

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter, on the Commission's own motion,)	
to solicit comments on power quality rules and data)	
collection from industrial customers in order to)	Case No. U-15901
implement the provisions of Sections 10p(9), (10))	
and (12) of 2008 PA 286.)	
_____)	

In the matter, on the Commission's own motion,)	
to require THE DETROIT EDISON COMPANY)	
to provide electric power reliability information in)	Case No. U-16065
its annual power quality report.)	
_____)	

In the matter, on the Commission's own motion,)	
to require CONSUMERS ENERGY COMPANY)	
to provide electric power reliability information in)	Case No. U-16066
its annual power quality report.)	
_____)	

At the September 15, 2009 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

ORDER

On October 6, 2008, Governor Jennifer M. Granholm signed into law 2008 PA 286 (Act 286), an amendment to 1939 PA 3. Section 10p(8) of Act 286 provides that the Commission shall submit a report to the Governor and the Legislature by September 1, 2009, that shall include (1) an assessment of the major types of end-use customer power quality disturbances, (2) an assessment

of utility power plant generating cost efficiency, (3) a description of current efforts to enforce standards pertaining to power quality disturbances and power plant generating cost efficiency, (4) recommendations for monitoring power quality disturbances and power plant generating cost efficiency, and (5) recommendations for statutory changes. MCL 460.10p(8)(a)-(e). On April 30, 2009, the Commission issued an order in Case No. U-15945 soliciting comments on Section 10p(8) of Act 286 and seeking responses to a power quality questionnaire, in an effort to assess and determine the extent and nature of existing problems with power quality and reliability.¹

On September 1, 2009, the Commission issued the Report on the Status of Power Quality in Michigan (the report), which is filed in the docket in Case No. U-15945. In the report, the Commission considered the usefulness of the information provided by reliability indices known as system average interruption frequency index (SAIFI), customer average interruption duration index (CAIDI), and system average interruption duration index (SAIDI). SAIFI represents the average number of interruptions per customer per year; CAIDI represents the average restoration time per outage; and SAIDI represents the average number of minutes of interruptions per customer. These service quality metrics are widely used in the industry, and the Commission Staff (Staff) found that they are relied upon in a number of states for monitoring customer service reliability on a system-wide basis.

In the report, the Commission concludes that it will be beneficial to Michigan electric power customers to begin to gather this power quality data from Consumers Energy Company (Consumers) and The Detroit Edison Company (Detroit Edison). The Commission finds that the two major Michigan utilities should provide these indices to the Commission starting no later than

¹Additionally, the Commission sought comments on Section 10p(11) of Act 286 in the October 21, 2008 order in Case No. U-15895, and on Sections 10p(9), (10), and (12) of Act 286 in the December 23, 2008 order in Case No. U-15901. These sections also address power quality issues.

April 2, 2010, with and without major events, on a rolling five year average basis, using the industry standard IEEE method of calculation. To that end, the Commission is opening dockets in Case No. U-16065 (Detroit Edison) and U-16066 (Consumers) for the filing of power quality data derived from primary meter monitors. The first filing shall be due no later than April 2, 2010.

In the report, the Commission further concludes that Consumers and Detroit Edison should begin to provide an annual power quality report. This report will contain data on all primary customer power quality investigations conducted in the past year for end-use customers derived from their power quality meters, and the outcome of each investigation. These reports shall be filed annually, for three years, in the dockets opened today, with the first report due no later than April 2, 2010. Based upon these reports, the Commission directs the Staff, no later than September 1, 2013, to report back to the Commission with recommendations regarding the need for additional standards, guidelines, or rules addressing power quality. The Staff's report shall be filed in the dockets in Case Nos. U-16065 and U-16066.

Finally, the Staff is directed to propose that additional information on power quality of the type discussed in this order be included in the power supply cost recovery (PSCR) plan proceedings for Consumers and Detroit Edison filed during the 2010 PSCR cycle.

The dockets in Case Nos. U-15901 and U-15895 were opened for the purpose of receiving informal comments, and the Commission finds that they may now be closed. The docket in Case No. U-15945 will remain open should anyone wish to file comments on the Commission's report.

THEREFORE, IT IS ORDERED that:

A. Consumers Energy Company shall provide information related to system average interruption frequency index (SAIFI), customer average interruption duration index (CAIDI), and

system average interruption duration index (SAIDI), with and without major events, on a rolling five year average basis, using the industry standard IEEE method of calculation. The information shall be filed annually in Case No. U-16066. The first filing shall be due no later than April 2, 2010.

B. The Detroit Edison Company shall provide information related to system average interruption frequency index (SAIFI), customer average interruption duration index (CAIDI), and system average interruption duration index (SAIDI), with and without major events, on a rolling five year average basis, using the industry standard IEEE method of calculation. The information shall be filed annually in Case No. U-16065. The first filing shall be due no later than April 2, 2010.

C. Consumers Energy Company shall file an annual power quality report. This report will contain data on all primary customer power quality investigations conducted in the past year for end-use customers, derived from their power quality meters, and the outcome of each investigation. The report shall be filed annually, for three years, in Case No. U-16066. The first report is due no later than April 2, 2010.

D. The Detroit Edison Company shall file an annual power quality report. This report will contain data on all primary customer power quality investigations conducted in the past year for end-use customers, derived from their power quality meters, and the outcome of each investigation. The report shall be filed annually, for three years, in Case No. U-16065. The first report is due no later than April 2, 2010.

E. The Commission Staff, no later than September 1, 2013, will report to the Commission regarding the need for additional standards, guidelines, or rules addressing power quality. The Commission Staff's report shall be filed in the dockets in Case Nos. U-16065 and U-16066.

F. The Commission Staff is directed to propose that additional information on power quality of the type discussed in this order be included in the power supply cost recovery plan proceedings for Consumers Energy Company and The Detroit Edison Company filed during the 2010 power supply cost recovery cycle.

G. The dockets in Case Nos. U-15901 and U-15895 are closed.

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

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of September 15, 2009.

Mary Jo Kunkle, Executive Secretary