

## Chapter PSC 110

DISTRIBUTION OF WHOLESALE  
ELECTRIC REFUNDS

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**PSC 110.01 Purpose.** The purpose of this chapter is to set forth regulations for the distribution of wholesale refunds and other monies received from wholesale suppliers by electric utilities which purchase electricity from wholesale suppliers and sell it to retail customers.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.02 Distribution of wholesale refunds.** A retail electric utility which has received a refund from its wholesale supplier as a result of a reduction in rates set by a federal regulatory authority shall distribute the refund to its retail customers, including former customers, if they can be located, in the following manner:

(1) The retail electric utility shall distribute the refund on the basis of actual kilowatt-hours used by each customer during the period for which the refund is made.

(2) There will be a transition period of one year beginning October 1, 1983. During that year the utility shall establish a system which will make it practical to distribute the refund on an actual kilowatt-hour used basis. If the utility can show that the cost of making the refund on the basis of actual usage will substantially diminish the benefit, it may, after commission authorization, distribute the refund through an adjustment to the power cost adjustment clause during the transition period. After September 30, 1984, sub. (1) shall apply to all retail electric utilities.

(3) If the utility has the billing capability, it shall show as a separate item on the customer's bill the refund dollar amount or, during the transition period, the change in the purchased power adjustment clause level due to the refund. If the utility does not have the billing capability, it shall inform customers of the refund through bill inserts or a newspaper announcement.

(4) If through inaccurate operation or application of the power cost adjustment clause, a utility has not recovered from retail ratepayers the full amount of the increased costs which it had been temporarily charged by the wholesale supplier and which is the subject of a refund under these rules, the utility may, following commission approval, retain a portion or all of the wholesale refund to cover such costs.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.03 Distribution of other monies.** A retail electric utility which has received a patronage dividend or capital credit refund from its whole-

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sale supplier as a result of cooperative policies shall distribute the refund to its retail customers in the following manner:

(1) The utility, after commission approval, shall distribute the refund through adjustment to the power cost adjustment clause.

(2) If the utility has the billing capability, it shall show as a separate item on the customer's bill the refund dollar amount or the change in the purchased power adjustment clause level due to the refund. If the utility does not have the billing capability, it shall inform customers of the refund through bill inserts or a newspaper announcement.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.04 Notification.** An electric utility shall notify the public service commission within 30 days of receipt of a refund or other monies from its wholesale supplier. The notice shall contain a proposal for distribution of the money and the date by which the distribution is proposed to be made. The money shall be distributed only after commission approval. The utility shall notify the commission as to the date the distribution was made to retail customers, and the total amount distributed.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.05 Interest.** Amounts refunded to customers shall include interest on the total amount received from the wholesale supplier from the date of receipt by the electric utility to the date of distribution to its retail customers. If the amount received by the electric utility was not actually invested, simple interest on the refund shall be calculated at the legal rate. Interest does not apply to patronage dividends and capital credits.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.06 Intervention expenses.** Costs of intervention in federal regulatory proceedings by electric utilities which purchase electricity from a wholesale supplier are normal operating expenses to be considered in a rate case. Intervention expenses shall not be deducted from wholesale refunds which are distributed to retail customers.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.07 Distribution expenses.** Costs of distribution of a refund to retail customers are normal operating expenses to be considered in a rate case. Distribution expenses shall not be deducted from wholesale refunds which are distributed to retail customers.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.08 Waiver.** (1) Prior to October 1, 1984, a retail electric utility may request a waiver from the requirements of PSC 110.02 (1) on the basis that it is unable to establish a practical method of making refunds on an actual-usage basis.

(2) A retail electric utility may request a waiver from the requirements of this chapter for a specific refund on the basis that the cost of compliance would exceed the benefit to customers.

History: Cr. Register, December, 1983, No. 336, eff. 1-1-84.

(b) If a building exceeds the heat loss of par. (a) above, the building may receive gas service provided that it demonstrates additional innovative building or system designs that will reduce fuel consumption to a level equal to or less than fuel consumption which results from complying with par. (a) above;

(c) All exterior windows and doors shall be designed to limit leakage into or from the building and shall be weatherstripped; and

(d) Special use buildings such as greenhouse, inflatable structures, and the like, or any building exempt from the heating and ventilating requirements of ch. Ind 63, Wis. Adm. Code, are exempt from these requirements.

History: Emerg. cr. eff. 5-2-80; cr. Register, January, 1981, No. 301, eff. 2-1-81.

**PSC 136.05 Nonessential uses of natural gas.** (1) A utility or other person shall not install, connect, or cause to be installed or connected to the distribution system any device which constitutes a nonessential use of natural gas, in accordance with sub. (3), unless such device has been received by any person prior to the effective date of this rule, including item inventories held by retailers and wholesalers.

(2) For purposes of determining a nonessential use of natural gas, the public service commission shall consider the following criteria:

(a) Necessity of use;

(b) Availability and reasonableness of alternative fuel to provide a substitute service;

(c) Public health, safety and unusual hardship factors; and

(d) Compatibility of natural gas use with energy policy.

(3) In accordance with the preceding criteria, the use of natural gas in the following devices or for the following purposes is considered to be nonessential:

(a) Gas lights;

(b) Snowmelting equipment;

(c) Residential swimming pool heaters, unless provided with a passive solar blanket which covers the entire surface of the pool or an active solar system which uses a solar collector with a surface area of at least 50% of the pool's surface area; and

(d) Heating areas containing swimming pools, porches, workshops, garages or other areas of marginal or seasonal use unless insulated to energy conservation standards as specified in chs. Ind 22 and 63, Wis. Adm. Code.

(4) The rule designating a nonessential use of natural gas may be modified or waived by the commission for reasons of health, safety or unusual hardship.

(5) Prior to rendering natural gas spaceheating service to an existing rental unit, as defined in s. ILHR 67.04 (16), which is converting to natural gas spaceheating, each utility shall inform the rental unit owner of the

additional conservation requirements of s. ILHR 67.05. The requirement of this subsection is in addition to subs. (3) and (4).

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (3) (c), Register, January, 1982, No. 313, eff. 2-1-82; am. (3) (c), r. (3) (d), renum. (3) (e) to be (3) (d), Register, March, 1982, No. 315, eff. 4-1-82; cr. (5), Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 136.10 Disconnection or refusal of service.** Gas service may be disconnected or refused for failure to comply with the regulations contained in this chapter as specified in PSC 134.062.

History: Emerg. cr. eff. 11-1-79; cr. Register, February, 1980, No. 290, eff. 3-1-80.

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