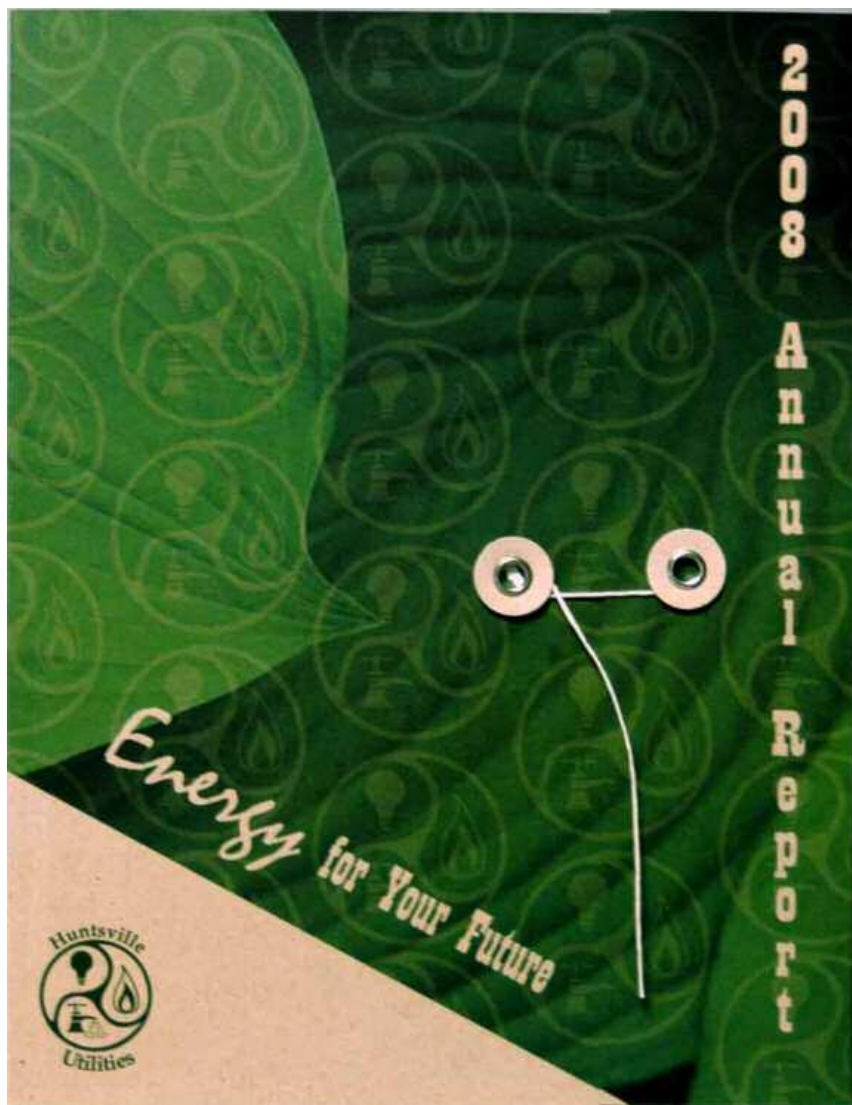


Category 12c - Annual Report: \$10K +

Huntsville Utilities
2008 Annual Report
“Energy for Your Future”

Project Profile



Annual Report Entry

RESEARCH

Huntsville Utilities consistently looks for ways to address public concerns and help customers. Two of the most significant issues affecting the public are finances and the environment. As the nation addresses the current financial crisis, Huntsville Utilities is working on methods to help customers save money and energy. Huntsville Utilities has been recognized several times for work methods that go beyond the required scope when addressing environmental concerns. The 2008 annual report, *Energy for Your Future*, is designed to highlight these issues and assist customers.

The annual report (AR) is a unique challenge for the Public Relations Department. As a not-for-profit, publicly-owned utility, Huntsville Utilities is required to publish information on operations as well as the financial status. This is analytical reading, with pages of data and financial statements required by the auditors. By addressing the environmental and cost savings concerns of our customers, we are able to interweave the required information with helpful information. An otherwise mundane financial report, the annual report becomes an informative item mixed with a look at our company.

The research process begins with the concept/theme decision and requests for departmental information. Each department submits a list of accomplishments and goals. For this year's theme, each department was also asked to supply energy-saving tips that would help customers maximize their usage of electricity, natural gas, and/or water. The city's environmental awareness office, Operation Green Team, as well as the Internet were also utilized to gather energy-saving tips. All utility departments are required to keep detailed records of new projects, repairs, and other data on a day-to-day basis as a normal procedure.

Several departments take photos of specific projects as they record progress. These photos, in addition to those take by the Public Relations Department as a normal procedure, help complete projects such as the annual report without extensive photo shoots. A structured timeline is set for gathering information and creating illustrations. The timeline is adhered to as closely as possible to insure a timely completion of the project.

The company is required to submit a professional, independent audit to Huntsville's City Council each year as a measuring tool for effective operations. The Public Relations staff receives a copy of the audit files to include in the annual report. The audit is contracted with an independent accounting firm and given to the City Council prior to inclusion in the annual report, thus the PR Department is not required to budget for the audit itself.

The Public Relations Department includes a full-time graphic designer educated in written communication and printing processes. The project is completed in-house with little outside work other than the actual printing process.

Goals for the annual report project include:

- Producing and distributing 1000 books within a \$16,000 budget
- To use the book as a tool to share energy-savings tips with customers
- To produce the book as an environmentally-conscious piece
- To have finished books in hand by April 30.

- To provide copies to local government and business leaders by May 30.

PLANNING

Planning for the annual report begins in September. The first draft of text and tentative theme/design are scheduled for completion by the end of December. The majority of the narrative section is completed by mid February, with minor corrections, photo replacement/inserts and other housekeeping details to be accomplished while awaiting financial files from the auditor. No matter how much planning goes into this project, previous years have shown we should not expect the final auditor approval until late March or even April. With the addition of production time, the in-hand April 30 deadline and distribution deadline of May 30 are realistic.

The PR Department takes pictures throughout the year in trainings, on work locations ... wherever employees' daily regimens takes them. Several departments have also purchased digital cameras and are helpful in supplying photos for this project.

Each department provides a list of accomplishments and future plans/goals which comprise the primary source of information for the narrative section. In some areas the PR team makes requests for information about specific projects. This information is written into a prose format, weaving the required statistics in with information about the utility company's work.

As a not-for-profit utility, Huntsville Utilities does not produce many items giving the Public Relations team the opportunity to promote the company. This report is one of the few items that allow that opportunity. Each year the team concentrates on finding a theme which will help build confidence in the company and goodwill.

IMPLEMENTATION

To address both customers' financial needs as well as environmental concerns, this project required several steps for completion. Energy and cost savings tips and environmental awareness information were gathered from each company department, as well as from the city's environmental office, the local landfill, and the Internet.

Copy pertaining to each department's yearly goals and accomplishments as well as plans for the future was obtained from all departments and additional research requested on specific points. The copy was written in a formal prose style with an interweaving of the environmental issues. The text copy was then sent to each manager for review, while development of the design and theme continued. A "green" design was established and energy savings tips were placed throughout the document.

The final number of pages was determined in mid March. Bids were sent out with specifications outlining the unique bindery process and environmental theme. Submission of specifications prior to design finish allows printers time to explore methods to help us save money while creating a quality item. Neenah Papers was consulted to determine the best recycled paper to meet our environmental goal. We chose two papers from the Environment line with some of the highest recycled content available (100% recycled and 50% recycled with 50% post consumer fiber and alternative fibers such as bamboo). The paper is Forest Stewardship Council (FSC) certified recycled and was printed on by a FSC certified printing company creating an unbroken chain of supporting responsible use

of forest resources. The papers used were Green Seal Certified and produced with 100% renewable energy.

The final proofing process for the narrative section was completed April 7. The books were printed and delivered to Huntsville Utilities on April 29th. Copies were immediately made available for pick up at the downtown office. United Mailing prepared and mailed the distribution list of community leaders and business professionals who had requested copies on May 21. A PDF version of the document was posted on the Internet on May 11, 2009.

Evaluation

“Energy for Your Future” successfully met the project goals set forth by the PR Department. The first goal was to produce and distribute 1000 reports within a \$16,000 budget. Only \$11,624.25 was spent, \$4,375.75 under budget.

The second goal was to use the book as a tool to share energy-savings tips with customers. This was successfully completed by including energy savings tips in the design of the publication in addition to addressing accomplishments by the Energy Department and various operations departments.

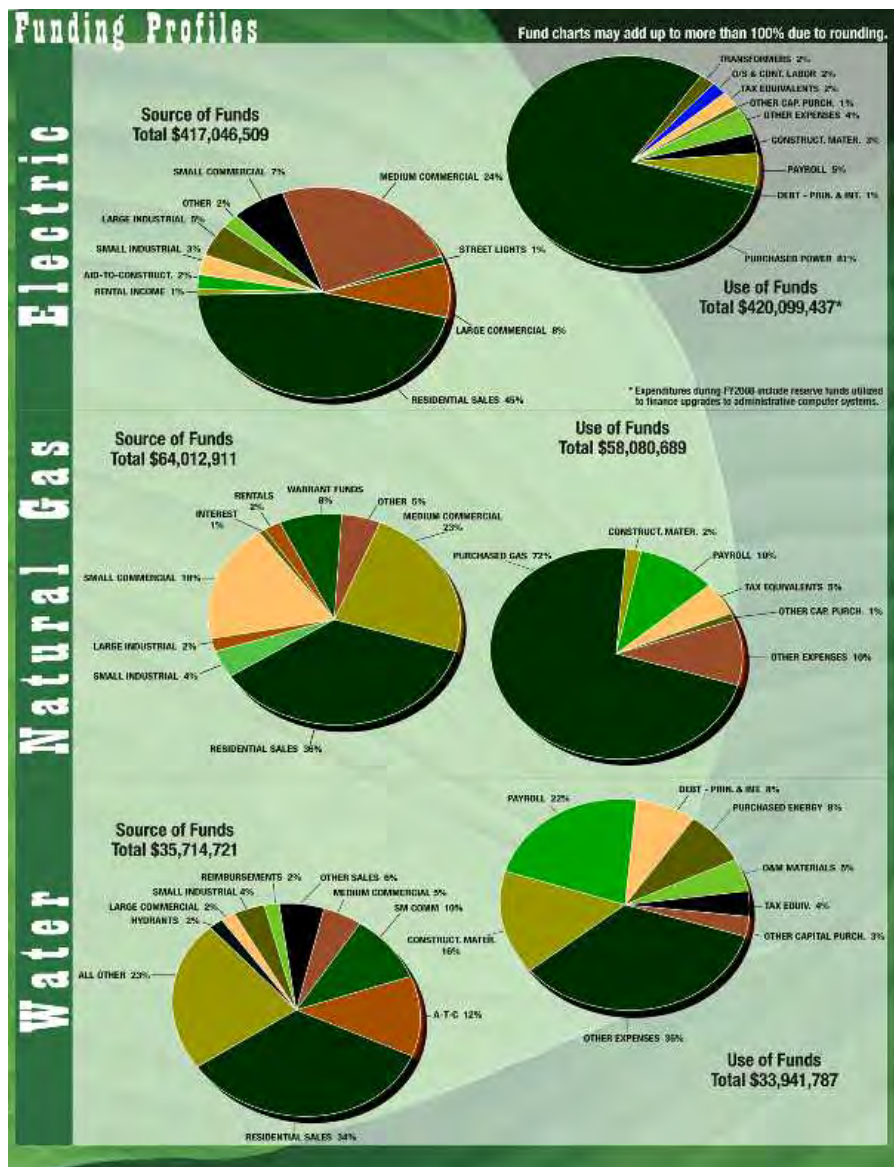
The third goal to produce the book as an environmentally conscious piece was successfully met. With the assistance of Neenah Paper Company we chose the Environment line of papers which are recycled, Green Seal Certified, and produced with 100% renewable energy. Statistics about the environmental impact were printed inside the front cover.

The goal for completion of the project was successfully met. The publication was delivered from the printing company and actively distributed prior to the April 30 deadline. A file of the report was also posted on the company’s website. The goal to deliver to local government and business leaders was met with a May 21 mailing.

Overall, the PR team’s goals were met and an interesting, eye-pleasing publication was produced. The concept represented the company’s goal to be an environmentally-conscious member of the community while supplying customers with the reliable energy and water source they expect.

Huntsville Utilities
2008 Annual Report
"Energy for Your Future"

Financial Data



Budget for 2008 Annual Report

<u>Item</u>	<u>Proposed</u>	<u>Actual</u>
Printing	\$14,000.00	\$11,016.00
Proofreaders	\$ 100.00	\$ 83.30
Photography	\$ 900.00	\$ 0.00
Scans/Color Lab Proofs	\$ 400.00	\$ 250.00
Postage	\$ 400.00	\$ 274.95
Mail Preparation	\$ 200.00	\$ 75.00
 Total	 \$16,000.00	 \$11,699.25

Materials in the Collaborating Material section included:

Communications with Neenah Paper concerning recycled papers.

Communications with various printers concerning FSC-certified ink and printing processes.

Samples of information submission from managers and copies of the rewrites to adhere to the main theme.

Copies of delivery tickets and invoices from vendors used during the process.

Huntsville Utilities
2008 Annual Report
“Energy for Your Future”

Supporting Material



Huntsville Utilities fulfilled the requirements to become a StormReady company, a program designed to save lives and property during storm-related events.

Education Days is a fun-filled field trip for fourth and fifth graders to a Huntsville Utilities facility. Madison County School Superintendent Dr. Terry Davis participates in an electric current experiment, while at right a lineworker demonstrates electricity's arcing ability as the current searches for a path to the ground.



Shade trees, window tinting, and/or solar screens are good ways to reduce solar heat that radiates into the home during the summer months. During the winter months, the sun sinks from directly overhead and offers a free source of heat through south-facing glass. To take advantage, plant deciduous trees on the south side of the home and leave the curtains opened during the daylight hours.

The Home Evaluation Survey program helps customers understand their energy consumption and how they can save on utility usage. Surveys were completed by 279 customers who received reports during fiscal year 2008. An increase in participation in the Generation Partners Program is also expected as the cost of solar generating equipment decreases.

The Customer Service Department also provides several programs to help customers save time and gasoline when requesting new service, changes to their existing services, or making payments. In fiscal year 2008 over 10,846 requests for service were processed via fax, 463 by mail service, and 770 via email service. The automated phone system (IVR) processed 136,324 customer transactions, a 13.43% increase over the previous year. The system allows customers to conduct business with the company at any hour of any day without requiring a Customer Service Representative.

Customer Service has also increased payment methods in an effort to assist customers. The newest payment option, Convenience Pay through Western Union, completed its first year with 8,555 customers utilizing the service. Bankdrafts increased from 240,765 last year to 271,654 in fiscal year 2008, a 13% increase. Credit Card payments increased by 32%, with 96,844 payments processed in this manner during fiscal year 2008.

During fiscal year 2008 additional drive-thru lanes were added to the Customer Service Center in Chase Industrial Park in northeast Huntsville. Huntsville Utilities is exploring an additional payment option of installing kiosks at some locations so that customers can pay their bills at any time, any day.

A growing concern for Americans is protection from identity theft. In order to safely serve our customers, Huntsville Utilities has implemented procedures to become compliant with the FACT Act (Fair and Accurate Credit Transaction). A variety of measures have been taken to protect customer information and combat identity theft in the utility industry.

Huntsville Utilities is a publicly-owned, not-for-profit utility aimed at providing the electric, natural gas, and water services needed for a quality lifestyle in a thriving area. By helping our customers save money on their utility bills through energy efficiency and making business transactions with our company easy and convenient, the company is working to provide the best possible service along with "Energy for Your Future."



Two drive-thru lanes were added to the Chase Customer Service Center to better assist customers.

Meters Read Monthly	332,984
TVA Security Deposits/Industrial Only	\$16,167,400
Families Receiving Assistance	8,130
Bank Draft Payments	271,654
Energy Efficient Homes Certified	607

CUSTOMER SERVICE

Though Customer Service begins with the utility services Huntsville Utilities supplies, the broader picture includes programs to help customers become more energy efficient as well as making business conducted with the company more convenient.

Energy efficiency is a high priority in everyone's mind whether it is gasoline for transportation or electricity and natural gas used in the home. As environmental issues play a larger role in society, Huntsville Utilities' responsibility to provide reliable information to our customers becomes more important.

Both the Energy and Commercial & Industrial Departments have worked diligently with customers to increase their awareness of opportunities to save on their utility bills while making their homes and businesses more energy efficient. Working in conjunction with the TVA and the Department of Energy, Huntsville Utilities assisted local builders in certifying 607 new homes through the *energy right*® New Homes Program. Of the homes certified, 181 met the EPA/DOE ENERGY STAR certification level. Huntsville Utilities has worked with local builders to qualify more ENERGY STAR Homes than any other entity in the State of Alabama and is a leader among power distributors within the Tennessee Valley region and Southeastern United States.

The Commercial & Industrial Department helped 251 business customers reduce their energy costs by qualifying for security deposit coverage through the TVA Enhanced Security Deposit Program. A total of \$16,167,400 in deposit coverage was provided at no cost to the qualifying customers. Commercial and Industrial customers continue to utilize the free Comprehensive Services Program to improve energy cost savings with 61 customers participating this past year.

The Energy Department also works with customers on a daily basis to help improve energy efficiency in existing homes. The Efficiency Program provides residential customers with free inspections of heating and cooling systems that are installed by specially trained and certified heating and cooling contractors. The Quality Contractor Network grew to thirteen this year, and 73 residential customers took advantage of the free inspections to insure efficiency, comfort, and longevity when they replaced heating and cooling systems.