

## **Appendix A-1 – 2016 Customer Survey**

# Tillsonburg Hydro



UtilityPULSE

## Electric Utility Customer Satisfaction Survey

**The purpose of this report is to profile the connection between Tillsonburg Hydro Inc. (Tillsonburg Hydro) and its customers.**

The primary objective of the Electric Utility Customer Satisfaction Survey is to provide information that will support discussions about improving customer care at every level in your utility and in making investments in Capital and Operational expenditures.

The UtilityPULSE Report Card<sup>®</sup> and survey analysis contained in this report do not merely capture state of mind or perceptions about your customers' needs and wants - the information contained in this survey provides actionable and measurable feedback from your customers.

This is privileged and confidential material and no part may be used outside of Tillsonburg Hydro without written permission from UtilityPULSE, the electric utility survey division of Simul Corporation.

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# Survey Observations & Insights

We don't know what we don't know – and that is a primary purpose for investing time and energy into various Customer engagement activities. Trust in institutions is eroding – the good news is 90% of Tillsonburg Hydro's customers agree that you are trusted and trustworthy -- customers want to know more about the companies, and their people, they are dealing with. Today's heroes, when customers have problems or issues are “everyday people” whose actions show that they understand and are doing everything in their power to solve the problem. We've said this to our clients many times: “where understanding stops, stress, irritation, anger and conflict begin”.

Attributes strongly linked to Credibility & Trust			
	Tillsonburg Hydro	National	Ontario
<b>Keeps its promises to customers and the community</b>	87%	79%	80%
<b>Customer-focused and treats customers as if they're valued</b>	87%	74%	76%
<b>Is a trusted and trustworthy company</b>	90%	81%	81%

Base: total respondents with an opinion who agree the statement applies to their utility

We have seen a social shift in the customer base, wherein there is a high expectation that they will be involved in the decisions that affect them. 89% of 1,269 Residential customers, located throughout Ontario agree somewhat + agree strongly that their LDC should solicit feedback about customer satisfaction.



Customer engagement is not about making customers “happy” with the costs or the service that is being provided by their LDC. Nor is customer engagement about making the industry regulator “happy”. The purpose of feedback from customers is to assist decision-makers as they make decisions about investments (capital and maintenance) and operational/service quality improvements.

Regardless of what Tillsonburg Hydro needs to do, or their rationale for doing so, the reality is about 1 in 4 customers are not willing to pay anything for any capital item. While it would seem logical to make Capital expenditures, particularly as it relates to replacing aging equipment for reliability and to keep equipment safe and up-to-date, for a significant number of customers there would be resistance of any increase regardless of the rationale to do so. It is interesting to note, about 1 in 4 respondents were not willing to support any increase for any operational item.

Customer engagement is not about getting agreement (though that would be nice), customer engagement is about ensuring there is an understanding of customer wants and needs; particularly when the possibility of an increase cost is involved.

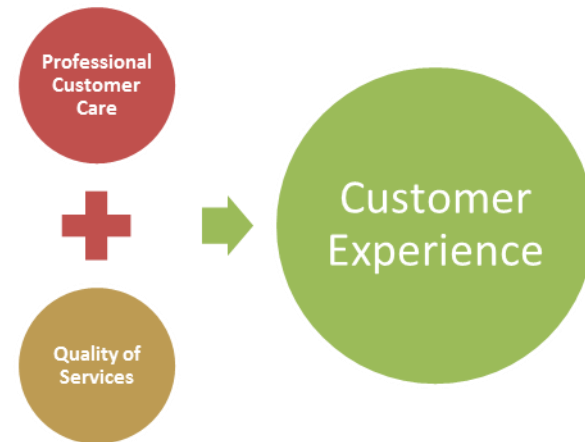
Utility Customer Centric Engagement Index (CCEI)			
	Tillsonburg Hydro	National	Ontario
CCEI	84%	83%	81%

Base: total respondents



Engagement is how customers think, feel and act towards the organization. Ensuring that customers respond in a positive way requires that they are rationally satisfied with the services provided AND emotionally connected to your LDC and its brand.

The Customer Experience Performance rating (CEPr) score is an effectiveness rating and is affected by many dimensions of service. Every touch point with customers on the phone, website or in-person influences what customers think and feel about the organization. While an excellent transaction today creates a positive experience today, the perception created is, future transactions will be excellent too. Of course a negative transaction creates the perception, future transactions will be negative.



Customer Experience Performance rating (CEPr)			
	Tillsonburg Hydro	National	Ontario
<b>CEPr: all respondents</b>	88%	83%	82%

Base: total respondents

Providing great customer service is actually only one part of the equation for creating more satisfied and connected (loyal) customers. Customers have expectations which are becoming more diverse and complex with each passing year. The types of expectations that customers have include: Explicit



expectations i.e., constant availability of electricity; Implicit expectations i.e., safety when doing the work is a priority; Static performance expectations i.e., the billing will be done right; and, Interpersonal expectations ie., they will be dealt with in a courteous and professional manner.

### Numbers at a Glance

	Tillsonburg Hydro	National	Ontario
	2016	2016	2016
<b>Customer Satisfaction: Initial</b>	90%	89%	88%
<b>Customer Satisfaction: Post</b>	93%	88%	86%
<b>Overall Satisfaction with most recent experience</b>	66%	79%	69%
<b>Problem Solved: YES</b>	66%	81%	69%
<b>Customer Experience Performance Rating (CEPr)</b>	88%	83%	82%
<b>Customer Centric Engagement Index (CCEI)</b>	84%	83%	81%
<b>Credibility &amp; Trust Index</b>	84%	83%	80%
<b>UtilityPulse Report Card®</b>	A	A	B+

### Willingness to Pay

How much are customers willing to pay? Much has been written and reported in regards to the cost of electricity. A goal of customer engagement, in addition to understanding wants & needs, is to reduce the worry customers have about the reliability and future costs of electricity. What readers may not



know is that Tillsonburg Hydro has to focus on day-to day operations while it builds, re-builds, re-furbishes and prepares the organization for a changed future. In addition, LDCs need to think in terms of decades, not just today, this week, this month, or this quarter. They need to do so in a regulated environment that is a 5 year planning environment.

Respondents were asked about their willingness to pay more for 4 Capital items and 5 Operational items. The data tells us the amounts people are willing to pay are affected by things such as income and affinity levels. That is, higher income earners are willing to pay more. Customers who have a stronger connection with the LDC are willing to pay more when compared to customers who are “At Risk.”

A higher percentage of respondents are willing to support an increase for items that directly affect them and/or items to which they have an emotional attachment. The reality is, personal circumstances affect a person’s willingness to pay. This creates a broad range of viewpoints.

Respondents have a perception about the electricity industry as a whole. That image influences support for increases. We asked respondents: “*Are Customers served well by the electricity system in Ontario?*” 22% Agree strongly with the statement, 34% Agree somewhat, 12% Neither, 13% Disagree somewhat, 14% Disagree strongly and 5% had no opinion. The range of views about the industry impacts the support levels for an increase. There is no statistical difference between the views of Tillsonburg respondents and those in the UtilityPULSE database.





Based on our work with LDCs in Ontario, if Tillsonburg Hydro tries to “sell” an increase in rates, it will be met with some cynicism and resistance. Explaining “how” decisions are made coupled with an explanation on “which” Capital and Operational expenditures are needed, will help people understand “why” there is an increase. People don’t want to pay more, though when a worthy case is made for an increase they can be accepting about the rationale to do so.

We’ve often been asked: “What does it take to be seen as having great customer service?” Our answer continues to be “have genuine empathy for customers.” If you and your fellow employees don’t have it, then your organization will not achieve the highest levels of customer engagement and affinity as may be possible. This requires Tillsonburg Hydro to ensure it is truly embracing the strategic intent of being “customer centric” AND it requires the establishment of a corporate culture which supports both customer and employee engagement.

We recommend having meaningful two-way dialogue with employees (and others) to leverage the results from your 2016 customer satisfaction survey derived from speaking with 415 Tillsonburg Hydro customers [July 11 – July 19, 2016]. After-all, people cannot care about things they don’t know about.

## UtilityPULSE

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