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October 5, 2020

To: Charyl Kirkland, Energy Analyst, Electric Operations, Michigan Public Service Commission

Re: Comments on Staff's Amended Redline: Service Quality and Reliability Standards Document

Indiana Michigan Power Company (I&M or Company) submits these comments on the Michigan Public Service Commission (MPSC) Staff's amended redlined rules for the Service Quality for Electric Service Standards, dated September 21, 2020. I&M appreciates this opportunity to comment on Staff's amended rules.

Overall Comments

- I&M appreciates the updates made to the initial set of draft rules which correct or clarify previous inconsistencies throughout the initial draft rules document.
- I&M still stands by and supports its comments previously submitted on August 28, 2020. It is I&M's hope that Staff will thoughtfully consider both sets of stakeholder comments while developing revised rules for the final report due December 15, 2020.

Gray Sky Day Event Restoration Factors and Customer Accommodation Credits

- In reviewing the amended rules, I&M noted a significant change made to the expectations around response to gray sky day events. The specific rules of concern are:
 1. Rule 22, part b – indicates that a utility shall restore service within 16 ~~60~~ hours to not less than 90% of customers experiencing outages.
 2. Rule 32, part f – states that if the service restoration factor is less than 90% of customers restored within 16 ~~60~~ hours, then the annual report shall provide an explanation of steps a utility will take to bring performance to an acceptable level.
 3. Rule 32, part k – A utility is to provide in its annual report the number and total dollar amount of all customer credits for its failure to restore service within 32 ~~120~~ hours of a sustained interruption.

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4. Rule 44, part 2 – A utility is to provide a bill credit to customers whose service is not restored within 32 ~~60~~ hours during a sustained event.
- Per the proposed definition, gray sky events include up to 10% of customers. Some gray sky events are extended events that meet the IEEE definition for major events, but do not meet the catastrophic definition of 10% or more of customers affected. For example, in June 2020, I&M had a four day major event as defined by IEEE that would be deemed a gray sky day event per the proposed rules. Restoring service during a major event in less than 16 hours is highly unlikely and fails to reflect the reality of the work required to safely restore power in response to such events. I&M recommends that the gray sky day restoration standard reflect 36 hours. This would be an appropriate mid-point between the normal day standard of 8 hour restoration and catastrophic event day restoration standard of 60 hours (as proposed by I&M and discussed below). As such, I&M further recommends that the customer bill credit threshold be set at 72 hours (double the 36 hour performance standard).

Catastrophic Event Restoration Factors and Customer Accommodation Credits

- In reviewing the amended rules, I&M noted a significant change made to the expectations around response to catastrophic events that was not previously discussed in the stakeholder meetings. The specific rules of concern are:
 1. Rule 22, part c – This rule sets the standard that an electric utility shall restore service within 36 ~~60~~ hours to not less than 90% of its customers experiencing a sustained service interruption due to a catastrophic event
 2. Rule 32, part g – If the service restoration factor for catastrophic conditions is less than 90% of customers restored within 36 ~~60~~ hours or less, then the annual report shall contain a detailed explanation of the steps that the electric utility is taking to bring its performance to an acceptable level.
 3. Rule 32, part j – A utility is to include in its annual report the number and dollar amount of customer credits provided for failure to restore service to customers within 72 ~~120~~ hours during a catastrophic condition.
 4. Rule 44, part 1 – An electric utility shall provide a bill credit to a customer for not restoring service within 72 ~~120~~ hours during a catastrophic condition.
- These changes were not included in the initial set of draft redlined rules, but were incorporated into the new amended redlined rules. I&M does not support these changes for catastrophic events in the above rules. I&M maintains that a 60 hour catastrophic restoration expectation is appropriate. It is unreasonable to set a 36 hour restoration expectation for events that impact greater than 10% of customers.



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This comes on the heels of Stakeholders' desire for utilities to improve wire down relief times. Focusing more resources on wire down response early in the storm response will likely take resources away from damage assessment activities, planning, and ultimately will impact activities that support timely restoration. I&M is also concerned with a possible impact on safety by setting such an aggressive restoration standard. It is vitally important that I&M employees follow all safety processes and procedures without added pressures of a short "restoration clock" in order to protect employees and customers.

Such a short (36 hours) restoration threshold does not consider the uniqueness of events and the time of day in which they occur. An event that occurs at night or on a weekend or holiday is likely to result in a longer restoration period due to the added time of contacting resources, traveling to work locations, gathering of materials and equipment, and traveling to the work site. In other words, an event that happens during normal work hours is likely to have a shorter response time than the same event that may occur after hours. This not only applies to local resources but also for off-system resources. In addition, during restoration planning, I&M attempts to schedule hazardous activities during the daylight to ensure the best opportunity to perform the activity safely. Shortening the restoration threshold for catastrophic events might seem like a laudable goal, but doing so impedes the utility's ability to restore service safely.

It should also be recognized and appreciated that catastrophic events often impact neighboring utilities which affects a utility's ability to call upon them for restoration assistance. This often results in resources being requested from far away locations. Utilities understand their obligation to respond to customers' outages and restore service in the safest, most efficient, means possible. Utilities need flexibility to execute their restoration plans in order to restore service in an efficient manner which considers public and employee safety and critical loads served (i.e. hospitals, schools, etc.).

Further, I&M is concerned with such a significant change in expectations for catastrophic response not being discussed within the parameters of the collaborative meetings. The parties could have discussed how to weigh the Commission's objectives with the need to work safely to restore service to customers.

Distribution System Investment

I&M recognizes and agrees that increased investment in a utility's distribution system is intended to increase reliability, service restoration and overall customer satisfaction. I&M, like many utilities in the State, has begun to implement a distribution system enhancement program, however, the duration and magnitude of this investment has only impacted a small portion of I&M's system thus far. The



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improvement to overall system reliability is limited because we are still in the beginning stages of this program. It was not designed nor implemented to meet an ever-increasing standard for restoration times. It appears that the proposed changes to the Service Quality and Reliability standards assume a distribution system enhancement program is fully implemented, which is not the case for I&M at this time. Again, putting stricter reliability standards in place now may put I&M efforts to restore service quickly and safely at risk.

Summary and Conclusion

I&M respectfully requests that Staff consider the above comments and modify its Final Report before filing it with the Commission. Further, I&M has significant concerns with the changes made in the amended draft rules regarding expectations for service restoration from gray sky day and catastrophic events. The proposed amended rules add on to the expectation that utilities need to move closer to providing “flawless service” which may drive increased investment to meet the heightened standards thus raising costs for customers. I&M welcomes additional discussion around reliability especially in terms of balancing investment with performance and safety expectations.

I&M appreciates Staff’s ongoing efforts in the update of the Service Quality and Reliability Standards and shares the objective of providing safe and reliable service to our customers.