

**Q. Please provide a copy of the customer research strategy, plans, schedule, and a description of programs in place or planned for 2014 and 2015.**

**A. General**

Newfoundland Power conducts scheduled customer research related to customer satisfaction and energy conservation. Other customer research is completed as required.

The Company has conducted customer research related to customer communication in response to the January 2-8, 2014 event. A plan to conduct further customer service research has been developed jointly with Hydro.

### **Customer Research**

#### ***Customer Satisfaction***

Customer satisfaction research is completed on a quarterly basis.<sup>1</sup> The results provide insight and metrics which the Company can measure against and improve its performance in this area.<sup>2</sup>

#### ***Energy Conservation***

Energy conservation research is conducted annually through the takeCHARGE Tracking Study.<sup>3</sup> The study is undertaken among residential households to monitor home energy use and conservation, evaluate brand awareness, program uptake and impacts, and to inform ongoing evidence-based decision-making.<sup>4</sup>

Additional customer research is undertaken as required. In January 2013, Newfoundland Power surveyed customers to assess their knowledge of, and experience with, mini-split heat pumps.<sup>5</sup> In October 2013, commercial customer research was conducted through the takeCHARGE program to gather information on current energy efficiency initiatives and

<sup>1</sup> Customer satisfaction surveys are completed with the assistance of an external research supplier. The surveys were conducted on a quarterly basis in 2013. The surveys are expected to be completed on a monthly basis in 2014 and 2015. The reporting of customer satisfaction survey results will continue to occur on a quarterly basis.

<sup>2</sup> See the response to Request for Information PUB-NP-163 for quarterly results of the customer satisfaction survey for 2013 and, year to date 2014 .

<sup>3</sup> takeCHARGE is a joint energy efficiency program with Newfoundland and Labrador Hydro (“Hydro”). The study is conducted by an external consultant.

<sup>4</sup> See the response to Request for Information PUB-NP-163 for the 2013 Tracking Study. The study is expected to be completed in Q4 2014 and in 2015.

<sup>5</sup> See the response to Request for Information PUB-NP-163 for the survey.

potential program participation.<sup>6</sup> In June 2014, the takeCHARGE Process and Market Evaluation Report was completed to evaluate program effectiveness and satisfaction.<sup>7</sup>

A Conservation Potential Study is expected to begin in the fourth quarter of 2014 and take about a year to complete.<sup>8</sup> The primary outcomes of a conservation potential study are identification of cost-effective energy saving measures, general parameters for program development, and quantification of achievable energy savings potential by sector and end-use. These outcomes form the basis for long-term Conservation Demand Management (“CDM”) planning.<sup>9</sup> The study process includes consultation with interested parties, including customers, to allow for input and assessment of the conservation potential.

Two surveys will be completed to support the 2014 Conservation Potential Study; a Residential End Use Survey and a Commercial Facility Equipment Inventory Survey. The objective of these studies includes (i) determining the penetration rates for various electricity end uses and (ii) examining building characteristics and appliances and efficiency. The surveys are expected to be completed in the fourth quarter of 2014.

### ***Other Research***

Other types of customer research will be completed as required. For example, research related to customer perception of the Company and customer electricity rates.

A Reputation Management Report was completed in May 2014. The purpose of the report was to understand the customer perception of the image and reputation of Newfoundland Power. Focus groups and telephone inquiries were conducted to obtain information.<sup>10</sup>

A Time of Day Rate Study is currently ongoing and expected to be completed in the fourth quarter of 2014. The purpose of the project is to examine the potential impact of time of use rates on energy consumption.

Newfoundland Power also undertakes other internal research with its customers and key stakeholders through its normal course of business. The Company reviews customer service practices in other jurisdictions and educates itself on industry trends through its participation in the Canadian Electricity Association and other organizations.

<sup>6</sup> See the response to Request for Information PUB-NP-163 for the customer research results.

<sup>7</sup> See the response to Request for Information PUB-NP-163 for the report.

<sup>8</sup> The last Conservation Potential Study was completed in February 2008.

<sup>9</sup> Long-term planning includes energy savings targets, specific program design, implementation, evaluation, and program delivery budgets.

<sup>10</sup> See the response to Request for Information PUB-NP-163 for the report, related telephone questionnaire and focus group data.

***Response to January 2-8, 2014***

In February 2014, Newfoundland Power conducted a survey of its customers to obtain feedback on the effectiveness of the Company's communications during the January 2-8, 2014 period.<sup>11</sup>

Newfoundland Power and Hydro have since developed a Customer Service Research plan to enable both utilities to better understand customer information needs and expectations related to outages and conservation.

See Attachment A for the Customer Service Research Plan.

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<sup>11</sup> See the response to Request for Information PUB-NP-118, Attachment A: 2014 Outage Survey Summary Report, March 14th, 2014.

**Customer Service Research Plan**



## CUSTOMER RESEARCH PLAN

June 2014

### Recommendation #38:

*Hydro and Newfoundland Power should conduct customer research (primarily on a joint basis), in order to better understand customer outage-related informational needs and expectations, including requests for conservation, and incorporate results into the Outage Communications Strategies, beginning with preparation by June 15, 2014 of a detailed plan and schedule for doing so.*

### Plan Objectives:

- to better understand customer outage-related information needs and expectations;
- to better understand customer information needs and expectations related to requests for conservation
- to gain understanding of best practices in North America in customer service and communication during power outages
- to enable understanding of the information needs of key stakeholders

### Background:

The nature and scope of events on the electricity system in January 2014 were substantial; customers experienced loss of electricity through rotating power outages and system disruptions over an extended period. Accordingly, carrying out research with residential and commercial customers, as well as key stakeholders, will provide Newfoundland Power and Hydro with the information they need to more effectively communicate and interact with its customers/stakeholders during future power outages.

Utilities have developed a three phased approach to the research plan:

- 1) Customer Research with the assistance of an external supplier to include focus groups, a telephone survey and other methodologies as may be required; this research is aimed at both residential and commercial customers. A terms of reference for this work is attached as Appendix A.
- 2) Consult with its counterpart utilities in Canada and the US to gain more insight into best practices for customer service approaches; this research will be carried out by employees of Newfoundland Power and Hydro. A terms of reference for this work is attached as Appendix B.
- 3) Key Stakeholder Engagement arranged through Fire and Emergency Services which will allow the two utilities to explore the information needs of its key stakeholders during power outages. A terms of reference for this work is attached as Appendix C.

**Plan of Action/Timeline:**

<b>Activity</b>	<b>Current Status</b>	<b>Estimated Completion</b>
Draft Terms of Reference for residential and commercial research program	Complete	n/a
Engage research provider for residential and commercial research program	Complete	n/a
Implement residential and commercial research program	Underway; refer to timelines in Terms of Reference attached	July 16, 2014
Undertake best practices review	Underway; CEA Customer Service Council engagement initiated	June 30, 2014
Engage in Stakeholder Information session	Complete	n/a
Update strategies and protocols to reflect learnings	Will be considered following completion of all three research stages	August 2014



## Appendix A

### TERMS OF REFERENCE

#### Customer Service Research

Newfoundland Power and Newfoundland and Labrador Hydro (Hydro)

May 8, 2014

##### Background

During the Winter of 2014 the Board of Commissioners of Public Utilities (PUB) undertook an investigation into Supply Issues and Power Outages on the Interconnected Electricity System in Newfoundland (investigation). The investigation was prompted by a set of events on the system which left customers without power between January 2 and 8, 2014. See the PUB's website for full information: <http://pub.nl.ca/applications/IslandInterconnectedSystem/index.htm>.

As part of its review, the PUB engaged an external consulting group, Liberty Consulting Group (Liberty), from Pennsylvania, to examine the causes of widespread electricity outages experienced by customers during the timeframe referenced above. Liberty filed an interim report with the PUB on April 24 (see <http://pub.nl.ca/applications/IslandInterconnectedSystem/files/reports/LibertyInterimReportApril24-2014.pdf>). The report contained 46 recommendations, eight of which were jointly aimed at both Newfoundland Power and Newfoundland and Labrador Hydro (Hydro). These eight were focused on customer service, communications and utility-to-utility coordination. See sections "V. Customer Service and Communications" and "VI. Coordination between Hydro and Newfoundland Power", pgs. 65-81.

Newfoundland Power and Hydro play generally different roles with respect to the electricity system on the Island portion of the province. As discussed in Liberty's report, Newfoundland Power's predominant role is to deliver to end-use customers the energy that Hydro generates and transmits. Hydro does have a small number of end users, and Newfoundland Power a small amount of generating resources.

With this in mind, the following research project is undertaken as a result of Liberty recommendation number 38, which states:

***38. Hydro and Newfoundland Power should conduct customer research (primarily on a joint basis), in order to better understand customer outage-related informational needs and expectations, including requests for conservation, and incorporate results into the Outage Communications Strategies, beginning with Preparation by June 15, 2014 of a detailed plan and schedule for doing so.***

## Project Scope

### Goals

The goals of this Customer Service Research project are twofold:

- to enable both utilities to better understand customer outage-related information needs and expectations; and,
- to enable both utilities to better understand customer information needs and expectations related to requests for conservation.

The outcomes and analysis of the research will supplement and guide the development or fine-tuning of:

- a Joint Utility Advance Notification Protocol for Planned Rotating outages;
- a Joint Utility Outage Communications Plan; and,
- other utility protocols/plans as may exist or be developed in future.

### Areas of investigation

Specifically, this research project should:

- Gain insight into customers' information needs and preferred methods of interaction with Newfoundland Power, Hydro or others *in advance of, during or after* power outages
- Assess why and how customers may wish to report a power outage
- Determine 1) the customer information needs, and 2) preferences for advance notice, in situations where the public is asked to conserve their power usage to assist in managing the amount of demand on the power system
- Gain insight into customer expectations regarding frequency and duration of outages

### Research Approach

Research to be undertaken will focus on two separate groups:

- A) Residential
- B) Commercial

Research to assist in understanding residential customers' views of the above subjects will likely take the form of focus groups and a telephone survey. Newfoundland Power and Hydro anticipate 6-8 focus groups and a telephone survey of 700-800 participants to allow for over-sampling in certain rural regions of the Island of Newfoundland as well as Labrador.

Research to understand the needs of commercial customers will likely require a more creative approach to information gathering, perhaps online. Utilities are seeking guidance on the approach for commercial customers.



Alternative recommendations to this approach are welcome and will be discussed with the supplier, inclusive of whether or not a provincial telephone survey should be conducted in full (inclusive of both the Island and Labrador), or whether these should be separated out in to two distinct surveys according to the customer base of each of Newfoundland Power and Hydro.

### Sample

The combination of service areas of both utilities covers the entire Province of Newfoundland and Labrador. Therefore, any quantitative research should be representative of the entire Province. Over-sampling may be required (or proposed) in some rural areas such as the Northern Peninsula and the Southwest Coast, as well as in Labrador.

Of specific interest are customers on the east coast of the Island who encountered the majority of outages in January 2014. This area covers the Bonavista Peninsula, Burin Peninsula and all points east to/inclusive of St. John's. It is expected that customers who experienced the January outages are in a much better position to advise on their expectations around such events in future versus other areas of the Island who were marginally affected.

### **Supplier Requirements**

Given the above scope of work, the supplier should recommend the following:

- Research approach and methodology to be deployed, both qualitative and quantitative
- Survey design/focus group guide/other as required
- Programming and administration of research/data collection
- Analysis and reporting
  - The final report should include:
    - an executive summary which includes a statement of the research purpose and objectives, a summary of key findings, a brief description of the methodology used and the specifications
    - Descriptions of the background, objectives and methodology
    - Detailed findings with an analysis of results
    - Conclusions
    - Recommendations for Newfoundland Power/Hydro's consideration clearly linked through analysis of data
    - Appendices containing all research instruments, inclusive of tabular results and/or verbatims/summaries electronically and in paper copy

### **Timeline**

Terms of Reference provided to supplier	May 9, 2014
Meeting with supplier	May 12, 2014
Final research approach and quote from supplier	May 15, 2014
Approval or revisions to approach/quote	May 16, 2014
Research project implementation	May 19-June 20, 2014 (5 weeks)

<ul style="list-style-type: none"> <li>○ Focus group discussion guide</li> <li>○ 6-8 focus groups (<i>focus groups would inform telephone survey</i>)</li> <li>○ Focus group summary report</li> <li>○ Commercial customer design/engagement</li> <li>○ Telephone survey design</li> <li>○ Survey implemented</li> </ul>	
Frequencies/tabulation of results/final report writing ( <i>including both focus groups and qualitative work, analysis, recommendations</i> )	June 23-July 4, 2014 (2 weeks)
Draft final report to client	July 7, 2014
Comments/Edits to final report to supplier	July 11, 2014
Final report to client	July 16, 2014

### Supplier-Client Interaction

Newfoundland Power will be the project manager for this research project. Karen McCarthy, Manager of Corporate Affairs and Communications, will be the administrative lead and supplier contact. That said, both utilities are partners in the research and it is expected they will be consulted through the development, implementation and analysis of findings stages. Joint utility approval is also required for all changes and decisions related to the project. Newfoundland Power and Newfoundland and Labrador Hydro retains the right to change the scope of work until such time as a contract is in place; and thereafter may change the scope by providing the supplier with the opportunity to amend the work quote.

### Other Research

In addition to this research, Newfoundland Power and Hydro will consult with its counterpart utilities in Canada-US to gain more insight into best practices for customer service approaches and will engage with key stakeholders in an effort to better understand their information needs during power outages.

Both utilities also undertook customer research following the events of January 2014 to probe communications and conservation issues. This research is publicly available on the PUB Website.

Furthermore, both utilities undertake regular customer service satisfaction work which may be made available upon request.

### Confidentiality

In the conduct of this research project, the supplier will be expected to sign a confidentiality agreement as part of the contract for services.

### Proprietary information

All information gleaned in the course of this project is the property of Newfoundland Power and Hydro, inclusive of all instruments and reports used in the gathering and reporting of information.



## Appendix B

### TERMS OF REFERENCE

#### Canadian-US Best Practices Consultation

Newfoundland Power and Newfoundland and Labrador Hydro (Hydro)

May 15, 2014

##### Background

During the Winter of 2014 the Board of Commissioners of Public Utilities (PUB) undertook an investigation into Supply Issues and Power Outages on the Interconnected Electricity System in Newfoundland (investigation). The investigation was prompted by a set of events on the system which left customers without power between January 2 and 8, 2014. See the PUB's website for full information: <http://pub.nl.ca/applications/IslandInterconnectedSystem/index.htm>.

As part of its review, the PUB engaged an external consulting group, Liberty Consulting Group (Liberty), from Pennsylvania, to examine the causes of widespread electricity outages experienced by customers during the timeframe referenced above. Liberty filed an interim report with the PUB on April 24 (see <http://pub.nl.ca/applications/IslandInterconnectedSystem/files/reports/LibertyInterimReportApril24-2014.pdf>). The report contained 46 recommendations, eight of which were jointly aimed at both Newfoundland Power and Newfoundland and Labrador Hydro (Hydro). These eight focused on customer service, communications and utility-to-utility coordination. See sections "V. Customer Service and Communications" and "VI. Coordination between Hydro and Newfoundland Power", pgs. 65-81.

Newfoundland Power and Hydro play generally different roles with respect to the electricity system on the Island portion of the province. As discussed in Liberty's report, Newfoundland Power's predominant role is to deliver to end-use customers the energy that Hydro generates and transmits. Hydro does have a small number of end users, and Newfoundland Power a small amount of generating resources.

With this in mind, the following consultation is undertaken as a result of Liberty recommendation number 38, which states:

***38. Hydro and Newfoundland Power should conduct customer research (primarily on a joint basis), in order to better understand customer outage-related informational needs and expectations, including requests for conservation, and incorporate results into the Outage Communications Strategies, beginning with Preparation by June 15, 2014 of a detailed plan and schedule for doing so.***

## Project Scope

### Goal

The goal of this Canadian Best Practices Consultation project is:

- to gain further insight into best practices for customer service in the electrical utility sector during power outages.

The findings of this consultation will supplement other customer service research being carried out by the two utilities, and is considered ancillary to the main project. Specifically, the findings will:

- allow Newfoundland Power and Hydro the opportunity to consider any new information as part of its ongoing improvements to customer service during power outages.

### Areas of investigation

Specifically, this consultation should:

- provide information on best practices from like organizations in the Canadian and/or US electrical sector related to communication and interaction with customers during power outages
- provide information on innovative power outage reporting mechanisms for both inbound and outbound mechanisms
- provide information on best practices for conservation requests to customers during periods where supply is unable to meet demand for electricity

### Consultation Approach

This consultation will mainly focus on residential customers versus commercial.

Information will be gathered either directly or through the assistance of the Canadian Electricity Association “Customer Council” or other US associations via telephone, email, reports, online information or other informal methods.

### **Timeline**

Develop formal letter requesting input	May 2014
Liaison with Canadian Electricity Association and others	May 2014
Outreach to Canadian/US utilities	May/June 2014
Compilation and Review of input	June 2014



## Appendix C

### TERMS OF REFERENCE

#### Key Stakeholder Engagement

Newfoundland Power and Newfoundland and Labrador Hydro (Hydro)

May 15, 2014

##### Background

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With this in mind, the following stakeholder engagement is undertaken as a result of Liberty recommendation number 38, which states:

***38. Hydro and Newfoundland Power should conduct customer research (primarily on a joint basis), in order to better understand customer outage-related informational needs and expectations, including requests for conservation, and incorporate results into the Outage Communications Strategies, beginning with Preparation by June 15, 2014 of a detailed plan and schedule for doing so.***

## Project Scope

### Goal

The goal of this Stakeholder Engagement project is:

- to gain further insight into the information needs of key stakeholders of Newfoundland Power and Hydro during power outages.

The findings of this consultation will supplement other customer service research being carried out by the two utilities. Specifically, the stakeholder engagement will:

- allow Newfoundland Power and Hydro the opportunity to consider the perspectives and information needs of its key stakeholders during power outages.
- use all new information to amend, as necessary, any utility protocols or plans deployed during power outages.

### Areas of investigation

Specifically, this stakeholder engagement should:

- provide additional information on stakeholder information needs during power outages
- probe information needs specific to individual groups from health authorities and government to aid organizations and municipalities

### Stakeholder Engagement Approach

This stakeholder engagement will be facilitated with the assistance of Fire and Emergency Services Newfoundland and Labrador. It will take the form of either an information session to be held in St. John's or other outreach to stakeholders via telephone/email. A survey of municipalities in partnership with Municipalities Newfoundland and Labrador will be considered also.

### **Timeline**

Liaison with Fire and Emergency Services	May 2014
Information Session	May 28, 2014
Informal outreach to stakeholders	May/June 2014
Compilation and Review of input	June 2014