

**THE DIVISION OF PUBLIC UTILITIES AND CARRIERS
MEMORANDUM**

**TO: LULY MASSARO
COMMISSION CLERK**

DATE: APRIL 22, 2016

**FROM: JAMES LANNI, ASSOCIATE ADMINISTRATOR
STEPHEN SCIALABBA, CHIEF ACCOUNTANT
DPUC**

**SUBJECT: RIPUC DOCKET 3628, NARRAGANSETT ELECTRIC d/b/a/
NATIONAL GRID SERVICE QUALITY PLAN**

On January 8, 2016, National Grid filed a Settlement Agreement between National Grid and the Division of Public Utilities and Carriers (Division) reflecting the parties agreement to make a modification to one part of the existing Service Quality Plan. The modification is to the customer contact survey. The Settlement was the culmination of a number of discussions between the Company and the Division on the issue. In summary, the Division finds the requested amendment to be an improvement in the Service Quality Plan and supports it. A more detailed discussion is provided below.

National Grid's (Company) electric Service Quality Plan (SQ Plan) consists of four performance standards. Two of the performance standards are associated with service reliability and the other two standards are associated with customer service.

The reliability performance standards are established to monitor the frequency and duration of customers' loss of electric services. The customer service interruptions are monitored through indices established by the IEEE (Institute of Electrical and Electronic Engineers). The two national measurement parameters are entitled SAIFI (Average Interruption Frequency Index) and SAIDI (System Average Interruption Duration Index). The reliability performance measurements are a significant part of the SQ plan because these indices assess the reliability of an electric distribution system to meet the expectations of their customers for safe and reliable service.

The customer service performance standards consist of (1) the Company's customer service representatives answering customer calls within twenty seconds and (2) performing an annual customer contact survey (entitled Regulated Survey) to determine the customers' level of satisfaction with the customers' contacts with the utility. The Company proposed to only make modifications¹ to the customer survey in the electric SQ plan.

¹ The proposed customer satisfaction survey is entitled Internal Contractor Survey

The current Regulated Survey interviews a sample of customers from a pool of customers who recently contacted the Company's Call Center regarding one of eight types of utility concerns² and, for purposes of the Service Quality Plan metric, interviews them regarding their satisfaction with the transaction, or contact, experience. National Grid's position is that the survey participants are limited due to the eight types of transactions and excludes a host of other customers who have contact with the utility for a variety of reasons. The proposed Internal Contractor Survey would allow a greater number of electric customers to participate in the survey and the pool is expanded to customers who contacted the Company for any reason. The Internal Contact survey is more expansive than the regulated survey and seeks feedback on issues associated with the Company's website, payment options like Direct Pay, automated telephone answering system, tree trimming, field appointments, etc. that are not part of the current regulated survey and provides additional data regarding customer experiences. To be clear, the specific change in the Service Quality plan is only to replace the single question regarding the satisfaction with the customer's previous contact with National Grid regarding the specific customer issue (reason for specific customer contact). The proposed Plan metric would consist of two questions, one dealing generally with satisfaction with National Grid's services, and one specific to the satisfaction with the customer's experience with the National Grid customer service representative during the prior contact. These two questions would be solicited in the context of a more comprehensive set of survey questions being posed by the independent surveyor. The results of the responses to the two questions will be combined and averaged for purposes of the SQ Plan performance results.

The change in the regulated survey would be accompanied with a change to the percentage satisfaction targets associated with penalties and offsets. The percentage changes would be based on the average monthly results for a past two-year period from August, 2013 to July, 2015. The mean satisfaction score for the proposed new survey would change from 79.1% to 83.2% using the much more recent historical data. This change means that National Grid will have to score higher in the proposed survey than under the existing survey and SQ plan or else be subject to penalties.

The proposed survey will annually poll twice as many customers than the current survey. The larger surveyed population will provide more overall data from the larger amount of customer responses. The proposed survey will continue to use a third-party vendor to conduct the telephone interviews and provide the statistical assessment of the customers' responses. The proposed interview time in the new customer survey will be a total of twelve minutes as compared to the shorter three-minute survey currently be used under the Regulated Survey.

In summary, the Division believes that the proposed modifications to the Customer Contact Survey would be an improvement over the current customer satisfaction survey, would provide better information to the utility, and would improve the Service Quality Plan.

² These transactions include (1) power outage, (2) meter on, (3) meter off, (4) meter exchange, (5) collections, (6) payment plan, (7) meter read, and (8) meter test.

The Company requested an effective date of January 1, 2016 for the change in the survey. The performance results for the 2015 calendar year are due to be filed on or about May 1, 2016. These would be reported based on the current Service Quality Plan and not be reflective of the proposed modification. Under the requested January 1, 2016 effective date, if approved by the Commission, the performance results for **calendar year 2016** (to be filed May 1, 2017) would be based on the Amended Service Quality Plan for the entire 2016 reporting period. The Division finds this requested effective date to be reasonable as both the regulated survey and the internal contactor survey continue to be performed at present, so the data is being collected that would allow the Customer Contact performance standard to be based on a uniform standard for the entire 2016 calendar period, if the Commission approves the 1/1/16 effective date. If an effective date of May 1, 2016 was adopted, for example, it would likely result in the 2016 performance results for the customer contact survey to be based on the existing survey for part of the year, and the new survey for the balance of the year, and the 2016 performance results and performance standard would have to be based on some combination of the different metrics and standards. This would result in added complexity and confusion to the reported 2016 results without corresponding benefit.