ROCKY MOUNTAIN
POWER
A DIVISION OF PACIFICORP

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

November 16, 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: Docket No. 11-035-T11, Proposed Modifications to Rocky Mountain Power's ENERGY STAR New Homes Program

On October 17, 2011, Rocky Mountain Power (the Company) submitted Tariff Advice No. 11-10 proposing modifications to the ENERGY STAR New Homes program (the Program), which is administered through Schedule 110; this matter was subsequently assigned to the above referenced docket. The Company requested an effective date of November 16, 2011, for the proposed changes to the Program. On November 9, 2011, the Division of Public Utilities (the Division) submitted comments with the Commission addressing the Company's application. The Division recommended that the Commission approve the Company's proposed modifications.

In recommending approval of the proposed Program modifications, the Division noted their concern that the Program marginally passes the utility cost test at 1.02 as proposed. The Company acknowledges this concern and intends to propose modifications in the next application advancing the Program forward with ENERGY STAR specifications that are designed to improve the projected cost effectiveness of the Program to the extent possible. Rocky Mountain Power also supports the Division's recommendation that the Demand-Side Management Advisory Group discuss marginal cost effectiveness results for demand-side management programs with the intent of developing a recommendation on the matter for consideration of the Commission.

The Division also identified a few minor tariff corrections that are described on page 5 of their comments. On November 15, 2011, the Division, Office of Consumer Services (the Office) and the Company met to discuss the tariff modifications proposed by the Division. At this meeting, the Division and Company agreed that the tariff modifications as proposed by the Division are not necessary at this time; the Office did not raise any objections to this determination. The Division and Company agreed that the tariff sheets as originally proposed by the Company in this proceeding are those that should be considered by the Commission for approval.

At this meeting, the matter of setting Program measure incentive levels was also discussed as this was addressed in the Division's comments. The Company explained that setting incentives is typically a balancing act which considers the incentive level necessary to drive market behavior, and therefore acquisition of savings, while not setting the incentive level too high that more than is necessary is being paid to move the market or that program economics are negatively impacted. The Company will continue to assess incentives for all its demand-side management programs regularly to ensure they are set at the appropriate level. The Division and Company agreed that Program incentives should remain as originally proposed by the Company in this proceeding; the Office did not object to this agreement.

Inquiries concerning this matter may be directed to Aaron Lively, regulatory manager, at (801) 220-4501.

Sincerely,

Carol L. Hunter
Vice President, Services

Enclosures

cc: Division of Public Utilities
Office of Consumer Services