In the matter, on the Commission’s own motion, to require THE DETROIT EDISON COMPANY to provide electric power reliability information in its annual power quality report. Case No. U-16065

In the matter, on the Commission’s own motion, to require CONSUMERS ENERGY COMPANY to provide electric power reliability information in its annual power quality report. Case No. U-16066

In the matter, on the Commission’s own motion, of the investigation into methods to improve the reliability of electric service in Michigan. Case No. U-12270


PRESENT: Hon. John D. Quackenbush, Chairman
          Hon. Greg R. White, Commissioner
          Hon. Sally A. Talberg, Commissioner

ORDER

On September 1, 2009, pursuant to MCL 460.10p, the Commission issued a Report on the Status of Power Quality in Michigan (2009 report), which is filed in the docket in Case No. U-15945. In the report, the Commission considered the usefulness of the information provided by reliability indices known as system average interruption frequency index (SAIFI), customer average interruption duration index (CAIDI), and system average interruption duration index.
(SAIDI) (collectively, reliability indices). SAIFI represents the average number of interruptions per customer per year; CAIDI represents the average restoration time per outage; and SAIDI represents the average number of minutes of interruptions per customer. These service quality metrics are widely used in the industry, and the Commission Staff (Staff) found that they are relied upon in a number of states for monitoring customer service reliability on a system-wide basis.

In the 2009 report, the Commission concluded that it would be beneficial to Michigan electric power customers to begin to gather this power quality and reliability data from Consumers Energy Company (Consumers) and DTE Electric Company (f/k/a The Detroit Edison Company) (DTE Electric). In an order issued on September 15, 2009, the Commission directed the two major Michigan utilities to provide these indices to the Commission starting no later than April 2, 2010, with and without major events, on a rolling five year average basis, using the industry standard Institute of Electrical and Electronics Engineers (IEEE) method of calculation, in the above-captioned dockets.

In the 2009 report, the Commission further concluded that Consumers and DTE Electric should begin to provide an annual power quality report, containing data on all primary customer power quality investigations conducted in the past year for end-use customers derived from their power quality meters and the outcome of each investigation (the power quality information), to be filed annually for three years, in the above-captioned dockets opened for this purpose. The Commission further directed the Staff, no later than September 1, 2013, to report back to the Commission with recommendations regarding the need for additional standards, guidelines, or rules addressing power quality. Consumers and DTE Electric filed the power quality reports (which included the reliability indices), and the Staff filed its Report on the Status of Power Quality in Michigan on August 30, 2013 (revised on September 9, 2013) (2013 report).
In the 2013 report, the Staff indicates that submission of this information has been vital in allowing the Staff to assess power quality and reliability issues in the state. The Staff recommends that the annual filing of power quality and reliability reports be continued, and be expanded to include all investor owned utilities (IOU), stating:

Staff believes the accessibility of such power quality and reliability information that has been supplied by Consumers and DTE Electric is instrumental to regulators as they attempt to understand utility customer experience and the reasonableness of reliability based expenditures in company rate cases. In addition, it allows customers who have been affected by power quality to access utility data to see how the utility is faring in improving power quality and reliability. Without these reports, Commission staff will lose an important tool in measuring effectiveness of reliability based expenditures, which could have a negative impact on rate payers. Staff believes that the continued annual filing of this information is fundamental to effective electric regulation in the State of Michigan and recommends that it be expanded to all IOUs.

2013 report, p. 27.

The Commission agrees with the Staff’s recommendation and, to that end, has included the caption for Case No. U-12270 in this order. In the December 20, 2001 order in Case No. U-12270 the Commission directed all IOUs and cooperatives to begin filing electric reliability reports. The Commission stated:

The Commission has authority pursuant to MCL 460.556 to “require from all electric utilities in the state such information as the Commission may need at any time in connection with the performance of the duties imposed upon it.” Indeed, Public Act 106 of 1909, as amended, MCL 460.551 et seq., grants the Commission broad authority to regulate the conditions of service under which electricity is distributed. Accordingly, the Commission directs all electric utilities under its jurisdiction to begin collecting [electric reliability] data as of January 1, 2002. The electric utilities shall measure, record, and report information necessary to demonstrate their performance in relation to the proposed performance standards. Each utility shall make its best effort to obtain all of the required data without implementing any costly revisions to its systems.
December 20, 2001 order in Case No. U-12271, p. 3. These electric reliability reports continue to be filed annually. Today, the Commission directs the IOUs and cooperatives\(^1\) to add the reliability indices and the power quality information to their annual electric reliability reports filed in that docket. The reliability indices shall be reported with and without major events, on a rolling five year average basis, using the IEEE method of calculation. The power quality information shall contain data on all primary customer power quality investigations conducted in the past year for end-use customers derived from their power quality meters, and the outcome of each investigation.

Additionally, the Commission believes it is important to provide a streamlined method for industrial customers to report reliability and power quality concerns. As noted in the 2013 report, the Association of Businesses Advocating Tariff Equity (ABATE) has emphasized the economic impact of power quality events on industrial operations. ABATE has particular concerns with voltage sags, which may not all be captured by the utility’s power quality and investigation reports. ABATE did not provide specific data to back up its position; however, it has called for the Commission to collect voltage sag data from customers through a website. The Commission believes such self-reporting from industrial customers is appropriate, and would be less burdensome than the formal or informal complaint process. Therefore, the Commission directs the Staff to determine the appropriate format and means to retrieve voltage sag information, and to file a recommendation in this docket within 60 days of the date of this order.

The Commission also directs Consumers and DTE Electric to continue to make the annual power quality and reliability report filings (which have included the reliability indices) that they have been making pursuant to the September 15, 2009 order. Finally, the Commission notes that, in the 2013 report, the Staff indicates that ITC Holdings Corporation and American Transmission

\(^1\) The Commission retains jurisdiction over member-regulated cooperatives for purposes of safety, distribution performance standards, and quality of service. MCL 460.36(2).
Company have also provided invaluable reliability information on a voluntary basis, and the Commission encourages these transmission companies, as well as Wolverine Power Cooperative and American Electric Power subsidiaries, to continue to work cooperatively with the Staff.

THEREFORE, IT IS ORDERED that:

A. DTE Electric Company shall file an annual power quality and reliability report, as described in this order. This report will contain data on all primary customer power quality investigations conducted in the past year for end-use customers, derived from their power quality meters, and the outcome of each investigation, as well as data on reliability indices. The report shall be filed annually in Case No. U-16065, no later than April 2 of each year.

B. Consumers Energy Company shall file an annual power quality and reliability report, as described in this order. This report will contain data on all primary customer power quality investigations conducted in the past year for end-use customers, derived from their power quality meters, and the outcome of each investigation, as well as data on reliability indices. The report shall be filed annually in Case No. U-16066, no later than April 2 of each year.

C. All of the investor-owned utilities and cooperatives currently filing annual electric reliability reports in the docket in Case No. U-12270 shall include in future reports the reliability indices and power quality information, as described in this order. Those reports shall continue to be filed annually in Case No. U-12270, no later than April 2 of each year.

D. No later than 60 days from the date of this order, the Commission Staff shall file in this docket a recommendation regarding the appropriate format and means to retrieve voltage sag information.
The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

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John D. Quackenbush, Chairman

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Greg R. White, Commissioner

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Sally A. Talberg, Commissioner


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Mary Jo Kunkle, Executive Secretary