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Via ERF and US Mail

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 S. Fruit Street, Suite 10
Concord, NH 03301-2429



**Re: DG 11-040 Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Annual Residential Customer Satisfaction Survey - 2016**

Dear Ms. Howland:

On behalf of Liberty Utilities, this annual report is provided pursuant to Section V(D)(3)(e) of the Settlement Agreement in Docket No DG 11-040 approved by Order No. 25,370. Please note that this report has been filed via the Commission's Electronic Report Filing System.

We are pleased to report that overall customer satisfaction (including price) for Granite State Electric increased sharply from 63% in 2015 to 77% in 2016, an increase of 14 percentage points. Overall satisfaction (excluding price) increased to 79% in 2016. These increases are the direct result of process improvements, as well as increased supervision and training of employees. These results are also supported by call answering service levels and billing timeliness that consistently exceed targets.

The Key Indicators charts on pages 7-8 show that satisfaction scores increased across the board in 2016 for non-price factors. It is particularly noteworthy that 7 of the 9 non-price indicators either rebounded or exceeded 2012-2013 levels:

- **Customer Service:** The largest increase in satisfaction was for customer service, which has rebounded back to 2012 levels of 71% in 2016.
- **Conservation:** Satisfaction with encouraging conservation is at an all-time high at 65% in 2016, exceeding the 56% satisfaction achieved in 2012.
- **Reliable Services:** Satisfaction was 87% in 2016 and similar to 2012-2013 levels.
- **Safe Services:** Satisfaction was 87% in 2016, slightly higher than in 2012.
- **Payment Options:** Satisfaction increased from 65% in 2015 to 75% in 2016, mirroring 2013 satisfaction results.
- **Website:** Satisfaction increased from 42% in 2015 to 54% in 2016, roughly the same level as in 2012.

- **Community Presence:** Satisfaction increased to 57% in 2016, exceeding the 2013 satisfaction of 50%.
- **Bill/Statement Accuracy:** Satisfaction increased from 66% in 2015 to 75%.
- **Communications:** Satisfaction increased from 55% in 2015 to 65% in 2016. points since 2015.

The sharp increase in overall customer satisfaction from 63% in 2015 to 77% in 2016 (79% excluding price) is not surprising given the improvements implemented after the billing system conversion in Q3 2014. It is not unusual for customer satisfaction to decline after a billing system conversion and then build back up over the following 12-18 months. In Liberty's case, all post-conversion issues for Granite State Electric were addressed within 3 to 12 months of implementing the new billing system in Q3 2014.

We are extremely pleased with the improvement in customer satisfaction and will continue our efforts to further improve customer satisfaction in the future.

Thank you for your assistance with this matter. Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Stephen R. Hall". The signature is written in a cursive, flowing style.

Stephen R. Hall

Enclosure

cc: Service List