



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services
Michele Beck, Director
Danny A.C. Martinez, Utility Analyst
Cheryl Murray, Utility Analyst

Copies To: Rocky Mountain Power
Carol Hunter, Vice President, Services
Lisa Romney, Regulatory Projects Manager

Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager

Date: December 14, 2012

Subject: Docket No. 09-035-36, Annual Report on Rocky Mountain Power's DSM Outreach & Communications Campaign – Year 3

Background

On October 31, 2012, Rocky Mountain Power (“Company”) filed its Annual Report on Rocky Mountain Power’s DSM Outreach & Communications Campaign – Year 3 Report, (“Year 3 Report”) with the Public Service Commission (“Commission”). The Year 3 Report covered the period of July 2011 – June 2012. The filing included the survey instruments supporting the Year 3 Report as confidential materials identified as exhibits 2 – 10.

Discussion

Overview of the Customer Surveys

In the Year 3 Report, the Company used two surveys in its customer research. They are:

1. The Pacific Power/Rocky Mountain Power Customer Awareness Campaign: Tracking Study (“Customer Awareness Survey”).
2. The Rocky Mountain Power – Questar Gas 2012 Energy Efficiency Questionnaire (“DSM Survey”).

The Customer Awareness Survey measures customer awareness across all of PacifiCorp’s advertising activities. The DSM Survey measures customer’s knowledge and recall of energy efficiency programs for both the Company and Questar Gas Company. The conclusions and

recommendations based on the Year 3 Report were the same as in the 2010 Strategic Outreach and Communications Report. The recommendation was:

In view of the measurable positive impact of the outreach and communications campaign, Rocky Mountain Power should sustain at least the current level of advertising and communications, and continue delivering key energy efficiency messages across a variety of channels. The following tactics are recommended to solidify and strengthen the campaign. Given that many research findings are similar from 2010 to 2011, some recommendations remain the same as last year.

The Office is concerned that the Company did not update its recommendation section from last year. The Company indicated to the Office that it interpreted the research findings as similar enough to not drive significant changes in DSM communication strategies. The Office asserts that significant declines in customer awareness and recall have occurred during the 2011 – 2012 survey period. The Year 3 Report describes the findings, but does not analyze why the decline occurred. The Year 3 Report and all other DSM reports should provide readers an analysis and solutions for its findings. Without such analysis, prescriptive solutions are difficult to identify and implement.

While the Office agrees that continued promotion of the Company's DSM programs has positive impacts, the Office recommends that the Company work with the DSM Steering Committee to evaluate its current media mix and messaging to correct for 2011 – 2012 findings and change the report format moving forward to include more analysis for findings that indicate declining customer awareness.

Customer Awareness

In reviewing customer awareness, the expectation for a successful campaign would be that program awareness would increase, at least marginally as new viewers become informed through current media channels. As Table 1 indicates, over the past two years, individual DSM program awareness has declined from the initial 2010 survey, although the *wattsmart* brand awareness has increased significantly.

Table 1 - Total Program Awareness 2010 - 2012

Demand-Side Management Program	2010 Total Awareness	2011 Total Awareness	2012 Total Awareness	%Change (2010 – 2012)
See ya later, refrigerator	85%	83%	86%	1.18%
Home Energy Savings	65%	62%	58%	(10.77%)
Cool Keeper	69%	67%	57%	(17.39%)
<i>wattsmart</i>	28%	41%	47%	67.86%
Cool Cash Incentive	41%	40%	40%	(2.44%)
Energy Star New Home	44%	48%	34%	(22.73%)
Home Energy Analysis	29%	31%	29%	0%
Time of Day	28%	31%	24%	(14.29%)

For example, the Home Energy Savings program awareness decreased 10.77%; the Cool Keeper program decreased 17.39%; the Energy Star New Home decreased 22.73%. Yet the *wattsmart* program awareness increased 67.86%.

While the *wattsmart* program spans the breadth of energy efficiency in DSM programs, based on the percentages cited, it may be necessary to place more focus on specific DSM programs when developing new media. The Company focused its advertising efforts on developing the *wattsmart* brand in lieu of DSM Program awareness. It has not explained or demonstrated how the increase *wattsmart* brand awareness will improve the DSM program performance

The Company should capitalize on the *wattsmart* brand recognition's momentum to improve program awareness where it has declined. The Company may need to consider a reallocation of funds within the current DSM budget to develop specific program content leading to improved program awareness. The Office recommends that the Commission orders the Company to provide plans to the DSM Steering Committee on how to improve program awareness where it has declined in the past two years.

Message Recall Trend

Another trend shown in the Year 3 Report is declining message recall. Table 2 analyzes the declining trend in percentage terms.

Table 2 - Customer Message Recall Analysis

Messages Recalled	Rocky Mountain Power				
	Total				
	2010 (n=218)	2011 (n=300)	2012 (n=200)	% Change	
				2010 - 2012	2011 - 2012
Using energy wisely	78%	78%	67%	-14.1%	-14.1%
Energy efficiency programs	77%	75%	62%	-19.5%	-17.3%
Being Wattsmart	n/a	65%	62%	n/a	-4.6%
Don't remember/Don't know	40%	34%	44%	10.0%	29.4%

The three DSM customer messages all show declining customer recall from the base year, 2010 and the previous year, 2011. The comparison from the 2010 base year findings show double digit decreases in message recall. The “Don't Remember/Don't Know” category percentage has increased indicating less customer message recall across all customer messaging. From 2011 - 2012, the “Don't Remember/Don't Know” increased 29.4% indicating loss of message recall across all messaging.

This declining trend, identified in the Year 3 Report, shows the need for the Company to review its DSM program messaging and media mix and develop proposals to improve customer recall. The Office recommends that the Commission orders the Company to work with the DSM Steering

Committee on how to improve DSM program customer message recall where it has declined in the past two years.

Conclusions and Recommendations

The Year 3 Report and supporting documents provide useful data for analyzing DSM program messaging effectiveness. The Year 3 Report lacks analytical conclusions for declining customer awareness and customer message recall. Without such analytics, prescriptive recommendations for improving customer awareness and recall will be difficult to resolve.

The Office recommends that the Commission order the Company to do the following:

1. Provide analytical conclusions drawn from the survey findings in future DSM reports.
2. Work with the DSM Steering Committee on how to improve program awareness and message recall where it has declined in the past two years. This would specifically include the Home Energy Savings program, the Cool Keeper program, and the Energy Star New Home program.