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ACSI: Customers Less Satisfied with Energy Utilities, Shipping and Health Care

Cooperative Utilities Best-in-Class; Patient Satisfaction Falls Again; Consumer Shipping Steady as Regular Mail Slides

ANN ARBOR, Mich., (May 12, 2015) – Following another harsh winter, customer satisfaction with gas and electric service providers is down 2.7 percent to an ACSI score of 74.3 on a 0-100 scale, according to the [American Customer Satisfaction Index \(ACSI\)](#).

“Higher cost tends to weaken customer satisfaction, particularly when spending is not discretionary, as is the case with commodities such as energy,” says Claes Fornell, ACSI Chairman and founder. “It is not as much the cost of energy per se, but that usage was high and took a bigger bite out of household income.”

The ACSI report covers customer satisfaction with three utility categories (cooperative, investor-owned and municipal) and 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: Rising Cost of Electricity and Natural Gas Dampens Satisfaction

Household satisfaction with investor-owned utilities falls 1.3 percent to an ACSI score of 74. Among the largest investor-owned utilities, the highest-scoring companies are both natural gas supplies – Atmos Energy (ACSI score of 82) and CenterPoint Energy (81).

FirstEnergy is next at 79 and posts the largest gain (+8%); it now ties Sempra Energy. Dominion Resources, PPL and NiSource all come in at 78, followed by Southern Company, Entergy (+1%) and NextEra Energy (+1%) at 77. The only other providers to improve are Xcel Energy (+1% to 76), Public Service Enterprise Group (+3% to 72), and PG&E (+1% to 71).

Most utilities have moved in the opposite direction, with DTE Energy and Exelon deteriorating the most (-8%). Duke Energy (-6%) also declines, while Eversource Energy (formerly Northeast Utilities), hurt particularly hard by winter storms, falls 7 percent to the industry low of 66.

Municipal Utilities: Smaller Companies Hit Hardest; Salt River Project Maintains Lead

Most large municipal utilities improve from a year ago, but smaller providers, which make up a majority of the market, drop to a combined ACSI score of 73. The Salt River Project (SRP) leads in customer satisfaction for a fifth straight year, edging up 1 percent to 80, and CPS Energy advances 3 percent to 77. Meanwhile, the Los Angeles Department of Water & Power (LADWP) slips 1 percent and scores far below for customer satisfaction at 68.

Cooperative Utilities: Best in Category

Smaller rural cooperative utilities hold a strong lead over the other utility categories, but slip 1.2 percent to an ACSI score of 80. Despite a 1 percent downturn, Touchstone Energy Cooperatives remains one of the Index’s top-scoring energy utilities at 80, followed by the aggregate of smaller co-ops (-3% to 78).

Health Care & Social Assistance: Patient Satisfaction Continues to Fall

Patient satisfaction is down 3.2 percent to an ACSI score of 75.1, the lowest level in nearly a decade. According to patients, ambulatory care such as office visits to doctors, dentists and optometrists (76) is better than hospital services (74) by a significant margin, but quality of care is less satisfactory and both categories weaken from a year ago.

Demand for health care services is rising, with preliminary figures on household health care spending up nearly 6% in 2014 – the largest increase since before the recession. This is probably in part a result of growth in the number of Americans with health insurance. During the same period, the rate of growth in the health care workforce slowed, which likely contributed to less efficient access to care. However, since the middle of 2014, the health care sector has been adding workers at a significantly faster pace, which may lead to higher levels of patient satisfaction in the near future.

"Health care is a non-discretionary expense that consumers delay at their own risk," says ACSI Managing Director David VanAmburg. "While consumers might postpone a vacation or the purchase of a new pair of shoes, they rarely have the flexibility to put off healthcare regardless of cost or quality of care. The influx of the newly insured is putting pressure on a system that is still playing catch up. Rising demand that is outpacing supply, coupled with increasing healthcare costs, is a formula for lower satisfaction."

Outpatient hospital care shows improvement (+5% to 80), but considerably lower satisfaction with inpatient services and poor emergency room service (-10% to 64) has caused overall patient satisfaction with hospitals to worsen.

Consumer Shipping: Steady from a Year Ago

Customer satisfaction with shipping is stable at an ACSI score 81. Both FedEx and UPS are steady with identical ACSI scores of 82, while the U.S. Postal Service (USPS) gains for its Express and Priority Mail delivery business (+3% to 75). However, regular mail service falls for a second straight year. With a tightening budget, higher postage rates and shrinking mail volumes, satisfaction with USPS regular mail service sinks to 69, its lowest level in nearly 20 years.

The full report is available for free download at 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 \(ACSI\)](http://www.theACSI.org) 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 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 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. At the macro level, customer satisfaction has been shown to be predictive of both consumer spending and GDP growth.

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