Customer Research

First Quarter 2002 Results

Customer Satisfaction Index

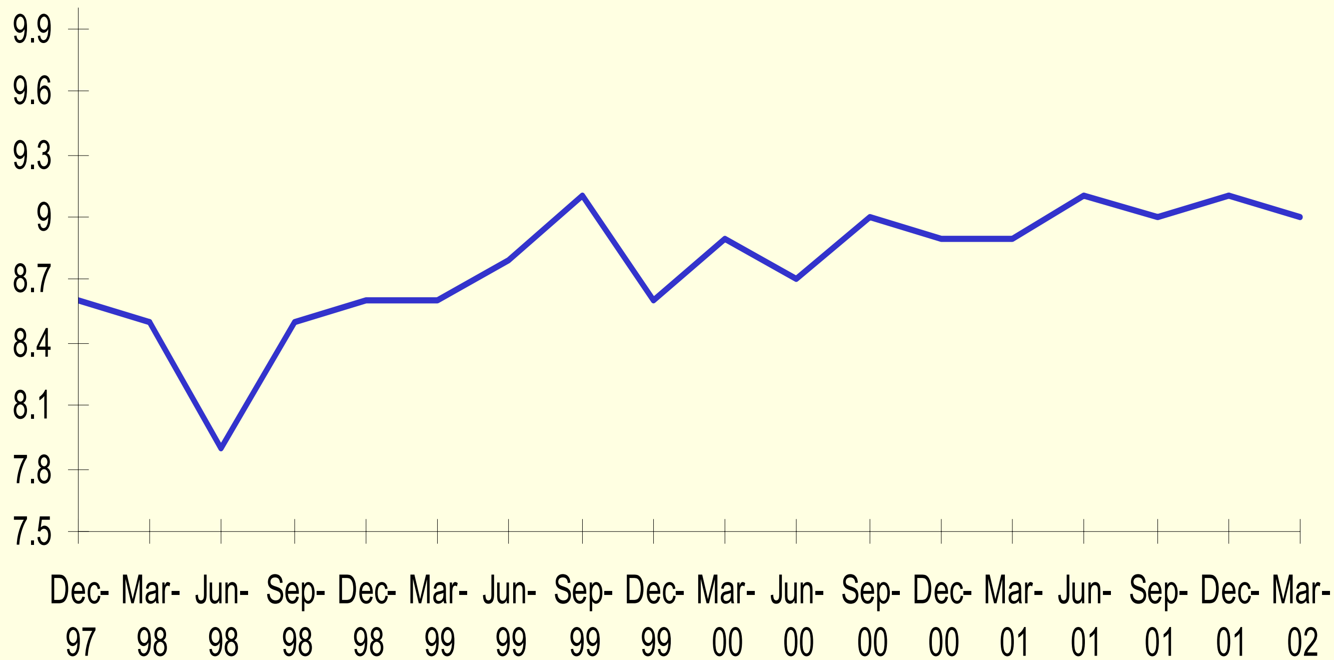
	Index Proportion	Residential Satisfaction Level	Commercial Satisfaction Level	Index Subtotal	Percentage of customers who use the service
Call Centre Service	40%	8.9	8.4	3.5	15.0%
Field Service	20%	9.3	8.9	1.9	22.5%
Cashier Service	20%	9.2	9.2	1.8	12.1%
General Satisfaction	20%	8.8	8.8	1.8	
	Customer Satisfaction Index:			9.0	
In-office Service				9.7	0.5%

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 2001.
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'.

Customer Satisfaction Index

The overall index result this quarter (9.0) is close to the highest recorded to date (9.1, on three occasions).
An increase in overall satisfaction by residential customers offset marginal decreases in satisfaction in most other areas by both residential and commercial customers.

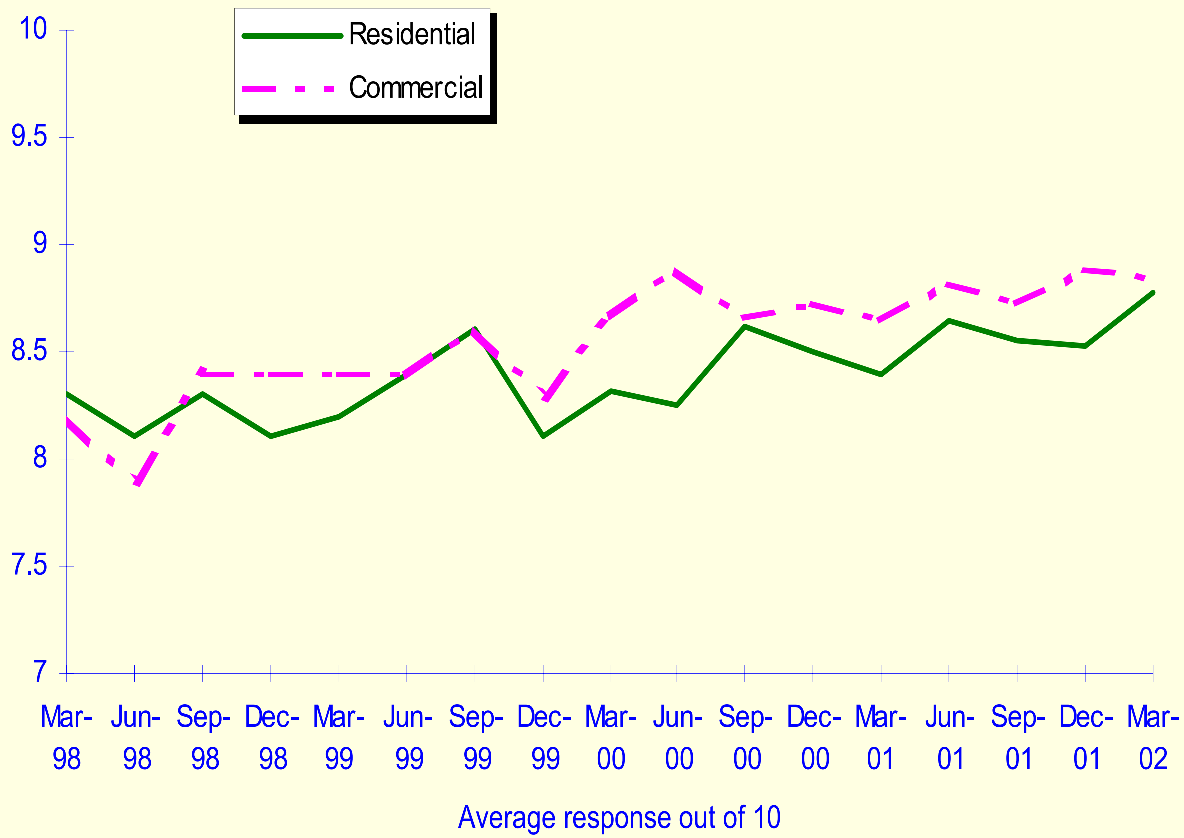


Average response out of 10

Overall Rating of Service

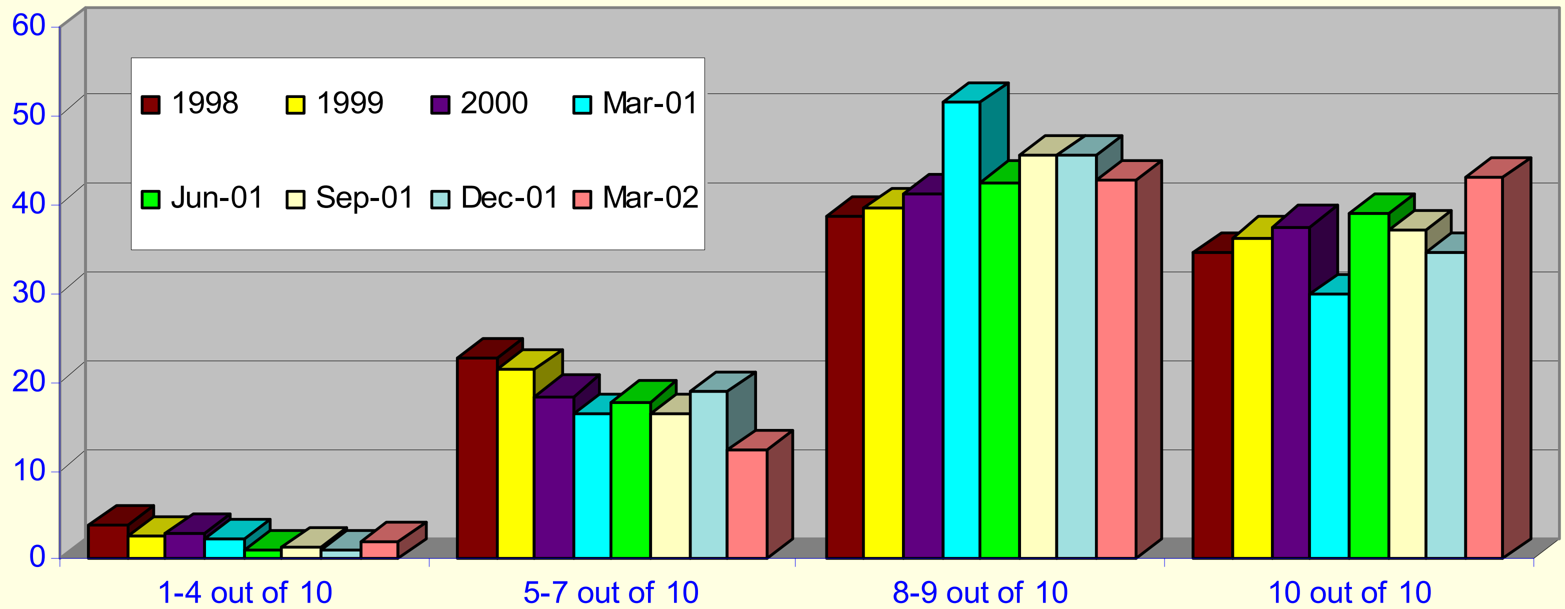
Satisfaction with Overall Service

- Satisfaction with overall service for residential customers has increased to 8.77 out of 10. This is the highest level recorded to date.
- The result for commercial customers (8.84) is the third highest recorded to date, exceeded only by June 2000 and December 2001.
- Commercial customers' general satisfaction continues to track marginally higher than that of residential customers.



Satisfaction with Overall Service

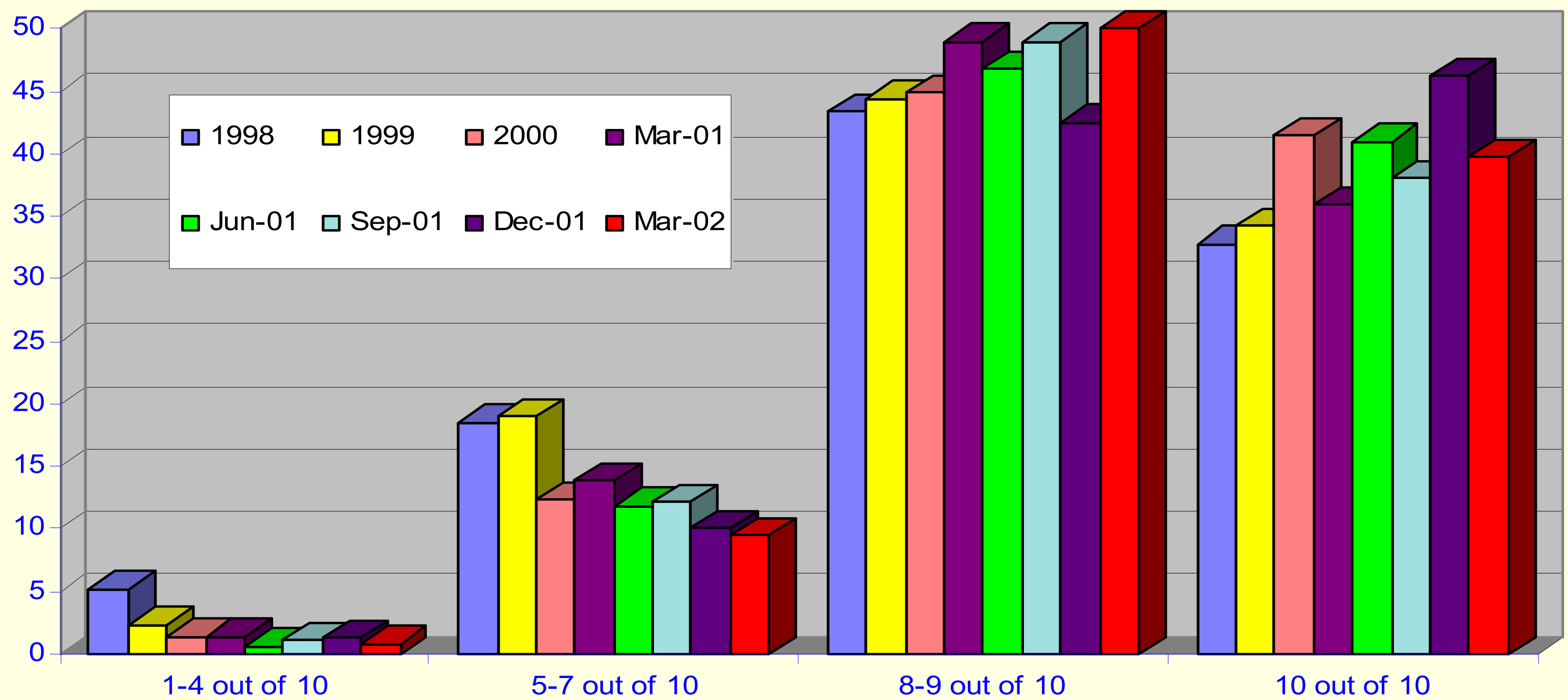
Residential Customers



- The percentage of residential customers who ranked our service ten out of ten is 42.9%, a significant increase compared to 34.4% last quarter and 29.8% recorded in December 2000. This is the largest percentage rating our service as 10 out of 10, slightly larger than the 41.6% recorded in September 1999.
- The percentage ranking our service as 8 or 9 out of 10 dropped slightly to 42.8%, compared to 45.5% in December 2001. This percentage was 51.5% in March 2001.
- Only 1.9% 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 about 20% while the percentage of customers who ranked our service as 8 or 9 out of 10 has increased. In this survey the percentages ranking our service as 5 to 7 as well as from 8 or 9 out of 10 have both decreased, with a corresponding increase in customers ranking our service as 10 out of 10.

Satisfaction with Overall Service

Commercial Customers



- This quarter, 40% of commercial customers ranked our service as ten out of ten, compared with 46% in December 2001 and 36% in March 2001. The total of those ranking 8,9, or 10 (89.8% in March 2002) is among the highest recorded to date. In this survey the decrease in the percentage ranking our service as 10 out of 10 was offset by an equivalent increase in the percentage ranking service as 8 or 9 out of 10.
- The percentage of commercial customers that ranked our service as one to four out of ten remains very low, at 0.8%. Another 9.5% provided a ranking of 5-7 out of 10.

Telephone Service

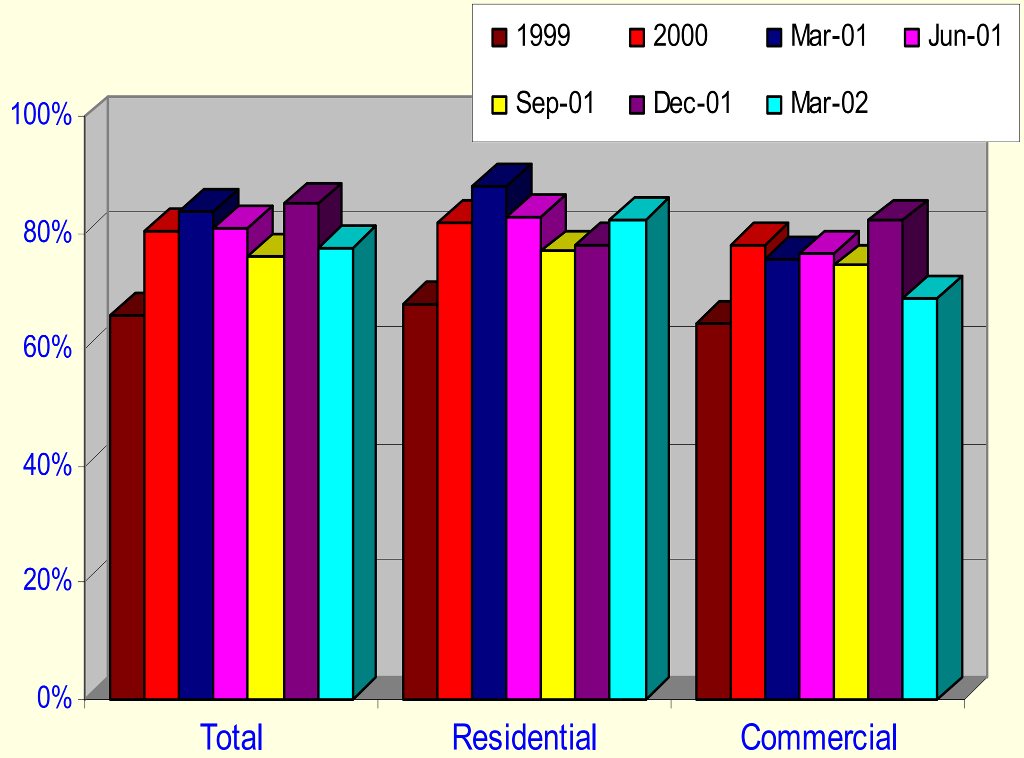
Main Reason for Calling

	Residential	Commercial	Total
Power Interruption	21.7%	30.3%	24.5%
Balance on Account	26.1%	15.2%	22.5%
Name Change / Final Read	11.6%	12.1%	11.8%
Payment Arrangements	7.2%	21.2%	11.8%
Connect a New Service	10 .1%	9.1%	9.8%
Meter Reading / Estimate	13 .0%	3.0%	9.8%

- Top six overall responses are shown. The above percentages are of customers who have called in the past six months.
- 14% of residential and 18% of commercial customers indicated they had called us in the past six months.
- 84% of residential customers indicated they had called to speak to a Customer Account Representative, 10% had called to obtain their account balance from the automated service, and 6% had called the trouble/emergency number. For commercial customers, 68% had phoned to speak to a representative, 16% the automated account balance service, and 17% the trouble/emergency number.

Percentage of Inquiries Resolved on the First Call

- 77.7% of customers indicated their inquiry was handled on the first call; this was a decline from December 2001 but is in line with past results. 26% of the customers who called more than once, or 0.7% of all survey respondents, indicated they had called about the same issue twice.
- 42% of callers who called more than once indicated they called three times about the same issue and 29% called more than three times to have their issue resolved.

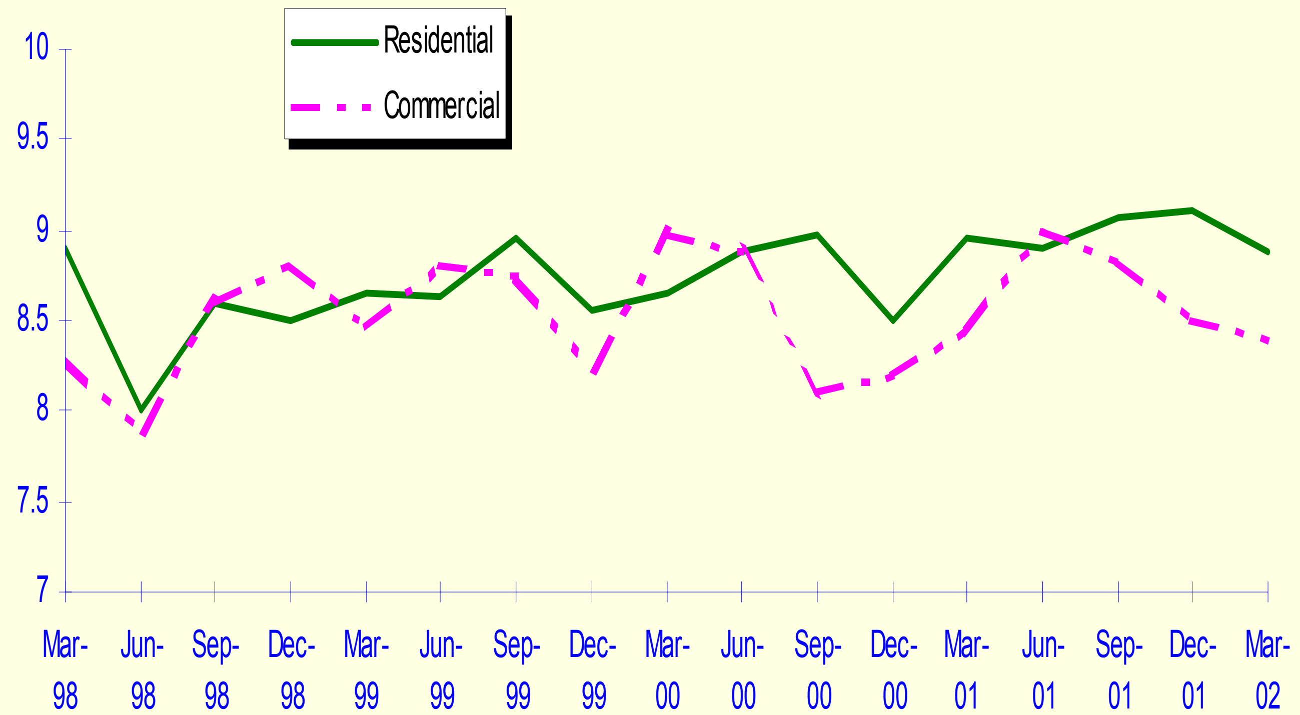


Percentage of customers who called only once.

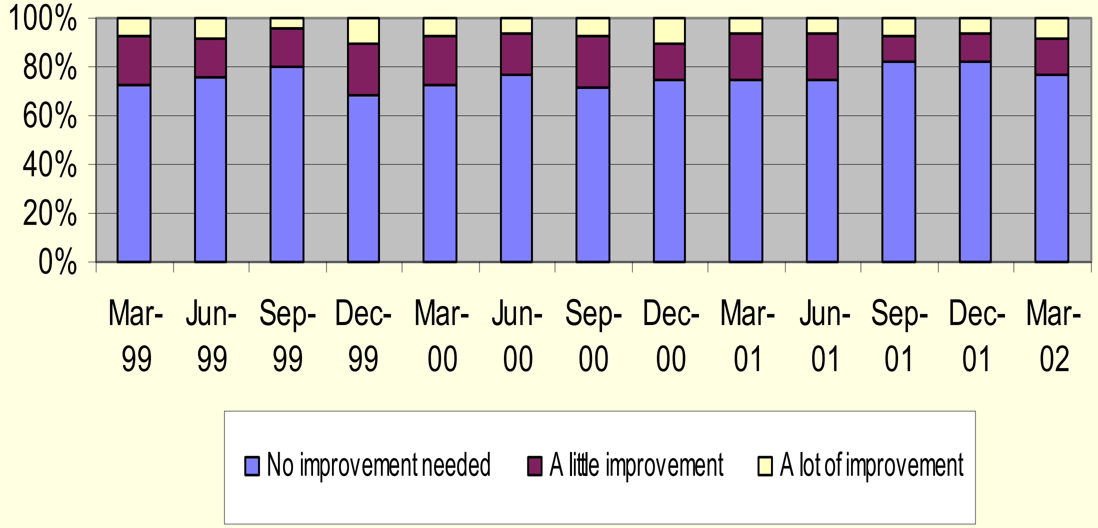
- Due to a change in questionnaire design, the above percentages relate only to customers who spoke to Customer Account Representatives; previous survey results for this question included customers who used our automated services.

Satisfaction with Telephone Service

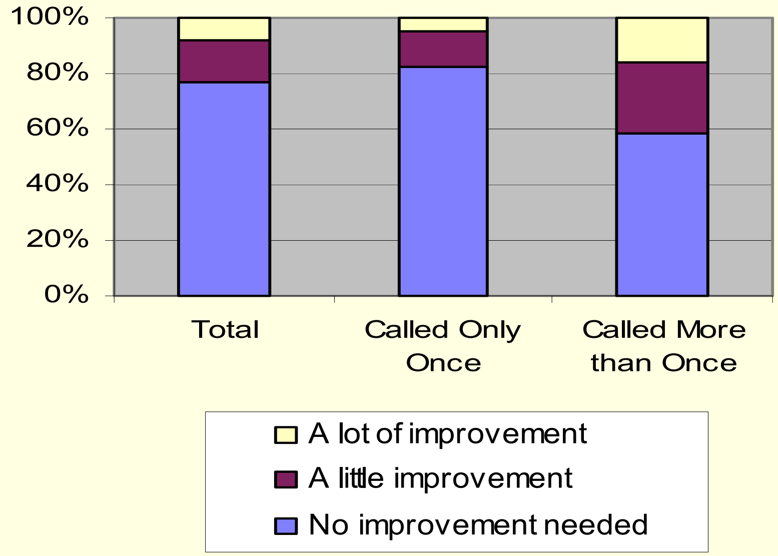
- Residential customers' ranking of our telephone service has been generally consistent over the period shown. It is presently 8.87, down from the last two quarters but consistent with the first quarters of other years.
- Commercial customers' rankings generally fluctuate between 8 and 9 out of 10. The ranking is presently 8.38.
- 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



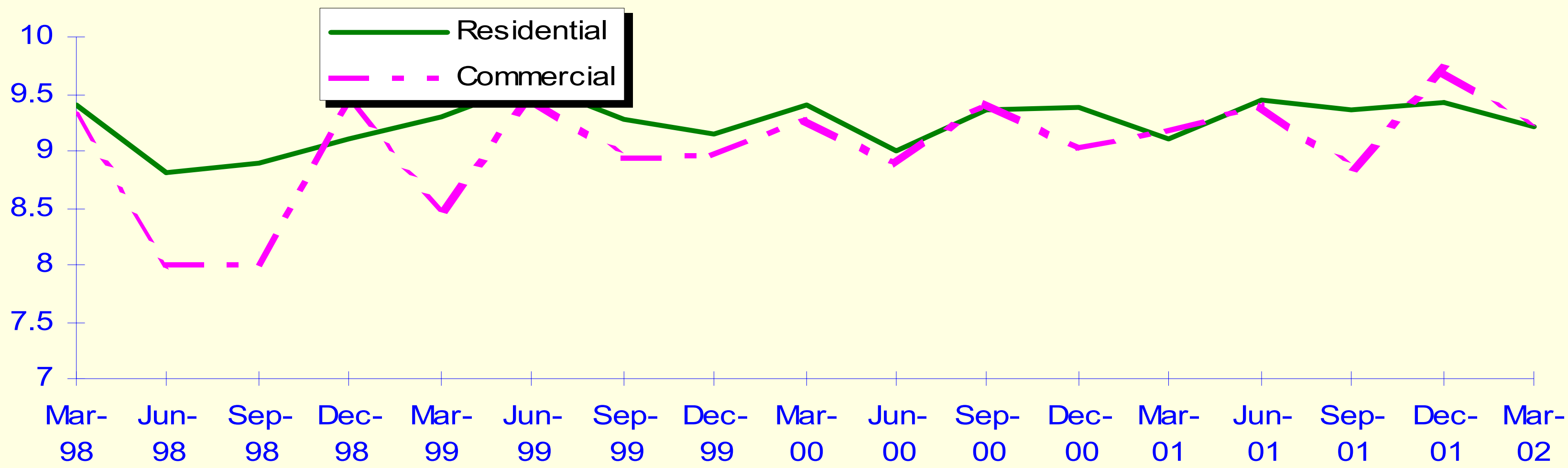
- The percentage of customers who feel we can improve our phone service remains fairly consistent with past quarters.
- In total, 75% of customers responding believe we need no improvement in the quality of our telephone service, 15% of customers think we can improve our telephone service a little and 8% think we can improve it a lot.
- 25% of commercial customers believe we can improve our telephone service a little and 10% believe we can improve our telephone service a lot. This compares to 8.3% and 6.4% 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.
- 17% of customers who called only once about a particular issue thought we could improve service a little or a lot as compared to 42% of customers who called more than once.

Cashier Services

Satisfaction with Cashier Services

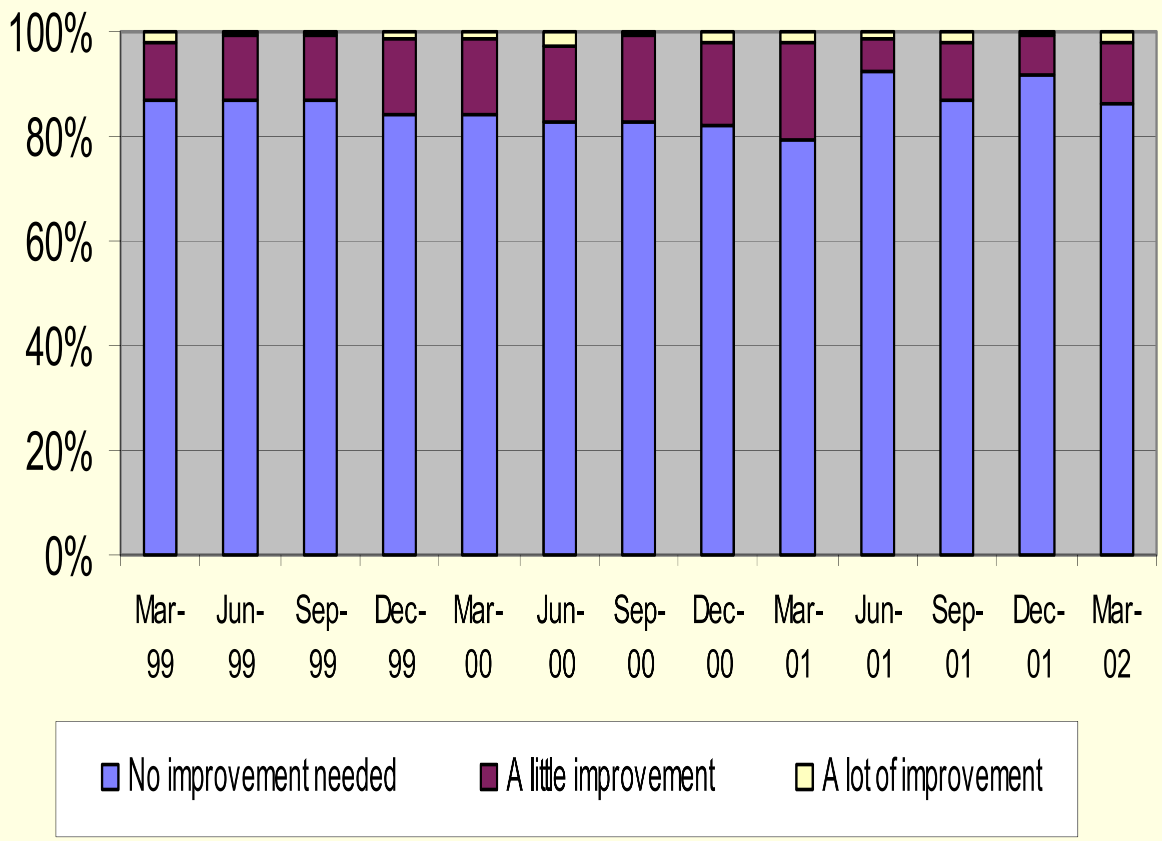


Average response out of 10

- 19% of residential customers and 7% 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, 11% of all customers believe we can improve a little and only 2.2% believe we need to improve a lot.
- 73% of commercial customers and 87% 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 the customers.



In-Office Service

Reason for Visit

- This quarter, 0.5% 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.

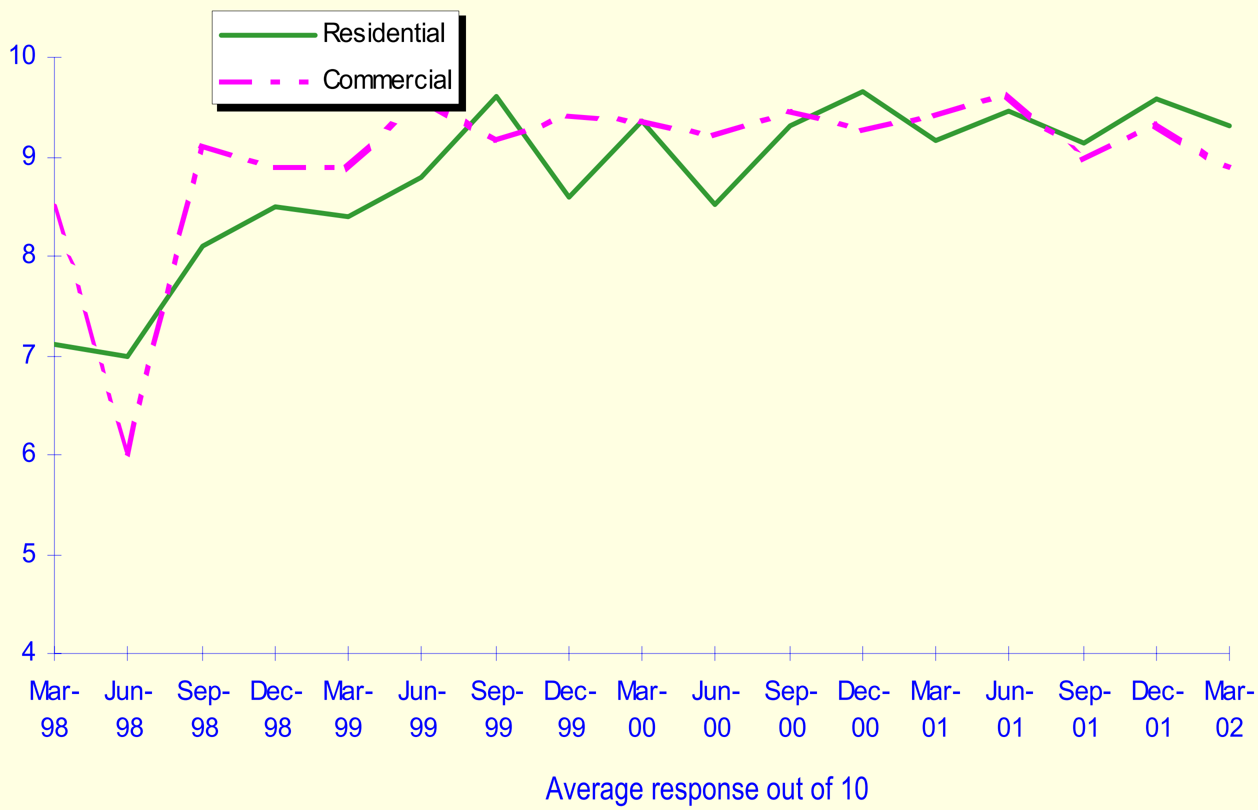
- Of the 6 respondents expressing an opinion, 4 rated our service as 10 out of 10, and two as 9 out of 10.

- The number of respondents involved is too small for further analysis.

Field Services

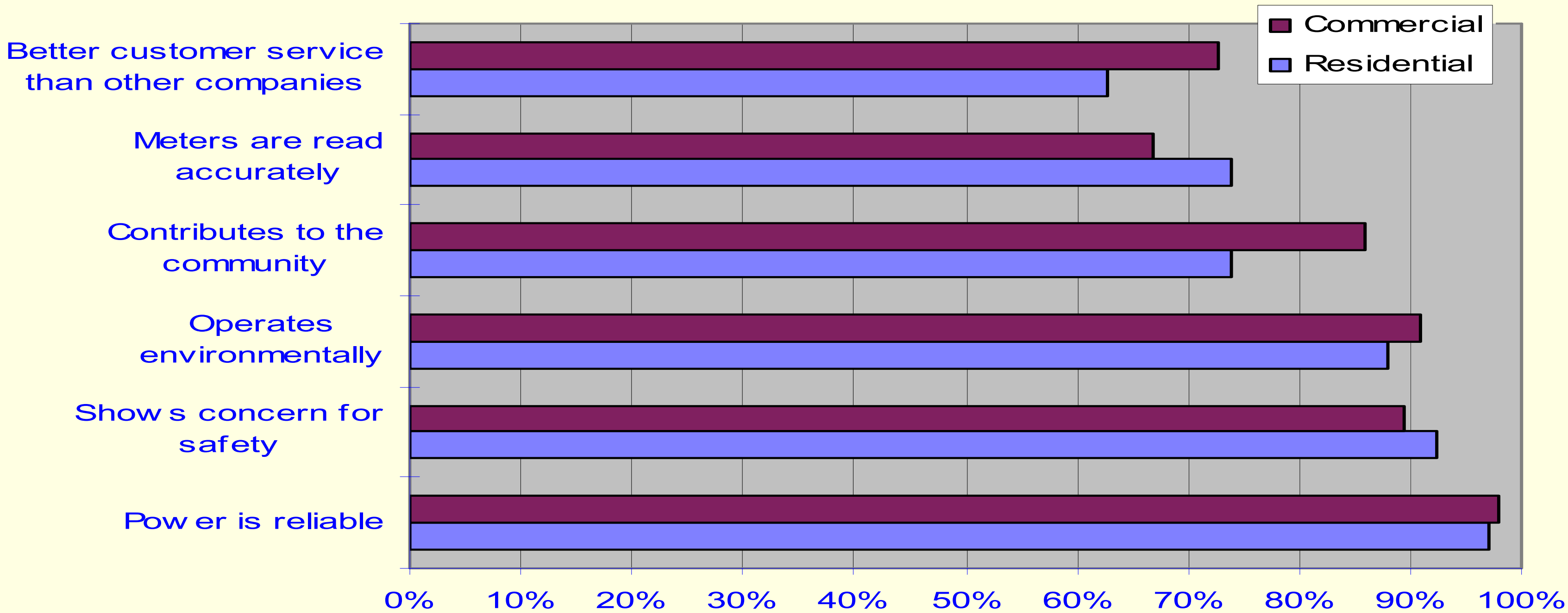
Satisfaction with Field Service

- 12% of the customers indicated they had received some form of field visit in the past six months. Most of these visits were from meter readers who did not have contact with customers.
- The quality of service rating given for our field services has remained fairly stable over the past year.



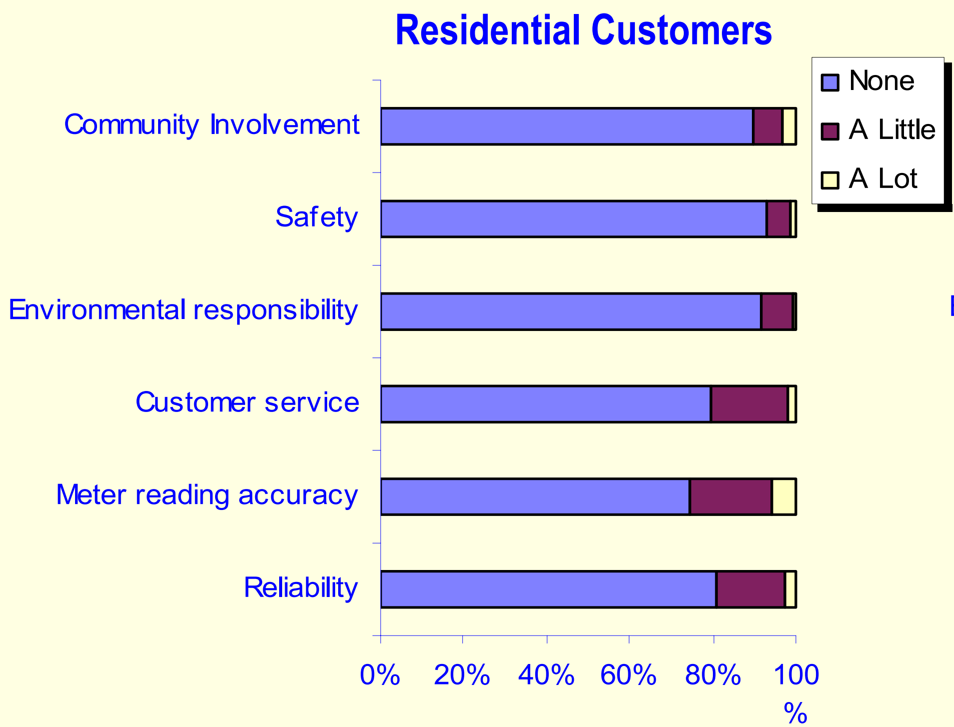
Ranking of Service Attributes

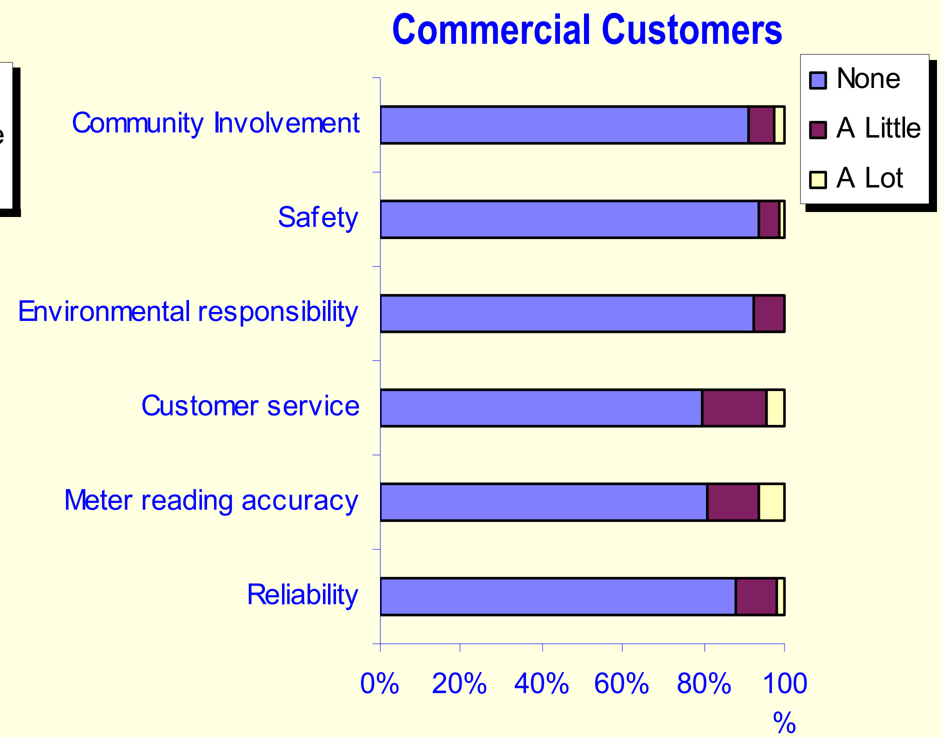
How Well We are Doing



- 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 reductions in commercial customers' agreement relating to accurate meter readings, and increases in commercial customers' agreement concerning "better service than other companies," and "contributes to the community."

How We Can Improve

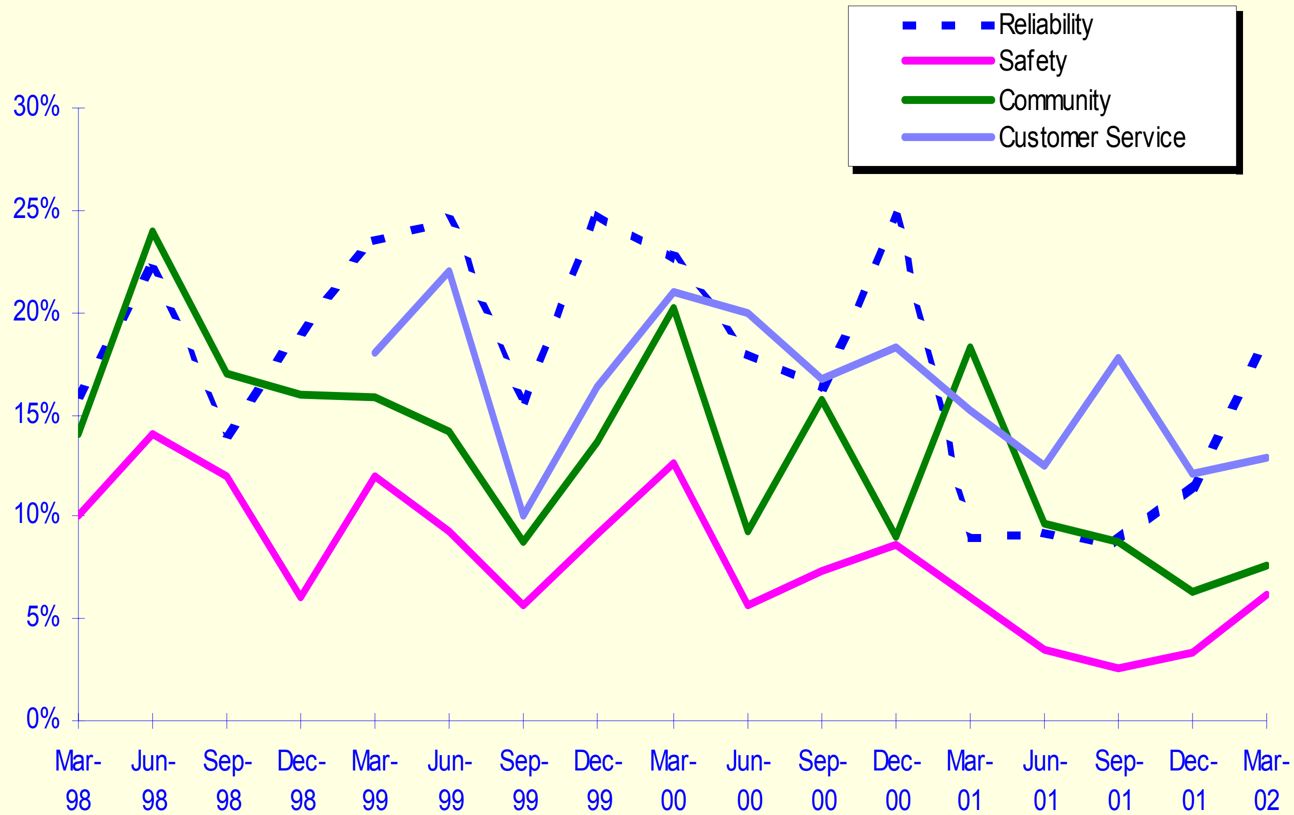




- Residential customers' expectations for improvement are highest for meter reading accuracy, then reliability. In comparison to the last quarter, there are slight increases in the percentages of residential customers who feel there should be improvements; these increases apply to all areas. Commercial customers' expectations for improvement are highest for meter reading accuracy, then customer service. The percentage of commercial customers who feel no improvement is needed in customer service has increased from 40% to 63%.
- Grand Falls and Stephenville residential customers expressed somewhat stronger expectations regarding reliability, and Grand Falls and St. John's residential customers expressed greater expectations for improvements in meter reading accuracy.
- Commercial customers in Gander had stronger expectations for improvements in environmentally responsible operation, improvements in customer service relative to other businesses, and improvements in accurate reading of meters.

Change in Residential Customers' Perceptions

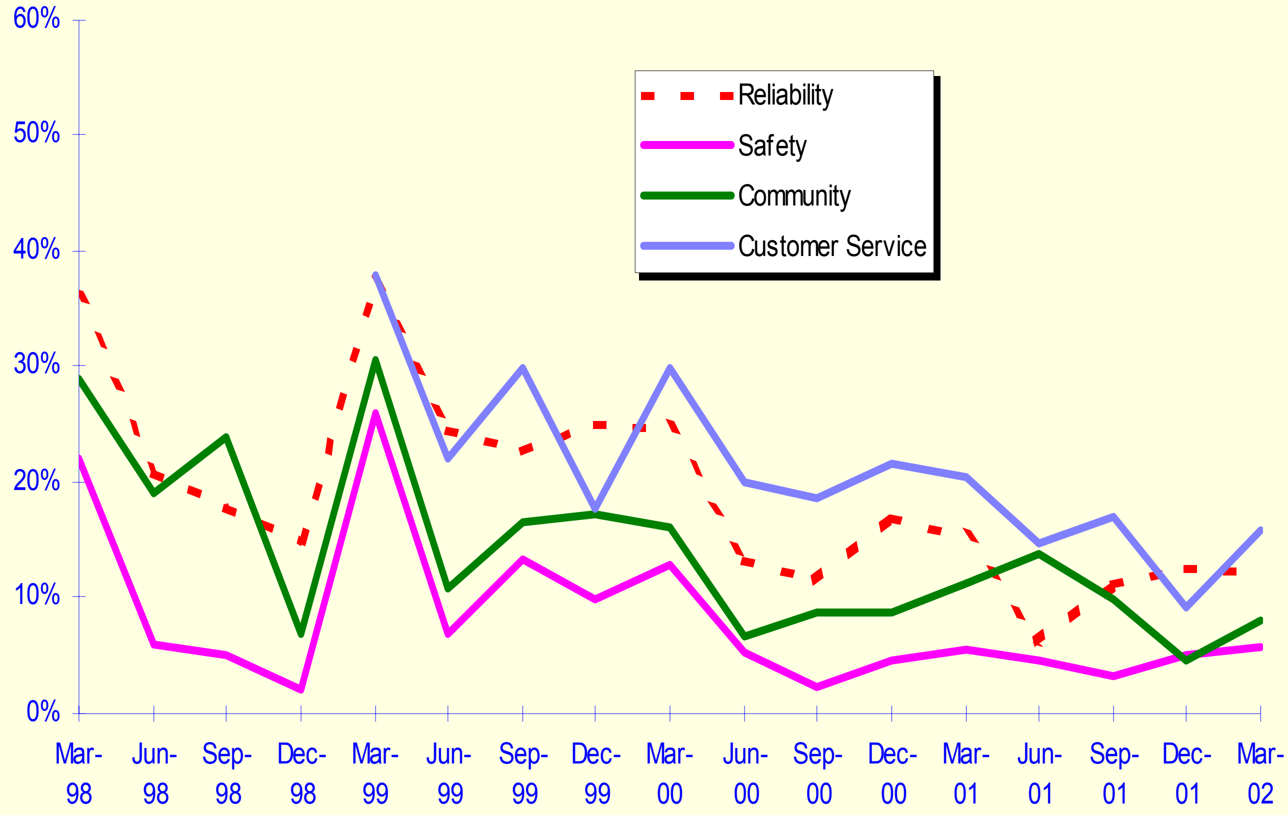
- The percentage of customers who believe we can improve reliability a little or a lot remained at a low level throughout 2001but has increased to traditional levels in this quarter.
- The percentage of customers who feel we can improve on our concern for public safety a little or a lot is 6.2%; this is within the normal range for this indicator.
- The percentage of customers who believe we can improve our community contribution increased from 6.3 % last quarter to 7.6%. We have experienced variation in this result over time as the graph indicates.
- The percentage of customers who believe we can improve our customer service is 12.9%. This result has ranged from 10% to 22% within the past two years.



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

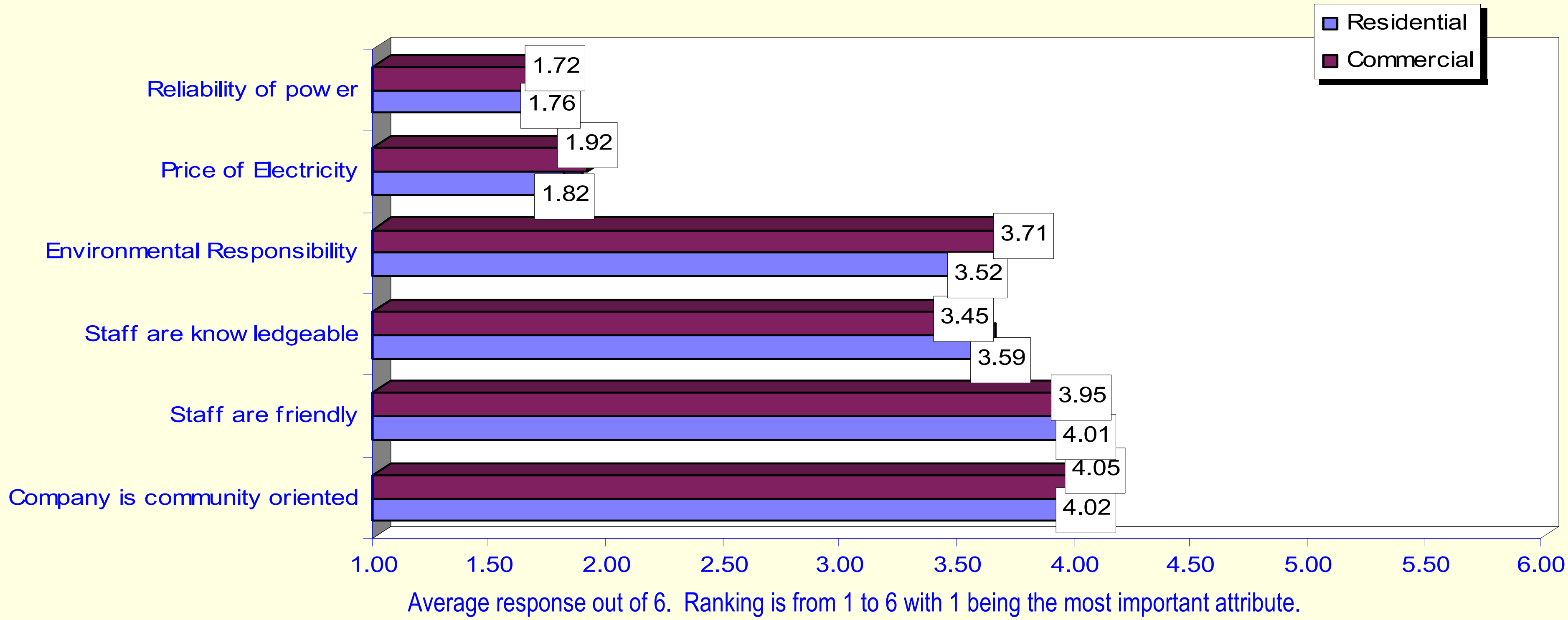
Change in Commercial Customers' Perceptions

- The percentage of commercial customers who believe we can improve our reliability of supply is 12% this quarter compared to 12% in December 2001 and 15% in March 2001.
- The percentage of commercial customers who believe we can improve our concern for public safety is 5.8% this quarter compared to 5.1% last quarter and 5.5% in March of 2001.
- The percentage of commercial customers who believe we can improve our community contribution is 8% this quarter compared to 4% in December 2001 and 11 % in March of 2001.
- 16% of commercial customers believe we can improve our customer service. This is an increase from 9% last quarter but down from 20% in March 2001.



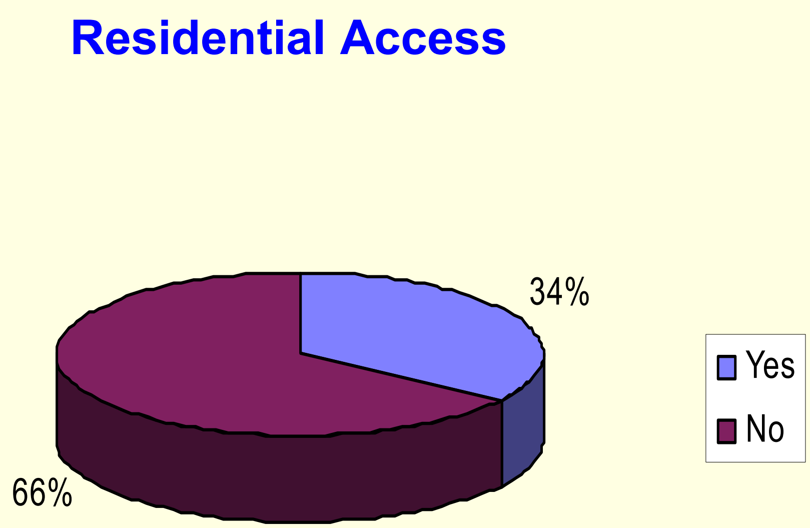
Percentage of commercial customers who believe we can improve the service either a little or a lot.

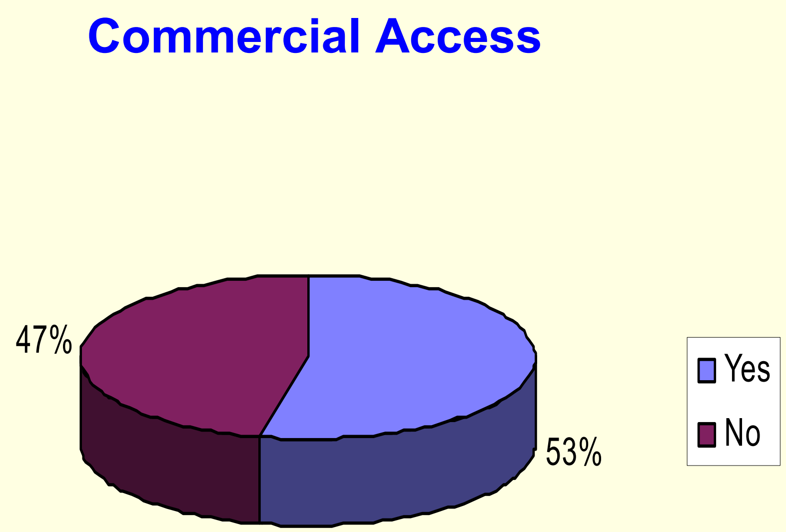
Ranking of Importance



- 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.
- Residential customers ranked reliability as more important than price.
- Reliability was ranked higher in importance by commercial customers than by residential customers.
- Residential customers in Burin, Grand Falls, Corner Brook, and Stephenville placed greater emphasis on the importance of price. Gander residential customers placed emphasis on the importance of knowledgeable staff, while those in Burin placed relatively greater emphasis on the importance of environmental responsibility.
- Commercial customers in Burin placed the greatest emphasis on reliability, while those in Corner Brook and Stephenville placed the greatest importance on price and those in Clarenville the greatest importance on environmental responsibility.

Internet Access & NP site visits





- 34% of residential customers and 53% of commercial customers reported having access to the Internet. These figures compare to 39% of residential and 49% of commercial in our survey of December 2001, and 29% of residential and 49% of commercial customers reporting access during our survey of March 2001.
- Of those having access, 13% of residential and 7% of commercial customers (9.1% of residential customers and 7.4% of commercial customers in December 2001) reported having visited the Newfoundland Power Web site in the last six months. These figures compare to 10.9% of residential and 8.2% of commercial customers reporting having visited the Newfoundland Power Web site, asked in the March 2001 survey.

On Line Billing & Payment

- Customers were asked about their interest in the option of On Line Billing and Payment. The following responses were obtained:
- 33% of residential and 21% of commercial customers with Internet access said they presently pay bills online. These customers represent 11% of each of the respective groups (including those without Internet access);
- 47% of residential customers with Internet access (representing 16% of all residential customers) would be “very likely” or “somewhat likely” to participate should NP offer online billing/payment. For commercial customers the corresponding figures were 40% of customers with Internet access, which make up 21% of all commercial customers;
- We also asked customers how they presently pay their bills, to compare this with their level of interest in on-line billing. The following were the percentages of those paying by various options indicating they would be “very likely” or “somewhat likely” to participate:

Internet	Mail	Cashier	Bank Teller	ABM Machine	Telephone	PAP
78.4	54.4	41.9	36.1	27.8	24.4	23.8