

Press Release

J.D. Power Reports:

Overall Customer Satisfaction with Residential Electric Utilities Continues to Improve; However, Utilities Not Keeping Pace with Satisfaction Increases in Other Service Industries

WESTLAKE VILLAGE, Calif.: 16 July 2014 — Overall customer satisfaction with residential electric utilities has increased year over year driven primarily by improvements in corporate citizenship and outage communications, according to the J.D. Power 2014 Electric Utility Residential Customer Satisfaction StudySM released today. However, the improvements in the electric utility industry are not keeping pace with those in a variety of other service industries.

The study, now in its 16th year, measures customer satisfaction with electric utility companies by examining six factors: power quality and reliability; price; billing and payment; corporate citizenship; communications; and customer service.

"Residential electric utilities have done a great job adding capabilities for proactive communications about outages and upping their corporate citizenship involvement. As a result, customer satisfaction levels have been improving over the past several years," said Jeff Conklin, senior director of the energy practice at J.D. Power. "However, when comparing satisfaction levels with many other service industries—such as television and telecommunication in which there is a physical connection to a home with a monthly bill payment arrangement—electric utilities are not improving at the same pace in overall satisfaction. Consumers are becoming more familiar with a higher level of service in their daily activities with other service providers and, as a result, their expectations are rising."

When looking at multiple comparable service industries¹ in which J.D. Power conducts research, overall satisfaction in the electric residential study is growing at the lowest average rate—4 index points per year over the past five years. In comparison, customer satisfaction with residential television service providers (cable TV) has increased by an average of 17 index points per year during the same time frame (to 699 on a 1,000-point scale in 2013), while satisfaction with residential Internet service providers (ISP) has increased by 10 points per year (to 683 in 2013).

KEY FINDINGS

- Satisfaction in all six factors significantly improves in 2014, most notably in corporate citizenship (590), which increases by 12 points, and in customer service, which increases by 16 points year over year—the largest increase among all the factors. Satisfaction in all six factors reaches a six-year high in 2014, reflecting a steady improvement in the electric industry.
- Communications satisfaction has steadily increased during the past six years, climbing to 592 in 2014 from 554 in 2009. Communication awareness has improved to 51 percent this year from 48 percent in 2013. Overall satisfaction increases to 701 when utilities proactively communicate outage information regularly and clearly via the channels customers prefer, including utility-initiated phone calls, emails, text messages and social media sites, compared with 624 when communication is not proactive.

¹ Sources: J.D. Power 2013 U.S. Residential Television Service Provider Satisfaction StudySM and J.D. Power 2013 U.S. Residential Internet Service Provider Satisfaction StudySM

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- Power quality and reliability, an important driver of customer satisfaction, has increased to 702 from 692 in 2013 and 677 in 2012. Customers experience much shorter outages in 2014 than in 2013. Among customers who experience an outage, the average longest outage is 5.6 hours, compared with 12.0 in 2013.
- Overall satisfaction among electric utility residential customers has increased substantially in 2014 to 647, up 8 points from 2013 and 22 points since 2012.

Study Rankings

The Electric Utility Residential Customer Satisfaction Study ranks midsize and large utility companies in four geographic regions: East, Midwest, South and West. Companies in the midsize utility segment serve between 100,000 and 499,999 residential customers, while companies in the large utility segment serve 500,000 or more residential customers.

East Region

PPL Electric Utilities ranks highest among large utilities in the East region, followed by Duquesne Light; PECO; and West Penn Power, respectively.

Among midsize utilities in the East region, Southern Maryland Electric Cooperative ranks highest for a seventh consecutive year, followed by Penn Power; Delmarva Power; and Rochester Gas & Electric and Western Massachusetts Electric (in a tie), respectively.

Midwest Region

MidAmerican Energy ranks highest in the large utility segment in the Midwest region for a seventh consecutive year, followed by We Energies; DTE Energy; and Alliant Energy, respectively.

Lincoln Electric System ranks highest in the midsize utility segment in the Midwest region. Following Lincoln Electric System in the segment rankings are Omaha Public Power District, and Connexus Energy and Madison Gas & Electric (in a tie), respectively.

South Region

OG&E ranks highest in the large utility segment in the South region, followed by Georgia Power; Entergy Arkansas; and Alabama Power, respectively.

Walton EMC ranks highest in the midsize utility segment in the South region, followed by Sawnee EMC; Jackson EMC; and GreyStone Power, respectively.

West Region

Salt River Project (SRP) ranks highest in the large utility segment in the West region for a seventh consecutive year and receives an award in the study for a 13th consecutive year. Following Salt River Project in the segment rankings are SMUD; Portland General Electric; and APS, respectively.

Clark Public Utilities ranks highest in the midsize utility segment in the West region for a seventh consecutive year, followed by Colorado Springs Utilities; Seattle City Light; and Intermountain Rural Electric Assoc., respectively.

The 2014 Electric Utility Residential Customer Satisfaction Study is based on responses from 104,460 online interviews conducted from July 2013 through May 2014 among residential customers of the 138 largest electric utility brands across the United States, which collectively represent more than 96 million households.

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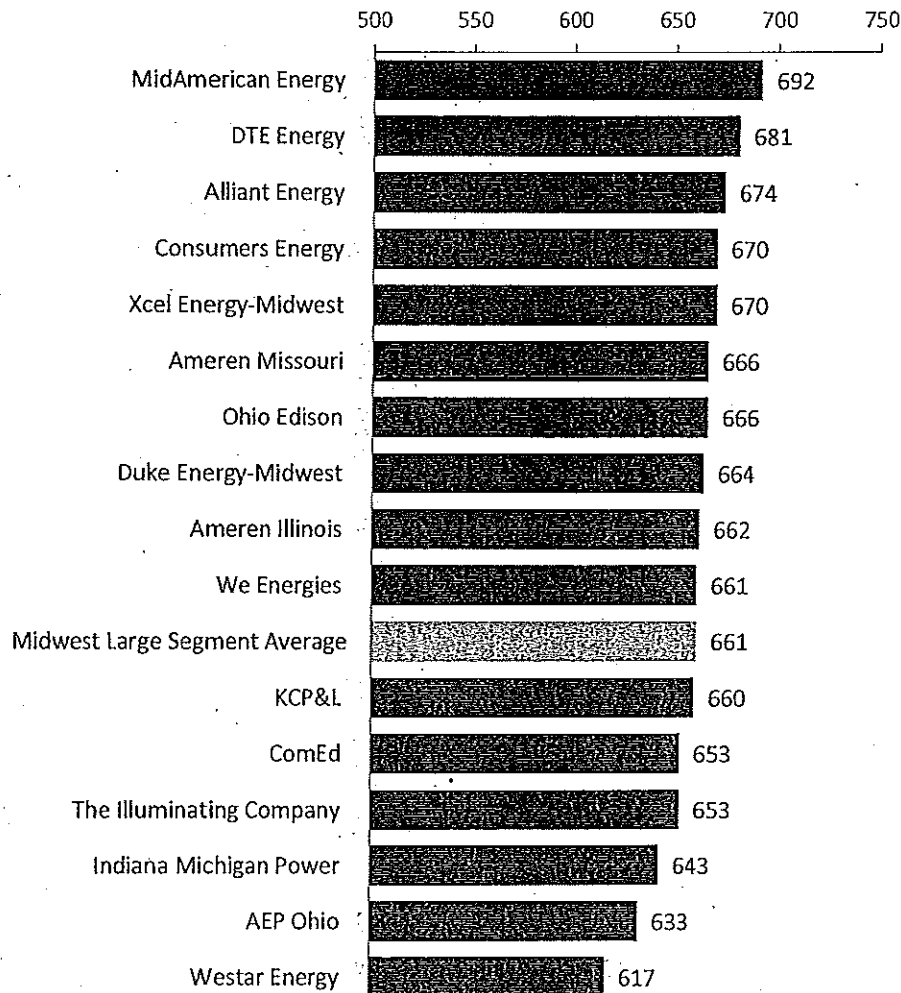
Note: Eight charts follow.

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2015 Electric Utility Residential Customer Satisfaction StudySM

Midwest Region: Large Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction StudySM

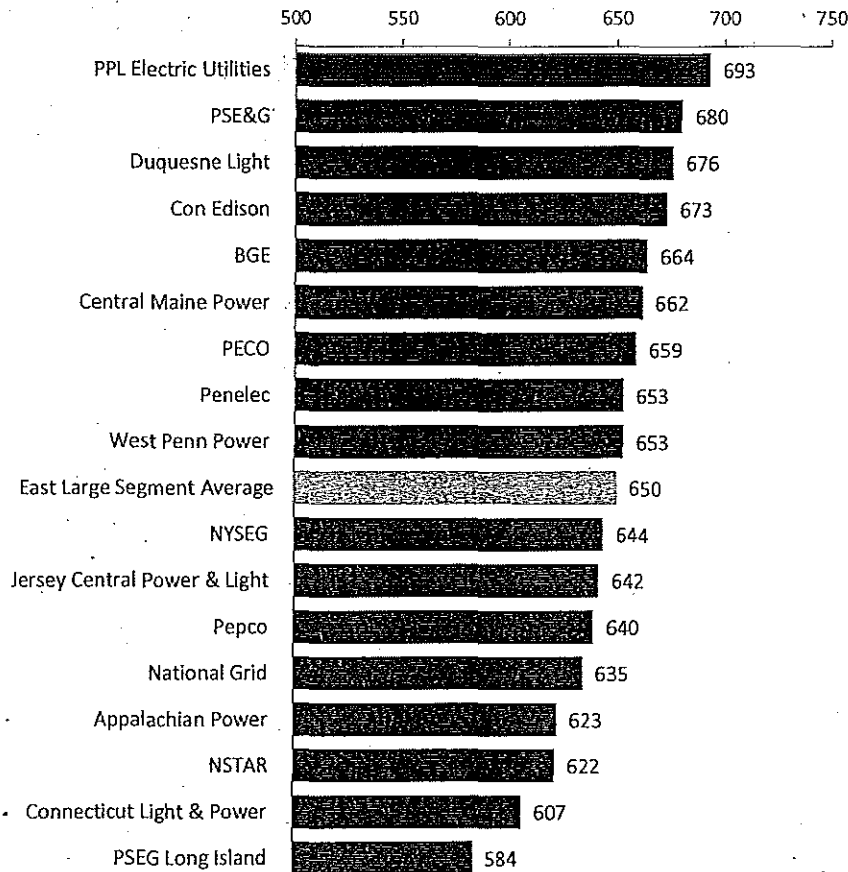
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2015 Electric Utility Residential Customer Satisfaction StudySM

East Region: Large Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Note: NSTAR and Connecticut Light & Power are now a part of Eversource Energy as of February 2015.

Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction StudySM

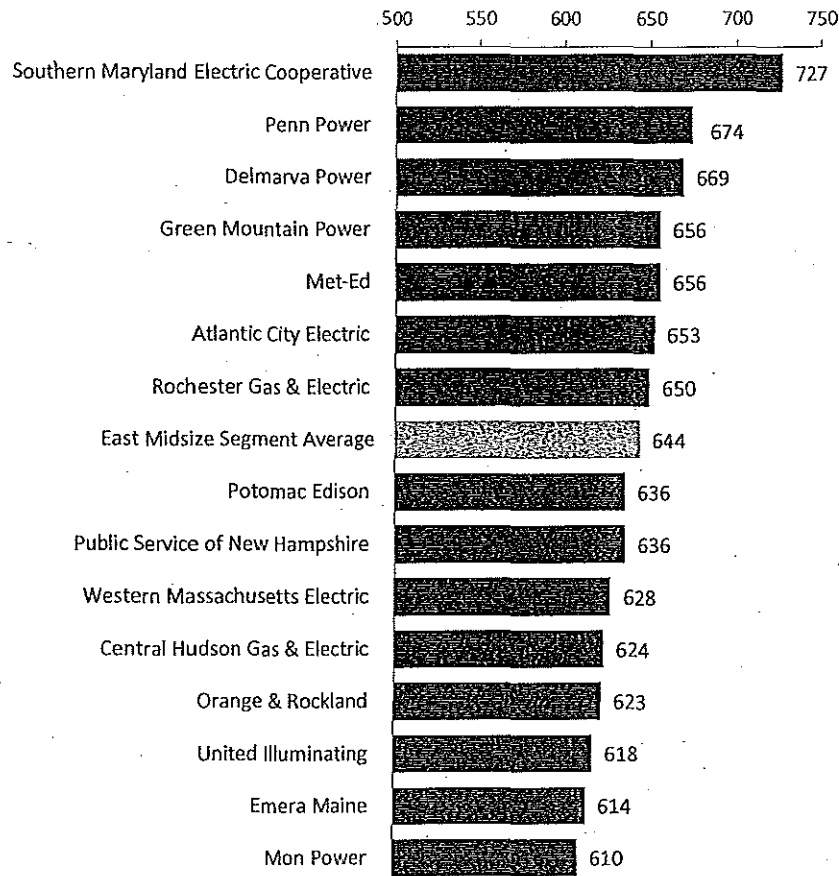
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2015 Electric Utility Residential Customer Satisfaction StudySM

East Region: Midsize Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Note: Public Service of New Hampshire and Western Massachusetts Electric are now a part of Eversource Energy as of February 2015.

Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction StudySM

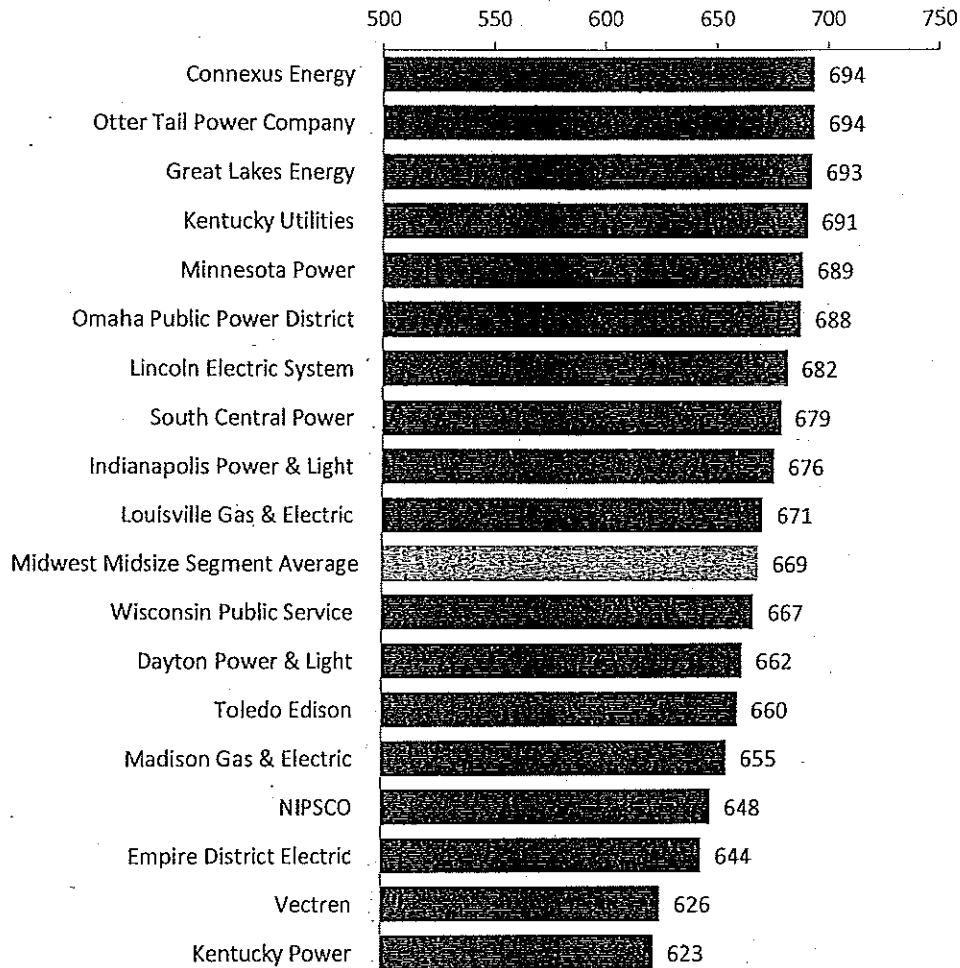
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2015 Electric Utility Residential Customer Satisfaction StudySM

Midwest Region: Midsize Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction StudySM

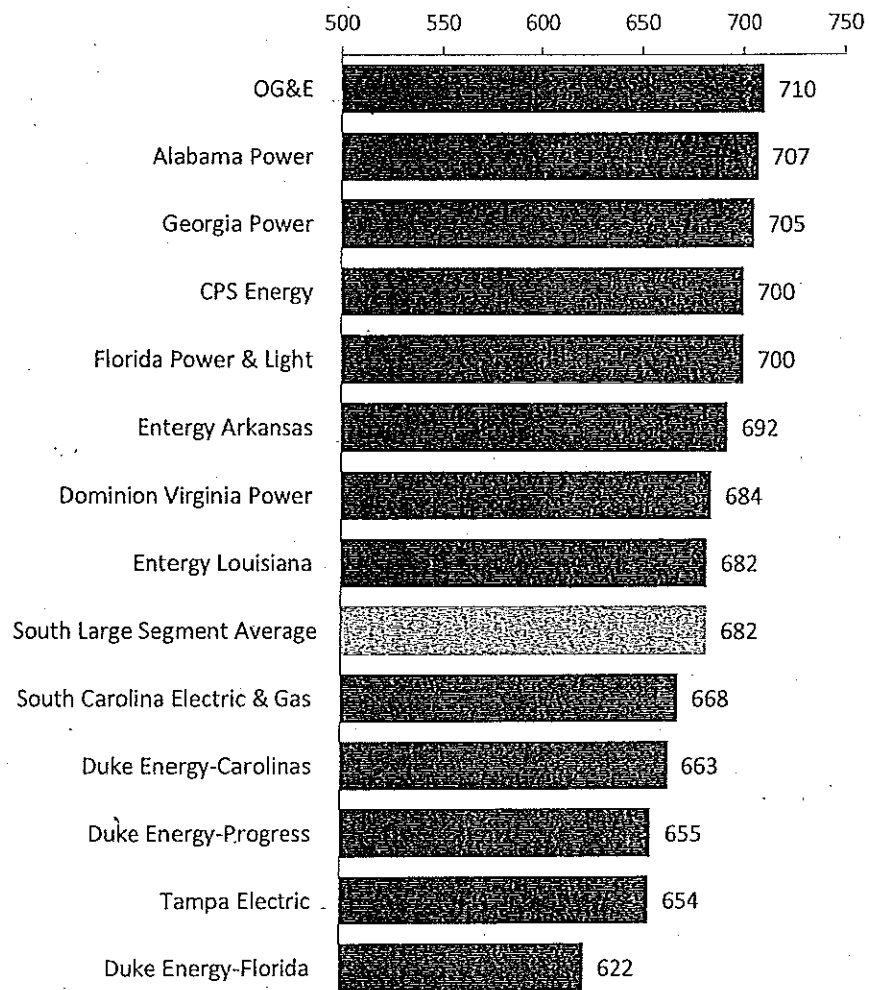
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2015 Electric Utility Residential Customer Satisfaction StudySM

South Region: Large Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction StudySM

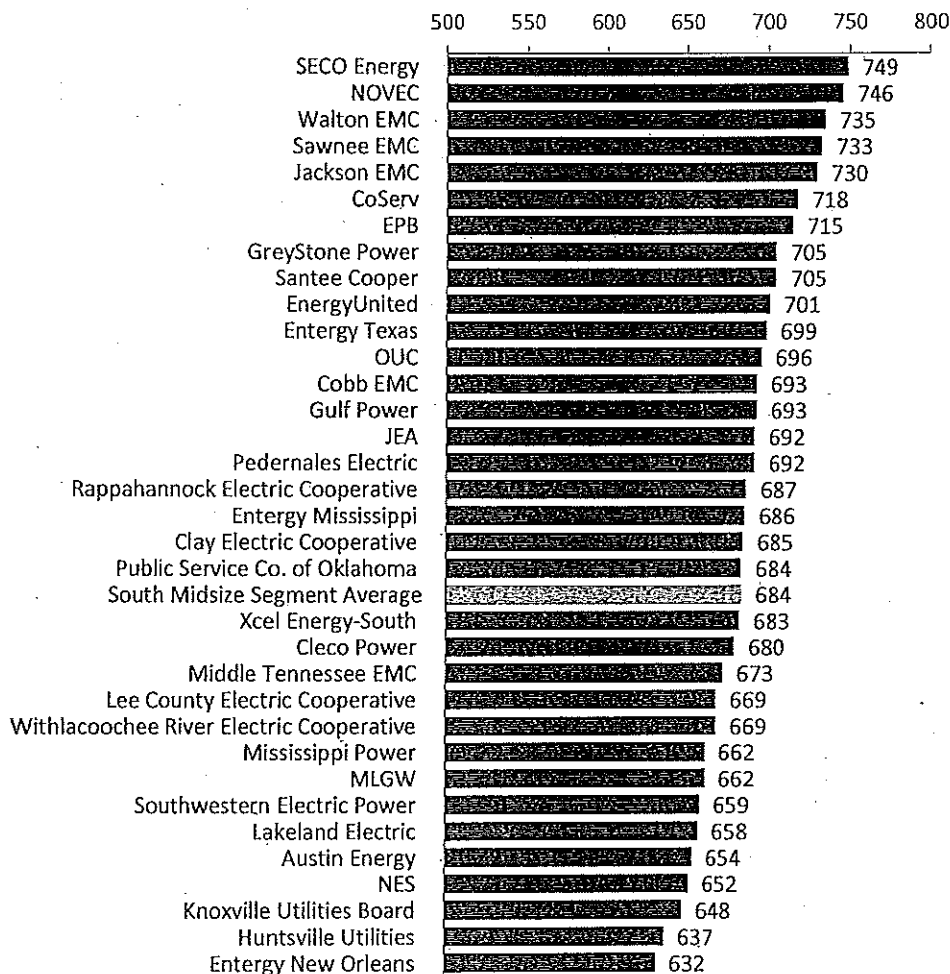
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2015 Electric Utility Residential Customer Satisfaction StudySM

South Region: Midsize Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction StudySM

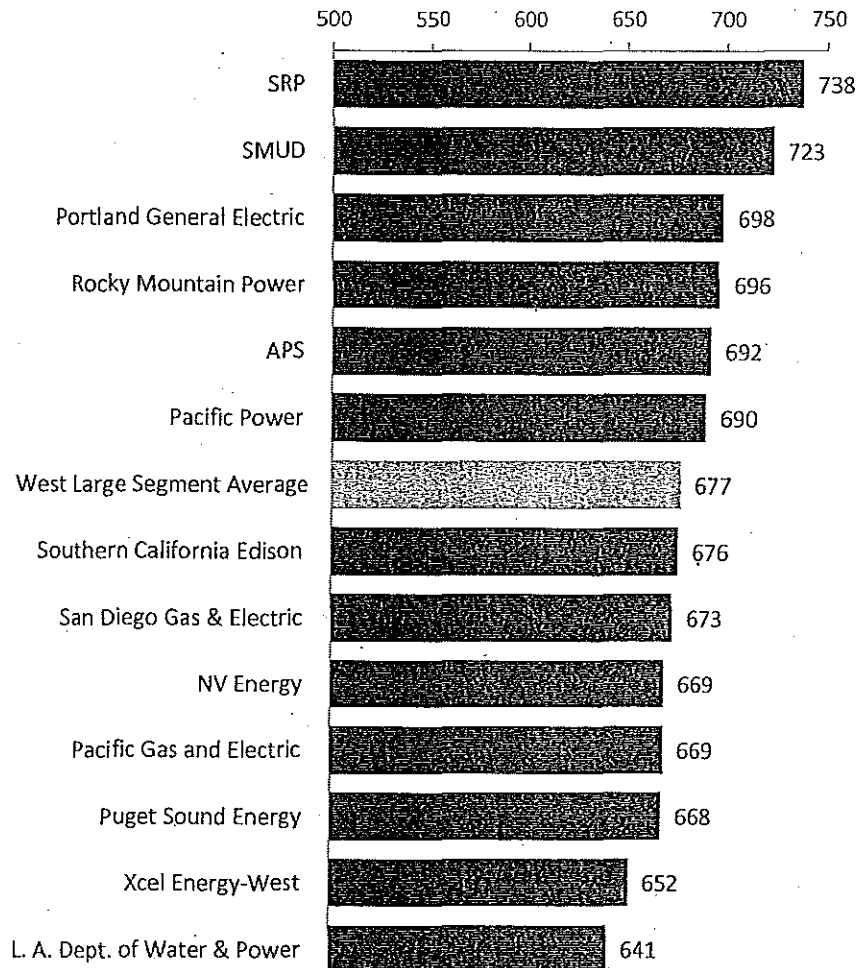
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2015 Electric Utility Residential Customer Satisfaction StudySM

West Region: Large Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Source: J.D. Power 2015 Electric Utility Residential Customer Satisfaction StudySM

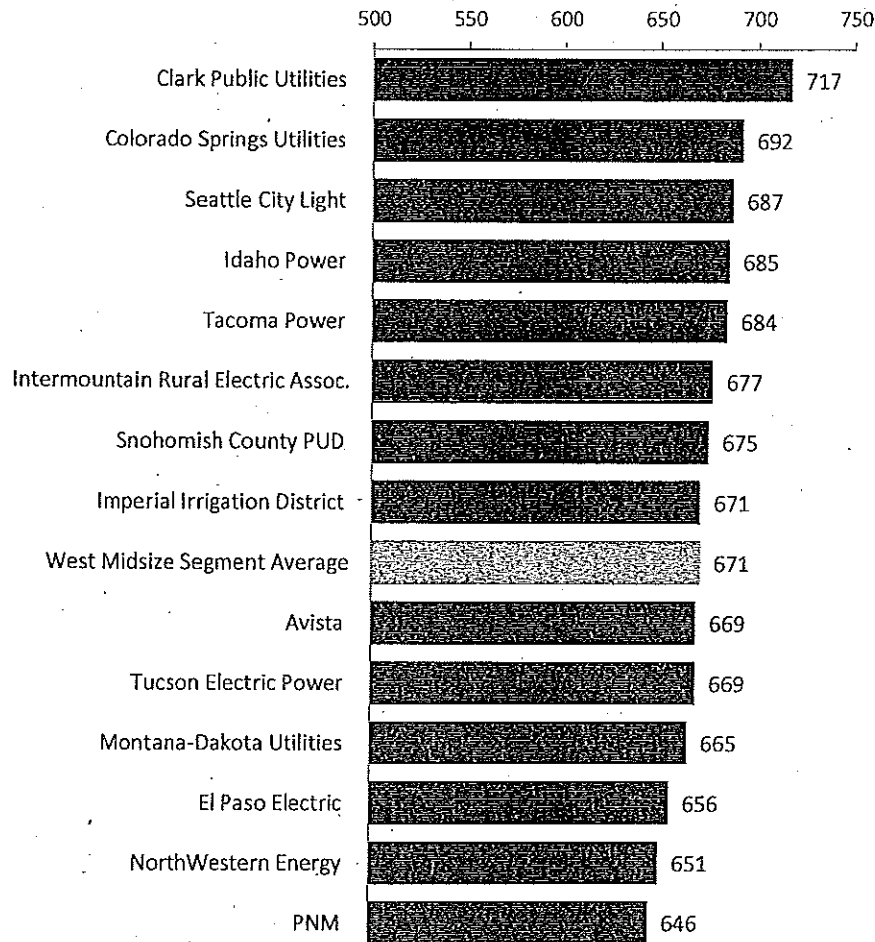
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2015 Electric Utility Residential Customer Satisfaction StudySM

West Region: Midsize Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



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