

1 *NP-CA-11*

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3 **Q. (Page 34 footnote 12) Is the Consumer Advocate aware of other jurisdiction**  
4 **where the CELID<sub>8</sub> and CEMI<sub>8</sub> reliability indices are used? What customer research**  
5 **was completed to determine that the 8 hour and 9 interruption thresholds have**  
6 **significance with all customer classes?**  
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8 **A.** According to Delaware Public Service Commission staff, the CELID<sub>8</sub> and CEMI<sub>8</sub>  
9 indices were developed during a rate case settlement process. It is understood that  
10 historical performance was taken into consideration, but because the indices were  
11 developed during a settlement process, documentation relating to the development  
12 process of these indices is limited.  
13

14 BC Hydro reports CELID-6 (percentage of customers experiencing longest interruption  
15 duration of six or more hours, excluding major events) and CEMI-4 (percentage of  
16 customers experiencing four or more outage interruptions per year, excluding major  
17 events).<sup>4</sup> BC Hydro has a customer based reliability strategy that attempts to incorporate  
18 customer requirements/expectations in their spending decisions; i.e., less focus on system  
19 performance metrics and more focus on customer satisfaction.<sup>5</sup> BC Hydro describes the  
20 CELID and CEMI indices as customer-focused reliability measures implemented in fiscal  
21 2007 to provide an intuitive understanding of the reasonableness of BC Hydro's  
22 reliability performance. As this is the first year of reporting, BC Hydro expects target  
23 setting to continue to be refined for several years taking into consideration actual  
24 performance, initiatives to strengthen the distribution system and focused investment  
25 aligned with customer needs and expectations.  
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27 Michigan's *Service Quality and Reliability Standards for Electric Distribution Systems*  
28 has a requirement that during normal conditions, utilities restore service within eight  
29 hours to not less than 90% of customers experiencing interruptions.<sup>6</sup> This is similar to a  
30 CELID-8 index.  
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32 An April 4, 2005 presentation entitled *State of Reliability Related Regulation in the*  
33 *United States – Overview and Trends* sponsored by Edison Electric Institute and  
34 presented by Davies Consulting, Inc.<sup>7</sup> states that deregulation and PBR have transformed  
35 traditional cost of service ratemaking into quality of service regulation. The report  
36 indicates that CELID and CEMI are additional reliability indices that are being used to  
37 evaluate individual customer experience.  
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<sup>4</sup> See website: <http://www.bchydro.com/info/reports/reports52453.html>

<sup>5</sup> See website: <http://tdmm.com/conferences/2004/presentations/panels/wednesday/balbirnie/CBRS-Murray-Keith.pdf>

<sup>6</sup> See website: [http://www.cis.state.mi.us/mpsc/orders/electric/2003/u-12270rules\\_11-25-2003.pdf](http://www.cis.state.mi.us/mpsc/orders/electric/2003/u-12270rules_11-25-2003.pdf)

<sup>7</sup> See website: [www.eei.org/meetings/nonav\\_2005-04-03-ec/Tues10Stewart-Deric.pdf](http://www.eei.org/meetings/nonav_2005-04-03-ec/Tues10Stewart-Deric.pdf)