

PUBLIC SERVICE COMMISSION OF WISCONSIN

Memorandum

May 6, 2014

TO: MEUW (Municipal Electric Utilities of Wisconsin)
Meg-Water (Municipal Environmental Group-Water Division)
WRWA (Wisconsin Rural Water Association)
LWM (League of Wisconsin Municipalities)

FROM: Cynthia Smith

RE: 2013 Wisconsin Act 274 Commission Implementation

The purpose of this memorandum is to briefly summarize how the Commission intends to implement the provisions of 2013 Wisconsin Act 274 (Act 274) that provide “[a] municipal utility may adopt application, deposit, disconnection or collection rules and practices that distinguish between customers based upon whether the customer owns or leases the property that is receiving utility service. . . .” Wis. Stat. § 66.0809(10).

Wisconsin Stat. § 196.19(2) provides that “[e]very public utility shall file with and as part of such schedule all rules and regulations that, in the judgment of the commission, in any manner affect the service or product.” Wisconsin Stat. § 196.20(1) provides:

The rate schedules of any public utility shall include all rules applicable to the rendition or discontinuance of the service to which the rates specified in the schedules are applicable. No change may be made by any public utility in its schedules except by filing the change as proposed with the commission. No change in any public utility rule which purports to curtail the obligation or undertaking of service of the public utility shall be effective without the written approval of the commission after hearing, except that the commission, by emergency order, may make the rule, as filed, effective from the date of the order, pending final approval of the rule after hearing.

Nothing in Act 274 changed these requirements.

Rules and practices that relate to applications, deposits, disconnection or collections affect the provision of utility service, and such rules and practices also curtail the obligation or

undertaking of service by the utility. These rules and practices are currently included in the tariffs utilities have filed with the Commission.

Utilities that decide to adopt new rules or practices, as now permitted under Act 274, will be required to file with and receive approval from the Commission for any new application, deposit, disconnection or collection rules and practices as part of the utility's tariff filed with the Commission. Because these changes "curtail the obligation or undertaking of service of the public utility," a hearing will be required before the Commission reviews and approves any proposed changes to these rules or practices.

Wisconsin Stat. § 196.03(1) requires that "a public utility shall furnish reasonably adequate service and facilities. The charge made by any public utility . . . or any service rendered or to be rendered in connection therewith shall be reasonable and just and every unjust or unreasonable charge for such service is prohibited and declared unlawful." Rules and practices related to the process or amount charged for an application, the amount of any deposits assessed, disconnection or reconnection charges, and any collection charges must therefore be reasonable and just. Upon application to the Commission for a change in rules or practices, the Commission will review the requested change to determine whether it is just and reasonable.

If you have further questions regarding the Commission's implementation of Act 274, please do not hesitate to contact me.

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