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January 7, 2020

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: DE 16-383; Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities
Annual Residential Customer Satisfaction Survey - 2019**

Dear Ms. Howland:

On behalf of Liberty Utilities, this annual report is provided in accordance with the Stipulation and Settlement Agreement regarding permanent rates approved by Order No. 26,005 (April 12, 2017) in Docket No. DE 16-383. Please note this report has been filed via the Commission's Electronic Report Filing System.

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

Sincerely,

A handwritten signature in black ink that reads "Steven E. Mullen".

Steven E. Mullen

Enclosure

cc: Amanda Noonan

5021



CUSTOMER SATISFACTION TRACKING NEW HAMPSHIRE ELECTRIC

DECEMBER 2019



LUTH
research

OBJECTIVES & METHODOLOGY

Objectives:

- Analyze current customer satisfaction levels with Liberty Utilities among New Hampshire (NH) Electric Customers.
- Compare current customer satisfaction levels with previous years to determine whether satisfaction significantly increased or not over time.
- Identify areas for improvement in order to increase satisfaction in the future.

Methodology:

Number of Completed Interviews: n=1,500
Phone vs. Online Completion Ratio: 66% / 34%
Fieldwork Dates: 8/27/19 – 10/30/19
Statistical Significance Level: 95%

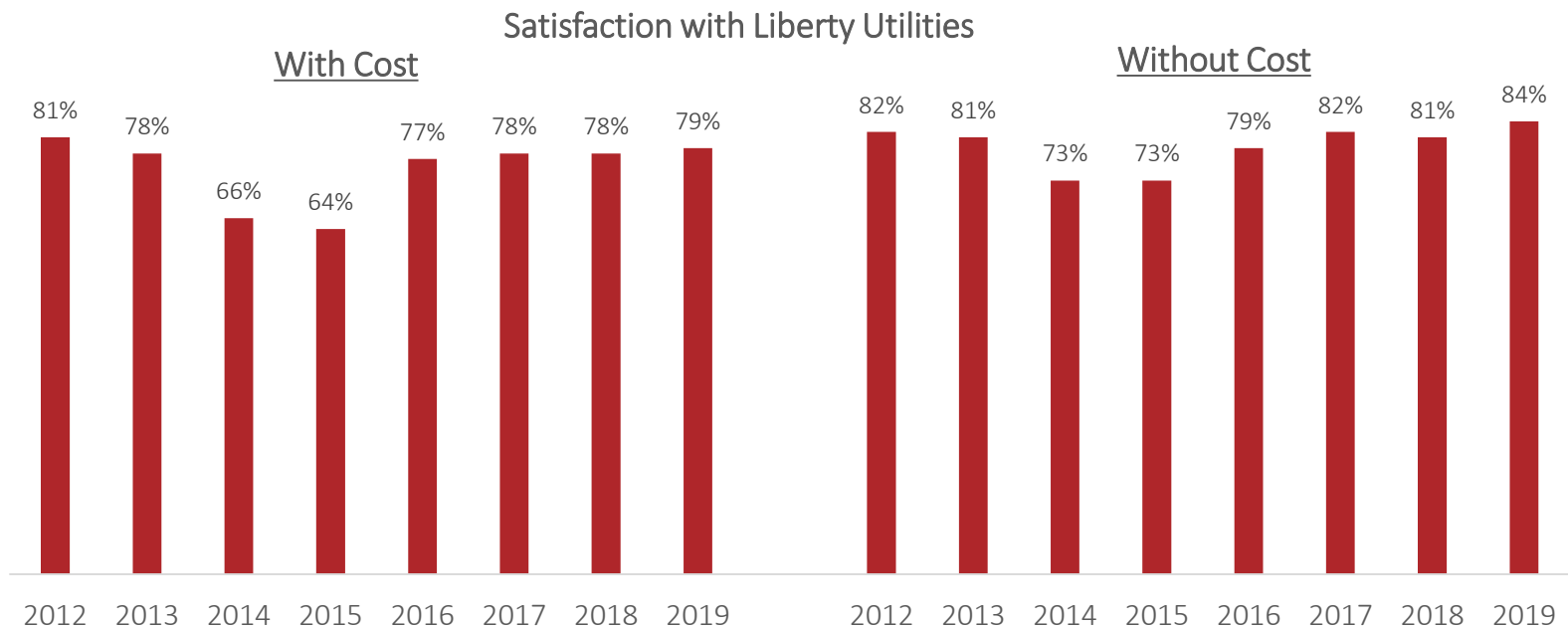
Sampling:

- Customers were randomly selected from a sample provided by Liberty Utilities for participation in the survey. The survey sample was representative of Liberty Utilities' New Hampshire Electric customers.
- 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 population of all Liberty Utilities' NH Electric Customers. Sampling error varies inversely with the size of the sample. With a sample size of n=1,500 and a 95% level of confidence, the range of error for proportions observed in this survey is +/- 2.5 percentage points.

OVERALL SATISFACTION

After a big increase in 2016, overall satisfaction with Liberty has remained very stable at just under 80%. Satisfaction without cost increased to 84% this year, its highest level ever. The gap in satisfaction between the two questions is the largest since 2015, indicating that cost is increasing in importance after several years of relative parity between the two questions.

As in previous years, satisfaction gradually rises with age and declines with household income. The largest gap between the two questions is among customers younger than 45, 68% of whom are satisfied with Liberty overall, while 78% are satisfied with Liberty aside from cost.



Indicates score is significantly higher/lower than 2018

Q3

Overall, how satisfied are you with Liberty Utilities?

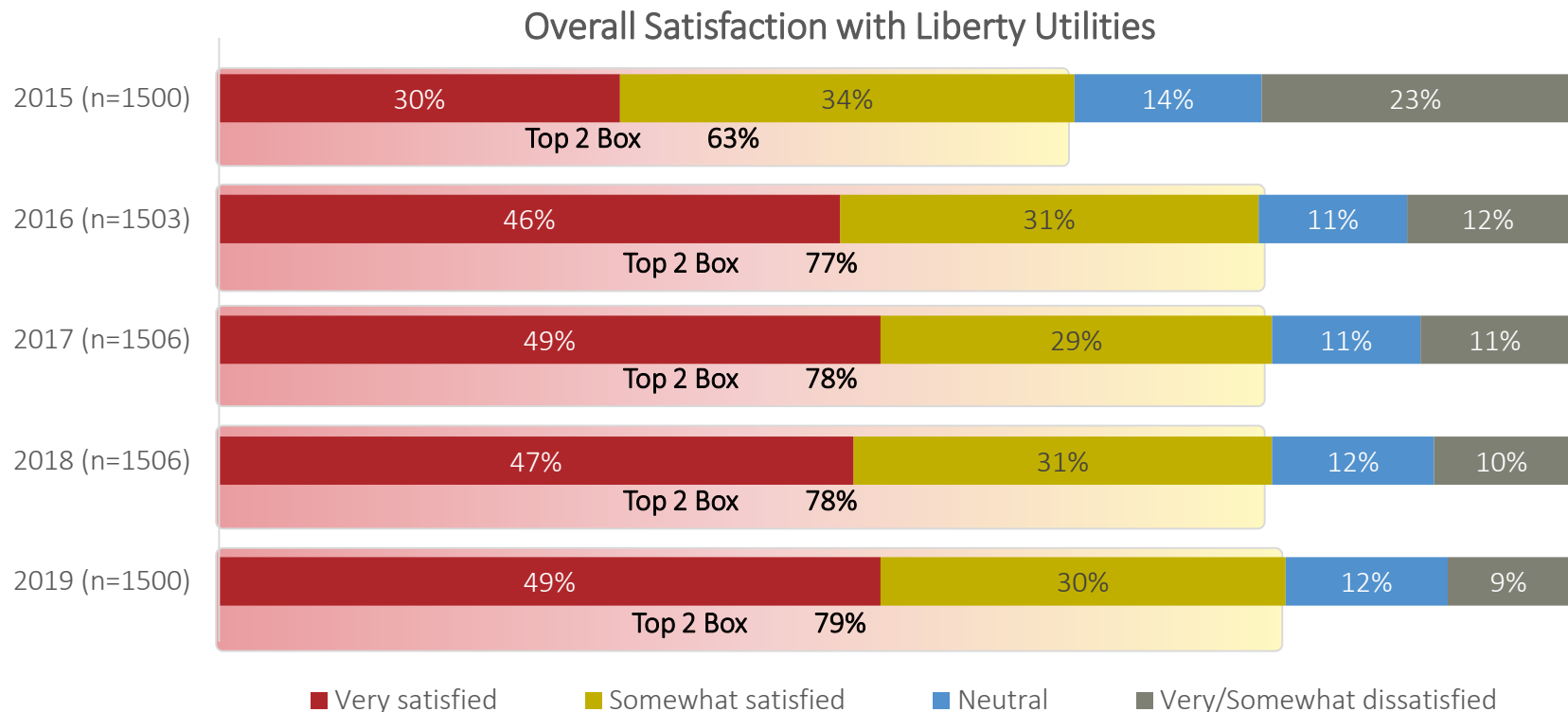
QEASTO1

Using a scale where 5 is "very satisfied" and 1 is "very dissatisfied", how satisfied are you with the services, excluding price, that you are receiving from Liberty Utilities?

OVERALL SATISFACTION

Overall satisfaction with Liberty has remained relatively unchanged since 2016, at just under 80%. Nearly half remain 'very satisfied'.

The gap in satisfaction between customers younger than 45 and those 65 and older increased to 17 points this year (68% versus 85%), which is in line with results in 2017 and earlier. The gap between households earning less than \$50K and those earning \$100K+ dropped to 10 points (83% vs. 73%), mirroring results pre-2018.



REASONS FOR SATISFACTION/DISSATISFACTION

Even though reasons for satisfaction and dissatisfaction wasn't asked in 2017 and 2018, the results this year are very similar with those from previous years.

- The most common reason why customers are satisfied is the lack of any problem or reason to contact Liberty.
- Cost is by far the most common complaint among dissatisfied customers; mentions of billing problems have been cut in half since 2016.

Suggestions for Improvements	2015	2016	2019	Difference from 2016
Among Satisfied Customers	n=951	n=1156	n=1178	
Never had a problem/complaint	25%	33%	29%	-4%
Cost is too high/rate increases	24%	11%	15%↑	+4%
Reliable/Receive services/No interruptions	17%	18%	15%	-3%
Service is excellent/good/satisfactory	1%	11%	12%	+1%
Prompt, considerate repair service	6%	8%	10%	+2%
Among Dissatisfied Customers	n=341	n=175	n=145	
Cost is too high/rate increases	64%	46%	54%	+8%
Billing is confusing/problematic	26%	27%	11%↓	-16%
Poor/unfriendly/uncaring customer service	13%	15%	10%	-5%
Website not user-friendly/informative	5%	10%	8%	-2%

REASONS FOR SATISFACTION

Because when we've had to call them and ask them for help, like when we had a storm and the tree fell down, **they came immediately** even though we put it off at first. The other thing is we called them to take some branches off of the line they came. **I know that if I call they will come, they are very good.**

Even at NH's high prices, electricity is an amazing bargain. **Liberty is dependable, reliable, trustworthy, and offers great value.**

They respond quickly to power outages. Even when I call in the middle of the night I get a live person.

Despite really bad weather **we have experienced minimal outages.** In addition, Liberty Utilities took the advice of the tree maintenance crew regarding a tree on our property that had rotted, and had them take it down before it could cause damage to the lines and cause a problem for many. **The customer service reps I have spoken with were without exception polite, helpful and professional.**

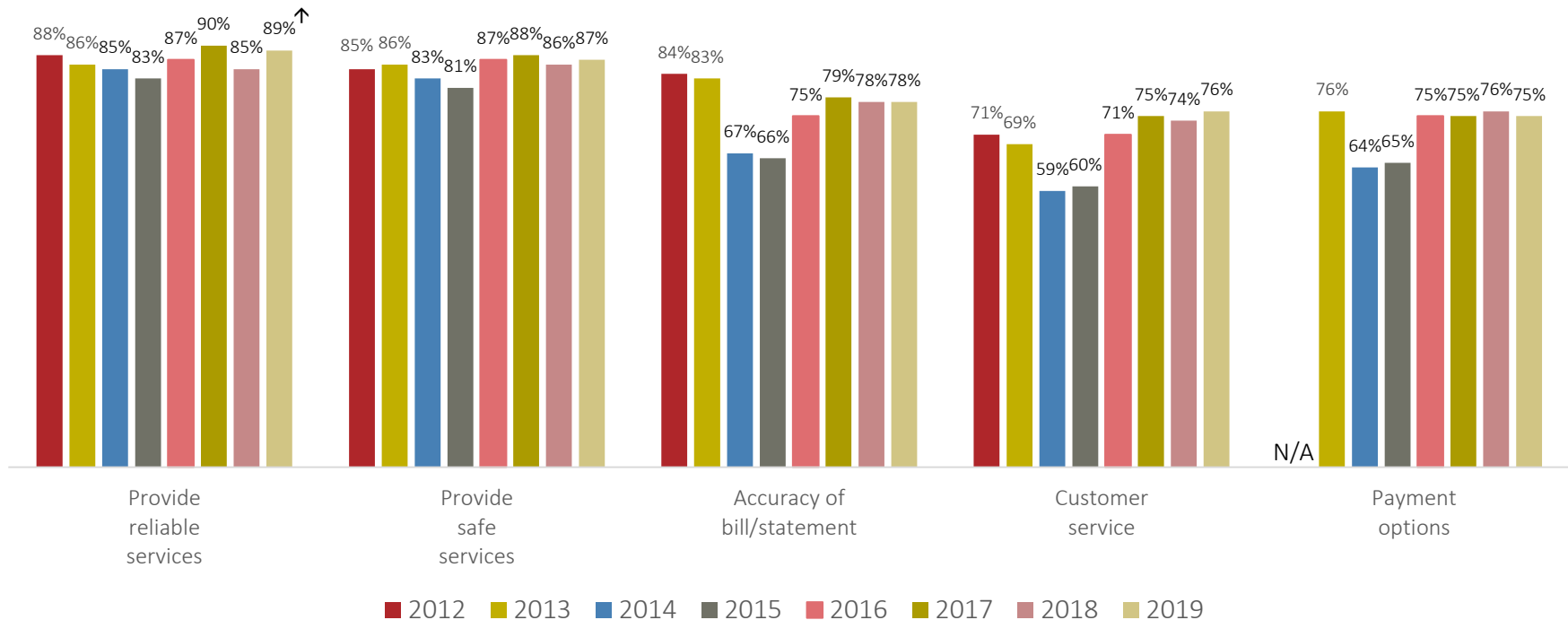
No matter the weather conditions, it seems the power never goes out here. If it does it's only briefly as **Liberty Utilities seems to have a response team faster than EMT services.**

There is a lot of dead growth trees on my property and they are often subject to getting knocked down during storms. Liberty has come to my aid on two occasions this past year where a line needed to be cleared of a fallen tree, or even replaced. **They provided quick response times and restored my power efficiently.** I'm grateful for their service being out here in the sticks, and **their website is very easy to use** when I online pay my bill each month. Thanks Liberty Utilities for all you do!

KEY INDICATORS – SLIDE 1

Satisfaction scores for Key Indicators were relatively stable this year, with few increases or declines. On this slide, there was an increase in satisfaction for Liberty providing reliable services, after a dip in 2018. Satisfaction with bill and statement accuracy is one of the few attributes where satisfaction has not recovered to where it was in 2012-2013.

Satisfaction (Very/Somewhat Satisfied)



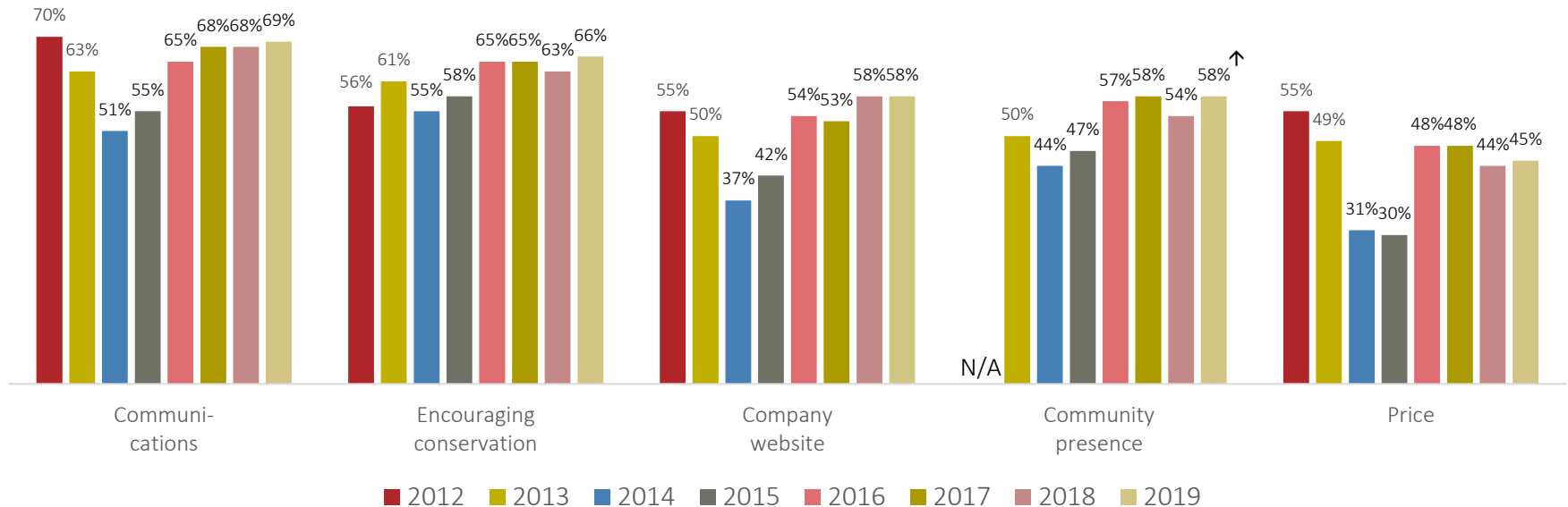
NOTE: Since results are based on respondents who provided an answers (did not select Not applicable/No experience), the bases vary for each attribute each year
↑/↓ Indicates score is statistically significantly higher/lower than 2018
Q2. Please rate Liberty Utilities in the following areas by using a 5-point scale with 5 being "Very Satisfied" and 1 being "Very Dissatisfied".

KEY INDICATORS – SLIDE 2

Compared with 2018, ratings on this slide increased for community presence. As in previous years, satisfaction with price is actually higher among less-affluent households, indicating that *perceptions of value may be as important as the actual price people are paying*.

Compared with 2012, satisfaction with Liberty has increased for encouraging conservation and community presence, while it is lower for price.

Satisfaction (Very/Somewhat Satisfied)



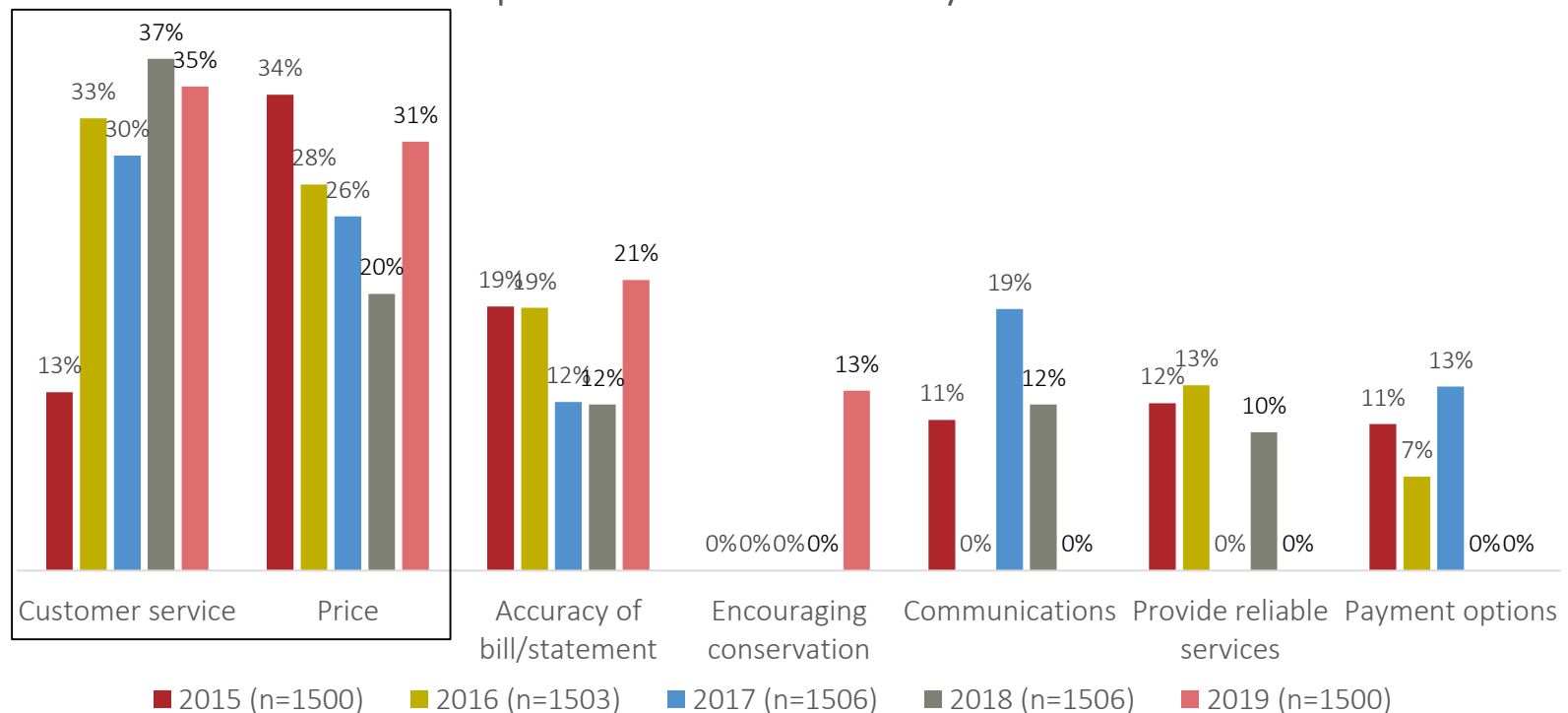
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Q2. Please rate Liberty Utilities in the following areas by using a 5-point scale with 5 being "Very Satisfied" and 1 being "Very Dissatisfied".

DRIVERS OF SATISFACTION

A regression analysis was conducted to help quantify the impact of the Key Indicators on overall satisfaction with Liberty Utilities. The results for the attributes which had a significant impact on satisfaction are shown below.

Customer service remained the top contributor to overall satisfaction. After three years of decline, **price increased as a driver of satisfaction this year**, to where price is almost as important as customer service in driving satisfaction. Encouraging conservation made its debut this year as a top driver of satisfaction.

Impact on Satisfaction with Liberty Utilities*

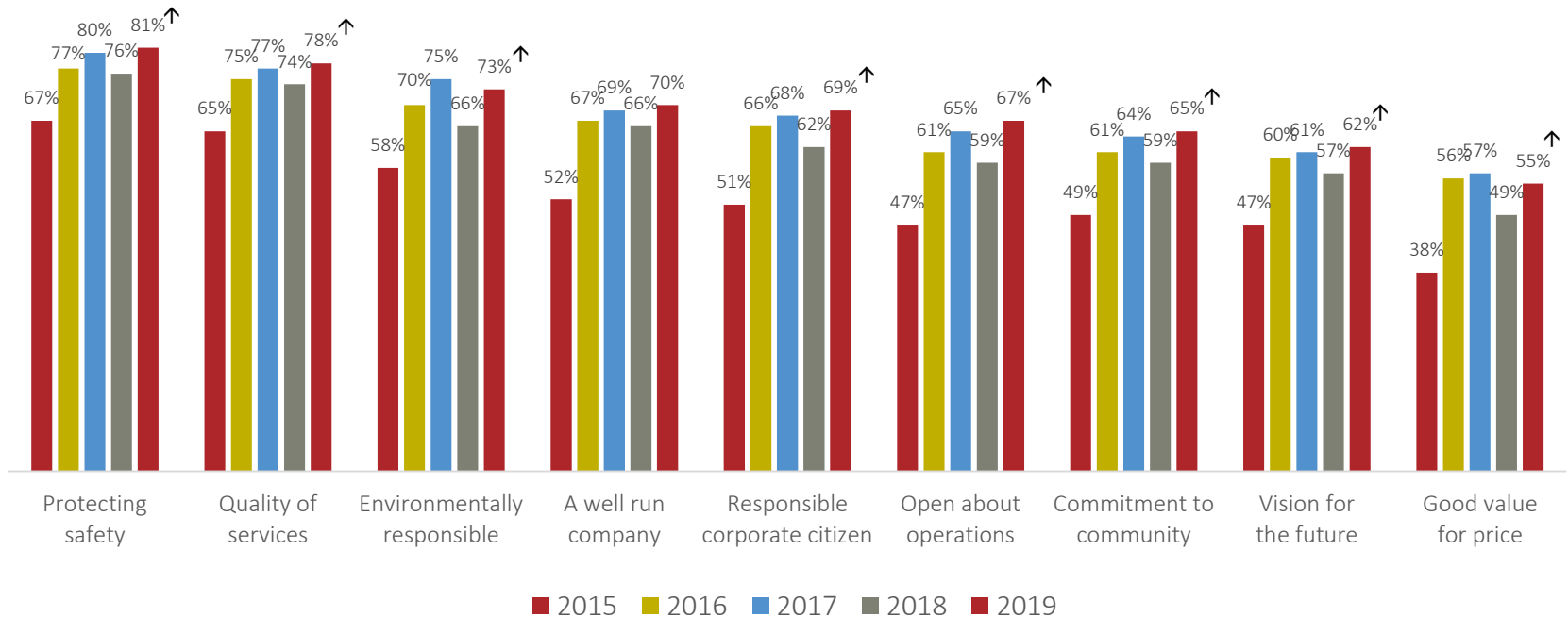


COMPANY EVALUATIONS

While satisfaction for Liberty on Key Indictors was relatively stable this year, *satisfaction for many Company Evaluations were higher; this follows a general decline on Company Evaluations last year.* This year, satisfaction increased beyond the margin of error for eight of the nine Evaluations, all except being a well-run company.

Satisfaction levels generally increased across the board, although ratings still tend to increase with age and decline with household income.

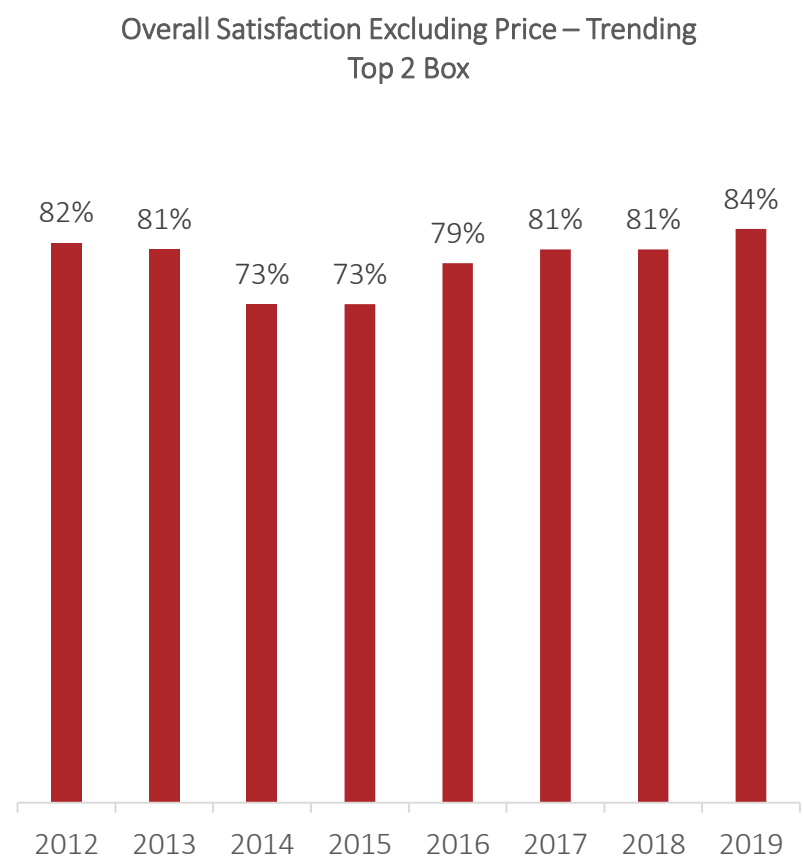
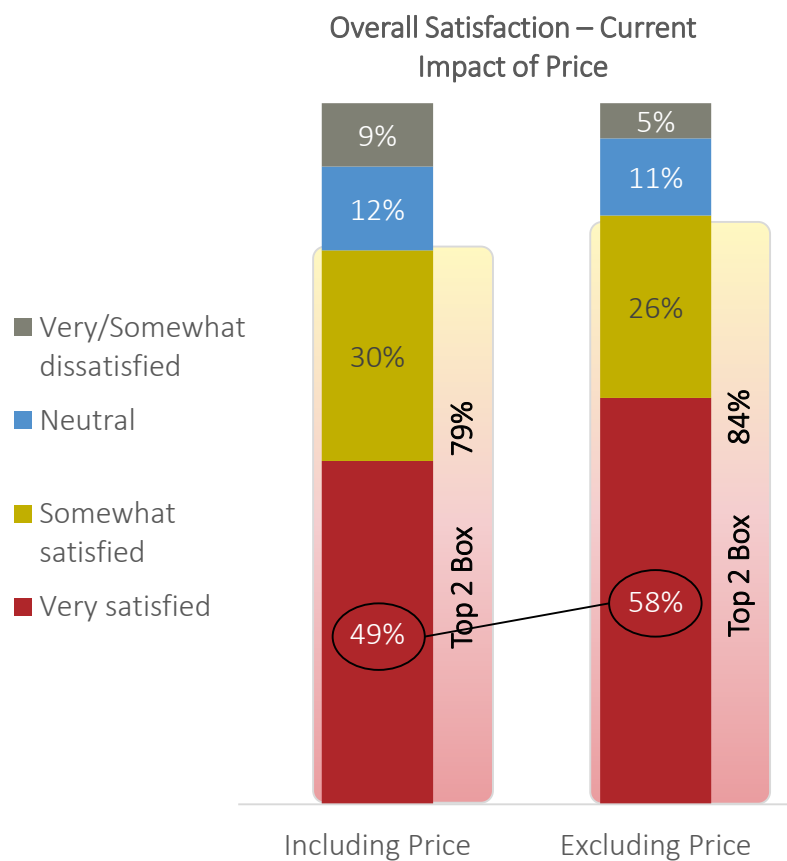
Company Evaluation (Excellent/Good)



NOTE: Since results are based on respondents who provided an answers (did not select Not applicable/No experience), the bases vary for each attribute each year
 ↑/↓ Indicates score is significantly higher/lower than 2018
 Q5 Based on a scale from 1 to 5 where 1 is "Poor" and 5 is "Excellent", please rate how good a job Liberty Utilities does on each of the following items:

OVERALL SATISFACTION EXCLUDING PRICE

Satisfaction with Liberty is five points lower overall than when price is specifically excluded. In terms of the percentage who are very satisfied, the gap increases to 9 points, another indicator that price is again increasing in importance.



Indicates score is significantly higher/lower than 2018

Q3 Overall, how satisfied are you with Liberty Utilities?

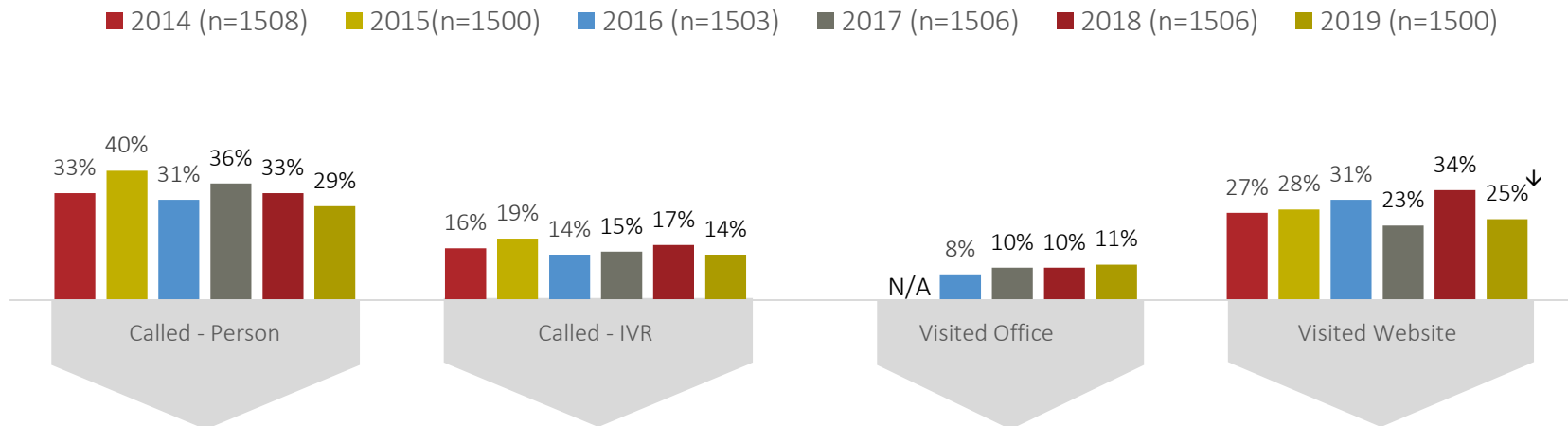
QEASTO1 Using a scale where 5 is "very satisfied" and 1 is "very dissatisfied", how satisfied are you with the services, excluding price, that you are receiving from Liberty Utilities?

CUSTOMER SERVICE

Fifty-nine percent of Liberty customers contacted the company in 2019, most often by calling and speaking with a live person. Website visitation dropped back to the 2017 level, while other means of contacting customer service remained relatively stable.

Three-quarters of customers younger than 45 contacted Liberty customer service in the past year (73%), compared with only 51% of customers 65 and older. Dealing with customer service issues remains a key vehicle to impact satisfaction, particularly among younger customers.

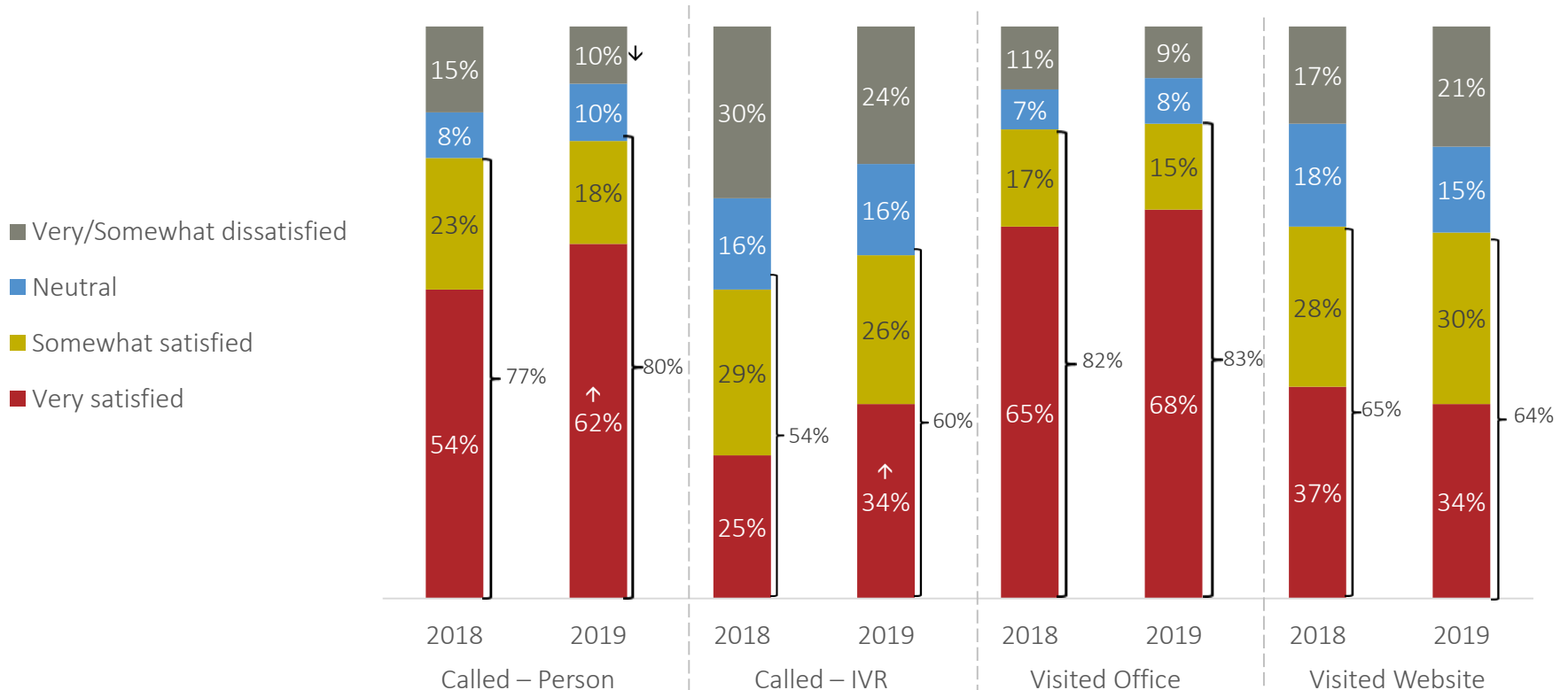
Contacted Customer Service By...



SATISFACTION WITH CONTACT METHOD

As in previous years, satisfaction with the customer service experience was higher among those who called and spoke with a person (80%) or visited an office (82%) than among those who used IVR (60%) or visited the website (64%). Satisfaction with all forms of contact was stable in 2019, although the percentage very satisfied did increase for customers who called and spoke with a live person or used IVR.

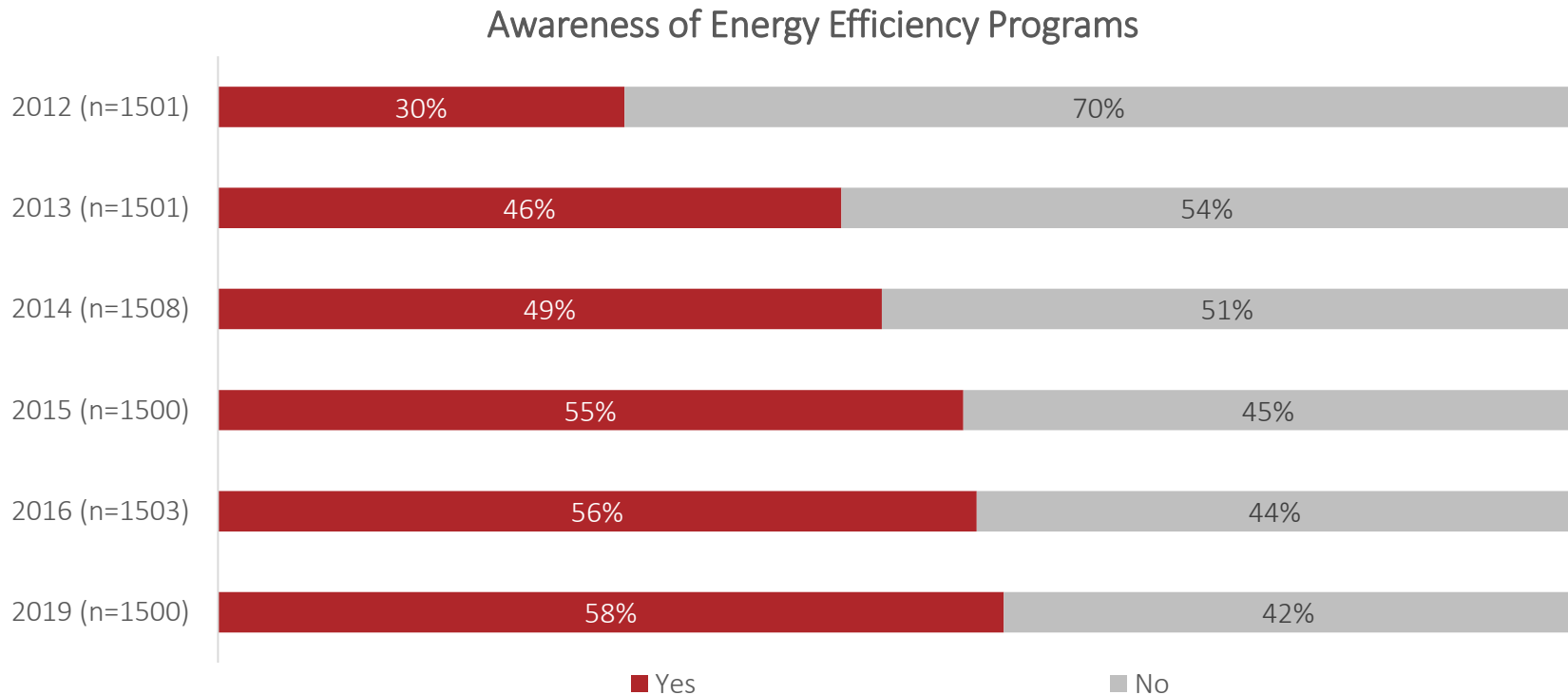
Satisfaction with Each Contact Method



AWARENESS OF ENERGY EFFICIENCY PROGRAMS

Compared with 2016, awareness of energy efficiency programs has remained relatively stable, increasing by just two percentage points.

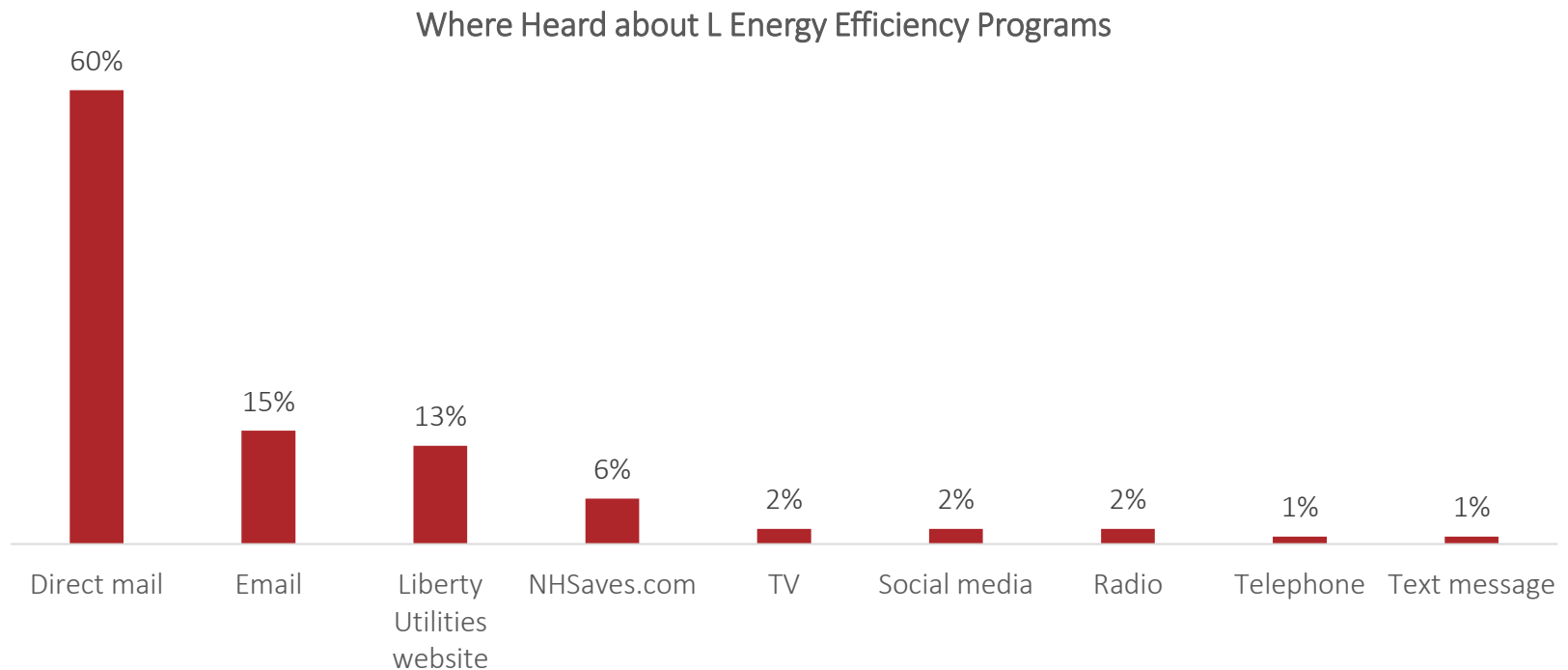
Awareness increases from 42% among customers younger than 45, to 64% among customers 65 and older. Customers aware of these programs have significantly higher satisfaction with Liberty for encouraging conservation and cost, so increased awareness will lead to higher satisfaction in these areas.



AWARENESS OF ENERGY EFFICIENCY PROGRAMS

Awareness of Liberty energy efficiency programs is driven primarily by direct mail, with email, the LU website and NHSaves.com well behind.

Direct mail is the top source of awareness across all age and income groups.





APPENDIX

RESPONDENT PROFILE

	2015	2016	2017	2018	2019
	n=1500	n=1503	n=1506	n=1506	n=1500
Gender					
Male	45%	46%	46%	50%	51%
Female	55%	54%	54%	50%	49%
Age					
18-24 years	2%	2%	2%	<1%	1%
25-34 years	9%	13% ↑	9% ↓	7%	4% ↓
35-44 years	11%	13% ↑	11%	12%	8% ↓
45-54 years	18%	15%	17%	15%	14%
55-64 years	24%	23%	23%	26% ↑	27%
65+ years	37%	33% ↓	38% ↑	40%	45% ↑
Household Income					
Under \$25,000	12%	8% ↓	11% ↑	7% ↓	10% ↑
\$25,000-\$49,999	19%	14% ↓	17% ↑	14% ↓	15%
\$50,000-\$74,999	14%	17% ↑	16%	14%	15%
\$75,000-\$99,999	11%	10%	10%	13% ↑	12%
\$100,000-\$149,999	10%	12%	7%	12% ↑	10%
\$150,000+	6%	8%	7%	10% ↑	9%
Prefer not to say	28%	31%	28% ↓	30%	29%

RESPONDENT PROFILE

	2015	2016	2017	2018	2019
	n=1500	n=1503	n=1506	n=1506	n=1500
Ethnicity					
White/Caucasian	86%	85%	85%	83%	83%
Asian/Pacific Islander	2%	2%	2%	3%	2%
Hispanic/Latino	1%	2%	1%	2%	1%
Black/African American	1%	1%	1%	1%	1%
Other	2%	2%	2%	2%	3%
Prefer not to say	8%	8%	9%	9%	10%
Education Level					
Less than high school	2%	1%	2% ↑	1% ↓	2%
High school/GED	20%	17% ↓	21% ↑	16% ↓	19%
Professional school/training	5%	3%	5% ↑	4%	5%
Some college	14%	15%	16%	15%	18% ↑
Associate's degree	7%	8%	8%	11% ↑	7% ↓
Bachelor's degree	21%	23%	17% ↓	20% ↑	20%
Some graduate school	5%	5%	5%	5%	3% ↓
Graduate school degree	20%	22%	19%	22%	20%
Prefer not to say	7%	6%	7%	6%	6%

RESPONDENT PROFILE

	2015	2016	2017	2018	2019
	n=1500	n=1503	n=1506	n=1506	n=1500
Children in Household					
Under 18 years of age	21%	23%	19%↓	19%	23%↑
Home Status					
Rent	20%	26%↑	21%↓	16%↓	21%↑
Own	79%	73%↓	77%↑	83%↑	77%↓
Home Type					
Single family	79%	76%↓	77%	82%↑	79%
Multi-family/Apartment	19%	21%	20%	16%↓	17%
Other/Don't know	2%	3%	3%	2%	4%↑

FOR FOLLOW-UP QUESTIONS, PLEASE CONTACT:



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