

## 2009 CUSTOMER SATISFACTION SURVEY

INDEPENDENT ELECTRICITY SYSTEM OPERATOR

DECEMBER 2009

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## **INTRODUCTION**

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

This year's quantitative portion made use of an online survey sent to all of the IESO's approximately 300 customers. This year, the survey was completed by 107 IESO customers, slightly more than last year, thus representing the largest set of data recorded since the inception of the survey.

We continued last year's departure from previous IESO research work by changing 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. We found last year that placing the emphasis on the customer experience results in interesting findings. Again, the IESO continues to score very high in the eyes of its customers.

## OVERVIEW

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

Findings demonstrate that the IESO remains a competent, professional and technically superior organization in the eyes of its customers. The IESO is increasingly seen as a stable, mature partner in the sector that can be relied upon. Customers continue to appreciate the level of service they receive, in particular the availability, commitment and knowledge of their account managers. Furthermore, they continue to appreciate the quality of information available, and the support the IESO provides. Again this year, maintaining the reliability of the system, which customers feel has improved, and timely and informative communications products and services are amongst the most valued by the IESO's customers.

The IESO is seen to have an open channel with its customers who appreciate the frequency with which the IESO communicates with them, both proactively and reactively. The IESO listens, and has consistently improved its customer service year after year. There appears to be an increase in visibility of IESO leadership and far more confidence in their ability to do their job.

Customers are generally satisfied with their level of interaction with the IESO. Although they rarely interact with IESO leadership, customers generally feel the organization is well represented at events and leadership is quietly working hard behind the scenes.

The IESO has reached a level of maturity; it has proven itself to the sector and has positioned itself as a valued and trusted advisor and operator. Customers have confidence in the IESO's ability to handle difficult challenges and believe it arrives at reasonable solutions to get things done. Proof of the IESO's success as an organization is its ability to ensure reliability throughout the province.

A number of customers expressed some concern over Global Adjustment, the Green Energy Act and FIT program, and increased skepticism about the Smart Grid for Ontario and the MDM/R. The MDM/R especially remains something requiring further explanation. IESO customers require more information on the potential value of MDM/R to be convinced it is truly necessary. Smart Grid is seen as an issue where many customers are making progress on many levels, but confusion surrounds the lack of a shared definition of the desired outcome.

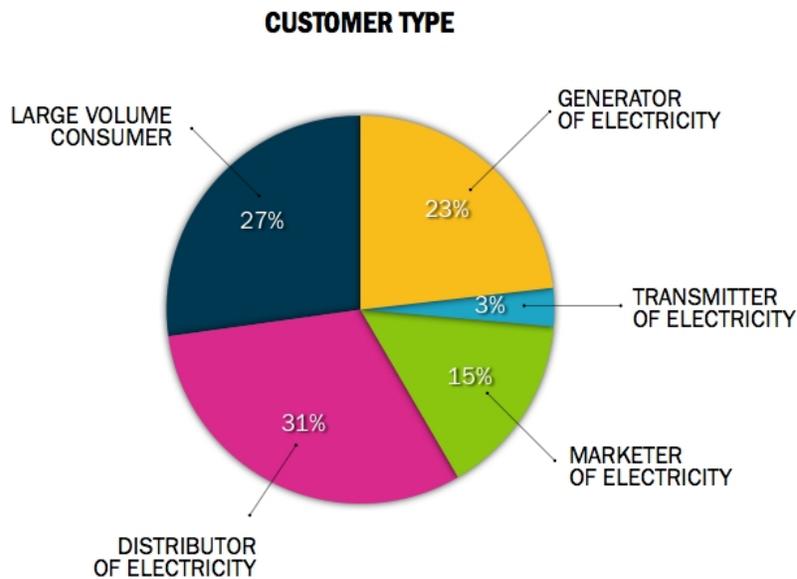
Overall, the IESO continues to improve its performance year after year and remains a revered and leading player in Ontario's energy sector.

## QUANTITATIVE RESEARCH

Navigator invited 279 stakeholder and energy sector employees to participate in an online survey research component. The survey was in the field from November 3 until November 13. During that time, 107 customers completed the questionnaire. Navigator experienced a higher-than-average participation rate for this type of survey. By way of comparison, last year's IESO customer survey saw 137 of 431 complete the survey.

Due to of the list-based recruitment method and the relatively low total number of respondents, the results of this quantitative research should not be considered statistically replicable to the population at large. Nevertheless, due to the homogeneity of the individuals taking the survey (similar education, experience, work history etc.), the sample size does not need to be very large for basic analysis purposes. An additional benefit of having a pool of well-informed respondents is that, as with any industry-specific survey, a high rate of issue comprehension leads to thoughtful responses throughout.

Survey respondents fell into five major categories according to their role in Ontario's electricity market. The distribution of those respondents' roles is illustrated below:

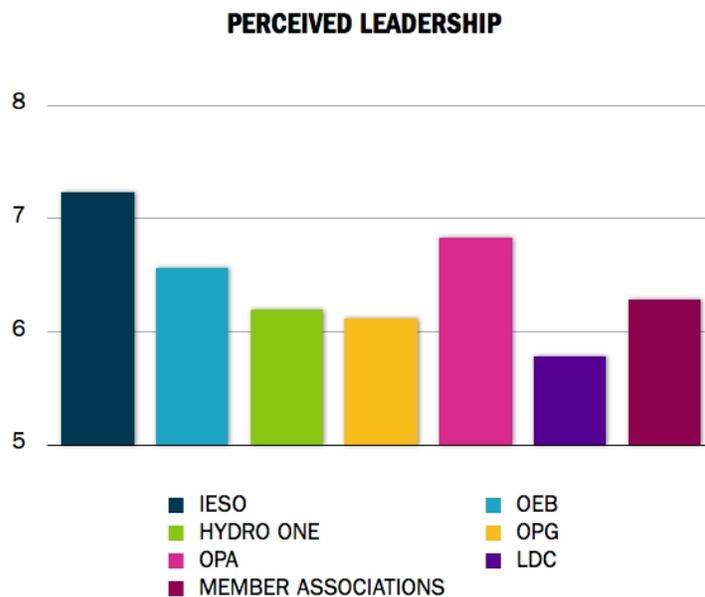


The survey contained 23 questions and respondents took, on average, 13 minutes to complete the survey. Both of these figures were more or less on par with previous years' IESO surveys, and do not raise worries about respondent fatigue.

## QUANTITATIVE FINDINGS

On the whole, the IESO should be very encouraged by the results of the quantitative analysis component of our research. Not only did it receive high scores throughout most of the survey, but respondents were largely unwilling to award very low scores, indicating that the intensity of any grievances were not generally severe.

The survey began with questions about the IESO’s leadership, as well as the role played by others in the energy sector. Respondents told us they considered the IESO to be a leader amongst its peers. For this first question the response scale poles were labeled as “not at all a leader” (1) or “very much a leader” (10). About half (49%) of respondents agreed that the IESO was a strong leader, assigning an 8 or better on the 10-point scale. By comparison, only 4% of respondents awarded it what could be considered a very poor score of 3 or less.

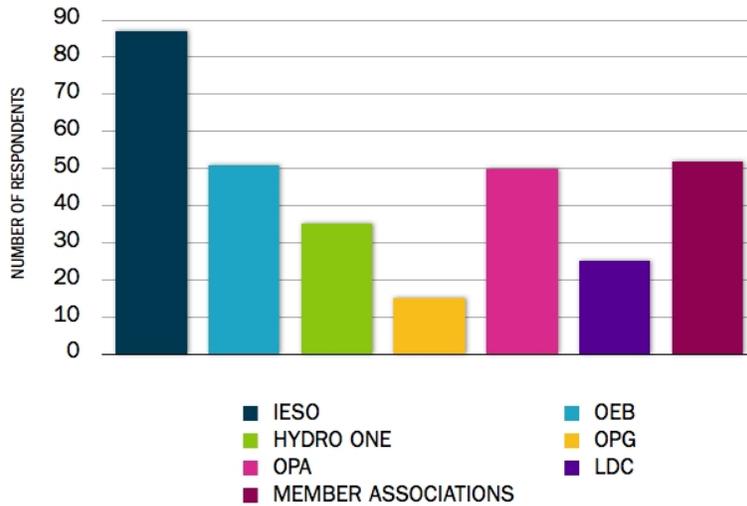


The IESO measured up very well with its peers, receiving a higher mean score on the question of leadership than all comparisons.

Not only was the IESO’s mean score higher than that of the other organizations in the survey, more respondents were willing to say that it acted “very much” like a leader, and very few said it acted “not at all” like a leader.

A plurality (26%) of respondents also chose the IESO as the organization they look to for “credible advice and information on electricity issues in Ontario.” For this question, respondents were allowed to choose more than one organization, and more selected the IESO than any of the other options.

### SOURCE OF CREDIBLE ADVICE



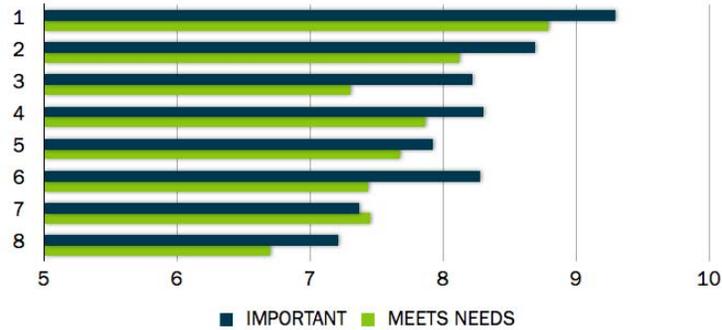
When asked to rate the perceived importance of the IESO’s functions and services, respondents awarded closely matched scores to many of its major functions. In this question, respondents were asked to assign a score between 1 and 10, with a score of 1 indicating that the function at hand was “not important at all” to the respondent’s company, and 10 meaning that it was “very important.”

The first function tested, “operating and maintaining the reliability of the Ontario power system” was the highest ranked overall. Respondents gave this item an average score of 9.29, with over 89% of all respondents assigning that task a score of 8 or greater on the 1 to 10 scale.

One trend that emerged was that several of the IESO’s “soft” functions like advocacy, communications, and customer service ranked far lower than those items dealing with the nuts and bolts of electricity provision. For instance, only 65% rated the function of “providing timely and informative communications” as an 8 or higher. Furthermore, just 56% said the same for “facilitating customers’ ability to participate in markets” with training, and less than half (47%) attached a score of 8 or more to “advocacy and policy development.”

For the most part, respondents said that the IESO fulfilled their needs adequately for all of these functions, with the mean “meets my needs” score varying mostly in synchrony with the “importance” score.

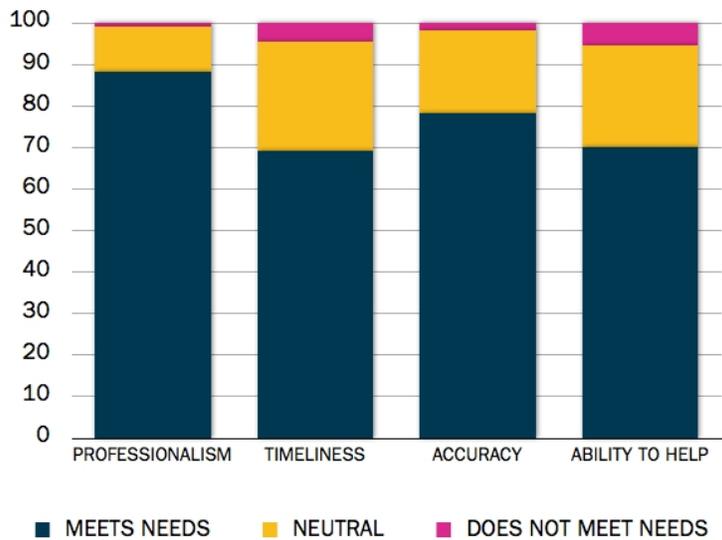
### IESO FUNCTIONS: IMPORTANCE, MEETS NEEDS



1. Operating and maintaining the reliability of the Ontario power system
2. Managing the electricity market
3. Managing customer and stakeholder issues and needs
4. Providing easy and timely access to market data
5. Providing timely and informative communications and publications
6. Providing efficient and effective methods and applications for transacting with the IESO
7. Facilitating customers' ability to participate in the markets through training and support services
8. Advocacy and policy development in Ontario

2009 survey respondents once again gave the IESO a healthy passing grade when asked to consider their own experience with the organization. Nearly 82% of those questioned said the IESO responds adequately to their needs “most” or “all of the time.” On a 10-point scale, over 88% of respondents awarded scores of 8 or better for professionalism. 69% gave similar ratings for “timeliness,” while an additional 78% chose the same for service accuracy, and 70% for ability to help.

### EXPERIENCE WITH THE IESO

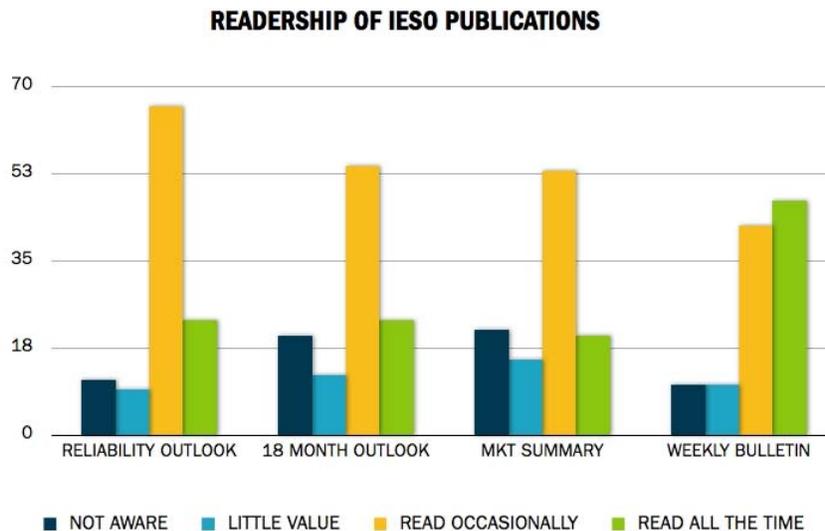


While respondents still offered an overall positive review, they noted some room to improve the IESO’s communications.

When asked if the IESO keeps its customers adequately informed of new developments, only 38% selected “very well informed” versus 40% who said the IESO provides only “the basic information.” An additional 21% said the IESO did an “adequate” job with room for improvement.

We asked respondents about their experience with four IESO publications, both print and online: the *Ontario Reliability Outlook*, the *18-month Outlook*, *Market Summaries*, and the *Weekly IESO Bulletin*.

More respondents said they read the *Ontario Reliability Outlook* and the *Weekly Bulletin* “occasionally” or “all the time” (82% for both) than the *18-month Outlook* (71%) and the *Market Summaries* (67%). By a wide margin, a plurality of respondents said the publication they read “all the time” was the *Weekly Bulletin* (43%), double the rate who said the same for the other publications, which ranged from 18-21%. Overall, 72% of those surveyed said they found these publications to be timely, whereas only 4% disagreed with that statement.



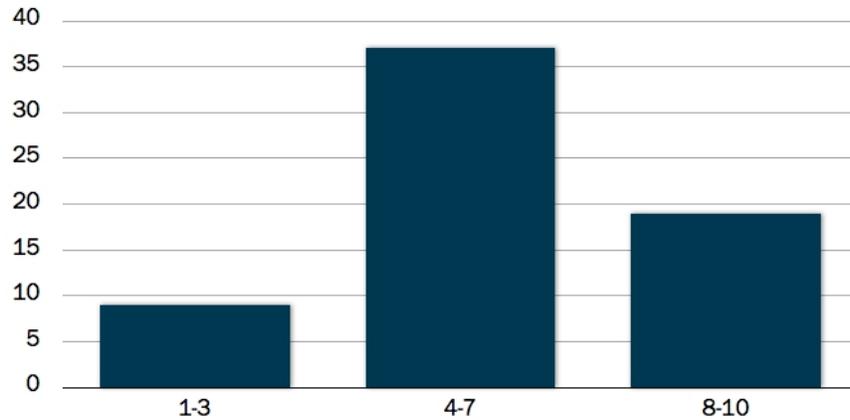
Questions about the stakeholder process encountered some mixed reactions from respondents. Just fewer than 40% agreed that their point of view is heard by the IESO, with 15% disagreeing with that statement. When asked if the IESO’s consultations accurately reflected the input received, just a little over one-third (35%) agreed. Slightly more (39%) were willing to agree that the IESO’s decisions are determined in a “fair and balanced” way, with 14% disagreeing with that statement.

It appears, however, that respondents were willing to give the IESO due credit for their efforts: 43% were willing to concede that even if they did not receive the outcome they hoped for, the process was effective. An additional 51% said that the stakeholder engagement materials posted on the web met their needs, with only 5% disagreeing.

40% of survey respondents say they have not participated in the stakeholder engagement process up to this point and could therefore not respond to questions related to that process but, of the remaining 65 respondents, reactions were fairly positive for the IESO.

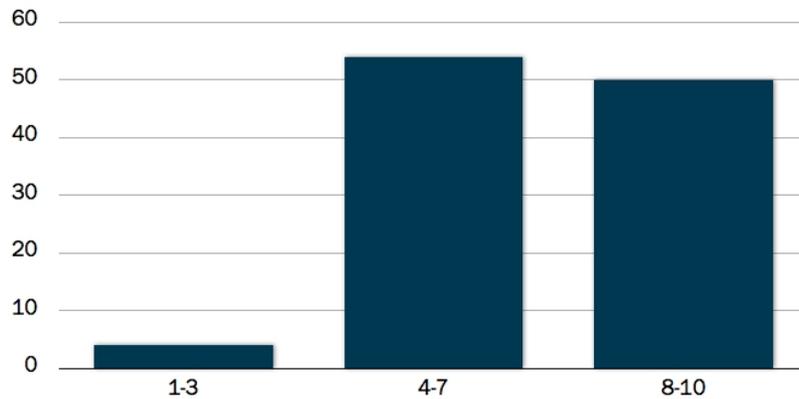
On a scale of 1-10, with 10 indicating “very satisfied,” 18% indicated that they were satisfied with the stakeholder engagement process by indicating a score of 8 or more. The mean score, for those who indicated they were in a position to evaluate the process, was 6.4 out of a maximum possible score of 10.

### SATISFACTION WITH STAKEHOLDER ENGAGEMENT PROCESS



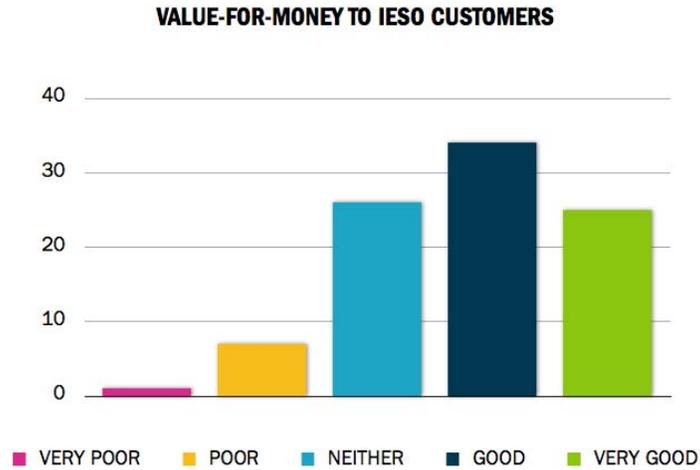
When asked about the IESO’s perceived transparency, nearly half awarded the IESO a score of 8 or better, with the mean score a 7.1 on a 10-point scale, where 10 represents a “very” transparent organization with respect to its finances, decision making, and work.

### TRANSPARENCY OF THE IESO



The survey’s final question noted that the IESO will not be raising their fee in 2010, as they are attempting to find greater efficiencies internally. It then asked respondents to indicate their perception of the value for money they receive. Over half of respondents (56%) responded that the IESO provides “good” or “very good” value. As with many other

questions, very few people chose a negative response – just fewer than 8% indicated it was “poor” or “very poor.”



In summary, the IESO has very many reasons to be encouraged by the 2009 Customer Satisfaction Survey. The IESO is perceived as a leader in its field, and most recognize that it is very good at performing its basic functions. Aside from indicating that further effort was necessary in the area of communications and consultations, customers and stakeholders have delivered a positive endorsement of the IESO again in 2009.

## **CONTACT INFORMATION**

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