

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application of )  
PacifiCorp d/b/a Rocky Mountain Power ) DOCKET NO. 09-035-36  
filing for Approval of a Proposed Strategic )  
Communications and Outreach Program for ) ORDER APPROVING PROGRAM  
Demand Side Management. ) WITH CONDITIONS  
)

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ISSUED: June 11, 2009

By The Commission:

On May 12, 2009, PacifiCorp d/b/a Rocky Mountain Power (“Company”) filed for approval of a proposed Strategic Communications and Outreach Program (“Program”) for Demand Side Management (“DSM”). The Company proposes Program funding not to exceed \$1.5 million per year over an initial three year period during which time its effectiveness will be monitored with a final assessment performed at the end of the three year period. The Company requests funding for the Program would be provided through Schedule 193, the DSM tariff rider. The Company states the: “. . . overarching program objectives are to promote customer conservation through energy efficiency education and increase customer awareness of and participation in the Company’s DSM programs. The program will also deliver the residential rate structure education program ordered by the Commission in Docket No. 07-035-93.” The Company specifically lists ten objectives in its application, these are:

1. Promote customer conservation (behavioral changes) and increase participation and savings through demand side management programs.
2. Provide Rocky Mountain Power customers with information on the company’s portfolio of energy efficiency and load management programs – position Rocky Mountain Power as the primary source of tips, tools and programs that help households and businesses reduce electricity usage, save money and conserve resources.

3. Motivate customers to reduce consumption independently or to do so by participating in at least one of Rocky Mountain Power's demand side management programs.
4. Promote customer messaging around how participation in these programs can help customers save money on their utility bills, reduce the amount of energy consumption and keep costs down for all Rocky Mountain Power customers in Utah.
5. Encourage participation in multiple demand side management programs by increasing current cross-selling activities to current or former participants.
6. Create awareness of the longer term intrinsic benefits and costs of DSM.
7. Encourage customers to reduce consumption during the peak summer months by educating customers about the tiered pricing structure and how decreasing usage can reduce their costs.
8. Educate consumers on the role increased electrical consumption plays in increasing prices for all of Rocky Mountain Power's Utah customers.
9. Create a sense of ownership among customers, turning them into advocates for efficiency and creating a movement in Utah toward improved utilization of energy resources.
10. Create a connection among Utah citizens between increased energy efficiency and the overall health and well being of Utah's economy, environment and future "quality of life."

The Company proposes to accomplish these objectives by developing a program which: ". . . will consist of traditional marketing tools including media advertisements (television, radio and print) public outreach and public affairs communications with online and interactive portals, community involvement and social networking." The Company anticipates that: ". . . within 2 weeks of a Commission order approving the program initial energy efficiency awareness messaging will begin and within 90 days the full details of the campaign will be developed." Regarding cost effectiveness, the Company notes: "Using the cost-effectiveness

results of the 2008 DSM portfolio as a base case, the portfolio remains cost effective with the inclusion of the communications and outreach program costs.“ The Company represents the total resource cost benefit cost ratio of the Company’s 2008 DSM portfolio of programs without the Program is 1.988 and with the Program is 1.952. The Company requested approval by June 12, 2009, in order to target the 2009 cooling season.

On June 3, 2009, the Division of Public Utilities (“Division”) filed comments on the Program recommending approval and recommending additional reporting and assessment survey requirements to ensure the effectiveness and timely review of the Program. The Division states it: “. . . agrees with the Company’s proposal to monitor program effectiveness on an annual basis and recommends that the Company report these findings to the Commission by August 31 of each program calendar year, commencing in 2010.” The Division also recommends: “. . . the Company, on a quarterly basis, report program progress to the Utah DSM Advisory Committee.” The Division further saw a need for additional follow-up surveys to evaluate the effectiveness of the program. Specifically, the Division recommends: “. . . the Company conduct follow-up surveys on at least a biennial basis to assess program effectiveness and to quantify results, and to identify areas that require improvement.” The Division also evaluates the Company’s approach to assessing the Program’s cost effectiveness. The Division states that when the Company includes the estimated \$1.5 million dollars of annual costs with the total 2008 DSM portfolio costs the: “. . . total DSM Program Portfolio meets each of the required cost effectiveness tests.” The Division further states: “The program appears to have no appreciable impact on the overall cost effectiveness of the Company’s current DSM programs.” The Division also states it concurs with the Company’s method of including the costs in the

overall DSM portfolio's costs as a method of evaluating it. The Division notes this approach understates the impact of the Program as it includes the Program's costs but no expected benefits from changed customer behavior.

On June 8, 2009, the Office of Consumer Services ("OCS") filed comments recommending conditional approval of the Company's Program. Specifically the OCS recommended the Commission require the Company to develop an action plan: ". . . prior to expenditure of any of the funds. . . ." Further the OCS requested: ". . . the Company be required to provide its Action Plan to the DSM Advisory Committee and the Commission provide an opportunity for parties to comment on the Action Plan." The OCS also recommended the Company be required to: ". . . provide a yearly update of the Action Plan to the DSM Advisory Group."

#### DISCUSSION

The Commission finds there are likely to be synergistic benefits in having a concerted Strategic Communications and Outreach Program to promote energy conservation in general and the Company's DSM programs and rate structure in particular. The Commission also finds the amount of money requested to be reasonable in light of the minimal effect the inclusion of the proposed program's costs have on the cost benefit test results of the current portfolio of DSM programs. The Commission also finds that the additional reporting and survey requirements suggested by Division are necessary; not only for accountability, but also to aid the Company, the Utah DSM Advisory Group, in recommending, and the Commission in making, necessary future adjustments to the Program.

While the Commission shares the OCS's concern about having sufficient Utah Stakeholder input into the development of the Program, we are also very concerned that the process recommended by the OCS would result in the Company's Program missing the major portion of this year's cooling season. The multiple-round process the OCS requests for the Program development prior to the expenditure of any funds effectively would delay the start of the Program beyond the prime target time of this year's cooling season. The Commission recognizes that if the Company had brought forward the proposal for an outreach program earlier in the year that a more productive involvement of the Utah DSM Advisory Group in the development process would have been possible. However, the prospect of losing the prime summer period is unacceptable. Therefore, we find that the Company needs to provide significant opportunities for all interested stakeholders in the coming few weeks to be involved in the design of the proposed program. We do not however, find that the Company must wait to start the Program until after that effort concludes.

Prior to any activity or expenditures as part of the Program we direct the Company to file a short-term first-year action plan and budget which details the activities and associated costs for the items and activities which the Company in its filing stated it was ready to implement within two weeks of an Order approving the proposed program. We direct the Company to file for Commission approval a detailed first-year action plan of both proposed activities and the corresponding expenses for the remainder of the first year's program as soon as is practicable. We direct the Company to develop the first-year action plan and budget in concert with the Utah DSM Advisory group. For subsequent years of the Program the Company

shall submit the second and third year action plans and proposed budgets for Commission approval by April 1<sup>st</sup> of the relevant year of the program.

Based upon the pleadings filed herein, the Commission conditionally approves the proposed program and adopts the Division's recommendations regarding reporting requirements and assessment surveys, along with the other modifications and requirements discussed above.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The proposed Strategic Communications and Outreach Program for Demand Side Management, is approved.
2. The Company will submit the reports and conduct the assessment surveys as recommended by the Division of Public Utilities.
3. The Company shall file a short-term action plan and budget prior to starting the proposed program or spending any of the budgeted amounts.
4. The Company shall jointly develop a first-year action plan, as requested by OCS, and budget in concert with the Utah DSM Advisory Group and file it with the Commission for approval as soon as is practicable.
5. The Company shall jointly develop second and third year action plans and budgets with the Utah DSM Advisory Group and shall file them with the Commission for approval prior to April 1<sup>st</sup> of the relevant program year.

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DATED at Salt Lake City, Utah, this 11<sup>th</sup> day of June, 2009.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard  
Commission Secretary  
G#62488