



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

To: Public Service Commission of Utah

From: Division of Public Utilities
Phil Powlick, Director
Energy Section
Artie Powell, Manager
Thomas Brill, Technical Consultant
Abdinasir Abdulle, Technical Consultant

Date: August 2, 2010

Re: Docket No. 10-035-T10 – Schedule 70 – Renewable Energy Rider – Optional

RECOMMENDATION

The Division of Public Utilities (Division) recommends that the Commission approve the specific proposed promotional concession campaign. The Division also recommends that the Commission reject the proposed exemption to R746-404-1.

ISSUE

On July 8, 2010, Rocky Mountain Power (Company) filed its proposed changes to Schedule 70 and requested an effective date of August 9, 2010. The Company proposed (1) the use of a promotional concession campaign in marketing the Blue Sky Block program to its Utah customers, and (2) the addition of language as Special Condition 6 of Schedule 70. On July 12, 2010, the Commission issued an Action Request for the Division to investigate the proposed changes to Schedule 70 and report its findings and recommendation to the Commission by August 2, 2010. This memorandum represents the Division's response to the Commission's

Action Request. The Company further requests that, if the proposed Special Condition 6 is not adopted by the Commission, the Commission approve the proposed specific promotional campaign for the Blue Sky program.

DISCUSSION

In an attempt to increase participation in the Blue Sky program, the Company proposed to conduct, in addition to the established channels that are currently used, promotional concession campaigns in marketing the Blue Sky Block program to its Utah customers. If approved, the Company proposes, from September 1, 2010 to October 31, 2010, to send a promotional message to its Utah customers as a bill insert with the customer's bills. The promotional message would provide the customers who participate in a survey, an opportunity to be entered into a drawing to win one of ten \$100 gift cards to the restaurant of their choice. The Company indicated that such campaign would (1) provide the company with useful information leading to improved program communication and marketing, (2) encourage the customers to explore the Blue Sky program, and (3) increase program participation.

The Division, though it did not perform any numerical analysis to support the Company's claim of benefits, believes that it is reasonable to expect these benefits to follow from the proposed promotion campaign. In addition, the Division believes that the proposed promotion campaign is in accordance R746-404-2 and R746-404-3.

Therefore, the Division recommends that the Commission approve the proposed promotional concession campaign.

The Company also requested to add language, Special Condition No. 6, to Schedule 70 to eliminate the administrative burden associated with filing for approval each promotional concession program the Company intends to offer with the Commission. The Proposed Special Condition No. 6 reads as follows:

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 programs offerings must comply with the standards set forth in R747-404-3.

The Division does not believe that the Company's filing contains enough evidence to show how burdensome it is to file for approval each promotional concession program to justify the exemption to R746-404-1 that it is seeking. Without that evidence, the Division believes that it is not reasonable to give the Company an exemption to R746-404-1. Therefore, the Division recommends that the Commission not grant the Company this proposed exemption.

However, if the Commission chooses to grant the Company this exemption, the Division recommends that the Commission require the Company to prove that any promotional program that it implements is in accordance with rules R746-404-1, R746-404-2, and R746-404-3 when they ask for recovery of any costs associated with any promotional program.

CC: Rea Petersen, DPU
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