STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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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

At the March 17, 2022 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Tremaine L. Phillips, Commissioner
Hon. Katherine L. Peretick, Commissioner

ORDER

History

On August 25, 2021, the Commission sought permission from the Michigan Office of Administrative Hearings and Rules (MOAHR) to amend the rules governing the Service Quality and Reliability Standards for Electric Distribution Systems (SQR). MOAHR approved the request on August 30, 2021, MOAHR #2021-76 LR. The Commission submitted the draft rules to MOAHR and the Legislative Service Bureau for informal approvals, which were granted on September 17 and September 23, 2021, respectively. The Regulatory Impact Statement (RIS) was submitted to MOAHR on October 6, 2021, and approved on October 15, 2021. The RIS is available on the Commission’s website at: https://adms.apps.lara.state.mi.us/MPSC/RuleMakingSearch. A Notice of Public Hearing was submitted to MOAHR and approved on
October 26, 2021. The proposed rules were published in the Michigan Register on November 15, 2021.

The primary purpose of these amendments is to update the existing ruleset to improve wire down response times, mandate outage credits to qualifying customers, discourage long duration distribution system outages and allow the Commission greater transparency for reviewing the power quality and reliability performance of Michigan’s utilities.

On November 4, 2021, the Commission issued an order in this proceeding (November 4 order) setting a date of December 9, 2021, for a public hearing on the proposed ruleset. The November 4 order further provided for written comments to be submitted by January 6, 2022. At the December 9, 2021 public hearing, held before Administrative Law Judge Sharon L. Feldman, verbal comments were provided by Citizens Utility Board of Michigan (CUB), represented by Mr. Robert Nelson, and DTE Energy Company (DTE Energy), represented by Mr. Joe Musallam. CUB and DTE Electric Company (DTE Electric) also submitted comments in writing on January 6, 2022.

Additionally, written comments were submitted on January 6, 2022, by Michigan Municipal Association for Utility Issues (MAUI); Alpena Power Company, Citizens Gas Company, Indiana Michigan Power Company, Michigan Gas Utilities Corporation, Northern States Power-Wisconsin, SEMCO Energy Gas Company, Upper Michigan Energy Resources Company, Upper Peninsula Power Company (collectively MEGA); Consumers Energy Company (Consumers); the Michigan Department of Attorney General (Attorney General); and the City of Farmington Hills. The Attorney General submitted untimely revised comments with an attachment on January 12, 2022. Finally, two citizen comments were untimely submitted by Michelle Preston and Adrian A. Laurenzi on February 8, 2022, and February 12, 2022, respectively. The Commission acknowledges but cannot consider untimely comments. This order summarizes and responds to
the timely comments. A revised copy of the SQR rules showing changes in strike/bold is attached to this order as Exhibit A, and a final copy is attached as Exhibit B.

Comment Summary

Mr. Robert Nelson, President of CUB, commends the significant improvements the amendments make to the rules, specifically the elimination of the need for customers to apply for a credit. 1 Tr 7. He agrees with the increased bill credit, but maintains that the credits should be for each hour of interruption, not only those exceeding a fixed number of hours. Id. Finally, he commends the additional annual reporting requirements, but believes the gray sky condition makes it more difficult for customers to recover bill credits and should not be used in credit calculations, only in reporting. 1 Tr 8-9.

CUB also submits written comments stating that the revisions accomplish the bare minimum of fixing the problems with the existing SQR standards and the Commission should not squander the opportunity to meaningfully impact electric utility reliability. CUB comments that the Commission should require utilities to collect and provide data to support future determination of true costs of interruption to customers. In CUB’s opinion, the amounts suggested do not adequately compensate customers for a utility outage, and CUB suggests the initial amount be $3-4 per hour starting from the first hour of interruption. Additionally, CUB suggests that credits not be limited to the customers’ invoice amount and should be a reasonable approximate of the actual cost of electric service interruption. However, CUB supports making the customer accommodation automatic.

CUB also comments that bill credits should not be recoverable by the utility through ratemaking. Furthermore, CUB opposes the use of gray sky conditions as a category to determine bill credit eligibility. Finally, CUB proposes that the Commission adopt a performance-based
regulation method based on national average performance designed to incentivize utilities to work harder to reduce outages, and not reward utilities for unfocused or insufficient progress in improving reliability.

Mr. Joe Musallam, Vice President of Distribution Operations and Storm for DTE Energy, comments that he is concerned with the “performance standard for customer duration threshold during . . . catastrophic conditions, in Rule 22(b)” and he recommends making the threshold 60-hours for catastrophic event storms to allot reasonable time for restoration. 1 Tr 11-13. Additionally, he objects to the use of the customers experiencing multiple interruptions (CEMI) metric used in Rule 22(e) and (f), and recommends that performance-based ratemaking be used to drive improvements to the CEMI4 metric instead. 1 Tr 13-14. Finally, he comments on the administrative challenges and costs associated with the incremental payments for outages in Rule 44 and recommends a $35 per day incremental payment instead of the hourly payment prescribed in the draft rules. 1 Tr 14-16.

DTE Electric echoed Mr. Musallam’s testimony in its written comments regarding the standard for customer duration threshold during catastrophic conditions in Rule 22(b). DTE Electric expresses the difficulties of restoration in broader regions with securing personnel and bringing out of state resources within time constraints, the CEMI metric change in Rule 22(e) and (f) in light of their investment in tree trimming, increase in labor force, and infrastructure upgrades to improve the customer experience, and the potential confusion and complaints associated with the $2 per hour incremental customer accommodation. DTE Electric suggests allowing more time for restoration during catastrophic conditions, using a different standard for repetitive outages, and a per day incremental payment instead of the $2 per hour additional accommodation.
MAUI comments that because streetlighting is mostly an unmetered service, the application of the SQR is ambiguous and fails to create quality and reliability incentives for streetlighting services. MAUI proposes a collaborative process to draft a new section to the SQR to specifically protect streetlighting customers. MAUI recommends a specific definitions for service restoration, requests that streetlighting data be required on the utilities’ annual reports, and suggests provisions for sustained interruption credits tailored to streetlighting.

MEGA appreciates the collaborative efforts of the rulemaking process and proposes changes to the definition of utility for clarification. MEGA comments on the exclusion of gray sky conditions from the proposed Rule 22. MEGA suggests allowing comment on the annual reporting format by stakeholders and requests exemptions for small utilities from reporting on circuits and segments because the data would lack value and some utilities lack system capabilities to readily obtain the information. MEGA would like to see momentary outage reporting eliminated, especially for small utilities. MEGA comments that the annual adjustment to outage credits in Rules 44, 45, and 46 is cumbersome for small utilities and expresses concerns about prohibiting recovery of the credits through ratemaking. Finally, MEGA comments that the threshold for repetitive interruptions in Rule 46 should not be changed or, in the alternative that rural and small utilities be exempted.

Consumers comments on the exclusion of gray sky conditions from the proposed Rule 22 and opposes the performance threshold during catastrophic conditions due to personnel and resource issues. Consumers supports the increase in the customer accommodation in Rules 44, 45, and 46, however, the company opposes the additional per hour accommodation and suggests that this is a penalty and not an accommodation. Consumers also states that the additional hour accommodation will lead to frustration and dissatisfaction for customers and create an additional
administrative burden on the utility. Consumers supports the automatic application of outage credits for eligible customers, however, this functionality will require utility time and resources to adapt the application and build it into the billing system. Consumers asserts that the company will need to seek recovery for the approximately $1.6 million costs in the future.

The Attorney General does not agree with the proposed revisions to Part 1 and Part 2 of the SQR that create greater restoration times for utilities but do not protect customers in the event of a major disaster. The Attorney General asserts that the Commission should create a rule requiring disaster preparedness plans “as discussed in the National Association of State Utility Consumer Advocates 2019-01 resolution.” Attorney General’s comments, p. 2.¹ Further, the Attorney General comments that the outage credits are still not sufficient to address costs incurred by the customer due to an outage and suggests the creation of new Rule 704 that would require a disaster relief plan and fund. Additionally, the Attorney General notes that the unacceptable level of service restoration being set at 90% is still unacceptable and the remaining 10% are the source of most customer complaints. The Attorney General comments that the Commission should remove gray sky conditions and create maximum acceptable service restoration times or response times.

The City of Farmington Hills expresses support of the proposed changes to add clarification and to address the concerns of their residents and businesses. However, the City of Farmington Hills does not believe Rules 44 and 45 are sufficient to reimburse the economic impacts that customers experience during outages and suggest an increase in the base and hourly credits for outages.

Specific requests for revisions as presented in the redlined rule versions or comments are discussed below.

¹ The Attorney General’s comments are not paginated; thus, page 1 starts in natural order with the first page of the filing, given no preceding cover pages.
Revisions to the Rules

Definitions: R 460.702(i)

MEGA recommends a change because the definition of utility in R 460.702(i) is unclear as to whether transmission-caused interruptions should be included in the annual report tracking. The Commission declines to adopt this recommendation because the annual report form can provide the requested specificity.

Unacceptable levels of performance during service interruptions: R 460.722

Mr. Musallam recommends maintaining the 60-hour threshold for catastrophic conditions because anything more restrictive is nearly impossible. DTE Electric also expresses concern that tightening the frequency threshold would not allow sufficient time to execute required improvements on the distribution grid and proposes utilizing a performance-based rate making mechanism instead. The Commission declines to adopt these recommendations as it finds that the proposed levels are reasonable.

The Attorney General recommends a maximum restoration time for 100% of all customers in subrules (a), (b), (c), and (d) to ensure customers are restored timely and to push utilities to improve restoration times. The Commission declines to adopt this recommendation as the levels proposed are reasonable and the Attorney General’s recommended change would impose tracking difficulties.

MEGA and Consumers both comment that gray sky conditions are excluded from subrule (e) but included in subrule (f), and they request consistency in both subrules. The Commission recognizes this oversight and adopts the change to include gray sky conditions in both subrule (e) and (f).
Wire down relief requests: R 460.723

The Attorney General recommends a maximum response time for all first responder wire-down notifications. The Commission declines to adopt this recommendation because the levels proposed are reasonable and the Attorney General’s recommended change would impose burdensome tracking difficulties.

Unacceptable service quality levels of performance: R 460.724

The Attorney General recommends adopting a maximum installation time for new service requests. The Commission declines to adopt this recommendation as the timeline proposed by the Attorney General is unreasonable and imposes burdensome tracking difficulties.

Annual report contents: R 460.732

MAUI comments that specific items should be added for reporting on streetlighting. The Commission declines to adopt this recommendation because streetlighting reporting is outside the scope of the SQR as these service agreements are handled in specific tariffs.

MEGA comments that subrule (o) should apply to segments, not circuits, and an exemption should be made for small utilities. MEGA points out that the term “same segments” would be better than “circuit” in subrule (p) and recommends using CEMI, system average interruption duration index (SAIDI), system average interruption frequency index (SAIFI), or customer average interruption duration index (CAIDI) as better indicators of overall systems. Additionally, MEGA believes an exemption for small utilities is appropriate for this subrule as well. Finally, MEGA comments that small utilities do not have system capabilities to readily obtain information and should be exempt from subrule (s). The Commission declines to adopt these recommendations as Rule 51 allows any utility to petition the Commission for a waiver or
exception from this requirement if the utility can show the hardship or impossibility of compliance.

The Attorney General recommends the utility’s annual report should incorporate the maximum service levels suggested in the Attorney General’s earlier comments. The Commission declines to adopt this recommendation because the previous recommendations have not been adopted and, therefore, reporting is not necessary, and the Commission finds that the form required to be submitted is to be prescribed by the Commission and can be amended as needed to garner pertinent information.

Approval of incentives by the Commission: R 460.741

CUB comments that the Commission should determine the standard for reliability performance and that the standard should be the basis for determining what a utility can recover regarding the cost of outages. The Commission declines to adopt this recommendation as performance-based regulation is outside the scope of this ruleset.

The Attorney General comments that penalties should be assessed to the utilities if they fail to meet levels of performance or fail to achieve minimum performance standards to ensure that customers recover the lost value in future years. The Commission declines to adopt this recommendation as ratemaking and penalties are handled through an adjudicative process to ensure due process to all parties.

Criteria for receipt of an incentive: R 460.742

The Attorney General comments that penalties should be assessed to the utilities if they fail to meet levels of performance or fail to achieve minimum performance standards to ensure that customers recover the lost value in future years. The Commission declines to adopt this
recommendation as ratemaking and penalties are handled through an adjudicative process to ensure due process to all parties.

**Customer accommodation for failure to restore service after sustained interruption due to gray sky and catastrophic conditions: R 460.744**

CUB comments that the bill credit should be in the billing period when the interruption occurred, that the credit be for every hour of outage starting at minute one, and that the credit shall be for residential and nonresidential customers. The Commission declines to adopt this recommendation as it does not provide specificity.

DTE Electric suggests that a $35 per day incremental payment in lieu of the $2 per hour payment would be a less confusing, more cost-effective alternative for customer accommodations. DTE Electric recommends the daily payment to create simplicity and control the number of customer complaints. The Commission notes that these comments have merit and has modified the proposed rule’s wording in response but retains wording that meets the Commission’s needs.

MAUI comments that streetlighting customers should not be charged when a fixture is not providing light. The Commission declines to adopt this recommendation because streetlighting is not a metered service and is outside the scope of the SQR and because these service agreements are handled in specific tariffs.

MEGA comments that the increase is acceptable, but the annual adjustments are cumbersome for small utilities. Additionally, MEGA objects to the proposal that credits should be prohibited from recovery because the credit is not intended to be a penalty and not allowing for recovery hinders the utilities’ ability to put those funds toward continued improvements to the distribution system to avoid future issues. MEGA suggests revisiting the amount on a periodic basis, stating that five years or more would be more meaningful, and contends that providing a date certain for
the new credits to take effect would provide for system updates and customer certainty. The Commission declines to adopt this recommendation as it is not reasonable.

Consumers is supportive of the increase but is concerned that the additional $2 per hour accommodation will cause frustration and confusion and lead to customer dissatisfaction and an increase in complaints. Furthermore, Consumers asserts that the automatic bill credit will cost an additional $1.6 million to build into the existing billing system, which will be a cost Consumers will seek to recover in the future. Consumers recommends a more simplistic customer accommodation be implemented in lieu of the $2 per hour additional credit. The Commission notes that these comments have merit and has modified the proposed rule’s wording in response to concerns but retains wording that meets the Commission’s needs.

The Attorney General recommends that the gray sky condition be eliminated and requests that the performance levels that trigger customer accommodations be the same as the levels set in Rule 22. The Commission declines to adopt this recommendation as Rule 22 is a reporting level only.

Customer accommodation for failure to restore service during normal conditions: R 460.745

CUB comments that the customer accommodation should be $2 per hour for every hour starting with the first minute of interruption. The Commission declines to adopt this recommendation as it is not reasonable.

MAUI comments that streetlighting customers should not be charged when a fixture is not providing light. The Commission declines to adopt this recommendation as streetlighting is not a metered service and is outside the scope of the SQR and because these service agreements are handled in specific tariffs.

MEGA comments that the increase is acceptable, but the annual adjustments are cumbersome for small utilities. Additionally, MEGA objects to the proposal that credits should be prohibited
from recovery because the credit is not intended to be a penalty and not allowing for recovery hinders the utilities’ ability to put those funds towards continued improvements to the distribution system to avoid future issues. MEGA suggests revisiting the amount on a periodic basis, stating that five years or more would be more meaningful, and contends that providing a date certain for the new credits to take effect would provide for system updates and customer certainty. The Commission declines to adopt this recommendation as recovery is outside the scope of the rules and is handled in ratemaking.

Consumers is supportive of the increased accommodation but is concerned that the additional $2 per hour accommodation will cause frustration and confusion and lead to customer dissatisfaction and an increase in complaints. Furthermore, Consumers asserts that the automatic bill credit will cost an additional $1.6 million to build into the existing billing system, which will be a cost Consumers will seek to recover in the future. Consumers recommends a more simplistic customer accommodation be implemented in lieu of the $2 per hour additional credit. The Commission notes that these comments have merit and has modified the proposed rule’s wording in response to concerns but retains wording that meets the Commission’s needs.

The Attorney General recommends that the performance levels that trigger customer accommodations be the same as the levels set in Rule 22. The Commission declines to adopt this recommendation as Rule 22 is a reporting level only.

To maintain consistency the Commission notes that DTE Electric’s comments regarding Rule 44 have merit and because the language was modified in Rule 44, the Commission has modified this proposed rule’s wording.
Customer accommodation for repetitive interruptions: R 460.746

MEGA comments that the repetitive outage threshold should stay at seven or the Commission should offer an exemption to small and rural utilities because no basis has been provided to support the need to reduce this number. The Commission declines to adopt this recommendation.

The Attorney General recommends that the performance levels that trigger customer accommodations be the same as the levels set in Rule 22. The Commission declines to adopt this recommendation as Rule 22 is a reporting level only.

Waivers and exceptions by electric utilities: R 460.751

The Attorney General comments that additional clarification is needed for the term “act of God.” She requests clarification that acts must not be caused by the utility or prevent the utility from performing service restorations. The Commission declines to adopt the recommendations because “act of God” is well litigated language and, therefore, does not need additional clarification and finds that the additional language does not add clarity.

THEREFORE, IT IS ORDERED that:

A. The rules governing the Service Quality and Reliability Standards for Electric Distribution Systems, attached as Exhibit B, are approved and shall be submitted to the Legislative Service Bureau and the Michigan Office of Administrative Hearings and Rules for their formal approvals.

B. Upon formal approval of the Service Quality and Reliability Standards for Electric Distribution Systems, attached as Exhibit B, by the Legislative Service Bureau and the Michigan Office of Administrative Hearings and Rules, they shall be transmitted to the Joint Committee on Administrative Rules.
The Commission reserves jurisdiction and may issue further orders as necessary.

By its action of March 17, 2022.

Lisa Felice, Executive Secretary
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LABOR AND ECONOMIC GROWTH

PUBLIC SERVICE COMMISSION

SERVICE QUALITY AND RELIABILITY STANDARDS
FOR ELECTRIC DISTRIBUTION SYSTEMS

Filed with the secretary of state on

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the public service commission by sections 4, 6, and 10p of 1939 PA 3, MCL 460.4, 460.6, and 460.10p, of 2000 PA 141, section 7 of 1909 PA 106, MCL 460.557, section 5 of 1919 PA 419, MCL 460.55, sections 4 and 6 of 1939 PA 3, and sections 3, 9, and 231 of the executive reorganization act of 1965, 1965 PA 380, MCL 460.10p, 460.557, 460.55, 460.4, 460.6, 16.103, 16.109, and 16.331)

R 460.701, R 460.702, R 460.703, R 460.721, R 460.722, R 460.723, R 460.724, R 460.731, R 460.732, R 460.733, R 460.734, R 460.741, R 460.742, R 460.743, R 460.744, R 460.745, R 460.746, R 460.747, R 460.748, R 460.751, and R 460.752 of the Michigan Administrative Code are amended, as follows:

PART 1. GENERAL PROVISIONS

R 460.701 Application of rules.
   Rule 1. (1) These rules apply to electric utilities as defined by R 460.702(k) section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562, and cooperative electric utilities as defined by section 2 of the electric cooperative member-regulation act, 2008 PA 167, MCL 460.32, that are subject to the jurisdiction of the public service commission.
   (2) These rules do not relieve an electric utility that is subject to the jurisdiction of the public service commission from any of its duties under the laws of this state, including all of the requirements of R 460.3101 to R 460.3908.

R 460.702 Definitions.
   Rule 2. As used in these rules:
   (a) "All conditions" means conditions reflected by data derived through the amalgamation of data from both normal conditions, gray sky conditions, and catastrophic conditions. "All conditions" does not mean only normal conditions or only gray sky conditions or only catastrophic conditions.
(b) "Answer" means that a utility representative, voice response unit, or automated operator system is ready to render assistance or ready to accept information necessary to process the call. An acknowledgment that the customer is waiting on the line does not constitute an answer.

— (c) "Approved by the commission" means that a favorable commission order has been obtained.

— (d) "Call" means a measurable effort by a customer to obtain a telephone connection whether the connection is completed or not.

— (e) "Call blockage factor" means the percentage of calls that do not get answered. The call blockage factor is calculated by multiplying the remainder obtained by subtracting the number of answers from the number of calls, multiplying by 100, and then dividing that value by the total number of calls.

— (f) "Catastrophic conditions" means either of the following:

(i) Severe weather conditions that result in sustained service interruptions for 10% or more of an electric utility’s or cooperative’s customers.

(ii) Events of sufficient magnitude that result in issuance of an official state of emergency declaration by the local, state, or federal government.

(d) “CELID” or "customers experience long term interruption durations" means the ratio of the number of customers experiencing 1 or more sustained interruptions longer than an indicated duration to the total number of customers served. For purposes of these rules, the interruption duration is denoted as a number and unit of time immediately following the term CELID, for example CELID8hours.

(e) “CEMI4” or "customers experiencing multiple interruptions" means the ratio of individual customers experiencing 4 or more sustained interruptions to the total number of customers served.

(g) "Commission" means the Michigan public service commission.

(h) "Complaint response" or "response" means a communication between the utility and the customer that identifies the problem and a solution to the complaint.

(i) "Complaint response factor" means the annual percentage of the complaints forwarded to a utility by the commission that are responded to within the time period prescribed by these rules.

(j) "Completion date" means the day on which service at a new installation is permanently energized. The provision of construction power does not affect a determination of the completion date.

(h) “Cooperative” or “cooperative electric utility” means that term as defined in section 2 of the electric cooperative member-regulation act, 2008 PA 167, MCL 460.32.

(k) "Electric utility" or "utility" means that term as defined in section 2(de) of the electric transmission line certification act, 1995 PA 30, MCL 460.562(d).

(j) “Gray sky conditions” means conditions that result in sustained interruptions for greater than 1% but less than 10% of an electric utility’s or cooperative’s customers.

(l) "Interruption" means the full or partial loss of service to 1 or more customers for longer than 5 minutes. The duration of a customer’s interruption shall be measured from the time that the electric utility is notified or otherwise becomes aware of the full or partial loss of service to 1 or more customers for longer than 5 minutes.
"Meter reading factor" means the percentage of meters read within an approved billing period. An approved billing period is a "billing month" within the meaning of R 460.102(b) of not less than 26 days, nor more than 35 days, or some other time period approved by the commission.


"Minimum bill prorated on a daily basis" means the amount that results from dividing the customer's minimum bill amount by the number of days in the billing period and then by multiplying that quotient by the number of days during which the customer remained out of service.

"MISS DIG activities" means the requirements imposed pursuant to the MISS DIG underground facility damage prevention and safety act, 2013 PA 174, MCL 460.721 to 460.733, as amended, MCL 460.701 et seq.

"Momentary interruption" means the full or partial loss of service to 1 or more customers for less than or equal to 5 minutes, including all reclosing operations that occur within 5 minutes of the first interruption.

"New service installation factor" means the percent of new service hookups that are completed within the time period prescribed by these rules, from start date to completion date. New service hookups dependent on the construction of a line extension other than the service line shall be excluded from the calculation of this factor.

"Normal conditions" means conditions other than catastrophic conditions that result in sustained interruptions for 1% or less of an electric utility’s or cooperative’s customers.

"SAIDI" or "system average interruption duration index" means the sum of all customer-sustained interruption durations divided by the total number of customers served.

"SAIFI" or "system average interruption frequency index" means the total number of customer-sustained interruptions divided by the total number of customers served.

"Same-circuit repetitive interruption" means a grouping of more than 10 customers on a circuit who experience multiple interruptions under all conditions. At its option, an electric utility may report on specific identifiable circuit segments rather than whole circuits as long as the criteria for identification of the specific circuit segments are fully explained in its report. If an electric utility lacks the capability of independently tracking same-circuit repetitive interruption data, then the utility may rely solely upon notification provided by its customers to report the data to the commission.

"Service restoration" means that the interruption condition has been corrected and that the interrupted customer or customers have regained the full use of their electric service.
(u) “Sustained interruption” means any interruption not classified as part of a momentary event, which means any interruption that lasts more than 5 minutes. The duration of a customer’s interruption is 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.

(u)(v) "Start date for new installations" means the first business day after all of the following events have occurred:

(i) All rights of way, easements, licenses, and consents have been obtained and are and remain physically unencumbered.
(ii) All permits have been received.
(iii) All joint use requirements have been met.
(iv) All required inspections have been completed.
(v) All commission-approved tariff payments have been received.
(vi) All MISS DIG activities have been completed.

(v) "Wire-down relief factor" means the annual percentage of the non-utility employee first responder guarded downed wires that are relieved by an electric utility or cooperative representative within the time period specified in Rule 460.723.

R 460.703 Revision of tariff provisions.

Rule 3. Not more than 30 days after the effective date of these rules, an electric utility or cooperative subject to the commission's jurisdiction shall file any revisions of its tariff provisions necessary to conform with these rules.

PART 2. UNACCEPTABLE LEVELS OF PERFORMANCE

R 460.721 Duty to plan to avoid unacceptable levels of performance.

Rule 21. An electric utility or cooperative shall plan to operate and maintain its distribution system in a manner that will permit it to provide service to its customers without experiencing an unacceptable level of performance as defined by these rules.

R 460.722 Unacceptable levels of performance during service interruptions.

Rule 22. It is an unacceptable level of performance for an electric utility or cooperative to fail to meet any of the following sustained service interruption standards:

(a) Considering data derived through the amalgamation of data from both normal, and catastrophic all conditions, an electric utility or cooperative shall restore service within 36 hours to not less than 90% of its customers experiencing sustained service interruptions.

(b) Considering data including only catastrophic conditions, an electric utility or cooperative shall restore service within 60-48 hours to not less than 90% of its customers experiencing service sustained interruptions.

(c) Considering data including only gray sky conditions, an electric utility or cooperative shall restore service within 24 hours to not less than 90% of its customers experiencing sustained interruptions.
(d) Considering data including only normal conditions, an electric utility or cooperative shall restore service within 8 hours to not less than 90% of its customers experiencing service sustained interruptions.

—(d)(e) From the effective date of these rules until December 31, 2029, considering data derived through the amalgamation of data from both normal and catastrophic all conditions, an electric utility shall not experience 5 or more same circuit repetitive interruptions in a 12 month period on more than 5% of its circuits not more than 6% of an electric utility’s or cooperative’s customers may experience 4 or more sustained interruptions in a calendar year.

(f) Beginning January 1, 2030, considering data derived through the amalgamation of data from all conditions, not more than 5% of an electric utility’s or cooperative’s customers may experience 4 or more sustained interruptions in a calendar year.

R 460.723 Wire down relief requests.

Rule 23. (1) It is an unacceptable level of performance for an electric utility or cooperative to fail to respond to a request for relief of a non-utility employee first responder guarded downed wire at a location in a metropolitan statistical area within 240 minutes after notification at least 90% of the time under all conditions.

(2) It is an unacceptable level of performance for an electric utility or cooperative to fail to respond to a request for relief of a non-utility employee first responder guarded downed wire at a location in a non-metropolitan statistical area within 360 minutes after notification at least 90% of the time under all conditions.

(3) It is an unacceptable level of performance for an electric utility or cooperative to fail to exercise due diligence and care to ensure that first responders are relieved from guarding downed wires in the quickest manner possible.

(4) It is an unacceptable level of performance for an electric utility or cooperative to fail to exercise due diligence and care to ensure downed wires are responded to and secured in the quickest manner possible.

R 460.724 Unacceptable service quality levels of performance.

Rule 24. It is an unacceptable level of performance for an electric utility or cooperative to fail to meet any either of the following service quality standards:

(a) An electric utility shall have an average customer call answer time of less than 90 seconds.

—(b) An electric utility shall have a call blockage factor of 5% or less.

—(c) An electric utility shall have a complaint response factor of 90% or more within 3 business days.

—(d) An electric utility or cooperative shall have a meter reading factor of 85-95% or more within the approved period, including customer reads.

—(e) An electric utility or cooperative shall complete 90% or more of its new service installations within 15 business days.
PART 3. RECORDS AND REPORTS

R 460.731 Deadline for filing annual reports.
   Rule 31. Not more than 120 days after the end of the calendar year in which these rules became effective, an electric utility shall file an annual report with the commission regarding the previous calendar year. For subsequent calendar years, an electric utility or cooperative shall file its annual report not more than 75 days after the end of the year. The annual report must be filed on a form prescribed by the commission.

R 460.732 Annual report contents.
   Rule 32. The annual report of an electric utility or cooperative made pursuant to these rules shall must contain all of the following information:
      (a) The call blockage factor. If the call blockage factor is more than 5%, then the annual report shall contain a detailed explanation of the steps that the electric utility is taking to bring its performance to an acceptable level.
      (b) The complaint response factor. If the complaint response factor is less than 90% within 3 business days, then the annual report shall contain a detailed explanation of the steps that the electric utility is taking to bring its performance to an acceptable level.
      (c) The average customer call answer time. If the average customer call answer time is 90 seconds or more, then the report shall must contain a detailed explanation of the steps that the electric utility is taking to bring its performance to an acceptable level.
      (d) The meter reading factor. If the meter reading factor is less than 85%, then the report shall must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
      (e) The new service installation factor. If the new service installation factor is less than 90% completed within 15 business days, then the report shall must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
      (f) The wire-down relief factor. If the wire-down relief factor is less than 90% within 240 minutes within metropolitan statistical areas or less than 90% within 360 minutes in non-metropolitan statistical areas, then the report shall must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
      (g) The service restoration factor for all conditions. If the service restoration factor for all conditions is less than 90% of customers restored within 36 hours or less, then the report shall must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
      (h) The service restoration factor for normal conditions. If the service restoration factor for normal conditions is less than 90% of customers restored within 8 hours or less, then the report shall must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
      (i) The service restoration factor for gray sky conditions. If the service restoration factor for gray sky conditions is less than 90% of customers restored within 24 hours or less, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
(g) The service restoration factor for catastrophic conditions. If the service restoration factor for catastrophic conditions is less than 90% of customers restored within 60 hours or less, then the report shall contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.

(j) The same-circuit repetitive interruption factor. If the same-circuit repetitive interruption factor is more than 5% of circuits experiencing 5 or more same-circuit repetitive interruptions within a 12-month period, then the report shall contain a detailed explanation of the steps that the electric utility is taking to bring its performance to an acceptable level.

(h) CEMI4. All of the following information:
(i) The number of customers that experienced 4 or more sustained interruptions.
(ii) If more than 6% of customers experienced 4 or more sustained interruptions within the year, and that year was 2029 or a prior year, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level, including a description of all catastrophic conditions experienced during the year.
(iii) If more than 5% of customers experienced 4 or more sustained interruptions within the year, and that year was 2030 or a future year, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level, including a description of all catastrophic conditions experienced during the year.
(k) A description of all catastrophic conditions experienced during the year.
(l) The number and total dollar amount of all customer credits the electric utility or cooperative provided during the year, broken down by customer class, for its failure to restore service to customers within 120 hours of the start of a sustained interruption that occurred during the course of catastrophic conditions.
(m) The number and total dollar amount of all customer credits the electric utility or cooperative provided during the year, broken down by customer class, for its failure to restore service to customers within 48 hours of the start of a sustained interruption that occurred during the course of gray sky conditions.
(n) The number and total dollar amount of all customer credits the electric utility or cooperative provided during the year, broken down by customer class, for its failure to restore service to customers within 16 hours of the start of a sustained interruption that occurred during normal conditions.
(o) For each electric utility with 1,000,000 or more customers, a list of its 10 worst performing circuits for the prior year in terms of SAIDI and SAIFI.
(p) For each electric utility or cooperative with less than 1,000,000 customers, a list of the worst performing 1% of circuits for the prior year in terms of SAIDI and SAIFI.
(q) For each of the worst performing circuits listed in subrules (m) or (n) of this rule, the electric utility or cooperative shall provide all of the following information:
(i) SAIDI and SAIFI for the year.
(ii) Circuit name, number, and location.
(iii) Length of circuit in miles.
(iv) Number of customers served.
(v) Substation name.
(vi) Last circuit trim.
(vii) List of outages and causes.
(viii) Corrective action to improve performance.
(p) Number of CEMI reporting for indices CEMI0 through CEMI10+.
(q) Number of CELID reporting for indices CELID8hours, CELID24hours, CELID48hours.
(r) Number of non-residential customers experiencing momentary interruptions.
(s) A summary table indicating whether the electric utility or cooperative complied or failed to comply with each of the standards established by these rules.

R 460.733 Availability of records.
Rule 33. (1) An electric utility or cooperative shall make available to the commission or its staff, upon request, all records, reports, and other information required to determine compliance with these rules and to permit the commission and its staff to investigate and resolve service quality and reliability issues related to electric distribution service.
(2) An electric utility or cooperative shall make records, reports, and other information available to the commission or its staff within 5 business days of being requested, preferably in an electronic format available through the internet, accessible with standard browser software, identification, and password or as soon thereafter as feasible.

R 460.734 Retention of records.
Rule 34. An electric utility or cooperative shall preserve, in detail, all records required by these rules for the previous 24 months and shall preserve, in summary form, all records for not less than 4 years, unless otherwise ordered by the commission.

PART 4. FINANCIAL INCENTIVES AND PENALTIES
CUSTOMER ACCOMMODATIONS

R 460.741 Approval of incentives by the commission.
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.
(2) A request for approval of an incentive mechanism shall must be made in either of the following proceedings and shall be conducted as a contested case under chapter 4 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.271 et seq to 24.288:
(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 until it has exceeded all of the service quality and reliability standards adopted by these rules continuously for a period of not less than 12 months.

R 460.742 Criteria for receipt of an incentive.
Rule 42. (1) If an electric utility or cooperative qualifies for implementation of a previously approved incentive mechanism, it shall file an application seeking authority to implement the incentive mechanism at the same time that it submits the annual report required by R 460.732.
(2) An electric utility or cooperative shall not apply for a financial incentive approved by the commission unless all of the following criteria were met during the previous 12 months:
(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 performance shall have exceeded all of the individual service quality and reliability standards.
(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.

R 460.743 Disqualification.
Rule 43. An electric utility or cooperative shall be disqualified from receiving an incentive if the commission issues an order finding that the electric utility engaged in any type of anticompetitive behavior within the 12-month period preceding the filing of an application pursuant to R 460.742(1).

R 460.744 Penalty Customer accommodation for failure to restore service after an sustained interruption due to gray sky and catastrophic conditions.
Rule 44. (1) Unless an electric utility or cooperative requests a waiver pursuant to part 5 of these rules, an electric utility or cooperative that fails to restore service to a customer within 96 hours after an interruption the start of a sustained interruption that occurred during the course of catastrophic conditions shall provide to any affected customer that notifies the utility of the interruption with a bill credit on the customer's next bill within 90 days. The amount of the credit provided to a residential customer shall be the greater of a base rate of $25.00 plus $2.00 for every hour of outage for each sustained interruption over 96 hours, plus an additional $35.00 for each day thereafter or the customer's monthly customer charge. The amount of the credit provided to any other distribution customer shall be the customer's minimum bill prorated on a daily basis. The initial base rate of $35.00 is subject to an annual adjustment pursuant to subrule (3) of this rule.
(2) Unless an electric utility or cooperative requests a waiver pursuant to part 5
of these rules, an electric utility or cooperative that fails to restore service to a customer within 48 hours after the start of a sustained interruption that occurred during the course of gray sky conditions shall provide any affected customer with a bill credit on the customer's bill within 90 days. The amount of the credit provided to a residential customer is the greater of a base rate of $35.00 plus $2.00 for every hour of outage for each sustained interruption over 48 hours, plus an additional $35.00 for each day thereafter or the customer’s monthly customer charge. The amount of the credit provided to any other distribution customer is the customer's minimum bill prorated on a daily basis. The initial base rate of $35.00 is subject to an annual adjustment pursuant to subrule (3) of this rule.

(3) No sooner than September 1, 2022, and by October 1 every year after, the commission shall issue an order adjusting the prevailing customer accommodation base rate. The commission shall adjust the customer accommodation base rate by multiplying the base rate by the difference between the Consumer Price Index for the month of October immediately preceding the commission's order implementing the inflation adjustment, and the Consumer Price Index for the previous October. The commission shall round up each adjustment made under this subsection to the nearest $1.00.
Rule 46. (1) Unless an electric utility or cooperative requests a waiver pursuant to part 5 of these rules, a customer of an electric utility or cooperative that experiences and notifies the utility of more than 76 or more sustained interruptions in a 12-month period due to a same-circuit repetitive interruption shall be is entitled to a billing credit on the customer's next bill within 90 days. The amount of the credit provided to a residential customer shall be is the greater of $25 or $35.00, subject to adjustment pursuant to subrule (3) of this rule, or the customer's monthly customer charge. The amount of the credit provided to any other distribution customer shall be is the customer's minimum bill prorated on a daily basis. The initial base rate of $35.00 is subject to an annual adjustment pursuant to subrule (3) of this rule.

(2) Following provision of the billing credit to a customer experiencing 6 or more than 7 sustained interruptions in a 12-month period due to a same-circuit repetitive interruption, the electric utility's or cooperative's interruption counter shall must be reset to zero to ensure that another credit to the customer will be processed only after the occurrence of another 86 interruptions in a 12-month period.

(3) No sooner than September 1, 2022, and by October 1 every year after, the commission shall issue an order adjusting the prevailing customer accommodation base rate. The commission shall adjust the customer accommodation base rate by multiplying the base rate by the difference between the Consumer Price Index for the month of October immediately preceding the commission’s order implementing the inflation adjustment, and the Consumer Price Index for the previous October. The commission shall round up each adjustment made under this subsection to the nearest $1.00.

R 460.747 Multiple billing credits allowed.

Rule 47. An electric utility's or cooperative’s obligation to provide a customer with a billing credit for one 1 reason does not excuse the obligation to provide an additional billing credit in the same month for another reason.

R 460.748 Effect in other proceedings.

Rule 48. (1) The payment or nonpayment of a customer credit or an incentive award shall may not affect the rights of a customer or an electric utility or cooperative in any proceeding before the commission or in any action in a court of law.

(2) The finding of a violation of a service quality or reliability standard adopted in these rules shall may not affect the rights of a customer or an electric utility or cooperative in any proceeding before the commission or in any action in a court of law.

PART 5. WAIVERS AND EXCEPTIONS

R 460.751 Waivers and exceptions by electric utilities.

Rule 51. (1) An electric utility or cooperative may petition the commission for a permanent or temporary waiver or exception from these rules when specific circumstances beyond the control of the electric utility or cooperative render
compliance impossible or when compliance would be unduly economically burdensome or technologically infeasible.

(2) An electric utility or cooperative may request a temporary waiver in order to have sufficient time to implement procedures and systems to comply with these rules.

(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 devoid of human agency that reasonable care would not avoid the consequences and includes any of the following:
      (i) Flood.
      (ii) Tornado.
      (iii) Earthquake.
      (iv) Fire.
   (d) The problem was due to a major system failure attributable to, but not limited to, any of the following:
      (i) An accident.
      (ii) A man-made disaster.
      (iii) A terrorist attack.
      (iv) An act of war.
      (v) A pandemic.

R 460.752 Proceedings for waivers and exceptions.

Rule 52. (1) A petition for a waiver of a customer credit provision filed by an electric utility or cooperative shall must be handled as a contested case proceeding. The burden of going forward with a request for a waiver shall be is on the electric utility or cooperative. To be timely, a petition for a waiver of a customer credit provision of these rules shall must be filed not more than 14 calendar days after conclusion of the outage giving rise to application of the customer credit provision.

(2) A petition for any other waiver or exception may be granted by the commission without notice or hearing.
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

PUBLIC SERVICE COMMISSION

SERVICE QUALITY AND RELIABILITY STANDARDS

FOR ELECTRIC DISTRIBUTION SYSTEMS

Filed with the secretary of state on

These rules take effect immediately upon filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the public service commission by sections 4, 6, and 10p of 1939 PA 3, MCL 460.4, 460.6, and 460.10p, section 7 of 1909 PA 106, MCL 460.557, section 5 of 1919 PA 419, MCL 460.55, and sections 3, 9, and 231 of the executive reorganization act of 1965, 1965 PA 380, MCL 16.103, 16.109, and 16.331)

R 460.701, R 460.702, R 460.703, R 460.721, R 460.722, R 460.723, R 460.724, R 460.731, R 460.732, R 460.733, R 460.734, R 460.741, R 460.742, R 460.743, R 460.744, R 460.745, R 460.746, R 460.747, R 460.748, R 460.751, and R 460.752 of the Michigan Administrative Code are amended, as follows:

PART 1. GENERAL PROVISIONS

R 460.701 Application of rules.

Rule 1. (1) These rules apply to electric utilities as defined by section 2 of the electric transmission line certification act, 1995 PA 30, MCL 460.562, and cooperative electric utilities as defined by section 2 of the electric cooperative member-regulation act, 2008 PA 167, MCL 460.32, that are subject to the jurisdiction of the public service commission.

(2) These rules do not relieve an electric utility that is subject to the jurisdiction of the public service commission from any of its duties under the laws of this state, including all of the requirements of R 460.3101 to R 460.3908.

R 460.702 Definitions.

Rule 2. As used in these rules:

(a) "All conditions" means conditions reflected by data derived through the amalgamation of data from normal conditions, gray sky conditions, and catastrophic conditions. All conditions does not mean only normal conditions or only gray sky conditions or only catastrophic conditions.

(b) "Approved by the commission" means that a favorable commission order has been obtained.

September 24, 2021
(c) "Catastrophic conditions" means either of the following:
   (i) Severe weather conditions that result in sustained service interruptions for 10% or more of an electric utility’s or cooperative’s customers.
   (ii) Events of sufficient magnitude that result in issuance of an official state of emergency declaration by the local, state, or federal government.
(d) “CELID” or "customers experience long term interruption durations" means the ratio of the number of customers experiencing 1 or more sustained interruptions longer than an indicated duration to the total number of customers served. For purposes of these rules, the interruption duration is denoted as a number and unit of time immediately following the term CELID, for example CELID8hours.
(e) “CEMI4” or "customers experiencing multiple interruptions" means the ratio of individual customers experiencing 4 or more sustained interruptions to the total number of customers served.
(f) "Commission" means the public service commission.
(g) "Completion date" means the day on which service at a new installation is permanently energized. The provision of construction power does not affect a determination of the completion date.
(h) “Cooperative” or “cooperative electric utility” means that term as defined in section 2 of the electric cooperative member-regulation act, 2008 PA 167, MCL 460.32.
(i) "Electric utility" means that term as defined in section 2(e) of the electric transmission line certification act, 1995 PA 30, MCL 460.562.
(j) “Gray sky conditions” means conditions that result in sustained interruptions for greater than 1% but less than 10% of an electric utility’s or cooperative’s customers.
(k) "Meter reading factor" means the percentage of meters read within an approved billing period. An approved billing period is a "billing month" within the meaning of R 460.102(e) of not less than 26 days, nor more than 35 days, or some other time period approved by the commission.
(l) "Metropolitan statistical area" means an area within this state identified by the United States Office of Management and Budget and appears on the website of the United States Department of Commerce, United States Census Bureau at https://www.commerce.gov/bureaus-and-offices/census.
(m) "Minimum bill prorated on a daily basis" means the amount that results from dividing the customer's minimum bill amount by the number of days in the billing period and then by multiplying that quotient by the number of days during which the customer remained out of service.
(n) "MISS DIG activities" means the requirements imposed pursuant to the MISS DIG underground facility damage prevention and safety act, 2013 PA 174, MCL 460.721 to 460.733.
(o) “Momentary interruption” means the full or partial loss of service to 1 or more customers for less than or equal to 5 minutes, including all reclosing operations that occur within 5 minutes of the first interruption.
(p) "New service installation factor" means the percent of new service hookups that are completed within the time period prescribed by these rules, from start date to completion date. New service hookups dependent on the construction of a line extension other than the service line are excluded from the calculation of this factor.
(q) "Normal conditions" means conditions that result in sustained interruptions for 1% or less of an electric utility’s or cooperative’s customers.

(r) “SAIDI” or “system average interruption duration index” means the sum of all customer-sustained interruption durations divided by the total number of customers served.

(s) “SAIFI” or “system average interruption frequency index” means the total number of customer-sustained interruptions divided by the total number of customers served.

(t) "Service restoration" means that the interruption condition has been corrected and that the interrupted customer or customers have regained the full use of their electric service.

(u) “Sustained interruption” means any interruption not classified as part of a momentary event, which means any interruption that lasts more than 5 minutes. The duration of a customer’s interruption is 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.

(v) "Start date for new installations" means the first business day after all of the following events have occurred:
   (i) All rights of way, easements, licenses, and consents have been obtained and are and remain physically unencumbered.
   (ii) All permits have been received.
   (iii) All joint use requirements have been met.
   (iv) All required inspections have been completed.
   (v) All commission-approved tariff payments have been received.
   (vi) All MISS DIG activities have been completed.
   (w) "Wire-down relief factor" means the annual percentage of the first responder guarded downed wires that are relieved by an electric utility or cooperative representative within the time period specified in R 460.723.

R 460.703 Revision of tariff provisions.
   Rule 3. Not more than 30 days after the effective date of these rules, an electric utility or cooperative subject to the commission's jurisdiction shall file any revisions of its tariff provisions necessary to conform with these rules.

PART 2. UNACCEPTABLE LEVELS OF PERFORMANCE

R 460.721 Duty to plan to avoid unacceptable levels of performance.
   Rule 21. An electric utility or cooperative shall plan to operate and maintain its distribution system in a manner that will permit it to provide service to its customers without experiencing an unacceptable level of performance as defined by these rules.

R 460.722 Unacceptable levels of performance during service interruptions.
   Rule 22. It is an unacceptable level of performance for an electric utility or cooperative to fail to meet any of the following sustained interruption standards:
(a) Considering data derived through the amalgamation of data from all conditions, an electric utility or cooperative shall restore service within 36 hours to not less than 90% of its customers experiencing sustained interruptions.

(b) Considering data including only catastrophic conditions, an electric utility or cooperative shall restore service within 48 hours to not less than 90% of its customers experiencing sustained interruptions.

(c) Considering data including only gray sky conditions, an electric utility or cooperative shall restore service within 24 hours to not less than 90% of its customers experiencing sustained interruptions.

(d) Considering data including only normal conditions, an electric utility or cooperative shall restore service within 8 hours to not less than 90% of its customers experiencing sustained interruptions.

(e) From the effective date of these rules until December 31, 2029, considering data derived through the amalgamation of data from all conditions, not more than 6% of an electric utility’s or cooperative’s customers may experience 4 or more sustained interruptions in a calendar year.

(f) Beginning January 1, 2030, considering data derived through the amalgamation of data from all conditions, not more than 5% of an electric utility’s or cooperative’s customers may experience 4 or more sustained interruptions in a calendar year.

R 460.723 Wire down relief requests.

Rule 23. (1) It is an unacceptable level of performance for an electric utility or cooperative to fail to respond to a request for relief of a first responder guarded downed wire at a location in a metropolitan statistical area within 120 minutes after notification at least 90% of the time under all conditions.

(2) It is an unacceptable level of performance for an electric utility or cooperative to fail to respond to a request for relief of a first responder guarded downed wire at a location in a non-metropolitan statistical area within 180 minutes after notification at least 90% of the time under all conditions.

(3) It is an unacceptable level of performance for an electric utility or cooperative to fail to exercise due diligence and care to ensure that first responders are relieved from guarding downed wires in the quickest manner possible.

(4) It is an unacceptable level of performance for an electric utility or cooperative to fail to exercise due diligence and care to ensure downed wires are responded to and secured in the quickest manner possible.

R 460.724 Unacceptable service quality levels of performance.

Rule 24. It is an unacceptable level of performance for an electric utility or cooperative to fail to meet either of the following service quality standards:

(a) An electric utility or cooperative shall have a meter reading factor of 95% or more within the approved period, including customer reads.

(b) An electric utility or cooperative shall complete 90% or more of its new service installations within 15 business days.
PART 3. RECORDS AND REPORTS

R 460.731  Deadline for filing annual reports.
Rule 31. Not more than 120 days after the end of the calendar year in which these rules became effective, an electric utility shall file an annual report with the commission regarding the previous calendar year. For subsequent calendar years, an electric utility or cooperative shall file its annual report not more than 75 days after the end of the year. The annual report must be filed on a form prescribed by the commission.

R 460.732  Annual report contents.
Rule 32. The annual report of an electric utility or cooperative made pursuant to these rules must contain all of the following information:
(a) The meter reading factor. If the meter reading factor is less than 95%, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
(b) The new service installation factor. If the new service installation factor is less than 90% completed within 15 business days, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
(c) The wire-down relief factor. If the wire-down relief factor is less than 90% within 120 minutes within metropolitan statistical areas or less than 90% within 180 minutes in non-metropolitan statistical areas, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
(d) The service restoration factor for all conditions. If the service restoration factor for all conditions is less than 90% of customers restored within 36 hours or less, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
(e) The service restoration factor for normal conditions. If the service restoration factor for normal conditions is less than 90% of customers restored within 8 hours or less, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
(f) The service restoration factor for gray sky conditions. If the service restoration factor for gray sky conditions is less than 90% of customers restored within 24 hours or less, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
(g) The service restoration factor for catastrophic conditions. If the service restoration factor for catastrophic conditions is less than 90% of customers restored within 48 hours or less, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level.
(h) CEMI4. All of the following information:
(i) The number of customers that experienced 4 or more sustained interruptions.
(ii) If more than 6% of customers experienced 4 or more sustained interruptions within the year, and that year was 2029 or a prior year, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its
performance to an acceptable level, including a description of all catastrophic conditions experienced during the year.

(iii) If more than 5% of customers experienced 4 or more sustained interruptions within the year, and that year was 2030 or a future year, then the report must contain a detailed explanation of the steps that the electric utility or cooperative is taking to bring its performance to an acceptable level, including a description of all catastrophic conditions experienced during the year.

(i) The number and total dollar amount of all customer credits the electric utility or cooperative provided during the year, broken down by customer class, for its failure to restore service to customers within 96 hours of the start of a sustained interruption that occurred during the course of catastrophic conditions.

(j) The number and total dollar amount of all customer credits the electric utility or cooperative provided during the year, broken down by customer class, for its failure to restore service to customers within 48 hours of the start of a sustained interruption that occurred during the course of gray sky conditions.

(k) The number and total dollar amount of all customer credits the electric utility or cooperative provided during the year, broken down by customer class, for its failure to restore service to customers within 16 hours of the start of a sustained interruption that occurred during normal conditions.

(l) The number and total dollar amount of all customer credits the electric utility or cooperative provided during the year, broken down by customer class, to individual customers who experienced 6 or more sustained interruptions.

(m) For each electric utility with 1,000,000 or more customers, a list of its 10 worst performing circuits for the prior year in terms of SAIDI and SAIFI.

(n) For each electric utility or cooperative with less than 1,000,000 customers, a list of the worst performing 1% of circuits for the prior year in terms of SAIDI and SAIFI.

(o) For each of the worst performing circuits listed in subrules (m) or (n) of this rule, the electric utility or cooperative shall provide all of the following information:

(i) SAIDI and SAIFI for the year.
(ii) Circuit name, number, and location.
(iii) Length of circuit in miles.
(iv) Number of customers served.
(v) Substation name.
(vi) Last circuit trim.
(vii) List of outages and causes.
(viii) Corrective action to improve performance.

(p) Number of CEMI reporting for indices CEMI0 through CEMI10+.
(q) Number of CELID reporting for indices CELID8hours, CELID24hours, CELID48hours.

(r) Number of non-residential customers experiencing momentary interruptions.

(s) A summary table indicating whether the electric utility or cooperative complied or failed to comply with each of the standards established by these rules.

R 460.733 Availability of records.
Rule 33. (1) An electric utility or cooperative shall make available to the commission or its staff, upon request, all records, reports, and other information required to determine compliance with these rules and to permit the commission and its staff to investigate and resolve service quality and reliability issues related to electric distribution service.

(2) An electric utility or cooperative shall make records, reports, and other information available to the commission or its staff within 5 business days of being requested, preferably in an electronic format available through the internet, accessible with standard browser software, identification, and password.

R 460.734 Retention of records.

Rule 34. An electric utility or cooperative shall preserve, in detail, all records required by these rules for the previous 24 months and shall preserve, in summary form, all records for not less than 4 years, unless otherwise ordered by the commission.

PART 4. FINANCIAL INCENTIVES AND CUSTOMER ACCOMMODATIONS

R 460.741 Approval of incentives by the commission.

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.

(2) A request for approval of an incentive mechanism must be made in either of the following proceedings and 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:

(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 until it has exceeded all of the service quality and reliability standards adopted by these rules continuously for a period of not less than 12 months.

R 460.742 Criteria for receipt of an incentive.

Rule 42. (1) If an electric utility or cooperative qualifies for implementation of a previously approved incentive mechanism, it shall file an application seeking authority to implement the incentive mechanism at the same time that it submits the annual report required by R 460.732.

(2) An electric utility or cooperative shall not apply for a financial incentive approved by the commission unless all of the following criteria were met during the previous 12 months:

(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 performance exceeded all of the individual service quality and reliability standards.
(d) The electric utility or cooperative fully responded to any inquiries about the content of the reports made by the commission or its staff in a timely manner.

R 460.743 Disqualification.
Rule 43. An electric utility or cooperative shall be disqualified from receiving an incentive if the commission issues an order finding that the electric utility engaged in any type of anticompetitive behavior within the 12-month period preceding the filing of an application pursuant to R 460.742(1).

R 460.744 Customer accommodation for failure to restore service after sustained interruption due to gray sky and catastrophic conditions.
Rule 44. (1) Unless an electric utility or cooperative requests a waiver pursuant to part 5 of these rules, an electric utility or cooperative that fails to restore service to a customer within 96 hours after the start of a sustained interruption that occurred during the course of catastrophic conditions shall provide any affected customer with a bill credit on the customer's bill within 90 days. The amount of the credit provided to a residential customer is the greater of a base rate of $35.00 for each sustained interruption over 96 hours, plus an additional $35.00 for each day thereafter or the customer's monthly customer charge. The amount of the credit provided to any other distribution customer is the customer's minimum bill prorated on a daily basis. The rate of $35.00 is subject to an annual adjustment pursuant to subrule (3) of this rule.

(2) Unless an electric utility or cooperative requests a waiver pursuant to part 5 of these rules, an electric utility or cooperative that fails to restore service to a customer within 48 hours after the start of a sustained interruption that occurred during the course of gray sky conditions shall provide any affected customer with a bill credit on the customer's bill within 90 days. The amount of the credit provided to a residential customer is the greater of a rate of $35.00 for each sustained interruption over 48 hours, plus an additional $35.00 for each day thereafter or the customer’s monthly customer charge. The amount of the credit provided to any other distribution customer is the customer's minimum bill prorated on a daily basis. The rate of $35.00 is subject to an annual adjustment pursuant to subrule (3) of this rule.

(3) No sooner than September 1, 2022, and by October 1 every year after, the commission shall issue an order adjusting the prevailing customer accommodation base rate. The commission shall adjust the customer accommodation base rate by multiplying the base rate by the difference between the Consumer Price Index for the month of October immediately preceding the commission’s order implementing the inflation adjustment, and the Consumer Price Index for the previous October. The commission shall round up each adjustment made under this subsection to the nearest $1.00.

R 460.745 Customer accommodation for failure to restore service during normal conditions.
Rule 45. (1) Unless an electric utility or cooperative requests a waiver pursuant to part 5 of these rules, an electric utility or cooperative that fails to restore service to a customer
within 16 hours after the start of a sustained interruption that occurred during normal conditions shall provide to any affected customer a bill credit on the customer's bill within 90 days. The amount of the credit provided to a residential customer is the greater of a rate of $35.00 for each outage over 16 hours, plus an additional $35.00 for each day thereafter or the customer's monthly customer charge. The amount of the credit provided to any other distribution customer is the customer's minimum bill prorated on a daily basis. The rate of $35.00 is subject to an annual adjustment pursuant to subrule (2) of this rule.

(2) No sooner than September 1, 2022, and by October 1 every year after, the commission shall issue an order adjusting the prevailing customer accommodation base rate. The commission shall adjust the customer accommodation base rate by multiplying the base rate by the difference between the Consumer Price Index for the month of October immediately preceding the commission’s order implementing the inflation adjustment, and the Consumer Price Index for the previous October. The commission shall round up each adjustment made under this subsection to the nearest $1.00.

R 460.746 Customer accommodation for repetitive interruptions.

Rule 46. (1) Unless an electric utility or cooperative requests a waiver pursuant to part 5 of these rules, a customer of an electric utility or cooperative that experiences 6 or more sustained interruptions in a 12-month period is entitled to a billing credit on the customer's bill within 90 days. The amount of the credit provided to a residential customer is the greater of $35.00, subject to adjustment pursuant to subrule (3) of this rule, or the customer's monthly customer charge. The amount of the credit provided to any other distribution customer is the customer's minimum bill prorated on a daily basis. The initial base rate of $35.00 is subject to an annual adjustment pursuant to subrule (3) of this rule.

(2) Following provision of the billing credit to a customer experiencing 6 or more sustained interruptions in a 12-month period, the electric utility's or cooperative’s interruption counter must be reset to zero to ensure that another credit to the customer will be processed only after the occurrence of another 6 interruptions in a 12-month period.

(3) No sooner than September 1, 2022, and by October 1 every year after, the commission shall issue an order adjusting the prevailing customer accommodation base rate. The commission shall adjust the customer accommodation base rate by multiplying the base rate by the difference between the Consumer Price Index for the month of October immediately preceding the commission’s order implementing the inflation adjustment, and the Consumer Price Index for the previous October. The commission shall round up each adjustment made under this subsection to the nearest $1.00.

R 460.747 Multiple billing credits allowed.

Rule 47. An electric utility's or cooperative’s obligation to provide a customer with a billing credit for 1 reason does not excuse the obligation to provide an additional billing credit in the same month for another reason.
R 460.748 Effect in other proceedings.
Rule 48. (1) The payment or nonpayment of a customer credit or an incentive award may not affect the rights of a customer or an electric utility or cooperative in any proceeding before the commission or in any action in a court of law.
(2) The finding of a violation of a service quality or reliability standard adopted in these rules may not affect the rights of a customer or an electric utility or cooperative in any proceeding before the commission or in any action in a court of law.

PART 5. WAIVERS AND EXCEPTIONS

R 460.751 Waivers and exceptions by electric utilities.
Rule 51. (1) An electric utility or cooperative may petition the commission for a permanent or temporary waiver or exception from these rules when specific circumstances beyond the control of the electric utility or cooperative render compliance impossible or when compliance would be unduly economically burdensome or technologically infeasible.
(2) An electric utility or cooperative may request a temporary waiver in order to have sufficient time to implement procedures and systems to comply with these rules.
(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 devoid of human agency that reasonable care would not avoid the consequences and includes any of the following:
    (i) Flood.
    (ii) Tornado.
    (iii) Earthquake.
    (iv) Fire.
  (d) The problem was due to a major system failure attributable to, but not limited to, any of the following:
    (i) An accident.
    (ii) A man-made disaster.
    (iii) A terrorist attack.
    (iv) An act of war.
    (v) A pandemic.

R 460.752 Proceedings for waivers and exceptions.
Rule 52. (1) A petition for a waiver of a customer credit provision filed by an electric utility or cooperative must be handled as a contested case proceeding. The burden of
going forward with a request for a waiver is on the electric utility or cooperative. To be timely, a petition for a waiver of a customer credit provision of these rules must be filed not more than 14 calendar days after conclusion of the outage giving rise to application of the customer credit provision.

(2) A petition for any other waiver or exception may be granted by the commission without notice or hearing.
PROOF OF SERVICE

STATE OF MICHIGAN  ) Case No. U-20629

County of Ingham  )

Brianna Brown being duly sworn, deposes and says that on March 17, 2022 A.D. she electronically notified the attached list of this Commission Order via e-mail transmission, to the persons as shown on the attached service list (Listserv Distribution List).

_______________________________________
Brianna Brown

Subscribed and sworn to before me this 17th day of March 2022.

_______________________________________
Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024
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Consumers Energy Company
SEMCO Energy Gas Company
Superior Energy Company
Upper Michigan Energy Resources Corporation
Upper Peninsula Power Company
Upper Peninsula Power Company
Midwest Energy Coop
Midwest Energy Coop
Alger Delta Cooperative
Cherryland Electric Cooperative
Great Lakes Energy Cooperative
Great Lakes Energy Cooperative
Stephenson Utilities Department
Ontonagon County Rural Elec
Presque Isle Electric & Gas Cooperative, INC
Thumb Electric
Bishop Energy
AEP Energy
CMS Energy
Just Energy Solutions
Constellation Energy
Constellation Energy
Constellation New Energy
DTE Energy
First Energy
My Choice Energy
Calpine Energy Solutions
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Premier Energy Marketing LLC
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Liberty Power
Wabash Valley Power
Wolverine Power
Lowell S.
Realgy Energy Services
Volunteer Energy Services
Hillsdale Board of Public Utilities
Michigan Gas Utilities/Upper Penn Power/Wisconsin
Direct Energy
Direct Energy
Direct Energy
Realgy Corp.
Katie Abraham, MMEA
Indiana Michigan Power Company
Santana Energy
MEGA
MEGA
ITC Holdings
Dickinson Wright
Xcel Energy
Matthew Peck
Consumers Energy
MidAmerican Energy Services, LLC
MidAmerican Energy Services, LLC
MidAmerican Energy Services, LLC
Northern States Power
Midwest Energy Coop
Midwest Energy Coop
Consumers Energy
Consumers Energy
DTE Energy
DTE Energy
Xcel Energy
Great Lakes Energy
Michigan Public Power Agency
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