

Annual Report to the LIPA Board of Trustees on Customer Service

Rick Walden

VP of Customer Operations

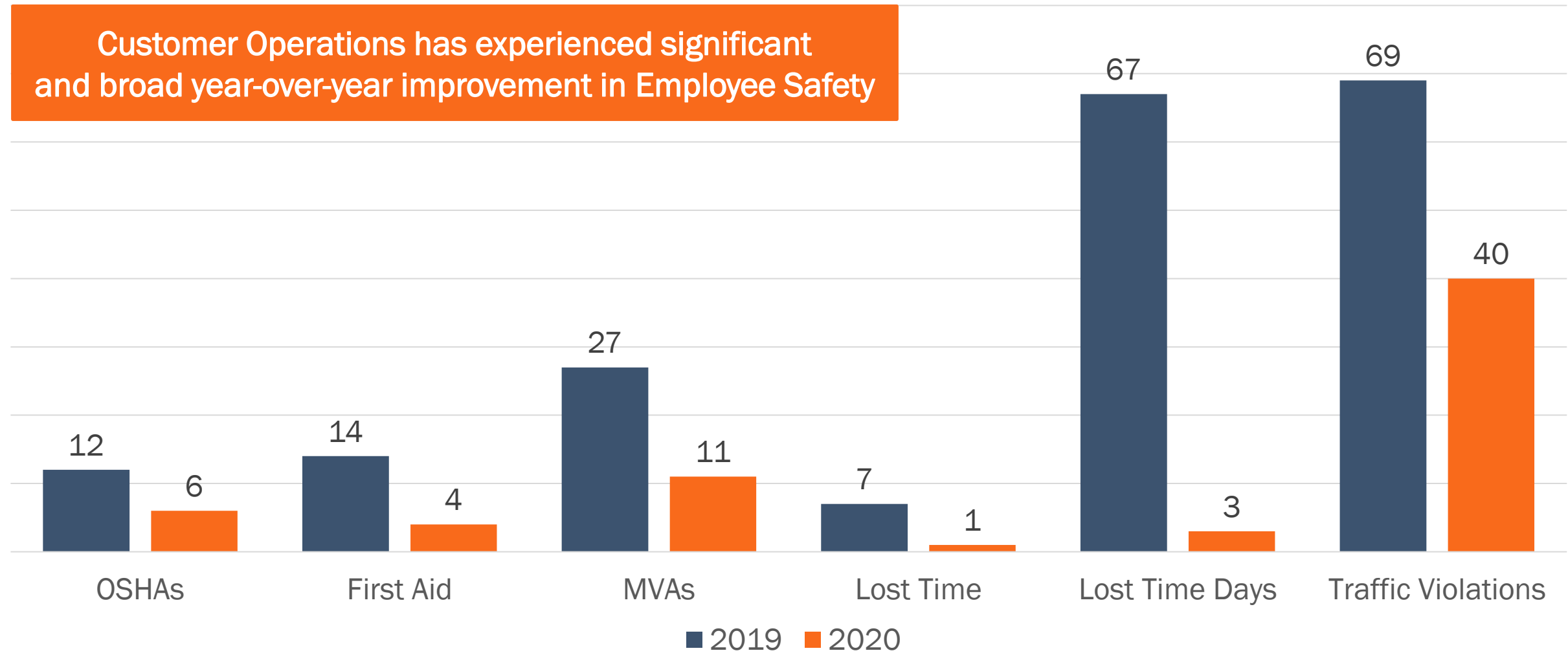
Agenda

- Employee Safety
- Call Center
- Customer Complaints
- Customer Satisfaction
- Financial Stewardship
- Customer Support During Pandemic
- Economic Development
- AMI Update
- Customer Technology
- Community Service
- Our Focus

Employee Safety

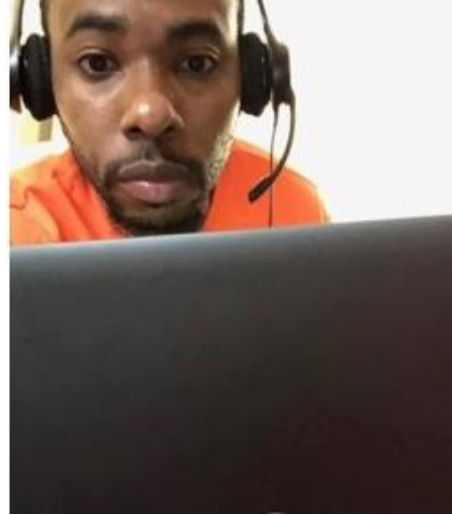
2019 v. 2020 through November

Customer Operations has experienced significant and broad year-over-year improvement in Employee Safety



Call Center – Working From Home

Nearly All Agents Transitioned Due to Covid-19

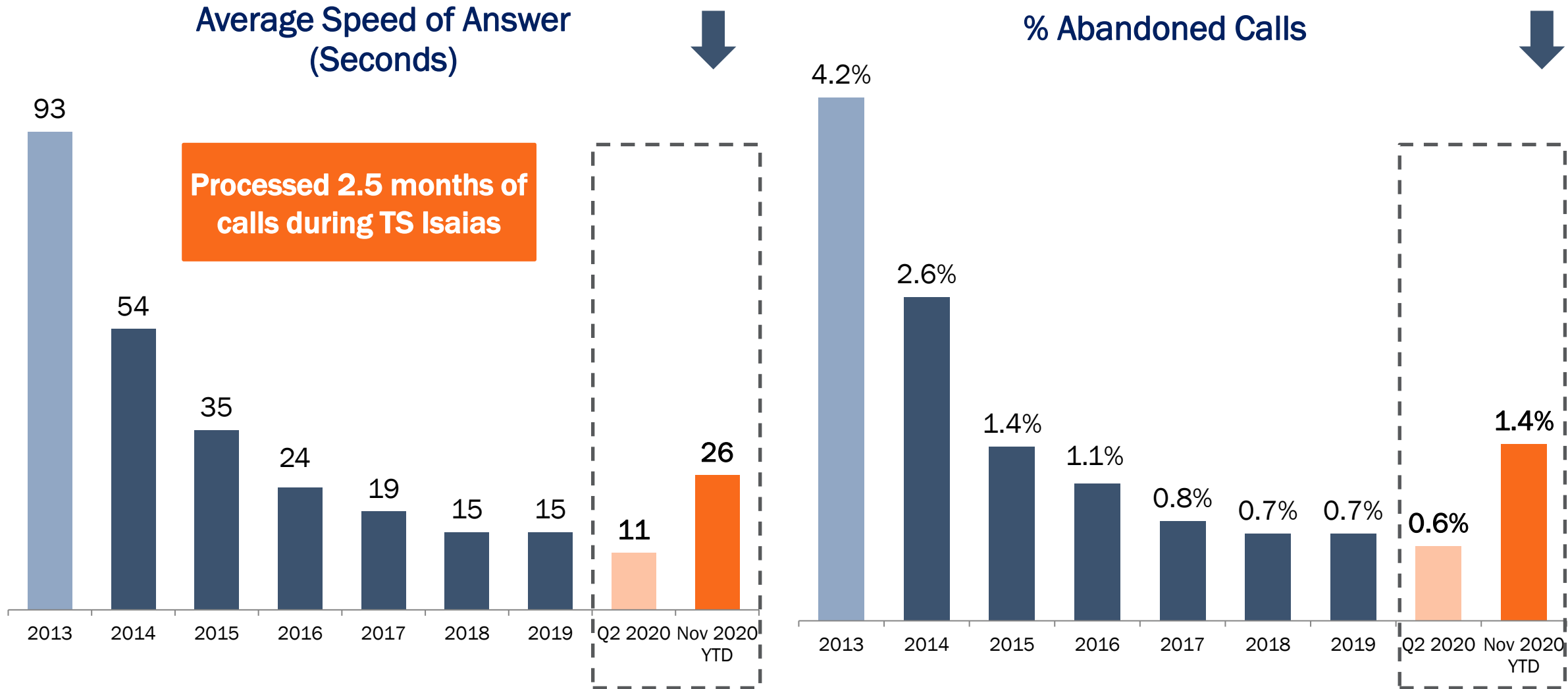


Best performance ever through July 31

- After Call Survey Residential, 95.8%, OSA 91.5%
- After Call Survey Business, 96.1%, OSA 91.5%
- First Call Resolution, 83.2%, OSA 82.8%
- Average Speed of Answer, 11 secs, OSA 19 secs

Call Center Call Metrics

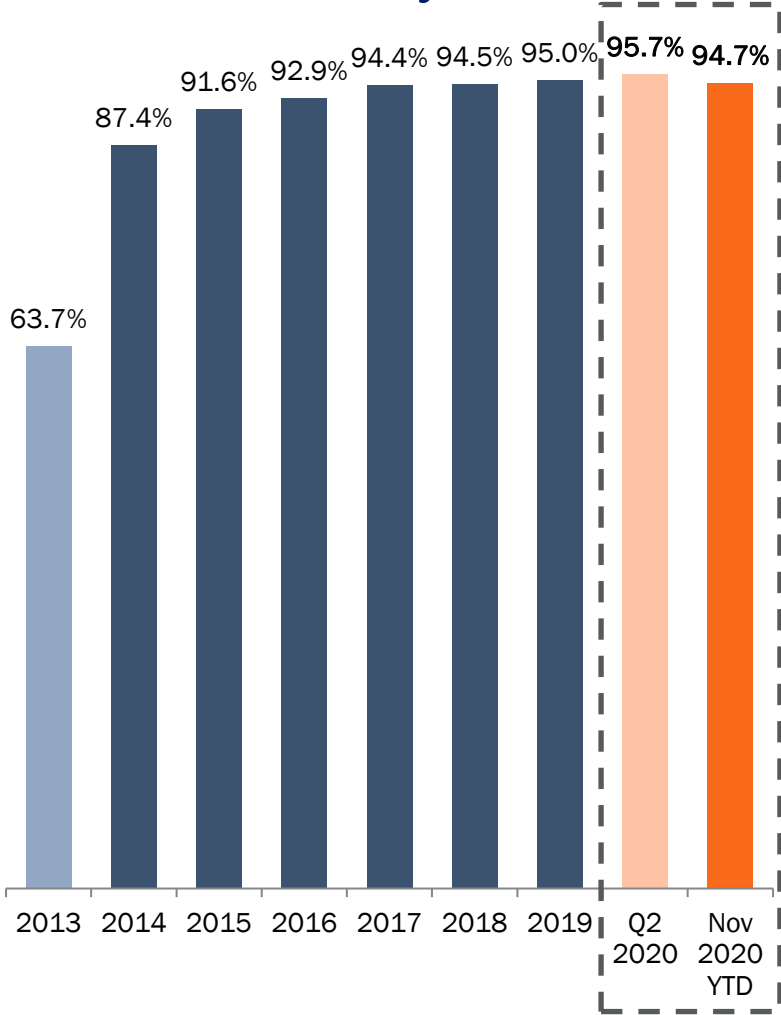
Beginning to Stabilize Since TS Isaias



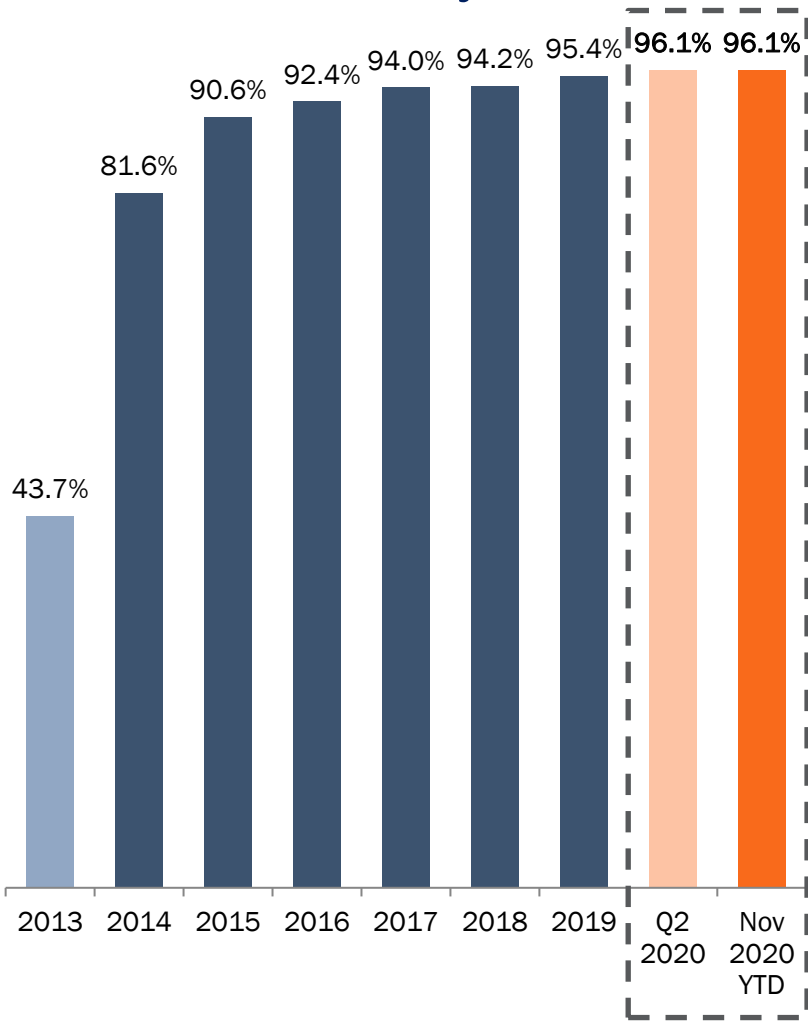
After Call and Personal Contact Surveys

Customer Surveys Remain Strong Despite Covid-19

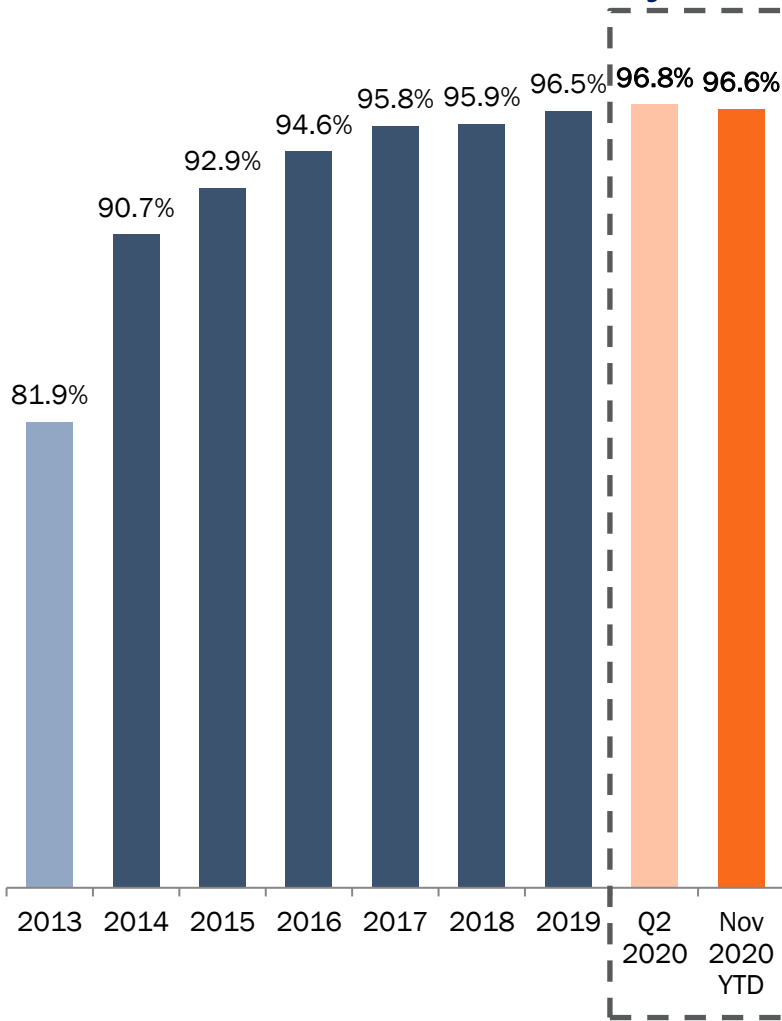
After Call Survey Residential



After Call Survey Business

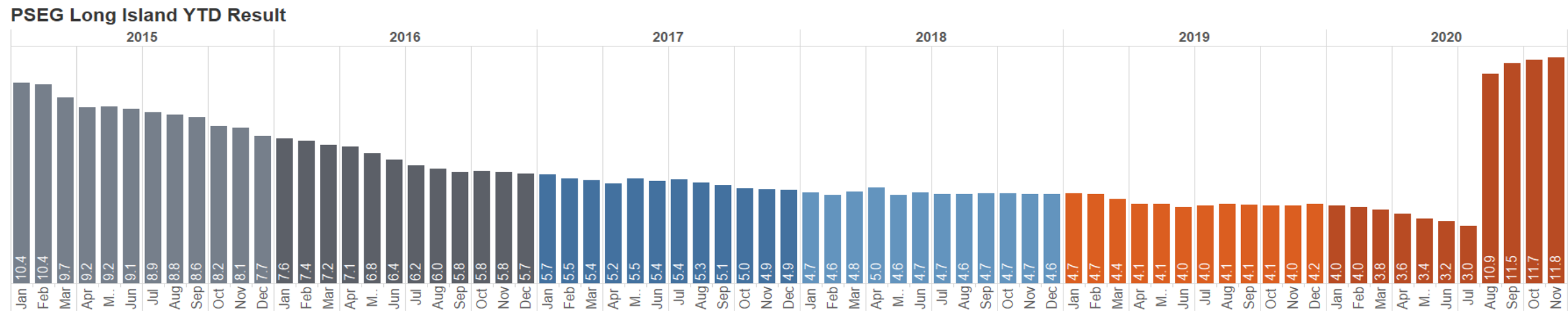
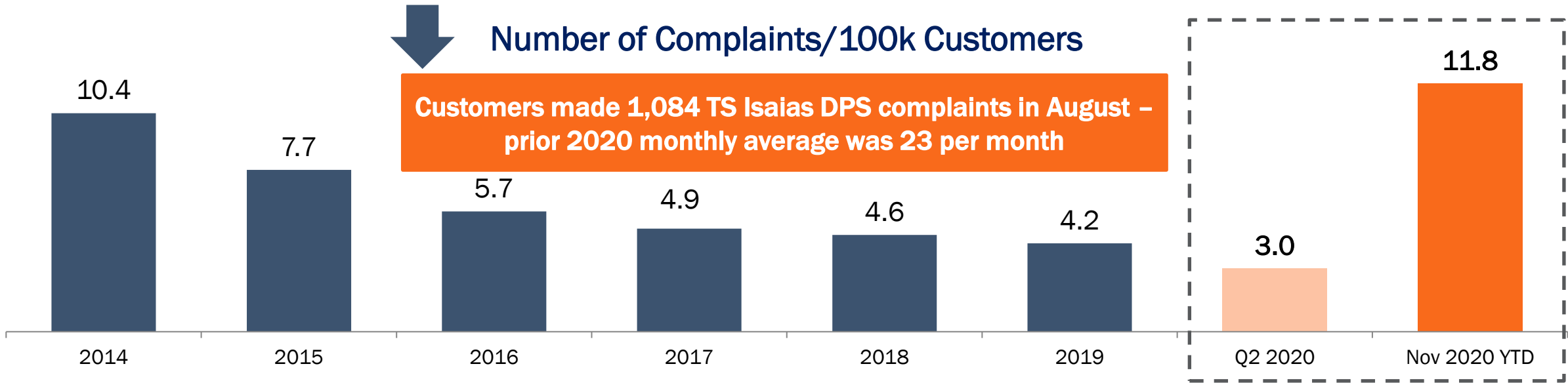


Personal Contact Survey



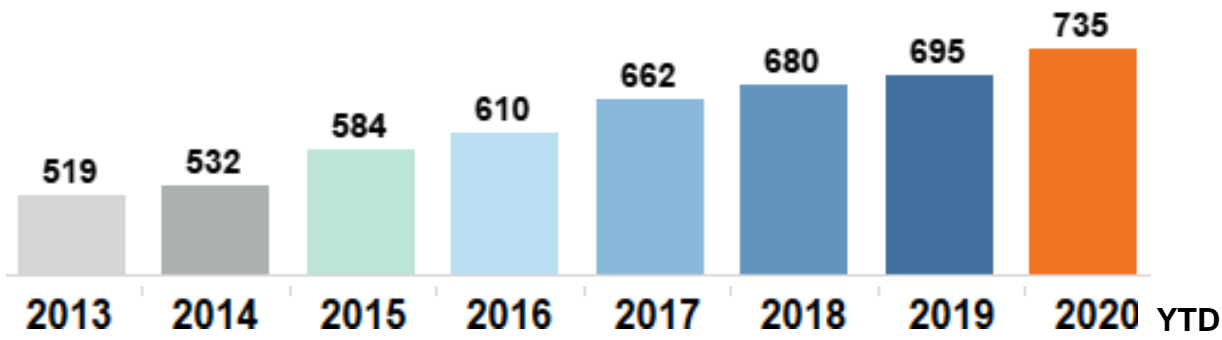
Customer Complaints

TS Isaias had a Significant Impact on the Customer Complaint Rate



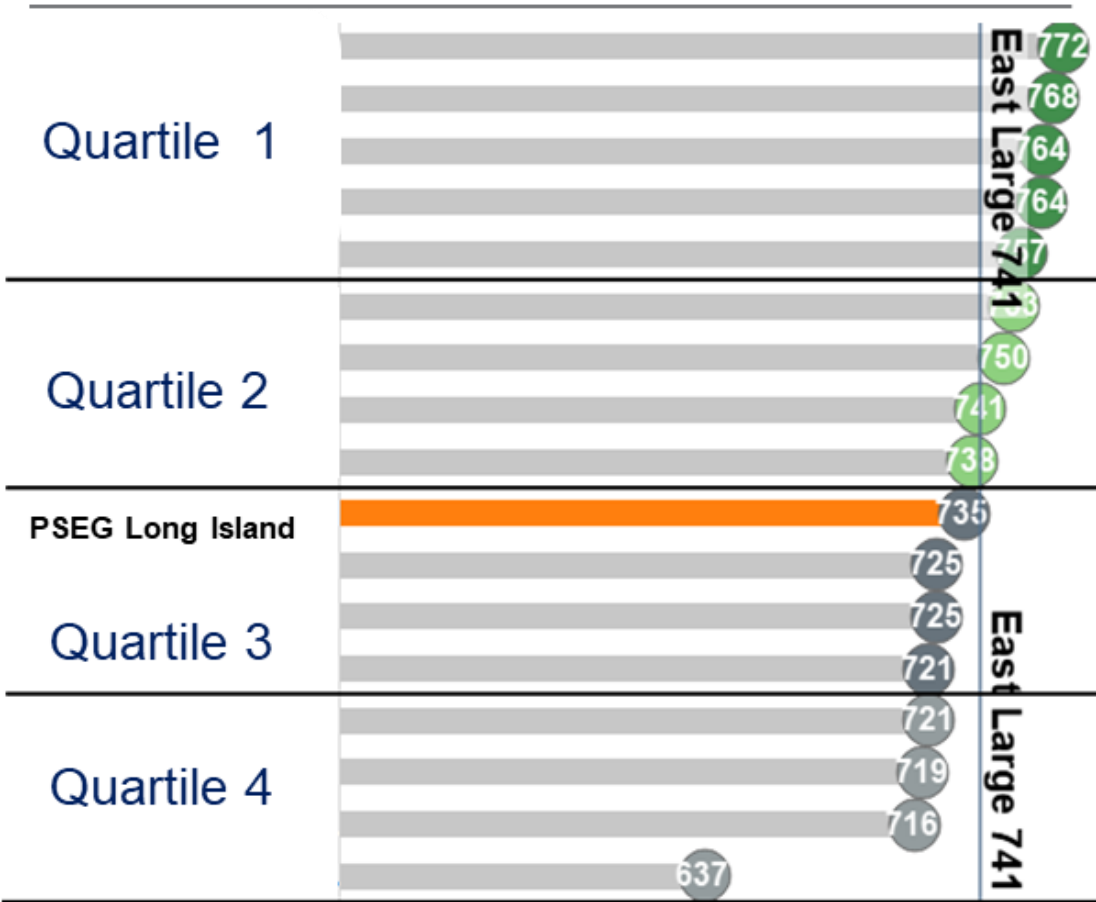
Customer Satisfaction

J.D. Power Residential



- Most improved utility nationally over the past 6+ years, 216 point increase from 2013
- Ranked top of third quartile through 3Q 2020
- Nearly 40% highly satisfied customers with scores between 800 and 1,000 through 3Q 2020
- Individual indices' performance
 - 2nd quartile for Communications and Corporate Citizenship through Q3 2020
 - 3rd quartile for Billing & Payment, PQR, Price and Customer Care through Q3 2020

East Large Ranking – Overall CSI 2020 YTD



Customer Satisfaction

JD Power Residential Q3 2020 Results Partially Reflect the Impact of TS Isaias

Customers with outages in Q3 2020 provided 122 points lower CSI scores than customers with Perfect Power

Q3 2020 Results and Data Analysis

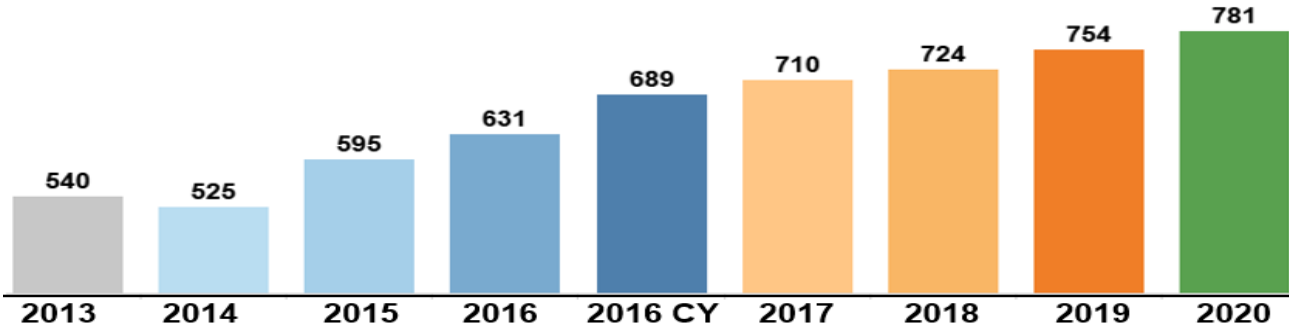
- Surveys administered before and after TS Isaias
- Overall a 35 point decline in CSI from Q2 2020
 - Communications, – 23
 - Billing & Payment, – 23
 - Corporate Citizenship, – 25
 - Price, – 36
 - PQR Index, – 52
 - Customer Care, – 56

Impacts of Outages on Customer Satisfaction

- Customers with Perfect Power dropped from 47% to 22% from 2Q 2020
- PQR dropped from 734 to 694 from 2Q 2020
- Communications dropped from 695 to 677 from 2Q 2020
- Customer Care dropped from 784 to 702 from 2Q 2020
- Length of outages impacted Q3 2020 results
 - < 6 min, CSI = 708
 - > 1 day, CSI = 622

Customer Satisfaction

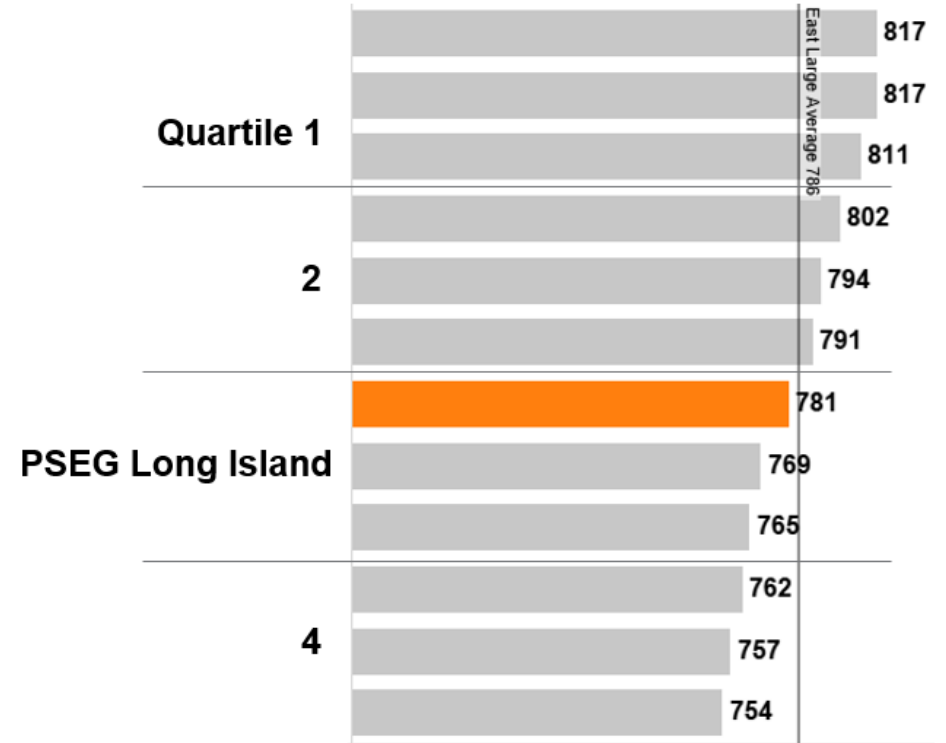
J.D. Power Business



27 point increase in overall CSI from 2019

- Most improved utility nationally over the past 6+ years since 2013, a 241 point increase
- Ranked in 3rd quartile for 2020
- Over 53% highly satisfied customers with scores between 800 and 1,000

East Large Ranking – Overall CSI 2020



Customer Satisfaction

JD Power Business W2 2020 Results Partially Reflect the Impact of TS Isaias

Customers with outages in W2 2020 provided 90 point lower CSI scores than customers with Perfect Power

W2 2020 Results and Data Analysis

- Surveys administered before and after TS Isaias
- Overall a 32 point decline in CSI from W1 2020
 - Price, – 5
 - Billing & Payment, – 16
 - Corporate Citizenship, – 17
 - Communications, – 39
 - Customer Contact, – 44
 - PQR Index, – 67

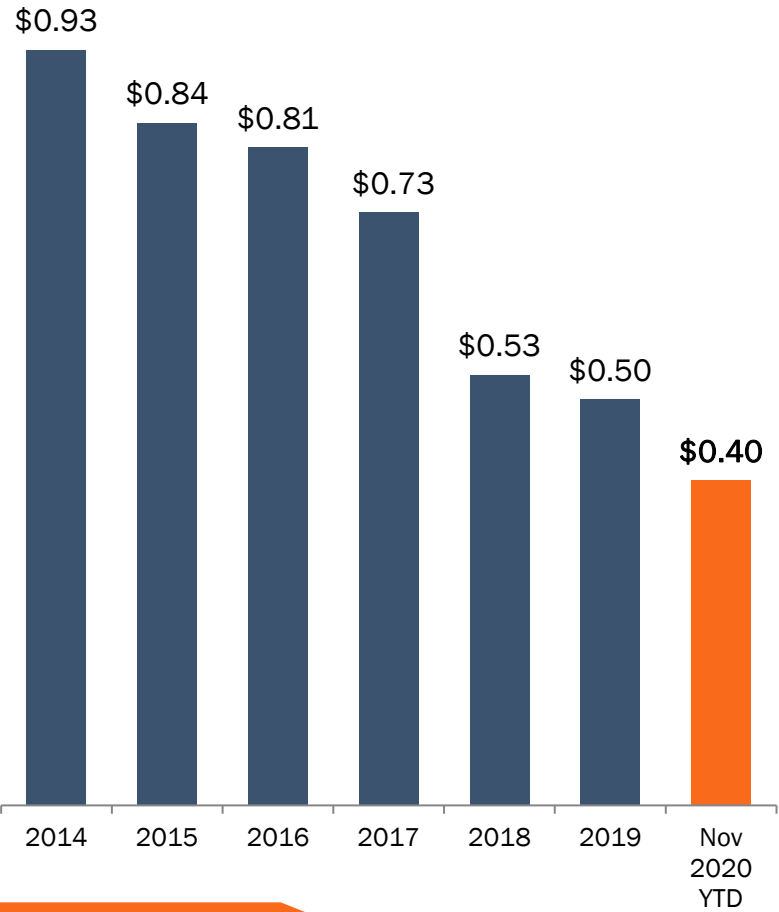
Impacts of Outages on Customer Satisfaction

- Customers with Perfect Power dropped from 37% to 31% from W1 2020
- PQR dropped from 822 to 731 from W1 2020
- Communications dropped from 779 to 710 from W1 2020
- Customer Contact dropped from 850 to 781 from W1 2020
- Length of outages impacted W2 2020 results
 - <6 min, CSI = 767
 - >1 day, CSI = 628

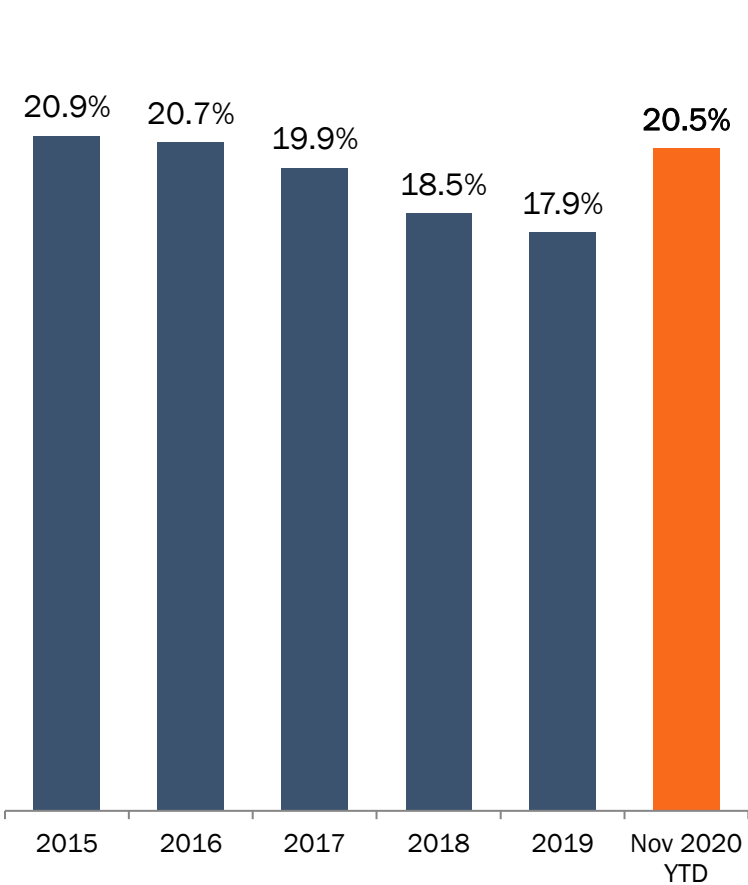
Financial Stewardship

The Impact of Covid-19 has been Mixed

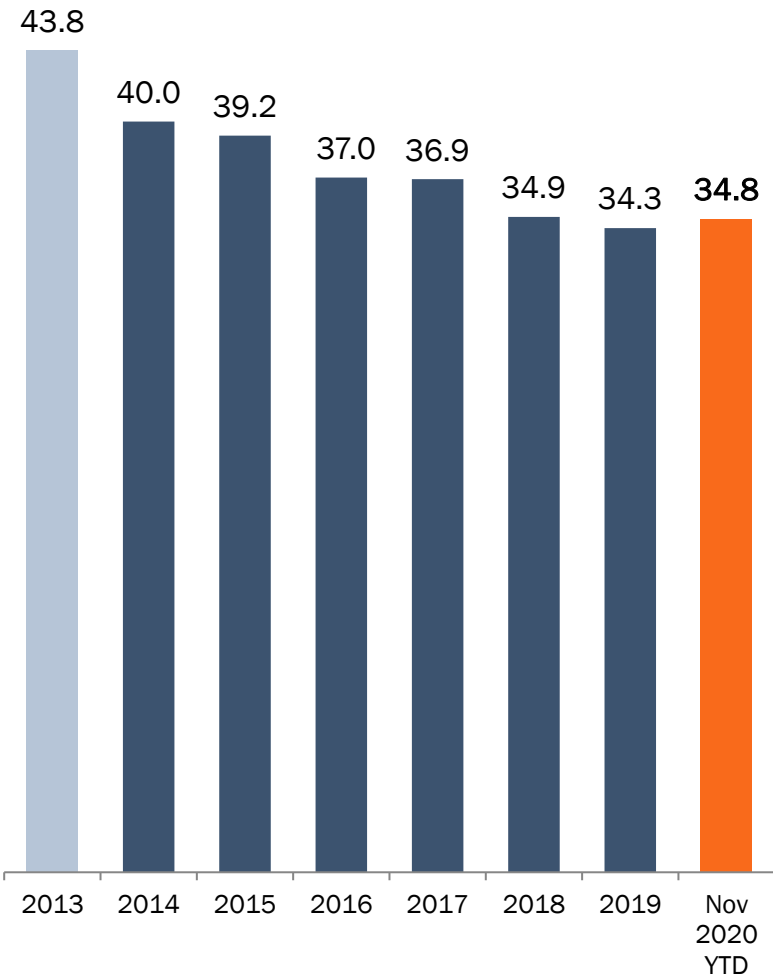
Net Write-Offs per \$100
Billed Revenue
(Positive Impact from COVID)



AR > 90
(No Exclusions)
(Negative Impact from COVID)



Days Sales Outstanding



Customer Support During the Covid-19 Pandemic

Initiatives for Residential and Business Customers

Q1 2020	Q2 2020	Q3 2020	Q4 2020
<p><u>March</u></p> <ul style="list-style-type: none"> Suspended disconnects for non-payment Waived Western Union pay station fees 	<p><u>April</u></p> <ul style="list-style-type: none"> Waived fees for 90 days <ul style="list-style-type: none"> All late payment charges Demand and service charges for customers who voluntarily disconnect service and later reconnect Commercial credit card fees Low income customer outreach Extended enrollment in Household Assistance Rate <p><u>May</u></p> <ul style="list-style-type: none"> Expanded DPAs for commercial customers Allowed commercial customers the option to apply security deposit to account balance Met with LIPA to propose a demand ratchet discount credit for eligible Rate 281 customers. Low income customer outreach <p><u>June</u></p> <ul style="list-style-type: none"> Extended tariff relief changes for two additional months (see April) Low income customer outreach 	<p><u>July</u></p> <ul style="list-style-type: none"> IT work begins to provide demand ratchet credits to eligible Rate 281 customers Low income customer outreach <p><u>August</u></p> <ul style="list-style-type: none"> Low income customer outreach Extended tariff relief changes for two additional months (see April) Waived late payment charges and no access fees Continued enrollment in the Household Assistance Rate program <p><u>September</u></p> <ul style="list-style-type: none"> Work completed for ratchet demand credits - appear on customer's bills 	<p><u>October</u></p> <ul style="list-style-type: none"> Extended tariff relief changes through year end (see April) Received approval to extended the commercial card fee waiver through year end <p><u>November</u></p> <ul style="list-style-type: none"> Proactive E Mail outreach to heating and non heating customers advising them of HEAP assistance Bill Insert to all residential customers regarding payment options and protections through Parker-Mosley

Community Service

Economic Development

Introduced New “Chamber of Commerce” Initiative

- \$5,000 grants offered to Chambers of Commerce or Business Improvement Districts to support outdoor dining.
 - Over \$120,000 committed to 28 groups

Small Business First

- New program developed to offer lighting improvements to small businesses at no-cost or low-cost.
 - \$1.8M added to standard EE rebates, to benefit over 1,000 small business customers.
 - Help cash flow-limited businesses to lower their operating costs and improve their facilities.



SMITHTOWN, NY — Town of Smithtown Supervisor Ed Wehrheim made a surprise announcement Sept. 17, extending temporary outdoor dining to Dec. 31, according to a news release. The proclamation was made as the Kings Park Chamber of Commerce distributed 15 outdoor heat lamps and fuel to local restaurant owners, courtesy of a \$5,000 grant from PSEG Long Island to assist local business communities with new ways of getting back to business.

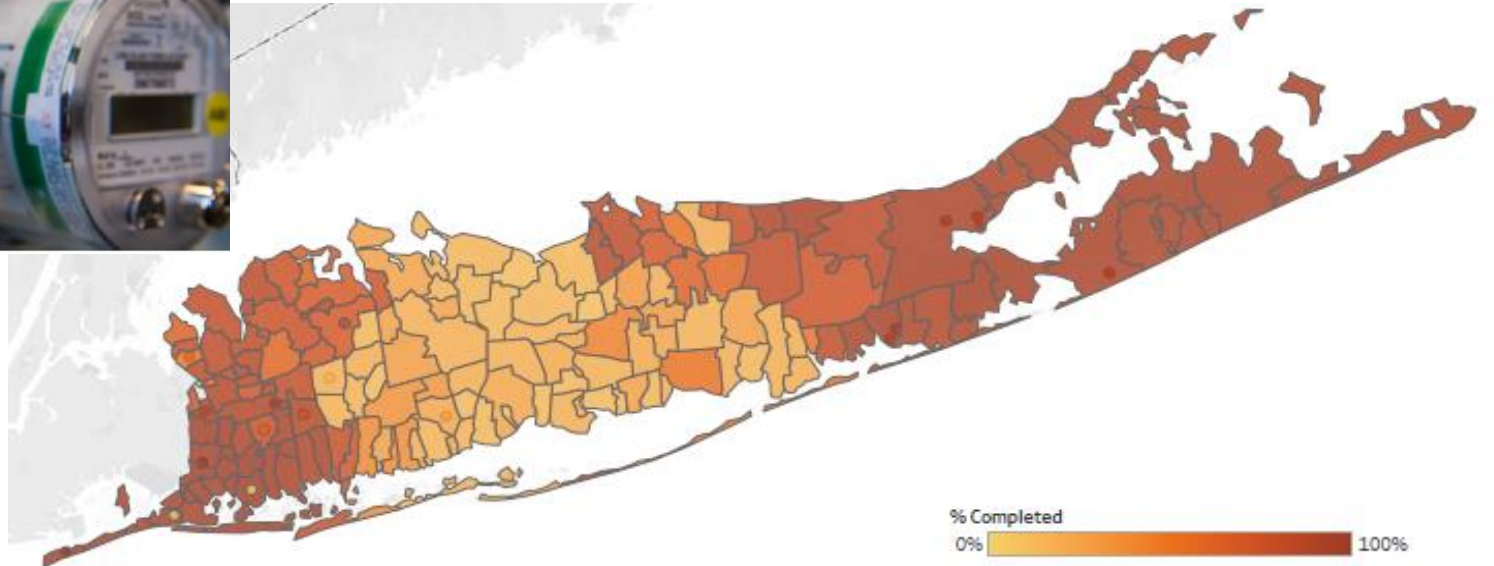
Patch – Kings Park 9/23/2020

AMI Meter Deployment

Strong Progress Continues with AMI Installations at an Accelerated Pace

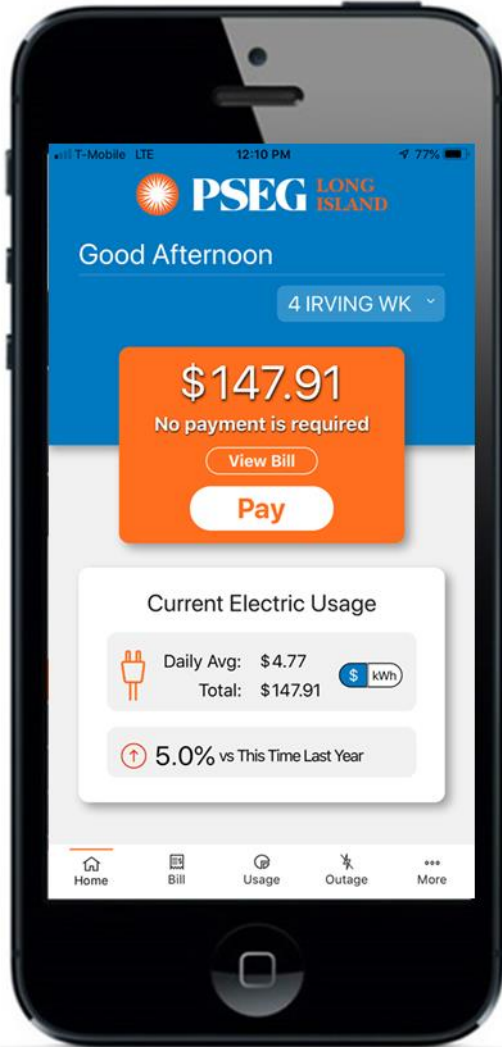
Further accelerated deployment now targeting 95% completion by September 1, 2021

- Over 300K meters installed YTD with 734K system-wide
- Resuming limited inside installations (i.e., meter rooms) under strict Covid-19 safety protocols
- Continuing to expand use of AMI functionality to further leverage operational benefits



Customer Technology

PSEG Long Island Mobile App



- Current Features

- Customers can log in with just touch or face ID
- Simplified, 1 tap payment
- Quick and easy to view usage in dollars or kilowatt hours
- Report an outage from own or guest account
- If in a known outage area, the app will bring you directly to your outage information
- Push notifications inform customers on payments, billing, and current outages

Over 250,000 downloads since late 2019

- New Features on the Way in 2021

- Integration with AMI to show interval usage data
- Outage tracker to show where customer is in the restoration process
- Integration with Siri enables customers to use voice commands such as “I lost power” or “show me my PSEG Long Island Bill”

Community Service

Community Partnership Program

COVID-19 safety protocols led us to modify our approach to community service during 2020

March of Dimes Top Fundraiser 2020

- Our employees created COVID-safe fundraising events to replace typical employee-sponsored bake sales and other grassroots fundraising to support initiatives such as the March of Dimes March for Babies.
- PSEG Long Island was the March for Babies top fundraiser for 2020, raising over \$20,000 before company matching donations!



Education and Safety

- We offer a variety of outreach programs that educate thousands of children and customers about energy efficiency, safety and emergency preparedness.
- Launched successful remote public service video pilot on energy efficiency to students

LIBN Recognition

- Recognized by Long Island Business News with its distinguished 2019 Corporate Citizenship Award in the Large Business Category.



PSEG Long Island is Focused on Getting Back to our Mission, and Regaining the Trust and Confidence of LIPA and our Customers

- PSEG Long Island is committed to continuous improvement, transparency and accountability
- We remain committed to serving Long Island through our key business imperatives:
 - Customer service
 - Electric reliability and storm response
 - Energy efficiency and renewables
 - Community involvement
- Serving Long Island is a privilege and we will earn that privilege by delivering the service our customers deserve

BOARD AGENDA SUMMARY SHEET

Committee or Board: Oversight and Clean Energy	Date: December 11, 2020	Board Meeting Date: December 16, 2020
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For All Board Voting Items:

Title of Agenda Item: Recommendation to Approve the Annual Report and Amendments to the Board Policy on Customer Service

Consent Agenda: ☒ Yes ☐ No

Accompanying Presentation: ☒ Yes ☐ No

LIPA Presenter: Rick Shansky

PSEG Long Island Presenter: Rick Walden

Enterprise Risk Management Discussion: ☐ Yes ☒ No

For Policy Reports Only:

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

Date of Last Report: May 22, 2019

Compliance Since Last Report: ☒ Yes ☐ No

Proposed Changes to Policy: ☒ Yes ☐ No

Requested Action:	The Committee is requested to adopt a resolution recommending: (i) approval of the annual report on the Policy; (ii) that LIPA has complied with the Policy; and (iii) approval of certain amendments to the Policy.
Summary: (include proposed amendments to Board Policies, if applicable)	<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. 1480, dated May 22, 2019.</p> <p>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>LIPA Staff proposes one change to the Policy, to delete the section on protecting customer information, which is now covered by the Policy on Physical and Cyber Security.</p>

FOR CONSIDERATION

December 16, 2020

TO: The Oversight and Clean Energy Committee

FROM: Thomas Falcone

SUBJECT: Recommendation to Approve the Annual Report and Amendments to the Board's Policy on Customer Service

Requested Action

The Oversight and Clean Energy Committee (the "Committee") of the Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is requested to adopt a resolution recommending: (i) approval of the annual report on the Board Policy on Customer Service (the "Policy"); (ii) that LIPA has complied with the Policy; and (iii) approval of 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. 1480, dated May 22, 2019.

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

Performance for 2020 has been overshadowed by poor storm performance by our service provider. This performance was compounded by the failure of telephone access to report outages and the failure of the outage management system used to identify and report on outages. These matters are more fully discussed in LIPA's 30 and 90-Day reports on Tropical Storm Isaias.

Nevertheless, consistent with the Policy, PSEG Long Island's customer service performance in the aggregate has continued to improve. This Report covers customer service activities since the Board's May 2019 review to the present. While PSEG Long Island's performance with respect to matters identified by the Isaias Task Force remains unacceptable, LIPA staff recommends that, for the reasons set forth below, the Board find that LIPA has substantially complied with the Policy since the last annual review. Compliance with each element of the Policy is discussed in detail below, including areas designated for improvement.

"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.”

- Since 2014 PSEG Long Island is ranked as the most improved utility nationally by J.D. Power with an increase of 216 points; however, the score remains below average for a Large East Utility.
- PSEG Long Island met its customer satisfaction target for 2019, and LIPA and PSEG Long Island have established targets to achieve first quartile by 2022 with improvement each year.
- PSEG Long Island Residential and Business After-Call and Personal Contact survey demonstrate continued improvement, with 94.8%, 96.0% and 96.6% of respondents, respectively, indicating satisfaction with PSEG Long Island service through September 2020.
- First Call Resolution in the call center for 2020 YTD is 83.2%. First call resolution was added as a Tier 1 metric in 2019 and is targeted for further improvement.
- PSEG Long Island improved its Average Speed of Answer from a 2013 baseline of 93 seconds to 15 seconds in 2019. However, poor storm performance caused the 2020 YTD result to increase to 29 seconds. Over a million calls and texts were lost or unanswered due to communication systems failure and lack of contingency planning, which does not meet expectations for 2020. Remedial actions to address these failures remain in progress.
- Customer complaints increased from 2019 for 4.0 complaints to 11.5 for 2020 per 100,000 customers. This increase is the result of poor storm performance and high bill complaints following a hot summer.

“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.”

PSEG Long Island continued to advance multiple Utility 2.0 priorities:

- Began implementing a new rate modernization system, which will result in five new time-based rate options to be available to customers beginning in February 2021.
- Built a new locational value tool, which will enable the utility to precisely target non-wires alternatives and price signals encouraging the development of distributed energy resources, potentially deferring or avoiding costly infrastructure upgrades.
- Began implementation of an online interconnection application portal.
- Completed a volt-var optimization study, exploring new technology to improve grid efficiency.
- Accepted applications for over 150 new behind-the-meter storage systems.
- Enrolled over 400 customers in the Super Savers peak load reduction program and dynamic load management incentives, reaching a total of 1.65 megawatts of peak load reduction in the North Bellmore pilot area.
- Incentivized 624 residential smart chargers and 31 DC fast chargers.

- During 2019, 5,755 customers participated in a home energy efficiency assessment. Despite being hampered by COVID-19, PSEG Long Island performed 2,007 assessments for 2020.

“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 outage.”

- During 2020, 278,250 smart meters were installed, exceeding the goal of 250,000 meters. As of September 2020, a total of 712,254 meters have been installed. This has improved the meter reading rate and timely and accurate billing.
- Revenue collected via text payments continues to increase as the number of payments received electronically continues to steadily grow reaching 70.7% up from 63.3%.
- Estimated time of restoration (ETR) remains an area that needs improvement. PSEG Long Island has been investigating improvements to its methodology for calculating ETRs, though its performance during Tropical Storm Isaias served to highlight the problem.

Annual Review of the Policy

As shown in **Exhibit “B”**, LIPA Staff proposes one change to the Policy, to delete the section on protecting customer information, which is now covered by the Board’s Policy on Physical and Cyber Security.

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 RECOMMENDING APPROVAL OF THE REPORT TO THE BOARD OF TRUSTEES ON THE BOARD POLICY ON CUSTOMER SERVICE

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 Policy was last amended by the Board pursuant to by Resolution No. 1480, dated May 22, 2019; and

WHEREAS, the Oversight and Clean Energy Committee (the “Committee”) of the Board of Trustees affirms that the Policy has been complied with and the changes to the Policy recommended herein are due and proper.

NOW, THEREFORE, BE IT RESOLVED, that consistent with the accompanying memorandum, the Committee hereby recommends that the Board find that LIPA has complied with the Policy for the period since the last annual review and approve the annual report; and

BE IT FURTHER RESOLVED, that consistent with the accompanying memorandum, the Committee hereby recommends that the Board adopt the changes to the Policy that are reflected in attachment **Exhibit “B”** are hereby approved.

Dated: December 16, 2020

Board Policy: **Customer Service**

Policy Type: **Mission**

Monitored by: **Oversight and ~~REV Committee~~ Clean Energy**

Board Resolution: **#1370, approved July 26, 2017**
#1430, amended September 27, 2018
#1480, amended May 22, 2019
[xxxx], amended December 16, 2020



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-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; and
- ~~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.

Board Policy: **Customer Service**
Policy Type: **Mission**
Monitored by: **Oversight and Clean Energy**
Board Resolution: **#1370, approved July 26, 2017**
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- 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; 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.