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Grand Canyon State Electric
Cooperative Association, Inc.

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February 21, 2007

Arizona Corporation Commission
DOCKETED

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Docket Control
 Arizona Corporation Commission
 1200 W. Washington
 Phoenix, AZ 85007

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Re: *Cooperatives' Comments to the Staff Report on Interconnection for the Generic Investigation of Distributed Generation Filed on January 24, 2007;*
Docket No. E-00000A-99-0431

Dear Sir/Madam:

The Grand Canyon State Electric Cooperative Association ("GCSECA"), on behalf of its Arizona cooperative members,¹ submits the attached comments on the Staff Report on Interconnection for the Generic Investigation of Distributed Generation filed on January 24, 2007. The Cooperatives reserve the right, individually and collectively, to provide additional or different comments and positions on any of the legal issues or proposed rule changes as becomes necessary in the future.

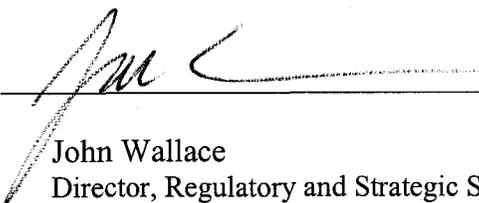
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¹ The Arizona cooperative members are: Duncan Valley Electric Cooperative, Inc.; Graham County Electric Cooperative, Inc.; Mohave Electric Cooperative, Inc.; Navopache Electric Cooperative, Inc.; Sulphur Springs Electric Cooperative, Inc.; and Trico Electric Cooperative, Inc. (collectively the "Cooperatives").

Docket Control
February 21, 2007
Page 2

RESPECTFULLY SUBMITTED this 21st day of February, 2007.

GRAND CANYON STATE ELECTRIC
COOPERATIVE ASSOCIATION

By 
John Wallace
Director, Regulatory and Strategic Services

Original and 13 copies filed with Docket
Control this 21st day of February, 2007, with:

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

Copies of the foregoing delivered
this 21st day of February, 2007, to:

Barbara Keene, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

**Cooperatives' Comments on Staff Report on Interconnection for the
Generic Investigation of Distributed Generation
Dated January 24, 2007 (Docket No. E-00000A-99-0431)**

The following comments are being submitted by Duncan Valley Electric Cooperative, Inc., Graham County Electric Cooperative, Inc., Mohave Electric Cooperative, Inc., Navopache Electric Cooperative, Inc., Sulphur Springs Valley Electric Cooperative, Inc. and Trico Electric Cooperative, Inc. (collectively "the Cooperatives")

The Cooperatives have comments regarding the application of the standard to all electric distribution companies and Section 4.4, Level 2 that have not been addressed by the Joint Utilities' Comments. These comments address the circumstances that are unique to Cooperatives.

Consideration of the PURPA Standard on Interconnection

Staff's proposed standard would apply to all electric distribution companies in Arizona that are regulated by the Commission. This is in contrast to the PURPA standard that applies only to electric distribution companies with retail sales of more than 500,000 MWh.

Cooperatives' Comments

The Legislators of the PURPA standard recognized the need to exempt very small electric distribution companies with retail sales of less than 500,000 MWh due to the operational and financial impacts to these small electric distribution companies. The Cooperatives would request that Commission grant an exemption to electric distribution companies with retail sales of less than 500,000 MWh because these systems are not equipped with the manpower or financial resources to meet the requirements in proposed Arizona standard.

Additional Comments on Level 2, Section 4.4

4.4 Level 2 Fast Track Process

Staff agrees with the DG Advocates that the Cooperatives' proposal to add the language "normally not more than" before the number of business days in these sections should not be necessary because if the Level 2 time frames are set at reasonable levels, they should be firm.

Cooperatives' Comments

The Cooperatives continue to propose to add the following language, "normally not more than" before the number of business days in these sections listed below for the following reasons.

**Cooperatives' Comments on Staff Report on Interconnection for the
Generic Investigation of Distributed Generation
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1. The time frames in Level 2 may be set at reasonable levels for large utilities with the staff and expertise to process these applications. However, the Cooperatives may not have the level of staff or expertise to process these applications in the time frames listed.
2. There is the potential of having to process a very complicated system under level 2. On larger more complex applications, a cooperative will need to consult an expert in generators and/or protection equipment to determine if an application is complete or not. In addition, if more than one person needs to review an application, then the time needed to do so increases. In this case, the cooperative would no longer have full control of the time taken to review an application and would be subject to the timetable of a consultant.
3. Cooperatives will attempt to process each of these applications within the 15 days. However, there may arise a time when several applications are filed within a short amount of time, or a cooperative employee or consultant with a specific area of expertise is needed to review the application, and that person is either not available or is otherwise occupied.
4. An application may meet all of the screens for level 2, but the utility will need to look at its own system to see if any changes need to be made to accommodate the generator. For example breaker settings may need to be modified, or a capacitor might need to be installed to correct power factor problems. The utility will want to know exactly what changes will be necessary before giving a generator permission to connect to their system. This is especially important with larger generators.

4.4 Level 2 Fast Track Process

(c) **Application is Received and is Complete or Incomplete.** The Utility notifies the Customer within *normally not more than* five (5) business days of receipt of the Application as to whether it is complete or incomplete.

(d) **Utility Review Application.** *Normally not more than* within fifteen (15) business days following the receipt of a complete Interconnection Application, the Utility reviews the proposed interconnection and notifies the Customer of one of the following determinations: