

OTTER TAIL POWER COMPANY  
Docket No: EL17-022

Response to: SD Public Utilities Commission  
Analyst: SDPUC Staff  
Date Received: 05/26/2017  
Date Due: 06/02/2017  
Date of Response: 05/31/2017  
Responding Witness: Jason A. Grenier, Manager Market Planning - (218) 739-8639

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Information Request:

What drove the overspend of \$3,530 in the Advertising and Education program?

Attachments: 0

Response:

The Advertising and Education program budget was carried forward without adjustment from the 2014-15 budget, at \$10,000 with an expectation of 400 participants. It was generally planned to provide advertising through inserts and web pages and tools as well as to offer school assemblies to educate students about energy conservation and efficiency.

The 2016 program did exceed the planned budget. Otter Tail's Print and Web advertising was on budget. The School Energy Connection Assemblies and the Home Energy Analyzer measures led to increased spending. The program expenditures were as follows.

<b>Advertising and Education Measure</b>	<b>Actual Expense</b>	<b>Customer Participation</b>
Print advertising	\$1,003.10	0
School Energy Connections Assembly	\$4,400.00	267
Home Energy Analyzer	\$5,853.80	130
Web Advertising (associated Labor)	\$2,263.97	1,854

Otter Tail has sought ways to maximize the value for customers from the Advertising and Education program. In addition to general advertising about rebate programs available through the Energy Efficiency Plan, the Advertising and Education program includes two major educational components that account for the largest portion of the program expenditures.

One of these is the Home Energy Analyzer (HEA) that was included in the program beginning in 2014. HEA allows residential customers to:

- Complete a personalized online home energy profile.

- Review their energy usage patterns and likely causes for changes to their use.
- View their home energy use benchmarked alongside that of other, similar homes.
- Receive energy savings recommendations.
- Develop a personal energy savings goal and a plan to achieve that goal.

The HEA is a particularly useful tool to offer to customers who want to proactively understand more about their energy use and options to reduce consumption. In Minnesota, the program is evaluated as a direct energy savings measure and the evaluation for the 2016 program found that 627 kilowatt-hours in energy savings per user. This is equivalent to first-year energy savings of 81,510 kWh for the 130 South Dakota customers who participated. Otter Tail does not allocate any third-party evaluation expenses to South Dakota.

The HEA is offered through a contract with Aclara Technologies, LLC. Costs for this tool are prorated to Otter Tail customers by state service area with South Dakota customers allocated \$1,463 per quarter or \$5,854 for the year. The prorated cost is just under 9 percent of the total cost of the program.

The second most significant cost for the program is the School Energy Connections tour offered as a free service to schools in our South Dakota service area through a contract with the Science Museum of Minnesota. This program provided six (6) interactive assemblies and reached 267 students for a cost of \$4,400. In 2016, the program added one additional school visit which increased costs \$1,100. Recent feedback from students and teachers has been very positive.

Otter Tail included these offerings as a part of the Advertising and Education program because of their high quality and in-depth educational worth to South Dakota customers alongside more traditional advertising that was done through static web content, bill inserts, and the Company's Program and Services Guide.

Otter Tail did exceed the Advertising & Education budget with an additional \$3,530 spent on HEA and School Energy Connections. Otter Tail is confident the associated benefits from all Advertising & Education far exceed to costs of the program. Overall Indirect programming was \$32,425, lower than the approved \$35,000 budget.