

BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

FILED
PUBLIC SERVICE COMMISSION
OF WYOMING

MAR 30 2011

IN THE MATTER OF THE)
APPLICATION OF ROCKY MOUNTAIN)
POWER FOR APPROVAL OF AN)
ADJUSTMENT TO THE DEMAND-SIDE)
MANAGEMENT PROGRAM AND)
SUSPEND SCHEDULE 191 RATE)
SURCHARGES)

Docket No. 20000-383-EA-10
(Record No. 12686)

DIRECT PRE-FILED TESTIMONY OF

Bryce J. Freeman

On behalf of the Wyoming Office of Consumer Advocate

Filed: March 30, 2011
Hearing Date: May 11, 2011

1 **Q. PLEASE STATE YOUR NAME, ADDRESS AND OCCUPATION.**

2
3 A. My name is Bryce J. Freeman. My business address is 2515 Warren Avenue, Suite 304,
4 Cheyenne, WY, 82002. I am the Administrator of the Wyoming Office of Consumer
5 Advocate (OCA). The OCA is an independent consumer advocacy agency that was
6 created by an act of the legislature in the 2003 general session.

7
8 **Q. WHAT IS THE FUNCTION OF THE OCA?**

9
10 A. Pursuant to W.S. § 37-2-401,

11
12 The office of consumer advocate shall represent the interests of Wyoming
13 citizens and all classes of utility customers in matters involving public
14 utilities. In the exercise of its powers the office of the consumer advocate
15 shall consider all relevant factors, including, but not limited to, the
16 provision of safe, efficient and reliable utility services at just and
17 reasonable prices.

18
19
20 **Q. ARE THE ANALYSES AND RECOMMENDATIONS OF THE OCA, IN THIS OR**
21 **ANY OTHER CASE BEFORE THE COMMISSION, INFLUENCED OR**
22 **DIRECTED BY THE COMMISSION?**

23
24 A. No. Although the OCA is a division within the Commission according to W.S. § 37-2-
25 401, it is a separate division with no reporting or supervisory links to the Commission.
26 The OCA has the right under W.S. § 37-2-402(ii) to appeal decisions of the Commission
27 that it does not find in the public interest. The only link between the OCA and the Public
28 Service Commission is the source of common funding provided by the assessment on
29 gross utility operating revenues; this assessment funds both the Commission and the
30 OCA. Additionally, as Administrator of the OCA, I report directly to the Governor of
31 Wyoming.

32
33 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
34 **OCCUPATIONAL EXPERIENCE.**

1
2 A. I received a Bachelor of Science degree in business administration from the University of
3 Wyoming in 1982. The area of concentration in my undergraduate work was statistics.
4 After graduating from the University of Wyoming, I was employed for three years by the
5 Laramie County Treasurer as Deputy Treasurer, and then for six years by the Wyoming
6 Department of Revenue as a Principal Appraiser dealing primarily with utility valuation
7 and capital cost issues. I came to the Wyoming Public Service Commission in April of
8 1994, in the capacity of Senior Economist, serving in that position for approximately two
9 years. In 1996 I accepted a position as Lead Rate Analyst in the rates and pricing section
10 on the Commission Staff, and in May of 2003 I was appointed Administrator of the OCA.

11 In July of 2004, I was appointed to a two-year term of service on the board of the
12 Wyoming Infrastructure Authority (WIA). In July of 2006, I was reappointed to a four
13 year term and in 2010 I was appointed to a second four year term on the WIA Board. I
14 currently serve as secretary of the WIA Board of Directors. Also in 2004, I was elected to
15 the position of Secretary of the National Association of State Utility Consumer Advocates
16 or NASUCA, which is a national trade association composed primarily of state chartered
17 consumer advocate offices throughout the country. In November of 2010 I stepped down
18 as NASUCA Secretary and currently serve on the NASUCA Executive Committee. My
19 participation in both of these organizations provides me with unique knowledge and
20 experience upon which I can draw in formulating advocacy positions on behalf of
21 Wyoming utility consumers.

22 In 2010 I was appointed by the Board of Directors of the Western Electricity
23 Coordinating Council (WECC) to serve as a consumer representative on the Scenario
24 Planning Steering Group (SPSG). The SPSG was created to facilitate the development of
25 a Regional Transmission Expansion Plan (RTEP) pursuant to a contract that WECC
26 entered into with the U.S. Department of Energy (DOE). Funding for the RTEP project
27 was provided by DOE under the terms of the American Recovery and Reinvestment Act
28 (ARRA). My participation in the RTEP project is another source of unique and valuable
29 insight into regional electricity issues that assist me in advocating for the interests of
30 Wyoming consumers.

1 **Q. HAVE YOU TESTIFIED BEFORE THIS COMMISSION IN PREVIOUS**
2 **PROCEEDINGS?**

3
4 A. Yes. I have detailed the cases in which I have testified before this Commission in
5 Appendix A, attached to my testimony. I have also offered testimony before the Federal
6 Communications Commission, the Federal Energy Regulatory Commission and the
7 United States Congress, as well as various committees of the Wyoming legislature.

8
9 **Q. ON WHOSE BEHALF DO YOU APPEAR HERE TODAY?**

10
11 A. I appear here today on behalf of the OCA. As I indicated previously, the OCA is an
12 independent party in this proceeding, separate and apart from the Commission or its
13 advisory staff.

14
15 **Q. AS A MEMBER OF THE OCA, DO YOU ADVOCATE THE INTERESTS OF**
16 **CERTAIN GROUPS OF CONSUMERS OVER OTHERS?**

17
18 A. No. As a member of the OCA, it is my statutory obligation to advocate the best interest
19 of all citizens in the state. Specifically, W.S. § 37-2-401 states that the OCA “shall
20 represent the interests of Wyoming citizens and all classes of utility customers in
21 matters involving public utilities.” This public interest standard requires the OCA to
22 represent the broadest possible utility consumer constituency, even though some of those
23 consumers may also be represented independently as parties in this case. The OCA is
24 responsible for balancing the positions and recommendations of the Company, and of
25 other parties, to arrive at a set of recommendations that serve the overall long term public
26 interest.

27 **Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?**

28 A. Yes. I am sponsoring exhibits OCA BJT 1 through BJT 3. These exhibits support the
29 recommendations that I am making in this proceeding, and I will refer to them throughout
30 my testimony.

31 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

1 A. The purpose of my testimony in this proceeding is to present the results of my review and
2 investigation into the current status of Rocky Mountain Power's (RMP) energy efficiency
3 and demand side management program (collectively the DSM program) as well as the
4 measures proposed by RMP to improve the program. In conducting my review in this
5 proceeding I have reviewed the material provided by RMP in its application and I have
6 asked numerous questions of the Company regarding that material.

7 **Q. IS RMP'S DSM PROGRAM IN WYOMING A NEW PROGRAM?**

8 A. It is a relatively new program as are most of the DSM programs currently underway in the
9 state. The original application by RMP to initiate a DSM program was filed in late 2006.
10 I was the OCA's witness in the original case, Docket Number 20000-264-EA-06. After
11 some fits and starts the current program was approved by the Commission and began
12 operating in late 2008 so at the time of the filing of this application we have about two
13 years of operational experience with the program.

14 **Q. GIVEN ONLY TWO YEARS OF OPERATING EXPERIENCE DO YOU**
15 **BELIEVE THAT THAT THE COMMISSION CAN DRAW HARD AND FAST**
16 **CONCLUSIONS ABOUT THE VALUE OF PROGRAM TO CUSTOMERS?**

17 A. No, and I would caution against doing so. If the Company's program were a pilot
18 program, assessing its continuing value at this point might be prudent. However, in
19 approving the program in its final order in Docket Number 20000-264-EA-06 the
20 Commission specifically indicated that:

21 The *Stipulation* stated, "The DSM programs shall be offered for an **initial term** from
22 October 1, 2008[,] through December 31, 2012." (Emphasis added.) It also provides
23 that, unless terminated by the Commission, the DSM programs will continue as
24 stipulated. The Commission finds that despite the nature of the phrase "initial term", the
25 DSM programs will not expire at the end of this term and the phrase simply defines the
26 time period the comprehensive report is designed to cover. If any or all of the programs
27 are to be terminated, it will be on the facts and not on an automatic sunset....
28

29 We find one of the important strengths of the DSM programs proposed in the amended
30 application and the *Stipulation* is that they are not "pilot" programs and their availability
31 to consumers is not limited. This alleviates any artificial rush to participate in a program
32 for fear that it would have reached a participant quota. The programs allow all customers
33 who wish to do so to participate, thus greatly enhancing the potential for their increased
34 acceptance and use.

1
2 Based on this language in the order approving the DSM program I believe the
3 Commission intended for the Company to make a long term commitment to developing
4 and fostering robust, cost effective DSM programs within its Wyoming service territory.
5 That is not to say that the Commission doesn't retain the authority to change or eliminate
6 the program if it finds that the program is no longer serving the public interest. Rather, I
7 believe the Commission's intent was to let the program operate indefinitely subject only
8 to periodic reporting, review and adjustment as required by the Commission. Also, under
9 the current program, funding is available, without limit, for all cost effective energy
10 efficiency and DSM measures approved by the Commission. Had the Commission
11 limited the scope and funding of the program initially it might not have achieved even the
12 modestly successful results that it has.

13 **Q. DO YOU BELIEVE THE COMPANY'S DSM PROGRAM IN WYOMING HAS**
14 **BEEN EFFECTIVE IN ACCOMPLISHING THE GOALS ESTABLISHED BY**
15 **THE COMMISSION IN APPROVING THE PROGRAM?**

16 A. In my view it is far too early to make a judgment regarding whether the program has been
17 or continues to be effective. Certainly the Company has failed to achieve the savings and
18 participation rates it expected when the program was initially implemented. Yet, by all
19 accounts the savings that have been achieved are cost effective and provide benefits to
20 both the Company and its customers. The Commission should use this application as an
21 opportunity to take stock of the existing program and determine what, if any, changes
22 should be made to increase its cost effectiveness and customer participation.

23 **Q. ARE YOU DISAPPOINTED WITH THE RESULTS OF RMP'S DSM PROGRAM**
24 **SO FAR?**

25 A. Sure, I'm a little disappointed that RMP's program has not been more successful in
26 achieving a higher participation rate, at least initially, but I remain optimistic that with
27 time participation rates will increase. However, with utilities continuing to develop and
28 implement DSM plans in Wyoming, most recently Questar and CLF&P, the utilities, the
29 Commission and the OCA have all gained valuable experience with how these programs

1 will operate in practice, not just in theory. While I hoped all of these programs would be
2 smashing successes when they were implemented I tried to temper my enthusiasm with
3 the reality that even cost effective energy efficiency programs must ultimately be
4 embraced by consumers to be effective.

5 **Q. HOW DO YOU RECOMMEND THAT THE COMMISSION GO ABOUT**
6 **ASSESSING THE PROGRAM AND DETERMINING WHAT CHANGES**
7 **SHOULD BE MADE?**

8 A. Although it would be expedient to simply observe that the program has not performed up
9 to initial expectations and therefore should be substantially scaled back or even
10 terminated, I believe the Commission should look deeper than that to determine whether
11 or not the Company's proposed improvements are in the public interest. When I began
12 my review in this case I set out to answer a few simple questions:

- 13 • Are the individual energy efficiency and demand side management measures, as well
14 as the overall program portfolio, designed to be cost effective if properly
15 implemented, as measured by generally accepted cost effectiveness standards?
- 16 • Does RMP have a sound plan for, and commitment to implementing the program that
17 includes efficient management and a marketing/outreach strategy designed to achieve
18 the projected participation rates?
- 19 • Is there a well defined mechanism for evaluating, monitoring and verifying the actual
20 costs and benefits achieved by the program?
- 21 • Is the recovery of the costs of the program fair and does it minimize the obstacles to
22 achieving the anticipated benefits of the program?

23 Answers to these four questions will be immensely helpful in determining whether or not
24 the program remains in the public interest and if not, what changes are necessary to
25 correct the deficiencies. I will provide answers to these four questions, based on my
26 investigation in this proceeding, throughout the remainder of my testimony.

1 **Q. MR. FREEMAN, IS RMP'S DSM PROGRAM COST EFFECTIVE?**

2 A. Based on the information filed by RMP with its application it certainly appears that the
3 individual measures and overall DSM portfolio are indeed cost effective and further that
4 the Company's DSM initiatives have been cost effective for customers, with the
5 exception of a couple of measures, since the inception of the program. This is in spite of
6 the fact that participation rates have been lower than expected when the program was
7 initially implemented. I base this observation on Exhibit JWB-3 accompanying the
8 testimony of Jeffery W. Bumgarner as well as information contained in the 2009
9 Wyoming DSM Annual Report.

10 According to JWB-3, during 2010 the overall program portfolio provided \$1.88 in
11 benefits for every dollar invested in energy efficiency improvements, as measured by the
12 Total Resource Cost (TRC) test. Also, according to the 2009 Wyoming DSM Annual
13 Report covering calendar year 2009, the total program portfolio returned \$1.55 in benefits
14 for every dollar spent on the program, again, as measured by the TRC. However, in 2009,
15 which was the first full year of operation of the program, there were two individual
16 offerings that did not achieve a TRC cost benefit ratio of at least 1.0, indicating that they
17 were not cost effective in that year. Energy efficiency programs must achieve a TRC of
18 1.0 or more in order to be considered cost effective. Both of those programs, specifically
19 the Category 2 measures for the Energy FinAnswer offering and the Category 3 measures
20 for the both the Energy FinAnswer and Self-Direction offerings failed the TRC test in
21 2009.

22 **Q. ARE YOU TROUBLED BY THE FACT THAT NIETHER OF THESE**
23 **OFFERINGS ACHIEVED COST EFFECTIVE RESULTS IN THE INITIAL**
24 **YEAR OF THE PROGRAM?**

25 A. No. Both of these offerings relate to measures designed for larger customers and larger
26 projects that require substantial time to design, engineer and construct. As the Company
27 indicated in a data response to the Commission Technical Staff (CTS) it is not uncommon
28 for these types of projects to span more than one year of operation of the program. In
29 other words, a substantial amount of funding could be expended in one year while the

benefits of the project would not be realized until the following year or years. In fact, if one tracks the costs and benefits of the programs through time, as measured by the TRC, it is apparent that the programs directed to commercial and industrial customers provide some of the highest cost benefit ratios of all of the programs offered by the Company. The table below provides a comparison of program results over time:

Program	Class	2009 TRC Cost Benefit Ratio	2010 TRC Cost Benefit Ratio	2011-2013 TRC Cost Benefit Ratio
Total Portfolio		1.552	1.875	2.152
Home Energy Savings	Res	1.495	1.102	2.013
See-Ya-Later Refrigerator	Res	1.681	2.736	2.494
Low Income Weatherization	Res	7.947	2.778	1.072
FinAnswer Express	C&I	1.211	1.298	1.853
Energy FinAnswer	C&I	0.0953	2.187	3.019
Self Direction	C&I	0	4.002	1.177

As can be seen from the table above, it isn't easy to interpret the cost effectiveness of commercial and industrial (C&I) programs because the costs and benefits of those programs don't fit neatly into a calendar year. For example, there were no reported costs or benefits for the Self-Direction program in 2009 but in 2010¹ the cost benefit ratio increased dramatically. This can be attributed to the fact that many of the projects completed in 2010 were actually started in 2009.

More interesting however, is the observation that the Company expects C&I directed programs to be some of the most cost effective in 2010 and beyond. C&I efficiency projects generally provide much higher savings for a relatively smaller incremental investment.

Q. WHY ARE THE PROGRAMS COST EFFECTIVE IF THE PARTICIPATION RATES ARE LOWER THAN EXPECTED?

¹ 2010 results are based on actual results January through September 2010 plus projections for October, November and December. The 2010 DSM Annual Report will be released in March of 2011.

1 A. As Mr. Bumgarner indicates in his testimony² the actual realized savings of the DSM
2 program during 2009 were approximately 60% below the level initially forecast when the
3 program was designed in 2006. However, expenditures during that same period were also
4 approximately 56% below the level originally forecast. The reason for this is that the vast
5 majority of the costs associated with the program are incentive costs paid directly to
6 consumers to encourage the adoption of energy efficiency measures. Lower participation
7 rates mean both lower savings and lower costs. So, while aggregate savings may have
8 been less than anticipated in 2009, aggregate costs were correspondingly lower as well,
9 leaving the measures that were adopted cost effective. A collateral effect is that planning
10 and funding for full expected participation rates lead to an over-collection of DSM
11 revenues which I will discuss later in my testimony. But, this over-collection of funds did
12 not diminish the cost effectiveness of the savings that were achieved.

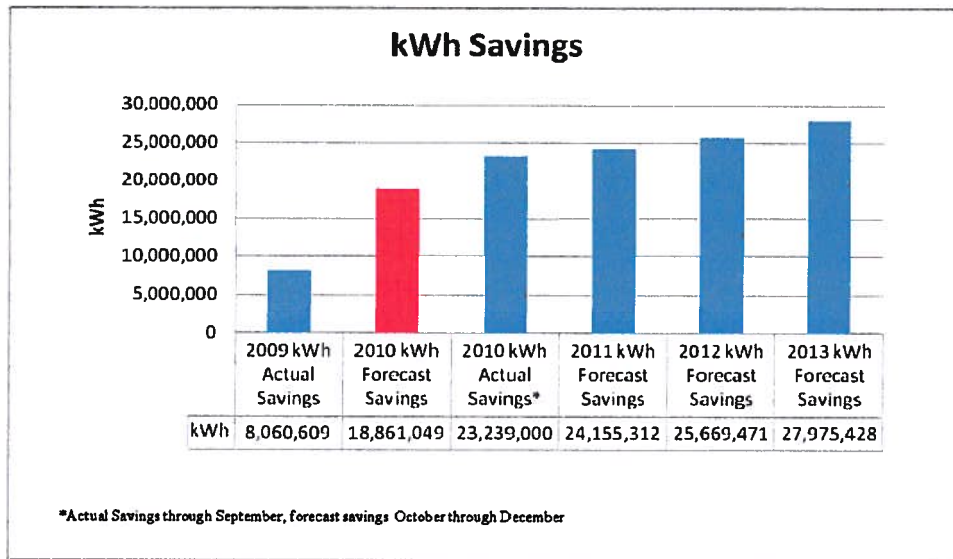
13 **Q. WOULD INCREASED CUSTOMER PARTICIPATION MAKE THE PROGRAM**
14 **MORE COST EFFECTIVE?**

15 A. Yes, increased customer participation rates would generally make the program more cost
16 effective because most of the administrative costs of the program are fixed and do not
17 vary with the amount savings. Therefore, if participation rates increase the same level of
18 administrative costs can be spread over a larger volume of kWh savings making the
19 program slightly more cost effective. I would note again however, that as shown in the
20 table above, all of the individual programs except the Energy FinAnswer program were
21 cost effective in 2009, the first full year of the program.

22 **Q. DID RESULTS IMPROVE IN 2010?**

23 A. Yes, program results improved dramatically in 2010, not only in terms of cost
24 effectiveness as noted in the table above, but in terms of total kWh savings. The chart
25 below shows the increase in savings over time:

² Bumgarner direct testimony, page 2.



1

2 As can be seen in the above chart, actual savings for 2010 are 2.9 times higher than the
 3 actual savings achieved in 2009. Although projected savings through 2013 do not
 4 increase as dramatically as they did in 2010, nevertheless the Company is projecting
 5 savings that continue to increase in the aggregate. Moreover, all of the individual
 6 programs, including the Energy FinAnswer program were cost effective in 2010.

7 **Q. MR. FREEMAN, THE 2010 RESULTS LOOK PROMISING, BUT CAN YOU**
 8 **TELL THE COMMISSION IF THE SAVINGS HIGHLIGHTED ABOVE ARE A**
 9 **GOOD DEAL FOR CONSUMERS?**

10 A. Yes, I believe they are, based on both the TRC cost effectiveness ratio and the net cost of
 11 acquiring these savings. As described in Mr. Bumgarner's testimony one measure of the
 12 levelized cost of the savings generated by the Company's DSM portfolio is approximately
 13 3.9¢³ per kilowatt hour, based on the Utility Cost Test (UCT). One could argue that the
 14 more appropriate levelized cost per kilowatt hour is that based on the TRC which is
 15 approximately 6.0¢⁴ per kilowatt hour. However, whether the cost is based on the TRC
 16 or the UCT, both are less expensive than the next best supply side alternative which
 17 would likely cost customers 8.0¢ per kWh or more. This is particularly attractive in view

³ RMP Exhibit JWB-3 page 1 of 29.

⁴Ibid.

1 of the load growth that the Company is experiencing in Wyoming and throughout its
2 system.

3 **Q. WHY DOES LOAD GROWTH MAKE EFFICIENCY RESOURCES MORE**
4 **ATTRACTIVE?**

5 A. Because resources that are acquired through demand side savings allow the Company to
6 defer acquisition of a corresponding amount of supply side capacity at a lower cost,
7 saving both capacity and fuel costs. If the system was not growing those supply side
8 resources would already be in place and any demand side savings would be limited to fuel
9 savings avoided by not running the existing plants. Therefore, while DSM initiatives may
10 still be cost effective even a system that is not growing, depending on the generation mix
11 and fuel costs, it is much more attractive in a system that is experiencing load growth
12 where DSM measures can be used to offset the need for additional supply side
13 acquisitions.

14 **Q. DO YOU BELIEVE THAT THE MEASURES ARE WELL DESIGNED AND THE**
15 **PROGRAM IS COMPREHENSIVE ENOUGH TO ACHIEVE THE SAVINGS**
16 **GOALS SET BY THE COMPANY?**

17 A. Yes, I believe so. In fact, I am impressed by the scope of measures that are available to
18 meet the needs of individual customers as well as how those measures are designed.
19 Exhibit RMP-JWB 2 provides a litany of additions, deletions and changes to the existing
20 program that are designed to make the existing program more cost effective and increase
21 customer participation. This exhibit describes the broad scope of the measures that are
22 available to individual customers that include measures directed at; lighting, appliances,
23 space conditioning, motors and many other applications for residential, commercial and
24 industrial customers. There are even measures aimed at encouraging dairy farmers to
25 adopt more energy efficient technologies.⁵

26 The changes the Company is proposing to improve the existing program generally fall
27 into two categories; changes to the eligibility requirements of some programs and the

1 elimination of others to keep them cost effective, and the addition of new measures and
2 modification of the incentives for some existing measures to increase program
3 participation.

4 In order to enhance cost effectiveness the Company is proposing to change the types of
5 technologies that are eligible for incentive payments for a number of the measures
6 included in the program. The primary reason for this is that federal efficiency standards
7 continue to evolve making it necessary for the Company to adapt its program to reflect
8 the new federal efficiency standards. For example, the National Electrical Manufacturers
9 Association (NEMA) standard for high efficiency motors is now required by federal code.
10 It would be inefficient for the Company to pay a customer an incentive for a replacement
11 motor that only meets the minimum federal standard. Rather, the program should incent
12 customers to choose products that exceed the minimum efficiency standard. For that
13 reason, the Company is proposing revisions to eligibility requirements for motors,
14 lighting and many other measures in the program.

15 The Company is also proposing that some measures be eliminated altogether. For
16 instance, the Company is proposing to eliminate the incentive for time clocks in
17 commercial lighting applications since they are in wide spread use and are frequently
18 required for code compliance. The Company states that eliminating the incentives for
19 time clocks while adding incentives for more advanced lighting controls will increase the
20 savings from individual projects and enhance overall savings while ensuring that the
21 program remains cost effective.

22 The Company is also proposing to add multiple new measures intended to better meet the
23 needs of individual consumers and increase overall participation in the program. For
24 example, the Company is adding a new measure category related to consumer electronics
25 which will include incentives to encourage consumers to purchase higher efficiency flat
26 panel televisions, computer monitors and desktop computers. Adding these measures and
27 increasing the awareness of these programs among home electronics vendors in Wyoming
28 should increase the number of customers who participate in the program in Wyoming.

⁵ RMP Exhibit JWB-2, page 37 of 41.

1 **Q. NOW THAT WE'VE ESTABLISHED THAT THE PROGRAM IS ROBUST AND**
2 **COST EFFECTIVE, IN YOUR VIEW DOES RMP HAVE A SOUND PLAN FOR,**
3 **AND COMMITMENT TO IMPLEMENTING THE PROGRAM THAT**
4 **INCLUDES EFFICIENT MANAGEMENT AND A MARKETING/OUTREACH**
5 **STRATEGY DESIGNED TO ACHIEVE THE PROJECTED PARTICIPATION**
6 **RATES?**

7 A. Yes. Although Mr. Bumgarner did not specifically address this issue in his direct
8 testimony in any depth, based on my recent experience with the Cheyenne Light, Fuel &
9 Power (CLF&P) DSM proceeding, I posed a number of data requests to the Company to
10 more fully understand how it currently manages and markets the program as well as any
11 steps that it plans to take to improve the management and marketing of the program in
12 2011 and beyond.

13 **Q. WHAT DID YOU HOPE TO LEARN FROM THE COMPANY?**

14 A. I hoped to learn that the Company has a strategy for and commitment to making the
15 program successful in Wyoming, and an administrative structure that is adequate for the
16 task. The Commission has been clear that it does not intend to give the utilities a pot of
17 money to implement a DSM program without a rational plan for spending the money that
18 has a high probability of leading to a successful outcome. Given the results of RMP's
19 program thus far which I have described at length earlier in my testimony, I think its
20 important that the Commission gain some assurance that the Company has a responsible
21 strategy for improving results in the future. This is particularly important since Mr.
22 Bumgarner did not spend a lot of time in his testimony on this subject.

23 **Q. AND, WHAT DID YOU IN FACT LEARN FROM YOUR INVESTIGATION IN**
24 **THIS REGARD?**

25 A. I learned that the Company has followed an implementation plan for its DSM activities
26 that is very similar to what we saw in the CLF&P DSM proceeding and that in this case
27 the Company is proposing improvements to its management and marketing of the
28 program that are prudent, necessary and should improve customer awareness and

1 participation in the program. I also learned that in addition to various internal personnel,
2 the Company relies on a number of third party consultants, vendors and government
3 agencies in delivering the program, and to monitor, measure and verify program savings.
4 Many of these consultants are the same consultants used by CLF&P in delivering its
5 DSM program.

6 The Company contracts with consultants in the areas of program management and data
7 collection and processing, engineering services, evaluation and analysis and marketing
8 support. In support of the DSM program the Company has approximately forty two
9 consultants under contract.⁶ The third party consultants and contractors used by the
10 Company in support of the DSM program are shown in OCA Exhibit BJF 1.

11 **Q. DOES THE COMPANY ALSO HAVE AN ALLIANCE OF RETAIL BUSINESS**
12 **PARTNERS THAT IT WORKS WITH TO ENSURE THAT ENERGY**
13 **EFFICIENT PRODUCTS ARE CONVENIENTLY AVAILABLE TO WYOMING**
14 **CUSTOMERS?**

15 A. Yes. OCA Exhibit BJF 2 is a partial list of retail business partners that RMP regularly
16 works with to ensure that energy efficient residential and commercial appliances are
17 conveniently available to customers when they have made the decision to replace an old
18 appliance or conduct weatherization activities at their home or business. This network of
19 business partners is critically important to build and maintain because these retailers are
20 typically the first point of contact for consumers when they make the decision to purchase
21 a new product. It is at this point that information about energy efficiency and the
22 Company's programs is most useful to the customer in determining which product to buy.
23 To the extent that the retailers are knowledgeable about the energy saving characteristics
24 of the product and, moreover, can assist the customer with the Company's rebate
25 application process, the customer is more apt to choose a high efficiency product over a
26 standard efficiency model.

⁶ Some of these contractors provide support in more than one area so the number of unique contractors is less than forty two.

1 **Q. ARE THERE OTHER BENCHMARKS THAT CAN BE USED TO ASSESS THE**
2 **LEVEL OF THE COMPANY'S COMMITMENT TO ITS DSM PROGRAM?**

3 A. Certainly one area to look at is the amount of demand resources that the Company has
4 incorporated into its Integrated Resource Plan (IRP) that it will rely on to provide retail
5 electric service in the future. The framework for incorporating those resources into the
6 IRP is shown in OCA Exhibit BJB 3. As can be seen in this flow chart the DSM resource
7 is an integral part of the Company's integrated resource planning.

8 According to the Company's 2008 IRP Update⁷ it expects to acquire approximately
9 3,461⁸ megawatts of additional capacity between 2010 and 2019. Of that total
10 approximately 1,098 megawatts or 32% will be demand side resources. Approximately
11 62% of the DSM resources are planned for the east side of the system; Wyoming, Utah
12 and Idaho. Incorporating the DSM resource into the IRP will require the Company to
13 acquire those resources, assuming loads do not change dramatically, or that resource will
14 have to be acquired from some other source. In the near to medium term that other
15 source would probably be market purchases since acquiring a long term supply side
16 resource would take some time. The Company would fill the gap between the DSM
17 resource it actually acquires and the amount that is projected in the IRP in whole or in
18 part with market purchases. Under the terms of the recently adopted ECAM the
19 Company is only allowed to recover 70% of its net power costs, including short term
20 market purchases. Therefore, the Company has a natural incentive to meet its DSM
21 resource targets since the cost of acquiring DSM resources is fully recovered through the
22 DSM surcharge.

23 **Q. IS THE COMPANY PLANNING TO IMPROVE ITS DSM MARKETING**
24 **STRATEGY AS WELL?**

25 A. Yes. Heretofore, the Company has relied on its general corporate communications budget
26 to raise market awareness of the DSM program. Corporate advertising also includes
27 customer messaging related to safety, service and other issues. While some of these

⁷ PacifiCorp 2008 IRP Update, Table 5.3, "Business Plan Portfolio."

1 promotions have specifically targeted the DSM program, it is my understanding that none
2 of the cost of the promotional advertising has been funded through the DSM surcharge.
3 With this application the Company is requesting funding for an energy efficiency
4 communications and outreach program to be funded through the energy efficiency
5 surcharge. The newly developed marketing plan calls for annual expenditures of
6 \$150,000 for the next three years that will focus exclusively on the DSM program. That
7 would amount to approximately 3.5% of the total program expenditures budgeted for
8 2011.⁹ In the plan the Company intends to use traditional marketing channels such as
9 television, radio, print and outdoor advertising, as well as digital channels such as
10 Facebook and Twitter.

11 **Q. DO YOU SUPPORT THE COMPANY'S MARKETING PLAN?**

12 A. I'm certainly not a marketing expert but it seems to me that the fact that RMP intends to
13 devote some dedicated funding to promoting its DSM program in Wyoming is an
14 improvement over what is currently in place. Raising customer and market awareness of
15 the DSM offerings is another crucial step in achieving the DSM savings sought by the
16 Company. I would leave it to the Company and its consultants to determine how much
17 and what kind of marketing will be most effective in Wyoming. But, I am encouraged
18 that RMP intends to focus on this area as part of its effort to improve the DSM program.

19 **Q. HAS THE COMPANY VERIFIED THAT THE DSM PROGRAM IS ACTUALLY**
20 **PRODUCING THE EXPECTED SAVINGS?**

21 A. According to Mr. Bumgarner the Company has conducted an initial assessment of the
22 cost effectiveness of the program and included that assessment in the 2009 DSM Annual
23 Report. Additionally, cost effectiveness assessments have been conducted for the 2010
24 program year and are included in this application, although some of the data used in those
25 assessments are projected data since this application was filed prior to the end of the
26 program year.

⁸ Does not include Front Office Transactions.

⁹ Exhibit RMP JWB 1.

1 The assessments that have been conducted to date are not process and impact evaluations.
2 Rather, they are cost effectiveness evaluations based on observed participation rates and
3 expected savings for each measure. A process and impact evaluation would be far more
4 thorough and would be conducted by a third party vendor with specialized knowledge in
5 conducting such analyses as well as the independence to produce credible results. Such
6 an evaluation might include shadowing program managers and contractors as they deliver
7 services to customers, surveying customers about their experience with the program, and
8 auditing sample groups of customers to ensure that measures are being installed properly
9 and are providing the savings anticipated by the Company.

10 **Q. WHY DID THE COMPANY NOT PERFORM A PROCESS AND IMPACT**
11 **EVALUATION AS SCHEDULED FOR THE 2009 PROGRAM YEAR?**

12 A. According to Mr. Bumgarner, because the program participation and savings results were
13 so far below the what was expected in 2009, the Company determined that a process and
14 impact evaluation of the program in 2009 would not produce results commensurate with
15 the cost of conducting the evaluation. He did not indicate what that cost would be or
16 whether or not the Company had contracted with a consultant to perform the evaluation.
17 He simply indicates that the Company will bundle the 2009 and 2010 process and impact
18 evaluations and make the results available in draft form by October, 2011. Additionally,
19 unless I am mistaken the Company did not seek a waiver of the filing of its process and
20 impact evaluation.

21 **Q. ARE YOU CONCERNED ABOUT THE FACT THAT THE COMPANY FAILED**
22 **TO PROVIDE A PROCESS AND IMPACT ASSESSMENT AS PLANNED FOR**
23 **THE 2009 PROGRAM YEAR?**

24 A. Yes, to some extent. The importance of evaluating and verifying program savings cannot
25 be overstated and I understand from my participation in other utilities' DSM cases how
26 important this issue is to the Commission. However, the fact is that program
27 participation and savings levels were much lower than anticipated in the first year of the
28 program. The Company believes that spending the money for a third party evaluation for
29 that year would not have been a good value for customers.

1 Since preliminary results indicate dramatically better program performance in 2010 the
2 Commission should direct the Company in its order in this case to provide such an
3 evaluation of the program no later than October, 2011. Alternatively, if the Commission
4 is not inclined to wait for submission of the evaluation to review its results, it should
5 direct the Company to submit its process and impact evaluation plan for review prior to
6 the time the assessment is conducted. Beyond that I'm not sure what the Commission can
7 do with regard to evaluating the program short of halting it until an evaluation is
8 complete which, of course, would impact the program results for 2011 and slow the
9 momentum of the program.

10 **Q. DOES THE COMPANY HAVE A COST RECOVERY MECHANISM THAT IS**
11 **FAIR AND THAT MINIMIZES THE OBSTACLES TO ACHIEVING THE**
12 **ANTICIPATED BENEFITS OF THE PROGRAM?**

13 A. Perhaps the most troubling aspect of this entire filing is the approximately \$4.3 million
14 over collection in DSM funds that have accumulated in the DSM balancing account. But,
15 we should not confuse the approved cost recovery mechanism with the over-collected
16 balance in the DSM balancing account. The current DSM cost recovery surcharge
17 mechanism is based on the separation of DSM costs into four basic categories;
18 residential, commercial, industrial and street/area lighting. The surcharges for each of
19 these categories are designed to recover the costs of providing the program to each of
20 these three distinct customer groupings. Prior to the suspension of the surcharges on
21 January 1, 2011 the monthly surcharges were assessed on a customer's total monthly bill
22 as follows:

Residential	1.87%
Commercial	.90%
Industrial	.43%
Street/Area Lighting	.90%

1 Together these surcharges generated about \$4.2 million in revenue in 2010 which is
2 approximately six tenths of one percent of the annual Wyoming revenue requirement
3 proposed in RMP's currently pending rate case.

4 In its Order Rejecting Stipulation in Docket Number 20000-264-EA-06 the Commission,
5 expressing its opposition to a flat DSM surcharge, found that:

6 However, the same can be said for the smaller commercial customers who
7 could criticize the use of a portion of their contribution to the DSM pilot
8 for the benefit of larger industrial customers choosing to participate in the
9 program. Even if it is true that the most substantial DSM savings in
10 Wyoming can be produced by the large industrial customers, that does not
11 fully justify obtaining contributions from smaller customers to pay for
12 them. We express the hope that Rocky Mountain Power can devise a
13 suitable and successful DSM program aimed at industrial customers that
14 does not depend on mandatory subsidies from other classes.

15 In adopting the revised stipulation in that same case, the Commission found that:

16 The Commission finds that the stipulated DSM programs and funding
17 mechanism are reasonable and supported by the evidence of record in this
18 case. Furthermore, the impact upon the various customer classes from the
19 additional surcharge is reasonable and reflects an appropriate recovery of
20 the costs associated with implementation of the DSM programs. As noted
21 in the uncontroverted evidence of record, the proposed surcharge levels for
22 the various customer classes are supported by the Company's evidence at
23 hearing and will result in no cross-class subsidies. The mechanism for
24 reviewing and adjusting the various surcharges will fairly keep the
25 surcharges from becoming unreasonable either to the Company or its
26 customers.

27 In spite of the fact that the surcharges are designed to recover the cost of providing the
28 programs to discrete customer groups, as directed by the Commission, and even though
29 the Company has adjusted the surcharges downward over the course of the program life,
30 still the Company has collected more in DSM revenues than it has expended in providing
31 DSM services, specifically approximately \$4.3 million more.

32 **Q. WHAT IS THE CAUSE OF THE ACCUMULATED BALANCE IN THE DSM**
33 **BALANCING ACCOUNT?**

1 A. Simply put, it is the fact that the surcharge rates have been too high, the DSM
2 expenditures have been too low, or perhaps a combination of both factors. It is not,
3 however, the result of the surcharge structure itself.

4 **Q. WHAT COULD THE COMPANY HAVE DONE TO MITIGATE THE LARGE**
5 **OVER-COLLECTED BALANCE IN THE DSM BALANCING ACCOUNT?**

6 A. On the expenditure side, probably not much. Since the large majority of expenditures in
7 the DSM program are related to incentives paid to customers the only way to increase
8 expenditures is to increase participation in the program. As can be seen from the
9 comparative numbers discussed earlier in my testimony it is apparent that the Company is
10 working very hard to increase participation. In fact, the filing of this DSM improvement
11 plan is evidence of the Company's efforts to improve the DSM program and increase
12 participation. But, participation depends on the willingness and ability of customers to
13 engage in the program. Acquiring DSM resources is much different than acquiring
14 supply side resources where contract terms govern the cost and timing of acquired
15 resources. On the demand side, while the market potential can be estimated, there is no
16 guarantee that even customers who will benefit will participate in the program. Much
17 time and effort are required to realize the full estimated market potential.

18 The Company, however, arguably has much greater control over the amount of revenue
19 that is collected through the DSM surcharge. Theoretically, it can be changed as
20 frequently as necessary to maintain a balance that is reasonably close to the amount of
21 actual DSM expenditures. In this case I am not convinced that the Company has been as
22 vigilant as it could have been in managing the balance in the DSM balancing account.
23 Since the program's inception in 2008, it has filed only once to reduce the amount of
24 revenue collected through the DSM surcharge, until its recent filing to suspend the
25 surcharge altogether. In the future I would recommend that the Commission require the
26 Company to file to adjust the surcharge, up or down, at least semi-annually if not
27 quarterly. It seems to me that if the over or under-collected amount in the balancing
28 account exceeds average quarterly or semi-annual expenditures that could provide a
29 trigger for adjusting the DSM surcharge and would help maintain a balance in the account

1 much closer to zero. While it will never be possible to match revenues and expenditures
2 exactly I believe it is possible to get much closer and would recommend that the
3 Commission direct the Company to do so.

4 **Q. HAVE CUSTOMERS BEEN HURT BY THE ACCUMULATING BALANCE IN**
5 **THE DSM BALANCING ACCOUNT?**

6 A. More money has been collected from customers than was necessary to implement and
7 administer the DSM program. That is money that customers could have devoted to
8 another use that from their perspective may have been more productive. Economists refer
9 to this as the opportunity cost of foregone investments that might otherwise have been
10 made but for the DSM over-collection. However, the excess balance in the DSM
11 balancing account is not lost to customers. It continues to be held in the balancing
12 account and accumulate interest at the Commission's specified deposit rate.

13 There are two ways to address the over-collection; it can either be worked off over time
14 through the normal operation of the DSM program, as the Company has proposed and the
15 Commission has approved, at least on an interim basis, or it can be directly refunded to
16 customers in the form of a bill credit. Either way customers will get the money back with
17 interest. Although neither of these methods, in theory, will make customers whole for the
18 lost use of the over-collected funds, either of them is preferable to customers not getting
19 the utility of the money back at all. And, fortunately, the Company is required to pay
20 interest on over-collections while at the same time not being entitled to receive interest on
21 under-collections. My view is that continuing the suspension of the fund until such time
22 as reinstatement of the surcharges is necessary to continue the program is the least
23 disruptive and most administratively efficient way to address the over-collection issues,
24 although I would not be opposed to ordering a direct refund to customers either.

25 **Q. DO YOU HAVE ANY INSIGHTS AS TO HOW THE COMMISSION MIGHT**
26 **AVOID THIS SAME OVER-COLLECTION SITUATION IN THE FUTURE?**

27 A. In addition to more vigilant management by the Company, as I discussed above, the
28 Commission could direct RMP to delay reinstatement of the surcharges beyond the date

1 that they would actually be necessary. This would be similar to the Commission's
2 direction in the CLF&P DSM proceeding, wherein the Commission directed the
3 Company to delay imposition of cost recovery until six months after the program is
4 implemented. While this would guarantee that there would be an under-collection of
5 DSM revenues during the initial period of the surcharge reinstatement, that under-
6 collection would likely be recovered quickly the next time the DSM surcharge is adjusted
7 thus providing only temporary relief for over-collections. If, on the other hand, the
8 Company is successful in increasing the participation rate to expected levels, then over-
9 collection of DSM revenues may become less important.

10 **Q. MR. FREEMAN, DO YOU AGREE WITH MR. BUMGARNER THAT THE**
11 **RECESSION HAD A PROFOUND IMPACT ON THE RESULTS OF THE**
12 **COMPANY'S DSM PROGRAM IN 2009?**

13 A. It seems reasonable to assume that it played some role in customers' ability and
14 willingness to participate in the program, particularly for larger measures such as furnaces
15 and air conditioners for residential customers and large lighting and motor retrofits for
16 commercial and industrial customers. These measures require significant capital
17 expenditures on the part of customers and during 2009 capital availability was severely
18 restricted.

19 However, I believe the fact that electricity continues to be relatively inexpensive in
20 Wyoming will continue to be an obstacle for increasing DSM participation rates.
21 According to the U.S. Energy Information Administration¹⁰ (EIA) retail rates in
22 Wyoming are 37% lower than the national average and 20% lower than average rates in
23 surrounding states in the Rocky Mountains. As with any other commodity, the cheaper it
24 is the harder it is to make the case for conservation to consumers. However, with
25 continued load growth and the need to add more resources to its portfolio, RMP's
26 increasing focus on DSM is prudent in order to avoid, at least in part, the need to acquire
27 much more expensive supply side resources.

¹⁰ U.S. Energy Information Administration, Residential Average Monthly Bill by Census Division, and State,
<http://www.eia.gov/cneaf/electricity/esr/table5.html>.

1 **Q. DO YOU HAVE ANY OTHER RECOMMENDATIONS FOR THE COMMISSION**
2 **IN THIS PROCEEDING?**

3 A. Yes. After having participated in the CLF&P DSM proceeding, and having heard the
4 Commission's deliberations in that case (a written order in that case had not been issued at
5 the time this testimony was filed) I would recommend that, for the sake of consistency,
6 the Commission adopt the same reporting and compliance requirements for RMP that
7 will be required of CLF&P. Since there are no rules governing the minimum
8 requirements that a DSM program must meet in order to be acceptable to the
9 Commission, the best way for the Commission to inform the utilities and parties about its
10 expectations is through consistently applying its decision elements in its order in
11 individual cases.

12 **Q. DOES THAT CONCLUDE YOUR TESTIMONY IN THIS PROCEEDING?**

13 A. Yes, it does.

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
ROCKY MOUNTAIN POWER FOR APPROVAL)
OF AN ADJUSTMENT TO THE DEMAND-)
SIDE MANAGEMENT PROGRAM AND)
SUSPEND SCHEDULE 191 RATE)
SURCHARGES)

Docket No. 20000-383-EA-10
(Record No. 12686)

AFFIDAVIT, OATH AND VERIFICATION

Bryce J. Freeman (Affiant) being of lawful age and being first duly sworn, hereby deposes and says that:

Affiant is the Administrator of the Wyoming Office of Consumer Advocate which is a party intervener in this matter pursuant to its Notice of Intervention filed on December 9, 2010.

Affiant prepared and caused to be filed the foregoing testimony. Affiant has, by all necessary action, been duly authorized to file this testimony and make this Oath and Verification.

Affiant hereby verifies that, based on Affiant's knowledge, all statements and information contained within the testimony and all of its attached schedules are true and complete and constitute the recommendations of the Affiant in his official capacity as Administrator of the Wyoming Office of Consumer Advocate.

Further Affiant Sayeth Not.

Dated this 30th day of March, 2011.

[Handwritten signature of Bryce J. Freeman]

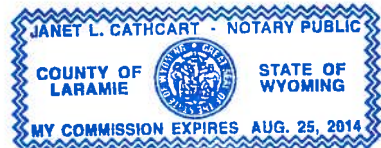
Bryce J. Freeman, Administrator
Wyoming Office of Consumer Advocate
2515 Warren Avenue, Suite 204
Cheyenne, WY 82002
(307) 777-5742

STATE OF WYOMING)
) SS:
COUNTY OF LARAMIE)

The foregoing was acknowledged before me by Bryce J. Freeman on this 30th day of March, 2011. Witness my hand and official seal.

[Handwritten signature of Janet L. Cathcart]
Notary Public

My Commission Expires: August 25, 2014



APPENDIX A

**CASES IN WHICH BRYCE FREEMAN HAS PRESENTED TESTIMONY BEFORE THE
WYOMING PUBLIC SERVICE COMMISSION AS OF 7/19/2010**

<u>Docket Number</u>	<u>Company</u>	<u>Date</u>	<u>Subject Of Testimony</u>
30016-GR-94-8	Pinedale Natural Gas Company	10/26/1994	ROR
70006-TR-94-14	Silver Star Telephone Company, Inc.	12/6/1994	ROR
20002-ER-95-48	Black Hills Power & Light	8/14/1995	ROR, IRP, DSM, AFOR
70000-TR-95-238	U S WEST Communications, Inc.	10/2/1995	TSLRIC
General Order No. 73	Commission Rule Making	4/11/1996	TSLRIC
20000-ER-95-99	PacifiCorp, Inc.	6/17/1996	ROR, AFOR, PBR
70007-TR-95-15	Dubois Telephone Company	8/5/1996	ROR, TSLRIC
30012-GR-96-33	Wyoming Industrial Gas Company	10/16/1996	ROR
70007-TR-95-15	Pacific Telecommunications, Inc.	12/10/1996	TSLRIC
70000-TT-96-301	U S West Communications, Inc.	1/10/1997	AFOR, Jurisdiction
70007-TR-95-15	U S West Communications, Inc.	1/28/1997	TSLRIC, RATE DESIGN
70000-TR-96-323	U S West Communications, Inc.	5/26/1997	TSLRIC, Imputation
30005-GR-97-51	Cheyenne Light, Fuel & Power, Inc.	8/25/1997	ROR
70011-TR-97-15	Tri-County Telephone Association, Inc.	3/31/1998	TSLRIC
70014-TR-97-7	TCT West, Inc.	3/31/1998	TSLRIC
80007-WR-98-6	Vista West Water Company	8/31/1998	Cost of Service
20000-EA-98-141	PacifiCorp, Inc.	7/6/1999	Merger
30010-GR-99-47	Questar Gas Company	10/28/1999	ROR, Revenue Requirement
20003-ER-99-54	Cheyenne Light, Fuel & Power, Inc.	1/18/2000	ROR, Rate Design
30005-GR-99-53	Cheyenne Light, Fuel & Power, Inc.	1/18/2000	ROR, Rate Design
20000-ER-99-145	PacifiCorp, Inc.	1/26/2000	ROR, Rate Design
80007-WR-99-8	Vista West Water Company	3/22/2000	Rate Design
30010-GA-01-56	Questar Gas Company/Wyoming Industrial Gas	6/12/2001	Merger/Acquisition
30012-GA-01-43	PacifiCorp, Inc.	7/9/2001	Rate Design
20000-ER-0-162	Qwest Communications	9/6/2001	TSLRIC
70000-TA-99-482	Qwest Communications	3/15/2002	TELRIC
70000-TA-01-700	All West Communications, Inc.	10/28/2002	TSLRIC
70013-TR-02-17	Silver Star Telephone Company, Inc., Tetoro	12/17/2002	TSLRIC
70006-TT-00-43	Telecom		
70016-TA-02-21	PacifiCorp, Inc.	1/7/2003	Power Cost
20000-ER-02-184	Kinder Morgan, Inc.	2/3/2003	Choice Gas
30022-GI-02-3	PacifiCorp, Inc.	1/16/2004	Power Cost
20000-ER-02-198	MEHC/PacifiCorp	12/15/2005	Merger/Acquisition
20000-EA-05-226	Kinder Morgan, Inc.	9/18/2006	ROR
30022-73-GR-06	Rocky Mountain Power	1/10/2007	Avoided Costs
20000-250-EA-06	Source Gas/Kinder Morgan/KMRUH; Knight	2/18/2007	Sale/Acquisition/Reorganization
30022-84-GA-06	HoldCo LLC, Knight Acquisition Co.		
30085-85-GA-06	Pinedale Natural Gas Company	3/21/2007	General Rate Case/ROR
30016-41-GR-06	WYRULEC	7/2/2007	General Rate Case
10016-47-CR-06	Cheyenne Light, Fuel & Power, Inc.	10/22/2007	General Rate Case/WYGEN II Prudence
20003-90-ER-07	Embarq Communications	11/2/2007	Access Charges/USF
30005-112-GR-07	WYRULEC	12/10/2007	Amended General Rate Case
70009-294-TT-07	Rocky Mountain Power	3/3/2008	General Rate Case/ROR
10016-47-CR-06	Rocky Mountain Power	5/27/2008	Amended DSM Application
20000-277-ER-07	Chugwater Telephone Company	8/21/2008	General Rate Case
20000-264-EA-06	Rocky Mountain Power	3/23/2009	General Rate Case/ROR
70005-24-TR-08	Questar Gas Company	4/1/2009	General Rate Case/ROR
70000-333-ER-08	Montana/Dakota Utilities	4/7/2009	General Rate Case/ROR
30010-GR-94-08	Wyoming Gas Company	5/18/2009	General Rate Case/ROR
20004-75-ER-08	Rocky Mountain Power	9/1/2009	Avoided Costs
300009-48-ER-08	Rocky Mountain Power	4/16/2010	ROR
20000-342-EA-09	Black Hills Power, Inc.	5/10/2010	ROR
20000-352-ER-09	Source Gas Distribution LLC	7/19/2010	Energy Efficiency/Decoupling
20002-75-ER-09	Cheyenne Light, Fuel & Power, Inc.	1/27/2011	DSM
30022-148-GR-10	Rocky Mountain Power	5/11/2011	DSM
20003-108-EA-10			
30005-140-EA-10			
20000-383-EA-10			

ROR = RATE OF RETURN; IRP = INTEGRATED RESOURCE PLANNING;
 DSM = DEMAND SIDE MANAGEMENT; AFOR = ALTERNATIVE FORM OF REGULATION;
 TSLRIC = TOTAL SERVICE LONG RUN INCREMENTAL COST;
 PBR = PERFORMANCE BASED RATE MAKING
 AFOR = ALTERNATIVE FORM OF REGULATION

Third party consultants and contractors	Responsibilities of and activities performed by consultant or contractor
Jaco Environmental	Program administrator for <u>Schedule 117, the See ya later, refrigerator program</u> . Refrigerator/freezer pick-up, recycling, and issuance of program energy savings kits and participation incentive.
Portland Energy Conservation, Inc. ("PECI")	Program administrator for <u>Schedule 111, the Home Energy Savings program</u> . Retailer education and recruitment, customer incentive application processing, field inspections/verification services.
Nexant, Inc.	Program administrator for <u>Schedule 192, the Self-Direction Credit program</u> .
Wyoming Energy Council	Under contract to provide weatherization services to income qualifying households in support of <u>Schedule 118, Low Income Weatherization program</u> .
Council of Community Services	Under contract to provide weatherization services to income qualifying households in support of <u>Schedule 118, Low Income Weatherization program</u> .
Niagara Conservation Corp	Provide CFL kits that are mailed to LIEAP recipients in support of <u>Schedule 118, Low Income Weatherization program</u> .
Nexant, Inc.	Development and management of business program partner/vendor alliance networks (HVAC, motors, lighting and other equipment). Field infrastructure development work in support of <u>Schedule 115, FinAnswer Express program</u> .
Engineering Consultants: Abacus Resource Management Co Bac-gen Technologies/Agricultural Tech., Inc. Cascade Energy Engineering, Inc. Compression Engineering Corporation EMC Engineers, Inc emp2, Inc. Group 14 Engineering/Enermodal Eng. Inc. etc Group, Inc. Evergreen Consulting Group Glumac GSBS, PC Interface Engineering, Inc.	Provide technical services at customer facilities in support of <u>Schedule 125, the Energy FinAnswer program</u> and custom analysis as needed in support of <u>Schedule 115, the prescriptive FinAnswer Express program</u> . Help customers identify energy efficiency opportunities and quantify savings and costs, assisting them in their implementation decisions and funding approval processes. Services also include post-installation project commissioning services, helping customers verify annual savings for the project as installed and operating.

Third party consultants and contractors	Responsibilities of and activities performed by consultant or contractor
<p>Jeffery C. Sharpe John Fazio Kilowatt Engineering, Inc Nexant, Inc. PAE Consulting, Inc. PCD Engineering Services, Inc. QEI Energy Management, Inc. RHT, Enterprises, Inc. Richard McClain SBW Consulting, Inc. Solarc Architecture & Engineering Van Boerum & Frank, Associates</p>	
<p>Evaluation and Analysis Vendors: The Cadmus Group, Inc. Global Energy Partners, LLC. Navigant Consulting, Inc. Nexant, Inc. Opinion Dynamics Corp. Portland Energy Conservation, Inc. SBW Consulting, Inc.</p>	<p>Vendors under contract who provide market potential assessments, pre and post program cost effectiveness calculations, post program impact and process evaluations, program specific market characterization reports. Projects are generally assigned to firms based on areas of expertise, resource availability and best pricing.</p>
<p>Marketing Support: RIESTER ISITE Design DMS Mail Management Graphic Arts</p> <p>Also work with collaboratively with the third party program administrators and their agencies, i.e. Jaco and Runyon Saltzman & Einhorn, Inc. (RS&E)</p>	<p>Advertising and creative development, media planning and placement, production. (REISTER)</p> <p>Web development. (ISITE Design)</p> <p>Direct mail house. (DMS Mail Management)</p> <p>Production of customer newsletter, Voices, which carries energy efficiency tips and program information/awareness information. (Graphic Arts)</p>



**ROCKY MOUNTAIN
POWER**

Let's turn the answers on.

Wyoming Participating Retailers

Rocky Mountain Power Home Energy Savings Program

This list of retailers participating in Rocky Mountain Power's Home Energy Savings program is provided as a convenience only to our customers.

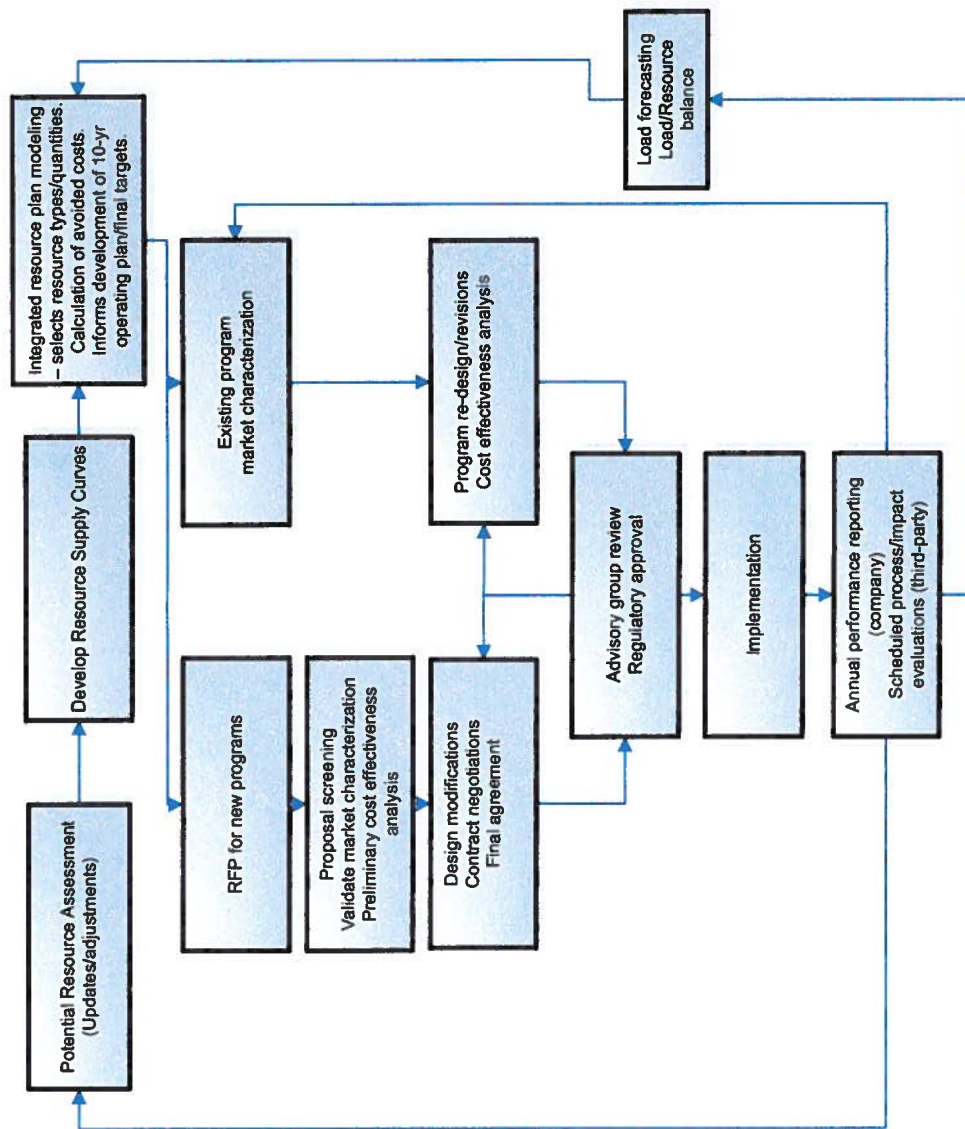
The list below contains participating retailers selling energy-efficient appliances, lighting, insulation, and energy-efficient windows. Please check with the individual retailer for stock on hand. Not all products qualify. Please refer to the appropriate list of Qualifying Products as found on rockymountainpower.net/hes detailing incentives for each individual product. Incentives are available for a limited time only. The products indicated below are **A**-Appliances, **CeLf**-Ceiling fans and Light fixtures, **Ewh**-Electric water heaters, **Ins**-Insulation, **Win**-Windows.

City	Retailer	Address	Products*	Phone No.
Casper	Best Buy #1527	601 S.W. Wyoming Blvd.	A	(307) 995-1239
	Cost Plus Appliances	1518 E. C St.	A	(307) 577-7404
	Home Depot	4900 E. Second St.	A, CeLf, Ewh, Ins, Win	(307) 472-6505
	Letz's TV & Appliances	642 E. Second St.	A	(307) 234-9159
	Menards	6220 Menard Drive	A, CeLf, Ewh, Ins, Win	(307) 323-9410
	Sears #2341	701 S.E. Wyoming Blvd.	A, Ewh	(307) 261-4900
Cody	Gizmo's Cost Plus	3001 Big Horn Ave.	A	(307) 587-0143
	Sears #3359	762 Lindsay Lane	A, Ewh	(307) 587-2500
Douglas	Gizmo's Cost Plus	212 N. Second St.	A, Ewh	(307) 358-5445
	Roger's Home Entertainment Center	110 N. Second St.	A	(307) 358-2110
	Total Services	88 W. Richards St.	A	(307) 358-9670
Evanston	Cazin's Ace Hardware	800 Front St.	A, Ewh	(307) 789-3090
	Schofield's Appliance	941 Front St.	A	(307) 789-2502
Kemmerer	Nelson's Furniture and Appliance	718 Pine Ave.	A	(307) 877-4404
Lander	Gambles Store	320 Main	A	(307) 332-3670
Laramie	Ace Hardware	611 B Grand Ave.	A	(307) 755-0781
	Sears #1867	411 S. Second St.	A, Ewh	(307) 742-9647
	True Value	1161 N. Third St.	A	(307) 721-8152
Rawlins	Rasmusson Furniture	316 W. Cedar St.	A	(307) 324-2781
Riverton	Kusel's Home Furnishings	326 E. Main St.	A	(307) 856-2583
	Sears #3018	801 N. Federal Blvd.	A, Ewh	(307) 856-8767
Rock Springs	Home Depot #6003	1925 Foothill Blvd.	A, CeLf, Ewh, Ins, Win	(307) 362-3716
	John Paras Furniture & Appliance	1850 Foothill Blvd.	A	(307) 382-9344
	Rushmore Furniture	19 K St.	A	(307) 362-5971

Rocky Mountain Power does not warrant, endorse or guarantee the products or services offered by these retailers. You, the customer, are solely responsible for any contract or agreement made with a Participating Retailer. This list is provided as a convenience only.

Rocky Mountain Power Home Energy Savings Program | Customers (800) 942-0266 | Retailers (877) 507-2247 | rockymountainpower.net/hes

Demand-side Management Resource Planning



BEFORE THE WYOMING PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE)
APPLICATION OF ROCKY MOUNTAIN) Docket No. 20000-383-EA-10
POWER FOR APPROVAL OF AN) (Record No. 12686)
ADJUSTMENT TO THE DEMAND-SIDE)
MANAGEMENT PROGRAM AND)
SUSPEND SCHEDULE 191 RATE)
SURCHARGES)

CERTIFICATE OF SERVICE

I hereby certify that on March 30, 2011, I served the foregoing Pre-filed Direct Testimony of Bryce J. Freeman by delivering copies thereof to the individuals/entities below, by the method(s) indicated:

Daniel Solander) **U.S. Mail**
Senior Counsel) **e-mail**
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, UT 84111
daniel.solander@pacificorp.com

Jeffrey K. Larsen) **U.S. Mail**
Vice President) **e-mail**
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, UT 84111
jeff.larsen@pacificorp.com

David Mosier) **U.S. Mail**
Wyoming Regulatory Manager) **e-mail**
Rocky Mountain Power
320 W 25th Street, Suite 301
Cheyenne, WY 82001
dave.mosier@pacificorp.com

Paul J. Hickey) **U.S. Mail**
Hickey & Evans, LLP) **e-mail**
P.O. Box 467
Cheyenne, WY 82003-0467
phickey@hickeyevans.com

Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 800
Portland, OR 97232
datarequest@pacificorp.com

e-mail

Robert M. Pomeroy
Thorvald A. Nelson
Robin A. Kashiwa
Holland & Hart, LLP
6380 South Fiddler's Green Circle, Suite 500
Greenwood Village, CO 80111
rpomeroy@hollandhart.com
tnelson@hollandhart.com
rakashiwa@hollandhart.com
ppenn@hollandhart.com
ramoody@hollandhart.com

U.S. Mail
e-mail

Howard Geller
Executive Director
Southwest Energy Efficiency Project
2260 Baseline Road, Suite 212
Boulder, CO 80302
hgeller@swenergy.org

U.S. Mail
e-mail



Ivan Williams, Senior Counsel (5-2976)
Wyoming Office of Consumer Advocate
2515 Warren Ave., Suite 304
Cheyenne, WY 82002
(307) 777-5717