ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

201 South Main, Suite 2300
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April 21, 2011

VIA ELECTRONIC FILING
AND HAND 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. 11-04

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 psc@utah.gov. The Company respectfully requests an effective date of May 21, 2011 for these changes.

Fifth Revision of Sheet No. 110.02	Schedule 110	ENERGY STAR New Homes Program

The purpose of this filing is to propose a modification to a measure incentive within the Company's ENERGY STAR New Homes program (the "Program"), which is administered through Schedule 110. The Program reduces customer energy usage by incentivizing the installation of energy efficiency measures which meet national ENERGY STAR standards in new single-family and multi-family units; Program incentives are offered to participating home builders. Among the eligible Program measures are energy efficient lighting upgrades, including ENERGY STAR approved lighting fixtures. The Program currently offers an incentive of $50 per unit for the installation of ENERGY STAR lighting fixtures. Through this filing, the Company is proposing to reduce the incentive for ENERGY STAR lighting fixtures to $20 per unit.

Recent shifts within the Utah lighting market have necessitated a reduction to the Program lighting fixture measure incentive as proposed herein. The Program has recently experienced a dramatic increase in the number of ENERGY STAR fixtures installed by participating builders which are submitted for Program incentives. The Company expects that this heightened level of participation will continue for the foreseeable future absent a reduction to the measure incentive level. A reduction to the lighting fixture measure is required to align the incentive with current market conditions and to control the cost effectiveness of the Program as a whole.

In Docket No. 09-035-T10, the Program's lighting fixture plus measure was increased from $20 to $50 per fixture due to a lack of uptake in the market at that time for ENERGY STAR lighting fixtures; in 2009, less than 500 units received a Program incentive. In 2010, the Program experienced a significant increase in participation for the lighting fixture measure; in 2010, the Program processed incentives for 10,000 ENERGY STAR lighting fixtures. Through the first quarter of 2011, the Program has received incentive applications for 9,299 lighting fixtures. In response to the significant growth in measure participation, the Company conducted market research and found that the direct average unit cost of qualifying lighting fixtures in the Utah market is currently below the Program incentive level. Based on this analysis, the table below illustrates the weighted average cost of ENERGY STAR fixtures being sold in the Utah market and the incremental cost of ENERGY STAR fixtures compared to non-ENERGY STAR fixtures of similar type.[1]

Source	**Weighted Non-ES Fixture Cost**	**Weighted ES Fixture Cost**	**Incremental Cost**
Internet Vendor A	$24.62	$44.12	$19.50
Utah Vendor B	$30.73	$39.45	$8.72
Utah Vendor C	$25.33	$45.30	$19.97

As demonstrated by the cost data provided in the table above, the incremental cost of ENERGY STAR fixtures over standard fixtures is well below the Program incentive of $50 per fixture; indeed the entire weighted average per unit cost of ENERGY STAR fixtures is below the $50 program incentive. Supporting data for the figures provided in the table above are provided in Attachment A.

A guiding principle in setting incentives for the Program is to set incentives at a level that offsets a portion – not all – of the incremental cost incurred by a participating builder to install energy efficiency measures in new residential housing units. This objective must also be balanced with the need to set incentives at a level sufficient to encourage Program participation. To align the lighting fixture measure incentive with Program incentive design principles and to manage the Program's overall cost effectiveness, the Company proposes that the ENERGY STAR fixture measure incentive be lowered from $50 to $20 per qualifying fixture. Rocky Mountain Power believes the proposed incentive appropriately balances the objectives of offsetting the incremental cost of an ENERGY STAR fixture over a base fixture with setting the incentive at a level that fosters continued market participation.

1 A portion of the data sample used in this analysis was provided from Utah lighting distributors who sell ENERGY STAR lighting fixtures to participating Program builders.

As reported in the Company's 2010 annual report on its Utah energy efficiency and peak reduction programs,[2] the Program generated a utility cost test result of 0.918 in 2010. The Program did achieve a 1.010 result in the PacifiCorp total resource cost test, also referred to as the PTRC. Several factors contributed to the Program's economic performance in 2010 and are described more fully in the annual report.

Rocky Mountain Power expects that if approved, the reduced incentive for the lighting fixture measure will positively impact the Program's economic test results. In addition, as made reference to below, the Company is in the process of redesigning the Program. Modifications proposed through this process will address the Program's economic performance. As Rocky Mountain Power will be proposing major Program modifications in the coming months, the Company has not provided sensitivity analysis or projected cost effectiveness results with this filing. The purpose of this filing is simply to align the lighting fixture measure incentive with current market conditions, thereby ensuring Rocky Mountain Power's customers are not paying more than is necessary for this measure.

The Program is expected to contribute 1,837 MWh of energy savings in 2011 as reported in the Company's 2011 forecast of expenditures and acquisition targets for approved programs which was filed with the Commission on November 1, 2010 in Docket No. 10-035-57. A process and impact evaluation of the Program for years 2006, 2007 and 2008 was completed in 2010 and is available at the following link: http://www.pacificorp.com/es/dsm/utah.html. A process impact evaluation for years 2009 and 2010 is scheduled for completion in late 2011.

Though not directly related to this filing, the Company provides the following information on the ongoing evolution of the Program. The Company is currently in the process of redesigning the Program for implementation of ENERGY STAR Version 2.5,[3] which will be required by the United States Environmental Protection Agency beginning July 1, 2011; shortly thereafter, ENERGY STAR Version 3.0 will be the EPA standard as of January 1, 2012. A filing proposing program modifications to implement ENERGY STAR Version 2.5 will be submitted to the Commission in May 2011.

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

[2] The 2010 annual report was filed with the Commission on April 7, 2011 in Docket No. 11-035-74.
[3] The Program currently reflects the standards established in ENERGY STAR Version 2.0.

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Regulatory Manager
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Informal inquiries regarding this matter may be directed to Aaron Lively, regulatory manager, at (801) 220-4501.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

Enclosures

cc: Division of Public Utilities
Office of Consumer Services