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J.D. POWER

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Missouri Public
Service Commission

Press Release

Customer Engagement Drives Electric Utility Business Customer Satisfaction to Record High

Satisfaction Improves across All Factors, with Largest Gains in Price and Communication

COSTA MESA, Calif.: 11 Jan. 2017 — Electric utility providers are communicating with more of their business customers, more often and in more ways, and their efforts are resulting in record-high levels of satisfaction, according to the J.D. Power 2016 Calendar-Year Electric Utility Business Customer Satisfaction Study,SM released today.

The study,¹ now in its 18th year, measures satisfaction among business customers of 87 targeted U.S. electric utilities, each of which serves more than 40,000 business customers. In aggregate, these utilities provide electricity to more than 11 million customers. Overall satisfaction is examined across six factors (listed in order of importance): power quality and reliability; corporate citizenship; price; billing and payment; communications; and customer service. Satisfaction is calculated on a 1,000-point scale.

Overall satisfaction among electric utility business customers improves for the fourth consecutive year to a record high of 755 points, a significant increase over the last two studies (704 and 677, respectively). Satisfaction improves significantly in each of the six factors, with the largest year-over-year increases in price (+60 points), communications (+56) and customer service (+55).

"Utilities are really beginning to understand the importance of engagement with their business customers, which is reflected in increased communication," said **John Hazen, director in the utility & infrastructure practice at J.D. Power**. "Business customers expect their utility to do more than just keep the lights on. In the absence of communication, which creates a void of critical information such as the status of outages, customers may not recognize the good things their utility is doing for the economy, the community and the environment. Proactive engagement creates awareness, which leads to higher satisfaction."

The study finds that 52% of business customers recall at least one communication from their utility in the past six months, up from 49% last year. The topics of those communications range from billing to energy conservation tips to customer service, and the delivery method varies from direct mail to in-person visits from a utility representative. Further, there is an increase in communications via email, the utility provider's social media site and text messaging, compared with the 2016 study.

"It's remarkable how utilities have improved as an industry in understanding the importance of being customer-focused," Hazen said. "In doing so, they hope to not only improve their financial performance, but also to be viewed more favorably by regulators. Furthermore, business customers are also more supportive of the investment plans utilities have in such projects as updating or developing their infrastructure."

¹ Formerly known as the J.D. Power Electric Utility Business Customer Satisfaction StudySM

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Study Rankings

Within each of the four geographic regions included in the study, utility providers are classified into one of two segments: large (serving 85,000 or more business customers) and midsize (serving 40,000-84,999 business customers).

Among the eight providers that rank highest in their respective regions in this study, half also ranked highest in the previous study. Additionally, the average satisfaction score improves in each of the eight segments, with the largest increases in the south midsize (+61 points) west midsize (+56) segments.

The following utilities rank highest in business customer satisfaction in their respective regions:

- East Large: **Con Edison**
- East Midsize: **Met-Ed**
- Midwest Large: **Ameren Missouri**
- Midwest Midsize: **Louisville Gas & Electric**
- South Large: **Georgia Power**
- South Midsize: **Gulf Power**
- West Large: **Salt River Project**
- West Midsize: **Seattle City Light**

Key Findings

- **Power Outages:** In the past six months, business customers have experienced an average of 1.9 brief power interruptions (five minutes or less) and 1.2 lengthy outages (longer than five minutes), virtually unchanged from the previous study, yet the average duration of the longest outage has increased to 13.7 minutes from 11.9 minutes. Thunderstorms are by far the most common cause of the longest outages (26%), followed by snow and ice (12%).
- **Alerts:** The study finds more customers nationally have signed up for outage alerts and bill alerts than the previous study. In this study, more than 50% have signed up for outage alerts and 66% are receiving monthly bill alerts.
- **Corporate Citizenship Efforts:** Utility providers continue to ramp up their efforts to be good corporate citizens. For example, 70% of business customers say their electric utility provider supports economic development of the local community; 30% have seen utility employees volunteering or working in their community; and 43% are aware of their utility provider's efforts to improve its effect on the environment.

The 2016 Calendar-Year Electric Utility Business Customer Satisfaction Study is based on responses from more 20,000 online interviews with business customers who spend at least \$200 a month on electricity. The study was fielded from February through June 2016 and July through November 2016.

See the online press release at <http://www.jdpower.com/pr-id/2017004>.

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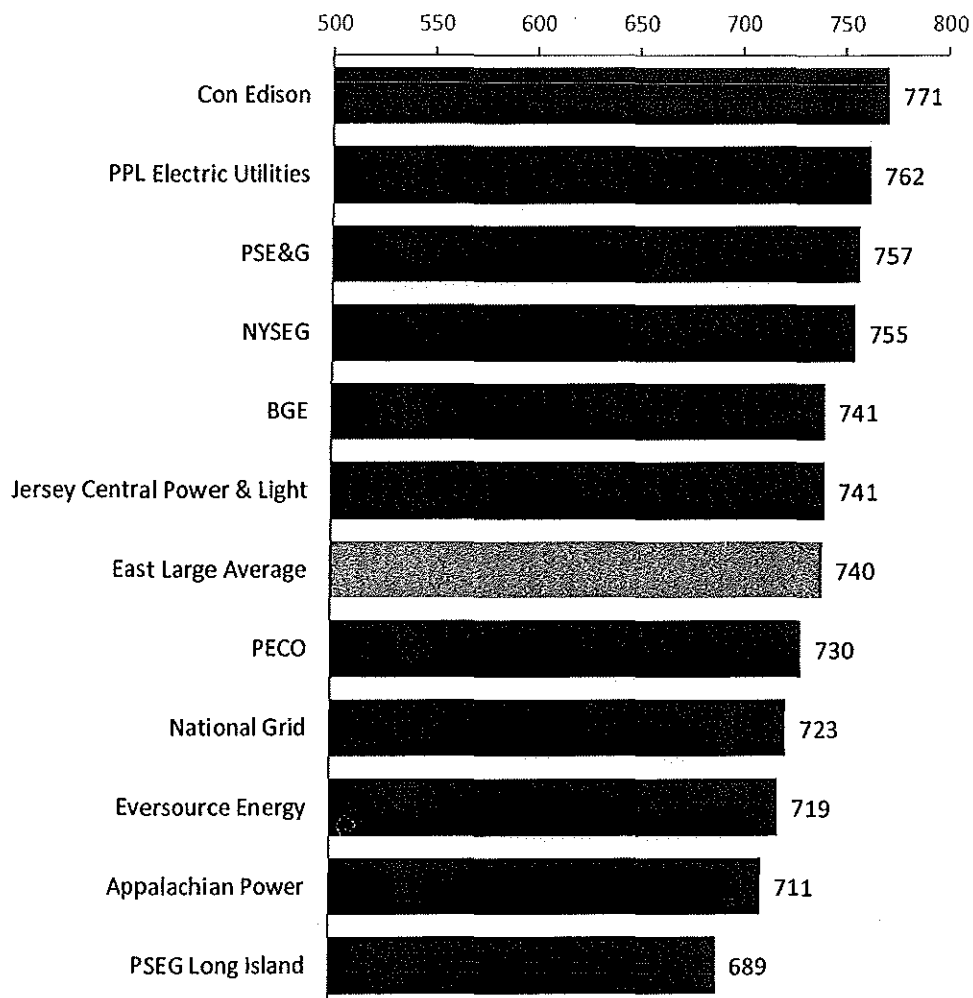
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Note: Eight charts follow.

J.D. Power 2016 Calendar-Year Electric Utility Business Customer Satisfaction StudySM

East Region: Large Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



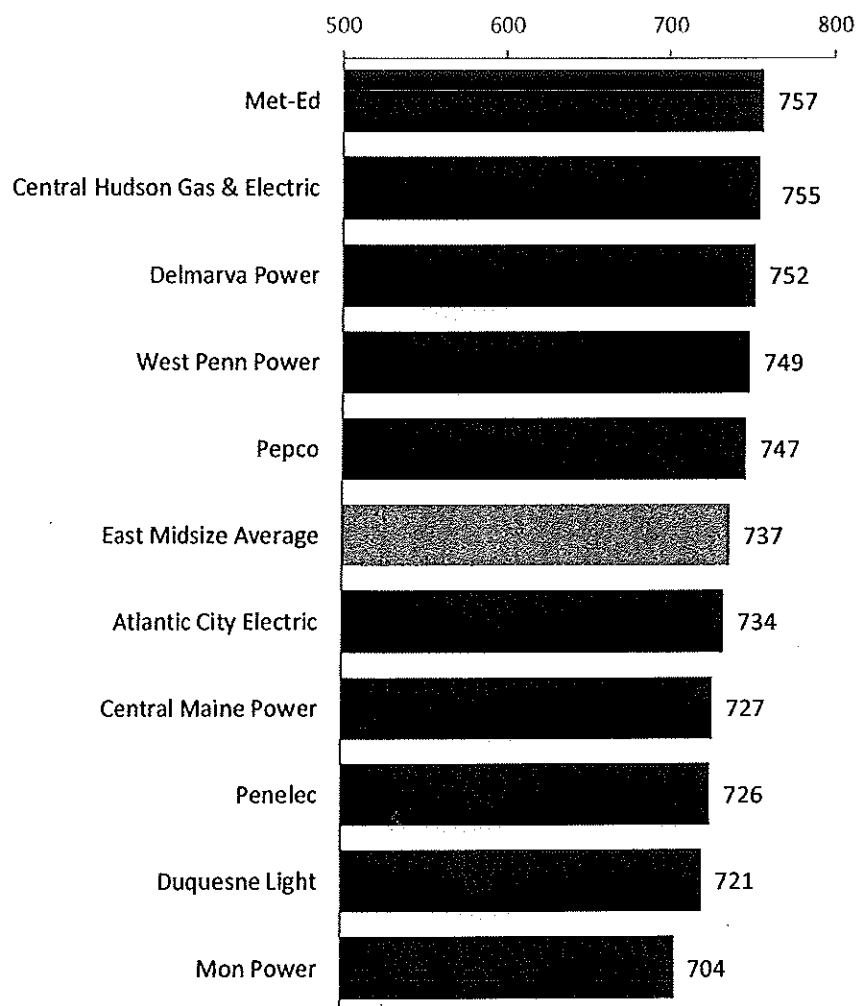
Source: J.D. Power 2016 Calendar-Year Electric Utility Business Customer Satisfaction StudySM

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East Region: Midsize Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



Note: Included in the study, but not ranked due to insufficient sample size is Potomac Edison.

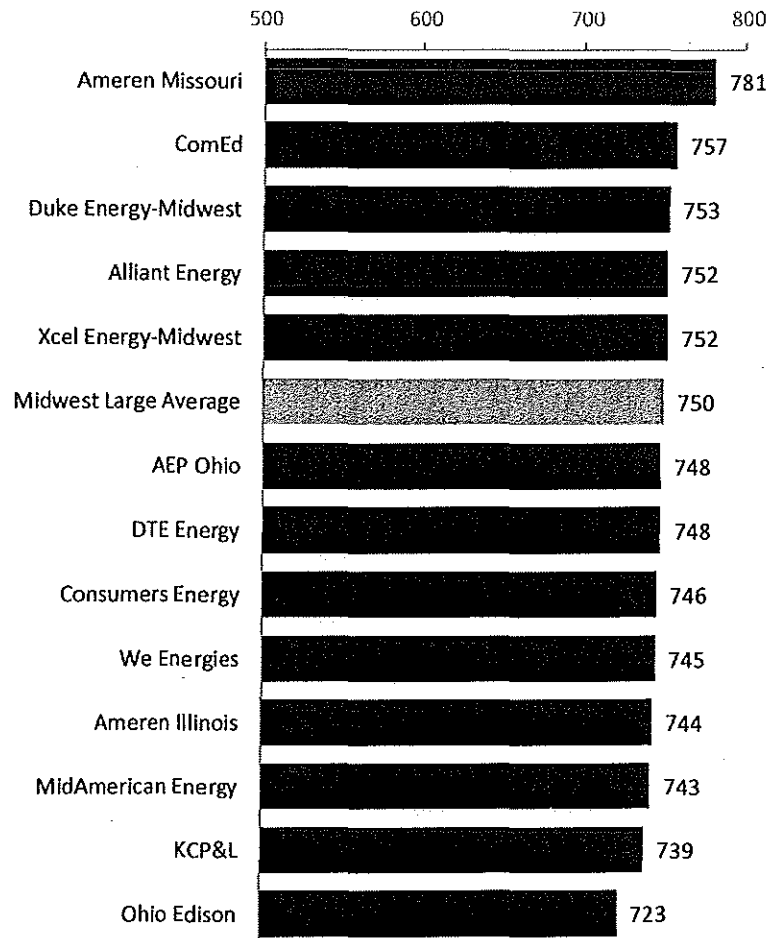
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Midwest Region: Large Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



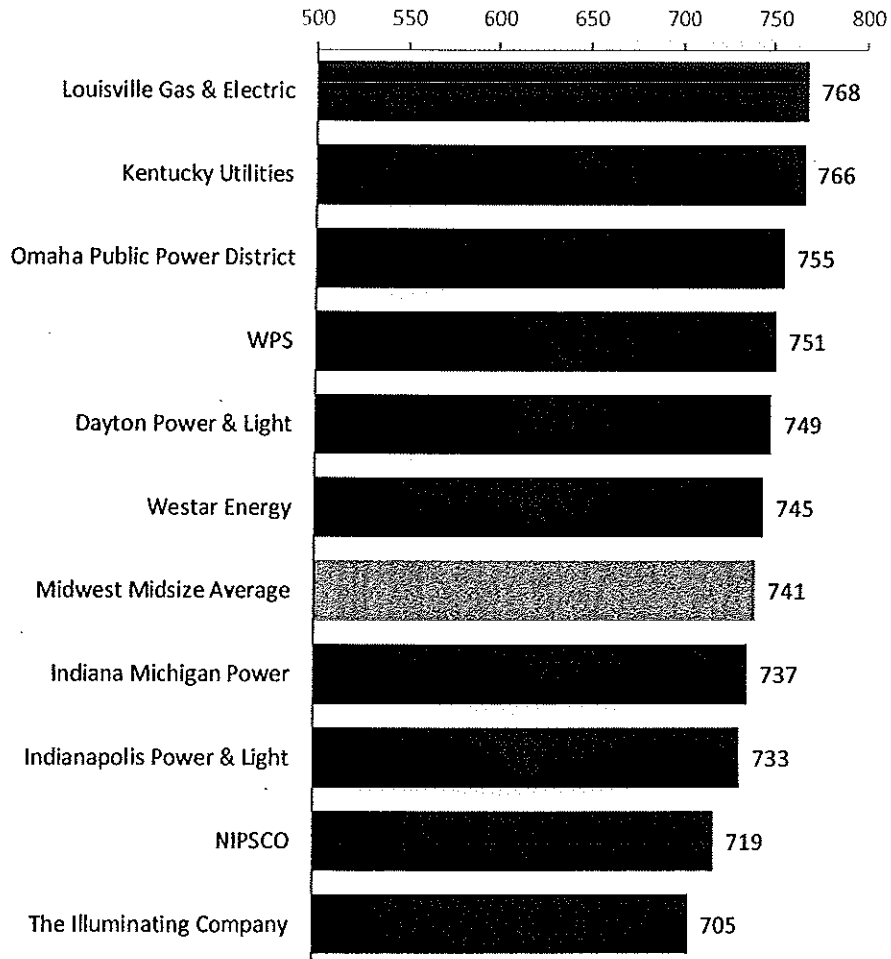
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Satisfaction StudySM

Midwest Region: Midsize Segment
Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



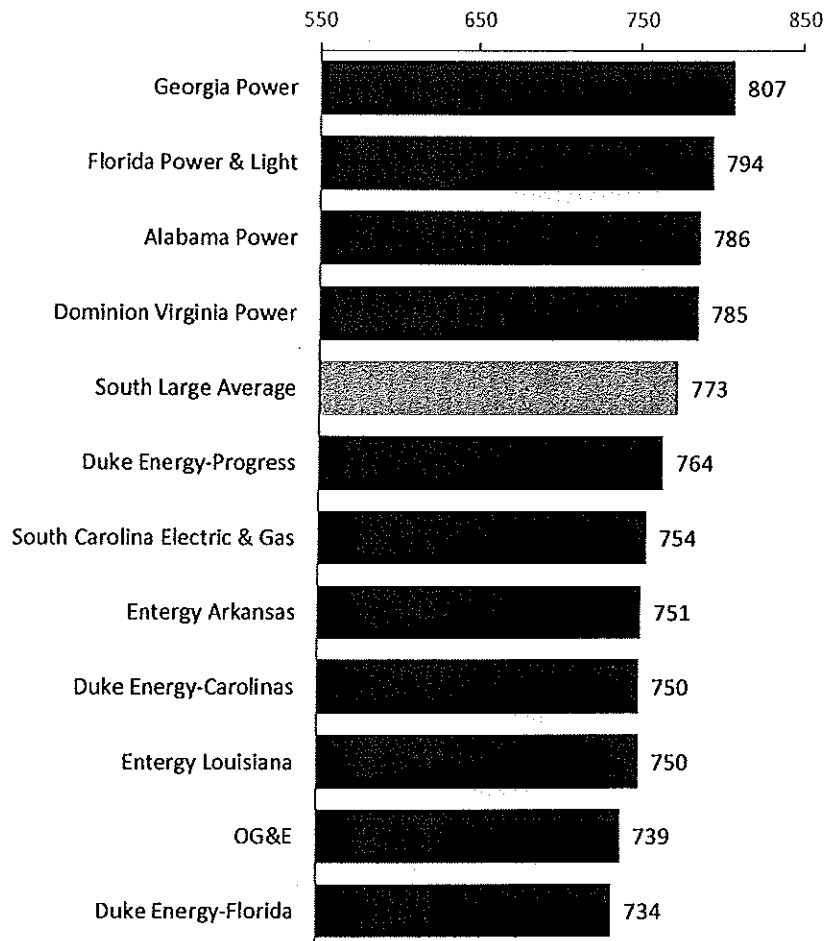
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South Region: Large Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



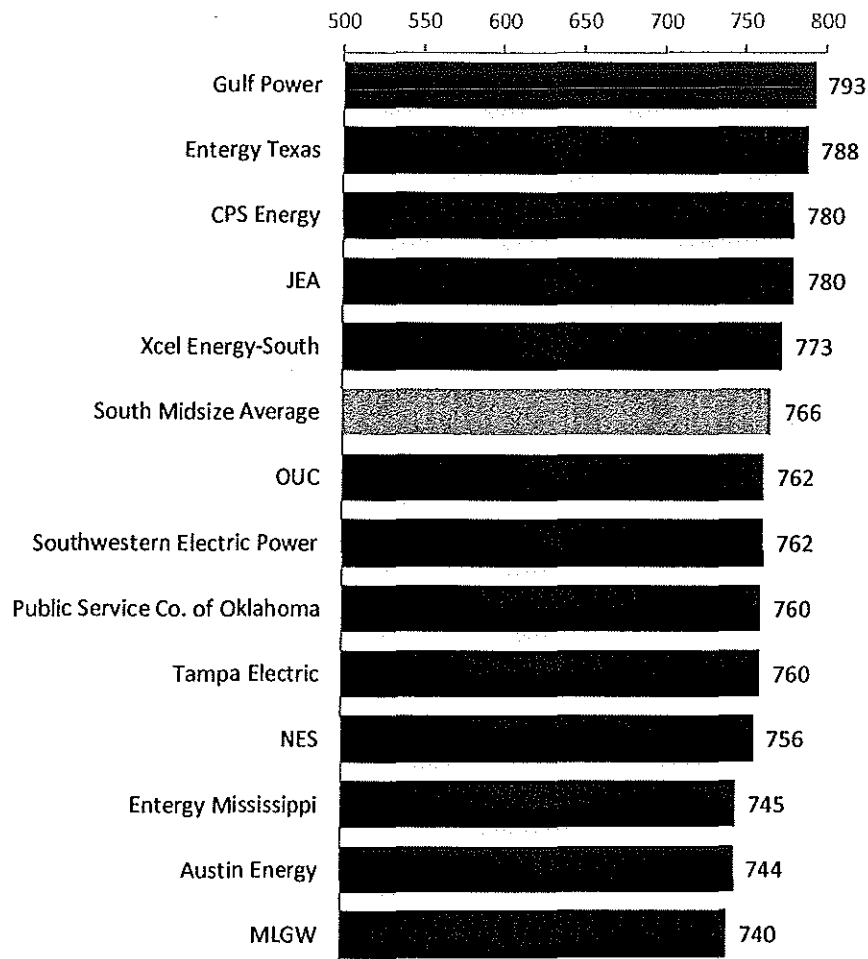
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2016 Calendar-Year Electric Utility Business Customer
Satisfaction StudySM

South Region: Midsize Segment
Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



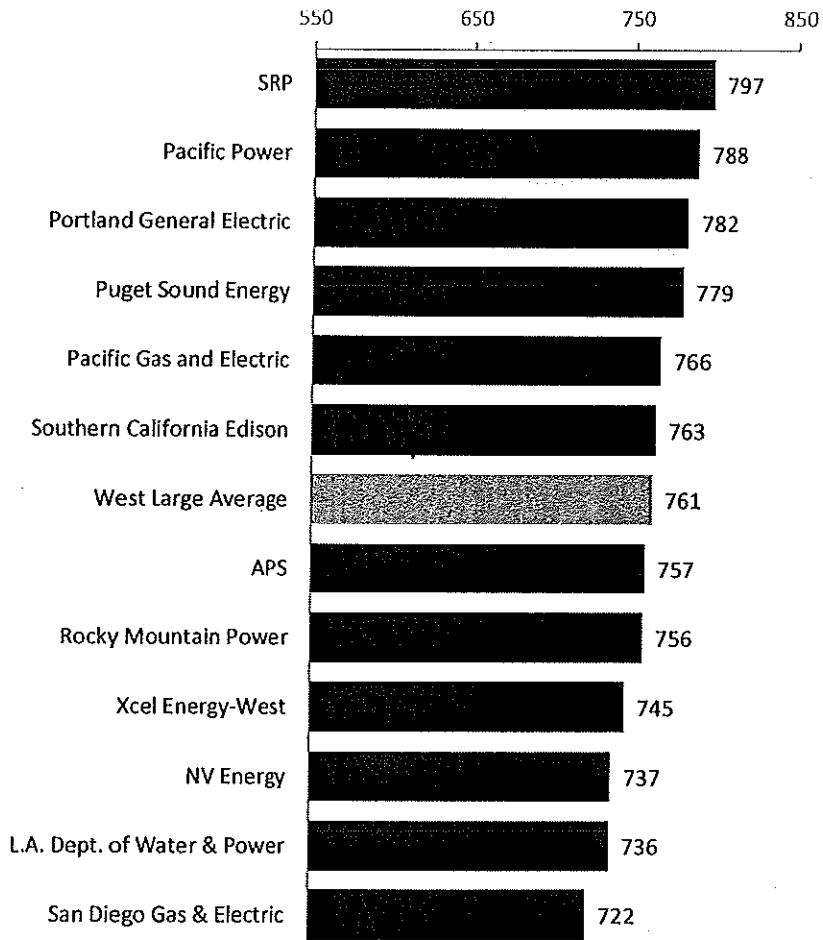
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West Region: Large Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



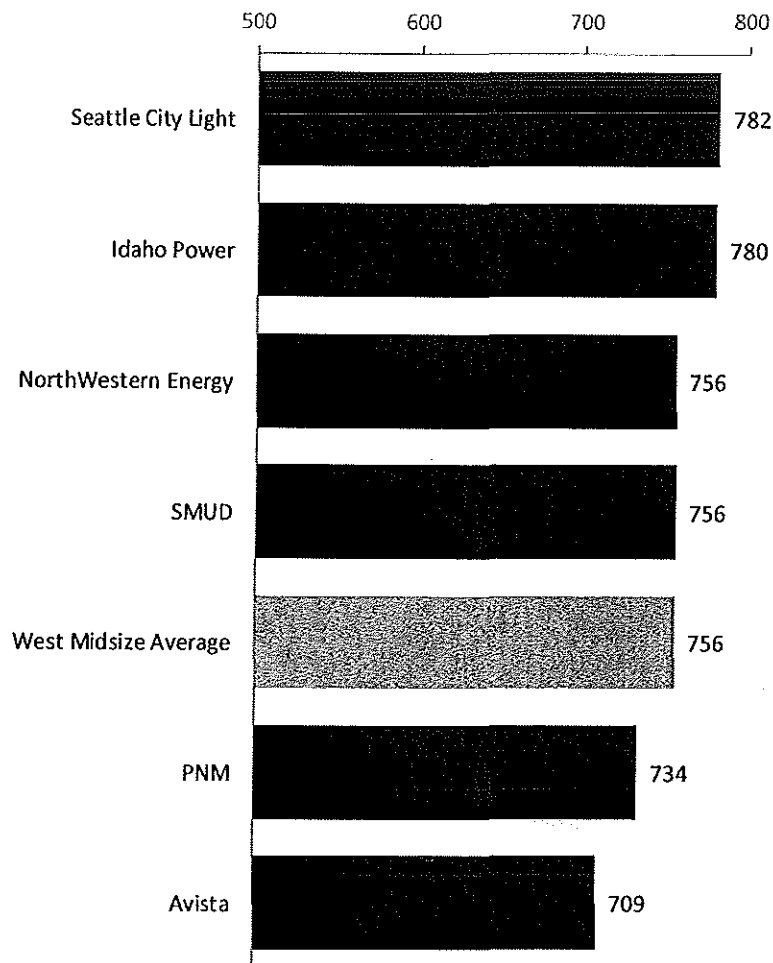
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West Region: Midsize Segment Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



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