

**RESOLUTION
NO. R-23-**

CITY HALL: February 16, 2023

**BY: COUNCILMEMBERS MORRELL, MORENO, GIARRUSSO, HARRIS, KING,
GREEN AND THOMAS**

**RESOLUTION IMPLEMENTING MINIMUM RELIABILITY PERFORMANCE
STANDARDS FOR ELECTRIC DISTRIBUTION WITH ASSOCIATED FINANCIAL
PENALTIES FOR SUBSTANDARD PERFORMANCE**

DOCKET NO. UD-17-04

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City of New Orleans (“Charter”), the Council of the City of New Orleans (“Council”) is the governmental body with the power of supervision, regulation and control over public utilities providing service within the City of New Orleans; and

WHEREAS, pursuant to its powers of supervision, regulation and control over public utilities, the Council is responsible for fixing and changing rates and charges of public utilities and making all necessary rules and regulations to govern applications for the fixing and changing of rates and charges of public utilities; and

WHEREAS, Entergy New Orleans, LLC (“ENO” or “Company”) is a public utility providing electric and natural gas service to all of New Orleans; and

WHEREAS, ENO is a wholly-owned operating company subsidiary of Entergy Corporation (“Entergy”); and

Background

WHEREAS, in Resolution No. R-17-427 the Council established Docket No. UD-17-04, for the Council's investigation into electric outages, electric reliability issues in Orleans Parish in general, ENO's level of distribution operation and maintenance (“O&M”) staffing and scheduling,

and to consider the establishment of minimum reliability performance standards for all of the utilities under the Council's jurisdiction, including the establishment of financial penalty mechanisms for failure to meet such minimum reliability performance standards as established by the Council; and

WHEREAS, in Resolution No. R-18-475 the Council expressed its grave concern about ENO's continuing pattern of frequent large-scale outages and customer interruptions, which led the Council to establish a prudence investigation to determine whether ENO's inaction and omissions in mitigating and remediating electric service disruptions and complaints and addressing the performance of its distribution system were imprudent and whether the Council should impose financial penalties for that conduct; and

WHEREAS, pursuant to that resolution the Council's utility advisors conducted a thorough investigation, developed an extensive record, and provided a report to the Council finding ENO had acted imprudently; and

WHEREAS, after receiving the Advisors' report, the Council adopted Resolution No. R-19-442 finding ENO had acted imprudently and fining ENO \$1 million for the prior imprudent conduct, which order was appealed by ENO to the Civil District Court, Parish of Orleans where the matter was remanded to the Council for further consideration consistent with the Court's ruling; and

WHEREAS, the Council adopted Resolution No. R-22-372, which included a proposed set of standards and penalties based on an extensive review of the Institute of Electrical and Electronic Engineers ("IEEE") Standards, the performance of other utilities, and ENO's past performance, to address the distribution reliability and performance standards and financial penalty phase of Docket UD-17-04; and

WHEREAS, in Council Docket No. UD-18-07 (the “2018 Rate Case”), ENO’s September 21, 2018 *Application of Entergy New Orleans, LLC for a Change in Electric and Gas Rates Pursuant to Council Resolutions R-15-194 and R-17-504 and for Related Relief* (“2018 Rate Case Application”), proposed a Reliability Incentive Mechanism Plan (“RIM Plan”), under which ENO’s allowed return on equity (“ROE”) would be adjusted over a 50 basis points (“bp”) range based on ENO’s System Average Interruption Frequency Index (“SAIFI”), using a target of 1.24 (no ROE adjustment), a lower bound SAIFI of 1.40 (25bp ROE reduction), and an upper bound SAIFI of 1.05 (25bp ROE increase); and

WHEREAS, while the Council rejected ENO’s proposed RIM Plan in the 2018 Rate Case, the Council believes that testimony presented in the 2018 Rate Case related to ENO’s proposed RIM Plan is informative in establishing reasonable distribution reliability standards and financial penalties; and

WHEREAS, in the 2018 Rate Case, ENO witness Ms. Melonie P. Stewart noted in her revised direct testimony that ENO’s System Average Interruption Duration Index (“SAIDI”) and SAIFI scores for 2016-2017 placed ENO in the fourth quartile among U.S. utilities for those years; and

WHEREAS, in the 2018 Rate Case, ENO witness Stewart also noted in her revised direct testimony that establishing a lower bound SAIFI score of 1.40 is an appropriate proxy for the 3rd quartile breakpoint for a small utility, which is a reasonable boundary at which to establish minimum reliability performance; and

WHEREAS, as the Council’s Advisors have estimated the revenue effect on ENO of each 1/100th of a SAIFI as part of ENO’s proposed RIM Plan to be \$77,143, this value provides a pathway to valuation of financial penalties that are reasonable and appropriate in this docket; and

WHEREAS, the Council's Advisors have utilized \$75,000 per 1/100th of a SAIFI increment with an annual maximum of \$2.7 million as the proposed penalty amounts in the proposed reliability standards; and

WHEREAS, the Council's Advisors have informed the Council that applying their proposed reliability standards to ENO's historic SAIFI performance would have resulted in total fines of approximately \$1,005,000 for its poor reliability performance in years 2016 and 2017, which is close in dollar amount to the \$1,000,000 ENO was fined for its failure to act prudently in its reaction to a reliability crisis in Council Resolution No. R-19-442; and

WHEREAS, a review of ENO's operations for the years 2013 through 2021 reveals that ENO would have met the Advisors' proposed SAIFI reliability standards for seven out of those nine years, with the exceptions being 2016 and 2017; and

WHEREAS, the Council believes that ENO having attained the proposed SAIFI reliability standards for all but two of the years 2013 through 2021 supports that the Advisors' proposed standards are reasonable and can be met with recent levels of distribution reliability spending during 2018-2021, where ENO was able to achieve results that would have met the reliability standards; and

WHEREAS, similar to developing the proposed standard for SAIFI, the Council's Advisors have reviewed the IEEE SAIDI data for the 5-year period 2016-2020 and utilized third quartile average of small and medium utilities to establish minimum performance levels of SAIDI in the proposed standards and financial penalties of up to \$500,000 annually for un-remediated SAIDI violations; and

WHEREAS, the proposed standards also address the performance of the SAIFI and SAIDI of individual distribution feeders to assure that systemwide performance cannot mask poor performance of portions of the system. In addition, the Advisors have proposed financial penalties of up to \$500,000 annually related to feeder issues; and

WHEREAS, the Advisors made a presentation on the proposed rules to the Joint Utility, Cable, Telecommunications and Technology and Climate Change And Sustainability Committee on August 10, 2022; and

WHEREAS, on August 18, 2022, the Council adopted Council Resolution No. R-22-372 which included as Appendix A the proposed Electric System Distribution Reliability Standards (“ESDRS”) and established a 30-day period for parties to comment on the proposed ESDRS; and

Comments

WHEREAS, on September 19, 2022, two Parties, the Alliance for Affordable Energy and the Deep South Center for Environmental Justice (jointly the “Alliance”), and ENO submitted comments on the proposed ESDRS; and

WHEREAS, the Alliance commented that “... the reliability performance standards proposed by the Council’s Advisors do include metrics and procedures that will have beneficial impacts on the reliability of Entergy New Orleans for customers and residents of Orleans Parish...”¹; and

WHEREAS, in its comments the Alliance asked that “... the Council adopt the proposed SAIDI and SAIFI metrics, but only as a baseline, with a process included for incrementally

¹ Joint Comments of Alliance for Affordable Energy and Deep South Center for Environmental Justice, September 19, 2022 at 2.

increasing these standards as the procedures to improve performance are brought on line, and meaningful investment is made in the distribution and transmission system that the people of New Orleans pay for” and indicated that they “... support the feeder performance improvement process, and recommend an accelerator for fees if the same problematic feeders are identified year after year, if the “plan, budget, and schedule” measures required annually by the rule do not translate to on-the-ground measurable improvement.”²; and

WHEREAS, the Council has reviewed and considered the Alliance’s comments and agrees that the standards may require adjustment if overall reliability improves over time; however, the Council recognizes the continued improvement in reliability will require increased investment and maintenance costs, and at some point, further investment in the distribution system to achieve higher levels of reliability than those set forth in the proposed ESDRS may be cost prohibitive for the incremental improvement in reliability; and

WHEREAS, at this time, the Council elects not to establish a schedule of increasing performance standards, as proposed by the Alliance, but anticipates reviewing the standards periodically and making adjustments as appropriate with consideration of the costs that may ultimately be borne by customers of ENO; and

WHEREAS, with respect to poor performing feeders, the Council notes that in Section 5c of the proposed ESDRS, there is a requirement to annually identify poor performing feeders and for ENO to provide a plan, budget, and schedule to improve the performance of each of the poor performing feeders. Accordingly, if the same problematic feeders are identified in subsequent years, they will continue to be on the poor performing feeders list and will be the focus of ENO

² *Id.* at 6.

and the Council for improvement, and the Council believes that this provision is sufficient to garner improvement on those feeders; and

WHEREAS, ENO, in its Comments indicates, that while "... ENO is encouraged that the Council has decided to formally establish reliability standards, the Company believes that additional time and discussions are needed to assess reasonable and prudent reliability standards and penalties. The Company respectfully requests the Council establish a procedural schedule allowing additional time for comments (at least sixty days) to more fully develop clear and reasonable reliability standards"³; and

WHEREAS, the Council believes that Resolution R-22-372 adequately set forth the reasoned approach and support for the development of the proposed ESDRS, including drawing support from ENO's expert witnesses' testimony, and that the proposed ESDRS, if adopted without revision, are reasonable and prudent reliability standards and penalties; and

WHEREAS, more than five years ago in Council Resolution R-17-427 the Council directed ENO to provide recommended minimum SAIFI and SAIDI standards for evaluation by the Council and its Technical Advisors, in which ENO could have proposed the level and structure of standards that it preferred, and ENO did not provide its recommended minimum standards as directed; and

WHEREAS, the Council also provided an opportunity for ENO, and other parties, to comment on the Advisors' proposed reliability standards and financial penalties which were included as Appendix A to Council Resolution No. R-22-372; and

³ Entergy New Orleans, LLC's Response to Proposed Minimum Reliability Standards and Associated Penalties, September 19, 2022 at 15.

WHEREAS, ENO and the Alliance did, in fact, provide comments for the Council's consideration and the Council has carefully evaluated all issues raised by the parties in their comments in this proceeding; and

WHEREAS, the Council is not inclined to delay the implementation of the distribution reliability standards and penalties; and

WHEREAS, in its Comments, ENO suggests that "...the ESDRS appears to have been formulated without any consideration of the corresponding costs that will be passed on to ENO's customers"⁴, and that "... it is improper to use ENO's previously reported Distribution Line SAIDI and SAIFI scores either to assess the Company's ability to achieve the standards in the ESDRS, or to determine whether past levels of reliability spending would be sufficient to meet Council's goals established under a different methodology than past reporting;"⁵ and

WHEREAS, ENO's concerns regarding a different methodology appear to stem from the fact that "ENO has historically reported the "Distribution Line" view of its SAIDI and SAIFI scores, meaning it does not include transmission– or substation–related outages in that reporting, and excludes major event days, momentary interruptions, load shed events due to load or voltage, outages mandated by local authority, and customer equipment outages"⁶, while "...[b]y comparison, the IEEE scores used by the Advisors to prepare the proposed standards include transmission– and substation–related outages;"⁷ and

WHEREAS, to the extent some participants in the IEEE Distribution Reliability Working Group (the data upon which the Advisors standards are based) may have included additional

⁴ *Id.* at 6.

⁵ *Id.* at 5.

⁶ *Id.* at 4.

⁷ *Id.*

outages due to transmission– and substation–related outages this would suggest that the proposed standards are less restrictive than if the standards would have been developed considering distribution only–related outages, accordingly, the Council does not see this concern as an impediment to implementing the Standards; and

WHEREAS, while the ESDRS Annual Compliance Filing requires the submission of transmission system SAIFI and SAIDI as well as distribution system SAIFI and SAIDI, it is clear that the minimum annual performance level SAIFI and SAIDI set forth in the ESDRS apply only to the distribution system; and

WHEREAS, ENO’s assertion that the ESDRS appears to have been formulated without any consideration of the corresponding costs that will be passed on to ENO’s customers is without merit, as the Council did consider the costs and the Council believes that ENO having attained the proposed SAIFI reliability standards for all but two of the years 2013 through 2021 supports that the Advisors’ proposed standards can be met with recent levels of distribution reliability spending during 2018-2021, where ENO was able to achieve results that would have met the reliability standards; and

WHEREAS, notwithstanding the relationship between past reliability performance and associated distribution reliability spending, the Council believes that additional information on ENO’s historic distribution reliability investment and expense and projected distribution reliability investment and expense may be beneficial; and

WHEREAS, in its Comments, ENO submits that it is inappropriate to establish the maximum \$2.7 million penalty based on the Reliability Incentive Mechanism Plan (“RIM Plan”)

that ENO proposed in its 2018 Rate Case in Council Docket No. UD-18-07⁸ and that the maximum penalty should be \$500,000; and

WHEREAS, in support of its arguments of the inappropriateness of the maximum \$2.7 million penalty, ENO cites various financial conditions including: the lower Council-approved ROE of 9.35% as opposed to its requested proposed ROE in the 2018 Rate Case of 10.5%, the circumstances that now face the Company and its customers after the COVID-19 pandemic, the 2020 and 2021 Atlantic hurricane seasons, the downgrades to the Company's credit by multiple credit-rating agencies, and recent ENO earnings in comparison with its authorized return, as well as a concern that the Council has not provided any assurances to ENO that it will receive cost recovery and a fair return on the investments necessary to avoid penalties.⁹; and

WHEREAS, in its Comments, ENO indicates that there should be no penalty for the first reporting year and that the Council, the Company, and stakeholders should use that first reporting year, at a minimum, to evaluate the minimum performance standards and determine if those standards are reasonable and prudent; and

WHEREAS, the Council is aware of ENO's financial condition and recognizes that the penalties for failing to meet the minimum performance standards are maximum penalties and not automatic, and further, that there are provisions in the ESDRS that allow ENO to present its case to the Council, including all information ENO believes the Council should consider in determining whether enforcement actions are warranted, prior to the Council imposing a fine; and

⁸ *Id.* at 8.

⁹ *Id.*

WHEREAS, all expenditures by ENO, including those necessary to meet the ESDRS, are subject to the same opportunity for ENO to earn a fair return included with cost recovery, provided that they are prudently incurred; and

WHEREAS, the Council believes that the consideration of a fine in conjunction with the opportunity for the Company to present arguments on the propriety and extent of enforcement actions is a reasonable and duly protective process for ENO; and

WHEREAS, in opposition to the proposed ESDRS minimum annual performance level for distribution system SAIFI of 1.53 and minimum annual performance level for distribution system SAIDI of 178.2, ENO, in its Comments, submits that minimum annual performance level for distribution system SAIFI should be no lower than 1.79 and the minimum annual performance level for distribution system SAIDI should be no lower than 196¹⁰; and

WHEREAS, in calculating the standard metrics for ENO, the Advisors used a five-year average of IEEE SAIFI and SAIDI scores from 2016 – 2020; and

WHEREAS, ENO opposes the Advisors use of the 2016 – 2020 five-year period based on the intense weather experienced in New Orleans as well as many other areas of the country in just the last two years, as well as other factors affecting utilities and their customers, including, but not limited to, increasing supply chain issues, higher levels of inflation, and other financial strains, and instead developed its proposed SAIFI of no lower than 1.79 and SAIDI no lower than 196 based on the IEEE data for the two-year period 2020 – 2021¹¹; and

WHEREAS, in developing the standards the Council’s Advisors indicated that, while ENO’s proposed RIM Plan’s SAIFI range was based on single-year IEEE benchmark results,

¹⁰ *Id.* at 8.

¹¹ *Id.* at 11.

calculations based on an average of several years would be more appropriate in establishing standards; and

WHEREAS, the Council believes that the use of a longer-term historic average for establishing standards attempts to mitigate the influence of a single year in establishing standards and that the Advisors five-year average is reasonable and superior to the two-year average proposed by ENO in developing long-term minimum standards for SAIDI and SAIFI; and

WHEREAS, with respect to poor performing feeders ENO comments that: 1) feeder-specific SAIFI should not be used to determine worst performing feeders and that a more appropriate representation would be based on customer interruptions (excluding customer interruptions beyond the reasonable control of the Company); 2) feeders should also be evaluated based on the number of outages that occur at the breaker; 3) ENO should be granted the leeway to provide the Council information that shows that, although a feeder appears to be a “worst-performer” due to the number of customer interruptions, targeted work on the feeder is not necessary and would not be expected to improve reliability; 4) the worst performing feeder list be based on performance through the 3rd quarter of the operations year due to the complexity of evaluating the feeders and formulating an effective plan for improvement; and 5) there should be no additional penalty associated with the “poor performing feeders” or, alternatively, any penalty associated with a particular feeder should be de minimus and no more than \$5,000¹²; and

WHEREAS, with respect to the determination and evaluation of poor performing feeders, the Council recognizes that ENO’s arguments may have merit; however, rather than delay implementation of the ESDRS, the Council chooses to receive information in ENO’s first ESDRS

¹² *Id.* at 12-14.

Annual Compliance Filing on ENO's proposed alternative methodology for determining and addressing the poor performing feeders and how that ranking compares with the ESDRS; and

WHEREAS, the Council agrees with the Advisors that in circumstances where the implementation of the Company's plan does not measurably improve the poor performing feeders in subsequent evaluation years (if in fact there had been poor performing feeders), the Council could, in its discretion, take additional enforcement actions, including, but not limited to, fining the Company up to \$500,000 annually; and

WHEREAS, the Council has determined that although ESDRS compliance and reporting will be required by ENO for calendar year 2023, no fine will be imposed pursuant to the ESDRS for 2023 performance because the ESDRS will not be in place for the entirety of 2023; however, compliance for calendar year 2024 performance will be subject to enforcement, including fines; and

WHEREAS, the Company requests that the deadline for the annual reliability compliance filing required by the ESDRS be changed from March 1 to April 15 to allow time for ENO to prepare and submit its reliability information to IEEE by the March deadline for doing so and then to prepare the necessary information to comply with the Council's annual reliability filing requirements; and

WHEREAS, the Council believes ENO's request to change the deadline for ESDRS Annual Compliance Filing from March 1 to April 15 is reasonable; and **NOW THEREFORE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That

1. The ESDRS, attached hereto as Appendix A, are approved.

2. The deadline for ESDRS Annual Compliance Filing is changed March 1 to April 15 as reflected in Appendix A.
3. ENO shall not be subject to penalties for failing to meet the ESDRS for calendar year 2023, but shall be beginning in calendar year 2024.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That

1. Prior to April 15, 2023, ENO is directed to develop and provide to CURO and the Advisors a consistent method for identifying capital and operation and maintenance expenditures for achieving distribution system reliability, above and beyond nominal operations.
2. ENO is directed to make a filing no later than April 30, 2023 which includes: (a) a categorized schedule of its historic capital and operation and maintenance expenditures for achieving distribution system reliability, annually, for 2016 through 2022; (b) a schedule, in the same format, of the historic data presenting ENO's plan of capital and operation and maintenance expenditures for achieving the ESDRS, annually, for 2023 through 2027; (c) a schedule, in the same format, of the historic data presenting ENO's plan of capital and operation and maintenance expenditures for achieving the ESDRS using ENO's alternative minimum annual performance level for a distribution system SAIFI of 1.79 and a distribution system SAIDI of 196, annually, for 2023 through 2027.
3. ENO in its first ESDRS Annual Compliance Filing, in addition to the identification of poor performing feeders (lowest 5% of feeders based on annual SAIFI), shall provide: (a) a proposed alternative methodology for identifying poor performing

feeders; (b) a list of poor performing feeders using the Company's proposed alternative methodology which includes approximately 5% of ENO's feeders; and (c) ENO's plan, budget, and schedule to improve the performance of each of the poor performing feeders identified by the Company's proposed alternative methodology.

THE FOREGOING WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, AND RESULTED AS FOLLOWS:

YEAS:

NAYS:

ABSENT:

AND THE RESOLUTION WAS ADOPTED.

APPENDIX A

Electric System Distribution Reliability Standards (ESDRS)

SECTION 1: OVERVIEW

The purpose of these standards is to establish minimum distribution reliability performance levels applicable to all electric utilities subject to the Council of the City of New Orleans (Council) regulatory jurisdiction. In addition, these standards set forth the method by which to determine performance, annual compliance reporting requirements, and penalties for non-compliance.

SECTION 2: DEFINITIONS

- a) “**IEEE**” means the Institute of Electrical and Electronic Engineers
- b) “**SAIFI**” means System Average Interruption Frequency Index. SAIFI measures the average number of interruptions of all customers over a defined period.
- c) “**SAIDI**” means System Average Interruption Duration Index. SAIDI measures the average length of interruptions experienced by all customers served over a defined period.
- d) “**CURO**” means the Council Utility Regulatory Office.
- e) “**Council**” means the Council of the City of New Orleans
- f) “**MED**” means Major Event Day as defined in IEEE Std 1366-2012¹³
- g) “**Momentary Interruptions**” means outages lasting no longer than five (5) minutes.
- h) “**Utility**” means any electric utility subject to the Council's regulatory jurisdiction.
- i) “**ESDRS Annual Compliance Filing**” means the Utility’s annual filing in compliance with these standards.

SECTION 3: DISTRIBUTION RELIABILITY STANDARDS

- a) These standards shall be applicable all Utilities and for the calendar year 2023 and each calendar year thereafter.
- b) SAIFI and SAIDI shall be calculated on an annual basis for the twelve months ending December 31st of each year.
- c) In calculating its annual SAIFI and SAIDI performance, each Utility shall utilize the calculation methods contained in IEEE Std 1366-2012. The calculation shall exclude Momentary Interruptions, outages on days which are classified as a MED, and outages that are mandated by a public authority.¹⁴
- d) SAIFI and SAIDI shall be calculated for each of the Utility’s feeders and for the Utility’s entire service territory as a whole.
- e) The minimum annual performance level for distribution system SAIFI, measured annually and with respect to the Utility’s entire service territory, shall be **1.53**. This represents the number of interruptions, on average, that a customer experienced.
- f) The minimum annual performance level for distribution system SAIDI, measured annually and with respect to the Utility’s entire service territory, shall be **178.2**. This represents the number of minutes of interruption, on average, that a customer experienced.

¹³ IEEE Guide for Electric Power Distribution Reliability Indices

¹⁴ While outages on days which are classified as a MED are excluded for the purposes of calculating SAIFI and SAIDI performance in accordance with these standards, such outages should be recorded and reported as part of each Utility’s ERDRS Annual Compliance Filing.

SECTION 4: COMPLIANCE AND REPORTING

- a) By April 15, 2024, and each successive year thereafter, each Utility shall file its ESDRS Annual Compliance Filing for the preceding calendar year.
- b) Each ESDRS Annual Compliance Filing shall include:
 - 1. A data set including all distribution system and transmission system outages including each of the fields identified in Attachment A to these standards.
 - 2. Calculations of the Utility's distribution system SAIFI and SAIDI for the Utility's entire service territory.
 - 3. Calculations of Utility's transmission system SAIFI and SAIDI for the Utility's entire service territory.
 - 4. Calculations of the Utility's distribution system SAIFI and SAIDI for each of the Utility's distribution feeders.
 - 5. Identification of poor performing feeders (lowest 5% of feeders based on annual SAIFI) and the Utility's plan, budget, and schedule to improve the performance of each of the poor performing feeders.
 - 6. To the extent either the Utility's distribution system SAIFI for the Utility's entire service territory or the Utility's distribution system SAIDI for the Utility's entire service territory failed to meet the standards set forth herein, the Utility shall also include in its ESDRS Annual Compliance Filing an analysis of the outage causes and durations; its plan, budget, and schedule to bring the distribution system in compliance with these standards; and any other information it believes the Council should consider in determining whether enforcement actions are warranted.

SECTION 5: ENFORCEMENT

- a) Failure to meet minimum annual performance level distribution system SAIFI for the Utility's entire service territory.
 - 1. The Council may issue a fine of up to \$2.7 million annually for the Utility's failure to meet minimum annual performance level distribution system SAIFI for the Utility's entire service territory.
 - 2. The maximum fine amount for any given year shall be proportionate to the amount by which the Utility failed to meet the minimum annual performance level. For each 100th of a whole number unit of SAIFI (i.e., 0.01) by which the actual SAIFI failed to meet the SAIFI minimum performance level the Council may fine the utility up to \$75,000.
 - i) For Example:
 - (1) The minimum annual performance level SAIFI is 1.53 and the actual Utility SAIFI is 1.65.
 - (2) The Utility would have failed to meet the standard by 12/100 and the maximum penalty for that year would be equal to 75,000 multiplied by 12, for a maximum penalty of \$900,000.
- b) Failure to meet minimum annual performance level distribution system SAIDI for the Utility's entire service territory.
 - 1. The Council shall review the Utility's analysis of the outage causes and durations, and the Utility's plan, budget, and schedule to bring the distribution system in compliance.
 - 2. To the extent the implementation of Utility's plan does not bring the distribution system into compliance, the Council may take additional enforcement actions, including fining the Utility up to \$500,000 annually for the failure to comply.

- c) Failure to significantly improve poor performing feeders.
 - 1. The Council shall review the Utility's identification of poor performing feeders (lowest 5% of feeders based on annual SAIFI) and the Utility's plan, budget, and schedule to improve the performance of each of the poor performing feeders.
 - 2. To the extent the implementation of Utility's plan does not measurably improve the poor performing feeders in subsequent evaluation years, the Council may take additional enforcement actions, including fining the Utility up to \$500,000 annually.

**Attachment A
Outage Data Required Information**

Field	Data Description / Field Contents
Outage Identification Number	A unique number identifying the outage/interruption
Network Name	To the extent the Utility's distribution system is divided into networks, the Utility should identify the network name associated with the outage/interruption
Weather Condition	Weather conditions at the time of the outage/interruption (i.e., Fair, Thunder, Lightning, Rain, wind, etc.)
First Call Date and Time	Date and time the Utility became aware of the outage/interruption
Trouble Clear Date and Time	Date and time the outage ended
Feeder Identification Name or Number	A unique number or name that identifies the feeder that experienced either a full or partial outage/interruption
Primary Device	Name of device type (i.e., Fuse, Transformer, Breaker, etc.) that failed and resulted in the outage/interruption
Cause Description	The general cause category associates with the outage/interruption (i.e., Equipment-Arrestor, Equipment-Crossarm, Equipment-Insulator, Equipment-Transformer, Lightning, Tree Limb, Animal-Raccoon, Animal-Squirrel, Fire, Human Error, Scheduled Interruption, etc.)
System	Identification of whether the outage was due to a condition on the Utility's transmission system or the Utility's distribution system
Total Customers Affected	The total number of customers affected by the outage/interruption
Outage Duration Minutes	The duration of the outage/interruption in minutes
Actual Customer Minutes	The number of customer minutes associated with the outage/interruption
Major Event Classification	A yes or no field as to whether the outage is classified as a MED
Additional Information/Remarks	Contains additional information regarding the outage/interruption that may have been recorded by field service personnel and which further describes the nature of the outage/interruption and the subsequent restoration
Longitude	The GPS longitude of the failed equipment or feeder that which most closely identifies the general area of the outage
Latitude	The GPS latitude of the failed equipment or feeder that which most closely identifies the general area of the outage
ZIP	The Zip Code of the failed equipment or feeder that most closely identifies the general area of the outage
Council District	The Council District in which the outage/interruption occurred