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December 22, 2010

Mr. Sam Hall
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Pipeline Safety, PHP-20
1280 Adventure Lane
Maidens, VA 23102

Ms. Maria Munoz
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Contracts and Procurement, PHA-30
1200 New Jersey Avenue, SE, E22-305
Washington, D.C. 20590

Re: Final Report - City of Mesa DTPH56-09-G-PHPT08 (the "Grant")

Mr. Hall and Ms. Munoz:

As required by Grant Documentation, the City of Mesa is pleased to provide the final report for the subject Grant.

History

The City of Mesa (City) has an active and aggressive outreach program to reach not only customers but members of its public and other stakeholders with a variety of messages relating to natural gas and pipeline safety. As part of its existing outreach process, the number of persons that are provided outreach efforts is documented, tallied and evaluated. These efforts result in gas and pipeline safety messages reaching persons via various methods including event attendance, public television public service announcements (PSAs), door hangers, and bill messages.

In 2008, the City identified a technology offered (in its service territory and communities) by Cox Communications (Cox) to not only outreach to a targeted and potentially vast audience but to gather information from that audience that could assist in generating and focusing future outreach efforts. Cox's interactive advertising uses digital technology to engage subscribers in interacting with 30-second PSAs. Overlays frame PSAs with selective messages or questions which allow digital subscribers to use their interactive remotes to respond. Subscribers of non-digital service are not able to respond, however, are still able to view the overlays and PSAs and, therefore, benefit from the aired safety messages. Using the Cox technology, once a household responds to an overlay, a second overlay provides a different message/question to that viewing household. All responses are recorded through customer boxes and sent remotely to Cox. As part of the purchase of the interactive advertisements Cox would then forward responses and responder information to the "advertiser". Presented on cable television networks, these messages would reach an exponentially larger audience than existing outreach methods. The technology, while identified in 2008 as a potentially optimal opportunity to outreach to and provide safety messages to the affected public, budget funds were not available.

In May 2009, the City applied for a Technical Assistance Grant in the amount of \$50,000 to purchase interactive advertising spots ("Spots") in order to engage in a mass media communication campaign

regarding pipeline/natural gas safety and determine if this interactive medium was an effective tool for outreach. The campaign was thought to be a feasible, unique, and targeted way to enhance the City's on-going public awareness and education program and to further the City's commitment to open communications, collaboration with, and providing information regarding pipeline safety to, the community.

In September 2009 (September 23 Grant Effective Date), the City was generously awarded the grant and immediately began working with Cox regarding optimal media purchases and message design.

Grant Period - Use of Funds

In March 2010, the City purchased its first of three series of interactive advertising Spots. Prior to each series' media purchases and airing, media schedules and message overlays, including the PSAs, were submitted for approval to the Grant authorities as required in the Grant documents. (The overlay questions and responses for each of the three series are attached to this report as Appendix A).

As detailed in the original Grant application, viewers were targeted geographically (by zip codes); and demographically (by channel selection, age of viewers, and language). Grant monies enabled the City to purchase three series of interactive ads which included a total of 579 Spots at a total cost of \$49,463 (average cost per Spot of \$85.42). This included 7 Spots which aired in primetime during premium sport events for which the City was not charged. The final Spot using Grant funds was aired on September 19, 2010, prior to the end of the Grant period.

SERIES ONE

Series one measured the public's awareness of natural gas odor and the required action should the odor be detected. The series ran from March 29, 2010 to April 25, 2010. During the four week period:

- 252 Spots aired on ten different cable network stations;
- Eight of the ten stations selected were English stations and two were Spanish;
- Spots were shown on 6 days of the week (except Wednesday);
- Spots aired various times of the day including primetime and daytime; and
- The total cost for series one was \$18,025 (average cost per Spot of \$ 71.53).

SERIES TWO

Series two measured the public's awareness of the 811 notification process and their related responsibility. The series ran from July 19, 2010 to August 15, 2010. During the four week period:

- 163 Spots aired on eight different cable network stations;
- Seven of the eight stations selected were English stations and one was Spanish;
- Spots were shown on all days of the week;
- Spots aired various times of the day including primetime and daytime; and
- The total cost for series was \$17,628 (average cost per Spot of \$ 108.15).

SERIES THREE

Series three measured the public's awareness of pipelines in the community and leak identification. The series ran from September 6, 2010 to September 19, 2010.

During the two week period:

- 164 Spots aired on nine different English cable network stations (including 7 gratis Spots);
- Spots were shown on all days of the week;
- Spots aired various times of the day including primetime and daytime; and
- The total cost for series was \$13,810 (average cost per Spot of \$ 84.21).

Grant Period - Results

After each series aired, results were tallied and evaluated. Interim result reports were prepared that assisted in the determination of optimal purchases for the next series and were used to record and measure responder understanding to assist in the determination of additional and/or supplemental ongoing and future outreach efforts. Interim results were submitted to Grant Administrators.

The 579 Spots aired in the ten week period resulted in a total of 2,157 responses (average of 3.73 responses per Spot). Total viewership (based on Neilson ratings) was 802,281 (an average of 1,386 viewers per Spot).

Each of the responses received were evaluated as to whether the respondents were educated on the subject matter (i.e. answered correctly or incorrectly). Since responses came from viewers in more than 40 zip codes, responses as to understanding of the message content were a good cross-section of total stakeholders. The percentage of correct responses with both series one and three (the public's awareness of natural gas odor and the required action should the odor be detected, and the public's awareness of pipelines in the community and leak identification) were, in all cases, more than 70%. The percentage of correct responses for the second series (the public's awareness of the 811 notification process and their related responsibility) showed the lowest understanding with a correct response rate of only 53% to the first question.

SERIES ONE

- 330,000 viewers were reached;
- 989 respondents (avg. of 3.92 per spot);
- 975 responded to English Spots and 14 responded to Spanish Spots;
- Of the 657 respondents to the first question, 521 (78.6%) answered correctly; and
- Of the 332 respondents to the second question, 240 (71.7%) answered correctly.

The results of our series one therefore indicated that 78.6% of the responding audience knew what natural gas smelled like and 71.7% knew what to do if they smelled natural gas.

SERIES TWO

- 225,522 viewers were reached;
- 531 respondents (avg. of 3.26 per spot);
- 518 responded to English Spots and 13 responded to Spanish Spots;
- Of the 365 respondents to the first question, 186 (53%) answered correctly; and
- Of the 166 respondents to the second question, 118 (70.7%) answered correctly.

The results of our series two evaluations therefore indicated that 53% of the responding audience knew why it was important to call 811 and 70.7% knew that it is everyone's responsibility to call 811.

SERIES THREE

- 246,759 viewers were reached;
- 637 respondents (avg. of 3.88 per spot);
- All Spots in series three were on English channels;

- Of the 337 respondents to the first question, 299 (88.7%) answered correctly; and
- Of the 300 respondents to the second question, 229 (76.3%) answered correctly.

The results of our series three evaluations therefore indicated that 88.7% of the respondents were able to identify a gas leak and 76.33% knew that, even if they did not have gas in their home, gas pipelines were in their community.

Return of Excess Funds

The City is processing the return of excess Funds, advances vs. disbursements (\$537.00). These excess funds will be returned via check as instructed via e:mail and detailed below:

Check Payable to: DOT PHMSA

Memo: Reference your grant number, DTPH56-09-G-PHPT08

Mail to: U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Acquisition Services, PHA-30
1200 New Jersey Avenue, SE, E22-305
Washington, D.C. 20590
Attn: Maria Munoz

Grant Results – Use of Information and Follow-up Activities

As previously mentioned, the number of persons that are contacted via the City's outreach efforts is documented, tallied and evaluated. The goal of outreach efforts is to not only assure compliance with requirements but to target, reach, and inform as many stakeholders as possible with messages relating to natural gas and pipeline safety. The Grant permitted the City to not only reach an exponentially greater number of persons with important messages and PSAs, it also provided an increased ability to measure the understanding of those messages.

During an average six month period in 2010, approximately 290,000 persons were provided messages/outreach efforts using methods available absent Grant funds. The ten week period during which interactive Spots aired yielded a viewership of approximately 802,300 (based on Neilson ratings). The City's current method of measurement (using non-Grant funded monies) of community awareness of natural gas and pipeline safety topics includes surveys and interaction at events. During an average six month period in 2010, approximately 930 responses from surveys and interaction at events were received. In comparison, the Spots purchased with Grant monies resulted in the receipt of 2,157 responses during the ten-week period.

The results of each series will be used to enhance the City's future outreach efforts/messages. As an example, because of the low percentage of persons that were knowledgeable regarding 811 requirements and responsibilities, the following enhancements to the City's Public Awareness program have been implemented:

- The creation of new PSAs will be focused on 811;
- Additional displays and other information have been created and are available for distribution at events; and
- Additional 811 messages have been incorporated in the City's current communication methods.

Based on the number of persons reached, the number of interactive responses, and community feedback (persons that have contacted the City or commented on having seen and learned from the Spots), the opportunity given to the City by this Grant has not only tested a new technology as a way to outreach customers, members of the public, and other stakeholders but has proven to be a successful method of outreach. Cox professionals indicated that response rates for this important safety related campaign exceeded response rates for general marketing campaigns. Comments from the community have likewise indicated their appreciation and acknowledgement of information gained from the vital messages contained in each of the series.

In the Grant application, the City identified and requested funds for a technology that would benefit the public - enhancing their knowledge and/or overall safety with respect to pipelines as well as be transferable and/or useful to other pipeline operators. In the City's opinion, the purchase of interactive advertising to convey messages relating to pipeline safety has been shown to be effective with respect to both community knowledge and transferability.

The City and its community appreciate the opportunity that was entrusted to it by the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration.

Please let me know if you have any questions, comments, or would like additional information regarding this Final Report or its contents.

Respectfully,



Lori Bonilla
Grant Principal Investigator
City of Mesa, Energy Resources Department
(480) 644-2652

ENCLOSURES: Appendix A
Federal Financial Form SF-425

Cc: Mr. Warren Osterberg
U.S. Department of Transportation
Pipeline and Hazardous Materials Safety Administration
Office of Contracts and Procurement, PHA-30
1200 New Jersey Avenue, SE, E22-103
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Appendix A

SERIES ONE

Question 1: Natural gas can be anywhere. What does gas smell like?

Choices:

- A. Skunk
- B. Rotten Eggs**
- C. Gasoline

Response 1: The correct answer is B Rotten eggs. Tell everyone in your household.

Question 2: If you smell natural gas, what should you do?

Choices:

- A. From a safe location, call 911 or 480-644-4277**
- B. Nothing

Response 2: If you smell gas, leave the area and call 911 or 480-644-4277

SERIES TWO

Question 1: Call 811 two days before digging to...

- A. Get underground utilities marked**
- B. Avoid damaging pipelines**
- C. Nothing

Response 2: Both A & B – and it's the law

Question 2: Who should call 811?

- A. Everyone**
- B. Contractors
- C. No one

Response 2: The correct answer is A, safe digging is everyone's responsibility.

SERIES THREE

Question 1: How can you identify a natural gas leak?

- A. I don't know
- B. By smell, sight, or sound**
- C. My neighbor will tell me

Response 1: A leak can be identified by smell (rotten eggs), sight, or sound.

Question 2: We don't have natural gas in our home; so it's not in our community.

- A. True
- B. False**

Response 2: False, pipelines can be anywhere, call 480-644-4552 to learn more.