

## J.D. Power Reports

### Price and Billing/Payment are Primary Drivers of Increased Overall Customer Satisfaction with Electric Residential Utilities

#### Improved Communications During Long Outages Increases Satisfaction

**WESTLAKE VILLAGE, Calif.: 17 July 2013** — Despite ongoing severe weather across the United States resulting in longer outage periods per event, customer satisfaction with residential electric utilities has increased substantially from 2012 driven primarily by improvements in billing/payment, price and outage communications, according to the J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup> released today.

The study, now in its 15th 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.

Overall satisfaction among residential customers of electric utilities has increased substantially in 2013 to 639 (on a 1000-point scale), up 14 points from 2012. While performance in all factors improves in 2013, billing and payment satisfaction (719) increases by a notable 19 points, the largest increase among the six factors. Power quality and reliability, an important driver of customer satisfaction and the second-highest-scoring factor, has improved to 692 from 677 in 2012. Communications satisfaction increases for a third consecutive year, climbing to 585 in 2013 from 579 in 2012 and 575 in 2011. Satisfaction scores in price (551) and customer service (706) are the highest they have been in the past four years, with customer service increasing by 9 points from 2012.

#### KEY FINDINGS

- Overall customer satisfaction with residential electric utilities increases by 14 points year over year to 639.
- Satisfaction in the billing and payment factor (719) is the highest score among all six factors.
- Price satisfaction (551) and customer service (706) are the highest it has been in four years.

With severe weather events across the United States, longer outages were reported in 2012, yet, electric utilities have improved their outage communications before, during and after these events. Satisfaction increases 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.

“In addition to improving outage communication, electric utilities have made great strides in improving customer perceptions regarding billing and payment,” said Jeff Conklin, senior director of the energy practice at J.D. Power. “With such a dramatic increase in billing and payment satisfaction in the 2013 study, it’s clear that the electric utilities have listened to the Voice of the Customer by providing them with many choices to receive and pay their bill and with improved information on their billing statements.”

According to the study, satisfaction increases when customers are offered billing and payment options. Satisfaction among customers who select their own payment due date is 756, compared with 714 among those who do not select a due date. Satisfaction among customers who receive an electronic bill is 745,

compared with 709 among those who receive only a paper statement. Among customers who are on a fixed budget bill payment plan, satisfaction is 736, compared with 718 among those who are not on this plan. Billing and payment satisfaction increases by 54 points when billing statements include a consumption graph (740). Satisfaction is highest among customers who use their utility's online website to check their account or pay a bill (742), followed by auto-deductions from a bank account (736); recurring credit card payments (726); and through bank's online bill payment (717). The percentage of customers who mail their payment has decreased to 26 percent in 2013 from 29 percent in 2012, indicating that customers are using alternative payment options.

Price satisfaction improves substantially for a second consecutive year (+12 points), as customers indicate lower average bill amounts, down \$3 per month from 2012 to \$132. Price satisfaction is 101 points higher among customer who say they are "very familiar" with their utility's energy-saving programs than among those who say they are only "somewhat familiar."

Power quality and reliability (PQ&R) increases by 15 points in 2013, driven by a 19-point increase in the West region. The study finds that utilities have increased their number of communications with customers regarding lengthy outages in 2013. The most satisfying sources of outage information are emails from the utility (762 PQ&R); text messages from the utility (736); utility's social media site (724); calls from the utility (718); and customer emails sent to the utility (703).

### **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 125,000 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 Central Maine Power; Duquesne Light; and West Penn Power, respectively.

Among midsize utilities in the East region, Southern Maryland Electric Cooperative ranks highest for a sixth consecutive year, followed by Penn Power; Delmarva Power; and Met-Ed, respectively.

### **Midwest Region**

MidAmerican Energy ranks highest in the large utility segment in the Midwest region for a sixth consecutive year. We Energies; Alliant Energy; and Xcel Energy-Midwest follow, respectively.

Omaha Public Power District ranks highest in the midsize utility segment in the Midwest region for a sixth consecutive year and receives an award in the study for a 13th consecutive year. Following Omaha Public Power District in the segment rankings are Kentucky Utilities; Wisconsin Public Service; and Indianapolis Power & Light, respectively.

### **South Region**

OG&E ranks highest in the large utility segment in the South region, followed by FPL; Georgia Power; and CPS Energy, respectively.

Sawnee EMC ranks highest in the midsize utility segment in the South region, followed by Jackson EMC; Clay Electric Cooperative; and NOVEC, respectively.

## West Region

Salt River Project (SRP) ranks highest in the large utility segment in the West region for a sixth consecutive year and receives an award in the study for a 12th 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 sixth consecutive year, followed by Colorado Springs Utilities; Seattle City Light; and Snohomish County PUD, respectively.

### J.D. Power offers the following tips to consumers:

- Customers should register their account online at their utility's website to get access to detailed account history.
- Customers who want to go paperless should sign up for e-bill statements from their utility.
- Many utilities now offer text or email notifications and alerts, such as reminders about usage toward a budgeted amount or outage updates.
- Some utilities now have smartphone apps that allow you to review and pay your bills or to report outages.

The 2013 Electric Utility Residential Customer Satisfaction Study is based on responses from 102,734 online interviews conducted from July 2012 through May 2013 among residential customers of the 126 largest electric utility brands across the United States, which collectively represent nearly 94 million households.

### About J.D. Power

J.D. Power is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. Headquartered in Westlake Village, Calif., J.D. Power has offices in North/South America, Europe and Asia Pacific. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](http://JDPower.com). J.D. Power is a business unit of McGraw Hill Financial.

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McGraw Hill Financial (NYSE: MHFI), a financial intelligence company, is a leader in credit ratings, benchmarks and analytics for the global capital and commodity markets. Iconic brands include Standard & Poor's Ratings Services, S&P Capital IQ, S&P Dow Jones Indices, Platts, CRISIL, J.D. Power, McGraw-Hill Construction and Aviation Week. The Company has approximately 17,000 employees in 27 countries. Additional information is available at <http://www.mhfi.com>.

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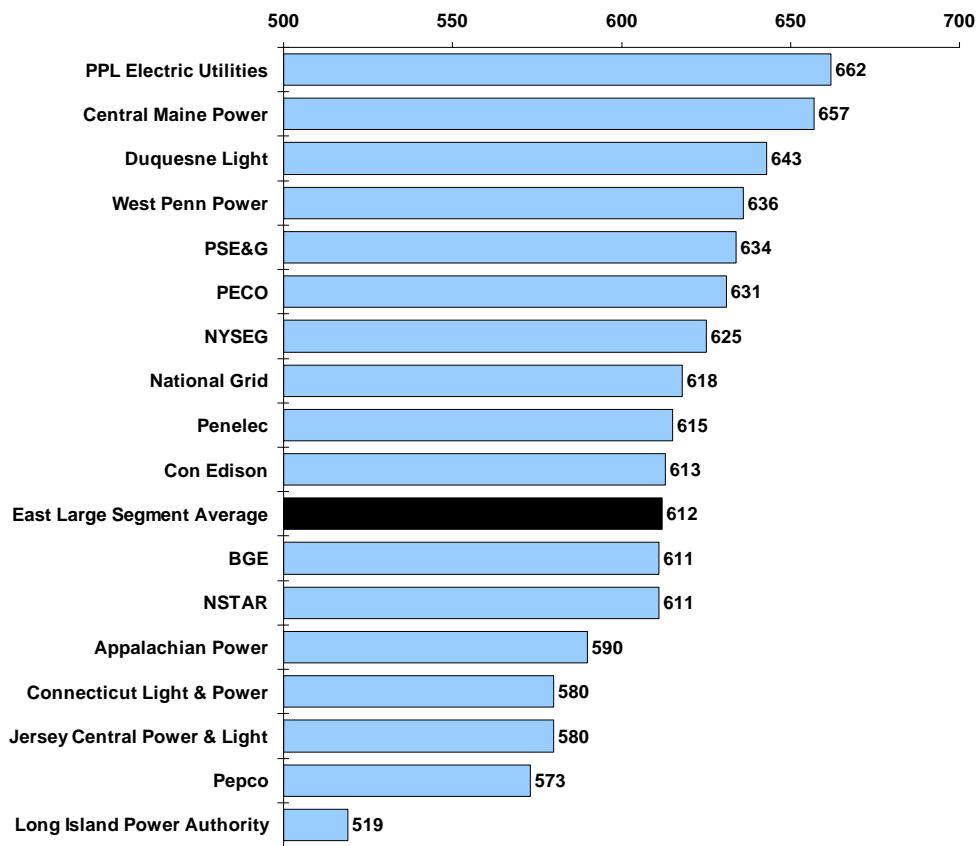
Note: Eight charts follow.

# J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### East Region: Large Segment

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

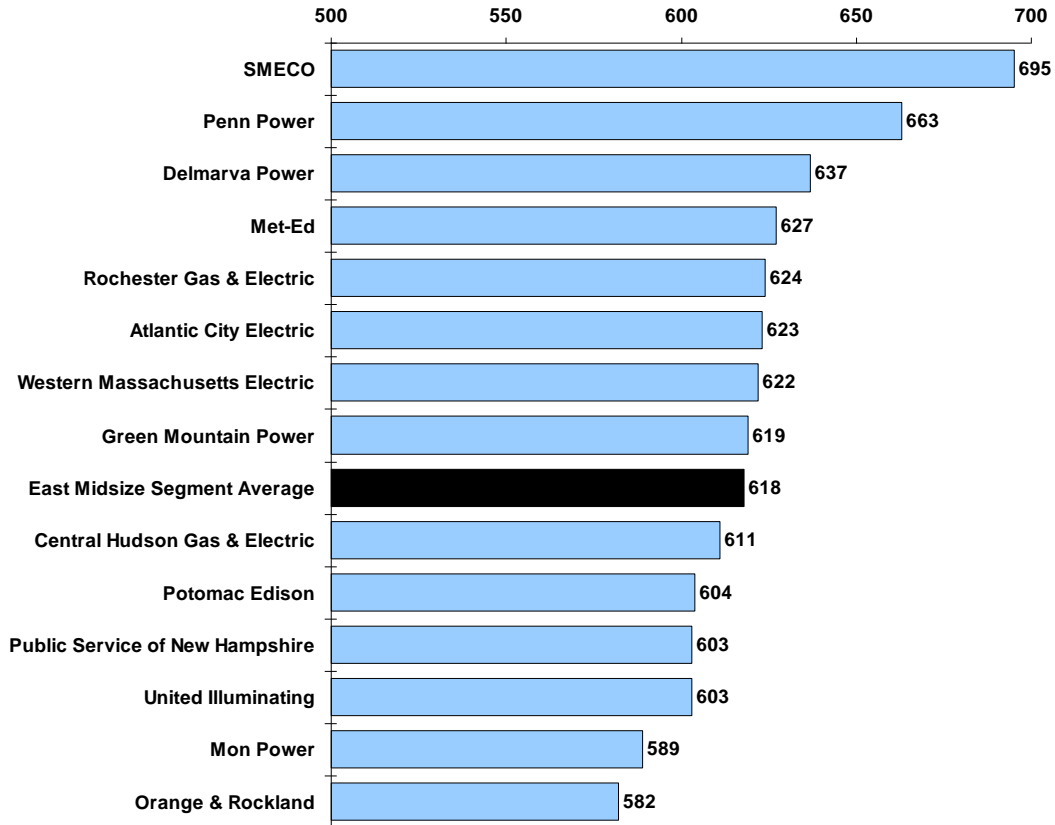
Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power as the publisher and the J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup> as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.

# J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### East Region: Midsize Segment

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

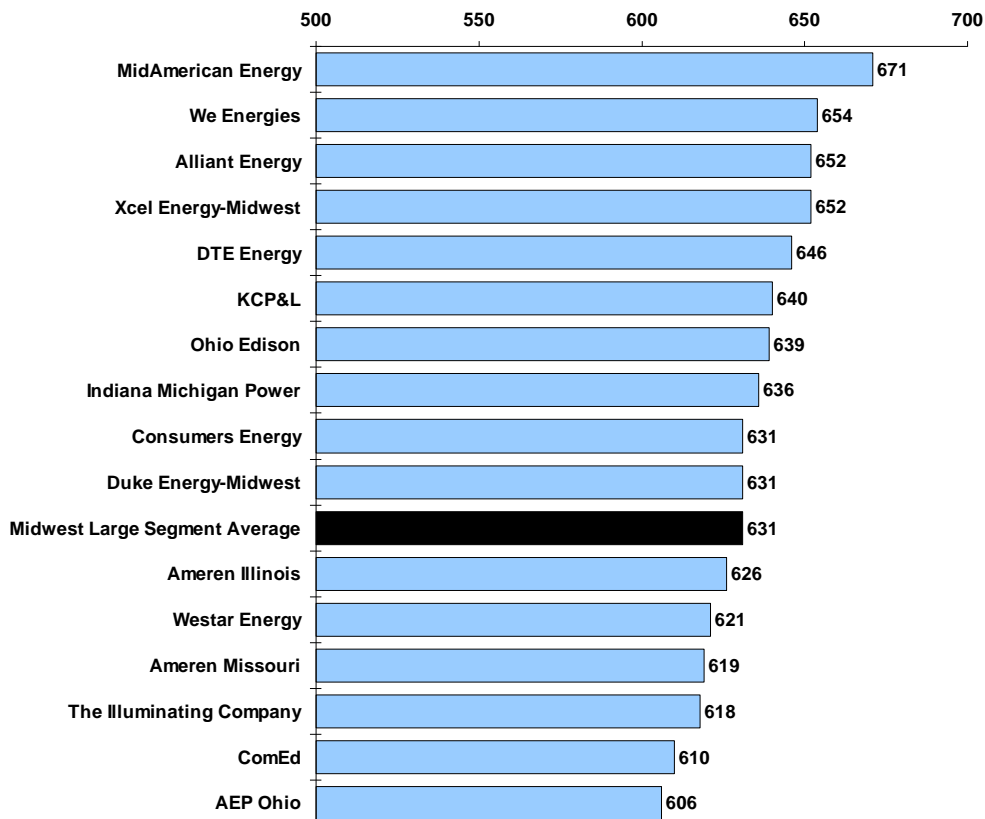
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# J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### Midwest Region: Large Segment

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

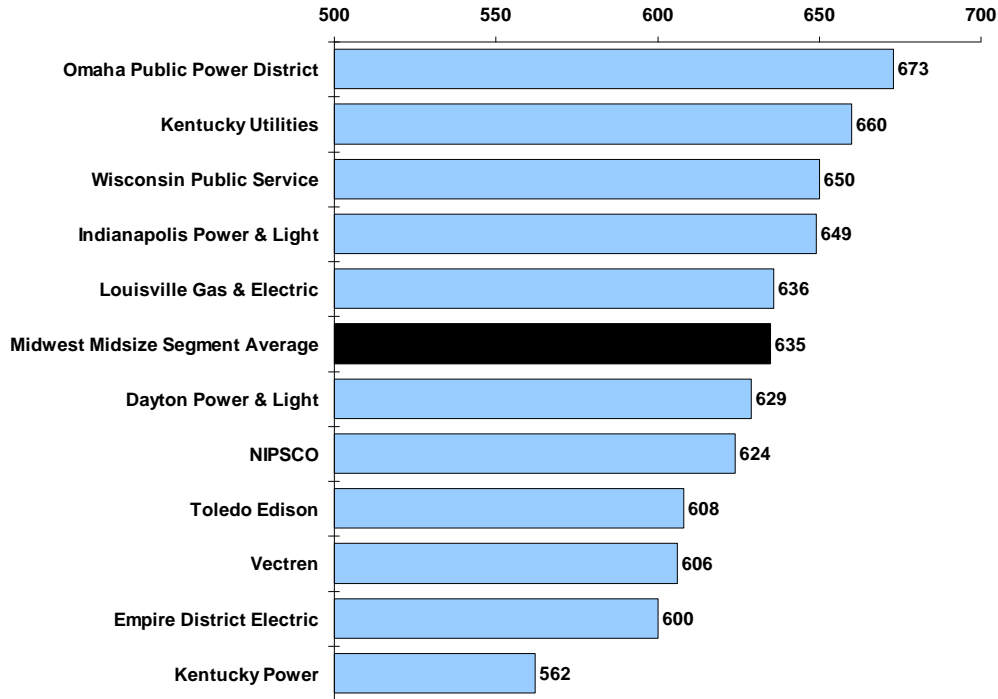
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# J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### Midwest Region: Midsize Segment

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

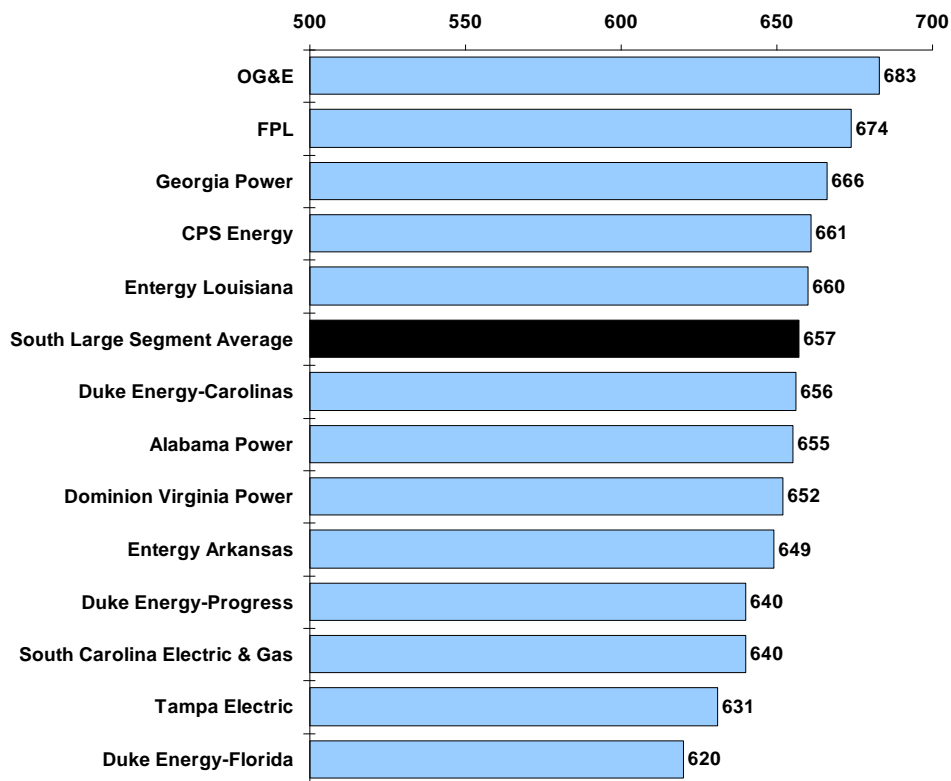
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# J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### South Region: Large Segment

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

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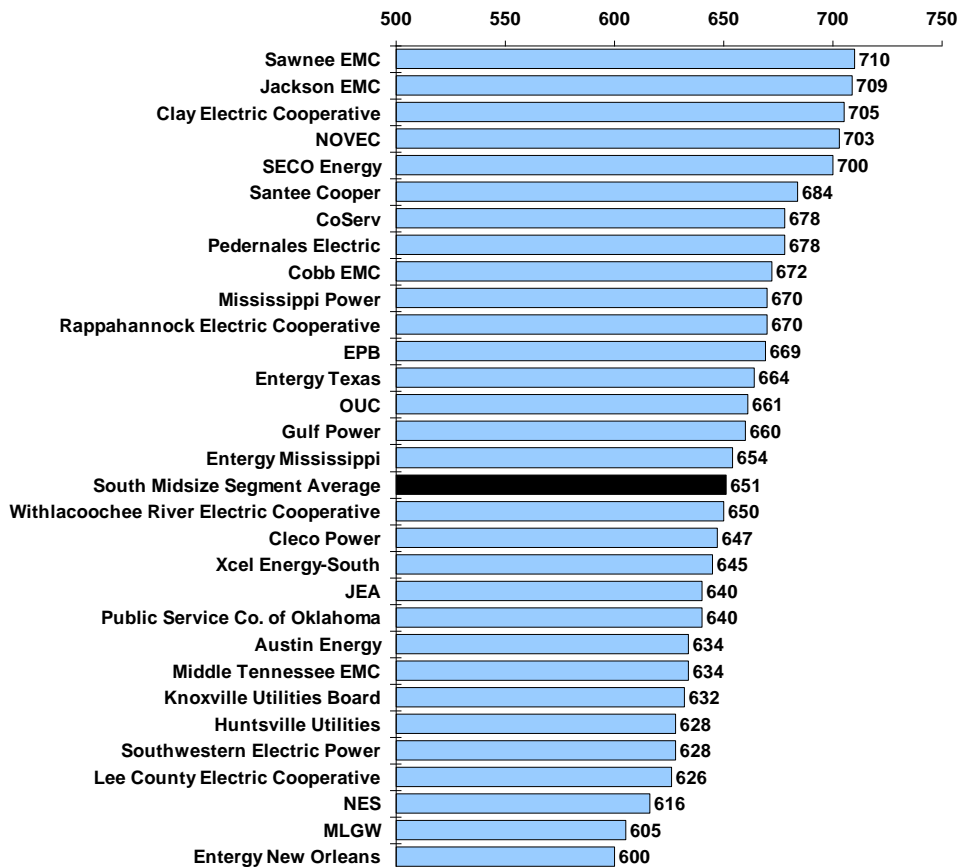


# J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### *South Region: Midsize Segment*

*(Based on a 1,000-point scale)*



Source: J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

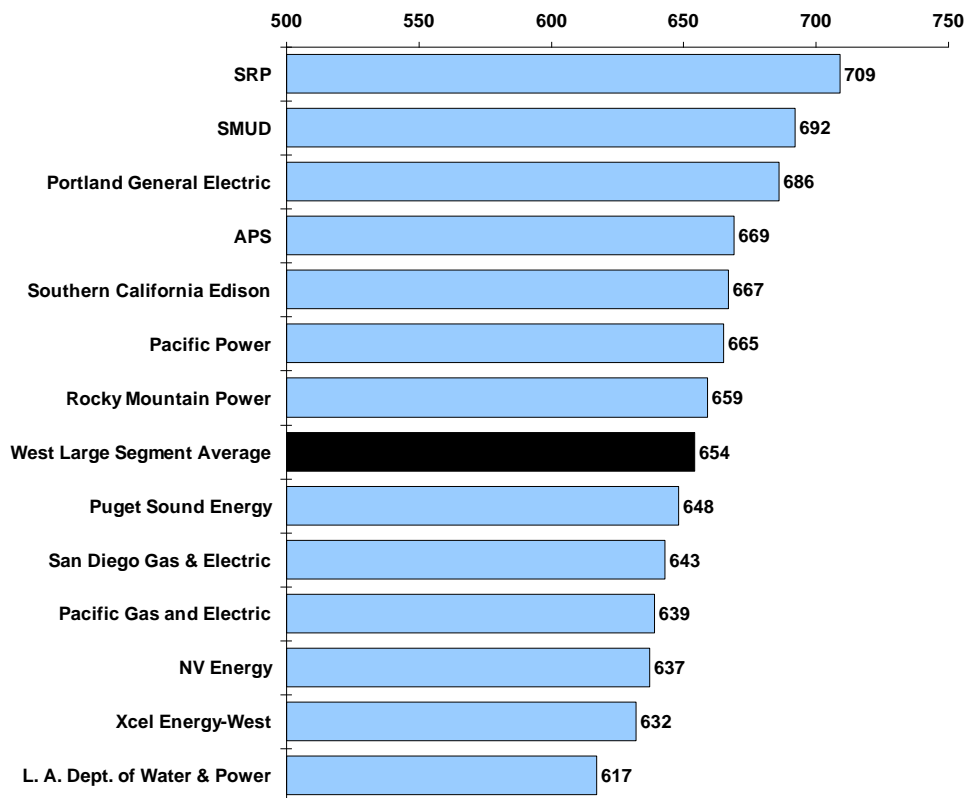
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# J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### West Region: Large Segment

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

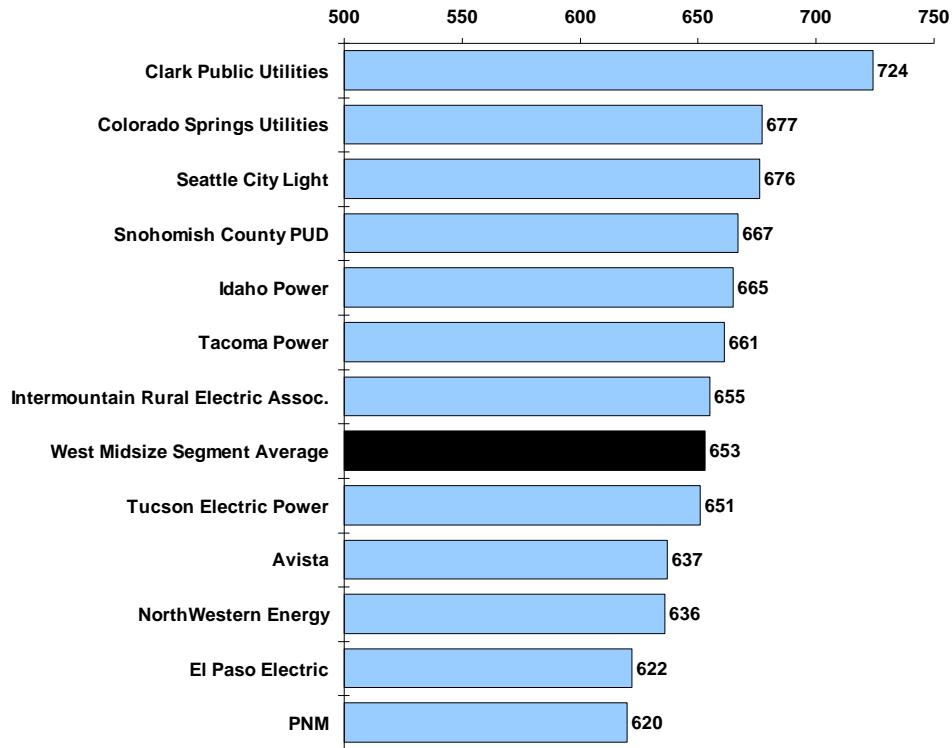
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# J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

### West Region: Midsize Segment

(Based on a 1,000-point scale)



Source: J.D. Power 2013 Electric Utility Residential Customer Satisfaction Study<sup>SM</sup>

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