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June 8, 2009

Via Electronic and US Mail

Public Utility Commission
Attn: Filing Center
550 Capitol St. NE #215
P.O. Box 2148
Salem OR 97308-2148

Re: Request to Open an Investigation into Interconnection of PURPA Qualifying
Facilities with a Nameplate Capacity Larger than 10 Megawatts to a Public
Utility's Transmission or Distribution System
Docket No. UM 1401

Dear Filing Center:

Enclosed please find an original of the Opening Comments on behalf of the
Industrial Customers of Northwest Utilities in the above-referenced docket.

Thank you for your assistance.

Sincerely yours,

/s/ Brendan E. Levenick
Brendan E. Levenick

Enclosures
cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing Opening Comments of the Industrial Customers of Northwest Utilities upon the parties on the service list, shown below, by causing the same to be sent by electronic mail to all parties, as well as, deposited in the U.S. Mail, postage-prepaid, to parties which have not waived paper service.

Dated at Portland, Oregon, this 8th day of June, 2009.

/s/ Brendan E. Levenick
Brendan E. Levenick

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| <p>DEPARTMENT OF JUSTICE MICHAEL T WEIRICH JANET PREWITT REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@doj.state.or.us Janet.prewitt@doj.state.or.us</p> | <p>OREGON PUBLIC UTILITY COMMISSION ED DURRENBERGER PO BOX 2148 SALEM OR 97308-2148 ed.durrenberger@state.or.us</p> |
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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1401

| | | |
|---|---|-------------------------|
| In the Matter of |) | |
| |) | |
| PUBLIC UTILITY COMMISSION OF |) | OPENING COMMENTS OF THE |
| OREGON |) | INDUSTRIAL CUSTOMERS OF |
| |) | NORTHWEST UTILITIES |
| Staff Investigation into Interconnection of |) | |
| PURPA Qualifying Facilities with Nameplate |) | |
| Capacity Larger than 10 Megawatts to a |) | |
| Public Utility's Transmission or Distribution |) | |
| <u>System</u> |) | |

I. INTRODUCTION

The Industrial Customers of Northwest Utilities (“ICNU”) submit the following comments regarding the Proposed Large Generator Interconnection Procedures (“Proposed LGIP”) and Large Generator Interconnection Agreement (“Proposed LGIA”) (collectively “Proposed Agreements”), submitted by Pacific Power (“PacifiCorp”), Portland General Electric Company (“PGE”) and Idaho Power Company (“Idaho Power”) (collectively “the Utilities”) on March 9, 2009. The Proposed Agreements would require Qualifying Facilities (“QFs”) larger than 20 megawatts (“large QFs”) to solely fund all network upgrades without reimbursement from the utility. Further, the Proposed Agreements might be interpreted as requiring large QFs to pay unreasonable, illegal, or negligently incurred interconnection costs. ICNU proposes changes to the Proposed Agreements which would allow large QFs to recover the cost of network upgrades and ensure that large QFs are only required to pay reasonable interconnection costs.

II. BACKGROUND

On November 4, 2008, the Public Utility Commission of Oregon (“OPUC” or the “Commission”) opened this investigation to develop policies and procedures for the interconnection of generators qualifying as QFs under the Public Utility Regulatory Policies Act (“PURPA”). The Commission ordered the Utilities to submit redlined versions of the LGIA and LGIP used by the Federal Energy Regulatory Commission (“FERC”) (collectively “FERC Agreements”) for FERC jurisdictional interconnections. The OPUC instructed the Utilities to make changes to the FERC Agreements that the Utilities deemed necessary in the context of PURPA and to provide comments explaining those changes.

On March 5, 2009, PacifiCorp submitted redlined versions of the FERC Agreements with comments explaining the changes made. On March 9, 2009, Idaho Power and PGE submitted similar redlined versions of the FERC Agreements with comments. Pursuant to the schedule adopted by Administrative Law Judge Sarah K. Wallace on May 12, 2009, ICNU submits the following comments to the Proposed Agreements for consideration by the Commission.

III. COMMENTS

ICNU supports the use of a modified version of the FERC Agreements for large generator interconnections that are subject to the Commission’s jurisdiction. For the most part, the FERC Agreements are reasonable, well supported, and have been successfully used by both generators and utilities for interconnections subject to FERC jurisdiction. Using the FERC Agreements, with only minor modifications, will benefit both generators and utilities by ensuring

that there are uniform interconnection processes for large generators, regardless of whether the interconnection is subject to state or federal jurisdiction.

ICNU is, however, concerned with the Utilities' deletion of Article 11.4 from the FERC LGIA, which allows QFs to recover the cost of network upgrades from the utility. The Utilities defend this deletion by asserting that, under PURPA, the utility and its customers must remain indifferent to QF power. PacifiCorp Comments at 2; PGE Comments at 2; Idaho Power Comments at 2. As discussed below, because network upgrades benefit all interconnection customers and the utility, allowing large QFs to recover the cost of network upgrades does not undermine this PURPA directive.

Moreover, to ensure that the utility and its customers remain indifferent to QF power, ICNU proposes a direct payment mechanism, under which large QFs would recover the cost of network upgrades without affecting avoided cost rates. Specifically, the Commission should allow large QFs to recover the cost of network upgrades from the utility through either: 1) direct payments made on a levelized basis over the five-year period commencing on the commercial operation date of the QF; or 2) any alternative payment schedule that is mutually agreeable to the large QF and the participating utility and does not affect avoided cost rates.

In addition, certain provisions in the LGIA might be interpreted as requiring interconnection customers to pay unreasonable, negligently incurred, or illegal interconnection costs. Specifically, Article 11.2 of the LGIA declares that the:

Transmission Provider or Transmission Owner shall design, procure, construct, install, own and/or control the Transmission Provider's Interconnection Facilities described in Appendix A, Interconnection Facilities, Network Upgrades and Distribution

Upgrades, *at the sole expense of the Interconnection Customer.*
(emphasis added).

This provision might be interpreted as requiring the interconnecting QF to pay all costs associated with the utility's design and construction of its own facilities, regardless of whether those costs are reasonable, legal, or were incurred through the negligent acts of the utility.^{1/} Such an interpretation would be inconsistent with other provisions of the Proposed Agreements and would contravene Oregon law. Further, various parties in this proceeding (including the Utilities) have acknowledged the need to protect interconnection customers from unreasonable, illegal, and negligently incurred interconnection costs. Accordingly, ICNU urges the Commission to either: 1) insert an express reasonableness standard into Article 11 of the Proposed LGIA; or 2) clarify that the "good utility practice" requirement mentioned throughout the Proposed Agreements imposes a duty on the utility to charge only reasonable interconnection costs.

A. Refunding Large QFs the Cost of Network Upgrades Does Not Undermine the PURPA Directive that the Utility and its Customers Remain Indifferent to QF Power

Under PURPA, utilities and their customers are required to remain indifferent to QF power, and allowing large QFs to recover the cost of network upgrades would not undermine this PURPA directive. Specifically, if large QFs were forced to sponsor network upgrades without reimbursement, the utility would receive a potential windfall every time a large QF sought interconnection. This windfall would put the utility and its customers in a *better* position

^{1/} Articles 11.1 and 11.3 of the Proposed LGIA, which require the interconnection customer to solely fund *all* interconnection facilities and pay *all costs* related to distribution upgrades, might also be interpreted as requiring large QFs to pay unreasonable, illegal, or negligently incurred costs.

than they would have occupied but-for the interconnection of the large QF. Hence, the only way for the utility and its customers to truly remain *indifferent* to QF power is to allow large QFs to fully recover the cost of network upgrades from the utility and for the utility to spread the cost among all benefited customers.

Further, the Utilities argue that PURPA mandates that interconnection costs remain separate from any payments made by the utility to the QF for power sold at the avoided cost rate. PacifiCorp Comments at 3; PGE Comments at 5; Idaho Power Comments at 5. The requirement that interconnection costs remain separate from power costs ensures that, although the utility and its customers are indifferent to QF *power*, they are not indifferent to the benefits associated with network upgrades sponsored by QFs. Accordingly, the Commission should adopt a provision allowing large QFs to recover the cost of network upgrades through a direct payment mechanism that remains entirely separate from the avoided cost rates.

1. Network Upgrades Provide Direct Benefits to the Utility and Its Customers

The definition of “network upgrades” contained in Article 1 of the Proposed LGIA was originally developed by FERC for the FERC Agreements:

Network Upgrades shall mean the additions, modifications, and upgrades to the Transmission Provider’s Transmission System required at or beyond the point at which the Interconnection Facilities connect to the Transmission Provider’s Transmission System

By using the language “at or beyond” the point where the interconnection facilities connect to the utility’s system, FERC distinguished between upgrades that take place on the utility’s side of the transmission system, and upgrades that take place on the customer’s side. Similarly, PacifiCorp’s Open Access Transmission Tariff (“OATT”) defines network upgrades as:

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System *for the general benefit of all users* of such Transmission System.

PacifiCorp Response to ICNU Data Request 3.2 (emphasis added).^{2/} In formulating these definitions, FERC operated under the assumption that “[m]ost improvements to the Transmission System, including Network Upgrades, *benefit all transmission customers*” and that “it is just and reasonable for the Interconnection Customer to pay for Interconnection Facilities but not for Network Upgrades.” Standardization of Generator Interconnection Agreements and Procedures, Docket No. RM02-1-000, Order No. 2003 at 8 (Jul. 24, 2003 (emphasis added). Thus, FERC intended to define “network upgrades” so as to include only those upgrades that benefit other transmission customers and the utility.

Further, in upholding the FERC Agreements, the Federal Circuit noted that “if a customer can be said to have caused the addition of a grid facility, the addition represents a *system* expansion used by and benefitting *all* users due to the integrated nature of the grid.” Nat’l Ass’n of Regulatory Comm’rs v. FERC, 475 F.3d 1277, 1285 (2007) (emphasis in original). The Federal Circuit rejected the utilities’ challenge to “the empirical conclusion that Network Upgrades benefit the entire network” (finding their arguments “unsupported” and “insufficient”) and affirmed FERC’s “long-held understanding that Network Upgrades provide system-wide benefits.” Id. In sum, FERC precedent and the accompanying federal case law recognize the fact that network upgrades provide direct benefits to the utility and its customers.

^{2/} All Data Responses from all parties to ICNU that are referenced to in these comments are included as Attachment A.

This Commission should not adopt a standard for cost recovery of network upgrades that is inconsistent with the FERC standard, which is in effect across the entire country.

2. The Commission Should Adopt a Provision Allowing QFs to Recover the Cost of Network Upgrades through Direct Payments that Do Not Affect Avoided Cost Rates

ICNU acknowledges that Article 11.4 of the FERC LGIA does not provide a workable mechanism for large QFs to recover the cost of network upgrades. ICNU, however, urges the Commission to adopt an alternative mechanism, modeled after the California Large Generator Interconnection Agreement (“California LGIA”), under which large QFs would recover the cost of network upgrades through direct payments that do not require the utility to adjust its avoided cost rates. Under Article 11.4.1 of the California LGIA, the interconnection customer is entitled to recover the cost of all network upgrades either through:

- (1) direct payments made on a levelized basis over the five-year period commencing on the Commercial Operation Date; or
- (2) any alternative payment schedule that is mutually agreeable to the Interconnection Customer and Participating [transmission operator], provided that such amount is paid within five (5) years from the Commercial Operation Date.

These payments include interest calculated using the methodology set forth in FERC’s regulations at 18 C.F.R. § 35.19a(a)(2) from the date of any payment for Network Upgrades through the date on which the Interconnection Customer is reimbursed for that payment. In effect, the utility would be required to make direct payments to the interconnecting QF, and those payments would remain separate from the QF’s avoided cost rate schedule. The cost of network upgrades would be paid for by all benefited customers. ICNU proposes this approach because it would require large QFs to initially pay for all reasonable interconnection

costs, but would allow large QFs to recover the cost of network upgrades in a manner that maintains the PURPA directive that the utility and its customers remain indifferent to QF power.

B. Large QFs Are Often Required to Sponsor Major Network Upgrades that Would Be Recoverable by Customers Operating Under the FERC Agreements

In response to ICNU data requests, the Utilities have provided data establishing that many interconnection customers (both QF and non-QF) are required to sponsor substantial network upgrades. The data also illustrates that all non-QFs operating under the FERC Agreements are permitted to recover the full cost of network upgrades. Because the Proposed Agreements would prevent large QFs from recovering the cost of network upgrades, they unjustifiably discriminate against large QFs by requiring them to pay higher interconnection costs than other non-QF generators. This discrimination would undermine the goals of PURPA. In particular, the FERC's PURPA regulations specifically require state regulatory authorities to assess interconnection costs to QFs "on a nondiscriminatory basis with respect to other customers with similar load characteristics." 18 CFR § 292.306(a).

In the years 2000-2008, PacifiCorp required its customers operating under the FERC Agreements to sponsor over \$5.5 million for network upgrades. PacifiCorp Response to ICNU Data Request 3.3. PacifiCorp has acknowledged that its non-QF customers operating under the FERC Agreements will recover the *full* cost of those network upgrades. PacifiCorp Responses to ICNU Data Requests 3.6, 3.9. Similarly, Idaho Power has refunded over \$1.5 million to non-QF customers selling power under the FERC Agreements as of March 31, 2009. Idaho Power Response to ICNU Data Request 3.9. Finally, PGE has refunded over \$300,000 for the cost of network upgrades to non-QF interconnection customers. PGE Response to ICNU

Data Request 005. Thus, the Utilities admit that they regularly refund substantial costs to non-QF customers operating under the FERC Agreements to cover the cost of network upgrades.

In its Comments, PacifiCorp asserts that, unlike other interconnection customers, large QFs will rarely be required to sponsor network upgrades that provide direct benefits to other customers. PacifiCorp Comments at 7. Although Idaho Power appears to acknowledge that large QFs might be required to sponsor network upgrades that provide direct benefits to the utility and its customers, Idaho Power, nonetheless, concludes that large QFs should pay all network upgrade costs. Idaho Power Comments at 9-10. There is no testimony or evidentiary hearing in this proceeding, and these comments are merely unsupported assertions that are inconsistent with FERC's conclusions.

For example, between the years 2007-08, PacifiCorp required its customers operating as QFs to sponsor over \$7.5 million for network upgrades. PacifiCorp Response to ICNU Data Request 3.3. Unlike PacifiCorp's non-QF customers operating under the FERC Agreements, these QFs would not be permitted to recover the cost of these network upgrades. The overall cost of interconnection would be much higher for QFs operating under the Proposed Agreements than for other types of generators operating under the FERC Agreements. These higher interconnection costs might discourage certain generators from seeking QF status and, consequently, encourage them to operate as large generators, cogenerators, or independent power producers. This could impede the development of QFs in Oregon and violate Oregon law. See ORS § 758.515 (noting that it is the policy of the state of Oregon to increase the marketability of QF power). Consequently, the Commission should adopt ICNU's proposed change, which

allows large QFs to recover the cost of network upgrades and ensures that large QFs are not required to pay higher interconnection costs than other types of generators.

C. Consistency Requires the Insertion of an Express Reasonableness Standard into Article 11 of the Proposed LGIA, or Alternatively, Clarification that Imposition of Unreasonable Interconnection Costs would not Amount to “Good Utility Practice”

Certain provisions in Article 11 of the Proposed LGIA might be interpreted as requiring large QFs to pay unreasonable, illegal, or negligently incurred interconnection costs. If interpreted in this manner, Article 11 of the Proposed LGIA would be inconsistent with other provisions of the Proposed Agreements and would violate Oregon law. This inconsistency might lead to confusion and future litigation.

The Proposed Agreements could be read to impose a general reasonableness standard upon utility interconnections. For example, Article 5.11 of the Proposed LGIA requires utilities to design and construct their interconnection facilities “in accordance with Good Utility Practice.” Good Utility Practice is defined as imposing a duty on the utility to “accomplish the desired result at a reasonable cost.” Proposed LGIA at Article 1. Hence, Article 5.11 of the Proposed LGIA contains a reasonableness standard prohibiting utilities from imposing unreasonable interconnection costs associated with designing and constructing their interconnection facilities. This “Good Utility Practice” requirement is also referenced in Articles 4.3, 5.2, 5.9, 5.10, 5.11, 5.16, 5.19, 6.2, and 9.7 of the Proposed LGIA and Sections 36, 39.2, and 43.2 of the Proposed LGIP. Additionally, other provisions of the Proposed Agreements contain an express reasonableness standard. For example, Article 10.5 of the Proposed LGIA (allocating maintenance costs) declares that the: “[i]nterconnection customer shall be responsible for all reasonable expenses including overheads, associated with . . . operation, maintenance, repair and

replacement of Transmission Provider’s Interconnection Facilities.” Likewise, Article 18.1.3 of the Proposed LGIA states that the customer and the utility are required to indemnify each other from claims brought by third parties, but are only required to pay the “reasonable expenses of the Indemnified Person.”

Article 11 of the Proposed LGIA, however, contains no explicit language requiring “Good Utility Practice” or imposing a duty on the utility to charge only reasonable interconnection costs. Thus, to avoid confusion and future litigation, the Commission should insert an express reasonableness standard into Article 11 of the Proposed LGIA. In the alternative, the Commission should clarify that the imposition of unreasonable interconnection costs would not amount to “Good Utility Practice.”

1. Protecting Large QFs from Unreasonable, Illegal and Negligently Incurred Interconnection Costs Furthers Public Policy and Avoids Potential Inconsistencies between the Proposed Agreements and Oregon Law

If interpreted as requiring large QFs to solely fund all interconnection costs, regardless of whether they are reasonable, legal, or were negligently incurred, the Proposed Agreements would deprive large QFs of protection against the negligent acts of the utility in the context of interconnection costs. Interconnection customers reasonably rely on utility interconnection cost and timing estimates in making future commitments. The Proposed Agreements may allow for utilities to ignore such agreements and recover negligently incurred costs, greatly exceeding the price in the contract. Further, if interpreted in this manner, the Proposed Agreements contradict Oregon law because they would prevent large QFs from

recovering damages from utilities for violations of Oregon utility law and would grant utilities immunity from gross negligence or illegal conduct in the context of interconnection costs.^{3/}

2. All Parties Recognize the Need to Protect Interconnection Customers from Unreasonable, Illegal, or Negligently Incurred Interconnection Costs

The Utilities previously acknowledged the need to protect customers from unreasonable interconnection costs in their Comments to Proposed OAR § 860-082-0035(3), in OPUC Docket AR 521. Under the plain language of OAR § 860-092-0035(3), interconnection customers are required to pay *all* interconnection costs, regardless of whether they are reasonable. In their final Comments to this Proposed Rule, Idaho Power and PacifiCorp “agree[d] that it is appropriate to include a reasonableness standard in the rule” and “suggest[ed] that the word ‘reasonable’ be inserted.” Idaho Power’s and PacifiCorp’s Joint-Comments in AR 521 at 2. Further, PGE commented that it was “willing to insert the word ‘reasonable’ in the cost recovery provisions for ‘interconnection facilities’ and ‘system upgrades’ [contained in Proposed OAR § 860-083-0035(2)].” PGE’s Comments in AR 521 at 4.

Additionally, in their Comments to the Proposed Agreements, the Utilities cite OAR § 860-029-0060 for the proposition that Oregon law requires the interconnection customer to pay all interconnection costs. PGE’s Comments at 4-5; PacifiCorp’s Comments at 4-5; Idaho Power’s Comments at 5-6. OAR § 860-029-0060(1), however, expressly requires the customer to pay *only* those interconnection costs “which may *reasonably* be incurred by the public utility.” (emphasis added). Thus, the Utilities appear to acknowledge that current Oregon law requires

^{3/} ICNU addressed these issues in its Comments to Proposed OAR § 860-082-0035, regulating small generator interconnections. ICNU Comments in Docket AR 521 at 6-9. Those Comments contain a more detailed discussion of the relevant authority and are incorporated herein by reference.

interconnection customers to pay only reasonable interconnection costs. Accordingly, the parties in this proceeding must acknowledge the need to protect interconnection customers from unreasonable interconnection costs.

IV. CONCLUSION

For the foregoing reasons, ICNU encourages the Commission to insert a provision into the Proposed Agreements allowing large QFs to recover the cost of network upgrades from the utility through either: 1) direct payments made on a levelized basis over the five-year period commencing on the commercial operation date; or 2) any alternative payment schedule that is mutually agreeable to the large QF and the participating utility and does not affect avoided cost rates. ICNU proposes this mechanism because it would require large QFs to initially pay for all reasonable interconnection costs, but would allow large QFs to recover the cost of network upgrades in a manner that maintains the PURPA directive that the utility and its customers remain indifferent to QF power.

In addition, ICNU urges the Commission to protect large QFs from unreasonable, illegal, and negligently incurred interconnection costs by either: 1) inserting an express reasonableness standard into Article 11 of the Proposed LGIA; or 2) clarifying that the “Good Utility Practice” requirement mentioned throughout the Proposed Agreements imposes a duty on the utility to charge only reasonable interconnection costs. ICNU appreciates the opportunity to comment on this important rule and appreciates the Commission’s consideration of its comments.

Dated this 8th day of June, 2008.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Irion A. Sanger

S. Bradley Van Cleve

Irion Sanger

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Of Attorneys for Industrial Customers
of Northwest Utilities

Attachment A

UM-1401 / PacifiCorp
April 28, 2009
ICNU Data request 3.2

ICNU Data Request 3.2

Please identify whether FERC or any other regulatory body has defined and/or utilizes the terms Type 3 network upgrades and Type 4 upgrades. If so, please provide the definitions or appropriate references.

Response to ICNU Data Request 3.2

Neither FERC nor any other regulatory body uses the terms. The terms were meant to differentiate different types of network upgrades. Network upgrades are defined by PacifiCorp's Open Access Transmission Tariff (OATT) as follows:

- **1.27 Network Upgrades:**

Modifications or additions to transmission-related facilities that are integrated with and support the Transmission Provider's overall Transmission System for the general benefit of all users of such Transmission System.

UM-1401 / PacifiCorp
April 28, 2009
ICNU Data request 3.3

ICNU Data Request 3.3

Please identify the total and annual cash contributions in aid of construction to cover the costs of network upgrades caused by the interconnection of a non-utility generator.

Response to ICNU Data Request 3.3

Please refer to Attachment ICNU 3.3, which provides total cash contributions in aid of construction by year since 2000.

Generator Interconnection Queue List - In Service

| Q# | Request Date | Project | DGI/SGI/ LGI | Type | Output MW | Location | In Service Date | Generation Type | Costs | | |
|------|--------------|---------------------------|-----------------|------|--------------|----------|--------------------|--------------------------------|---|----------------------------|-------------|
| | | | | | | | | | Trans Provider Interconnection Facilities | Network Upgrades Type 3 | Type 4 |
| 1 | 9/1/2000 | Vansycle Wind (StateLine) | LGI | FERC | 210 | WA | 6/1/2001 | Wind Turbine | \$225,070 | \$0 | \$0 |
| 2 | 1/19/2001 | Rock Springs | SGI | QF | 11 | WY | 2/1/2002 | Steam Turbine | \$26,085 | N/A | \$0 |
| 3 | 1/23/2001 | West Valley | LGI | FERC | 200 | UT | 9/1/2001 | Combustion Turbine | \$1,003,741 | \$0 | \$0 |
| 4 | 1/31/2001 | Wah Chang Generator | DGI | FERC | 14 | OR | 6/1/2001 | Reciprocating Steam Turbine | \$207,814 | \$0 | \$0 |
| 5 | 2/16/2001 | Roseburg Forest Products | SGI | FERC | 20 | OR | | Steam Turbine | \$27,483 | \$0 | \$0 |
| 6 | 2/20/2001 | Klamath Expansion | LGI | FERC | 100 | OR | 9/1/2003 | Combustion Turbine | could not find | | |
| 7 | 3/7/2001 | Rock River I | DGI | FERC | 50 | WY | 8/1/2001 | Wind Turbine | could not find | | |
| 8 | 3/8/2001 | Shute Creek Cogen | LGI | FERC | 110 | WY | 10/1/2004 | Combustion Turbine | \$360,847 | \$0 | \$0 |
| 12 | 8/27/2001 | Uinta County Wind Farm | LGI | FERC | 146 | WY | 12/26/2003 | Wind Turbine | \$0 | \$2,368,599 | \$0 |
| 17 | 8/14/2002 | Combine Hills Wind Farm | LGI | FERC | 41 | OR | 12/22/2003 | Wind Turbine | \$520,487 | \$236,908 | \$0 |
| 18 | 10/21/2002 | Northwest Substation | LGI | QF | 25 | UT | 9/15/2004 | Combustion Turbine | \$344,350 | N/A | \$0 |
| 29-A | 9/18/2003 | Wolverine Creek Wind Farm | LGI | FERC | 64.5 | ID | 12/31/2005 | Wind Turbine | \$335,369 | \$1,795,499 | \$0 |
| 39 | 3/9/2004 | Tieton Hydro | SGI | FERC | 13.6 | WA | 9/6/2006 | Hydro | \$1,248,608 | \$1,382,245 | \$0 |
| 56 | 6/30/2005 | Evergreen BioPower | SGI | QF | 10 | OR | 11/1/2007 | Steam Turbine | \$360,000 | \$385,056 | \$0 |
| 73 | 3/27/2006 | Spanish Fork 2 | SGI | QF | 18.9 | UT | 10/15/2007 | Wind Turbine | \$171,143 | \$338,166 | \$0 |
| 90 | 6/22/2006 | Mountain Wind | LGI | QF | 60 | WY | 12/31/2007 | Wind Turbine | \$1,002,350 | \$4,000,000 | \$167,752 |
| 96 | 10/9/2006 | Mountain Wind II | LGI | QF | 79.5 | WY | 7/1/2008 | Wind Turbine | \$69,624 | \$0 | \$3,033,421 |
| 151 | 7/16/2007 | Biomass One Expansion | LGI | QF | 30 | OR | 9/10/2008 | Steam Turbine | \$499,981 | \$0 | See Note 3 |
| | | | | | | | | | \$6,402,952 | \$10,506,473 | \$3,201,173 |

- Notes:
- 1) N/A means not available
 - 2) For projects earlier than Q29A, a breakout of costs that would allow reporting of network upgrades is not readily available
 - 3) While both Q90 and Q96 are QFs and therefore do not receive credits for network upgrades, they did pay for Type 4 upgrades

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1

UM-1401 / PacifiCorp
April 27, 2009
ICNU Data request 3.6

ICNU Data Request 3.6

For all network upgrades identified in the previous data response, please identify the cost of which was not paid by the interconnection customer, including any instances where an interconnection customer received transmission credits or other form of reimbursement for the cost of such network upgrade.

Response to ICNU Data Request 3.6

All costs described as Transmission Provider Interconnection Facilities were directly paid by the interconnection customer and no reimbursements were received. All costs described as network upgrades associated with FERC jurisdictional interconnections were initially paid by the interconnection customer but the customer received reimbursements as transmission credits were received. In addition, all costs described as network upgrades associated with a QF were paid by the interconnection customer and not reimbursed by the transmission provider.

UM-1401 / PacifiCorp
April 28, 2009
ICNU Data request 3.9

ICNU Data Request 3.9

Please identify the total and annual amount that the utility has refunded to non-utility customers for network upgrades under the utility's large generator interconnection agreement.

Response to ICNU Data Request 3.9

Please refer to the Company's response to ICNU Data Request 3.3; specifically Attachment ICNU 3.3. Ultimately all of the network upgrade payments shown for FERC jurisdictional interconnections will be refunded to the generators.

ICNU'S DATA REQUEST NO. 3.9:

Please identify the total and annual amount that the utility has refunded to non-utility customers for network upgrades under the utility's large generator interconnection agreement.

IDAHO POWER COMPANY'S RESPONSE TO ICNU'S DATA REQUEST NO. 3.9:

The total amount refunded to non-utility customers for network upgrades under Idaho Power Company's larger generator interconnection agreement thru 03/31/09 is \$1,663,750. In 2008, \$1,408,000 was refunded and, in the first three months of 2009, \$255,750 has been refunded.

April 28, 2009

TO: Irion A. Sanger
Industrial Customers of NW Utilities

FROM: Doug Kuns
Manager, Pricing & Tariffs

**PORTLAND GENERAL ELECTRIC
UM 1401
PGE Response to ICNU Data Request
Dated April 14, 2009
Question No. 005**

Request:

Please identify the location and cost of each network upgrade installed to interconnect a non-utility generator with capacity equal to or greater than 10 megawatts (“MW”). For non-QF generators, please separately identify the cost of the Type 3 network upgrades and Type 4 network upgrades.

Response:

PGE made Type 3 Network upgrades, within PGE’s service territory, that were associated with one non-utility/non-QF generator. The Network Upgrades consisted of replacing fuses with circuit breakers in a substation and installing a special protection scheme in two other substations. The project cost associated with the generator was \$314,222.

PGE made no Type 4 upgrades.