

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



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July 25, 2019

Chairman Talberg
Michigan Public Service Commission
7109 W. Saginaw Hwy.
Lansing, MI 48917

Dear Chairman Talberg,

After reading about the hundreds of thousands of customers across Michigan who lost power this past week and talking with a number of affected customers, I ask that the Commission consider revising the Service Quality and Reliability Standards for Electric Distribution Systems. Specifically, I ask that you reexamine the financial incentives and penalties for electric service interruption rules, R 460.741 – 460.748.

The current rules regarding financial penalties for electric service interruption require a \$25 credit for most customers in three situations: (1) Failure to restore electric service to a customer within 16 hours after an interruption that occurred during normal conditions; (2) Failure to restore electric service to a customer within 120 hours after an interruption that occurred during catastrophic conditions; and (3) Repetitive interruptions of the same circuit more than seven times in a 12-month period. In all three situations, the burden is on the customer to notify the utility of the outage and request the credit. In fact, customers do not know whether their service interruption was the result of normal conditions, catastrophic conditions, or whether the utility sought a waiver of the rules without contacting the Commission or confirming with the utility.

Placing the burden on customers to notify the utility and conduct further research on whether their particular outage entitles them to a credit is unacceptable and unnecessary in light of the new technology that many utilities have employed. For example, in both DTE Electric's and Consumers Energy's service territories, customers have paid millions in increased electric rates for the installation of smart meters on their homes. As a result of these smart meters, utilities are able to determine exactly when, where, and how long a customer is without electric service, irrespective of whether a customer fills out a service outage notification.

These electric service interruption rules were created years before the implementation of smart meters. Now, with these new technologies employed, customers of utilities that have employed smart meters should receive automatic credits if their service interruption qualifies. Moreover, in the process of reviewing these rules, the Commission should consider increased penalties that more reflect the cost borne by customers as well as graduated penalties that increase with the length of the outage.

As Michigan's Chief Consumer Advocate, and on behalf of all utility customers, I thank you for considering this request.

Sincerely,

A handwritten signature in blue ink that reads "Dana Nessel". The signature is written in a cursive style with a large, stylized initial "D".

Dana Nessel
Michigan Attorney General