

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Application of Rocky Mountain Power for Approval of a Strategic Communications and Outreach Program for Demand-Side Management)
)
) DOCKET NO. 12-035-71
) ORDER APPROVING
) STRATEGIC COMMUNICATIONS AND
) OUTREACH PROGRAM FOR DEMAND-
) SIDE MANAGEMENT PROGRAM AND
) BUDGET
)
)

ISSUED: May 1, 2012

By The Commission:

On March 22, 2012, PacifiCorp (“Company”), d/b/a Rocky Mountain Power, filed an application for approval of a proposed program description and budget of its previously approved Strategic Communications and Outreach Program (“Program”) for Demand Side Management (“DSM”). On March 27, 2012, the Commission issued an Action Request to the Division of Public Utilities (“Division”) for a review of the Program filing. On April 25, 2012, the Office of Consumer Services (“Office”) filed comments on the Company’s proposed Program. On April 26, 2012, the Division filed comments on the Program.

The Program identifies six primary objectives designed to: 1) educate customers about the Company’s summer tiered pricing structure to encourage reduced consumption during peak summer months; 2) build awareness of the Company’s energy efficiency and peak management programs and opportunities; 3) identify personal and societal benefits associated with energy efficiency opportunities and energy efficiency and peak use management; 4) motivate customers to change their behavior and act on energy efficiency opportunities; 5)

promote energy efficiency steps customers can take to reduce energy consumption related to summer cooling; and 6) refresh and develop new campaign messaging and materials.

In its filing, the Company requests Commission approval to continue the Program for an additional three and a half years at the current funding level of \$1.5 million over a 12-month period with increases for inflation. The Company also proposes an 18-month implementation period for year four (July 2012 through December 2013). This will facilitate shifting of the implementation period to a calendar year basis which, according to the Company, will better align the Program with the Company's annual DSM planning efforts. The Company indicates this will also better align annual Program results with its annual Energy Efficiency and Peak Reduction report. Over the 18-month period in year four, the Company proposes a \$2.25 million budget.

The Company also requests it not be required to submit quarterly Program reports to the DSM Advisory Group, as these reports may be redundant and Program activity may be light during the October through March time period. The Company argues this will reduce the Program's administrative costs.

As indicated above, the Company's filing includes an action plan and budget for year four of the Program, which covers the 18-month period July 1, 2012, through December 31, 2013. The Company also requests funding of \$1.5 million, increased for inflation, in Program years five and six (calendar years 2014 and 2015). The Company notes the Program was discussed at DSM Advisory Group meetings held on January 24, 2012, and March 14, 2012, and a draft of the Program filing was provided to the DSM Advisory Group on March 13, 2012.

The Company claims Program expenses were included in the approved 2012 DSM expenditure forecast. The Company requests a May 1, 2012 effective date for the filing.

PARTY COMMENTS

The Division supports the continuation of the Program and recommends the Commission approve the Program as filed. The Division met with the Company and the Office on September 6, 2011, to discuss ways to improve the Program annual report. At this meeting, the Office proposed moving the Program implementation period to a calendar year basis. The Division supports this change which is included in the Company's proposed Program filing. The Division indicates the Program's \$2.25 million budget for the 18-month time period July 2012 through December 2013 is consistent with the annual Program funding levels filed previously. The Division also notes the Company's proposed Program budget levels of \$1.5 million for years five and six and indicates it can audit expenditures in these years for prudence.

The Office indicates the Program effectively promotes the Company's DSM offerings and is likewise effective in educating the public on energy efficiency. The Office generally supports the Program and recommends the Commission extend the Program for the next three and a half years. The Office also agrees with the Company recommendation to eliminate the quarterly reporting requirement for Program activities as long as the Company continues to report budget impacts in DSM Advisory Group meetings.

The Office supports the Program's proposed \$2.25 million budget for year four, and indicates the Company states it will not exceed this amount for this period. The Office also notes while Program costs are estimates and there are some missing details in the year four

Program budget, it understands related Requests for Proposals and negotiated contracts cannot be fully executed until the Program's budget is approved.

The Office indicates the Company did not explain the effects inflation may have on proposed budgets for years five and six, and is therefore not able to ascertain the maximum Program budget the Company is requesting in these out years. As a result, the Office recommends the Commission not approve the budget for Program years five and six until more accurate estimates can be provided.

DISCUSSION

The Commission supports effective public outreach as an essential element in achieving greater customer participation in DSM programs. In the short term, we find it important for the Company to begin implementing its media and outreach plans as the summer cooling season approaches. We appreciate the Company's enhanced efforts to address these issues through the DSM Advisory Group, and note an increased level of clarity and party support for the current Program filing.

We agree with the Office's assessment of the Program filing regarding the unknown effects inflation may have on proposed budgets beyond year four. We note the filing does not contain detailed information on this issue and it is difficult to clearly assess impacts beyond Program year four. We therefore decline to approve the Program's budget for years five and six until more accurate estimates become available.

DOCKET NO. 12-035-71

-5-

In our June 11, 2009, Order in Docket No. 09-035-36¹, we directed the Company to submit reports and assessment surveys as recommended by the Division. This included the Division recommendation for the Company to report Program progress on a quarterly basis to the Utah DSM Advisory Committee. In this filing, both the Company and the Office recommend this requirement be eliminated. We note no Division opposition to this recommendation. We also note the Company's efforts to convene DSM Advisory Group meetings on regular basis along with its efforts to vet Program activities and proposed changes prior to formal approval. We therefore agree the Company should not be required to provide quarterly reports on Program activities as long as it continues to update the DSM Advisory Group on Program outcomes, expenditures, and proposed changes.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. The fourth year budget and the action plan of the Company's "Strategic Communications and Outreach Program for Demand Side Management" is approved with an effective date of May 1, 2012.
2. The Program's proposed budget for years five and six is not approved at this time.
3. The Company is no longer required to provide quarterly reports on Program activities but shall regularly update the DSM Advisory Group on Program progress.

¹ Docket No. 09-035-36: "In the Matter of: the Application of Rocky Mountain Power for Approval of a Strategic Communications and Outreach Program for Demand Side Management."

DOCKET NO. 12-035-71

-6-

DATED at Salt Lake City, Utah, this 1st day of May, 2012.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
D#223897

DOCKET NO. 12-035-71

-7-

I HEREBY CERTIFY that on the 1st day of May, 2012, a true and correct copy of the foregoing ORDER APPROVING STRATEGIC COMMUNICATIONS AND OUTREACH PROGRAM FOR DEMAND-SIDE MANAGEMENT PROGRAM AND BUDGET, was delivered upon the following as indicated below:

By Electronic Mail:

Data Request Response Center (datarequest@pacificorp.com)

Dave Taylor (dave.taylor@pacificorp.com)

Beau Brown (beau.brown@pacificorp.com)

PacifiCorp

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, Utah 84111

Office of Consumer Services
160 East 300 South, 2nd Floor
Salt Lake City, Utah 84111

Administrative Assistant