

The Public Utility Commission of Texas (commission) proposes amendments to §25.52 relating to Reliability and Continuity of Service, a new §25.53 relating to Emergency Operations Plans, and an amendment to §25.81 relating to Service Quality Reports. The proposed amendments will revise the rules to be consistent with Senate Bill 7, 76th Legislature, Regular Session (1999), passed in May 1999. Project Number 21076 has been assigned to this proceeding. Copies of the proposed rule and amendments may be obtained in Central Records and on the commission's web page at <http://www.puc.state.tx.us/rules/rulemake/21076/21076.cfm> .

Proposed additions to §25.52 will require electric utilities to maintain adequately trained and experienced personnel throughout its service area, and prohibit electric utilities from neglecting any local neighborhoods or geographic areas, with regard to system reliability. The proposed amendments to §25.52 will also revise the method of evaluating distribution-feeder performance to be consistent with the recent legislation.

Subsection (f) of §25.52 relating to emergency operations plans is proposed for deletion from this section and is proposed, with formatting and filing deadline changes, as new §25.53. This will facilitate the amendment of the new section in a subsequent rulemaking to reflect the relationships between the customer, the retail electric provider (REP), and the transmission and distribution utility (TDU). Finally, the amendment to §25.81 will require electric utilities to file Service Quality Reports annually instead of semi-annually.

This rulemaking project initially considered amendments to §25.22 of this title (relating to Request for Service), to revise the response times for customer service installations and line extensions. Due to the need for this rule to reflect the relationships between the customer, the REP, and the TDU, amendments to §25.22 will also be considered in a subsequent rulemaking project.

Mel Eckhoff, Engineering Specialist, Electric Industry Analysis, has determined that for each year of the first five-year period the proposed sections are in effect there will be no fiscal implications for state or local government as a result of enforcing or administering these sections. Mr. Eckhoff has also determined that for each year of the first five years the proposed sections are in effect there will be no adverse affect on a local economy, and therefore no local employment impact statement is required under Administrative Procedure Act §2001.022. There will be no adverse effect on small businesses or micro-businesses as a result of enforcing these sections. Mr. Eckhoff has also determined that there will be no additional economic costs to persons who are required to comply with these sections as proposed.

Mr. Eckhoff has determined that for each year of the first five years the proposed sections are in effect the public benefit anticipated as a result of enforcing these sections will be to ensure a high level of service quality and reliability for consumers of electricity.

The commission staff will conduct a public hearing on this rulemaking under Government Code §2001.029 at the commission's offices, located in the William B. Travis Building, 1701 North Congress Avenue, Austin, Texas 78701, on Wednesday, October 27, 1999, at 9:30 a.m.

The commission staff held a workshop on this rulemaking on August 10, 1999, and discussed the proposed amendments with interested parties. Comments from the workshop were considered and are reflected in these proposed amendments.

Interested parties are encouraged to provide comments on any relevant issues related to the proposed amendments to these rules. Additionally, as a result of discussions at the workshop, the commission requests that interested parties address the two questions that follow.

Under the authority granted the commission in the Public Utility Regulatory Act (PURA) §38.005(c), the commission shall require electric utilities to maintain adequately trained and experienced personnel to maintain reliability. The commission proposes to amend §25.52 by adding subsection (b)(4), which requires utilities to "maintain adequately trained and experienced personnel throughout its service area." Can an electric utility satisfy the statutory requirements to "maintain adequately trained and experienced personnel throughout its service area" through the use of professional contractors or must all "personnel" be employees of the electric utility?

PURA §38.005(b) and §25.52(f)(2)(A) and (B) of the proposed amendment indicate that the commission will evaluate the performance of distribution feeders "for any two consecutive reporting years." Which are the initial two consecutive reporting years that the commission should evaluate; 1998 and 1999, 1999 and 2000, 2000 and 2001, or other?

Comments on the proposed amendments and new section (16 copies) may be submitted to the Filing Clerk, Public Utility Commission of Texas, 1701 North Congress Avenue, PO Box 13326, Austin, Texas 78711-3326, within 30 days after publication. All comments should refer to Project Number 21076. When commenting on specific subsections of the proposed rule(s), parties are encouraged to describe "best practice" examples of regulatory policies, and their rationale, that have been proposed or implemented successfully in other states already undergoing electric industry restructuring, if the parties believe that Texas would benefit from application of the same policies. The commission is only interested in receiving "leading edge" examples, which are specifically related and directly applicable to the Texas statute, rather than broad citations to other state restructuring efforts. The commission invites specific comments regarding the costs associated with, and benefits that will be gained by, implementation of the proposed section. The commission will consider the costs and benefits in deciding whether to adopt the section.

The new section and amendments are proposed under the Public Utility Regulatory Act, Texas Utilities Code Annotated §14.002 (Vernon 1998) (PURA), which provide the Public Utility Commission with the authority to make and enforce rules reasonably required in the exercise of

its powers and jurisdiction, and specifically 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: Public Utility Regulatory Act §§14.002, 14.003, 14.151, 14.153, 31.001, 32.001, 37.151, 38.001, 38.002, 38.005, 38.021, 38.022, 38.071, and 39.101.

**§25.52. Reliability and Continuity of Service.**

(a) **Application.** This section applies to all electric utilities as defined by the Public Utility Regulatory Act (PURA) §31.002(6) and all transmission and distribution utilities as defined by PURA §31.002(19) []. The term "utility" as used in this section shall mean an electric utility and/or a transmission and distribution utility.

(b) **General.**

(1) – (3) (No change.)

(4) Each utility shall maintain adequately trained and experienced personnel throughout its service area so that the utility is able to fully and adequately comply with the service quality and reliability standards.

(5) With regard to system reliability, no utility shall neglect any local neighborhood or geographic area, including rural areas, communities of less than 1,000 persons, and low-income areas.

(c) – (d) (No change.)

(e) **Notice of significant interruptions.**

(1) **Initial notice.** A [] utility shall notify the commission, in a method prescribed by the commission, as soon as reasonably possible after it has determined that a [] significant interruption has occurred. The initial notice shall include the general

location of the significant interruption, the approximate number of customers affected, the cause if known, the time of the event, and the estimated time of full restoration. The initial notice shall also include the name and telephone number of the utility contact person, and shall indicate whether local authorities and media are aware of the event. If the duration of the significant interruption is greater than 24 hours, the utility shall update this information daily and file a summary report.

(2) (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 the 36-month period ending December 31, 2000. The resulting standards will be the average of the three reporting years 1998, 1999, and 2000.

(A) – (B) (No change.)

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

(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 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. [] []

**§25.53. Emergency Operations Plan.**

(a) **Filing requirements.** By December 31, 2000, each utility shall file with the commission a general description of its emergency operations plan. Each utility shall update its plan by filing a revised description that clearly indicates any changes in the plan at least 30 days before such changes take effect.

- (b) **Copy available for inspection.** A general description of the plan shall also be made available at the utility's main office for inspection by the public. A complete copy of the plan shall be made available at the utility's main office for inspection by the commission or its staff upon request.
- (c) **Information to be included in the plan.** Each utility's emergency plan must include, but need not be limited to, the following:
- (1) A registry of critical loads directly served by the utility. This registry shall be updated as necessary but not less often than annually. The description filed with the commission shall include the location of the registry, how the utility ensures that it is maintaining an accurate registry, how the utility will provide assistance to critical load customers in the event of an unplanned outage, how the utility intends to communicate with the critical load customers, and how the utility is training its staff with respect to serving critical customers and loads.
  - (2) A communications plan that describes the procedures for contacting the media, customers and critical loads directly served by the utility as soon as reasonably possible either before or at the onset of an electrical emergency. The communications plan should also address how the utility's telephone system and complaint handling procedures will be augmented during an emergency. Utilities should make every reasonable effort to solicit help from cogenerators and independent power producers during times of generation shortages to prevent interruptions in service;

- (3) curtailment priorities and procedures for shedding load and rotating black-outs;
- (4) priorities for restoration of service;
- (5) a summary of power plant weatherization plans and procedures;
- (6) a summary of the utility's alternative fuel and storage capacity;
- (7) A final version of the utility's "Year-2000" contingency plan and mitigation strategies for dealing with potential failures caused by computers that are not year 2000 ready or year 2000 compliant shall be filed by June 30, 1999. This plan shall identify potentially vulnerable systems and business processes and prioritize them. The plan shall also include the utility's plans for backups for its customers' critical loads and processes, and report estimated costs for contingency operations.

**§25.81. Service Quality Reports.**

Service quality reports shall be submitted [] annually no later than February 14 of each year on a form prescribed by the commission.

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

**ISSUED IN AUSTIN, TEXAS ON THE 30th DAY OF AUGUST 1999 BY THE  
PUBLIC UTILITY COMMISSION OF TEXAS  
RHONDA G. DEMPSEY**