

201 South Main, Suite 2300 Salt Lake City, Utah 84111

July 8, 2010

VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Public Service Commission of Utah Heber M. Wells Building, 4th Floor 160 East 300 South Salt Lake City, UT 84114

Attention: Julie P. Orchard Commission Secretary

Re: Advice No. 10-09

Enclosed for filing are an original and two copies of a proposed tariff sheet associated with Tariff P.S.C.U No. 47 of PacifiCorp, d.b.a Rocky Mountain Power, applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405D, Rocky Mountain Power (the "Company") states that the proposed tariff sheet does not constitute a violation of state law or Commission rule. The Company will also provide an electronic version of this filing to psccal@utah.gov. The Company respectfully requests an effective date of August 9, 2010 for these changes.

Second Revision of Sheet No. 70.4 Schedule 70 Renewable Energy Rider – Optional

Through this filing, Rocky Mountain Power is proposing to add language to Schedule 70 ("Blue Sky Block program") which will enable the Company to encourage eligible Utah customers to participate in the Blue Sky Block program through promotional concession campaigns. Rocky Mountain Power's Blue Sky Block program allows customers in Utah the opportunity to support the development of renewable energy beyond what is included in the Company's general resource portfolio. Through the program, customers are able to purchase renewable energy in 100 kWh blocks for \$1.95 per block on a monthly basis. The Company purchases renewable energy credits ("RECs") to match customer block subscriptions. Funds remaining after purchasing RECs to satisfy customer subscriptions and covering program administrative costs may be used to fund community based renewable energy projects.

Since the program's inception in 2000, Rocky Mountain Power has employed a variety of methods to increase awareness of and participation in the Blue Sky Block program. Marketing methods utilized have included customer newsletters, bill inserts, bangtail envelopes, targeted direct mail campaigns, community challenges¹ and outreach efforts such as hosting information

¹ Community challenges are multi-month campaigns in which local government, Rocky Mountain Power and other organizations within a community work together to reach a Blue Sky participation goal within the community. Often, communities are able to achieve Environmental Protection Agency Green Power Community status as a result of participating in a Blue Sky community challenge campaign.

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booths at storefronts and certain community events. These efforts have been successful in helping to increase participation in the program in Utah from 1,222 participants in 2000 to 27,435 in 2010. In addition to these established marketing channels, the Company believes that the use of promotional concession campaigns would be an effective method of marketing the Blue Sky Block program.

Pursuant to Commission Rule R746-404-1, which states that promotional programs offered by utilities subject to the jurisdiction of the Commission are to be filed with the Commission for approval 30 days before they are put into effect, the Company is seeking approval from the Commission, through this filing, to use promotional concession campaigns in marketing the Blue Sky Block program to its Utah customers. Promotional campaigns would offer customers a chance to win something of value in exchange for participating in a Blue Sky program customer survey or signing up as a Blue Sky Block program customer.

As an example of the type of campaigns the Company is seeking approval to run, the following is a description of a campaign the Company will deploy in the fall of 2010, should the Commission approve the tariff modification proposed in this filing. From September 1, 2010, to October 31, 2010, a promotional message would be included with customer bills. The message would invite customers to participate in a survey about the Blue Sky program and in return be entered into a drawing to win one of ten \$100 gift cards to the restaurant of their choice. Provided below is an example of the text that would be included in the promotional messaging encouraging customers to participate in the survey:

Take a 5 question quiz for a chance to win one of 10 \$100 gift cards to the restaurant of your choice. Visit www.rockymountainpower.net/blueskyquiz and take the survey before October 31, 2010 to be entered to win.

A drawing would be held on November 1, 2010. Winners would be contacted via phone on November 5th, 2010. The Company expects that such a campaign would yield several benefits, including:

- The Company would gather valuable information regarding customers' understanding and perceptions of the Blue Sky program through the survey, leading to improved program communications and marketing.
- The campaign would encourage customers to explore the Blue Sky program. Research indicates one of the primary barriers to program enrollment is a lack of information and uncertainty amongst customers about the benefits of the program. The survey would communicate relevant program facts to participants intended to increase their understanding of the program and its benefits.
- Promotional concessions typically increase participation in marketing campaigns. As such, the Company expects campaigns containing promotional concession elements to compare favorably to other marketing methods from a customer enrollment perspective. Further, as the costs associated with these campaigns are expected to be minimal, the Company anticipates promotional concessions will also compare favorably to other marketing methods on a cost-per-enrollment perspective.

• Increased program participation driven by promotional concessions leads to a more robust program. The program's impact would be enhanced as more RECs are purchased through the program and more funds are made available to support community based renewable energy projects.

To enable the Company to run this and similar campaigns going forward, Rocky Mountain Power proposes the following language be added as Special Condition No. 6 of Schedule 70:

The Company may market the program using campaigns that contain promotional elements as defined in Rule R746-404-2 of the Public Service Commission of Utah. All promotional program offerings must comply with the standards set forth in R746-404-3.

Rocky Mountain Power believes adding this language to Schedule 70 will enable the Company to more effectively market the Blue Sky Block program. The proposed language will also eliminate the administrative burden associated with filing for approval each promotional concession program the Company intends to offer with the Commission. Further, the Company believes that marketing the program through promotional concessions is in alignment with the intent of MidAmerican Energy Holdings Company merger commitment 23 (Docket No. 05-035-54) which states that, "PacifiCorp will continue a Blue Sky tariff offering in all states. PacifiCorp will continue to support this offering through <u>innovative marketing</u>, by modifying the tariff to reflect the developing green power market and by monitoring national certification standards" (emphasis added).

Should the Commission elect to not approve the proposed tariff language, and its inherent intent of enabling the Company to offer promotional concession programs to market the Blue Sky program without seeking explicit Commission approval for every promotional offering, Rocky Mountain Power respectfully requests the Commission approve the specific promotional program for the Blue Sky survey described herein, which is currently scheduled to launch on September 1, 2010.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred):	datarequest@pacificorp.com aaron.lively@pacificorp.com daniel.solander@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah Blvd., Suite 2000 Portland, OR 97232

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Informal inquiries may be directed to Aaron Lively, regulatory manager, at (801) 220-4501.

Sincerely,

Jeffrey K. Larsen Vice President, Regulation