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November 23, 2020

To: Tayler Becker, Electric Operations Section, Michigan Public Service Commission
Brian Sheldon, Energy Security Section, Michigan Public Service Commission

Re: Comments on the Staff Report: Grid Security and Reliability Standards for Electric Service Rules

Indiana Michigan Power Company (I&M or Company) submits these comments on the Michigan Public Service Commission (MPSC) Staff's Report: Technical Standards for Electric Service Rules U-20630 issued November 10, 2020. I&M appreciates this opportunity to comment on Staff's initial review, summary, and recommendations to update the Technical Standards for Electric Service Rules. I&M appreciates the time and effort by interested stakeholders to provide valuable input during this process and the Commission's efforts to facilitate discussion by hosting workshops and subgroup meetings to ensure collaborative input and participation. I&M has had many employees from various areas of the business engaged in the process along the way and has reviewed Staff's Initial Report, Appendix A and Appendix B. The Company offers the following comments on Staff's initial report draft language.

I&M Comments to Rule Changes & Staff Recommendations

Rule 203: Documents and information; required submission.

The newly proposed annual reporting would not seem to meaningfully benefit customers, particularly when compared to the additional cost that would be required to report this information annually. Utilities, particularly smaller utilities have limited resources available to support reporting requirements. As reporting requirements increase it will cause an increase in the cost of resources needed to support those requirements. I&M recommends this reporting requirement be eliminated or not required for utilities with fewer than 200,000 customers in the State of Michigan. Alternatively, I&M and other utilities already provide the Commission with periodic Distribution Plans that provide extensive information on the distribution system and would allow for incorporation of information consistent with the objectives of the suggested reporting requirements.

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Specific to the proposed reporting on vegetation management, the Commission approves a revenue requirement for a representative level of the costs of the service I&M provides its customers and not specific amounts for vegetation management. From there, I&M is responsible for managing its business with the funds produced by the approved rates and charges, including the proper maintenance of vegetation that could affect service to customers. Additionally, rates and charges can be established from an overall revenue level agreed to by settlement that does not state an “approved amount.” For these reasons, any reporting should not include an “approved amount” due to the misleading nature or lack of such a value. I&M, like other utilities, necessarily must have the flexibility to manage its business for the benefit of its customers. Periodic budgets and actuals can vary for numerous reasons, many of which are largely outside I&M’s control. For example, weather, customer load, competing business needs, and resource availability can all impact the amount of vegetation management planned for a given period and the actual vegetation management completed. In the event vegetation management reporting is required, it should be limited to information on periodic budgets and actuals and an explanation of the variance.

Rule 411 Extension of Electric Service

I&M participated in several discussions regarding proposals that were presented to modify Rule 411. The Company does not see value to all customers in changing this existing rule set and supports leaving Rule 411 unchanged.

Staff’s proposal to require a collaborative meeting among a customer desiring to switch utilities and two affected utilities raises several concerns: i) that the scope of the meeting (sub rule f) should be expressly limited to only the switching question, ii) that customers may develop a false sense that a switch based on rate differences can be justified, iii) that meetings are to take place without Staff involvement and iv) that compelling a meeting will involve utilities devoting additional resources to meetings that instead, could be accomplished by clear written communications among the parties at much lower cost and time involved.

I&M respectfully requests that Staff consider the above positions and make appropriate modifications in its Final Report before filing it with the Commission. I&M appreciates the ability to provide comments to the Staff’s Reports to the Commission as well as throughout the duration of the Technical Standards workshop and subgroup meetings.