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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

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Date: August 2, 2010

Subject: Schedule 70 – Renewable Energy Rider -- Optional
Advice No. 10-09 Docket No. 10-035-T10

On July 8, 2010, Rocky Mountain Power (Company) filed Advice Letter No. 10-09 proposing changes to tariff Schedule 70 – Renewable Energy Rider – Optional (Blue Sky Program). In this filing the Company requests approval to add the following language to Special Condition 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.

Adding this language to the tariff would enable the Company to utilize promotional concession campaigns in marketing the Blue Sky Block Program to its Utah customers without requesting explicit Commission approval for each campaign they may conceive.

In the alternative to blanket approval of future promotional concession campaigns the Company requests approval of a campaign slated for September 1, 2010 to October 31, 2010. As described in the application this campaign 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.

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Blue Sky is a voluntary program with the goal of promoting the development of renewable energy. The Program should be designed in such a way to appeal to people interested in and willing to pay for promoting the development of renewable energy. The Office does not understand the necessity of the Company using promotional concession campaigns of this nature to solicit new participants. It is inconsistent with the premise of the voluntary program to have to entice participation through promotional concession campaigns.

The Office believes it is not good policy to use ratepayer funds, even voluntary funds, for promotional concession campaigns. If the Blue Sky Program is not attracting participants at the level the Company believes it should then the design of the Program should be revisited, including the cost per block, the way the Company spends the funds and the way it is being promoted.

If the Commission approves the promotional concession campaign briefly outlined in this application it should not give permit the Company to embark on further campaigns without specific Commission approval. The Office believes it is important for regulators to be aware to what extent these types of promotions are used. The Commission should also require the Company to specifically identify the costs associated with "promotional concession campaigns" in its annual report and not allow them to be aggregated with all marketing costs. These are the kinds of issues that, at a minimum, should be a part of transparent operations and easily trackable by Blue Sky participants interested in the specific costs and programs associated with the program.

Recommendation

The Office recommends that the Commission deny the Company's application for a language change that would permit promotional concession campaigns for the Blue Sky Program.