

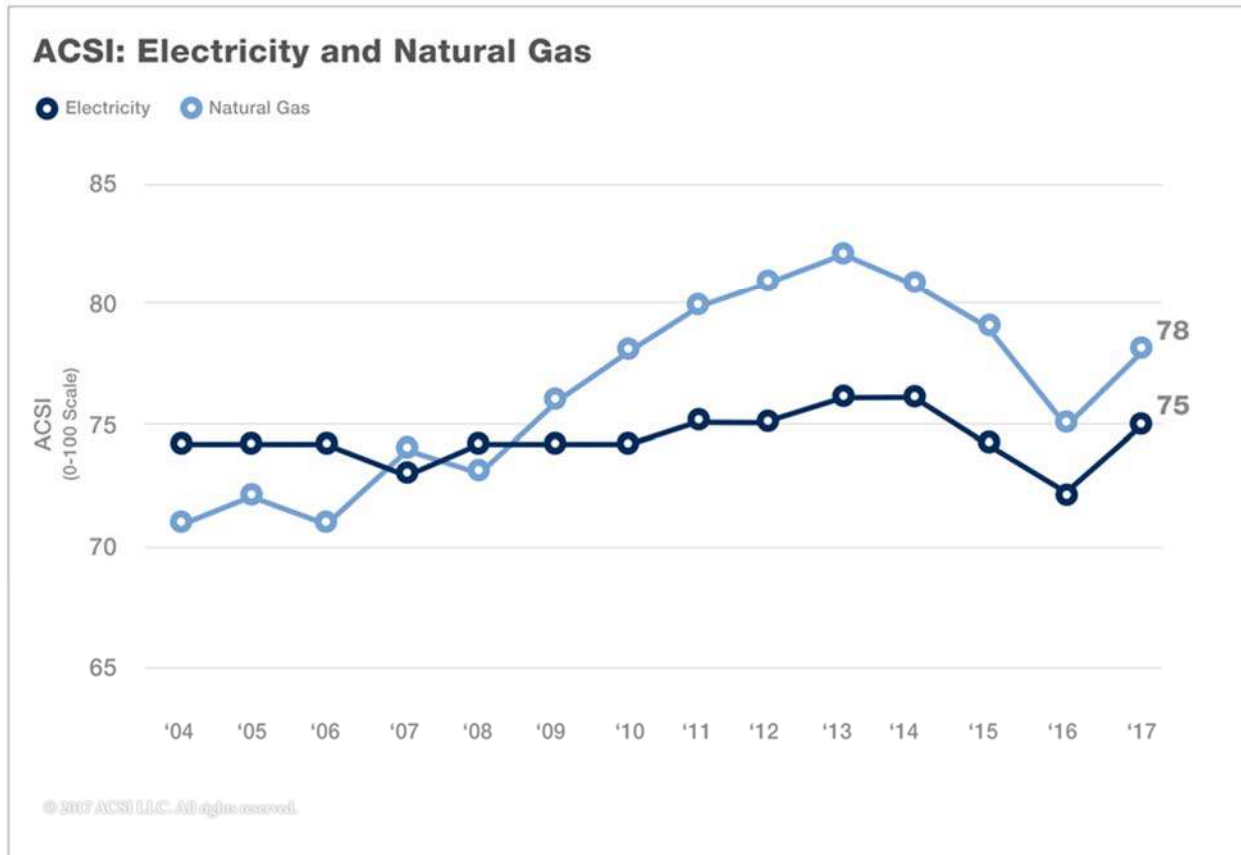


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ACSI: Low Energy Prices Heighten Customer Satisfaction With Utilities

Consolidated Edison Posts Large Gain; Patient Satisfaction Is Stable

ANN ARBOR, Mich., (March 21, 2017) – Gas and electric service recovers after three years of declining customer satisfaction, according to the [American Customer Satisfaction Index \(ACSI\)](#). Household satisfaction with utilities is up 4.2 percent to a score of 74.9 on a 100-point scale. According to residential customers, natural gas remains the superlative energy source, with a 3-point lead over electric service (ACSI scores of 78 and 75, respectively).



The overall satisfaction improvement is a result of lower household energy costs, more so than better customer service. The heating season was 3 percent warmer than last year, which caused a decline in oil and natural gas household expenditure as well as lower electric usage and heating costs.

“Lower cost tends to boost customer satisfaction, particularly for nondiscretionary items like energy,” says Claes Fornell, ACSI Chairman and founder. “It’s not as much the cost of energy per se, but that usage was less than usual and extracted a smaller part of household income.”

The ACSI report covers customer satisfaction with three utility categories (cooperative, investor-owned and municipal); two health care service industries (hospitals and ambulatory care); consumer shipping; and the mail services of the U.S. Postal Service (USPS).

Household satisfaction with investor-owned utilities rises 4.2 percent to an ACSI score of 75. Among the largest investor-owned utilities, Atmos Energy is the highest-scoring company; the natural gas supplier increases 4 percent to an ACSI score of 80. Consolidated Edison is the biggest gainer, up 11 percent to tie CenterPoint Energy (+4%) in second place at 79. NiSource (+7%) and Sempra Energy (+4%) come in at 78, followed by Dominion Energy (+4%), PPL (+3%) and Southern Company (+1%) at 77. Berkshire Hathaway Energy and Edison International both improve to 76.

NextEra Energy, the only utility in the sector to decline, is down 1 percent to 75 and ties with WEC Energy. Ameren, CMS Energy, Entergy and PG&E all advance to just below the industry average at 74. DTE Energy, Duke Energy, FirstEnergy and Xcel Energy post scores of 73, while American Electric Power and Public Service Enterprise Group register 72. A sizeable improvement of 9 percent for Eversource Energy is not enough to propel the utility from the bottom of the category, where it remains alongside Exelon and National Grid at 71.

A large gain for smaller local suppliers boosts customer satisfaction with municipal utilities up 5.9 percent to 72. Salt River Project leads (+1% to 78), followed at a distance by CPS Energy (+1% to 73) and the Los Angeles Department of Water & Power (+3% to 69). Rural electric cooperatives also improve, up 2.6 percent to 78. Among cooperatives, Touchstone Energy stays ahead (+1% to 78), but smaller providers narrow the gap somewhat (+4% to 75).

Consumer shipping is up 1.3 percent to an ACSI score of 81. FedEx (unchanged at 82) maintains a slim lead over UPS (+1% to 81). The U.S. Postal Service (USPS) advances 1 percent to 75 in its Express and Priority Mail delivery business, but its score for regular mail services (73) is unchanged from a year ago.

Patient satisfaction with health care is stable compared with the prior year. Ambulatory care registers an ACSI score of 77, while hospitals come in at 75. Emergency room service improves for the second year, offsetting a slight decline for outpatient care. Nevertheless, emergency care remains the lowest-rated health service nationwide.

The ACSI report, which is based on 15,103 customer surveys collected between March 5, 2016, and February 14, 2017, is available for free download at: <http://www.theacsi.org/news-and-resources/customer-satisfaction-reports/reports-2017/acsi-utilities-shipping-and-health-care-report-2017>.

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About ACSI

The [American Customer Satisfaction Index \(ACSI\)](#) is a national economic indicator of customer evaluations of the quality of products and services available to household consumers in the United States. The ACSI uses data from interviews with roughly 180,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 300 companies in 43 industries and 10 economic sectors, including various services of federal and local government agencies.

ACSI results are released throughout the year, with all measures reported on a scale of 0 to 100. ACSI data have proven to be strongly related to several essential indicators of micro and macroeconomic performance. For example, firms with higher levels of customer satisfaction tend to have higher earnings and stock returns relative to competitors. Stock portfolios based on companies that show strong performance in ACSI deliver excess returns in up markets as well as down markets. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

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