

Daniel E. Solander (11467)
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, UT 84111
(801) 220-4014
(801) 220-3299 (Fax)
daniel.solander@pacificorp.com

Attorney for Rocky Mountain Power

BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

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In the Matter of the Application of Rocky)	DOCKET NO. 12-035-__
Mountain Power for Approval of a)	
Promotional Program Pursuant to R746-404)	Application
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**APPLICATION OF ROCKY MOUNTAIN POWER
FOR APPROVAL OF A PROMOTIONAL PROGRAM**

Rocky Mountain Power, a division of PacifiCorp, (“Rocky Mountain Power” or the “Company”), hereby requests an Order from the Public Service Commission of Utah (“Commission”) authorizing the Company to implement a promotional program pursuant to R746-404, and approving the proposed addition of Special Condition 6 to Schedule 70, Renewable Energy Rider - Optional, attached hereto as Exhibit A. In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp. PacifiCorp is an Oregon corporation that provides electric service to retail customers through its Rocky Mountain Power division in the states of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission's

jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately 824,000 customers in Utah. Rocky Mountain Power's principal place of business in Utah is 201 South Main Street, Suite 2300, Salt Lake City, Utah 84111.

2. Rocky Mountain Power files this Application pursuant to Rule R746-404 of the Public Service Commission of Utah, under which the Company is required to file an application for approval of promotional programs 30 days before they are to be put into effect.

3. Communications regarding this Application should be addressed to:

Jana L. Saba
Regulatory Manager
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, UT 84111
Telephone: (801) 220-2823
E-mail: jana.saba@pacificorp.com

Daniel E. Solander
Senior Counsel
Rocky Mountain Power
201 South Main, Suite 2300
Salt Lake City, UT 84111
Telephone: (801) 220-4014
E-mail: daniel.solander@pacificorp.com

In addition, PacifiCorp respectfully requests that all data requests regarding this matter be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

4. As part of Rocky Mountain Power's voluntary Blue Sky renewable energy program, the Company requests approval to use promotional concessions in conjunction with the current marketing efforts. If approved by the Commission, the promotional concessions would consist of thank you gifts ("promotional gifts"), valued at \$25 or less, that would be offered to customers who enroll in the program. The total costs for the promotional gifts would not exceed \$10,000 annually through the end of calendar year 2014 to align with our existing contracts with marketing/outreach vendors. Examples of such items include (but are not limited to) Blue Sky branded merchandise such as water bottles, travel mugs, re-usable shopping bags and gift certificates to businesses participating in the Company's Blue Sky program. The Company believes that such promotional gifts would be an effective outreach tactic and would aid the Company's current efforts to increase participation in the Blue Sky renewable energy program.

5. 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:

PacifiCorp will continue a Blue Sky tariff offering in all states. PacifiCorp will continue to support this offering through innovative marketing, by modifying the tariff to reflect the developing green power market and by monitoring national certification standards (emphasis added).

6. In the Company's experience, marketing programs that include promotional gifts often yield a lower cost per participant when compared to campaigns without the offer of a promotional gift. Additionally, the Company believes the benefits of the proposed promotional gifts include: (1) increased awareness and understanding of

the Blue Sky program; (2) positive impressions on prospective participants; (3) increased participation in the program; (4) enhanced pride and identity for existing participants; (5) improved participant retention; (6) improved customer acquisition costs; and (7) increased support for renewable energy. Therefore, the Company expects that the use of promotional gifts will create a net ratepayer benefit as required by R746-404-3(d).

7. Since the program's inception in 2000, the Company has employed a variety of methods to market the Blue Sky program such as customer newsletters, bill inserts, bangtail envelopes, targeted direct mail campaigns, community challenges,¹ door to door campaigns, and information booths at community events. As a result, the participation in the Blue Sky program in Utah has increased from 1,222 participants in 2000 to 33,234 in 2012. The Company believes that utilizing promotional gifts will help to increase the participation rate.

8. In 2010, the Commission approved the Company's use of a promotional campaign similar in concept to the promotional gifts described in this request. In that campaign, the Company enticed customers to participate in a survey about the Blue Sky program by offering entry into a drawing to win a \$100 gift card. Using the promotional concessions in the campaign proved successful and resulted in a lower cost-per-customer than other paper campaigns employed that year. Given this success, the Company believes that the use of promotional gifts as proposed in this application would yield a similar result when used in combination with the Company's current marketing campaigns.

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.

9. Provided below are examples of how the Company envisions the promotional gifts would be utilized in marketing campaigns if approved by the Commission:

Outreach at Community Events

The Company sets up Blue Sky informational booths at community events to educate customers about the Blue Sky program and to increase enrollment. Promotional gifts, such as a Blue Sky branded water bottle, would be displayed at the Company's booth during a community event and offered to customers who enroll. The Company expects that displaying promotional gifts during outreach events would generate traffic to the Blue Sky program booth, which would lead to enhanced customer awareness and ultimately would result in increased program enrollment.

Paper and Electronic Campaign

The Company utilizes several paper and electronic methods to educate customers about the Blue Sky program and to boost enrollment. Offers for the promotional gifts would be included in the marketing message to incent customers to enroll. For example, the Company would like to include a promotional gift offer in a bangtail message. The proposed message would read as follows:

Enroll in the Blue Sky program for 4 blocks² or more by [date] and you'll receive a free re-usable Blue Sky shopping bag, made from 100% recycled material.

For these campaigns, messaging could also be accompanied by an image of the promotional item to attract the attention of customers.

² Each block supports 100 kWhs of Western wind energy. The average Rocky Mountain Power customer used approximately 800 kWhs each month in 2011. Setting a minimum purchase of half the average customer's usage will aid in growing renewable energy use and efficient customer acquisition costs.

Nonprofit Partnerships

The Company may use the promotional gifts to implement a marketing campaign that would partner with regional nonprofit organizations that support renewable energy. Under this campaign, the partner nonprofit would endorse the Blue Sky program to their constituents. When a partner nonprofit's constituent enrolled in the Blue Sky program as a part of this campaign, the Company would provide a de minimis donation to the partner nonprofit. An example of how messaging for such a campaign would read:

Sign up for 3 or more blocks of Blue Sky renewable energy at tonight's event and Rocky Mountain Power's Blue Sky program will provide a \$10 gift to [Partner Nonprofit].

Such an arrangement would allow the Company to target customers whose values align with the mission of the Blue Sky program while supporting renewable energy in the region.

10. In Summary, the Company requests approval to use promotional gifts, valued at \$25 or less, not to exceed a total of \$10,000 in a given year, that would be offered to customers who enroll in the program. The Company believes that such promotional gifts would be an effective tool to increase the participation in the Blue Sky renewable energy program, creating a net ratepayer benefit for the Company's Utah customers.

WHEREFORE, Rocky Mountain Power respectfully requests an order approving:

- (1) the use of promotional concessions in the form of thank you gifts to customers who enroll in the Company's voluntary Blue Sky renewable energy program, as described in this Application; and
- (2) the proposed Tariff Section 6, attached hereto as Exhibit A.

DATED: August 7, 2012.

Respectfully submitted,

Daniel E. Solander
Attorney for Rocky Mountain Power