

Memorandum

To: CAISO Board of Governors
From: Karen Edson, Vice President of External Affairs
Date: March 1, 2007
Re: Report on 2006 Client Survey and 2007 Business Improvement Plans

Background

The ISO has conducted annual client surveys since 1997 to ascertain stakeholder satisfaction with the ISO's customer service, systems and processes. Over the years, these surveys have provided valuable insight into client expectations, and have served as key inputs into the development of annual goals and plans.

In 2006, the ISO employed a new approach to its annual customer survey. Rather than conduct one single survey, which asked the same questions of all respondents, the ISO conducted eight separate surveys, focusing on key functional areas of the ISO's business. This new effort is part of an ambitious program to better understand customer requirements and, more importantly, to improve the service provided by the ISO to clients.

Conducting the survey was a 2006 corporate goal, which the ISO met in November and December, 2006. The new survey approach represented a substantial change from the past. Designed by a cross functional team comprised of all ISO divisions, the new surveys asked the "right questions of the right people," and provided precise feedback into potential areas of improvement. The cross functional team also created the master survey contact list to ensure that the ISO reached as many stakeholders as possible.

Prior to conducting the survey, the ISO benchmarked its survey approach against those of other ISOs. The information received helped inform the ISO's survey redesign, and included ideas for conducting the survey and for building improvement efforts in response to survey feedback. Most ISOs are seeking to progress from "satisfaction-based" survey approaches to those that produce actionable results and focus on desired outcomes. Many are considering a shift from a single survey to multiple, functional based surveys.

Survey Framework

The ISO's surveys focused on the following eight functional areas:

Executive-level Contacts	Settlements and Billing
Transmission Planning	Credit
Stakeholder Engagement	Market Operations
Budget and GMC	Grid Operations

Each survey asked between 8 and 16 questions of respondents, who commented on topics related to their individual interaction with the ISO. 439 surveys were distributed to stakeholders, either by phone interview or over the web. 49% of these surveys were completed and returned to the ISO.

Results Highlights

The surveys provided a sampling of areas in which the ISO is performing well:

- Staff courtesy & knowledge
 - Nearly unanimously, ISO staff was acknowledged as being courteous, professional, timely and knowledgeable.
- Local transmission studies
 - Stakeholders reported satisfaction with the transparency of these studies.
- Timely information on systems status
 - The ISO got good marks for keeping stakeholders apprised of systems issues.
- Account Managers
 - This team was recognized as a valuable conduit for client communications.
- Market performance reports
 - Customers were pleased with the timeliness and accuracy of these reports.
- Unsecured credit process
 - Another transparent process that was valued by stakeholders.
- GMC meetings and documents
 - The ISO did well in 2006 to keep stakeholders apprised of changes to GMC.

Additionally, the surveys identified several areas for improvement:

- Stakeholder process
 - Stakeholders asked for more consistency and transparency in stakeholder engagements.
- System functionality
 - Client needs are not being met by several electronic systems, many of which will be replaced during MRTU.
- Customer access to information
 - Clients seek additional information upon which they can make market-oriented decisions.
- Timeliness of issue resolution
 - The ISO needs to do better at resolving customer issues and communicating the results back to the market.
- Transparency of system operations decisions
 - Stakeholders seek better awareness the impact of operating decisions.
- MRTU preparedness and communications
 - The ISO needs to redouble its efforts to help make clients ready for MRTU implementation.

Converting Feedback to Action

Each of the eight surveys captured numerical scores and anecdotal comments that enable the ISO to drill down into details. The ISO is dedicated to using this information to make improvements that add value for stakeholders. Executive management is now incorporating the client feedback into 2007 goals and objectives. To enable meaningful improvements, the ISO is targeting its resources on those survey questions in which 60% or less of responding stakeholders agreed that the ISO is meeting their expectations in that area. This is not to say that other topic areas get no attention or improvement. Rather, those questions on which the ISO scored favorably will be managed to maintain the positive stakeholder ratings. Each division is now implementing business improvements based on the survey responses. It is the intent of the ISO to periodically communicate with stakeholders during 2007 to set expectations and to ensure that the improvements being made are meeting stakeholder needs.

A summary of 2006 stakeholder survey questions and areas of improvement is attached to this memorandum.