

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

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In the Matter of the Application of)
PacifiCorp d/b/a Rocky Mountain Power)
filing for Approval of a Proposed Strategic)
Communications and Outreach Program for)
Demand Side Management)
)

DOCKET NO. 09-035-36

ORDER APPROVING
FIRST YEAR BUDGET

ISSUED: November 9, 2009

By The Commission:

On May 12, 2009, PacifiCorp d/b/a Rocky Mountain Power (“Company”) filed for approval of a proposed Strategic Communications and Outreach Program (“Program”) for Demand Side Management (“DSM”). The Company proposed Program funding not to exceed \$1.5 million per year over an initial three year period during which time its effectiveness would be monitored with a final assessment performed at the end of the three year period. The Company requests funding for the Program would be provided through Schedule 193, the DSM tariff rider. The Company stated 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. 07-035-93.” The Company specifically listed ten objectives in its application, these are:

1. Promote customer conservation (behavioral changes) and increase participation and savings through demand side management programs.
2. Provide Rocky Mountain Power customers with information on the company’s portfolio of energy efficiency and load management programs – position Rocky Mountain Power as the primary source of tips, tools and programs that help households and businesses reduce electricity usage, save money and conserve resources.

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3. Motivate customers to reduce consumption independently or to do so by participating in at least one of Rocky Mountain Power's demand side management programs.
4. Promote customer messaging around how participation in these programs can help customers save money on their utility bills, reduce the amount of energy consumption and keep costs down for all Rocky Mountain Power customers in Utah.
5. Encourage participation in multiple demand side management programs by increasing current cross-selling activities to current or former participants.
6. Create awareness of the longer term intrinsic benefits and costs of DSM.
7. Encourage customers to reduce consumption during the peak summer months by educating customers about the tiered pricing structure and how decreasing usage can reduce their costs.
8. Educate consumers on the role increased electrical consumption plays in increasing prices for all of Rocky Mountain Power's Utah customers.
9. Create a sense of ownership among customers, turning them into advocates for efficiency and creating a movement in Utah toward improved utilization of energy resources.
10. Create a connection among Utah citizens between increased energy efficiency and the overall health and well being of Utah's economy, environment and future "quality of life."

On June 3, 2009, the Division of Public Utilities ("Division") filed comments on the Program recommending approval and recommending additional reporting and assessment survey requirements to ensure the effectiveness and timely review of the Program. The Division stated it: ". . . agrees with the Company's proposal to monitor program effectiveness on an annual basis and recommends that the Company report these findings to the Commission by August 31 of each program calendar year, commencing in 2010." The Division also recommended: ". . . the Company, on a quarterly basis, report program progress to the Utah

DSM Advisory Committee.” The Division further saw a need for additional follow-up surveys to evaluate the effectiveness of the program. Specifically, the Division recommended: “. . . the Company conduct follow-up surveys on at least a biennial basis to assess program effectiveness and to quantify results, and to identify areas that require improvement.” The Division also evaluated the Company’s approach to assessing the Program’s cost effectiveness. The Division stated that when the Company includes the estimated \$1.5 million dollars of annual costs with the total 2008 DSM portfolio costs the: “. . . total DSM Program Portfolio meets each of the required cost effectiveness tests.” The Division further stated: “The program appears to have no appreciable impact on the overall cost effectiveness of the Company’s current DSM programs.” The Division also stated it concurs with the Company’s method of including the costs in the overall DSM portfolio’s costs as a method of evaluating it. The Division notes this approach understates the impact of the Program as it includes the Program’s costs but no expected benefits from changed customer behavior.

On June 8, 2009, the Office of Consumer Services (“OCS”) filed comments recommending conditional approval of the Company’s Program. Specifically the OCS recommended the Commission require the Company to develop an action plan: “. . . prior to expenditure of any of the funds. . . .” Further the OCS requested: “. . . the Company be required to provide its Action Plan to the DSM Advisory Committee and the Commission provide an opportunity for parties to comment on the Action Plan.” The OCS also recommended the Company be required to: “. . . provide a yearly update of the Action Plan to the DSM Advisory Group.”

On June 11, 2009, the Commission issued an Order granting approval of the proposed Strategic Communications and Outreach Program for Demand Side Management. The

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Commission also imposed the following conditions: 1) The Company will submit the reports and conduct the assessment surveys as recommended by the Division of Public Utilities. 2) The Company shall file a short-term action plan and budget prior to starting the proposed program or spending any of the budgeted amounts. 3) The Company shall jointly develop a first-year action plan, as requested by OCS, and budget in concert with the Utah DSM Advisory Group and file it with the Commission for approval as soon as is practicable. 4) The Company shall jointly develop second and third year action plans and budgets with the Utah DSM Advisory Group and shall file them with the Commission for approval prior to April 1st of the relevant program year.

On June 25, 2009, the Company filed its short-term action plan and budget for review. On October 8, 2009, the Company filed its first year action plan and budget. The Company requests approval by November 9, 2009. On November 4, 2009, the Division and the OCS filed comments on the first year action plan and budget.

DISCUSSION

Both the Division and the OCS recommend the Commission approve the first year action plan and budget. The Division details the history of how the Company worked with the DSM Advisory Group by presenting draft plans and soliciting feedback in order to prepare a plan which would accomplish the objectives of the program. The Division concludes the process used to produce the plan was well run, and the resulting plan is in compliance with the Commission's order. The Division further recommends that the Company be required to include a variance report in future budgets and reports to evaluate how well actual program expenditures compare to the budgeted items. The Division recommends that the Company be required to report the results of the program to the DSM Advisory Group at the conclusion of the first year

of program implementation. The OCS comments that it has no specific concerns with the Company's proposed budget and action plan at this time. The OCS states that it will: "closely review next years' budget when it is submitted prior to April 1, 2010, as well as reports that the Company will be submitting in compliance with the Commission's June 11, 2009 Order." The OCS explains that it intends to make additional recommendations on the next year's budget after observing how the program performs in its first year of operation and reviewing the program reports.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The first year budget and action plan for the proposed Strategic Communications and Outreach Program for Demand Side Management, is approved.
2. The Company shall include a variance report in all future reports and budgets submitted in accordance with of prior Order in this Docket.

DATED at Salt Lake City, Utah, this 9th day of November, 2009.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#64261