



#### FOR MORE INFORMATION

Chaat Butsunturn, 415-391-7900 x1214

[cbutsunturn@kearnswest.com](mailto:cbutsunturn@kearnswest.com)

OR Amanda Piasecki, 202-535-7800 x1114

[apiasecki@kearnswest.com](mailto:apiasecki@kearnswest.com)

### **ACSI Report: Customer Satisfaction Drops for Energy Utilities, Shipping and Health Care** *Harsh Winter Dampens Satisfaction With Utilities and Couriers; Ambulatory Care Hits New Low*

**ANN ARBOR, Mich.,** (May 6, 2014) – Energy utilities fail to improve customer satisfaction for the first time in eight years, according to a report released today by the American Customer Satisfaction Index (ACSI). Following an unusually harsh winter, customer satisfaction with gas and electric service providers is down 1.8% to an ACSI score of 76.0 on a 0-100 scale, ending a seven-year streak of consecutive gains for the sector.

“Unexpected higher cost tends to weaken customer satisfaction, but it is not the sole problem facing energy providers and their customers,” says Claes Fornell, ACSI Chairman and founder. “Customers not only paid more for energy this winter – they also received less reliable service.”

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

#### **Investor-Owned Utilities: Sharp Rise in Natural Gas Costs Passed Along to Customers**

Household satisfaction with investor-owned utilities falls 2.6% to an ACSI score of 75. Among individual companies, Atmos Energy remains on top with an ACSI score of 83, down 2% from its record high of 85 a year ago.

A few companies register improvement despite the overall downward trend for the sector. In second place, Sempra Energy is one of the few providers to post a gain, rising 3% to 82. DTE Energy improves 3% to an ACSI score of 80, an all-time high for the Michigan-based company. Duke Energy and American Electric Power are both up 3% to 77, followed closely by Ameren (+3% to 76) and Exelon (+1% to 75), which earns its highest customer satisfaction score to date. Pepco Holdings (+3% to 73) is the only below-average-scoring company to post a gain this year.

Nevertheless, most energy companies are moving in the opposite direction. The largest customer satisfaction losses belong to MidAmerican Energy Holdings and Entergy; both companies nosedive from scores in the 80s to 77 and 76, respectively. CenterPoint Energy (81) and Southern Company (80) each fall 4%; Dominion Resources slips 2% to 80, followed closely by PPL (-1%) at 79. NiSource slides 4% to tie with CMS Energy (-1%) at 78 and Entergy and NextEra both retreat to 76.

Far below the industry average, Public Service Enterprise Group (PSEG) plunges 5% to 70 after taking on the operations of the Long Island Power Authority (LIPA). Consolidated Edison, whose customers are charged some of the highest electricity rates in the nation, remains at the bottom of the sector (down 1% to 69).

### **Municipal Utilities: Salt River Project Maintains Lead; CPS Energy Tumbles**

Overall, customer satisfaction with municipal utilities is stagnant at 76, but the industry average is buoyed by the deletion of the Long Island Power Authority, whose operations are now managed by investor-owned PSEG. The largest municipal utilities actually show weakening customer satisfaction at the company level.

The Salt River Project (SRP) slips (-2% to 79) but remains in the lead for the fourth year in a row. CPS Energy records the largest decline (-6% to 75), but the Los Angeles Department of Water & Power (LADWP) lags far below (-3% to 69).

### **Cooperative Utilities: Best in Category**

Smaller rural cooperative utilities hold a strong lead over the other utility categories despite regressing 2.4% to an ACSI score of 81. Touchstone Energy Cooperatives remains one of the Index's top-scoring energy utilities at (-2% to 81), followed by the aggregate of smaller co-ops (-4% to 80).

### **Health Care & Social Assistance: Patient Satisfaction Slips**

As demand for health care services rises, patient satisfaction for the sector falls 3.0% to an ACSI benchmark of 77.6. According to patients, ambulatory care such as office visits to doctors, dentists and optometrists (79) is better than hospital services (76) by a significant margin, but both categories deteriorate from a year ago.

Inpatient hospital care shows marginal improvement, but waning satisfaction with outpatient services and lengthy emergency room wait times put downward pressure on overall patient satisfaction with hospitals.

### **Consumer Shipping: Combination of Last-Minute Shopping and Weather Creates Perfect Storm**

Customer satisfaction with shipping retreats 3.6% to 81, largely due to delays caused by weather and overloaded systems during the shortened holiday season. FedEx and UPS both struggled to sustain customer satisfaction over the Christmas peak; FedEx declines 4% and UPS is down 2% to tie at an ACSI score of 82.

“The surge in online shopping just before Christmas created a fair amount of customer angst with Internet retailers, but shippers weren't spared consumers' ire either,” says David VanAmburg, ACSI Director. “Even the largest carriers with the most resources weren't sufficiently prepared for the rush of last-minute deliveries and many packages did not arrive on time for the holidays.”

The United States Postal Service (USPS) Express and Priority Mail delivery is down 5% to 73, its lowest score in more than a decade. USPS's shrinking regular mail delivery service falls even further this year to 72.

The full report is available for free download at [www.theACSI.org](http://www.theACSI.org). Follow the ACSI on Twitter at @theACSI and Like us on Facebook.

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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 70,000 customers annually as inputs to an econometric model for analyzing customer satisfaction with more than 230 companies in 43 industries and 10 economic sectors, as well as over 100 services, programs, and websites of federal 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 a number of 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. And, at the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

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