

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Rule-Making Proceeding  
Related to Electric System Reliability – New  
Rule Addition to Chapter 480-100 WAC

Docket No. UE-991168

**Comments of  
Public Counsel  
Attorney General of Washington  
December 1, 2000**

Public Counsel appreciates the chance to offer comments in response to the second informal draft of the electric reliability rules, dated November 7, 2000. We understand Staff's intention behind the proposed rule to be improved data collection and understanding of the reliability of the electric system that serves customers of Washington's three investor-owned electric utilities. Because Public Counsel believes this to be an extremely important goal at a time when the reliability of the grid and the adequacy of the generation resources supporting it are receiving considerable attention, we are generally supportive of Staff's intention and this draft rule as a means to achieving it. However, we have some specific comments on the rule as drafted, as well as some general policy concerns for consideration. These are outlined below and organized to match the three sections of the proposed rule.

**WAC 480-100-xx1 Electric Service Reliability Definitions**

As a matter of policy, Public Counsel agrees with Staff that reliability should be a measurement of the quality of service to customers. Customers are affected by all aspects of a

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Office of the Attorney General  
Public Counsel Section  
900 4<sup>th</sup> Avenue Suite 2000  
Seattle, Washington 98164  
(206) 464-7744

utility's business, including generation, transmission, distribution, and customer service. Should the utility have a problem in any one of these areas, customers are likely to receive less reliable service. This practical reality leads to two concerns with the rule as currently drafted.

First, the proposed rule includes a definition of "full-system" in 480-100-xx1(6) which appears limited to "electrical lines and equipment." It is not clear if Staff intends this definition to include generating resources and equipment. Public Counsel believes generation is vitally important to the performance of the utility's full system, and the rule should explicitly recognize that generation assets are included. This point is explored in more depth below.

Second, the proposed definition does not include the company's human resources. Reliability will certainly be affected by the number and skill of the employees the utility deploys to build, maintain, and repair its infrastructure. The definition should therefore be expanded to recognize that reliability is dependent on the performance of all of the utility's assets and to specifically capture these two important elements of system performance.

### **WAC 480-100-xx2 Reliability Monitoring and Reporting Plans**

The proposed rule leaves considerable discretion to the utilities in 480-100-xx2 as to the measurement of reliability data. Public Counsel is not opposed to some flexibility for the companies. Indeed, given the differences in systems among companies, it may well be valuable. However, in light of the importance of this topic to consumers, we would like to see some minimum guarantees as to the breadth and depth of the data. Public Counsel has three specific areas of concern in this regard.

First, as noted above, Public Counsel views reliability as encompassing the utility's entire operations. Therefore, the rule should include an explicit requirement to account for and distinguish among generation, transmission, distribution, and customer service reliability statistics. Because each utility system is unique, these factors will vary in importance when assessing the company's performance. A general requirement of all utilities to account for each element should not limit any specific company in focusing on the elements of reliability that most affect its performance. Such a requirement will benefit policy-makers by allowing them to better determine the differences in systems and the relative importance of various business functions in maintaining a high level of reliability.

Further, we note that changes in the structure of the industry may affect reliability, and the utilities' ability to measure it, in fundamental ways. The organization of a regional transmission organization or an independent transmission company may, or may not, change the responsibility of the local distribution company as well as its access to transmission-related data. Continuing changes in the wholesale generation market, and further divestiture of generating assets, may affect reliability in important ways by impacting maintenance, outage and unit availability. These kinds of responses appear to have occurred in California and New England. Changes in the number and skill set of employees, as a result of mergers, efficiencies, or corporate policy may affect the ability and speed of the utility to respond to its customers' demands for service. By requiring some minimal self-examination of current performance in these areas, the Commission will be better positioned to evaluate structural changes in the industry in the future.

Second, Public Counsel supports the portion of 480-100-xx2(3)(a) that requires "localized reliability" data. We believe the utility, its customers, and other stakeholders will

benefit from better information on current performance that is disaggregated to the most meaningful local level possible. However, the rule as drafted does not guide the utilities in determining what local level is appropriate. Public Counsel supports the inclusion of language designed to capture the current best practices of the company, since advances in technology are making it possible to capture data at extremely fine levels. We suggest a clause in this subsection requiring the use of the best data available to the utility. Such a condition does not prejudice a standard across utilities, but would ensure that those companies able to capture the fine points of their system operation would incorporate that data into their measurement and reporting.

Finally, Public Counsel notes that WAC 480-100-076(5) requires the company to keep a record of interruptions effecting a “substantial number of customers.” It would be valuable to agree in this docket on what a meaningful definition of that term should be, or alternatively, to ensure that rule is harmonized with the data requirements of these proposed rules.

### **WAC 480-100-xx3 Electric Service Reliability Reports**

Public Counsel supports the reporting requirements Staff has proposed in the draft rules. In addition, we suggest the rule incorporate a requirement for reporting reliability performance to customers, no less frequently than is reported to the Commission. There are several reasons why such a requirement is valuable to the utility and its customers.

First, both PSE and Scottish Power have already committed to reporting requirements on their service, including reliability data. Public Counsel believes PSE has greatly benefited from this practice, as it provides a mechanism for the utility to communicate with its customers as to the extent to which the company is meeting their service needs in a consistent

manner. While it is still too soon to determine how Scottish Power's reporting will develop, we have no reason to doubt a similar outcome.

Second, clearly informed customers are better positioned to evaluate the utility's efforts, and to understand their utility's successes and failures. As prices rise, and changes in the industry demand attention, customers are best served by having greater access to available information.

Third, reporting to customers may motivate improved performance. Public Counsel believes that accountability to customers as well as to regulators is an important element of reliability. Without regular reports from the utility, customers will be unable to hold the company accountable for its efforts on their behalf.