

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30755
LANSING, MICHIGAN 48909

DANA NESSEL
ATTORNEY GENERAL

March 31, 2020

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

Dear Ms. Felice:

Re: MPSC Case No. U-20629 – *In the matter, on the Commission’s own motion, to establish a workgroup to review and Service Quality and Reliability Standards for Electric Distribution Systems and to recommend potential improvements to the standards.*

As noted in the Attorney General’s July 25, 2019 Letter and Comments in U-20464, the Service Quality and Reliability Standards for Electric Distribution Systems are designed to monitor service quality and reliability performance of a distribution utility. There are some financial repercussions when a utility fails to meet certain performance criteria using bill credits for ratepayers. In her letter dated July 25, 2019, the Attorney General asked the Commission to consider revising Part 4 of these Standards to take advantage of new meter technology and remove the reporting burden placed on ratepayers, provide for automatic credits based on the nature and duration of outages, and to increase the amount of the credits to better reflect actual losses incurred by ratepayers during outages.

On September 11, 2019, the Michigan Public Service Commission issued an order requiring its Staff to file a preliminary report with recommendations on several issues one of which is the review of the Service Quality and Reliability Standards for Electric Distribution Systems. In response, the Staff has held several workgroup meetings and set forth issue statements recommending an increase to the outage credits to reflect the increase in the rate of inflation as well as make the credits automatic with additional changes to definitions and reporting procedures. The Attorney General appreciates the effort put forth by the Staff in reviewing these electric standards and seeks to reiterate her support for increasing outage credits and providing automatic credits.

In addition, the Attorney General recommends that the Staff consider the Citizens Utility Board of Michigan’s comments and report filed in this docket when preparing its

preliminary report on this issue. The Citizens Utility Board of Michigan similarly supported increased outage credits as well as automatic credits and provided a study to support an increased credit amount. The Board further explained that the utilities need to provide customers more information about when they are eligible for outage credits and provided an interesting discussion on creating goals for utilities to improve their performance in this area.

Beyond just outage credits, the Attorney General reiterates her concern that the Commission should also look at existing rules or promulgate new rules to protect customers in the event of major disasters. While the Commission has rules addressing emergency situations and restoring power to customers, there does not appear to be anything directed toward assisting displaced ratepayers. The National Association of State Utility Consumer Advocates approved resolution 2019-01 urging states to enact protections for residential utility customers in the event of major disasters, natural or otherwise. Among other things it encourages state utility regulators and utilities to implement disaster relief measures regarding electricity and gas services.

Sincerely,

Michael E. Moody (P-51985)
Assistant Attorney General
Michigan Department of Attorney General,
Special Litigation Division