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DEPARTMENT OF COMMERCE
Office of Consumer Services

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The Division of Public Utilities
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Date: April 21, 2011

Subject: Docket No. 10-035-T10, Summary Report of Blue Sky Promotional Campaign

Background

On July 8, 2010, Rocky Mountain Power (the "Company") filed an application to modify Schedule 70 adding a new condition that would allow the Company to market the program using campaigns that contain promotional elements.¹ Commission approval of each campaign would not be required. In its order dated August 9, 2010 the Public Service Commission (the "Commission") denied the Company's Schedule 70 tariff modifications, but did approve the proposed Blue Sky program promotional campaign (the "Campaign") submitted with the tariff modifications. The Commission directed the Company to submit a summary report (the "Report") on the Campaign at the completion of the Campaign.² This filing contains the required summary report.

¹ As defined in UAC R746-404-1.

² In its Order the Commission suggested that the Company consider promotional offering(s) which supports energy efficiency objectives. The Report makes no mention of whether or not the Company considered that suggestion.

Discussion

Summary

The Office reviewed the report and believes it meets the Commission requirements. The number of questions was well selected for the survey and the Report clearly communicated results. The Report showed that respondents had a high level of response and knowledge regarding the Blue Sky program. The data indicated a solid understanding of the Blue Sky program by survey respondents. Given the number of responses and the level of understanding, the Campaign was successful in reaching out to customers and educating them on Blue Sky. Sixty five percent of the respondents who had not enrolled would consider enrolling. However some important items were not addressed in the Report. On April 5 the Office submitted a data request to obtain further information primarily to determine what constitutes an “enrollment” and any further actions the Company will undertake to build on the Campaign’s results.

Enrollments

The Company reported in OCS 1.2 that an enrollment constitutes one sign-up regardless of the number of Blue Sky blocks purchased. The Report indicated that 134 enrollments resulted from the Campaign resulting in a cost per enrollment of \$51.62. Compared to prior target mailing and bangtail campaigns, there was a savings of \$20.90 and \$21.59 per enrollment respectively. These cost savings results indicate this Campaign was more cost effective in enrollment than previous campaigns. The Company did not report the number of blocks sold due to the Campaign. The Company reported in OCS 1.2 that the average number of blocks purchased from this promotion was two blocks. Previous campaigns averaged 2 – 3 blocks per enrollment. Hence the cost per block remained about the same as other promotional campaigns. Overall the Campaign produced lower cost per enrollment with little to no change in cost per block.

Marketing Next Steps

The next item the Report did not address was how the Company planned on using the data gathered during the Campaign. The application for approval of this Campaign indicated “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*”. [Emphasis added] The Company responded in OCS 1.4 that it will continue to communicate that customers can participate in the program for as little as \$1.95 per month and correct the misperception that the Blue Sky program was designed to help the Company meet its own renewable energy goals and requirements. The website has been subsequently changed to better communicate the purpose of Blue Sky.

Conclusion

The Campaign produced positive results in adding 134 new enrollees in the Blue Sky program. The Company can build on its success by figuring how it can capitalize on

interested customers from the survey. In summary, the Report provided concise and important information demonstrating the cost effectiveness of the Campaign.

Recommendations

The Office recommends the Commission requires the Company to publish summary reports for all promotional campaigns. The Office recommends using this report as a template for future summary reports, which should typically include: costs, results, campaign evaluation and anticipated next steps.