

The Economy and Natural Gas

Will Economic Conditions have a Fundamental Impact on the Natural Gas Industry?

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Recent Economic Conditions

- Volatility in the natural gas market
- Current environmental policy shifts have heightened “**GREEN**” awareness
- Downturn in the economy impacting housing, unemployment, etc...

What does this mean to consumers?

- Higher bills this past winter
- Struggling more to pay their bills
- Focusing on conservation and efficiency

What does this mean to the utilities?

- Try to protect against volatility in rates through hedging, fixed price purchasing, storage and diverse supplies.
- Educate customers on energy assistance, budget billing and offer payment arrangements.
- Decoupled Rates and Energy Conservation Programs

Decoupling:

- What is decoupling?
 - Decoupling is a rate design where non-gas cost recovery is no longer tied to usage
 - Removes disincentive for utilities to promote efficiency programs
 - Customers learn best practices on conservation and efficiency, reducing consumption

Energy Conservation

- What do we see?
 - Customers are doing the easy things – “Reactive”
 - Not using gas logs
 - Turning back thermostats
 - We can help educate them to do more “easy things” – “Proactive”
 - Change air filters
 - Seasonal check ups
 - Use programmable thermostats
 - Make wise energy efficient equipment choices
 - Weatherization



Consumer Education and Outreach Program

- Utilize broad communication channels to educate customers about conservation and energy efficiency.

Radio • Newspaper • Online • Bill Inserts • Direct Mail Events • Churches • Civic Leagues • Schools

The Resource
 Conserve Energy and Save Money Today!
 Be energySMART!
 To help you conserve and save, we are pleased to offer our energySMART program. Rebates on high efficiency rates of gas appliances and a free programmable thermostat make it even easier for you to save your home's energy consumption.

Rebate	Product
\$50	Energy Star® Dishwasher
\$50	High-Efficiency Water Heaters (Tankless)
\$100	High-Efficiency Water Heaters (Tank)

energySMART Conservation Tips
 Here are some simple steps you can take to Save Money and Resources Today.
 Go to tips >

Save Money and Protect the Environment
 Get information on energy efficient products and practices from ENERGY STAR >

Service / Installation Verification Form
 Dealers, thank you for helping to make it even easier for customers to become energySMART! Download the form you need to enable customers to apply for their rebates. Get Service / Installation Verification Forms >



energySMART



A **Virginia Natural Gas** program

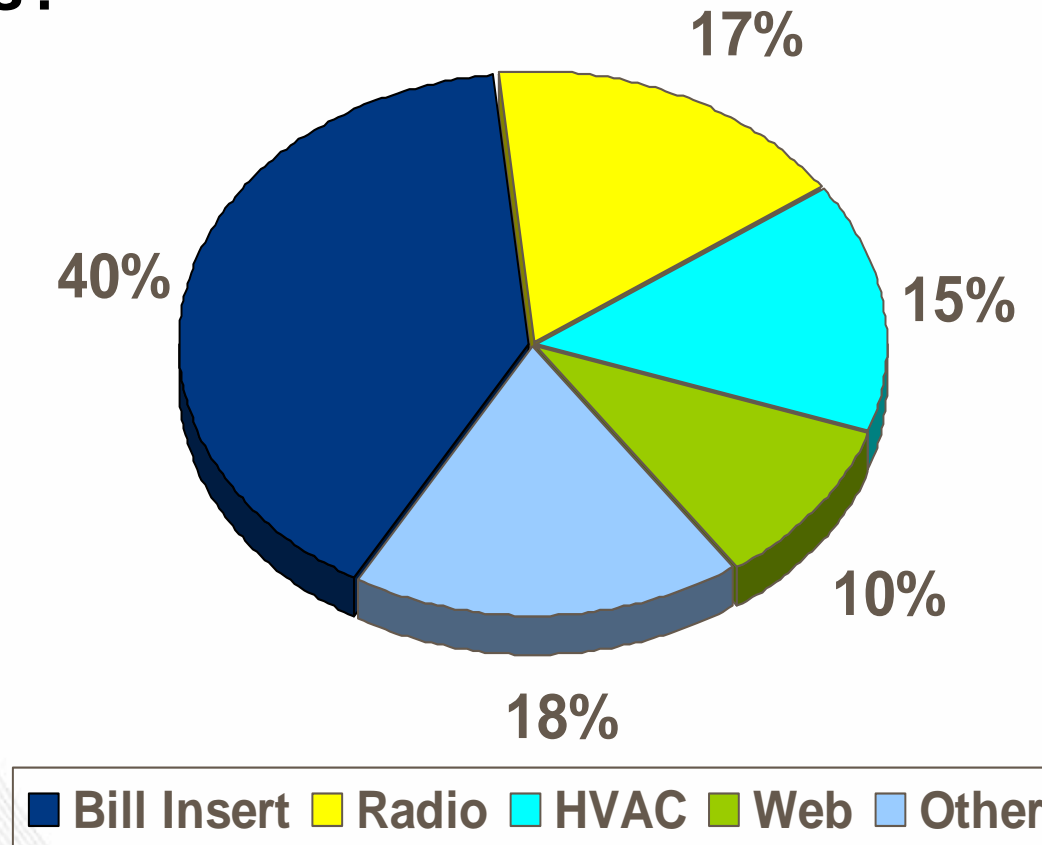
How energySMART
Are You

Take our quiz to find out >



Customer Survey

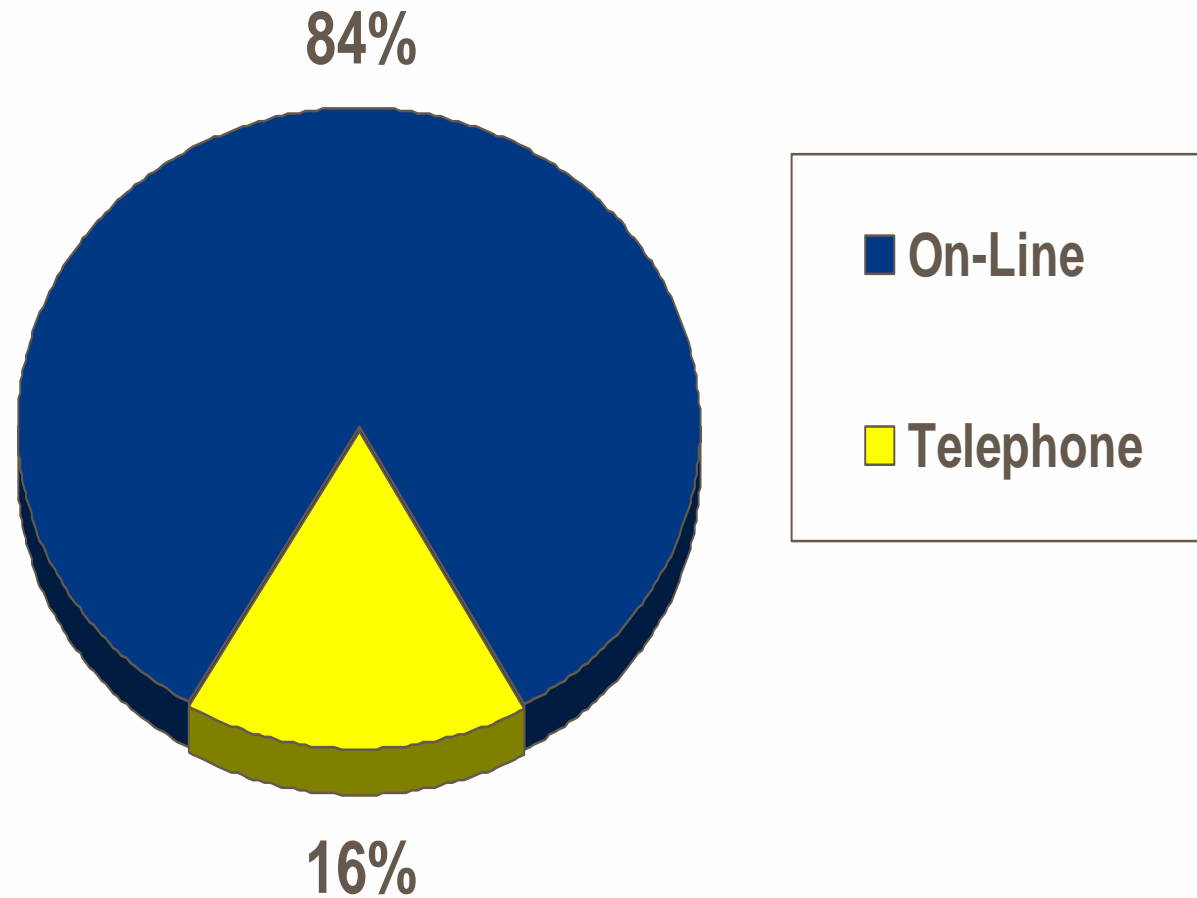
“How did you hear about the energySMART program and offers?”



Other includes newspaper, television, no response, etc...

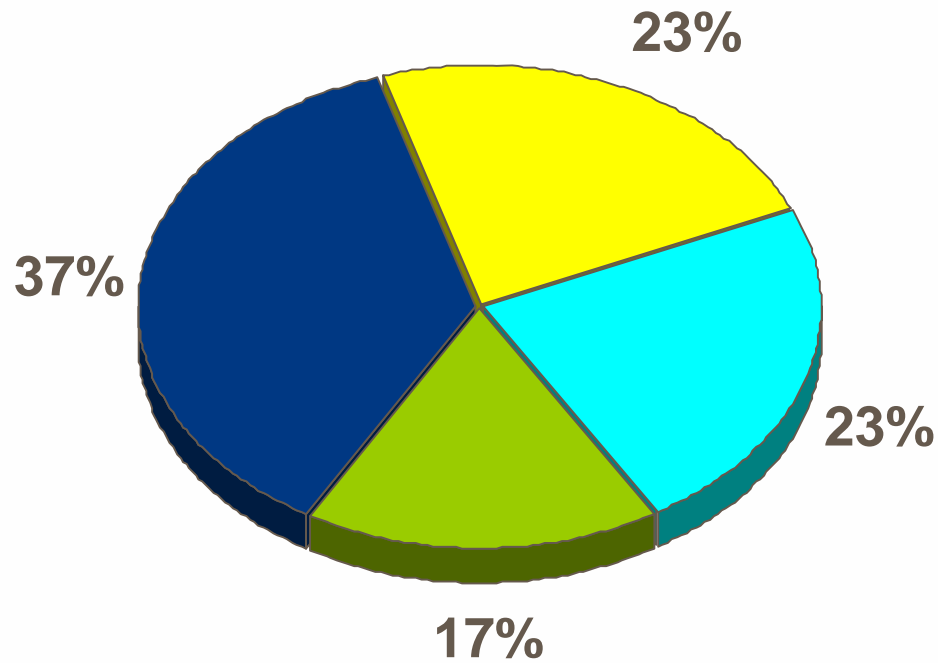
Customer Participation

How are customers choosing to participate in the energySmart Program?



Customer Thermostat installation

“Have you installed your thermostat?”



■ Installed ■ Requested company appointment ■ Other ■ Installing Later