

June 4, 2003

Dr. Burl Haar, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

**Subject: Dakota Electric Association
Comments on Technical Workgroup Final Report
Establishing Generic Standards for
Utility Tariffs for Interconnection and Operation
of Distributed Generation Facilities
Docket No. E-999/CI-01-1023**

Dear Dr. Haar:

On March 31, 2003, the Minnesota Public Utilities Commission (Commission or MPUC) issued a revised Notice of Comments schedule in the above referenced matter indicating that persons wishing to comment on the Technical Workgroup section of the final report may do so by Friday, June 6, 2003. The following are the comments of Dakota Electric Association (Dakota Electric) regarding the Technical Workgroup section of the final report in the matter of establishing generic standards for utility tariffs for interconnection and operation of distributed generation facilities in the above referenced docket.

General

Dakota Electric would like to thank everyone involved in the Technical Workgroup for providing their comments and ideas. The helpfulness of all parties and the willingness to look at all sides of each issue was excellent. This process has created one of the most complete standards of any of the states that have considered this issue. The technical standards cover all generation being interconnected with the utilities. The process of creating a one size fits all generation interconnection standard is a very difficult process. The Technical Workgroup balanced the desire to create a streamlined process and documents with the need to ensure that all of the important issues were covered for very diverse and complex generation installations. These documents will provide a standardized process for all distributed generation interconnections for the utilities in Minnesota. The foundation which has been created through this process will provide a common look and feel for each of the utilities and people wanting to interconnect distributed generation systems in Minnesota. While the Workgroup did not handle every issue with these documents, we have come a long way and now have something which we can build upon and improve as we all learn better ways for interconnecting distributed generation resources.

Comments

As an active participant in this process, Dakota Electric voices its support for these documents. Dakota Electric would like to also echo the comments in the Department of Commerce's (DOC) report about the FERC and IEEE national standards. "The FERC and IEEE standards are still in draft form and under continuing development. There will likely be additional changes that will need to be reflected in the Minnesota Standards in the future." Dakota Electric believes that it is key to set up a process to allow these Minnesota documents to be "updated" to reflect the changes in such national standards. We need to develop a process to modify the documents periodically to incorporate the lessons learned through the use of the documents and to incorporate ideas developed in other states which are undergoing this same standard development.

Dakota Electric recommends that the Commission adopt these documents and start using them as a basis for utility standards in Minnesota. While the Workgroup was not able to identify and incorporate all of the issues during the development of these standards, there is a great foundation here that will help all parties with the generation interconnection process. The lessons learned through the use of these documents and having a process established that will allow these lessons to be incorporated within the documents, over time, will provide the best set of documents.

Dakota Electric also agrees with the recommendation within the DOC report to ask the utilities to continue their joint collaboration on development of a set of further streamlined documents. This is an excellent idea and one that has been discussed among the regulated utilities and suggested by many parties.

The "Issues Not Resolved" identifies in the DOC report where the interested parties did not come to agreement. The insurance levels required by the proposed Minnesota standard are the same or less than other states that have already developed standards. Dakota Electric anticipates that once the insurance experts look at the risks involved with operating a generating resource they will be recommending higher levels of insurance than what is presently required. As the DOC report points out there is no claims history on which to base a standard, so further experience will provide us with a better foundation to set required levels. It is also important to point out that the cost of acquiring the required insurance is very low and in some cases will not require any additional expense by the generation owner.

On the issue of utility response times, the concern by a generation installer is that a utility would be unresponsive to their request for interconnection. Dakota Electric would like to support the use of the required annual report by the utilities to see which, if any, of the utilities are failing to respond in a timely manner.

Conclusion

In conclusion, Dakota Electric appreciates the opportunity to participate in the Technical Workgroup establishing generic standards for utility tariffs for interconnection and operation of distributed generation facilities. Dakota Electric urges the Commission to adopt the generic standards as reflected in the final report of the Technical Workgroup.

If you or your staff have any questions regarding these comments, you may contact Craig Turner at Dakota Electric at (651) 463-6337 or myself at (763) 755-5122.

Sincerely,

Douglas R. Larson
Vice President
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on behalf of
Dakota Electric Association
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MN0650301/jkh

STATE OF MINNESOTA

SS

COUNTY OF ANOKA

AFFIDAVIT OF SERVICE

I, Julie Hill, being first duly sworn, deposes and says:

That on the 4th day of June 2003 I served the attached Dakota Electric Association Reply to Supplemental Comments.

X by depositing in the United States Mail at the City of Blaine, a true and correct copy thereof, properly enveloped with postage prepaid

by personal service

by delivery service

by express mail

to all persons at the addresses indicated on the attached list:

Julie Hill

Subscribed and sworn to before me
this 4th day of June 2003.

Shelley J. Almeida

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