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Date: January 20, 2011

Subject: Annual Report on Rocky Mountain Power's Demand-Side Management Outreach and Communications Campaign, Year 1, Docket No. 09-035-36

Background

On June 11, 2009 the Public Service Commission approved Rocky Mountain Power's application for Approval of a Proposed Strategic Communications and Outreach Program for Demand Side Management. The Program funding is not to exceed \$1.5 million per year for an initial three year period. The effectiveness of the Program is to be monitored over that period with a final assessment performed at the end of the three year period. On October 14, 2010, Rocky Mountain Power (the "Company") filed its "Annual Report on Rocky Mountain Power's Demand-Side Management Outreach and Communications Campaign, Year 1." (the "Report")

For year one, the Company listed 10 objectives it intended to accomplish. This was later modified in year two to 4 major objectives. The Office agreed that educating customers and increasing awareness of the benefits of conservation and energy efficiency as well as increasing participation in the Company's DSM programs are worthwhile goals and supported approval of the Program. The timeframe for the report is July 2009 to June 2010. On April 1, 2010 the Company filed its Strategic Communications and Outreach Plan for Demand-side Management Program Year 2 Plan and Budget.

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Discussion

1. Survey Analysis

The nature of the Report was to demonstrate the effectiveness of its community outreach and communication plan for year one of the DSM program. The first half of the Report deals with studies relating to the Year one objectives and the second half of the Report discusses the outreach campaign. While the Report summarizes the outcomes of year one, it contains scope and sample design inconsistencies.

The first of these flaws is reflected in the timeframe of the Report. The scope of the Report was to report on the outreach campaign and result for the time period of July 2009 – June 2010. Throughout the report, there are references to information outside the specified timeframe. The Office understands that the timing of the Report, coupled with the budget/plan filings and survey findings may contribute to the overlap of the timelines being addressed. However if the Report is designed to benchmark the effectiveness of accomplishing the 10 objectives cited within the year, then keeping the discussion and references within the timeframe is imperative to ensure an accurate representation of results for year one. For the scope of the Report, the June 2009 and June 2010 studies are relevant. As such, the emphasis of the Report should be on those findings and not comparisons between the 2007 and August 2010 surveys. The “Key Research Findings” should emphasize these surveys within the year one timeframe. Another example exists on page 17 where the Company reports on wattsmart.com URL hits. The table illustrates the hits for the entire summer, as opposed to being focused on the timeframe contained in year one. The Office understands that the issue of communicating the summer tiered rates carried beyond June 30. However, the mixed timeframes of reporting the data create confusion.

To remedy these scope issues, the Office recommends that any information of importance beyond the scope of the Report should be reported in an appendix within the report. For example, the URL hits for year one should report through June 30. The Year two report can capture the accrual of information beyond June 30 and utilize it within its timeframe. A supplemental report could be included in an appendix to demonstrate the URL hit pattern throughout the entire summer or period of tiered rate communications.

The next concern with the Report is the research methodologies. The 2007 study cited in the Report is included throughout the “Key Research Findings” section. Yet these findings are outside of the scope of the Report. The 2007 report could serve as important background information or set up a contextual framework for the other surveys, but should not serve as key findings to the Report. The 2007 survey was not designed to be part of a pre/post research methodology. The Company conducted a joint study with Questar Gas Company producing survey information in August 2010. Comparisons with the August 2010 survey should be carefully considered and limited as the sample designs are fundamentally different. The Office recommends that the August 2010 survey instead should serve as the baseline for further research into energy efficiency, conservation and demand response utilizing consistent sample design in future surveys.

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Lastly, the reporting scheme seems to lag in a manner to allow for adjustments. In the June 11, 2009 Order, the Commission requested reporting program progress quarterly to the DSM Advisory Committee. The lag between interim progress reports and the Report filing causes a loss in communication or a mix of adjustments between reporting years. For example, the NEF Curriculum was unable to create an online component due to funding and time restrictions. It is unclear in the Report if they were able to correct this situation moving forward or just decided to drop the online component altogether. Subsequently, it was discovered that the Company decided the online component wasn't necessary as the NEF had a take-home assignment for students that served the same purpose as the online component saving \$25,000. The Office recommends that any adjustment to programs outside of the reporting year, either before or after, should be included in an appendix to the Report. This would allow relevant information to the report year to be temporally consistent, capture significant adjustments happening in the subsequent year, and alleviate confusion with cross year activity performance.

2. Budget Variance Report

On page 20 of the report the Company provides the required variance report. Some of the variances are significant ranging from -\$25,000 for NEF curriculum and research to \$93,018 for Cool Keeper. The report offers brief comments on the changes to the NEF curriculum and the Cool Keeper Program. Through discussions with the Company the Office understands why these variances occurred. For future reports we recommend that more detail should be provided to explain significant variances in the budget.

Recommendations

The Office recommends that future reports incorporate the following adjustments:

1. Studies should be referenced with titles other than the year of the study to alleviate confusion.
2. "Key Research Findings" should include research relevant to the timeframe and scope of the Report. Other survey information should be included in other sections of the Report or in an appendix.
3. Mid-year program plan adjustments and lagged information outside of the reporting year should be included in an appendix to the Report.
4. Explanations should be included for significant budget variances.