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June 8, 2009

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: REVISIONS TO THE APS RESIDENTIAL EXISTING HOMES HEATING, VENTILATION AND AIR CONDITIONING EFFICIENCY PROGRAM AS REQUIRED BY DECISION NO. 70666, COMPLIANCE WITH DECISION NO. 70960
DOCKET NO. E-01345A-07-0712

In Decision No. 70960, the Commission ordered APS to conduct a study on the referral process for the APS Qualified Contractor program and to implement the results within six months of the Decision:

"IT IS FURTHER ORDERED that that [sic] Arizona Public Service Company shall conduct a study on how it might update, revise, and improve its Qualified Contractor referral procedures to better accommodate its customers, and shall implement the results of that study within six months of an Order in this matter, and shall inform the Commission when such procedures are implemented by submitting a letter to Docket Control." Decision No. 70960, p. 15, dated April 9, 2009.

The APS Measurement, Evaluation and Research Impact and Process Evaluation Report ("MER Report") that was completed by Summit Blue Consulting addressed contractor referrals as part of the evaluation. The MER Report recommended that the APS website be modified to include a link on the homepage for APS Qualified Contractor referrals to increase both the website traffic and contractor referrals. Staff has also indicated that posting the list of Qualified Contractors on the website would make that information more easily accessible to customers. (See Decision No. 70960 at p. 13).

In response to Staff's suggestions in Decision No. 70960 and the MER Report recommendations, APS posted the APS Qualified Contractor list to aps.com on April 13, 2009. A link to the APS Qualified Contractor page was also posted on the aps.com home page.

Decision No. 70960 also changed the total incentive level for equipment that is 17 SEER or higher. A copy of the updated cost benefit analysis spreadsheet reflecting the change in incentive levels, which improves the total resource cost test results slightly, is being provided on a confidential basis to Commission Staff. The remainder of the information has not changed.

If any questions arise regarding the enclosed information, please call Jeff Johnson at (602) 250-2661.

Sincerely,

Leland Snook/sc

Leland R. Snook
LRS/jah

Arizona Corporation Commission

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CC: Brian Bozzo
Terri Ford
Barbara Keene (w/confidential updated analysis)
Julie McNeely-Kirwan (w/confidential updated analysis)