

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
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1. Desired date of publication in Maryland Register: 10/16/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

20 50 12 02

3. Name of Promulgating Authority

Public Service Commission

4. Name of Regulations Coordinator

Loretta V Scofield

Telephone Number

410-767-8381

Mailing Address

6 St. Paul Street

City State Zip Code

Baltimore MD 21202

Email

lscofield@psc.state.md.us

5. Name of Person to Call About this Document

David J. Collins, Executive Secretary

Telephone No.

410-767-8067

Email Address

david.collins@maryland.gov

Title 20
PUBLIC SERVICE COMMISSION
Subtitle 50 SERVICE SUPPLIED BY ELECTRIC COMPANIES
20.50.12 Service Quality and Reliability Standards
 Authority: Public Utilities Article, §§7-213, 13-201, and 13-202, Annotated Code of Maryland

Notice of Proposed Action

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The Public Service Commission proposes to amend Regulation .02 under COMAR 20.50.12 Service Quality and Reliability Standards. This action was considered at a scheduled rule making meeting on September 1, 2015 and September 2, 2015.

Statement of Purpose

The purpose of this action is to update the electric distribution system reliability standards in accordance with Section 7-213(d) of the Public Utilities Article.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

The six largest electric utilities are required to achieve high levels of reliability by requiring improvements in their indices of reliability performance and outage recovery times. Incremental costs identified below are estimates for these utilities to achieve the performance levels required by these indices.

II. Types of Economic Impact.	Revenue (R+/R-)	Expenditure (E+/E-) Magnitude
<hr style="border: 1px solid black;"/>		
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
	Benefit (+)	Magnitude
	Cost (-)	

D. On regulated industries or trade groups:	NONE	
(1)	(-)	\$400 million through year 2019
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	(+)	\$1,000 million through year 2019

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

D(1). The regulations require the six largest electric utilities to achieve high levels of reliability by requiring improvements in their indices of reliability performance and outage recovery times. The cost estimate provided is an estimate of the potential incremental costs of these electric utilities to achieve the performance levels required by the new indices through 2019. Some of these costs may be included in future electric distribution rates for these six utilities, subject to Commission review to ensure expenditures are just and reasonable.

F. The benefits are derived from an improvement in reliability performance and outage recovery times by the electric utilities through 2019. Benefits were determined using a Department of Energy outage avoidance cost calculator using a twenty year average life for capital improvements and assuming that the largest reliability performance indices of the regulation are met by each utility.

Economic Impact on Small Businesses

The proposed action has a meaningful economic impact on small business. An analysis of this economic impact follows.

The benefit estimate above is based on the total customer base of the six largest electric utilities operating in Maryland and not specifically attributable to small businesses. However, all electric utility customers will benefit from the improvements in service quality and reliability performance, including small businesses operating in a utility's service territory. Additionally, when utilities recover costs associated with complying with service quality and reliability standards, the costs will be allocated to customer classes, including customer classes comprising of small businesses. The amount of any potential increase in utility rates that will be applicable to small businesses is unquantifiable at this time.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to David J. Collins, Executive Secretary, Public Service Commission, William Donald Schaefer Tower, 6 St. Paul Street, Baltimore, Maryland

21202-6806, or call 410-767-8067, or email to , or fax to 410-333-6495. Comments will be accepted through November 16, 2015. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2016

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:
Special Fund - The Public Utility Regulation Fund

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

G. Small Business Worksheet:

Attached Document:

20.50 – 090815 - lvs

Title 20 PUBLIC SERVICE COMMISSION

Subtitle 50 SERVICE SUPPLIED BY ELECTRIC COMPANIES

Chapter 12 Service Quality and Reliability Standards

Authority: Public Utilities Article, §§7-213, 13-201, and 13-202, Annotated Code of Maryland

20.50.12.02

.02 System-Wide Reliability Standards.

A. – C. (text unchanged)

D. SAIDI and SAIFI Standards.

(1) The SAIDI *in minutes* and SAIFI reliability standards for *the* calendar years [2012—2015] *noted* and thereafter, unless changed by the Commission, are as follows:

(a) Baltimore Gas and Electric Company

	[2012	2013	2014	2015
SAIDI	4.24	3.96	3.69	3.44

SAIFI	1.51	1.47	1.43	1.39]	
	2015	2016	2017	2018	2019
SAIDI	206.4	192.0	177.6	162.6	142.2
SAIFI	1.39	1.33	1.27	1.22	1.08
(b) Choptank Electric Cooperative, Inc.					
	[2012	2013	2014	2015	
SAIDI	2.99	2.92	2.74	2.58	
SAIFI	1.50	1.49	1.44	1.39]	
	2015	2016	2017	2018	2019
SAIDI	154.8	152.4	151.2	149.4	148.2
SAIFI	1.39	1.38	1.37	1.37	1.36
(c) [Delaware]Delmarva Power [and]& Light Company					
	[2012	2013	2014	2015	
SAIDI	3.25	2.99	2.74	2.62	
SAIFI	1.77	1.65	1.55	1.46]	
	2015	2016	2017	2018	2019
SAIDI	157.2	151.0	145.0	139.0	125.0
SAIFI	1.46	1.41	1.36	1.32	1.22
(d) Potomac Edison Company					
	[2012	2013	2014	2015	
SAIDI	3.28	3.05	2.92	2.79	
SAIFI	1.11	1.10	1.09	1.08]	
	2015	2016	2017	2018	2019
SAIDI	167.4	165.0	162.6	160.2	153.0
SAIFI	1.08	1.08	1.08	1.08	1.08
(e) Potomac Electric Power Company					
	[2012	2013	2014	2015	
SAIDI	3.18	2.82	2.58	2.39	
SAIFI	1.95	1.81	1.61	1.49]	
	2015	2016	2017	2018	2019
SAIDI	143.4	125.0	116.0	109.0	101.0
SAIFI	1.49	1.25	1.14	1.04	0.95
(f) Southern Maryland Electric Cooperative, Inc.					
	[2012	2013	2014	2015	
SAIDI	2.37	2.35	2.33	2.32	
SAIFI	1.39	1.38	1.37	1.36]	
	2015	2016	2017	2018	2019
SAIDI	139.2	138.0	136.8	136.2	135.6
SAIFI	1.36	1.35	1.34	1.33	1.32

(2) – (6) (text unchanged)

(7) SAIDI and SAIFI Standards after 2015.

(a) (text unchanged)

(b) By March 1, 2014 and every 4 years thereafter, unless otherwise directed by the Commission, each utility:

(i) Shall file proposed annual SAIDI and SAIFI reliability standards [and supporting testimony] for its Maryland service territory[. The proposed annual SAIDI and SAIFI reliability standards shall be for a 4-calendar-year period, at a minimum]; [and]

(ii) Shall file corresponding cost estimates associated with meeting the proposed SAIDI and SAIFI reliability standards as specified by the Commission; and

[(ii)](iii) May propose any other appropriate reliability requirement for the Commission's consideration along with supporting [testimony]comments.

(c)The proposed annual SAIDI and SAIFI reliability standards filed by each utility shall be for a 4-calendar-year period, at a minimum.

E. (text unchanged)