



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

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

March 28, 2007

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 Secretary

Re: Docket 06-999-03
Energy Policy Act 2005 Amendments to PURPA
Rocky Mountain Power Comments on Division of Public Utilities'
Recommendations concerning Interconnection Standard

On March 2, 2007, the Division of Public Utilities (Division) submitted a memo to the Public Service Commission of Utah outlining its recommendations regarding the Public Utilities Regulatory Policies Act (PURPA) Interconnection Standard enacted by the Energy Policy Act of 2005. On March 6, 2007, the Commission issued an invitation to interested parties to submit written comments responding to the Division's recommendations. Rocky Mountain Power appreciates the opportunity to respond to the Division's memo and submits the following comments for consideration. An electronic copy of these comments will be provided to the attention of mlivingston@utha.gov.

Recommendation

In its memo, the Division recommends:

“...that the PURPA Standard be adopted as written as a first step in helping the State realize those benefits.”

The Division further recommends:

“...that an Interconnection Docket be opened to define terms such as “best practices”, explore opportunities and barriers for small, medium, and large DR projects, look at model interconnection codes to determine if any would be beneficial to Utah. The interconnection docket would also coordinate with the proposed investigation into net metering as interconnection issues that are barriers to greater participating in Utah's net meeting program.”

Rocky Mountain Power agrees with the Division's recommendation that the PURPA Interconnection Standard should be adopted as written with a reservation that "current best practices" and "model codes" are not sufficiently defined. The Company is not opposed to examining interconnection issues that are barriers to distributed generation and agrees that the examination of both interconnection and net metering barriers should be coordinated. The Company believes, however, that the primary barrier to both interconnection and net metering is the underlying economics of self generation for smaller customers.

Background

Rocky Mountain Power is committed to encouraging economic customer owned generation and in providing reasonable interconnection arrangements to customers with onsite generating facilities. As discussed in the technical conferences held on August 30, 2006, and on December 18, 2006, the Company currently offers interconnection services in compliance with IEEE 1547 and believes these interconnection agreements and procedures are just and reasonable. Rocky Mountain Power further believes that the following seven principles apply to successful interconnection requirements:

- All interconnection customers shall be treated in a non-discriminatory and non preferential manner.
- The utility shall review all interconnection with the goal to maintain safe, adequate and reliable electric service to its retail electric customers.
- The utility shall evaluate the cumulative effect on circuits and load pockets.
- Interconnection customers shall bear the costs of interconnection, operation and maintenance.
- Interconnection service does not include retail electric or other services.
- The electric utility shall establish, and amend as necessary to maintain the safe and reliable operation of its system, operating, system design, and maintenance requirements.
- Technical requirements for all interconnections shall comply with IEEE, NESC, NEC and other safety and NERC and WECC reliability standards.

Conclusion

Rocky Mountain Power agrees with the Division's recommendation that the PURPA Interconnection Standard should be adopted as written with a reservation that "current best practices" and "model codes" are not sufficiently defined. Rocky Mountain Power agrees that the examination of both interconnection and net metering barriers should be coordinated and that future rules should treat interconnection and net metering installations to utility lines with the same engineering rules.

Before any investigative docket is opened to look at model interconnection codes and to flesh out the details of any such standards, Rocky Mountain Power believes that it would first be appropriate to identify the existing primary barriers to small, medium, and large distributed resource projects. Once these barriers are identified it will be fairly straightforward to identify those that can actually be influenced by actions of the parties in a regulatory context.

We do not believe that interconnection requirements are the primary issue; rather, the issue is the cost/benefit of installing small, medium, and large distributed resource projects. Because the underlying economics of self generation is the dominant barrier for many, if not most projects, Rocky Mountain Power believes there may be only limited benefits from opening a docket to study ways to mitigate or remove interconnection and net metering barriers.

The Company respectfully requests 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, Utah Regulatory Affairs Manager at (801) 220-2923.

Sincerely,

Jeffrey K. Larsen
Vice President, Regulation

cc: Artie Powell, DPU
 Connie White, DPU
 Michelle Beck, CCS
 Cheryl Murray, CCS