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ACSI: Patient Satisfaction Improves for Hospitals; Utilities Also Do Better

Touchstone Energy Cooperatives Lead Among Utilities; Pepco Tumbles

ANN ARBOR, Mich. (April 19, 2011)—Customer satisfaction rises for hospital services and electric and natural gas utilities, according to a report released today by the American Customer Satisfaction Index (ACSI). The report covers customer satisfaction with hospitals, ambulatory care services, and investor-owned, municipal, and cooperative energy utilities.

Energy Utilities: Household Satisfaction at Its Best Level in a Decade

Customer satisfaction with energy utilities increases 0.8% to 74.7 on the ACSI's 0-100 index scale, the fifth straight year of improvement and the highest level since 2000. In the past five years, the ACSI score for natural gas service rose 13% to 80, while the score for electric service increased by a mere 1% to 75. Over the same period, the price of natural gas dropped by 34%.

“Lower prices for natural gas have had a strong impact on customer satisfaction,” said Claes Fornell, founder of the ACSI and author of *The Satisfied Customer: Winners and Losers in the Battle for Buyer Preference*. “Beyond the drop in price, natural gas rarely has service disruptions. Lower prices and high reliability of service usually lead to satisfied customers—so, too, for gas utilities.”

This year, ACSI expands its coverage of energy utilities to include the three major categories of investor-owned, municipal, and consumer-owned cooperative utilities. As is true for many other industries, smaller appears to be better. The cooperatives debut impressively with the top ACSI score of 82, much higher than investor-owned utilities at 74 and municipal utilities at 73. Among cooperatives, Touchstone Energy Cooperatives, an alliance of more than 700 local electric cooperatives across the country, lead at 83—the best score of any energy utility, regardless of category.

The Salt River Project (SRP) is the highest-scoring municipal utility at 82, followed by San Antonio's CPS Energy at 79. Far below at the other end of the spectrum, the Los Angeles Department of Water and Power (LADWP)—the largest municipal-owned utility

in the United States—registers a score of 66, while the Long Island Power Authority (LIPA) makes its first ACSI appearance with a score of 65.

Among the investor-owned utilities, Atmos Energy (+4%) and Sempra Energy (-2%) tie for the lead at 81, followed closely by CenterPoint Energy, which improves 3% to 80. PPL is next, rebounding 7% to 79 and tying MidAmerican Energy Holdings (unchanged). Consolidated Edison shows the largest improvement, up 9% to 72, a change that lifts the utility out of industry basement to a level just shy of the industry average. Other gainers include Progress Energy, jumping 7% to an ACSI score of 78, and Atmos (81), FirstEnergy (78), NextEra Energy (78), and Entergy (76), all with 4% improvements.

For Pepco Holdings, the news is not positive. It has the largest drop in customer satisfaction among all utilities, plummeting 23% to an ACSI score of 54—by far the worst in the industry. Only PG&E’s 33% plunge a decade ago was larger. This time, PG&E descends again, albeit somewhat less dramatically, falling 4% to 67 and reaching its lowest level since 2005.

“For electric service, the most critical component of customer satisfaction is power reliability—the ability to provide power without brownouts or outages on a regular basis, coupled with the ability to restore service quickly when outages do occur,” said Fornell. “Pepco has had reliability problems in the past, but not as serious as last year with frequent and wide-ranging outages made worse by belated customer service response.”

Health Care: Hospitals Make Rapid Recovery

Patient satisfaction with health care improves by nearly 2% to 78.4 due to a 5.5% jump for private sector hospitals that follows a downturn one year ago. Satisfaction with ambulatory care services (including visits to doctors, dentists, and optometrists) is statistically flat, down 1.2% to 80, but these services continue to provide significantly higher levels of patient satisfaction compared with hospitals.

The ACSI score for hospitals is highest for outpatient procedures, unchanged at 80, followed by inpatient satisfaction (up 7% to 79). Emergency room services trail far behind at 72, even though ER patient satisfaction is up as much as 13% from a year ago. Improvements in ER wait times and the quality of inpatient care, combined with a trend toward more outpatient treatments and shorter hospital stays, appear to have contributed to a better overall experience for patients.

About ACSI

The American Customer Satisfaction Index is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. ACSI releases results for various sectors of the economy on a monthly basis to provide up-to-the-moment coverage over the entire calendar year. The national

index is updated each quarter and factors in scores from more than 225 companies in 47 industries and from government agencies over the previous four quarters. The Index was founded at the University of Michigan's Ross School of Business and is produced by ACSI LLC. ACSI can be found on the Web at www.theacsi.org.

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