



The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 12-120

December 11, 2012

Investigation by the Department of Public Utilities on its own motion regarding the service quality guidelines established in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84 (2001) and amended in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 04-116 (2007).

VOTE TO OPEN INVESTIGATION

I. INTRODUCTION

In Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84 (2001), the Department of Public Utilities (“Department”) established service quality (“SQ”) guidelines (“SQ Guidelines”) to be included in performance-based regulation (“PBR”) plans for gas and electric distribution companies pursuant to G.L. c. 164, § 1E.¹ The Department subsequently approved SQ plans for all gas and electric distribution companies (“LDCs”) incorporating the SQ Guidelines for a term of three years. D.T.E. 99-84, Letter Orders (December 5, 2001); D.T.E. 99-84, Letter Order (April 17, 2002).

In Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 04-116-B at 1 (2007), the Department reviewed the SQ Guidelines and promulgated revised SQ Guidelines.² The Department subsequently approved SQ plans for all LDCs incorporating the revised SQ Guidelines. Review of Gas Distribution Companies Service Quality Plans, D.P.U. 07-51, Letter Order (February 14, 2008); and Review of Electric Distribution Companies Service Quality Plans, D.P.U. 07-52 (2009).

While the D.T.E. 04-116 plans were not limited to a specific term, the Department finds that a review of the LDCs’ service quality and the SQ Guidelines is warranted at this time.

¹ In subsequent Orders, the Department explained that the SQ Guidelines’ measures, benchmarks, and penalties also apply to those distribution companies operating under merger-related or acquisition-related rate plans. See, e.g., Fitchburg Gas and Electric Light Company, D.P.U. 07-71, at 203 (2007); Western Massachusetts Electric Company, D.T.E. 06-55 (2006); NSTAR Service Quality, D.T.E. 01-71-A at 8-9, 12-18 (2002); MECo Service Quality, D.T.E. 01-71-B at 16-26 (2002); D.T.E. 99-84, Letter Order at 6 (May 28, 2002); D.T.E. 99-84, Letter Order at 3-6 (April 17, 2002).

² The Revised SQ Guidelines can be found at Service Quality Guidelines, D.P.U. 04-116-C Appendix (2007).

Accordingly, the Department, on its own motion, votes to open an investigation into the quality of service provided by the LDCs.³ The Department will determine what changes, if any, are necessary to improve SQ. During this investigation, the current SQ Guidelines, as well as the terms of the current SQ plans of all LDCs, will remain in effect until the Department issues a final Order in this proceeding.

II. TOPICS FOR INVESTIGATION

The Department's investigation will include, but will not be limited to, the topics listed below. Commenters are encouraged to address the topics identified by the Department for consideration, suggest other topics to be explored, and to file jointly where feasible.

1. Penalties: Currently, a company incurs a penalty if its performance measures are at or above one or two standard deviations from the historical mean. Please discuss whether the level at which penalties are triggered should be more stringent (i.e., should the deadband be tightened).
2. Offsets: Currently a LDC's good performance on one category of metrics (e.g., customer satisfaction) may be used to offset or reduce a penalty incurred for poor performance on a different metric (e.g., reliability). Please comment on whether good performance on one category of metrics should continue to be available to offset poor performance in another category or whether the Department should consider limiting the availability of offsets to penalties for related metrics. Additionally, the threshold at which LDCs can currently earn offsets for performance is set at one standard deviation from the mean. Comment on whether the level at which offsets are triggered should be more stringent. Also comment on whether any or all offsets should be eliminated.
3. Existing and potential new reliability metrics: Current reliability metrics include: System Average Interruption Duration Index ("SAIDI"); System Average Interruption Frequency Index ("SAIFI"); Circuit Average Interruption Duration Index ("CKAIDI"); Circuit Average Interruption Frequency Index ("CKAIFI"), which are all system or circuit level measures. Please comment on whether the Department should consider

³ The Department recognizes that the Attorney General has been developing recommendations for the Department regarding service quality. The Department looks forward to reviewing those recommendations, and to the Attorney General's participation in this proceeding.

establishing customer level reliability metrics for duration and frequency. Also discuss the technical requirements necessary to measure customer level reliability metrics and whether the LDCs are currently capable of measuring them.

4. Existing and potential new safety metrics: Currently, the Department uses a metric for Lost Work-time Accident Rates. Comment on whether the Department should consider other metrics including the development of a worker safety incident metric, which would gauge the safety of field workers. Indicate whether the electric and local gas distribution companies currently compile such statistics on worker-system incidents.
5. Existing and potential new Customer Satisfaction metrics: Please comment on the development and use of a website quality metric which would measure the usefulness and quality of information provided on company websites. Comment on or propose metrics to measure the quality and accuracy of communication between the utility and its customers, as well as municipal and other officials. Additionally, comment on whether any SQ metrics should be posted on the LDCs' websites.
6. Potential new penalty for downed wire response: Currently, the SQ Guidelines require LDCs to track downed wires. Please comment on whether the Department should establish penalties associated with downed wire responses.
7. Potential clean energy metrics: Please comment on whether the Department should establish a metric related to distributed generation interconnection timelines. Additionally, comment on whether the Department should consider other SQ metrics related to clean energy.
8. Benchmarking for metrics: Currently, SQ performance benchmarks are set based on company-specific historic data. Please comment on the use of historic data for SQ benchmarks and whether the Department should adopt a national/regional standard, an escalating standard that increases the benchmark over time, or a combination standard for certain metrics.
9. Potential new or deleted metrics: Please comment on whether the Department should consider eliminating any current SQ metrics or adopting any new SQ metrics not covered in the above requests for comment.

The Department will accept initial written comments on proposed changes to the SQ Guidelines no later than **60 Days from the date of this Order**; reply comments will be due no later than **30 Days** thereafter. Based on comments received, the Department will establish a further procedural schedule that may provide for technical sessions and/or evidentiary hearings. All comments exceeding 20 pages in length must be accompanied by an executive summary of

no more than three pages. Comments may not exceed 50 pages in length. Commenters must provide an electronic copy of their comments by one of two means: (1) e-mail attachment to dpe.efiling@state.ma.us and the Hearing Officer Heather L. Castillo at heather.castillo@state.ma.us; or (2) on a CD-ROM. The text of the e-mail or the CD label must specify: (1) the docket number of the proceeding, (D.P.U. 12-120) (2) the name of the person or company submitting the filing, and (3) a brief descriptive title of the document. The electronic filing should also include the name, title, and phone number of a person to contact in the event of questions about the filing. Data or spreadsheet responses should be compatible with Microsoft Excel. All comments will be posted on the Department's web site. One original and nine copies of all comments should be filed with Mark D. Marini, Secretary, Department of Public Utilities, One South Station, 5th Floor, Boston, Massachusetts 02110. A copy of the comments will be available for public inspection at the Department's office during business hours.

III. ORDER

Accordingly, the Department

VOTES: To open an investigation concerning service quality guidelines; and it is

