

ORDER NO. 89090

IN THE MATTER OF CYBER-SECURITY
REPORTING OF MARYLAND UTILITIES

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BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 9492

Issue Date: April 12, 2019

On March 6, 2019, the Maryland Utilities¹ filed a Joint Motion for Reconsideration of the Maryland Public Service Commission’s decision to broaden the definition of Information Technology (“IT”) Systems in Order No. 89015. In the Motion, the Maryland Utilities contend that the definition adopted by the Commission will “require Maryland Utilities to report thousands of unsuccessful cyber-events a day to the Chief Engineer or his designated alternate.”² Although the Commission denies the Joint Motion for Reconsideration, it clarifies what events the utilities are required to report.

Background

On April 6, 2018, the Final Report of the Cyber-Security Reporting Work Group (“Final Report”) was filed with the Commission in Case Nos. 9207 and 9208. The Final Report proposed a definition of Information Technology System as “a utility business process system or network that contains personally identifiable customer information.”

¹ Baltimore Gas and Electric Company, Delmarva Power & Light Company, The Potomac Edison Company, Potomac Electric Power Company, Southern Maryland Electric Cooperative, Choptank Electric Cooperative, Inc. and Washington Gas Light Company.

² Joint Motion for Reconsideration, p. 2. (ML 224216.)

On September 11, 2018, the Commission initiated this docket and requested comments on the Final Report.³ Among the comments received, Columbia Gas of Maryland, Inc. (“Columbia Gas”) suggested, “With regard to the definition of IT, Columbia offers that IT is more than a system or network that contains personally identifiable customer information (PII). Columbia considers IT as hardware and software related to electronic processing, and storage, retrieval, transmittal and manipulation of data.”⁴ On February 4, 2019, the Commission issued Order No. 89015 which adopted Columbia Gas’ broadened definition for IT System and defined IT System as “hardware and software related to electronic processing and storage, retrieval, transmittal and manipulation of data.”⁵

Party Positions

In their Joint Motion for Reconsideration, the Maryland Utilities argue that, unless the definition of IT is returned to that recommended by the workgroup, “Maryland Utilities would be required to report every run-of-the mill phishing or spear-phishing event that occurs on their systems. This would result in the Maryland Utilities reporting tens of thousands of incidents to the Chief Engineer on a daily or weekly basis.”⁶ They contend that under the narrower definition, “the Commission would still receive reports of (a) those breaches that threaten the personally identifiable information of Maryland customers, and (b) those breaches of any Operations Technology system that is used to provide safe and reliable service to customers.”⁷

³ Order No. 88827.

⁴ Comments of Columbia Gas of Maryland, Inc., pp. 3–4. (ML 222449.)

⁵ Order No. 89015, p. 3.

⁶ Joint Motion for Reconsideration, p. 2.

⁷ Joint Motion for Reconsideration, pp. 3–4.

Responses to the Joint Motion were filed by the Commission’s Technical Staff (“Staff”),⁸ the Maryland Office of People’s Counsel (“OPC”),⁹ and Columbia Gas.¹⁰ Staff recommended the Commission grant the Joint Motion, while OPC “does not oppose” granting reconsideration. Staff noted “the revised IT System definition in Order No. 89015 is accurate, but when coupled with the security breach definition it could result in many non-consequential security breach reports.”¹¹ OPC in its Response, “agrees with Columbia’s understanding that a ‘security breach’ as defined in Order 89015 would not include unsuccessful attempts to breach any of a utility’s IT, OT, or Smart Grid Systems. Nevertheless, OPC does not oppose the joint utilities request to use the definition of an IT System as originally proposed by the CSRWG.”¹²

Columbia Gas also “does not oppose” return to the narrower definition of IT System, but notes that its broader definition “fills in the potential security gap between its IT System and OT system, as the two systems overlap and its IT system engages directly with its gas system.”¹³ Columbia Gas “disagrees with the argument that the current definition of IT systems will require the Maryland Utilities to report every unsuccessful phishing and spear-phishing attempt to the Commission.”¹⁴ Columbia Gas notes that, based on the definition of security breach, “only phishing attempts and other unauthorized acts that ‘result in access to, acquisition, control, destruction, disclosure, or

⁸ ML 224388.

⁹ ML 224387.

¹⁰ ML 224367.

¹¹ Staff Response, p. 3.

¹² OPC Response, p. 2.

¹³ Columbia Gas Response, p.3.

¹⁴ Columbia Gas Response, p. 3.

modification’ of the utility’s system must be reported to the Commission.”¹⁵ Columbia Gas concludes by requesting that the Commission “provide clarity regarding the definition of security breach in that it does not require utilities to report unsuccessful phishing attempts.”¹⁶

Commission Decision

The Commission is persuaded by the arguments in Columbia Gas’ Response. The Commission defined Security Breach as “any unauthorized act *that has been confirmed to result in* access to, acquisition, control, destruction, disclosure, or modification of a utility’s IT Systems, OT Systems or Smart Grid systems.”¹⁷ Unsuccessful phishing and spear-phishing attempts do not “result in” access to a utility’s IT, OT or Smart Grid System. Under the definition of Security Breach, not only must the unauthorized act “result in” access, but such access, etc. must also be “confirmed.” The Commission finds that routine unsuccessful attempts by outsiders to access a utility’s computer systems do not fall under the definition of Security Breach and do not require immediate reporting of thousands of incidents to the Chief Engineer on a daily or weekly basis.¹⁸ With this clarification, the Commission denies the Maryland Utilities Joint Motion for Reconsideration.

By Direction of the Commission

/s/ Terry J. Romine

Terry J. Romine
Executive Secretary

¹⁵ Columbia Gas Response, pp. 3–4.

¹⁶ Columbia Gas Response, p. 4.

¹⁷ Order No 89015, p. 4 (emphasis added)

¹⁸ Discussion of such attempts may be included in the utility’s periodic Cyber-security Reports.