

Title 4—DEPARTMENT OF ECONOMIC
DEVELOPMENT
Division 240—Public Service Commission
Chapter 20—Electric Utilities

ORDER OF RULEMAKING

RECEIVED

JUN 9 2003

SECRETARY OF STATE
ADMINISTRATIVE RULES

By the authority vested in the Public Service Commission under sections 386.887, RSMo Supp. 2002, 386.250, RSMo 2000 and 536.016, RSMo 2000, the Public Service Commission adopts a rule as follows:

4 CSR 240-20.065 is adopted.

A notice of proposed rulemaking containing the text of the proposed rule was published in the *Missouri Register* on April 15, 2003 (28 MoReg 711-719). Those sections with changes are reprinted here. This proposed rule becomes effective thirty (30) days after publication in the *Code of State Regulations*.

SUMMARY OF COMMENTS: A public hearing on this proposed rule was held May 19, 2003, and the public comment period ended May 15, 2003. At the public hearing, Warren Wood, Manager of the Energy Department of the Public Service Commission of Missouri, explained the development of the proposed rule and presented the comments of Public Service Commission Staff through an exhibit that was marked Exhibit No. 1 and entered into the record. Ruth O'Neill, Assistant Public Counsel with the Office of the Public Counsel presented the Office of the Public Counsel's comments at the public hearing.

COMMENT: Mike Palmer, Vice-President, Commercial Operations, The Empire District Electric Company, on behalf of The Empire District Electric Company, endorsed the proposed rule as published and the joint collaborative process with affected parties that the Commission used in developing the proposed rule.

RESPONSE: No changes have been made to the rule as a result of this comment.

COMMENT: Victor Scott, attorney for the Association of Missouri Electric Cooperatives, on behalf of the Association, supported the proposed rule as published and the opportunity given the Association to participate in the creation of the draft of the proposed rule that was presented to the Commission.

RESPONSE: No changes have been made to the rule as a result of this comment.

COMMENT: Warren Wood, Manager, Energy Department of the Public Service Commission, requested a change to the Interconnection Application/Agreement for Net Metering Systems with Capacity of 100kW or Less that is included in the rule. He requested that the last sentence of section D (Additional Terms and Conditions) in subsection three (3) (Interconnection Costs) of the interconnection application/agreement be changed to the following: "Upon request, [Utility Name] shall provide the Customer-Generator with a not-to-exceed costs statement for interconnection with [Utility Name] based upon the plans and specifications provided by the Customer-Generator to [Utility Name]." Mr. Wood attributed this change to Anita Randolph with the Department of Natural Resources and that it be made to address the fact that the "non-binding" interconnection cost estimate provisions in the contract as proposed would result in customer-generators signing a binding contract with their retail electric supplier before knowing the full extent of potential cost for interconnection.

RESPONSE AND EXPLANATION OF CHANGE: The Public Service Commission has considered this comment and believes this to be an appropriate change to the interconnection application/agreement. This modification would provide the customer-generator with a clearer understanding of the maximum cost to install the facility before the customer-generator enters into a binding agreement. The last sentence of subsection three (3) of section D of the Interconnection Application/Agreement that is included in the rule will be changed.

COMMENT: Bill Roush, President, Heartland Solar Energy Industries Association and with Solar Electric Systems/KC, Inc. stated that this rule should be quite effective in stopping all solar, wind and fuel cell interconnections to the grid by legitimate contractors for homeowners and small business people in Missouri.

RESPONSE: Most of the proposed rule incorporates requirements established by statute. No changes have been made to the rule as a result of this comment.

COMMENT: Warren Wood, Manager, Energy Department of the Public Service Commission, related that Anita Randolph with the Department of Natural Resources noted that the proposed rule does not provide incentives for consumers to generate clean energy for their use and noted that the governing statute is restrictive in this regard.

RESPONSE: Most of the proposed rule incorporates requirements established by statute. No changes have been made to the rule as a result of this comment.

—COMMENT: Ruth O'Neill with the Office of the Public Counsel echoed the comments of Bill Roush and Anita Randolph that the rule does not provide incentives for consumers to generate clean energy for their use and that the rule is not supportive of interconnections to the grid of solar, wind and fuel cells by legitimate contractors for homeowners and small business people.

RESPONSE: Most of the proposed rule incorporates requirements established by statute. No changes have been made to the rule as a result of these comments.

COMMENT: Warren Wood, Manager, Energy Department of the Public Service Commission stated that he had contacted Mr. Roush and that Mr. Roush's comments that the rule would be quite effective in stopping all solar, wind and fuel cell interconnections to the grid by legitimate contractors for homeowners and small business people in Missouri were really directed at the statute, not the proposed rule; further, Mr. Wood related that these same concerns had been raised during the joint collaborative process that was used to create the rule as proposed.

RESPONSE: Most of the proposed rule incorporates requirements established by statute. No changes have been made to the rule as a result of this comment.

COMMENT: Michael A. Rump, Senior Attorney, Great Plains Energy Services, as attorney for Kansas City Power & Light Company recommended that, for safety, qualified personnel should be required to conduct the annual test required by section eight (8) of the rule rather than the current language, which permits the customer-generator to conduct the test.

RESPONSE: The protections that will be afforded by existing standards and practices—including those promulgated by IEEE and UL related to non-islanding equipment and NESC related to rules for the operation of electric lines, which require that employees consider electric lines to be energized unless they are positively known to be de-energized—together with the requirements in the proposed rule that a visible, lockable disconnect switch be provided and that the utility have access to the customer-generator's system for testing if they believe it is warranted provide adequate safety so that additional cost to the customer-generator of annual testing by qualified personnel is not necessary. Customer-generators will be able to conduct the test required by the proposed rule and confirm that their system is operating in the manner expected when it is disconnected from the utility interconnect. No changes have been made to the rule as a result of this comment.

COMMENT: Warren Wood, Manager, Energy Department of the Public Service Commission, stated that the issue of the qualifications of those performing the annual test referenced in section eight (8) of the rule were discussed during the joint collaborative process used to develop the proposed rule, that he believed that the participants had agreed to the language in the proposed rule as a reasonable compromise, that customer-generators will be capable of performing the test, that existing standards and practices—including those of IEEE, UL and NESC—that relate to non-islanding equipment (does not provide power back to de-energized line) and operation of electric lines (electric supply equipment and lines are considered energized, unless positively known to be de-energized) provide adequate protections, and that the retail electric power supplier will have access both to test the customer-generator's system and to a visible, lockable disconnect switch that it can use to disconnect the customer-generator's system.

RESPONSE: No changes have been made to the rule as a result of this comment.

COMMENT: Michael A. Rump, Senior Attorney, Great Plains Energy Services, as attorney for Kansas City Power & Light Company recommended that a requirement should be added to the rule that the utility is not required to connect service until the requirements and specifications of all applicable federal, state and local laws, rules and regulations have been met.

RESPONSE: The proposed rule requires that certification be provided by a qualified electrician or engineer that the installed facilities meet the requirements set out in the rule. Sufficient guidance as to what

information the customer-generator must provide to the retail electric supplier before the retail electric supplier approves the interconnection is provided in the proposed rule. Specific reference in the rule to the need for compliance with all applicable federal, state and local laws, rules and regulations and the requirement of submission of certification of compliance with all applicable federal, state and local laws, rules and regulations is unnecessary and would impose requirements beyond those indicated by the enabling statute. Furthermore, the retail electric supplier should not determine whether all other federal, state and local laws, rules and regulations have been met. No changes have been made to the rule as a result of this comment.

COMMENT: Warren Wood, Manager, Energy Department of the Public Service Commission, stated that the issue of requiring certification that the requirements of and specifications of all applicable federal, state and local laws, rules and regulations have been met before a retail electric power supplier allows interconnection was not addressed during the joint collaborative process used to develop the proposed rule, that the statute is clear as to the requirements that are to be met for interconnection and that the statutory requirements are embodied in the proposed rule. He further stated that the utility should not be making the determination of when such requirements are met, that the rule requires the customer-generator to identify who will inspect and certify the installation, that a licensed engineer or licensed electrician is to certify the system meets requirements established in Section C of the interconnection application/agreement. He also suggested that, if the Commission considers a revision on this issue, the revision should be to include an acknowledgement in the interconnection application/agreement that the customer-generator is responsible for assuring that the installation complies with all other applicable federal, state and local laws.

RESPONSE: No changes have been made to the rule as a result of this comment.

COMMENT: Michael A. Rump, Senior Attorney, Great Plains Energy Services, as attorney for Kansas City Power & Light Company stated that the cap of one hundred thousand dollars (\$100,000) of liability insurance is inadequate and recommended that the rule should be changed to require that the customer-generator carry "adequate" insurance coverage.

RESPONSE: The Commission has considered the comments made by each commenter regarding the appropriate level of liability insurance coverage as well as the testimony and other evidence at the hearing about the proposed minimum liability insurance coverage level of one hundred thousand dollars (\$100,000), including statements made regarding how the topic was addressed during the joint collaborative process that preceded the proposed rule. The proposed rule includes stringent safety requirements. Warren Wood, Manager, Energy Department of the Public Service Commission, stated that thousands of these systems are currently in use and that he had made inquiry and raised the issue during the joint collaborative process with affected parties that preceded publication of the proposed rule, and that the Commission's Staff was aware of no injuries or fatalities in incidents of failure of this equipment to isolate. Mr. Wood also stated that Public Service Commission Staff's review of other states' provisions showed that a requirement for one hundred thousand dollars (\$100,000) of liability insurance is not an uncommon level for these types of installations. The rule does not prevent customer-generators from purchasing additional insurance. No changes have been made to the rule as a result of this comment.

COMMENT: David Hennen, Associate General Counsel, Ameren Services Company, as attorney for Union Electric Company d/b/a AmerenUE, suggested that the insurance obligation is too low and should be increased to two hundred-fifty thousand dollars (\$250,000).

RESPONSE: The Commission has considered the comments made by each commenter regarding the appropriate level of liability insurance coverage as well as the testimony and other evidence at the hearing about the proposed minimum liability insurance coverage level of one hundred thousand dollars (\$100,000), including statements made regarding how the topic was addressed during the joint collaborative process that preceded the proposed rule. The proposed rule includes stringent safety requirements. Warren Wood, Manager, Energy Department of the Public Service Commission stated that thousands of these systems are currently in use and that it had made inquiry and raised the issue during the joint collaborative process with affected parties that preceded publication of the proposed rule, and that the Commission's Staff was aware of no injuries or fatalities in incidents of failure of this equipment to isolate. Mr. Wood also stated that Public Service Commission Staff's review of other states' provisions showed that a requirement for one hundred thousand dollars (\$100,000) of liability insurance is not an uncommon level for these types of installations. The rule does not prevent customer-generators from purchasing additional insurance. No changes have been made to the rule as a result of this comment.

COMMENT: Warren Wood, Manager, Energy Department of the Public Service Commission, related that Anita Randolph with the Department of Natural Resources stated that customer-generators should be not be required to carry additional liability insurance in excess of a normal homeowner's policy and that the current provisions in the rule and contract would stifle development of indigenous renewable energy resources and the use of net metering and utility interconnection.

RESPONSE: The Commission has considered the comments made by each commenter regarding the appropriate level of liability insurance coverage as well as the testimony and other evidence at the hearing about the proposed minimum liability insurance coverage level of one hundred thousand dollars (\$100,000), including statements made regarding how the topic was addressed during the joint collaborative process that preceded the proposed rule. The proposed rule includes stringent safety requirements. Warren Wood, Manager, Energy Department of the Public Service Commission stated that thousands of these systems are currently in use and that it had made inquiry and raised the issue during the joint collaborative process with affected parties that preceded publication of the proposed rule, and that the Commission's Staff was aware of no injuries or fatalities in incidents of failure of this equipment to isolate. Mr. Wood also stated that Public Service Commission Staff's review of other states' provisions showed that a requirement for one hundred thousand dollars (\$100,000) of liability insurance is not an uncommon level for these types of installations. The rule does not prevent customer-generators from purchasing additional insurance. No changes have been made to the rule as a result of this comment.

COMMENT: Ruth O'Neill with the Office of the Public Counsel expressed concern that the insurance level is set too high. Ms. O'Neill also noted that there is insufficient evidence of risk to require a minimum of one hundred thousand dollars (\$100,000) of liability insurance and suggested that the amount of insurance required should be less than one hundred thousand dollars (\$100,000).

RESPONSE: The Commission has considered the comments made by each commenter regarding the appropriate level of liability insurance coverage as well as the testimony and other evidence at the hearing about the proposed minimum liability insurance coverage level of one hundred thousand dollars (\$100,000), including statements made regarding how the topic was addressed during the joint collaborative process that preceded the proposed rule. The proposed rule includes stringent safety requirements. Warren Wood, Manager, Energy Department of the Public Service Commission stated that thousands of these systems are currently in use and that it had made inquiry and raised the issue during the joint collaborative process with affected parties that preceded publication of the proposed rule, and that the Commission's Staff was aware of no injuries or fatalities in incidents of failure of this equipment to isolate. Mr. Wood also stated that Public Service Commission Staff's review of other states' provisions showed that a requirement for one hundred thousand dollars (\$100,000) of liability insurance is not an uncommon level for these types of installations. The rule does not prevent customer-generators from purchasing additional insurance. No changes have been made to the rule as a result of this comment.

COMMENT: Warren Wood, Manager, Energy Department of the Public Service Commission, stated that the issue of the appropriate level of liability insurance coverage was discussed extensively during the joint collaborative process used to develop the proposed rule. He stated that the level of one hundred thousand dollars (\$100,000) in coverage was chosen as a reasonable settlement of differing views. He noted that the proposed rule includes stringent safety requirements. He further related that thousands of these systems are currently in use, that he had made inquiry and raised the issue during the joint collaborative process with affected parties that preceded publication of the proposed rule, and that the Commission's Staff was aware of no injuries or fatalities in incidents of failure of this equipment to isolate. He stated that Commission Staff's review of other states' provisions showed that a requirement for one hundred thousand dollars (\$100,000) of liability insurance is not an uncommon level for these types of installations. He noted that the rule does not prevent customer-generators from purchasing additional insurance.

RESPONSE: No changes have been made to the rule as a result of this comment.

COMMENT Michael A. Rump, Senior Attorney, Great Plains Energy Services, as attorney for Kansas City Power & Light Company suggested that, to enhance the intent, the word "acceptance" should be substituted for the word "approval" where it occurs in section G of the interconnection application/agreement.

RESPONSE: The last sentence of 386.887.9 states, "If the application for interconnection is **approved** by the retail electric supplier, the retail electric supplier shall complete the interconnection within 15 days if electric

service already exists to the premises, unless a later date is mutually agreeable to both the customer-generator and the retail electric supplier” (emphasis added). The Commission believes that the use of the word “approval” is reasonable and consistent with the language in the statute. No changes have been made to the rule as a result of this comment.

COMMENT: Warren Wood, Manager, Energy Department of the Public Service Commission, stated that the use of the word “approval” in section G of the interconnection application/agreement was briefly discussed during the joint collaborative process and that it was the Commission Staff’s understanding that the parties had accepted the use of the word “approval.” He noted that the statute authorizing the rule uses in section 386.887.9, RSMo Supp. 2002, the word “approved” as follows: “If the application for interconnection is approved by the retail electric supplier, . . .”

RESPONSE: No changes have been made to the rule as a result of this comment.

4 CSR 240-20.065 Net Metering

INTERCONNECTION APPLICATION/AGREEMENT FOR NET METERING SYSTEMS WITH CAPACITY OF 100 kW OR LESS

For Customers Applying for Interconnection:

If you are interested in applying for interconnection to [Utility Name]’s electrical system, you should first contact [Utility Name] and ask for information related to interconnection of parallel generation equipment to [Utility Name]’s system and you should understand this information before proceeding with this Application. If you wish to apply for interconnection to [Utility Name]’s electrical system, please complete sections A, B, C, and D, and attach the plans and specifications describing the net metering, parallel generation, and interconnection facilities (hereinafter collectively referred to as the “Customer-Generator’s System”) and submit them to [Utility Name] at:

[Utility Mailing Address]

You will be provided with an approval or denial of this Application within ninety (90) days of receipt by [Utility Name]. If this Application is denied, you will be provided with the reason(s) for the denial. If this Application is approved and signed by both you and [Utility Name], it shall become a binding contract and shall govern your relationship with [Utility Name].

For Customers Who Have Received Approval of Customer-Generator System Plans and Specifications:

After receiving approval of your Application, it will be necessary to construct the Customer-Generator System in compliance with the plans and specifications described in the Application, complete sections E and F of this Application, and forward this Application to [Utility Name] for review and completion of section G at:

[Utility Mailing Address]

[Utility Name] will complete the utility portion of section G and, upon receipt of a completed Application/Agreement form and payment of any applicable fees, permit interconnection of the Customer-Generator System to [Utility Name]’s electrical system within fifteen (15) days of receipt by [Utility Name] if electric service already exists to the

premises, unless the Customer-Generator and [Utility Name] agree to a later date. Similarly, upon receipt of a completed Application/Agreement form and payment of any applicable fees, if electric service does not exist to the premises, [Utility Name] will permit interconnection of the Customer-Generator System to [Utility Name]'s electrical system no later than fifteen (15) days after service is established to the premises, unless the Customer-Generator and [Utility Name] agree to a later date.

**For Customers Who Are Assuming Ownership or Operational
Control of an Existing Customer-Generator System:**

If no changes are being made to the existing Customer-Generator System, complete sections A, D and F of this Application/Agreement and forward to [Utility Name] at:

[Utility Mailing Address]

[Utility Name] will review the new Application/Agreement and shall approve such, within fifteen (15) days of receipt by [Utility Name] if the new Customer-Generator has satisfactorily completed Application/Agreement, and no changes are being proposed to the existing Customer-Generator System. There are no fees or charges for the Customer-Generator who is assuming ownership or operational control of an existing Customer-Generator System if no modifications are being proposed to that System.

A. Customer-Generator's Information

Name: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Service/Street Address (if different from above): _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Fax: _____ E-Mail: _____
Emergency Contact Phone: _____
[Utility Name] Account No. (from Utility Bill): _____

B. Customer-Generator's System Information

Manufacturer Name Plate (if applicable) AC Power Rating: ____ kW Voltage: ____ Volts
System Type: Solar __ Wind __ Biomass __ Fuel Cell __ Other (describe) _____
Service/Street Address: _____
Inverter/Interconnection Equipment Manufacturer: _____
Inverter/Interconnection Equipment Model No.: _____
Are Required System Plans & Specifications Attached? Yes__ No __
Inverter/Interconnection Equipment Location (describe): _____

Outdoor Manual/Utility Accessible & Lockable Disconnect Switch Location (describe): _____

Existing Electrical Service Capacity: _____ Amperes Voltage: _____ Volts
Service Character: Single Phase __ Three Phase __

C. Installation Information/Hardware and Installation Compliance

Person or Company Installing: _____
Contractor's License No. (if applicable): _____
Approximate Installation Date: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Daytime Phone: _____ Fax: _____ E-Mail: _____
Person or Agency Who Will Inspect/Certify Installation: _____

The Customer-Generator's proposed System hardware complies with all applicable National Electrical Safety Code (NESC), National Electric Code (NEC), Institute of Electrical and Electronics Engineers (IEEE) and Underwriters Laboratories (UL) requirements for electrical equipment and their installation. As applicable to System type, these requirements include, but are not limited to, UL 1741 and IEEE 929-2000. The proposed installation complies with all applicable local electrical codes and all reasonable safety requirements of [Utility Name]. The proposed System has a lockable, visible disconnect device, accessible at all times to [Utility Name] personnel. The System is only required to include one lockable, visible disconnect device, accessible to [Utility Name]. If the interconnection equipment is equipped with a visible, lockable, and accessible disconnect, no redundant device is needed to meet this requirement.

The Customer-Generator's proposed System has functioning controls to prevent voltage flicker, DC injection, overvoltage, undervoltage, overfrequency, underfrequency, and overcurrent, and to provide for System synchronization to [Utility Name]'s electrical system. The proposed System does have an anti-islanding function that prevents the generator from continuing to supply power when [Utility Name]'s electric system is not energized or operating normally. If the proposed System is designed to provide uninterruptible power to critical loads, either through energy storage or back-up generation, the proposed System includes a parallel blocking scheme for this backup source that prevents any backflow of power to [Utility Name]'s electrical system when the electrical system is not energized or not operating normally.

Signed (Installer): _____ Date: _____
Name (Print): _____

D. Additional Terms and Conditions

In addition to abiding by [Utility Name]'s other applicable rules and regulations, the Customer-Generator understands and agrees to the following specific terms and conditions:

1) Operation/Disconnection

If it appears to [Utility Name], at any time, in the reasonable exercise of its judgment, that operation of the Customer-Generator's System is adversely affecting safety, power quality or reliability of [Utility Name]'s electrical system, [Utility Name] may immediately disconnect and lock-out the Customer-Generator's System from [Utility Name]'s electrical system. The Customer-Generator shall permit [Utility Name]'s employees and inspectors reasonable access to inspect, test, and examine the Customer-Generator's System.

2) Liability

The Customer-Generator agrees to carry no less than \$100,000 of liability insurance that provides for coverage of all risk of liability for personal injuries (including death) and damage to property arising out of or caused by the operation of the Customer-Generator's System. Insurance may be in the form of an existing policy or an endorsement on an existing policy.

3) Interconnection Costs

The Customer-Generator shall, at the Customer-Generator's cost and expense, install, operate, maintain, repair, and inspect, and shall be fully responsible for the Customer-Generator's System. The Customer-Generator further agrees to pay or reimburse to [Utility Name] all of [Utility Name]'s Interconnection Costs. Interconnection Costs are the reasonable costs incurred by [Utility Name] for: (1) additional tests or analyses of the effects of the operation of the Customer-Generator's System on [Utility Name]'s local distribution system, (2) additional metering, and (3) any necessary controls. These Interconnection Costs must be related to the installation of the physical facilities necessary to permit interconnected operation of the Customer-Generator's System with [Utility Name]'s system and shall only include those costs, or corresponding costs, which would not have been incurred by [Utility Name] in providing service to the Customer-Generator solely as a consumer of electric energy from [Utility Name] pursuant to [Utility Name]'s standard cost of service policies in effect at the time the Customer-Generator's System is first interconnected with [Utility Name]'s system. Upon request, [Utility Name] shall provide the Customer-Generator with a not-to-exceed costs statement for interconnection with [Utility Name] based upon the plans and specifications provided by the Customer-Generator to [Utility Name].

4) Energy Pricing and Billing

Section 386.887 RSMo Supp. 2002 sets forth the valuation and billing of electric energy provided by [Utility Name] to the Customer-Generator and to [Utility Name] from Customer-Generator. The value of the electric energy delivered to the Customer-Generator shall be billed in accordance with rate schedule(s) [Utility's Applicable Rate Schedules]. The value of the electric energy delivered by the Customer-Generator to [Utility Name] shall be credited in accordance with rate schedule(s) [Utility's Applicable Rate Schedules].

5) Terms and Termination Rights

This Agreement becomes effective when signed by both the Customer-Generator and [Utility Name], and shall continue in effect until terminated. After fulfillment of any applicable initial tariff or rate schedule term, the Customer-Generator may terminate this Agreement at any time by giving [Utility Name] at least thirty (30) days prior written notice. In such event, the Customer-Generator shall, no later than the date of termination of Agreement, completely disconnect the Customer-Generator's System from parallel operation with [Utility Name]'s system. Either party may terminate this Agreement by giving the other party at least thirty (30) days prior written notice that the other party is in default of any of the terms and conditions of this Agreement, so long as the notice specifies the basis for termination, and there is an opportunity to cure the default. This Agreement may also be terminated at any time by mutual agreement of the Customer-Generator and [Utility Name]. This agreement

time required for the unit to cease to energize the output shall satisfy this test. The Customer-Generator shall maintain a record of the results of these tests and, upon request by [Utility Name], shall provide a copy of the test results to [Utility Name]. If the Customer-Generator is unable to provide a copy of the test results upon request, [Utility Name] shall notify the Customer-Generator by mail that Customer-Generator has thirty (30) days from the date the Customer-Generator receives the request to provide to [Utility Name], the results of a test. If the Customer-Generator's equipment ever fails this test, the Customer-Generator shall immediately disconnect the Customer-Generator's System from [Utility Name]'s system. If the Customer-Generator does not provide results of a test to [Utility Name] within thirty (30) days of receiving a request from [Utility Name] or the results of the test provided to [Utility Name] show that the Customer-Generator's net metering unit is not functioning correctly, [Utility Name] may immediately disconnect the Customer-Generator's System from [Utility Name]'s system. The Customer-Generator's System shall not be reconnected to [Utility Name]'s electrical system by the customer-generator until the Customer-Generator's System is repaired and operating in a normal and safe manner.

I have read, understand, and accept the provisions of Section D, subsections 1 through 8 of this Application/Agreement.

Signed (Customer-Generator): _____ Date: _____

E. Electrical Inspection

The Customer-Generator System referenced above satisfies all requirements noted in Section C.

Inspector Name (print): _____

Inspector Certification: I am a Licensed Engineer in Missouri ____ or I am a Licensed Electrician in Missouri ____ License No. _____

Signed (Inspector): _____ Date: _____

F. Customer-Generator Acknowledgement

I am aware of the Customer-Generator System installed on my premises and I have been given warranty information and/or an operational manual for that system. Also, I have been provided with a copy of [Utility Name]'s parallel generation tariff or rate schedule (as applicable) and interconnection requirements. I am familiar with the operation of the Customer-Generator System.

I agree to abide by the terms of this Application/Agreement and I agree to operate and maintain the Customer-Generator System in accordance with the manufacturer's recommended practices as well as [Utility Name]'s interconnection standards. If, at any time and for any reason, I believe that the Customer-Generator System is operating in an unusual manner that may result in any disturbances on [Utility Name]'s electrical system, I shall disconnect the Customer-Generator System and not reconnect it to [Utility Name]'s electrical system until the Customer-Generator System is operating normally after repair or inspection. Further, I agree to notify [Utility Name] no less than thirty (30) days prior to modification of the components or design of the Customer-Generator System that in any way may degrade or significantly alter that System's output characteristics. I acknowledge

may also be terminated, by approval of the Commission, if there is a change in statute that is determined to be applicable to this contract and necessitates its termination.

6) Transfer of Ownership

If operational control of the Customer-Generator's System transfers to any other party than the Customer-Generator, a new Application/Agreement must be completed by the person or persons taking over operational control of the existing Customer-Generator System. [Utility Name] shall be notified no less than thirty (30) days before the Customer-Generator anticipates transfer of operational control of the Customer-Generator's System. The person or persons taking over operational control of Customer-Generator's System must file a new Application/Agreement, and must receive authorization from [Utility Name], before the existing Customer-Generator System can remain interconnected with [Utility Name]'s electrical system. The new Application/Agreement will only need to be completed to the extent necessary to affirm that the new person or persons having operational control of the existing Customer-Generator System completely understand the provisions of this Application/Agreement and agrees to them. If no changes are being made to the Customer-Generator's System, completing sections A, D and F of this Application/Agreement will satisfy this requirement. If no changes are being proposed to the Customer-Generator System, [Utility Name] will assess no charges or fees for this transfer. [Utility Name] will review the new Application/Agreement and shall approve such, within fifteen (15) days if the new Customer-Generator has satisfactorily completed the Application/Agreement, and no changes are being proposed to the existing Customer-Generator System. [Utility Name] will then complete section G and forward a copy of the completed Application/Agreement back to the new Customer-Generator, thereby notifying the new Customer-Generator that the new Customer-Generator is authorized to operate the existing Customer-Generator System in parallel with [Utility Name]'s electrical system. If any changes are planned to be made to the existing Customer-Generator System that in any way may degrade or significantly alter that System's output characteristics, then the Customer-Generator shall submit to [Utility Name] a new Application/Agreement for the entire Customer-Generator System and all portions of the Application/Agreement must be completed.

7) Dispute Resolution

If any disagreements between the Customer-Generator and [Utility Name] arise that cannot be resolved through normal negotiations between them, the disagreements may be brought to the Missouri Public Service Commission by either party, through an informal or formal complaint. Procedures for filing and processing these complaints are described in 4 CSR 240-2.070. The complaint procedures described in 4 CSR 240-2.070 apply only to retail electric power suppliers to the extent that they are regulated by the Missouri Public Service Commission.

8) Testing Requirement

The Customer-Generator must, at least once every year, conduct a test to confirm that the Customer-Generator's net metering unit automatically ceases to energize the output (interconnection equipment output voltage goes to zero) within two (2) seconds of being disconnected from [Utility Name]'s electrical system. Disconnecting the net metering unit from [Utility Name]'s electrical system at the visible disconnect switch and measuring the

that any such modifications will require submission of a new Application/Agreement to [Utility Name].

I agree not to operate the Customer-Generator System in parallel with [Utility Name]'s electrical system until this Application/Agreement has been approved by [Utility Name].

Signed (Customer-Generator): _____ Date: _____

G. Utility Application Approval (*completed by* [Utility Name])

[Utility Name] does not, by approval of this Application/Agreement, assume any responsibility or liability for damage to property or physical injury to persons due to malfunction of the Customer-Generator's System or the Customer-Generator's negligence.


This Application is approved by [Utility Name] on this ____ day of _____ (month), _____ (year).

[Utility Name] Representative Name (print): _____

Signed [Utility Name] Representative: _____

MEMORANDUM

TO: Dale Hardy Roberts, Secretary

THROUGH: Dan Joyce 

FROM: Nathan Williams

DATE: June 3, 2003

SUBJECT: APPROVAL OF FINAL RULE 4 CSR 240-20.065 AND
AUTHORIZATION TO FILE FINAL RULE 4 CSR 240-20.065 WITH
THE OFFICE OF THE SECRETARY OF STATE

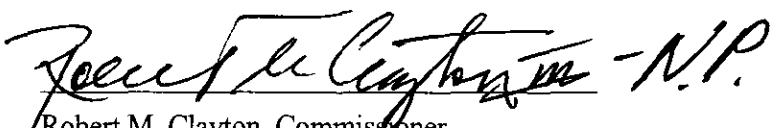
The undersigned Commissioners hereby approve final rule 4 CSR 240-20.065 and authorize the General Counsel's Office of the Missouri Public Service Commission to file the final rule packet for CSR 240-20.065 with the Office of the Secretary of State.


Kelvin Simmons, Chair


Connie Murray, Commissioner


Steve Gaw, Commissioner


Bryan Forbis, Commissioner

 - N.P.
Robert M. Clayton, Commissioner