

FILE

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

PUCO

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- In The Matter of the Commission's Promulgation of Amendments to Rules for Electric Service and Safety Standards Pursuant to Chapter 4928, Revised Code) Case No. 99-1613-EL-ORD
- In the Matter of the Application of The Toledo Edison Company's Interconnection Service Requirements.) Case No. 00-1257-EL-ATA
- In the Matter of the Application of Ohio Edison Company's Interconnection Service Requirements.) Case No. 00-1258-EL-ATA
- In the Matter of the Application of The Cleveland Electric Illuminating Company's Interconnection Service Requirements.) Case No. 00-1259-EL-ATA
- In the Matter of the Application of The Cincinnati Gas & Electric Company For Approval of its Interconnection Procedures Tariff.) Case No. 00-1253-EL-ATA
- In the Matter of the Application of the Dayton Power and Light Company for Approval to Establish an Interconnection Service Tariff for DP&L Distribution Service.) Case No. 00-1256-EL-ATA
- In the Matter of the Application of Columbus Southern Power Company for Approval of Minimum Requirements for Distribution System Interconnection.) Case No. 00-1248-EL-ATA
- In the Matter of the Application of Ohio Power Company for Approval of Minimum Requirements for Distribution System Interconnection.) Case No. 00-1247-EL-ATA
- In the Matter of the Application of Monongahela Power Company dba Allegheny Power to Establish an Interconnection Tariff.) Case No. 00-1337-EL-ATA

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COMMENTS OF OHIO PARTNERS FOR AFFORDABLE ENERGY AND OHIO ENVIRONMENTAL COUNCIL TO INTERCONNECTION TARIFFS FILED BY OHIO ELECTRIC DISTRIBUTION UTILITIES

On January 17, 2002, the Public Utilities Commission of Ohio ("PUCO" or "Commission") issued an Entry on Rehearing denying the applications of Ohio Partners for Affordable Energy ("OPAE"), Ohio Environmental Council ("OEC") and the Ohio Consumers' Counsel ("OCC") for rehearing of the Commission's Finding and Order of November 20, 2001 in this matter. The Commission noted in Finding 9, however, that it would:

...provide interested parties an opportunity to file comments to the revised interconnection tariffs of the EDUs regarding whether the tariffs conform to the pro forma tariff and the reasonableness of the fee schedules and other provisions in the tariff not covered by the pro forma tariff. (Entry on Rehearing at Page 5.)

OPAE and OEC hereby submit the following comments as requested by the Commission Entry on Rehearing of January 17, 2002.

OPAE and OEC initially wish to complement the Cincinnati Gas & Electric Company ("CG&E") for filing a tariff that not only conforms with the minimum requirements set by the pro forma tariff and related exhibits but also provides a simplified interconnection agreement for small photovoltaic systems of less than 10 kW in size. The agreement presents a streamlined contract that should minimize barriers to interconnecting small photovoltaic systems. Further, the tariff filing includes no application fees or fees for any studies defined in the System Impact and Facilities Study section of the tariff. By virtue of this enlightened approach, CG&E has

demonstrated a commitment to the goal established by the General Assembly in Section 4928.02(C), O.R. C. to encourage the development of distributed and small generation facilities. Unfortunately, the tariff proposals of the remaining companies demonstrate less of a commitment to this goal.

Five of the proposed tariffs or related contracts, those filed by the American Electric Power ("AEP") operating companies – Columbus Southern Power and Ohio Power Company, and the FirstEnergy operating companies -- Cleveland Electric Illuminating Company, Toledo Edison, and Ohio Edison, differ from the terms of the pro forma tariffs because *they applicability of their tariff to distribution system voltages up to 35 kV.*¹ This limitation has the potential to create gaps in the availability of interconnection service for some customers, though the impact is unclear at this point. In any event, the companies have not justified this limit and it should be stricken, substituting the language of the pro forma tariff, absent a reasonable justification for the requirement.

The Entry on Rehearing by the Commission specifically requested comment on the reasonableness of the fee schedules included in the tariffs.² FirstEnergy provides no supporting cost documentation, making it impossible to evaluate the reasonableness of their fees. For this reason,

¹ AEP includes this limitation in the tariff. FirstEnergy includes the limitation in the accompanying standard contract for interconnection services.

² Paragraph 7 in the Finding and Order of the Commission filed on November 20, 2001 required the EDUs to file supporting cost documentation for the fee schedules included in the tariffs.

fees in the Toledo Edison, Cleveland Electric Illuminating Company and Ohio Edison tariffs should be eliminated.

The CG&E tariff is clearly reasonable as it requires no fees or deposits. OPAE and OEC believe this approach representative of the true cost of providing interconnection service, particularly to small systems while reflecting the goal enunciated by the General Assembly to encourage distributed generation. The cost should be a component of the distribution function itself, not something requiring a separate fee which functions as a barrier, again, particularly for small systems. Indeed, California has moved to eliminate all fees associated with net metering applications below 10 kW.³

The fees associated with the other tariffs do not appear reasonable for a variety of reasons. Primary among these reasons is the apparent decision of the Electric Distribution Utilities ("EDUs") to essentially ignore the Interconnection Request Screening Process, which is incorporated into all the tariffs by reference, when setting application fees. The application fee should cover no more than the cost of application processing and applying the screen. If the proposed generator survives the screening process and qualifies for a Simplified Interconnection Agreement, there is no justification for additional fees except those associated with inspecting the final installation. In addition, all EDUs,

³ *The Interstate Renewable Energy Council Interconnection Newsletter*, February-March 2002, Volume 5, Nos. 2 & 3.

except CG&E, make these application fees non-refundable, making these arbitrary fees even more unreasonable.

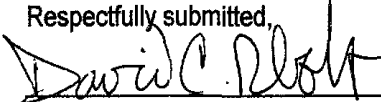
The AEP operating companies and Dayton Power and Light Company ("DP&L") arbitrarily set different non-refundable application fees for different size generators. These companies, along with the FirstEnergy operating companies and Monongahela Power ("MP"), also charge deposits based on the size of the generator, making assumptions about the amount of time associated with reviewing applications based on facility size. This again ignores the purpose of the Interconnection Request Screening Process which should prevent the imposition of unnecessary fees when a project qualifies for a Simplified Interconnection Agreements. By requiring deposits that are based on an implicit assumption that some type of Supplemental Review or System Impact Study is required, the EDUs effectively raise a barrier to applications from all systems in the form of higher deposits, particularly those within the size parameters covered by the Interconnection Request Screening Process.

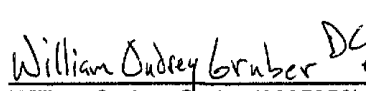
Actual hours allocated to technical screening vary widely among the companies. In some cases they fluctuate based on size – MP and AEP - while in others cases it simply seems that some engineers or managers work faster in some companies than in others.

OPAE and OEC suggests that a reasonable fee schedule would be to assume that the application process and initial screening will take one hour of administrative time to satisfy rules requirements and one hour of

engineering time. We would prefer that the fee for this be zero. A supplemental review should be considered implicit in this process, since it is simply based on an application review and may require a brief communication with the applicant. If the application fails Steps 3 or 4 of the Interconnection Request Screening Process, then the EDU should estimate the cost of a System Impact and/or Facility Study, based on the issues identified and the size of the system, and request an appropriate deposit for the study or permit the applicant to provide the study via a third party as provided for in the tariffs. This will result in a fee schedule that minimizes the financial barriers associated with an application for interconnection.

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned certifies that a copy of these Comments have been served by first class mail, postage prepaid, to the following parties of record this 1st day of March 2002.



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