

## BOARD AGENDA SUMMARY SHEET

<b>Committee or Board:</b> Board	<b>Date:</b> May 10, 2019	<b>Board Meeting Date:</b> May 22, 2019
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**For All Board Voting Items:**

**Title of Agenda Item:** Approval of the Annual Report and Amendments on the Board's Policy on Customer Service

**Consent Agenda:** ☐ Yes ☒ No

**Accompanying Presentation:** ☒ Yes ☐ No

**Recommendation from Committee:** ☒ N/A ☐ F&A; ☐ GP&P; ☐ Oversight & REV

**LIPA Presenter:** Mike Deering

**PSEG Long Island Presenter:** Rick Walden

**For Policy Reports Only:**

**Type of Policy / Report:** ☐ Operating; ☐ Governance; ☐ Compliance; ☒ Mission

**Date of Last Report:** September 27, 2018

**Compliance Since Last Report:** ☒ Yes ☐ No

**Proposed Changes to Policy:** ☒ Yes ☐ No

<b>Requested Action:</b>	The Board is requested to adopt a resolution: (i) approving the annual report for the Board Policy on Customer Service; (ii) finding that the Long Island Power Authority and its subsidiary, LIPA, have complied with the Policy; and (iii) approving certain amendments to the Policy.
<b>Summary:</b> <b>(include proposed amendments to Board Policies, if applicable)</b>	<p>By Resolution No. 1370, dated July 26, 2017, the Board adopted the Policy with the purpose of providing a framework to achieve a high level of customer service and satisfaction. The Policy was last amended by the Board by Resolution No. 1430 on September 27, 2018. The Policy provides that the "Chief Executive Officer will report annually to the Board on compliance with the key provisions of the Customer Service Policy".</p> <p>As detailed in the accompanying memorandum, Staff proposes certain non-substantive revisions to the Policy for clarification.</p>

## **FOR CONSIDERATION**

May 22, 2019

**TO:** The Board of Trustees

**FROM:** Thomas Falcone

**REQUEST:** Approval of the Annual Report and Amendments to the Board's Policy on Customer Service

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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) approving the annual report on the Board Policy on Customer Service (the "Policy"); (ii) finding that the Long Island Power Authority and its subsidiary, LIPA (collectively the "Authority" or "LIPA") have complied with 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 Policy with the purpose of providing a framework to achieve a high level of customer service and satisfaction. The Policy was last amended by the Board by Resolution No. 1430 on September 27, 2018.

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

### **Compliance with the Policy**

Staff recommends that, for the reasons set forth below, the Board find that the Authority has complied with the Policy since the review of the policy last year.

Compliance with each element of the Policy is discussed in detail below.

"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; 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."

- Since 2014 PSEG Long Island is ranked as the most improved utility by J.D. Power with an increase of 179 points; however, the score remains below average for a Large East Utility

- 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 94.5%, 94.2% and 95.9% of respondents, respectively, indicating satisfaction with PSEG Long Island service
- First Call Resolution in the call center finished 2018 at 61.1%. First call resolution was added as a Tier 1 metric in 2019 and is targeted for further improvement
- PSEG Long Island achieved their 5-year goal for improving Average Speed of Answer. PSEG Long Island improved from a 2013 baseline of 93 seconds to a 2018 result of 15 seconds, which met first quartile performance and far exceeded the 5-year goal of 26 seconds
- Customer complaints improved to 4.6 complaints per 100,000 customers and are within first quartile line performance among New York State utilities

“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.
- 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; and
  - Faster outage detection and restoration times;
  - Remote connect/disconnect for move in/out
- Expanded incentives for electric vehicles include:
  - Residential charger rebates;
  - Smart charging discount; and
  - Fast charging stations
- A SuperSaver pilot program in North Bellmore has saturated the town with smart meters, and is proactively communicating cost savings using smart meter technology and promoting a new time-of-use rate option
- During 2018, 35,621 customers participated in a home energy efficiency audit on the web. 430,000 customers have received Home Energy Reports which disaggregate the total bill into the individual appliances and major energy using equipment. The reports also compare individual homes to others in the neighborhood to encourage best practices and reduced usage

“Protecting customer information from unauthorized access, use, disclosure, modification or destruction through the adoption of appropriate policies and procedures.”

- Through press releases, television ads and bill inserts, PSEG Long Island provides customers with proactive reminders to be aware of and how to protect themselves from unscrupulous scam calls, scam emails and unannounced visits
- 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 has been implemented using 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

“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.”

- Paperless billing increased to 26.4% and has been targeted for further improvement as a Tier 1 metric to 35.0% over the next three years
- Revenue collected via text payments continues to increase as the number of payments received electronically continues to steadily grow reaching 63.3%
- Actual meter read rate improved as smart meters are being deployed
- Rendering of timely and accurate bills improved in 2018 achieving almost 95%
- PSEG Long Island provides proactive, timely and factual information and outreach to customers for storm and weather-related events through press releases, text messages, email and radio

### **Annual Review of the Policy**

As shown on **Exhibit “B”**, Staff proposes non-substantive revisions to the Policy for clarification.

### **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”** Board Policy on Customer Service (redline)
- Exhibit “C”** Board Policy on Customer Service (clean)

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

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**WHEREAS**, the Board Policy on Customer Service (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 approves the changes to the Policy as recommended by Staff.

**NOW, THEREFORE, BE IT RESOLVED**, that consistent with the accompanying memorandum, the Board hereby finds that the Authority has complied with the Policy for the period since the last annual review of the Policy, approves the annual report to the Board, and approves updates to the Policy.

Dated: May 22, 2019

## Exhibit "B"

Board Policy: **Customer Service**

Policy Type: **Mission**

Monitored by: **Oversight and REV Committee**

Board Resolution: **#1370, approved July 26, 2017**  
**#1430, amended September 27, 2018**  
**#[xxx], amended May 22, 2019**

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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; and (ii) so that customers report a level of satisfaction, as measured by third-party and internally-generated customer satisfaction surveys, within, where applicable, 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, 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.

## Exhibit "C"

Board Policy:	<b>Customer Service</b>
Policy Type:	<b>Mission</b>
Monitored by:	<b>Oversight and REV Committee</b>
Board Resolution:	<b>#1370, approved July 26, 2017</b> <b>#1430, amended September 27, 2018</b> <b>#[xxxx], amended May 22, 2019</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; and (ii) so that customers report a level of satisfaction, as measured by third-party and internally-generated customer satisfaction surveys, within, where applicable, 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, 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.

# Annual Report to the Board of Trustees on Customer Service

RICHARD WALDEN  
VP OF CUSTOMER OPERATIONS  
MAY 22, 2019



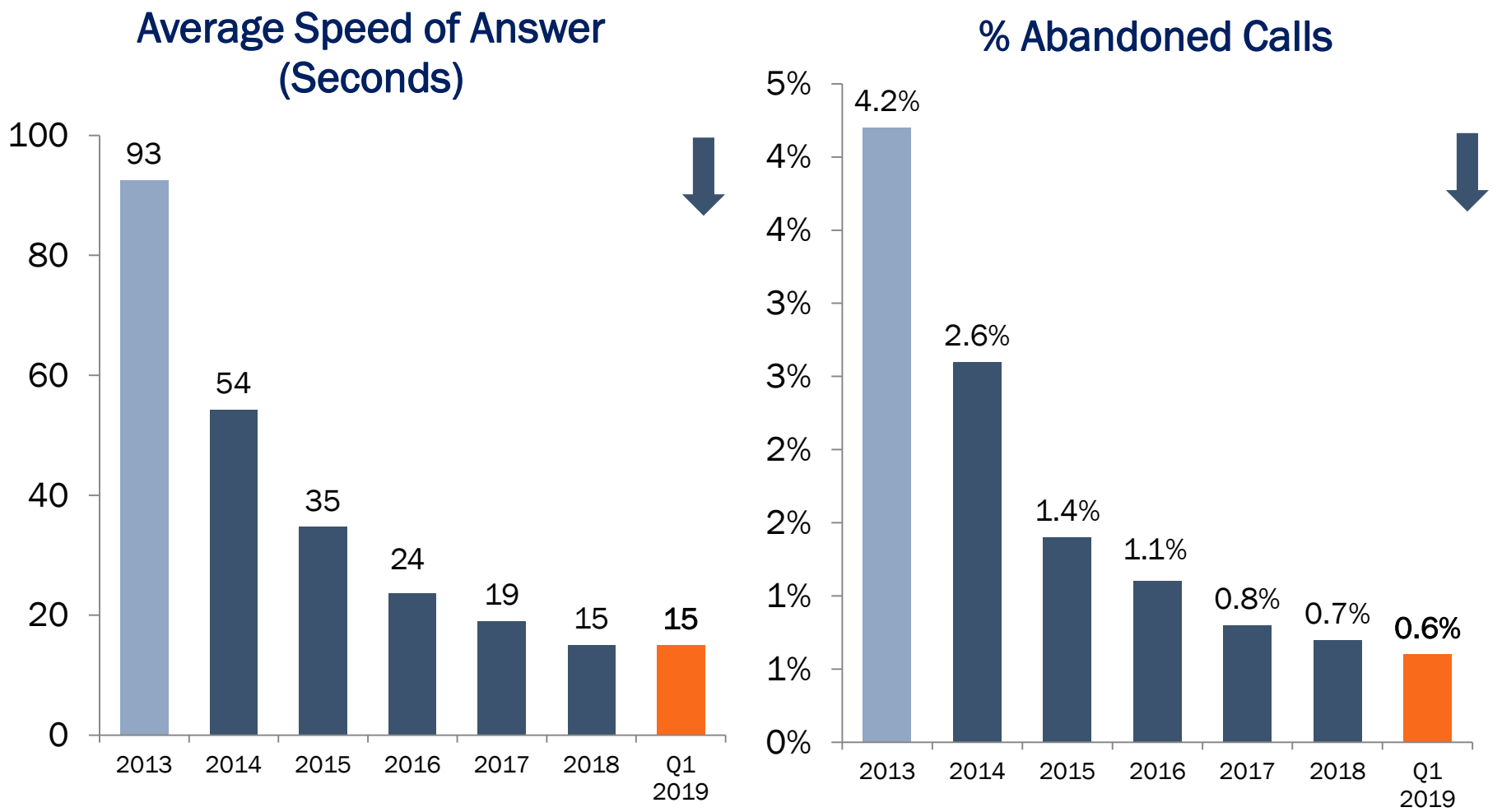
# Agenda

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- Customer Services Metrics
- Financial Stewardship
- Community Service
- Continuous Improvement

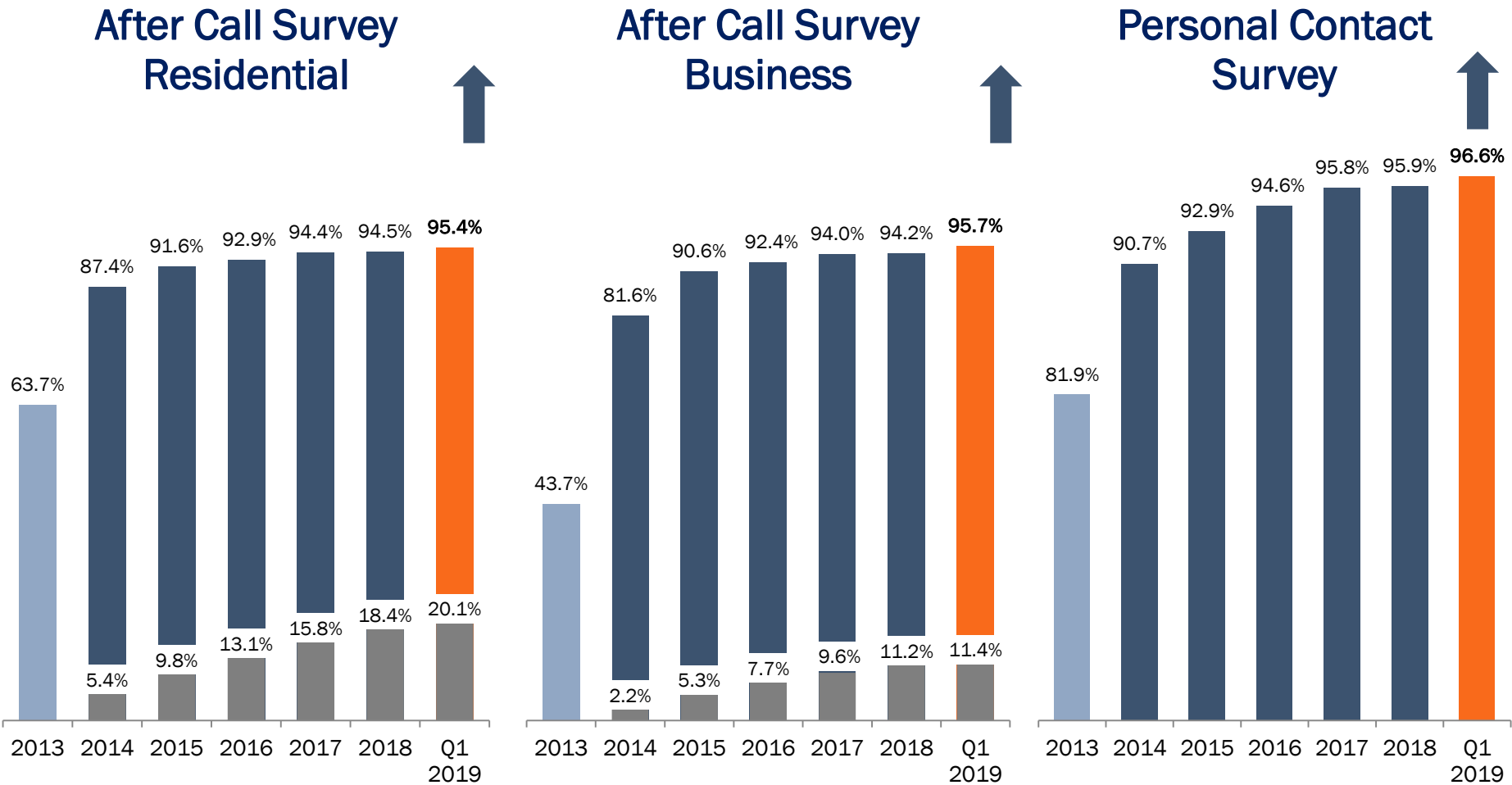
# Customer Services Metrics

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



# Customer Services Metrics

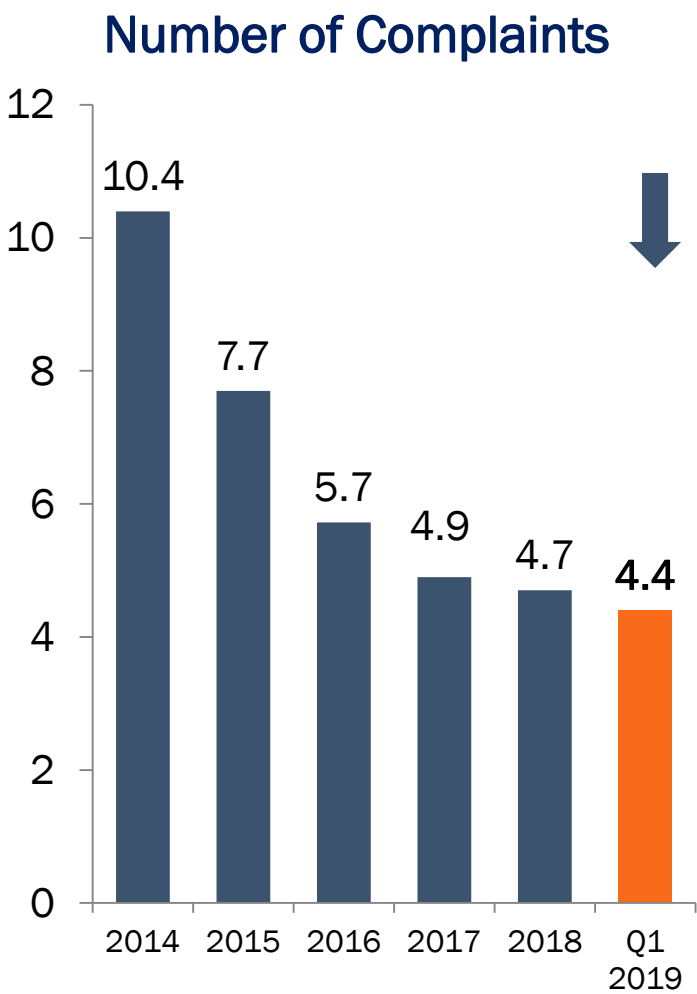
## After Call and Personal Contact Surveys



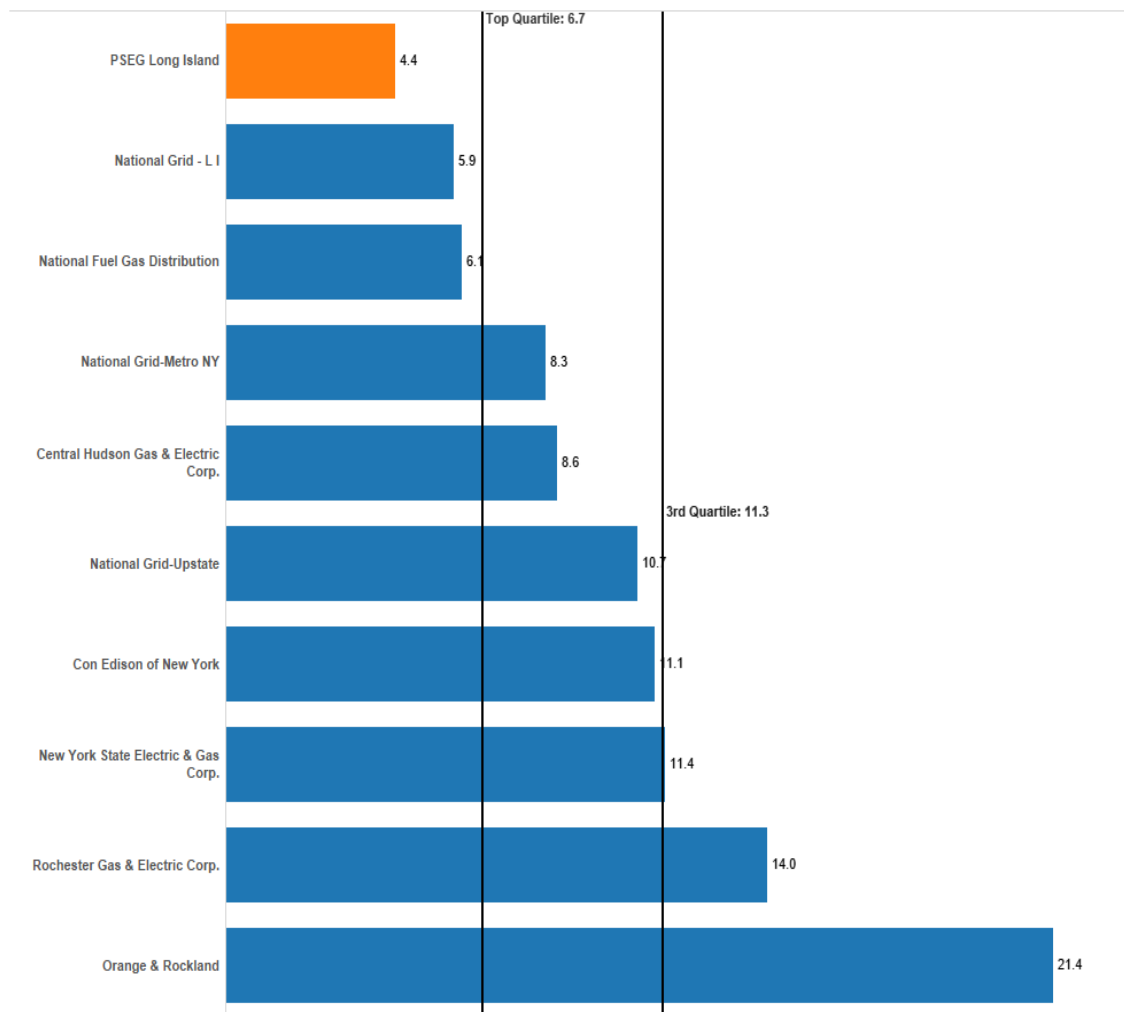
■ Survey Participation Rates

# Customer Services Metrics

## Customer Complaints

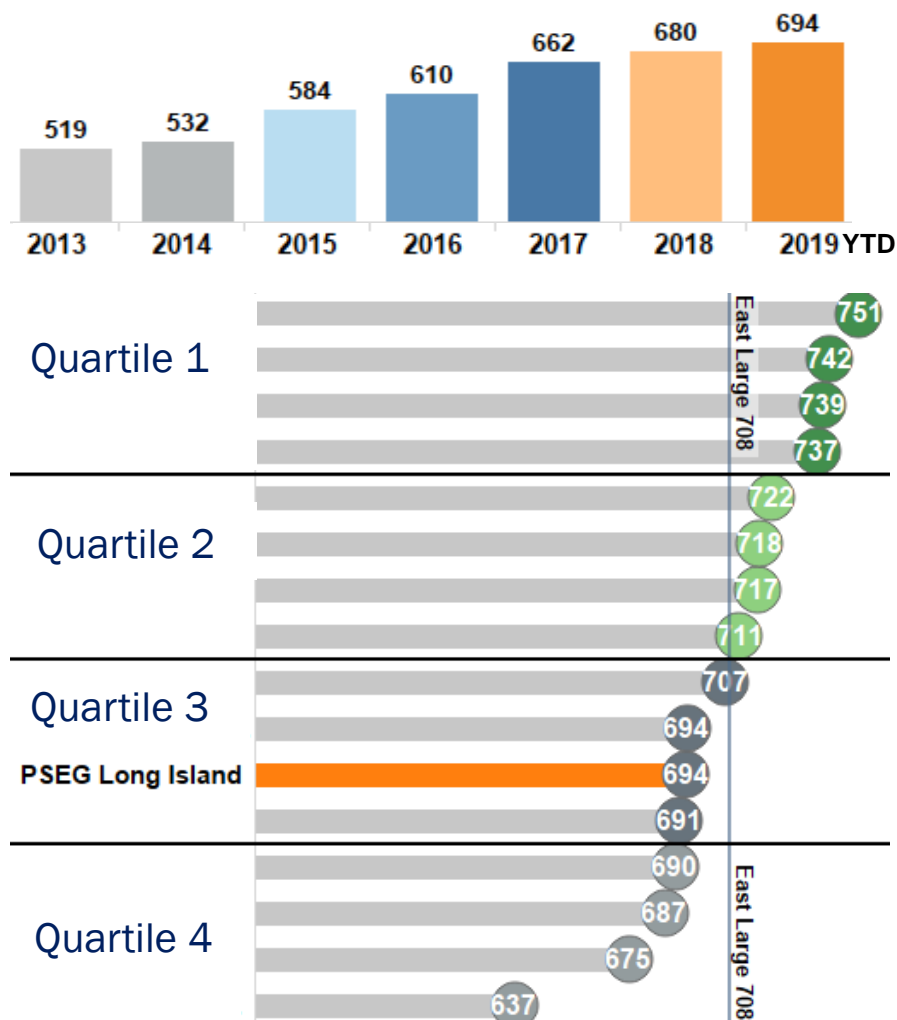


Rolling 12 Month DPS Data – March 2019



# Customer Services Metrics

## Customer Satisfaction - J.D. Power Residential

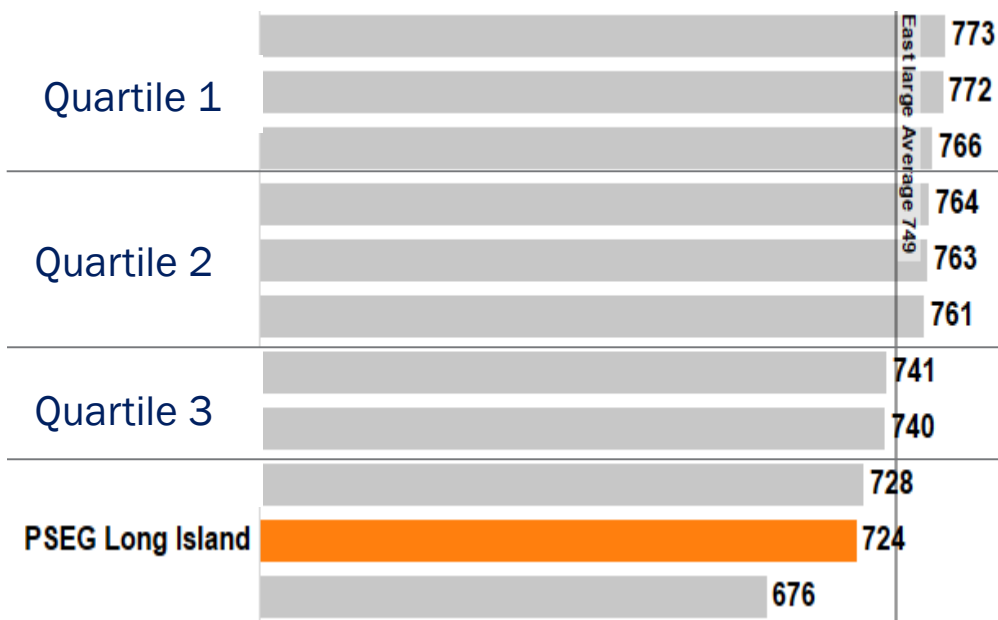
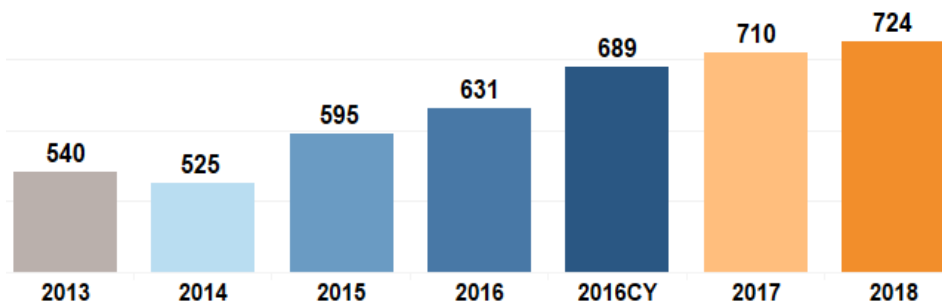


### PSEG Long Island

- Most improved utility nationally over the past 5+ years
  - 175 point increase
- In third Quartile through last three waves
- Over 32% highly satisfied customers with scores between 800 and 1,000

# Customer Services Metrics

## Customer Satisfaction - J.D. Power Business

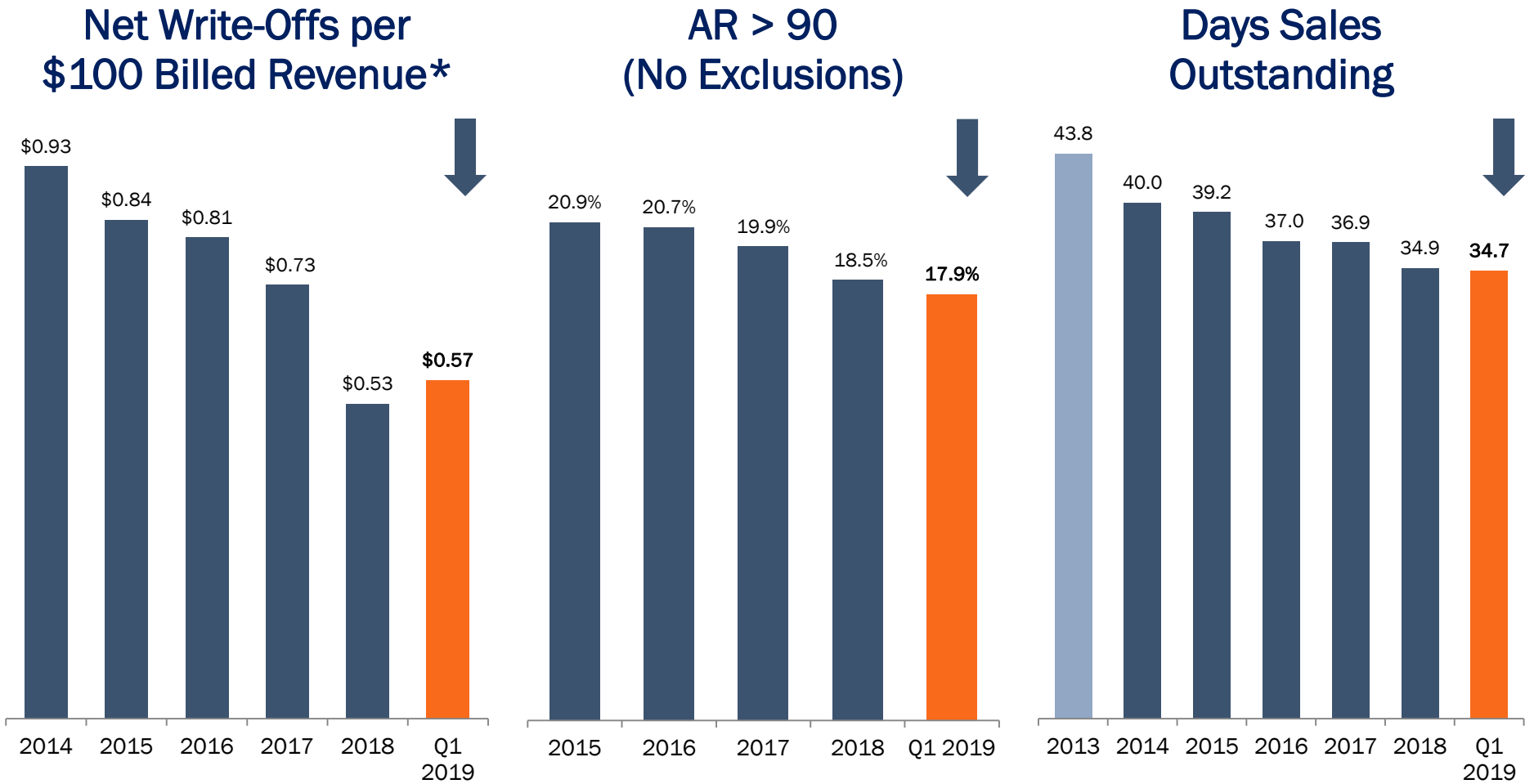


### PSEG Long Island

- Second most improved utility nationally over the past 5+ years
  - 185 point increase
- Has improved 1 position in rank
- Over 36% highly satisfied customers with scores between 800 and 1,000

# Financial Stewardship

## Credit and Collection Metrics



\* Results reflect write-off procedural changes and 2017 metric target methodology change. Prior year results reflect new target calculation.

# Community Service

## 2019 YTD Activities (January – April)

### Introduced New “Show of Force” Initiative

#### Earth Week – Five Towns on Five Separate Days

- Beautification projects, LED Bulb and reusable bag giveaways and small/medium business energy assessments
- EE awareness campaign and more...



### March of Dimes – March for Babies

- More than 600 participants and
- \$30K of employee donations





# Continuous Improvement

## Customer Technology Innovations



Pay Your Bill



Review Usage History



Get Bill Summary



Check Meter Reading Dates



Get Energy Saving Tips



Ask for Safety Tips

- **Alexa Pay My Bill** – PSEG Long Island is one of the first utilities in New York state to offer payment via the Alexa voice assistant channel.
- **Salesforce Integration - Web Chat** functionality added to PSEG Long Island website, providing an additional customer service channel. Upcoming Salesforce releases to provide 360 degree view of customer, enhancing overall customer service in all channels.
- **New AMI Portal and Usage Alerts** – Enhanced tools for customers to track their interval usage data online, plus the option to receive Weekly Summary and Threshold usage alerts by text or email.
- **New Business Renovation Services Portal** – Self-service options for new business customers
- **Big Data Analytics** – New capabilities to support Electric Vehicle penetration and reducing theft of service
- **Customer Facing Technologies** – Enhancements to My Account, IVR, MyAlerts, and Outage Maps

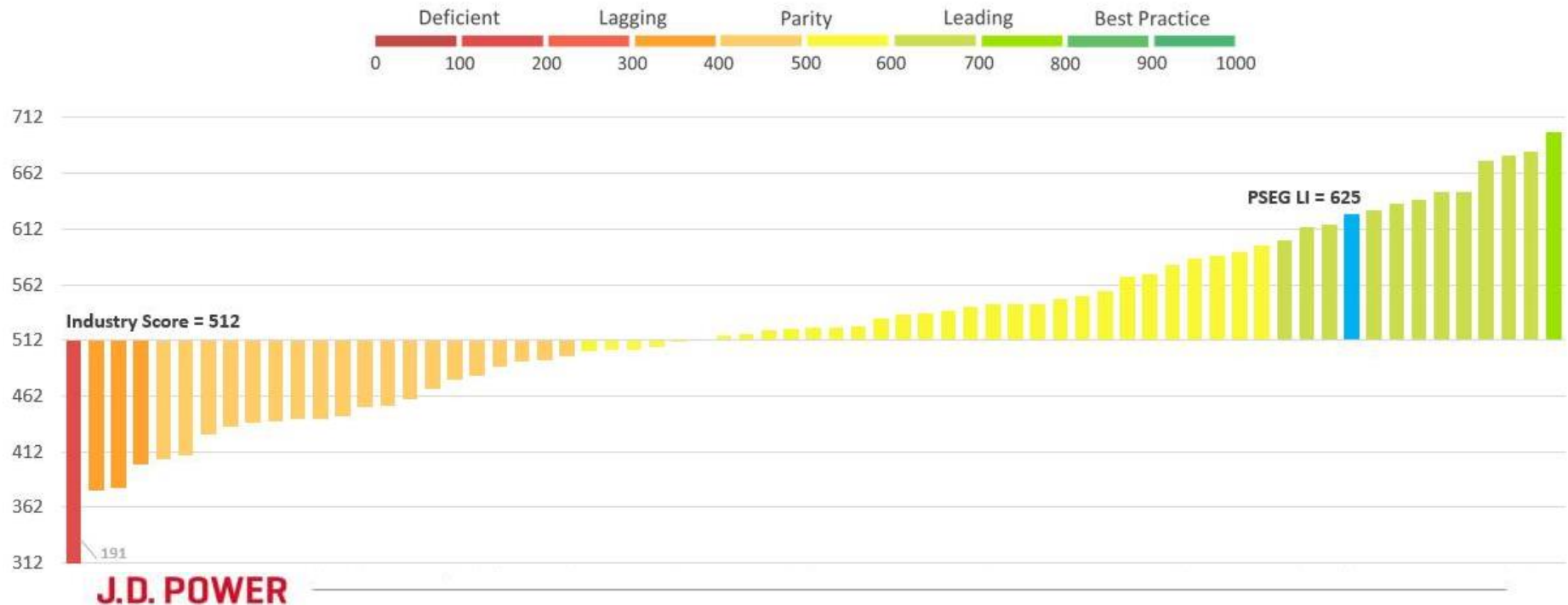
# Continuous Improvement

## J.D. Power Digital Intelligence Results

*PSEG Long Island Achieves 1<sup>st</sup> Quartile and Ranks 10<sup>th</sup> In Nation in J.D. Power Digital Intelligence Benchmark*

2019 Digital Intelligence Benchmark

CENTRIC DIGITAL



As part of the J.D. Power 2019 Utility Digital Experience Study (UDES), J.D. Power has partnered with Centric Digital to leverage best practices and to provide an industry agnostic review of companies digital proficiency.

# Continuous Improvement

## Select 2018 and 2019 Strategic Initiatives

### 2018 Initiatives

- ✓ 2018 Utility 2.0 Filing
- ✓ New Business Improvements
- ✓ Credit and Collections Initiatives
- ✓ Digital Customer Innovations

### 2019 Initiatives

- 2018 Utility 2.0 Implementation
  - Smart Meter Deployment
  - AMI - Enabled Capabilities
  - Battery Storage
  - Electric Vehicles
  - Super Savers
- 2019 Utility 2.0 Filing
- Customer Processes and Culture
  - Customer One J.D. Power Teams
  - Grass Roots Customer Culture Effort
- Customer Facing Technologies
  - Webchat
  - Mobile App
  - Energy Alerts
  - My Power Map

# Continuous Improvement

## *J.D. Power Customer Portfolio of Initiatives*

### Power Quality & Reliability

- Strive For Perfect Power
- Improve ETR Accuracy
- Proactive Communication for Planned Outages
- Improve First-call Resolution for Power Quality Calls
- Storm Map Upgrade to Include FEMA and Reliability Reinforcements
- Improve New Business Process

### Price

- Price/Value Communication Strategy
- Enhanced Promotion of Energy Efficiency, Promote Earth Week Events
- Increase Home Energy Assessments, Expand Home Energy Reports
- Obtain Software to Support More Flexible Rates
- Offer TOU Rates In Bellmore Super Savers Program

### Billing and Payment

- Create Mechanism for Recurring Credit Card Payments
- Increase Paperless Billing Enrollment
- Create Alexa Functionality For Billing
- Feasibility Studies: “Choose Your Own Due Date” And “Customer Office Transformation”

### Corporate Citizenship

- Coordinate Strategic Marketing Efforts to Increase Customer Awareness and Use of EE Programs
- Increase Participation/Promotion of Economic Development Programs
- Increase Customer Awareness of All Corporate Citizenship Efforts : Increase Media Coverage, Develop Social Media Strategy
- Add Earth Week As A Show Of Force Event

### Communications

- 2019 Campaign Centered on Innovation
- Expand Social Media Presence
- Tactical Support of JDP Index Teams
- Develop and Publicize Sponsored Content

### Customer Service

- New Technologies: Salesforce Implementation, Alexa, Webchat
- OMS Integration with AMI
- Remote Disconnect Using AMI
- Enhanced Outage Map

# Continuous Improvement

## Grass Roots Customer Culture Effort



### Team

- Cross-functional, Representing All Areas of the Company
- 36 Employees
- Union and Non-union

### Goals

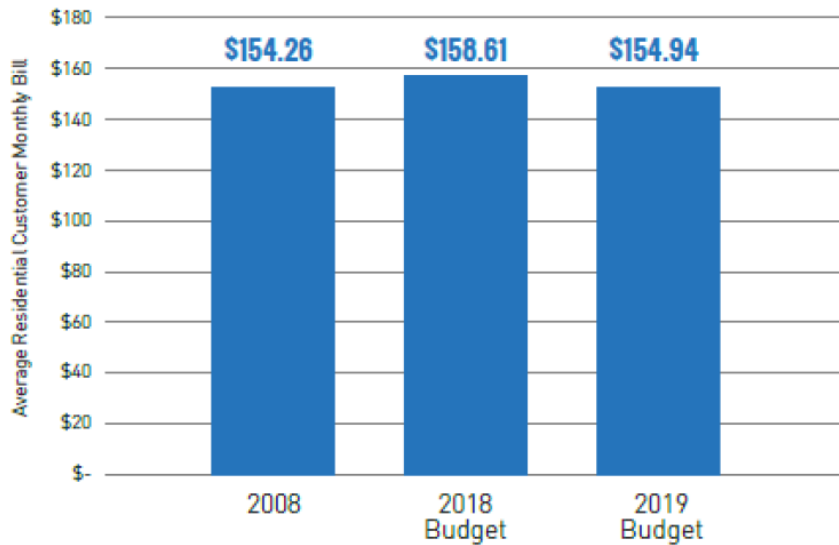
- Acts as the Voice of the Customer
- Drives Transactional Customer Improvements
- Identify Gaps In Employee Customer-Centric Culture
- Improves Communication Between Front Line Employees and Management
- Breaks Down Silos for Cross-functional Process Improvement
- Provides Ideas to Customer One Teams



# Focusing on What Matters Most to Customers

*Stable Prices and Providing Great Customer Service*

## Customer Bills Forecast to Decline in 2019



## PSEG Long Island Ranked as Most Improved Utility in the Nation

*J.D. Power Customer Satisfaction – New York State and Large East Utilities*

