

VERMONT ENERGY INVESTMENT CORPORATION SERVICE QUALITY & RELIABILITY PLAN

I General Provisions

- A. The purpose of this Service Quality and Reliability Plan (SQRP) is to establish performance standards and associated reporting requirements for energy efficiency services provided by the Vermont Energy Investment Corporation (VEIC) in its capacity as Efficiency Vermont, the State's Energy Efficiency Utility.
- B. The parties to the SQRP are Efficiency Vermont and the Vermont Department of Public Service (Department).
- C. Section II defines certain terms and concepts of the SQRP. Section III identifies the applicable service categories and establishes their respective minimum performance standards. Section IV establishes the measurement, reporting and compliance protocols for the performance standards. Section V outlines service quality compensation. The SQRP will become effective on January 1, 2012, with the first quarterly report due May 1, 2012 and the first annual report due in April, 2013. The parties agree to review the SQRP after the plan has been in effect for one year and at the end of every performance period. The purpose of this review will be to ascertain the need for modification of performance standards throughout the life of the plan. Parties recognize the Board reserves the right to make modifications to the SQRP in the future, either as a result of parties' review or on the Board's own motion.

II Definitions

Answered call: A telephone call to the Efficiency Vermont customer service center that is answered by a live person.

Board: The Vermont Public Service Board

Business day: Monday through Friday excluding days on which legal holidays are observed and days when VEIC is closed to routine business operations.

Business hours: (Customer Service Center): Business days from 8am to 5pm

CAP: Corrective Action Plan

Closed complaint: A complaint is considered "closed" by Efficiency Vermont when:

- Action is taken to resolve the complaint, the customer indicates agreement with the resolution, and Efficiency Vermont sends a written communication to the customer outlining the resolution.

OR

- Action is taken to resolve the complaint and customer declines to accept the resolution and / or opts to file a grievance with the Department

OR

- Efficiency Vermont is unable to reach the customer for follow-up after making at least three phone attempts within two business days of the initial complaint call, followed by one attempt to reach the customer via mail to which the customer does not respond within ten business days of the mailing

Complaint: A Customer communication of dissatisfaction to Efficiency Vermont or the Department which, upon investigation, through the process described in section III.D., is determined to be attributable to a deficiency in Efficiency Vermont's service quality and/or responsiveness.

Customer: Participants in Efficiency Vermont efficiency programs as well as Prospective Customers.

Department: The Vermont Department of Public Service

Incoming Managed Call: An incoming telephone call answered by Efficiency Vermont customer support staff which requires program, technical, or other energy related assistance. Direct transfers to internal staff and calls placed by internal staff are not tracked as managed calls.

Participants: Customers with efficiency measures installed, as reported annually by Efficiency Vermont.

Prospective Customer:

Any person, company, organization, or other entity eligible to participate in Efficiency Vermont programs regardless of whether they intentionally seek services from Efficiency Vermont.

Root-cause analysis: A methodology for identifying the causal factors that resulted in the harmful results of past events in order to identify what needs to be changed to prevent recurrence of similar harmful results and to promote the achievement of improved outcomes.

SQRP: Service Quality and Reliability Plan



Transaction completion: The effective “end-point” of an Efficiency Vermont interaction with a customer. For projects, this occurs when efficiency measures have been installed and associated savings have been officially captured and reported. For call center inquiries, transaction completion occurs when the customer hangs up from the call.

III Service Categories and Performance Standards

A. General Customer Satisfaction

In order to ensure that customer feedback continues to drive its continuous improvement efforts, and in order to establish meaningful SQRP customer service satisfaction metrics, Efficiency Vermont commits to tracking its customer satisfaction data as follows:

- Residential and business customer satisfaction surveys shall be conducted by independent, third-party research professionals every three years to align with Efficiency Vermont’s Performance Period.
- Both Residential and Business customer satisfaction surveys (including sampling methodology) will be designed by independent, third-party research professionals in collaboration with Efficiency Vermont and the Department prior to commencing data collection.

Efficiency Vermont commits to the following customer service satisfaction standards, based upon survey results:

METRIC 1: Residential Customer Service Satisfaction

Percentage of Residential Customers who contact Efficiency Vermont and are satisfied or very satisfied with Efficiency Vermont Customer Service will be greater than or equal to 80%

METRIC 2: Business Customer Service Satisfaction

Percentage of Business Customers who contact Efficiency Vermont and are satisfied or very satisfied with Efficiency Vermont Customer Service will be greater than or equal to 80%

B. Transactional Customer Satisfaction

In order to continuously monitor and improve its core “transactional” performance, Efficiency Vermont surveys its customers upon completion of transactions for the following categories:

- Prescriptive projects (business)
- Custom projects (business)



- New construction projects (residential)
- Home Performance w/ ENERGY STAR & high use projects (residential)

After transaction completion, customers rate the service they received on a 1 to 5 scale, in various service categories, with 1 representing poor and 5 representing excellent service. Efficiency Vermont commits to meet the following project customer satisfaction standard, based upon an annual roll-up tabulation of all transaction survey results:

METRIC 3: Satisfaction upon transaction completion

Per each transaction category, annual percentage of survey respondents with average service ratings of 3 (or better) = 90%.

C. Incoming Call Responsiveness

Efficiency Vermont utilizes an Automated Call Distribution system to measure call center quality and responsiveness performance.

Efficiency Vermont commits to meeting or exceeding the following performance standards, based upon automated tracking of all Efficiency Vermont calls received per fiscal quarter:

METRIC 4: Average speed to answer calls

Average answer time = 15 seconds per call (or less).

METRIC 5: Percentage of calls answered by a live agent during normal business hours

Average percentage of calls answered = 85% (or greater)

METRIC 6: Call abandonment rate

Average percentage of abandoned calls = 3% (or less)

D. Complaint Rate and Resolution

Customer complaints involving an Energy Efficiency Utility shall be subject to resolution in accordance with the statutory procedures established under 30 V.S.A. § 208. Complaint resolution protocols as defined under this SQRP are intended to comply with the statutory procedures. Should any application or interpretation of SQRP protocols conflict with statutory procedure requirements, the statutory requirements will take precedence.

The term “complaint” does not necessarily indicate a negative interaction *directly with Efficiency Vermont*. For example, Efficiency Vermont may receive a complaint concerning the product or services of an Efficiency Vermont contractor or partner. In those cases, an Efficiency Vermont representative may contact the contractor / partner on behalf of the



customer. These “third party” complaints, although not directly attributable to Efficiency Vermont service performance, are included in the SQRP.

If a customer contacts Efficiency Vermont to express dissatisfaction, an Efficiency Vermont Customer Support Representative will investigate the allegation to determine whether the customer dissatisfaction is due to a deficiency in the service quality or responsiveness of Efficiency Vermont or its contractor as per the Complaint Determination and Tracking Guidelines agreed upon between Efficiency Vermont and the Department.

If it is determined that the expression of dissatisfaction is not due to any deficiency in the service quality or responsiveness of Efficiency Vermont or its contractor, the Customer Support Representative will track the communication as follow-up and work to resolve the issue without tracking the issue as a complaint.¹

If the contact is determined to be due to a deficiency in the service quality or responsiveness of Efficiency Vermont or its contractor, Efficiency Vermont will deem the contact a complaint, and create a project² to track it.

Occasionally, Efficiency Vermont may not be able to resolve a complaint to the satisfaction of the customer. In these cases the customer may file a grievance with the Department. Efficiency Vermont commits to provide the Department contact information (and forms, if appropriate) to the aggrieved customer in such cases. Efficiency Vermont will also notify the Department that a complaint referral has been made, and will designate a single Efficiency Vermont contact person for all complaint-related communications with the Department. The Department will seek to resolve the grievance through mediation involving the customer and Efficiency Vermont, while Efficiency Vermont retains responsibility for tracking the complaint through resolution. If no such resolution occurs within sixty days of the filing of a written grievance, Efficiency Vermont shall refer the complaint to the Board for review.

Efficiency Vermont commits to meet or exceed the following complaint rate and resolution standards, based upon Efficiency Vermont internal tracking of all complaints received per fiscal quarter:

METRIC 7: Next-business day follow up assurance for contact that requires additional internal follow-up³

Percentage of complaint follow-up call attempted by end of next business day = 95% (or greater).

¹ On occasion a customer will call the support center to inquire as to why they haven't received an incentive check from a completed project and, upon investigation, the Customer Support Representative will find that the signed check has been deposited into the account (either forgotten by the customer or deposited by a spouse or joint account holder). Once discovered and resolved, these instances are not tracked as complaints.

² Any such project will be a Non Measure Bearing project as defined in the EVT Complaint Determination and Tracking Guidelines.

³ Metrics 7 and 8 apply only to complaints registered with Efficiency Vermont. If a customer contacts the Department with a complaint Efficiency Vermont and the Department will coordinate appropriate complaint follow up.



METRIC 8: Complaint processing time

Percentage of complaints closed within 12 business days of initial complaint call = 95% (or greater).

METRIC 9: Complaint ratio

For each reporting year, the ratio of total complaints received per total number of Efficiency Vermont participants shall not exceed .5% (one-half of one percent).

IV Measurement, Reporting and Compliance Protocol

- A. Monitoring periods for Metrics 4, 5, 6, 7 and 8 shall be calendar quarters, with quarterly reports submitted to the Board and the Department by the last day of the month following the end of each quarter for quarters 1, 2 and 3. The 4th quarter report will be submitted with the savings claim summary by April 1. Monitoring periods for Metrics 1 and 2 shall be every three years, as indicated above. Monitoring period for Metrics 3 and 9 shall be every year, as indicated above.
- B. Performance results shall be reported quarterly and annually to the Board and Department. The parties will jointly develop a reporting format. Quarterly reports shall include monthly and quarterly data. A minimum quarterly performance standard shall be considered met if, in each quarter's reporting, the 3-month average met or exceeded the standard. Achievement of minimum annual performance standards shall be determined on the basis of a twelve-month average as calculated at the end of the reporting year. Efficiency Vermont will continue its current practice of submitting quarterly "Customer Concerns Reports" to the Department.
- C. If any annual or performance period standard (Metrics 1, 2, 3 and 9) is not met, Efficiency Vermont shall within 60 days of the end of the reporting year in which this provision is triggered, submit a detailed Corrective Action Plan (CAP) indicating how it will remedy the failed standard. Any CAP will be subject to Department approval.
- D. If any quarterly performance metric is not met for two consecutive quarters, or if one quarter's performance substantially deviates from the standard (see table in E., below), Efficiency Vermont shall, within 30 days of the end of the quarter in which this provision is triggered, submit a detailed CAP indicating how it will remedy the failed standard. Any CAP will be subject to Department approval and must include a quarterly progress reporting mechanism. Under a CAP, Efficiency Vermont must provide quarterly progress reports to the Department.
- E. Substantial deviation from a quarterly performance metric for one reporting period will trigger a Corrective Action Plan (CAP) based on the following standards:



Metric	Substantial Deviation Definition
4	Average speed to answer calls= more than 20 seconds
5	Average percentage of calls answered = less than 80%
6	Average percentage of abandoned calls = more than 5%
7	Percentage of complaint follow-up calls attempted by end of next business day = 86% (or lower)
8	Percentage of complaints closed within 12 business days of initial complaint call = 86% (or lower)

- F. Any CAP pertaining to sub-standard performance in Metrics 4, 5 or 6 (call center performance) will include an analysis of call volumes and call center staffing for the period of substandard performance and a description of staffing adjustments to be made in order to restore performance to compliant levels.
- G. Any CAP pertaining to sub-standard performance in Metric 7 (complaint follow-up) will include either:
- a. An analysis of call volumes and call center staffing for the period of substandard performance and a description of staffing adjustments to be made in order to bring performance back into compliance with standards; or,
 - b. A training plan for complaint handling policies and procedures; or,
 - c. Both a. and b., depending upon the nature of the performance issue as determined via detailed, root-cause analysis of the problem by Efficiency Vermont.
- H. For any CAP pertaining to sub-standard performance in Metrics 1, 2 and 3 (general and transactional customer satisfaction), corrective actions will be determined via detailed, root-cause analysis of the problem by Efficiency Vermont and may include staffing adjustments, training programs or other actions as deemed appropriate by Efficiency Vermont and as approved by the Department.
- I. Annually, Efficiency Vermont shall submit an annual SQRP “roll-up” report of all metrics, including a narrative summary of the year’s performance and activities.
- J. Performance shall be evaluated and reported to one decimal place for all performance areas unless otherwise specified. Actual performance shall be rounded up when the second decimal place is greater than or equal to 5. Efficiency Vermont shall retain all of its reports that support the results for each of the performance areas for a period of not less than 36 months after the results are reported. Efficiency Vermont shall provide these reports upon request to the Board and Department.
- K. Efficiency Vermont shall review with the Department any changes to Efficiency Vermont measurement protocol or to the internal reporting methods that are used to obtain the data



measured prior to Efficiency Vermont's implementation of such changes.

- L. Efficiency Vermont may seek a waiver of any applicable performance standard from the Department. A waiver may only be granted based on exceptional circumstances. The burden shall be upon Efficiency Vermont to demonstrate that its level of preparedness and response was reasonable in light of the cause of the failure.

V Service Quality Compensation

Failure to meet the performance standards of Metrics 1 through 9 over the course of the 3-year Performance Period shall result in the reduction of the total performance incentive award through the Service Quality Quantitative Performance Indicator (QPI) #15. Each metric will be assigned points as outlined in the table below.

Metrics that are measured quarterly (Metrics 4, 5, 6, 7 and 8) will receive one point for each quarter that the performance standards are met. If the performance standards for that metric are not met during that quarter, no performance points will be awarded for that quarter.

Annual Metrics (Metrics 3 and 9) will be assigned four points for each year that the performance standards are met. If the performance standards are not met for annual Metrics that year, the points that would be achieved for that year will be forfeited.

The Customer Service Metrics (Metrics 1 and 2) will be measured every three years to correspond with the performance period. If General Customer Satisfaction Metrics are met (as defined in section III.A.) over the course of the performance period, 12 points will be assigned to each Metric. If the Customer Service Metrics are not met during the course of the performance period, the points for that part of the Metric will be forfeited.

The maximum service quality compensation that VEIC will be held accountable for is over the course of the performance period is \$150,000. This amount equals 6.16% of the 100% Target of the Quantitative Performance Incentive (QPI) award.

<u>Metric #</u>	<u>Metric</u>	<u>Reporting Period</u>	<u>Performance Points to count toward Financial Award in Performance Period</u>	<u>Total Metrics in Performance Period</u>
Metric 1	Percentage of Residential Customers who contact Efficiency Vermont and are satisfied or very satisfied with Efficiency Vermont Customer Service will be greater than or equal to 80%.	Reported once every 3 years	12 for each reporting period	12
Metric 2	Percentage of Business Customers who contact Efficiency Vermont and are satisfied or very satisfied with	Reported once every 3 years	12 for each reporting period	12



	Efficiency Vermont Customer Service will be greater than or equal to 80%.			
Metric 3	Satisfaction Upon Project Transaction Completion	Reported Annually	4 for each of 3 reports	12
Metric 4	Average Speed to Answer Calls	Reported Quarterly	1 for each of 12 reports	12
Metric 5	Percentage of Calls Answered	Reported Quarterly	1 for each of 12 reports	12
Metric 6	Call Abandonment Rate	Reported Quarterly	1 for each of 12 reports	12
Metric 7	Next Business Day Follow-Up Assurance	Reported Quarterly	1 for each of 12 reports	12
Metric 8	Complaint Processing Time	Reported Quarterly	1 for each of 12 reports	12
Metric 9	Complaint Ratio	Reported Annually	4 for each of 3 reports	12
Total	Performance Points Possible			108

Based on this point system, it is possible for Efficiency Vermont to achieve a maximum of 108 points over the course of the performance period. The financial penalty is structured as follows:

- If Efficiency Vermont loses up to 16 points for the performance period, it will not incur a financial penalty.
- If Efficiency Vermont loses more than 16 performance metric points, during the performance period, it will incur a financial penalty of \$1,630 per point to a maximum penalty of \$150,000.

This structure is outlined in the table below.

VEIC Structure				
Points Lost Range	Points in Range	% of Points	\$ Penalty per point	Max/Level
0-16	16	15%	\$ -	\$ -
17-108	92	85%	\$ 1,630	\$ 150,000
		100%		
108	108	Maximum Penalty		\$ 150,000

