



UTILITIES CO.

A Subsidiary of MDU Resources Group, Inc.

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October 4, 2021

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: Standards of Service – Electric Regulation
Case No. PU-21-360

Montana-Dakota Utilities Co. (Montana-Dakota) herewith electronically submits Comments in response to the North Dakota Public Service Commission's (Commission) Notice of Intent to Adopt Administrative Rules regarding the proposed Amended Section 69-09-02-06 – Standards of Service – Electric. Montana-Dakota will address Subsection 4, 5 and 6 in these Comments.

Subsection 4 states "If an electric public utility fails to meet its obligation to provide reliable service to customers, the commission may require action, assess disallowances or fines, or provide a penalty. A penalty, disallowance or fine, or action will take into consideration the nature, circumstances, and gravity of the violation, degree of culpability, history of prior service interruptions, and good faith attempts to ensure reliability."

Regarding proposed Subsection 4, Montana-Dakota recommends the following: (1) the Commission further define the amount of the penalty and the parameters or circumstances of when a penalty may be assessed; (2) the Commission should establish a reliability record on which to base any penalties prior to the first assessment of such penalties; and (3) the Commission should establish timelines for the implementation of any changes under Section 69-09-02-06.

Subsection 5 states "By April 1 each year, each electric public utility shall file with the Commission the records required by this section. The commission may at any time, upon notice to the electric public utility, require a filing of the records required by this section for a specified time period or specific interruption."

Montana-Dakota recommends that the Commission include any required reporting in its Electric Annual Report that is filed by May 1 each year in lieu of the April 1 date included in proposed Subsection 5. This would eliminate an additional report

and the Electric Annual Report already includes the system average interruption frequency index (SAIFI) and system average interruption duration index (SAIDI).

Subsection 6 states “Each electric public utility shall include in its annual April 1 filing, reliability statistics for the previous calendar year including Institute of Electric and Electronics Engineers Standard 1366 [IEEE] indices system average interruption frequency index (SAIFI), system average interruption duration index (SAIDI), Customer average interruption duration index (CAIDI), customer total average interruption duration index (CTAIDI), customer average interruption frequency index (CAIFI), average service availability index (ASAI), customers experiencing multiple interruptions (CEMI), average system interruption frequency index (ASIFI), average system interruption duration index (ASIDI), momentary average interruption frequency index (MAIFI), and customers experiencing multiple sustained interruption and momentary interruption events (CEMSMI). Each utility shall include with this filing the datapoints used to calculate each of the above indices, a detailed breakdown of each major event day (MED) and each of the indices listed above (SAIFI, SAIDI, CAIDI, CTAIDI, CAIFI, ASAI, ASIDI, MAIFI, and CEMSMI with and without MED). These statistics will be compiled by each electric public utility for its North Dakota distribution system for each single community, and for each important division of a community.”

As previously noted, Montana-Dakota currently reports its North Dakota SAIFI and SAIDI in the Company’s Electric Annual Report. CAIDI is also available to be reported. The Company’s current process is a paper-based system with data collected in the field or district locations and provided to the Bismarck General Office for manual compilation on an annual basis. In the event additional indices are required, Montana-Dakota would likely need to supplement or replace this process with a computerized system.

Montana-Dakota is currently analyzing the implementation of an Outage Management System (OMS) for its Electric Distribution System (EDS). Over the last several years the Company has taken steps that will allow the implementation of an OMS and has established an estimate of the costs of implementation. The Company’s estimate for the necessary system hardware and software is \$4.0 million dollars, an annual software maintenance fee of approximately \$100,000 and the implementation is expected to require an additional 10 full-time employees with an estimated cost of \$1.5 million annually. These estimates represent the costs on a Company-wide basis of which North Dakota comprises approximately 70%. The OMS deployment would include an Electric Distribution Dispatcher deployment and would provide other benefits to the Company, including additional worker safety, quicker emergency outage response, improved outage information to customers, a real time outage statistic database, and better operational outage cause information. The OMS would also allow the reporting of the indices that Montana-Dakota does not currently report. If the Company does move forward with the

OMS, it is anticipated that the implementation would take until mid-2023, which means the first full year of reporting would be for calendar year 2024.

With regard to reporting for each single community, Montana-Dakota would note that it serves 117 communities in North Dakota so the volume of information reported would be significantly more than currently reported. Significant additional cost and effort would be required to determine an individual community-based IEEE defined, Major Event Day (MED) manually, and manually produce additional indices for each individual community. This process would likely necessitate hiring additional full-time employees. Montana-Dakota currently reports SAIFI, SAIDI, and CAIDI in both Montana and South Dakota annually on a statewide basis, consistent with that currently reported in North Dakota's Electric Annual Report. The Company believes that continuing to report SAIFI and SAIDI, and also reporting CAIDI would achieve the Commission's reliability reporting objective. MAIFI is another index that Montana-Dakota may be able to manually calculate with modest effort and cost. The Company does not currently gather the data across its system so a process would have to be implemented.

As noted earlier, the Company has taken steps that will allow the implementation of an OMS so there are no metering requirements necessary.

Finally, it should be noted that during the September 22, 2021 public hearing, Commission Staff indicated that Montana-Dakota already reports additional indices (including CTAIDI, CAIFI, ASAI, ASIDI, MAIFI, and CEMSMI with and without MED) in an U.S. Energy Information Administration (EIA) report; however, further discussion with Commission Staff indicated that Montana-Dakota does not report those indices in the EIA report.

Montana-Dakota appreciates the opportunity to participate in the September 22, 2021 public hearing and to provide these comments.

Please contact me at (701) 222-7855 if you have questions.

Sincerely,

/s/ Travis Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

Attachment

cc: Allison Mann
Daryl Anderson
Rebecca Naslund