



# Board Policy on Customer Experience

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**Presented by:** Steve Driscoll, Vice President of  
Customer Experience and Operation Services

November 13, 2024



# Discussion Topics

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 Board Policy on Customer Experience

 Overall Assessment

 Risk Management

# Board Policy on Customer Experience

It is LIPA's **Board Policy on Customer Experience** to:

- Deliver **top quartile performance** in J.D. Power's utility residential and business customer satisfaction and on industry-standard customer service metrics.
- Continually **improve customer satisfaction**, ease of interaction, and value as measured by internal, end-to-end customer transaction assessments.
- **Invest in technologies to enhance the service**, flexibility, convenience, and cost-effectiveness of billing, payment, appointments, emergency restoration, and other customer interactions.
- Target simple, accurate, and **proactive customer communications** across customer segments and socioeconomic groups, with attention to low-income and disadvantaged communities.
- Evaluate the success of our rate options, clean energy programs, and other offerings by customer adoption and satisfaction and use the information to regularly review and **improve our offerings**.



# Overall Assessment

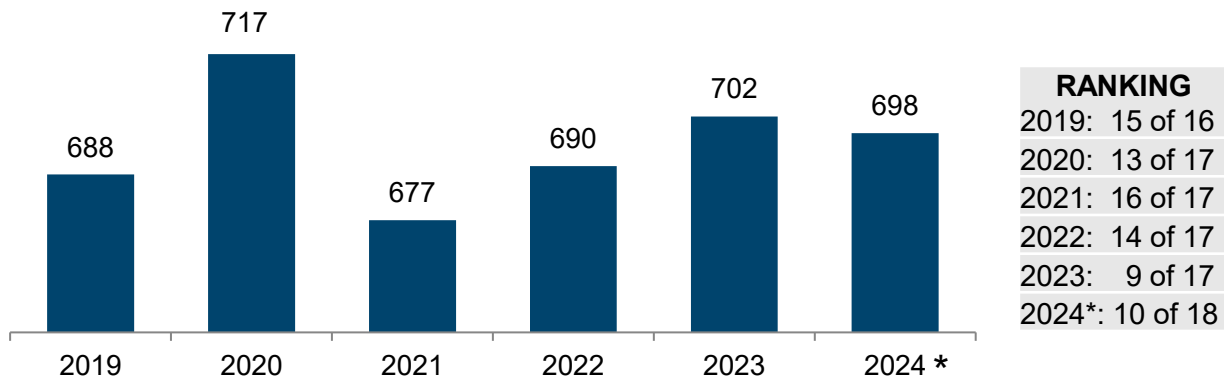
# Overall Assessment

**In 2023 and 2024, performance has been mixed, with improvements in billing and customer satisfaction; however, challenges with Call Center performance remain.**

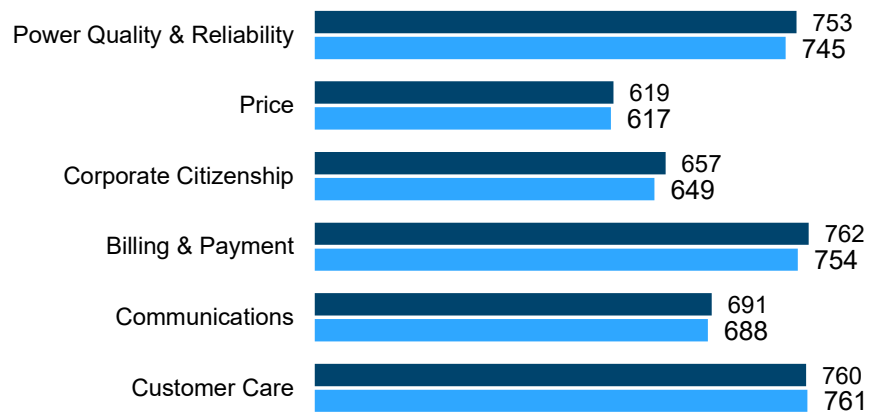
- J.D. Power **improvement in ranking** for business and residential surveys from 2022 position.
- Call Center initiatives focused on **staffing, rep training, and performance management** have positioned the call center to significantly improve in 2025.
- Billing is delivering **strong performance** across all metrics.
- Delivery of several strategic projects has **improved the customer experience and operational performance.**
- On-going customer transaction assessments have yielded opportunities for **further enhancements across all customer channels.**
- **Supporting low-income customers** through expanded eligibility and increased discounts.
- Deployment of new **Time-of-Day (TOD) rate options and clean energy programs** is another bright spot, with TOD enrollments on the rise and strong uptake continuing in net metering and heat pumps.

# J.D. Power: Customer Perception

## J.D. Power Residential

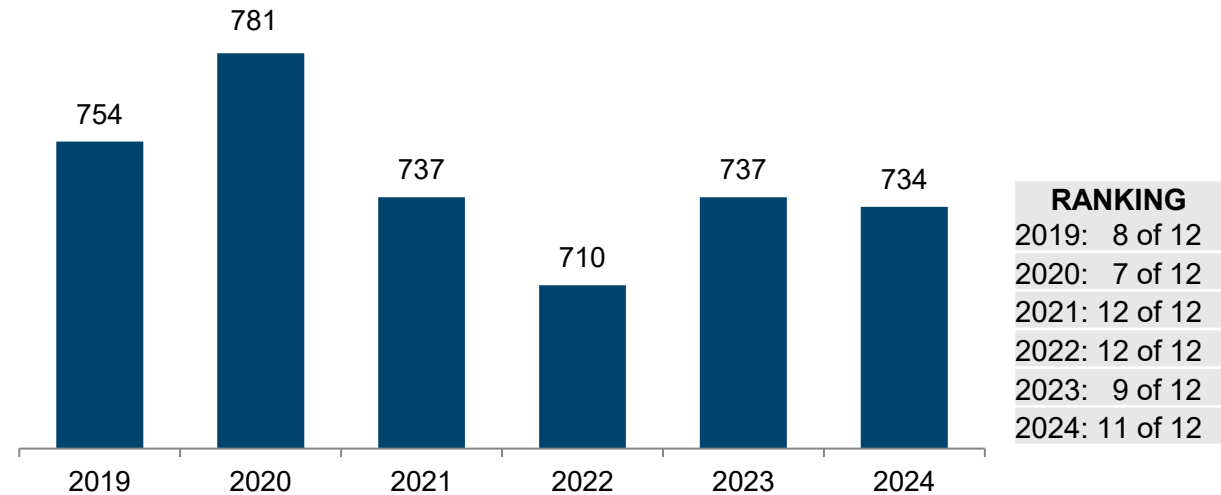


RANKING	
2019:	15 of 16
2020:	13 of 17
2021:	16 of 17
2022:	14 of 17
2023:	9 of 17
2024*:	10 of 18

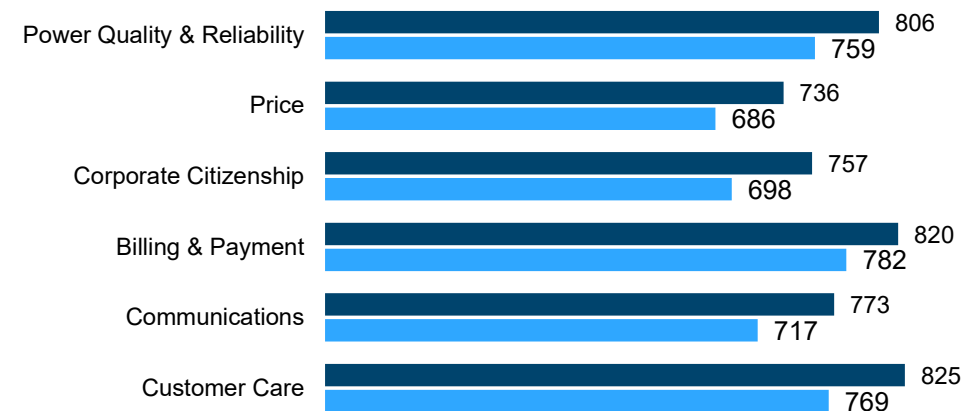


■ East Large - 2024\* ■ PSEG Long Island - 2024\*

## J.D. Power Business



RANKING	
2019:	8 of 12
2020:	7 of 12
2021:	12 of 12
2022:	12 of 12
2023:	9 of 12
2024:	11 of 12



■ East Large - 2024 ■ PSEG Long Island - 2024

\* YTD as of Q3

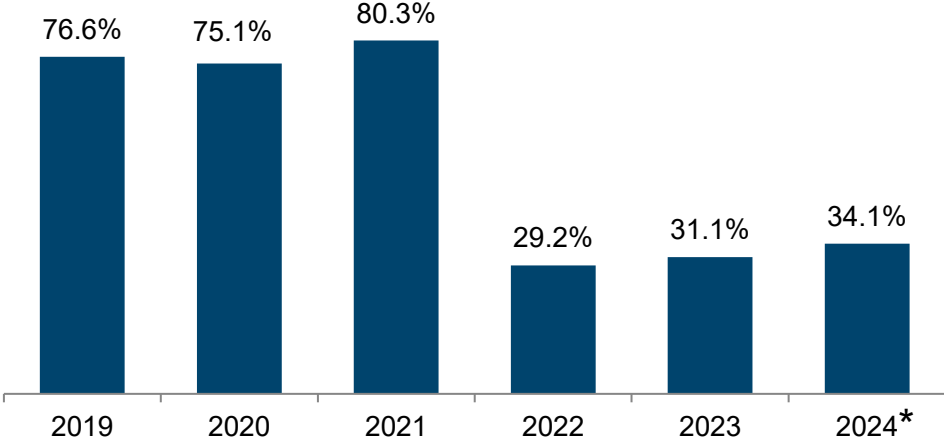


# Call Center Performance

While performance did not meet expected levels, initiatives executed in 2023 and 2024 is anticipated to drive improvement in 2025.

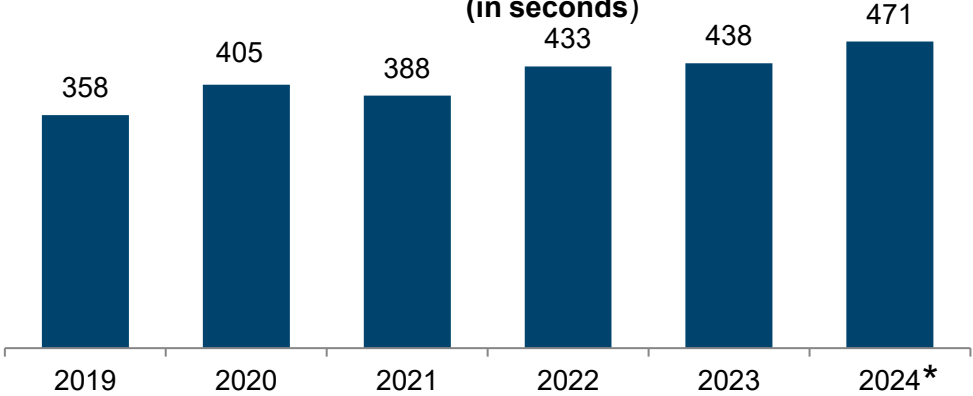
- **Staffing**
  - Established long-term planning for new class recruitments.
  - Added new leadership.
- **Training**
  - Expanded training organization and capacity.
  - Shifted to a tiered training model for more hands-on experience.
- **Performance Management**
  - Established performance-based model to qualify for remote work.
  - Incorporated average handle time into agent scorecard.

**Service Level %**

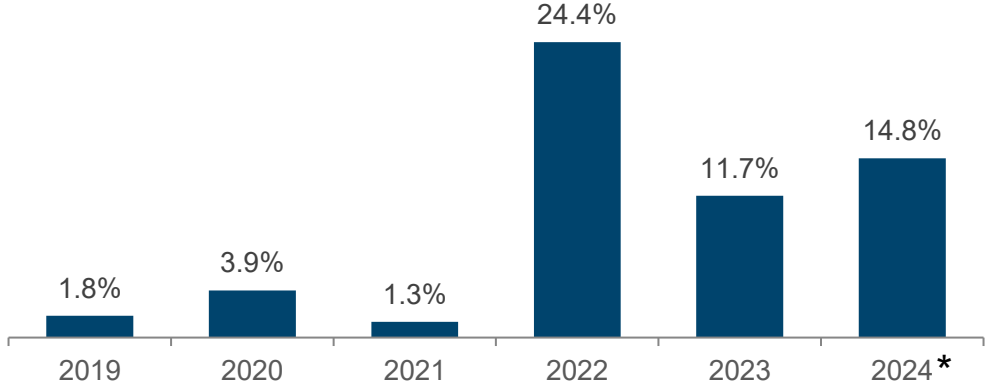


**Average Handle Time**

(in seconds)



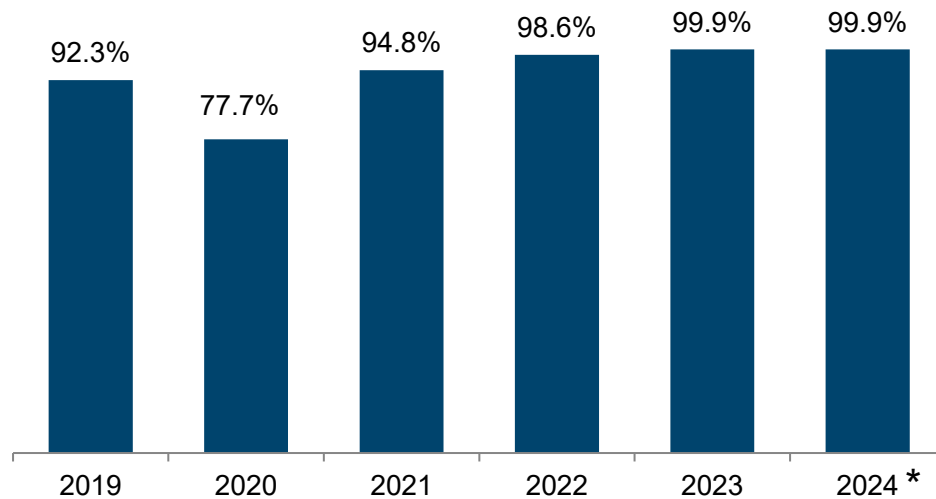
**Abandonment Rate %**



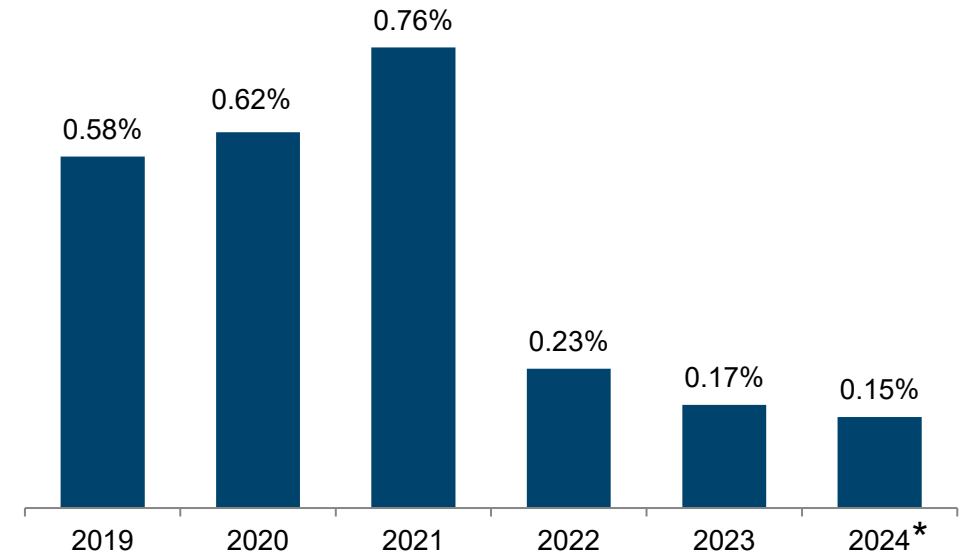
# Accurate & Timely Billing Success

- Billing performance has significantly improved over previous years due to smart meters (AMI).
- Time-of-Day billing exceptions are managed to ensure timely completion of 97% within three business days and this data continues to be refined as reporting is available.

**% Billing on Time**



**Cancel and Rebill %**





# Customer Transactional Surveys

## Objective

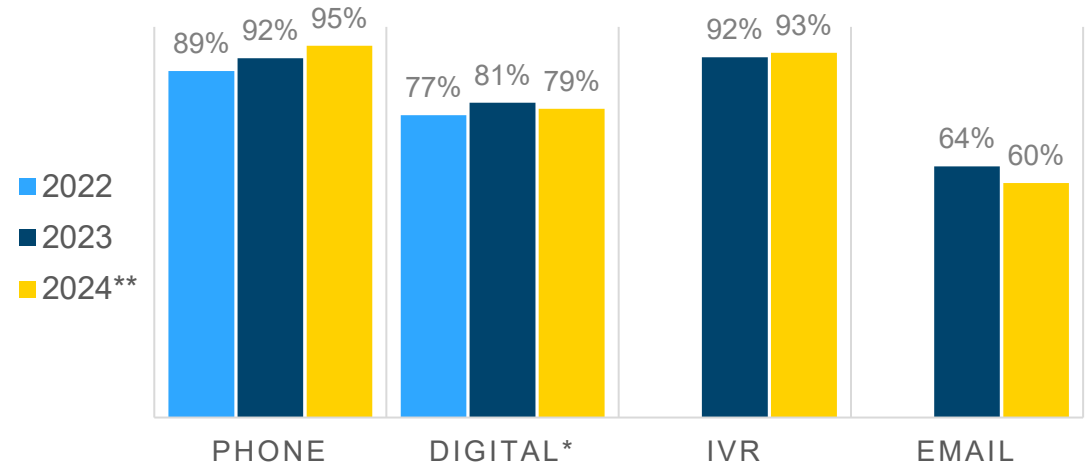
- Drive continuous improvement of interactions across customer channels.
- Influence customers to channels of lower cost and higher efficiency.

## Survey Enhancements

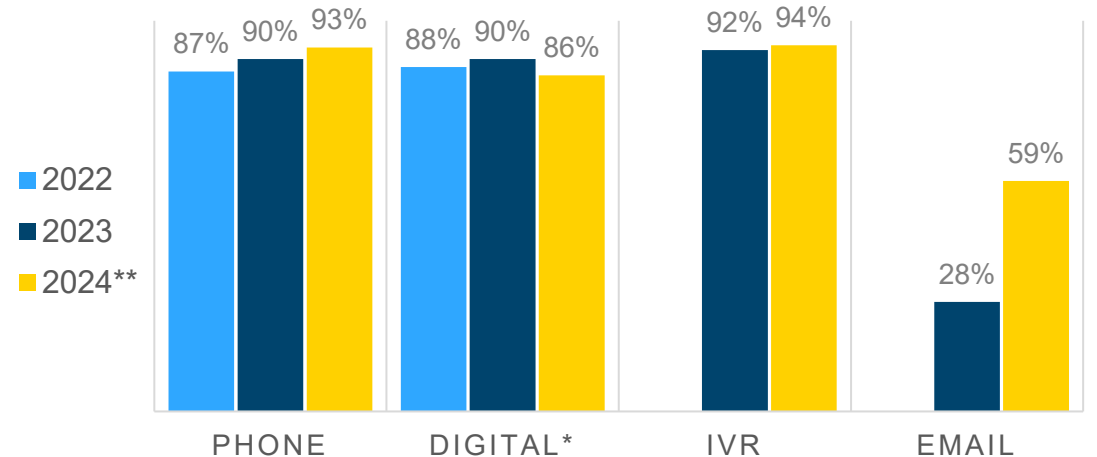
- Expanded the transactional survey in late 2023 to include email and automated phone (IVR) customer channels.
- Transactional survey questions incorporated into after-call agent survey, minimizing the need for third-party survey services.

**Customer feedback and cost per transaction data informed changes to the email channel and expansion of move and autopay functions within the digital channels.**

### Customer Satisfaction %



### Transaction Ease %



# Technology Improvements

## Invested in cost-effective technologies that improved services and customer experience

- Enhanced the **Meter Data Management system** to expand meter data validation, estimation and editing rules to reduce missing reads and improve estimation, producing more accurate and timely customer bills.
- Enhanced **customer outage communications** to consistently provide the root cause to customers who experience an outage.
- Expanded **customer move requests** to the public website in December 2023 and to the mobile app in October 2024, creating additional self-service customer channels for this transaction.
- Provided customers with direct access to **Behind the Meter load disaggregation technology** through MyAccount and the mobile app.

# Technology Improvements (Continued)

## Invested in cost-effective technologies that improved services and customer experience

- **Switched credit card vendors** in January 2024, saving approximately \$700,000 in processing fees for residential customers and reducing the commercial processing charge from \$9.95 to \$3.95.
- Deployed 4 **payment kiosks** in November 2023, creating another self-service customer payment channel and enhanced the system in 2024, allowing eligible customers to enroll in payment agreements through the kiosks.
- Deployed new IVR and call routing (ACD) systems as part of the **Contact Center as a Service (CCaaS)** implementation, allowing for numerous customer-facing improvements, including a more fluid process allowing customers to express what they want without having to follow scripted predefined patterns.
- Transitioned to **new CCaaS email platform** in August 2023, saving \$588,000 annually.

# Low-Income Customer Efforts

**Increased bill discounts:** Secured NYS utility funding to provide customers with an additional bill discount in 2024 of more than \$8. Expanded discount tiers to include customers receiving an alternate source heating benefit.

**Enrollment in low-income programs:** Increased and aligned eligible enrollment criteria with all NYS utilities, effective January 2024. Collaborating on agreements with Social Service agencies to enact customer account matching automation.

**Outreach to customers eligible for Assistance Programs:** Partnered with approximately 100 community agencies directly assisting customers to obtain utility funding through social service and non-profit programs. Strengthened relationships in disadvantaged communities through monthly outreach.

**Promotion of low-income programs:** Promoted and educated customers through targeted market outreach, signage on NICE buses, and waiting stations in underserved communities.

## Customer Benefit

➔ *Lower electric bills*

➔ *Ease of participation*

➔ *Reduced debt*

➔ *Expanded awareness*

# Customer Adoption of Rates

## Voluntary Time-of-Use Rates

- Over 13,500 customers are enrolled in the optional Time-of-Use (VTOU) rates.
- Operational and customer learnings from the VTOU pilot were used to inform the Time-of-Day (TOD) program.

## Time-of-Day Rates

- The Off-Peak TOD rate became the standard residential rate offering starting late January 2024.
- As of October 2024, over 83,000 customers are enrolled in the Off-Peak or Super-Off Peak TOD rate, with a 98.8% retention rate.
- Customer feedback was gathered from the first migration group in the summer of 2024 and will be used to adjust the approach before scaling the program.



# Customer Adoption of Clean Energy

So far in 2024, PSEG Long Island programs have resulted in:

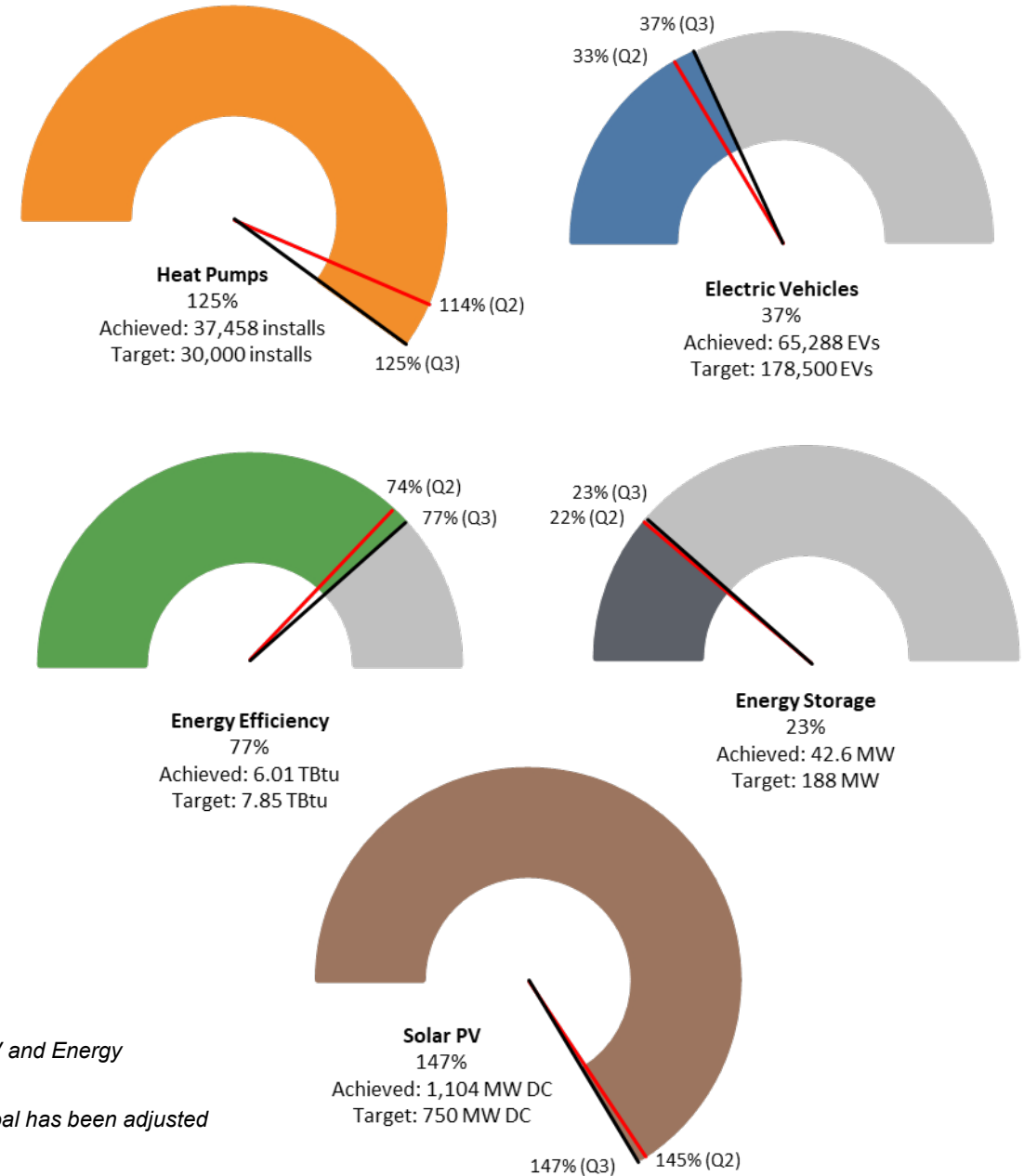
- 2,700 residences switched from fossil fuel heating to electric heat pump heating
- 565,000 MMBtu avoided through building efficiency programs
- Over 500 new public EV charging plugs

PSEG Long Island and LIPA are working on rolling out new program offerings for:

- Transportation fleet electrification
- Leveraging IRA dollars for heat pumps
- Retail energy storage

*Current as of: September 2024 (Solar PV, Heat Pumps, Energy Efficiency, and Electric Vehicles) and August 2024 (Solar PV and Energy Storage), based on data availability.*

*Notes: The Solar PV Goal for 2025 has been accomplished. The calculation to determine progress on the EV Climate Act Goal has been adjusted to account for all EVs on the road on Long Island rather than EVs on the road associated with PSEG Long Island.*





# Risk Management

# Enterprise Risk Management

**There are two highly rated risks in our ERM Program related to the Customer Experience Board Policy, which are being monitored and opportunities for enhanced mitigation actions are being discussed.**

- Customer and stakeholder dissatisfaction with PSEG Long Island's response to a storm or major event could result in increased negative perception and/or adverse reputational impact.
  - Mitigation actions have improved over the past year around customer communication during an outage which has led to improved performance and better management of this risk.
- Decreased call center performance could result in negative customer perception and reputational impact.
  - While there have been improvements to mitigate this risk by adding additional staff, increased CSR performance management, and adding new leadership; call center performance remains an area of concern with increased focus for improvement.



# Questions?

**Steve Driscoll**  
Vice President of Customer  
Experience and Operation Services

**Suzanne Brienza**  
Director of Customer Experience

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[lipower.org](http://lipower.org)



**FOR CONSIDERATION**

November 13, 2024

**TO:** The Board of Trustees

**FROM:** John Rhodes

**SUBJECT:** Approval of the Annual Report on the Board Policy on Customer Experience

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**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 Experience (the “Policy”); and (ii) finding that LIPA has substantially complied with the Policy, which resolution is attached hereto as **Exhibit “A.”**

**Background**

In July 2017, the Board adopted the Policy with the purpose of providing a framework to achieve a high level of customer service and satisfaction. In November 2021, the Board worked with Leading Resources, Inc. to review the Policy and to facilitate discussion amongst the Trustees on amending the Policy. At that November 2021 meeting, the Board adopted a revised Customer Service Policy and renamed it the Customer Experience Policy. The Policy provides that “the Chief Executive Officer, or his or her designee, will report annually to the Board on compliance with the key provisions of the Customer Experience Policy.” The Board conducted the last annual review of the Policy in November 2022.

**Compliance with the Policy**

This report covers customer experience activities from the Board’s November 2022 review to the present. PSEG Long Island’s performance has been mixed with strong performance within billing and meter operations but has not achieved desired results within the Call Center, as further described below. LIPA Staff recommends that, for the reasons set forth below, the Board find that LIPA has substantially complied with the Policy since the last review, as LIPA staff continues to work with PSEG Long Island to improve service delivery to customers.

Compliance with each element of the Policy is discussed in detail below, including areas designated for improvement.

“Deliver top quartile performance in J.D. Power’s utility residential and business customer satisfaction studies and on industry-standard customer service metrics.”

- For J.D. Power, PSEG Long Island improved from the fourth quartile position in 2022 to second quartile for Residential satisfaction and third quartile for Business satisfaction, achieving the 2023 metric targets in both surveys. PSEG Long Island’s 2024 year-to-date

performance is slightly below the 2023 yearend performance. As part of the 2023 and 2024 metric requirements, PSEG Long Island developed tactical plans to drive improvement in customer perception, informed by best practices.

- PSEG Long Island has not met the Call Center service level for answer rate in 2023 and is not on track to achieve it in 2024. In late 2022 and at the request of LIPA after observing multiple months of deteriorating performance, PSEG Long Island conducted a comprehensive review of the Call Center and developed a tactical recovery plan. The review found that the significant challenges were driven by staffing shortfalls, increased call volumes, and higher-than-normal average handle times. Execution of the many initiatives from the original plan fell behind schedule in 2023 and were not achieving the expected improvement to performance. To continue to drive improvement, LIPA retained the Call Center service level metric for 2024 and added two new metrics to reduce average handle time and optimize agent utilization. While these targets are not anticipated to be achieved in 2024, initiatives executed this year have positioned the Call Center to significantly improve in 2025.
- PSEG Long Island has made improvements in billing performance since 2022 and are achieving all metric targets. The results include the following:
  - Billing cycle on-time delivery improved from 98.6% to 99.9% in 2023 and 2024-YTD.
  - Cancels and rebills reduced from 0.23% to 0.17% in 2023 and 0.15% in 2024-YTD.
- PSEG Long Island has consistently performed within the top quartile throughout 2023 and 2024 among New York State utilities for low complaint rates.

“Demonstrate continual improvement in customer satisfaction, ease of interaction, and value as measured by internal, end-to-end customer post-transaction assessments.”

- PSEG Long Island continued surveying of customer transactions in 2023 and 2024 to understand customers’ overall satisfaction and ease of execution for the top five interactions including billing, payment, payment agreement, service change, and outage transactions as well as other general inquiries. The customer interaction channels surveyed included live agent phone, MyAccount, the mobile app, and text, collectively “digital.”
- PSEG Long Island expanded the transactional survey in late 2023 to include customer contact channels not previously surveyed. Realtime, “in-app” surveys were deployed in late 2023 to capture customer transactional experiences in email and automated phone (IVR) interaction channels. Transactional survey questions were also incorporated into the existing, system-generated “after-call” survey, minimizing the need for the previously used, person-to-person telephone interview survey, which had a low response rate and was usually conducted multiple weeks after the call with the agent.
- PSEG Long Island has made improvements across most channels as compared to base year performance. The results are below. The feedback from the customers was used to inform some of the channel and transaction improvements detailed in the next section.

	Customer Satisfaction			Ease of Transaction		
	2022	2023	2024*	2022	2023	2024*
Phone	89%	92%	95%	87%	90%	93%
Digital	77%	81%	79%	88%	90%	86%
Email		64%	60%		28%	59%
IVR		92%	93%		92%	94%

\*YTD as of September 2024

“Invest in technologies to enhance the service, flexibility, convenience, and cost-effectiveness of billing, payment, appointments, emergency restoration, and other customer interactions. Ensure simple, accurate, and proactive customer communications related to customer billing, energy usage, emergency response, and estimated times of restoration.”

- PSEG Long Island efforts included both long-term and short-term projects designed to enhance the customer experience. Longer-term projects include establishing the foundation to implement a state-of-the-art Customer Information System, Customer Contact platform, credit card processor replacement, and move process automation.
  - Customer Information System (CIS) Replacement - Customer Information System pre-implementation program work in 2023 included finalizing the documentation for the current state environment, associated business processes, functional requirements for the replacement system, and stakeholder analysis. The replacement project was subsequently paused to focus on Time-of-Day and System Separation implementations and will resume in 2026 with additional pre-implementation activities and issuance of the RFP for the new CIS solution and system integrator.
  - Customer Contact Platform - In 2022, PSEG Long Island began the Contact Center as a Service (CCaaS) project to provide a fully integrated cloud-based contact center solution, allowing for numerous customer-facing improvements, including a seamless omni-channel customer experience, a more fluid process allowing customers to express what they want without having to follow scripted predefined patterns, enhanced reporting & analytics, and many other enhancements. PSEG Long Island implemented the first phase of the platform in November 2023 and established a two-year roadmap for various future improvements. Implementation of the natural language IVR with advanced speech recognition in 2023 as part of this project was expected to improve IVR containment. PSEG Long Island is performing below the expected improvement target and will not meet the metric for 2023 or 2024. To drive future improvement, PSEG Long Island has identified various enhancement to the IVR system and will be deploying them starting in December 2024.
  - Credit Card Processor Replacement - PSEG Long Island transitioned to a new

credit card processing vendor in January 2024, which saves the utility \$700,000 a year in residential credit card fees, reduces the commercial customer processing fee from \$9.95 to \$3.95, and increases the credit card payment limit. System enhancements planned for late 2024 include a more intuitive and streamlined credit card payment experience across all channels and acceptance of more modern customer payment methods including Paypal, Google Pay, and Apple Pay.

- Move Process Automation – Move request transactions have the longest handle time compared to all other customer transactions and were not previously available as a full self-service option due to the lack of automation. In 2024, PSEG Long Island automated the MyAccount customer web portal move process, thus eliminating manual back-office processing by the agent. Two additional channels, the corporate website and the mobile app, were made available in the past year to also accept customer move requests. Expanding self-service options are anticipated to reduce volume of agent-required transactions (calls and emails) and allow customers to remain in their channels of choice.
- Payment Kiosks – PSEG Long Island introduced a new self-service payment channel to customers in November 2023 by installing payment kiosks at 4 customer offices. The systems have intuitive screen flow to guide the customer through the payment process and accepts various payment methods including cash, credit, debit, and electronic check. In 2024, the kiosk functionality was expanded to offer payment arrangement enrollment. Through September 2024, 6,300 customers have utilized the kiosks making 16,200 payments totaling more than \$6.3 million. A fifth kiosk is scheduled to be on-line in first quarter 2025.
- Outage Root Cause – In the customer transaction survey for outages, the utility informing the customer of the cause for the unplanned outage is consistently the lowest scoring question in the survey for PSEG Long Island. To address this, PSEG Long Island enhanced the customer outage communications to consistently provide the root cause to customers who experience an outage.
- MDM VEE – PSEG Long Island enhanced the Meter Data Management (MDM) system to expand meter data validation, estimation, and editing (VEE) rules to reduce missing reads and improve estimation, producing more accurate and timely customer bills.
- Customer Email Platform – In August 2023, PSEG Long Island replaced their customer email system with the email platform available in the new CCaaS system, saving \$588,000 annually.
- Load Disaggregation – PSEG Long Island enhanced MyAccount and the mobile app to provide customers with direct access to Behind the Meter load disaggregation technology, which allows customers to better understand their home’s usage by appliance.

“Effectively target communications across customer segments and socioeconomic groups, with particular attention to low income and disadvantaged communities.”

- PSEG Long Island conducted a Household Assistance Rate marketing campaign in 2023 to validate the effectiveness of a third-party segmentation vendor tool for more targeted residential customer communications. Conversion rates did not prove to be more successful for customers marketed to through the segmentation approach as opposed to traditional messaging. The 2022 marketing segmentation pilot, which used a different segmentation model, concluded the same, possibly indicating that investments in advanced segmentation may lead to meager benefits.
- PSEG Long Island partnered with more than 100 community agencies directly assisting customers to obtain utility funding through social service and non-profit programs.
- PSEG Long Island implemented an arrears management forgiveness program in partnership with the New York State Energy Assistance Working group. The second rollout of the benefit from August to December 2022 assisted 4,396 low-income customers with past due balances resulting from COVID-19, covering \$7,506,072 in arrears forgiveness. Including the initial rollout, the program assisted a total of 12,272 low-income customers, forgiving \$27,905,483.
- LIPA provided \$30,000 in grant funding to advance an advocacy program within the Shinnecock Nation to increase awareness of arrears forgiveness.
- PSEG Long Island promoted and educated customers on low-income programs through new channels including signage on NICE buses and waiting stations in underserved communities.

“Evaluate the success of our rate options, clean energy programs, and other offerings by customer adoption and satisfaction and use the information to regularly review and improve our offerings.”

- Enrollment in the optional time-of-use (VTOU) rates surpassed the 2022 year-end metric target of 12,000 and is currently over 13,500 accounts. PSEG Long Island surveyed converted, non-converted and unenrolled VTOU customers to understand the motivations and barriers to communicating with customers and to ensure a strong customer experience, high customer satisfaction and to mitigate opt outs. Operational and customer learnings from the VTOU program helped inform the TOD program.
- PSEG Long Island deployed the two Time-of-Day rates in November 2023 and the Off-Peak rate became the standard residential rate offering in January 2024. As of October 2024, over 83,000 customers are enrolled in the Off-Peak or Super-Off Peak TOD rate, with a 98.8% retention rate.
- Overall enrollment in the Household Assistance Rate (HAR) for low to moderate-income customers has trended downward in 2023 and 2024 due to a significant number of customers not renewing their enrollment. A program was developed in 2022 to automate the enrollment based on participation in social service programs but was not utilized in 2023. A requirement to execute the address match automation was incorporated into the 2024 metric to encourage use to increase enrollments, however, not having current agreements with the social service agencies has delayed utilizing this process. PSEG Long

Island is actively pursuing agreements in late 2024 with anticipated completion by Q1 2025.

- LIPA secured New York State utility funding to provide customers with an additional bill discount in 2024 of more than \$8. Also, expanded discount tiers to include customers receiving an alternate source heating benefit. The expanded tier enrollment will assist non-electric heating low to moderate income customers maintain a 6% energy burden.
- The heat pump program continues to be popular among customers and has surpassed the 2022, 2023 and 2024 metric targets for the incentive program rebates. During 2023, PSEG Long Island implemented a Heating Comparison Calculator tool to encourage conversions by calculating the customer specific potential savings. In 2024, LIPA worked with PSEG Long Island to increase engagement with the heat pump contractor base and also launch additional offerings such as air-to-water heat pumps and heat pump water heaters to continue broadening the availability of this technology to facilitate a transition to a fossil fuel free future.
- LIPA is currently conducting a study of fleet electrification needs on Long Island and will work with PSEG Long Island to launch a robust Fleet Make Ready program in 2025.
- Long Island continues to be a leader in customer adoption of rooftop solar through LIPA's net metering, Community Distributed Generation, and Value of Distributed Energy Resources tariffs. LIPA has surpassed its solar generation goals.
- LIPA is behind on its targets for energy storage. LIPA is currently working on bulk storage opportunities and is designing a new retail storage program for launch in 2025.

### **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 are two risks related to this Policy. The first risk 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." The second risk is related to decreased call center performance, which could result in negative customer perception and reputational impact.

The Customer and Stakeholders' Dissatisfaction to a Storm risk is rated as a high-level risk. In the customer experience area, 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. PSEG Long Island has worked to improve relationships with customers and the media and has developed an updated crisis communications plan. The 2024 metric CS-21 related to information provided to customers during an outage has improved year-over-year due to increased communications during storms, including an information banner on the website during a storm and more detailed outage explanations when handling customer calls. PSEG Long Island is achieving targeted levels of the metric and is being managed to meet agreed-upon metrics and overall customer expectations.

The Decreased Call Center Performance risk emerged over the course of 2022 and has continued to experience challenges throughout 2024 with an increased number of calls being unanswered and wait times exceeding acceptable levels. When identified in 2022, this risk was the result of insufficient staffing, increased call volume and average handle time, and high shrinkage resulting in reduced efficiencies. Progress has been made with new hires and utilizing third-party resources, leadership and agent training, and performance management including return to office if customer service representative's metrics are not being met. However, there are still challenges in reducing call handle times. PSEG Long Island will miss the 2024 Call Center Service Level performance metrics in this area. While progress has been made in mitigating this risk, it is not being sufficiently managed to meet agreed-upon metrics and overall customer expectations. Conversely, if improvements continue to be realized, 2025 performance is expected to increase significantly.

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

As discussed above, the Policy was last updated in November 2021, where a working group of Trustees together with its consultant Leading Resources, Inc. provided substantial edits to the Policy to more fully reflect the Board's strategic direction in this area. As such, LIPA Staff has reviewed the Policy for this annual review and proposes no changes at this time.

### **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 EXPERIENCE**

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**WHEREAS**, in July 2017, the Board originally adopted what was then known as the Customer Service Policy (the “Policy”) for the purpose of providing a framework to achieve a high level of customer service and satisfaction; and

**WHEREAS**, in 2021, the Policy was amended by the Board where the Board, among other substantial edits, renamed the Policy to the Board Policy on Customer Experience to more fully reflect the Board’s strategic direction in this area; and

**WHEREAS**, the Board’s last annual review of the Policy was in November 2022; 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 13, 2024