

Date: April 29, 2009

To: Jeff Bumgarner
 Don Jones Jr.

From: Brian Hedman

Re: DSM Communications and Outreach Program Economic Analysis

Table 1 presents the cost effectiveness of Rocky Mountain Power’s Utah 2008 DSM program portfolio prior to the introduction of the proposed demand side management Outreach and Communications program. Table 2 presents the cost effectiveness of the same portfolio inclusive of the proposed \$1.5 million demand side management Outreach and Communication program costs. As shown by the analysis results in Table 2, the portfolio remains cost effective at the aggregate portfolio level with the \$1.5 million Outreach and Communications program included while assuming no directly attributable increased savings achieved through the program.

Table 3 is provided to demonstrate how the proposed program was treated in this analysis and will be treated in future economic analysis as a “cost only” program in the demonstration of program cost effectiveness.

Table 1: 2008 Total Program Portfolio

	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	\$81,651,503	\$170,312,403	\$88,660,899	2.086
Total Resource Cost Test (TRC) No Adder	\$81,651,503	\$162,317,999	\$80,666,495	1.988
Utility Cost Test (UCT)	\$78,833,583	\$162,317,999	\$83,484,416	2.059
Rate Impact Test (RIM)	\$87,742,736	\$162,317,999	\$74,575,263	1.850
Participant Cost Test (PCT)	\$16,029,141	\$117,777,097	\$101,747,956	7.348

Table 2: 2008 Total Program Portfolio (with \$1.5 million added)

	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	\$83,151,503	\$170,312,403	\$87,160,899	2.048
Total Resource Cost Test (TRC) No Adder	\$83,151,503	\$162,317,999	\$79,166,495	1.952
Utility Cost Test (UCT)	\$80,333,583	\$162,317,999	\$81,984,416	2.021
Rate Impact Test (RIM)	\$89,242,736	\$162,317,999	\$73,075,263	1.819
Participant Cost Test (PCT)	\$16,029,141	\$117,777,097	\$101,747,956	7.348

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Table 3: Promotional Campaign Expense

	Costs	Benefits	Net Benefits	Benefit/Cost Ratio
Total Resource Cost Test (PTRC) + Conservation Adder	\$1,500,000	\$0	(\$1,500,000)	0
Total Resource Cost Test (TRC) No Adder	\$1,500,000	\$0	(\$1,500,000)	0
Utility Cost Test (UCT)	\$1,500,000	\$0	(\$1,500,000)	0
Rate Impact Test (RIM)	\$1,500,000	\$0	(\$1,500,000)	0
Participant Cost Test (PCT)	\$0	\$0	\$0	n/a