consider their **bill or bill inserts** a primary means to receive information from National Grid (from 73% last year to 69% currently).
 - More prefer to receive information via **regular mail** (from 55% to 63%).
 - Few read the National Grid **newsletters**, although the proportion has improved (from 34% to 40% currently).

Appendix

~Summary Tables~

Differences Between Highly Satisfied vs. Less Satisfied Customers - 2009 Survey

2009 Survey Top 3 Box Ratings (% 5-7)	Highly Satisfied <u>Overall</u> (% 6-7)	Less Satisfied <u>Overall</u> (% 1-5)	Percentage Point Difference
NG provides a good value for the price	81%	44%	37
Vision for the future	73	39	34
High satisfaction with most recent contact	89	56	33
NG adequately maintains power infrastructure	86	53	33
Being a well run company	83	50	33
Being a responsible corporate citizen	78	45	33
Informs why power is out and when will be restored	75	42	33
NG makes quick repairs to restore service	91	60	31
Useful info on how rates are determined	78	48	30
Being premier in its industry	77	47	30
NG invests in new technology to ensure uninterrupted power	72	42	30
NG provides quality services to customers	94	65	29
NG is responsive to your inquiries	86	57	29
Operating in an environmentally responsible manner	80	51	29
Commitment to the local community	78	49	29
NG helps you make informed choices regarding energy	73	44	29
Overall reputation	89	61	28
NG provides useful info about different energy suppliers	62	34	28
NG has knowledgeable and competent employees	86	60	26
Protecting the safety of employees and the public	81	58	23
Bills are easy to understand	91	71	20
Treat you with courtesy and respect	92	76	16
Bills are accurate and timely	96	81	15
Overall usefulness of NG Web site	80	72	8
Believe that NG has control over rates	78	72	6

Differences Between 2008 and 2009 Surveys

Top 3 Box Ratings (% 5-7)	2008 Survey	2009 Survey	Percentage Point Difference
Overall usefulness of NG Web site	66%	79%	13
Vision for the future	57	67	10
Being a well run company	68	77	9
Commitment to the local community	64	72	8
NG helps you make informed choices regarding energy	59	67	8
Protecting the safety of employees and the public	69	77	8
NG provides a good value for the price	67	74	7
Useful info on how rates are determined	65	72	7
Being a responsible corporate citizen	66	72	6
Informs why power is out and when will be restored	63	69	6
Operating in an environmentally responsible manner	68	74	6
NG invests in new technology to ensure uninterrupted power	61	66	5
NG adequately maintains power infrastructure	76	80	4
Being premier in its industry	67	71	4
NG is responsive to your inquiries	76	80	4
NG provides useful info about different energy suppliers	53	57	4
Bills are easy to understand	83	87	4
Treat you with courtesy and respect	85	89	4
NG provides quality services to customers	85	88	3
NG has knowledgeable and competent employees	78	81	3
Bills are accurate and timely	91	94	3
NG makes quick repairs to restore service	83	85	2
Overall reputation (good + excellent)	78	80	2
Believe that NG has control over rates	79	78	-1
High satisfaction with most recent contact	83	80	-3