



People's Energy Cooperative

Your Touchstone Energy® Cooperative 

April 6, 2015

To: Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 7th Place East
St. Paul, MN 55101-2147

From: Elaine J Garry
People's Energy Cooperative
1775 Lake Shady Avenue South
Oronoco, MN 55960
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SUBJECT: Dispute Resolution: Docket E-132/CG-15-255

Dear Mr. Wolf:

People's Energy Cooperative is submitting additional comments in response to the Public Utilities Commission's request in the matter of a Request for Dispute Resolution; Docket E132-32/CG-15-255. The additional comments are to provide additional detail and clarity to our comments dated March 24, 2015.

It is our interpretation of State Statute §216B.164 that ongoing costs can be recovered if those costs are unique to the existence of the interconnected system, are not covered by other charges associated with their existing service where the DG system is interconnected, or are not part of a standby fee. Neither Minn. Stat. § 216B.164, nor Minn. Rules, Part 7835.3000, nor the federal Public Utilities Regulatory Policy Act (PURPA), nor the PURPA rules prohibit this \$5.00 charge. In fact, both PURPA and Minn. Stat. § 216B.164, subd. 1 acknowledge that cogeneration and small power production are to be encouraged "consistent with protection of rate payers..." The Cooperative's general ratepayers should not have to pay costs attributable to solar generation as in this instance.

Furthermore, Minn. Stat. § 216B.164, subd. 3(b) states that "the commission shall consider the fixed distribution costs to the utility not otherwise accounted for in the basic monthly charge and shall ensure that the cost charged to the qualifying facility are not discriminatory in relation to costs charged to other consumers or other customers of the utility." The \$5.00 charge is for fixed distribution costs not accounted for in the initial basic monthly charge of \$37.00. Finally, Minn. Stat. § 216B.164, subd. 8(b) provides that this section shall not be construed to "excuse the qualifying facility from any obligation for costs of interconnection and wheeling in excess of those normally incurred by the utility for customers with similar load characteristics who are not cogenerators or small power producers..." The various

additional costs identified above are interconnection costs and are in excess of those caused by Cooperative members who are not cogenerators nor small power producers. Rather, they are caused by this and similar small power production units.

People's Energy Cooperative sees distributed generation systems as an ongoing part of our operations. As with all our operations and programs, we are working to balance economical and service needs of the individual member with those of the overall membership without causing undue impact to either party. It is not our intention to discourage the installation of distributed renewable energy systems by our membership.

Please contact myself or Gary Fitterer (gfitterer@peoplesrec.com) for any questions on this response or additional questions related to the concerns raised by Mr. Miller.

Sincerely,



Elaine J Garry

President and CEO

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Attachment