

CUSTOMER SATISFACTION TRACKING NEW HAMPSHIRE ELECTRIC

DECEMBER 2016



CONTENTS



- 1 Objectives & Methodology
- 2 Key Findings
- 3 Detailed Findings
- 4 Appendix

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=1,503
Phone vs. Online Completion Ratio:	68% / 32%
Fieldwork Dates:	10/10/16 – 12/6/16
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=1,503 and a 95% level of confidence, the range of error for proportions observed in this survey is +/- 2.5 percentage points.

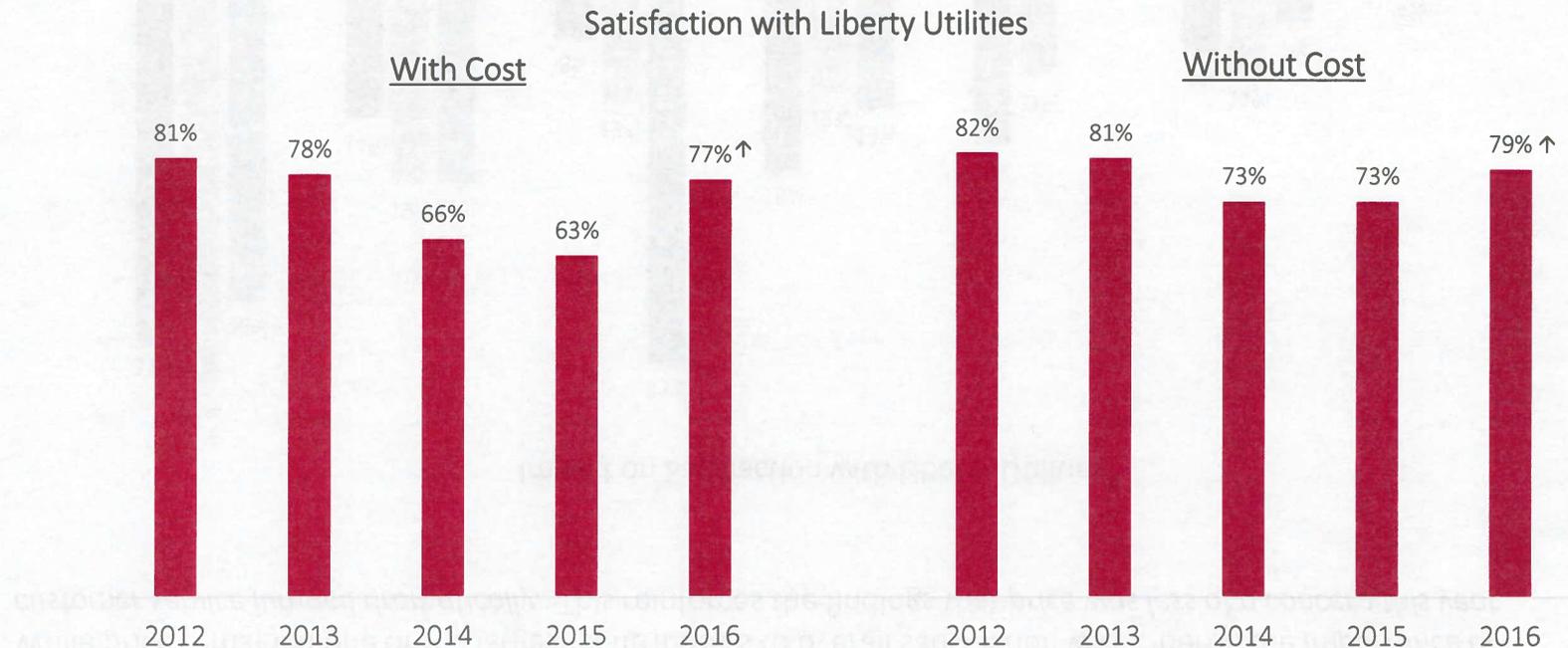


KEY FINDINGS

OVERALL SATISFACTION



Overall satisfaction jumped to 77% this year, up from 63% in 2015. Satisfaction without price also increased, from 73% to 79%.



- Satisfaction increased across the board, with the largest gains among customers younger than 45 and those living in middle income households (\$50K-<\$100K).
- The decline in the gap between satisfaction with and without price (from 11% to 2% this year) shows that price concerns have decreased significantly.

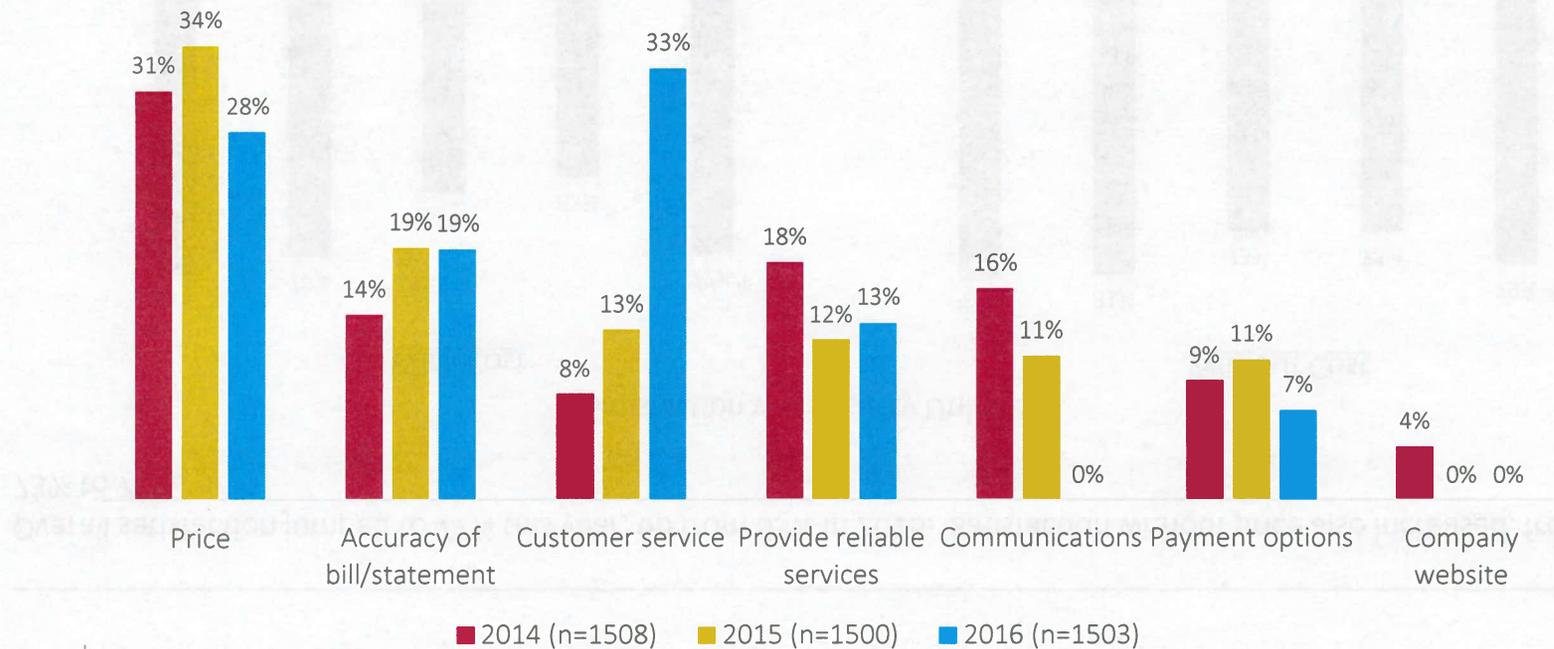
DRIVERS OF SATISFACTION



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.

While price remained one of the largest contributors to overall satisfaction with Liberty, the *importance of customer service jumped dramatically*. This reinforces the findings that *price was less of a concern this year*.

Impact on Satisfaction with Liberty Utilities*

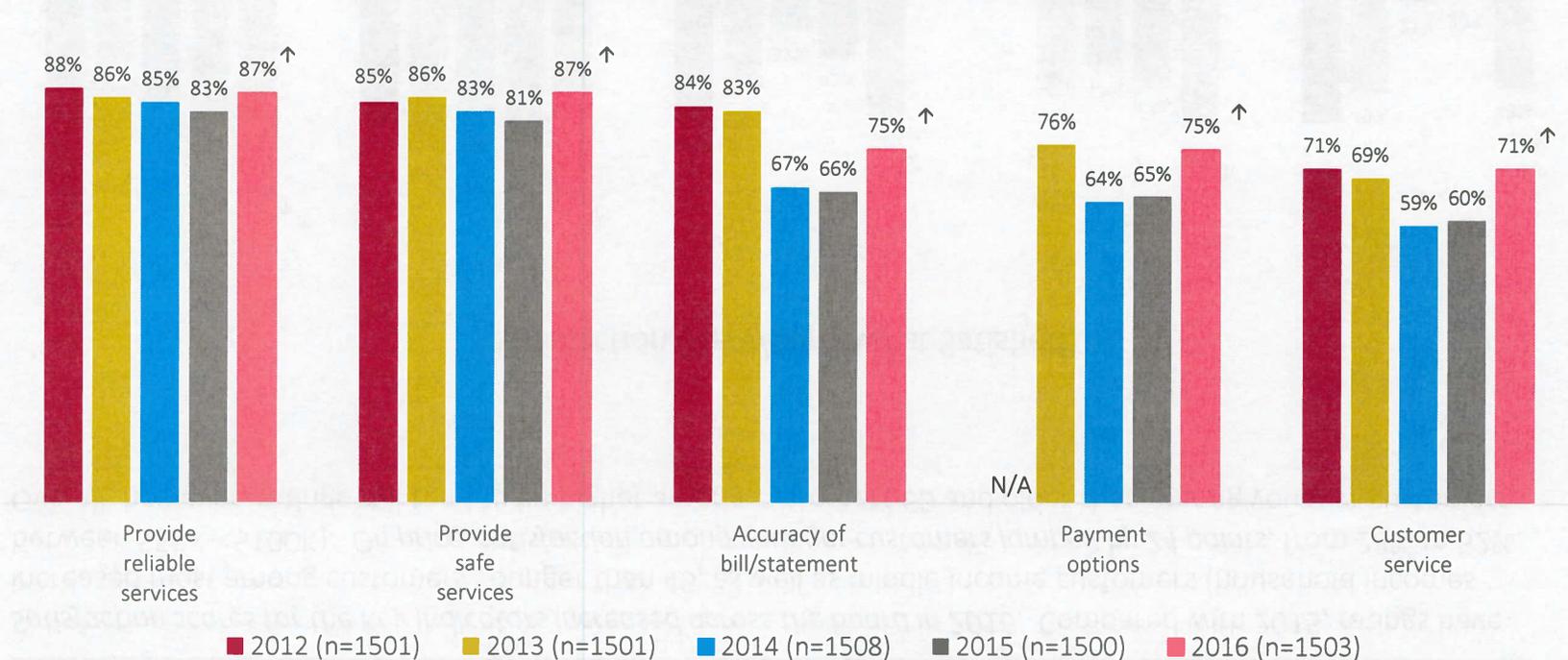


KEY INDICATORS – SLIDE 1



Satisfaction scores for the Key Indicators increased across the board in 2016. Compared with 2015, ratings have increased most among customers younger than 45, as well as middle income customers (household incomes between \$50K-<\$100K).

Satisfaction (Very/Somewhat Satisfied)

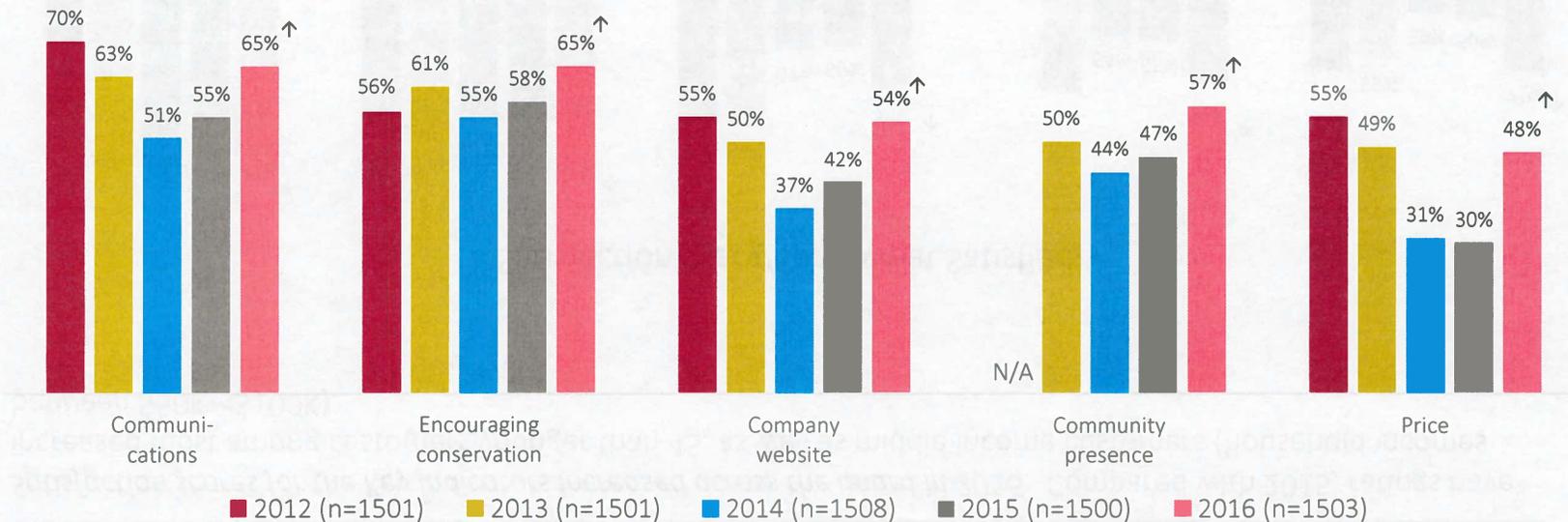


KEY INDICATORS – SLIDE 2



Satisfaction scores for the Key Indicators increased across the board in 2016. Compared with 2015, ratings have increased most among customers younger than 45, as well as middle income customers (household incomes between \$50K-<\$100K). *On price, satisfaction among younger customers jumped by 24 points, from 28% to 52%.* Overall, however, ratings still tend to be higher among customers 65 and older than among younger customers.

Satisfaction (Very/Somewhat Satisfied)

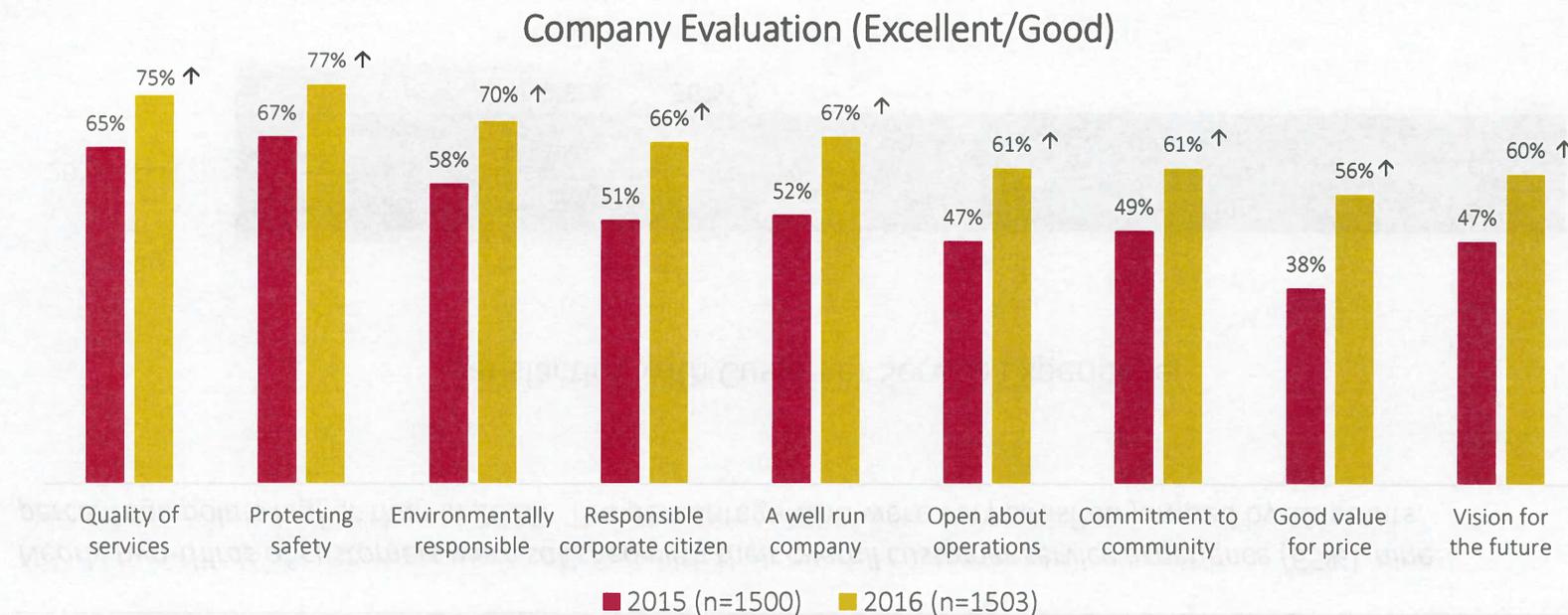


COMPANY EVALUATIONS



Satisfaction with Liberty as a company jumped for all nine metrics, with the largest increase for Liberty providing good value for the price (+18%).

While satisfaction levels increased across all demographic groups, the biggest gains were among customers younger than 45 and middle income customers.

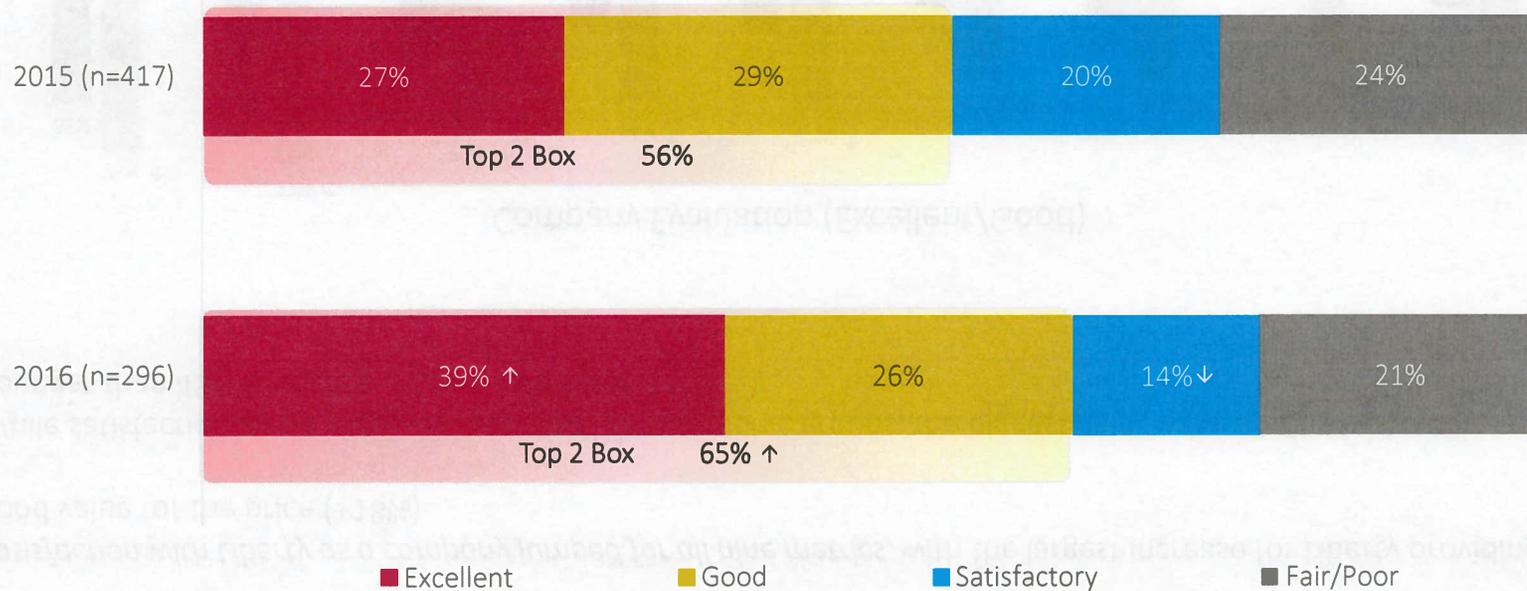


RATING OF OVERALL CUSTOMER SERVICE EXPERIENCE



Nearly two-thirds of customers were satisfied with their overall customer service experience (65%), nine percentage points higher than in 2015. The percentage who were very satisfied jumped by 12 points.

Satisfaction with Customer Service Experience

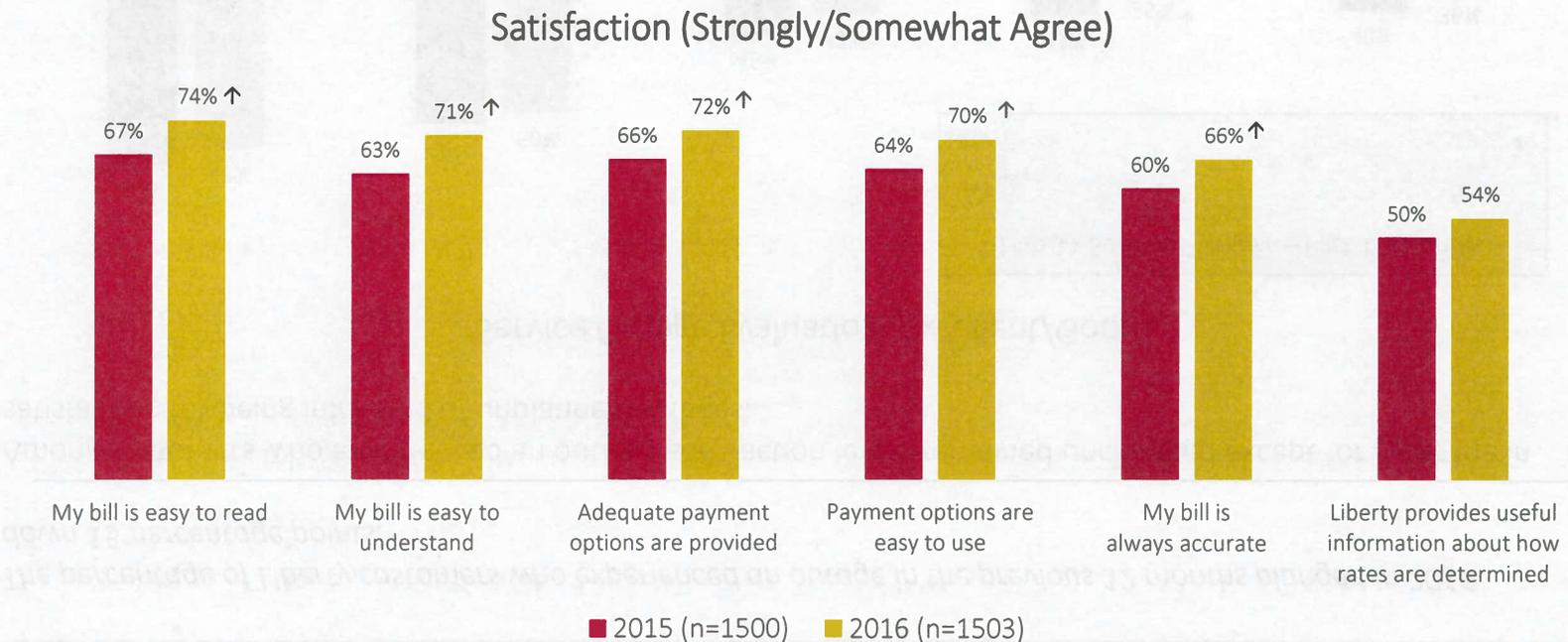


SATISFACTION WITH CUSTOMER BILLING



Satisfaction with five of the six billing-related attributes rebounded in 2016.

Compared with 2015, satisfaction levels increased most among customers younger than 45. In 2016 there were few differences in the results by age.



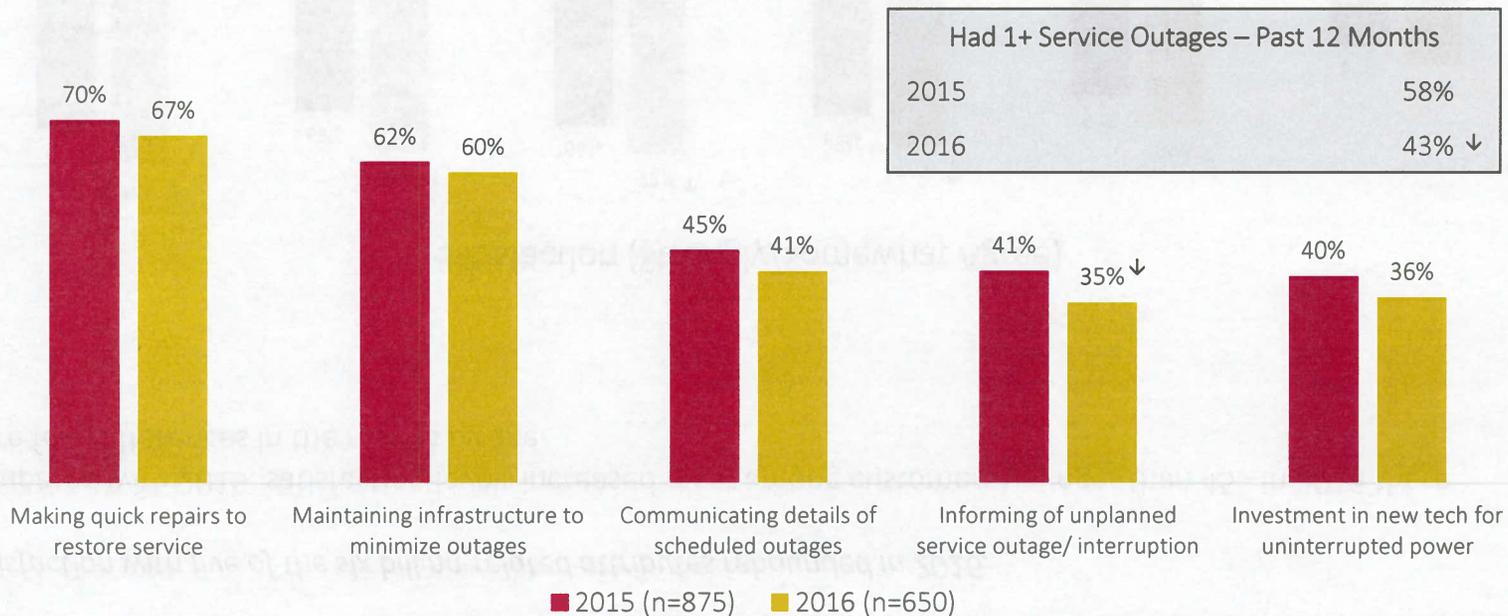
SERVICE OUTAGES



The percentage of Liberty customers who experienced an outage in the previous 12 months plunged in 2016, down 15 percentage points.

Among customers who experienced an outage, satisfaction levels remained unchanged except for a decline in satisfaction for being informed of unplanned outages.

Service Outage Evaluation (Excellent/Good)



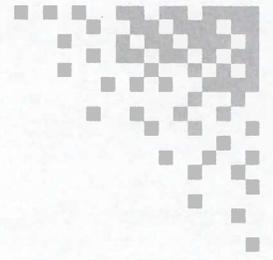
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OVERALL SATISFACTION & EVALUATION

DETAILED FINDINGS

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DETAILED FINDINGS

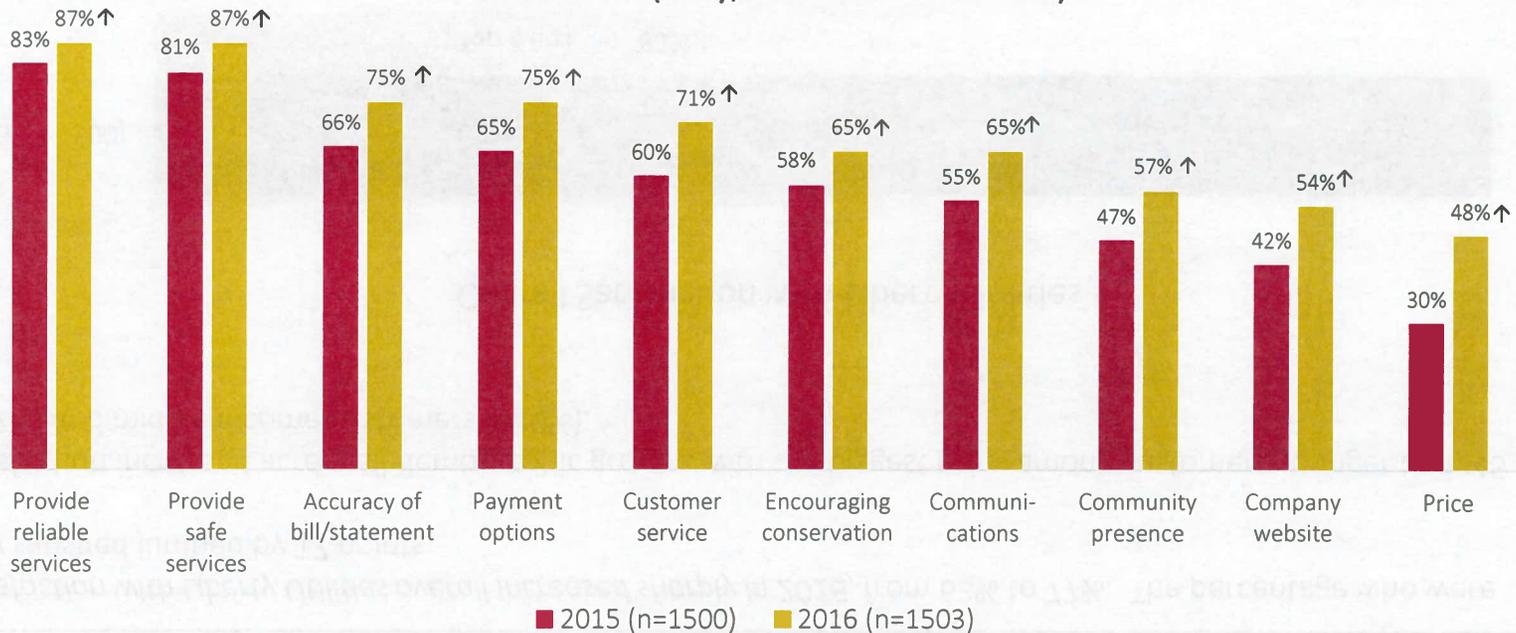
OVERALL SATISFACTION & EVALUATIONS

KEY INDICATORS



Satisfaction scores increased across the board in 2016. Compared with 2015, ratings have increased most among customers younger than 45, as well as middle income customers (household incomes between \$50K-<\$100K). On price, satisfaction among younger customers jumped by 24 points, from 28% to 52%. Overall, however, ratings still tend to be higher among customers 65 and older than among younger customers.

Satisfaction (Very/Somewhat Satisfied)



↑/↓
Note
Q2

Indicates score is significantly higher/lower than the previous year
Where applicable, all scores shown with N/A excluded from the base
Please rate Liberty Utilities in the following areas by using a 5-point scale with 5 being "Very Satisfied" and 1 being "Very Dissatisfied".

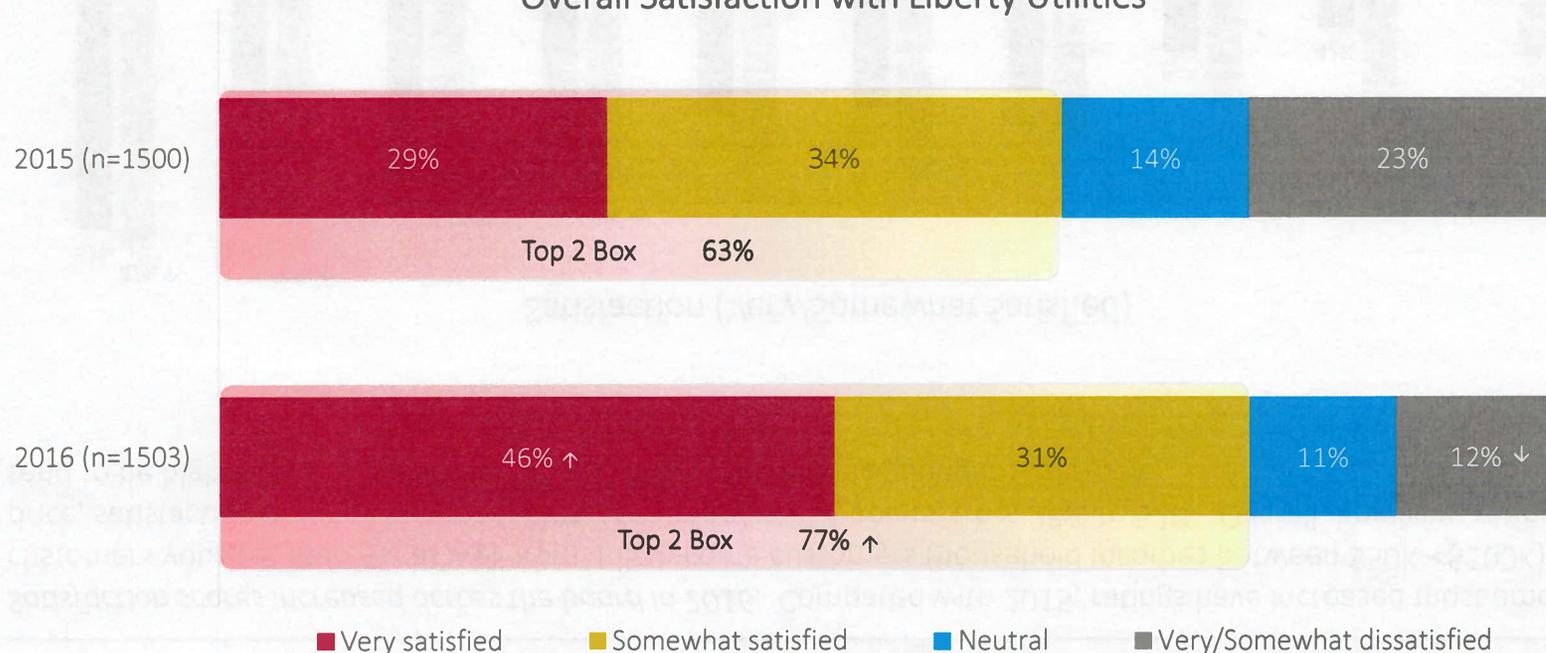
OVERALL SATISFACTION



Satisfaction with Liberty Utilities overall increased sharply in 2016, from 63% to 77%. The percentage who were very satisfied jumped by 17 points.

Satisfaction increased across all demographic groups, with the biggest gains among customers younger than 45 (+22%) and middle income customers (+20%).

Overall Satisfaction with Liberty Utilities



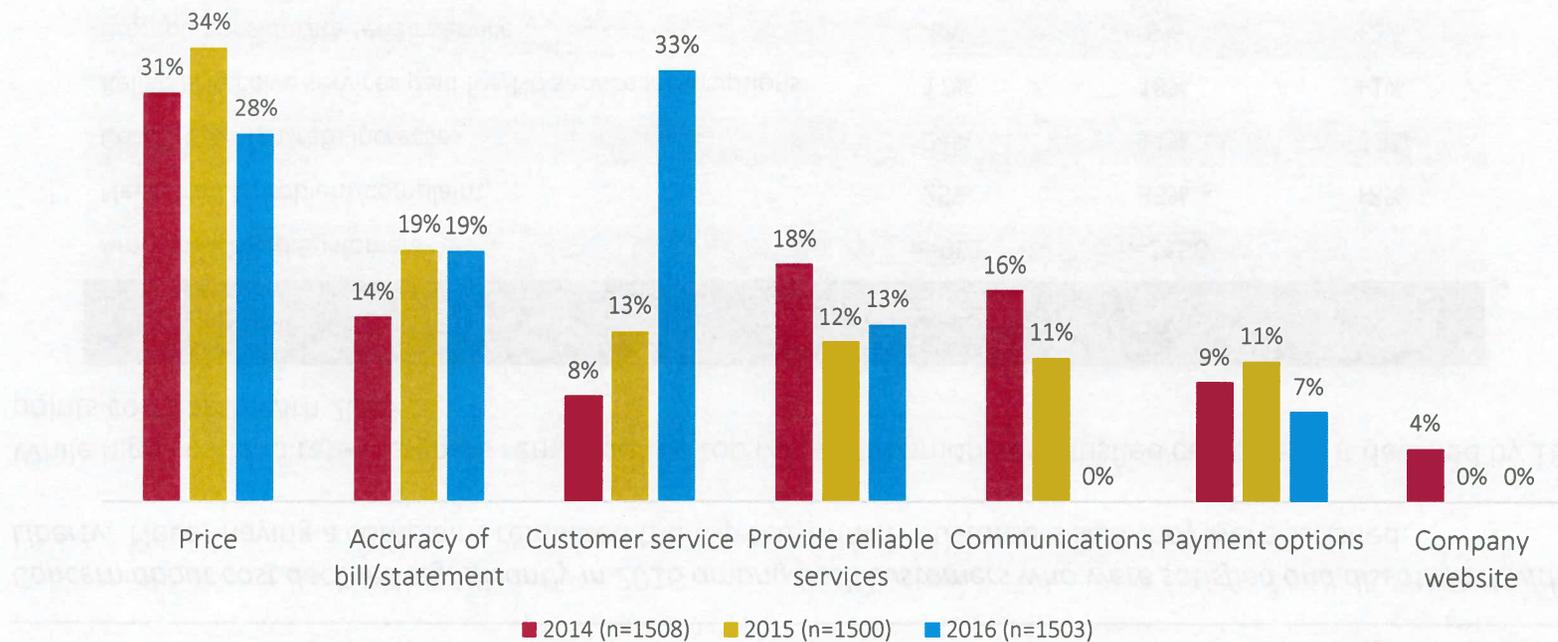
DRIVERS OF SATISFACTION



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.

While price remained one of the largest contributors to overall satisfaction with Liberty, *the importance of customer service jumped dramatically*. This reinforces the findings that *price is less of a concern this year, while customer service is the area which needs attention*.

Impact on Satisfaction with Liberty Utilities*



*Based on standardized regression coefficients
 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".
 Q3. Overall, how satisfied are you with Liberty Utilities?

REASONS FOR SATISFACTION/DISSATISFACTION



Concern about cost declined significantly in 2016 among both customers who were satisfied and dissatisfied with Liberty. Never having a complaint remained the top reason why customers said they were satisfied.

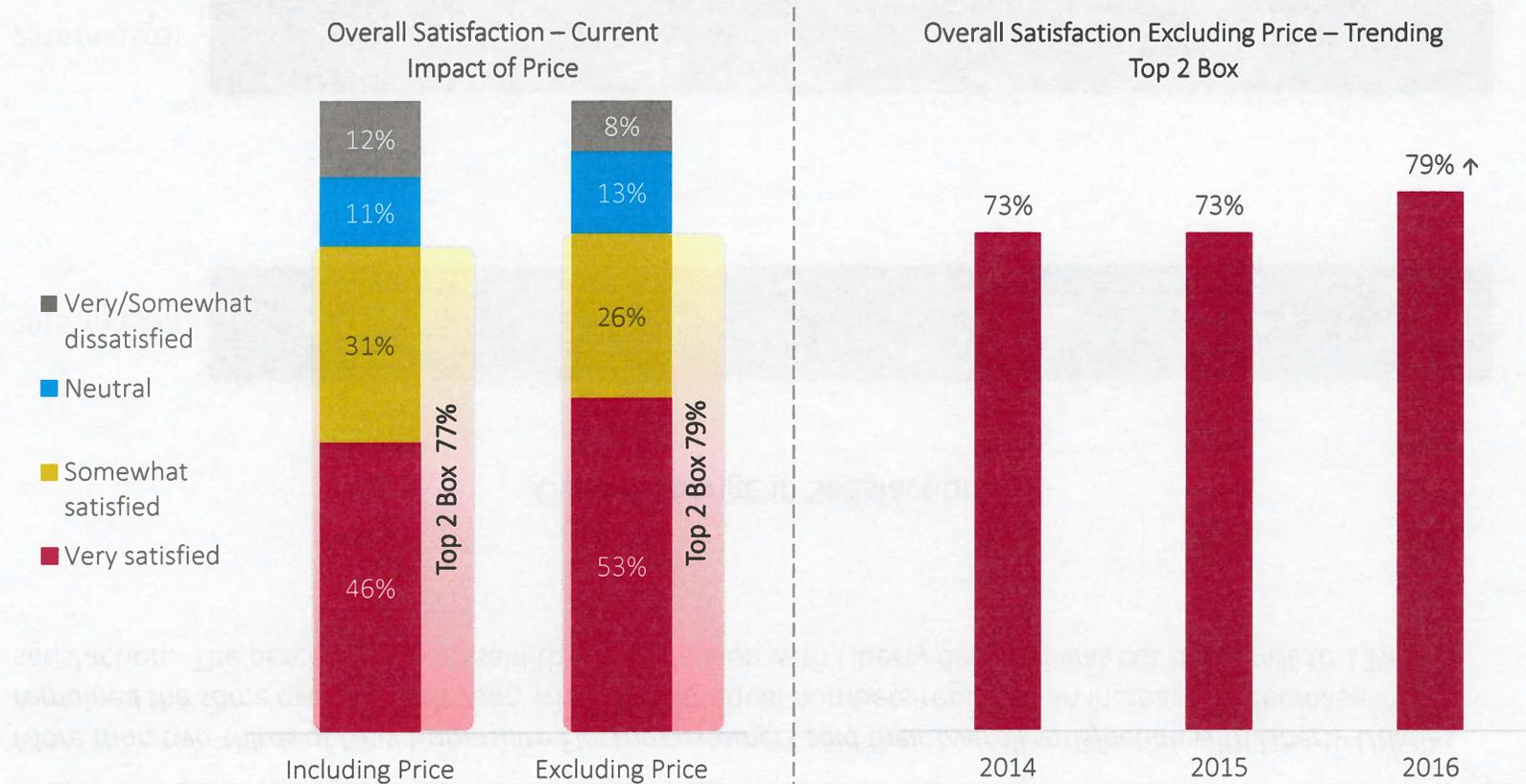
While high cost and rate increases remained the top complaint among dissatisfied customers, it declined by 18 points compared with 2015.

Open-Ended Comments	2015	2016	Difference from Previous
Among Satisfied Customers	n=951	n=1156	
Never had a problem/complaint	25%	33% ↑	+8%
Cost is too high/rate increases	24%	11% ↓	-13%
Reliable/Receive services paid for/No service interruptions	17%	18%	+1%
Prompt, considerate repair service	6%	8%	+2%
Billing is confusing/problematic	6%	4%	-2%
Good/friendly/courteous customer service	6%	5%	-1%
Among Dissatisfied Customers	n=341	n=175	
Cost is too high/rate increases	64%	46% ↓	-18%
Billing is confusing/problematic	26%	27%	+1%
Poor/unfriendly/uncaring customer service	13%	15%	+2%
Website not user-friendly/informative	5%	10%	+5%

OVERALL SATISFACTION EXCLUDING PRICE



Satisfaction was only slightly higher when customers were asked to consider Liberty services excluding price, 79% versus 77%. The gap last year was 11 percentage points. This indicates that *while price still remains a factor, it is far less of a negative for Liberty than in 2015.*



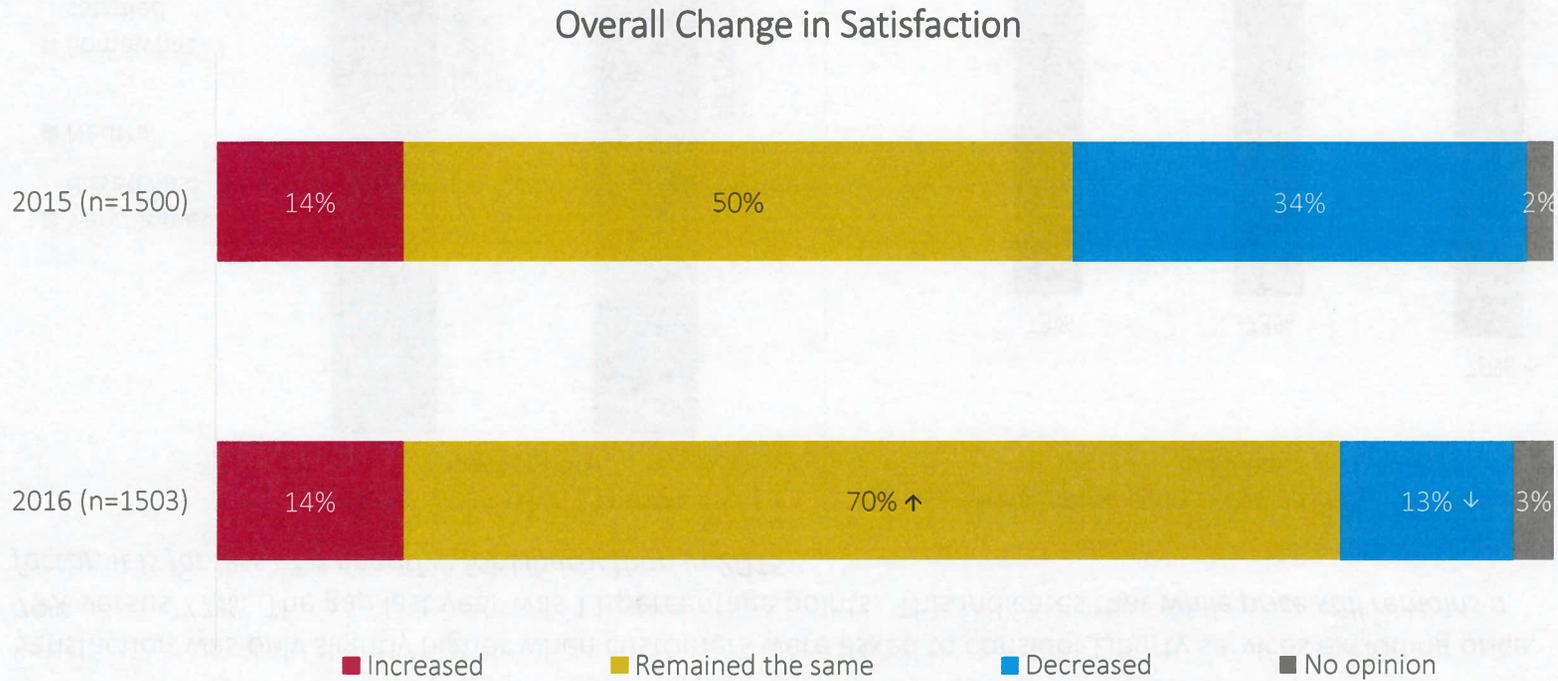
- Very/Somewhat dissatisfied
- Neutral
- Somewhat satisfied
- Very satisfied

↑/↓ Indicates score is significantly higher/lower than the previous year
 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 CHANGE IN SATISFACTION



More than two-thirds of New Hampshire Electric customers said their overall satisfaction with Liberty Utilities remained the same over the past year, while almost equal numbers reported an increase or decrease in satisfaction. The percentage who said their satisfaction with Liberty declined was cut from 34% to 13%.

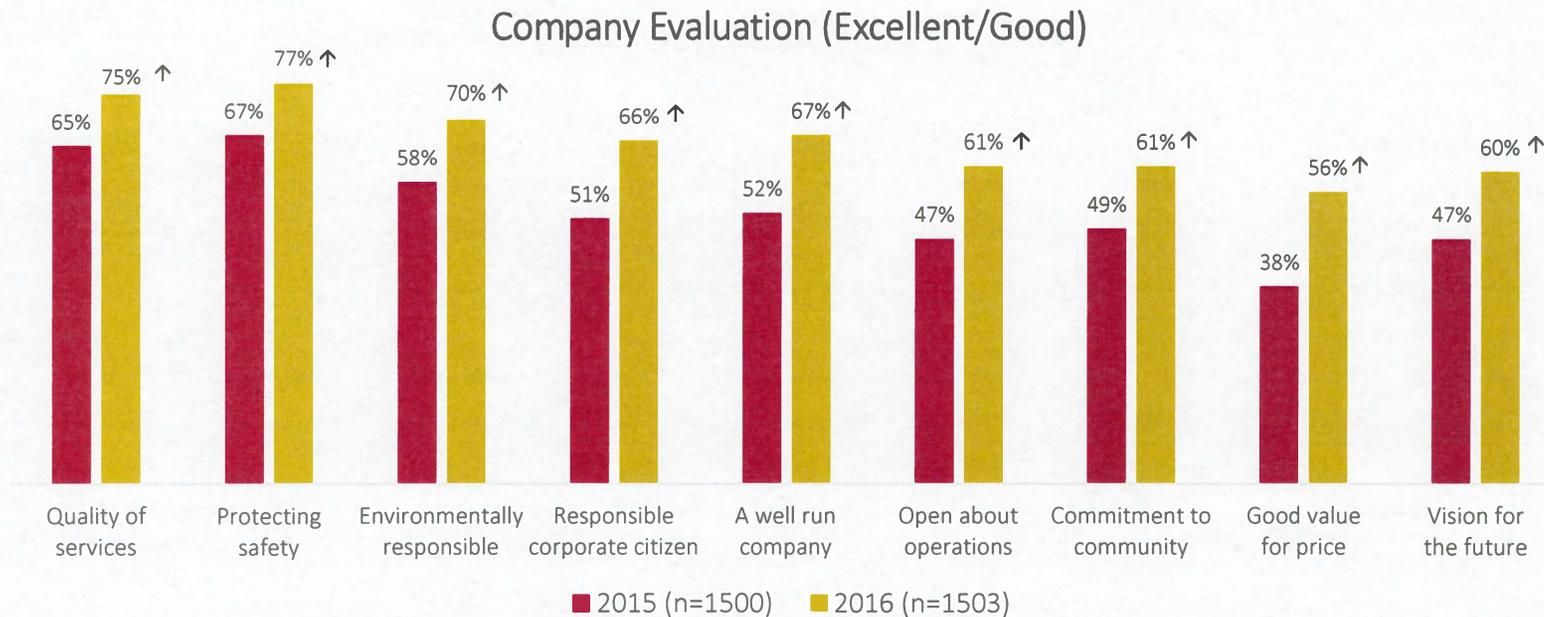


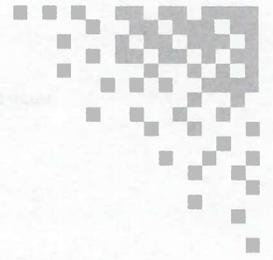
COMPANY EVALUATIONS



Satisfaction with Liberty as a company jumped for all nine metrics, with the largest increase for Liberty providing good value for the price (+18%).

While satisfaction levels increased across all demographic groups, the biggest gains were among customers younger than 45 and middle income customers.





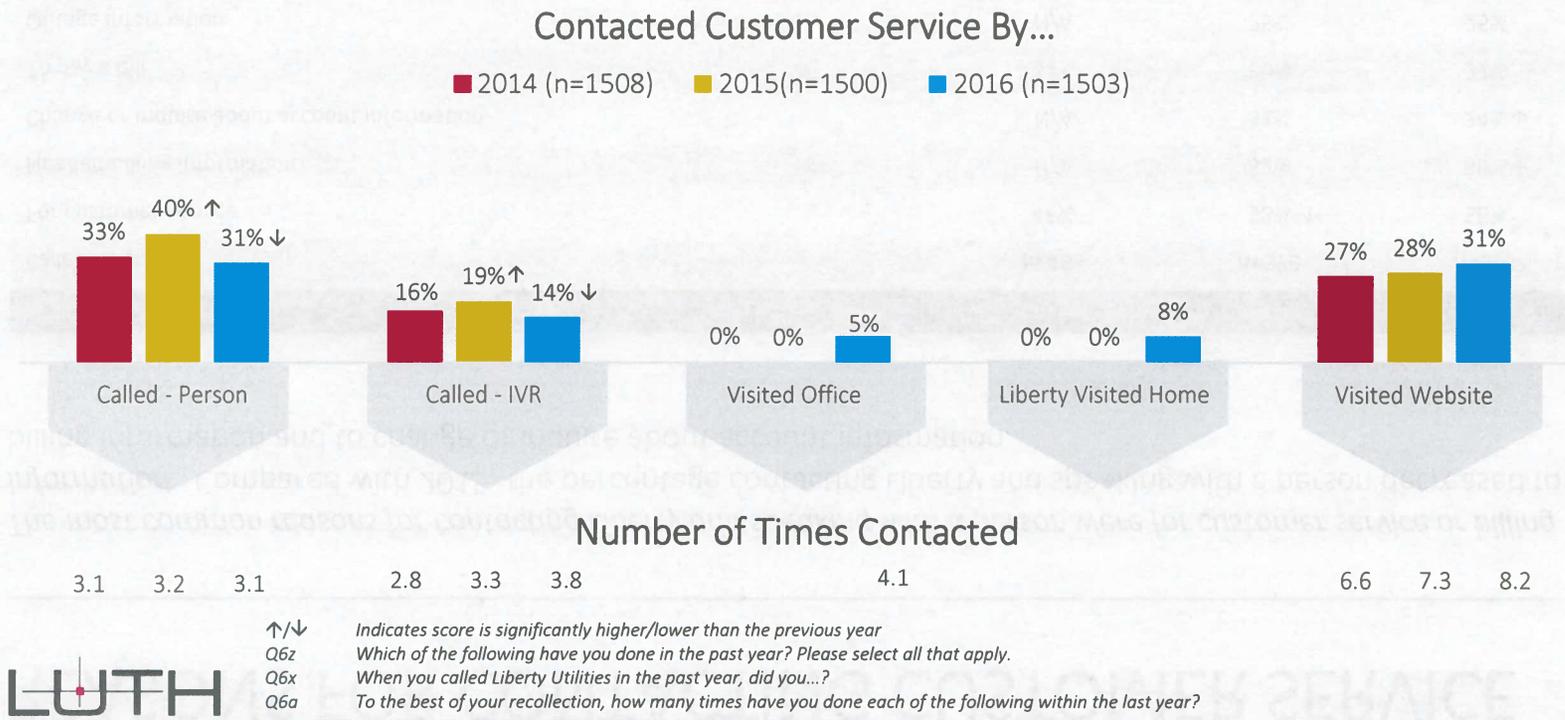
CUSTOMER SERVICE

CUSTOMER SERVICE



Customers most often contacted customer service by calling (41%). Those who called spoke with a person an average of 3.1 times and utilized IVR 3.8 times over the past year. The percentage of customers visiting the website has been gradually increasing.

Two-thirds of customers younger than 45 contacted Liberty customer service in the past year, compared with 62% of 45-64 year olds and only 42% of customers 65 and older.



REASONS FOR CONTACTING CUSTOMER SERVICE



The most common reasons for contacting Liberty and speaking with a person were for customer service or billing information. Compared with 2015, the percentage contacting Liberty and speaking with a person decreased for billing information and to change or inquire about account information.

	2014	2015	2016
Called – Person	n=483	n=579	n=603
For customer service	46%	58% ↑	56%
Needed billing information	N/A	52%	39% ↓
Change or inquire about account information	N/A	31%	24% ↓
To pay a bill	34%	30%	27%
Outage information	N/A	25%	25%
Start or stop service	N/A	19%	21%
To report an emergency	16%	12%	10%
Needed company information	N/A	9%	9%
Energy saving information	N/A	7%	4%
Alternative energy	N/A	4%	4%

REASONS FOR CONTACTING CUSTOMER SERVICE



Customers most commonly contacted Liberty and used IVR for outage information and customer service. The percentage using IVR for outage information climbed in 2016.

	2014	2015	2016
Called – IVR	n=227	n=265	n=194
Outage information	N/A	45%	55% ↑
For customer service	38%	39%	36%
Needed billing information	N/A	29%	23%
To pay a bill	24%	25%	23%
To report an emergency	46%	14% ↓	19%
Change or inquire about account information	N/A	12%	13%
Start or stop service	N/A	8%	12%
Needed company information	N/A	7%	5%
Energy saving information	N/A	4%	3%
Alternative energy	N/A	3%	3%

REASONS FOR CONTACTING CUSTOMER SERVICE



A majority of customers who visited an office did so in order to pay a bill. Other common reasons included to obtain customer service in general and to obtain billing information.

	2016
Visited Office	n=109
To pay a bill	55%
For customer service	26%
Needed billing information	25%
Change or inquire about account information	15%
Stop or start service	13%
Needed company information	6%
Outage information	6%
Energy saving information	4%
Alternative energy	3%
To report an emergency	3%

REASONS FOR CONTACTING CUSTOMER SERVICE



Customers were most likely to use the Liberty website to pay a bill or to obtain billing information, although the percentage using the website to obtain billing information declined this year. Customers were also less likely to use the website for several other reasons this year.

	2014	2015	2016
Visited Website	n=387	n=391	n=420
To pay a bill	69%	59% ↓	57%
Needed billing information	N/A	52%	45% ↓
For customer service	22%	26%	21%
Needed company information	N/A	24%	18% ↓
Change or inquire about account information	N/A	24%	17% ↓
Outage information	N/A	22%	18%
Energy saving information	N/A	19%	13% ↓
Alternative energy	N/A	11%	5% ↓
Start or stop service	N/A	9%	8%
To report an emergency	5%	5%	4%

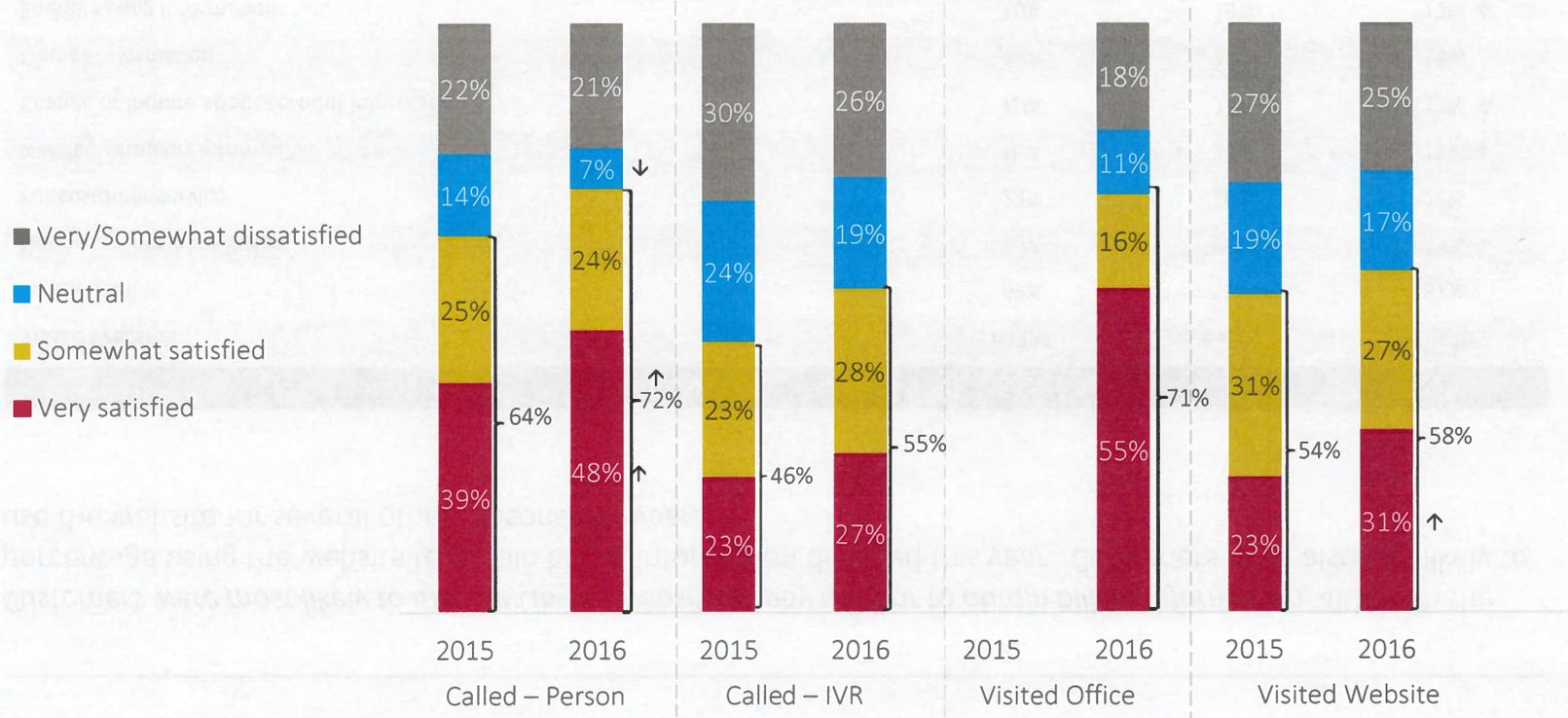
SATISFACTION WITH CONTACT METHOD



Satisfaction with the customer service experience was higher among those who called and spoke with a person (72%) or visited an office (71%) than among those who used IVR (55%) or visited the website (58%).

Satisfaction among customers who called and spoke with a live person increased by 8 percentage points this year.

Satisfaction with Each Contact Method



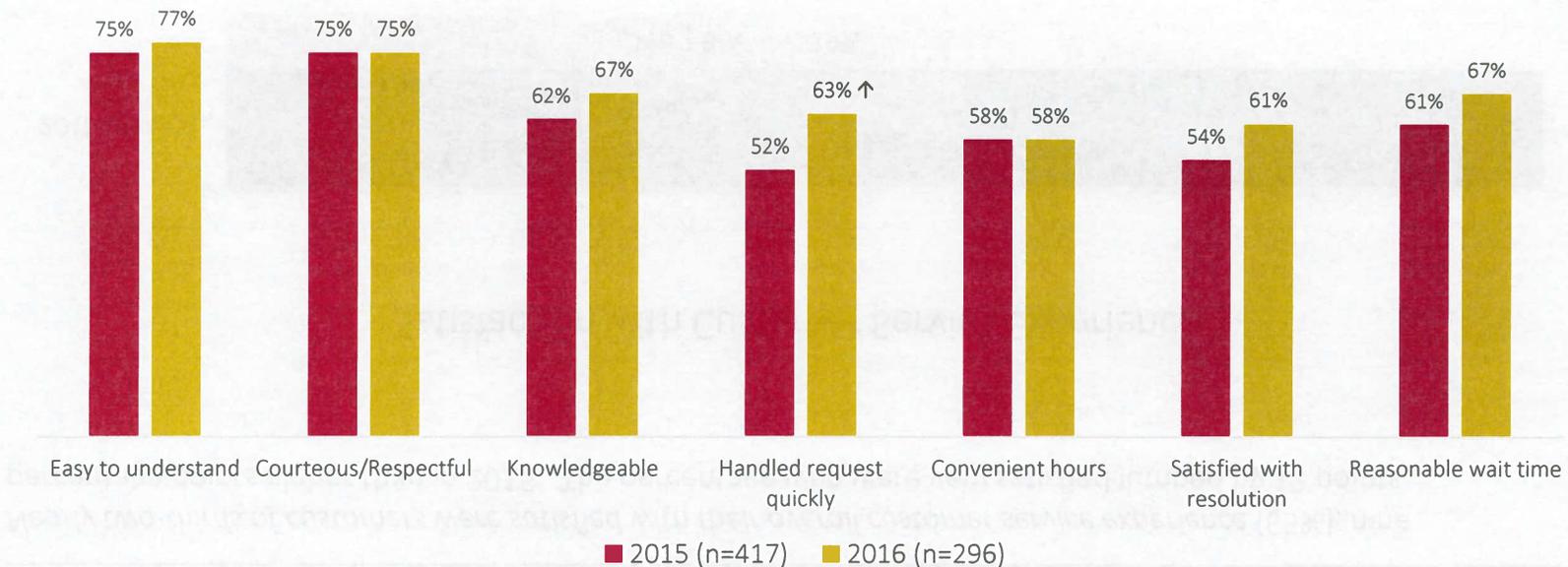
SATISFACTION WITH CUSTOMER SERVICE



As in previous years, customers who used Liberty customer service were most satisfied with the ease of understanding customer service staff and their courtesy and respectfulness.

Compared with 2015, satisfaction increased significantly for handling requests quickly.

Satisfaction (Strongly/Somewhat Agree)



↑/↓
Q7

Indicates score is significantly higher/lower than the previous year
Using a 5-point scale where 5 is Strongly Agree and 1 is Strongly Disagree, please tell me how much you agree or disagree with each of the following statements about Liberty Utilities' customer service. If you have called more than once within the last year, please think only about your last contact with Liberty Utilities.

RATING OF OVERALL CUSTOMER SERVICE EXPERIENCE



Nearly two-thirds of customers were satisfied with their overall customer service experience (65%), nine percentage points higher than in 2015. The percentage who were very satisfied jumped by 12 points.

Satisfaction with Customer Service Experience





CUSTOMER BILLING

SATISFACTION WITH CUSTOMER BILLING

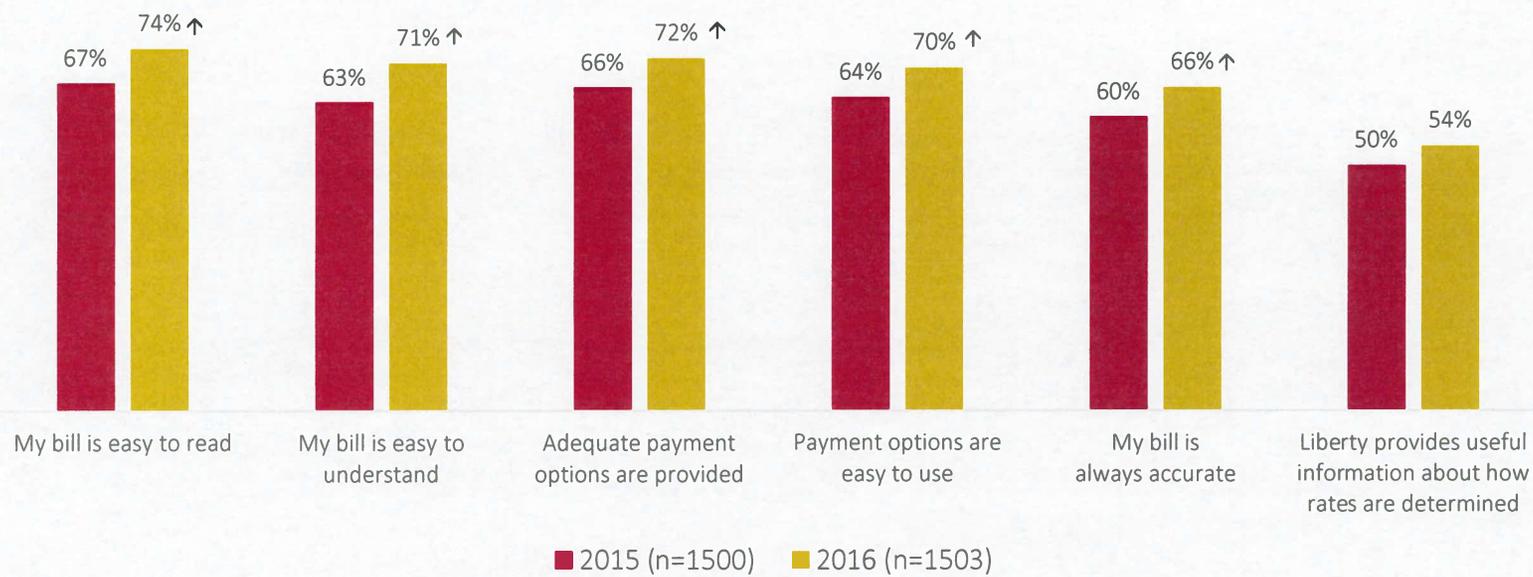


Satisfaction with five of the six billing-related attributes rebounded in 2016.

Compared with 2015, satisfaction levels increased most among customers younger than 45. In 2016 there were few differences in the results by age.

CUSTOMER BILLING

Satisfaction (Strongly/Somewhat Agree)





SERVICE OUTAGES

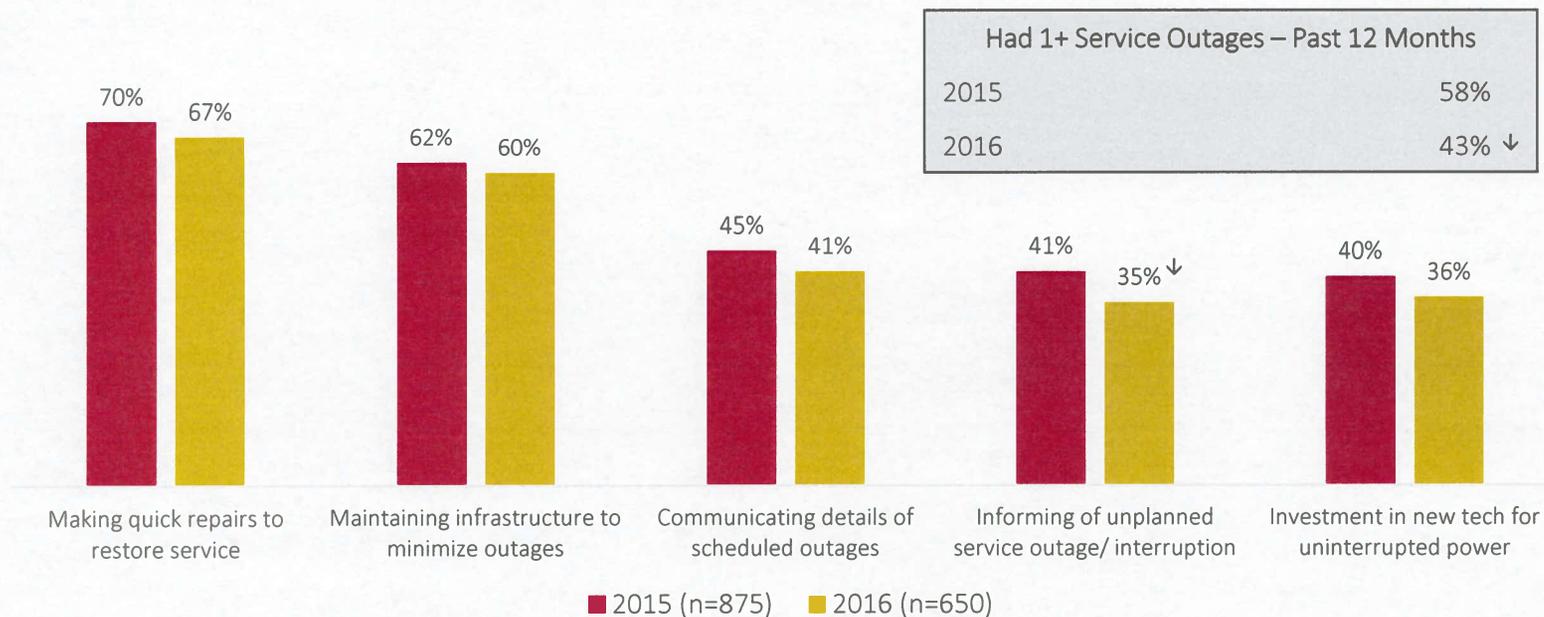
SERVICE OUTAGES



The percentage of Liberty customers who experienced an outage in the previous 12 months plunged in 2016, down 15 percentage points.

However, among customers who experienced an outage, satisfaction levels remained unchanged except for a decline in satisfaction for being informed of unplanned outages.

Service Outage Evaluation (Excellent/Good)



↑/↓
Q10b
Q10

Indicates score is significantly higher/lower than the previous year
Have you experienced a service outage in the past year?

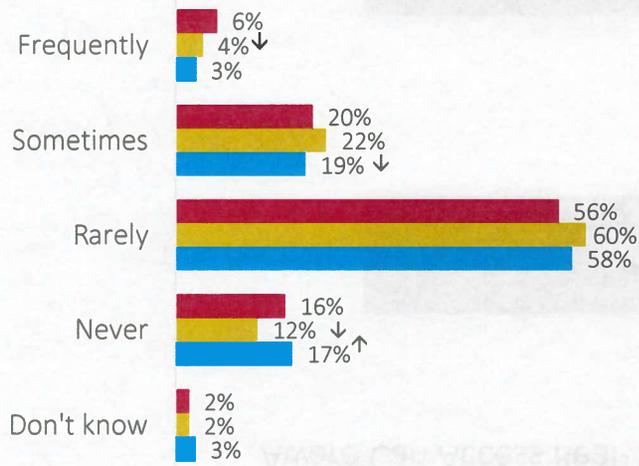
Thinking about all of your experiences with Liberty Utilities, please rate how good a job they do on each of these items on a scale from 1 to 5, where 1 is "Poor" and 5 is "Excellent".

SERVICE OUTAGES



Three-quarters of Liberty customers (75%) said that they rarely or never experience an outage. Nearly half expected the time required to regain electricity should be within six hours of the Liberty Utilities' estimate (46%).

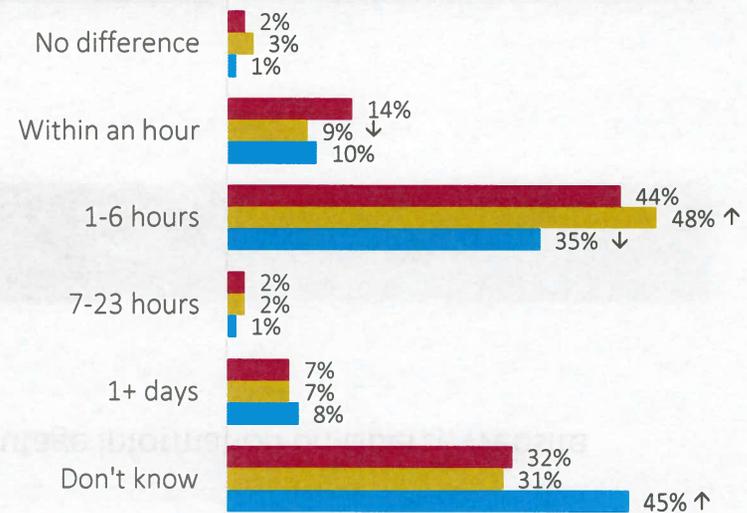
Frequency of Service Outages



■ 2014 (n=1508) ■ 2015 (n=1500) ■ 2016 (n=1503)

Acceptable # of Outages – 12 Month Span	
2015	2.17
2016	2.13

Expected Restoration Times



■ 2014 (n=1508) ■ 2015 (n=1500) ■ 2016 (n=1503)

↑/↓ Indicates score is significantly higher/lower than the previous year

QEAST02 Liberty Utilities understands that outage information is important to you. When contacting Liberty Utilities to obtain an estimated restoration time, how close do you expect the estimate from Liberty Utilities to be to the actual time of restoration?

QEAST03 Would you say that your power goes out...

QEAST04 Recognizing that electric outages happen periodically, how many are acceptable over a 12-month period?

AWARENESS OF REAL-TIME OUTAGE INFO ON WEBSITE



Forty-three percent of Liberty customers were aware that they can access real-time outage information on the Liberty website. Among customers who visited the site since April, 54% were aware.

Aware Can Access Real-Time Outage Information on Liberty Website





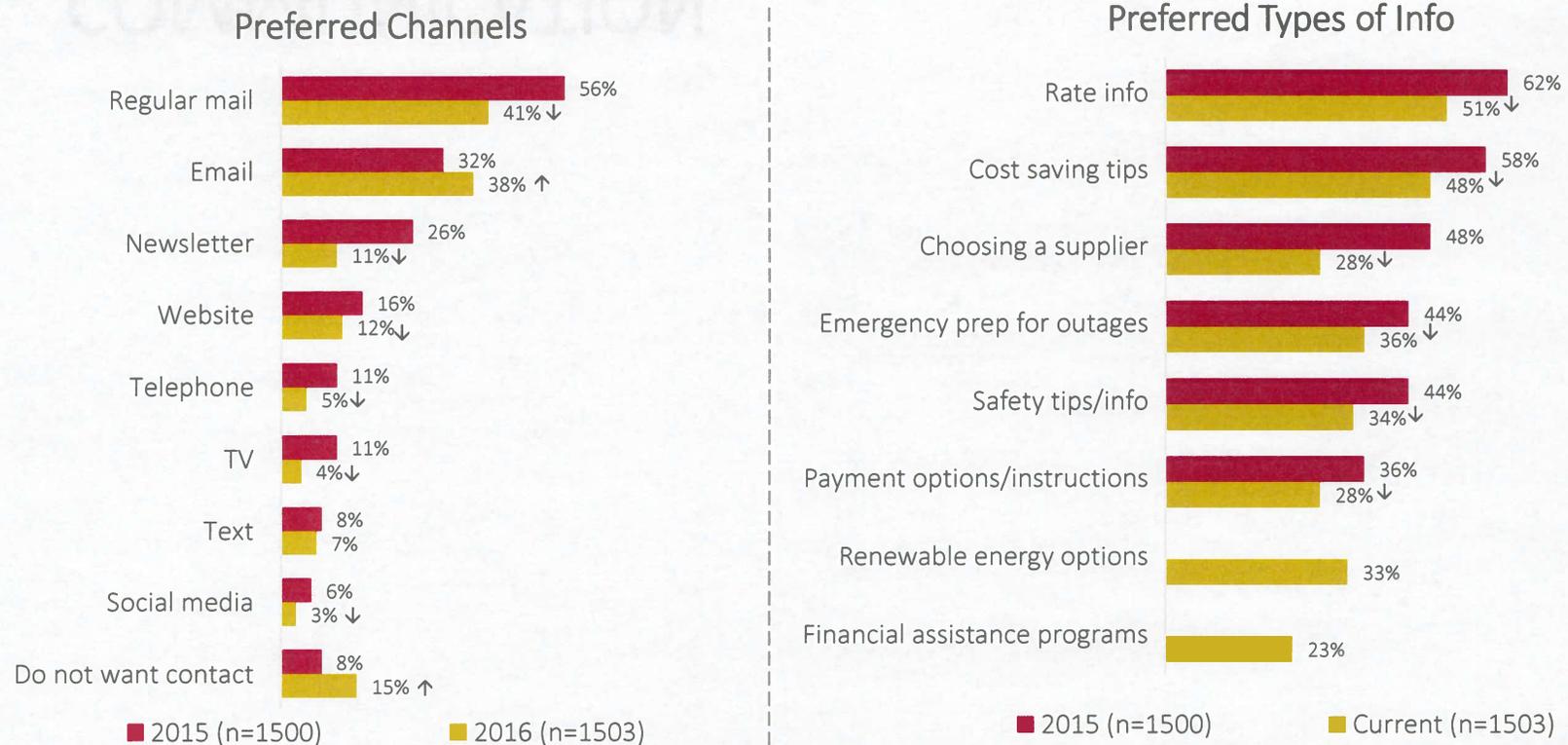
COMMUNICATION

PREFERRED CHANNELS, TYPES OF INFO



Customers were about evenly divided between wanting to receive information from Liberty via regular mail (41%) or email (38%). There has been a big drop in the percentage wanting to receive information from Liberty via regular mail.

Customers were most interested in receiving rate information, as well as cost saving tips.



↑/↓ Indicates score is significantly higher/lower than the previous year
 Q12 How would you like to receive information from Liberty Utilities? Please select all that apply.
 QEAST05 What types of information would you like Liberty Utilities to include in future communications? Please select all that apply.

PREFERRED CHANNELS BY TYPES OF INFO



For all types of information, customers prefer to receive information from Liberty via regular mail, with email ranked number two.

	First Choice	Second Choice	Third Choice
Preferred Way to Receive Each Type of Information	n=varies	n=varies	n=varies
Rate Information	Regular mail/letter (43%)	Email (35%)	Newsletter (13%)
Energy saving tips/cost saving tips	Regular mail/letter (42%)	Email (35%)	Newsletter (15%)
Payment options/how to pay bill online	Regular mail/letter (43%)	Email (34%)	Newsletter (20%)
Safety tips and information	Regular mail/letter (44%)	Email (29%)	Newsletter (16%)
Emergency preparedness for gas outages	Regular mail/letter (44%)	Email (30%)	Newsletter (16%)
Financial assistance programs for qualified customers	Regular mail/letter (47%)	Email (28%)	Newsletter (17%)

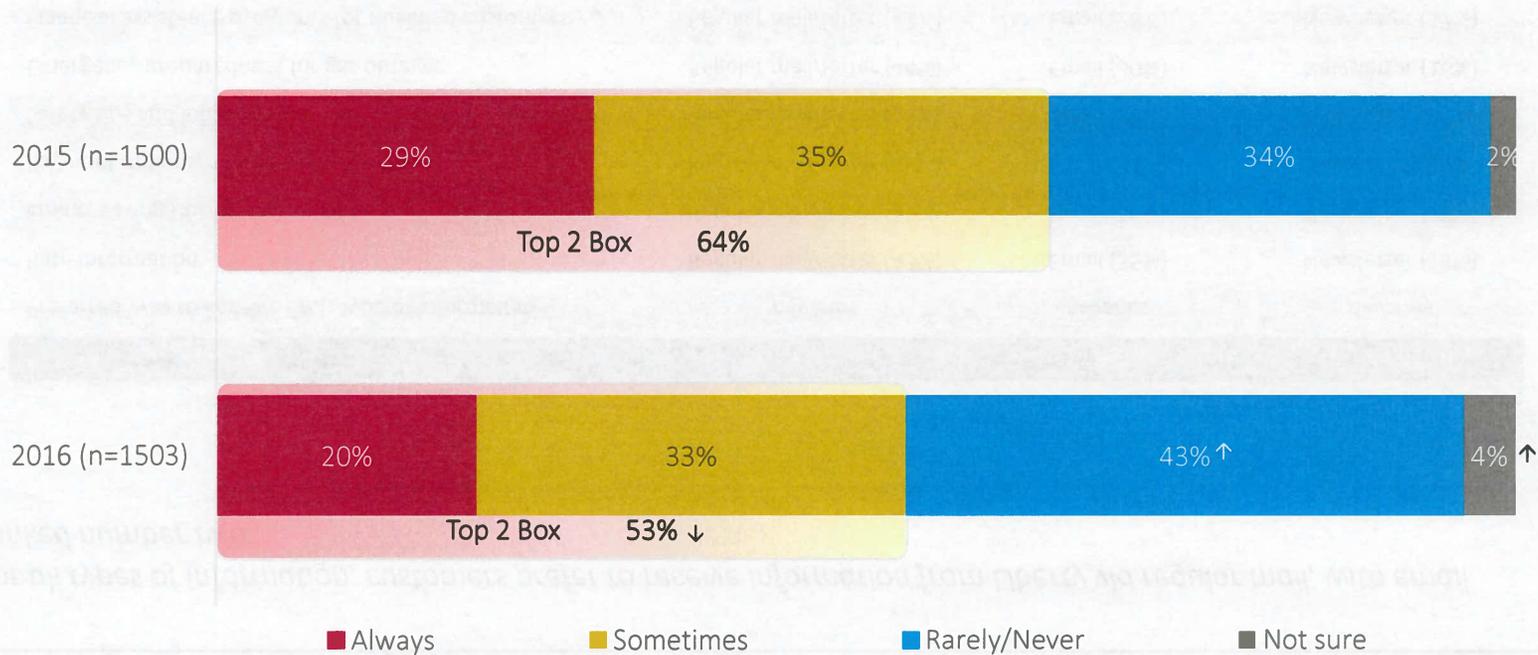
BILLING INSERTS



Insert readership levels in 2016 were lower than they were in 2015.

Readership of bill inserts increased with customer age, from 41% among customers younger than 45 to 64% among customers 65 and older.

Read Informational Inserts in Bill

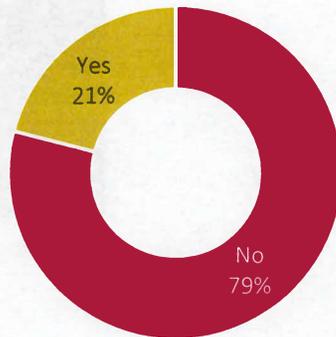


WEBSITE VISITATION

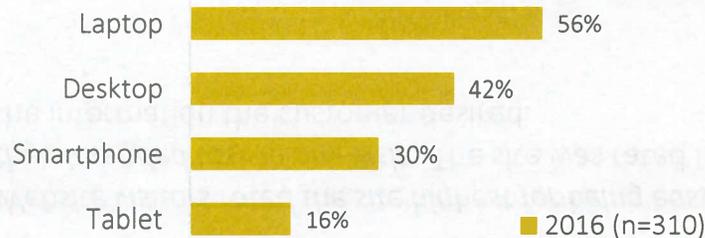


One in five Liberty customers have used the website since April, most commonly via a laptop or desktop computer. Customers were most likely to visit the website to make a payment or view current or past bills.

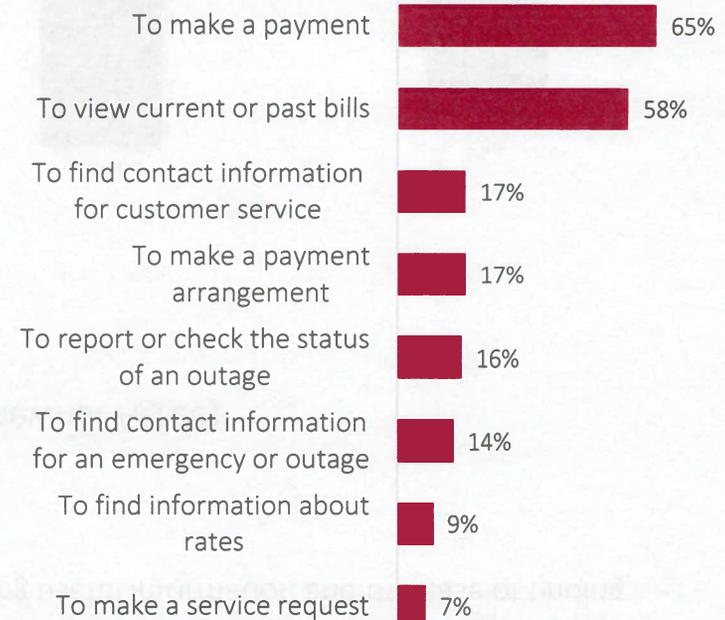
Visited Website Since April



Devices Used to Visit



Reason for Visiting Website

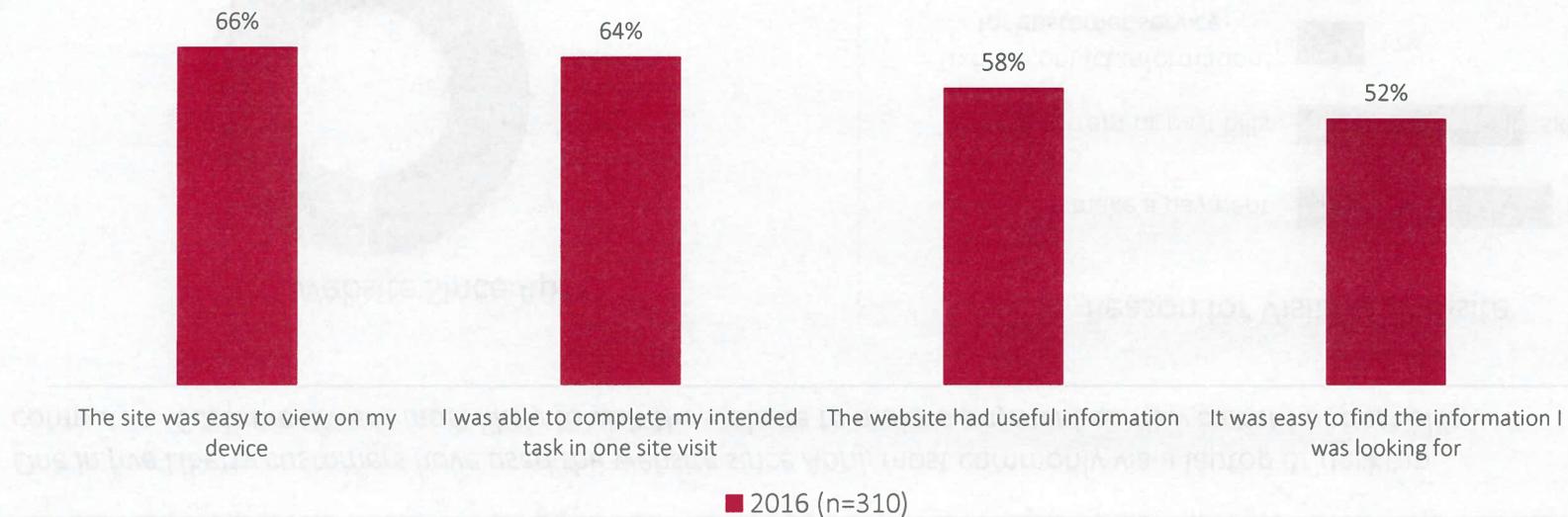


SATISFACTION WITH WEBSITE



Website visitors rated the site highest for being easy to view on their device and for them being able to complete their intended task in one visit. The site was rated lower for having useful information and the ease of finding the information the customer desired.

Satisfaction (Strongly/Somewhat Agree)



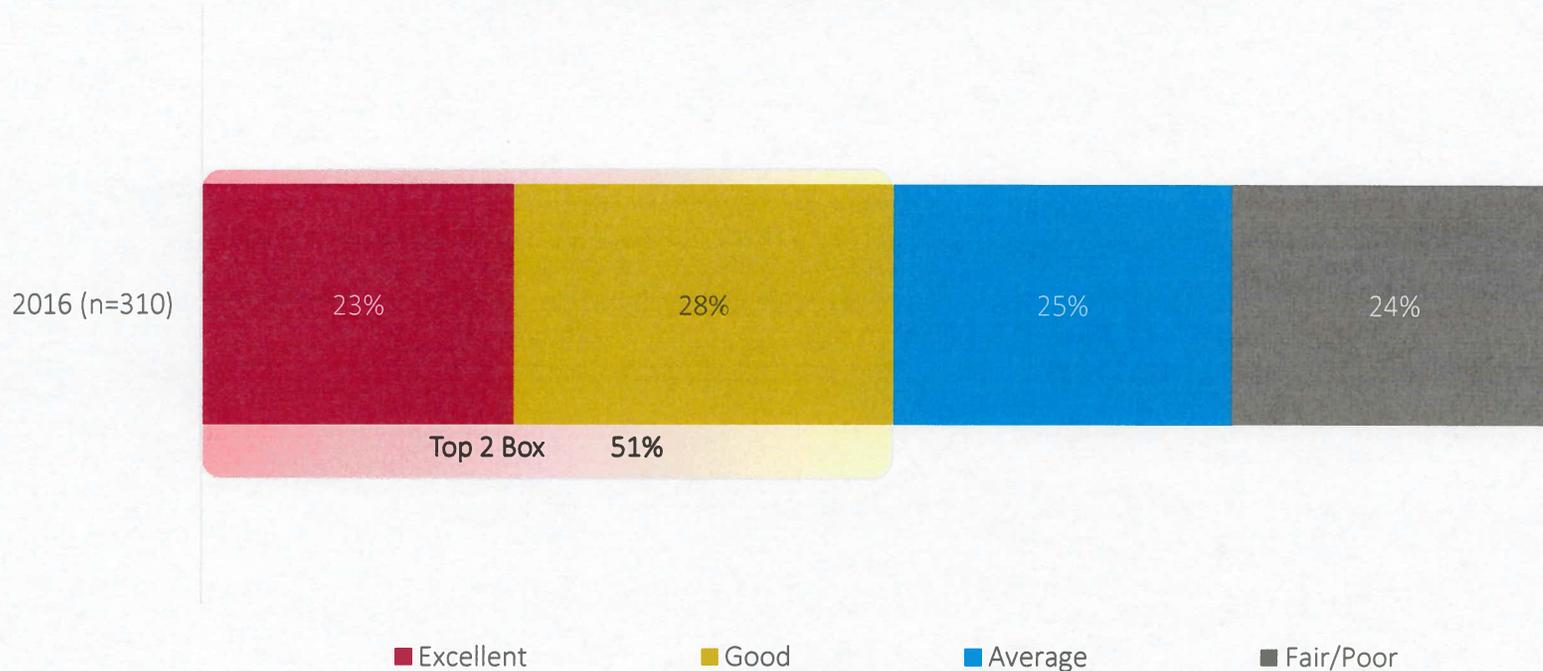
SATISFACTION WITH WEBSITE



Only half of customers who visited the site since April were very or somewhat satisfied with it. About equal numbers said they were very satisfied as said they were dissatisfied.

WAREHOUSES OF ENERGY EFFICIENCY PROGRAMS

Satisfaction with Website Experience





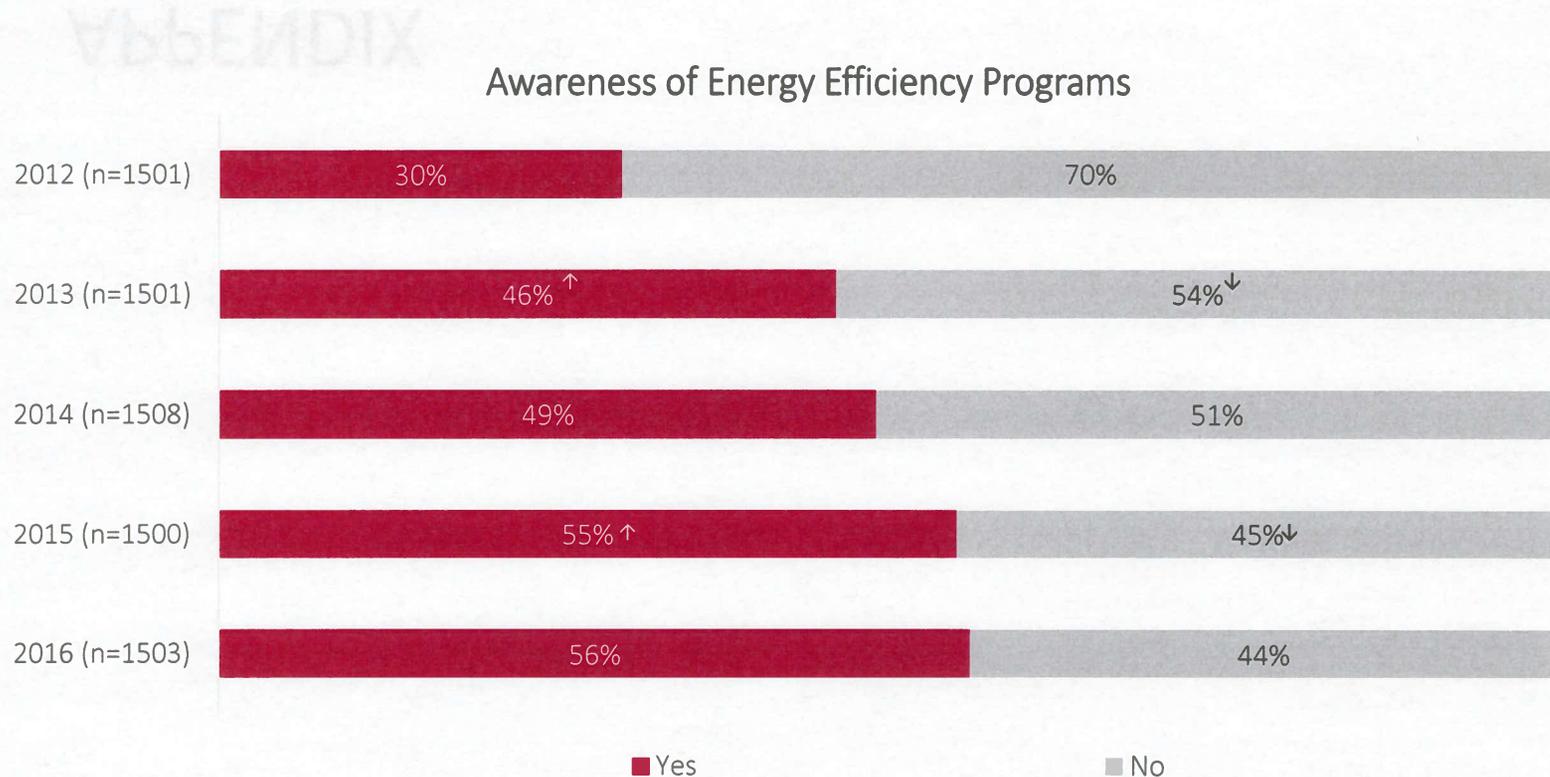
AWARENESS OF ENERGY EFFICIENCY PROGRAMS

AWARENESS OF ENERGY EFFICIENCY PROGRAMS



More than half of customers (56%) said they were aware of Liberty's energy efficiency programs, essentially unchanged compared with 2015. The percentage aware of these programs as nearly doubled since 2012.

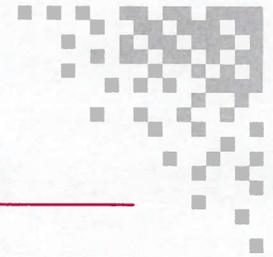
Awareness in 2016 was similar among all age and income groups.





APPENDIX

KEY DRIVER ANALYSIS OF SATISFACTION WITH LIBERTY UTILITIES



Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845 ^a	.714	.710	.631

	Unstandardized Coefficients		Standardized Coefficients	t	Significance Level	% of Sig Beta Weights
	B	Std. Error	Beta			
(Constant)	.090	.138		.652	.515	
Q2r1: Accuracy of bill/statement	.159	.031	.169	5.179	.000	19%
Q2r2: Company website	.020	.030	.022	.674	.501	
Q2r3: Providing safe electric services	-.020	.041	-.016	-.486	.627	
Q2r4: Providing reliable electric services	.150	.039	.121	3.847	.000	14%
Q2r5: Encouraging electricity conservation	.054	.033	.054	1.647	.100	
Q2r6: Price	.210	.025	.248	8.297	.000	28%
Q2r7: Communications	.046	.039	.049	1.187	.236	
Q2r8: Customer service	.275	.037	.290	7.463	.000	33%
Q2r9: Payment options	.055	.027	.060	2.003	.046	7%
Q2r10: Community presence	.059	.034	.060	1.725	.085	

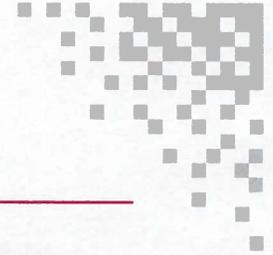
NOTE: Variables significant at the 95% level are highlighted

RESPONDENT PROFILE



	2015	2016
	n=1500	N=1503
Gender		
Male	45%	46%
Female	55%	54%
Age		
18-24 years	2%	2%
25-34 years	9%	13% ↑
35-44 years	11%	13% ↑
45-54 years	18%	15%
55-64 years	24%	23%
65+ years	37%	33% ↓
Household Income		
Under \$25,000	12%	8% ↓
\$25,000-\$49,999	19%	14% ↓
\$50,000-\$74,999	14%	17% ↑
\$75,000-\$99,999	11%	10%
\$100,000-\$149,999	10%	12%
\$150,000+	6%	8%
Prefer not to say	28%	31%

RESPONDENT PROFILE



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

RESPONDENT PROFILE



	2015	2016
	n=1500	n=1503
Children in Household		
Under 18 years of age	21%	23%
Home Status		
Rent	20%	26% ↑
Own	79%	73% ↓
Home Type		
Single family	79%	76% ↓
Multi-family/Apartment	19%	21%
Other/Don't know	2%	3%
Years in Current Residence		
0-5 years	27%	40% ↑
6-10 years	14%	12%
11-20 years	23%	19% ↓
20+ years	37%	29% ↓
Age of Home		
Less than 10 years old	7%	7%
10-25 years old	22%	21%
26-40 years old	26%	24%
More than 40 years old	45%	48%

RESPONDENT PROFILE



	2015	2016
	n=1500	n=1503
Main Heat Source for Home		
Oil	46%	47%
Propane gas	22%	20%
Electric	11%	12%
Other	21%	21%
Main Cooling Source for Home		
Window or wall-mounted unit	42%	41%
Ceiling/room fans	28%	18%↓
Central air	20%	22%
Other	3%	3%
Don't have a cooling system	7%	16%↑

FOR FOLLOW-UP QUESTIONS, PLEASE CONTACT:



1365 Fourth Avenue
San Diego, CA 92101
619.234.5884

RESPONDENT PROFILE