

PROJECT NO. 37387

RULEMAKING TO AMEND P.U.C.	§	PUBLIC UTILITY COMMISSION
SUBST. R. §25.52 RELATED TO	§	
RELIABILITY AND CONTINUITY OF	§	OF TEXAS
SERVICE	§	

**PROPOSAL FOR PUBLICATION OF AMENDMENT TO §25.52
AS APPROVED AT THE OCTOBER 8, 2009 OPEN MEETING**

The Public Utility Commission of Texas (commission) proposes amendments to §25.52, relating to Reliability and Continuity of Service. The proposed amendments will conform the rule to amendments the 81st Legislature made to the Public Utility Regulatory Act (PURA) §38.005. The proposed amendments delete references to interim system-wide standards that are now obsolete, delete references to a utility's worst 10 percent performing feeders, and add an enforcement paragraph. Project Number 37387 is assigned to this proceeding.

Mr. Larry Reed, Senior Fuel Analyst, Infrastructure and Reliability Division, has determined that for each year of the first five-year period the proposed rule is in effect there will be no fiscal implications for state or local government as a result of enforcing or administering the rule.

Mr. Reed has determined that for each year of the first five years the proposed rule is in effect the public benefit anticipated as a result of enforcing the section will be to improve service quality and reliability for consumers of electricity. There will be no adverse economic effect on small businesses or micro-businesses as a result of enforcing the rule. Therefore, no regulatory flexibility analysis is required. There may be economic costs to persons who are required to comply with the rule, but the costs are likely to vary from person to person and are difficult to ascertain. However, it is believed that the benefits of the rule will outweigh these costs.

Mr. Reed has also determined that for each year of the first five years the proposed rule is in effect there should be no effect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act (APA), Texas Government Code §2001.022.

The commission staff will conduct a public hearing on this rulemaking, if requested pursuant to the APA §2001.029, at the commission's offices located in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78701 on November 17, 2009, at 9:30 a.m. The request for a public hearing must be received no later than November 13, 2009 (21 days after publication).

Initial comments on the proposed rule amendments may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326, by November 13, 2009 (21 days after publication). Sixteen copies of comments to the proposed rule amendments are required to be filed pursuant to §22.71(c) of this title. Reply comments may be submitted by November 23, 2009 (31 days after publication). Comments should be organized in a manner consistent with the organization of the rule. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the rule. The commission will consider the costs and benefits in deciding whether to adopt the rule amendments. All comments should refer to Project Number 37387.

Under the authority granted the commission in PURA §38.005(b), the commission may take appropriate enforcement action under this section. The commission proposes to amend §25.52 by adding subsection (f)(3), which provides that “the commission may take appropriate enforcement action under this section, including action against a utility, if the system and feeder performance is not operated and maintained in accordance with this subsection.”

These amendments are proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 2007 and Supp. 2008) (PURA), which provides the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of its powers and jurisdiction, and PURA 38.005, which requires the commission to implement service quality and reliability standards relating to the delivery of electricity to retail customers.

Cross Reference to Statutes: PURA §§14.002, 14.003, 31.001, 32.001, 37.151, 38.001, 38.002, and 38.005.

§25.52. Reliability and Continuity of Service.

(a) - (b) (No change.)

(c) **Definitions.** The following words and terms, when used in this section, shall have the following meanings unless the context clearly indicates otherwise.

(1) (No change.)

(2) **Interruption classifications:**

(A)- (B) (No change.)

(C) **Outside causes** — Interruptions, exclusive of major events, that are caused by influences arising outside of the distribution system, such as generation, transmission, or substation outages. Outside causes may result in forced or scheduled interruptions.

(D) (No change.)

(3) - (6) (No change.)

(d) - (e) (No change.)

(f) **System reliability.** Reliability standards shall apply to each utility, and shall be limited to the Texas jurisdiction. A "reporting year" is the 12-month period beginning January 1 and ending December 31 of each year.

(1) **System-wide standards.** The standards shall be unique to each utility based on the utility's performance, and may be adjusted by the commission if appropriate for weather or improvements in data acquisition systems. ~~Interim standards shall be established for the 24-month period ending December 31, 1999. The interim~~

~~standards shall be the system-wide average of the 1998 and the 1999 reporting years for each reliability index. The interim standards will be adjusted based on performance during the 36-month period ending December 31, 2000. The resulting standards will be the average of the utility's performance from the later of three reporting years 1998, 1999, and 2000 or the first three reporting years the utility is in operation.~~

(A) **SAIFI.** Each utility shall maintain and operate its electric distribution system so that ~~its the SAIFI value for the 2000 reporting year does not exceed the interim system-wide SAIFI standard by more than 10%. For the 2001 reporting year and thereafter, the~~ SAIFI value shall not exceed ~~its the~~ system-wide SAIFI standard by more than 5.0%.

(B) **SAIDI.** Each utility shall maintain and operate its electric distribution system so that ~~its the SAIDI value for the 2000 reporting year does not exceed the interim system-wide SAIDI standard by more than 10%. For the 2001 reporting year and thereafter, the~~ SAIDI value shall not exceed ~~its the~~ system-wide SAIDI standard by more than 5.0%.

(2) **Distribution feeder performance.** The commission will evaluate the performance of distribution feeders with ten or more customers after each reporting year, beginning with the performance in the 2000 reporting year.

~~(A) Each utility shall maintain and operate its distribution system so that no distribution feeder with more than ten customers sustains a SAIDI or SAIFI value for a reporting year that is among the highest (worst) 10% of that utility's feeders for any two consecutive reporting years.~~

~~(B)~~—Each utility shall maintain and operate its distribution system so that no distribution feeder with ~~ten or more~~~~more than ten~~ customers sustains a SAIDI or SAIFI value for a reporting year that is more than 300% greater than the system average of all feeders during any two consecutive reporting years.

(3) **Enforcement.** The commission may take appropriate enforcement action, including action against a utility, if the system and feeder performance is not operated and maintained in accordance with this subsection. In determining the appropriate enforcement action, the commission shall consider:

- (A) the feeder's operation and maintenance history;
- (B) the cause of each interruption in the feeder's service;
- (C) any action taken by a utility to address the feeder's performance;
- (D) the estimated cost and benefit of remediating a feeder's performance; and
- (E) any other relevant factor as determined by the commission.

This agency hereby certifies that the proposal has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

**ISSUED IN AUSTIN, TEXAS ON THE 8th DAY OF OCTOBER 2009 BY THE
PUBLIC UTILITY COMMISSION OF TEXAS
ADRIANA A. GONZALES**

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