

NAVIGATOR



CUSTOMER SATISFACTION SURVEY 2008

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

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INTRODUCTION

This year marks the third consecutive year that Navigator has completed the Independent Electricity System Operator's (IESO) annual Customer Satisfaction Survey. During the past three years Navigator believes that we have gained, and provided, some valuable insights into the IESO's customer base and we hope that our findings have been useful and relevant.

The survey focused on a traditional qualitative interview process of customers. Using senior Navigator public affairs researchers, both of whom have been involved in the 2006 and 2007 surveys, we surveyed IESO customers from a variety of customer types.

The 2008 survey also marks a point of change for the research work. In the past, we have been dogmatic in our approach to keep the same questions for the quantitative work as had been drafted years ago for this survey; before Navigator was involved. We did this to preserve the year-over-year integrity of the work as well as ensure that we did not change too radically from past surveys. In time, it became clear that those questions and approaches were not providing the IESO with the type of data that was needed.

In consultation with the IESO this year, Navigator drafted a similar survey, but changed the focus of the questions in general from a "what do you think of us" approach to a "how well do we service you" approach. Placing the emphasis on the customer experience has resulted in interesting findings. The good news is that while the IESO slipped a little in the year-over-year comparison numbers, the IESO is still scoring very high in the eyes of its customers.

OVERVIEW

The IESO continues to be held in high regard by its customers. Quantitative results continue to be very strong and the work done by the IESO is recognized as being among the best in the electricity sector.

The IESO is seen as a competent, professional and technically superior organization. The participants in this year's work appreciate the level of service they receive, the quality of the information sent out, and the support that the IESO provides. Again this year, maintaining the reliability of the system and timely and informative communications products and services continue to be amongst the most valued by the IESO's customers.

On average, we did see a slight drop in the overall ranking of the IESO in virtually all categories this year, but the scores obtained by the IESO continue to be well above average, especially considering that customers are forced to interact with the IESO because there is no alternative. When evaluating this slight slip in rankings, it is important to remember the change in question structure that occurred this year.

Traditional complaints were evident again this year. Complaints still exist about the stakeholder engagement process and the administrative burden. Overall, the IESO remains well thought of and a leader in the Ontario energy sector.

QUANTITATIVE RESEARCH

For the second year in a row, Navigator used an on-line survey methodology to gather the quantitative results. During the period of November 13 – December 12, 2008, the survey was sent out to 431 market participants. Of that, 137 market participants participated in the on-line survey before the closing date of December 12, 2008. As compared to last year, Navigator saw an increased response rate over any other customer satisfaction survey conducted.

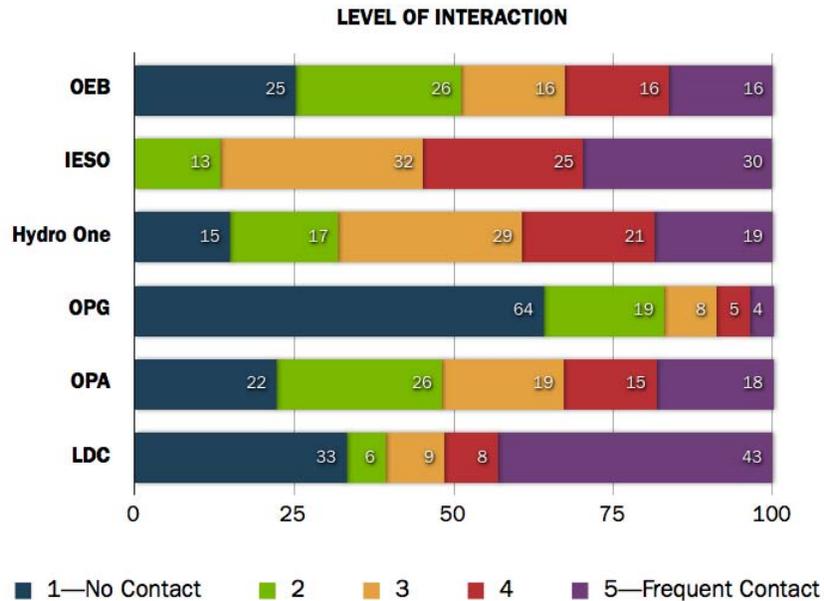
The data presented below is based on the overall responses from those that completed the survey. Navigator has broken out the responses by customer category where it is instructive and relevant do so, except in the case of the transmitters.

FINDINGS

Of the market participants that participated in the survey, 22 were generators, three were transmitters, 22 were marketers, financial market participants, retailers or aggregators of electricity, 67 were distributors and 23 were large volume consumers.

The survey began by asking how often the respondents were in contact with the various organizations in Ontario's electricity sector. Respondents were asked to rank on a scale of 1 to 5, their level of interaction with the OEB, Hydro One, the IESO, OPG, the OPA and their LDC. The scale ranged from 1 which was no contact at all to 5 which was frequent contact.

As illustrated below, the IESO is second only to LDCs in the frequency of contact. This is consistent with last year's findings, although it should be noted that those that list both the IESO and LDCs as the most frequent contact has decreased from last year, while respondents listing frequent contact with the OPA has increased over last year.

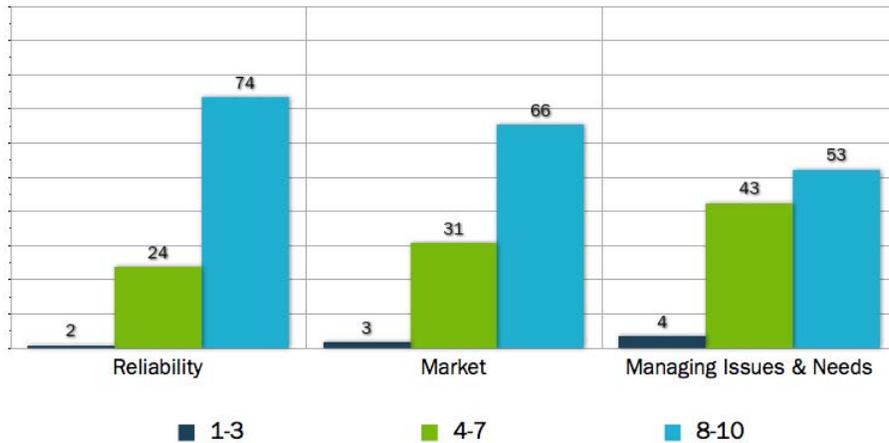


On a scale from 1 to 10, with 1 being the lowest, or does not meet needs, and 10 being the highest, or fully meets needs, respondents were asked to rank the IESO's products and services. As illustrated below, the IESO continues to enjoy high rankings on the products and services that it provides market participants. Respondents ranked their responses at an 8 or higher in the following categories:

- 74% of respondents – operating and maintaining the reliability of the Ontario power system;
- 66% of respondents – managing the electricity market;

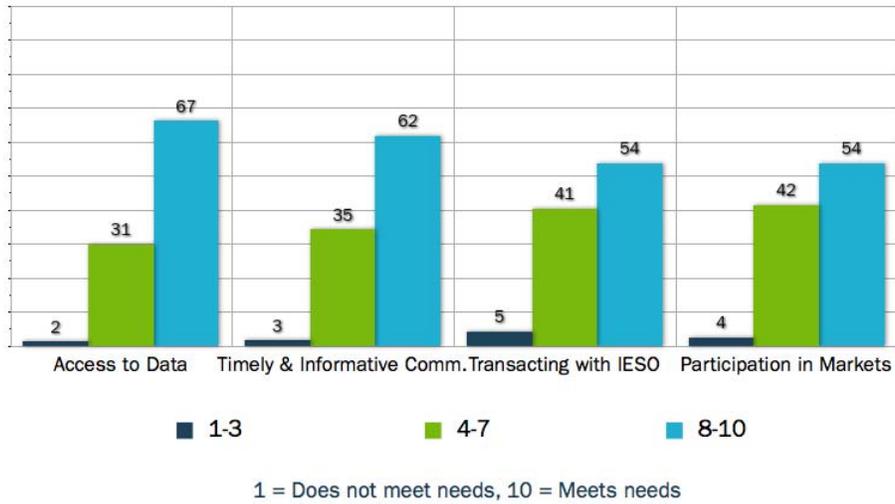
- 53% of respondents – managing customer and stakeholder issues and needs;
- 67% of respondents – providing easy and timely access to market data;
- 62% of respondents – providing timely and informative communications and publications;
- 54% of respondents – providing efficient and effective methods and applications for transacting with the IESO; and
- 54% of respondents – facilitating customers’ ability to participate in the markets through training and support services.

RANKING OF IESO's PRODUCTS & SERVICES



1 = Does not meet needs, 10 = Meets needs

RANKING OF IESO's PRODUCTS & SERVICES



At the IESO's request the wording of this question and the list of products and services has changed from last year's survey and as such, a strict year-over-year comparison is precluded. However, some general comparisons can still be drawn.

Looking at the number of respondents who indicated a ranking of 8, 9 or 10 in the survey, there was a decline in a number of areas this year as compared to last year. In the area of reliability, the IESO saw a 6% drop over last year (2007 service was worded as "directing the reliable supply and delivery of electricity" as compared to 2008 wording "operating and maintaining the reliability of the Ontario power system") and also in terms of running the electricity market where there was a small 2% decrease (2007 service was worded as "operating the various IESO markets" as compared to 2008 wording "managing the electricity market").

When we turn to customer and stakeholder needs, the IESO saw a decrease of 15% over last year in the respondents who indicated a ranking of 8, 9 or 10 (2007 service was worded as "consulting with stakeholders" as compared to 2008 wording "managing customer and stakeholder issues and needs").

In the category of information provision, there was a 12% decrease (2007 service was worded as "effectively communicating information as compared to 2008 wording "providing timely and informative communications publications"). And finally when we looked at how respondents viewed the methods in which they transact with the IESO, there was a decrease of 7% with 54% of respondents indicating a ranking of 8, 9 or 10 as compared to 61% in 2007 (2007 wording was "improving market participant transactions" as compared to 2008 wording "providing efficient and effective methods and applications for transacting with the IESO").

When asked how often they were in touch with individuals from the IESO in a typical month, the most frequent response (23%) was a few times per month, followed by 21% of respondents that said they were in touch once a month.

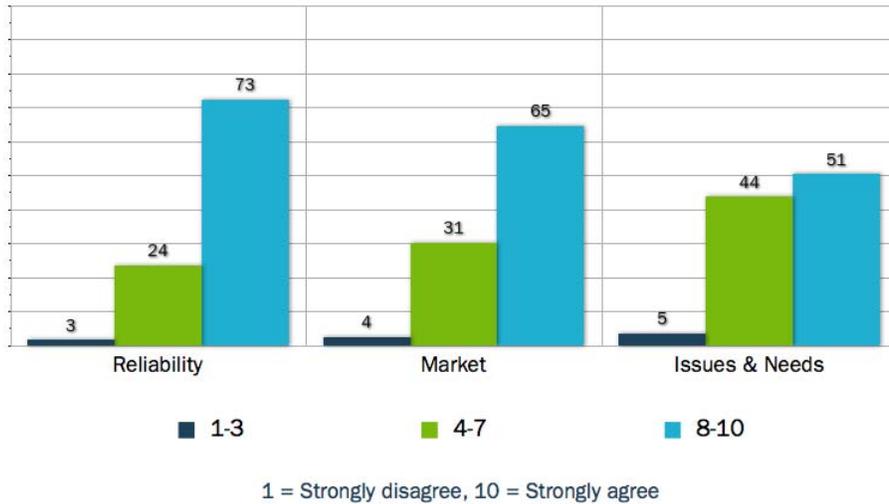
No matter the frequency, when they are in touch with the IESO it appears that the contact is a positive one. On a 10 point scale with 1 indicating very unsatisfied and 10 indicating very satisfied, respondents ranked their satisfaction level at an 8 or higher in the following categories:

- 81% said that the IESO was professional;
- 70% thought that the service was timely;
- 75% believed that advice they received was accurate; and
- 72% indicated that the IESO was able to help with their request.

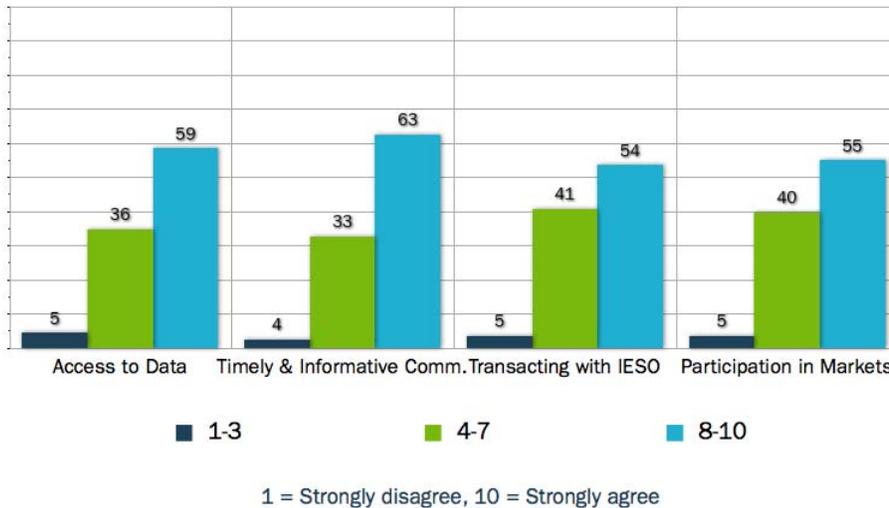
Turning our attention to the value of the products and services that the IESO provides, respondents were asked to rank on a 10 point scale where 1 is strongly disagree and 10 is strongly agree, the extent to which the IESO has increased the value of their products and services over the past year. Respondents indicated an 8 or higher for the following statements: "The IESO is effective at:"

- 73% of respondents – operating and maintaining the reliability of the Ontario power system;
- 65% of respondents – managing the electricity market;
- 51% of respondents – managing customer and stakeholder issues and needs;
- 59% of respondents – providing easy and timely access to market data;
- 63% of respondents – providing timely and informative communications and publications;
- 54% of respondents – providing efficient and effective methods and applications for transacting with the IESO; and
- 55% of respondents – facilitating customers' ability to participate in the markets through training and support services.

VALUE OF IESO PRODUCTS & SERVICES



VALUE OF IESO PRODUCTS & SERVICES

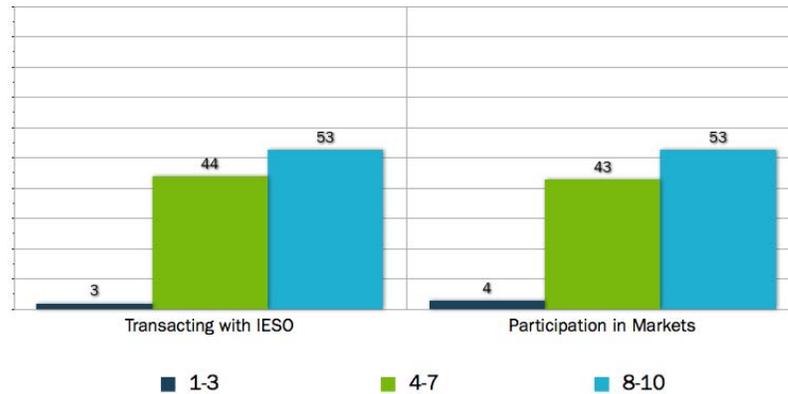


When asked if they think the IESO is able to clearly articulate any new initiatives in advance of introducing them, 75% of respondents indicated that the IESO either kept them very well informed, or informed.

Again on a 10 point scale with 1 indicating very unsatisfied and 10 indicating very satisfied, respondents ranked their satisfaction level at an 8 or higher when asked about the timeliness of the following products and services:

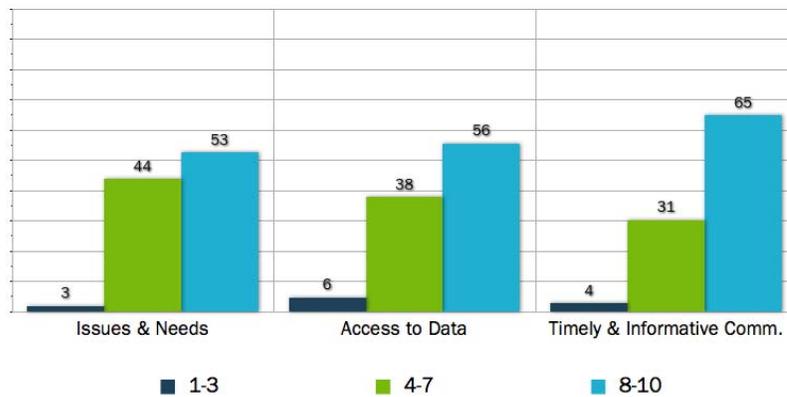
- 53% of respondents – providing efficient and effective methods and applications for transacting with the IESO; and
- 53% of respondents – facilitating customers' ability to participate in the markets through training and support services.
- 53% of respondents – managing customer and stakeholder issues and needs;
- 56% of respondents – providing easy and timely access to market data;
- 65% of respondents – providing timely and informative communications and publications;

TIMELINESS OF IESO PRODUCTS & SERVICES



1 = Very unsatisfied, 10 = Very satisfied

TIMELINESS OF IESO PRODUCTS & SERVICES



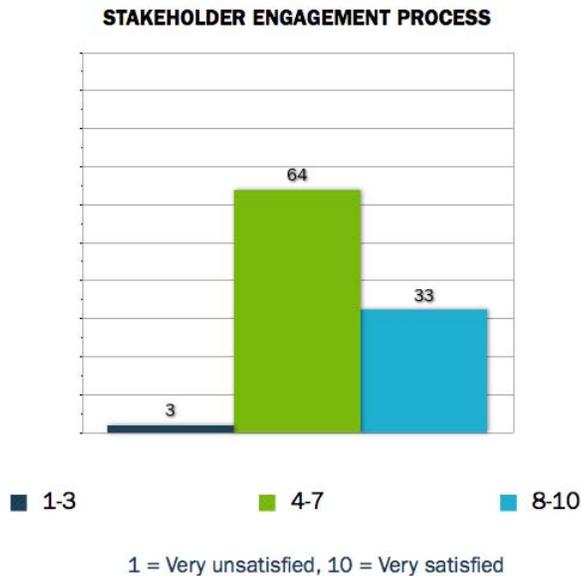
1 = Very unsatisfied, 10 = Very satisfied

On the stakeholder engagement front, respondents were asked to indicate their level of agreement for a variety of statements on a 5 point scale with 1 being strongly disagree and 5 being strongly agree. The statements were as follows:

- I feel my point of view is heard by the IESO;
- While I don't always get the outcome I want, the process is effective;
- The IESO simply goes through the process of stakeholder relations, but they already know going in what they want the outcome to be;
- Rule changes always favour the same type of customer; and
- Materials posted on the website to support each stakeholder engagement meet my needs.

Respondents did not have a strong opinion one way or the other with a majority ranking their answer a 3 (neutral) for the first four statements. The exception was the last statement: "Materials posted on the website to support each stakeholder engagement meet my needs," where 50% of respondents indicated a 4 or 5 (somewhat agree or strongly agree).

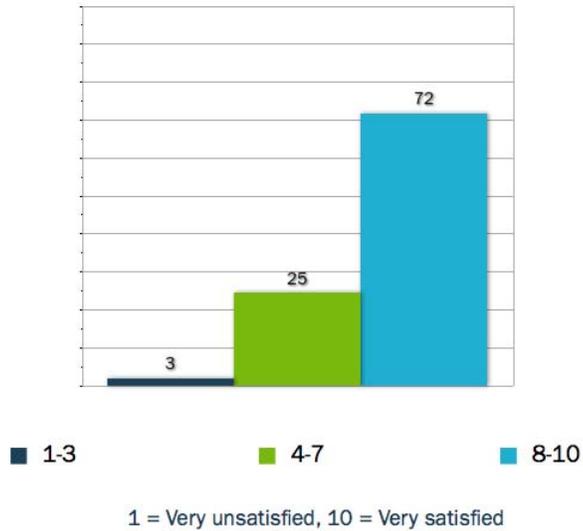
When asked to indicate their level of satisfaction with the IESO stakeholder engagement process, 33% of respondents indicated an 8 or higher on a 10 point scale with 1 being very unsatisfied and 10 being very satisfied; while 64 of respondents indicated a 4 to a 7.



Again on a 10 point scale, this time with 1 representing very incapable, and 10 representing very capable, 82% of respondents indicated an 8 or higher when asked to rate the capability of the IESO employees they were in contact with.

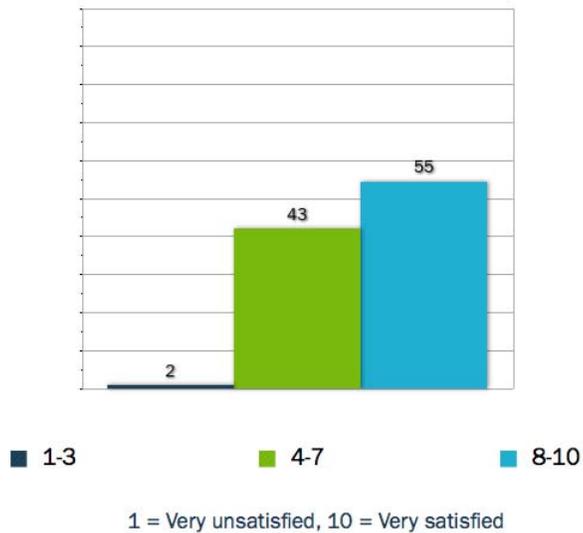
Turning to the level of satisfaction with the service respondents received from IESO employees, 72% of them selected an 8, 9 or 10 on a 10 point scale with 1 being very unsatisfied and 10 being very satisfied.

SERVICE FROM IESO EMPLOYEES



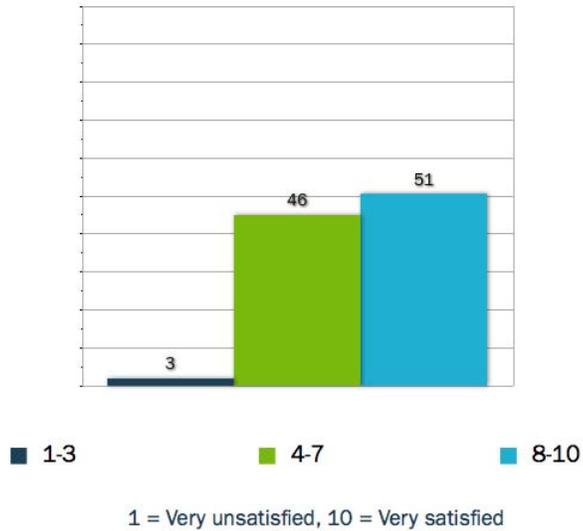
Again on a 10 point scale with 1 being very unsatisfied and 10 being very satisfied, 55% of respondents selected an 8 or higher when asked to indicate their level of satisfaction with the IESO's products and services.

IESO PRODUCTS & SERVICES



And on the same scale, more than half (51%) of respondents selected an 8 or higher when asked whether their needs were met in a timely manner.

NEEDS MET IN TIMELY MANNER



At the end of the survey, respondents were offered the opportunity to provide any information that they felt was important for the IESO to know, but that was not included in the survey.

The majority of the responses were centered on the IESO staff and were largely positive. Front line staff (account managers and operations staff) were recognized for the good work they do with customers. Only a couple of negative comments were made and included a long wait for an answer. The IESO website was mentioned a number of times with comments ranging from the need to update the market participant website so that it is more streamlined, to the arduous process of the reporting structure through the portal. The process of filling out forms was also mentioned with one participant indicating that figuring out which forms to fill out was cumbersome and time consuming.

The distributors made a couple of comments about market rules and the need for the IESO to have a clear understanding of the impact that they had on LDCs.

CONTACT INFORMATION

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