BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE ADOPTION OF RULES REGARDING PURPA INTERCONNECTION	)))	DOCKET NO. RM08-002

COMMENTS OF MIDAMERICAN ENERGY COMPANY

COMES NOW, MidAmerican Energy Company ("MidAmerican"), and for its Comments regarding the Public Utility Regulatory Policies Act ("PURPA") model interconnection rules filed by the Staff of the South Dakota Public Utilities Commission ("Commission") on September 11, 2008 in this rulemaking docket, submits as follows.

Description of MidAmerican Energy Company

MidAmerican is an electric and natural gas distribution utility operating in the states of Iowa, South Dakota, Illinois and Nebraska. MidAmerican provides electric public utility service to customers located in southeastern South Dakota and will be affected by these rules, if they are adopted by the Commission.

MidAmerican participated fully in the workshops that resulted in the development of the proposed rules and appreciates the collaborative spirit of the participants. Primarily as a result of that process, it has limited concerns with the Staff proposals. Its comments address two concerns:

1. **Elimination of Requirement for Isolation Devices**
2. **Cap on Study Costs**

All Interconnected Generators should be Required to Install Separate Isolation Devices

Section 20:10:36:08 proposes to allow meter bases to serve as isolation devices for Tier 1 generators, while all other Tiers would be required to provide separate isolation devices. In the interests of safety, MidAmerican believes this rule must be revised to require all small generators to furnish isolation devices.

MidAmerican's current policy is to require a utility-accessible, lockable, visible-break isolation device (typically a disconnect switch) located between the point of interconnection and the distributed generation unit. This is a requirement regardless of generator size. MidAmerican feels this device is necessary to maintain the safety of line workers and allows quick isolation of generators without disconnecting the main service if they cause degraded power quality on MidAmerican's electric distribution system.

MidAmerican believes that the proposal to use meter bases as the isolation device for Tier 1 installations could slow down utility activities. Meter base removal would take too much time as a step in system switching if there was a high penetration of inverter-based generation on the distribution circuit.

Additional Study Costs should not be Capped

Proposed Rule 20:10:36:10(1) addresses the cost that may be charged for additional studies. The maximum engineering cost proposed is $100 per hour. MidAmerican opposes a limitation on the study cost. Engineers performing sophisticated studies will frequently have higher hourly rates. Also, other jurisdictions that have generator interconnection procedures, such as the Federal Energy Regulatory Commission ("FERC"), do not limit study costs with caps.

Although MidAmerican believes the majority of the interconnection studies can be completed in-house, some studies, particularly for larger generators, may require the expertise of

consultants. It is also possible that a high volume of requests could drive the need to hire consultants to complete the studies within the time requirements. The cost of consultants is considerably higher than the cost for MidAmerican in-house employees, with hourly costs of $200-250 being common at this time. There are limited personnel capable of conducting generation interconnection studies, which are highly specialized and technical, and require considerable expertise to accurately complete. Often, in some specialized areas such as base case development and dynamic stability studies, studies are more efficiently completed by consultants than in-house personnel because utilities simply do not have the available resources and experience to accurately and efficiently complete these types of studies. The Commission should note that FERC jurisdictional generators are required to pay the actual costs of the study, and are not subject to an artificial cap. MidAmerican believes that there is electrically no difference in the study of a generator interconnecting under the South Dakota Interconnection Procedures versus the FERC jurisdictional procedures. The relative high cost for hiring consultants reflects the high demand in the industry as well as the considerable expertise required to accurately complete these studies.

A final reason to eliminate the hourly cost cap has to do with the fact that these rules will likely be in effect for many years. Over time, because of inflation, the $100 per hour cap will become even lower on a real-cost basis. The Commission would need to periodically amend its rules to adjust the rate to keep it in line with current costs. Such unnecessary administrative action can be eliminated by removing this cap.

REQUEST TO PARTICPATE IN FURTHER PROCEEDINGS

MidAmerican respectfully requests the opportunity to participate in any public hearings or other proceedings that may be held in this docket.

WHEREFORE, MidAmerican Energy Company respectfully requests the South Dakota Public Utilities Commission give these comments due consideration as it develops final rules.

DATED this 9th day of October, 2008.

Respectfully submitted,

MIDAMERICAN ENERGY COMPANY

By:_____

Suzan M. Stewart
Managing Senior Attorney
P.O. Box 778
Sioux City, IA 51102