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Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission of Utah

From: Division of Public Utilities
Chris Parker, Director
Energy Section
Artie Powell, Manager
Brenda Salter, Technical Consultant

Date: February 25, 2013

Re: Docket No. 13-035-13, In the Matter of the Application of Rocky Mountain Power for Approval of a Promotional Program Pursuant to R746-404. The Division recommends the approval of the Promotional Program.

RECOMMENDATION (APPROVAL)

The Division of Public Utilities (Division) recommends that the Public Service Commission (Commission) approve Rocky Mountain Power's (Company) proposed promotional program.

ISSUE

On February 4, 2013, the Company filed an application seeking Commission approval for its proposed promotional program. The promotional program is intended to increase participation in the Company's demand side management (DSM) programs in Utah. On February 4, 2013, the Commission issued an Action Request for the Division to investigate the proposed promotion program and report its findings and recommendation to the Commission by March 6, 2013. The Commission issued an Amended Action Request on the same day changing

the due date of the Action Request to February 25, 2013. This memorandum represents the Division's response to the Commission's Amended Action Request.

DISCUSSION

The Company requests authority to conduct a promotional program as part of its *wattsmart* DSM communications and outreach campaign. This promotional program is intended to increase participation in the Company's DSM programs. The Company requests that it be permitted to begin the Contest on or about March 6, 2013. In 2011, the "Act *wattsmart*" Contest was approved by the Commission in Docket No. 11-035-44. Interest generated in the 2011 promotional program justify renewing the activity in 2013. The 2013 Contest was included as part of the Year 4 Strategic Communications and Outreach Plan Docket No. 12-035-71 and has been reviewed by the DSM Advisory Group. In this program, residential customers will submit a video showing how they are being or can be *wattsmart* by using electricity efficiently in their homes. Entries will be accepted online or by mail between March 6, 2013 and May 30, 2013. A panel of judges assembled by the Company will select the winning entrants based on (1) creativity and entertainment; (2) clarity of expression; and (3) relevancy & effectiveness of promoting energy efficiency and conservation.

The winning entrants will receive the following prizes:

Category	Number of Winners	Prize
Best Video	1	\$10,000
Best Video Runner Ups	2	\$2,500
People's Choice	1	\$2,000
Voter's Award	1	\$500

In its filing, the Company indicated that the winners can use their prizes for either the installation of energy efficient improvements in their residence or the purchase of energy efficiency appliances.

Rule R746-404-3(d) states, "The promotional program must be reasonably expected to promote the interests of the utility and its customers. There must be a demonstrable net ratepayer benefit."

In accordance with this Rule, the Company indicated that the program will

- (1) Increase awareness in electricity conservation efforts and the associated benefits;
- (2) Demonstrate simple cost-effective actions that customers can take to conserve electricity;
- (3) Demonstrate that many conservation measures are cost effective and easy to do and can reduce energy costs; and
- (4) Increase awareness of and participation in Rocky Mountain Power's DSM programs, thereby increasing the electric savings acquired through these programs.

The Division reviewed the Company's application in light of Rules R746-404-1 through R746-404-3 and the Commission Order in Docket No. 11-035-44, dated April 13, 2011, the 2011 promotional program. In this Order, the Commission stated,

The Commission finds that the Contest as proposed is likely to both increase awareness of the importance of energy efficiency, and could reasonably be expected to solicit a fairly large number of interested contestants.

The Division believes it is reasonable to assume that the proposed promotional program will promote the interests of the utility and its customers. However, demonstrating a positive net benefit can be problematic. The Commission's order in the 2011 promotional program states,

Further, the Commission finds that like all other market transformation efforts included in the Company's current public awareness campaign, it is not possible to develop any reliable estimate of the incremental savings attributable to this proposed Contest.

The total costs of approximately \$102,500 for the 2013 promotional program are a relatively small proportion (approximately 5%) of the *watt*smart promotional budget of \$2.25 million.

CONCLUSION

The Division believes that the proposed promotional program is in accordance with Rules R746-404-2 and R746-404-3. The Division recommends that the Commission approve the 2013 promotional program.

CC: Dave Taylor, RMP
Carol Hunter, RMP
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Service List