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

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

At the September 11, 2019 meeting of the Michigan Public Service Commission in Lansing,

Michigan.

PRESENT: Hon. Sally A. Talberg, Chairman Hon. Daniel C. Scripps, Commissioner Hon. Tremaine L. Phillips, Commissioner

ORDER OPENING DOCKETS

On February 7, 2019, the Commission issued an order in Case No. U-20464 (February 7 order) in response to a request from Governor Gretchen Whitmer for the Commission to review the state's energy supply and preparedness for emergency situations, following a series of energy events that happened during Michigan's January 29 through February 1, 2019 cold weather emergency. In the July 2, 2019 order in that docket (July 2 order), the Commission noted that the initial Michigan Statewide Energy Assessment (SEA) report was timely provided to the Governor

on July 1, 2019,¹ in accordance with her request. In the July 2 order, the Commission also invited interested persons to comment on the initial SEA report, which was developed with the Commission Staff's (Staff) assistance as well as input from affected industries and other stakeholders.

Today, following the Commission's review and consideration of numerous comments from interested persons, the Commission issued a third order in Case No. U-20464 (September 11 order) stating that the final SEA report was timely provided to the Governor and is available in that docket. The September 11 order includes details from the final SEA report and discusses any comments that resulted in a change to the initial SEA report. The September 11 order also sets forth those jurisdictional recommendations indicated in the final SEA report that the Commission finds should be addressed immediately and those that can be addressed at a later time given prioritization of the resulting workload.

In this regard, and stemming from the September 11 order, the Commission is opening these dockets to establish workgroups, to be led by Staff experts from its Electric Operations Section and Customer Assistance Division, for the purpose of convening a series of meetings to thoroughly review the current Service Quality and Reliability Standards for Electric Distribution Systems (Mich Admin Code, R 460.701 through R 460.752).² A second workgroup is to be established, also to be led by Staff experts from the Commission's Electric Operations Section and Customer Assistance Division, for the purpose of convening a series of meetings to thoroughly

¹ On July 1, 2019, a copy of the initial SEA report was filed in Case No. U-20464, filing #U-20464-0031.

² See, final SEA report, 9.3.1.1 Compiled Recommendations and Observations for Mitigating Risks, Electric Recommendation E-3, p. 195; and 9.3.1.4 Cyber and Physical Security Recommendation S-2, p. 203.

review the current Technical Standards for Electric Service (Mich Admin Code, R 460.3101 through R 460.3703). These workgroups will look to other states for best practices and optimal standards regarding the rule sets. In particular, the workgroups will consider current and probable future technological advances in electric distribution systems and electric service, and will recommend changes to the standards in keeping with those advances. While the workgroups will not engage in official rule-making activities, the Commission's goal is that input from the workgroups will provide a foundation for potential future rule changes that are flexible and responsive to changing technology and that ensure safe, reliable electric service.

In ordering the formation of these workgroups, the Commission has considered comments from some electric utilities that oppose updating the standards. These utilities argue that practices that work for other states may not work well for Michigan,³ or that it may be preferable to wait until after smart grid technology has been fully deployed and the resulting effect on electric distribution systems has been analyzed.⁴ The Commission agrees with Attorney General Dana Nessel that service interruption rules should be updated to take into account that advanced metering infrastructure (AMI) technology makes it easier for electric utilities to discover outages.⁵ Significant investments have been made in AMI and other system upgrades, and customers should realize the full benefits of such utility investments through rules and utility operating practices that reflect the updated technological capabilities. The Commission notes that the Service Quality

³ See, Case No. U-20464, filing #U-20464-0038: comment filed by the Michigan Electric Cooperative Association.

⁴ See, Case No. U-20464, filing #U-20464-0052, p. 8: comment filed by Consumers Energy Company.

⁵ See, Case No. U-20464, filings #U-20464-0034 and #U-20464-0035: comment filed by Attorney General Nessel and Commission response.

rules have not been updated since 2004. Rulemaking is a time consuming process and postponing the commencement of stakeholder workgroups to await data from technology currently being placed into use may be many years in coming and, as such, is neither reasonable nor prudent. Electric reliability metrics suggest that Michigan's electric reliability should be improved, particularly with respect to how long customers experience power outages. *See* final SEA report filed in Case No. U-20464, Figures 3-8, 3-9, and 3-11. Although the Commission and utilities are undertaking other efforts such as long-term distribution planning and enhanced tree trimming to address these reliability concerns, the Commission finds that updated rules should be part of a comprehensive strategy to improve electric reliability, service quality, and public and worker safety. Therefore, the Commission is persuaded that this is a matter that should not be postponed.

The Staff shall file in the appropriate docket a preliminary report of each workgroup's initial findings and recommended updates for its assigned rule set no later than April 30, 2020. The workgroups shall continue to meet following the submission of the preliminary report to obtain stakeholder input on each group's initial findings and recommendations for their assigned rule set, and to refine the recommendations made in the initial report. The Staff shall file a final report on each assigned rule set in the appropriate docket no later than September 1, 2020.

THEREFORE, IT IS ORDERED that:

A. The Commission Staff shall form workgroups to review the Service Quality and Reliability Standards for Electric Distribution Systems and the Technical Standards for Electric Service and to recommend potential improvements to the standards, as discussed in this order.

B. The Commission Staff shall file a preliminary report of findings and recommendations for each assigned rule set in the corresponding docket no later than April 30, 2020.

C. Following the filing of the preliminary reports, each workgroup will seek input from stakeholders and the Commission Staff shall file a final report in the corresponding docket no later than September 1, 2020.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

Sally A. Talberg, Chairman

Daniel C. Scripps, Commissioner

Tremaine L. Phillips, Commissioner

By its action of September 11, 2019.

Lisa Felice, Executive Secretary

PROOF OF SERVICE

STATE OF MICHIGAN)

Case No. U-20629 et al.

County of Ingham

)

Brianna Brown being duly sworn, deposes and says that on September 11, 2019 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

Subscribed and sworn to before me this 11th day of September 2019.

Angela P. Sanderson Notary Public, Shiawassee County, Michigan As acting in Eaton County My Commission Expires: May 21, 2024

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