

## **FOR CONSIDERATION**

September 27, 2018

**TO:** The Board of Trustees

**FROM:** Thomas Falcone

**SUBJECT:** Approval of the Annual Report to the Board on the Customer Service Policy

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### **Requested Action**

The Board of Trustees of the Long Island Power Authority (the “Board”) is requested to adopt a resolution: (i) finding that the Long Island Power Authority and its subsidiary, LIPA (collectively the “Authority” or “LIPA”) have complied with the Board Policy on Customer Service (the “Customer Service Policy” or the “Policy”) for the period since the last annual review of the Policy; (ii) approving the annual report for the Policy; and (iii) approving certain amendments to the Policy, which resolution is attached hereto as **Exhibit “A”**.

### **Background**

By Resolution No.1370, dated July 26, 2017, the Board adopted the Customer Service Policy. The purpose of the Policy is to set objectives and standards for high levels of customer service and satisfaction. The Board conducts an annual review of the Policy and, with the advice of Authority Staff, where appropriate, considers as part of its annual review whether LIPA has remained in compliance with the Policy and whether any updates or revisions should be made to the Policy.

### **Compliance with the Customer Service Policy**

Staff recommends, for the reasons set forth below, that the Board find that LIPA has been in compliance with the objectives of the Policy for the period since the last annual review.

**Customer Service:** The Policy states, “Funding cost-effective initiatives and ongoing operations to provide customers with a level of service, as measured by industry standard customer service metrics, within the first quartile of peer utilities by 2018.”

- PSEG Long Island’s average speed of answer improved last year to 19 seconds and abandoned calls declined to 0.8%. These metrics have improved in each of the last 5-years and are within first quartile among peer electric utilities.
- Customer complaints declined to 4.9 complaints per 100,000 customers and are within first quartile line performance among New York State utilities.
- First call resolution in the call center improved to 64.2%. First call resolution was added as a Tier 2 metric in 2017 and is targeted for further improvement.

Customer Satisfaction: The Policy states, “Funding cost-effective initiatives and ongoing operations so that customers report a level of satisfaction, as measured by third-party and internally-generated customer satisfaction surveys, within the first quartile of peer utilities by 2022.”

- Since 2014 PSEG Long Island is ranked as the most improved utility by J.D. Power., with an increase of 161 points. Only 20 utilities across the country showed an increase of 100 points or more during this period. All six sub-categories (power quality and reliability, price, billing and payment, corporate citizenship, communications and customer service) have increased each year over the prior year.
- PSEG Long Island met its customer satisfaction target for 2018, and LIPA and PSEG Long Island have established targets to achieve first quartile by 2022 with annual improvement each year.
- PSEG Long Island Residential and Business After-Call and Personal Contact Surveys demonstrate continued improvement, with 94.4%, 94.0% and 95.8% of respondents, respectively, indicating satisfaction with PSEG Long Island service.

Customers to be Provided with Information and Tools to Manage Energy Use: The Policy states, “Supporting programs so that customers have information, education, and tools to manage their energy use according to their needs, including innovative billing options and emerging technologies and communications tools that enable multi-directional customer relationships for distributed resources and electric vehicles.”

- The 2018 Utility 2.0 Plan builds off prior filings with a four-year deployment of smart meters to all customers to provide each customer with real-time information and services. This data helps educate customers on usage, enables innovative rate structures, and helps customers make educated decisions to reduce their electric bill.
- Some tools enabled by the 2018 Utility 2.0 plan include:
  - New customer rate options;
  - A rate comparison tool;
  - Real time usage data and alerts;
  - Faster outage detection and restoration times;
  - Remote connect/disconnect for move in/out; and
  - Expanded incentives for electric vehicles.
- Several new programs have been deployed since the last annual Policy report, including:
  - A SmartSaver Program that pilots techniques and rate designs to enable a more efficient electric grid, for potential broader deployment;
  - A workplace charging program for electric vehicles; and
  - Home Energy Reports that are mailed to 340,000 customers, providing information on energy use and energy efficiency tips.

Customer Information Protected: The Policy states, “Protecting customer information from unauthorized access, use, disclosure, disruption, modification or destruction.”

- PSEG Long Island has assessed its data privacy framework, practices, and procedures as recommended by the National Institute of Standards (“NIST”) and has put in place:
  - notifications to customers of data being collected, reasons for collection, and intended use, retention and sharing of data; and
  - safeguards that protect customer information from unauthorized access or improper use.
- The Meter Data Management System to be deployed by year end has been developed with configurations to support industry standard data rules to protect information collected from loss, theft unauthorized access, disclosure, copying, use or modification, and to maintain integrity across the systems and to improve data privacy standards.

Utility Communications: The Policy states, “Providing utility communications that are: (i) accurate and easily accessible; (ii) understandable, including accurate billing that can be easily interpreted and conveniently paid; and (iii) proactive regarding potential weather-related and/or emergency situations, including information on the restoration of electric outages.

- PSEG Long Island’s e-mail database contains 494,000 email addresses, which is near industry levels (PSEG Long Island 21.5% vs. 24.3%);
- Customers receiving paperless bills reached approximately 19% (200,000) of all customers;
- Revenue collected via text payments continues to increase as the number of payments received electronically continues to steadily grow reaching 59.6%;
- PSEG Long Island enhanced the billing, energy usage, and payment processes provided to customers through My Account since the last Policy report with:
  - An updated design to match new website;
  - Addition of myEnergy portal and new online Home Energy Analyzer;
  - Streamlined processes for frequently accessed activities (registration, bill pay) and for scheduling payment; and
  - Added option to enroll in Paperless Billing from registration and DirectPay processes.
- PSEG Long Island improved the ability to communicate with customers during weather and/or emergency situations by
  - Enabling pre-storm broad casting text messages and other features, with 75% of outages reported via self-service in the last major storm event;
  - Improving MyAccount:
    - Added option for customers to use their telephone number and zip code to report an outage as a guest; and
    - Added banner to the dashboard with estimated restoration times when there is a known outage.
  - Improving the Outage Map, including:
    - Adding information about crew status and cause of outage;
    - Adding the ability to add photographs of damage and/or restoratin activities;
    - Identifying outages by an area-only tab; and
    - Adding a weather overlay of the map.

## **2018 Work Plan**

LIPA's 2018 Work Plan includes the following goals to advance the Policy:

- **Goal # 22**: Establish new multi-year performance goals, associated metrics, and budgets to take effect in 2019 for customer service based on industry best practices.
- **Goal # 23**: Assess results of PSEG Long Island's "moment of truth" surveys and other data sources of customer satisfaction.
- **Goal # 24**: Oversee PSEG Long Island's Utility 2.0 plan filing<sup>1</sup> and the multi-year program for smart meters.
- **Goal # 25**: Enhance LIPA's communications with stakeholders, investors, and Trustees by launching new website and producing more concise and informative Board materials.

It is anticipated that these goals will be completed by year end.

## **Proposed Changes to the Board Policy**

The proposed changes to the Policy include only non-material clarifications and formatting changes as shown in **Exhibit "B"**.

## **Recommendation**

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

## **Attachments**

**Exhibit "A"** Resolution

**Exhibit "B"** Customer Service Policy (redline)

**Exhibit "C"** Customer Service Policy (clean)

**Exhibit "D"** Report to the Board on the Customer Service Policy

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<sup>1</sup> <https://www.lipower.org/wp-content/uploads/2018/06/2018-06-29-PSEG-LI-Utility-2.0-2018-Annual-Update.pdf>

**Exhibit A**

**RESOLUTION APPROVING THE REPORT TO THE BOARD OF TRUSTEES ON THE CUSTOMER SERVICE POLICY**

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**WHEREAS**, the Customer Service Policy (the “Policy”) was originally approved by the Board of Trustees by Resolution No.1370, dated July 26, 2017; and

**WHEREAS**, the Board has received the annual Staff report on compliance with the Policy; and

**WHEREAS**, the Board has reviewed the Policy and affirms that changes to the Policy are required.

**NOW, THEREFORE, BE IT RESOLVED**, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with the Customer Service Policy for the period since the adoption of the Policy, approves the annual report to the Board, and approves updates to the Policy, as recommended herein.

Dated: September 27, 2018

Board Policy:	<b>Customer Service</b>
Policy Type:	<b>Mission</b>
Monitored by:	<b>Oversight Committee</b>
Board Resolution:	<b>Resolution #1370, approved July 26, 2017 [#XXXX] amended September 27, 2018</b>

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## Board Policy on Customer Service

It is the policy of the Long Island Power Authority to achieve a high level of customer service and satisfaction by:

- ~~Funding cost-effective initiatives and ongoing operations: (i) to provide customers with a level of service, as measured by industry standard customer service metrics, within the first quartile of peer utilities by 2018; and (ii) so that customers report a level of satisfaction, as measured by third-party and internally-generated customer satisfaction surveys, within the first quartile of peer utilities by 2022~~
- ~~Funding cost-effective initiatives and ongoing operations so that customers report a level of satisfaction, as measured by third-party and internally-generated customer satisfaction surveys, within the first quartile of peer utilities by 2022;~~
- Supporting programs so that customers have information, education, and tools to manage their energy use according to their needs, including innovative billing options and emerging technologies and communications tools that enable multi-directional customer relationships for distributed resources and electric vehicles;
- Protecting customer information from unauthorized access, use, disclosure, ~~disruption,~~ modification or destruction through the adoption of appropriate policies and procedures; and
- Providing utility communications that are:
  - accurate and easily accessible;
  - understandable, including accurate billing that can be easily interpreted and conveniently paid;
  - proactive regarding potential weather-related and/or emergency situations, including information on the restoration of electric outages.

The Chief Executive Officer will report annually to the Board on compliance with the key provisions of the Customer Service Policy.:

- ~~Customer service and satisfaction metrics, including comparisons to peer electric utilities;~~
- ~~Initiatives to provide customers with information, education, and tools to manage their energy use;~~
- ~~Access, use, disclosure, disruption, modification, or destruction of customer information by unauthorized persons; and~~
- ~~Feedback from customers on customer communication.~~

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The Chief Executive Officer will report annually to the Board on compliance with the key provisions of the Customer Service Policy.

# Annual Report to the Board of Trustees on Customer Service

RICHARD WALDEN  
VP OF CUSTOMER OPERATIONS



# Agenda

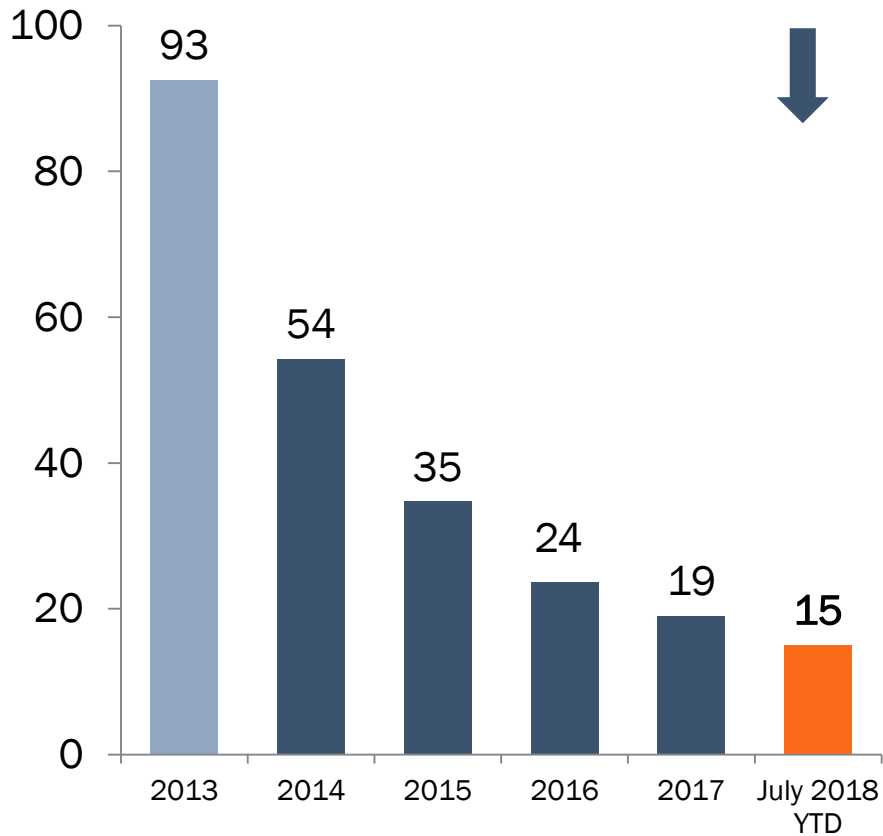
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- Customer Services Metric Overview
- Customer Services/Satisfaction Initiatives
- Community Involvement
- Customer Feedback

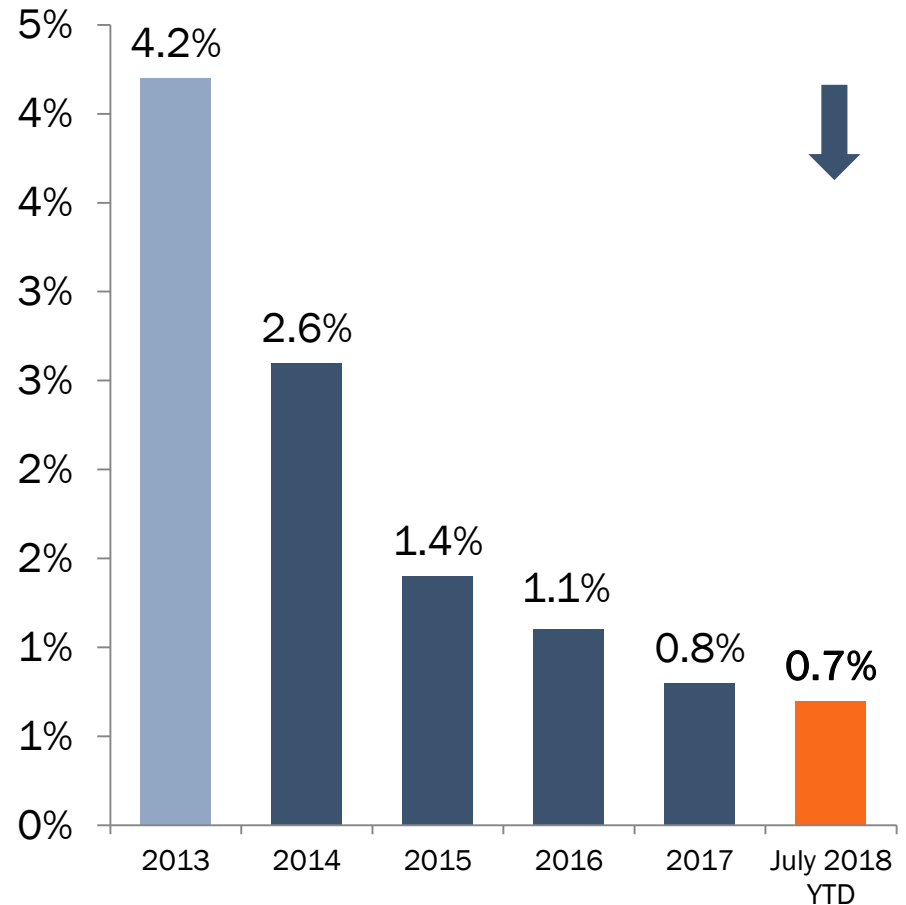
# Customer Services Metric Overview

## Call Center: Average Speed of Answer and Abandonment Rate

### Average Speed of Answer (Seconds)



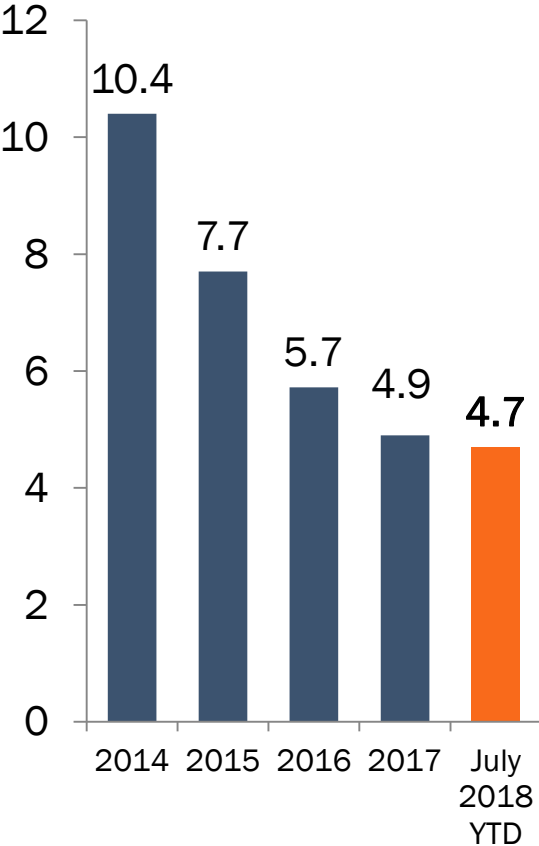
### % Abandoned Calls



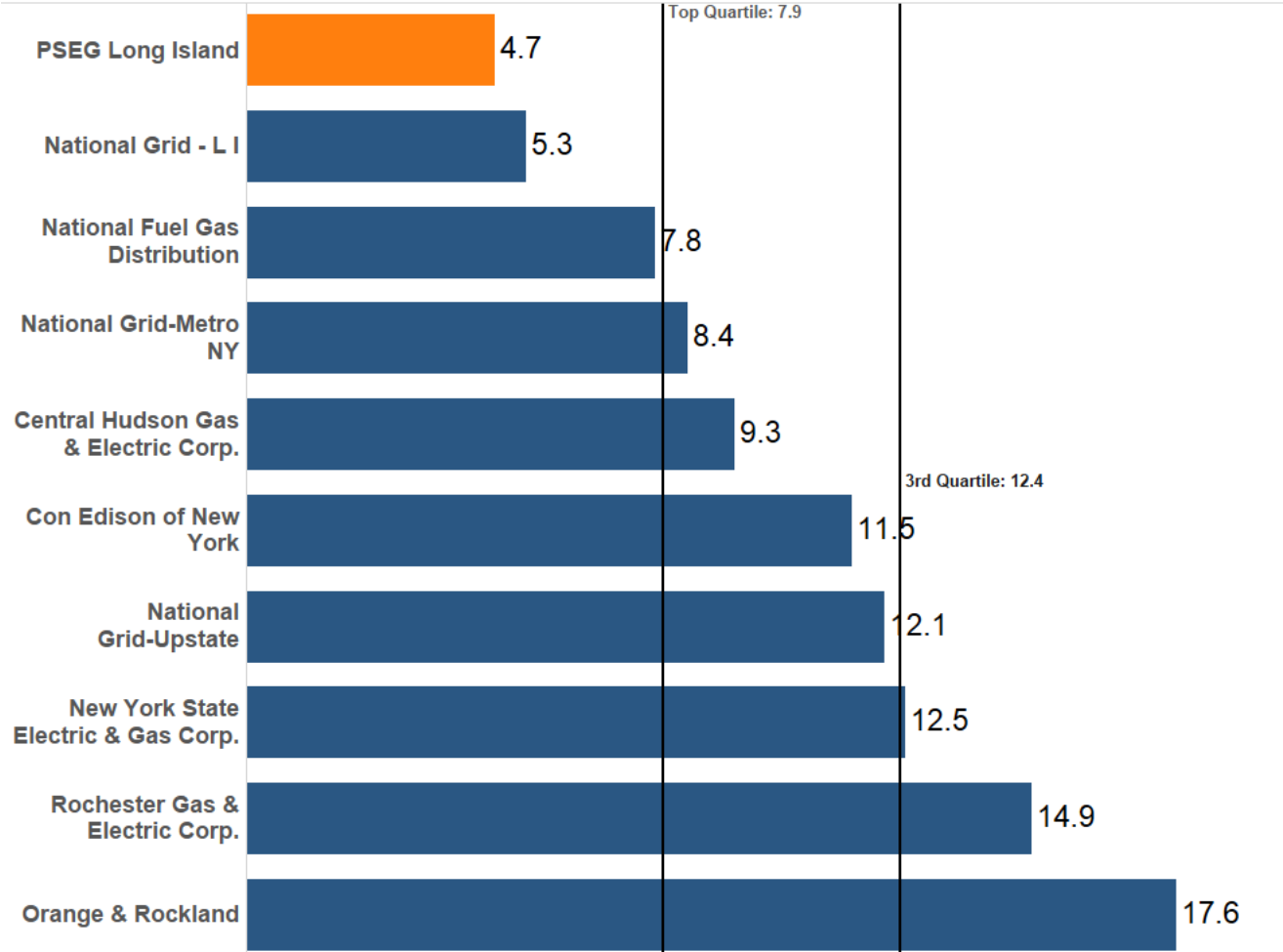
# Customer Services Metric Overview

## Customer Complaints

Number of Complaints



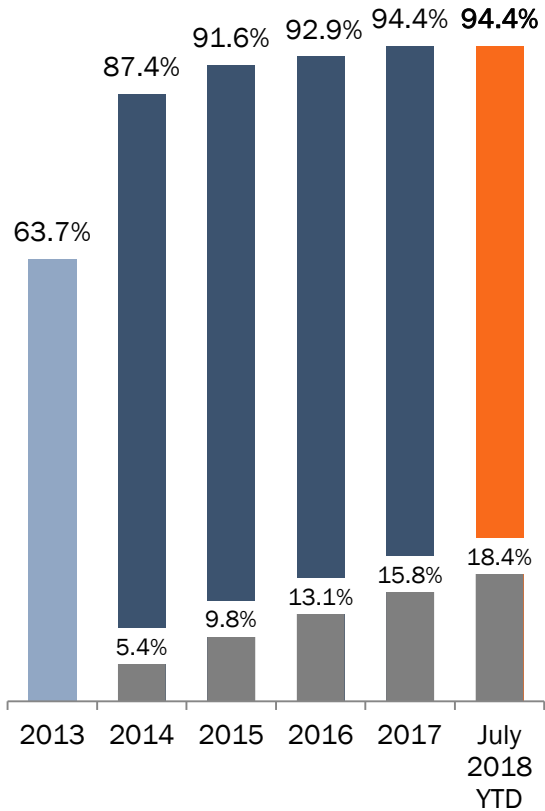
Rolling 12 Month DPS Benchmark



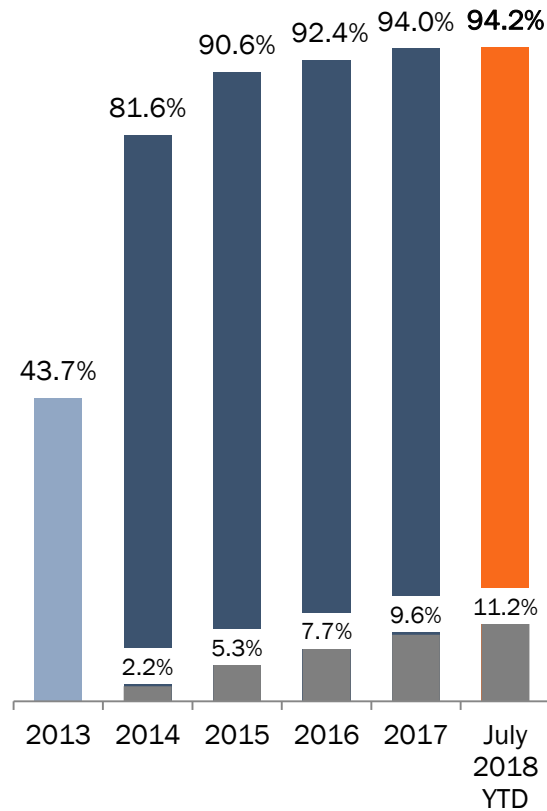
# Customer Satisfaction Metric Overview

## After Call and Personal Contact Surveys

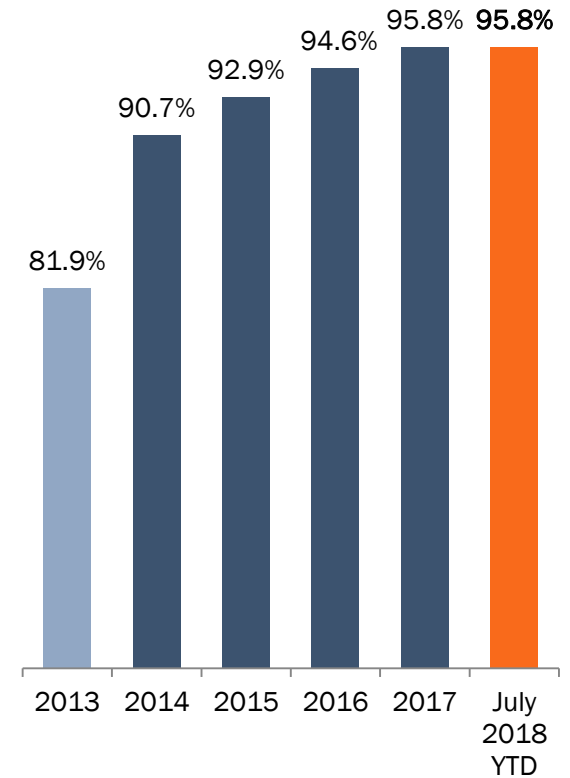
### After Call Survey Residential



### After Call Survey Business



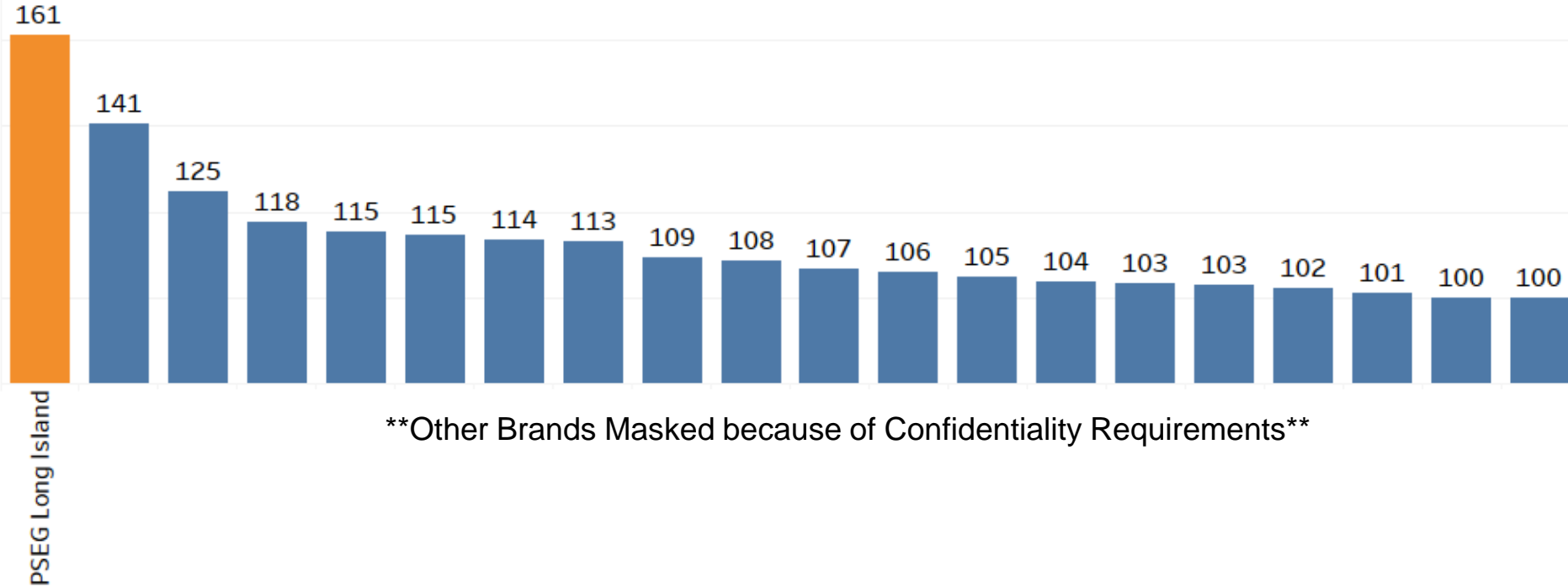
### Personal Contact Survey



■ Survey Participation Rates

# Customer Satisfaction Metric Overview

*JD Power Residential – Most Improved Brand in Last 5 Years*



*“Top Performers are not always the Highest Ranked Brands” – JD Power*

# Customer Satisfaction Metric Overview

## JD Power Survey Six Categories

### Power Quality and Reliability

- Supply Electricity During Extreme Temperatures
- Provide Quality Electric Power
- Restore Power Promptly After Outages
- Avoid Brief Interruptions
- Avoid Lengthy Interruptions
- Keep You Informed about and Outage

### Price

- Total Monthly Cost of Electricity
- Ease of Understanding Pricing
- Price Options That Meet Needs
- Fairness of Pricing
- Utilities Efforts to Help Maintain Monthly Usage

### Billing and Payment

- Ease of Paying Bill
- Amount of Time Given to Pay Bill
- Usefulness of Information on Bill
- Variety of Methods to Pay Bill

### Corporate Citizenship

- Involvement in Local Charities & Civic Organizations
- Actions to Take Care of Environment
- Variety of Energy Efficiency Programs Offered
- Develop Energy Supply Plans for the Future

### Communications

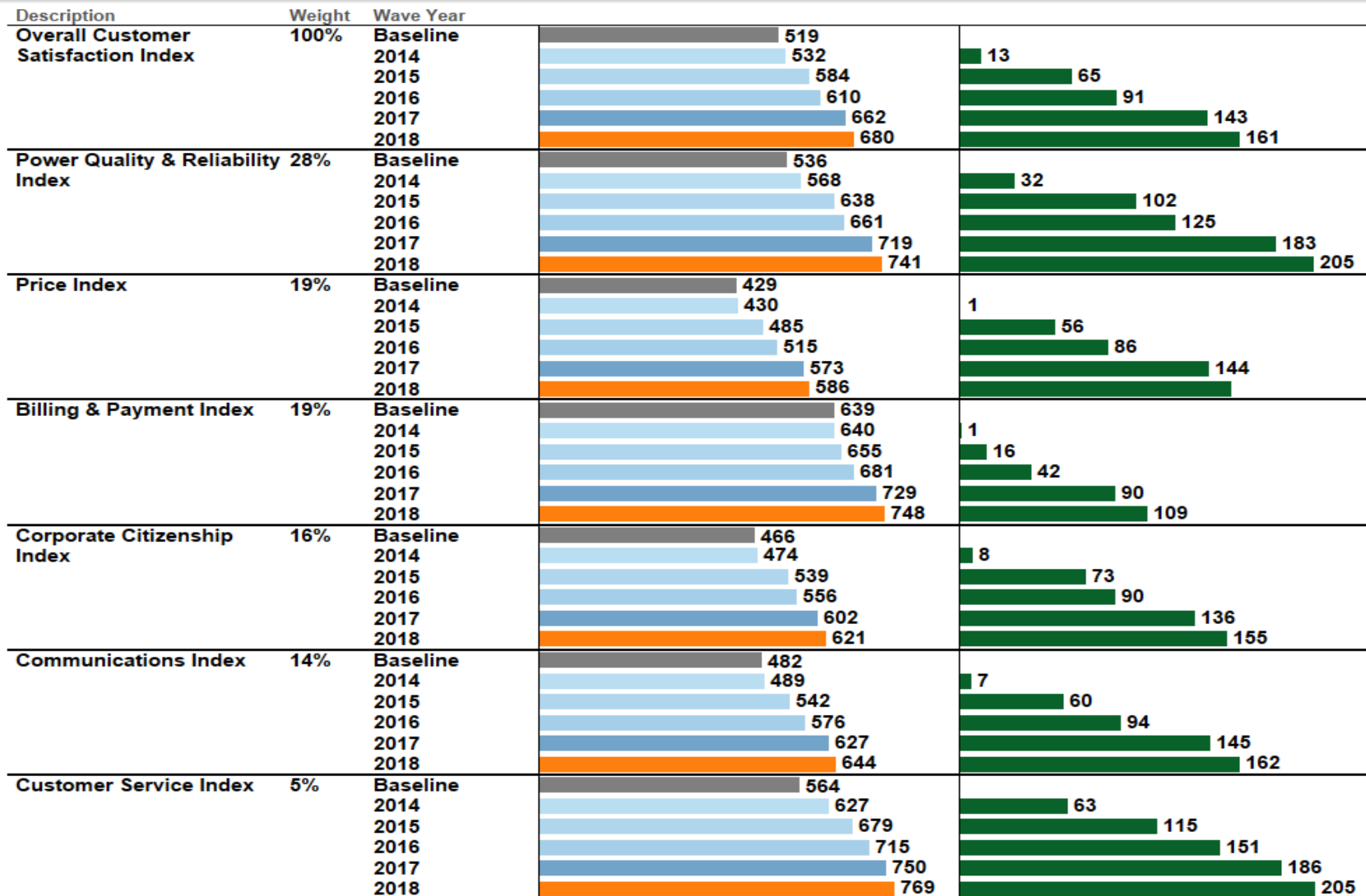
- Communicating How to be Safe Around Electricity
- Usefulness of Suggestions on Ways to Reduce Energy
- Efforts to Communicate Changes
- Keep You Informed About Keepings Costs Low
- Creating Messages That Get Your Attention

### Customer Service

- Timeliness of Resolving Problem/Question/Request
- Promptness Speaking to Person/Clarity of Information
- Customer Rep's Courtesy/Knowledge/Concern for Customer Needs
- Ease of Navigating Phone Menu Prompts/Website
- Appearance/Quality of Website/Phone Menu

# Customer Satisfaction Metric Overview

## JD Power Residential – Comparison to Baseline Performance



# Customer Service Initiatives

- AMI Customer Experience Strategy
  - AMI Expansion Continues (>100K Meters Deployed)
  - New AMI Portal – ability to view and manage usage for saving on bill
  - AMI Road Map
  - Implementation of new Meter Data Management System (“MDMS”)
  - Rate Modernization
  - Planned Full Scale Deployment
  - Super Saver and Load Pocket Pilots
- New Business Process Improvement
- Economic Development Initiatives and Small/Medium Business Advocates
- Tendril Home Energy Reports (300,000+/year)
- In Home Energy Audits (5,000+/year)



# Customer Services Technology Improvements & Data Security Protection

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## Technology Improvements

- Pre-storm broadcast text messaging, supporting 75% of outages reported via self service in last major storm event.
- New weather layer on Outage Map to provide customers the ability to prepare for localized storm activity.
- Continuous Improvement Customer Technology (My Account, IVR, My Alert, Paperless)
- Coming Soon! Alexa voice assistant to provide more customer convenience.

## Data Security Protection

- \* PSEG LI has assessed its data privacy framework, practices, and procedures as recommended by the National Institute of Standards (“NIST”) and has put in place:
  - notifications to customers of data being collected, reasons for collection, and intended use, retention and sharing of data.
  - safeguards that protect customer information from unauthorized access or improper use.

# Community Involvement

## Supporting the Communities we Serve

Look for our dedicated employee volunteers in your neighborhood as they support community organizations and worthy causes throughout Long Island and the Rockaways.

### Everyday Outreach

- Our employees routinely support local community organizations through various community projects.

### Major Community Events

- Our employees, families and friends come out in full force to support local charities that are improving the quality of life in our communities.

### Education and Safety

- We offer a variety of outreach programs that have educated thousands of kids about safety and emergency preparedness.

### Community Leadership

- PSEG Long Island senior executives serve on the boards of various local community organizations.

### Investing in the Infrastructure

- We're working every day to deliver, maintain and achieve world class service and reliability. Let us show you how. Select an area from the list below.



January 2018 - July 2018

Community Partnership Program Achievements



WE!

# Customer Feedback

- PSEG Long Island is constantly gathering customer feedback to drive improvements in products and services
- Channels for customer feedback including surveys, traditional focus groups, telephone interviews, face-to-face interviews, and online feedback via our customer panel
- Customer verbatim feedback received via the J.D. Power survey:
  - Excellent website
  - Consistent service with ease of paying and pleasant customer service
  - Good service with minimal if any disruptions
  - Communication is good, infrastructure improvements are good
  - They keep the power on in bad storms
  - I never have outages. They are amazing. They are always in touch. If there's a storm they e-mail and text and help us to prepare. It's a secure feeling with this company
  - I HATE not having actual readings of my meter on a monthly basis. This estimated bill idea is horrible! They are always overcharging me and then owe me \$ up to 3 figures the last time! I have had enough of it
  - Usually people don't know what exactly they are reading when looking at bills. Even though it states it, we don't know how to improve the price. Give suggestions