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December 24, 2018

**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 - 2018**

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 "Steve E. Mullen".

Steven E. Mullen

Enclosure

cc: Amanda Noonan

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# CUSTOMER SATISFACTION TRACKING NEW HAMPSHIRE ELECTRIC



DECEMBER 2018

**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=1,506
Phone vs. Online Completion Ratio:	72% / 28%
Fieldwork Dates:	9/13/18 – 10/29/18
Statistical Significance Level:	95%

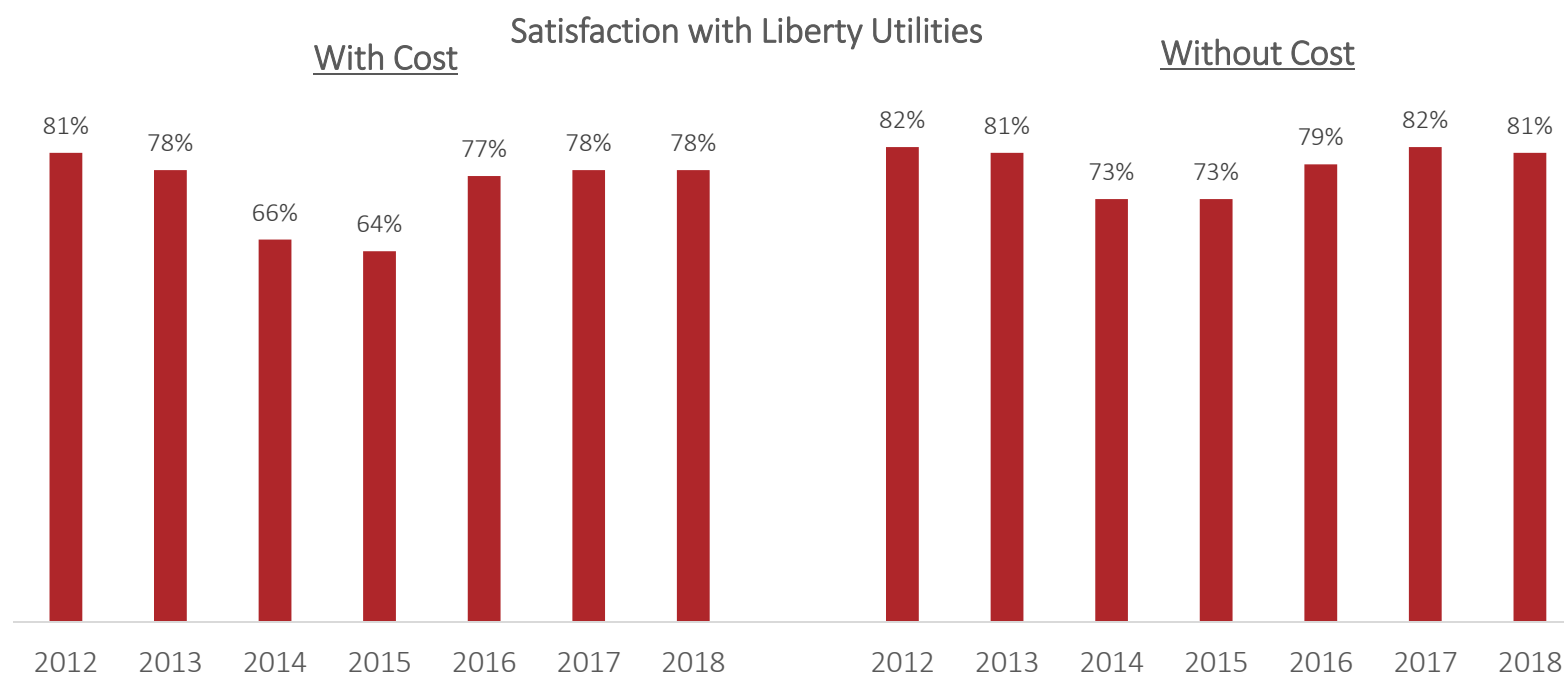
## Sampling:

- 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=1,506 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 remains just over 80%, and has also remained relatively stable since 2016. The decline in satisfaction experienced in 2014-2015 has been reversed and satisfaction is on par with where it was in 2012 and 2013.*

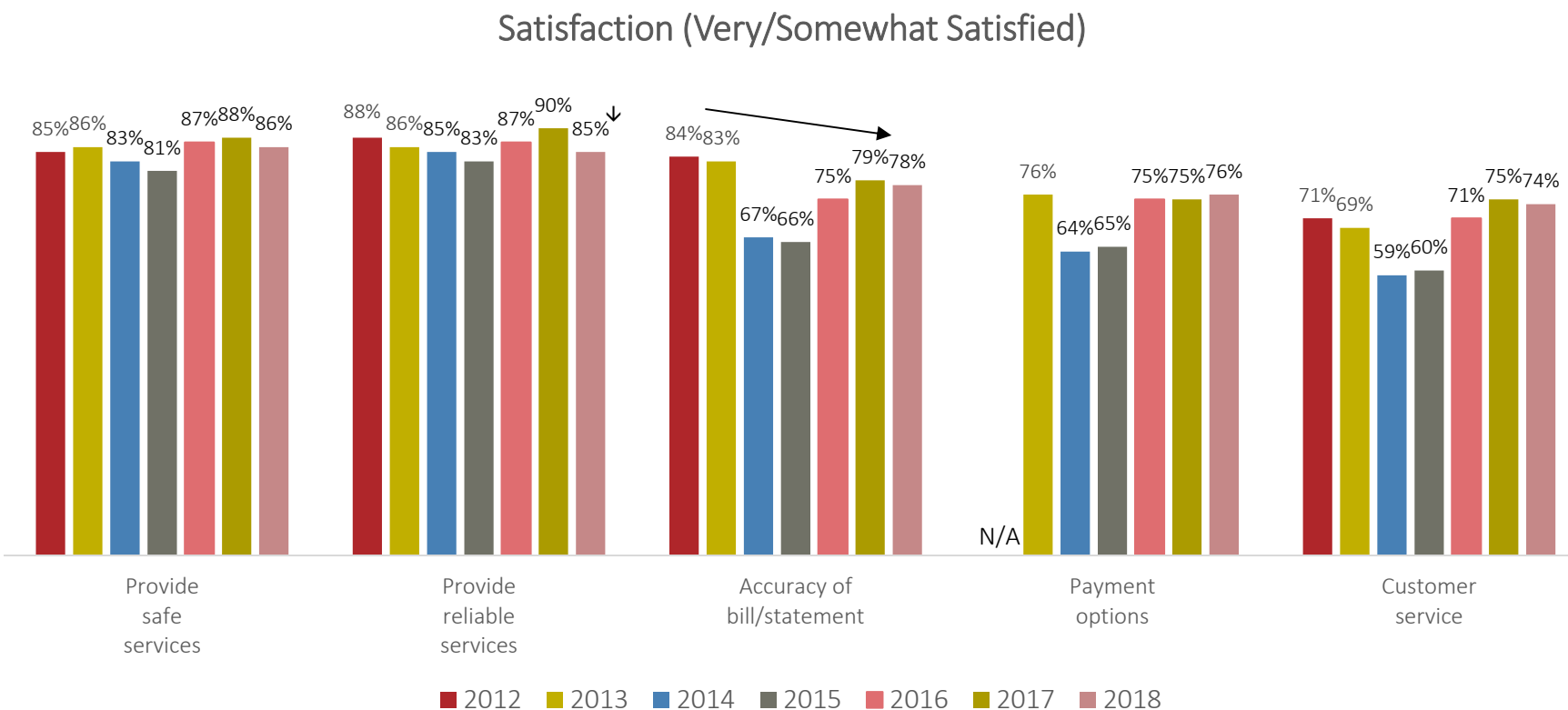


- As in previous years, satisfaction rises gradually with age and declines with household income.



# KEY INDICATORS – SLIDE 1

*Satisfaction scores for Key Indicators were relatively stable this year, with few increases or declines.* On this slide, there was a decline in satisfaction for Liberty providing reliable services, although the number remains very high at 85%. Satisfaction with bill and statement accuracy is one of the few attributes where satisfaction has not recovered to where it was in 2012-2013.



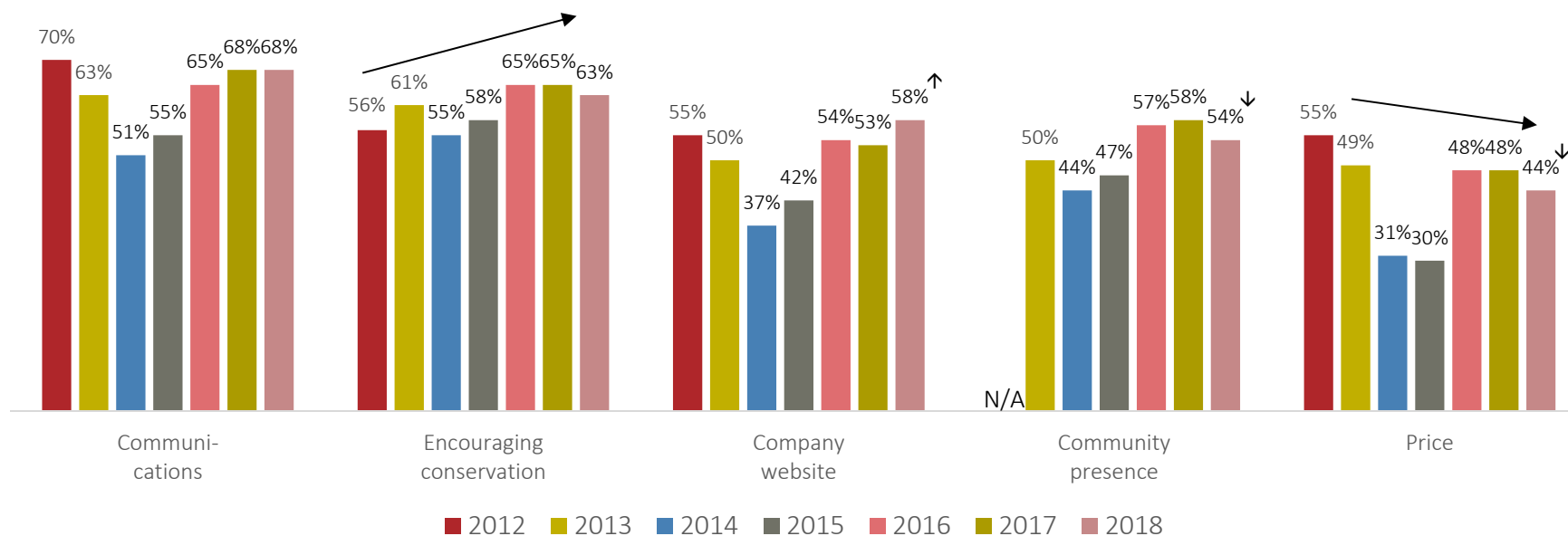


## KEY INDICATORS – SLIDE 2

Compared with 2017, ratings on this slide declined for community presence and price, while satisfaction was higher for the website. 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, while it is lower for price.

Satisfaction (Very/Somewhat Satisfied)



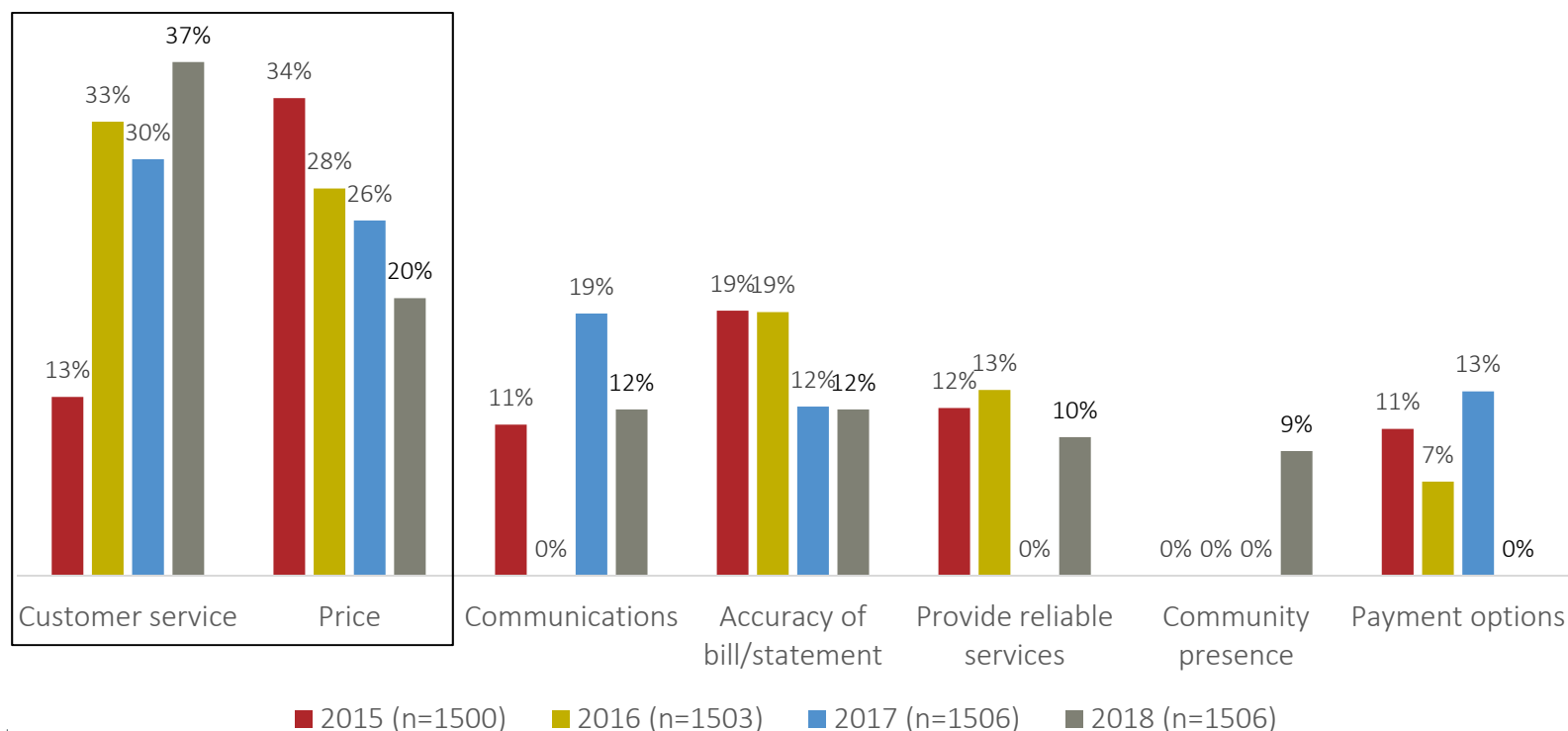


# DRIVERS OF SATISFACTION

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. *Price has steadily declined as a driver of satisfaction, while customer service increased*, to where customer service is now twice as important a driver of satisfaction as price.

Impact on Satisfaction with Liberty Utilities\*



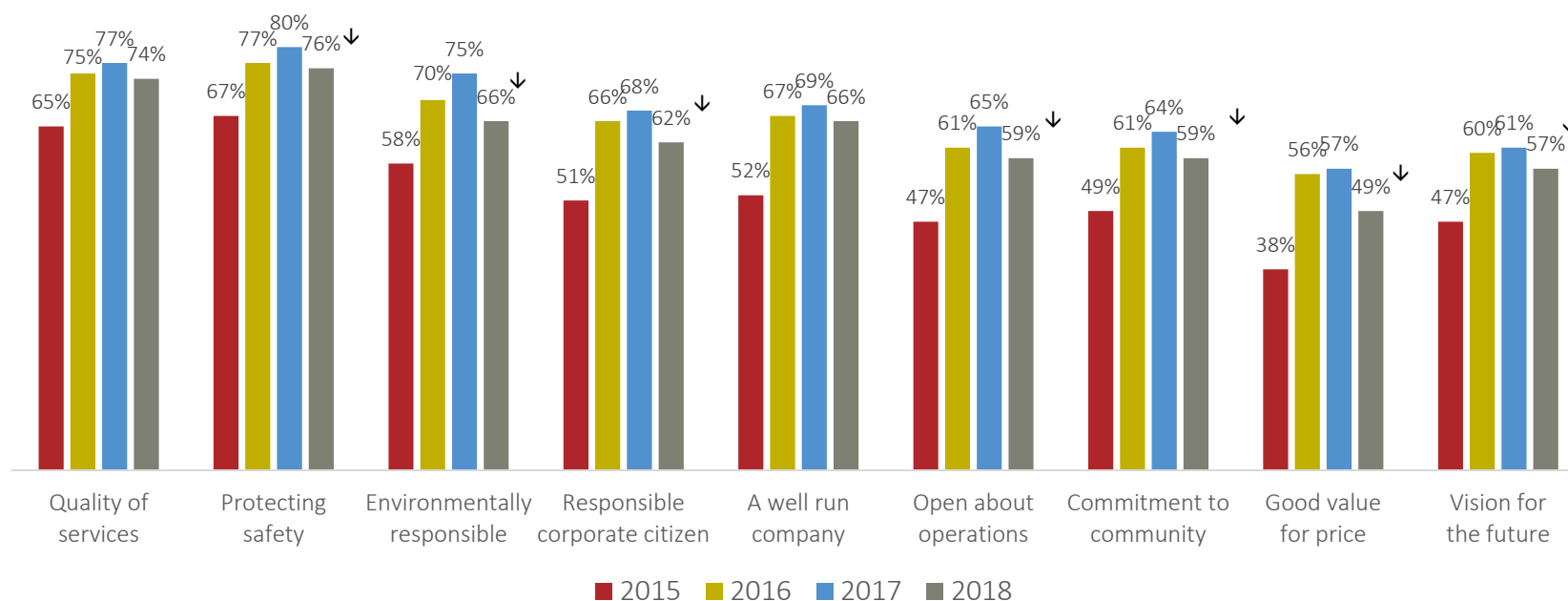


# COMPANY EVALUATIONS

While satisfaction for Liberty on Key Indictors was relatively stable this year, *satisfaction for many company evaluations was lower; this was also the case for New Hampshire Gas*. Compared with 2017, satisfaction was statistically lower for seven of the nine attributes. However, it is important to remember that satisfaction levels remain well above where they were in 2015.

Somewhat concerning this year is that satisfaction levels have tended to decline most among customers 65 and older, the group most strongly supportive of Liberty. While satisfaction remains higher among customers 65 and older than among younger customers across the board, there were statistically-significant declines for most attributes.

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 2017  
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:

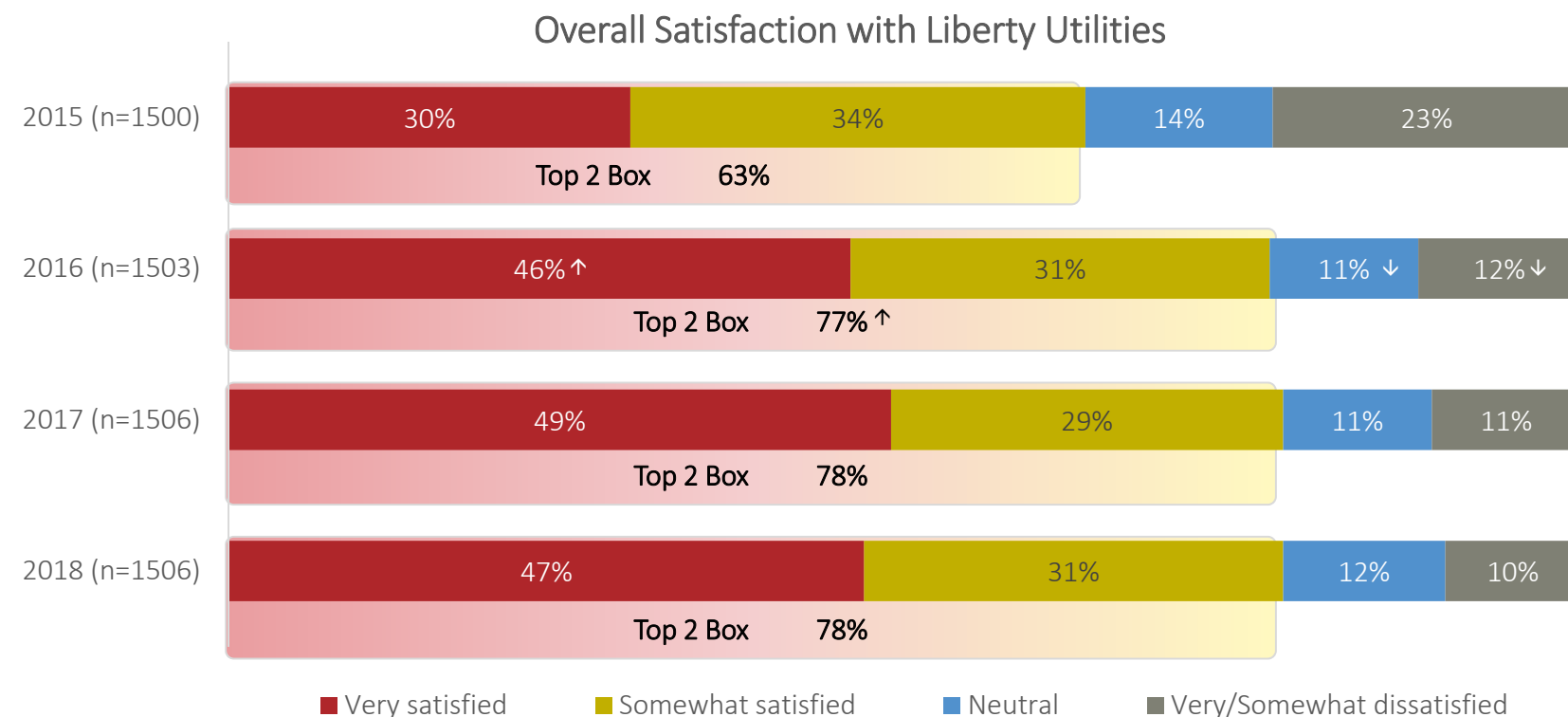




# OVERALL SATISFACTION

*Overall satisfaction with Liberty has remained 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 was only 9 points this year (74% versus 83%), half of the gap compared with last year. The gap between households earning less than \$50K and those earning \$100K+ was 17 points (86% vs. 69%), double the gap in 2017.



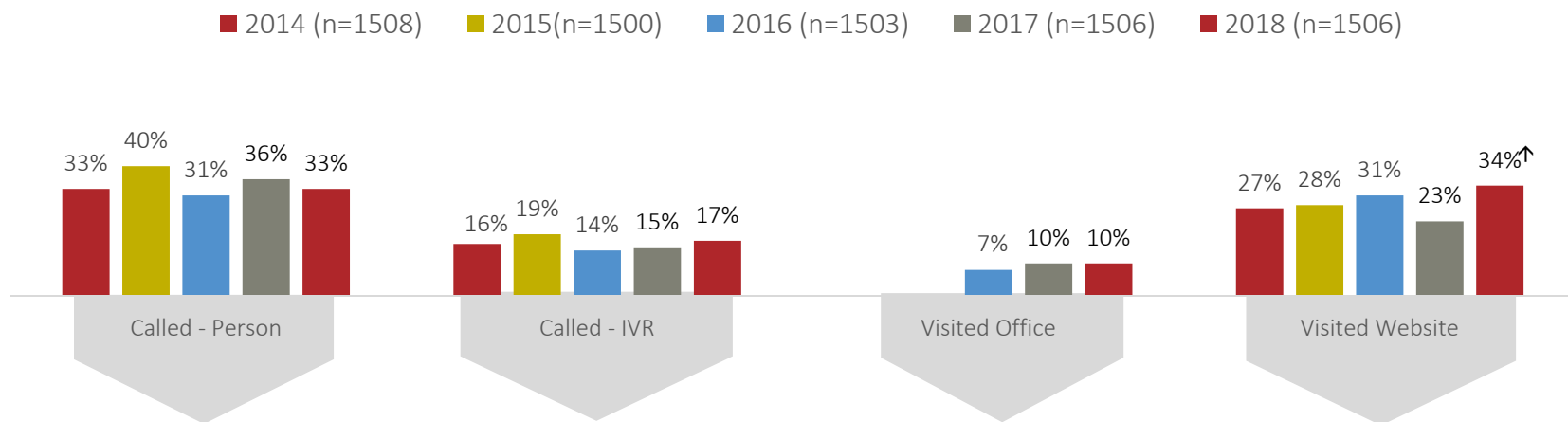
# CUSTOMER SERVICE



*Nearly two in three Liberty customers contacted the company in 2018, most often by calling and speaking with a live person. Website visitation bounced back to the 2016 level, while calling and office visitation remained stable.*

Three-quarters of customers younger than 45 contacted Liberty customer service in the past year (77%), compared with 56% of customers 65 and older.

## Contacted Customer Service By...

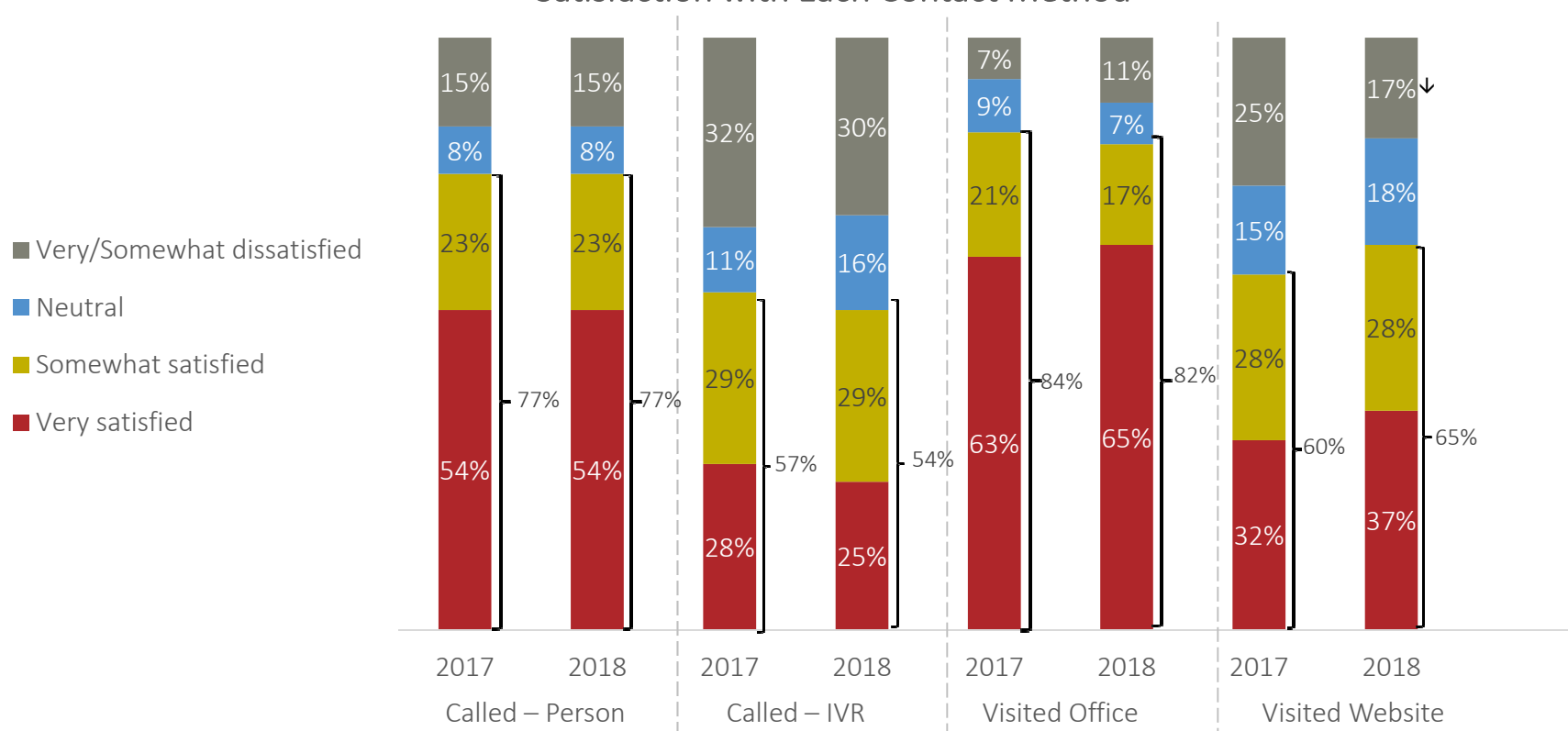




# SATISFACTION WITH CONTACT METHOD

*As in previous years, satisfaction with the customer service experience was higher among those who called and spoke with a person (77%) or visited an office (82%) than among those who used IVR (54%) or visited the website (65%). Satisfaction with all forms of contact was stable in 2018.*

Satisfaction with Each Contact Method





# APPENDIX

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# KEY DRIVER ANALYSIS OF SATISFACTION WITH LIBERTY UTILITIES



**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.812 <sup>a</sup>	.659	.653	.677

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	% of Sig Beta Weights
	B	Std. Error	Beta			
(Constant)	.295	.140		2.104	.036	
Q2r1: Accuracy of bill/statement	.126	.035	.125	3.593	.000	12.1%
Q2r10: Community presence	.088	.034	.087	2.574	.010	8.5%
Q2r2: Company website	.038	.033	.039	1.158	.247	
Q2r3: Providing safe services	.012	.041	.010	.294	.769	
Q2r4: Providing reliable services	.114	.038	.102	2.970	.003	9.9%
Q2r5: Encouraging conservation	-.068	.035	-.068	-1.938	.053	
Q2r6: Price	.178	.027	.210	6.524	.000	20.4%
Q2r7: Communications	.124	.041	.125	3.013	.003	12.1%
Q2r8: Customer service	.375	.041	.381	9.197	.000	37.0%
Q2r9: Payment options	-.015	.030	-.016	-.490	.624	

NOTE: Variables significant at the 95% level are highlighted



# RESPONDENT PROFILE

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



# RESPONDENT PROFILE

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



# RESPONDENT PROFILE

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



FOR FOLLOW-UP QUESTIONS, PLEASE CONTACT:

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