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Division of Public Utilities

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MEMORANDUM

To: Public Service Commission

From: Division of Public Utilities

Chris Parker, Director

Artie Powell, Energy Section Manager

Date:

Re: R746-313, Proposed Electrical Service Reliability Rules

The Division of Public Utilities (Division) submits the following comments on the Utah Public Service Commission's proposed Electrical Service Reliability Rules, R746-313.

Rule 746-313-2 Definitions

(2) Customer: The phrase "for which an active bill account is established" may be over limiting given accounts may close during a reporting period. A service point could arguably be eliminated from reporting statistics simply because the account has been closed at some point during the reporting period. The Division recommends striking this phrase.

(7) "The Institute of Electrical and Electronics Engineers (IEEE) Standard 1366": The definition references the 2003 edition of the IEEE Guide. Should this be the 2012 edition?

(10) Momentary average interruption frequency index (MAIFI): Given the increase in electrical equipment and computer use in homes and businesses, the Division believes momentary interruptions are an important consideration in service quality and reliability. Therefore, the Division supports MAIFI as an important index to an overall reliability program.

(12) Major Event Day: The definition uses the definition of a day (a 24 hour period beginning at midnight) as a reference point. It is the Division's understanding that for a Major Event the 24 hour reference period does not necessarily coincide with a "day" as defined in the Rule. The definition should be a "24 four period" as the reference point.

Rule 746-313-4 Electric Service Reliability Program

(1): Paragraph 1 indicates that the utility "must use reasonable means in design . . . ". This phrase may be intended to cover among other principles cost-effectiveness of any reliability standards or goals. However, the Division recommends that the rule make explicit that reliability costs must meet the same prudence requirements as other costs for which the utility make seek recovery.

(2): ". . . an electric company must reestablish service in a manner which minimizes . . .". Similar to Paragraph 1, this paragraph makes no reference to cost effectiveness of any restoration efforts.

(4): ". . . to ensure service reliability . . . and to minimize service interruptions." Similar cost-effectiveness comments as in Paragraph 1.

(5): By November 1, 2012. This is a shorter period than for other electric utilities, e.g. electric coops, when the process for approval for a Commission regulated utility may be considerably longer. The Division recommends considering a longer approval period, say, March 2013.

(5): General Comments. The Division has similar concerns about cost-effectiveness as expressed previously. The Division is also concerned that the paragraph may be overly proscriptive in some respects. For example, although the division is supportive of the concepts in (5)(b)(i)-(vi), the directions are restrictive and may limit the utility's ability to adapt to changing circumstances:

Paragraph (5)(b) states, ". . . Reliability program components include but are not limited to. . . ." The Division recommends that the wording indicate that "components may include." Circumstance may change where one or more program components (Paragraphs (5)(b)(i)-(ii)) are no longer in the public interest. The more flexible language will give the utility the ability to adapt quickly.

Paragraph (5)(b)(iii). Penalties should not be left to the utility. The Commission should establish penalties (if any) after approval of the Performance Plan. Different penalties will likely apply to different aspects of the performance plan. For example, a utility may incur a Commission imposed financial penalty for failure to meet or maintain reliability objectives but may not face a Commission financial penalty for missing a customer guarantee or reporting deadline.

Paragraph (5)(b)(iv). The provided examples in the paragraph appear to be drafted to match the current reporting practice of PacifiCorp. However, the Division notes that reporting deadlines and meetings have often been arranged to accommodate interested parties' schedules. The Division recommends that filing deadlines and meetings be left open and that reports be no more frequent than twice per year. (Annual reports are probably sufficient).

Paragraph (5)(b)(v)(A): Given the difference in reporting standards across utilities, the Division questions the usefulness of benchmarking studies.

Paragraph (5)(c): Approval of modifications should be limited to those program components that measure directly service quality or reliability. These items are primarily the indices and any customer guarantees. Supportive programs such as capital investments, vegetation management, and other such programs should be at the utility's discretion with the understanding that it will need to (1) meet its approved reliability objectives, and (2) report on any changes in the subsequent filing.

Paragraph (5)(d)(i): In previous paragraphs supporting programs were suggestions. This paragraph appears to require a "worst performing circuit" (WPC) program. The Division believes the performance indices (e.g., SAIDI) are the more important indicators of performance. While the Division supports PacifiCorp's WPC program, this paragraph is overly proscriptive: supporting programs should be left to the discretion of the utility with the caveat noted above.

Paragraph(5)(d)(iv): It is not clear whether this requirement contradicts the definition of customer in R746-313-2(2) (definition of customer).

CC Dave Taylor, Rocky Mountain Power

Michele Beck, Office of Consumer Services