

Customer Satisfaction Survey
December 2002



Customer Research

Fourth Quarter 2002 Results



Customer Satisfaction Index

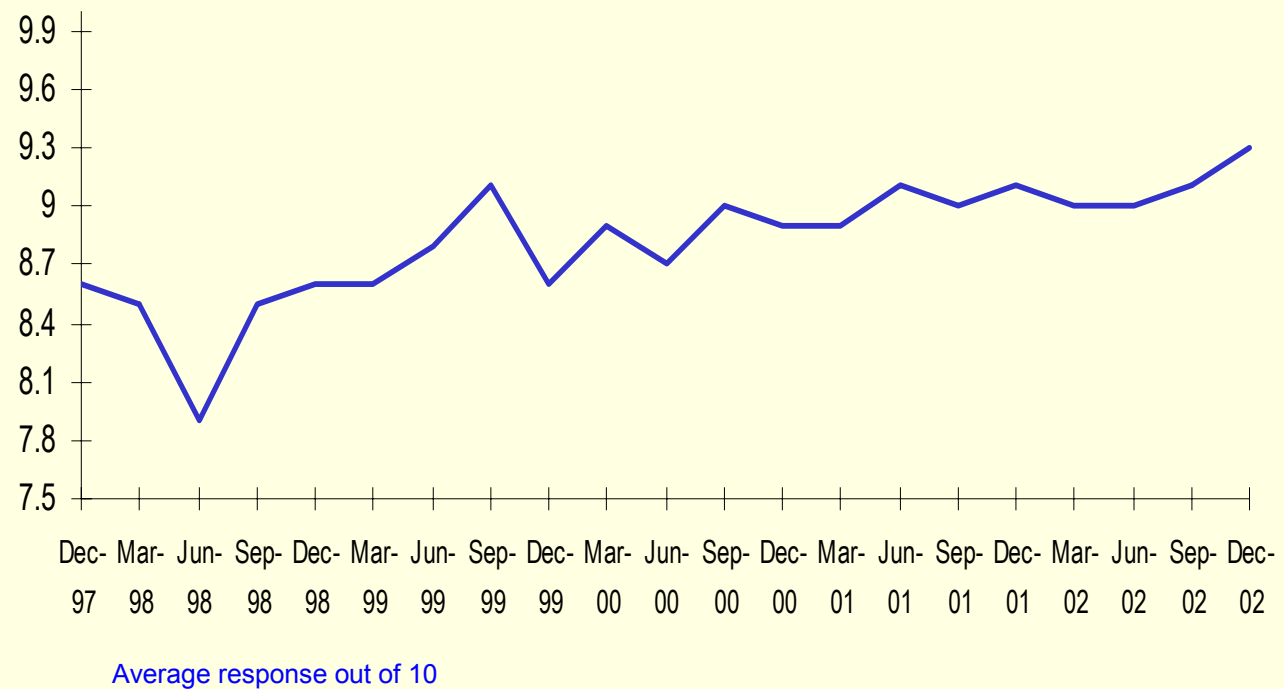
	Index Proportion	Residential Satisfaction Level	Commercial Satisfaction Level	Index Subtotal	Percentage of customers who use the service
Call Centre Service	40%	9.1	9.2	3.6	16.0%
Field Service	20%	10.0	9.6	2.0	18.1%
Cashier Service	20%	9.4	9.4	1.9	18.7%
General Satisfaction	20%	8.8	9.0	1.8	
Customer Satisfaction Index:				9.3	
In-office Service				8.3	0.6%

Notes:

1. Residential customers account for 90% of total customers.
2. The index has been calculated using results taken from the Customer Satisfaction research collected and analyzed in December 2002.
3. Satisfaction levels for the Call Centre, Field, and Cashier Services are for customers who availed of these services within the last six months.
4. The satisfaction levels are based on a scale of 1 to 10 where 1 is 'Not at all satisfied' and 10 is 'Extremely Satisfied'.
5. Field Service usage figure is based on those who spoke to the meter reader, or were visited by other personnel.

Customer Satisfaction Index

The overall index result this quarter (9.3) is the highest recorded to date. Increases in satisfaction with call centre service by both residential and commercial customers, with field service by residential customers, and in general satisfaction by both residential and commercial customers, offset marginal decreases in commercial customers' satisfaction with cash services.

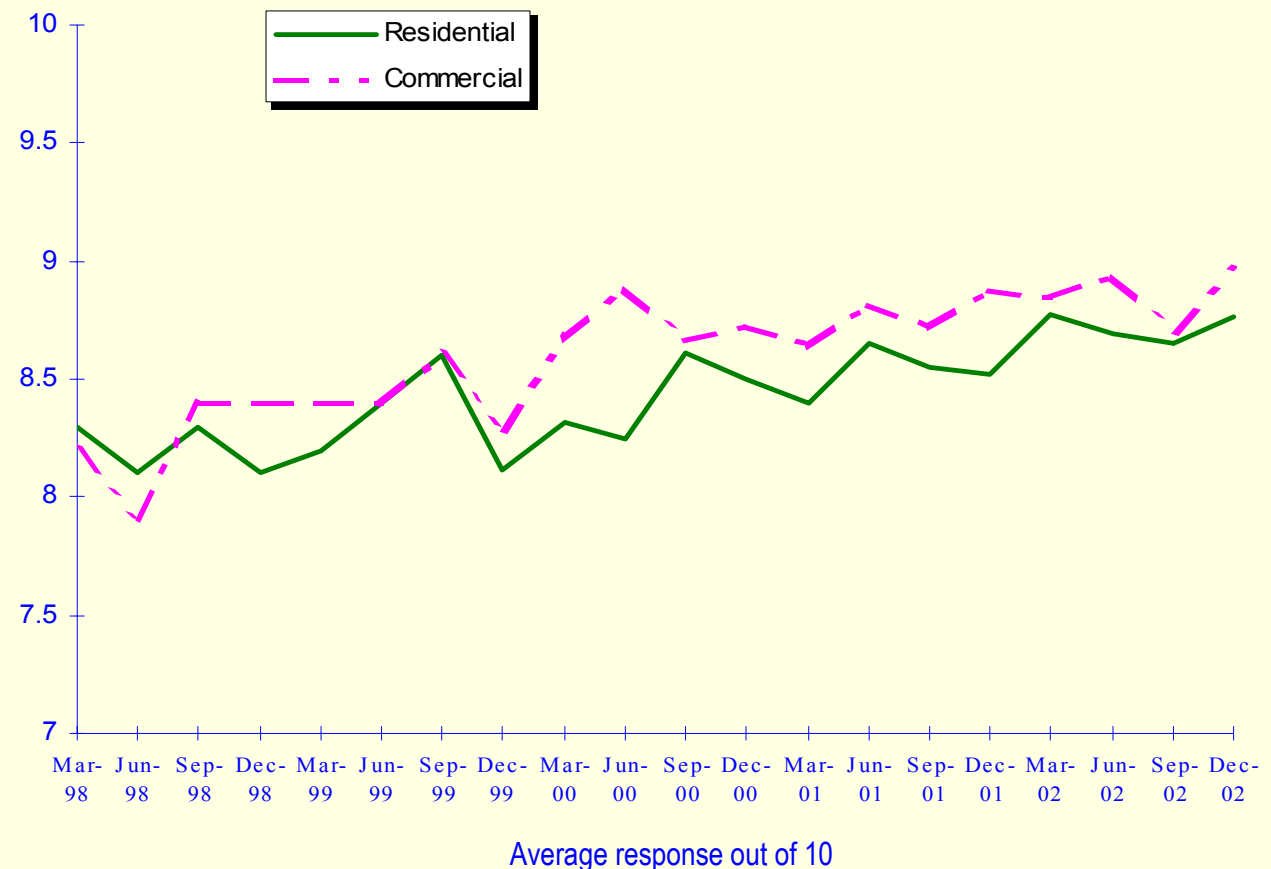


Overall Rating of Service



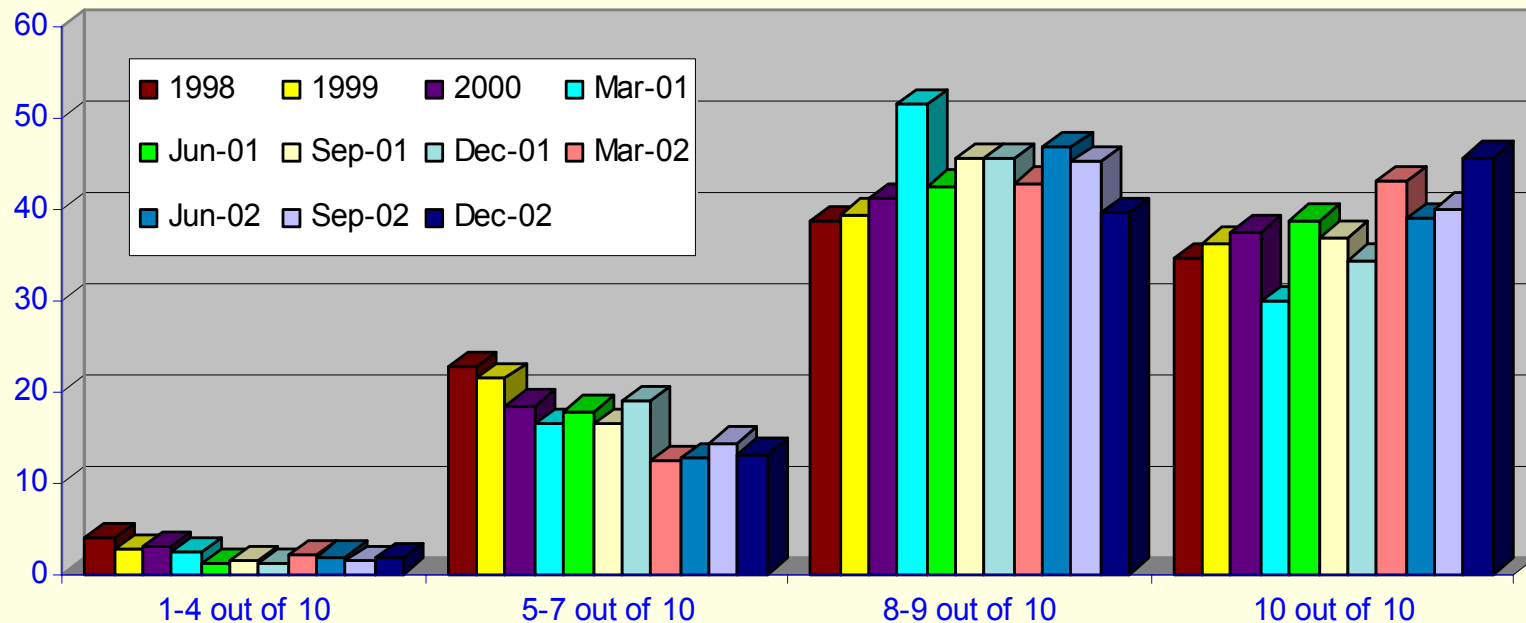
Satisfaction with Overall Service

- Satisfaction with overall service for residential customers was the second highest recorded to date, being marginally less than in March 2002.
- The satisfaction result for commercial customers was the highest recorded to date.
- Commercial customers' general satisfaction continues to track slightly higher than that of residential customers.



Satisfaction with Overall Service

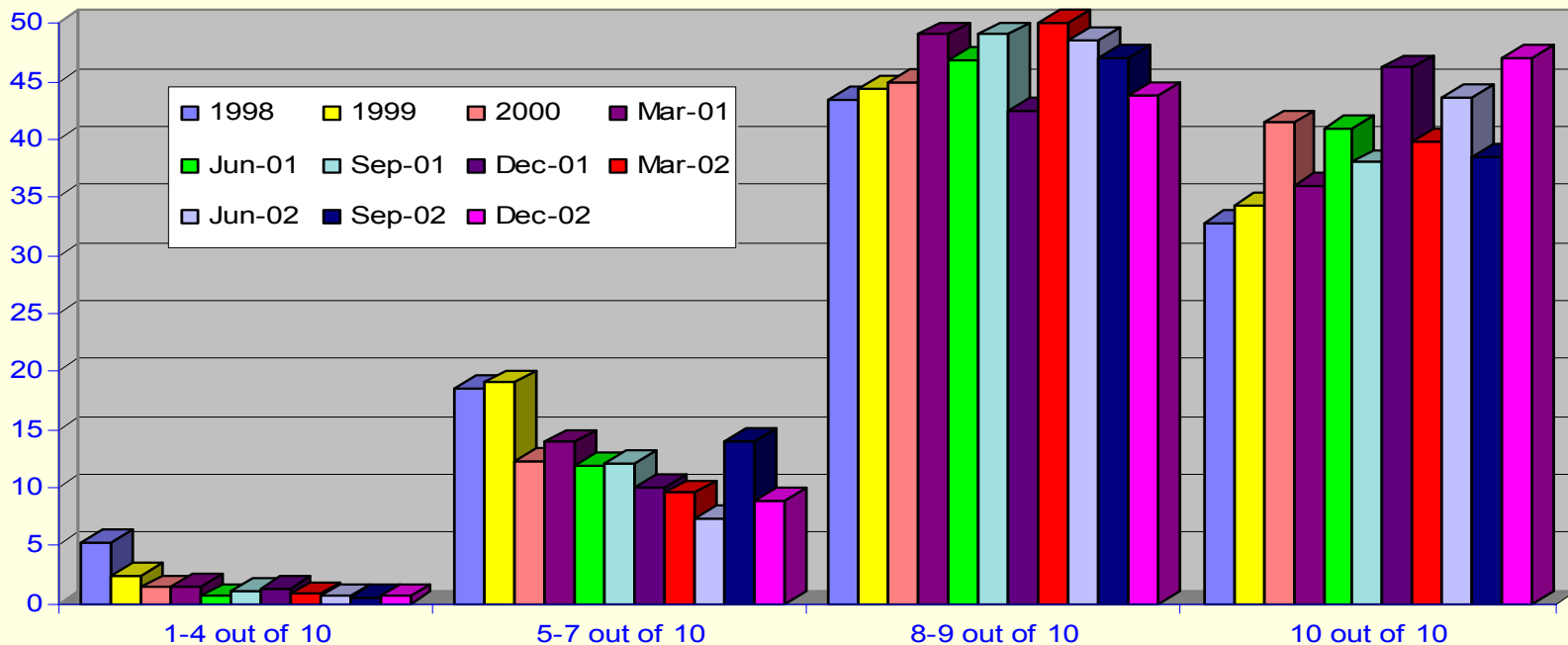
Residential Customers



- The percentage of residential customers who ranked our service ten out of ten is 45.6%, our highest ranking to date and an increase from 40.0% last quarter. December 2001's figure was 34.4%. The percentage ranking our service as 8 or 9 out of 10 declined from 45.2% in September to 39.6% in December. In comparison, in December 2001 the percentage providing rankings of 8 or 9 out of 10 was 45.5%. Overall, the percentage providing rankings from 8 to 10 was unchanged from September to December (at 85.2%).
- Only 1.6% of residential customers ranked our service between one and four.
- During recent surveys, the percentage of customers who ranked our service as 1 to 7 out of 10 has been between 15% and 20%.

Satisfaction with Overall Service

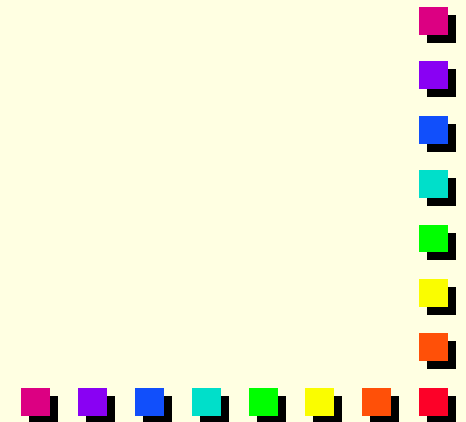
Commercial Customers



- This quarter, 47% of commercial customers ranked our service as ten out of ten, compared with 38% in September and 46% in December 2001. The total of those ranking 8,9, or 10 (90.8% in December 2002) is an increase from 85.5% in September. In this survey the percentage ranking our service as 10 out of 10 increased with a corresponding decrease in the percentage ranking service as 5-7 out of 10.
- The percentage of commercial customers that ranked our service as one to four out of ten remains very low, at 0.6%. In these results the percentage providing a ranking of 5-7 out of 10 decreased to 9%, down from 14% in September.



Telephone Service



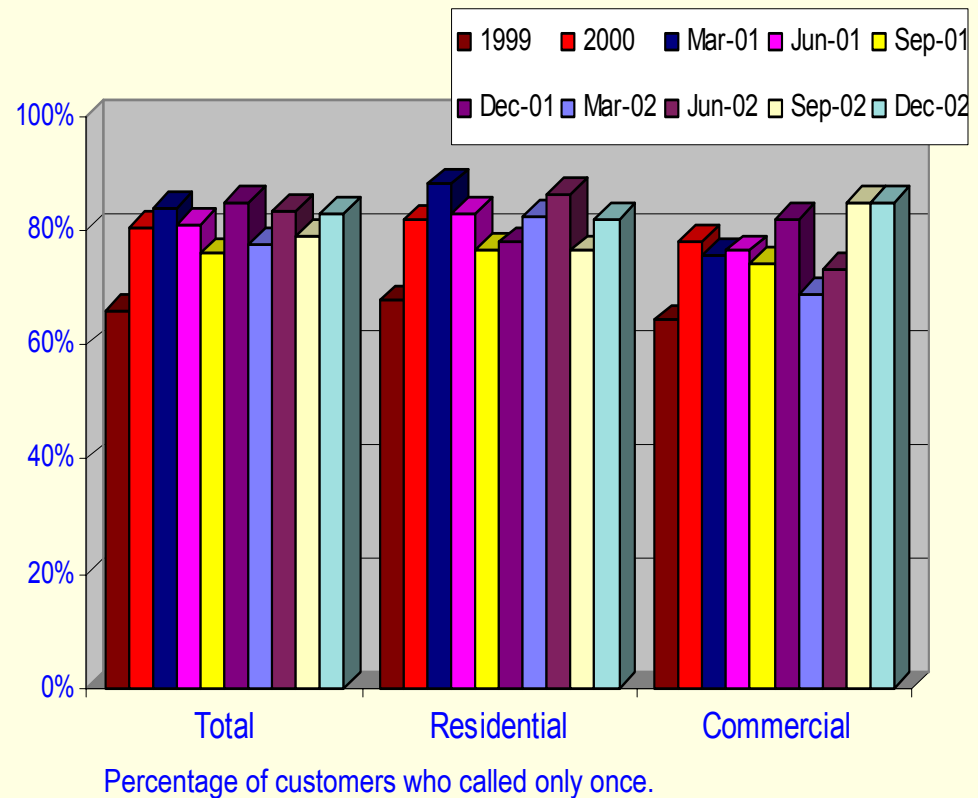
Main Reason for Calling

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Power Interruption	29.3%	57.1%	37.0%
Connect a New Service	17.4%	20.0%	18.1%
Payment Arrangements	17.4%	5.7%	14.2%
Balance on Account	9.8%	8.6%	9.4%
Name Change / Final Read	10.9%	2.9%	8.7%
Equal Payment Plan	8.7%	0.0%	6.3%

- Top six overall responses are shown. The above percentages are of customers who have called in the past six months.
- 17% of residential and 17.5% of commercial customers indicated they had called us in the past six months.
- 78% of residential customers indicated they had called to speak to a Customer Account Representative, 4% had called to obtain their account balance from the automated service, and 18% had called the trouble/emergency number. For commercial customers, 76% had phoned to speak to a representative, 7% the automated account balance service, and 17% the trouble/emergency number.

Percentage of Inquiries Resolved on the First Call

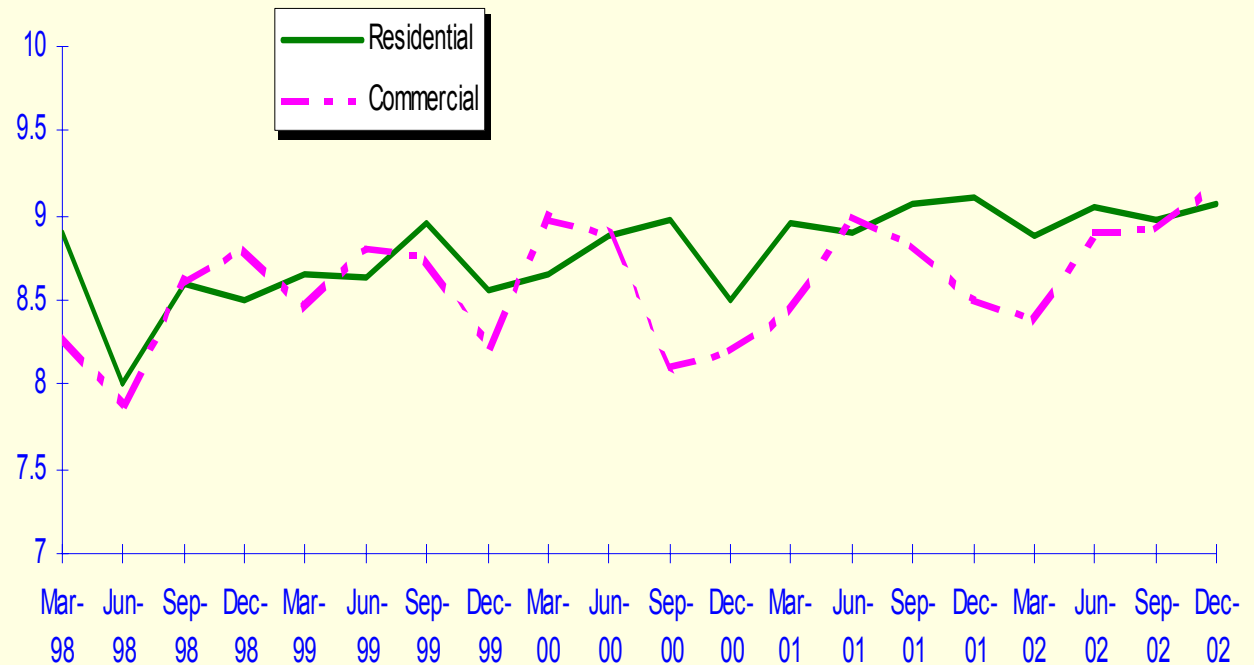
- 83% of customers who called in the past six months indicated their inquiry was handled on the first call; this is within the normal range of results.
- 22% of the customers who called more than once, or 3.6% of all callers, indicated they had called about the same issue twice.
- 31% of callers who called more than once indicated they called three times about the same issue and 28% called more than three times to have their issue resolved. These represented 5.2% and 4.7% of all callers.



- The above percentages relate only to customers who spoke to Customer Account Representatives; survey results for this question prior to June 2002 included customers who used our automated services.

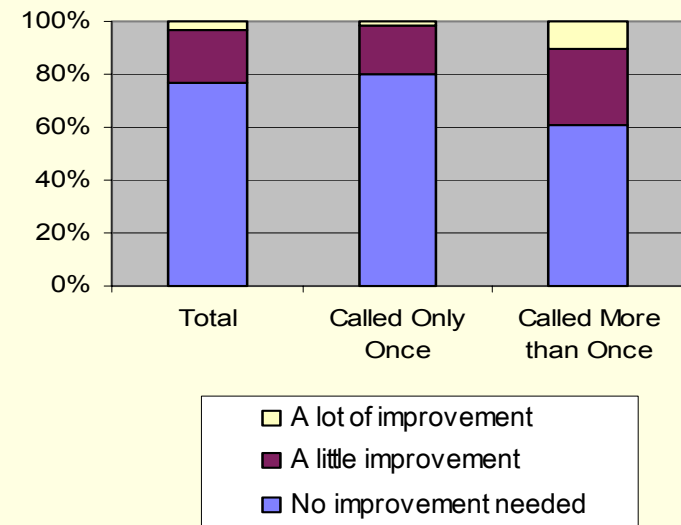
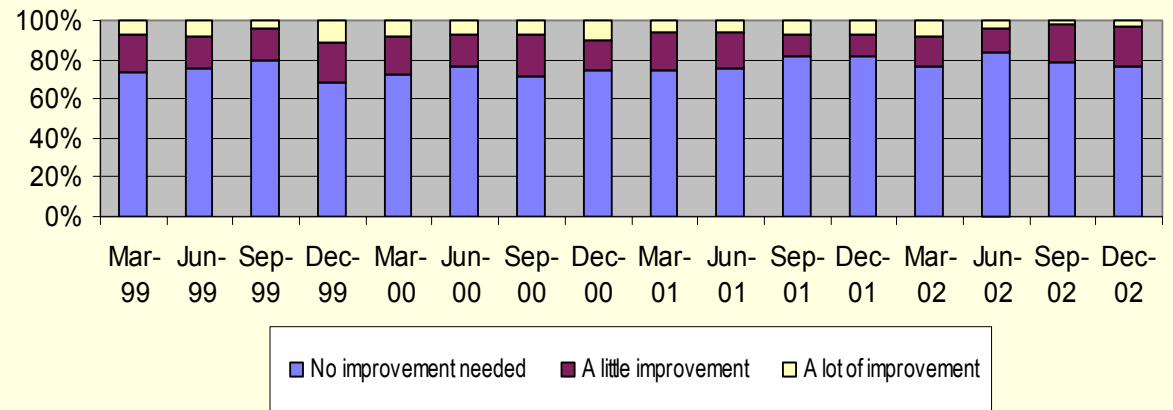
Satisfaction with Telephone Service

- Residential customers' ranking of our telephone service has been generally consistent over the period shown. It is presently 9.06 out of 10, a minor increase from last quarter.
- Commercial customers' rankings generally fluctuate between 8 and 9 out of 10. The ranking is presently 9.18, the highest ever.
- There was no significant difference in the rankings, for either residential or commercial customers, based on whether the customer had spoken to a representative or used either of the automated services.



Improvements in Telephone Service

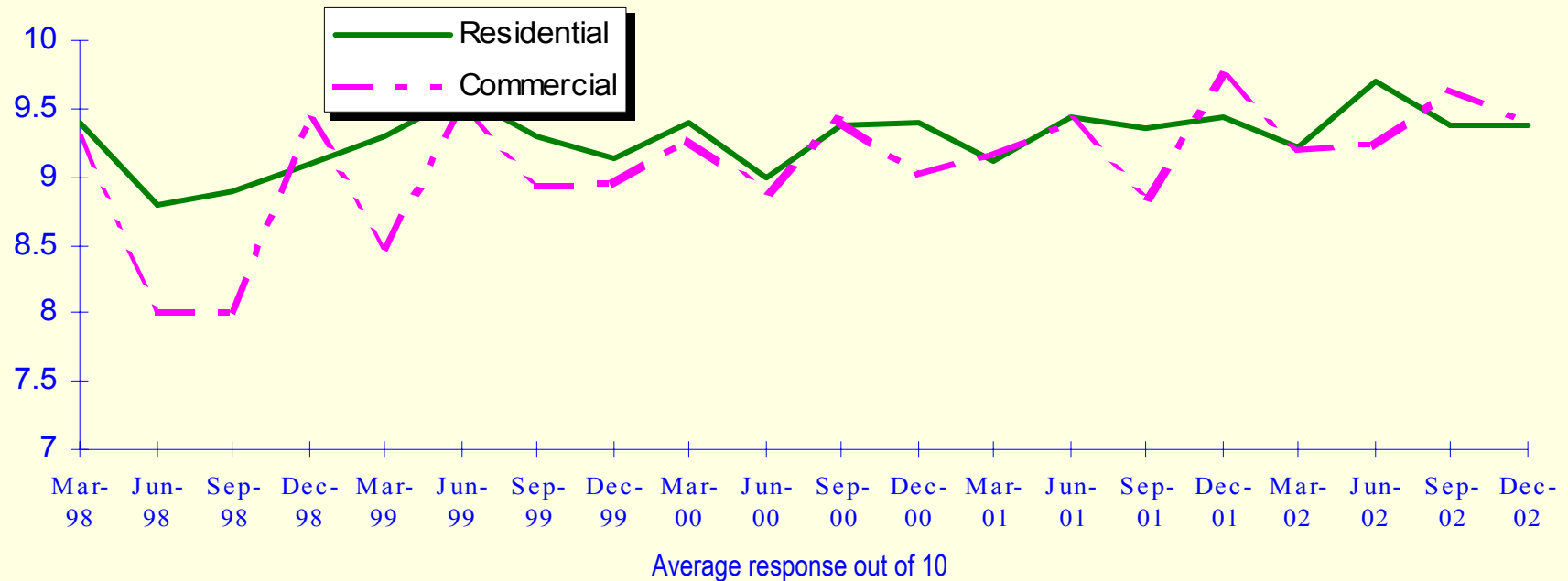
- The percentage of customers who feel we can improve our phone service remains fairly consistent with past quarters.
- In total, 74% of customers responding believe we need no improvement in the quality of our telephone service, 19% of customers think we can improve our telephone service a little and 3% think we can improve it a lot.
- 23% of commercial customers believe we can improve our telephone service a little and 3% believe we can improve our telephone service a lot. This compares to 18% and 3% respectively for residential customers.
- The particular service the customer called (representative v.s. automated account balance v.s. power outage line) had no significant effect on the percentage of customers who thought we could improve our telephone service. Likewise, there was no significant difference based on the reason the customer called.
- 19% of customers who called only once about a particular issue thought we could improve service a little or a lot as compared to 39% of customers who called more than once.



Cashier Services



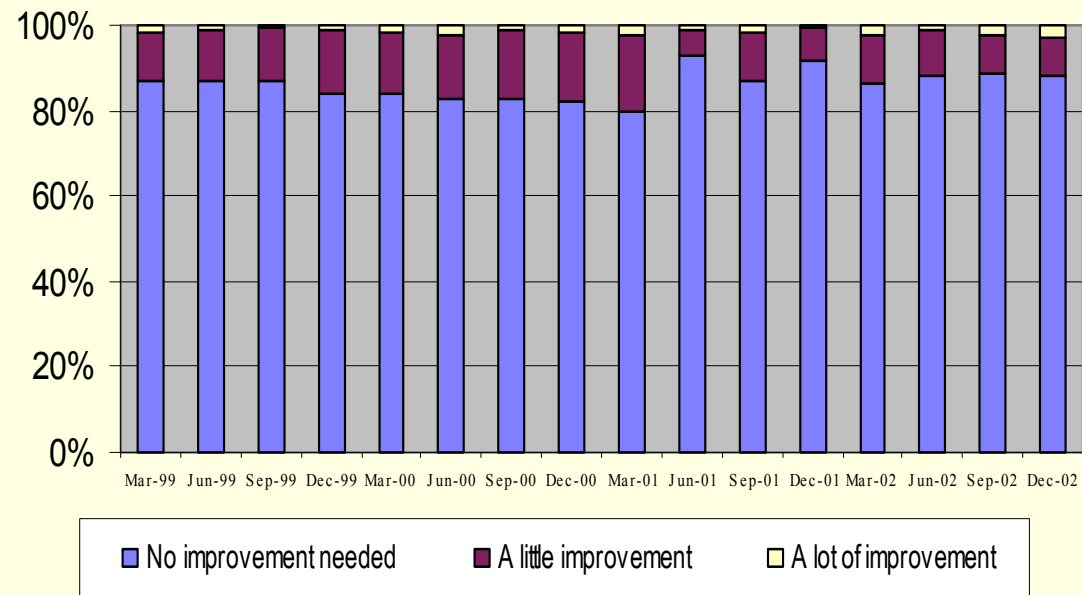
Satisfaction with Cashier Services



- 22% of residential customers and 12% of commercial customers indicated they had used our cash services in the past six months.
- Despite some variability in the quality of service rating, rating of our cash services continues to hover around 9 to 9.5.

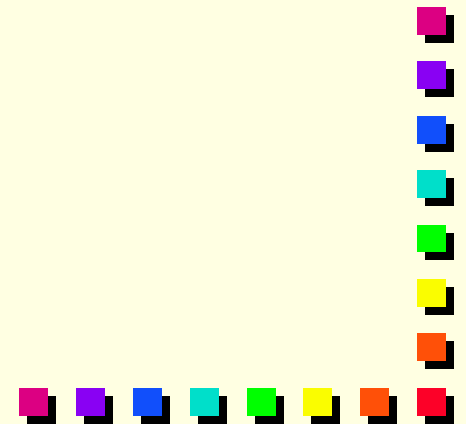
Improvement of Cashier Service

- The percentage of customers who feel we need to improve our cashier service has not changed significantly since March 1999.
- Currently, 9% of all customers believe we can improve a little and only 3.1% believe we need to improve a lot.
- 84% of commercial customers and 88% of residential customers believe our cashier service needs no improvement.
- The most common suggestion for improvement was to have more cashiers available during peak times. This suggestion was voiced by 1% of all customers, or 7% of customers who actually used the cash service.





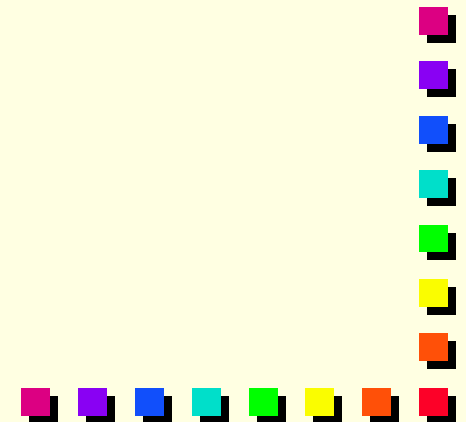
In-Office Service



Reason for Visit

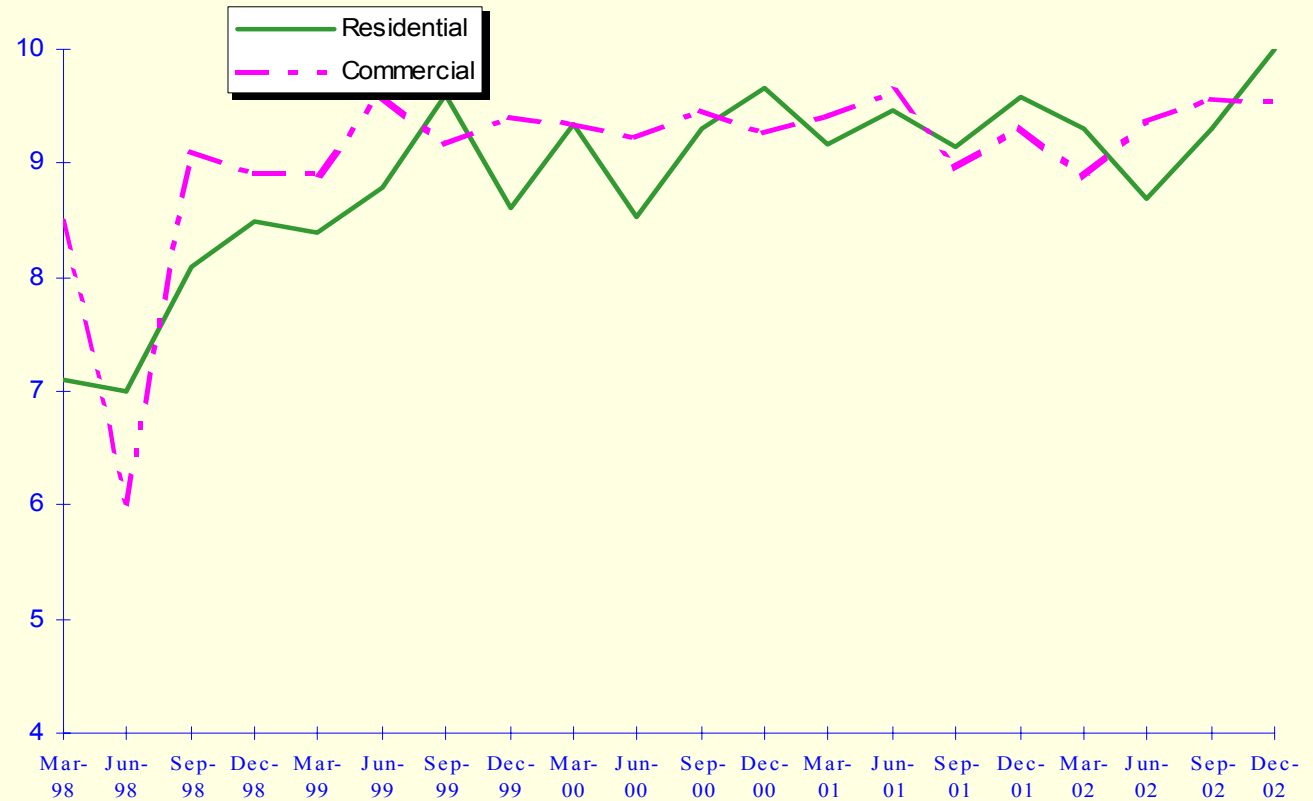
- This quarter, 0.6% of our residential and commercial customers indicated they have visited one of our offices for service (other than cashier services) in the past few months.
- Of the 7 respondents expressing an opinion, three rated our service as 10 out of 10, three as 9 out of 10, and one as one out of 10.
- The number of respondents involved is too small for further analysis.

Field Services



Satisfaction with Field Service

- 18% of the customers indicated they had been in contact with an employee making some form of field visit in the past six months. Most of these contacts were with meter readers.
- The quality of service rating given for our field services has remained fairly stable over the past three years.
- The number of customers rating the field visits was quite small, being only eight customers in each of the residential and commercial categories.

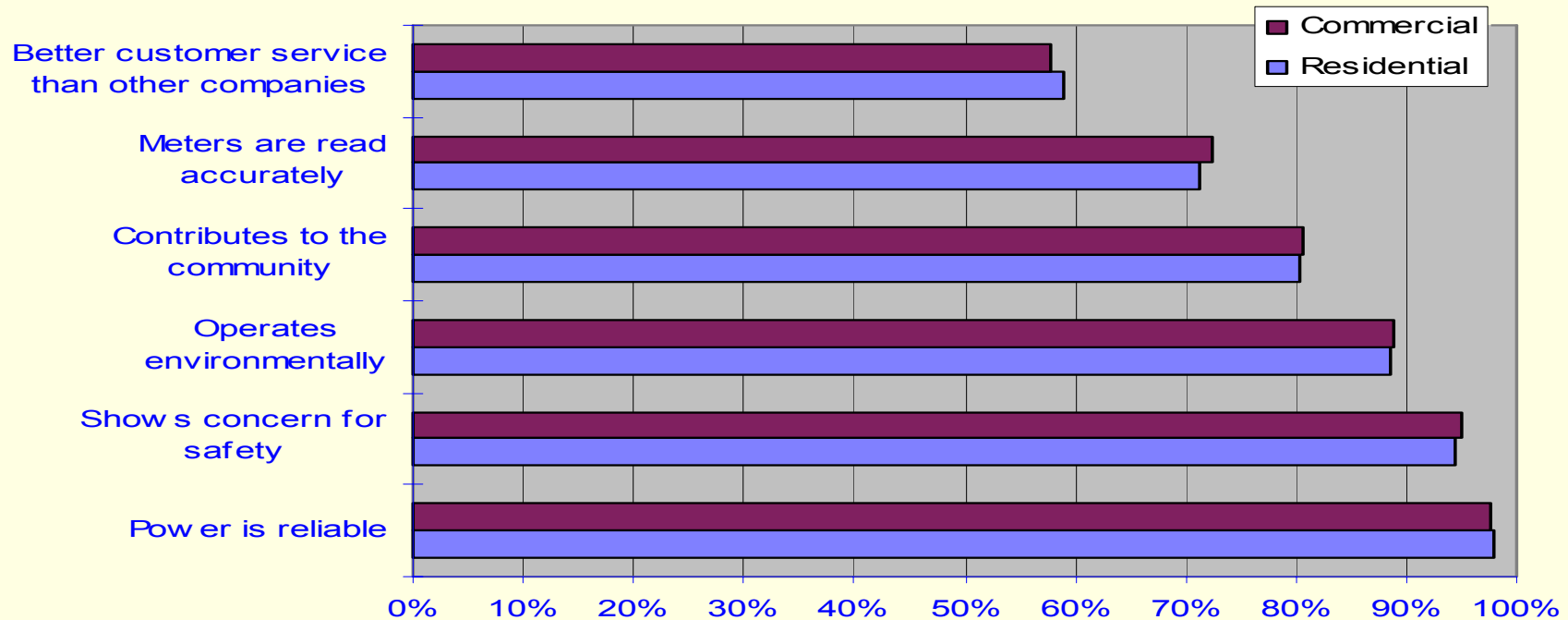


Average response out of 10

Ranking of Service Attributes



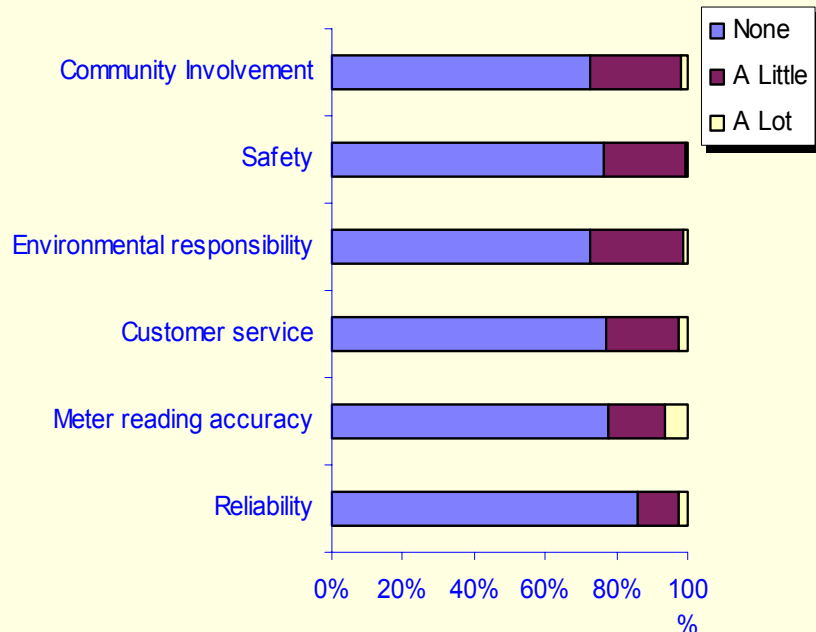
How Well We are Doing



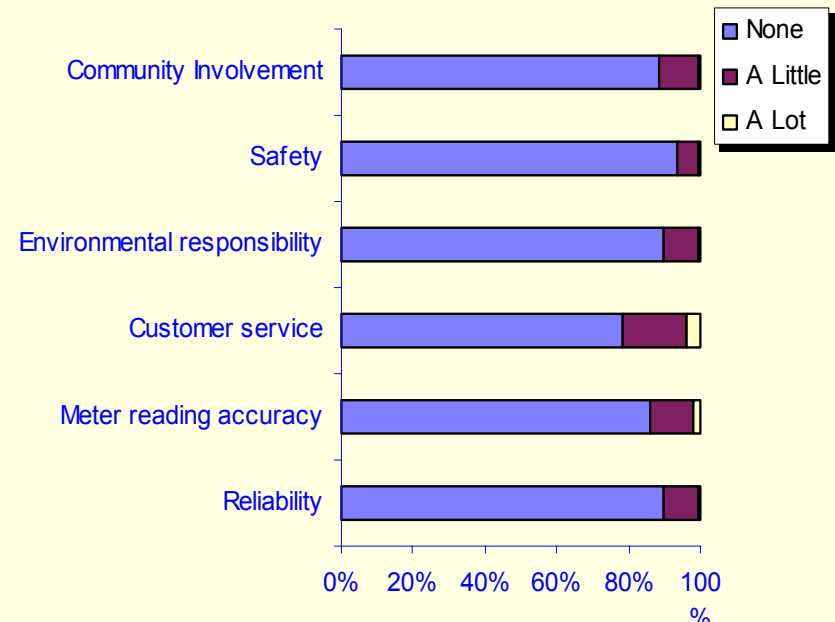
- The graph represents the percentage of customers who either strongly agree or somewhat agree with the statement.
- The degree of agreement expressed by customers to these statements has remained generally constant in the last number of surveys. This quarter we have seen slight increases in both residential and commercial customers' agreement on most indicators, with the exceptions of small reductions in commercial customers' level of agreement that we provide better customer service than other companies, and that we show concern for safety. In all cases the differences are small.

How We Can Improve

Residential Customers



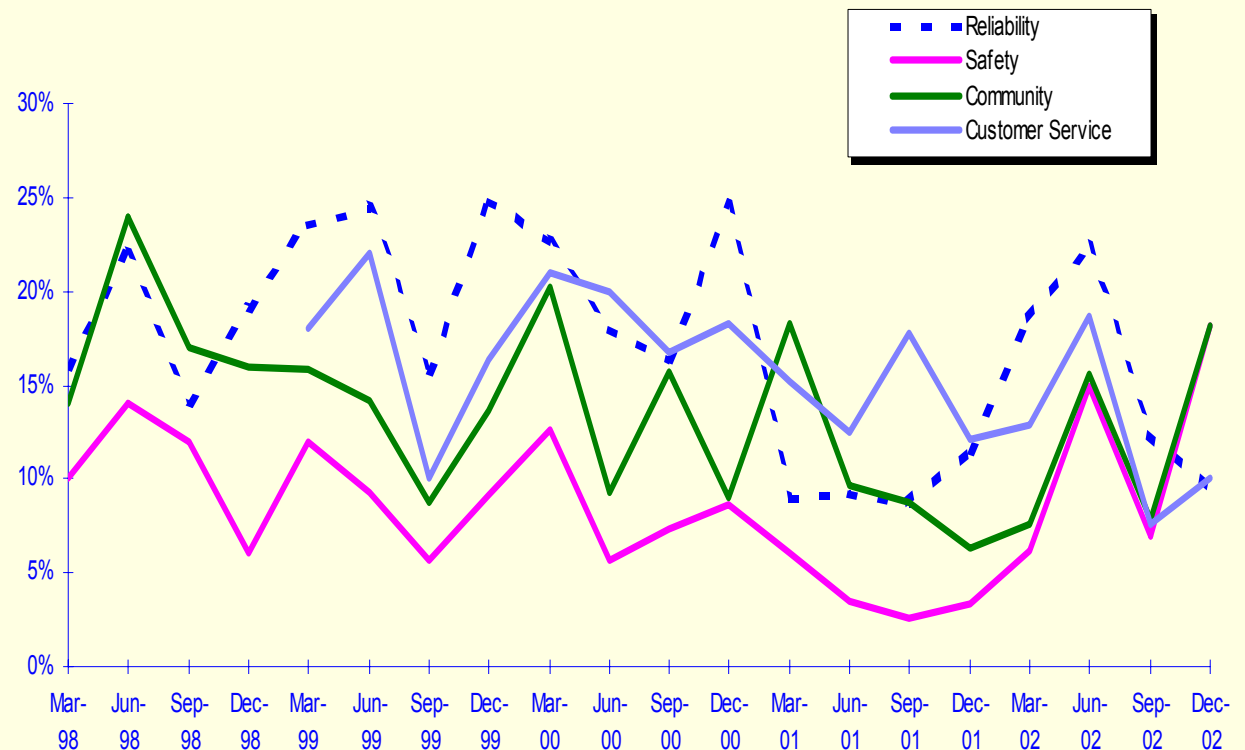
Commercial Customers



- Residential customers who felt that “a lot” of improvements were needed, identified these as required in meter reading accuracy, then reliability. There are larger percentages of residential customers who feel there is “a little” room for improvements, in relation to community involvement, environmental responsibility, and safety. Commercial customers who felt “a lot” of improvements were needed said this most often in relation to customer service, then meter reading accuracy; only small percentages of customers felt this degree of improvement was needed and more feel there is room for “a little” improvement rather than to a greater extent.
- Very few residential customers, in any of the areas, said there was “a lot” of room for improvement in any of the above aspects of service. Compared to other areas, Avalon, Corner Brook, and Grand Falls residents felt there was “a little” room for improvement in reliability; Grand Falls, Clarendville, and Avalon customers felt there was “a little” room for improvement in meter reading accuracy; Corner Brook customers felt there was “a little” room for improvement in customer service relative to other companies; and Burin, Clarendville, and Grand Falls residents expressed a need for “a little” improvement in environmental responsibility, safety, and contributions to the community.
- Commercial customers in Burin and Avalon expressed a need for “a little” improvement in reliability. Commercial customers in Avalon expressed a need for improvements in meter reading accuracy, and Grand Falls commercial customers felt there was “a little” need for improvement in environmental responsibility and contributions to the community.

Change in Residential Customers' Perceptions

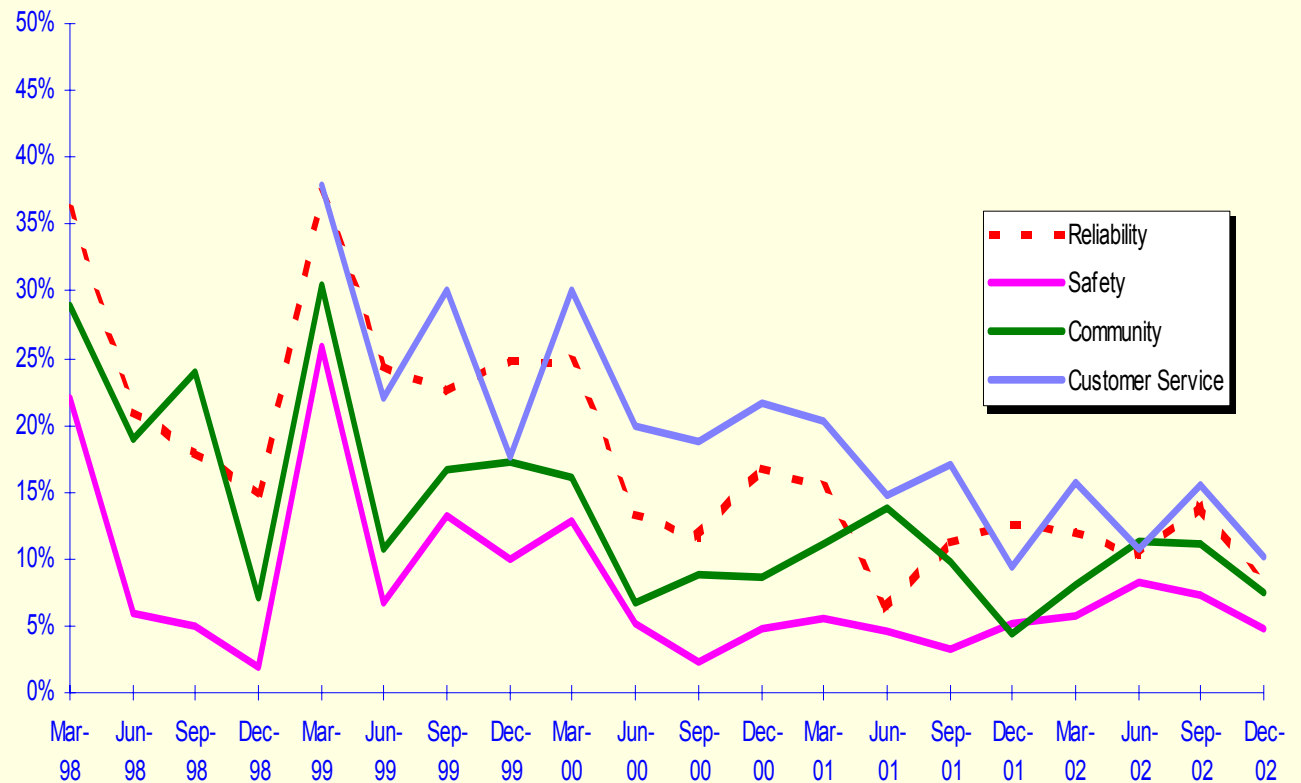
- The percentage of residential customers who believe we can improve reliability a little or a lot has dropped to 9%. This is at the lower end of the normal range for this indicator.
- The percentage of customers who feel we can improve on our concern for public safety a little or a lot is 18%, which is higher than the normal range of responses.
- The percentage of customers who believe we can improve our contributions to the community has increased from 7.8 % last quarter to 18.1%. This result has been quite volatile over time as the graph indicates.
- The percentage of customers who believe we can improve our customer service is 10%. While higher than the 7.6% in September, this is a positive result as the figure has ranged from 10% to 22% within the past three years.



Percentage of residential customers who believe we can improve the service either a little or a lot.

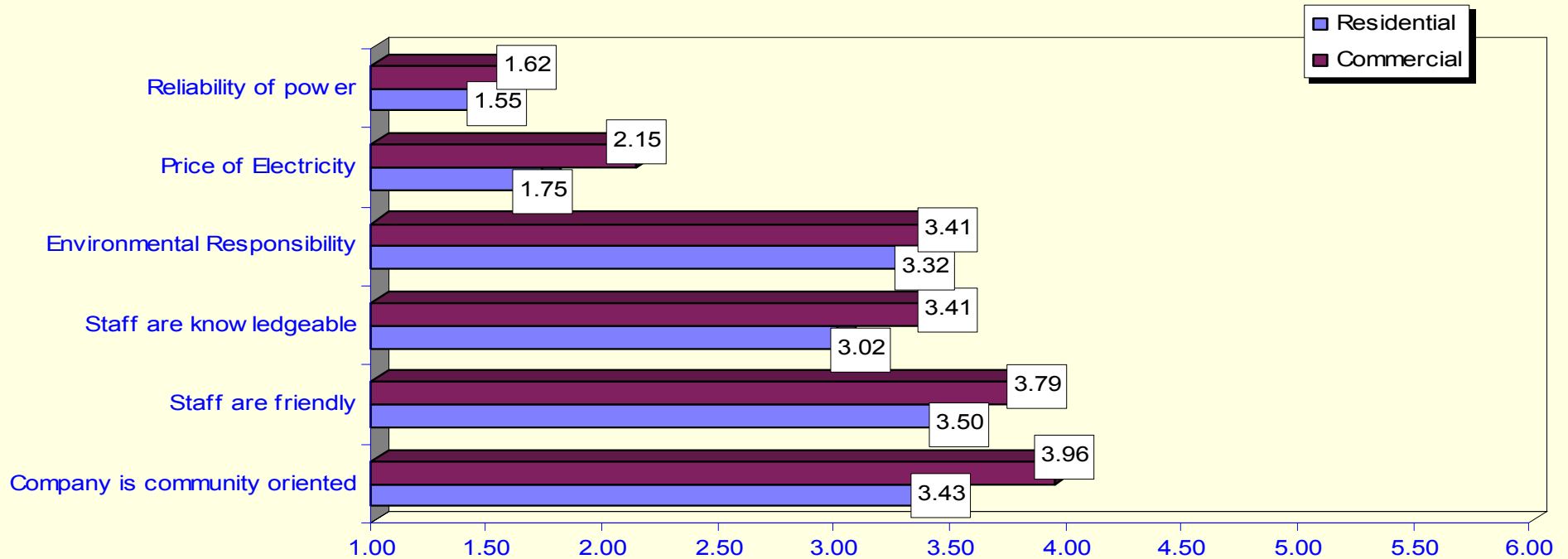
Change in Commercial Customers' Perceptions

- The percentage of commercial customers who believe we can improve our reliability of supply is 8% this quarter compared to 14% in September 2002 and 12.6% in December 2001.
- The percentage of commercial customers who believe we can improve our concern for public safety is 4.8% this quarter compared to 7.3% last quarter and 5.1% in December of 2001.
- The percentage of commercial customers who believe we can improve our community contribution is 7.4% this quarter compared to 11.1% in September 2002 and 4.5 % in December of 2001.
- 10% of commercial customers believe we can improve our customer service. This is a decrease from 11% last quarter but greater than the 4.5% result of December 2001.



Percentage of commercial customers who believe we can improve the service either a little or a lot.

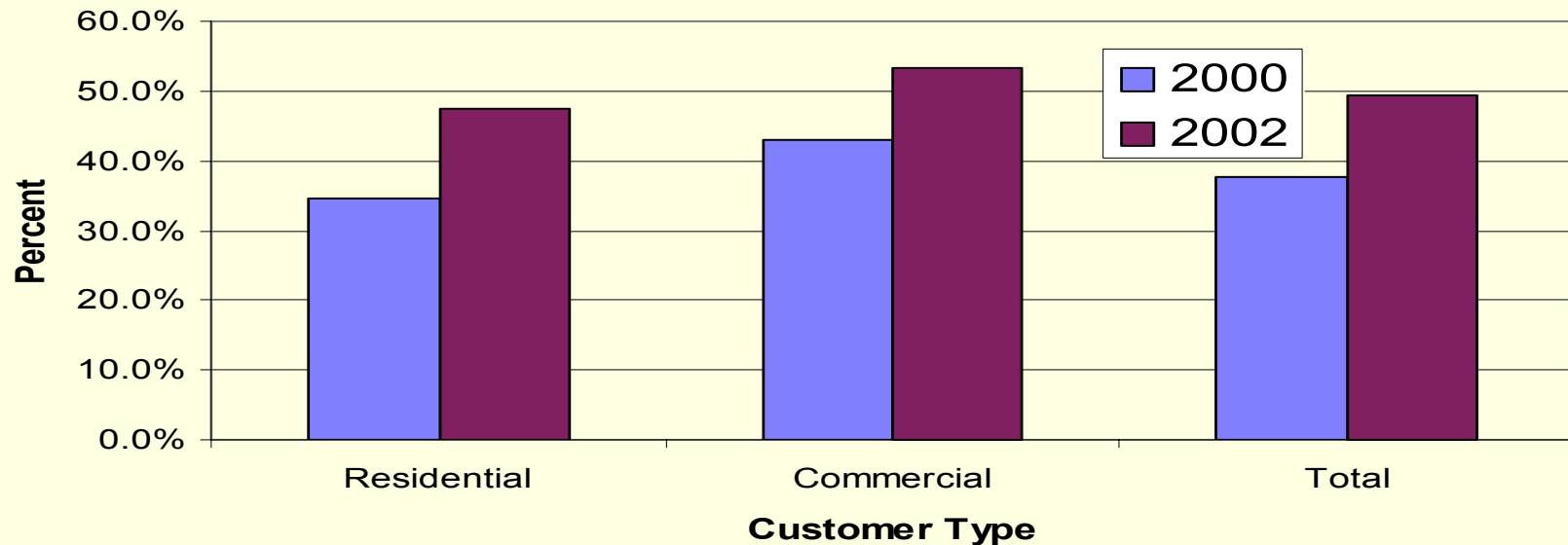
Ranking of Importance



Average response out of 6. Ranking is from 1 to 6 with 1 being the most important attribute.

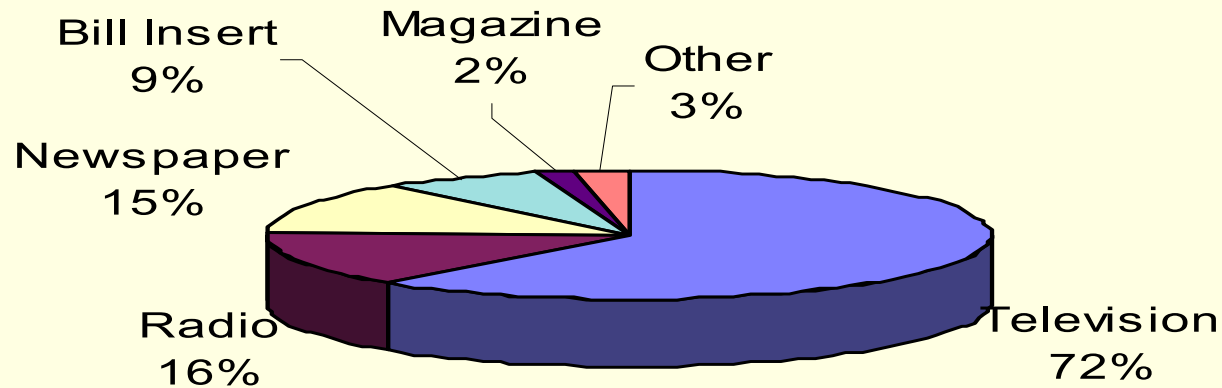
- Reliability was ranked by commercial customers as the most important aspect of our service. Price is ranked second in importance. Knowledgeable staff and environmental responsibility seem to have equal importance, followed by friendly staff and community orientation.
- Residential customers ranked reliability as more important than price, with knowledgeable staff, environmental responsibility, community orientation, and friendly staff following in descending order of importance.
- Among residential customers, those in Gander placed the most importance on price and reliability. Residential customers in all areas except Clarendville ranked reliability as more important than price. While residential customers in Corner Brook ranked reliability and price as their biggest priorities, this area also placed greater importance on the other aspects in comparison to the other areas.
- In comparing commercial customers in the different areas, those in Grand Falls placed the greatest emphasis on reliability, while those in Corner Brook placed the greatest importance on price.

Advertising Awareness



- Customers were asked whether they could recall any advertising for Newfoundland Power in the past three months. The same question was asked in December 2000.
- A larger percentage of commercial customers (in comparison to residential customers) were able to recall any advertising by Newfoundland Power. Both residential and commercial customers expressed higher levels of advertising recall than in December 2000.
- The overall percentage of recall, for all customers, was 49.5%. Looked at by company operating area, the results varied from low values of 37% in Stephenville and Clarenville, to high values of 54% in St. John's, 56% in Burin, and 58% in Grand Falls.
- The age, education level, or gender of respondents did not make a significant difference in the results.

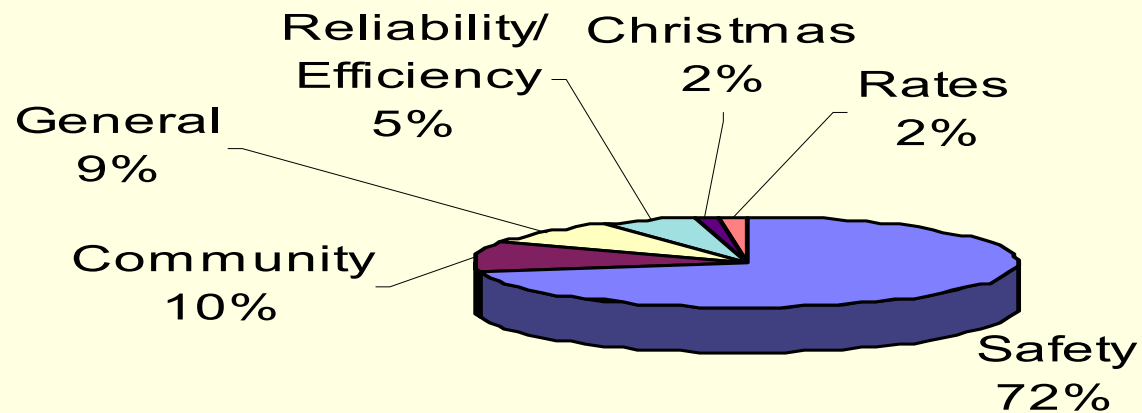
Type of Advertising Recalled



■ Customers were also asked what types of Newfoundland Power advertising they could recall. Many customers provided multiple answers. The above results include the multiple answers and consequently the total exceeds 100%.

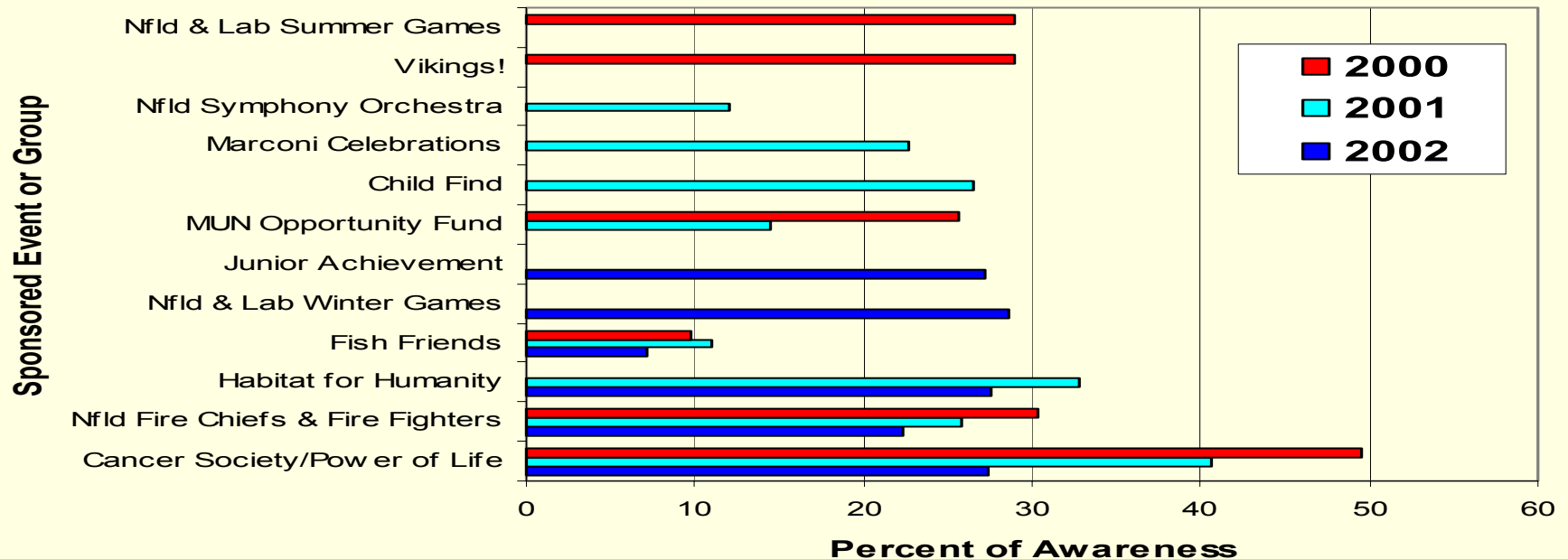
■ A similar question was asked in December 2000. At that time the percentages were: television 70%, newspaper 23%, radio 3%, and magazine 4%.

Recall of Advertising Messages



- Customers were also asked what was the main message of the Newfoundland Power advertising they could recall. The customers were asked to suggest any topics they could recall, without prompting by the researcher.
- The predominant theme was that customers recalled our safety oriented advertising. Secondary themes involve our support for community activities and events, as well as general advertising such as our current series of television commercials.

Community Sponsorships

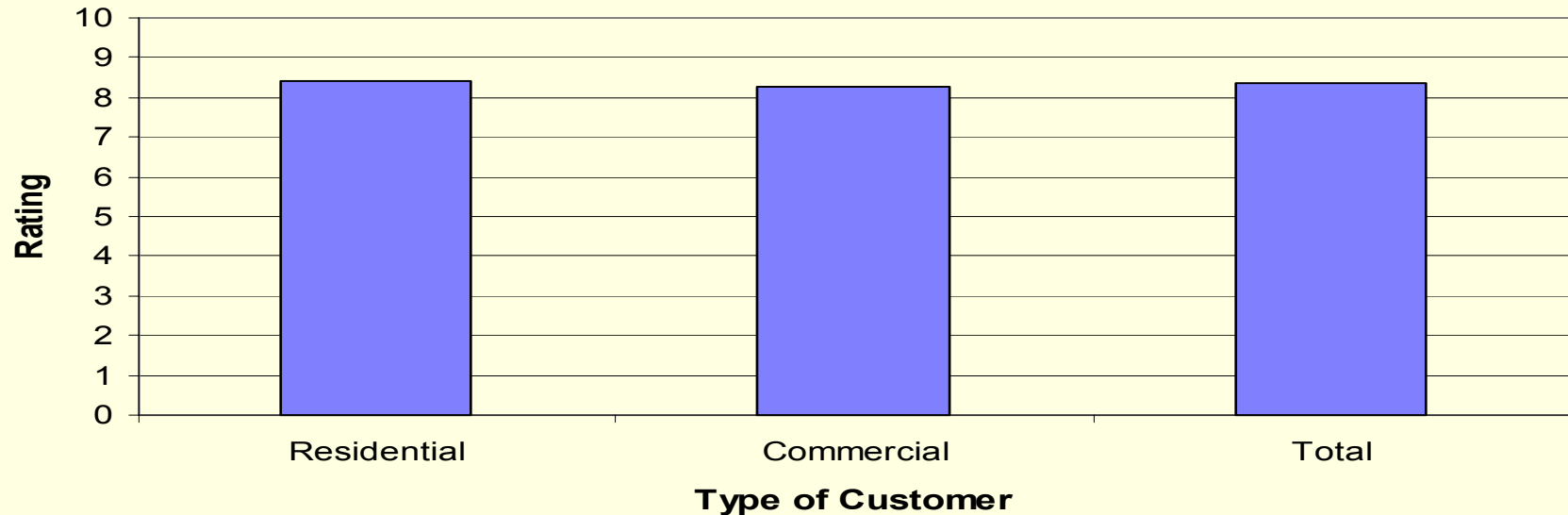


■ Customers were asked whether they knew if Newfoundland Power was a sponsor of several specified community groups or events. The same question was asked in December 2000 and in December 2001, although the community groups or events included in the questions have varied from year to year.

■ This year 29% of the customers were aware of our sponsorship of the Newfoundland and Labrador Winter Games, 28% aware of our sponsorship of Habitat for Humanity, 27% of Junior Achievement and of the Power of Life Project, 22% of the Newfoundland Fire Chiefs and Firefighters' Association, and 7% of Fish Friends.

■ Prior to asking customers about the specified groups above, we also asked customers about their unaided awareness of community groups or events. A total of 273 groups were identified, the most common of which was the Canadian Cancer Society (also including the "Cancer Foundation," and the "Power of Life.") This was identified by 22% of those who supplied an answer and was by far the most common response. Others identified included the Santa Claus Parade, Coats for Kids, and the old Share the Light program.

Corporate Citizenship



- Customers were asked to rate Newfoundland Power as a corporate citizen. This was the first time the question has been asked, so no historical information is available for comparison.
- Residential customers rated our corporate citizenship on average as 8.4 out of 10; commercial customers' rating was 8.3 out of 10. The total of all customers was also 8.4 out of 10.
- The customers' operating area and age do not appear to be statistically significant as factors in the ratings. Gender of respondent and education (which are only reported for residential customers) do appear to be statistically significant, however.
- Male residential customers rated Newfoundland Power's corporate citizenship as 8.1 out of 10; female respondents provided a rating of 8.6 out of 10.
- The rating provided is highest in customers with Grade 8 education or less (8.9), declining to 7.9 for college graduates. Customers with a post graduate degree, however, provided a rating of 8.4 out of 10.