



**2008 Residential Customer Satisfaction Study
~ New Hampshire ~**

Prepared by Interviewing Service of America, Inc.

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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 1,001 and a 90% level of confidence, the range of error for proportions observed in this survey is +/- 2.5 percentage points.

Respondent Demographic Profile - 2008 Survey

Main Heat Source for Home	New Hampshire
Oil	60%
Natural Gas	4%
Electric	8%
Propane	15%
Wood	8%
Other/incl with rent	3%
Don't know	2%
	100%

Home Ownership	New Hampshire
Rent	12%
Own	86%
Refused/DK	2%
	100%

Gender	New Hampshire
Male	45%
Female	55%
	100%

Total Household Income	New Hampshire
Under \$20,000	5%
\$20,000-\$39,999	13%
\$40,000-\$74,999	21%
\$75,000-\$125,000	19%
Over \$125,000	11%
Refused/DK	31%
	100%

Type of Home	New Hampshire
Single	87%
Multi-family/Apartment	11%
Other	1%
Refused/DK	1%
	100%

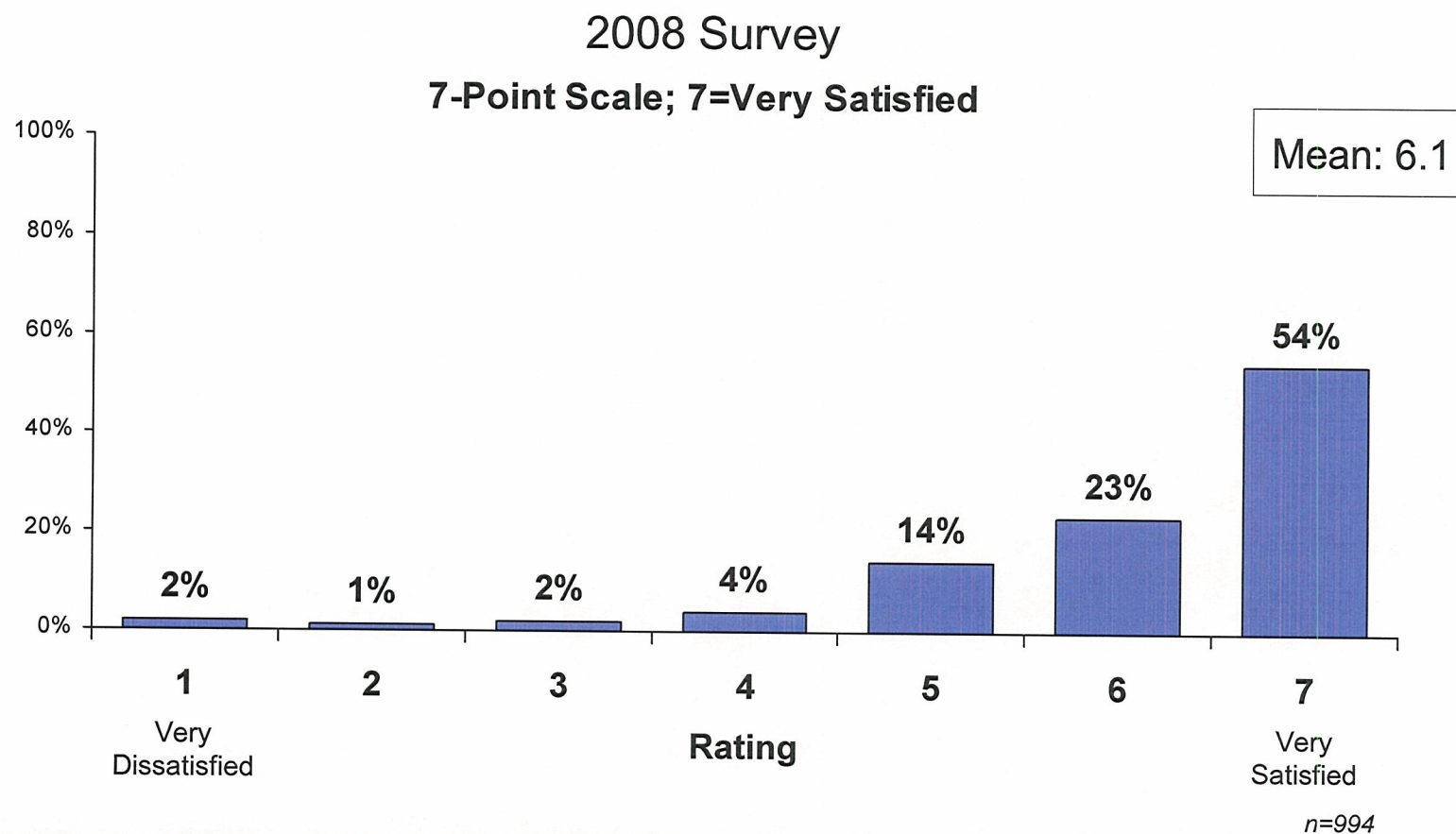
Air Conditioning	New Hampshire
% w/ Central Air Conditioning*	22%
No room or window units*	45%
1 room or window unit*	22%
2 room or window units*	17%
3+ room or window units*	16%
* Multiple Responses Allowed	

Detailed Findings

1. Overall Satisfaction

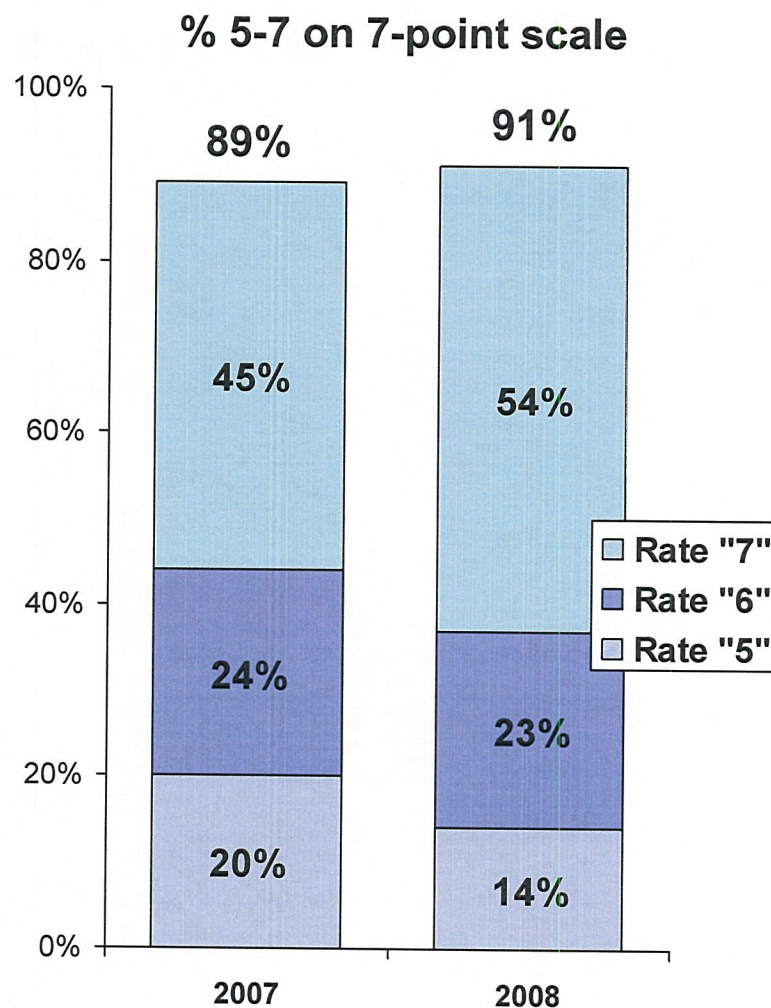
Overall Satisfaction with National Grid is Very High

- ◆ Over half of NH residents are highly satisfied; 54% rate their satisfaction a “7”.



Overall Satisfaction with National Grid Has Increased This Year

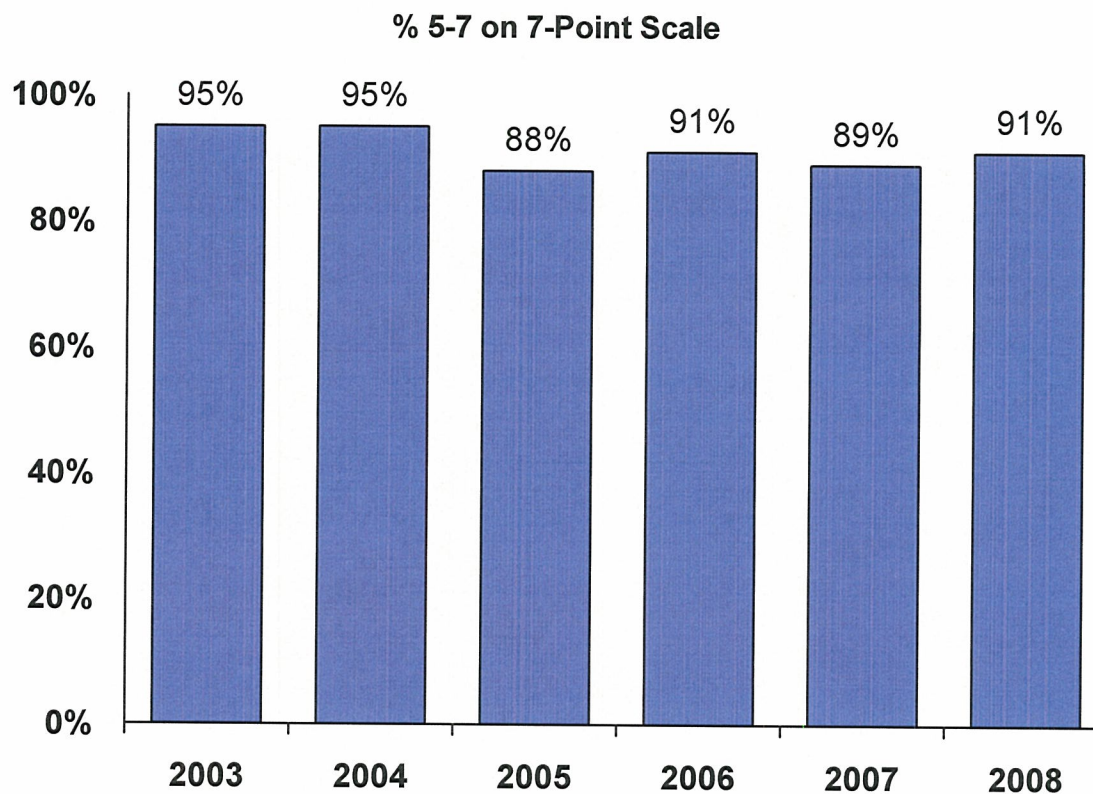
- Overall satisfaction with National Grid has increased over last year; 9% more respondents give the highest rating (7) this year.
- The top three box rating (5-7) has increase only slightly, by 2 percentage points.



2007 n=1134; 2008 n=994

Overall Satisfaction with National Grid is Consistent with History

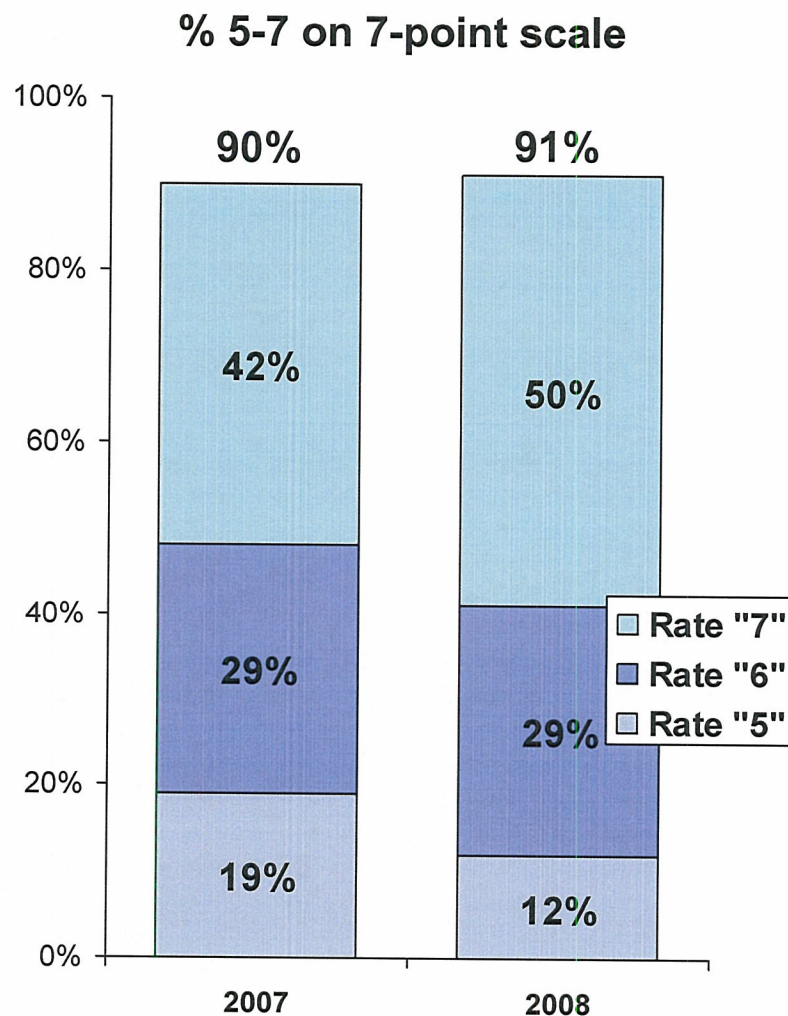
- Overall satisfaction for NH residents is very high and remains in the range observed over the past several years.



2008 n=994

Satisfaction Excluding Price has also Improved

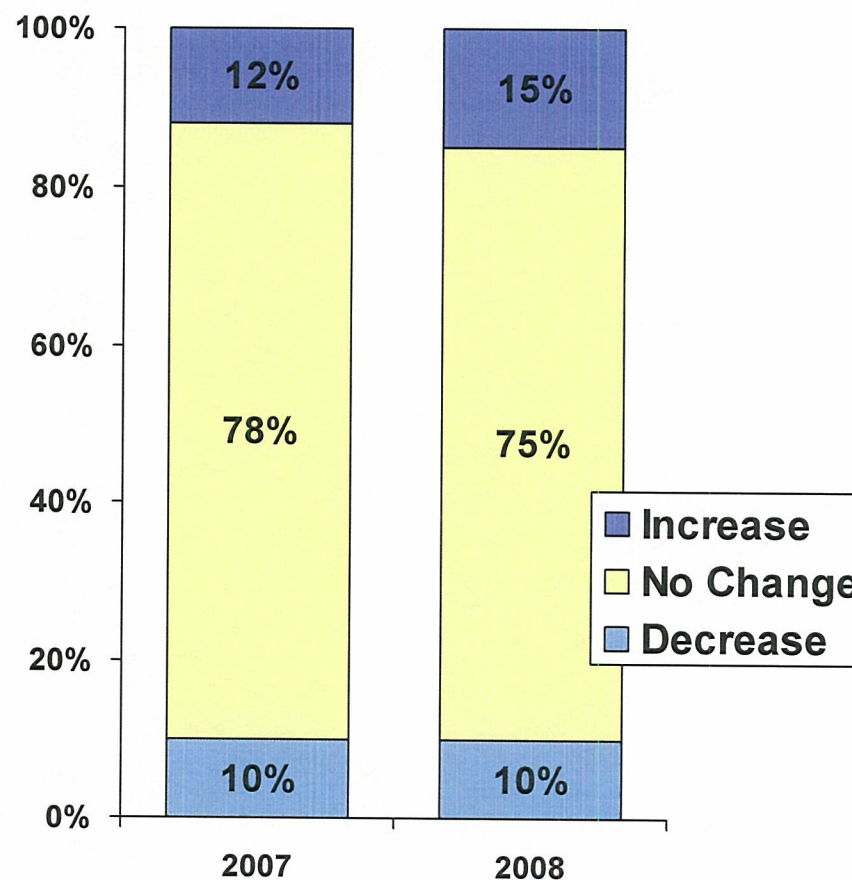
- Overall satisfaction, excluding price, has improved substantially in terms of the proportion of customers giving the highest rating (7); 8% more give this rating in 2008 than in 2007.
- However, the top three box rating has improved only one percentage point.



n=993

Slightly More Claim an Increase in Satisfaction

- Similar to results from the 2007 survey, most NH residents this year (75%) say their satisfaction has remained the same as last year.
- Three percent more claim to have experienced an increase in satisfaction.

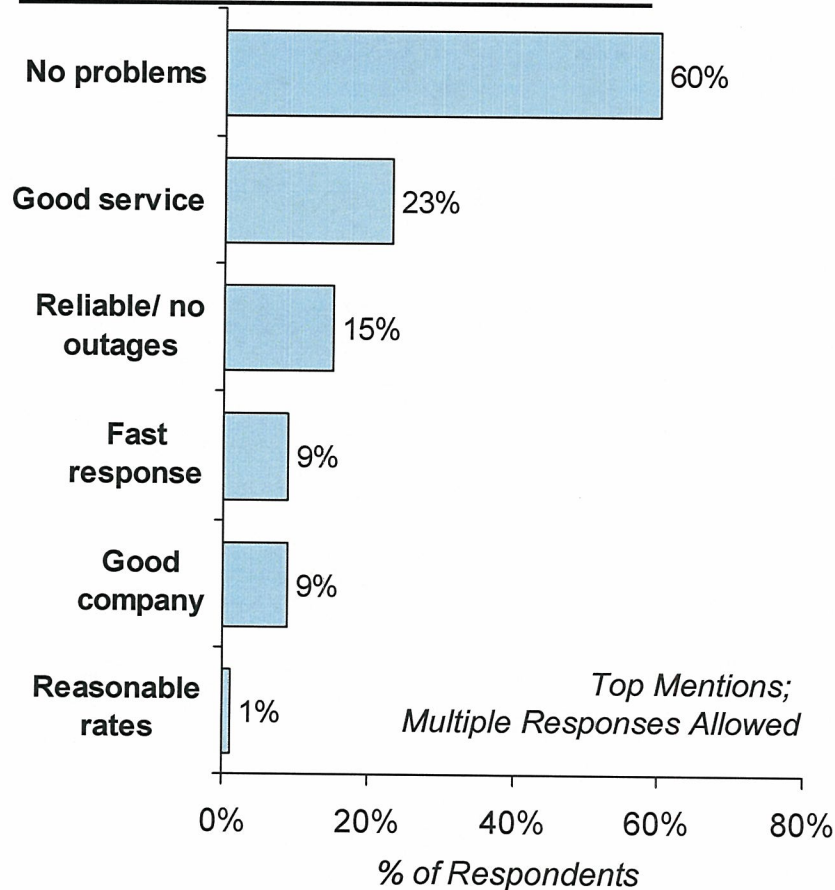


n=977

Lack of Problems Contribute to Satisfaction; High Rates Create Dissatisfaction

2008 Survey

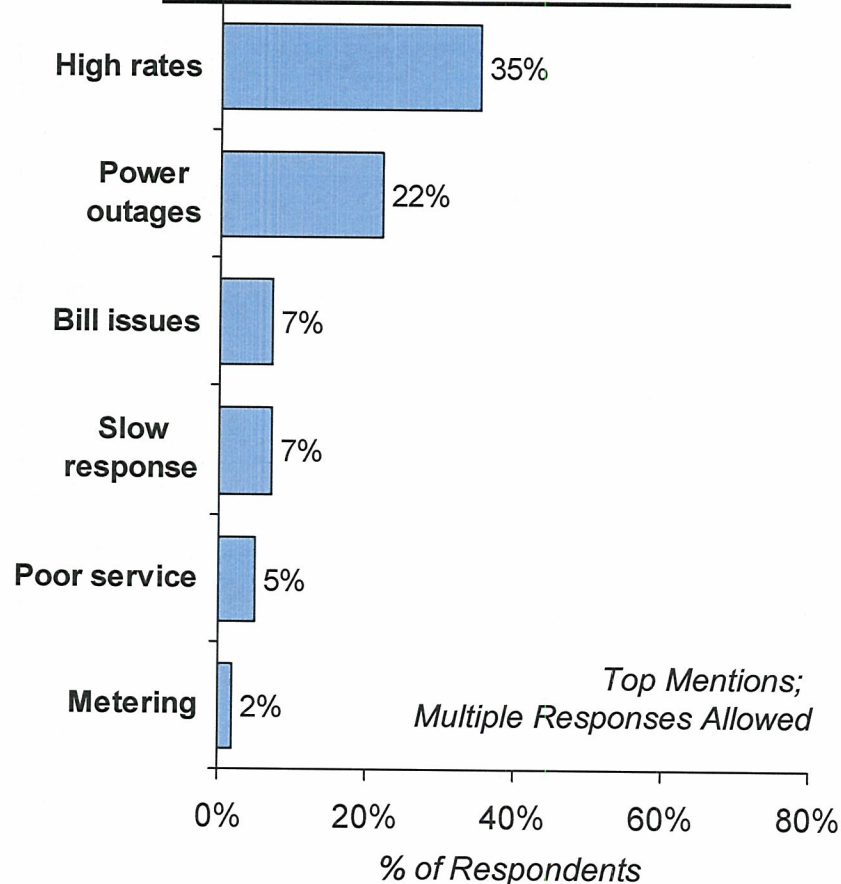
More Satisfied Customers Cite:



More Satisfied=6-7 on 7-Point Scale

n=760

Less Satisfied Customers Cite:



Less Satisfied=1-5 on 7-Point Scale

n=234

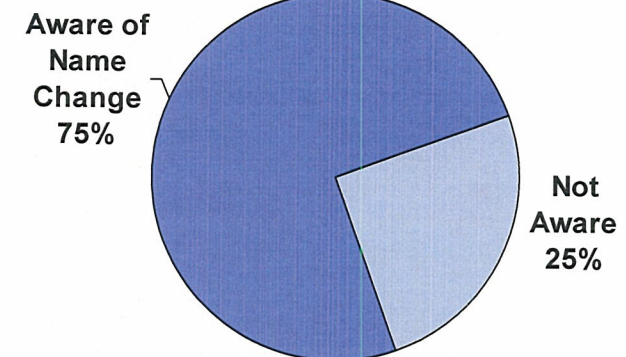
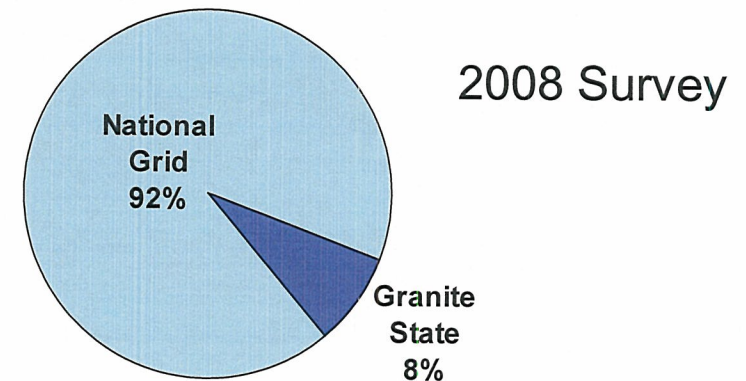
Detailed Findings

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 (92%).
 - 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=1,001

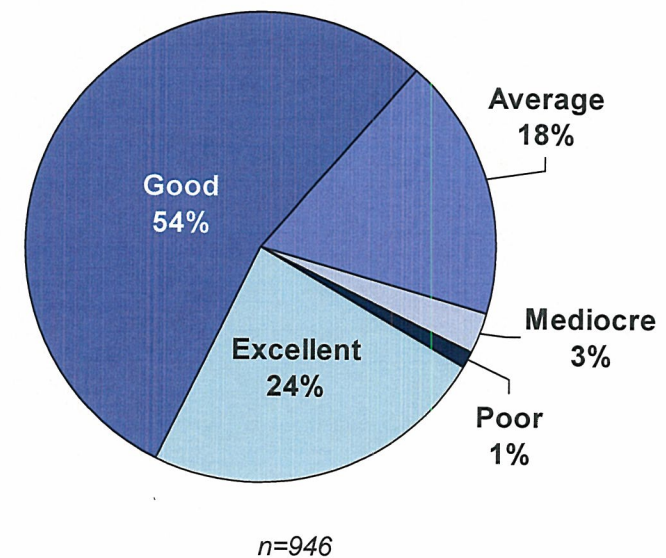


Base=Named Granite State as Local Utility; n=81

National Grid has a Strong Reputation as a Company

- Most residents consider National Grid an “excellent” or “good” company (78%).

2008 Survey



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.

2008 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Base)	(234)	(760)	
Overall reputation (% 5-7)	85	56	29
Being premier in its industry (% 5-7)	69	41	28
Being a well run company (% 5-7)	74	47	27
Vision for the future (% 5-7)	63	39	24

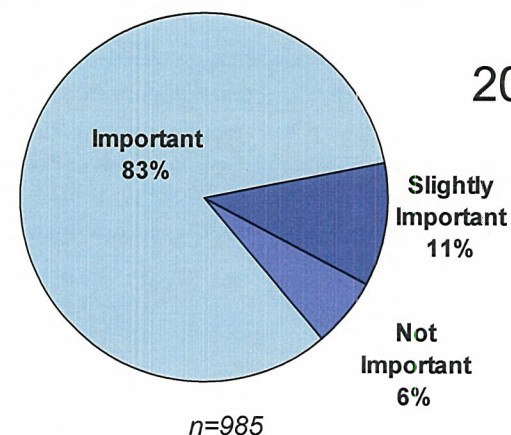
Detailed Findings

3. Social Responsibility Issues

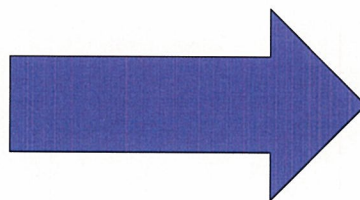
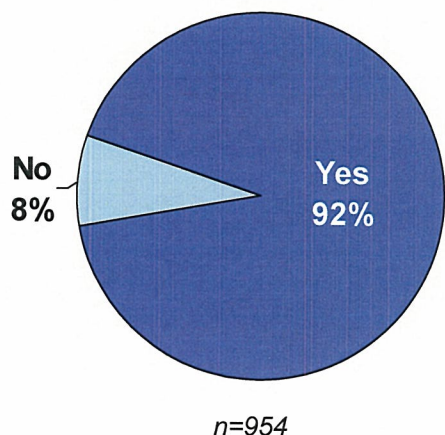
Utilities are Expected to Play a Role in Minimizing Global Climate Change

- Most NH residents believe that global climate change is important (83%) and that utilities have an important role in minimizing the impact (92%).

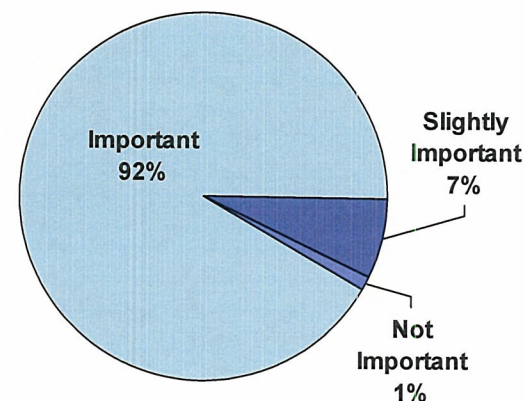
Issue of Global Climate Change is...



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



Is this Role...?



Base=Believe Companies Have a Role; n=880

Greenhouse Gas Control is a Key Issue

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

91% Agree:

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

n=855

91% Agree:

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

n=894

2008 Survey

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.

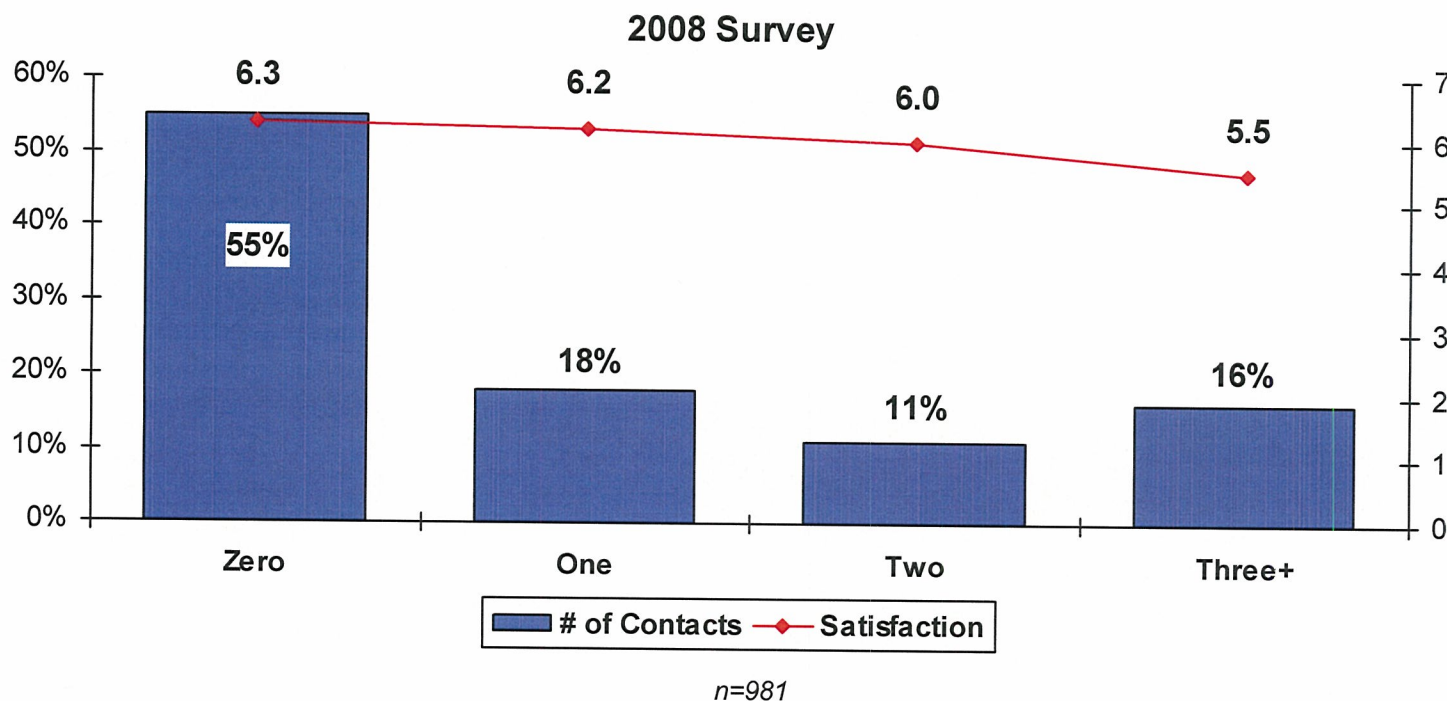
2008 Survey	Highly Satisfied <u>Overall</u> (% 6-7)	Less Satisfied <u>Overall</u> (% 1-5)	Percentage Point Difference
(Base)	(234)	(760)	
Being a responsible corporate citizen (% 5-7)	73	45	28
Commitment to the local community (% 5-7)	70	43	27
Operating in an environmentally responsible manner (% 5-7)	74	48	26
Protecting the safety of employees and the public (% 5-7)	75	52	23

Detailed Findings

4. Contact with National Grid

Overall Satisfaction Declines as the Number of Contacts Increases

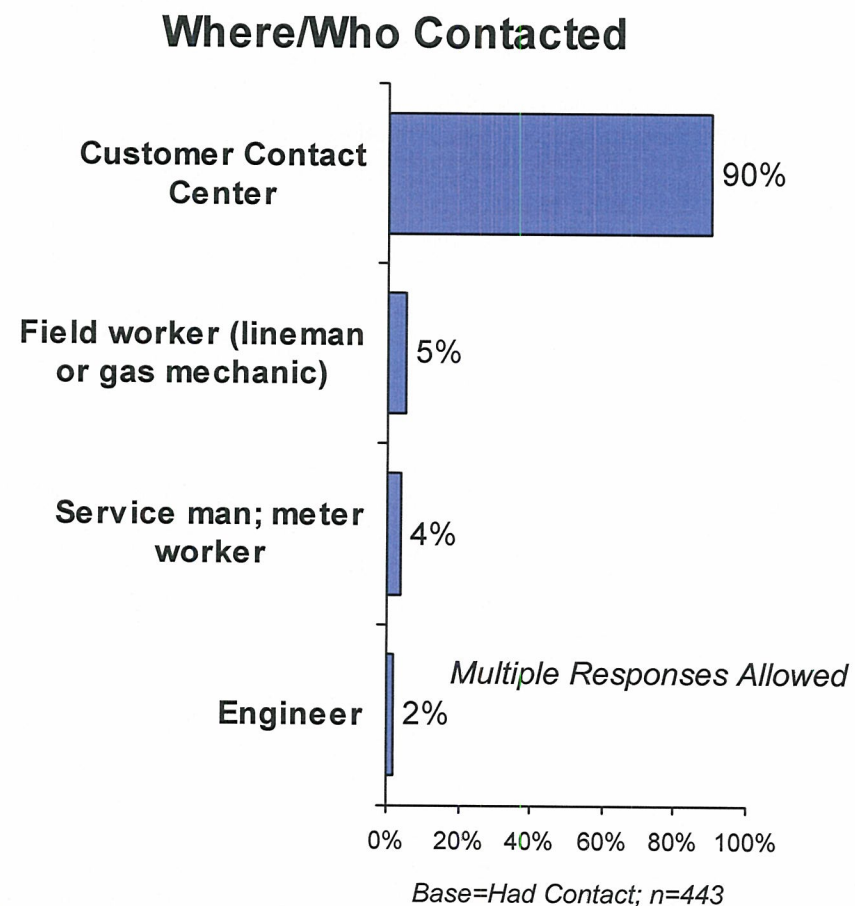
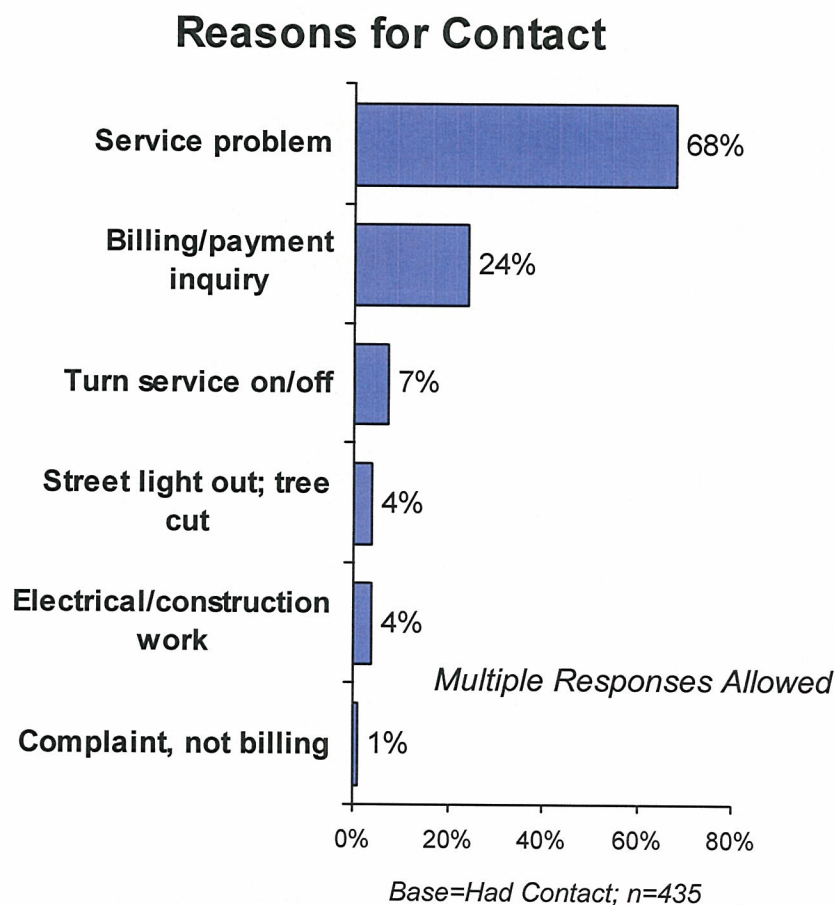
- ♦ Just over half of all NH customers (55%) have had some contact with National Grid (or attempted to contact National Grid) in the past 12 months.
- ♦ Those with no contact (mean 6.3) are much more satisfied than those who have had contact (mean 5.5-6.2)



Most Customers Contacted the CCC for Service Problems

- A service problem is the most common reason to contact National Grid (68%) and the Customer Contact Center (phone center) is the place where most residents make contact (90%).

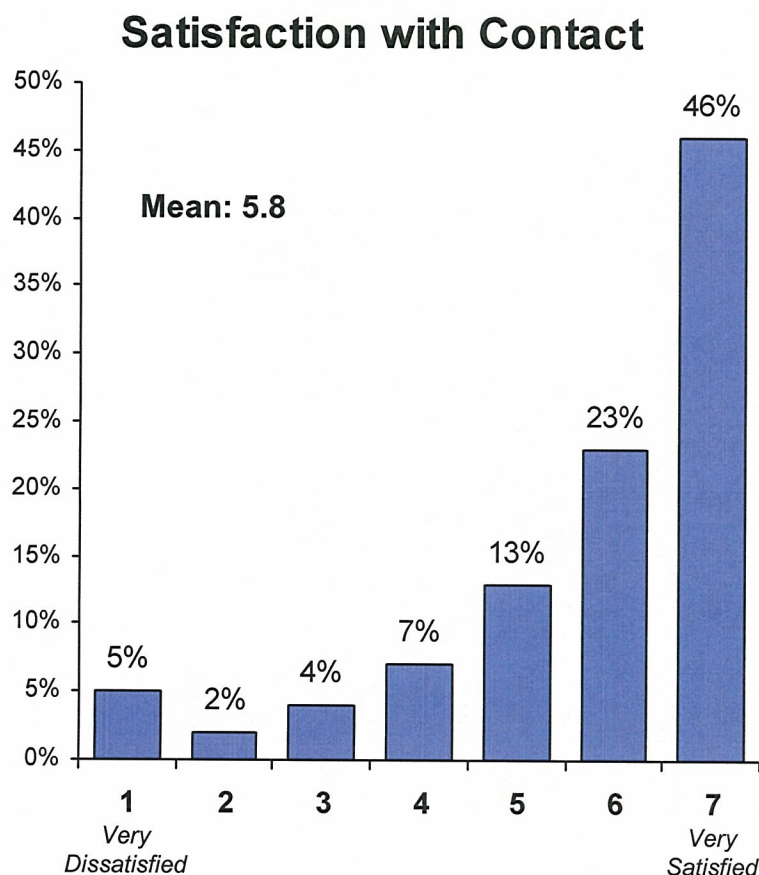
2008 Survey



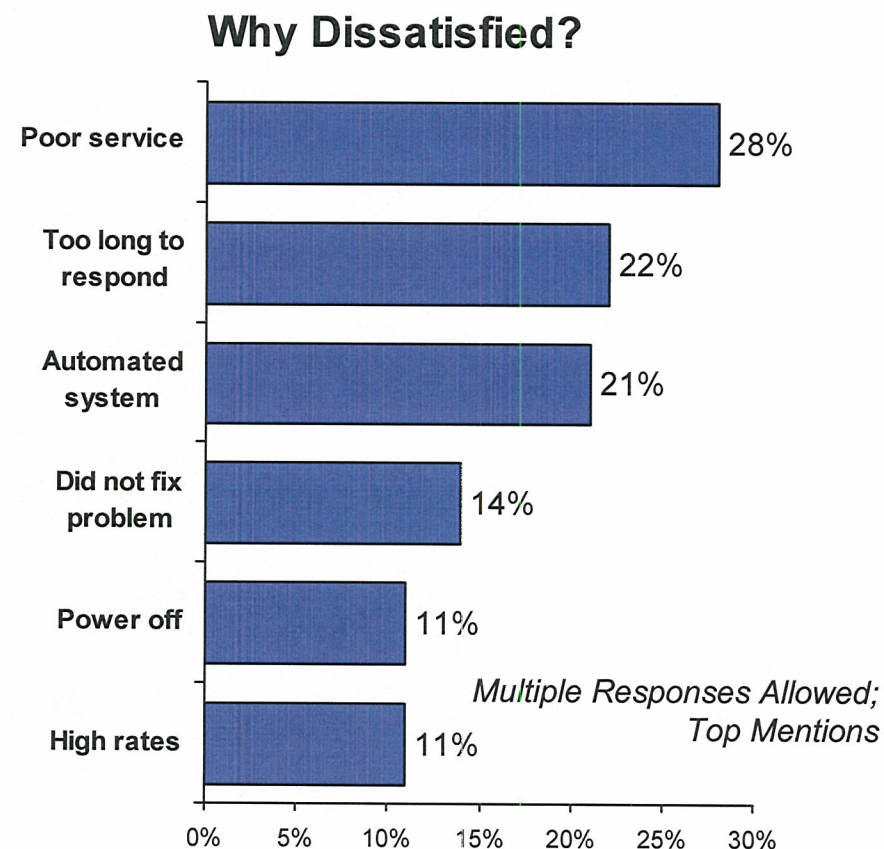
Service Levels Correlate to Satisfaction with Contact

- Most customers are satisfied with their most recent contact although those who are not satisfied mention generally poor service (28%) and the length of time it took to obtain a response (22%) as issues.

2008 Survey



Base=Had Contact; n=439



Base=Had Contact and Sat=1-4; n=72

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.

2008 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Base)	(234)	(760)	
NG provides quality services to customers (% 5-7)	92	63	29
High satisfaction (% 5-7) with most recent contact	92	63	29
NG is responsive to your inquiries (% 5-7)	82	58	24
NG has knowledgeable and competent employees (% 5-7)	84	60	24
Treat you with courtesy and respect (% 5-7)	90	68	22
Contacted NG 0 times in past 12 months	59	43	16
Contacted NG 3+ times in past 12 months	13	28	15
Mean number of contacts in past 12 months	0.9	1.9	--

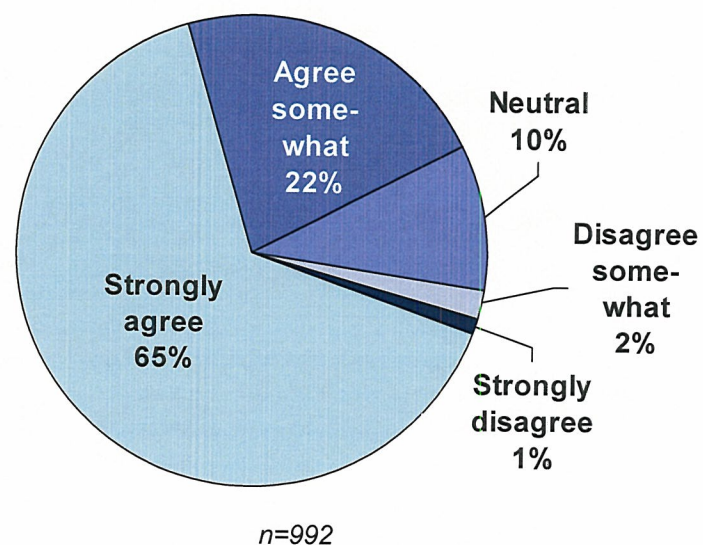
Detailed Findings

5. Reliability: Outages & Power Quality

National Grid Provides Reliable Service

- Most customers agree (87%) that National Grid provides reliable electric service.

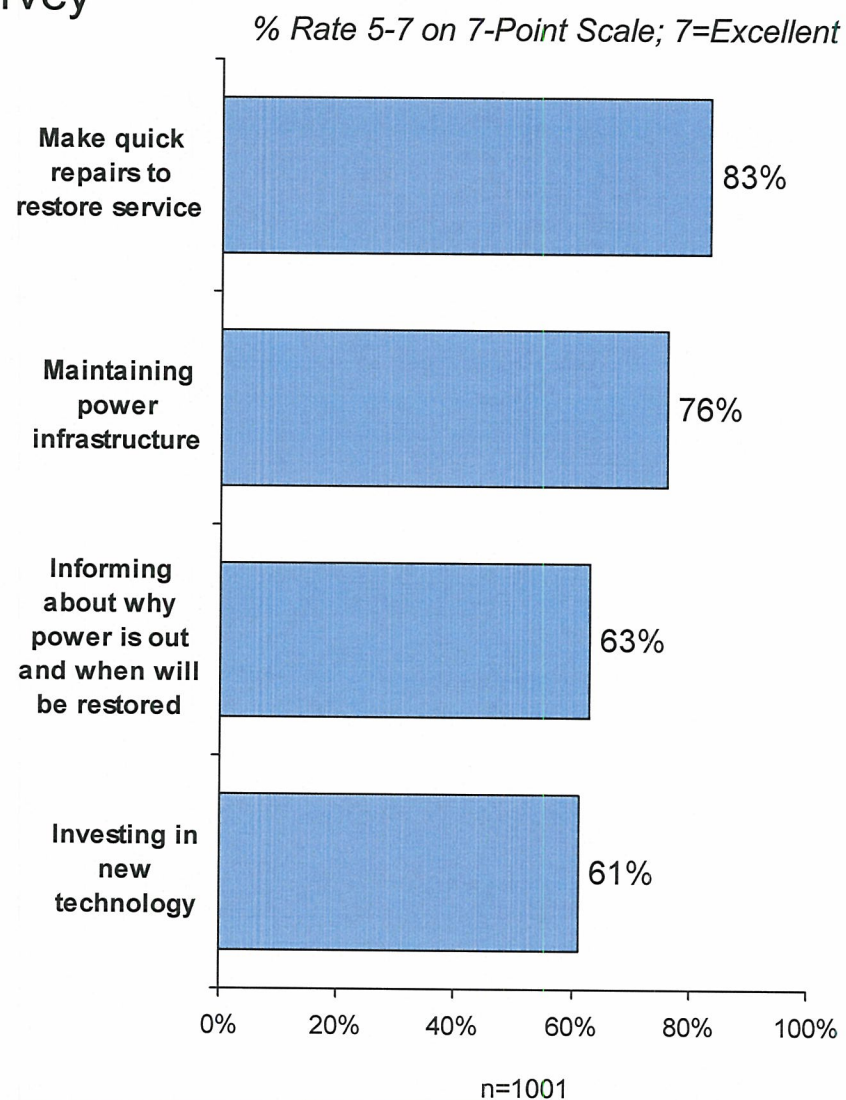
2008 Survey



NH Residents Give National Grid High Marks on Reliability

2008 Survey

- Most survey respondents give high ratings to National Grid's performance on four reliability aspects.

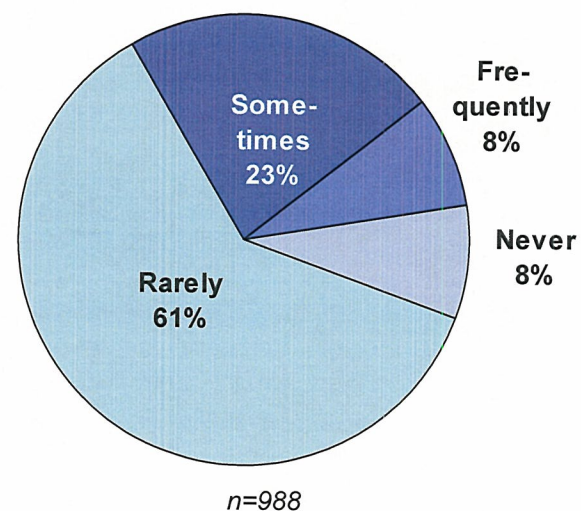


NH Residents Are Tolerant of More Outages than They Experience

2008 Survey

- Most residents do not experience power outages.
- NH residents are tolerant of nearly four outages per year.

Power Goes Out...



An average of 3.7 outages are tolerable over a 12-month period

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 infrastructure and service restoration.

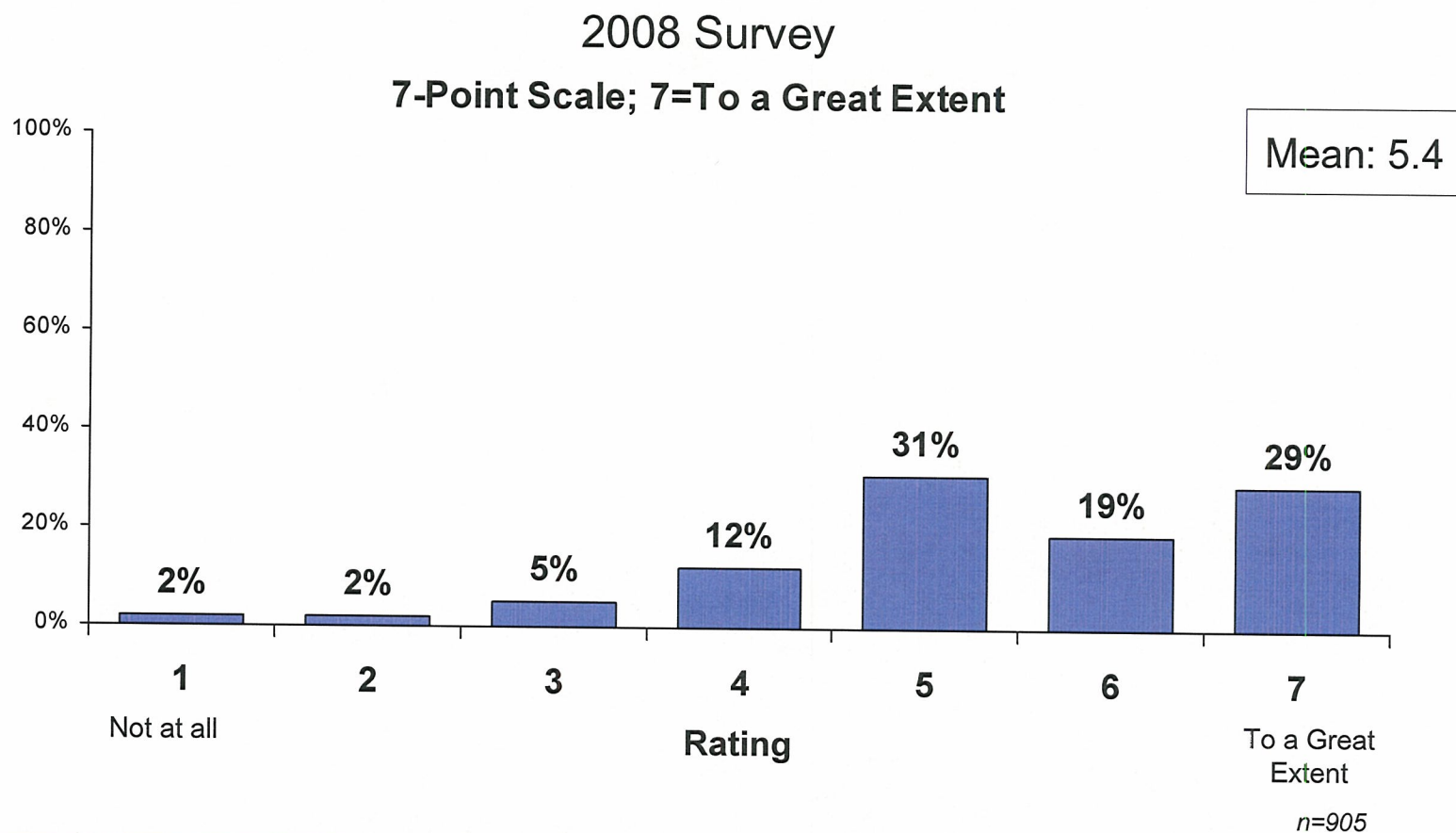
2008 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Base)	(234)	(760)	
NG adequately maintains power infrastructure (% 5-7)	82	57	25
Informs why power is out and when will be restored (% 5-7)	68	47	21
NG makes quick repairs to restore service (% 5-7)	88	68	20
NG invests in new technology to ensure uninterrupted power (% 5-7)	66	47	19
Strongly agree/agree that NG provides reliable service	92	73	19
Power goes out "rarely"	66	48	18
Cite "power outages" as reason for overall satisfaction rating	5	22	17
Power goes out "frequently"	5	18	13

Detailed Findings

6. Rates & Billing

Perceptions are that National Grid has Some Control over Rates

- Fewer than half of NH residents (48%) believe that National Grid has a great deal of control over rates (rate 6-7).



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. A belief that NG rates are too high is a key differentiating factor.

2008 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Base)	(234)	(760)	
NG provides a good value for the price (% 5-7)	76	41	35
Cite "high rates" as reason for overall satisfaction rating	2	35	33
Useful info on how rates are determined (% 5-7)	71	46	25
Bills are easy to understand (% 5-7)	89	65	24
Contacted for billing/payment inquiry	19	35	16
Bills are accurate and timely (% 5-7)	95	80	15
Believe that NG has control over rates (% 5-7)	79	77	2

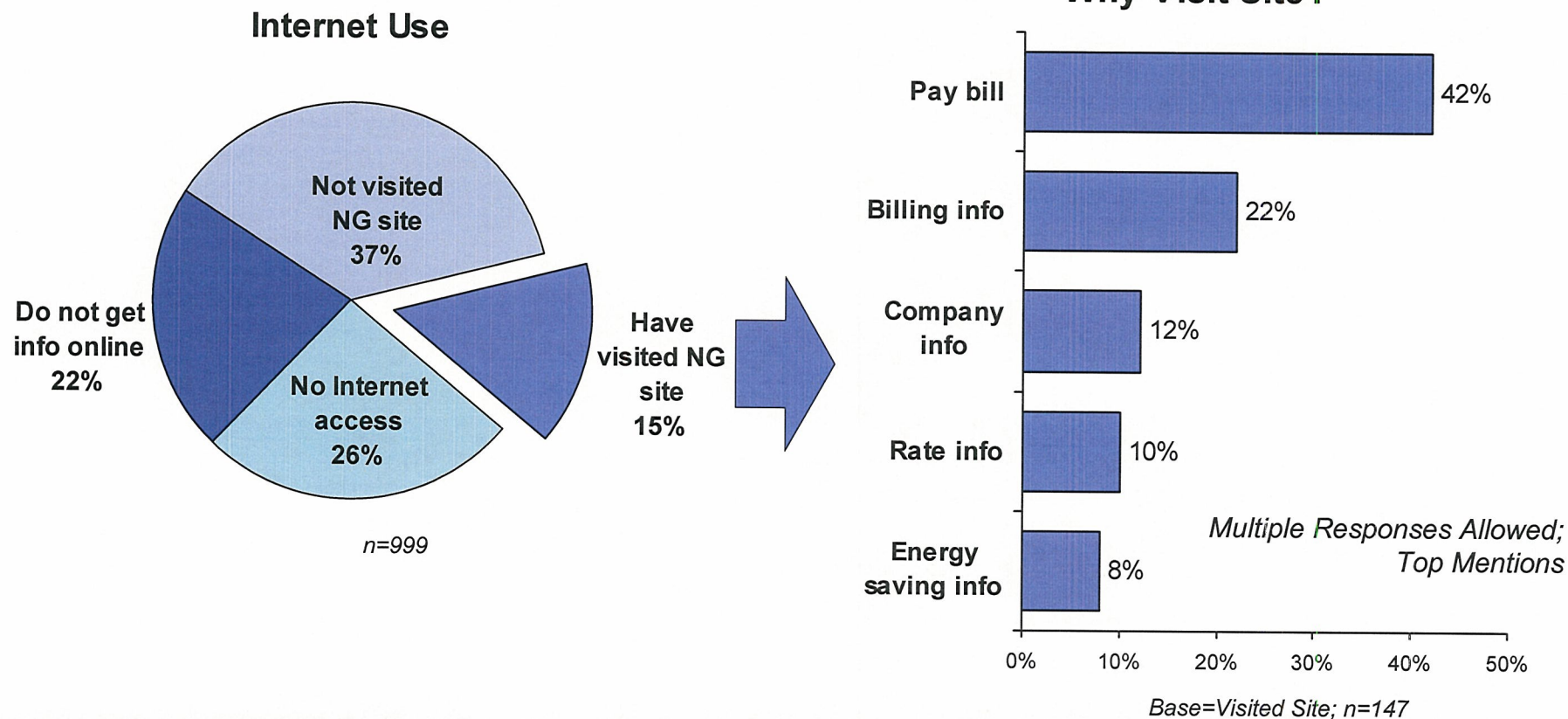
Detailed Findings

7. Internet

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

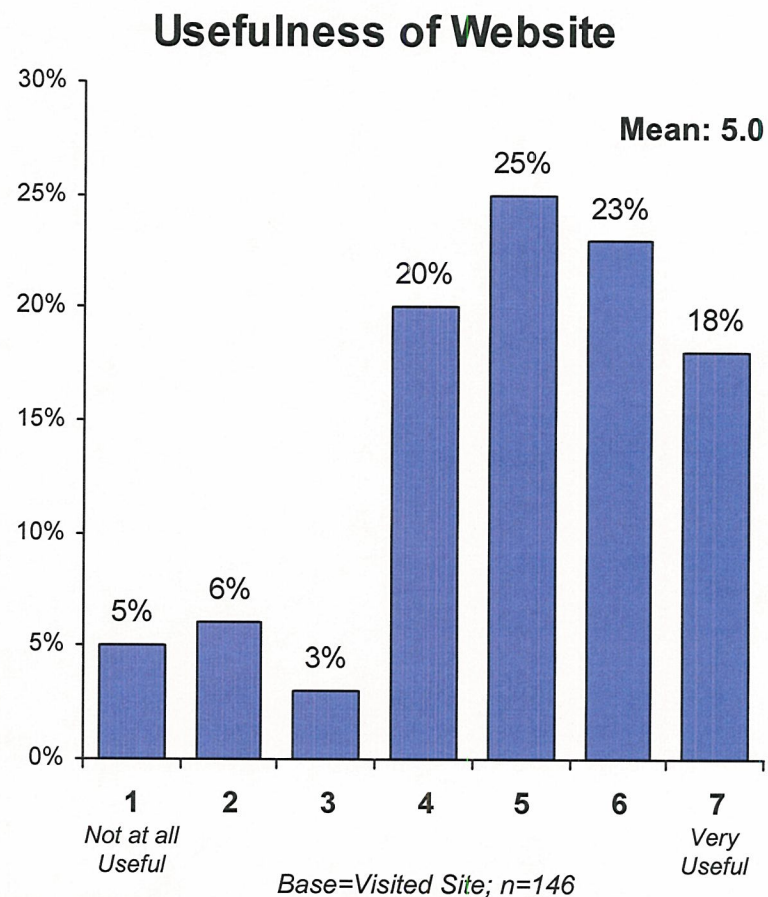
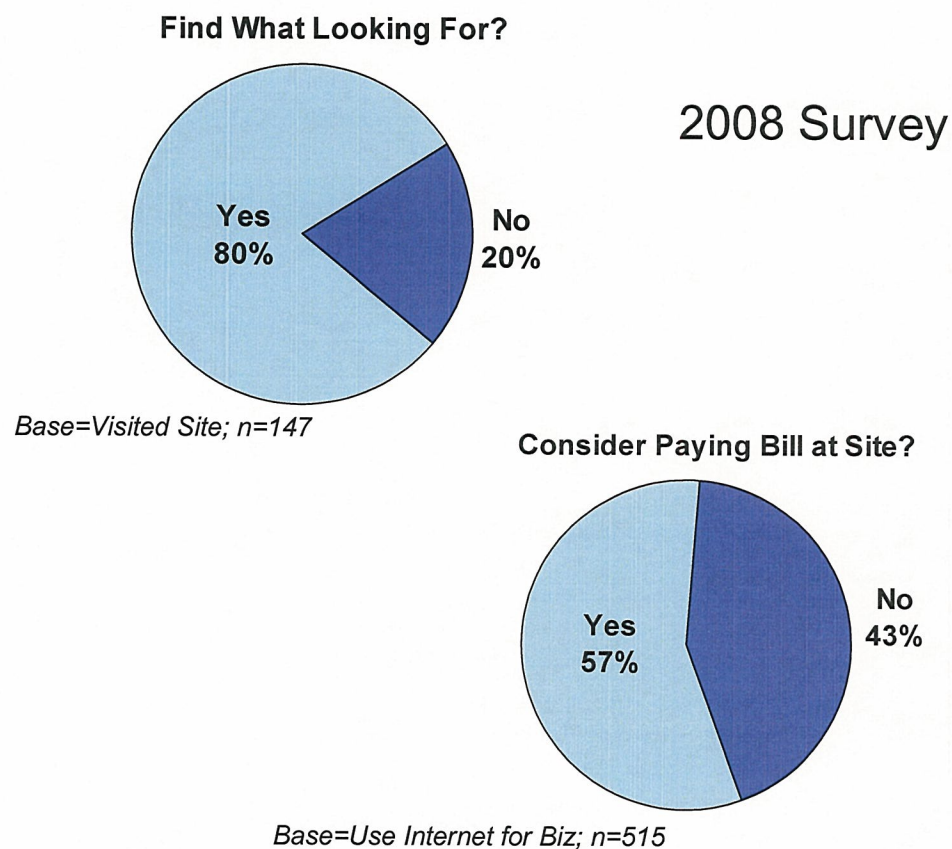
- Only a few NH residents have visited the National Grid Web site (15%), but most of these visitors went there to pay a bill (42%).

2008 Survey



The Website Provides a Satisfactory Experience

- Most customers (80%) found what they were looking for at the National Grid Web site, and most consider the site valuable (66% rate 5-7).
- More than half (53%) would use the site to pay their bill.



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

- The only difference between highly satisfied and less satisfied customers regarding Internet aspects is the perception of the usefulness of the NG Web site. Satisfied customers consider it much more useful than less satisfied customers.

2008 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Total Base)	(234)	(760)	
Overall usefulness of NG Web site (% 5-7)**	78	40	38
Able to find needed information at the NG Web site**	82	74	8
Have Internet access	73	79	6
Get information/do business online*	70	75	5
Would use Web site to provide moving information**	56	60	4
Visited NG Web site***	28	32	4
Visited Web site to pay a bill**	42	44	2

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

Detailed Findings

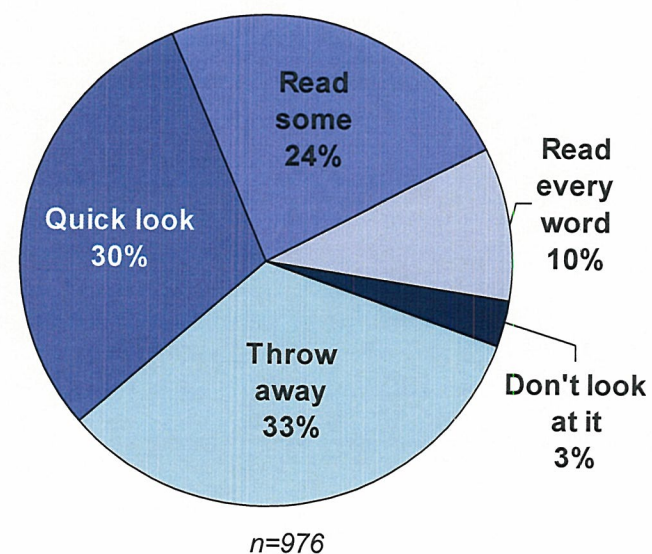
8. Communications with Customers

A Small Number of Residents Read the Newsletter

2008 Survey

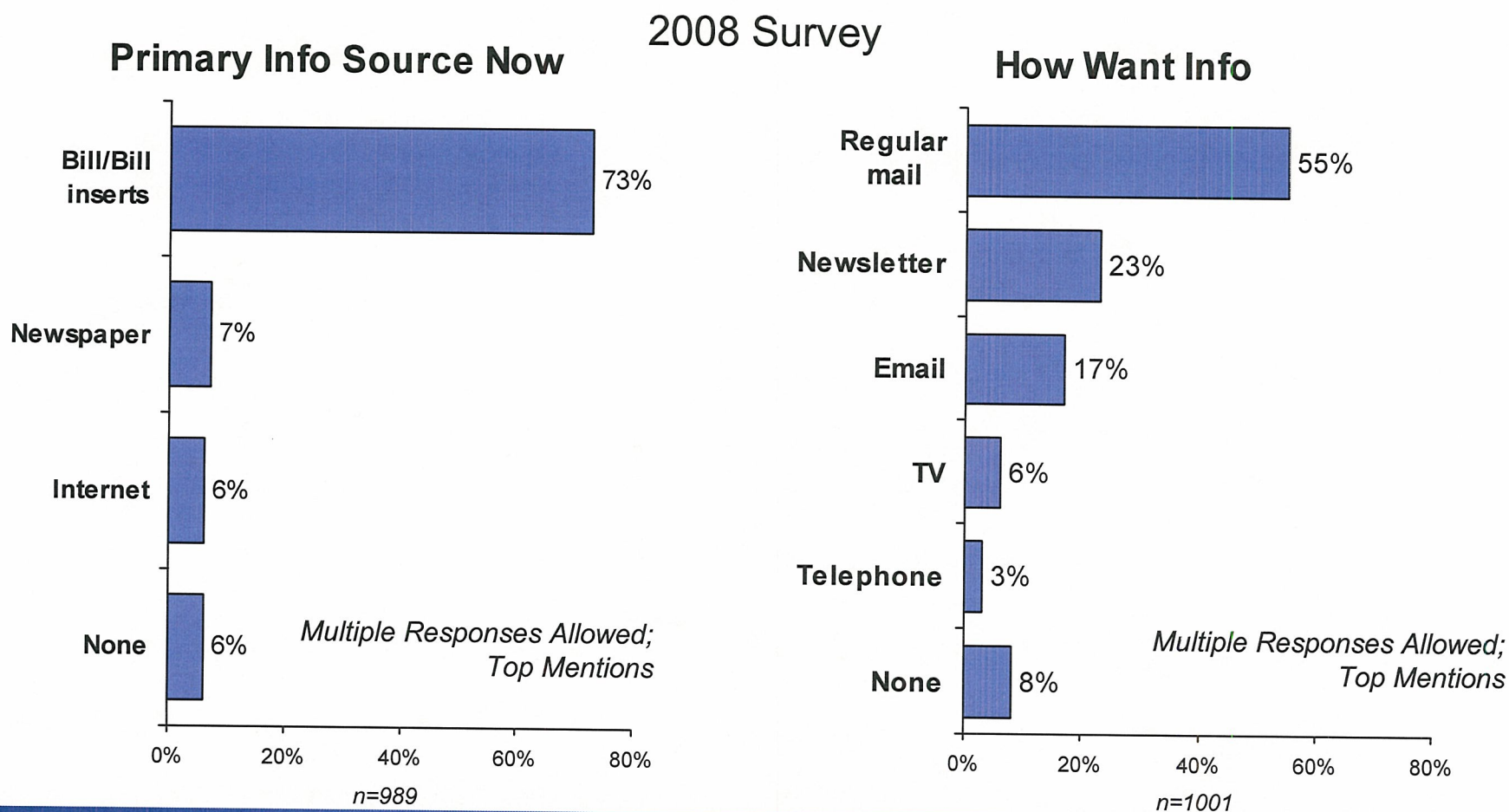
- About a third (34%) reads the newsletter and another third takes a quick look (30%).

Info Newsletters



The Mail is the Preferred Method of Communication

- Most people currently look to their bill inserts for information (73%) and would like to continue receiving info through the mail (55%).
- Residents want more info on energy/cost-saving tips (29%) and rates (25%).



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.

2008 Survey	Highly Satisfied Overall (% 6-7)	Less Satisfied Overall (% 1-5)	Percentage Point Difference
(Base)	(234)	(760)	
NG provides useful info about different energy suppliers and energy service companies (% 5-7)	60	29	31
NG helps you make informed choices regarding energy (% 5-7)	66	38	28

Conclusions & Recommendations

Overall Satisfaction is High and Perceptions are Positive

- Overall satisfaction is high in New Hampshire (54% “very satisfied”) and has strengthened over the past year (45% “very satisfied” last year)
- Perceptions of National Grid are very positive (78% say it is an “excellent” or “good” company)
- Satisfaction is driven by a lack of problems (60% of highly satisfied customers)
 - The less contact a customer has with National Grid, the more satisfied the customer is overall

Areas of Dissatisfaction Should Be Addressed with Specific Attention Given to Maintaining High Customer Service Levels

- Dissatisfaction is driven by high rates (35% of less satisfied customers) and outages (22% of less satisfied customers)
- Perceptions of rates correlate highly to overall satisfaction ratings
 - Relatively few less satisfied customers believe that NG provides a “good value” (41%)
- Service issues (such as outages) are a key problem for customers, prompting them to contact National Grid; successful resolution is critical to maintaining satisfaction
 - Most contacts with National Grid are for service problems (68%)
 - Most contacts are with the Customer Contact Center (phone center) (90%)
 - While most interactions are satisfactory (46% “very satisfied”), “poor service” (28%) and “taking too long to respond” (22%) cause some dissatisfaction
 - Fewer less satisfied customers (63%) believe that National Grid provides quality service to customers compared to nearly all satisfied customers (92%)

Opportunities for Communication with Customers

- Global warming
 - An important issue to NH customers (83%)
 - Customers (92%) believe that utilities have a role in minimizing its impact
- Info about energy/cost savings (29%) and rates (25%)
 - Less satisfied customers rate NG low on providing information about ESCOs (29% rate National Grid 5-7) and making choices about energy (38%)
- Customers prefer to receive information from National Grid by mail (55%)
- Providing information on global warming and other energy issues might be a way to drive more customers to the National Grid Web site, currently an under-utilized resource (only 15% have visited the site)