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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

IN THE MATTER OF INTERCONNECTION)
OF DISTRIBUTED GENERATION
FACILITIES IN THE GENERIC
INVESTIGATION OF DISTRIBUTED
GENERATION.

DOCKET NO. E-00000000A-99-043

**ELECTRIC COOPERATIVES
COMMENTS AND EXCEPTIONS**

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On June 15, 2007, Arizona Corporation Commission Staff ("Staff") filed its transmittal memorandum and proposed order for Interconnection of Distributed Generation Facilities in the Generic Investigation of Distributed Generation containing Staff's recommended Distributed Generation Interconnection Document ("DGI Document") and requested that any comments to the recommendations of the proposed order be filed with the Commission's Docket Control Section by June 22, 2007.

On behalf of Duncan Valley Electric Cooperative, Inc. ("Duncan"), Graham County Electric Cooperative, Inc. ("Graham"), Mohave Electric Cooperative, Inc. ("Mohave"), Navopache Electric Cooperative, Inc. ("Navopache"), Trico Electric Cooperative, Inc. ("Trico") and Sulphur Springs Valley Electric Cooperative, Inc. ("Sulphur") (collectively "Electric Cooperatives"), Grand Canyon State Electric Cooperative Association is submitting the following exceptions to the recommendations in Staff's Recommended Opinion and Order ("ROO").

Arizona Corporation Commission
DOCKETED

JUN 22 2007

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SLW

1 **Consideration of the PURPA Standard on Interconnection**

2 Congress recognized the need to exempt small utility systems that sell
3 500,000 MWh or less from the PURPA Standard on Interconnection. The Electric Cooperatives
4 believe the Commission should also exempt small utility systems that sell 500,000 MWh or less
5 from the DGI Document for the following reasons. The cost to administer the involved DGI
6 Document will be very high to the smallest electric cooperatives (Duncan Valley Electric
7 Cooperative, Inc. and Graham County Electric Cooperative, Inc.) Electric Cooperatives do not
8 have manpower, expertise or financial resources to comply with the DGI Document. Concerning
9 the larger DG systems, the Electric Cooperatives will most likely have to hire consultant(s) to
10 determine the effects on their systems from adding DG, to conduct the various studies and to meet
11 the time deadlines contained in the DGI Document.

12
13 Finally, in response to Staff's comments, cooperatives that are exempted from the
14 DGI Document will develop an interconnection document that contains a reasonable
15 interconnection process and ensures the safety and reliability of the grid.

16
17 In conclusion, the Electric Cooperatives recommend that an amendment modifying
18 the ROO to provide an exemption from the DGI Document for small utilities that sell 500,000
19 MWh or less be adopted by the Commission.

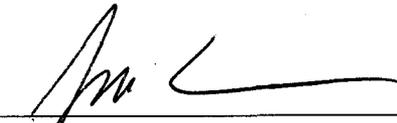
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21 **2.4 Insurance**

22 The DGI Document does not require that a DG customer maintain a general
23 liability and property damage insurance coverage. The Electric Cooperatives support the
24 comments that would require this insurance coverage be maintained by DG customers included in
25 Arizona Public Service's ("APS") Exceptions to the Proposed Order that APS filed on June 22,
26

1 2007 and recommend the APS Exceptions be adopted by the Commission for the reasons
2 contained therein.

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RESPECTFULLY SUBMITTED this 22nd day of June, 2007.

By 

John Wallace
Grand Canyon State Electric Cooperative Assn. Inc.
On Behalf of the Electric Cooperatives

Original and thirteen (13) copies filed this
22nd day of June 2007, with:

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

By 