



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

April 2, 2008

***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 84111

Attention: Julie P. Orchard
Commission Administrator

Re: Advice No. 08-03
Schedule No. 113 – Cool Cash Incentive Program

Enclosed for filing are an original and two copies of revised 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, Rocky Mountain Power (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. An effective date of May 2, 2008 is requested for these tariff changes.

Second Revision of Sheet No. 113.2	Schedule 113	Evaporative Cooling and Central Air Conditioning Incentive Program (Cool Cash Incentive Program)
Second Revision of Sheet No. 113.3	Schedule 113	Evaporative Cooling and Central Air Conditioning Incentive Program (Cool Cash Incentive Program)

The proposed 2008 Cool Cash Incentive program builds upon the momentum established in the Utah market following the program changes included in the 2007 program. The proposed 2008 version updates the tariff to reflect the change in year. There are no program changes beyond those approved and implemented for the 2007 program.

Table 1 below illustrates the savings estimates per unit for the 2007 and proposed 2008 program. Savings estimates are continually updated based on evaluated program results. In general, per unit savings estimates for the 2008 program are comparable to those of the 2007 program. Central AC savings are somewhat lower than the 2007 program estimates.

Table 1: Comparison of 2007 and 2008 Program Savings

Program Options	2007		2008	
	Net Annual Energy Savings (kWh/yr/unit)	Net Demand Savings (kW/unit)	Net Annual Energy Savings (kWh/yr/unit)	Net Demand Savings (kW/unit)
Evaporative				
Replacement	288	0.49	303	0.53
New	514	0.86	533	0.93
Premium	940	1.58	909	1.58
Subtotal				
Central AC				
Sizing + TXV	172	0.10	82	0.05
Charge and Airflow	78	0.23	74	0.22
15+ SEER/12.5+ EER	185	0.28	144	0.21

The proposed program is forecasted to be cost effective from a total resource cost test basis as shown in the attached program level cost effectiveness analysis prepared by Quantec, LLC. The benefit/cost ratios for the 2008 program are also comparable to the 2007 program. The utility cost and RIM benefit/cost ratios are both improved over the 2007 program, reflecting lower program administration costs. Measure level cost effectiveness is provided on the enclosed CD. The best practices installation measure (charge and airflow) and the 15 SEER measure are not cost effective on a stand alone basis. Reasons to include these two measures are outlined below.

Best practices installation (charge and airflow)

This measure is included as part of program design shift started two years ago to acquire savings associated with HVAC installation practices. This feature is part of a well researched national trend within the HVAC industry and is well supported by two separate groups, North American Technician Excellence, Inc., and The Consortium for Energy Efficiency (CEE). North American Technician Excellence, Inc. is a non-profit organization devoted to HVAC technician excellence. NATE provides a specific AC installation test and the Cool Cash program requires NATE certification to receive this incentive. The CEE has developed a *Specification of Energy Efficient Installation and Maintenance Practices for Residential HVAC Systems* which contains elements similar to the Cool Cash program requirements. In addition, the Company has assigned a shorter measure life when compared to equipment-only measures. Including this measure with a shorter measure life in the program, is consistent with national efforts to improve HVAC technician skills and a program design that relies less on the declining savings available from high efficiency equipment.

15.00 SEER Equipment

This measure is included in the program to send the market signals necessary to engage local HVAC contractors in the delivery of the program. Given the nature of the sales cycle, dealers' initial customer outreach and marketing efforts continue to focus on equipment first, with emphasis on installation activities typically discussed only after a contract for equipment has been signed. Without offering at least a customer incentive for high-efficiency equipment, it becomes very difficult to gain the support of HVAC contractors to promote available incentives to potential customers for better installation practices.

For the reasons above, the Company has included these measures in the 2008 Cool Cash program. The 2008 Cool Cash program is cost effective on a program level with the TRC benefit/cost ratios exceeding 3 to 1.

The program will be funded by revenue from the existing Schedule No. 193 Demand Side Management (DSM) Cost Adjustment. The Company is not proposing an adjustment to Schedule 193 as part of this filing.

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

By e-mail (preferred): datarequest@pacificorp.com

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

By fax: (503) 813-6060

Informal questions should be directed to Dave Taylor at (801) 220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

Enclosures

cc: Division of Public Utilities
Committee of Consumer Services