

May 19, 2014

Alagasco Public Awareness Evaluation

Prepared by Barry E. Moman – Manager Risk Assessment & Damage Prevention

Executive Summary

Pursuant to the requirements of 192.616, API RP 1162 and its plan, Alagasco is required to assess the effectiveness of its Public Awareness Program by June 20, 2014. The program is divided into three components based on stakeholder audiences:

1. Customers – receive a Natural Gas Safety Tips brochure as a bill insert twice annually (April and October). Due to the increasing number of electronic bill customers, a special mailing was developed and completed in May, 2014 to send a similar safety message to the 65,000 +/- customers that receive an electronic bill rather than a paper bill. This additional mailing will also be completed twice annually (April and October) in the future, and will be incorporated into our permanent Alagasco Public Awareness Plan.
2. Non-customers – receive an annual safety brochure if they reside or operate a business within a certain distance of an Alagasco pipeline, via our partnership with Paradigm.
3. Emergency officials, excavators, public officials – invited to participate in annual “zone” pipeline safety meetings throughout the state and within the Alagasco service area, administered by Alabama811 through the Alabama Public Awareness Cooperative Training (APACT) program. Those individuals invited to the meeting but who do not attend, are mailed the information handed out at the meeting.

API 1162 requires an operator to evaluate the effectiveness of its Public Awareness Program to determine whether it meets the two required objectives: 1) Public Awareness of Pipelines and 2) Prevention and Response (per Section 2.1 of API RP 1162). In addition, four performance measures are required:

1. Measure 1 – Outreach – Percentage of Each Intended Audience Reached with Desired Messages
2. Measure 2 – Understandability of the Content of the Message
3. Measure 3 – Desired Behaviors by the Intended Stakeholder Audience
4. Measure 4 – Achieving Bottom-Line Results

Using three types of surveys, one via the APACT program (annually), another with Paradigm (non-customers- annually) and another using the services of Gatesman+Dave (a baseline survey in 2007 and a follow-up survey in 2010 & 2014), Alagasco has evaluated the effectiveness of its Public Awareness Program as noted below. Based on the results of the surveys, no significant changes to the program are necessary. For 2014 Alagasco has decided to improve the existing program by including additional action items such as the special mailing for electronic bill customers described above.

May 19, 2014

Alagasco Public Awareness Evaluation

Prepared by Barry E. Moman – Manager Risk Assessment & Damage Prevention

Public Awareness Program Effectiveness Evaluation

Measures 1 through 3 – Outreach, Content Understandability and Behavior

Customer and Non-Customers

Alagasco used Questfore to evaluate the effectiveness of its program to customers and non-customers with phone surveys in August 2007 and June 2010. Questfore was acquired by Gatesman+Dave in 2012. Alagasco used Gatesman+Dave to perform the program evaluation in April 2014 using the same baseline questions used in previous surveys by Questfore. These surveys were designed to evaluate Measures 1-3 as noted in the Executive Summary – Outreach, Content Understandability and Behaviors. The results of the 2007, 2010 and 2014 are contained in the vendor evaluation reports but the relevant changes from 2007 and 2014 are noted below.

Item/Question	% Change between 2007 and 2014 Survey		
	Customer	Non-Customer	All
Number of attempts (2007 =15,321 and 2014 = 15,346)			
Number of respondents (2007=1302 and 2014 = 936)			
Received info on natural gas safety last 12 months?	3.6%	-2.7%	1.9%
Received information with gas bill?	1.3%	-4%	-1%
Heard about gas safety on radio or TV?	10.5%	-2.3%	8.6%
Read newspaper articles on natural gas?	4.2%	3.4%	3.7%
Know how to smell natural gas leak?	2%	13.2%	1.3%
Heard you must call before you dig?	-1.6%	20.6%	-0.09%
Leave Home/Call from neighbor's phone if leak?	-0.9%	11.5%	-0.35%
Know Alagasco phone number?	0.7%	-11%	-9.4%
Have adequate gas safety information?	-0.7%	0.12%	-0.06%
Natural Gas Industry has adequate public awareness?	3.3%	-3.3%	2.6%

May 19, 2014

Alagasco Public Awareness Evaluation

Prepared by Barry E. Moman – Manager Risk Assessment & Damage Prevention

Based on these results, there were improvements in most of the categories between 2007 and 2014. Customers seemed more knowledgeable about natural gas safety. Although the results are encouraging, there is still room for improvement especially with the non-customer group having more knowledge about Alagasco including knowing our phone number. There was a dramatic improvement in the awareness of Alabama811 and the call before you dig number among non-customers (up over 20%). Pipeline Risk Management will continue to work with the Corporate Communications department to determine ways to enhance non-customers' awareness of Alagasco and our phone number.

Non-Customers – Paradigm

Through its partnership with Paradigm, Alagasco has approved a safety brochure that is mailed annually to non-customers. The results are summarized in annual reports provided to Alagasco by Paradigm. In 2013, a total of 346,645 brochures were mailed with a response card attached with the following questions and results.

1. Do you know how to recognize a pipeline leak? Change between 2012 and 2013 = 2%
2. Have you ever heard of 811? Change between 2012 and 2013 = 6%
3. Would you call 911 in the event of an emergency? Change between 2012 and 2013 = No Change
4. If you were planning on digging would you call 811? Change between 2012 and 2013 = 4%.

The results indicate that more non-customers believe they have adequate information about natural gas safety, the other measures for 2013 also show slight improvement over 2012. The past results will be compared to the 2014 program results and then evaluated internally and with Paradigm to make any needed program changes.

APACT Evaluations

Through Alabama811's APACT program, excavators, emergency responders, and public officials are targeted with an annual education meeting in 19 zones throughout Alabama. Alagasco has facilities in 11 of the 19 zones. Each year, APACT surveys the attendees to evaluate the effectiveness of its program. These results are also captured in a separate report, provided to Alagasco each year. Below are real examples of the survey questions asked during the APACT Zone 5 presentation during 2012 & 2013 along with the survey responses for each year. The selection of Zone 5 was completely random and the results from other Zone surveys had similar results. There were several new questions added for 2013. One new question in particular asked the attendees if the APACT Training Program met their expectations. There was an overwhelming response of 97% that the Program met or exceeded the expectations of those in attendance. Records of these effectiveness assessments can be found in the exhibit portion of this summary. Alagasco believes that the APACT Program plays a vital role in an effective Public Awareness Plan.

May 19, 2014

Alagasco Public Awareness Evaluation

Prepared by Barry E. Moman – Manager Risk Assessment & Damage Prevention

Example Questions:

Do you feel knowledgeable on how to react properly to a pipeline or gas distribution leak?

2012 Response – Yes (91%) No (9%)

2013 Response – Yes (92%) No (8%)

Do you feel knowledgeable on how to detect a natural gas leak in an area?

2012 Response – Yes (100%)

2013 Response – Yes (98%) No (2%)

Do you feel reasonably well prepared to deal with a pipeline or gas distribution leak in your community if one should occur?

2012 Response – Yes (91%) No (9%)

2013 Response – Yes (100%)

The APACT Training Program met my expectations?

Strongly Agree (78%)

Agree (19%)

Neutral (2%)

Disagree (1%)

Measure 4 - Achieve Bottom Line Results

Alagasco has well-established relationships with the affected public (customers and non-customers), emergency officials, public officials and excavators. Our safety record and low number of PSC complaints also indicates that we have a good public perception with the stakeholders identified in the Public Awareness program. The number of excavation damages reported to PHMSA on our annual DOT Report for the past five years is noted below:

2012	2181
2011	2270
2010	2585
2009	2684
2008	2890
Five year average	2522

May 19, 2014

Alagasco Public Awareness Evaluation

Prepared by Barry E. Moman – Manager Risk Assessment & Damage Prevention

Our excavation damages have shown a steady and consistent decrease each year over the past five years which can be partially attributed to the effectiveness of the Alagasco Public Awareness Plan, an increased damage prevention educational effort throughout the industry and a decline in construction activity from the lingering effects of the economic downturn in the US. Alagasco experienced 2890 excavation damages in 2008 compared to 2181 excavation damages in 2012. That is a decrease of 709 excavation damage events which represents just over a 24% reduction in excavation damages for the five year period.

Final Comments and Recommendations

Alagasco continues to refine its Public Awareness Program each year, through its internal process review. The Natural Gas Safety Tips brochure for customers and the non-customer safety brochure by Paradigm are reviewed annually by Corporate Communications and Pipeline Risk Management to ensure the content is current and relevant to the intended audiences. One notable improvement for 2014 is the development and mailing of the special Alagasco Natural Gas Safety Tips brochure to the 65,000 +/- customers that receive an electronic bill rather than a paper bill. This additional mailing will also be completed twice a year in the future (April and October), and will be incorporated into our permanent Alagasco Public Awareness Plan. All safety information included in the Natural Gas Safety Tips brochure is available at the Alagasco web site, www.alagasco.com. Barry E. Moman, Manager-Risk Assessment & Damage Prevention assumed responsibility for the Alagasco Public Awareness Program in March 2012 under the direction of Mixon Russ, Director-Pipeline Risk Management.

Alagasco has also received favorable audits of its Public Awareness Program from the PSC in 2006-2013. We will continue to work with our partners – Alabama811, Paradigm and Gatesman+Dave to ensure our program meets the intended results and continues to improve each year.

May 19, 2014

Alagasco Public Awareness Evaluation

Prepared by Barry E. Moman – Manager Risk Assessment & Damage Prevention

Specific recommendations to review during 2014 are:

1. Review non-customer awareness issues with Corporate Communications and make any needed program changes.
2. Compare 2014 Paradigm survey results with those from past years and make any needed changes.
3. Review web site content as needed and as requested.
4. Update plan to reflect recent addition of the Special Mailing for electronic bill customers.
5. Review results from 2014 AFACT meetings and makes any necessary program changes.
6. Document results of any changes prior to the Annual PSC audit.

Barry E. Moman

Manager – Risk Assessment & Damage Prevention

Alagasco

SAFETY AWARENESS STUDY REPORT - 2014

Safety Sponsor: Alagasco

Conducted: April 25-26, 2014

1. 15,346 homes were called for this survey.
2. 936 live respondents completed the entire survey. This is 6.1% of all households and 11.66% of all live respondents.
3. 79.39% of all respondents have natural gas service at their home.
4. 86.82% of all respondents' gas provider's name is Alagasco.
5. 46.67% of all respondents have heard or received information on natural gas safety from Alagasco in the past 12-months.
6. 59.0% of all respondents have received written natural gas safety information with a gas bill in the past 12-months.
7. 44.71% of all respondents have heard natural gas safety information on television or radio.
8. 26.92% of all respondents have read about natural gas safety information in local newspapers.
9. 86.51% of all respondents think they would recognize a natural gas leak by being able to smell it.
10. 68.64% of all respondents think they would recognize a natural gas leak by the hissing sound.
11. 4.02% of all respondents would light a match if they smelled gas inside their house.
12. 86.87% of all respondents have heard that they or an excavator company should call a central number prior to digging, to avoid accidentally hitting a natural gas pipeline.
13. 96.13% of all respondents would call 911 from outside or from a neighbor's house if they smelled gas inside their house.
14. 81.65% of all respondents have the number to call Alagasco if there was an incident or if they needed more information.
15. 38.13% of all respondents would like to hear the number to call Alagasco if there was an incident or if they needed more information.
16. 19.19% of respondents who would like to hear the number to call Alagasco if there was an incident or if they needed more information would like to hear the number again.
17. 96.5% of all respondents believe that they have adequate information about natural gas safety like how to recognize a leak, what they should do if they smell gas in the home, etc.
18. 86.68% of all respondents feel that the natural gas industry has an adequate public awareness program, overall.

Below is a copy of the final Client Segment Status report for your review

AL - Alagasco - AGA Survey - 2014						
Segment	Total Plays	Yes	No	No Response	Responding Percent "Yes"	Responding Percent "No"
Natural Gas Service At Home?	3454	1853	481	1120	79.39%	20.61%
Is Alagasco Your Provider?	2195	1831	278	86	86.82%	13.18%
Received Information on Natural Gas Safety 12-Mos?	1978	868	992	118	46.67%	53.33%
Received Information with Bill?	1793	1023	711	59	59%	41%
Heard About Gas Safety on Radio or TV?	1691	736	910	45	44.71%	55.29%
Read Newspaper Articles on Gas Safety?	1618	431	1170	17	26.92%	73.08%
Smell Natural Gas Leak?	1447	1231	192	24	86.51%	13.49%
Hissing Sound of Gas Leak?	1395	939	429	27	68.64%	31.36%
Light a Match if Smelled Gas?	1309	51	1217	41	4.02%	95.98%
Heard You Must Call Before You Dig?	1196	1032	156	8	86.87%	13.13%
Leave Home and Call Company from Neighbor's Home?	1135	1068	43	24	96.13%	3.87%
Know Number For Alagasco?	1106	850	191	65	81.65%	18.35%
Want Number for Alagasco?	1019	384	623	12	38.13%	61.87%
Hear Alagasco Number Again?	372	71	299	2	19.19%	80.81%
Have Adequate Information About Gas Safety?	981	909	33	39	96.5%	3.5%
Natural Gas Industry - Adequate Public Awareness?	936	768	118	50	86.68%	13.32%

Below is a copy of the final Client Segment Status report (Customers) for your review.

Customers - AL - Alagasco - AGA Survey - 2014						
Segment	Total Plays	Yes	No	No Response	Responding Percent "Yes"	Responding Percent "No"
Natural Gas Service At Home?	1831	1695	134	2	92.67%	7.33%
Is Alagasco Your Provider?	1831	1831	0	0	100%	0%
Received Information on Natural Gas Safety 12-Mos?	1719	833	781	105	51.61%	48.39%
Received Information with Bill?	1562	993	516	53	65.81%	34.19%
Heard About Gas Safety on Radio or TV?	1477	686	758	33	47.51%	52.49%
Read Newspaper Articles on Gas Safety?	1420	397	1008	15	28.26%	71.74%
Smell Natural Gas Leak?	1282	1118	147	17	88.38%	11.62%
Hissing Sound of Gas Leak?	1245	851	375	19	69.41%	30.59%
Light a Match if Smelled Gas?	1182	50	1101	31	4.34%	95.66%
Heard You Must Call Before You Dig?	1086	940	139	7	87.12%	12.88%
Leave Home and Call Company from Neighbor's Home?	1031	971	39	21	96.14%	3.86%
Know Number For Alagasco?	1005	799	148	58	84.37%	15.63%
Want Number for Alagasco?	927	359	556	12	39.23%	60.77%
Hear Alagasco Number Again?	348	66	280	2	19.08%	80.92%
Have Adequate Information About Gas Safety?	890	829	29	32	96.62%	3.38%
Natural Gas Industry - Adequate Public Awareness?	853	712	99	42	87.79%	12.21%

Below is a copy of the final Client Segment Status report (Non-Customers) for your review.

Non-Customers - AL - Alagasco - AGA Survey - 2014						
Segment	Total Plays	Yes	No	No Response	Responding Percent "Yes"	Responding Percent "No"
Natural Gas Service At Home?	278	68	210	0	24.46%	75.54%
Is Alagasco Your Provider?	278	0	278	0	0%	100%
Received Information on Natural Gas Safety 12-Mos?	256	33	210	13	13.58%	86.42%
Received Information with Bill?	228	28	194	6	12.61%	87.39%
Heard About Gas Safety on Radio or TV?	211	50	150	11	25%	75%
Read Newspaper Articles on Gas Safety?	196	34	160	2	17.53%	82.47%
Smell Natural Gas Leak?	163	112	44	7	71.79%	28.21%
Hissing Sound of Gas Leak?	148	88	53	7	62.41%	37.59%
Light a Match if Smelled Gas?	126	1	115	10	0.86%	99.14%
Heard You Must Call Before You Dig?	109	92	16	1	85.19%	14.81%
Leave Home and Call Company from Neighbor's Home?	103	96	4	3	96%	4%
Know Number For Alagasco?	100	51	42	7	54.84%	45.16%
Want Number for Alagasco?	92	25	67	0	27.17%	72.83%
Hear Alagasco Number Again?	24	5	19	0	20.83%	79.17%
Have Adequate Information About Gas Safety?	91	80	4	7	95.24%	4.76%
Natural Gas Industry - Adequate Public Awareness?	83	56	19	8	74.67%	25.33%