

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Rocky Mountain Power for Approval of a Strategic Communications and Outreach Program for Demand Side Management)))))
DOCKET NO. 09-035-36
ORDER APPROVING THIRD YEAR PROGRAM AND BUDGET

ISSUED: June 27, 2011

By The Commission:

On April 4, 2011, PacifiCorp (“Company”), d/b/a Rocky Mountain Power, filed an application for the approval of a proposed program description and budget for the third year of its previously approved Strategic Communications and Outreach Program (“Program”) for Demand Side Management (“DSM”). The Company proposes a Program budget of \$1.5 million.

The Program has four primary objectives designed to: 1) promote customer conservation (behavioral changes) and increase participation and savings through the Company’s DSM programs; 2) motivate customers to reduce consumption independently or through participation in at least one DSM program; 3) educate customers on how DSM programs can help save money on their utility bills, reduce energy consumption, and reduce costs for all customers; and 4) educate customers about the Company’s tiered pricing structure to encourage reduced consumption during peak summer months.

In this application the Company proposes the following strategies:

“The third year of the strategic communications and outreach plan will leverage the traditional paid media and social media, community outreach, earned media outreach and digital (online) tools developed in years 1 and 2 of the campaign to accomplish the following:

- Educate customers about Rocky Mountain Power’s summer tiered pricing structure;

- Build awareness of the energy efficiency opportunities and energy efficiency and peak management programs offered by Rocky Mountain Power;
- Identify the personal and societal benefits associated with energy efficiency opportunities and energy efficiency and peak use management and;
- Motivate customers to change their behavior and act on energy efficiency opportunities.”

For this Program, the Company proposes enhanced media messaging strategies to promote reduced energy consumption during the summer season. According to the Company, these messaging strategies will focus on: 1) educating customers about the potential savings associated with high efficiency evaporative cooling equipment; 2) helping customers to better understand Seasonal Energy Efficiency Rating differences between central air conditioning units; and 3) educating customers about how to efficiently maintain and operate their cooling equipment.

The Program includes specific outreach and communications tactics similar to those employed in prior years. The Program highlights a new summer cooling area of focus, aimed at achieving goals for reduced summer energy consumption as listed above. The Company states it is developing concepts to be used in delivering summer cooling messages and will share those concepts with the DSM Advisory Group upon completion. According to the Company, input received from the DSM Advisory Group will be incorporated as appropriate into the final messaging design which will be submitted to the Commission prior to media release.

PARTY COMMENTS

On June 8, 2011, the Division of Public Utilities (“Division”) and the Office of Consumer Services (“Office”) filed comments on the Company’s proposed Program description and budget. The Division recommends the Commission approve the Program as filed. The

Division believes the Program is generally reasonable and satisfies the Commission's conditions for development of an action plan and budget as listed in the June 11, 2009, Order in this docket.

The Office recommends the Commission not approve the Program as filed.

While the Company indicated its desire to add new content regarding summer cooling strategies at the February 2011 DSM Advisory Group meeting, the Office contends, the Company presented no concept pieces. The Office states this is contrary to the Company's Program proposal to have the group provide feedback and input on this effort. The Office argues there is not sufficient time to adequately review these Program concepts prior to their scheduled July media rotation. The Office claims this is a reoccurring problem and argues the Company did not consult with the DSM Advisory Group regarding its concepts for the 2010 cooling season media campaign either and by now should have been able to resolve timing issues. Since the concepts have not been discussed within the DSM Advisory Group and in light of the current timing issues, the Office argues, the Company should postpone the implementation of the summer cooling campaign efforts.

The Office is also concerned about the funding proposal for the summer cooling campaign. According to the Office, approximately \$10,000 will be diverted from the Program's budget to fund the campaign. However, the Office contends this is not detailed in the Program document and recommends the Commission not approve this aspect of the budget until the Company provides additional supporting information.

The Office argues the Program budget does not contain the level of granularity required by the Commission in its May 20, 2010, Order in this docket. The Office claims the Program budget lacks information for parties to sufficiently review and analyze the Company's

program effectiveness and ongoing plans. The Office's comments include a list of questions and concerns requiring clarification and explanation.

The Office also notes typographical errors in the document which lead to confusion. The Office argues the Company's provision of more cogent budget information along with more substantive narrative would help to avoid inadvertent errors and would add clarity.

In summary, the Office recommends the Commission not approve the Program budget until the Company: 1) solicits feedback from the DSM Advisory Group for the summer cooling media concepts proposed in the Program; and 2) resubmits the Program budget with the criteria required by the Commission in its May 20, 2010, Order in this docket, along with the explanations and amounts for the questions raised by the Office in its comments.

On June 22, 2011, the Company filed a response to the Office's June 8, 2011, comments. In response to the Office's concerns about the adequacy of review and the timing of the Program's year 3 messaging concept pieces, the Company argues it consulted with the DSM Advisory Group at its February 7, 2011 meeting regarding the messages the Company intends to target in the year 3 of the Program. The Company also claims DSM Advisory Group recommendations are reflected in the proposed year 3 Program plan. The Company stated its intention to share additional information on this component of the year 3 Program with DSM Advisory Group Members at the group's June 23, 2011, meeting.

In response to the timing issues raised by the Office, the Company states it is hesitant to develop new Program creative messaging or concept pieces until it has Commission approval. However, as noted above, the Company states its intention to share additional information on this Program component at the June 23, 2011 DSM Advisory Group meeting. If

approved, the Company contends the cooling concepts contained within the Program will provide value in 2011 and afford the Company the ability to leverage the creative messaging in future periods, in spite of a delayed Program launch date.

To respond to the Office's concerns about the lack of granularity in Program budget details, the Company's June 22, 2011, response includes two attachments. Attachment "A" includes supporting information and detail about the funding of Program budget categories and shows how Program tactics are designated within each budget category. Attachment "B" includes the Company's explanations for the questions raised in the Office's comments.

To address Office concerns about the funding of the summer cooling component of the year 3 Program, the Company expects to incur approximately \$90,000 for this Program component, pending Commission approval, and claims it has incurred a de minimis amount of expenditures on this item to date. Attachment "B" also includes budget detail showing how the \$90,000 summer cooling Program component will be allocated. Since year 3 of the Program is scheduled to start on July 1, 2011, according to the Company, the large majority of expenditures for the summer cooling Program components will occur in year 3, with no expenditures exceeding approved budget amounts. Accordingly, the Company argues the concerns raised by the Office regarding funding for the additional cooling messaging are moot at this point in time.

DISCUSSION

Effective public outreach is essential to achieve greater customer participation in DSM programs and we find it important for the Company to begin implementing its media and outreach plans with the arrival of the 2011 cooling season. We appreciate the Company's June 22, 2011 follow-up response and are satisfied this response sufficiently addresses the Office's

recommendations identified above. We find the Company's June 22, 2011 response contains a level of detail which provides more clarity to the original Program filing. We direct the Company to include such detail in future DSM filings.

In addition, we direct the Company to more fully involve the DSM Advisory Group in the planning and program design and development stages of all such proposed DSM programs, not just in the review stages, to obtain timely feedback and input. Further, the Company shall prepare budgets, proposals, and materials far enough in advance of their being needed to allow for meaningful review by the DSM Advisory Committee. We are confident this approach will help the Company better identify and address party issues and concerns prior to the formal filing of DSM programs.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The third year budget and action plan of the Company's "Strategic Communications and Outreach Program for Demand Side Management" is approved.
2. The Company shall involve the DSM Advisory Committee early on in the planning, design, and development stages of future DSM related advertising campaigns allowing time for meaningful review and input from the DSM Advisory Committee.

DOCKET NO. 09-035-36

-7-

DATED at Salt Lake City, Utah, this 27th day of June, 2011.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
D#207504