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**MEMORANDUM**

To: Utah Public Service Commission

From: Utah Division of Public Utilities  
Philip Powlick, Director  
Energy Section  
Sam Liu, Utility Analyst II  
Abdinasir Abdulle, Technical Consultant  
Artie Powell, Manager

Date: July 8, 2008

Ref: Docket No. 08-035-T04. Advice Filing 08-04 – Schedule No. 135 – Net Metering Service

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**RECOMMENDATION (approval)**

The Division of Public Utilities (Division) recommends the Public Service Commission (Commission) approve the proposed changes to Schedule 135 filed on June 26, 2008 in compliance with the June 13, 2008 Commission Order with the following language change:

The language on Sheet No. 135.3, under the Special Conditions section, should be changed to read as follows:

3. All unused credits accumulated by the customer-generator shall expire with the regularly scheduled meter reading for the [~~March billing period~~] month of March of each year.

**ISSUE**

On May 16, 2008 Rocky Mountain Power (the Company) filed its proposed changes to its Net Metering Service Tariff, Schedule 135, to make it consistent with the requirements set forth in

Utah's recently passed Senate Bill 84. On June 10, 2008, the Division of Public Utilities filed its recommendations on the proposed changes to Schedule 135. On June 13, 2008, the Commission issued its order approving the tariff changes subject to the Division's recommendations and some comments provided by the Commission in relation to some other issues it identified. In compliance with the Commission's Order of June 13, 2008, the Company filed its revised proposed changes to Schedule 135 on June 26, 2008. The Company requested an effective date of July 9, 2008.

## **DISCUSSION**

The Division examined the Company's proposed changes to Schedule 135 filed on May 16, 2008 for consistency with SB 84. On June 10, 2008, the Division of Public Utilities filed its recommendations on the proposed changes to Schedule 135.

The Division's recommendations included removal of the word "transmission" from the "Applications" section of the filing so that the renewable-generating facility is required to be interconnected only with the Company's existing distribution facilities, to make this provision available to new participants until the time that the total rated generating capacity used by the eligible customer-generators equals 4,615 kilowatts, and to require the renewable generating facility be controlled by either an inverter or switchgear.

In addition to the Division's recommendations, in its Order dated June 13, 2008, the Commission also identified some additional issues.

1. Though UCA 54-15-103 (b) deletes the language "at least half of the electricity representing .1% figure in Subsection (2)(a) is generated by renewable facility," the Company retained this language in its application. The Commission ordered that the proposed changes to Schedule 135 be revised to reflect the language in Senate Bill 84.
2. The Company added "PacifiCorp's Electric Service Requirements" (which was not reviewed by the Commission) to the list of the local and national standards

applicable to interconnection equipment addition. The Commission ordered the Company to remove the reference to PacifiCorp's Electric Service Requirements from the proposed changes to Schedule 135.

3. UCA 54-15-103 (3) enables the Commission to establish a generating capacity higher than .1% of the electrical corporation's 2007 peak demand, provided that it provides public notice of its proposed action and an opportunity for public comment. Therefore, the Commission ordered the Company to continue making net metering service available until such time that a decision on revision of the cumulative generating cap is finalized and Schedule 135 updated. The Commission also ordered the Company to submit an annual net metering report, due by April 30<sup>th</sup> of each year, informing the Commission of the number of Utah net metering installations, the respective individual capacity of each installation, the total capacity of the Utah customer-generation as of the end of the annualized billing period, and any unforeseen problems or barriers in the tariff.
4. Regarding the expiration date of the unused credits accumulated by the customer-generator, the Company indicated that credits shall expire at the end of the March billing period of each year. The Commission expressed concern as to the meaning of the term "March billing period." The Commission ordered the Company clarify what is meant by "March Billing Period" in the revisions to Schedule 135.
5. The numbering of the Special Conditions in the proposed revisions to Schedule 135 is incorrect as the numbering of the Special Conditions on Page 2 begins again with number 1 whereas it should begin with number 3 and ordered this correction.
6. There was no statement in Schedule 135 that the customer-generator will be required to execute the residential and commercial interconnection Agreements. The Commission ordered the Company to include such reference in its revisions to the revised Schedule 135.

7. Though the Company characterized these agreements as residential and commercial, there is no reference to residential or commercial applications in either of the agreements. In addition, the two agreements use the phrase “up to 25 kW” or “up to 2,000 kW.” This is not the same as “not more than 25 kW” and “not more than 2,000 kW” which UCA 54-15-102 refers to. The latter means up to and including 25 kW or up to and including 2,000 kW, respectively. The Commission ordered the Company to submit revised interconnection agreements for net metering consistent with finalized rules.
8. The numbering of the provisions in the two agreements is consistent, i.e., the provision on disconnection is not numbered in the agreement for up to 25 kW, and ordered this correction.

Regarding the eight items that the Commission ordered in relation to the Issues it identified, only items 1, 2, 4, 5, and 6 pertain to the Company’s proposed changes to Schedule 135 and the Company is expected to comply with its filing. The rest (items 3, 7, and 8) pertain to the Interconnection Agreements that were attached to the Company’s May 16, 2008 filing for informational purpose. The Company need not comply with these items in its revised proposed changes to Schedule 135. Rather, the Commission expects the Company to submit revised Interconnection Agreements for the net metering consistent with the Interconnection Rules in Docket No. 07-999-07 when it is finalized.

In compliance with the Commission’s Order of June 13, 2008, the Company filed its revised proposed changes to Schedule 135 on June 26, 2008. The Division reviewed the Company’s revised proposed changes to Schedule 135 and concludes that it complies with items 1, 2, 5, and 6 of the Commission Order. However, the Division does not believe that the revised proposed changes to Schedule 135 complies with the Commission Order’s for item 4. The Division believes that the Company did not provide adequate definition of term “March Billing Period.” Consequently, On July 1, 2008, the Division had a teleconference with the Company to discuss

this issue. In that teleconference the Division and the Company agreed that the language in Special Conditions 3 on Sheet No. 135.3. be changed as follows:

All unused credits accumulated by the customer-generator shall expire with the regularly scheduled meter reading for the [~~March billing period~~] month of March of each year.

Therefore, the Division recommends the Public Service Commission (Commission) approve the revised proposed changes to Schedule 135 filed on June 26, 2008 in compliance with the June 13, 2008 Commission Order with the above language change.

CC: Rea Petersen, DPU  
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