

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY**

**PREPARED REBUTTAL TESTIMONY
OF
DONNA PEEPLES**

**IN RE:
CHATTANOOGA GAS COMPANY
DOCKET NO. 09-00183**

Electronically filed 4/5/10 @ 4:10pm

1 **Q. Please state your name, position, and address.**

2 A. My name is Donna Peeples. I'm Vice President, Corporate Communications and
3 Chief Marketing Officer of AGL Resources, Inc., and my office is located at 10
4 Peachtree Place NE, Suite 1000, Atlanta, Georgia.

5 **Q. Are you the same Donna Peeples who previously provided prepared direct**
6 **testimony in this proceeding?**

7 A. Yes, I am.

8 **Q. What is the purpose of your rebuttal testimony?**

9 A. The purpose of my rebuttal testimony is to present information for Chattanooga
10 Gas Company ("CGC" or the "Company") in response to the direct testimony of
11 Consumer Advocate and Protection Division ("Consumer Advocate") witness Dr.
12 Dismukes addressing CGC's proposed energy conservation programs.

13 **Q. Dr. Dismukes contends that the community outreach and education program**
14 **is really just utility marketing that should not be recoverable from**
15 **ratepayers. Do you agree?**

16 A. No, I disagree. The purpose of the community and outreach program is to
17 educate, to raise the energy consciousness of our customers. In doing so, we

1 strive to help them understand how the variety of choices they make everyday
2 impact the energy efficiency of their homes, and how more energy efficient
3 choices can save them money as well as help the environment. There are
4 primarily two ways a customer can improve his/her home's energy efficiency: (a)
5 adopt more energy efficient behavior (e.g. turning off lights; using a
6 programmable thermostat), and (b) make more energy efficient purchasing
7 decisions, especially with regard to household appliances. Because of this,
8 incentives are a key component of our energySMART program. However,
9 customers will not use the incentives if they are not aware they exist. Traditional
10 media and other communications channels will need to be used to advertise the
11 program and make customers aware of it and the associated incentives – and
12 while we have the customer's attention with the incentives, we have the
13 opportunity – and responsibility – to educate the customer on his/her options to
14 improve his/her home's energy efficiency without sacrificing his/her current
15 lifestyle.

16
17 As I have previously explained, the community outreach and education program
18 component will be specifically designed to reach CGC's customers. Its purpose is
19 not to be a mass marketing campaign for the utility. There is a vast difference
20 between a traditional utility marketing campaign designed to achieve growth and
21 an educational campaign designed to promote energy efficiency. The key
22 differences are intent and content. Energy has historically been a low-interest,
23 low-involvement category so the executional elements of both types of campaigns

1 can indeed be very similar, since three of the key barriers to energy efficiency are:
2 (a) lack of awareness (“...people are not thinking about energy efficiency...about
3 the money they might save if they paid attention to energy consumption.”); (b)
4 lack of information (“Those aware of energy efficiency and its potential may lack
5 information: what to do next, what to look for at the store and how to compare
6 products...”) and (c) lack of ready cash (“The first cost of energy efficiency
7 investments is sometimes greater than less efficient substitutes. Customers may
8 need financial incentives to make up some or all of this difference.”)¹

9
10 To clarify, our greatest chance for success in addressing these key barriers is with
11 a multi-channel, fully integrated communications and outreach plan that
12 maximizes our opportunities to reach customers when and where they are most
13 receptive. It is this variety of channels, combined with grassroots elements that
14 allows us to touch customers more frequently thereby raising the interest of the
15 category.

16
17 I have provided an example of an executional element that supports our energy
18 conservation programs in another franchise, Virginia Natural Gas, which is
19 Attached as Exhibit DP-2.

20
21 **Q. Does this conclude your testimony?**

22 **A. Yes.**

23

¹ National Action Plan for Energy Efficiency (2009). *Discussion of Consumer Perspectives on Regulation of Energy Efficiency Investments.*

The Resource

Keeping Warm, Staying Green

As cold weather approaches, you may be wondering how you can keep warm and live 'green' this winter. But today you can live a more eco-friendly lifestyle year-round thanks to clean, efficient natural gas. The energySMART program from Virginia Natural Gas helps you live 'green' all year without compromising comfort or style.

Keep your heating system in check – Heating and cooling your home accounts for nearly half of your annual energy costs. Regular service for your system will keep it operating at peak efficiency while using less energy. Virginia Natural Gas' energySMART program offers a \$25 rebate on your seasonal system checkup. Visit virginiannaturalgas.com/energysmart for full details. While you are there, order your FREE programmable thermostat if you don't already have one.*

Give a gift to Mother Nature this year. Live cleaner, live better with natural gas. Visit us online at virginiannaturalgas.com to learn more.

Help Saving On Natural Gas Bills

As part of our energySMART program, Virginia Natural Gas teamed up with local non-profit agencies to provide free energy efficiency improvements for customers who qualify. Call the agency in your area:

Southside and Hampton residents
Southeastern Tidewater Opportunity Project (STOP)
757-858-1397

Peninsula residents (other than City of Hampton)
Williamsburg/James City County
Community Action Network
757-229-9389

*Available to customers who have a natural gas furnace as their primary heating source. Other terms and conditions apply – see website for details.



Appliance Rebates are back

Customers who have purchased equipment listed below, on or after **November 10, 2009**, are eligible for an energySMART rebate.

| REBATE | PRODUCT |
|--------|---|
| \$500 | Furnace (90%+AFUE) |
| \$500 | Tankless Water Heater (.82+EF) |
| \$150 | Tank Water Heater (.62+EF) |

Visit www.virginiannaturalgas.com/energysmart for details, even more conservation tips and the carbon footprint calculator.



The Resource

En Español

Docket 09-00183
Exhibit DP-2

Diciembre 2009

Manteniendo la Calidez, Siendo Ecológico

A medida que el tiempo frío se aproxima, usted puede maravillarse de cómo puede mantenerse cálido y vivir “verde” este invierno. Pero hoy en día, usted puede tener un estilo de vida más ecológico todo el año, gracias al limpio y eficiente gas natural.

El programa energySMART de Virginia Natural Gas le ayuda a vivir “ecológicamente” sin comprometer el confort o el estilo de vida.

Mantenga bajo control a su sistema de calefacción; la cuenta de calefacción y enfriamiento de su hogar suman casi la mitad de sus costos anuales de energía. Un mantenimiento regular de su sistema, lo mantendrá funcionando a su máximo rendimiento mientras utiliza menos energía. El programa energySMART de Virginia Natural Gas ofrece un reembolso de \$25 en la inspección de temporada de su sistema. Visite www.virginiannaturalgas.com/energysmart para detalles completos. Mientras esta ahí, ordene su termostato programable GRATIS si todavía no tiene uno.*

Este año hágale un regalo a la Madre Naturaleza. Viva limpio, viva mejor con el gas natural. Para conocer más visítenos en línea en www.virginiannaturalgas.com.

Ayuda Para Ahorrar en las Facturas de Gas Natural

Como parte de nuestro programa energySMART, Virginia Natural Gas se ha asociado con agencias locales sin fines de lucro para proveer en forma gratuita mejoras en el aprovechamiento eficiente de la energía a aquellos clientes que califiquen. Llame a la agencia en su área:

Residentes de Southside y Hampton

Southeastern Tidewater Opportunity Project (STOP)
757-858-1397

Residentes de Peninsula (que no sean de City of Hampton)

Williamsburg/James City County
Community Action Network
757-229-9389

* Disponible para clientes que tengan un calentador de aire a gas natural como su fuente primaria de calefacción. Se aplican otros términos y condiciones; vea el sitio Web para detalles.

 Virginia Natural Gas®
A AGL Resources Company

Volvieron los Reembolsos en Artefactos

Los clientes que hayan comprado los artefactos indicados abajo, a partir del 10 de Noviembre del 2009 son elegibles para un reembolso energySMART.

| REEMBOLSOS | PRODUCTO |
|------------|--|
| \$500 | Calentador de Aire (90%+AFUE) |
| \$500 | Calentador de Agua sin Tanque (.82+EF) |
| \$150 | Calentador de Agua con Tanque (.62+EF) |

Visite www.virginiannaturalgas.com/energysmart para más detalles, incluso más consejos sobre conservación y el calculador de la huella de carbono.

 **energySMART**
A Virginia Natural Gas program

 Centro de Atención al Cliente
866-229-3578
 Pérdidas / Emergencias
877-572-3342
virginiannaturalgas.com

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