2014 Utility Customer Satisfaction Studies

Keys to Utility Customer Satisfaction

John Hazen - Senior Director, Energy Practice

September 11, 2014
J.D. Power’s Voice-of-the-Customer Perspective

- Millions of consumers and small businesses across dozens of industries are surveyed every year.
- They tell us what drives an outstanding customer experience and what customers value most.
- From real customers and real interactions we derive the “Voice of the Customer”

Energy Practice:
- Residential and Business Electric/Gas Satisfaction Studies
- Utility Website Evaluation Study
- Call Center Improvement
- Consulting and Proprietary Research
Typically 3 Tiers of Performance Within Each Industry

Brand Ranking by CSI Score

- Elite
- Good
- Poor
Verizon snags its fourth consecutive JD Power’s customer care award

We Energies tops among Midwest business customers


UGI Ranked Highest in Customer Satisfaction by J.D. Power

SMECO recognized by JD Power for seventh consecutive year

SRP No. 1 in J.D. Power customer satisfaction survey

It’s a Three-peat: J.D. Power and Associates Ranks Quicken Loans Inc. Highest in Customer Satisfaction Among all Major U.S. Home Lenders for Third-Straight Year

PPL Electric Utilities ranks No. 1 among peers in J.D. Power satisfaction study
“If you can persuade your customers to tattoo your name on their chest, they probably will not shift brands.”

Robert W. Hall, Professor Indiana School of Business, referring to buyers of Harley-Davidson motorcycles.
2014 JD Power Residential Electric Study Overview

- **16th year of Electric Utility Residential Customer Satisfaction Study**
  - Published July 15, 2014

- **138 Brands ranked in 8 Regional Size Segments**
  - Four regions (East, Midwest, South and West)
  - Large utilities (500,000 households or more)
  - Midsize utilities (100,000 to 499,999 households)

- **Quarterly fielding periods**
  - Fielded July 2013 through May 2014
  - Online interviews conducted
  - 104,460 responses collected
  - Maryland and DC had 3,277 customer responses
  - Annual score is the average across all waves
  - Ratings on a 1 – 10 scale
  - Index scores = maximum 1,000 points

Note: Model unchanged from last year.
They are very friendly when I do speak with them on the phone and helpful.

Great Customer Service

They are a very well run company! They have a user friendly statement and website. They have a user friendly website and they are easy to deal with.

Very well run company!

Nice electric provider God bless them.

Regularly email me to inform me of ways of being more energy efficient and saving money. It also nice to see the work they do in the community.

I haven't experienced any power outages. They must be doing something right because I don't think about my supply of electricity on a daily basis, I must admit that I "take it for granted". "Keep up the good work".

I believe they do all they can to keep rates reasonable. They are very involved in developing alternative sources of energy. Their service is dependable. I would rate them the best utility company I've ever used.

I always have electricity. Love their website.

They are very involved in developing alternative sources of energy. They have a user friendly statement and website. Rates kept low, service is reliable, staff very friendly.

Great energy saving programs

I love this company, very friendly customer service. I have not had one problem.

They seem to work around the clock to make sure we always have electricity.

They are an outstanding company. I will continue to use them. I love the service.

They seem to work around the clock to make sure we always have electricity.

Great energy saving programs

Great Customer Service

They are an outstanding company. I will continue to use them. I love the service.

Great energy saving programs

They seem to work around the clock to make sure we always have electricity.

Great energy saving programs

Every person and every time I'm in contact with any aspect it has always been good.

Efforts to maintain and improve the environment - such as the tree planting program and efforts to invest in wind power.

“I do not think that they are perfect. Who is? I believe that they strive for continuous improvement.”
Understanding the Impact of Key Aspects of a Customer’s Experience on Satisfaction
PQR Index by Estimated Restoration Time (ETR) Accuracy

Industry

<table>
<thead>
<tr>
<th>Time Duration</th>
<th>Before ERT</th>
<th>After ERT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 hours or more</td>
<td>704</td>
<td>559</td>
</tr>
<tr>
<td>61 to 120 mins.</td>
<td>736</td>
<td>583</td>
</tr>
<tr>
<td>31 to 60 mins.</td>
<td>721</td>
<td>582</td>
</tr>
<tr>
<td>21 to 30 mins.</td>
<td>742</td>
<td>620</td>
</tr>
<tr>
<td>11 to 20 mins.</td>
<td>730</td>
<td>697</td>
</tr>
<tr>
<td>10 mins. or less</td>
<td>786</td>
<td>584</td>
</tr>
</tbody>
</table>

Satisfaction Drops Significantly when ETR is longer than promised.
Proactive outage communications drives higher Power Quality & Reliability satisfaction

<table>
<thead>
<tr>
<th>Method</th>
<th>Percentage</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility emailed</td>
<td>1%</td>
<td>769</td>
</tr>
<tr>
<td>Utility social media site</td>
<td>1%</td>
<td>759</td>
</tr>
<tr>
<td>Utility sent text message</td>
<td>2%</td>
<td>742</td>
</tr>
<tr>
<td>Utility called</td>
<td>4%</td>
<td>737</td>
</tr>
<tr>
<td>Emailed utility</td>
<td>1%</td>
<td>729</td>
</tr>
<tr>
<td>Outage map via utility</td>
<td>3%</td>
<td>692</td>
</tr>
<tr>
<td>Went to utility website</td>
<td>7%</td>
<td>685</td>
</tr>
<tr>
<td>Utility work crew</td>
<td>3%</td>
<td>682</td>
</tr>
<tr>
<td>Mobile/smartphone</td>
<td>4%</td>
<td>682</td>
</tr>
<tr>
<td>Radio/TV</td>
<td>5%</td>
<td>669</td>
</tr>
<tr>
<td>Other</td>
<td>3%</td>
<td>666</td>
</tr>
<tr>
<td>None - did not get any</td>
<td>46%</td>
<td>659</td>
</tr>
<tr>
<td>Nearby neighbor</td>
<td>9%</td>
<td>647</td>
</tr>
<tr>
<td>Called utility</td>
<td>34%</td>
<td>647</td>
</tr>
</tbody>
</table>

Industry Results

Proactive outage communications drives higher Power Quality & Reliability satisfaction.

PQR Index by Number of Outage Information Points

- 0 points: 584
- 1 point: 646
- 2 points: 667
- 3 points: 698
- 4+ points: 724
700,000+ Entergy customers are registered to receive text updates, PPL sent over 600,000 messages during Sandy

Utilities with proactive notification programs have seen significant enrollments as the programs are launched and promoted.

### PPL Electric Utilities Superstorm Sandy

<table>
<thead>
<tr>
<th></th>
<th>Outage Notification Message</th>
<th>Update to Job Message</th>
<th>Restoration Message</th>
<th>Total Messages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Messages</td>
<td>84,472</td>
<td>359,668</td>
<td>161,702</td>
<td>605,842</td>
</tr>
<tr>
<td>E-Mail</td>
<td>6,593</td>
<td>12,188</td>
<td>6,070</td>
<td>24,851</td>
</tr>
<tr>
<td>Voice</td>
<td>35,540</td>
<td>273,238</td>
<td>117,880</td>
<td>426,658</td>
</tr>
<tr>
<td>Text</td>
<td>42,339</td>
<td>74,242</td>
<td>37,752</td>
<td>154,333</td>
</tr>
</tbody>
</table>

Courtesy: PPL Corp.
EPB is a top performer and provides chat as an option when reporting an outage.
### Communication of Improved Reliability Effects Satisfaction

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Price Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heard about rate increase and power supply</td>
<td>665</td>
</tr>
<tr>
<td>Heard about rate decrease</td>
<td>634</td>
</tr>
<tr>
<td>Heard about rate increase and reliability of electric delivery</td>
<td>634</td>
</tr>
<tr>
<td>Did not hear about rate change</td>
<td>583</td>
</tr>
<tr>
<td>Heard about rate increase</td>
<td>520</td>
</tr>
</tbody>
</table>

Price satisfaction increases when customers learn about improved reliability from rate increase.
FPL provides system improvement information for each customer’s neighborhood

www.fpl.com/residential/power_quality/map/improvements_map.shtml
Rate Case Communications
MidAmerican Energy Company

- **MidAmerican Energy implemented a robust communications plan**
  - A detailed brochure was sent to every residential, commercial, industrial and lighting customer
  - A microsite was created to provide additional information to customers
  - A variety of communications with the media were executed
  - Eight customer comment meetings were held across the Iowa service territory
  - Extensive talking points were prepared and distributed to all employees who potentially have direct contact with customers
  - All employees were required to attend two general training sessions
    - Customer Satisfaction employees also attended a detailed training session

- **Execution of the plan led to multiple benefits**
  - Fewer than 30 customers attended the eight customer comment meetings
  - Calls into the Call Center regarding the increase were far fewer in number than was expected
  - Complaints were also fewer in number than anticipated
  - Customer satisfaction levels were not significantly affected

Courtesy: MidAmerican Energy
ComEd’s Bill Redesign Transformation Process

Courtesy: ComEd
ComEd’s and EPB’s New Bill Formats

Go paperless with E-Bill—and get a one-time $10 credit

With EBill, your monthly EPB bill stays up in your email inbox—not your mailbox. Plus, if you enroll today, we’ll give you a $10 credit on your next bill. So leave paper, reduce mail clutter and get $10 in the process. When you receive your bill each month, just click on the link in the email to review your bill, pay it online, see your payment history and more.

Signing up is easy. Just call 423-648-EPB (370) or visit www.epb.net, sign in to “My Account” and click on “Electronic Bill Delivery.”

If you have any questions about your service, please call us at (423) 648-EPB (370) or visit www.epb.net.
Communications Top Performance
Digital Communications Channels Are More Satisfying Than Traditional Media

<table>
<thead>
<tr>
<th>Communications Satisfaction by Source</th>
<th>% Recall</th>
<th>Satisfaction Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility blog</td>
<td>2%</td>
<td>799</td>
</tr>
<tr>
<td>Utility social media site</td>
<td>2%</td>
<td>771</td>
</tr>
<tr>
<td>Text message</td>
<td>1%</td>
<td>751</td>
</tr>
<tr>
<td>Utility website</td>
<td>11%</td>
<td>710</td>
</tr>
<tr>
<td>Brochure</td>
<td>7%</td>
<td>682</td>
</tr>
<tr>
<td>Newspaper/magazine</td>
<td>7%</td>
<td>678</td>
</tr>
<tr>
<td>Email</td>
<td>18%</td>
<td>665</td>
</tr>
<tr>
<td>Television/radio</td>
<td>12%</td>
<td>665</td>
</tr>
<tr>
<td>Bill newsletter</td>
<td>23%</td>
<td>657</td>
</tr>
<tr>
<td>Statement message</td>
<td>16%</td>
<td>655</td>
</tr>
<tr>
<td>Direct mail</td>
<td>25%</td>
<td>640</td>
</tr>
<tr>
<td>Bill insert</td>
<td>44%</td>
<td>628</td>
</tr>
<tr>
<td>Other</td>
<td>2%</td>
<td>607</td>
</tr>
</tbody>
</table>

Recall Utility Communication?

Yes: 675
No: 624

Overall Satisfaction is 51 Points Higher
The Future is Digital

<table>
<thead>
<tr>
<th>Where noticed utility communications</th>
<th>TV/Radio</th>
<th>Bill Insert</th>
<th>Utility Website</th>
<th>Email</th>
<th>Utility Social Media Site</th>
<th>Text Message</th>
</tr>
</thead>
<tbody>
<tr>
<td>Younger than 25</td>
<td>17.2%</td>
<td>25.5%</td>
<td>17.1%</td>
<td>24.5%</td>
<td>6.2%</td>
<td>3.6%</td>
</tr>
<tr>
<td>25 to 34</td>
<td>13.2%</td>
<td>35.1%</td>
<td>15.8%</td>
<td>24.7%</td>
<td>5.3%</td>
<td>3.0%</td>
</tr>
<tr>
<td>35 to 44</td>
<td>12.0%</td>
<td>41.1%</td>
<td>13.0%</td>
<td>21.1%</td>
<td>3.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>45 to 54</td>
<td>11.7%</td>
<td>46.4%</td>
<td>10.4%</td>
<td>17.0%</td>
<td>1.2%</td>
<td>0.7%</td>
</tr>
<tr>
<td>55 to 64</td>
<td>11.7%</td>
<td>49.4%</td>
<td>9.3%</td>
<td>15.4%</td>
<td>0.8%</td>
<td>0.5%</td>
</tr>
<tr>
<td>65 years or older</td>
<td>10.4%</td>
<td>52.7%</td>
<td>8.1%</td>
<td>14.1%</td>
<td>0.6%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Prefer not to answer</td>
<td>13.1%</td>
<td>43.9%</td>
<td>9.9%</td>
<td>14.6%</td>
<td>2.3%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Study Average</td>
<td>12.2%</td>
<td>44.3%</td>
<td>11.4%</td>
<td>18.3%</td>
<td>2.4%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Respondents under 35 have the highest communication awareness from digital communications channels
What Has Consumers Energy Done to Increase Communications Awareness so Dramatically?

- Increased Advertising/Communications Budget
- Leverage and Prioritize Multiple Channels
- Use Data to Drive Communications
- Communicate Value
Corporate Citizenship Top Performance
Top Performers “Walk the Talk”

Focused On You
Walton EMC’s products and services reflect the lifestyles of our customer-owners.

We are customer-focused, striving to assure you get the most value for your energy dollar by providing competitive rates and a variety of products and services. As an ongoing leader in customer satisfaction, we work hard to find ways to make it easier and more convenient for you to do business with us.

Great customer service is at the heart of everything we do.

Vision Statement
Customers find doing business with us to be rewarding, easy, and pleasant. Innovative and cost-effective services inform our customers, enhance their convenience, and help them to conserve money and resources. We build durable relationships by addressing the unique needs of our customers. Our tightly-integrated operations provide reliable delivery of water and power and consistently accurate and timely service.

Our Commitment to You
At MidAmerican Energy, our commitment to you, the customer, is to deliver the exceptional personal service you deserve. If you aren’t satisfied, neither are we. That’s a promise.
Customers who believe that Georgia Power helps support the local economy have Overall Satisfaction 143 points higher.
Customer Service Top Performance
Customers Compare Your Website to Other Companies/Industries They Do Business With...

- I created an online account months ago but every time I go to log in, it says please try again later.
- I am very satisfied with their online and automated phone systems. They are convenient and easy to use.
- monthly bill is user friendly and their web site is outstanding for a utility company.
- easy to do business with online

less cluttered website and more accurate and useful information about usage and provider options
### Highest First Call Resolution

<table>
<thead>
<tr>
<th>Brand</th>
<th>First Call Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Illuminating Company</td>
<td>88%</td>
</tr>
<tr>
<td>Ameren Missouri</td>
<td>85%</td>
</tr>
<tr>
<td>SRP</td>
<td>85%</td>
</tr>
<tr>
<td>Westar Energy</td>
<td>85%</td>
</tr>
<tr>
<td>Duke Energy-Midwest</td>
<td>83%</td>
</tr>
<tr>
<td>Duquesne Light</td>
<td>83%</td>
</tr>
<tr>
<td>Central Maine Power</td>
<td>82%</td>
</tr>
<tr>
<td>Pacific Power</td>
<td>82%</td>
</tr>
<tr>
<td>Alabama Power</td>
<td>81%</td>
</tr>
<tr>
<td>OG&amp;E</td>
<td>81%</td>
</tr>
<tr>
<td>Portland General Electric</td>
<td>81%</td>
</tr>
<tr>
<td>Rocky Mountain Power</td>
<td>81%</td>
</tr>
<tr>
<td>Alliant Energy</td>
<td>80%</td>
</tr>
<tr>
<td>MidAmerican Energy</td>
<td>80%</td>
</tr>
</tbody>
</table>

First Call Resolution Increases Customer Service Satisfaction and Overall Satisfaction

**Overall Satisfaction**

- **1st Call**: 690
- **2 Calls**: 623
- **3-4 Calls**: 520
- **5+ Calls**: 503
- **Still unresolved**: 442

Large Brands Overall 74%
Press Releases: July 9, 2014

Salt River Project Contact Centers Recognized for Providing an Outstanding Customer Service Experience

9th Year in a Row

WESTLAKE VILLAGE, Calif.: 9 July — Salt River Project (SRP) has been recognized for contact center operation customer satisfaction excellence under the J.D. Power Certified Contact Center Program. The Certified Contact Center Program distinction acknowledges a strong commitment by SRP’s service contact center operations to provide “An Outstanding Customer Service Experience.” SRP achieved certification for the live phone channel (ninth consecutive year), including interactive voice response (IVR) routing and customer service representative (CSR), as well as for the IVR self-service and Web self-service channels (first year, respectively).

To become certified, the contact centers successfully passed a detailed audit of more than 100 practices that encompass their recruiting; training; employee incentives; management roles and responsibilities; and quality assurance capabilities. As part of its evaluation, J.D. Power conducted a random survey of SRP customers who recently contacted its contact centers in Mesa, Tempe and Queen Creek, Arizona.

“Congratulations to SRP on providing an outstanding customer experience and achieving the certified contact center designation for its live phone channel, IVR self-service channel and Web self-service channel,” said Mark Miller, senior director at J.D. Power. “To earn our certification for nine years running is impressive, and this year customers have confirmed that SRP’s Web self-service and IVR self-service channels also deliver a great experience.”

For certification status, a contact center must also perform within the top 20 percent of customer service scores, which are based on benchmarks established in J.D. Power’s cross-industry customer satisfaction research. The evaluation criteria include the customer service representative’s courtesy, knowledge and concern for the customer; promptness in speaking to a person; and timely resolution of the problem or request. Additionally, the experience with the automated phone system is evaluated based on the clarity of the information provided, the ease of navigating the phone menu
Alabama Power and Social Media

- @AlabamaPower on Twitter
- AlabamaPower on Facebook

Please be careful about sharing your address, phone number or account number in public tweets or posts. We are happy to assist you in private channels, where your personal information is more secure.

Social Media "Business Hours":

<table>
<thead>
<tr>
<th>Day</th>
<th>Sign on</th>
<th>Sign off</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sun</td>
<td>8 a.m.</td>
<td>9 p.m.</td>
</tr>
<tr>
<td>Mon</td>
<td>7 a.m.</td>
<td>10 p.m.</td>
</tr>
<tr>
<td>Tue</td>
<td>7 a.m.</td>
<td>10 p.m.</td>
</tr>
<tr>
<td>Wed</td>
<td>7 a.m.</td>
<td>10 p.m.</td>
</tr>
<tr>
<td>Thu</td>
<td>7 a.m.</td>
<td>10 p.m.</td>
</tr>
<tr>
<td>Fri</td>
<td>7 a.m.</td>
<td>10 p.m.</td>
</tr>
<tr>
<td>Sat</td>
<td>8 a.m.</td>
<td>9 p.m.</td>
</tr>
</tbody>
</table>

Alabama Power’s social media response starts with a dedicated Online Service and Support team, with responsibility for both email inquiries and social media mentions from customers. The team anchors a schedule that covers Facebook and Twitter from 7 a.m. until 10 p.m. on weekdays, and 8 a.m. until 9 p.m. on weekends.
Communicating with them is like talking with a wall. It is impossible to get in touch with a real live person with a complaint or an issue. They are rude on the phone. The website is lousy. The smart meters are useless as they never told us how to use them or what they are for, they just sent letters saying how great it was that smart meters are here.

Improve reliability utility wide, purchase more energy from renewable resources  
restoring power faster after storms

They need to GREATLY improve their reliability. Then communicate effectively what they are doing to improve reliability...

Less outage. More customer service.  
would love to see daily energy usages, instead of just monthly

Better communication. More effort to cut tree branches from power lines to prevent outages

Customer Comments: What Maryland and DC Utilities Need to Improve?

More involvement with non-profit organizations in the community. Performing community service and listening and genuinely acting on the concerns of its customers. Be more visible in community sponsored events.

Friendlier employees

Price is the most important. Recovering quicker from power outages is key. I was without power for 4 days during Sandy. Also - I want to enroll in the cycling level but am concerned my family and pets may not be comfortable during the peak savings days.

Price, reliability (fewer non-weather-related power outages), improved accuracy of outage information (don't provide unrealistic restore times before the cause of the problem has even been identified)

send emails or notifications to give helpful information if the bill seems higher usage then normal

Better response time to concerns communicated in the past...ie. extensive power outages, better cost analyses...we also use deregulated energy & bills are still astronomical!
When in the neighborhood technicians are professional and answer questions. They respond as quickly as possible to outages.

We've had hurricanes. We've had a Dorecho. We've had massive snow storms. We very rarely lose power. I like that they send me information on how much energy I'm using compared with others in the neighborhood and provide suggestions on how to conserve energy.

They handle any problem I might have quickly, representatives are polite and knowledgable, involved in community, service is rarely interrupted, and keep me informed of options I have with updated equipment and suggestions regarding energy efficiency.

They are prompt in coming out to fix an outage and work through the night to get it back on.

They have earned my loyalty for life. Consistant service, superior quality products, excellent customer service. They even assisted me through a job loss when I had trouble paying my bill, and I have never had any kind of disruption/interruption of any kind.

Outages are rare and usually caused by really bad weather or an accident and when the power goes out it is restored quickly. Can view the outage map on a smartphone and the map provides an estimate of when power will return.

Their android app is a lifeline when power is out. They are also very prompt restoring power in the worst snowstorms or after hurricanes.

Their presence is constantly seen through work trucks in our general community area. I also like that they are trying to build off shore wind turbines.

They have a simple system to notify and get info during outages. Their android app is a lifeline when power is out. They are also very prompt restoring power in the worst snowstorms or after hurricanes.

I feel that they are a caring company that tries to respond to any issues as quickly as possible

They have always done good by me.

I feel that they are a caring company that tries to respond to any issues as quickly as possible

They really seem to be working to improve their customer service and increase their contributions to the local community. Our power lines are underground so we rarely have any problems with outages but they seem to be working very hard to resolve issues with other customers as they arise.
Wrap Up
All Factors Impact Utility Customer Satisfaction

- Power
- Quality & Reliability
- Communications
- Price
- Billing & Payment
- Corporate Citizenship
- Customer Service
- Overall Customer Satisfaction
Key Ingredients for Improvement

How have other companies improved?

- Mandated and led from the top
- Scorecard with leading and trailing indicators
- Customer satisfaction tied to incentives at all levels
- Prioritization of improvement efforts based on volume, negative customer and financial impact, complexity and investment required
- Two-three year plan focusing on handful of top priorities at a time
- Select initiatives based on factor weights (importance) from the customer’s perspective and lowest incremental cost to fix
- Set goals and targets relative to Industry average first, then top performers when ready
- Limit action items and focus on execution
- Don’t expect improvement over night but fully expect commitment to the plan
- JD Power team is available to provide guidance and help along the way.
SRP...Rewarding, Easy and Pleasant

Vision Statement

Customers find doing business with us to be rewarding, easy, and pleasant. Innovative and cost-effective services inform our customers, enhance their convenience, and help them to conserve money and resources. We build durable relationships by addressing the unique needs of our customers. Our tightly-integrated operations provide reliable delivery of water and power and consistently accurate and timely service.
Key Areas to Focus Satisfaction Efforts

• Engage and energize every employee on the importance of Customer Satisfaction
  • Celebrate wins, share stories and examples
• Raise the bar on performance
  • Hold people/departments responsible
  • No more excuses
• Communicate, Communicate, Communicate...
  • Detailed communications calendar
  • Maximize usage of email and text communications
• It’s about value, not just price
  • Price options, energy savings programs, environmental initiatives, investment in infrastructure
• Review processes/procedures that impact customers and make changes to improve the experience
“One of the profound lessons I have learned is that customer satisfaction is a moving target. You can never declare victory.”

Satisfaction – How Every Great Company Listens to the Voice of the Customer

-J.D. Power III
Questions