



HOW WELL WAS YOUR UTILITY PREPARED FOR **PROMISED LAND?**

By John Egan, Egan Energy Communications, Inc.

Matt Damon and Gus Van Sant have a track record. The A-list actor and award-winning director first teamed up in *Good Will Hunting*, the 1997 Oscar winning film that grossed more than \$225 million at the box office on a modest budget of \$10 million. When Damon and Van Sant announced their second film collaboration, *Promised Land*, energy companies had good reason to be concerned. The film touched a hot-button topic in the energy field: production of oil and natural gas using a technique called hydraulic fracturing, or “fracking.” Would this film shape public perceptions about the oil and gas industry the same way that *The China Syndrome* did over 30 years ago to nuclear power? And, if *Promised Land* made a big splash, would that also soak the electric and gas utilities who have grown dependent on fracked gas?

For energy companies—oil and gas producers no less than electric or gas utilities—“fracking” is the toxic new “f-bomb.” U.S. oil and gas production has soared in recent years, in large part because of hydraulic fracturing. As oil and gas production has soared, so too have concerns and protests by the public about hydraulic fracturing. Go to any public hearing on hydraulic fracturing today and you see fear, distrust, anger and colorful statements of opposition.

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The oil and gas industry invested time and effort to prepare for the potential impact of this film. Among utilities located west of the Mississippi River, I found two—Northwest Natural and Sempra Utilities—that made significant investment in communications planning for the movie. The film turned out to be a commercial flop, taking in only about \$10 million at the box office. After opening on about 1,700 movie-theater screens in early January, by the end of that month it had virtually disappeared. Energy companies likely were delighted by the film’s rapid disappearance from movie theaters. But does its failure at the box office mean that NW Natural and Sempra Utilities wasted their time preparing for the movie? I do not think so.

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of everything and the value of nothing. There is value in planning and preparation—just ask any communicator who has been surprised by news media inquiries and angry public allegations about “smart” meters. Although no battle plan survives its first engagement with your opponent, having a plan—even one you deviate from—is better than having no plan.

NW NATURAL

Before *Promised Land* was released, NW Natural created and posted fresh content about hydraulic fracturing on its website, including two brief videos. The utility’s communicators also prepared talking points for use by its Customer Call Center representatives in case they received customer inquiries. Talking points also were prepared news media inquiries.

NW Natural’s communications team wanted to provide thorough and transparent information on this topic to educate customers on an important issue concerning its product, said spokeswoman Melissa Moore. She added the utility has received a small number of calls from the media and customers on the movie or hydraulic

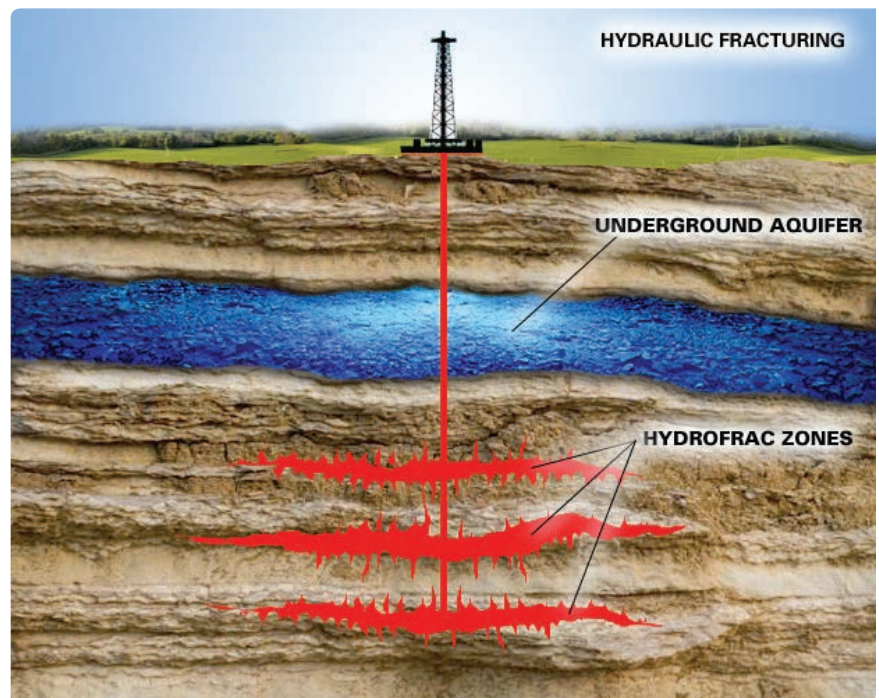
fracturing.

“We have a very vocal environmental presence in Oregon and southwest Washington,” shared Moore in an interview. “Our market research confirmed we have a sophisticated audience in our service area that is interested in and aware of the topic.” She added that the lack of inquiries could be because Oregon is not a natural gas-producing state. But Moore recognizes the concern about hydraulic fracturing will not be going away.

SEMPRA UTILITIES

Another WEI member, Sempra Utilities, took an inside-out approach to preparing for *Promised Land*: It held town hall meetings on fracking for employees so they would not be unprepared in case a friend or neighbor asked them questions about the movie or the issue.

“We wanted to be sure our employees had the facts if they were asked about the movie or fracking,” spokeswoman Denise King said in an interview, adding the first town hall meeting, in February drew about 140 employees. Additional meetings are scheduled in March and April. “We’re taking the show on the road,” she





said, despite the fact that *Promised Land* is no longer in theaters.

Sempra Utilities showed employees a video on fracking produced by Marathon Oil. It also developed talking points and a series of frequently asked questions, which it posted on its corporate Intranet site. Sempra Utilities also posted links to information from other organizations, including the American Gas Association, about extracting natural gas in an environmentally responsible manner.

"Employees who work as public affairs managers received some questions from their community contacts, but other than that, it's been fairly quiet," King said. "We have not seen a groundswell of inquiries." The utility did not post any material on fracking on its public website, nor did it hold background briefings with the news media. Sempra Utilities' stance was to be ready to go public if the need arose, but generally wait until the issue got into the public before sharing its views.

"Our employees are ambassadors for the company, particularly field

employees who interact each day with the public," King said. When asked if the time and effort spent on communications planning was a wise investment, she said, "Definitely! We wanted to make sure our employees were well informed, as they are an important touchpoint with our customers and the public."

THE ROAD AHEAD

When contacted, most gas utilities west of the Mississippi River said that since they only transport gas produced by other companies, they didn't feel they had to prepare for the movie's release. It's true that oil and gas producers, not utilities, have the most at stake in the current public relations battle over hydraulic fracturing. But energy utilities clearly have a dog in this hunt as well. In the U.S. today, most natural gas is produced using hydraulic fracturing. And that gas quickly works its way downstream to gas and electric utilities.

I was a little surprised that so many utilities in the Western U.S. did not prepare more for what could have been a serious public backlash against

hydraulic fracturing triggered by *Promised Land*. I think the industry got lucky, and of course, dodging a bullet is not the same as having a strategy. I recommend utilities follow the paths chosen by NW Natural and Sempra Utilities: Invest in preparation, because hydraulic fracturing is not going away.

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