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DEPARTMENT OF COMMERCE  
Office of Consumer Services

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To: The Public Service Commission of Utah

From: The Office of Consumer Services  
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Division of Public Utilities  
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Date: April 25, 2012

Subject: Strategic Communications and Outreach Plan for DSM Program  
Year 4 Plan and Budget, Docket No. 12-035-71 Re: 09-035-36

### Background

Rocky Mountain Power (the Company) requested approval to continue the Strategic Communications and Outreach Plan (Communications Plan) for an additional three and a half years at the current funding level of \$1.5 million over a 12-month period, increased for inflation. The Company further requested an 18-month implementation period for year four to align the Communications Plan with the Company's annual planning effort and Energy Efficiency and Peak Reduction Report. The Company proposed a budget of \$2.25 million for this 18-month timeframe, which is in line with historic Communications Plan annual budgets of \$1.5 million.

The Company also requested that the Commission eliminate the requirement that the Company submit quarterly reports regarding Campaign activities to the DSM Advisory Group.

### Discussion

The Communications Plan has been an effective program in promoting the Company's DSM offerings and educating the public on energy efficiency. Therefore, the Office supports the plan generally and recommends that the Commission extend the Communications Plan for the next three and a half years. The Office also recommends that the Commission no longer requires formal quarterly reports for the Communication

Plan so long as the Company continues to report budget impacts in DSM Advisory Group meetings. As expenditures vary throughout the year, quarterly variance reports may not reflect budget impacts. The Annual Communications Plan Report will report annual budget variances. With changes in meeting frequency, the Company has kept the DSM Advisory Group updated regarding changes in the Communications Plan. Continued information sharing in the DSM Advisory Group eliminates the need for formal quarterly reports

The Company requests that the Commission approve extension of the Program for three and a half years at the current funding level of \$1.5 million over a 12-month period, *increased for inflation*. [Emphasis added]. In response to our questions the Company stated that it would not exceed the requested \$2.25 million budget for the first 18-months (year four budget). The Office supports the Company's Year 4 budget. Although several of the elements listed in the year four plan lack detail and only offer estimated costs, the Office understands that until the Company has an approved budget RFPs and negotiated contracts cannot be completed. The Company has indicated that as concepts and plans become more concrete they will be offered for review by the DSM Advisory Group.

However, there is no explanation as to what effect inflation may have on budgets for years 5 and 6. Because the amount of increase for inflation is not specified, the Office does not know what maximum or "not to exceed" budget the Company is requesting in those years. Therefore, the Office recommends that the Commission not approve the budget for years five and six until the Company makes a filing with more specific information regarding the full dollar amount requested.

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#### Recommendation

The Office recommends the following to the Commission:

1. Approve extension of the Communication Plan for the next three and a half years.
2. Eliminate the requirement for formal quarterly Strategic Communications and Outreach Reports.
3. Approve the year 4 proposed Strategic Communications and Outreach budget.
4. Require that budgets beyond year four should be submitted to the Commission for approval at a later time to account for the Company's request for inflation increases.