

June 22, 2011

***VIA ELECTRONIC FILING  
AND HAND DELIVERY***

Public Service Commission of Utah  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City, UT 84114

Attention: Julie P. Orchard  
Commission Secretary

Re: Docket No. 09-035-36 – Strategic Communications and Outreach Plan for  
Demand-Side Management Program Year 3 Plan and Budget

On April 1, 2011, Rocky Mountain Power (the “Company”) filed its plan and budget for year 3 of the strategic communications and outreach campaign (the “Campaign”) for its Utah demand-side management programs. The Year 3 Plan (or the “Plan”) details the tactics the Company proposes to utilize in marketing its demand-side management programs from July 1, 2011 through June 30, 2012. On June 8, 2011, both the Division of Public Utilities (the “Division”) and the Office of Consumer Services (the “Office”) filed comments concerning the Year 3 Plan. While the Division recommended approval of the Company’s Plan as filed, the Office raised several concerns and recommended actions the Company should take before the Commission considers the Plan for approval. Rocky Mountain Power provides herein responsive comments to the Office memo dated June 8, 2011 in this proceeding.

Summer Cooling

In the Year 3 Plan, Rocky Mountain Power included a proposal to increase Campaign messaging regarding energy efficiency and cooling during the 2011 summer season. The Company indicated it would share messaging concepts with the demand-side management advisory group and incorporate feedback received as appropriate into final development of the creative messaging. Upon approval of the Year 3 Plan, the Company stated it would develop the final creative messaging which would be submitted to the Commission prior to inclusion in media rotation in June 2011.

The Office raised several concerns with this matter, the first of which is timing. The Office contends that since the Company has not shared messaging concept pieces with the advisory group to date for review, the Company’s proposal cannot be implemented in June as originally proposed due to timing considerations. Rocky Mountain Power consulted with the advisory group during the advisory group meeting held on February 7, 2011, regarding the messages the Company intends to target in the 3<sup>rd</sup> year of the Campaign. Recommendations from the advisory

group were reflected in Rocky Mountain Power's proposed Year 3 Plan. As described in the Year 3 Plan, messages targeted through this component of the Plan will seek to increase awareness of:

1. high efficiency evaporative cooling;
2. other high efficiency air conditioning technologies;
3. and maintenance of existing A/C units.

The Company will share additional information on this component of the Year 3 Plan at the demand-side management advisory group meeting scheduled for June 23, 2011. The new cooling creative can be completed and included in media rotation within approximately 3 weeks of Commission approval of the Year 3 Plan. Despite the later than hoped for launch, Rocky Mountain Power expects this component of the Plan will provide value in 2011 and afford the Company the ability to leverage the creative messaging in future periods.

In their comments, the Office alleges the delay of this component of the Plan from what was originally proposed is the responsibility of the Company and notes that a similar situation occurred in the summer of 2010.<sup>1</sup> In response to the timing of this component of the Plan in 2011, Rocky Mountain Power would note that it is hesitant to develop new creative messaging, or even concept pieces, for use in the Campaign until approval to do so has been granted through a Commission order. Otherwise, the Company is at risk for the expenditures incurred to develop the new content. Upon Commission approval of the Year 3 Plan, inclusive of the proposal concerning the new summer cooling messaging, Rocky Mountain Power will move forward with development of the creative messaging.

With respect to the 2010 cooling campaign to which the Office makes reference in their comments on the Year 3 Plan, Rocky Mountain Power notes that the Office in their comments regarding the Year 2 Plan and budget filing<sup>2</sup> expressed concern that Company messaging of the Cool Keeper program must be increased and improved and recommended the Commission direct the Company to work with interested parties to improve advertising for the program.<sup>3</sup> In response, the Commission directed the Company in their order on the Year 2 Plan<sup>4</sup> to "work with the DSM Advisory Group to develop new options for recruiting more customers to participate in the Cool Keeper program." The Commission also encouraged the Company to "implement these new approaches and procedures at the earliest possible opportunity."

Responding to this direction, Rocky Mountain Power promptly began developing new messaging concepts (beyond those already planned for circulation) to market the Cool Keeper program in the summer of 2010 and on June 11, 2010, distributed the messaging concepts to the entire advisory group via email for review and comment; after comments from the advisory group were received, the new Cool Keeper messaging was included in media circulation beginning the week of July 11, 2010. The timing of the development of and the forum by which the new 2010 Cool

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<sup>1</sup> Refer to footnote 1 on page 2 of the June 8, 2011 Office memo in this proceeding.

<sup>2</sup> Rocky Mountain Power filed the Year 2 Plan and Budget on April 1, 2010.

<sup>3</sup> Refer to the Office memo concerning the Year 2 Plan filed in this docket on May 4, 2010.

<sup>4</sup> Refer to the Commission's order on the Year 2 Plan issued in this docket on May 20, 2010.

Keeper creative messaging was shared for review with the advisory group was a function of the Company's response to the timing of and direction in the Commission's May 20, 2010 order and not a mismanagement on the part of Rocky Mountain Power in the timely development of the messaging or the advisory group review process, as is seemingly asserted by the Office in their comments. All told, Rocky Mountain Power developed, reviewed with the advisory group, and released new Cool Keeper messaging into the market within approximately 7 weeks of receiving the Commission's May 20, 2010 order directing the Company to develop new options for promoting the Cool Keeper program.

The Office also raises concerns in their comments concerning funding of the summer cooling component of the Year 3 Plan. In the Year 3 Plan filing, the Company proposed that in order to begin circulating the newly developed media in June 2011, expenditures not approved as part of the Year 2 Plan would need to be incurred towards the latter end of year 2 of the Campaign. In seeking approval for these additional expenditures in the 2<sup>nd</sup> year of the Campaign, Rocky Mountain Power indicated that no additional Campaign expenditures would be incurred for the Campaign in aggregate beyond the \$4.5 million (3 years X \$1.5 million) originally approved by the Commission, i.e. any overage of expenditures incurred in the 2<sup>nd</sup> year would be deducted from year 3 expenditures. Rocky Mountain Power expects to incur approximately \$90,000 for this component of the Year 3 Plan upon approval of the Commission and has incurred only a de minimis amount of expenditures on this matter to date. Since the date of this filing is less than 10 days until the end of the 2<sup>nd</sup> year of the Campaign, the large majority of expenditures for this component of the Plan will be incurred during the 3<sup>rd</sup> year, pending approval of the Commission. Accordingly, Rocky Mountain Power believes the concerns raised by the Office regarding funding for the additional cooling messaging are moot at this point in time.

### Report Organization

In their Comments, the Office addresses the organization of the Year 3 Plan as filed by the Company. The Office is critical of the inclusion of summary information on year 2 Campaign activities in the Year 3 Plan, stating it is redundant to information provided in other Campaign reports, such as the quarterly progress reports. Rocky Mountain Power notes the inclusion of summary information on the previous year's Campaign activities was included in the Year 2 Plan (and that the Office did not raise concerns with the provision this information at that time) and believes that such information is helpful from a contextual perspective in prospective year plans. Nevertheless, should the Commission determine this matter warrants action, the Company is not opposed to removing this information from future Campaign annual plans should the Campaign be extended beyond its third year and annual plans are required going forward.

The Office also addresses two erroneous dates provided in the Company's Year 3 Plan. On page 2 of the Plan, it was reported that the Company participated in three KSL Studio 5 segments on July 27, 2011, August 6, 2011 and September 27, 2011; the Company participated in these segments during 2010 and the year in each date reported should have been 2010. Also on page 4 of the Plan, the Company stated the Commission approved the Year 2 Plan on May 20, 2011, when it was actually approved on May 20, 2010. Rocky Mountain Power acknowledges these errors and appreciates the Office bringing them to the attention of the Company.

### Budget Organization

Concerning the year 3 budget provided in the Plan, the Office asserts budget information should be provided at a greater level of granularity than what was included in the Year 3 Plan and that the year 3 budget does not comply with a Commission order directing the Company to provide more granular information on Campaign expenditures. In approving the Year 2 Plan, the Commission directed the Company to “prepare a more granular explanation of planned expenditures on a program level basis.”<sup>5</sup> On June 15, 2010, Rocky Mountain Power responded to this direction in comments filed with the Commission in this docket. Concerning the matter of budget detail, the Company stated that it does not budget Campaign expenditures on a demand-side management program level basis and that the majority of Campaign messaging is general in nature and designed to direct customers to the [www.wattsmart.com](http://www.wattsmart.com) website where additional information is provided on the Company’s demand-side management programs.

The Company also communicated that for creative messaging designed to promote a single program, such as Cool Keeper program messaging, budgeting for media time on a program level basis is problematic due to how media time is purchased. Media time is generally purchased on a weekly basis with Campaign advertisements rotating throughout the week. For the Campaign, the Company runs several advertisements during a purchased block of media time. Because advertisements circulate through the purchased block of time, the Company does not know beforehand how many times each advertisement will run, making it difficult to budget media purchases on a program level basis.

In an effort to provide greater detail on the year 3 budget, the Company has added a column to the budget table provided in the Year 3 Plan which contains for each budget line item the associated marketing tactics described in the Plan; the revised budget table for year 3 is provided as Attachment A. With this information, the Company believes it has provided sufficient budgetary information for interested stakeholders to determine the use of proposed year 3 funds.

### Data Requests

Included in the Office’s comments were seven questions requesting clarification of information provided in the Year 3 Plan. The Office sent these questions to the Company via email on June 8, 2011, the same day the Office filed its memo with the Commission on the Year 3 Plan. Rocky Mountain Power provides herein responses to these questions as Attachment B to this filing.

In addition to responsive comments to the matters raised by the Office in their comments dated June 8, 2011, Rocky Mountain Power would like to comment on the timing of the Year 3 Plan and its implementation pending approval from the Commission. The 2<sup>nd</sup> year of the Campaign ends on June 30, 2010; Rocky Mountain Power has approval to continue Campaign activities and expenditures through this time period. Rocky Mountain Power has not purchased Campaign media time for the period beginning July 1, 2011, pending the Commission’s order on the Year 3

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<sup>5</sup> Refer to the Commission’s May 20, 2010 order approving the year 2 plan.

Public Service Commission of Utah

June 22, 2011

Page 5

Plan. Upon approval of the Year 3 Plan, the Company will proceed with the media time acquisition and other activities for year 3 of the Campaign. Based on prior experience, the Company anticipates a 2 week period before Campaign messaging can be queued and circulated through broadcast and print media rotations. To mitigate media purchase costs and to minimize the period of cessation of Campaign activities beyond July 1, 2011, Rocky Mountain Power respectfully requests the Commission approve the Year 3 Plan as filed as soon as it is practicable.

Please direct any inquires concerning this matter to Aaron Lively, regulatory manager, at (801) 220-4501.

Sincerely,

Jeffrey K. Larsen  
Vice President, Regulation

cc: Division of Public Utilities  
Office of Consumer Services

Enclosures