



State of Utah  
Department of Commerce  
Division of Public Utilities

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## ACTION REQUEST RESPONSE

**To:** Public Service Commission

**From:** Chris Parker, Director  
Artie Powell, Energy Section Manager  
Thomas Brill, Technical Consultant  
Sam Liu, Utility Analyst  
Carolyn Roll, Utility Analyst

**Date:** April 26, 2012

**Re:** Docket No. 12-035-71 (09-035-36), Strategic Communications and Outreach Campaign for Rocky Mountain Power's Demand-Side Management, DPU's Review and Recommendation – Approval.

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### RECOMMENDATION (Approval)

The Division of Public Utilities (Division) recommends that the Utah Public Service Commission (Commission) approve Rocky Mountain Power's (Company) Strategic Communications and Outreach Campaign for its Demand-side Management (DSM) Program.

### ISSUE

On June 11, 2009, in Docket No. 09-035-36, the Commission issued an order approving the implementation of an outreach and communications program in Utah for the Company's energy efficiency and peak management programs (Campaign) for a period of three years, ending June 30, 2012. The Company proposes continuing the Campaign and requests (1) approval for an additional three and a half years at the current funding level of \$1.5 million (adjusted for inflation) over a 12-month period; (2) an 18-month implementation period for year four (July 2012 through December 2013) to align the Campaign with the Company's annual planning effort

and Energy Efficiency and Peak Reduction report; (3) a budget of \$2.25 million for this 18-month timeframe; and (4) requests the Commission eliminate the requirement that the Company submit quarterly reports regarding Campaign activities to the DSM Advisory Group. On March 27, 2012 the Commission directed an Action Request to the Division for a review and recommendation concerning the Company's extension of the Strategic Communications and Outreach Program for DSM. This memorandum represents the Division's response to the Commission's Action Request.

## **DISCUSSION**

The Campaign's objective is to promote energy efficiency and energy conservation through education as well as increased awareness of and participation in the Company's DSM programs. On June 11, 2009 the Commission approved Rocky Mountain Power's application for Approval of a proposed Strategic Communications and Outreach Program for DSM. The Program funding is not to exceed \$1.5 million per year for an initial three-year period. This initial three-year Program ends June 30, 2012. The Company requested approval to continue the energy efficiency and peak management Campaign on March 22, 2012. Four major issues are discussed in this filing:

1. The Company requested 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. The proposed continuation of this program and year four strategic communication and outreach plan was discussed with the DSM Advisory Group on January 24, 2012 and March 14, 2012, and a draft filing was provided to the DSM Advisory Group on March 13, 2012 for consideration. The messaging in year 4 will focus on the following areas; promoting customer conservation (behavioral changes) and increasing participation and savings through Rocky Mountain Power's energy efficiency and peak management programs; motivating customers to reduce consumption independently or by participating in one the programs; educating customers on how these programs can help save money on their utility bills, and reduce energy consumption; and, encouraging customers to

reduce consumption during the peak summer months by educating customers about the tiered pricing structure and how decreasing usage can reduce their energy costs.

2. An 18-month implementation period for year four is sought to align the Campaign with the Company's annual planning effort and Energy Efficiency and Peak Reduction report. The Company met with the Division and the Office of Consumer Services (Office) on September 8, 2011 on how to improve the Outreach Annual Report. In particular, the Office identified that future Outreach Reports should be filed on a calendar basis with the DSM Annual Report. The Division and the Company supported these recommendations.
3. A budget of \$2.25 million for the 18-month timeframe is proposed, which is consistent with the historical Campaign annual funding (12-month basis) of \$1.5 million.
4. The requirement that the Company submit quarterly reports regarding Campaign activities to the DSM Advisory Group is proposed for elimination. In comments provided on May 4, 2010, the Office was critical of the quarterly reports as redundant and covering material already provided in the annual report. Elimination of the requirement to file these quarterly variance reports will reduce the overall administrative costs of the Campaign.

The Division supports the continuation of the Company's Communications and Outreach Program and recognizes that the Company budget for that program is proposed to be \$2.25 million for July 2012 through December 2013, \$1.5 million for January – December 2014, and \$1.5 million for January – December 2015. These expenditures will be reviewed for prudence in the annual DSM audit that is performed by the Division.

For the current Outreach Report, the Company's filing included extensive survey results on the effectiveness of the Campaign. The survey results covered the recognition/importance of the Company's DSM programs, actions taken to conserve electricity, DSM program awareness, DSM program participation, advertising recall, energy efficiency information sources, and Company credibility as an information source.

**CONCLUSION**

The Division recommends that the Commission approve the Company's continuation of Strategic Communications and Outreach Campaign for its Demand-side Management Program.

CC: Michele Beck, OCS  
Dave Taylor, RMP