

Michigan Office of Administrative Hearings and Rules
MOAHR-Rules@michigan.gov

**AGENCY REPORT TO THE
JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)**

1. Agency Information

Agency name:

Licensing and Regulatory Affairs

Division/Bureau/Office:

Public Service Commission

Name of person completing this form:

Barbara Kunkel

Phone number of person completing this form:

517-284-8087

E-mail of person completing this form:

KunkelB1@michigan.gov

Name of Department Regulatory Affairs Officer reviewing this form:

Elizabeth Arasim

2. Rule Set Information

MOAHR assigned rule set number:

2021-76 LR

Title of proposed rule set:

Service Quality and Reliability Standards for Electric Distribution Systems

3. Purpose for the proposed rules and background:

These rules apply to electric utility service provided by utilities that are subject to the jurisdiction of the Public Service Commission. The rules are intended to promote safe and adequate electric service to the public, to provide standards for uniform and reasonable electric practices by utilities, and to encourage efficiency and safety. The word “electric” is being inserted in front of “utility” and the word “cooperative” is being added after “utility” in every rule that is being amended to clarify that these rules apply to electric utilities and cooperatives, only, and not alternative electric suppliers. Several new definitions are being added to R 460.702 to assist with clarification. Part 2 – Unacceptable Levels of Performance, R 460.721 through R 460.724, and Part 4 – Financial Incentives and Customer Accommodations, R 460.741 through R 460.748, are being updated to respond to the recurring sustained outages in the electrical supply to customers. The documentation and reporting requirements in Part 3 – Records and Reports, R 460.731 through 460.734, are being updated. R 460.751 is being updated to include a pandemic. Parts of R 460.702 and R 460.724 are being stricken and moved to the Michigan Public Service Commission’s “Consumer Standards and Billing Practices for Electrical and Gas Residential Service” rules. Additionally, language in several rules is being stricken because it involves obsolete technology. The proposed change to these rules is supported by the Commission and by regulated industry.

4. Summary of proposed rules:

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5. List names of newspapers in which the notice of public hearing was published and publication dates:

The Mining Journal, Grand Rapids Press, and Oakland Press all published on November 23, 2021

6. Date of publication of rules and notice of public hearing in Michigan Register:

11/15/2021

7. Date, time, and location of public hearing:

12/9/2021 09:00 AM at Lake Michigan Room or Microsoft Teams <https://bit.ly/3BnVe5i> , MPSC 7109 W. Saginaw Hwy., Lansing MI 48917 or <https://bit.ly/3BnVe5i> or call in (audio only) +1 248-509-0316 Conf. ID 269 161 043#

8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:

<https://ARS.apps.lara.state.mi.us/Transaction/RFRTransaction?TransactionID=1334>

9. List of the name and title of agency representative(s) attending public hearing:

Benjamin J. Holwerda, Michigan Attorney General
Charyl Kirkland, Michigan Public Service Commission

10. Persons submitting comments of support:

Joseph Valentine representing the City of Farmington Hills and Mr. Robert Nelson representing Citizens Utility Board of Michigan (CUB)

11. Persons submitting comments of opposition:

Michael Moody representing the Michigan Department of Attorney General, Joseph Valentine representing the City of Farmington Hills, Mr. Joe Musallam representing DTE Electric Company (DTE Energy), Daniel Dundas representing Michigan Electric and Gas Association (MEGA), Mr. Robert Nelson representing CUB, Jan F. Burgess representing Consumers Energy, and Rick Bunch representing Michigan Municipal Association for Utility Issues (MI-MAUI)

12. Persons submitting other comments:

Adrian A Laurenzi and Michelle Preston, each an individual represented themselves (these written comments were submitted after the public comment period deadline had passed).

13. Identify any changes made to the proposed rules based on comments received during the public comment period:

	Name & Organization	Comments made at public hearing	Written Comments	Agency Rationale for Rule Change and Description of Change(s) Made	Rule number & citation changed
1	DTE Energy – Joe Musallam	Adding the hourly component to credit payments may introduce negative impacts to customer satisfaction due to the additional complexity in the credit calculation and customers’ potential lack of full understanding of how the credit is being calculated and applied. DTE Electric has proposed an alternative \$35 per day incremental payment in lieu of the \$2 per hour payment.		Adopt a change to \$35 initial and \$35 per day instead of the \$2 per hour extra accommodation. This change was also adopted for R 460.745 for consistency.	R 460.744

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2	Consumers Energy		The Commission should clarify whether the difference between the required data in R 460.722(e) and R 460.722(f) is intentional. R 460.722(e) includes “both normal and catastrophic conditions,” while R460.722 (f) includes “all conditions.”	Adopt as “all conditions” in both subrules – this was an inadvertent omission in the draft.	R 460.722(e) and (f)
3	Consumers Energy		Consumers Energy remains supportive of the increase of an automated customer outage accommodation from \$25 to \$35 in the proposed rules; however, the Company is not supportive of the \$2 per-hour additional accommodation. The Company is also concerned that the \$2 per-hour customer credit is overly complex, will be challenging for customers to understand, and may lead to misunderstandings between the Company.	The Commission has adopted changes to both rules for a \$35 initial and \$35 per day customer accommodation for simplicity and clarity.	R 460.744, R 460.745

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4	MEGA companies		MEGA comments that gray sky conditions are excluded from subrule (e) and included in subrule (f), and for consistency should be the same in both subrules.	The Commission recognizes this oversight and adopts "all conditions" language which includes gray sky conditions in both subrules (e) and (f).	R 460.722
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14.Date report completed:

4/25/2022