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IDAHO PUBLIC
UTILITIES COMMISSION



March 20, 2003

Idaho Public Utilities Commission
472 West Washington
Boise, ID 83702-5983

Attention: Jean D. Jewell
Commission Secretary

RE: CASE No. PAC-E-03-4
Electric Service Schedule No. 135, Net Metering Service

Original Sheet No. 135.1	Schedule 135	Net Metering Service
Original Sheet No. 135.2	Schedule 135	Net Metering Service
Original Sheet No. 135.3	Schedule 135	Net Metering Service

PacifiCorp (d.b.a. Utah Power & Light Company) hereby submits for filing an original and seven copies of its Answer to the Petition of NW Energy Coalition and Renewable Northwest Project ("Petitioners") for the establishment of a net metering schedule for PacifiCorp, and its request for approval of its proposed Electric Service Schedule No. 135, Net Metering Service. An electronic copy will also be provided.

It is respectfully requested that all formal correspondence and staff requests regarding this matter be addressed to:

By E-mail (preferred): datarequest@pacificorp.com

By Fax: (503) 813-6060

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah St., Suite 800
Portland, OR 97232

Very truly yours,

D. Douglas Larson
Vice President, Regulation

Enclosures

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Attorneys for PacifiCorp

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE PETITION OF NW)
ENERGY COALITION AND RENEWABLE) CASE NO. PAC-E-03-4
NORTHWEST PROJECT TO ESTABLISH NET)
METERING SCHEDULES FOR PACIFICORP) PACIFICORP'S ANSWER AND
) REQUEST FOR APPROVAL OF
) NET METERING SCHEDULE**

PacifiCorp, dba Utah Power & Light Company ("PacifiCorp" or the "Company") hereby submits this Answer to the Petition of NW Energy Coalition and Renewable Northwest Project ("Petitioners") for the establishment of a net metering schedule for PacifiCorp, and its request for approval of its proposed Electric Service Schedule No. 135, Net Metering Service.

1. PacifiCorp's representatives in this matter are:

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2. The Company admits that the Commission has approved net metering schedules for Idaho Power Company and Avista, but lacks sufficient information to admit or deny the experience of Idaho Power Company and Avista with respect to those net metering schedules.

3. PacifiCorp also admits that it has no approved net metering schedule in the state of Idaho, and affirmatively alleges that it has been in the process of developing such a schedule in response to the perceived desire for a net metering schedule in the state.

4. PacifiCorp agrees that the Idaho Power Schedule 84 represents a good model for PacifiCorp. Accordingly, PacifiCorp's proposed Electric Service Schedule No. 135, submitted herewith for approval, is patterned after Idaho Power Company's Schedule 84.

5. Consistent with Idaho Power's Schedule 84, PacifiCorp's proposed Schedule No. 135 provides a capacity limit of 100 kW for large commercial and irrigation customers, and 25 kW for customers taking service on electric service schedules applicable to residential and small commercial customers (Schedules 1, 36, 23 and 23A). As discussed more fully below, PacifiCorp opposes a billing methodology that would credit excess monthly generation at the customer's retail rate for large commercial and irrigation customers and that would allow for a continuous carryover of such credits.

**REQUEST FOR APPROVAL OF PROPOSED ELECTRIC SERVICE
SCHEDULE NO. 135.**

6. PacifiCorp submits herewith for Commission approval its proposed Electric Service Schedule No. 135 (Schedule 135). Schedule 135 is modeled after Idaho Power's Schedule 84. Indeed, Schedule 135 is materially the same as Idaho Power's Schedule 84. The Company submits that the same grounds for approval of Schedule 135 exist as existed for the approval of Idaho Power's Schedule 84.

7. While PacifiCorp proposes to credit residential and small commercial customers for excess generation at the customer's retail rate, PacifiCorp opposes such an approach for larger customers and proposes that the larger customers be credited an amount equal to 85% of the Dow Jones Mid-C Index Price for non-firm energy. Such an approach is intended to avoid the subsidy that would exist by paying full retail rates. As the Commission Staff noted in its Comments in Case No. IPC-E-02-4, "Paying full retail rates for excess generation further subsidizes net metering customers, and the larger the net metering customer, the greater the subsidy becomes." (Staff Comments, p. 4.)

8. Proposed Schedule 135 provides that the costs associated with interconnection of the customer's generating facility with the Company's system, including the cost of any additional metering necessary for service under the schedule, will be paid by the customer. This requirement will help avoid other customers subsidizing net metering customers.

9. Similar to Idaho Power Schedule 84, the Company proposes that Schedule 135 be available on a first-come, first-served basis until the total rated generating capacity of net metering systems connected under the schedule equals 714 kW, which is one-tenth of one percent of the Company's Idaho retail peak demand in 2002. Further, in order to make the

schedule available to a wider range of customers, the Company proposes that no single customer may connect more than 20% of the total nameplate capacity connected under the schedule.

10. The Company proposes that credits for excess generation be provided each month, rather than allowing for carry-over or "banking." Providing a credit each month appropriately recognizes the different values of energy during the different months of the year, therefore mitigating subsidization of large commercial and irrigation net-metering customers, whose credits are based on market prices.

11. PacifiCorp respectfully requests that this matter be processed under modified procedure pursuant to IPUCRP 201 et seq.

WHEREFORE, PacifiCorp respectfully requests that the Commission issue an order approving Schedule 135 as submitted herewith.

DATED this 19th day of March, 2003.



John M. Eriksson
Mary S. Hobson
Stoel Rives LLP

Attorneys for PacifiCorp

CERTIFICATE OF SERVICE

I hereby certify that on this 19th day of March, 2003, I caused to be served, via U.S. Postal Service a true and correct copy of the foregoing **Answer and Request of PacifiCorp** to the following:

Scott Woodbury
Deputy Attorney General
Idaho Public Utilities Commission
472 W. Washington
Boise, Idaho 83720-0074

William M. Eddie
Advocates for the West
P.O. Box 1612
Boise, ID 83701

A handwritten signature in cursive script that reads "Peggy Ryan". The signature is written over a horizontal line.



UTAH POWER & LIGHT COMPANY
ELECTRIC SERVICE SCHEDULE NO. 135

STATE OF IDAHO

Net Metering Service

AVAILABILITY: At any point on the Company's interconnected system.

APPLICATION: On a first-come, first-served basis to any customer that owns and operates an Eligible Generating Plant that is located on the Customer's premises, on the Customer's side of the Point of Delivery, is interconnected and operates in parallel with the Company's existing transmission and distribution facilities and is intended primarily to offset part or all of the Customer's own electrical requirements. This provision shall be available until the time that the total rated generating capacity of net metering systems connected under this schedule equals 714 kilowatts, representing one-tenth of one percent of the Company's retail peak demand in Idaho during 2002. No single Customer may connect more than 20 percent of the cumulative generation nameplate capacity connected under this schedule.

DEFINITIONS:

Net Metering: The difference between the electricity supplied by the Company and the electricity generated by an eligible Customer and fed back to the electric grid over the applicable billing period.

Eligible Generating Plant: A facility that uses energy derived from the sun, wind, water, biomass or fuel cell technology to generate electricity. An Eligible Generating Plant may not have a generating capacity of more than twenty-five (25) kilowatts for customers taking service on Schedules 1, 36, 23 or 23A or one hundred (100) kilowatts for all other customers. To qualify, a Customer must maintain its retail electric service account for the loads served at the Point of Delivery adjacent to the Generation Interconnection Point as active and in good standing.

Generation Interconnection Point: The point where the conductors installed to allow receipt of Customer's generation connect to the Company's facilities adjacent to the Customer's Point of Delivery.

MONTHLY BILL: The Electric Service Charge shall be computed in accordance with the charges for the Monthly Bill in the applicable standard service tariff subject to the following Special Conditions.

(continued)

(N)

(N)



ELECTRIC SERVICE SCHEDULE NO. 135 - Continued

(N)

SPECIAL CONDITIONS:

1. If the energy supplied by the Company exceeds the energy generated by the Customer and delivered to the Company, the Customer shall be billed for the appropriate Power and other non-energy charges and the prices specified in the Energy Rate section of the Monthly Billing of the applicable standard service tariff shall be applied to the net positive balance owed to the Company.
2. If the energy generated by the Customer and delivered to the Company exceeds the energy supplied by the Company, the Customer shall be billed for the appropriate Power and other non-energy charges and:
 - a. Customers taking retail service under Schedules 1, 36, 23 or 23A shall be financially credited for such net energy at the Customer's standard service schedule retail rate.
 - b. Customers taking retail service under all other Schedules shall be financially credited for such net energy at the Net Metering Rate Credit specified in Special Condition #3.
3. Net Metering Rate Credit equals 85 percent of the monthly weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Electricity Price Index (Dow Jones Mid-C Index) prices for non-firm energy. This rate is calculated based upon the previous calendar month's data. If the Dow Jones Mid-C Index prices are not reported for a particular day or days, the average of the immediately preceding and following reporting periods or days will be used.
4. Net energy and the Net Metering Rate Credit for Customers taking service under any Time-of-Day Schedule will be calculated separately for on-peak and off-peak usage.
5. The Customer shall execute an interconnection agreement with the Company prior to interconnection of the Eligible Generating Plant with the Company's system. The Customer shall provide the interconnection on Customer's side of the meter. The Customer is responsible for all costs associated with the Eligible Generating Plant and interconnection facilities, including additional metering necessary for service under this schedule. At Customer's expense, the Company shall make reasonable modifications to the Company's system necessary to accommodate the Customer's facility. The payment for such modifications is due in advance of construction. The Customer shall provide at the Customer's expense all equipment that is necessary to meet applicable local, state and national standards regarding electrical and fire safety, power quality, and interconnection requirements established by the National Electrical Code, the Institute of Electrical and Electronics Engineers, American National Standards Institute, and Underwriters Laboratories.

(continued)

(N)



ELECTRIC SERVICE SCHEDULE NO. 135 - Continued

(N)

6. The Company's written approval of the Customer's protection-isolation method to ensure generator disconnection in case of a power interruption from the Company is required before service is provided under this schedule.
7. The Company shall not be obligated to accept, and the Company may require the Customer to curtail, interrupt or reduce deliveries of energy if the Company, consistent with prudent electrical practices, determines that curtailment, interruption or reduction is necessary because of line construction or maintenance requirements, emergencies, or other critical operating conditions on its system.
8. If the Company is required by the Commission to institute curtailment of deliveries of electricity to its customers, the Company may require the Customer to curtail its consumption of electricity in the same manner and to the same degree as other Customers within the same customer class who do not receive service under this schedule.
9. The Customer shall never deliver or attempt to deliver energy to the Company's system when the Company's system serving the Customer's generation facility is de-energized for any reason.
10. The Company shall not be liable directly or indirectly for permitting or continuing to allow an attachment of a net metering facility, or for the acts or omissions of the Customer that cause loss or injury, including death, to Customer or any third party.
11. The Customer shall grant to the Company access to all Company equipment and facilities including adequate and continuing access rights to the property of the Customer for the purpose of installation, operation, maintenance, replacement or any other service required of said equipment. The Company may test and inspect an interconnection at times that it considers necessary to ensure the safety of electrical workers and to preserve the integrity of the electric power grid.

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Idaho Public Utilities Commission, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

(N)