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AZ CORP COMMISSION

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Mr. Jack Rose
Executive Secretary
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ 85007-2996

Arizona Corporation Commission

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Dear Mr. Rose:

Although the Arizona Corporation Commission's Electric Competition Rules made no specific reference to customer education, a Customer Education Working Group was established by the Commission in February 1998 to address this issue.

The Audience and Messages Subcommittee was created from the Customer Education Working Group at its first meeting on March 27, 1998. The self-selected subcommittee is comprised of 27 representatives from investor-owned utilities, public power utilities, cooperatives, energy service providers, consumer groups and other interested parties. During meetings over the last three months, the subcommittee focused on the following two objectives:

- To make a recommendation regarding the creation of a standardized, un-biased, Commission-sponsored program that can be implemented state-wide in order to educate Arizona consumers about upcoming electric industry restructuring.
- To identify issues that may affect elements of the customer education plan but do not relate to the primary objective. Identify these issues and make recommendations to the Commission for future or concurrent action.

The Audience and Messages Subcommittee unanimously agrees that a state-wide, Commission-sponsored consumer education program is imperative for the successful transition to a competitive electric generation market. We, therefore, recommend the following:

- a) It is the subcommittee's understanding that \$50,000 was potentially earmarked for customer education as part of an Audits and Studies Special Line Item in the Commission's FY 1999 budget. The subcommittee recommends that the Commission at a minimum use this \$50,000 to contract with a marketing communication specialist no later than July 31, 1998.
(See Attachment A "Recommended qualifications and scope of work for marketing communication specialist.")
- b) The specialist shall develop a communication plan consistent with the customer education proposal to be finalized and submitted by the Audience and Messages Subcommittee no later than July 31, 1998.

- c) The specialist shall consult with an advisory group of stakeholders to ensure equitable representation of all interested parties.

Through these recommendations, the Audience and Messages Subcommittee seeks to meet its objectives and move the customer education plan forward. The subcommittee welcomes your comments and questions as to this request and would be happy to respond by whatever means at your convenience. Barbara Keene is the staff contact person for the subcommittee and would be the appropriate person for this feedback.

Sincerely,

Audience/Messages Subcommittee
Customer Education Working Group

Enclosure

Cc: Docket Control
Commissioner Jim Irvin
Commissioner Renz D. Jennings
Commissioner Carl J. Kunasek

Attachment A –
Recommended qualifications and scope of work for marketing communication specialist

Scope of Work

- Develop and implement communication plan to educate Arizona consumers regarding electric industry restructuring. (Deadlines will be based on customer selection decision.)
- Develop budget for communication plan to educate Arizona consumers regarding electric industry restructuring.
- Develop method to conduct pre-program baseline research and post-program evaluation of education program as well as evaluation of customer education programs conducted in other states.
- Consult with Stakeholder Advisory Panel to ensure equitable representation of interested parties.
- Coordinate with other Arizona Corporation Commission working groups (billing, etc.) to determine necessary messages to be included in customer education plan.
- Time/resources of the individual or entity will be dedicated to the task of customer education.

Qualifications

- Demonstrable capabilities in advertising and public relations.
- Demonstration of previous success in issue-oriented communications.
- Demonstration of an understanding of the electric utility process, industry restructuring, and those issues specific to the state of Arizona.
- Demonstration of previous experience in media placement/purchase.
- Must be available to begin employment on July 31, 1998.
- Consultant must fulfill any state-mandated requirements.