



1997 ASSEMBLY BILL 474

August 14, 1997 - Introduced by Representatives DUFF, HOVEN, JENSEN, GOETSCH, ALBERS, F. LASEE, OTT, MUSSER, KLUSMAN, PLALE, RILEY and KEDZIE, cosponsored by Senators SHIBILSKI, BRESKE, COWLES, PANZER, GROBSCHMIDT, FARROW and WELCH. Referred to Committee on Utilities Oversight.

1 **AN ACT** *to repeal* 196.194 (2) (b); and *to renumber and amend* 196.194 (2) (a)
2 of the statutes; **relating to:** contracts between gas utilities and individual
3 customers.

Analysis by the Legislative Reference Bureau

Under current law, the public service commission (PSC) may approve a tariff filed by a gas utility that permits the gas utility to enter into compensatory contracts with individual customers if the PSC determines that: 1) substitute gas services are available to customers of the gas utility; and 2) the gas utility will be at a competitive disadvantage if the tariff is not approved. The PSC's authority to approve such a tariff applies only to contracts that are entered into, renewed, extended or modified before June 30, 1998. This bill eliminates this deadline and allows the PSC to approve a tariff that permits a gas utility to enter into, renew, extend or modify compensatory contracts with individual customers after June 30, 1998.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

4 **SECTION 1.** 196.194 (2) (a) of the statutes is renumbered 196.194 (2) and
5 amended to read:

6 196.194 (2) Nothing in ss. 196.03, 196.19, 196.20, 196.21, 196.22, 196.37,
7 196.60, 196.604 and 196.625 prohibits the commission from approving the filing of

SECTION 1

1 a tariff which permits a gas utility to enter into an individual contract with an
2 individual customer if the commission determines that substitute gas services are
3 available to customers or potential customers of the gas utility and the absence of
4 such a tariff will cause the gas utility to be disadvantaged in competing for business.
5 A tariff filed under this ~~paragraph~~ subsection shall include the condition that any
6 such contract shall be compensatory. The tariff shall include any other condition and
7 procedure required by the commission in the public interest. Within 20 days after
8 a contract authorized under this ~~paragraph~~ subsection or an amendment to such a
9 contract has been executed, the gas utility shall submit the contract to the
10 commission. The commission shall give notice to any person, upon request, that a
11 contract authorized under this ~~paragraph~~ subsection has been received by the
12 commission. The notice shall identify the gas utility that has entered into the
13 contract. Within 6 months after receiving substantial evidence that a contract may
14 be noncompensatory, or upon its own motion, the commission shall investigate and
15 determine whether the contract is compensatory. If the commission determines that
16 the contract is noncompensatory, the commission may make appropriate
17 adjustments in the rates or tariffs of the gas utility that has entered into the contract,
18 in addition to other remedies under this chapter. The dollar amount of the
19 adjustment may not be less than the amount by which the contract was found to be
20 noncompensatory.

21 **SECTION 2.** 196.194 (2) (b) of the statutes is repealed.

22 (END)