

STATE OF MICHIGAN
DEPARTMENT OF ATTORNEY GENERAL



P.O. Box 30755
LANSING, MICHIGAN 48909

DANA NESSEL
ATTORNEY GENERAL

November 23, 2020

Ms. Charyl Kirkland
Michigan Public Service Commission
7109 West Saginaw Highway
Lansing, MI 48917

Dear Ms. Kirkland:

Re: MPSC Case No. U-20629 – *In the matter, on the Commission’s own motion, to establish a workgroup to review and Service Quality and Reliability Standards for Electric Distribution Systems and to recommend potential improvements to the standards.*

After reviewing the Michigan Public Service Commission’s most recent revisions to the Service Quality and Reliability for Electric Service Rules, the Attorney General provides the following feedback and recommendations for changes to the report:

1. The increase in the penalty for outages is much improved. The Attorney General, however, continues to recommend the Citizens Utility Board (CUB) of Michigan’s analysis on how to calculate the increase.
2. In addition to outage credits, the Attorney General continues to recommend that the Staff consider creating new rules to protect customers in the event of major disasters. Attached to these comments is the National Association of State Utility Consumer Advocates 2019-01 resolution urging commissions and utilities to implement disaster relief measures regarding electricity and gas services. Although the Commission can and does take action by orders in response to events, developing a set of basic guidelines that all utilities under its jurisdiction should follow during a disaster will provide a faster response to these events and still allow the Commission act further by orders.
3. Rule 460.751(3) provides that a utility need not meet the standards or grant the credits required by parts 2 and 4 of these rules under a number of different circumstances. One such exception from the rules is under subsection (c) dealing with an “act of God.” As defined, an “act of God” includes a flood, tornado, earthquake, and fire. The revisions include

language expanding this list broadly by stating “but is not limited to” before listing the above four situations. Because this language is extremely broad, the Attorney General is concerned these exceptions to the rule could grow to include a number of situations beyond what is commonly considered an “act of God.” Accordingly, the Attorney General recommends that this language “but is not limited to” be removed from the revisions.

4. Finally, the Attorney General recommends that the rules contain language that prevent a utility from trying to collect these penalties from ratepayers. The rules clearly provide language for incentives that would be paid by ratepayers if granted by the Commission. Ratepayers, however, should never have to pay for penalties for unacceptable service restoration since ratepayers are already paying the utility to operate the system in an acceptable manner.

The Attorney General requests that the Staff consider these comments as it prepares the final report for the Commission.

Sincerely,

Michael E. Moody (P-51985)
Assistant Attorney General
Michigan Department of Attorney General,
Special Litigation Division