



0000102293

BEFORE THE ARIZONA CORPORATION COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

KRISTIN K. MAYES  
Chairman  
GARY PIERCE  
Commissioner  
PAUL NEWMAN  
Commissioner  
SANDRA D. KENNEDY  
Commissioner  
BOB STUMP  
Commissioner

Arizona Corporation Commission  
**DOCKETED**  
SEP - 3 2009

|             |    |
|-------------|----|
| DOCKETED BY | nr |
|-------------|----|

IN THE MATTER OF THE APPLICATION  
OF TUCSON ELECTRIC POWER  
COMPANY'S REQUEST FOR APPROVAL  
TO CONTINUE THE ON-LINE AUDIT  
COMPONENT OF ITS EDUCATION AND  
OUTREACH DSM PROGRAM

DOCKET NO. E-01933A-07-0401  
DECISION NO. 71258  
ORDER

Open Meeting  
August 25 and 26, 2009  
Phoenix, Arizona

BY THE COMMISSION:

FINDINGS OF FACT

1. Tucson Electric Power Company ("TEP" or "the Company") is engaged in providing electric power within portions of Arizona, pursuant to authority granted by the Arizona Corporation Commission.

2. On July 2, 2009, TEP filed a request for continuation of the on-line energy audit component of its enhanced Education and Outreach ("EO") Program. The new EO program was approved on July 3, 2008, in Decision No. 70402, and consolidated previously separate residential, commercial and academic energy education programs. Spending was also increased.<sup>1</sup>

3. On-line energy audits were among the programs consolidated under Decision No. 70402.<sup>2</sup> The energy audits were designed to assist residential and commercial customers in managing energy use and controlling energy costs. Continuation of the on-line audits as a

<sup>1</sup> From a total of \$300,119 for the separate programs, to \$496,000 for the combined and enhanced EO program.  
<sup>2</sup> Both commercial and residential audits utilize an on-line auditing tool entitled the "Energy Advisor."

1 component of the enhanced EO program was approved on only an interim basis, due to concern  
2 over low participation rates, particularly for commercial customers. Staff concluded that without  
3 significant improvement, continuation of the on-line energy audit component could not be  
4 justified.

5 4. TEP had not determined the specific reason or reasons for low participation, but  
6 indicated that a lack of public awareness, and issues with the survey or software could be  
7 contributing factors.

8 5. Decision No. 70402 ordered the Company to determine why participation rates  
9 were low for commercial customers. Footnote 3 of the Order also recommended that participation  
10 by residential customers be improved.

11 6. The Company was ordered to apply to continue the on-line energy audits one year  
12 following approval of the new EO program, if the on-line audit component was continued in its  
13 existing form. Alternatively, if TEP determined that it was necessary to significantly revise the  
14 existing program component (for example, by changing software), the Company was ordered to  
15 apply for approval one year following implementation of the revised program component.

16 7. TEP determined that the low participation cited in Decision No. 70402 was due to  
17 limited public awareness of the on-line energy audits and, after one year, filed to continue the  
18 existing program with improved marketing. The Company updated the Energy Advisor's cooling  
19 calculator with local costs and energy usage, and made it easier to access the Energy Advisor, but  
20 otherwise continued the on-line energy audit component in its existing form.

21 8. When TEP's education and outreach efforts consisted of separate programs,  
22 advertising of the Energy Advisor was limited to approximately three months of the year. Under  
23 the current enhanced and consolidated EO program, marketing is now year-round, and includes  
24 bill inserts, print and radio advertisements, and website marketing.

25 9. From July 2008 through May 2009, TEP spent \$85,150 to market the Energy  
26 Advisor, resulting in a large increase in participation by residential customers, and a smaller, but  
27 significant increase in participation by commercial customers.

28 ...



ORDER

IT IS THEREFORE ORDERED that the on-line energy audit component of the Energy and Outreach program for Tucson Electric Power Company be approved for continuation as discussed herein until further order of the Commission.

IT IS FURTHER ORDERED that Tucson Electric Power Company continue to work toward increased participation by both residential and commercial customers.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

**BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**



CHAIRMAN



COMMISSIONER



COMMISSIONER



COMMISSIONER



COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 2nd day of Sept, 2009.



ERNEST G. JOHNSON  
EXECUTIVE DIRECTOR

DISSENT: \_\_\_\_\_

DISSENT: \_\_\_\_\_

SMO:JMK:lm\JFW

1 SERVICE LIST FOR: Tucson Electric Power Company  
2 DOCKET NO. E-01933A-07-0401

3 Ms. Michelle Livengood, Esq.  
4 UniSource Energy Services  
5 One South Church Avenue, Suite 200  
6 Tucson, Arizona 85701

7 Mr. Philip J. Dion  
8 UniSource Energy Services  
9 One South Church Avenue, Suite 200  
10 Tucson, Arizona 85701

11 Ms. Jessica Byrne  
12 Regulatory Services  
13 Tucson Electric Power Company  
14 Post Office Box 711  
15 Tucson, Arizona 85702

16 Mr. Steven M. Olea  
17 Director, Utilities Division  
18 Arizona Corporation Commission  
19 1200 West Washington Street  
20 Phoenix, Arizona 85007

21 Ms. Janice M. Alward  
22 Chief Counsel, Legal Division  
23 Arizona Corporation Commission  
24 1200 West Washington Street  
25 Phoenix, Arizona 85007  
26  
27  
28