

VIA ELECTRONIC MAIL

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August 11, 2006

Ms. Carole J. Washburn
Executive Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

**RE: Joint Comments of the Washington Load-serving Utilities
Docket No. UE-060649
Public Utility Regulatory Policies Act Standards**

Dear Ms. Washburn:

This filing sets forth the joint response of a group of utilities to the Notice of Opportunity to File Written Comments, dated June 9, 2006, in response to questions posed by the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) regarding whether state regulations need to be modified based on the new federal standards from the Energy Policy Act of 2005. These joint comments respond only to the questions posed regarding interconnection standards and individual Jurisdictional Utilities will address the smart metering issues in separate filings. The utilities joining these comments consist of a large number of electric utilities from across Washington including: two of the three investor-owned utilities regulated by the WUTC (hereinafter the “Jurisdictional Utilities”); and public utility districts, mutual corporations, electric cooperatives, and municipal electric utilities (collectively the “Non-jurisdictional Utilities”).

The Non-jurisdictional Utilities comprise a number of electric utilities from a public power working group that is known for purposes of this filing as the Public Power Ad-Hoc Interconnection Standards Committee (“PPAISC” or “Committee”). The PPAISC was formed to develop recommendations for uniform interconnection standards for their respective governing boards to consider and potentially adopt. Working members of the PPAISC include staff representatives from the following utilities and trade organizations, respectively: Benton Rural Electric Association, Big Bend Rural Electric Coop, Chelan County PUD, City of Port Angeles, Clark Public Utilities, Elmhurst Mutual, Grant County PUD, Kittitas County PUD, Lewis County PUD, Seattle City Light, Snohomish County PUD, Tacoma Power, and; the Washington PUD Association, the Association of Washington Cities, and the Washington Rural Electric Cooperative Association.¹ As a group, the Jurisdictional and Non-jurisdictional Utilities joining this filing serve a large percentage of the retail load across the state and thus are referred to collectively in this filing as the “Washington Load-serving Utilities.” The Washington Load-serving Utilities appreciate the opportunity to participate in this rulemaking process.

INTERCONNECTION

The Washington Load-serving Utilities respond to each of the Commission’s questions regarding interconnection:

- (1) *Should WAC 480-108 be amended to include customer-owned facilities up to 100 kW? If so, would the increase to facility size necessitate any other changes to the rule?*

Comments: The Commission should amend WAC 480-108 to include generation facilities up to 300 kW as discussed in the response to question two below.

¹ The PPAISC requests that the Commission take note that the PPAISC is submitting this filing in response to the Commission’s June 9, 2006 “Notice of Opportunity to File Written Comments RE: Public Utility Regulatory Policies Act Standards,” Docket No. UE-060649, for the Commission’s informational purposes only and are not, voluntarily or otherwise, submitting to WUTC jurisdiction for this docket. The PPAISC notes in the Commission’s June 9th Notice of Opportunity provides that “[w]hile the Commission’s rulemaking authority extends only to those utilities under its jurisdiction, there may be benefit to state-wide uniformity in interconnection standards. Accordingly, the Commission invites participation in this stage of its inquiry by municipal utilities and public utility districts, which are not within the Commission’s jurisdiction.”

- (2) *Is there another “break-point” to which it would be appropriate for practical reasons to increase the scope of WAC 480-108 (e.g., 300 kW, 500 kW)? If so, would the increase in facility size necessitate any other changes to the rule?*

Comments: The Commission should amend WAC 480-108 to include generation facilities up to 300 kW. Attached to these comments is a more detailed description of the proposal to include facilities up to 300 kW. Such a change could be accomplished with minimal changes to WAC 480-108.

- (3) *Should interconnection of facilities larger than those covered currently by WAC 480-108 be governed by a standard rule? If so, would the Federal Energy Regulatory Commission’s (FERC) Small Generator Interconnection Rule serve as a good model?² If so, how should the FERC rule be adapted to Washington circumstances?*

Comments: Interconnection of generating facilities larger than 300 kW should not be governed by a standard rule. The Washington Load-serving Utilities propose that interconnections larger than 300 kW be governed by procedures developed by each utility. For the utilities over which the commission has jurisdiction, these interconnection standards would be filed and approved by the Commission using the principles outlined in the attached document. The FERC Small Generator Interconnection rule was designed to facilitate interconnections to the transmission system and would require significant modification to be suitable for interconnections to the distribution system.

- (4) *If interconnection of facilities larger than those covered currently under WAC 480-108 should not be governed by a standard rule, what principles should apply to such interconnections?*

Comments: The following guidelines should govern interconnection of facilities greater than 300 kW:

1. All interconnection customers shall be treated in a non-discriminatory and non-preferential manner.
2. The utility shall review all interconnection to maintain safe, adequate and reliable electric service to its retail electric customers.
3. The utility shall evaluate the cumulative effect on circuits and load pockets.
4. Interconnection customers shall bear the costs of interconnection, operation and maintenance.
5. Interconnection service does not include retail electric or other services.

² Standardization of Small Generator Interconnection Agreements and Procedures, Order No. 2006, 70 FR 34190-01 (June 13, 2005), 2005 WL 1382263 (F.R.), order on reh'g, Order No. 2006-A, 70 FR 71760-01 (November 22, 2005), 2005 WL 3171564 (F.R.).

CONCLUSION

The Washington Load-serving Utilities hope these comments are helpful as the Commission considers development of the interconnection rules. If you have any questions regarding these comments or if we can be of any other assistance, please contact any of the undersigned parties.

Sincerely,

Puget Sound Energy, Inc.

For the PPAISC

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- Seattle City Light**- Dave Van Holde
- Benton REA**-Chuck Dawsey
- Big Bend Electric Coop**-Dave Barden
- Chelan County PUD**-Jim White
- City of Port Angeles**-Scott McLain
- Elmhurst Mutual**-John Irwin
- Grant County PUD**-John Molitor
- Kittitas County PUD**-Mark Kjelland
- Lewis County PUD**-Dave Muller
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