

Our Customers

While 2008 was a year of economic challenge and uncertainty, Piedmont continued to generate quality growth in our markets, adding new customers throughout our North Carolina, South Carolina, and Tennessee service areas. In fact, despite the economic downturn, Piedmont's gross customer additions totaled 20,500 in 2008 yielding an annual customer growth rate of two percent. As a result, we remained one of the fastest-growing natural gas distribution companies in the nation, again demonstrating the underlying resilience and vitality of the communities and regions we serve.

These results were made possible in no small measure by the hard work and persistence of Piedmont's team of sales and marketing professionals. The message they delivered to customers and potential customers was simple: natural gas is the comfortable and responsible

“In 2008, we were determined to grow our customer base despite difficult economic and market conditions. We owe our success to the clarity of our message, the focus of our sales team, and the positive business relationships we have established over the years.”

Frank Yoho, Senior Vice President - Commercial Operations.

energy choice. Comfortable to our customers for heating their home and businesses, providing hot water, cooking their food and drying their clothes. Responsible to our environment as a clean, efficient energy product with a lower carbon footprint than electricity, propane or fuel oil. And, responsible to our economy and our national security as a domestically abundant energy source.

This message took hold in our residential conversion markets in 2008. Here, customer growth is achieved when an existing homeowner makes the decision to switch from another energy product, such as electricity or propane, to natural gas for home heating or water heating. The sales process in the conversion market is longer. It typically involves repeated sales calls to the homeowner and requires a capital outlay from the customer to purchase new natural gas equipment. During 2008, we were successful in converting 1,860 existing homes to natural gas, exceeding our 2007 performance in this market segment by 17 percent.

Our success in the conversion markets partially offset slower growth in our residential new construction and commercial markets in 2008. Even with the decline in general economic conditions, these market segments contributed significant new customer growth during the year. We added 16,280 residential new construction customers and 2,360 new commercial customers to our distribution systems in 2008.



Beyond our efforts in the residential and commercial markets, we also devoted considerable time and resources to our major account customers. For these larger commercial and industrial accounts, Piedmont provides a variety of specialized services to satisfy their unique energy challenges. Our highly trained and qualified major account representatives solve energy equipment problems, propose cost saving measures and provide technical services on a day-to-day basis.

**June Moore,
Vice President of
Customer Service,
talks to Jody
Kelly and Jennifer
Blackburn about
customer service
initiatives.**





As customers of Piedmont Natural Gas, employee Todd Hackler and his family enjoy the benefits of cooking with natural gas.

In the area of customer service, we strive to exceed customer expectations and continue to implement service improvements. Our customer service representatives answered an average of 85 percent of all customer calls during the year within 20 seconds or less. We have met our 80/20 customer contact center goal for three consecutive years and believe it is an important aspect of the overall customer service experience at Piedmont. In March of 2008, a study by J.D. Power and Associates ranked Piedmont #1 in the South for business customer satisfaction among natural gas utilities for the second consecutive year. While we are pleased with these

results, we are continuously looking for ways to improve our customer service processes.

At Piedmont, that begins with listening to our customers. In 2008, we added a telephone customer survey option that allows our customers to give us immediate feedback on their call center experience. Hearing from our customers at this important touch point broadens our understanding of the customer experience and allows us to identify specific areas for improvement.

Other service improvements we have implemented this past year include expanding the

number of options through which customers can choose to receive and pay their bills. Customers can now receive electronic or hard copies of their bill, and they can choose to pay in person, by mail, through a bank draft, by phone or online with a credit or debit card. Piedmont is maximizing customer conveniences, and we are pleased to offer the credit and debit card transactions as free services to our customers.

Also in 2008, Piedmont expanded to more than 240 alternative paystations throughout our

North Carolina, South Carolina and Tennessee service areas. These paystations, which include local grocery stores and Western Union offices, offer customers added flexibility and convenience.

“Our focus on best-in-class customer service has provided us with the motivation to continuously improve the processes and systems underlying our service. My teammates across the entire organization have really embraced this effort.”

[June Moore, Vice President - Customer Service](#)