

# TSE Services



Touchstone Energy®

## Edgecombe Martin County EMC ACSI Analysis for 4th Quarter 2004

The American Customer Satisfaction Index (ACSI), established in 1994 through a partnership of the University of Michigan Business School, the American Society for Quality (ASQ), and the international consulting firm, CFI Group, provides a uniform and independent measure of consumer experience with 190 of the leading corporations in America. The ACSI tracks trends in customer satisfaction and has proven to be a powerful economic indicator for companies, industry trade associations, and government agencies.

In cooperation with Touchstone Energy, TSE Services fields four core questions from the ACSI on behalf of cooperatives participating in its Member Satisfaction Tracking System. Responses to these core questions are submitted to the ACSI for scoring, allowing participating cooperatives to compare their performance with the leading corporations across the economic spectrum. Each cooperative receives an overall ACSI Satisfaction Score and Customer Retention Index from ACSI. These scores are reported confidentially but can be published by the cooperative at its discretion with ACSI endorsement.

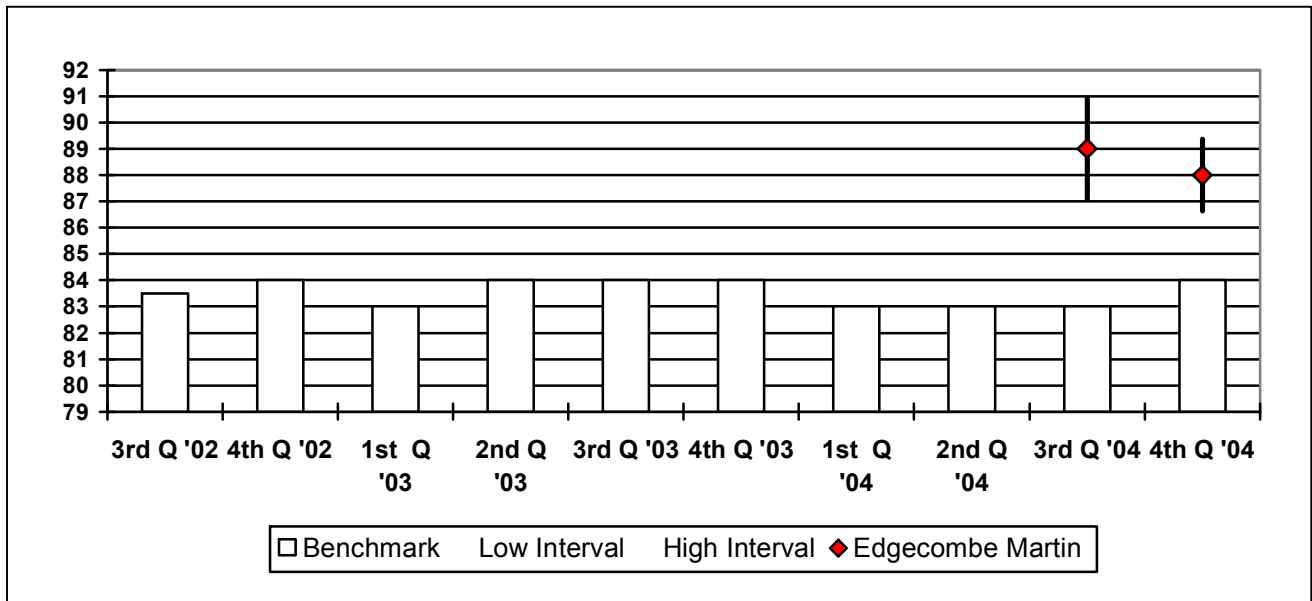
In the second quarter of 2003, the ACSI changed its sampling methodology to improve the stability of its scoring process. While the ACSI continues to update its scores for companies on a quarterly basis, the data used in the analysis is collected over a six-month period, made up of the current quarter and the previous quarter. To ensure that the scores provided to the participants in TSE Services Member Satisfaction Tracking System is contemporaneous with the ACSI measured companies, TSE services has begun submitting data to the University of Michigan on this same rolling six month basis.

4th Q 2004 ACSI Scores (95% Confidence Level)	ACSI Overall Satisfaction	ACSI Retention Index	Sample Size	Plus or Minus Error
Edgecombe Martin	88	84	500	1.6%
TSE Services Group	84	80	13422	0.3%
Touchstone Energy Co-ops	80	77	250	1.5%
Top Investor Owned Utility	78	79	250	1.5%
Industry Average	72	70	na	na

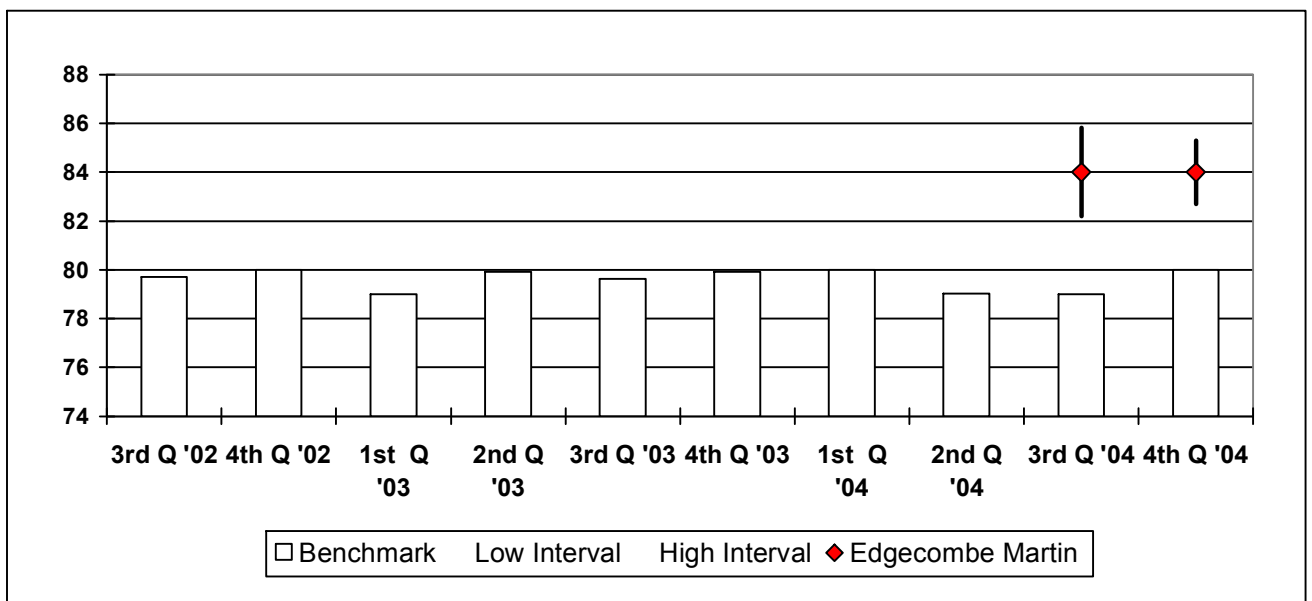
The following charts show the ACSI Overall Satisfaction Score and the ACSI Retention Index for the current reporting period as well as the historical data from the 3<sup>rd</sup> quarter of 2002. The ACSI Score is an index on a 100-point scale. The ACSI Retention index can be interpreted as a percent of customers that would be retained in a competitive choice environment.

Values are shown for the TSE Services benchmark group against the results for Edgecombe Martin County EMC with high and low intervals to reflect the level of statistical confidence that the sample population is representative of the overall membership of Edgecombe Martin County EMC.

**ACSI Score: Edgecombe Martin County EMC vs TSE Services Benchmark**



**ACSI Retention Index: Edgecombe Martin County EMC vs TSE Services Benchmark**



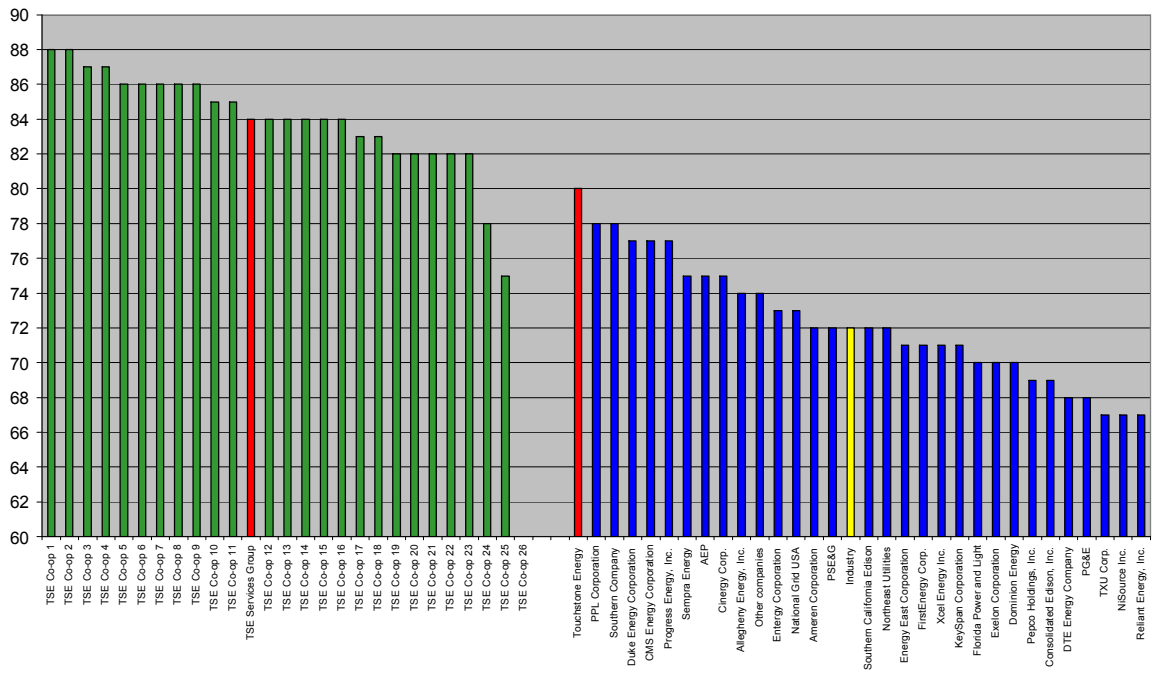
The graphs on the following page compare the ACSI scores for investor owned electric utilities, Touchstone Energy Cooperatives nationwide and TSE Services Member Satisfaction System participants (TSE Services Group). The identity of the individual cooperatives have been masked. To identify your position in the chart, refer to the scores reported on page one.

The graphs on page 3 summarize the ACSI scores for Overall Satisfaction. Figure 1 shows the ACSI satisfaction scores for each sample, sorted by TSE Services Group and benchmark utilities. Figure 2 shows the distribution of satisfaction scores by market segment.

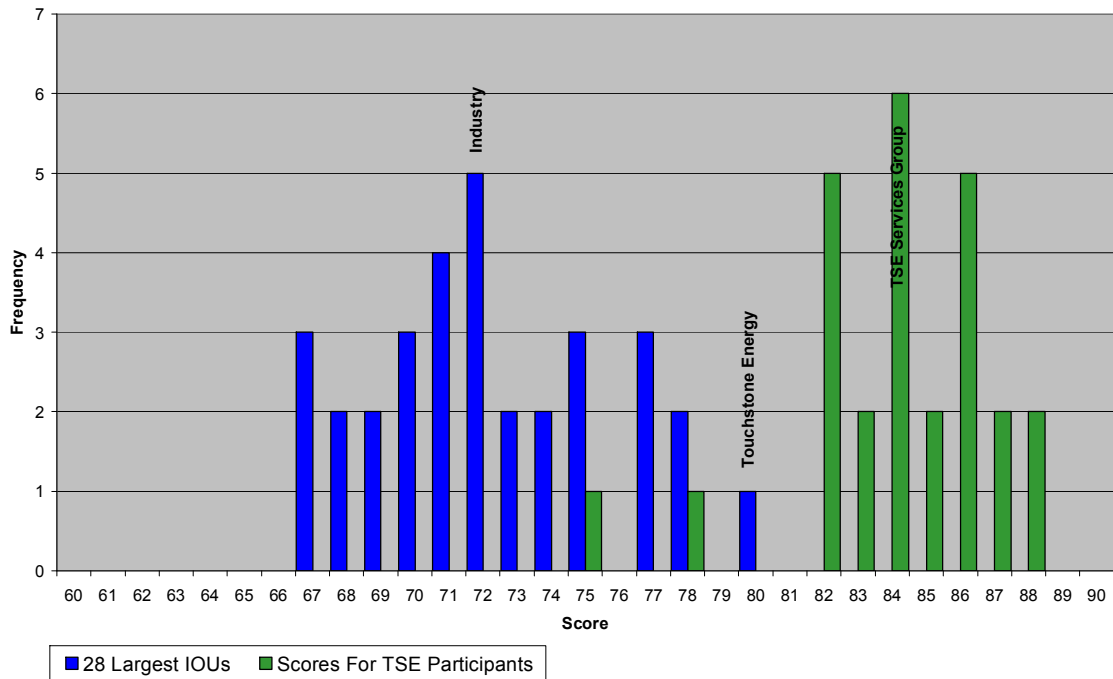
The graphs on page 4 summarize the ACSI Customer Retention Index. Figure 3 shows the ACSI Retention Index for each sample, sorted by TSE Services Group and benchmark utilities. Figure 4 shows the distribution of the ACSI Retention Index by market segment.

Following the figures on pages 3 and 4, Edgecombe Martin County EMC's results for the four questions comprising the ACSI battery are provided along with benchmark data from the pool of cooperatives in the TSE Services Group.

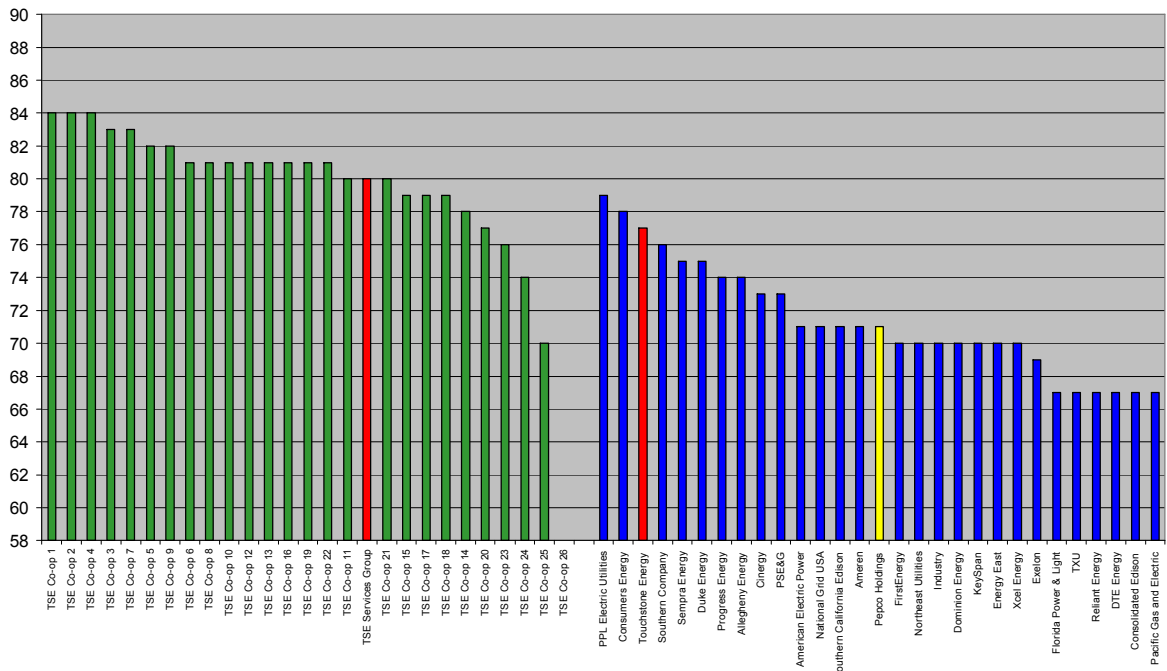
**Figure 1**  
ACSI Overall Satisfaction Index: 3rd - 4th Q 2004



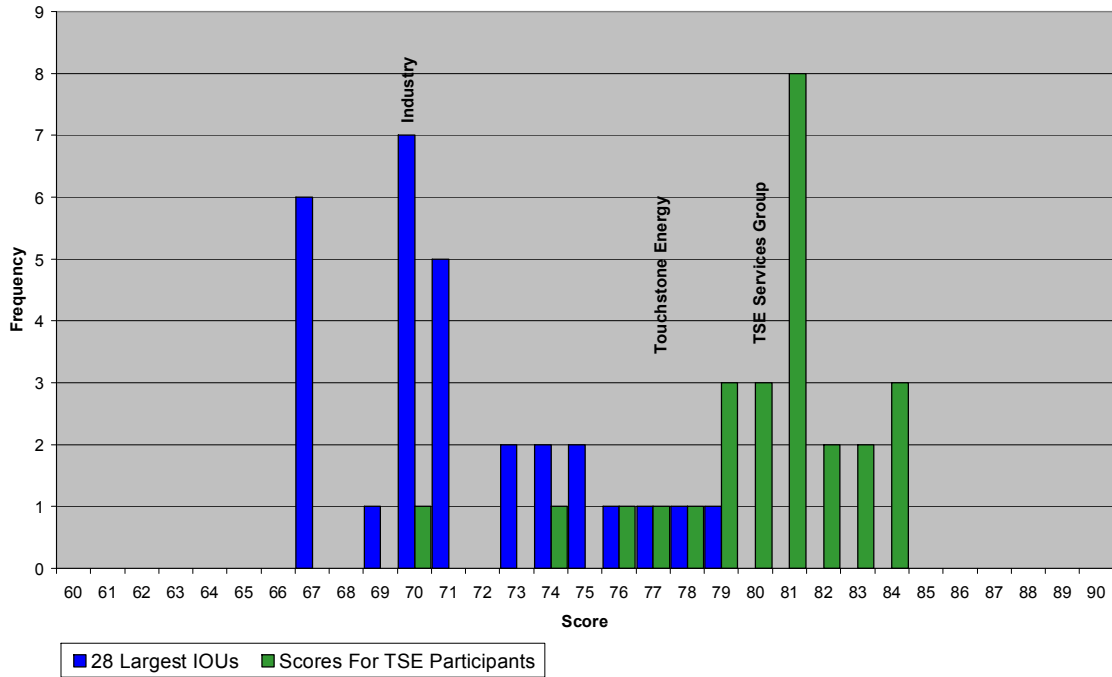
**Figure 2**  
ACSI Overall Satisfaction Index: 3rd - 4th Q 2004



**Figure 3**  
ACSI Retention Index: 3rd - 4th Q 2004



**Figure 4**  
ACSI Retention Index: 3rd - 4th Q 2004



## Appendix: ACSI Battery

The four questions that make up the ACSI battery are included as part of the core TSE Services instrument that is used with all survey respondents. The first of the ACSI questions (Q4 in the TSE Services instrument) is designed to measure the current level of satisfaction with the cooperative. The wording used by ACSI is very similar to the first question in the original TSE Services instrument. Comparing the results of the initial satisfaction measure in Q1 with the subsequent ACSI question in Q4 allows us to determine whether there is a significant change in perceived satisfaction after the respondent has considered the issue in detail.

**Q4** First, please consider all your experiences to date with Edgecombe Martin County EMC. Using a 10-point scale on which "1" means "very dissatisfied" and "10" means "very satisfied," how satisfied are you with Edgecombe Martin County EMC?

The second ACSI question (Q5 in the TSE Services instrument) is designed to determine whether the cooperative has fallen short or exceeded the customer's expectations. The ACSI expectations question follows a detailed assessment of the cooperative's performance relative to expectations on nine service elements (Q3). As such, the results to Q5 provide an overall perception of performance relative to expectations and help summarize the detailed results from Q3.

**Q5** To what extent has Edgecombe Martin County EMC fallen short of your expectations or exceeded your expectations? Using a 10-point scale on which "1" now means "falls short of your expectations" and "10" means "exceeds your expectations," to what extent has Edgecombe Martin County EMC fallen short of or exceeded your expectations?

The third ACSI question (Q6 in the TSE instrument) is designed to compare the cooperative to the customer's idea of the ideal utility. Respondents are asked to indicate whether the cooperative is not very close to the ideal or very close to the ideal.

**Q6** Forget Edgecombe Martin County EMC for a moment. Now, I want you to imagine an ideal utility company. (PAUSE) How well do you think Edgecombe Martin County EMC compares with that ideal utility company? Please use a 10-point scale on which "1" means "not very close to the ideal," and "10" means "very close to the ideal".

The fourth ACSI question (Q7 in the TSE instrument) is designed to determine how likely it is that the respondent would choose the cooperative again if allowed to choose among utilities.

**Q7** For the next question, assume, for the moment, that you could choose from among more than one utility company. The next time you are going to choose a utility company, how likely is it that it will be Edgecombe Martin County EMC again? Using a 10-point scale on which "1" means "very unlikely" and "10" means "very likely," how likely is it that it will be Edgecombe Martin County EMC again?

The following charts show the results of the initial response to overall satisfaction and results of the four questions in the ACSI battery relative to the benchmark from the TSE Services' Group.

As can be seen from the data, Edgecombe Martin County EMC's results are statistically superior to the benchmark data and little difference is seen between the two overall satisfaction questions.

**ACSI Battery: Edgecombe Martin County EMC vs TSE Services Benchmarks**

