

CUSTOMER SATISFACTION TRACKING NEW HAMPSHIRE GAS

DECEMBER 2016



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OBJECTIVES & METHODOLOGY



Objectives:

- Analyze current customer satisfaction levels with Liberty Utilities among New Hampshire (NH) Gas 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=1502
Phone vs. Online Completion Ratio:	47%/53%
Fieldwork Dates:	10/10/2016 – 11/17/2016
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 Gas 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 Gas Customers. Sampling error varies inversely with the size of the sample. With a sample size of n=1502 and a 95% confidence interval, the range of error for proportions observed in this survey is +/- 2.52 percentage points.

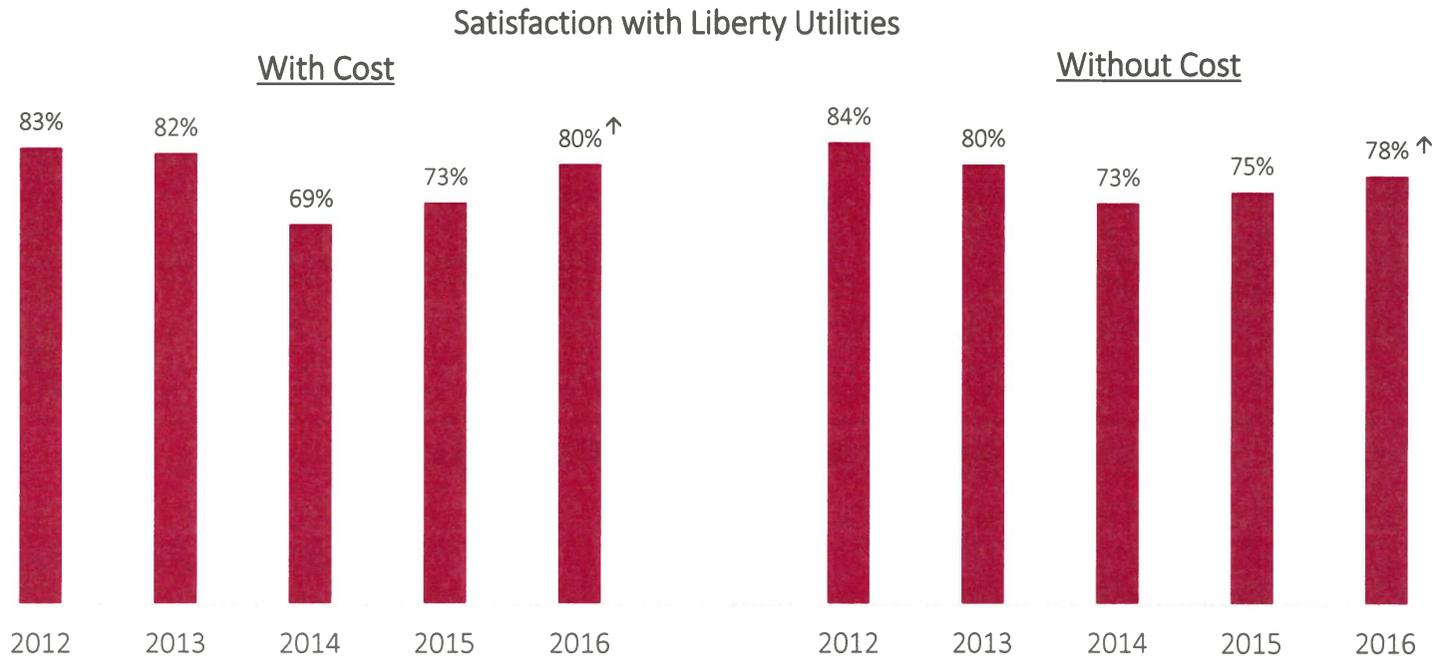


KEY FINDINGS

OVERALL SATISFACTION



Overall satisfaction jumped from 73% to 80% over the past year. Satisfaction without price also increased, from 75% to 78%.

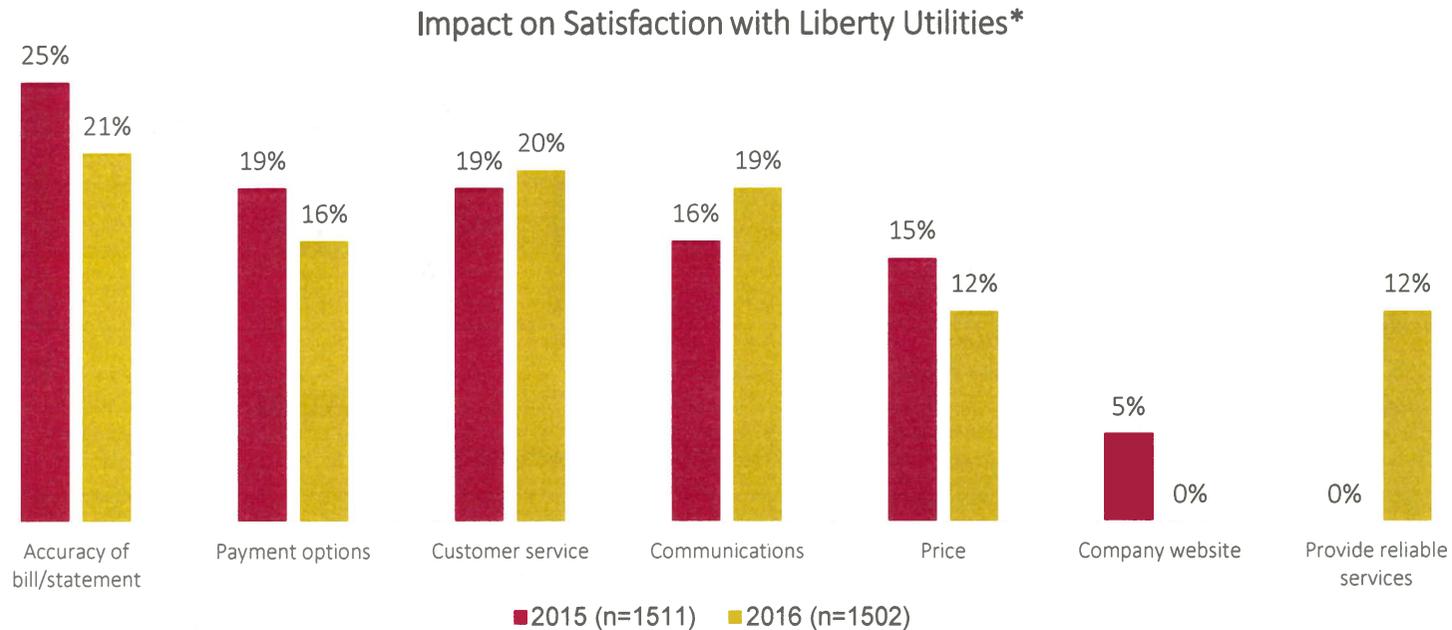


- Satisfaction increased across all age and income groups, with the largest gains among younger customers, as well as more-affluent customers (annual household incomes of \$100K+). These gains are particularly important considering that they were weaker groups for Liberty.

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.
- *The results show that bill accuracy, customer service and communications are about equally important influencers of satisfaction with Liberty.*

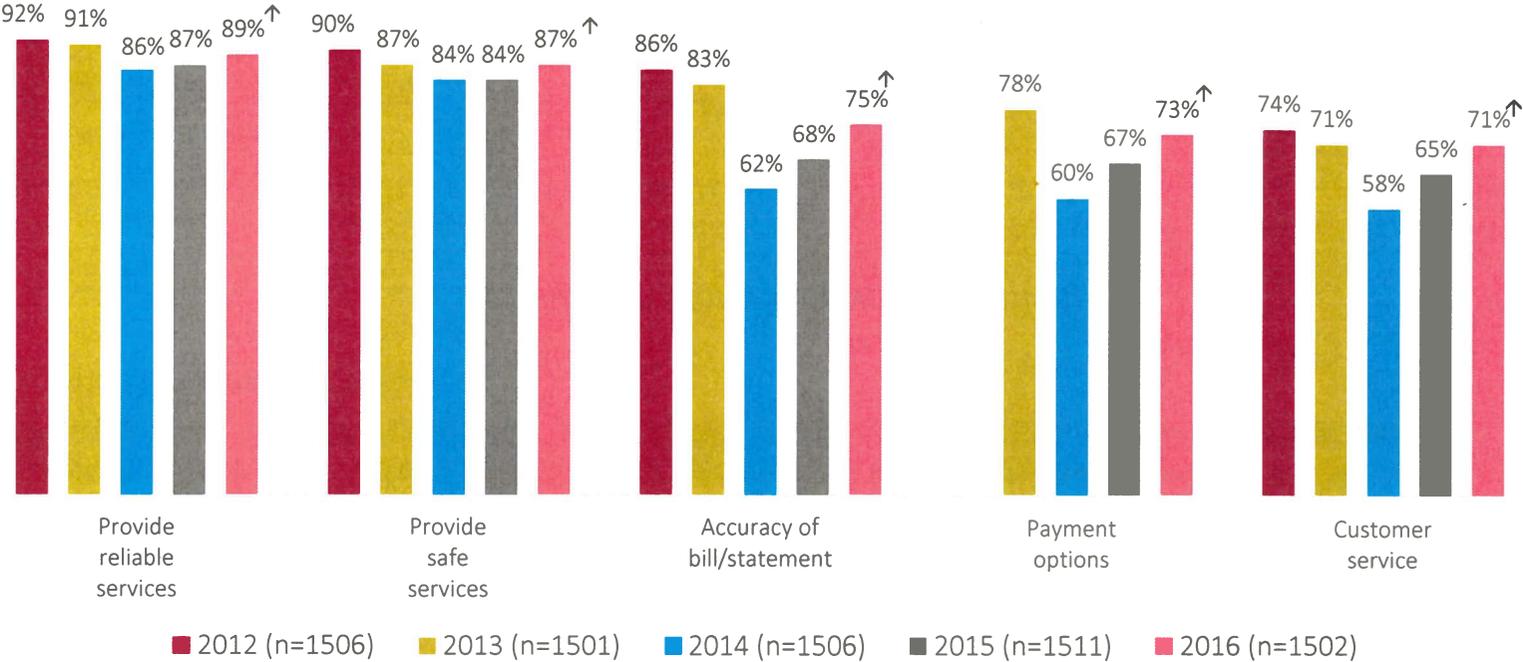


KEY INDICATORS – SLIDE 1



- Compared with 2015, *satisfaction increased for eight of the 10 measurements*. In most cases, the increase was after a significant decline 2012-2014.
- Satisfaction with bill accuracy increased across all demographic groups. Across all measurements, however, satisfaction is still highest among customers 65 and older and lower among customers younger than 45.

Satisfaction (Very/Somewhat Satisfied)

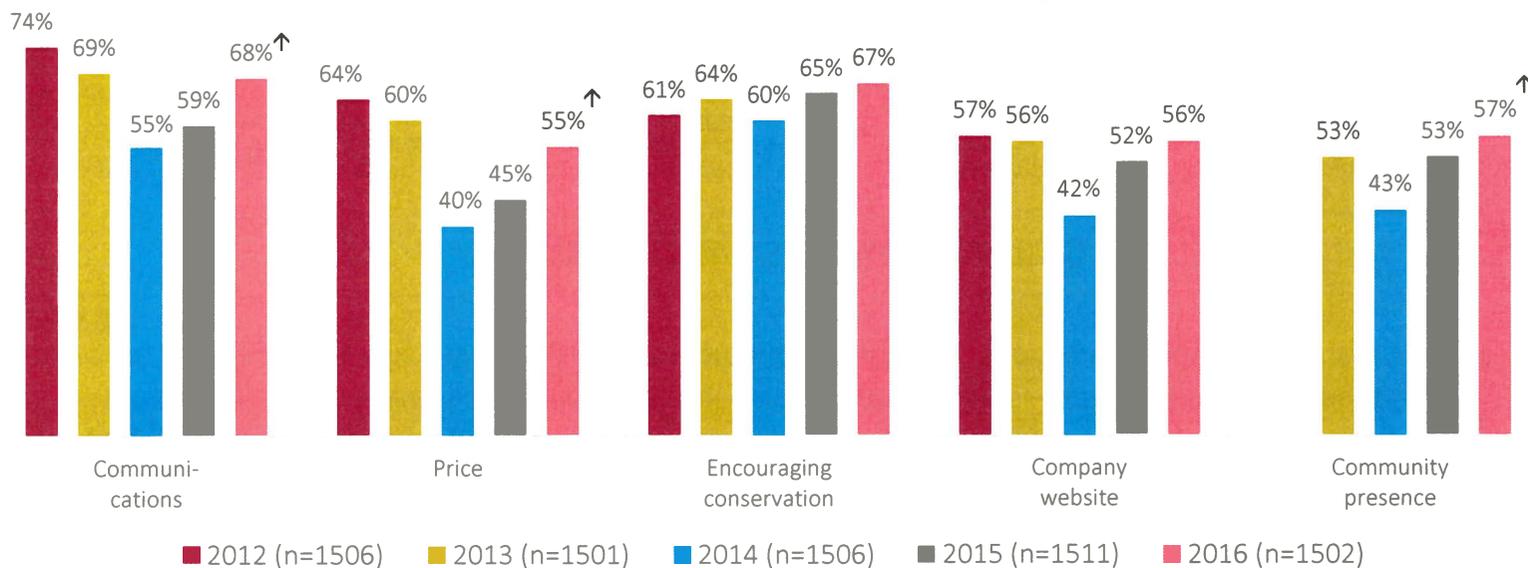


KEY INDICATORS – SLIDE 2



- Compared with 2015, *satisfaction increased for eight of the 10 measurements*. In most cases, the increase was after a significant decline 2012-2014.
- Satisfaction with price and communication increased across all demographic groups. Across all measurements, however, satisfaction is still highest among customers 65 and older and lower among customers younger than 45.

Satisfaction (Very/Somewhat Satisfied)

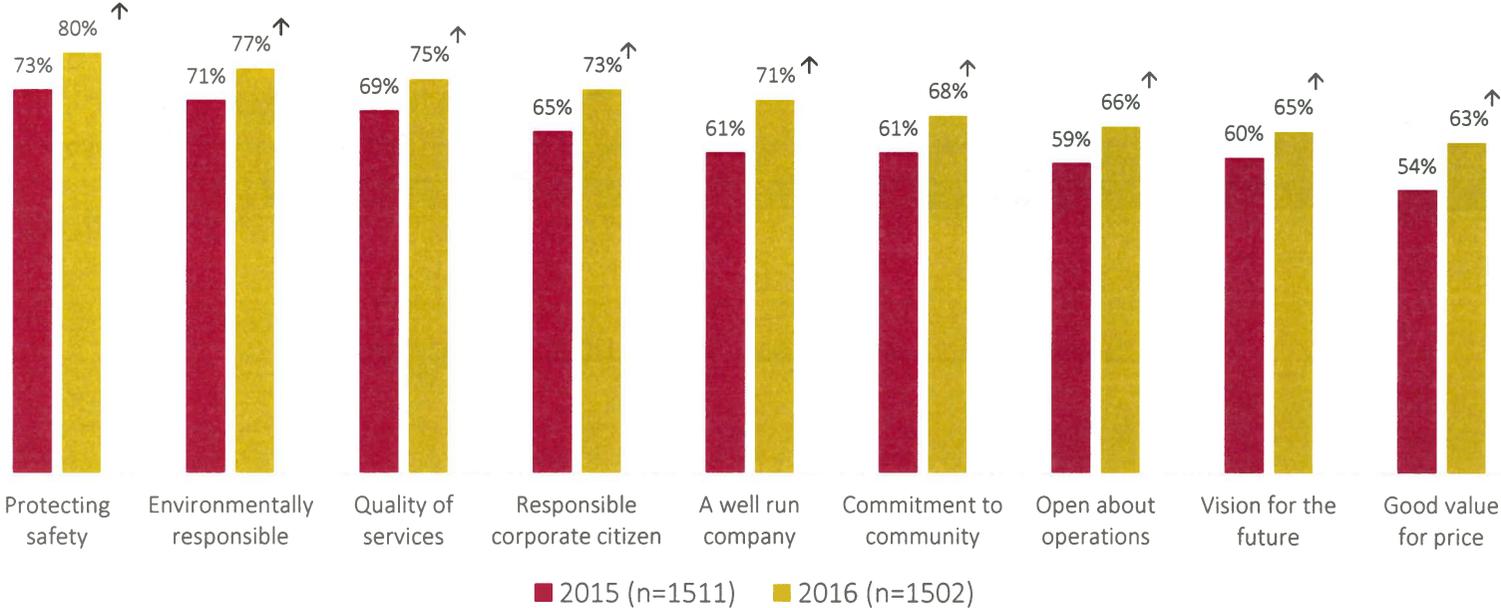


COMPANY EVALUATIONS



- Across all nine company evaluations, satisfaction with Liberty increased this year, with the largest increases for Liberty being a well run company (+10%) and being a good value for the price (+9%).
- While satisfaction levels were higher across all demographic subgroups, they generally increased most among customers 65 and older (already a strong group for Liberty) and those with annual household incomes between \$50K and \$100K.

Company Evaluation (Excellent/Good)

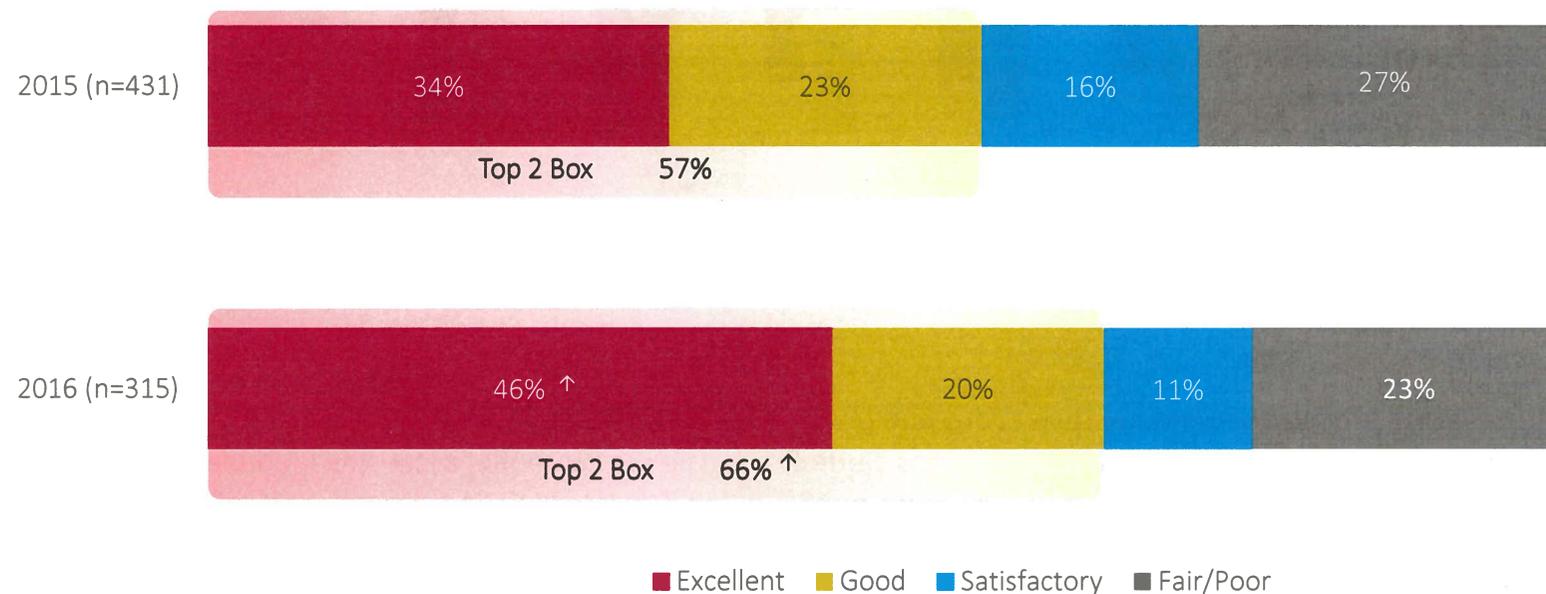


RATING OF OVERALL CUSTOMER SERVICE EXPERIENCE



- Overall satisfaction with Liberty's customer service experience jumped nine percentage points this year, to 66%. The percentage who were very satisfied increased by 12 points.

Overall Satisfaction with Customer Service Experience

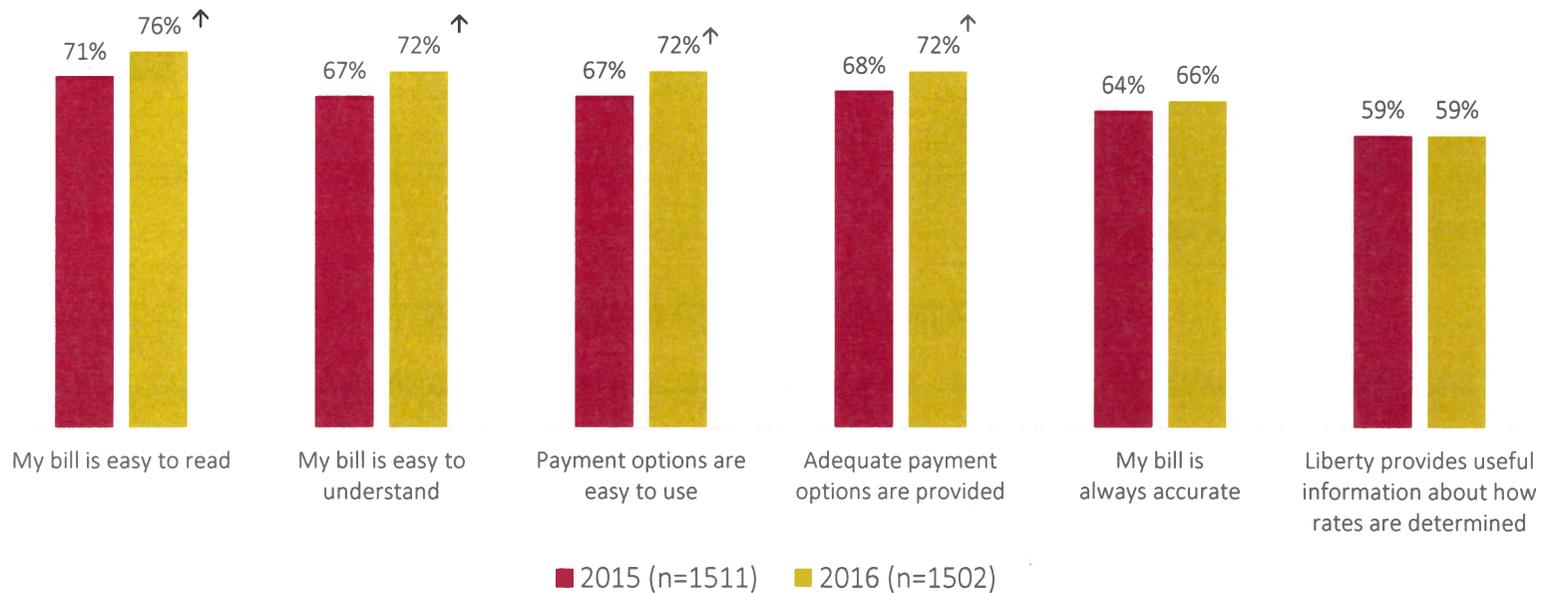


SATISFACTION WITH CUSTOMER BILLING



- *Customer satisfaction increased on four of the six billing-related metrics this year.*
- Satisfaction remained lowest for Liberty providing useful information about how rates are determined, a common weakness in most Liberty markets. Satisfaction with bill accuracy has also not budged.

Satisfaction (Strongly/Somewhat Agree)

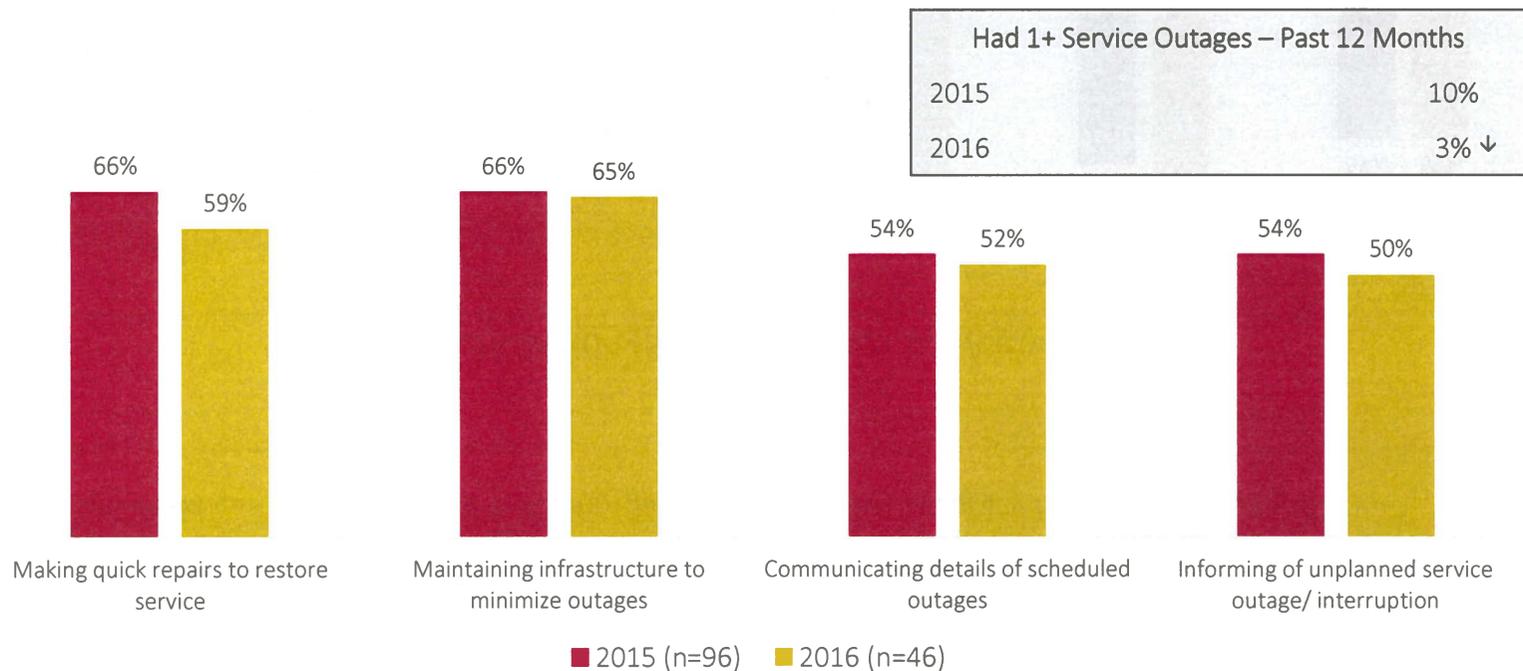


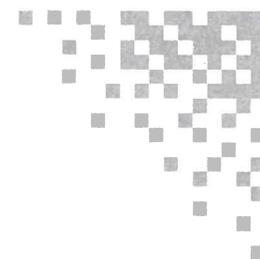
SERVICE OUTAGE



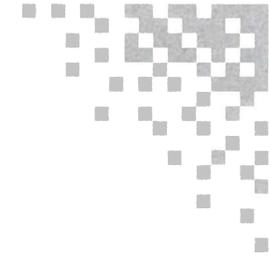
- Only 3% of customers experienced a service outage in the past year, compared with 10% in 2015. The question this year was strengthened to emphasize that the outage should not be related to bill non-payment.
- Satisfaction levels among customers who experienced an outage were in most cases very close to those from 2015.

Service Outage Evaluation (Excellent/Good)





DETAILED FINDINGS



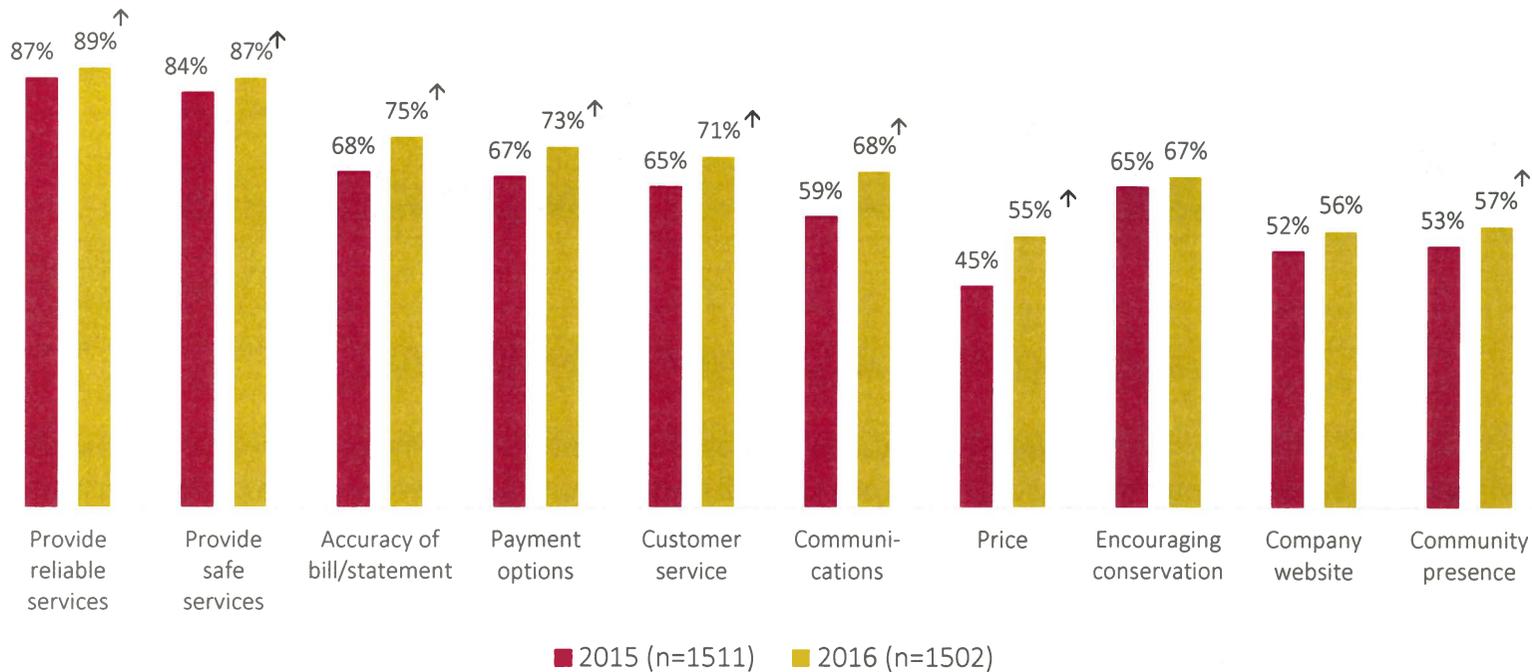
OVERALL SATISFACTION & EVALUATIONS

KEY INDICATORS



- *Compared with 2015, satisfaction increased for eight of the 10 measurements.*
- Satisfaction with bill accuracy, price and communication increased across all demographic groups. Across all measurements, however, satisfaction is still highest among customers 65 and older and lower among customers younger than 45.

Satisfaction (Very/Somewhat Satisfied)

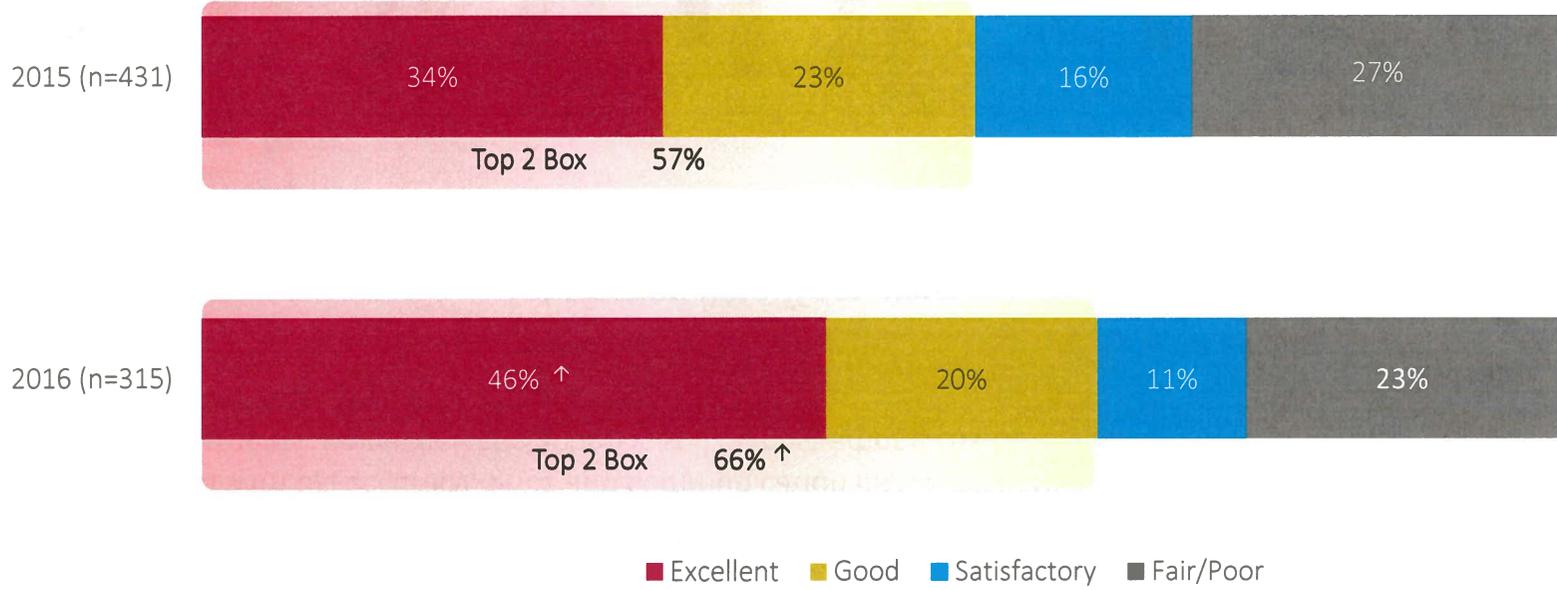


OVERALL SATISFACTION



- *Overall satisfaction increased from 73% in 2015 to 80% this year.* The percentage who were very satisfied also climbed, while the percentage dissatisfied was significantly reduced.
- Satisfaction increased across all age and income groups, with the largest gains among younger customers, as well as more-affluent customers (annual household incomes of \$100K+).

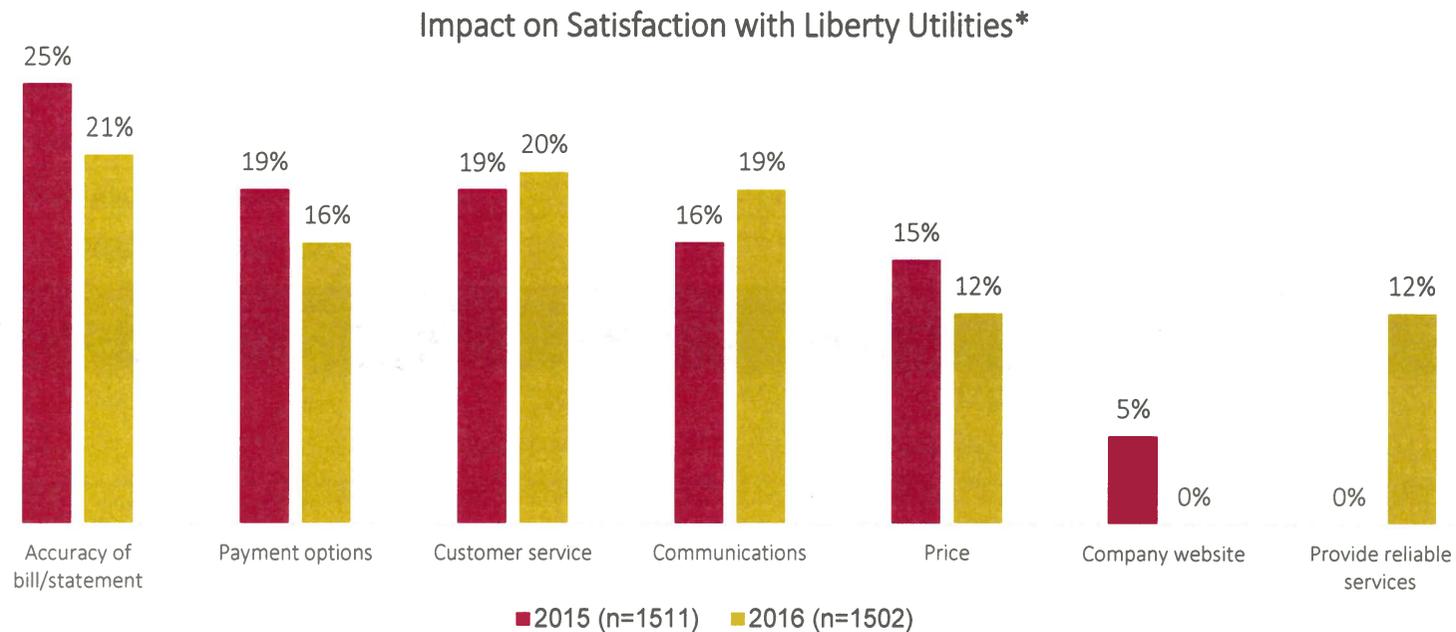
Overall Satisfaction with Customer Service Experience



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.
- The results show that *bill accuracy, customer service and communications are about equally important influencers of satisfaction with Liberty.*



↑/↓

Indicates score is significantly higher/lower than previous year

*

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



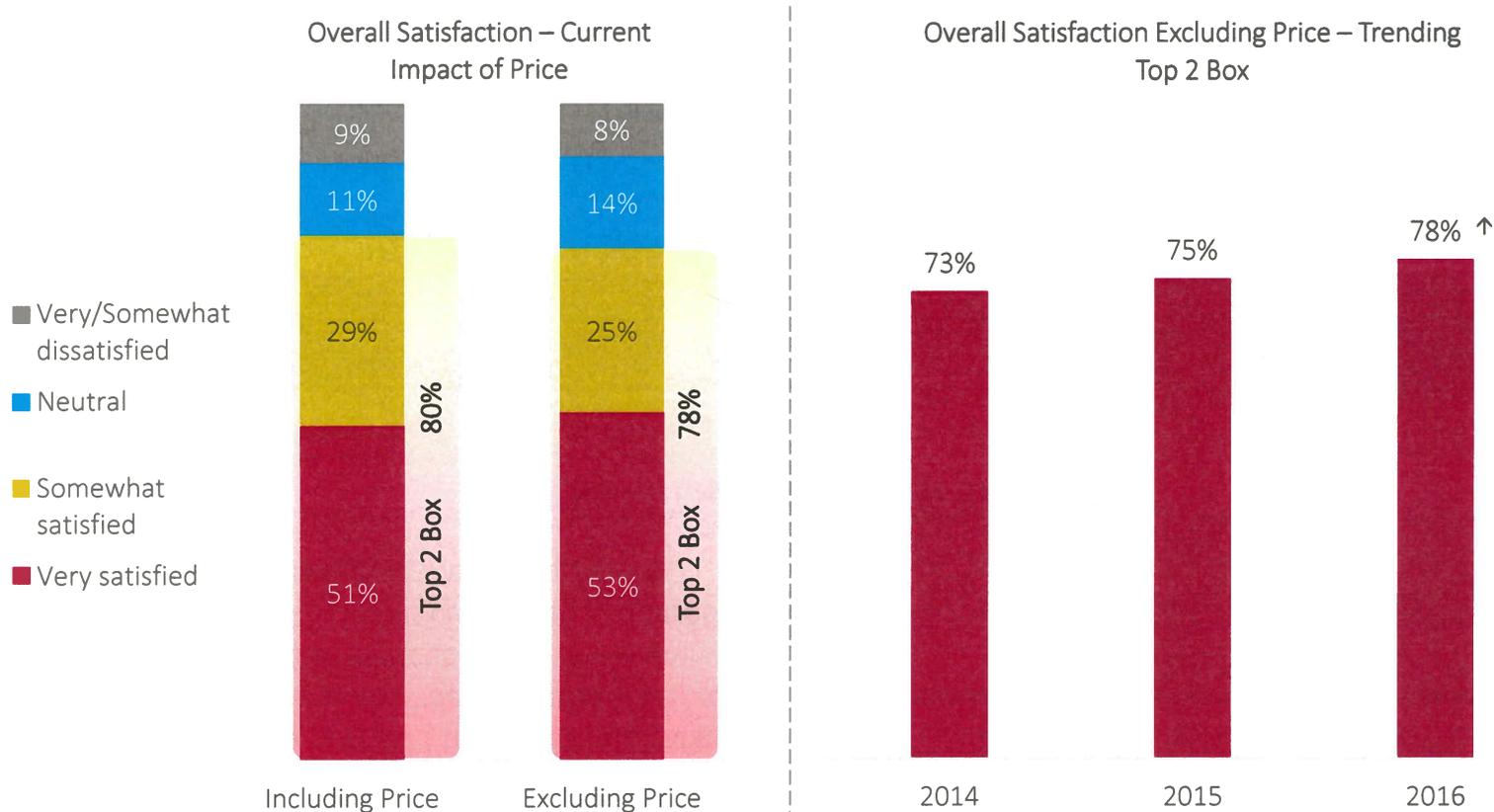
- *The most common reason why customers were satisfied was lack of any problem or reason to contact Liberty.*
- Billing issues were the most common complaint among dissatisfied customers, with cost and poor customer service secondary issues.

Open-Ended Comments	2015	Current	Difference from Previous
Among Satisfied Customers	n=1100	n=1195	
Never had a problem/complaint	35% ↓	39%	+4%
Service is satisfactory/good/excellent	16% ↑	11% ↓	-5%
Good/friendly/courteous customer service	7% ↑	9% ↑	+2%
Cost is too high/rate increases	13% ↑	8% ↓	-5%
Among Dissatisfied Customers	n=234	n=140	
Billing is confusing/problematic	49% ↑	43%	-6%
Cost is too high/rate increases	30% ↑	24%	-6%
Poor/unfriendly/uncaring customer service	27% ↑	24%	-3%
Website not user-friendly/informative	6%	11%	+5%
Charge to pay online/on phone	6%	10%	+4%

OVERALL SATISFACTION EXCLUDING PRICE



- Overall satisfaction with Liberty Utilities also increased when price was excluded from the evaluation, rising from 75% to 78%. Satisfaction increased most among customers younger than 45 (+10%) and those in the most-affluent households (+11%).



↑/↓ Indicates score is significantly higher/lower than 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



- While 70% of customers said there was no change in their satisfaction compared with last year, slightly *more said their satisfaction had increased (15%) rather than decreased (10%)*. The percentage who said their satisfaction was lower was cut in half this year.
- Compared with 2015, fewer customers in households with annual incomes of \$100K+ said their opinion of Liberty had decreased over the previous year.

Overall Change in Satisfaction



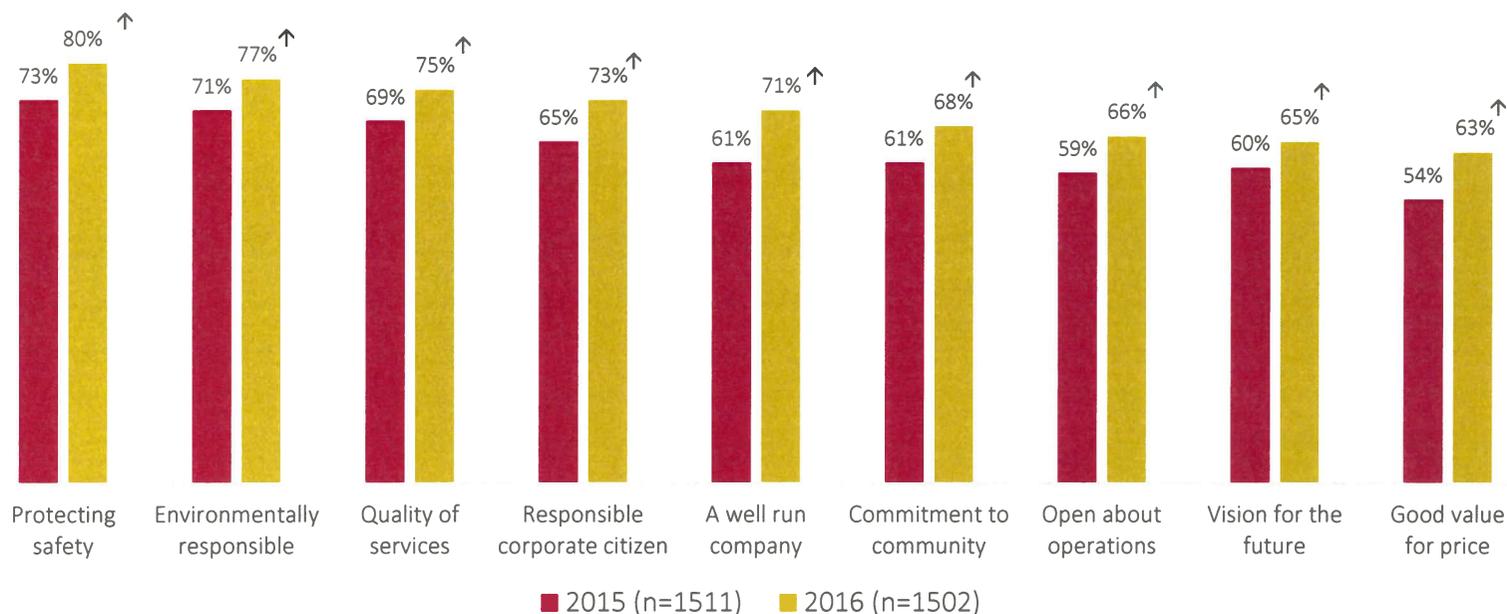
■ Increased
 ■ Remained the same
 ■ Decreased
 ■ No opinion

COMPANY EVALUATIONS



- Across all nine company evaluations, satisfaction with Liberty increased this year, with the largest increases for Liberty being a well run company (+10%) and being a good value for the price (+9%).
- While satisfaction levels were higher across all demographic subgroups, they generally increased most among customers 65 and older (already a strong group for Liberty) and those with annual household incomes between \$50K and \$100K.

Company Evaluation (Excellent/Good)



↑/↓

Indicates score is significantly higher/lower than previous year

Note Q5

Where applicable, all scores shown with N/A excluded from the base
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:
(excluding Not Applicable/No Experience)



CUSTOMER SERVICE

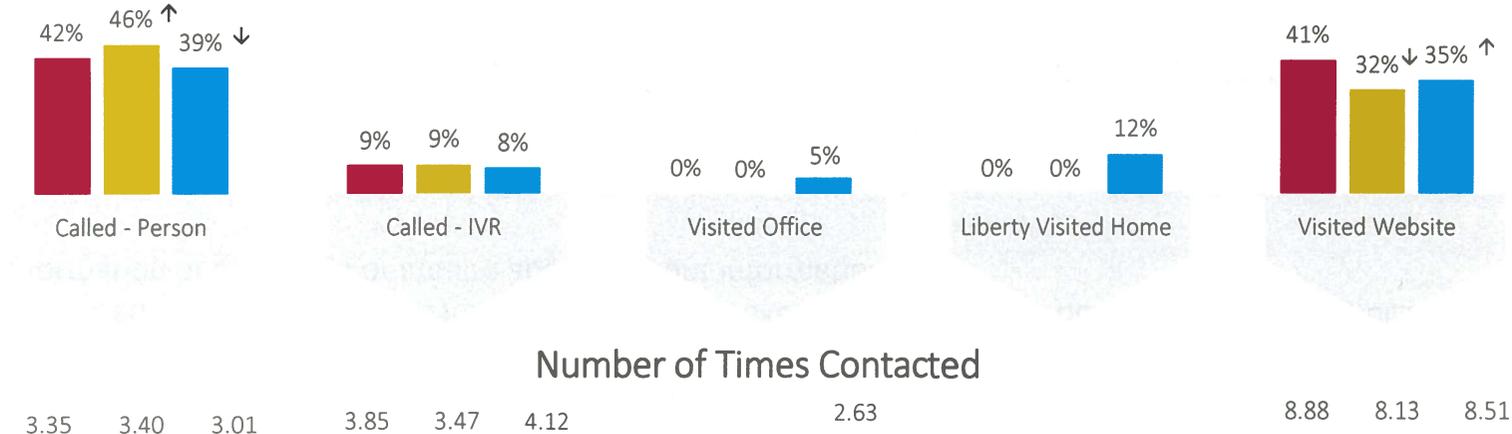
CUSTOMER SERVICE



- *Nearly two-thirds of customers (63%) contacted Liberty in the past year*, the same percentage as in 2015.
- Slightly fewer called and spoke with a live person, while slightly more used the website compared with last year.
- Three-quarters (77%) of customers younger than 45 contacted customer service, while only 49% of customers 65 and older did.

Contacted Customer Service By...

2014 (n=1500) 2015(n=1511) 2016 (n=1502)



↑/↓ Indicates score is significantly higher/lower than previous year
 Q6z Which of the following have you done in the past year? Please select all that apply.
 Q6x When you called Liberty Utilities in the past year, did you...?
 Q6a To the best of your recollection, how many times have you done each of the following within the last year?

REASONS FOR CONTACTING CUSTOMER SERVICE



- Customers were most likely to contact Liberty and speak with a live person to obtain customer service in *general*, while slightly fewer did so in order to obtain billing information.
- Compared with 2015, fewer customers called and spoke with a live person because they needed billing information or to change or inquire about account information.

	2014	2015	2016
Called – Person	n=603	n=650	n=494
For customer service	56%	58%	56%
To pay a bill	33%	32%	33%
Needed billing information	N/A	59%	46%↓
Change or inquire about account information	N/A	33%	28%↓
Start or stop service	N/A	27%	29%
Needed company information	N/A	9%	8%
To report an emergency	6%	7%	10%
Outage information	N/A	5%	4%
Energy saving information	N/A	4%	6%
Alternative energy	N/A	2%	2%

REASONS FOR CONTACTING CUSTOMER SERVICE



- *Customers most often used IVR to pay a bill, for customer service in general or to obtain billing information.*
- The percentage who used IVR in order to pay a bill increased this year.

	2014	2015	2016
Called – IVR	n=130	n=128	n=107
For customer service	42%	45%	48%
To pay a bill	44%	45%	57% ↑
Needed billing information	N/A	48%	46%
Change or inquire about account information	N/A	20%	18%
Start or stop service	N/A	16%	17%
Needed company information	N/A	8%	8%
Outage information	N/A	9%	8%
To report an emergency	7%	3%	8%
To report an emergency	7%	3%	8%
Energy saving information	N/A	3%	5%
Alternative energy	N/A	2%	6%

REASONS FOR CONTACTING CUSTOMER SERVICE



- *Only 5% this year contacted Liberty by visiting an office.* They most commonly visited an office in order to pay a bill, to obtain customer service in general or to obtain billing information.

	2016
Visited Office	n=60
To pay a bill	50%
For customer service	33%
Needed billing information	30%
Start or stop service	15%
Change or inquire about account information	12%
Needed company information	7%
Energy saving information	5%
Outage information	5%
Alternative energy	3%
To report an emergency	2%

REASONS FOR CONTACTING CUSTOMER SERVICE



- *Paying a bill was the top reason customers used the website*, and half used the site because they needed billing information.
- Compared with 2015, fewer customers used the website for customer service in general, to obtain company information or to change or inquire about account information.

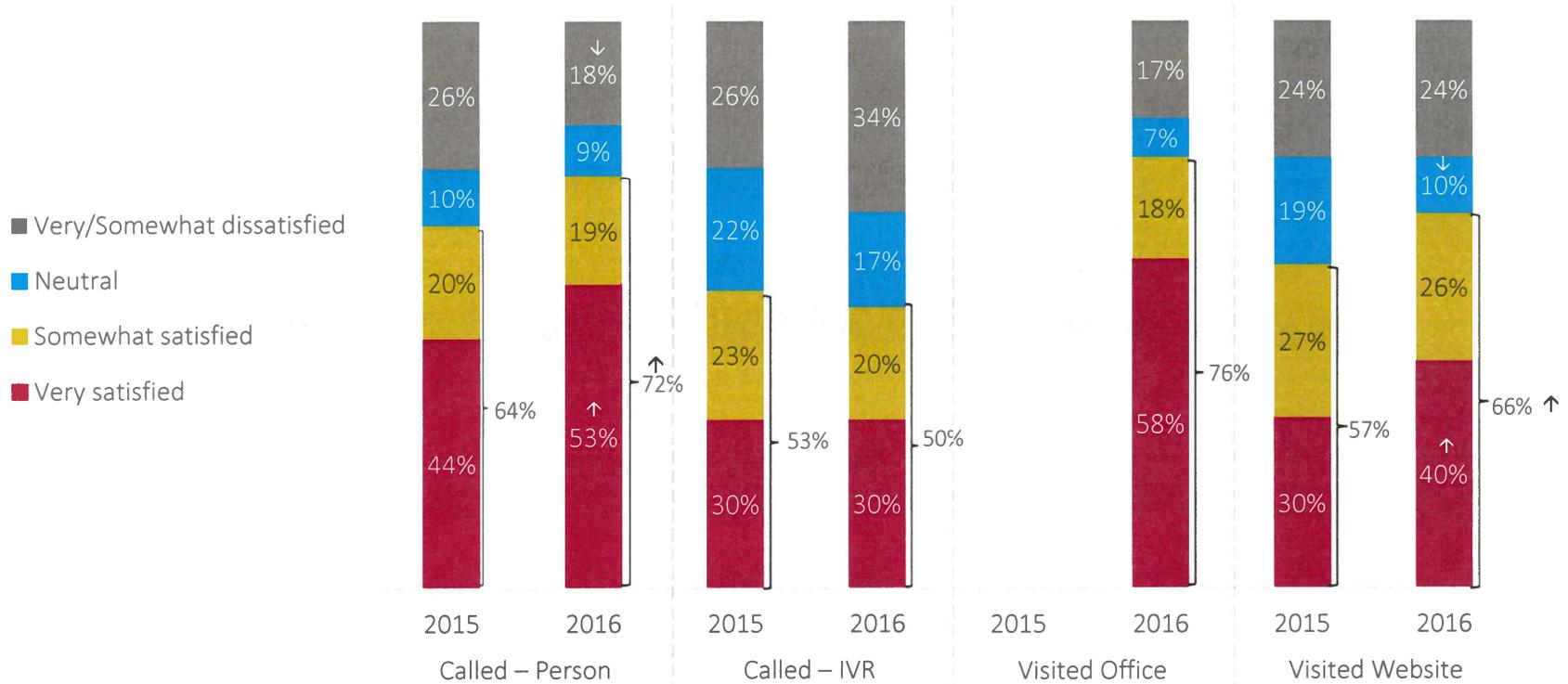
	2014	2015	2016
Visited Website	n=555	n=433	n=447
To pay a bill	72%	62% ↓	67%
For customer service	17%	25% ↑	19% ↓
To report an emergency	1%	3%	3%
Needed billing information	N/A	56%	51%
Needed company information	N/A	26%	19% ↓
Start or stop service	N/A	11%	10%
Change or inquire about account information	N/A	25%	17% ↓
Energy saving information	N/A	19%	15%
Outage information	N/A	8%	5%
Alternative energy	N/A	8%	5%

SATISFACTION WITH CONTACT METHOD



- Customers were most satisfied when they called and spoke with a live person or visited an office. Satisfaction also jumped this year among customers who used the website. Satisfaction remains lowest among customers who used IVR.

Satisfaction with Each Contact Method

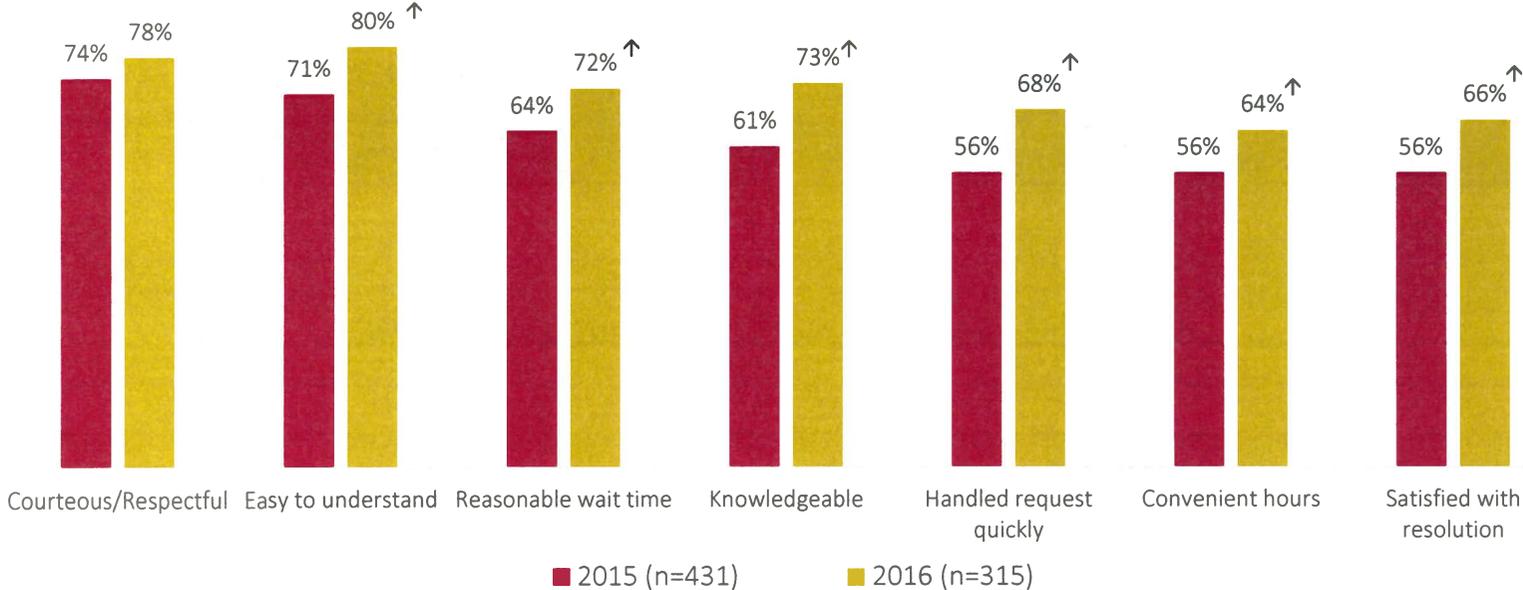


SATISFACTION WITH CUSTOMER SERVICE



- *Satisfaction increased this year on six of the seven customer service metrics.* Satisfaction remained highest for representatives being courteous and respectful and being easy to understand.

Satisfaction (Strongly/Somewhat Agree)



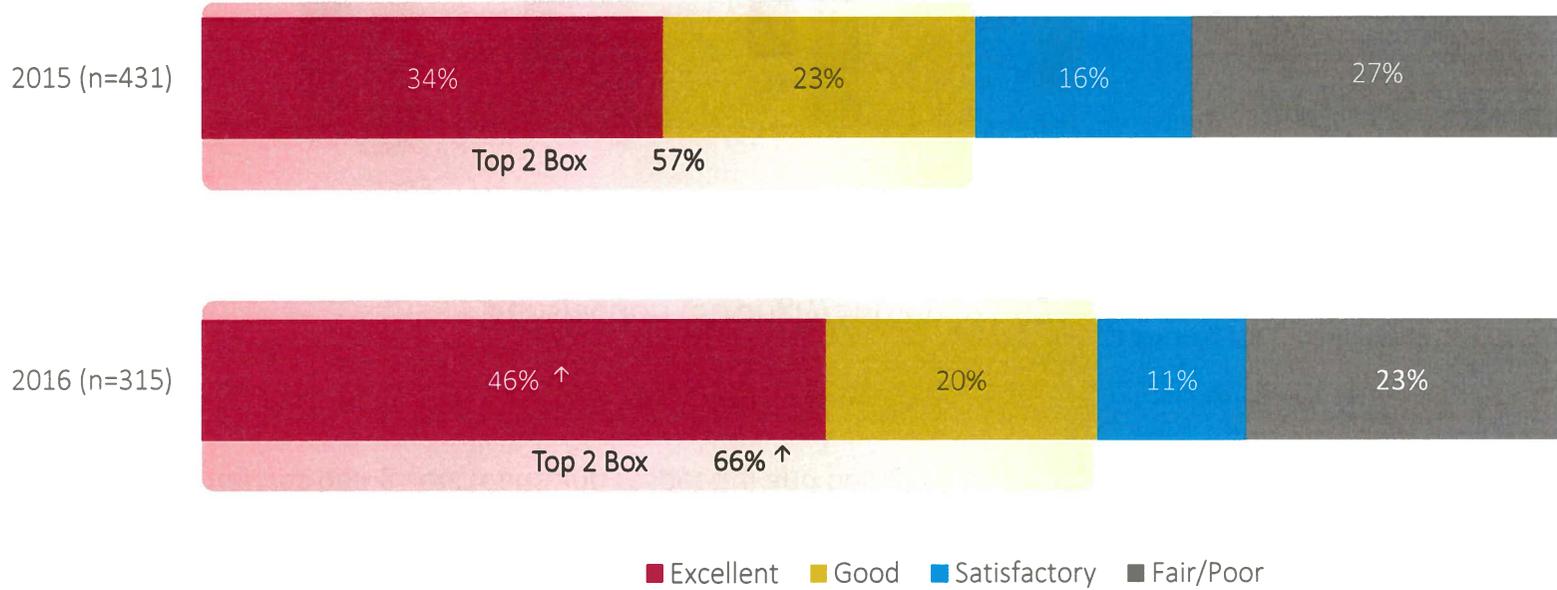
↑/↓ Indicates score is significantly higher/lower than previous year
 Q7 Using a 5-point scale where 5 is Strongly Agree and 1 is Strongly Disagree, please tell me how much you agree or disagree with each of the following statements about Liberty Utilities' customer service. If you have called more than once within the last year, please think only about your last contact with Liberty Utilities.

RATING OF OVERALL CUSTOMER SERVICE EXPERIENCE



- Overall satisfaction with Liberty's customer service experience jumped nine percentage points this year, to 66%. The percentage who were very satisfied increased by 12 points.

Overall Satisfaction with Customer Service Experience



↑/↓
Q8 Indicates score is significantly higher/lower than previous year
Overall, how would you rate your experience with the customer service you received on a 5-point scale where 5 means 'Excellent' and 1 means poor.



CUSTOMER BILLING

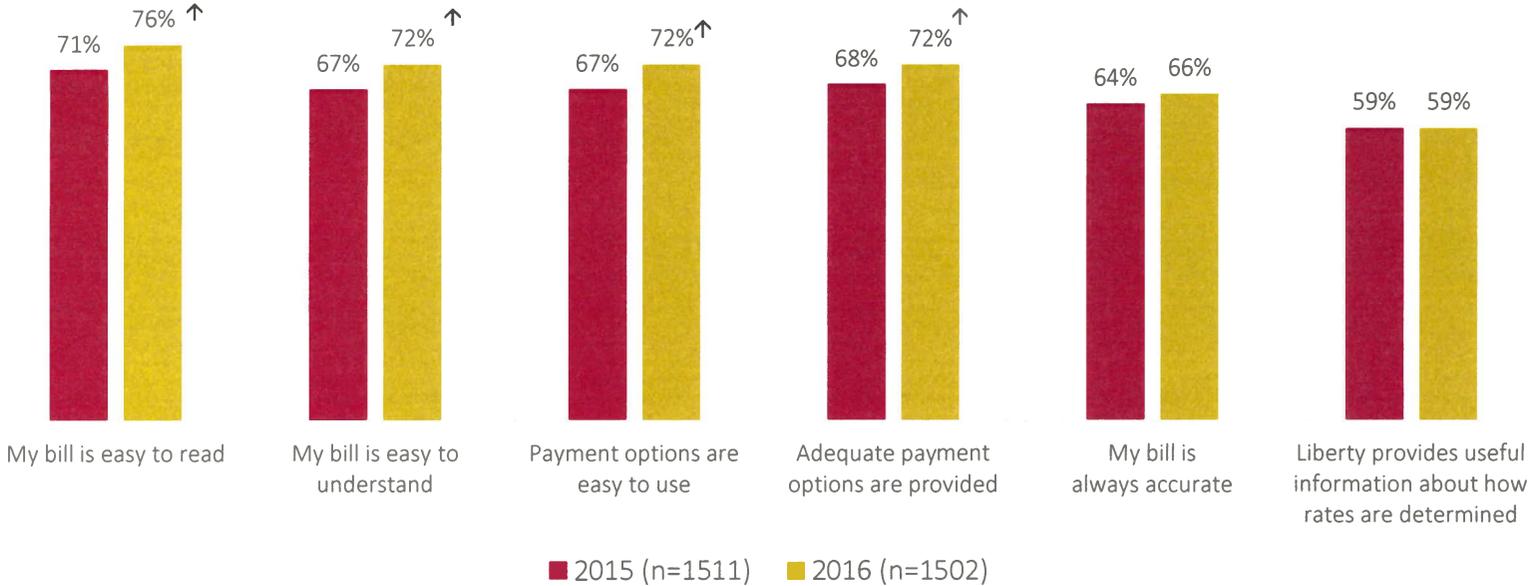
Customer Billing - 2019

SATISFACTION WITH CUSTOMER BILLING



- Customer satisfaction increased on four of the six billing-related metrics this year.
- Satisfaction remained lowest for Liberty providing useful information about how rates are determined, a common weakness in most Liberty markets. Satisfaction with bill accuracy has also not budged.

Satisfaction (Strongly/Somewhat Agree)



↑/↓ Q9 Indicates score is significantly higher/lower than 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.



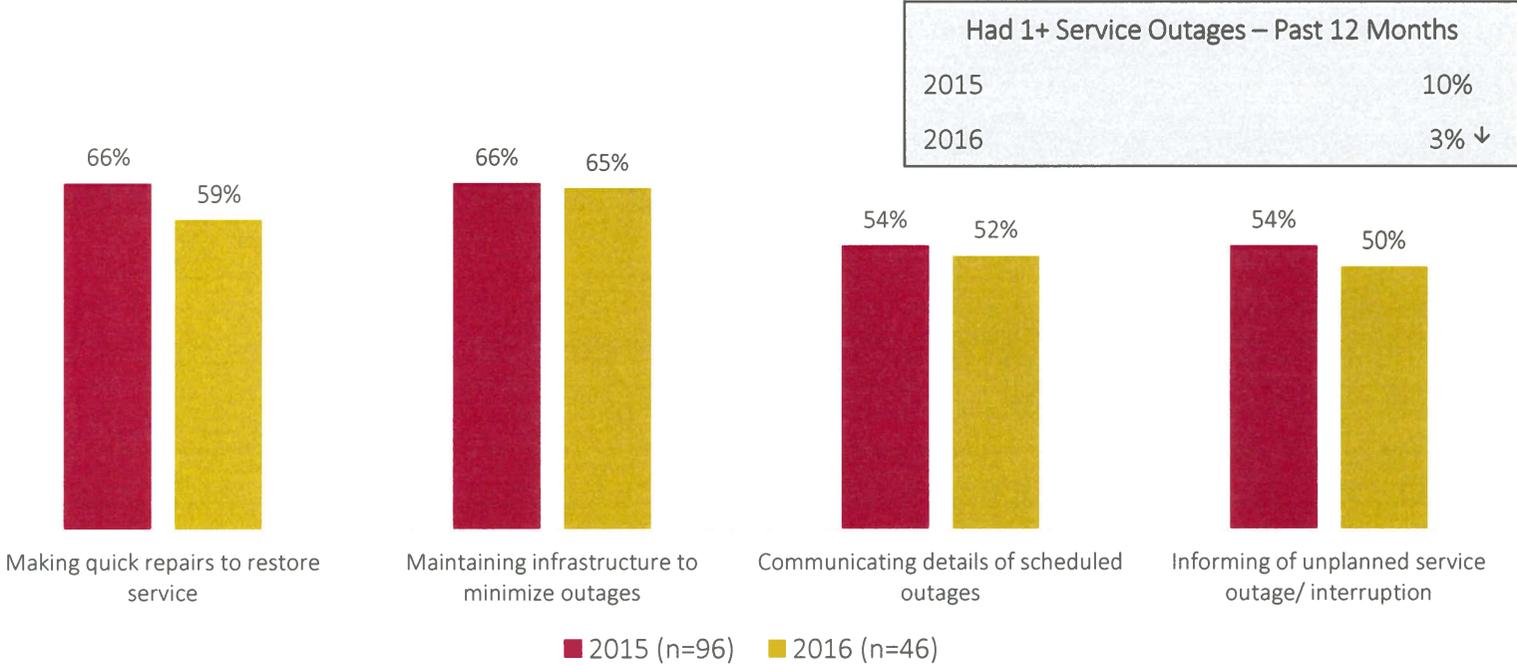
SERVICE OUTAGES

SERVICE OUTAGES

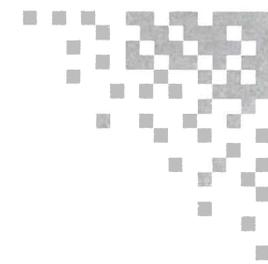


- *Only 3% of customers experienced a service outage in the past year*, compared with 10% in 2015. The question this year was strengthened to emphasize that the outage should not be related to bill non-payment.
- Satisfaction levels among customers who experienced an outage were in most cases very close to those from 2015.

Service Outage Evaluation (Excellent/Good)



↑/↓ Indicates score is significantly higher/lower than previous year
 Q10b Have you experienced a service outage in the past year?
 Q10 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".



COMMUNICATION

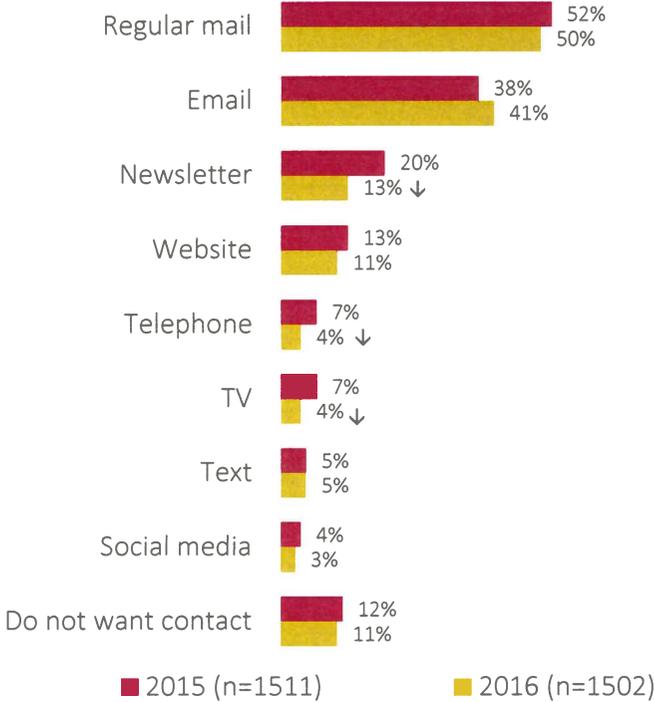


PREFERRED CHANNELS, TYPES OF INFO

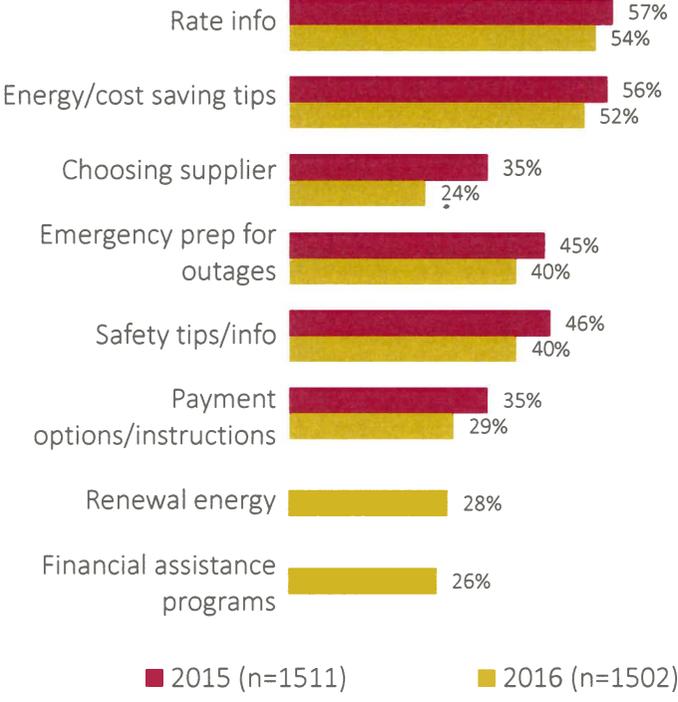


- *Regular mail continued to be the preferred channel to receive information from Liberty overall, although the gap with email continued to narrow. Customers younger than 45 were evenly split between a preference for regular mail and email, while older customers preferred regular mail.*
- *Customers most preferred to receive information from Liberty about rates and cost saving tips.*

Preferred Channels



Preferred Types of Info



↑/↓ Indicates score is significantly higher/lower than 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 preferred to receive information from Liberty via regular mail, although the gap with email was narrowest for rate information.

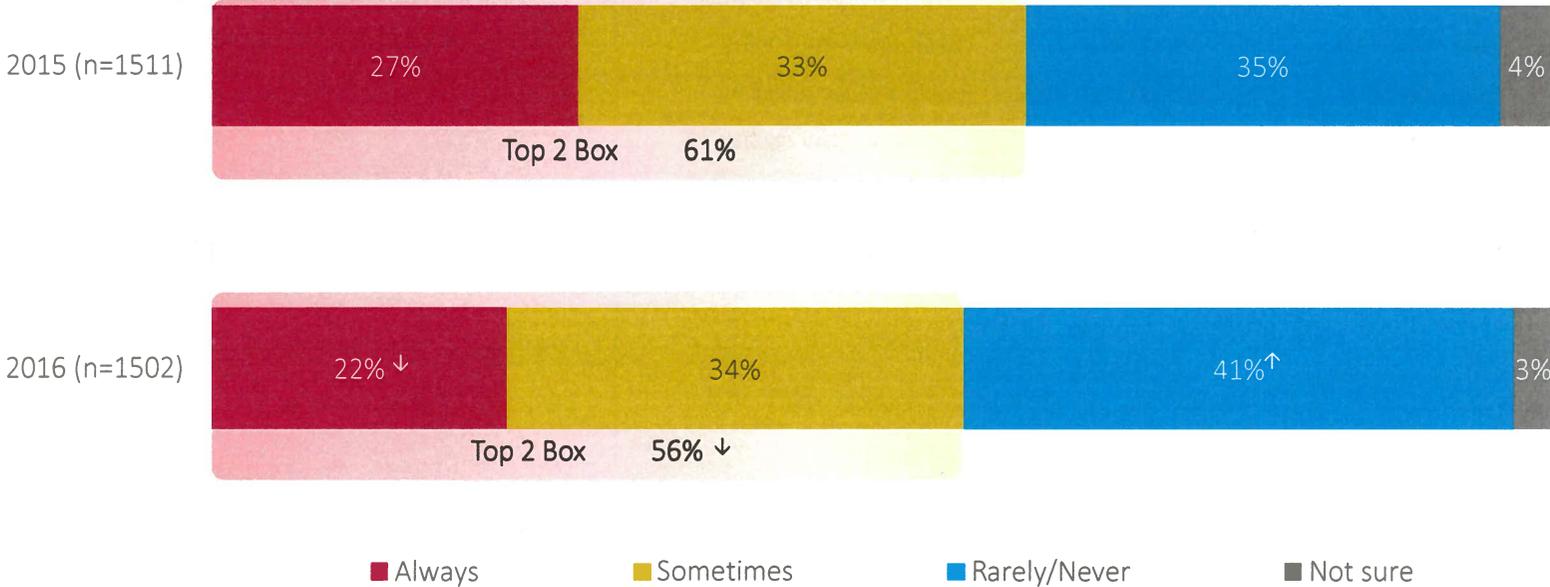
Preferred Way to Receive Each Type of Information	First Choice n=varies	Second Choice n=varies	Third Choice n=varies
Rate Information	Regular mail/letter (45%)	Email (38%)	Newsletter (12%)
Energy saving tips/cost saving tips	Regular mail/letter (44%)	Email (33%)	Newsletter (17%)
Payment options/how to pay bill online	Regular mail/letter (53%)	Email (30%)	Newsletter (10%)
Safety tips and information	Regular mail/letter (45%)	Email (32%)	Newsletter (16%)
Emergency preparedness for gas outages	Regular mail/letter (43%)	Email (33%)	Newsletter (14%)
Financial assistance programs for qualified customers	Regular mail/letter (58%)	Email (24%)	Newsletter (12%)

BILLING INSERTS



- The percentage of customers reading billing inserts declined slightly this year.
- Readership increases from 39% among customers younger than 45, to 69% among customers 65 and older.

Read Informational Inserts in Bill



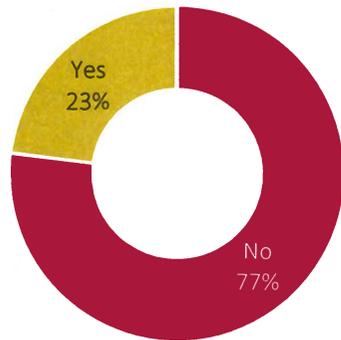
↑/↓ Indicates score is significantly higher/lower than previous year
 Q11 Liberty Utilities inserts informational newsletters into their customers' monthly bill. How often do you read the informational inserts included in your bill?

WEBSITE VISITATION

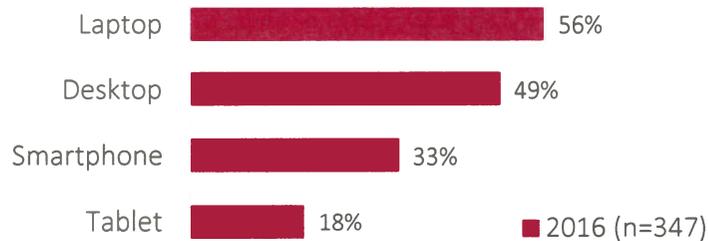


Nearly one-quarter of Liberty customers have used the website since April, most commonly via a laptop or desktop computer. Customers were most likely to visit the website to make a payment or view current or past bills.

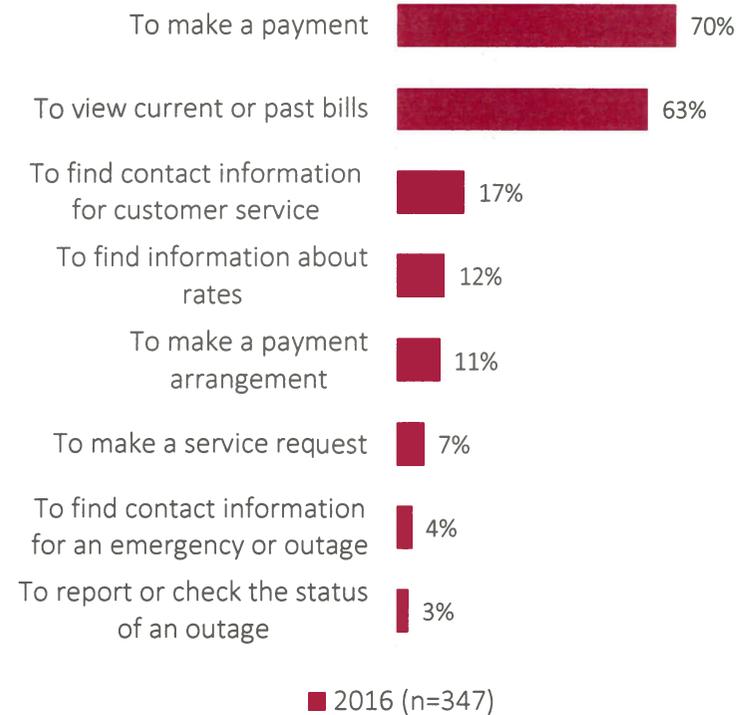
Visited Website Since April



Devices Used to Visit



Reason for Visiting Website

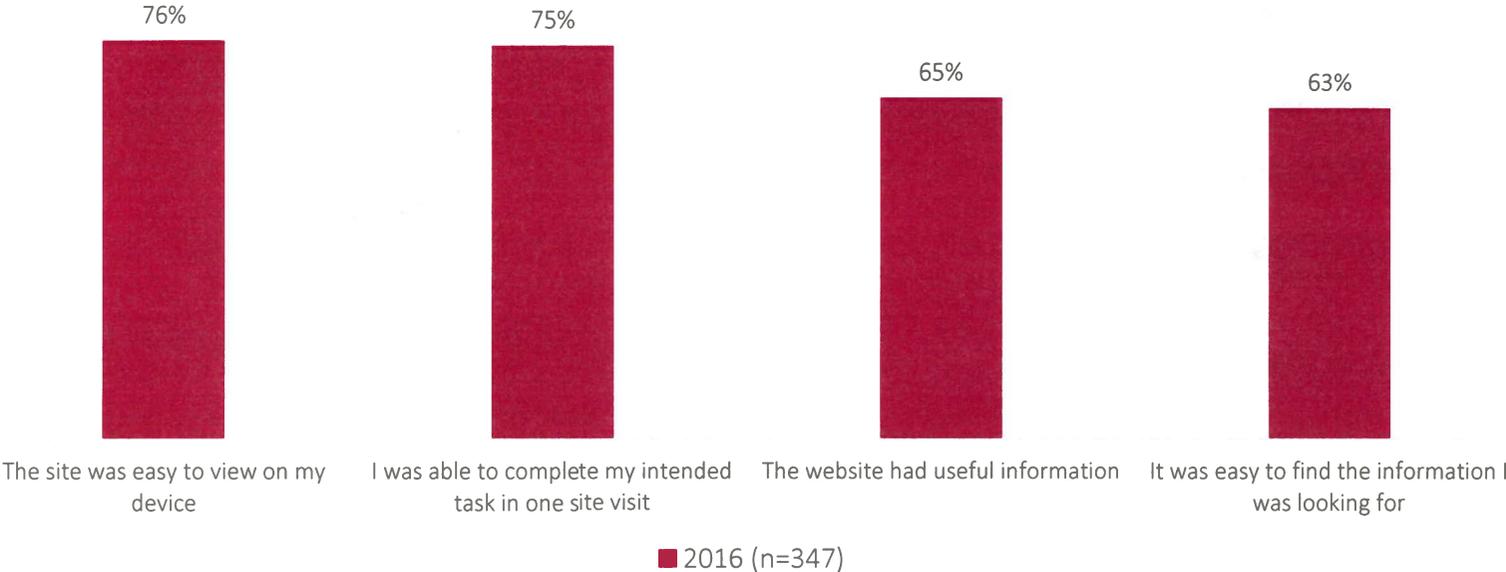


SATISFACTION WITH WEBSITE



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)

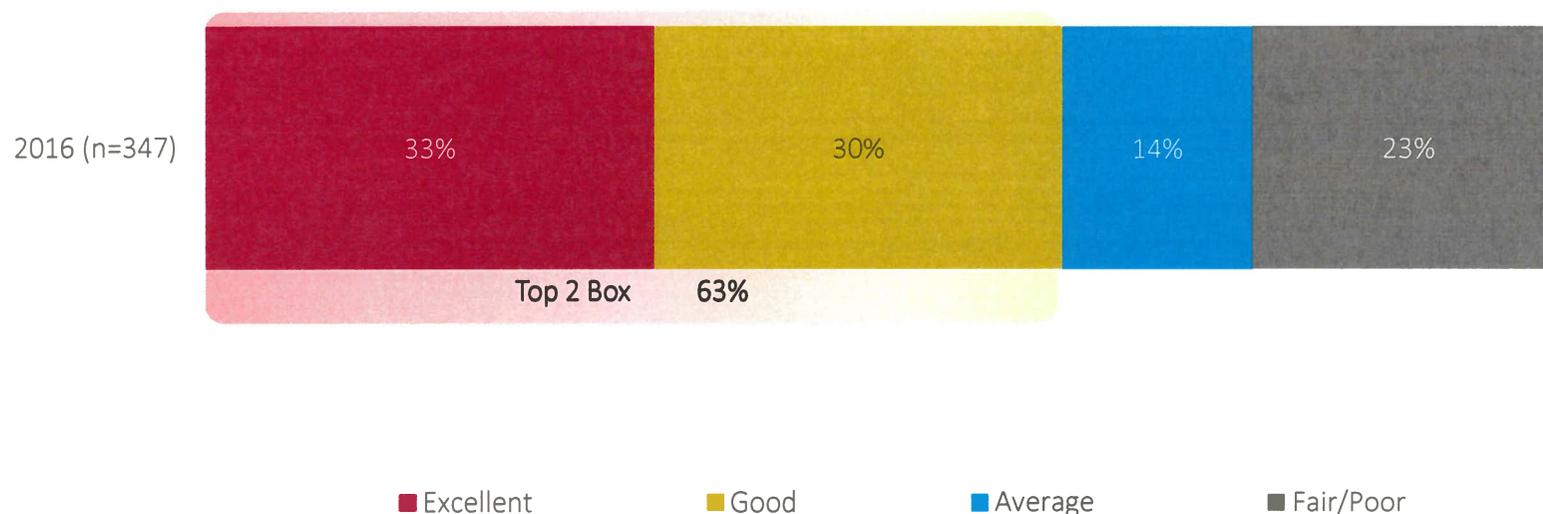


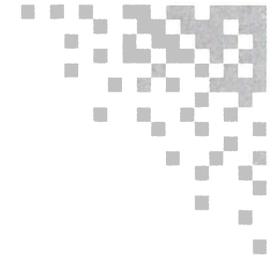
SATISFACTION WITH WEBSITE



Nearly two-thirds of customers who visited the site since April were very or somewhat satisfied with it, including 33% who were very satisfied.

Satisfaction with Website Experience





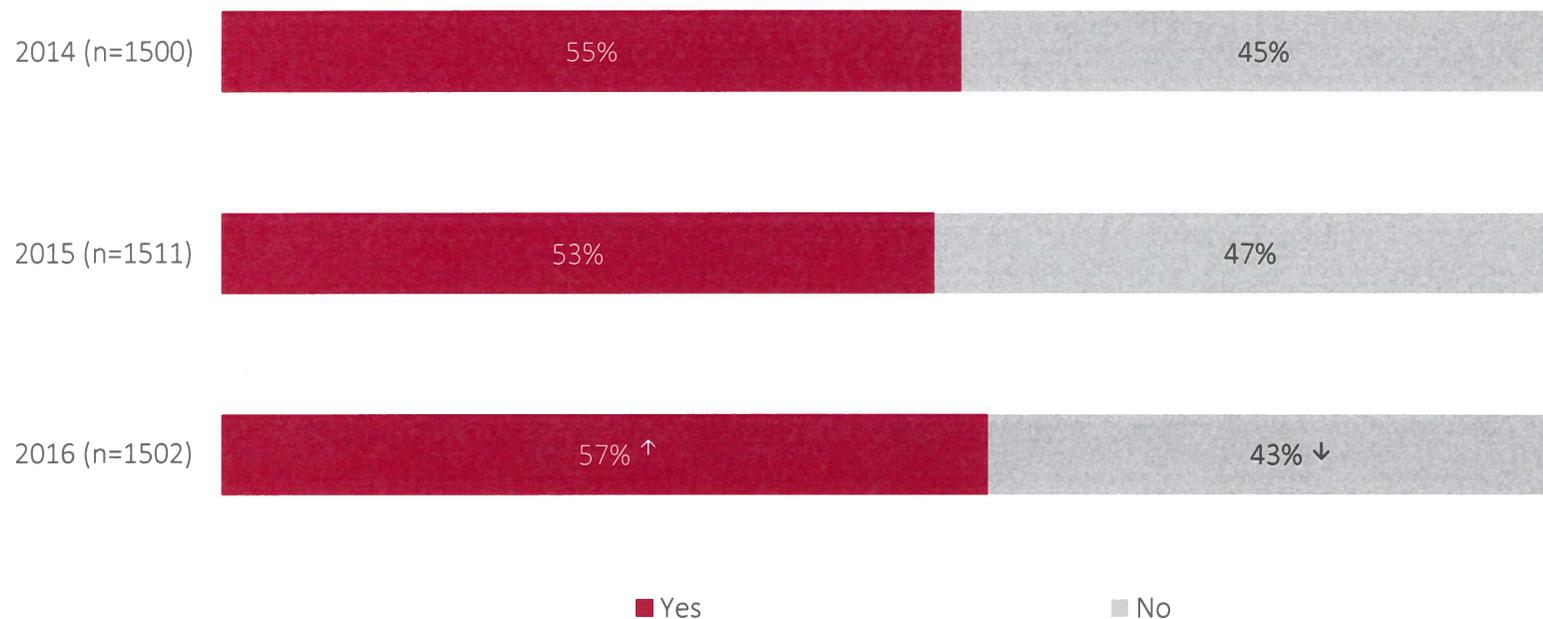
AWARENESS OF ENERGY EFFICIENCY PROGRAMS

AWARENESS OF ENERGY EFFICIENCY PROGRAMS



- Awareness of energy efficiency programs increased slightly in 2016, to 57%.
- Awareness does increase from 49% among customers younger than 45, to 63% among customers 65 and older.

Awareness of Energy Efficiency Programs

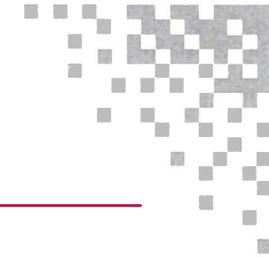




APPENDIX



KEY DRIVER ANALYSIS OF SATISFACTION WITH LIBERTY UTILITIES



Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.858 ^a	.736	.732	.586

	Unstandardized Coefficients		d Coefficients	t	Significance Level	% of Sig Beta Weights
	B	Std. Error	Beta			
(Constant)	.097	.136		.715	.475	
Q2r1: Accuracy of bill/statement	.195	.028	.217	6.878	.000	21%
Q2r2: Company website	.000	.026	.000	.008	.993	
Q2r3: Providing safe gas services	.042	.041	.032	1.025	.306	
Q2r4: Providing reliable gas services	.161	.043	.124	3.735	.000	12%
Q2r5: Encouraging gas conservation -	.057	.032	.054	1.792	.074	
Q2r6: Price	.117	.029	.124	4.070	.000	12%
Q2r7: Communications	.183	.037	.199	4.979	.000	19%
Q2r8: Customer service	.181	.033	.202	5.567	.000	20%
Q2r9: Payment options	.140	.026	.166	5.287	.000	16%
Q2r10: Community presence	-.087	.033	-.083	-2.631	.009	

NOTE: Variables which positively effect satisfaction and are significant at the 95% level are highlighted

RESPONDENT PROFILE



	2015	2016
	n=1511	n=1502
Gender		
Male	48%	47%
Female	52%	53%
Age		
18-24 years	2%	3%
25-34 years	14%	13%
35-44 years	13%	14%
45-54 years	17%	18%
55-64 years	21%	21%
65+ years	34%	31%
Household Income		
Under \$25,000	13%	12%
\$25,000-\$49,999	19%	19%
\$50,000-\$74,999	14%	16%
\$75,000-\$99,999	11%	13%
\$100,000-\$149,999	9%	10%
\$150,000+	5%	4%
Prefer not to say	29%	25% ↓

RESPONDENT PROFILE



	2015	2016
	n=1511	n=1502
Ethnicity		
White/Caucasian	81%	83%
Asian/Pacific Islander	2%	2%
Hispanic/Latino	3%	4%
Black/African American	1%	1%
Other	2%	3%
Prefer not to say	10%	7% ↓
Education Level		
Less than high school	2%	2%
High school/GED	19%	17%
Professional school/training	4%	4%
Some college	14%	18% ↑
Associate's degree	10%	10%
Bachelor's degree	21%	22%
Some graduate school	6%	6%
Graduate school degree	16%	16%
Prefer not to say	9%	5% ↓

RESPONDENT PROFILE



	2015	2016
	n=1511	n=1502
Children in Household		
Under 18 years of age	24%	27%
Home Status		
Rent	35%	36%
Own	64%	63%
Home Type		
Single family	59%	59%
Multi-family/Apartment	36%	35%
Other/Don't know	5%	6%
Years in Current Residence		
0-5 years	41%	48% ↑
6-10 years	12%	12%
11-20 years	22%	19% ↓
20+ years	26%	21% ↓

RESPONDENT PROFILE



	2015	2016
	n=1511	n=1502
Main Heat Source for Home		
Natural Gas	90%	92%
Oil	4%	3%
Propane gas	1%	1%
Electric	3%	3%
Other	2%	1%
Natural Gas Appliances Used in Home/Apartment		
Water heating	N/A	71%
Cooking	N/A	50%
Space heating	N/A	37%
Clothes dryer	N/A	24%
Fireplace	N/A	14%
Clothes washer	N/A	9%
Barbecue grill	N/A	5%
Pool heating	N/A	2%

FOR FOLLOW-UP QUESTIONS, PLEASE CONTACT:



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