



2021 Annual Report on Customer Experience

November 17, 2021

MEETING THE LIPA BOARD POLICY PRIORITIES

Achieve a high level of customer service and satisfaction by:



Funding cost effective initiatives and operations to achieve:

- First quartile in industry metrics
- First quartile in J.D. Powers & internal customer service survey by 2022



Provide programs, information, education and tools to manage energy

- Innovative billing options
- Emerging technologies
- Enable multi- directional customer relationship for distributed resources and electric vehicles



Provide accurate, accessible, understandable communication:

- Accurate bills that can be easily interpreted and conveniently be paid
- Proactive potential weather-related and emergency situations, including restoration estimates

CUSTOMER EXPERIENCE GOALS



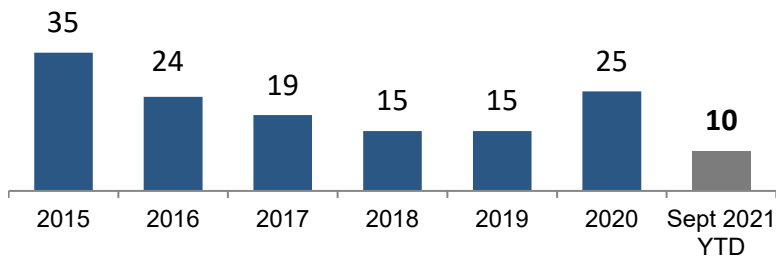
Funding cost effective initiatives and operations to achieve:

- First quartile in industry metrics
- First quartile in J.D. Powers & internal customer service survey by 2022

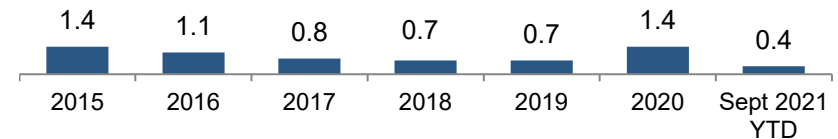
CALL CENTER AND COMPLAINT RESULTS

- Strong performance in the Call Center & Complaints (1st Quartile)
- 2022 challenge will include a 30% increase in calls due to resuming collections

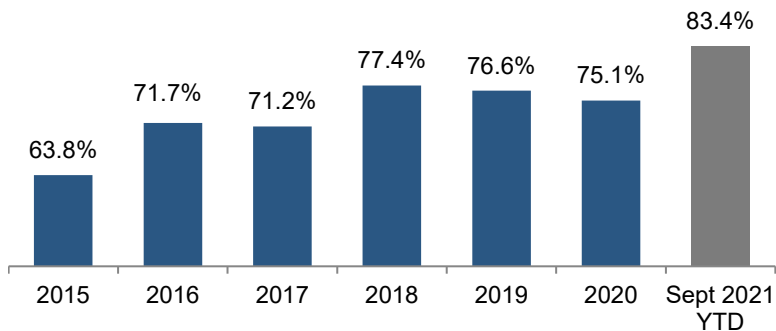
Average Speed of Answer (Seconds) ↓



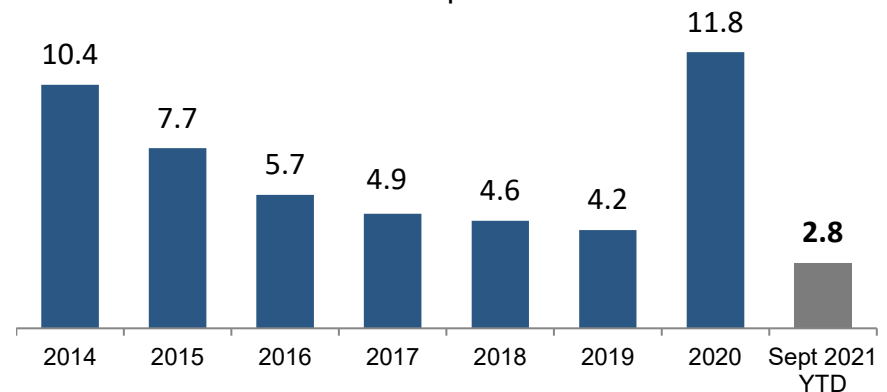
Percent Abandon Rate ↓



Contact Center Service Level by Live Agent ↑



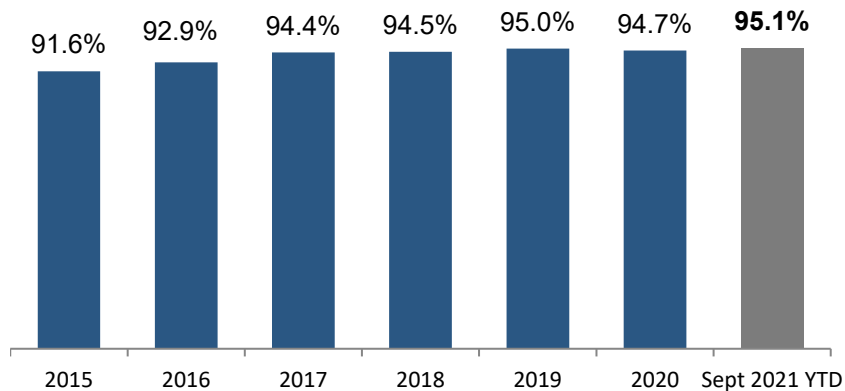
Customer Complaint Rate ↓



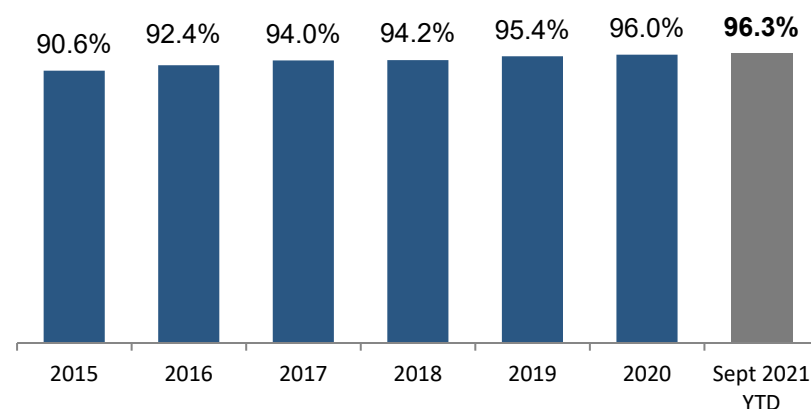
INTERNAL CUSTOMER SURVEY RESULTS

Internal survey results continue to improve. Only FCR is retained for 2022.

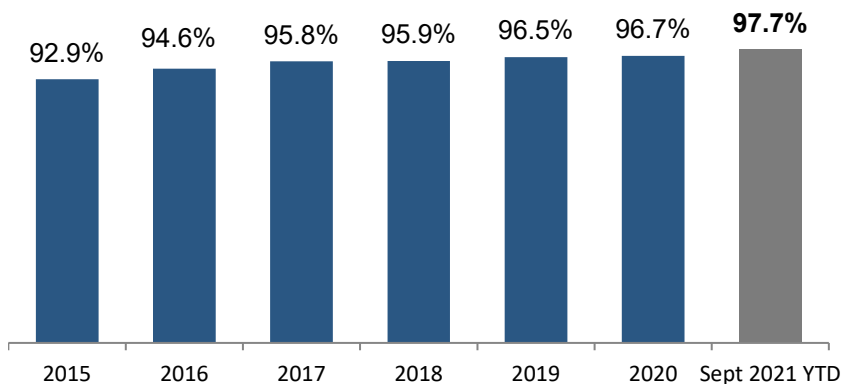
After Call Survey – Residential



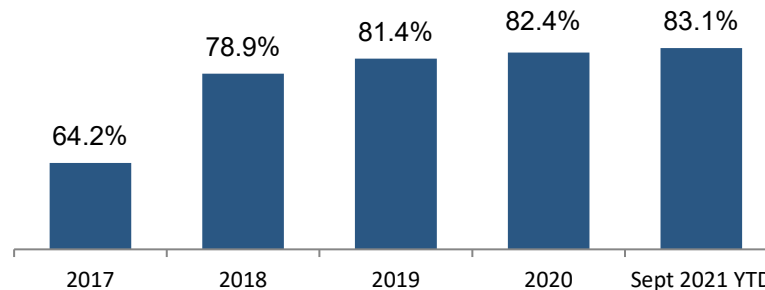
After Call Survey – Business



Personal Contact Survey

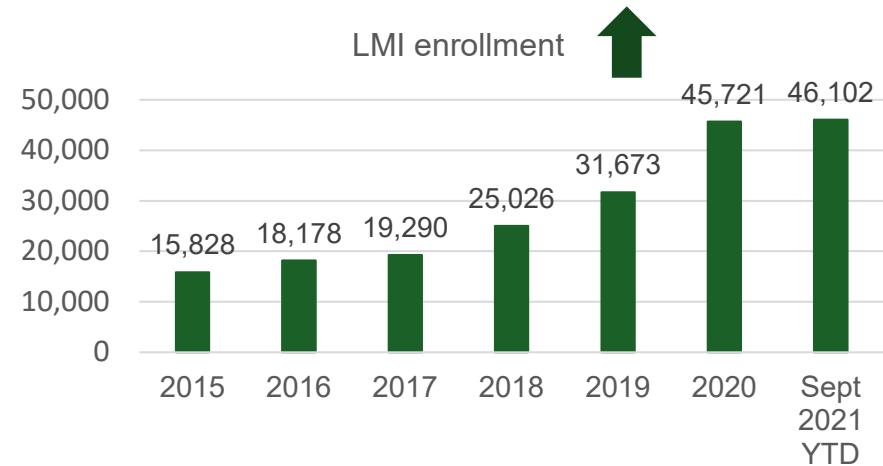
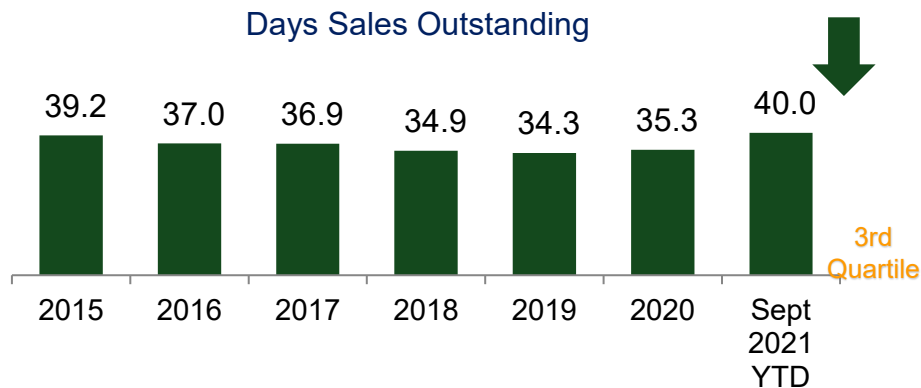
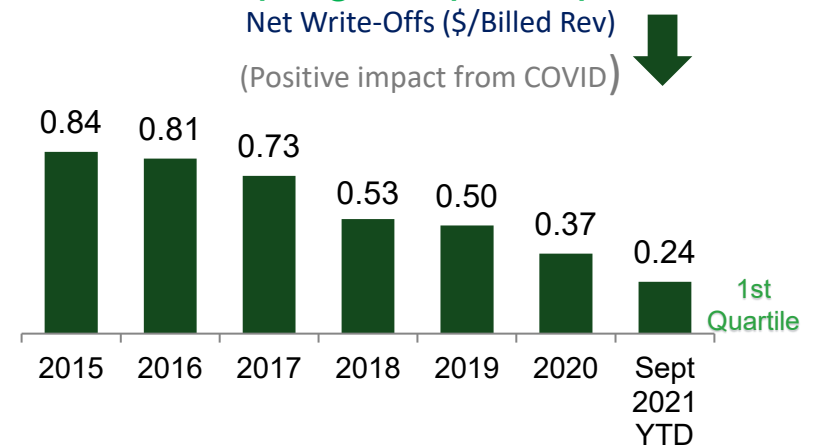
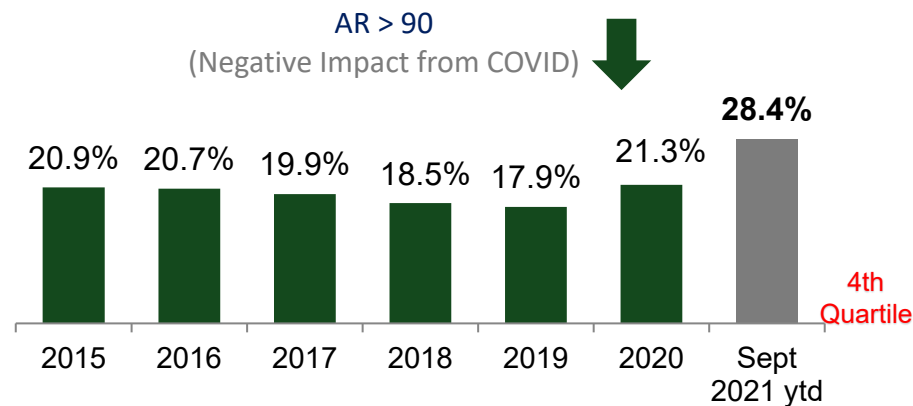


First Call Resolution



KEY COLLECTION METRICS

- COVID 19 moratorium presents financial challenges & focus for 2022
- Continued growth in low to moderate income discount program participation

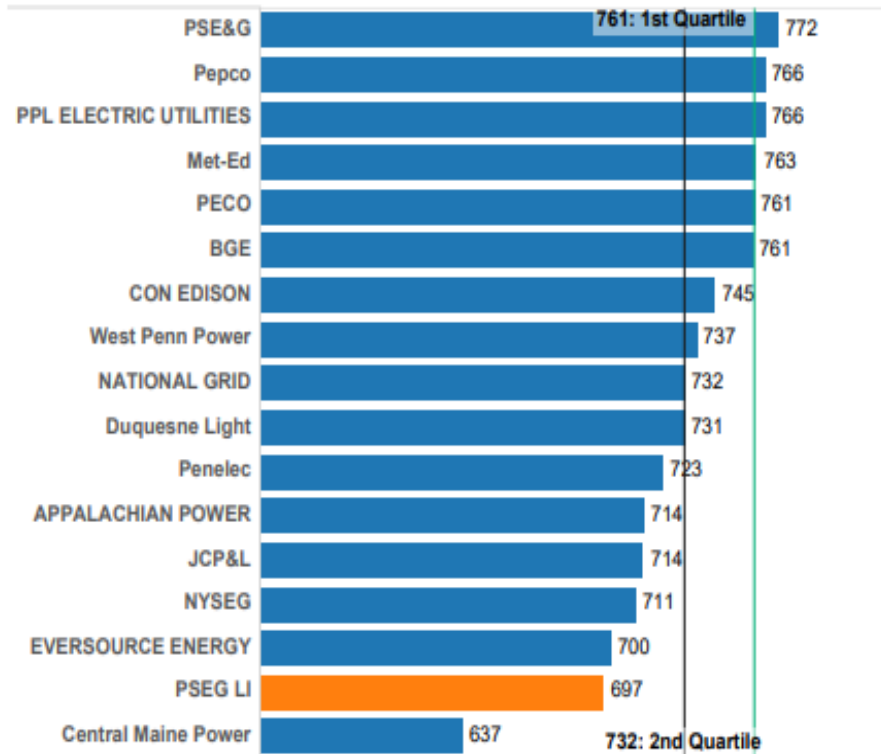


J. D. Power – Customer Perception

Tropical Storm Isaias impacts put us on a slower path to first quartile than planned

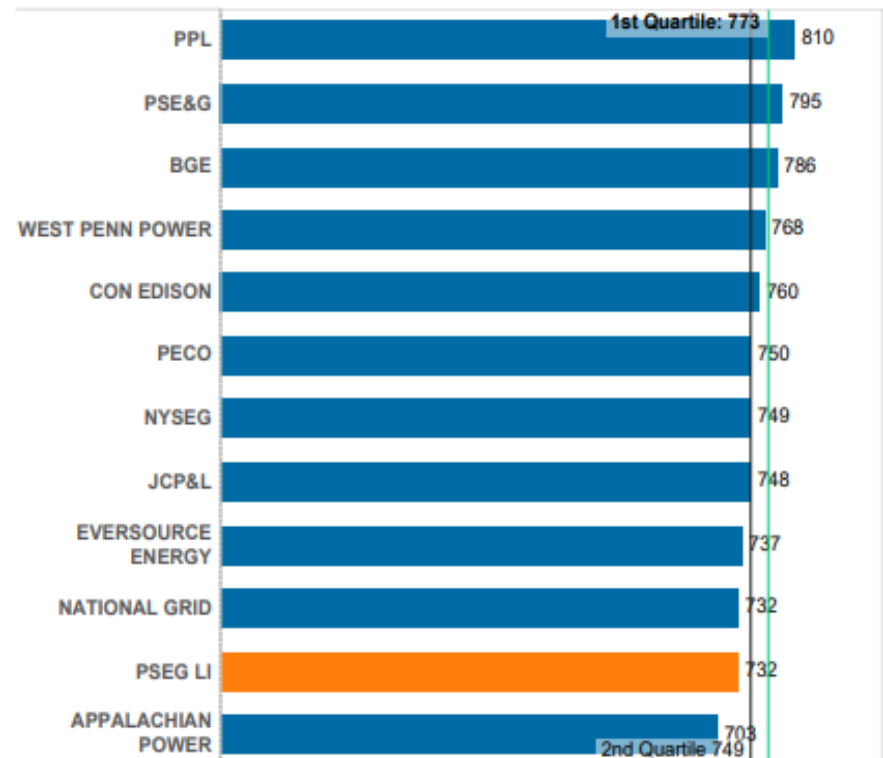
J.D. Power- Electric Residential- East Large

2021 Quarter 3 Scores



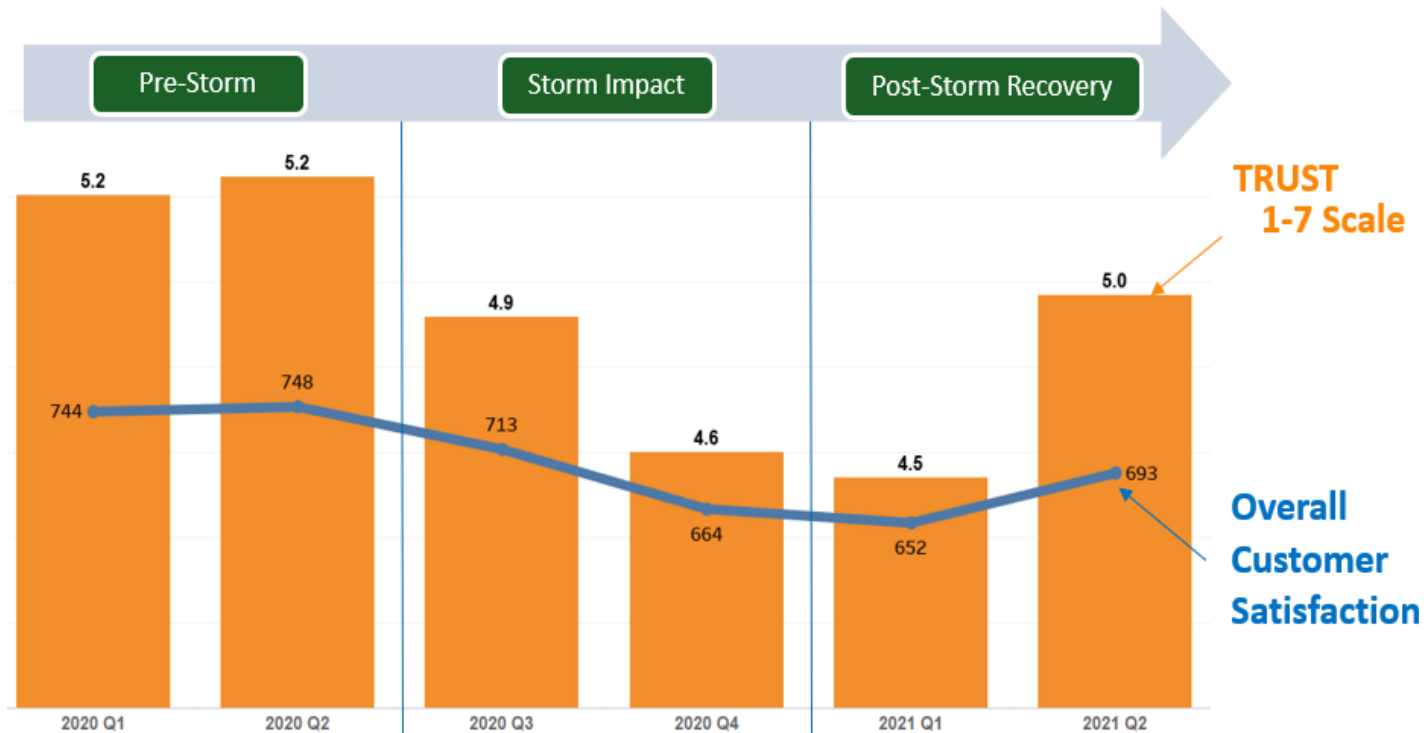
J.D. Power- Electric Business- East Large

2021 Wave 1 Scores



JD Powers - Trust

Customer's trust has started to recover but it will take time to build back to desired level



SMART ENERGY MANAGEMENT



Provide programs, information,
education and tools to manage energy

- Innovative billing options
- Emerging technologies
- Enable multi- directional customer relationship
for distributed resources and electric vehicles

TOOLS TO MANAGE ENERGY, BILLS, EVs, and DERs

New Rates and Bill Tools

- Board approved five new time-of-use rate options
- Self-service online Rate Analyzer tool

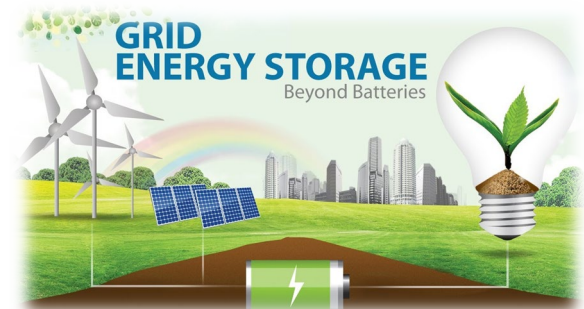
Electric Vehicles

- Enrolled 1,500 customers in Smart Charge Rewards (off peak charging discount)
- Incentivized 1,200 residential charge and 115 DC fast chargers

Distributed Resources

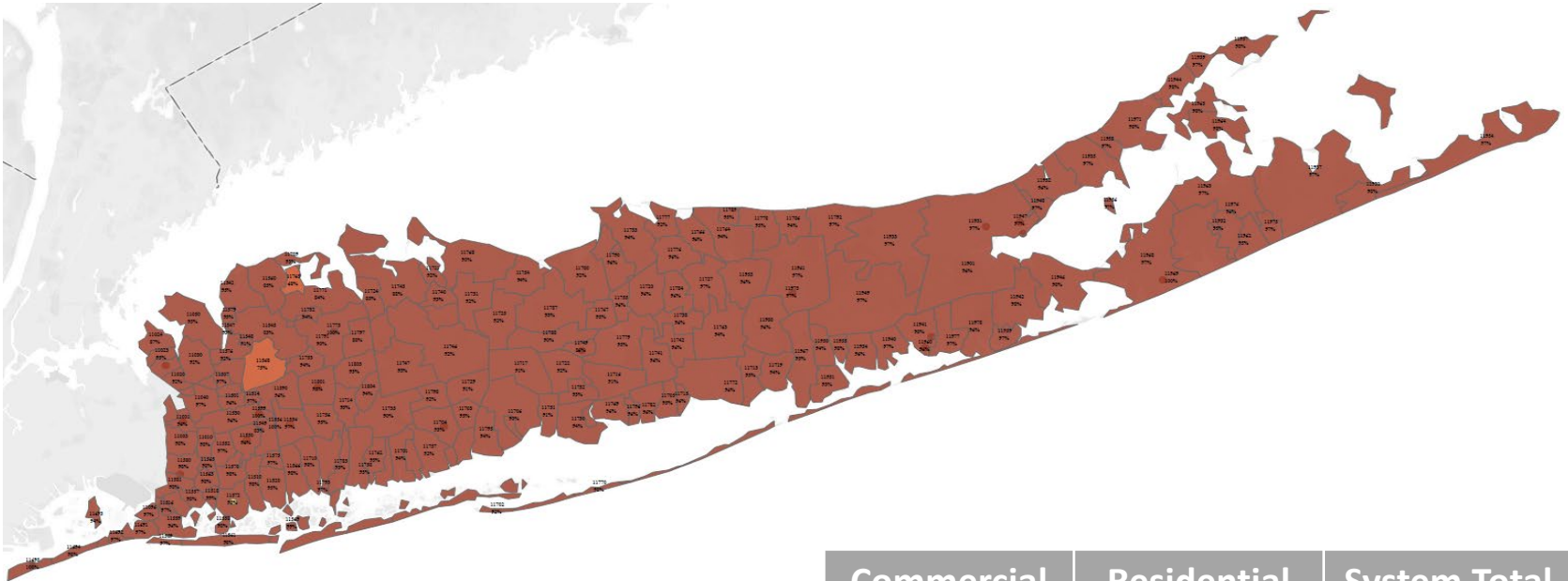
- Enrolled 822 batteries in the behind-the-meter storage program
- Implemented online interconnection portal and new (“Stage 3”) hosting capacity maps

DISCOUNTS



Advanced Metering Infrastructure

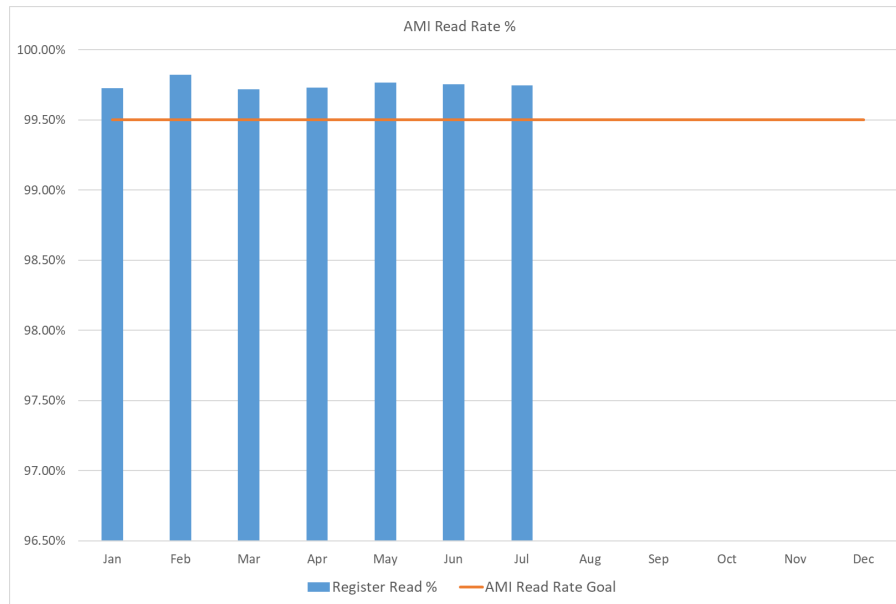
- Achieved 351,502 smart meter installation in 2021 and 1,105,913 Project to date
- Below budget (cost/install) and ahead of schedule



Commercial	Residential	System Total
105,893	1,000,020	1,105,913

ADVANCED METERING INFRASTRUCTURE

AMI Read Rate 99.74%

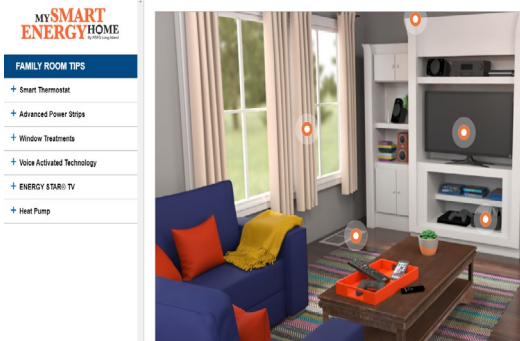


2021 YTD Avoided Truck Rolls: 63,118

- Remotely Addressing Service
Connect/Disconnect, Special
Reads/Change Name, Collections Cut-On
Automation, Over-the-Air Programming

CUSTOMER ENGAGEMENT TOOLS

New My Smart Energy Home



Focus on how to use and understand AMI

- Enrolled 150,00 customers in the new version of Next Generation Insights tool
- Implemented new smart energy home to understand how to save in October 2021
- Developed new smart meter web tool video to help customer understand on to use the portal
- Established My Smart Energy Lab Virtual Tour on the website

New Smart Meter Web Tool & Video



New My Smart Energy Lab Virtual Tour



COMMUNICATION



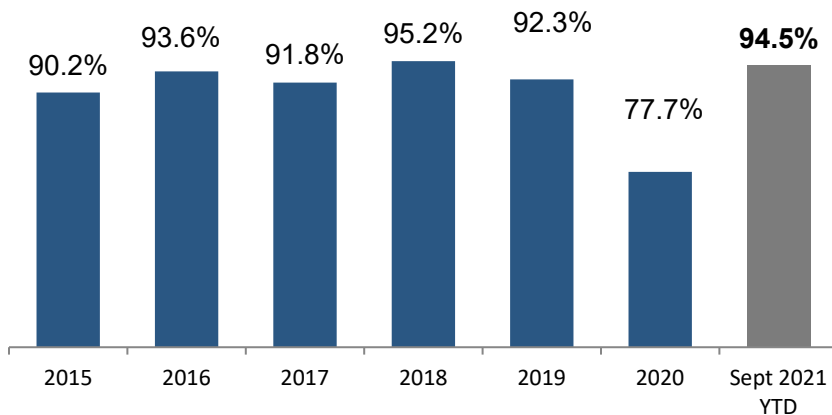
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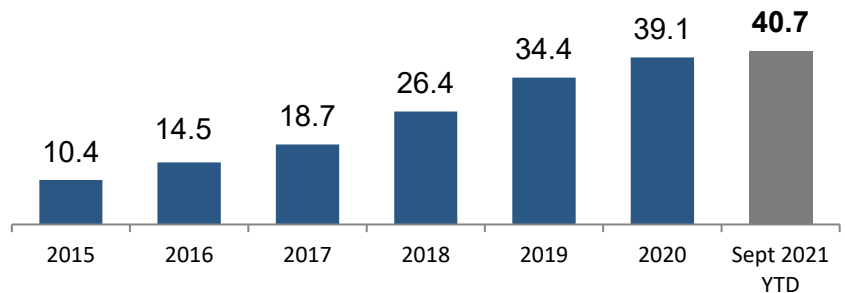
ACCURATE TIMELY BILLING

- AMI helps billing on actual reads despite COVID restrictions up to 95.4% from 93.5% bill with an actual read
- Restored % of bills delivered on-time to 94.5% significantly better than 2020
- Steady growth continues in electronic bill delivery providing 1st quartile performance

% Billing on Time ↑




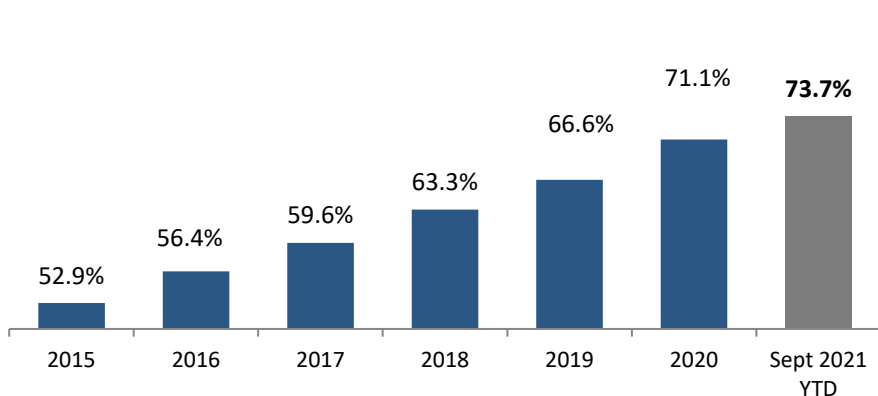
% Paperless Billing Enrollment ↑



CONVENIENT PAYMENT OPTIONS

- COVID 19 led to the expansion of 377 additional no fee pay stations at retail locations in our service territory for a total of about 500 locations. This allows customers to pay us where they already do business.
- Utilization of electronic payments continue to grow

% Electronic Payment 

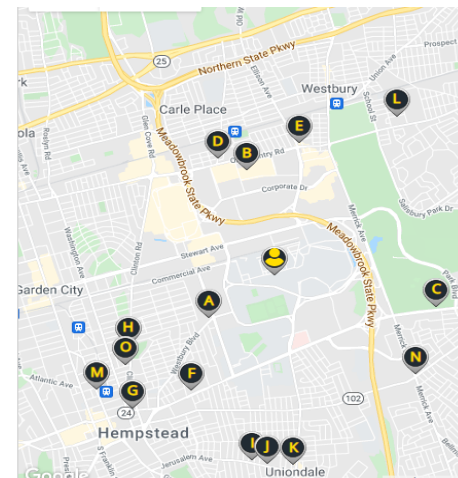


Pay Station Locator Tool

A 7-ELEVEN #38095 0.72 mi
333 Oak St
Uniondale, NY, 11553-1010
Agent | Open • 24 hours
Phone: 516-538-0637
[Directions](#) [Share](#)

B WALMART #003420 1.06 mi
1220 Old Country Rd
Westbury, NY, 11590
Agent | Open • Until 9:00 PM
Phone: 516-794-7280
[Directions](#) [Share](#)

C RT 24 DELI 1.45 mi
1820 Hempstead Tpke
East Meadow, NY, 11554-1032
Agent | Open • Until 11:59 PM
Phone: 516-542-0009
[Directions](#) [Share](#)



STORM RESPONSE IMPROVEMENTS

Damage Assessment Process Enhancements

- Provide customers with an “assessing damage” message across all channels at the onset of major storm events
- Deliver customer communications to set restoration expectations when Damage Assessment Process is implemented
- Validated higher customer satisfaction with the “assessing damage” messaging through outage customer survey

Layered and targeted outage communication protocol

- Provide targeted alerts, text and email beyond system data for hard hit areas with a specific message (e.g., number of crews in area or type and amount of damage)
- Expand social media to use target messaging by town
- Started the process of adding links to pictures of the damage

Ability to “ping” AMI meters remotely allows for validation of power status, avoiding unnecessary truck rolls and enabling more efficient use of manpower

- Activated AMI Storm team to monitor all AMI network devices during the storm & serves as a back-up to OMS
- Validate in AMI single outages reported in OMS to dispatch proper team
- Support mass broadcast of power status for Life Saving Equipment customers and other priority requests

LOOKING AHEAD

2022 Focus:

1. Rebuilding customer trust
 - Deliver clear and customer targeted messaging
 - Deliver experiences that provide a better experience & meet our commitments
2. Continuous improvement to the customer experience by:
 - Understanding and addressing end to end transactional opportunities
 - Leveraging technology investments in AMI and a new customer system
 - Strong project & performance-based metric delivery with solid oversight
3. Promoting financial stewardship
 - Reduce arrears caused by pandemic moratorium & maximize use of financial assistance

Our approach will be to leverage employees and technology to educate and communicate effectively with our customers and develop a clear customer strategic roadmap



FOR CONSIDERATION

November 17, 2021

TO: The Board of Trustees

FROM: Thomas Falcone

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

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution: (i) approving the annual report on the Board Policy on Customer Service (the “Policy”); and (ii) finding that LIPA has complied with 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. 1576, dated December 22, 2020. 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 2021 has been overshadowed by poor storm performance in 2020 and COVID-19 financial impacts. Failure to successfully resolve many of the open performance improvement plans has negatively impacted customers’ trust.

Nevertheless, consistent with the Policy, PSEG Long Island’s customer service performance on the quantitative metrics included in the current contract has continued to improve. This report covers customer service activities from the Board’s December 2020 review to the present. While PSEG Long Island’s performance concerning several matters identified by the Isaías 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.”

- PSEG Long Island will not meet its JD Powers customer satisfaction target for 2021, and LIPA and PSEG Long Island recognize that given the current position at the bottom of the fourth quartile, it will not be possible to achieve the Board’s policy of first quartile by 2022. Recovery has started, but when utilities experience issues with the significance of Tropical Storm Isaias, it takes time for their perception and trust to recover.
- The Customer complaint rate of 2.8 per 100,000 customers in 2021 is in the first quartile for New York and has continued the improvement trend demonstrated prior to Tropical Storm Isaias from a 2019 and 2020 rate of 4.2 and 11.8, respectively. Customer complaints will likely increase next year with the resumption of collections activity.
- PSEG Long Island achieved the strongest performance ever by the Call Center and first quartile performance for Average Speed of Answer at 10 seconds and Abandon Rate at 0.4% of all incoming calls. Call volumes will likely increase next year with the resumption of collections activity.
- PSEG Long Island Residential and Business After-Call and Personal Contact survey demonstrate continued improvement, with 95.1%, 96.3%, and 97.7% of respondents, respectively, indicating satisfaction with PSEG Long Island service through September 2021 and increase over prior years.
- First Call Resolution in the call center for 2021 YTD is 83.1%, consistently improving over prior years. First Call Resolution is expected to be affected next year with the resumption of collections activity.
- The COVID-19 collections moratorium has created accounts receivable challenges with increasing debt; however, PSEG Long Island has focused on communicating to customers about assistance and changes in the collection process. In addition, PSEG Long Island has continued to grow the number of customers with a low to moderate-income discount. Reducing accounts receivables and connecting our low-income customers to assistance will be an area of focused improvement in 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.”

LIPA and PSEG Long Island continued to advance multiple customer information and energy management tools in 2021:

- Launched five new time-of-use rate options and a self-service online bill comparison tool (rate analyzer), so customers can see how they would save if they changed to other available rate offerings.
- Released updated version of Next Generation Insights tool and enrolled 150,000 customers.
- Implemented several tools to improve the use and understanding of smart meter data, including My Smart Energy Home, My Smart Energy Lab virtual tool, and a video on the website explaining how to use the smart meter data and the portal.
- Enrolled 1,500 customers in Smart Charge Rewards (off-peak charging discounts).
- Incentivized 1,200 residential chargers and 115 DC fast chargers.

- Enrolled 822 batteries in the behind-the-meter storage program.
- Implemented online interconnection portal and new (“stage 3”) hosting capacity maps.

“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.”

- In 2021, 351,502 smart meters were installed, exceeding the goal of 336,000 meters. As of September 2021, a total of 1,105,913 meters have been installed. This has improved the meter reading rate from 93.5% in 2020 to 95.4% in 2021 and timely billing recovery from a low of 77.7% in 2020 to a continued positive trend of 94.5% for September 2021 year to date.
- Revenue collected through electronic payments continues to steadily grow, reaching 73.7% in September 2021, up from 71.1% for 2020.
- Expansion of 377 additional customer pay stations across Long Island bringing the total to about 500 locations where payments can be made without a service fee.
- 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 deficiencies in its approach to ETRs. ETRs are an area of focus in 2022 performance metrics.
- Customer survey on outage satisfaction rose with the implementation of the damage assessment protocols and setting customer expectations.
- Storm communication was enhanced by adding layered and targeted messaging through all channels, including social media. This allowed PSEG Long Island to inform customers more specifically about the town or community, including displaying pictures of the situation.
- Use of AMI technology in outages increased through validation of outage and restore, serving as a back-up option to the outage management system, identification of the type of crew to send, and supporting mass broadcast of life sustaining equipment customers and other priority requests.

Enterprise Risk Management Discussion

The Board has adopted a Policy on Enterprise Risk Management. Enterprise risks are brought to the Board’s attention throughout the year. There is one risk related to this Policy. That is “Customer and stakeholders’ dissatisfaction with PSEG Long Island’s response to a storm or major event can result in increased negative perception and/or adverse reputational impact.”

This risk is rated as a high level risk. PSEG Long Island mitigates this risk with oversight from LIPA through extensive testing of communication systems, development of a non-digital communication library of messages (e.g., radio, outreach centers) to keep customers informed, a quality control plan to ensure consistency of messaging across communication channels, and an Emergency Response Plan for customer communication protocols during restoration. Improvements to the outage management system in 2022 will further mitigate this risk.

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

RESOLUTION APPROVING 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 Resolution No. 1576, dated December 22, 2020; and

WHEREAS, the Board has conducted an annual review of the Policy and affirms that the Policy has been complied with.

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

Dated: November 17, 2021