ROCKY MOUNTAIN POWER
A DIVISION OF PACIFICORP

201 South Main, Suite 2300
Salt Lake City, Utah 84111

April 15, 2008

VIA OVERNIGHT DELIVERY
VIA ELECTRONIC FILING

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

Attention: Julie P. Orchard
Commission Secretary

Re: Docket 08-035-T01, Advice No. 08- 01
Schedule 110 – ENERGY STAR New Homes Program
Replacement Sheets 110.

On February 27, 2008, Rocky Mountain Power filed the proposed ENERGY STAR New Homes Program and requested an effective date of March 28, 2008. On March 28, 2008, the Commission issued a suspension order and indicated that it "has identified additional concerns that have not been addressed". This filing includes replacement tariff pages and a revised cost effectiveness analysis under the same advice number to address Commission concerns contained in the suspension order.

Enclosed for filing are an original and two copies of proposed tariff sheets associated with Tariff P.S.C.U. No. 47 of Rocky Mountain Power applicable to electric service in the State of Utah. Pursuant to the requirement of Rule R746-405D, PacifiCorp (the "Company") states that the proposed tariff sheets do not constitute a violation of state law or Commission rule. The Company will also provide an electronic version of this filing to tbehr@utah.gov. The Company is requesting an effective date of April 18, 2008 for these changes.

Seventh Revision of Sheet No. B.1A		**Tariff Index Sheet**
Second Revision of Sheet No. 110.1 (canceling First Revision Sheet No. 110.1)	Schedule 110	ENERGY STAR New Homes Program
Second Revision of Sheet No. 110.2 (canceling First Revision Sheet No. 110.2)	Schedule 110	ENERGY STAR New Homes Program
Second Revision of Sheet No. 110.3 (canceling First Revision Sheet No. 110.3)	Schedule 110	ENERGY STAR New Homes Program

Original Sheet No. 110.4 Schedule 110 ENERGY STAR New Homes Program

To address the concern that builders may request incentives for a lower tier home and several plus measures that would exceed incentives available for the “next” tier, the single family tiers incentives have been re-aligned. Changes are as follows:

- Single Family Tier 3:
    - Air conditioning equipment minimum efficiency increased to SEER 14
    - Incentive increased from $400 to $500.
- Single Family Tier 4:
    - Incentive increased from $600 to $700
    - Added language that establishes a maximum incentive available for a home that is certified at or above the Tier 4 level (at least 50% better than current code) at $700.
- Single Family Plus Measure - SEER 14 HVAC equipment
    - Incentive adjusted from $300 to $100.

To address the concern that incentives for electric heat pumps may encourage use of electric heat in place of gas, the following changes have been made:

- Alternate Single Family HAV equipment eligibility
    - The provision to permit PTAC to be used in place of other efficient air conditioning equipment has been eliminated from single family.
- Multi-Family Plus Measures
    - Incentives for PTAC and ductless mini-split HVAC equipment have been eliminated.

The ground source heat pump measure remains eligible for incentives for single family homes where natural gas is not available at the lot line.

To improve the consistency of the lighting incentives between single and multi-family and increase the penetration of efficient lighting in the multi-family sector, the following changes have been made:

- Lighting equipment requirements are more closely aligned with Single Family requirements and the incentive for lamps (10) has been increased from $20 to $40.

- Lighting equipment fixture incentive is adjusted to $20 per unit which is the same as the Single Family Plus measure.

In addition, the Company has made minor tariff edits, corrections and clarifications to facilitate administration.

In support of the proposed changes, the Company is providing Attachment One, Cost Effective Analysis which includes program assumptions, cost-effectiveness test results, and the program budget that reflect the changed adjusted incentive levels. Changes affecting cost effectiveness results are noted below:

- Average residential retail rate was updated and adjusted from $0.0748/kWh to $0.0822/kWh. This affects the (PCT) participant cost test results.
- The measure life for the homes package has been reduced from 44 years to 30 years. Since some third party information on new homes measure lives exceeds 60 years and the 44 years measure life estimate used in prior analysis work represented an average of some of those estimates, the company has chosen to provide a much more conservative assessment of the benefits and use 30 years. Thirty years is consistent with the insulation measure life assumption used in the Company's potential study.
- Decrement values used to assess cost effectiveness of the lighting and appliance measures were changed from cooling to residential lighting and residential whole house.

Cost effectiveness results are provided on both a measure and program level. In this program, measure level analysis is performed on groups of measures with similar load shapes and program characteristics; i. e. complete homes packages, cooling equipment plus measures, lighting plus measures, appliance plus measures and fan plus measures. Since all plus measures are associated with new homes and there are extensive measure level permutations that could be analyzed, this approach captures the essential differences between various cost effectiveness results in an efficient manner.

In performing the measure level analysis, it was necessary to allocate total program administrative costs to various using a methodology that was efficient and produced informative results. The method used here was to allocate administrative costs to measures in the same percentage as the measures contribute energy savings to the program.

Three separate measure groups that do not individually pass all of the relevant cost effectiveness tests are included in the program with the justification provided below.

Air conditioning/Evaporative cooling

- This is comprised all of the cooling plus measures not installed in homes counted as packages. It includes 14 SEER equipment (and sizing + best practices installation) and the evaporative cooling systems. 14 SEER equipment is included as a plus measure (beyond the Tier 3 requirement) in the program to continue to deliver and reinforce the "high efficiency equipment delivers energy savings and will receive an incentive" message with general contractors and HVAC sub-contractors as equipment is specified and purchased.

- Evaporative equipment is included in the program to send an appropriate market signal to builders and HAVC sub-contractors to deliver and reinforce the "there are alternatives to mechanical cooling that meet homeowner comfort requirements, deliver energy savings and are eligible for incentives" message. Including these measures in the program is the most expedient method to gain market based data on builder uptake and future savings availability.

Dishwasher:

- Dishwashers are included to reinforce the "efficient appliances deliver energy savings and are eligible for incentives" message with general contractors as equipment is specified and purchased. The low penetration of electric water heat reduces the available electric savings, which when combined with the allocated administrative costs, make the measure sub-optimal on a stand alone basis, but the dishwasher is the appliance typically provided by a builder since it's built-in.

Fans

- Fans are included as part of the multi-pronged approach to reducing cooling loads through use of alternate technologies. Incentives for fans reinforce the "there is equipment that can be used in place of or in addition to mechanical cooling to meet homeowner comfort requirements and that equipment is eligible for incentives" message.

All information contained in the February 27, 2008 filing, including funding of code training, funding through the existing Schedule 193 collections and providing incentives for qualifying equipment installed on or after January 1, 2008 remain the same unless explicitly changed by the information provided in this filing.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred):	datarequest@pacificorp.com
By Fax:	(503) 813-6060
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah Blvd., Suite 2000 Portland, OR 97232

Informal inquiries may be directed to Dave Taylor at (801) 220-2923.

Very truly yours,

Jeffrey K. Larsen
Vice President, Regulation