

May 12, 2009

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84111

Attention: Julie P. Orchard
Commission Secretary

Re: Strategic Communications and Outreach Program for Demand Side Management

For the past several years, Rocky Mountain Power (the “company”) has pursued cost effective demand side management (DSM) as an integral component in its portfolio of resources used to meet the electricity requirements of its customers. Since 2002, energy savings acquired through the company’s DSM programs have grown year on year with energy savings in 2008 outpacing savings acquired in 2002 by approximately 270%. Notwithstanding this success, the company believes there remains room for significant improvements in participation and acquired energy savings to be realized. Accordingly, the company continues to aspire to increasing the reliance on DSM resources through increasing resource targets within the resource planning environments.

In 2007, Rocky Mountain Power commissioned a survey conducted by Dan Jones & Associates which assessed the awareness of the company’s DSM programs amongst its customers. The results of the survey showed that the majority of Rocky Mountain Power’s customers are not aware of the DSM programs offered by the company. Of those not aware of the programs, many expressed interest in participating in the programs when made aware of their existence.

Rocky Mountain Power believes that current economic and societal trends present a significant opportunity to increase awareness of and participation in the company’s DSM programs. Results from the Dan Jones & Associates survey referenced above indicate that saving money on utility bills is a key driver in encouraging customer efforts to improve the energy efficiency of their residences. Additionally, an increasing societal trend towards individual environmental consciousness has fostered a heightened interest in energy efficiency measures.

In order to increase awareness of and participation in Rocky Mountain Power’s DSM programs and to capitalize on these trends, Rocky Mountain Power is proposing to implement a communications and outreach program. The objectives of this program were developed by the company over the last six months and involved multiple rounds of input from the Utah DSM

Advisory Committee. 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. 07-035-93¹.

In order to create this level of awareness a cohesive, consistent and integrated communications program is necessary. The program 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 attached report (and its exhibits) entitled "Strategic Communications and Outreach Program – Demand Side Management" contains further detail on the company's proposed program.

The company proposes program funding not to exceed \$1.5 million a 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. Funding for this program would be provided by the demand side management cost adjustment tariff rider (Schedule 193).

The increased awareness of and participation in the company's DSM programs will benefit all customers, however savings achieved as a result of the program cannot be directly attributed to the program. As such, its effectiveness in increasing awareness and participation will be monitored over the three year period as well as through pre and post campaign research. The cost effectiveness of the program will be determined on an overall DSM portfolio basis. Program costs will be included with all other DSM portfolio costs and savings in assessing the cost effectiveness of the portfolio as a whole. Throughout the initial three year period of the communications and outreach program, the company will maintain the cost effectiveness of the overall DSM portfolio, inclusive of the proposed communications costs. 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. Cost effectiveness results for the 2008 DSM portfolio, with and without the communications and outreach program costs, are provided in Attachment A. The company is also providing as Attachment B the cost effectiveness models used in the development of Attachment A.

The company respectfully requests that the Commission issue an order on the company's proposed communications and outreach program by June 12, 2009. Upon approval, the company will begin developing the communication pieces that will be used to deliver the messages of the program. 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.

¹ Commission order in Docket No. 07-035-93 dated November 6, 2008.

Utah Public Service Commission

May 12, 2009

Page 3

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Blvd., Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Dave Taylor, manager of Utah regulatory affairs, at (801) 220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

Enclosures

Cc: DPU
CCS