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January 6, 2022

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
Post Office Box 30221  
Lansing, MI 48909

**RE: MPSC Case No. U-20630 – In the matter, on the Commission's own motion, to establish a workgroup to review the Technical Standards for Electric Service and to recommend potential improvements to the standards.**

Dear Ms. Felice:

Enclosed for electronic filing in the above-captioned proceeding, please find **Comments of Consumers Energy Company on Proposed Technical Standards for Electric Service.**

This is a paperless filing and is therefore being filed only in PDF.

Sincerely,



Digitally signed  
by Ian F. Burgess  
Date: 2022.01.06  
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Ian F. Burgess

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the Commission’s own motion, )  
to establish a workgroup to review the )  
Technical Standards for Electric Service and to )  
recommend potential improvements to the )  
standards. )  
\_\_\_\_\_ )

Case No. U-20630

**COMMENTS OF CONSUMERS ENERGY COMPANY**  
**ON PROPOSED TECHNICAL STANDARDS FOR ELECTRIC SERVICE**

The Michigan Public Service Commission (“MPSC” or the “Commission”) issued its Order and Notice of Hearing (“Order”) on October 26, 2021, in Case No. U-20630, regarding the adoption of revised Technical Standards for Electric Service. The Order, with the proposed rules attached, scheduled a public hearing for December 9, 2021 to allow presentations by interested persons and set a final deadline for written comments at 5:00 pm on January 6, 2022. The proposed rules modify the existing Technical Standards for Electric Service in Mich Admin Code, R. 460.3101 – 460.3804, which were last amended by the Commission in its December 20, 2018 Order in MPSC Case No. U-18043.

Stemming from the September 11, 2019 Commission Order in Case No. U-20464, which includes the final Michigan Statewide Energy Assessment and associated jurisdictional recommendations, the Commission opened the docket in Case No. U-20630 to establish workgroups, led by Staff, for the purpose of reviewing the current Technical Standards for Electric Service and to recommend potential improvements to the standards. Consumers Energy Company (“Consumers Energy” or the “Company”) participated in multiple stakeholder sessions, hosted by the MPSC Staff, between December 3, 2019 and March 12, 2020. The Company also provided

feedback in response to two draft rules sets on August 28, 2020 and November 25, 2020, in addition to other comments filed by Consumers Energy in the Case No. U-20630 docket.

The proposed rules will govern the electric services that the Company provides to its electric customers; therefore, Consumers Energy has a direct interest in this proceeding. The Company appreciates the opportunity to collaborate on revising the Technical Standards for Electric Service, and appreciates the Staff for having taken Consumers Energy's comments into consideration. The Company does not have additional comments to share at this time, but reiterates its recommendations expressed in its previous comments filed by the Company in this Case No. U-20630 docket.

Respectfully submitted,

CONSUMERS ENERGY COMPANY

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30755  
LANSING, MICHIGAN 48909

DANA NESSEL  
ATTORNEY GENERAL

January 6, 2022

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 West Saginaw Highway  
Lansing, MI 48917

Dear Ms. Felice:

**Re: MPSC Case No. U-20629, U-20630 and U-21150**

*In the matter, on the Commission's own motion, to establish a workgroup to review the service quality and reliability standards for electric distribution systems and to recommend potential improvements to the standards.*

*In the matter, on the Commission's own motion, to establish a workgroup to review the Technical Standards for Electric Service and to recommend potential improvements to the standards.*

*In the matter, on the Commission's own motion, to propose revisions to the rules governing consumer standards and billing practices of electric and natural gas utilities regulated in accordance with 1919 PA 419, as amended; 1939 PA 3, as amended; and 1965 PA 380.*

In its November 4, 2021, order in Case Nos. U-20629, U-20630, and U-21150, the Commission requested comments from interested parties regarding the proposed service quality and reliability standards, and also proposed revisions to rules governing consumer standards and billing practices of electric and natural gas utilities. The proposed service quality and reliability standards include customer bills credits when electric utilities fail to meet specified levels of performance and the provision for an incentive mechanism to encourage electric utilities to improve the level of performance of the electric distribution system.

The Attorney General (AG) is pleased to provide comments that will assist the Commission in finalizing the aforementioned standards and rules. The overriding objective of the Attorney General is that the reliability and service quality of the electric distribution system of Michigan utilities must improve from current levels and there should be an urgency to achieve significant performance improvement. In that regard, paramount in the Attorney General's comments below are the principles that standards and rules must be fair and reasonable to both customers

and utilities, and that the failure to achieve the stated standards and service quality levels has financial consequences for the utilities or cooperatives under the commission's jurisdiction.

The Attorney General's comments below pertain to those sections of the service quality and reliability standards filed with the November 4, 2021 Commission order in Case No. U-20629. Reference to utility or utilities also includes cooperatives under the commission's jurisdiction.

## PART 1: GENERAL PROVISIONS

### PART 2: UNACCEPTABLE LEVELS OF PERFORMANCE

The Attorney General does not agree with the proposed revisions to Part 1 and Part 2 of the Service Quality and Reliability Standards for Electric Distribution Systems. As expressed in her August 27, 2020 comments (attached to these comments), the creation of the gray sky conditions creates a greater restoration time for customers than the prior rules that contain just normal and catastrophic conditions. In fact, since these prior comments, it appears that the problem identified by the Attorney General has worsened in these new revised rules. In addition, no rule has been included to address the protecting customers in the event of a major disaster such as the discussed in the National Association of State Utility Consumer Advocates 2019-01 resolution. A disaster preparedness plan on how the utilities plan to respond and work with the cities, townships, police, consumer advocates, and community groups in their territories is also needed in these rules.

As to the outage credits, the Attorney General believes the amount is still not sufficient to address the cost incurred by customers following an electric outage. As expressed in her prior comments in this docket and others, the outage credits need to be automatic and the amount the credit doesn't properly take into account all the costs incurred by customers. The Attorney General provided a snapshot of costs incurred by customers as a result of the summer outages and believes that the Commission should conduct further investigation into the proper amount of the credit. The development of a disaster relief fund, as suggested by the Attorney General, would also help alleviate some of the burdens experienced by customers following a lengthy electric outage. The Commission can make an addition to Part I and create R 460.704. In R 460.704 the Commission could create the authority to create disaster preparedness plans and require utilities to file within 6 months of these rules being adopted to address such plans before the Commission.

Moreover, the standards define the unacceptable level if service is not restored or the response to a wire down is not achieved in a set number of hours for at least 90% of the affected customers or incidents. As written, the standards do not provide for a maximum acceptable service restoration time or response time for the remaining 10% of the power outages and wire-down situations. The remaining 10% is often the source of most customers complains when it takes several days or weeks

for customers to have electric service restored. The Commission should remove the gray sky condition as discussed above and create maximum acceptable service restoration times or response times. If the Commission adopts the proposed rules, then the Attorney General recommends that the Commission establish the following maximum service levels:

**R460.722(a) All weather conditions – AG Recommendation:** Maximum restoration time within 4 days (96 hours) for 100% of all customers experiencing sustained interruptions. No more than 50 exceptions above 96 hours will be acceptable within a calendar year for unusual and difficult service restoration situations.

**R460.722(b) Catastrophic conditions – AG Recommendation:** Maximum restoration time within 7 days (168 hours) for 100% of all customers experiencing sustained interruptions. No more than 100 exceptions above 168 hours will be acceptable within a calendar year for unusual and difficult service restoration situations.

**R460.722(c) Gray Sky conditions – AG Recommendation:** Maximum restoration time within 5 days (120 hours) for 100% of all customers experiencing sustained interruptions. No more than 50 exceptions above 120 hours will be acceptable within a calendar year for unusual and difficult service restoration situations.

**R460.722(d) Normal conditions – AG Recommendation:** Maximum restoration time within 3 days (72 hours) for 100% of all customers experiencing sustained interruptions. No more than 10 exceptions above 72 hours will be acceptable within a calendar year for unusual and difficult service restoration situations.

**R460.723(1) Wire Down all conditions – AG Recommendation:** Maximum response time within 240 minutes (4 hours) for 100% of all first responder wire-down notifications.

**R460.723(2) Wire Down Non-Metropolitan area – AG Recommendation:** Maximum response time within 360 minutes (6 hours) for 100% of all first responder wire-down notifications.

**R460.724(b) New Service Installation – AG Recommendation:** Maximum installation time for new service requests within 30 business days.

### PART 3: RECORDS AND REPORTS

**R460.732 Annual report contents. AG Recommendations:**

Subpart (b) through (g), should also require that the utility identify and explain all situations where service restoration and service levels exceeded the maximum acceptable level.

Subpart (i) through (l), should be revised to include the threshold hours for reporting customer credits recommended by the Attorney General in section R460.744 below.

Subpart (m), the requirement for electric utilities with 1 million or more customers to list the 10 worst performing circuits could be very limited given the hundreds of circuits operated by the large electric utilities. This requirement should be changed to the top 20% worst performing circuits.

Subpart (n), the requirement for electric utilities and cooperatives with less than 1 million customers to list the worst performing 1% of circuits could be very limited given the number of circuits operated by the large electric utilities. This requirement should be changed to the top 10% worst performing circuits.

Subpart (q), the requirement to report the number of CELID cases for indices CELID8hours, CELID24hours, and CELID48hours excludes reporting of other cases between CELID8hours and 48hours and any cases longer than 48 hours. The requirement should be changed to report cases between CELID8hours and 48 hours in 8-hour increments and also cases above 48 hours in total.

#### PART 4: FINANCIAL INCENTIVES AND CUSTOMER ACCOMMODATIONS

R 460.741 Approval of incentive and penalties by the commission.

*AG Recommendation:* This section should be revised to add penalties to be assessed to utilities if they fail to meet a threshold level of performance or repeatedly fail to achieve the minimum performance standards established in R 460.722, R 460.723, R 460.724, and R 460.151(2)(a) and (b). It is critical to create an incentive and penalty mechanism that is symmetrical. In the approved customer rates, electric utilities recover the cost to operate and maintain distribution facilities, including repair costs, in order for the utilities to provide the level of service defined in the aforementioned standards. Furthermore, electric utilities recover the cost of capital investments, including a return on those investments. If some or all of the service and the reliability standards are not met repeatedly year after year, customers are not receiving the expected value for costs paid and included in rates.

Therefore, it is necessary for customers to recover the lost value in future years in the form of penalties imposed on the utilities by the commission. Similarly, if utilities achieve performance levels that exceed the stated performance levels or tied to national average reliability performance standards, they should be rewarded with incentive payments. Furthermore, it is necessary to begin a performance incentive and penalty mechanism with some urgency given the under-performance of Michigan electric utilities relative to other electric utilities in the U.S. [CUB Utility Performance Report, 2020 Edition (CUB Report), available at: [https://d3n8a8pro7vhmx.cloudfront.net/cubofmichigan/pages/1152/attachments/original/1602176971/CUB\\_of\\_MI\\_UTILITY\\_Performance\\_Report\\_2020\\_Edition.pdf?1602176971](https://d3n8a8pro7vhmx.cloudfront.net/cubofmichigan/pages/1152/attachments/original/1602176971/CUB_of_MI_UTILITY_Performance_Report_2020_Edition.pdf?1602176971) ]

The Attorney General recommends the following revisions:

Rule 41.

(1) The commission may authorize an electric utility or cooperative to receive a financial incentive if it exceeds all of the service quality and reliability standards adopted by these rules **and exceeds national average reliability performance standards. The commission may also authorize financial penalties and increase credits to customers as provided in these rules if an electric utility fails to repeatedly meet one or more of the service quality and reliability standards established in R 460.722, R 460.723, R 460.724, and R 460.151(2)(a) and (b) and national average reliability performance standards.** [Bolded text proposed by AG]

(2) A request for approval of an incentive mechanism must **include financial penalties for failing to repeatedly achieve service quality and reliability standards and national average reliability performance standards, must** be made in either of the following proceedings, and **must** be conducted as a contested case under chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 to 24.288: [Bolded text proposed by AG]

(a) A rate case proceeding.

(b) A single-issue proceeding filed specifically to address adoption of an incentive program.

(3) An electric utility or cooperative shall ~~not~~ file an application seeking approval of an incentive mechanism, including **financial penalties and credit increases to customers for failing to meet threshold performance levels and for failing to repeatedly achieve service quality and reliability standards and national average reliability performance standards,** ~~until it has exceeded all of the service quality and reliability standards adopted by these rules continuously for a period of not less than~~ **within 6 months from the effective date of implementation of the service quality and reliability standards.** [Strikethrough and addition of bolded text proposed by AG]

R 460.742 Criteria for receipt of an incentive **or assessment of financial penalties:** [Bolded text proposed by the AG]

Rule 42. (1) If an electric utility or cooperative ~~qualifies~~ **has received approval** for implementation of an ~~previously approved~~ incentive and financial penalty mechanism, it shall file an application seeking authority to implement the incentive ~~mechanism~~ payment and/or penalty amounts at the same time that it submits the annual report required by R 460.732. [Strikethrough and addition of bolded text proposed by AG]

(2) An electric utility or cooperative shall not ~~apply for~~ **qualify** to receive a financial incentive ~~approved by the commission~~ unless all of the following criteria were met during the previous ~~12 months~~ **calendar year:** [Strikethrough and addition of bolded text proposed by AG]

(a) All required reports have been filed in a timely manner.

(b) All required reports fully comply with the requirements as determined by the commission.

(c) The electric utility's or cooperative's **actual performance for the year shall have exceeded— achieved an overall performance score of more than 100% above the target level for the combined service quality and reliability standards as defined within the incentive and penalty mechanism. Consumer Billing Standard R 460.151(2)(a) and (b) shall also be included in the proposed incentive and penalty mechanism.** [Strikethrough and addition of bolded text proposed by AG]

(d) The electric utility or cooperative shall have fully responded to any inquiries about the content of the reports made by the commission or its staff in a timely manner.

**(3) The commission may impose financial penalties, as defined within the financial incentive and penalties mechanism, for an electric utility or cooperative failing to achieve an overall service quality and reliability standards performance score of 100% for the year or for failing to achieve a performance standard for three or more consecutive years.** [Bolded text proposed by AG]

The Attorney General also recommends that the commission issue guidelines to the electric utilities and cooperatives that will guide their filing for an incentive and penalty mechanism. The Attorney General's proposed guidelines are outlined later in this document.

R 460.744 (Rule 44) Customer accommodations (**Bill Credits**) for failure to restore service after a sustained interruption due to gray sky and catastrophic conditions.

*AG Comment/Recommendation:* The proposed restoration time to trigger bill credits to customers is set at 96 hours for catastrophic conditions or twice the stated time of 48 hours established in the performance standards defined in R 460.722. Similarly, for grey sky conditions, the proposed restoration time to trigger bill credits to customers is set at 48 hours or twice the stated time of 24 hours established in the performance standards defined in R 460.722. This doubling of the restoration time to trigger bill credits is unjust and unfair to customers. If the standards of performance in R 460.722 are appropriate and reasonable, then it is appropriate to use those same standards to trigger bill credits to customers when those performance levels are not met. Therefore, the Attorney General recommends that the performance levels to trigger bill credits to customers be set at the same levels as those established in R 460.722 and to eliminate the gray sky condition.

R 460.745 (Rule 45) Customer accommodations (**Bill Credits**) for failure to restore service after a sustained interruption during normal conditions.

*AG Comment/Recommendation:* The proposed restoration time to trigger bill credits to customers is set at 16 hours or twice the stated time of 8 hours in the performance standards defined in R 460.722. This doubling of the restoration time is unjust and unfair to customers. If the standards of performance in R 460.722 are appropriate and reasonable, then it is appropriate to use those same standards to trigger bill credits to customers when those performance levels are not met. Therefore, the Attorney General recommends that the performance levels to trigger bill credits to customers be set at the same levels as those established in R 460.722.

R 460.746 Customer accommodations (**Bill Credits**) for repetitive interruptions.

*AG Comment/Recommendation:* The proposed number of repetitive interruptions to trigger bill credits to customers is set at 6 instead of the stated number of 4 interruptions in the performance standards defined in R 460.722. The higher number of repetitive power interruptions is unjust and unfair to customers. If the standard of performance in R 460.722 is appropriate and reasonable, then it is appropriate to use the same number of power interruptions to trigger bill credits to customers when that performance level is not met. Therefore, the Attorney General recommends that the performance level to trigger bill credits to customers be set at the same level established in R 460.722.

The Attorney General also recommends that the commission make it clear that any bill credits paid by the utilities will not be recoverable in future rate cases.

## PART 5: WAIVER AND EXCEPTIONS

R 460.751 Waivers and exceptions by electric utilities.

(3) An electric utility or cooperative need not meet the standards or grant the credits required by parts 2 and 4 of these rules under any of the following circumstances:

(a) The problem was caused by the customer.

(b) There was a work stoppage or other work action by the electric utility's or cooperative's employees, beyond the control of the electric utility or cooperative, that caused a significant reduction in employee hours worked.

(c) The problem was caused by an "act of God." The term "act of God" means an event due to extraordinary natural causes so exceptionally unanticipated **and widespread within the utility service area**, and devoid of human agency that reasonable care would not avoid the consequences and includes any of the following: [**Bolded** text proposed by AG]

(i) Flood.

(ii) Tornado.

(iii) Earthquake.

(iv) Fire **caused by other than the utility or cooperative, its employees or agents.** [**Bolded text proposed by AG**]

(d) The problem was due to a major system failure attributable to, but not limited to,

any of the following:

(i) An accident **caused by other than the utility or cooperative, its employees or agents.** [**Bolded text proposed by AG**]

(ii) A man-made disaster **caused by other than the utility or cooperative, its employees or agents.** [**Bolded text proposed by AG**]

(iii) A terrorist attack.

(iv) An act of war.

(v) A pandemic **preventing the utility, or cooperative, from performing service restorations from a power outage.** [**Bolded text proposed by AG**]

## CONSUMER STANDARDS AND BILLING PRACTICES

The Attorney General's comment below pertain to those sections of the consumer standards and billing practices filed with the November 4, 2021 Commission order in Case No. U-21150

*AG Comment/Recommendation:* The proposed service quality and reliability standards removed subpart (a), (b) and (c) from Rule 460.724 with the intent to transfer those standards to the consumer standards and billing practices Rule 460.151. It appears that R 460.724 (c) was inadvertently not transferred. Therefore, the Attorney General recommends that this standard be added to R 460.151(2)(b) to read as follows: "An electric utility shall have a complaint response factor of 90% or more within 3 business days."

## COMMISSION GUIDELINES FOR DISTRIBUTION SYSTEM INCENTIVE AND PENALTY MECHANISM

*AG Comment/Recommendation:* To guide the development of an effective incentive and penalty mechanism that will improve the performance of the electric distribution systems of Michigan utilities, the Attorney General proposes that the commission direct electric utilities to file an application as soon as possible to implement a mechanism that includes the following metrics and meets the following guidelines.

1. Include the service quality and reliability standards in R 460.722, R 460.723, and R 460.724.

2. Include consumer standards and billing practices R 460.151(2)(a) and (b).
3. Include the utility's annual goal to improve the SAIDI (Excl. MED).
4. Include service restoration O&M cost per incident (three-year rolling average, including MED).
5. Include an annual goal to reduce the number of customers who experienced one or more power outages during the year of 1 hour or longer.
6. Include a metric to reduce the number of power outages from trees, wind & weather.
7. Include a metric to reduce the number of power outages from equipment failures.
8. Include a metric for the number of miles of line cleared annually for vegetation for LVD and HVD circuits.
9. Include a metric to measure performance against national average reliability performance standards.
10. Each standard, goal, or metric should have an appropriate weight as a percentage of 100%.
11. Annually the utility or cooperative would file the actual results showing how it performed against each individual standard, goal or metric, and a scorecard showing how it performed on an overall basis.
12. If the overall scorecard results exceed 100% of target, the utility or cooperative would be eligible for an incentive payment for the year.
13. If the overall scorecard results are below 100% of target and/or the utility fails to achieve a performance standard level for three or more consecutive years the utility or cooperative would be assessed a penalty amount for the year.
14. The incentive or penalty amount should be based on a percent of the revenue requirement included in the Company's current rates for distribution capital investments and O&M expense in the most recent rolling five-year period.
15. Incentive payments and penalties should have reasonable maximum amounts to minimize the impact of an unusual or unexpected outcome. These maximums should be set as a percentage of the target amount.
16. If properly designed no deadband range for incentive or penalty payments should be necessary. The deadband creates a cliff problem where as soon as the deadband is exceeded a large payout or large penalty would need to be assessed.

These guidelines include the essential standards, goals and metrics to spur the desired improvements to the electric distribution systems of the Michigan electric utilities and cooperatives. The number of metrics should not be so few as to prevent achievement of the desired outcomes, or so many as to water down the essential metrics or make the performance measurement process unwieldy. The Attorney General's proposed guideline strike the appropriate balance.

The Attorney General reiterates its recommendation to the commission about the necessity to define the key outlines of an effective performance incentive and penalty mechanism with some specificity in order to have similar mechanisms

among the utilities. The commission should direct the utilities to present a mechanism that follows the above-proposed guidelines within 6 months from the implementation effective date of the service quality and reliability standards. The performance incentive mechanisms filed by the utilities and cooperatives should be refined through a collaborative process with Staff, the utilities, and other interested parties before final commission approval.

In summary, the Attorney General looks forward to assist the Commission and other parties participating in this difficult undertaking to reduce power outages and improve the reliability of electric service provided by Michigan utilities.

Sincerely,

**Michael  
Moody**

Michael E. Moody (P51985)  
Assistant Attorney General  
Michigan Department of Attorney General  
Special Litigation Division

 Digitally signed by Michael  
Moody  
Date: 2022.01.06 16:51:02  
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STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

\* \* \* \* \*

In the matter, on the Commission's own motion, to )  
establish a workgroup to review the Service Quality )  
and Reliability Standards for Electric Distribution )  
Systems and to recommend potential improvements )  
to the standards. )  
\_\_\_\_\_ )

Case No. U-20629

In the matter, on the Commission's own motion, to )  
establish a workgroup to review the Technical )  
Standards for Electric Service and to recommend )  
potential improvements to the standards )  
\_\_\_\_\_ )

Case No. U-20630

**COMMENTS OF THE MICHIGAN ELECTRIC AND GAS ASSOCIATION**

**Introduction**

The MEGA companies<sup>1</sup> appreciate the MPSC staff's efforts to provide an open forum to discuss and collect feedback on the myriad of issues raised as part of the review of the Grid Security and Reliability Standards Workgroups. MEGA has engaged in the discussions to represent the unique position of small utilities to ensure the staff and other stakeholders understand how the impacts of potential changes can vary from that of larger utilities. These comments come from that perspective.

**Service Quality Standards (U-20629)**

The MEGA companies offer the following feedback on the Service Quality Standards:

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<sup>1</sup> The MEGA companies are Alpena Power, Citizens Gas Company, Indiana Michigan Power Company, Michigan Gas Utilities, Northern States Power-Wisconsin, SEMCO Energy, Upper Michigan Energy Resources Company, Upper Peninsula Power Company.

### Definitions (460.702)

MEGA has several comments or suggestions related to the new or modified definitions on section 460.702.

The definition of utility in 460.702 (i) does not make it clear whether transmission-caused interruptions should be included in its tracking and reporting or not.

### Grey Sky Conditions (460.722)

In the proposed Rule 22(e) and (f), grey sky conditions are excluded from (e) and included in (f).

### Annual Reporting Requirements (460.732)

The MEGA companies would appreciate the opportunity to see and comment on the staff format for annual reporting as part of the development process. In addition, the following suggestions apply to the reporting requirements:

- 460.732(o) should apply to worst performing *segments*, not circuits. Using segments will directly point to areas of the system with repetitive issues. An exemption of this requirement for small utilities would also be appropriate since they have relatively few circuits and therefore the data wouldn't provide the type of insight that might be gained for a larger utility.
- 460.732(p) same device would be a better measure than circuit, or use CEMI, SAIDI, SAIFI, CAIDI as better indicators state of the system overall. Similar to subsection (o) above, an exemption for small utilities would be appropriate due to the lack of value in the data.

- 460.732(s) consider an exemption for small utilities or recognition that some utilities don't have the systems capability to make this information readily obtainable or valuable.

#### Annual Report Momentary Outages (460.732(r))

There are several concerns with both the value of the data collected and reporting of momentary outages as required in 460.732(r), particularly as it applies to small utilities, and especially on a quarterly basis and MEGA would like this requirement eliminated.

First, as previously stated on this issue in the stakeholder process and in previous comments, the data will not distinguish between "good" momentary outages that are designed into the system to avoid widespread outages, and "bad" momentary outages that are truly a system failure and cause for concern. Further, some small utilities do not have equipment that would collect this data, and for some that have AMI, it is relatively new or in the implementation phase.

Second, expensive software upgrades will be required even for those that have advanced meters. If the requirement is retained, MEGA requests an exemption for small utilities is appropriate or having a threshold for companies with "mature" AMI based on the amount of penetration in the system or number of years since full deployment.

#### Outage Credits (460.744 - 460.746)

The MEGA companies accept the increase in the amount of the outage credit, but annual adjustments are cumbersome for small utilities.

Some MEGA utilities do not have systems in place to automate the credits which will be costly to incorporate and may require significant manual processing. MEGA also has concerns with the proposal that credits should be prohibited from recovery. As noted, these credits are intended to

be some compensation for customers experiencing outages but are not a penalty. Any amount associated with these credits would be better spent on continued improvements to the distribution system to avoid other issues in the future.

MEGA suggests the following changes:

- Revisiting the amount on a periodic basis, but five years or more would be more meaningful to minimize short-term volatility in the number of billing system changes that would be needed.
- Providing a date certain for the new credits to take effect. This provides certainty to both customer and the utility, providing the utility some time to update its systems accordingly to reflect the new credit. For example, if the commission were to issue an order in the Fall by September 30, the new amount should give, at minimum, six months for utilities to update their systems.

#### Outage Credit Thresholds – Repetitive Interruptions (460.746)

The reduction of the threshold of same circuit repetitive outages in 460.746 should include an exemption for rural utilities that keeps the threshold at 7 or identify a threshold of customer complaints for small/rural utilities with a required report about how the issue will be addressed. No basis has been provided to support the need to change this number or the specific reduction proposed.

## **Technical Standards for Electric Service Rules (U-20630)**

### Annual Line Clearing Report (460.3203(i))

MEGA appreciates the accommodation for small utilities from having to file a quarterly line clearing report. As discussed in prior comments, the line clearing plans included in the small utility rate cases have not been a source of controversy or concern. The level of data requested, and quarterly reporting would require a significant amount of manual work to report.

MEGA notes that the customer threshold for defining a small utility has traditionally included all the MEGA members, and MEGA requests that the customer count threshold be increased to recognize that longstanding principle.

### Solid State Meter Reporting: (460.3203(j))

Some small utilities have not yet adopted and/or are early in the process of adopting solid state meters. As such, the requested data is either not available or data systems not currently structured to collect or report the data as stated in the rule.

MEGA requests either an exemption for small utilities, limiting the data required to subsection (ii) that describes how the small utility uses the data, or threshold of time after adoption of solid-state meters would be an appropriate accommodation for small utilities.

### Extension of Electric Service: (460.3411(16))

MEGA maintains the addition of this new requirement is unnecessary. Utilities should remain responsive to customer requests for meetings and adding language to this Rule implies that there remain unresolved issues with Rule 411. There have been court decisions and law changes in recent years that have provided clarification of some gray areas, but at this time, the rule and

framework surrounding it are understood and working well. MEGA does not believe any revisions are necessary.

### **Conclusion**

MEGA reiterates its thanks to the Commission and the staff for their engagement on these topics and consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Dundas", with a stylized flourish at the end.

Dated: January 6, 2022

Daniel Dundas  
President  
Michigan Electric and Gas Association



January 6, 2022

Ms. Lisa Felice  
Executive Secretary  
Michigan Public Service Commission  
7109 W. Saginaw Highway  
Lansing, MI 48917

Re: Case U-20630

In the matter, on the Commission's own motion, to establish a workgroup to review the Technical Standards for Electric Service and to recommend potential improvements to the standards.

Dear Ms. Felice:

Enclosed for filing in the above-referenced matter, please find the Comments of the Citizens Utility Board of Michigan. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Bandyk".

Amy Bandyk  
Executive Director  
Citizens Utility Board of Michigan

**STATE OF MICHIGAN**

**BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION**

Case U-20630

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**COMMENTS OF THE CITIZENS UTILITY BOARD OF MICHIGAN**

We appreciate the opportunity to comment on proposed amendments to the Commission's administrative rules concerning Technical Standards for Electric Service.

We generally find the proposed amendments to be acceptable or advantageous, reflecting appropriate updates for changing conditions. However, we recommend that the Commission address certain deficiencies in the current or proposed rules, which we address below.

Proposed Rule 460.1302 (v) provides that a sustained interruption means "any interruption that lasts more than 5 minutes and is not classified as part of a momentary event. The duration of a customer's interruption must be measured from the time that the electric utility or cooperative is notified or otherwise becomes aware of the full or partial loss of service to 1 or more customers for longer than 5 minutes." We find this definition to be ambiguous in relation to the use of advanced metering by an electric utility. The rule fails to specify whether an advanced meter recording the start of an interruption, attempting to communicate the start of an interruption to a utility's automated meter management system, or the receipt of a communication that an interruption has begun by some element of the utility's automated outage management system, or the receipt of a communication that an interruption has begun by a person working for the utility constitutes that "the electric utility or cooperative is notified or otherwise becomes aware" of the interruption. We strongly urge that Commission adopt a

precise definition of “the electric utility or cooperative is notified or otherwise becomes aware” of an interruption in a way that is unambiguous with respect to advanced metering. We further urge that in order to gain the full benefit of advanced metering systems, the Commission should define “the electric utility or cooperative is notified” of an interruption as occurring when the start of an interruption is recorded by an advanced meter.

Current Rule 460.3204 (2), which the Commission has not proposed to amend, requires that the electric utility or cooperative retain for at least three years certain customer records. These required customer records do not address service interruptions, which are potentially relevant in relation to bill calculations due to customer eligibility for bill credits and are relevant for system-wide and locational analyses of utility performance. These required customer records also do not address voltage levels, which are relevant for system-wide and locational analyses of utility performance. We therefore recommend that the Commission add the following to the list of customer records that a utility is required by Rule 460.3204 (2) to retain:

(g) the date and time of the start and of the end of each service interruption experienced by the customer; and

(h) the date, time, and voltage level recorded on each occasion when the voltage level of service to the customer is outside the range specified by Rule R 460.3702.

Current Rules R 460.3702, R 460.3703, and R 460.3704 together with their proposed amendments fail to consider and make use of the fact that advanced meters are capable of measuring and reporting voltage (and power factor) at frequent intervals in both directions at each meter. It is understandable that the Commission’s historical approach to voltage and other power quality problems has been to address these on a complaint basis, since routine measurement was not practical. However, both the availability of frequent and routine measurement by advanced meters and the expected evolution of customer requirements for electric service warrant the Commission considering that voltage and power factor should be routinely measured, analyzed, and reported by an electric utility both with respect to individual customers and in aggregates. Voltage excursions outside of standard limits are known to cause wear or damage to a wide variety of customer-owned electrical equipment, for all types of customers and maintenance of voltage levels is therefore important to customers and should be measured and managed. Continuing to address voltage limits only on the basis of complaints is effectively a decision to leave voltage unmanaged.

Increasing customer use of inductive and capacitive end-use devices, conservation voltage regulation, distributed solar generation, distributed storage, and sharply increase current to individual buildings due to electric vehicle charging and heat pumps will all cause significant changes in power flows in an electric utility or cooperative’s distribution system that will likely be first manifest as increasing frequency of voltage or power factor falling outside of accepted limits before these problems result in problems that would be detected by SCADA at substations or other utility-owned grid devices. We therefore recommend that Rules R 460.3702, R 460.3703, and R 460.3704 be further amended such that a utility using advanced metering is expected to exploit the capabilities of advanced meters to systematically monitor and manage voltage and power factor in its distribution system.