

**Michigan Office of Administrative Hearings and Rules**  
**Administrative Rules Division (ARD)**

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**REQUEST FOR RULEMAKING (RFR)**

**1. Department:**

Licensing and Regulatory Affairs

**2. Bureau:**

Public Service Commission

**3. Promulgation type:**

Full Process

**4. Title of proposed rule set:**

Service Quality and Reliability Standards for Electric Distribution Systems

**5. Rule numbers or rule set range of numbers:**

R 460.701 - R 460.752

**6. Estimated time frame:**

12 months

**Name of person filling out RFR:**

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**7. Describe the general purpose of these rules, including any problems the changes are intended to address.**

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.

**8. Please cite the specific promulgation authority for the rules (i.e. department director, commission, board, etc.).**

Public Service Commission

**A. Please list all applicable statutory references (MCLs, Executive Orders, etc.).**

MCL 460.10p, 460.557, 460.55, 460.4, 460.6, 16.109, and 16.331.

**B. Are the rules mandated by any applicable constitutional or statutory provision? If so, please explain.**

There is no constitutional or statutory mandate for the rules. However, the aforementioned statutes provide the Commission with general authority to promulgate rules for the conduct of its business and the proper discharge of its functions.

**9. Please describe the extent to which the rules conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.**

The Commission is not aware of any conflict with or duplication of state and federal regulations.

**10. Is the subject matter of the rules currently contained in any guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda?**

No, however the rules adopt by reference certain national engineering and technical standards.

**11. Are the rules listed on the department's annual regulatory plan as rules to be processed for the current year?**

Yes, the Service Quality and Reliability Standards for Electric Distribution Systems are on LARA's annual regulatory plan as a rule to be processed this year.

**12. Will the proposed rules be promulgated under Section 44 of the Administrative Procedures Act, 1969 PA 306, MCL 24.244, or under the full rulemaking process?**

Full Process

**13. Please describe the extent to which the rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.**

The Commission is not aware of any rules exceeding similar regulations, requirements, or standards at the state, regional, or federal levels.

**14. Do the rules incorporate the recommendations received from the public regarding any complaints or comments regarding the rules? If yes, please explain.**

Yes the Commission has worked for the last year consulting with industry and interest groups in workshops to develop the rules and is addressing the concerns of the August 20, 2021 letter from the Governor to the Commission.

**15. If amending an existing rule set, please provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed the regulatory activity covered by the rules since the last evaluation.**

This ruleset was created in 2004 and has not been updated since. Technology, changing climates, and economic conditions have advanced and influence the industry, and the customers over the last 17 years requiring updates to the standards of acceptable service quality.

**16. Are there any changes or developments since implementation that demonstrate there is no continued need for the rules, or any portion of the rules?**

No, the changes have shown a greater need for these rules.

**17. Is there an applicable decision record (as defined in MCL 24.203(6) and required by MCL 24.239(2))? If so, please attach the decision record.**

No