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Salt Lake City, Utah 84111

April 4, 2013

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Public Service Commission of Utah
Heber M. Wells Building, 4th Floor
160 East 300 South
Salt Lake City, UT 84114

Attention: Gary Widerburg
Commission Secretary

Re: Notice of an Optional New Application Process for the New Homes Program, Rocky Mountain Power Demand-Side Management

Dear Mr. Widerburg:

Rocky Mountain Power (“Company”) hereby provides notice of a new optional electronic incentive application process for Schedule 110 - New Homes Program. For builders meeting certain qualifying conditions described below, the Program Administrator will complete the new application process on behalf of the builder.

While the current application process will still be valid, the optional application process is intended to increase energy savings acquisition and the cost effectiveness of the New Homes Program. The new process is not a change to the Program delivery or incentive offerings, and does not require a change to the existing tariff. It is an optional application process and will be defined in the Builder Participation Agreement.

The New Homes Program has encountered two barriers to energy savings acquisition in Utah. First, the majority of builders are not participating due to the time and documentation required to submit an application for incentives. Second, a large percentage of applications are submitted incorrectly or late, which leads to increased processing costs and an opportunity lost to claim energy savings.

The consequences of lack of participation and incomplete or incorrect applications are increased administration costs, lost opportunity for energy savings, and a reduction in the number of incentives paid to homebuilders. The Program is currently performing at less than 5 percent of goal (through the end of March) and without a plan to ease the application burden the Program will likely not continue to be cost effective.

The Company has worked directly with builders and developed a plan to align the application process with existing builder project scheduling software that will allow the Program

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Administrator to complete applications for the customer and verify installations without burdening the customer.

For a builder to participate in the optional application process, they must provide the Program Administrator access to the builder scheduling software and commit to a minimum of installing 80 percent high efficacy lighting in participating homes, which is a New Homes program stand alone incentive measure that makes up over 70 percent of the home electrical savings. A builder may participate in other measures and the Program Administrator will assist in the application processing of additional measures, but it is critical to the Program to have participation in this lighting incentive. Access to the builders' scheduling software will allow the Program Administrator to forecast builders anticipated inventory of participating homes and effectively coordinate the scheduling of inspections for incentives.

Builders that are remote from the Wasatch Front may be required to submit receipts for verification of incentives in order to maintain cost effectiveness. This change does not alter the existing application process that builders can continue to utilize if that is the preference.

The facilitated application process was presented at the March 6, 2013 meeting of the Utah DSM Steering Committee with additional comments taken via email. The Company received support for the new process and will report back to the steering committee when results are known after the end of the year. The Commission will see results in the Annual Demand-Side Management Report.

Please do not hesitate to contact me if you have any questions.

Best Regards,

Carol L. Hunter
Vice President, Services

cc: Division of Public Utilities
Office of Consumer Services