

MEMORANDUM

To: Robert M. Pickett, Chairman
Stephen McAlpine
Rebecca L. Pauli
Norman Rokeberg
Janis W. Wilson

Date: May 10, 2017

From: Jay Layne, Utility Engineering Analyst

Subject: Summary of Comments in Response to Order R-15-004(4)

Background

In Order R-15-004(4), the Commission issued proposed regulations governing reporting obligations for natural gas, provisionally certificated water and wastewater, refuse, telecommunications (local exchange and interexchange), and electric utilities for public comment. A deadline of March 16, 2017 was established for comments in response to the proposed revisions.¹ The following five parties filed comments:

- Matanuska Electric Association, Inc. (MEA);²
- The Office of the Attorney General, Regulatory Affairs and Public Advocacy Sections (RAPA);³
- Enstar Natural Gas Company (Enstar);⁴
- Chugach Electric Association, Inc. (Chugach);⁵
- Golden Valley Electric Association, Inc. (GVEA);⁶ and
- Municipal Light and Power (ML&P)⁷

General Summary of Comments

Generally, the comments were supportive of the revised regulations and Staff has summarized and addressed the comments.

¹ Order R-15-004(4), *Order Issuing Proposed Regulations for Comment*, issued on February 14, 2017.

² *Matanuska Electric Association, Inc.'s Response to Order R-15-004(4)*, filed March 16, 2017 (MEA Comments).

³ *Comments of the Office of the Attorney General in Response to Order R-15-004(4)*, filed March 16, 2017 (RAPA Comments).

⁴ *Public Comments for R-15-004 by Moria Smith of Enstar Natural Gas Company*, filed March 6, 2017 (Enstar Comments).

⁵ *Public Comments for R-15-004 by Arthur Miller of Chugach Electric Association, Inc.*, filed March 16, 2017 (Chugach Comments).

⁶ *Public Comments for R-15-004 by Brian Youngberg of Golden Valley Electric Association, Inc.*, filed March 16, 2017 (GVEA Comments).

⁷ *Municipal Light and Power's Comments in Response to Order R-15-004(4)*, filed March 16, 2017 (ML&P Comments).

Specific Comments on Proposed Regulations

Electric Sector

Reporting Scheduled Outages:

3 AAC 52.460(e). The proposed revision moves language from 3 AAC 52.490(2) and includes that notification of a scheduled outage is required if a reliability reporting area is affected.

MEA: No comment.

RAPA: RAPA states the use of the term “planned outage” and “scheduled outage” appear to mean the same thing and suggest selecting either term if the intent is each has the same meaning. Also, RAPA states the utilities are not required to file the plan with the Commission or publicly post it, therefore making it difficult to ensure that the plan is being followed.⁸

Chugach: Chugach states it would comply with this revision.⁹

GVEA: No comment.

ML&P: ML&P believes the term “social media” should be included in the definition of “public notification”.¹⁰

Staff’s Response: Staff has incorporated RAPA’s comment into the revised proposed regulations.

Reporting Unscheduled Outages:

3 AAC 52.490(a). Requires an electric utility to maintain contact information with the Commission.

MEA: No comment.

RAPA: No comment.

Chugach: Chugach states it currently complies with the proposed revision.¹¹

⁸ RAPA Comments at 3.

⁹ Chugach Comments at 3.

¹⁰ ML&P Comments at 1,2.

¹¹ Chugach Comments at 3.

GVEA: No comment.

ML&P: ML&P supports the revisions.¹²

Staff's Response: No comment from Staff.

3 AAC 52.490(b)(1). Outlines the information an electric utility must submit following an unscheduled outage that is an immediate threat to the health or safety of customers.

MEA: MEA states the definition that defines, “immediate threat to the health or safety” is vague and ambiguous. MEA recommends language that would provide clarity to the requirements of reporting an immediate threat to safety, “for an outage that has resulted in a fatality or physical injury to persons involving facilities owned or operated by the utility, the commission must be notified as soon as reasonably possible...”.¹³

RAPA: No comment.

Chugach: Chugach states that it would be difficult to comply with this revision and request the revision be deleted.¹⁴

GVEA: No comment.

ML&P: ML&P states the definition that defines, “immediate threat to the health or safety” does not provide sufficient guidance on when outages should or should not be reported to the Commission.

Staff' Response: Staff was not persuaded by MEA's, Chugach's, or ML&P's arguments. Staff believes that immediate threats to the health and safety of the public should be reported as soon as reasonably possible. Non-immediate threat outages must be reported (see 3 AAC 52.490(b)(2) to the Commission within 5 business days. Staff believes this tiered approach balances the reporting requirement of the utilities with the responsibilities of the Commission.

3 AAC 52.490(b)(2). Outlines the criteria and information an electric utility must submit following an unscheduled outage.

MEA: MEA questions the basis for changing the reporting threshold duration from three hours to thirty minutes.¹⁵

¹² ML&P Comments at 2.

¹³ MEA Comments at 2.

¹⁴ Chugach Comments at 3,4.

¹⁵ MEA Comments at 2.

RAPA: No comment.

Chugach: Chugach questions the basis for changing the reporting threshold duration from three hours to thirty minutes.¹⁶

GVEA: GVEA states that the proposed term, “reliability reporting area”, does not provide more clarity to the utilities the Commission should retain the term, “discrete community”.¹⁷

ML&P: ML&P questions the basis for changing the reporting threshold duration from three hours to thirty minutes.¹⁸

Staff’s Response: Staff is not persuaded by MEA’s, Chugach’s, GVEA’s, and ML&P’s arguments. For an outage to be required to be reported to the Commission, the 3 hour threshold was reduced to 30 minutes but the 5% or greater affected customer threshold was kept in place. Staff believes this compromise balances the reporting requirement of the utilities with the responsibilities of the Commission.

3 AAC 52.490(b)(3). Outlines the information required as part of the utility’s annual outage report to the Commission.

MEA: No comment.

RAPA: No comment.

Chugach: Chugach states it does not calculate the reliability indices.¹⁹

GVEA: No comment.

ML&P: No comment.

Staff’s Response: No comment from Staff.

3 AAC 52.490(c). The Commission will require electric utilities to annually file a copy of the Environmental Protection Agency’s (EPA) Greenhouse Gas Reporting report to the Commission.

MEA: MEA questions why the Commission needs this report. MEA states that since the information is available on the EPA’s website, requiring a hard copy report seems duplicative,

¹⁶ Chugach Comments at 4.

¹⁷ GVEA Comments at 2,4.

¹⁸ GVEA Comments at 3.

¹⁹ Chugach Comment at 4.

potentially burdensome, and contrary to the goal of this docket, which was to “improve, clarify, or simplify these ongoing filing requirements.”²⁰

RAPA: No comment.

Chugach: No comment.

GVEA: GVEA request the deadline to file the report to the Commission be moved to April 30th of each year to allow for potential follow questions by the EPA.²¹

ML&P: No comment.

Staff’s Response: Staff was not persuaded by MEA’s response. Staff did incorporate GVEA’s suggestion and changed the date from March 31 to April 30.

3 AAC 52.495. This new section outlines the electric service reliability rules.

No comments.

3 AAC 52.500. New definition were added to this section.

MEA: MEA believes the proposed definitions for “immediate threat” and “reliability reporting area” are not clear.²²

RAPA: No comment.

Chugach: Chugach does not believe the definition “reliability reporting area” adds value to the regulations.²³

GVEA: No comment.

ML&P: No comment.

Staff’s response: Staff was not persuaded by MEA’s or Chugach’s arguments and therefore did not revised the proposed regulation presented on February 12, 2017.

²⁰ MEA Comments at 3.

²¹ GVEA Comments at 3,4.

²² MEA Comments at 4.

²³ Chugach Comments at 4,5.

Refuse Sector

3 AAC 52.X10. This section provides the applicability of the regulations to follow.

No comments.

3 AAC 52.X20. This section establishes filing requirement for refuse utilities that are eligible for exemption from economic regulation. Also, the regulation establishes deadlines for required filings once a refuse utility no longer qualifies for the exemption from economic regulation.

No comments.

Provisional Water and Wastewater

3 AAC 52.724(a)(4). Revisions to this section remove the requirement that a provisional water and/or wastewater utility must use the uniform system of accounts when filing financial documents to the Commission.

No comments.

Natural Gas

Enstar provided comments that were supportive the proposed regulations.

3 AAC 52.010(b). The proposed revisions modifies the waiver scope.

No comments.

3 AAC 52.020. The proposed revision corrects an incorrect regulation reference.

No comments.

3 AAC 52.060. The proposed revision corrects an incorrect statute reference.

No comments.

3 AAC 52.070(b). The proposed revisions expand the information required for a potential incident.

No comments.

3 AAC 52.070(c). The proposed revisions outlines the type of report required for a potential incident.

No comments.

3 AAC 52.070(d). The proposed revision instructs the utility to contact the Commission within 30 day if a potential incident is not required to be reported to explain how the incident fell short of the reporting threshold.

No comments.

3 AAC 52.075. The proposed revisions require the utility to publish contact information.

No comments.

3 AAC 52.080. Revises definitions.

No comments.