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DEPARTMENT OF COMMERCE  
Office of Consumer Services

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To: Public Service Commission

From: Office of Consumer Services  
Michele Beck, Director  
Cheryl Murray, Utility Analyst

Date: December 12, 2018

Subject: Request of Rocky Mountain Power for Approval of its Tenth-Year Strategic Communications and Outreach Action Plan and Budget for Demand Side Management. Docket 18-035-45.

## Background

On November 28, 2018 Rocky Mountain Power Company (Company) filed with the Public Service Commission (Commission) its Tenth-Year Strategic Communications and Outreach Action Plan and Budget for Demand Side Management (2019 Plan) covering the period of January 1, 2019 through December 31, 2019. The Company proposes a budget of \$1.5 million for the 2019 Plan and requests that the Commission issue an order approving the 2019 Plan with an effective date of January 1, 2019.<sup>1</sup>

The Commission issued a Notice of Filing and Comment Period for interested parties to submit comments by December 12, 2018, and reply comments by December 19, 2018. The Office of Consumer Services (Office) submits the following comments pursuant to that schedule.

## Discussion

In this filing the Company provides: the results of research findings, key takeaways, strategy going forward and the proposed outreach and communications budget.

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<sup>1</sup> On November 1, 2018 the Company filed its forecast of 2019 expenses in Docket No. 18-035-27, wherein a one-time customer refund and a reduction to the DSM Schedule 193 tariff was requested. The forecast in that filing included \$1.5 million for the 2019 Plan.

## *Research*

The Company contracted with third-party, independent market research firms to conduct customer surveys. MDC Research (MDC) surveyed residential customers to determine the effectiveness of the outreach and communications campaign. MSI National Benchmarking Database Study (MSI) results are referenced to support continued outreach and communications to business customers.

### MDC Research

In September 2018, 1,166 residential customer online surveys were completed for the MDC study. MDC, via emails, randomly invited customers to participate in the surveys. In prior years surveys were conducted by telephone and then in 2017 a mix of telephone and online survey methods were employed.

The Company lists a number of objectives for the research:

- 1) Measure awareness and affinity for Rocky Mountain Power's conservation programs;
- 2) Measure awareness level of Rocky Mountain Power advertisements and communications;
- 3) Awareness of Rocky Mountain Power being a resource for energy efficiency;
- 4) Gauging association between **wattsmart** and Rocky Mountain Power; and
- 5) Discerning actions residential customers are taking to be **wattsmart**.

### MSI National Benchmarking Database Study

In 2018, the Company changed the reporting structure for research completed by MSI. The Company now receives a mid-year snapshot and an end-of-the-year report from MSI.<sup>2</sup> The 2018 mid-year snapshot contains one data point relevant to energy efficiency wherein the Company received a score of 80% among residential customers who think the Company does a "good job" of "Providing information on how to control your energy costs,"<sup>3</sup> and a score of 73% among commercial customers for "Offering solutions to help customers use energy more efficiently".

### *Proposed Marketing Plan*

The Company states that "In order to help customers continue to use energy more efficiently, research indicates a need to maintain or increase awareness of **wattsmart** across all customer segments and particularly for small- to mid-size business customers". Therefore, the Company will target residential customers as well as a mix of various sizes

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<sup>2</sup> The Company notes that because of the MSI reporting change, the relatively high mid-year scores and the large amount of data collected in 2017, the Company 2019 DSM Plan references 2017 research data collected by MSI.

<sup>3</sup> "Generally three-quarters of residential customers say Rocky Mountain Power does a "good job" of offering solutions that help customers use energy efficiently and providing information on how to control their electricity costs. (MSI 2017 Research)" [Application at page 4]

of business customers. Additionally, the Company plans to expand the number of schools targeted for in-classroom energy efficiency education presentations.

The Office supports the Company's plan to target all customer segments and particularly small business customers as we believe this segment of customers has previously been underserved. The Office also supports the expansion of in-classroom energy efficiency education presentations as an effective way to introduce children and their parents to concepts of energy management and conservation as well as useful actions that can be taken.

### *2019 Strategy*

The Company's strategy for 2019 is to continue to promote "being **wattsmart**" but in combination with its corporate brand "Powering Your Greatness". The messaging will shift to more customer-centric language focused on efficient energy practices and benefits.

The Company plans to advertise energy conservation and efficiency using TV, social networking, online, radio, and out-of-home. The Company will also increase direct email to customers in keeping with research recommendations.

The website content and design will be freshened and simplified and digital, social and email will provide links to send customers to the Company's website for additional information.

While focusing on efficient energy practices and benefits is worthwhile the Company should also identify DSM programs and opportunities that are available, thus steering customers to DSM offerings that will benefit their specific circumstances. The Office supports the Company's plan to update its website content and design provided it is easy to locate and navigate. The Office suggest that the Company review its website plans with the DSM Steering Committee.

The Office has some concern with the Company's plan to incorporate the corporate brand "Powering Your Greatness" into DSM marketing as we don't know what format the messaging may take. DSM is a specific program with distinct accounting and should not be used to enhance the Company's image; if messages are combined care must be taken that the costs are appropriately allocated. We previously looked at a similar issue in regard to Blue Sky advertising added to DSM messaging and the Company identified how the costs were allocated. The Office has discussed with the Company that a similar discussion take place with the Steering Committee regarding proposed corporate messaging and the Company indicated its willingness to include the discussion on an upcoming agenda.

*Research, evaluation, and measuring success*

The Campaign will include an annual program evaluation to measure and verify plan delivery. The Company explains that “Success will be measured by supporting overall awareness and participation in **wattsmart** energy efficiency offerings and positive survey results for next year, including:

- Continuation of strong familiarity with being **wattsmart**.
- More than half of customers surveyed taking action for conservation.
- Strong engagement as measured by digital and social media interactions for paid and organic content focused on energy efficiency.”

As a measure of success for the 2019 Plan the Company proposed that “more than half of customers surveyed taking action for conservation”. The Office supports this evaluation measure, however we note that the survey results are self-reported so the accuracy of the survey results will not be definitive.

**Recommendation**

The Office recommends that the Commission approve the Action Plan and Budget as filed.

