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PGS's Response to Staff's
Second Set of Interrogatories
No. 9

20220004-GU Staff Hearing Exhibits 000056

**PEOPLES GAS SYSTEM
DOCKET NO. 20220004-GU
STAFF'S SECOND SET OF
INTERROGATORIES
INTERROGATORY NO. 9
BATES PAGE(S): 1 - 3
FILED: AUGUST 25, 2022**

9. Please refer to Schedule CT-2, Page 2 of 3, in Exhibit KLB-1, from People's May 2, 2022 filing in Docket No. 20220004-GU. Please answer the following:
- A. Explain how conservation programs are being advertised to customers.
 - B. Explain how costs for advertising are appropriate/essential for conservation programs.
 - C. Rule 25-17.015(5), Florida Administrative Code, states, in part, that "Advertising expense recovered through energy conservation cost recovery shall be directly related to an approved conservation program . . ." Please identify each approved conservation program that the expense for \$1,008,075 relates to.
 - D. Explain, consistent with Rule 25-17.015(5)(a), Florida Administrative Code, the specific problem being addressed by the advertising campaign(s) that are included in the advertising expense of \$1,008,075.
 - E. Explain, consistent with Rule 25-17.015(5)(b), Florida Administrative Code, how the specific problem referenced in the sub-part (D) response above, is being corrected by the advertising campaign(s) that are included in the advertising expense of \$1,008,075.
 - F. Explain, consistent with Rule 25-17.015(5)(c), Florida Administrative Code, how direction is being provided to obtain help to alleviate the specific problem referenced in the sub-part (D) response above, by the advertising campaign(s) that are included in the advertising expense of \$1,008,075.
 - G. Provide a description of the "Common" costs charged to the Payroll & Benefits expense category. Explain how the \$583,017 amount was calculated.
- A. A. Peoples develops advertising plans that incorporate a diverse mix of media to reach the broadest audience across our service territory. In 2021, the company advertised consistently in major markets (Tampa/St. Petersburg, Orlando, Jacksonville, and South Florida) using digital, radio, television, and print advertising to promote awareness about Commission-approved programs and to educate consumers and business decision-makers on how to access them. Due to the size of the company's service area, one of the

marketing strategies Peoples leverages is the market presence, reach, and brand affinity seasonal college and professional sports achieve. The company promotes programs for home heating seasonally, and other programs like water heating and cooking rebates year-round.

- B. Peoples' advertising is designed to ensure it is effectively reaching customers and connecting them to energy conservation resources, including our rebates and online audit. Without advertising, few Peoples customers would be aware of the company's DSM programs or the energy saving tools available to them.

Peoples has a large statewide service territory, and we consistently advertise in seven Florida media markets that vary in size and cost (Panama City, Tampa Bay, Southwest Florida, South Florida, The Villages (Ocala), Orlando/Daytona, and Jacksonville).

The decision to install an appliance or energy efficient equipment can be made at any time and is not limited to season or geography. Therefore, Peoples advertises its programs year-round to ensure consumers and commercial business managers are aware of available rebates.

Peoples pinpoints media to reach audiences in the right place and time, including ads served to people who are near or recently visited home improvement stores, are within our service areas, or that follow certain teams, hobbies, or media channels. Peoples employs digital-only advertising to promote the online energy audit, which has over 7,000 hits in 2022, exceeding Peoples' annual goal.

Peoples budgets, measures, and adjusts its media investments using metrics, including reach (how many people can we reach) and frequency (how many times we can reach them). For example, last Fall, Peoples began allocating more of its advertising budget to social media after monitoring showed that it had a significantly higher click rate than banner ads.

- C. Peoples' advertising is directly related to the following Commission-approved programs:
- Residential Customer Assisted (Online) Energy Audit
 - Residential New Construction
 - Residential Retrofit
 - Residential Retention

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- Commercial New Construction
 - Commercial Retrofit
 - Commercial Retention
- D. Peoples' energy conservation advertising addresses the following specific problems, in no particular order:
- How to increase energy efficiency.
 - How to save money.
 - How to use natural gas efficiently.
 - How to find more information about Peoples' DSM programs.
- E. Peoples' advertising corrects the problem by directing customers to the company website (PeoplesGas.com/rebates, PeoplesGas.com/bizrebates, and PeoplesGas.com/cooking). Once they've reached the website, customers can take advantage of Peoples' DSM rebates to save money while upgrading to more energy efficient equipment in the home or business. Customers can also participate in Peoples' online audit, which provides recommended behavioral changes, appliance retrofits, and improvements to the home's thermal efficiency.
- F. All Peoples advertising includes a specific call to action of visiting the company website.
- G. Payroll and Benefits is the sum of the salaries and benefits for employees who support Peoples' DSM programs. This includes employees who process and approve rebates and manage clause expenses. All the employees represented in the NGCCR support all of Peoples' DSM programs, thus all Payroll and Benefits are charged to Common Costs.