



American Customer Satisfaction Index

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 300,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 400 companies in 46 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.



March 19, 2019

ACSI Energy Utilities Report 2018-2019

Industry Results for:

Cooperative Energy Utilities

Investor-Owned Energy Utilities

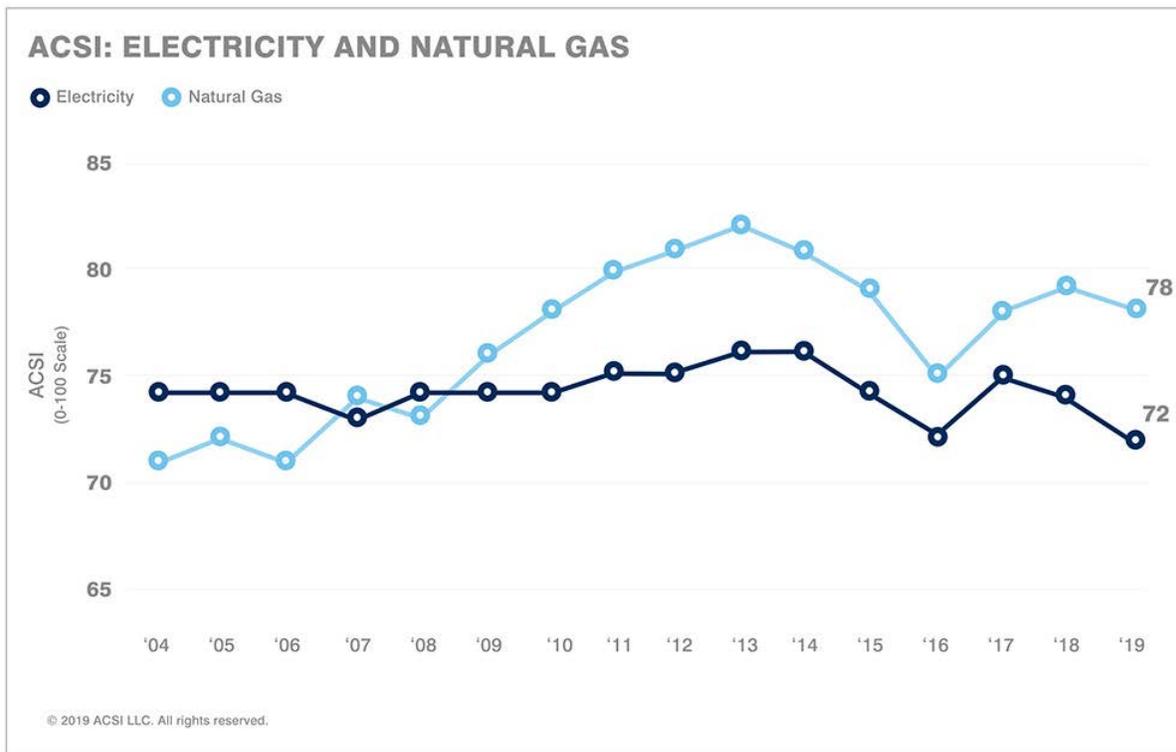
Municipal Energy Utilities

Sector-Wide Downturn in Customer Satisfaction With Energy Utilities

Energy Utilities

Customer satisfaction with the overall energy utilities sector is down 2.7% to a score of 73.2 (100-point scale) on the American Customer Satisfaction Index (ACSI®). Higher prices and extreme weather are largely to blame for waning customer satisfaction among natural gas and electric service providers. Customers also report a decline in electric power reliability, putting more pressure on the sector to upgrade and strengthen the grid.

U.S. natural gas production is at an all-time high, and electricity generation from renewable sources is growing at a record pace. Despite losing some ground, natural gas is by far the preferred energy source for households (ACSI score of 78), while electric power scores considerably lower (72).



The ACSI results include three categories of energy utilities: cooperative, investor-owned, and municipal. Cooperative utilities continue to have the highest customer satisfaction despite sliding 2.6% to 75. Investor-owned utilities and municipal utilities deteriorate as well, each falling 2.7% to tie at 73.

Investor-Owned Energy Utilities

Nearly every investor-owned energy utility registers weaker customer satisfaction this year as the industry overall declines 2.7% to an ACSI score of 73. CenterPoint Energy continues to top the category at 80, down 2% from a year ago. The ACSI leader added more than 77,000 new gas and electric utility customers in 2018. Atmos Energy (-3%) and Consolidated Edison (unchanged) tie for second place at 78, far above the industry average.

NextEra Energy is one of the few gainers in customer satisfaction. A 1% uptick for the clean energy company places it head to head with Southern Company, which moves in the opposite direction (-3% to 77). WEC Energy also improves, edging up 1% to 76. Dominion Energy and NiSource both retreat 3% to meet WEC Energy at 76.

Four companies come in at an ACSI score of 75: Ameren (-1%), Edison International (-1%), Entergy (unchanged), and Sempra Energy (-3%), which acquired Oncor last year. Xcel Energy inches up 1% to 74, met by Berkshire Hathaway Energy, which drops 3%. Meanwhile, Exelon gains 1% to match CMS Energy (-3%) at 73.

PPL registers a large drop, down 6% to 73. According to ACSI data, PPL customers report considerable deterioration in electric service reliability and value. The category of smaller investor-owned utilities also weakens this year, down 4% to a combined score of 72, which is equal to DTE Energy (-1%), FirstEnergy (-1%), and Public Service Enterprise Group (unchanged).

National Grid also loses favor, retreating 3% to 71. Duke Energy falls back 4%, even with PG&E, which is unchanged at 70. While the California utility remains at the low end of the industry, customer satisfaction has not dropped further for PG&E despite challenges stemming from wildfires that took place during ACSI data collection. Since interviews ended, the utility has subsequently filed for Chapter 11 bankruptcy.

American Electric Power (AEP) tumbles 7% to the bottom of the category, in step with Eversource Energy (-3%) at 68. According to its customers, AEP's ability to restore power after outages leaves much to be desired.

ACSI: INVESTOR-OWNED ENERGY UTILITIES

Company	2018	2019	% Change
Investor-Owned Energy Utilities	75	73	-2.7%
CenterPoint Energy	82	80	-2%
Atmos Energy	80	78	-3%
Consolidated Edison	78	78	0%
NextEra Energy	76	77	1%
Southern Company	79	77	-3%
Dominion Energy	78	76	-3%
NiSource	78	76	-3%
WEC Energy	75	76	1%
Ameren	76	75	-1%
Edison International	76	75	-1%
Entergy	75	75	0%
Sempra Energy	77	75	-3%
Berkshire Hathaway Energy	76	74	-3%
Xcel Energy	73	74	1%
CMS Energy	75	73	-3%
Exelon	72	73	1%
PPL	78	73	-6%
All Others	75	72	-4%
DTE Energy	73	72	-1%
FirstEnergy	73	72	-1%
Public Service Enterprise Group	72	72	0%
National Grid	73	71	-3%
Duke Energy	73	70	-4%
PG&E	70	70	0%
American Electric Power	73	68	-7%
Eversource Energy	70	68	-3%

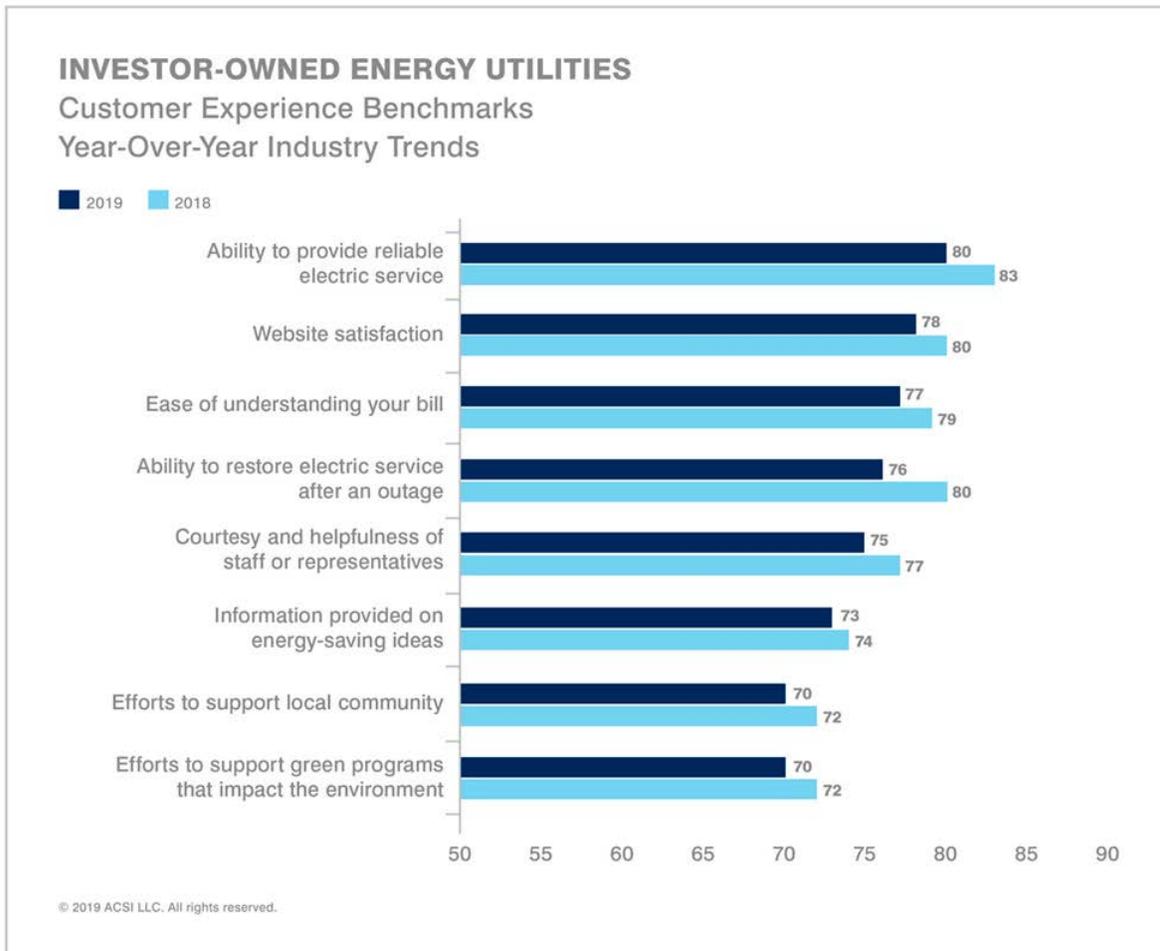
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ACSI (0-100 Scale)

Investor-owned energy utilities are weaker in all aspects of the residential customer experience this year. Customers complain that electric power has become less reliable (down 4% to 80), and prolonged electric outages have damaged consumer trust in their provider’s ability to restore power (down 5% to 76). Website satisfaction declines 3% to 78, while staff courtesy and helpfulness decreases 3% to 75.

Customers need more clarity from their providers. Bills are more difficult to understand (-3% to 77), and information on energy-saving ideas is inadequate (73).

The lowest-scoring aspects of utilities relate to perceptions of good will. Efforts to support the local community and green programs are viewed as not very strong (both down 3% to 70).



Municipal Energy Utilities

Municipal energy utilities lose their edge after a 2.7% downturn in customer satisfaction places the industry at an ACSI score of 73, equal to investor-owned utilities. All of the largest municipal utilities post declines this year.

Salt River Project maintains a considerable lead despite falling 3% to 78. Smaller companies are far behind as their combined score slips 3% to 73, followed by CPS Energy (-4% to 72). Meanwhile, the Los Angeles Department of Water & Power languishes at the bottom of the category, declining 1% to 69.

ACSI: MUNICIPAL ENERGY UTILITIES

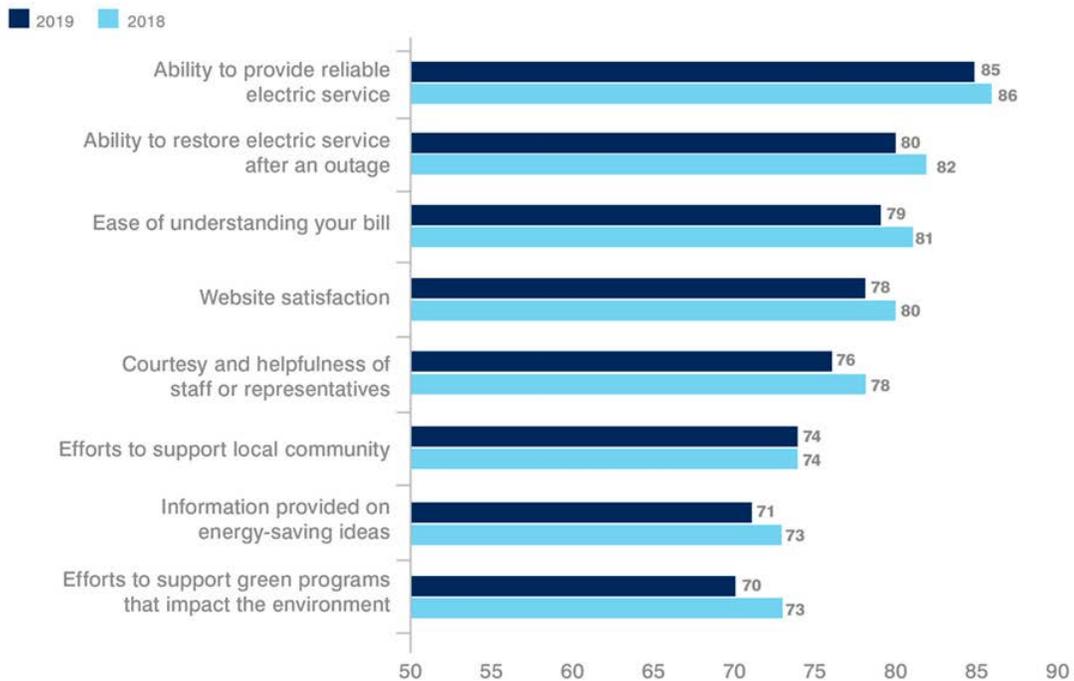
Company	2018	2019	% Change
Municipal Energy Utilities	75	73	-2.7%
Salt River Project	80	78	-3%
All Others	75	73	-3%
CPS Energy	75	72	-4%
LA Department of Water & Power	70	69	-1%

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ACSI (0-100 Scale)

The customer experience benchmarks for municipal energy utilities deteriorate nearly across the board. Nevertheless, municipal utilities are superior to the other utility categories in terms of electric service reliability (85 compared to 80 for investor-owned and 83 for cooperative utilities). For power restoration after an outage, municipal utilities do a better job than investor-owned firms (80 and 76, respectively), although cooperative utilities rate highest (81).

MUNICIPAL ENERGY UTILITIES
Customer Experience Benchmarks
Year-Over-Year Industry Trends



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Compared to a year ago, bills are more difficult to understand (-2% to 79), website satisfaction is down (-3% to 78), and staff courtesy and helpfulness is worse (-3% to 76).

Efforts to support the local community have not changed in the eyes of customers (74), but there is more demand for both energy-saving ideas (-3% to 71) and support of green initiatives (-4% to 70).

Cooperative Energy Utilities

Cooperative energy utilities continue to provide better customer service than municipal and investor-owned utilities, but they too take a step back this year. Cooperative utilities overall backtrack 2.6% to an ACSI score of 75 as the largest federation, Touchstone Energy, posts a 3% drop to 75. Smaller rural cooperatives, however, continue to advance, increasing 1% to 77 for a third consecutive year of improvement.

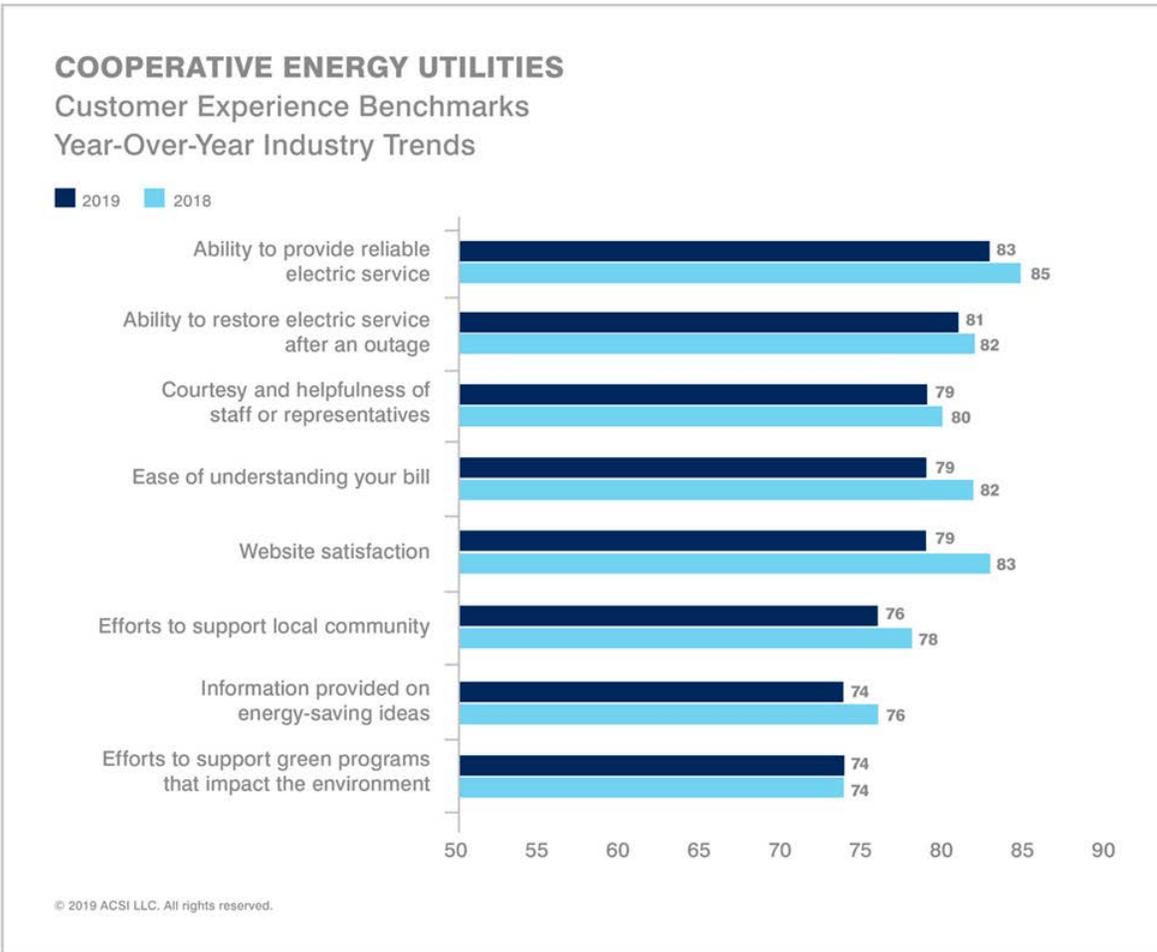
ACSI: COOPERATIVE ENERGY UTILITIES			
Company	2018	2019	% Change
Cooperative Energy Utilities	77	75	-2.6%
All Others	76	77	1%
Touchstone Energy	77	75	-3%

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As with the other energy utility categories, both electric service reliability (-2% to 83) and power restoration (-1% to 81) have lessened this year for cooperative utilities, according to customers.

Despite some weakening, the staff and representatives of cooperatives rate highest for courtesy and helpfulness (79) among the three utility categories. Cooperatives also outperform both municipal and investor-owned utilities when it comes to supporting the local community, although not at the level they did a year ago (-3% to 76).

Website satisfaction takes the biggest hit for cooperatives (down 5% to 79). Likewise, customers need more help understanding bills (-4% to 79) and energy-saving ideas (-3% to 74). Support for green initiatives is unchanged (74) but stays well ahead of investor-owned and municipal utilities (both 70).



About This Report

The *ACSI Energy Utilities Report 2018-2019* covers three categories of energy utilities (investor-owned, municipal, and cooperative). Results are based on interviews with 21,646 residential customers, chosen at random and contacted via email between January 16 and December 25, 2018. Customers are asked to evaluate their recent experiences with the largest energy utilities in terms of market share, plus an aggregate category consisting of “all other”—and thus smaller—companies.

The survey data are used as inputs to ACSI’s cause-and-effect econometric model, which estimates customer satisfaction as the result of the survey-measured inputs of customer expectations, perceptions of quality, and perceptions of value. The ACSI model, in turn, links customer satisfaction with the survey-measured outcomes of customer complaints and customer loyalty. ACSI clients receive confidential industry-competitive and best-in-class data on all modeled variables and customer experience benchmarks.

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CUSTOMER SATISFACTION BENCHMARKS BY INDUSTRY

