

Memorandum

To: ISO Board of Governors
From: Karen Edson, Vice President of External Affairs
Date: March 18, 2008
Re: **Briefing on 2007 Client Survey Results and 2008 Business Improvement Plans**

This memorandum does not require Board action.

Background and approach

The California ISO (CAISO) has conducted stakeholder surveys since 1998. Feedback from these surveys has been helpful in the development of CAISO goals and new customer care programs. In 2006, the CAISO implemented a new survey approach to gather more detailed information from customers on specific areas of CAISO's business. The CAISO no longer offers a single stakeholder survey. Instead, it conducts eight individual survey instruments that focus on functional areas of CAISO's business. These instruments are designed by a Cross-Functional Team, which is comprised of representatives from all CAISO divisions. This team also develops a list of stakeholders involved in the areas addressed by the survey, which is the basis for who will be asked to participate. Through this approach, the CAISO is now "asking the right questions of the right people," and is garnering clear feedback on specific business issues.

Customer surveys are only the beginning of CAISO's program to listen to stakeholders and improve organizational performance. Once the surveys have been completed, the Cross-Functional Team interprets the survey results and develops action plans for improvements in specific business areas. These plans are assigned to relevant CAISO divisions, and become components of individuals' annual performance plans.

As the action plans are developed and implemented, the CAISO publishes documents to inform stakeholders of progress. Twice in 2007, the CAISO communicated with stakeholders to highlight areas of activity for the year that responded to the prior year's survey results. Stakeholders have responded favorably to these updates.

The surveys collect from stakeholders a combination of qualitative and quantitative feedback. Quantitatively, the ISO uses a 1-6 scoring scale, with 1 indicating "strongly disagree" and 6 reflecting a "strongly agree" scores. Scores between 1 and 3 are considered to be in disagreement with the statement, and scores between 3 and 6 are considered to be in agreement. The scores are complimented by text-based anecdotes, which are captured both in the interviews and online. These qualitative anecdotes are valuable, since they enable the CAISO to better understand the meaning of the related stakeholder ratings.

To optimize the quality of the responses, many questions were prefaced by a “screen,” to ensure that the respondent had interaction with the CAISO on that topic. For example, when the CAISO asked for comments on the performance of a specific control room desk, respondents had to confirm that they did business with that desk to qualify to answer the subsequent question.

The 2007 Survey Effort

In November and December 2007, CAISO conducted its annual customer surveys. Over 300 stakeholders were invited to participate. As has been the case since 1998, the survey response rates were higher than industry standards; 79% of interview survey invitees participated, and 36% of web-based invitees completed their online surveys. The surveys targeted the following functional business areas:

Executive-level Interactions	Settlements and Billing
Infrastructure Planning	Market Operations
Stakeholder / Policy / Legal Engagements	Grid Operations
GMC and Budget	Regulatory Interactions (anecdotes only)

In 2007, the CAISO added a set of three benchmark questions, which are intended to help the CAISO track the overall health of customer satisfaction. Applied to all eight functional surveys, the benchmark questions were:

1. Overall, the service provided by the CAISO is valuable to my firm.
 - ✓ 82% of respondents agreed with this statement
2. The service quality provided by the CAISO improved over the past year
 - ✓ 83% agreed
3. The service provided by the CAISO is better than that provided by other ISOs and RTOs.
 - ✓ 46% agreed

Within the surveys, CAISO asked a total of 161 questions. Of those, the scores for 42 questions increased more than three percentage points from 2006 scoring levels. Twenty-four questions dropped more than three percentage points. The CAISO compared 2007 survey results to those obtained in 2006. This trending highlighted areas where the CAISO had improved, along with those that continued to need attention in 2008.

Immediately following the completion of the 2007 surveys, the Cross Functional Team began interpreting the data and building related action plans. By the end of February 2008, the action plans had been translated into individual performance plans for CAISO employees. Attached to this memorandum is a summary of all survey questions and the scoring from 2006 and 2007.

A sampling of 2007 Survey Results and Action Plans for 2008

Stakeholder Comment Theme	Improvement Concept
Executive outreach and interaction has been well received.	Significant executive-level outreach underway in 2008
Stakeholder process has improved; more remains to be done	Post and share new Stakeholder Process with clients; implement new metrics; help stakeholders to contribute; provide more account manager outreach

Streamline access to CAISO systems	Enable self-service interface for certificate requests & renewals
Expand MRTU Readiness support	Numerous initiatives underway to address performance, including system stability, more communications, improved handling of stakeholder issues and end-to-end testing.
More timely response of regional transmission staff to stakeholder requests	Implement job tracking procedure to help with project management and make staff resources more efficient.
Positive scores on CPUC linkages, staff courtesy and professionalism, summer workshops, client training, and GMC/Budget programs	Continued diligence in the management of these items
Increase Market Operations analytical abilities and improve response time on market issues	In-house training and visit with other ISOs to increase Operations training; Create dashboard to aid in the diagnosis of problems and response time to market issues

The CAISO staff and management offer hearty thanks to stakeholders who participated in the 2007 surveys. The organization is serious about continuous improvement, and looks forward to sharing with stakeholders the progress being made in 2008 to better serve them.