- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of the Rocky Mountain Power Proposed Standardized Interconnection and Net Metering Service Agreements and Net Metering Facilities	)	DOCKET NO. 10-035-44
In the Matter of the Rocky Mountain Power Proposed Standardized Non-Net Metering Agreements	)	DOCKET NO. 10-035-45
	)	REPORT AND ORDER

ISSUED: March 23, 2011

SHORT TITLE

Rocky Mountain Power's Proposed Electrical Interconnection Agreements

SYNOPSIS

The Commission approves Rocky Mountain Power's proposed electrical interconnection forms with modifications.

By The Commission:

On August 31, 2010, the Commission issued a Report and Order and Notice of Technical Conference ("August Order") in this docket identifying improvements for PacifiCorp's, dba Rocky Mountain Power ("Company"), proposed standard electrical interconnection agreements and forms ("Initial Filing"). The August Order also included an Appendix A which outlines a variety of corrections and suggestions for formatting and consistency improvements ("Appendix A"). Background information and history of events in this docket prior to the issuance of the August Order are provided in the August Order.

For the purposes of this Report and Order, Utah Administrative Code Rule R746-312, "Electrical Interconnection," which became effective on May 1, 2010, is hereinafter referred to as either "R746-312," or " the Rule." In addition, the Rule defines "Standard Form" or "Standard Form Agreement" as a form or agreement which follows that adopted or approved by the Federal Energy Regulatory Commission ("FERC") in its small generator interconnection proceedings and modified to be consistent with the Rule unless the Commission has approved an alternative form or agreement. Hereinafter, Standard Forms and Standard Form Agreements are collectively referred to as "Standard Interconnection Forms."

The August Order also provided notice of a technical conference which was held on September 23, 2010, requested explanations or information from the Company on seven specific issues, and directed the Company to resubmit its Standard Interconnection Forms followed by review by the Division of Public Utilities ("Division").

As directed, on October 21, 2010, the Company filed its response, including nine revised or new Standard Interconnection Forms ("Revised Filing") and an Attachment A,[1] and requested Commission acceptance as consistent with the Rule and the August Order. The Revised Filing addresses the seven issues identified in the August Order, provides a discussion of the Company's review and consideration of the items identified in Appendix A, and includes the following nine forms:

[1]Attachment A - Reference Table with Minimum Contents of Standard Interconnection Agreements (R746-312-17(1).

1. Application for Electrical Interconnection, Generating Facility – Level 2 or 3 Interconnection Review (For Generating Facilities with Electric Nameplate Capacities above 25 kW and no Larger than 20 MW);
2. Generating Facility Electrical Interconnection Agreement, Level 1, 2 or 3 Interconnection (hereafter referred to as "Generating Facility Interconnection Agreement");
3. Interconnection and Net Metering Service Agreement for Net Metering Facility Level 1 Interconnection;
4. Interconnection and Net Metering Service Agreement for Net Metering Facility Level 2 Interconnection;
5. Interconnection and Net Metering Service Agreement for Net Metering Facility Level 3 Interconnection (Enclosures 3, 4, and 5 collectively hereafter referred to as "Net Metering Interconnection Agreements"[2]);
6. Utah Interconnection Level 3 Feasibility Study Agreement;
7. Utah Interconnection Level 3 System Impact Study Agreement;
8. Utah Interconnection Level 3 Facilities Study Agreement; and
9. Application for Electrical Interconnection, Certified Inverter-Based Generating Facility – Level 1 Interconnection Review (For Generating Facilities with Electric Nameplate Capacities no Larger than 25 kW).

In contrast to the Initial Filing, the Revised Filing refers to non-net metering facilities (i.e., all other non-net metering generating facilities) as simply "generating facilities." Throughout this Report and Order the terms non-net metering facility and generating facility are synonymous.

On November 4 and 16, 2010, the Division filed requests for extension of time to complete its review of the Company's October 21, 2010, filing. These requests were granted by the Commission on November 10 and 17, 2010, respectively. On December 6, 2010, the Division filed a memorandum recommending conditional approval of the Company's Standard Interconnection Forms.

[2] For each of the Net Metering Interconnection Agreements, the application serves as an appendix thereto.

DISCUSSION, FINDINGS, AND CONCLUSIONS

The August Order requested additional comment, explanation or information on seven specific issues. We address each of these issues, respond to the Company's evaluation of the items listed in Appendix A of the August Order, and conclude with a general discussion of the Company's Revised Filing Standard Interconnection Forms.

I) The Necessity for Net Metering and Non-Net Metering Standard Interconnection Forms

The August Order requested further information on the reasons for having separate interconnection forms for net metering and non-net metering facilities. In the Revised Filing the Company explains a significant difference between net metering and other generating facilities is the size of the facilities. Other generating facilities are generally much larger than net metering facilities. In addition, the Company maintains it is appropriate to include additional operating requirements for the non-net metering facilities because of their potential to affect the safety and reliability of the distribution system.

The Company further explains the benefits of having two categories of interconnection forms relate to customer service, efficiency, and consistency. The Company argues the Rule itself contemplates differences in the types of interconnection in the areas of existing service, point of common coupling, purchase of generation output, metering equipment, contract term, maintenance and testing, insurance, and the disconnect switch. Finally, while the Company recognizes there are differences in the net metering facility and other generating facility processes, it has made a concerted effort to ensure the respective forms are consistent with each other and with the provisions of the Rule. The Division agrees with the Company's justification.

The Company now provides compelling reasons for the need for the two separate forms. We therefore find the Company's approach to two sets of interconnection agreements appropriate in light of the explanation presented.

II) Net Metering Feasibility Study Agreement

The August Order directed the Company to develop and provide a net metering feasibility study agreement as required by R746-312-10(2)(d)(iii)(A). The Company explains it did not originally file one because it determined such an agreement was not necessary based upon the unique characteristics of net metering facilities. The Company has since re-evaluated the need for study agreements and now proposes common feasibility, system impact, and facilities study agreements for all Level 3 interconnections applicable to both net metering and generating facilities. The Company explains it has maintained the framework of the study agreements in its Initial Filing applicable to generating facilities and revised them to also reflect net metering interconnections. The Division agrees with this approach.

Our request to provide a net metering feasibility study agreement in the August Order originated from the desire to have a complete set of forms for use by the Company. As the Rule does not distinguish between the Level 3 study processes for net metering and generating facilities, we find the Company's approach to adopt common study agreements reasonable and addresses our concern regarding this issue.

III. Minimum Standard Provision in Interconnection Agreements

The August Order observed the net metering interconnection forms in the Initial Filing did not appear to address the provisions of R746-312-17 pertaining to minimum

provisions to be contained in interconnection agreements. We therefore directed the Company to review this subsection and revise its standard interconnection agreements as necessary to ensure each provision is clearly provided for in each interconnection agreement. We also required the Company to provide a reference table listing the specific provisions and where they are located in each agreement.

The Company indicates it conducted a careful review of the required minimum provisions for all standard interconnection agreements set forth in the Rule and has modified the net metering and generating facility agreements where necessary. The Company also made an effort to conform these provisions across interconnection types and provided the Commission-required reference table as an attachment to its Revised Filing. The Division agrees to the Company's approach to this issue.

We find the Company's response, as summarized in its Revised Filing Attachment A and revisions to its Standard Interconnection Forms, addresses this issue.

IV) References to Documents

The August Order required all documents referenced in the Standard Interconnection Forms to be publicly available or attached to the agreements. To address this issue the Company states it added language to those revised interconnection agreements which reference IEEE standards, indicating the IEEE Standard 1547 is available for purchase at the IEEE's website. The revised Generating Facility Interconnection Agreement now provides a link to the Company's Facility Connection (Interconnection) Requirements for Distribution Systems (34.5 kV and below) ("Operating Requirements") on its website. The Company

indicates it maintains and updates the internet version of the Operating Requirements from time-to-time as needed. The Company also provides links for customers to access the following standards: the National Electric Safety Code, the American National Standards Institute, and the Underwriter's Laboratory, Inc. The Division agrees with the Company's approach to this issue.

The August Order states: "We find it inappropriate to include as a reference within the contract a document which an interconnection customer must request from the Company." To clarify, this comment was directed at documents applicable to the Company which are not easily found (e.g., recommendations offered by the President's Critical Infrastructure Protection Board). Regarding the Company's Operating Requirements, as opposed to having to request these documents, the revised Generating Facility Interconnection Agreement now includes a link to the Company's website.

To the extent links to specific web pages are provided for informational purposes, not as a specific contract provision as discussed below, we approve the Company's approach. An alternate approach to identification of informational websites would be to develop a check list of interconnection information, resources, and requirements available on the Company's website or to be provided to the interconnection customer upon application.

We appreciate the Company's efforts to include links to the various Standards organizations in the Generating Facility Electrical Interconnection Agreement. These links, however, are not included in the net metering interconnection agreements when a particular standards organization is referenced. We direct the Company to include the pertinent links in

Article 1.5.3 of the Levels 1, 2, and 3 net metering interconnection agreements, similar to what it has done in the generating facility agreement.

V) Section 12.9 of Generating Facility Electrical Interconnection Agreement

The August Order determined Article 12.9 of the generating facility interconnection agreement pertaining to security arrangements appeared more appropriate for transmission system interconnection customers rather than distribution system interconnection customers. We then directed the Company to explain the rationale for this provision as applicable to the distribution system, how the Company complies with the Critical Infrastructure Protection Board Recommendations ("Board"), and how the Board's information is made available to interconnection customers.

Upon further review, the Company determined the provisions of Article 12.9 as written could not apply to distribution customers. The Company has since revised the language of Article12.9 maintaining the concept that public utilities and customers are expected to meet basic standards of system infrastructure and operational security, including physical, operational, and cyber security practices. The Company further explains the provision was also revised to provide that the Company and those customers which are responsible entities subject to the North American Electric Reliability Corporation and the Western Electric Coordinating Council's mandatory reliability standards are expected to comply with the reliability standards on critical infrastructure protection.

The Company believes its revisions to Article 12.9 adequately address the Commissions concerns. The Company therefore requests an exemption from the requirement to

provide information on its compliance with the Critical Infrastructure Protection Board Recommendations, and how this information is made available to interconnection customers.

While accepting the Company's concerns with security-related issues, the Division indicates it is not clear that the Company could not respond in some appropriate manner. The Division recommends the Company respond to this concern, given some cloak of confidentiality either in this or another docket.

We find the Company's modifications appropriately address our concern regarding Article 12.9. We agree with the Division a discussion of security-related issues in a future confidential forum is also warranted and we will arrange for discussion of this topic at a future appropriate meeting.

VI) Generating Facility Certified Inverter-based Facility Standard Interconnection Forms

Absent from the Company's Initial Filing were application and interconnection agreement forms for certified inverter-based facilities similar to those included in the Company's Federal Energy Regulatory Commission ("FERC") Open Access Transmission Tariff[3] (i.e., "Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-Based Small Generating Facility No Larger than 10 kW"). Therefore, the August Order directed the Company to include in its suite of non-net metering interconnection forms the forms mentioned above revised to reflect the provision of the Rule. The August Order also directed the Company to increase the level of applicability of these forms to 25 kilowatts, similar to the net metering interconnection forms, or provide an explanation of why this is not appropriate.

[3]See PacifiCorp's Open Access Transmission Tariff, Section V. Small Generator Interconnection Service, Generator Interconnection Procedures Applicable to Generating Facilities No Larger than 20 MW, Appendix 5.

Based upon review of its FERC-approved "Application, Procedures, and Terms and Conditions for Interconnecting a Certified Inverter-based Small Generating Facility no Larger than 10kW," the Company determined the terms and conditions therein cover the same issues already addressed in the Generating Facility Interconnection Agreement. Because the Generating Facility Interconnection Agreement already applies to Level 1 interconnection, the Company maintains it would actually create confusion to provide certain customers with an additional document covering similar terms and conditions. The Company respectfully requests a waiver of the Commission's requirement to submit this Standard Interconnection Form. The Company has, however, drafted and included in its Revised Filing an interconnection application for certified inverter-based generating facilities and increased the threshold to 25kilowatts. The Company believes this is appropriate to be consistent with the forms applicable to net metering interconnections and the Rule's provisions for Level 1 interconnection review. The Division accepts the Company's reasoning and explanation and therefore believes the approach is adequate.

We find the Company's Application for Electrical Interconnection for Certified Inverter-Based Generating Facility - Level 1 Interconnection Review appropriately addresses our request. While the Company has not provided a separate interconnection agreement for this type of facility as directed, it has provided its rationale for maintaining only one interconnection agreement for all generating facilities. We do have a concern this approach (i.e., requiring certified inverter-based generating facilities of less than 25 kilowatts to sign the same interconnection agreement as Level 3 Generating Facility customers) may pose a barrier,

particularly with respect to the Company's proposed Generating Facility Interconnection Agreement Attachment 5 pertaining to additional operating requirements.

We support the Company providing access to its Operating Requirements to all interconnection customers during the interconnection process. But we find it inconsistent to apply additional requirements to certified inverter-based generating facilities of less than 25 kilowatts other than those provided for in the Rule, industry standards, and the Agreement, and as specified in the Company's FERC OATT "Terms and Conditions for Interconnection an Inverter-Based Small Generating Facility No Larger than 10 kw." Therefore, we approve the Company's proposal with the exception that the Generating Facility Interconnection Agreement Attachment 5 will not apply to certified inverter-based facilities of less than 25 kilowatts. We direct the Division to monitor this issue in conjunction with its review of the Company's annual interconnection report.

We also note, in the process of developing its certified inverter-based application, the Company modified its Generating Facility Application for Electrical Interconnection by deleting references to all Level 1 generating facilities such that the application now only addresses Level 2 and Level 3 Interconnections. This results in the exclusion of all other Level 1 facilities (i.e., non-inverter based facilities less than 25 kilowatts such as small hydro facilities) from the Generating Facility Application for Electrical Interconnection. To correct this problem we direct the Company to restore all references to Level 1 non-inverter-based Generating Facilities to this application form.

VII) Attachment 5 to the Generating Facility Electrical Interconnection Agreement

In our August Order we determined Attachment 5 to the non-net metering interconnection agreement ("Attachment 5") contained many provisions not addressed by the Rule. We directed the Company to explain each requirement, why it is necessary, the standard upon which the condition is based, and whether it is consistent with the provisions of Attachment 5 of other such interconnection agreements the Company has issued. Further, we required an explanation of whether it is the Company's normal practice to require a customer-generator to incur costs for modification of interconnection facilities if the Company opts to change the nominal operating voltage at the point of common coupling. We also noted the wording in Attachment 5 conflicted with the Reactive Power requirements of Section 1.8 of the generating facility interconnection agreement.

In response, the Company shortened Attachment 5 which now simply includes by reference the customer's responsibility to comply with the the Company's operating requirements as presented in its "Facility Connection (Interconnection) Requirements for Distribution Systems (34.5kV and below) ("Operating Requirements") which is updated from time to time. The Company then clarifies if there is a conflict between any aspect of the Operating Requirements and the Rule, the Rule shall prevail. Further, the Company has incorporated into the body of the generating facility interconnection agreement certain provisions of the original Attachment 5 concerning a customer's operation and maintenance responsibilities. The Company explains its practice is to incorporate by reference in interconnection agreements the operating requirements applicable to both large and small

generator interconnections. These operating requirements procedures documents are used for customers in all six states in which PacifiCorp operates.

Also in response, the Company indicates its normal practice is to require a customer generator to incur costs for the modification of interconnection facilities if the Company opts to change the nominal operating voltage at the point of common coupling. In addition, the Company removed Sections 1.8.2 and 1.8.3 of the Generating Facility Interconnection Agreement because the Company currently does not have a rate schedule on file with the Commission to provide payment to customers for reactive power service. The Division agrees with the Company's reasoning and explanation.

In contrast to the Company's proposed Generating Facility Interconnection Agreement Attachment 5, we observe the Company's FERC OATT Small Generation Interconnection Agreement Attachment 5 states: "The Transmission provider shall also provide requirements that must be met by the Interconnection customer *prior* to initiating parallel operation with the Transmission Provider's Transmission System." This language infers the purpose of Attachment 5 is to identify pre-parallel operational requirements. We note Section 1 of Operating Requirements describes the document as a policy which "explains the technical requirements for interconnection of generators to PacifiCorp's Distribution Power Systems." Section 1 also states that while the policy addresses certain aspects of cost responsibility, "its scope is primarily technical," and "if there are any inconsistencies between this policy and tariffs and rules, the tariffs and rules shall retain control."

In making the modifications to the Generating Facility Interconnection Agreement, Attachment 5, to include Operating Requirements by reference only, the Company did not request approval of its Operating Requirements. Rather the Company simply included them among the list of requirements which an interconnection is subject to, and the interconnection customer must operate its facility in compliance with. No hard copy was provided. The Operating Requirements were included as a link in Attachment 5, defined in Appendix 1 – Glossary of Terms, and referred to for compliance purposes in Articles 1.5.1, 1.5.4, 1.6, 1.7.1 and 2.2.1. In contrast to the Rule and other industry standards, which have been subject to extensive review, we are unaware of the review process for the Operating Requirements.

We recognize the importance of the Operating Requirements document to the Company and again support making this document available to interconnection customers at all stages within the interconnection process. We are also not opposed to reiterating the standards by which each interconnection is governed in Attachment 5. We are, however, opposed to incorporating a blanket reference to the Operating Requirements in Attachment 5 of the Generating Facility Interconnection Agreement followed by a qualifier that in the case of a conflict between the Rule and the Operating Requirements, the Rule shall prevail. Rather, we believe for each interconnection agreement, depending upon the size and type of generating facility, only the applicable technical sections of the Operating Requirements which are not addressed in, and do not conflict with, the articles of the Interconnection Agreement should be specifically identified in Attachment 5 and included therein. This will ensure each Generating

Facility Interconnection Agreement clearly identifies the specific provisions of the Operating Requirements applicable to the generating facility interconnection.

In addition, we find a policy document such as the Operating Requirements should not be relied upon to address contractual cost or ownership requirements. Rather, these items should clearly be addressed in the Articles of the Interconnection Agreement itself. While we have not been requested to approve the Operating Requirements in whole as part of the Company's Standard Interconnection Forms, we determine it is appropriate to include the Operating Requirements or portions thereof in Attachment 5 in order to provide the specific technical (not cost or ownership) requirements the Interconnection is subject to.

As such, we direct the following changes: 1) the definition of Operating Requirements in Attachment 1 of the Generating Facility Interconnection Agreement should read: "Operating Requirements" means any operating and technical requirements explicitly identified in the Agreement itself or in Attachment 5 to this Interconnection Agreement; and 2) Attachment 5 shall now read

Additional Operating Requirements for the Public Utility's Electric Distribution System and Affected Systems Needed to Support the Interconnection Customer's Needs

> The interconnection of all Level 1, Level 2 and Level 3 Generating Facilities is subject to the rules contained within R746-312. The interconnection of the Generating Facility to the Public Utility's distribution system shall be subject to, and the Interconnection Customer shall operate the Generating Facility in accordance with, the Rule, IEEE Standards and the specific technical provisions listed below of the Public Utility's policies governing interconnection of generation facilities to the distribution system contained in "Facility Connection (Interconnection) Requirements for Distribution Systems (34.5 kV and below)," all or specific portions of which are provided as an exhibit to Attachment 5.

VIII) Appendix A

The August Order contained an Appendix A which outlined a variety of corrections and suggestions for formatting and consistency improvements to the Initial Filing Standard Interconnection Forms. The Company indicates the forms presented in the Revised Filing reflect its review and consideration of the suggested revisions. The Company maintains it has made an effort to increase consistency between the sets of forms applicable to generating facilities and net metering facilities, as practicable, as well as conform these forms to the provisions of the Rule. In response to the Commission's concern regarding inconsistent referenced to the Rule, the Company indicates it now refers to specific subparts of the Rule where it would be most beneficial and to the Rule generally where appropriate. Finally, the Company did not modify Section 20 (Subcontractors) of the study agreements after a determination that the provision is consistent with the Rule. These agreements contain separate provisions addressing applicable fees.

The Division notes, with the Company's revisions, there is considerably more consistency across the resubmitted forms and when the Company did not make an Appendix A-directed improvement or correction, it provided an explanation. The Division identified several other minor corrections to the Standard Interconnection Forms.

We appreciate the Company's efforts to revise this extensive suite of Standard Interconnection Forms. The Company has addressed the bulk of the issues which we identified in the August Order. The following sections of the Company's Standard Interconnections Forms, however, require further modification.

We observe a possible inconsistency in Article 2.1 - "Equipment Testing and Inspection" of the Level 3 Net Metering Interconnection Agreement when compared with R746-312-10(4). R746-312-10-(4) indicates within 10 business days of receipt of all required documentation, the public utility must, if it has not already done so, conduct any company-required inspection or witness test, set the meter, approve the interconnection and provide written notification to the Customer of the final interconnection authorization/approval and that the generating facility is authorized/approved for parallel operation. Alternatively, R746-312-3(3) specifies the Company and customer may mutually agree to reasonable extensions to time lines set forth in the Rule. In addition, R746-312-3(2) provides for good cause shown, the Commission may waive or modify any provision of the Rule.

The referenced Article 2.1 indicates within ten business days after receipt of required documentation, the Company will inspect the Net Metering Facility, set the new meter if required, approve the interconnection and may arrange a witness test as set forth in the Rule. The next paragraph then indicates if the Net Metering Facility satisfactorily passes the required inspection and/or witness tests, Rocky Mountain Power shall notify the customer within three business days after the tests and/or inspection that either the interconnection is approved and the Net Metering Facility may begin operation. The Company does not mention the final approval must be provided within 10 business days. We note and appreciate the Company's commitment to provide final interconnection approval within three business days after the tests and/or inspections are conducted. In general, we agree the Company's proposed Article 2.1 complies with the Rule when either the final notification is provided within ten days of receipt of required

documentation (thereby requiring the witness test/inspection to be conducted within 7 days after the receipt of requirement documentation) or the schedule for witness testing/inspection is mutually agreed to by the Company and the customer – but it would not comply with the Rule under other circumstances. We find the Company's Standard Interconnection Forms should first and foremost comply with the requirements of the Rule as the Company has provided us with no evidence otherwise. Therefore we direct the Company to modify Article 2.1 of the Level 3 Net Metering Interconnection Agreement as follows:

> **2.1 Equipment Testing and Inspection**
>
> Customer must notify Rocky Mountain Power of the anticipated testing and inspection date of the Net Metering Facility at least ten (10) business days prior to testing, either through submittal of the Agreement, a notice of completion, or in a separate notice. Within ten (10) business days after receipt of such required documentation, Rocky Mountain Power will conduct any required inspection or witness test of the Net Metering Facility, set the new meter if required, approve the Interconnection, and provide written notification to the Customer of the final interconnection authorization/approval and that the generating facility is authorized/approved for parallel operation.
>
> If Rocky Mountain Power and Customer, by mutual agreement, select a date for the required inspection and/or witness testing which would prevent Rocky Mountain Power from providing final written notice within 10 days of receipt of required documentation as specified above, and if the Net Metering Facility satisfactorily passes the required inspection and/or witness tests, Rocky Mountain Power shall notify Customer in writing within three (3) business days after the tests and/or inspections that either the interconnection is approved and the Net Metering Facility may begin operation, or the interconnection facilities study identified necessary construction that has not been completed, the date upon which the construction will be completed and the date when the Net Metering Facility may begin operation or state any other reason why the commissioning tests are not satisfactory.
>
> If the witness tests are not satisfactory, Customer must resolve any deficiencies within sixty (60) business days of the unsatisfactory test or other time period as mutually agreed by the Parties.

The Level 1, 2, and 3 Net Metering Interconnection Agreements each contain the following Article 1.3: "Power Purchase – The agreement does not constitute an agreement to purchase or deliver Customer's power nor does it constitute a power service agreement." These agreements also include Article 5.1 "Monthly Billing" which discusses financial remuneration for excess energy for both residential and non-residential net metering customers and references the current compensation levels for net metering excess energy as specified in Company's current Schedule No. 135 Net Metering Service. First, we view these two sections as conflicting. Second, we note the section addressing Monthly Billing may cause problems or confusion resulting from any future modifications to Schedule No. 135. If the Company elects to retain the section on Monthly Billing, an alternative approach is to modify the wording to simply indicate that interconnection customers will be compensated for net excess energy in accordance with the provisions of Schedule No. 135 or its successor tariff(s).

The Level 1, 2, and 3 Net Metering Interconnection Agreements each contain the following Article 5.2: Special Conditions – Customer must comply with the special conditions found in Utah Code 54-15-104 and Schedule 135 or its successor tariff(s). We agree Schedule 135 contains special conditions directly applicable to the customer. We are, however, unable to identify any specific "special conditions" in Utah Code 54-15-104. In addition, with the exception of Subsection 54-15-104(3)(b) all of the compliance-related conditions contained in Utah Code 54-15-104, refer to the Company. Therefore, the purpose of the reference in this Article to Utah Code 54-15-104 is unclear. As such we direct the Company to modify Article 5.2 using either of the following wording: "Special conditions – the Customer and the Company

must comply with the applicable special conditions in Schedule No. 135 or its successor tariff(s) or statute provisions found in Utah Code 54-15-104;" or "Special conditions – the Customer must comply with the applicable special conditions in Schedule No. 135 or its successor tariff(s)."

The Level 1, 2, and 3 Net Metering Interconnection Agreements each contain Article 2 - Review, Inspection, Testing, Disconnect Switch and Signage, and Right of Entry. We find this Article inconsistent for the following reasons: 1) The level of detail in Article 2.1 between the Level 1 and Level 2 agreements varies; and 2) the Level 3 agreement does not contain a specific section on "Review." To correct this inconsistency we direct the Company to make the following modifications. Article 2.1 of the Level 2 net metering interconnection agreement shall be modified to read:

> **2.1 Initial Review and Additional Review**
>
> After determining Customer's interconnection request is complete, in accordance with the Rule, R746-312-9, Rocky Mountain Power will conduct a review of the proposed interconnection, using screens set forth in the Rule R746-312-7. Rocky Mountain Power will conduct such review within fifteen (15) days after notifying Customer that the interconnection request is complete and will notify Customer either: 1) the Net Metering Facility meets all applicable criteria and the interconnection request is approved; 2) although the Net Metering Facility fails one or more of the screens the Net Metering Facility may be interconnected consistent with safety, reliability, and power quality standards and the interconnection is approved; or 3) the interconnection of the Net Metering Facility has failed to meet one or more of the applicable criteria and the reason for failure, or Rocky Mountain Power has not or could not determine from the initial reviews that the Net Metering Facility may be interconnected consistent with safety reliability, and power quality standards, or the Net Metering Facility cannot be approved without minor modifications at minimal cost and the interconnection request is denied unless the Customer is willing to consider minor modifications or further study.

> If the initial review determines that the Net Metering Facility fails to meet one or more applicable requirements, but additional review may enable Rocky Mountain Power to determine that the Net Metering Facility may be interconnected consistent with safety, reliability and power quality standards, Rocky Mountain Power will offer to perform the additional review to determine whether minor modifications to the electric distribution system would enable the interconnection to be made consistent with safety, reliability and power quality standards. In this instance, Rocky Mountain Power will provide Customer with a good faith, non-binding estimate of costs of such additional review and minor modifications. Rocky Mountain Power will conduct additional review and make minor modifications after receipt of payment from Customer in accordance with the attached Appendix A.

In addition, the following new Article 2.1 should be added to the Level 3 Net Metering Interconnection and the existing Articles 2.1, 2.2, and 2.3 should be renumbered 2.2, 2.3, and 2.4, respectively.

> **2.1 Review**
>
> After determining Customer's interconnection request is complete, in accordance with the Rule, R746-312-10, Rocky Mountain Power will conduct meetings and studies and provide estimates set forth in the Rule, R746-312-10. Upon completion of the required studies and receipt of agreement of the Customer to pay for required interconnection facilities and upgrades, Rocky Mountain Power will approve the Interconnection request.

With respect to force majeure provisions, we note the Company has added Article 6.4 Force Majeure to the Level 1 Net Metering Interconnection Agreement. We find this Article appropriate for inclusion in the interconnection agreement. We also note, however, the wording of the force majeure provision in the net metering interconnection agreements is slightly different than that contained in the generating facility interconnection agreement. We direct the Company to modify the force majeure wording throughout these agreements to be consistent.

We observe Section 2.2.1 of the Generating Facility Agreement for Level 1, 2, and 3 Interconnection states: "The Public Utility shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements necessary for the Interconnection Customer to commence parallel operations by the in-service date." The Company defines Reasonable Efforts as efforts that are timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests. We find this statement inconsistent with the Rule and our expectation of Company compliance therewith. While R746-312-3(3) provides that the Company and the interconnection customer may mutually agree to reasonable extensions to time lines set forth in the Rule and R746-312-3(2) provides for good cause shown, the Commission may waive or modify any provision of the Rule, the Rule does not provide for reasonable efforts. Absent any explanation or information substantiating good cause shown as it relates to this issue, we direct the Company to delete the above quoted sentence pertaining to reasonable efforts.

Finally, several minor formatting issues continue to exist (i.e., inconsistent numbering, extra spaces and lines, duplicate sections, etc.), some of which have been identified by the Division. We encourage the Company to complete a final, thorough review of the forms prior to final submission. Commission staff will contact the Company directly with further information.

SUMMARY

As we stated in the August Order clear, concise interconnection forms in compliance with regulatory requirements benefit both the Company and customers. We

commend the Company on its efforts in improving the content and consistency of its forms. We also recognize operating interconnection programs in six states is not without challenges and we are certain the Company's re-assessment and revision of its Standard Interconnection Forms will prove beneficial in the future. We therefore direct the Company to revise and refile its Standard Interconnection forms as noted above with an effective date of April 1, 2011, within 10 calendar days of the date of this order. We also direct the Division to review the Company's revised forms for compliance with the provision of this Report and Order within three business days of the Company's filing. With the changes noted above, we approve the Company's proposed Standard Interconnection Forms presented in its Revised Filing with an effective date of April 1, 2011.

ORDER

Wherefore, pursuant to our discussion, findings and conclusions made herein, we order:

1. The Company to revise and refile its Standard Interconnection forms with the modification noted herein within 10 calendar days of the date of this order.
2. The Division to review the Company's revised forms for compliance with the provision of this Report and Order within three business days of the date of the Company's filing.

Pursuant to Sections 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the

Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of Sections 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

DATED at Salt Lake City, Utah, this 23rd day of March, 2011.

/s/ Ted Boyer, Chairman

/s/ Ric Campbell, Commissioner

/s/ Ron Allen, Commissioner

Attest:

/s/ Julie Orchard
Commission Secretary
G#71701 Docket No. 10-035-44
G#71702 Docket No. 10-035-45