



1995 ASSEMBLY BILL 1065

March 21, 1996 - Introduced by Representatives DUFF, HOVEN, SCHNEIDERS, JENSEN, URBAN, UNDERHEIM, HUEBSCH, GOETSCH and GROTHMAN, cosponsored by Senators FARROW, PANZER and HUELSMAN. Referred to Committee on Environment and Utilities.

1 **AN ACT to repeal** 66.898 (4) (c), 66.899 and 66.912 (5); **to amend** 20.155 (1) (title),
2 20.155 (1) (g), 66.076 (1m), 66.076 (7), 66.076 (8), 66.886 (2) (a) 1., 66.888 (2) (b),
3 66.892 (2) (a), 66.892 (2) (d), 66.894 (1) (intro.), 66.898 (3), 66.898 (4) (a), 66.898
4 (4) (b), 66.90 (1), 66.904 (1), 66.91 (intro.), 66.91 (1) (g), 66.91 (5) (a), 66.91 (5)
5 (b) 1., 66.91 (5) (b) 3. a., 66.91 (5) (b) 3. b., 66.91 (5) (c) 1., 66.91 (5) (c) 2., 66.91
6 (5) (d) 1., 66.91 (5) (e), 66.912 (2) (a), 66.912 (2) (b), 66.912 (2) (c), 66.912 (3),
7 196.02 (1), 196.02 (2), 196.02 (4) (a), 196.02 (4) (c), 196.02 (5), 196.02 (6), 196.03
8 (1), 196.05, 196.06, 196.07, 196.09 (1), 196.09 (2), 196.09 (3), 196.09 (4), 196.09
9 (5), 196.09 (6) (a), 196.09 (6) (b), 196.09 (7) (intro.), 196.09 (8), 196.10, 196.11
10 (1), 196.12 (title), 196.12 (1) (intro.), 196.13, 196.14, 196.15, 196.16 (1), 196.16
11 (2), 196.17 (1), 196.171 (1), 196.171 (2), 196.18, 196.19 (1), 196.19 (2), 196.19 (3),
12 196.19 (4), 196.19 (6), 196.20 (1), 196.20 (2) (a) 2., 196.20 (2) (b), 196.21, 196.22,
13 196.24 (1), 196.25 (1), 196.25 (2), 196.26 (1), 196.26 (1m), 196.26 (2) (a), 196.26
14 (2) (b), 196.28 (1), 196.28 (3), 196.30, 196.31 (1) (intro.), 196.31 (2), 196.37 (3),
15 196.39, 196.44 (1), 196.44 (2), 196.49 (2), 196.49 (3) (a), 196.49 (3) (b) (intro.),
16 196.49 (3) (b) 1., 196.49 (3) (b) 3., 196.49 (6), 196.525 (1) (intro.), 196.525 (2),
17 196.525 (3), 196.58 (1) (a), 196.58 (1) (b), 196.58 (4), 196.58 (5), 196.60 (1),

1 196.60 (3), 196.604, 196.61, 196.635 (intro.), 196.635 (1), 196.64 (title), 196.64
2 (1), 196.643 (1), 196.645 (1) (intro.), 196.65 (1) (intro.), 196.65 (1) (e), 196.65 (2),
3 196.66 (1), 196.66 (2), 196.66 (3) (a), 196.66 (3) (b) (intro.), 196.66 (3) (b) 1.,
4 196.66 (3) (b) 3., 196.66 (4) (b), 196.68, 196.69, 196.70, 196.72 (title), 196.72 (1)
5 (a), 196.72 (2), 196.78, 196.79 (1), 196.80 (3), 196.81 (1), 196.85 (1), 196.85 (2),
6 196.85 (3), 196.85 (4) (a) and 196.85 (5); **to repeal and recreate** 196.44 (2); and
7 **to create** 66.891, 196.01 (6m), 196.02 (13), 196.49 (3) (e) and 196.80 (1s) of the
8 statutes; **relating to:** regulation and supervision by the public service
9 commission of a metropolitan sewerage district established by a 1st class city,
10 the sale or lease of metropolitan sewerage district assets under certain
11 circumstances, authorizing the dissolution of a metropolitan sewerage district,
12 distribution of excess reserves of a district, granting rule-making authority,
13 making an appropriation and providing penalties.

Analysis by the Legislative Reference Bureau

PSC regulation and supervision of MMSD

This bill subjects metropolitan sewerage districts established by a 1st class city to regulation and supervision by the public service commission (PSC). Currently, this bill only applies to the Milwaukee Metropolitan Sewerage District (MMSD). Under current law, MMSD is subject to limited PSC oversight through a complaint process. Under current law, upon complaint to the PSC by any MMSD user that MMSD charges, rules and practices are unreasonable or unjustly discriminatory, according to the standards and criteria which the PSC is required to follow under state or federal law, or upon complaint of a holder of MMSD debt that charges are inadequate, the PSC is required to investigate the complaint. If there appears to be sufficient cause, the PSC may hold a public hearing. After the hearing, if the PSC determines that the charges, rules or practices complained of are unreasonable or unjustly discriminatory, the PSC may issue an order fixing MMSD charges, rules and practices and may make any other order that it determines to be just and reasonable, including ordering a refund. Current law also provides for a PSC audit of MMSD's books, records and practices upon the request of any municipality or county located wholly or partly within the boundaries of MMSD.

This bill subjects MMSD to regulation and supervision by the PSC in much the same manner as any public utility. The changes made by the bill include the following:

1. The PSC is granted general authority to supervise and regulate MMSD and to do all things necessary and convenient to this end. The PSC is directed to investigate neglect or violation of the laws by MMSD and to report violations to the attorney general. The PSC may assess MMSD a portion of the costs reasonably attributable to the performance of its utility regulatory duties.

2. Governing bodies of municipalities served by MMSD are also given certain powers with respect to MMSD. These governing bodies may, by contract, ordinance or resolution, determine the quality and character of the service provided by MMSD, set the terms and conditions upon which MMSD may occupy the streets, highways or other public places within the municipality, require MMSD to add or extend its physical plant within the municipality, designate the location and nature of the addition or extension, the time within which it must be completed, and any condition under which it must be constructed. However, if the PSC determines, upon complaint and after a hearing, that the contract, ordinance or resolution is unreasonable, the contract, ordinance or resolution is void.

3. MMSD is required to keep its books and records in the manner and form prescribed by the PSC. In addition to filing an annual report with the PSC, MMSD is required to provide accounts and reports, in the manner prescribed by the PSC, concerning the following: depreciation, salaries and wages, legal expenses, taxes and rentals, the quantity and value of material used, receipts from residuals, by-products, services or other sales, total and net cost, gross and net profit, dividends and interest and surplus or reserve.

4. The PSC is empowered to obtain any information from MMSD necessary for the PSC to perform its duties, including examining the books and records of MMSD and examining employes and agents of MMSD under oath. The PSC may bill MMSD for the costs of investigating the books, accounts, practices and activities of MMSD.

5. The PSC may establish classifications of service for services provided by MMSD. Similarly, the bill requires the PSC to prescribe suitable and convenient standard commercial units of products or services provided by MMSD. The bill requires the PSC to establish rules and standards to secure the accuracy of all meters and appliances used to measure MMSD services and to provide for the examination and testing of these meters and appliances.

6. MMSD may enter into any reasonable arrangement with its consumers or employes for the division or distribution of surplus profits or providing for a sliding scale for charges, subject to PSC approval. MMSD is prohibited from making any loan to its officers and commissioners.

7. MMSD may enter, at any reasonable time, any place supplied with sewerage service by MMSD for the purpose of supplying or regulating the supply of sewerage services provided by MMSD.

8. MMSD is required to file with the PSC schedules showing all rates, tolls and charges which it has established for sewerage services provided by MMSD. The rate schedules must include all rules or regulations applicable to the rendition or

discontinuance of service and may not be changed, except pursuant to the PSC rate review process. MMSD is prohibited from charging or collecting any compensation for the provision of services that is more or less than that specified in its rate schedules, and MMSD is subject to a number of provisions limiting the ability of MMSD to make rebates, concessions or otherwise discriminate in the provision of service. The PSC may at any time, with notice to MMSD and opportunity for a hearing, rescind, alter or amend any PSC order applicable to MMSD including orders fixing MMSD rates, tolls or charges.

9. MMSD is prohibited from beginning the construction, installation or operation of any new plant, equipment, property or facility unless it has complied with any applicable PSC order or rule. For the first year after the bill becomes law, MMSD may not proceed with any project with a total cost in excess of \$1,000,000 unless the PSC has certified that public convenience and necessity require the project. After the first year, the dollar threshold for public convenience and necessity review is to be set by the PSC by rule. MMSD is required to file its estimate of the annual rate of depreciation required for each of its classes of fixed capital and the composite annual rate of depreciation required for fixed capital as an aggregate. These estimates are subject to PSC review and revision. MMSD is required to credit to its depreciation reserve an amount required to account for depreciation at the percentage established. Only losses on property actually retired from service may be charged against the depreciation reserve.

10. MMSD may not dissolve, reorganize, acquire the stock of a public utility, abandon or discontinue any service, or sell, acquire, lease or rent MMSD plant or property without PSC approval. In addition, voluntary dissolution of MMSD also requires approval of the department of natural resources.

11. MMSD is required to provide adequate service and facilities and the charges for such services must be reasonable and just. In addition to the existing procedure under which the PSC may hear complaints regarding MMSD charges, rules and practices, the bill subjects MMSD to the same PSC complaint process used for complaints against public utilities. The bill also permits MMSD to file a complaint with the PSC regarding any matter affecting the services that it provides.

12. Commissioners, officers, employes and agents of MMSD are liable for treble damages for injury caused by wilfully or reckless violations of certain provisions.

Sale or lease of MMSD assets; dissolution of MMSD

The bill requires MMSD to sell or lease any or all MMSD assets and facilities, subject to PSC review and approval and subject to several conditions. Before the MMSD commission is required to enter into a lease or sale agreement, the PSC must determine that the lease or sale will be in the best interests of the district's ratepayers. In addition, the PSC must determine that, under the lease or sale, the employes of the district who are covered by a collective bargaining agreement and who perform functions in relation to the assets or facilities that are leased or sold will continue to perform those functions after the lease or sale, until the expiration date of their collective bargaining agreement or for 2 years after the effective date of this bill, whichever is sooner.

The bill authorizes the PSC to, upon demand, inspect the books and records of MMSD and examine MMSD commissioners, agents and employees in order to obtain information bearing on the determinations that the PSC is to make regarding the sale or lease of MMSD assets and facilities. If the PSC makes those determinations and the PSC believes that the MMSD commission has not acted in the best interests of MMSD's ratepayers in selling or leasing its assets and facilities, the PSC may appoint an individual to negotiate and enter into agreements for the sale or lease of MMSD's assets and facilities. This individual is given the authority to enter into those agreements on behalf of MMSD and MMSD is obligated to pay all costs incurred by the individual in exercising that authority.

The proceeds of any sale or lease of the assets must be distributed to the state and municipalities in MMSD's boundaries in proportion to the amounts paid by the state and municipalities for certain MMSD capital costs. The bill also authorizes MMSD to dissolve, subject to PSC review and approval, if all of the district's assets and facilities are sold, if all of MMSD's outstanding indebtedness is retired and if all bonds issued by the district are paid off.

Other

This bill requires the MMSD commission to develop and implement a plan to refund to Milwaukee County residents excess reserves that are held by MMSD, as determined by the PSC. The bill also requires the PSC to study the likely effects of any sale or lease of MMSD assets on the rates charged for sewerage service in the district.

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:

- 1 **SECTION 1.** 20.155 (1) (title) of the statutes is amended to read:
- 2 20.155 (1) (title) REGULATION OF PUBLIC UTILITIES AND REGULATED DISTRICTS.
- 3 **SECTION 2.** 20.155 (1) (g) of the statutes is amended to read:
- 4 20.155 (1) (g) (title) *Utility regulation* Regulation of utilities and regulated
- 5 districts. The amounts in the schedule for the regulation of utilities and regulated
- 6 districts. Ninety percent of all moneys received by the commission under s. 184.10
- 7 (3), 196.85 or 196.855 shall be credited to this appropriation. Ninety percent of all
- 8 receipts from the sale of miscellaneous printed reports and other copied material, the

1 cost of which was originally paid under this paragraph, shall be credited to this
2 appropriation.

3 **SECTION 3.** 66.076 (1m) of the statutes is amended to read:

4 66.076 **(1m)** In this section, "municipality" means any town, village, city or
5 metropolitan sewerage district created under ss. 66.20 to 66.26 ~~or under ss. 66.88 to~~
6 ~~66.918.~~

7 **SECTION 4.** 66.076 (7) of the statutes is amended to read:

8 66.076 **(7)** Sewerage service charges shall be collected and taxed and shall be
9 a lien upon the property served in the same manner as water rates are taxed and
10 collected under s. 66.069 (1) or 66.071 (1) (e), so far as applicable, ~~except that charges~~
11 ~~of a metropolitan sewerage district created under ss. 66.88 to 66.918 shall be~~
12 ~~assessed and collected as provided in s. 66.91 (5).~~

13 **SECTION 5.** 66.076 (8) of the statutes is amended to read:

14 66.076 **(8)** The governing body of any municipality, and the officials in charge
15 of the management of the sewerage system as well as other officers of the
16 municipality, shall be governed in the discharge of their powers and duties under this
17 section by s. 66.069 or 66.071 (1) (e), which are hereby made a part of this section so
18 far as applicable and not inconsistent herewith ~~or, in the case of a metropolitan~~
19 ~~sewerage district created under ss. 66.88 to 66.918, by ss. 66.91 and 66.912.~~

20 **SECTION 6.** 66.886 (2) (a) 1. of the statutes is amended to read:

21 66.886 **(2)** (a) 1. No resolution adopted by the commission under s. 66.91 (1),
22 (3) (c) or (6), 67.05 (1) or 67.12 (12), no proposed schedule of charges under s. ~~66.076,~~
23 ~~66.898 (4), 66.899 or 66.91 (5) (b) 3.,~~ no decision to borrow against taxes under s.
24 67.12 (1) and no decision to borrow under s. 24.61 (3) (a) 7. is valid unless adopted
25 by an affirmative vote of at least a two-thirds majority of all commissioners.

1 **SECTION 7.** 66.888 (2) (b) of the statutes is amended to read:

2 66.888 **(2)** (b) The name of a district created under s. 66.882 (1) (b) is the
3 Milwaukee metropolitan sewerage district Metropolitan Sewerage District.

4 **SECTION 8.** 66.891 of the statutes is created to read:

5 **66.891 Dissolution of the district; sale or lease of district assets and**
6 **facilities. (1) GENERAL AUTHORITY.** The commission shall, subject to s. 196.80, lease
7 or sell any or all of the district's assets and facilities if all of the following apply:

8 (a) The public service commission determines that a lease or sale will be in the
9 best interests of the district's ratepayers.

10 (b) The public service commission determines that, under the terms of any
11 lease or sale agreement, the employes of the district who cease to be employes of the
12 district on the effective date of the lease or sale and who are performing functions in
13 relation to the assets or facilities that are leased or sold and who are covered by a
14 collective bargaining agreement under subch. IV of ch. 111, which is in effect on the
15 day before the effective date of the lease or sale, shall continue to perform the
16 functions that they perform on the day before the effective date of the lease or sale,
17 after the lease or sale until the expiration date of the collective bargaining agreement
18 that applies to such employes or for 2 years following the effective date of this
19 paragraph [revisor inserts date], whichever is sooner.

20 **(2) DISSOLUTION OF THE DISTRICT.** Subject to s. 196.78, after retiring all
21 outstanding indebtedness of the district and paying off all bonds issued by the
22 district, the commission may dissolve the district if all of the district's assets and
23 facilities are sold under sub. (1).

24 **(3) APPLICATION OF PROCEEDS.** The proceeds of any sale or lease under sub. (1)
25 (a) to an entity other than the state shall be distributed, in a manner approved by

1 the public service commission, to the state and municipalities in proportion to the
2 amounts paid by the state and municipalities for capital costs since the district was
3 reorganized under s. 66.882 (1) (b).

4 **SECTION 9.** 66.892 (2) (a) of the statutes is amended to read:

5 66.892 (2) (a) Except as provided in pars. (b) to (d) and subject to s. 144.04 and
6 196.49, no commission may separate combined storm and sanitary sewers.

7 **SECTION 10.** 66.892 (2) (d) of the statutes is amended to read:

8 66.892 (2) (d) Any person aggrieved by the decision of the commission to
9 separate a combined storm and sanitary sewer may file a petition for judicial review
10 in the circuit court for the county in which the district is located. Nothing in this
11 paragraph affects any review under s. 144.04 or 196.49.

12 **SECTION 11.** 66.894 (1) (intro.) of the statutes is amended to read:

13 66.894 (1) GENERAL POWERS OF THE COMMISSION. (intro.) To the extent necessary
14 to carry out its duties under s. 66.89 and subject to any approval required under s.
15 196.49, the commission may project, plan, design, adopt, construct, operate and
16 maintain:

17 **SECTION 12.** 66.898 (3) of the statutes is amended to read:

18 66.898 (3) SERVICE CHARGES FOR OPERATION AND MAINTENANCE. As part of any
19 contract executed under this section, the commission may assess reasonable and just
20 sewerage service charges against the contracting party with respect to operating and
21 maintenance costs. These charges shall be established proposed by the commission
22 in accordance with s. 66.912 and are subject to review under s. 66.912. ~~The schedule~~
23 ~~of service charges may, but need not, be uniform with any other schedule of charges~~
24 shall be established by the public service commission.

25 **SECTION 13.** 66.898 (4) (a) of the statutes is amended to read:

1 66.898 (4) (a) As part of any contract executed under this section, the
2 commission may assess reasonable and just sewerage service charges against the
3 contracting party with respect to capital costs. ~~These sewerage service charges are~~
4 ~~subject to review under s. 66.912.~~ The schedule of sewerage service charges with
5 respect to capital costs used in contracts executed under this section shall be uniform
6 with the system used to recover capital costs within the district.

7 **SECTION 14.** 66.898 (4) (b) of the statutes is amended to read:

8 66.898 (4) (b) ~~Except as provided in par. (c), the~~ The charges assessed under
9 this subsection shall be ~~established~~ proposed by the commission in accordance with
10 s. ~~66.076 or 66.91 (5)~~ and shall be established by the public service commission. In
11 computing the schedule of charges under this subsection, the public service
12 commission may consider the factors specified in s. ~~66.076 (5) or 66.91 (5)~~. In
13 computing the schedule of charges under this subsection, the public service
14 commission may also consider the fact that sewerage service may not be available
15 to or may be available to but not utilized by a part of the property located within the
16 territorial limits of a contracting party at the time of computing the schedule.

17 **SECTION 15.** 66.898 (4) (c) of the statutes is repealed.

18 **SECTION 16.** 66.899 of the statutes is repealed.

19 **SECTION 17.** 66.90 (1) of the statutes is amended to read:

20 66.90 (1) GENERAL POWER OF THE COMMISSION. The Subject to any approvals by
21 the public service commission required under s. 196.49, the commission may acquire
22 by gift, purchase, lease or other methods of acquisition or by condemnation, any real
23 property situated in the state and all tenements, hereditaments and appurtenances
24 belonging or in any way appertaining to, or in any interest, franchise, easement,
25 right or privilege therein, that may be needed for the purpose of projecting, planning,

1 constructing and maintaining the sewerage system, that may be needed for the
2 collection, transmission or disposal of all sewage or drainage of the district or that
3 may be needed for improving any river or stream within the district under s. 66.894
4 (8) (a) or (b).

5 **SECTION 18.** 66.904 (1) of the statutes is amended to read:

6 66.904 (1) GENERAL POWERS OF THE COMMISSION. The Subject to any approvals
7 by the public service commission under ch. 196, the commission may enter into
8 contracts, agreements or stipulations necessary to perform its duties and exercise its
9 powers under ss. 66.88 to 66.918, including contracts to purchase, lease or otherwise
10 obtain the use of all necessary equipment, supplies and labor.

11 **SECTION 19.** 66.91 (intro.) of the statutes is amended to read:

12 **66.91 Financing.** (intro.) The Subject to ch. 196, the district may borrow
13 money and issue and execute bonds, notes and other forms of indebtedness and may
14 enter into agreements to secure its indebtedness in the manner specified in subs. (1)
15 to (7):

16 **SECTION 20.** 66.91 (1) (g) of the statutes is amended to read:

17 66.91 (1) (g) User charges and service charges established proposed by the
18 commission under sub. (5) ~~or s. 66.076~~ to comply with any covenant concerning the
19 sufficiency of the charges contained in a resolution or ordinance providing for the
20 issuance of revenue bonds or notes under s. 66.066 shall be presumed reasonable ~~in~~
21 ~~any review of the charges by the public service commission under s. 66.912 (5) in~~
22 establishing such charges.

23 **SECTION 21.** 66.91 (5) (a) of the statutes is amended to read:

24 66.91 (5) (a) ~~For service provided to any user, the~~ The commission may
25 ~~establish, propose to assess and collect service charges under s. 66.076 or for any~~

1 person provided service. These service charges shall be established by the public
2 service commission and then assessed and collected under this subsection. For
3 ~~service to any user outside the district and not located in a municipality which has~~
4 ~~contracted with the district under s. 66.898, the commission may establish, assess~~
5 ~~and collect service charges under s. 66.899. Except as provided under s. 66.899 (2),~~
6 ~~any charge made by the district under this subsection is reviewable under s. 66.912~~
7 ~~(5). The sewerage service charges established under s. 66.076 or under this~~
8 ~~subsection with respect to capital costs for service to any user shall be uniform.~~

9 **SECTION 22.** 66.91 (5) (b) 1. of the statutes is amended to read:

10 66.91 (5) (b) 1. The commission may, as a complete or partial alternative to any
11 other method of recovering capital costs, compute a proposed schedule of charges
12 based on capital costs to be recovered under this subsection from any user person
13 provided service.

14 **SECTION 23.** 66.91 (5) (b) 3. a. of the statutes is amended to read:

15 66.91 (5) (b) 3. a. Adopt Propose a schedule of charges computed under this
16 paragraph. ~~The commission may modify the schedule as it deems necessary.~~

17 **SECTION 24.** 66.91 (5) (b) 3. b. of the statutes is amended to read:

18 66.91 (5) (b) 3. b. Submit the proposed schedule of charges it adopts and each
19 modification of the schedule to each ~~municipality subject to the charges~~ the public
20 service commission for review under ch. 196.

21 **SECTION 25.** 66.91 (5) (c) 1. of the statutes is amended to read:

22 66.91 (5) (c) 1. Charges for sewerage service shall, to the extent practicable,
23 be proportionate to the costs of the sewerage system that the district may reasonably
24 attribute to the user person provided service.

25 **SECTION 26.** 66.91 (5) (c) 2. of the statutes is amended to read:

1 66.91 (5) (c) 2. The commission may propose to classify users on the basis of
2 uses and may ~~establish~~ propose separate charges for separate classes. In computing
3 proposed charges, the commission may consider any reasonable factor, including
4 wastewater flow or drainage, delivery flow characteristics, water consumption, type
5 and number of sewerage connections or plumbing fixtures, population served, lot
6 size, portion of lot improved and assessed value of property served. The commission
7 may also compute its proposed fee schedules as needed to meet the requirements of
8 ~~s. 66.076 or of~~ title II of the water pollution control act, 33 USC 1251 et seq. All
9 charges, rates and fees shall be established by the public service commission.

10 **SECTION 27.** 66.91 (5) (d) 1. of the statutes is amended to read:

11 66.91 (5) (d) 1. Each sanitary district organized under subch. IX of ch. 60 and
12 each metropolitan sewerage district organized under ss. 66.20 to 66.26 that is billed
13 by the commission under par. (b) shall, within 5 days of receipt of a bill from the
14 commission, in turn bill each city, town or village served by the sanitary district or
15 metropolitan sewerage district organized under ss. 66.20 to 66.26. Each city, town
16 or village located within the district and billed under this paragraph or billed by the
17 commission under par. (b) ~~or under s. 66.076~~ shall, within 45 days of receiving the
18 bill, pay the full amount billed to the district. Each municipality may levy a
19 reasonable penalty for late payment by the user to the municipality. Each
20 municipality may provide for the payment of charges to it by any means specified in
21 s. 66.898 (5).

22 **SECTION 28.** 66.91 (5) (e) of the statutes is amended to read:

23 66.91 (5) (e) The commission may separately compute, on any reasonable basis,
24 both capital and operating costs of providing sewerage service to any federal, state,
25 county or municipal facility and may, upon approval by the public service

1 commission, directly bill the federal government, the state, the county or the
2 municipality.

3 **SECTION 29.** 66.912 (2) (a) of the statutes is amended to read:

4 66.912 (2) (a) Compute a proposed uniform schedule of charges based on
5 operating expenses to be recovered from users under this subsection.

6 **SECTION 30.** 66.912 (2) (b) of the statutes is amended to read:

7 66.912 (2) (b) ~~Adopt~~ Propose the uniform schedule of charges computed under
8 par. (a). ~~The commission may modify the schedule periodically.~~

9 **SECTION 31.** 66.912 (2) (c) of the statutes is amended to read:

10 66.912 (2) (c) Submit the proposed schedule ~~adopted~~ under par. (b) and every
11 modification to ~~every municipality within the sewerage service area as early in every~~
12 ~~calendar year as practicable~~ the public service commission for approval under ch.
13 196.

14 **SECTION 32.** 66.912 (3) of the statutes is amended to read:

15 66.912 (3) FACTORS IN CHARGE SCHEDULES. In computing a proposed charge
16 schedule under sub. (2) (a), the sewerage commission shall require each user to pay
17 the proportion of total operating cost of the system incurred by the transmission and
18 treatment of the user's wastewater. In determining such proportional costs, the
19 sewerage commission shall consider such factors, without limitation because of
20 enumeration, as strength, volume and delivery flow rate characteristics of each
21 user's sewage.

22 **SECTION 33.** 66.912 (5) of the statutes is repealed.

23 **SECTION 34.** 196.01 (6m) of the statutes is created to read:

24 196.01 (6m) "Regulated district" means a metropolitan sewerage district
25 created under s. 66.882.

1 **SECTION 35.** 196.02 (1) of the statutes is amended to read:

2 196.02 (1) JURISDICTION. The commission has jurisdiction to supervise and
3 regulate every public utility and regulated district in this state and to do all things
4 necessary and convenient to its jurisdiction.

5 **SECTION 36.** 196.02 (2) of the statutes is amended to read:

6 196.02 (2) DEFINITION; CLASSIFICATION. In this subsection, “public utility” does
7 not include a telecommunications cooperative or a small telecommunications utility
8 except as provided under s. 196.205 or 196.215 (2) and does not include an alternative
9 telecommunications utility. The commission shall provide for a comprehensive
10 classification of service for each public utility and each regulated district. The
11 classification may take into account the quantity used, the time when used, the
12 purpose for which used, and any other reasonable consideration. Each public utility
13 and regulated district shall conform its schedules of rates, tolls and charges to such
14 classification.

15 **SECTION 37.** 196.02 (4) (a) of the statutes is amended to read:

16 196.02 (4) (a) The commission may inquire into the management of the
17 business of all public utilities and all regulated districts. The commission shall keep
18 itself informed as to the manner and method in which the same is conducted. The
19 commission may obtain from any public utility or any regulated district any
20 information necessary to enable the commission to perform its duties.

21 **SECTION 38.** 196.02 (4) (c) of the statutes is amended to read:

22 196.02 (4) (c) If any public utility or regulated district fails to furnish the
23 commission with information required of it by the commission, the commission may
24 issue an order directing the delinquent public utility or regulated district to furnish
25 the information immediately or to show good cause why the information cannot be

1 obtained. Failure of any public utility or regulated district to comply with the order
2 of the commission is a violation of this chapter within the meaning of s. 196.66.

3 **SECTION 39.** 196.02 (5) of the statutes is amended to read:

4 196.02 (5) INSPECT BOOKS. The commission or any commissioner or any person
5 employed by the commission for that purpose may, upon demand, inspect the books,
6 accounts, papers, records and memoranda of any public utility or regulated district,
7 and examine under oath any officer, agent or employe of the public utility or
8 regulated district in relation to its business and affairs. Any person, other than one
9 of the commissioners, who makes a demand shall produce his or her authority to
10 make the inspection.

11 **SECTION 40.** 196.02 (6) of the statutes is amended to read:

12 196.02 (6) PRODUCTION OF RECORDS. The commission may require, by order or
13 subpoena served on any public utility or regulated district as a summons is served
14 in circuit court, the production within this state at the time and place the commission
15 designates of any books, accounts, papers or records kept by the public utility or
16 regulated district outside the state, or verified copies in lieu thereof, if the
17 commission orders. If a public utility or regulated district fails or refuses to comply
18 with the order or subpoena, for each day of the failure or refusal the public utility or
19 regulated district shall forfeit not less than \$50 nor more than \$500.

20 **SECTION 41.** 196.02 (13) of the statutes is created to read:

21 196.02 (13) SALE OR LEASE OF REGULATED DISTRICT ASSETS. The public service
22 commission may, upon demand, inspect the books, accounts, papers, records and
23 memoranda of a regulated district and examine under oath any commissioner of a
24 regulated district, agent or employe of the regulated district in order to obtain
25 information bearing upon the determinations to be made by the public service

1 commission under s. 66.891 (1) (a) and (b). If the public service commission makes
2 the determinations under s. 66.891 (1) (a) and (b) and if the public service commission
3 believes that the commission of the regulated district has not acted in the best
4 interests of the regulated district's ratepayers in selling or leasing the district's
5 assets and facilities, the public service commission may appoint an individual to
6 negotiate and enter into agreements for the sale or lease of any or all of the district's
7 assets and facilities. This individual may exercise, on behalf of the regulated district,
8 the powers given the commission of the regulated district under ss. 66.90 (1) and
9 66.904 (1). The district shall pay all costs incurred by the individual in the
10 performance of his or her duties under this subsection.

11 **SECTION 42.** 196.03 (1) of the statutes is amended to read:

12 196.03 (1) Subject to s. 196.63, a public utility and a regulated district shall
13 furnish reasonably adequate service and facilities. The charge made by any public
14 utility or regulated district for any heat, light, water, sewerage service,
15 telecommunications service or power produced, transmitted, delivered or furnished
16 or for any service rendered or to be rendered in connection therewith shall be
17 reasonable and just and every unjust or unreasonable charge for such service is
18 prohibited and declared unlawful.

19 **SECTION 43.** 196.05 of the statutes is amended to read:

20 **196.05 (title) Public utility and regulated district property; valuation;**
21 **revaluation.** If the commission deems it proper or necessary for effective
22 regulation, the commission shall value or revalue all the property of every public
23 utility and every regulated district actually used and useful for the convenience of
24 the public.

25 **SECTION 44.** 196.06 of the statutes is amended to read:

1 **196.06 Uniform accounting; forms; books; office.** (1) Every public utility
2 and every regulated district shall keep and render to the commission in the manner
3 and form prescribed by the commission uniform accounts of all business transacted.

4 (2) The commission may require any public utility or any regulated district
5 engaged directly or indirectly in any business other than that of the production,
6 transmission or furnishing of heat, light, water, sewerage service,
7 telecommunications service or power to keep and render separately to the
8 commission in like manner and form the accounts of all such other business. This
9 chapter applies to the books, accounts, papers and records of such other business if
10 the commission requires the keeping and rendering separately of the accounts under
11 this subsection.

12 (3) Each public utility and each regulated district shall keep and render its
13 books, accounts, papers and records accurately and faithfully in the manner and
14 form prescribed by the commission and shall comply with all directions of the
15 commission relating to such books, accounts, papers and records.

16 (6) Each public utility and each regulated district shall have an office in one
17 of the towns, villages or cities in this state in which its property or some part thereof
18 is located, in which it shall keep all books, accounts, papers and records required by
19 the commission to be kept within the state. No books, accounts, papers or records
20 required by the commission to be kept within the state shall be removed from the
21 state, except upon conditions prescribed by the commission.

22 **SECTION 45.** 196.07 of the statutes is amended to read:

23 **196.07 Balance sheet filed annually.** (1) Each public utility and each
24 regulated district shall close its accounts annually on December 31 and promptly
25 prepare a balance sheet of that date. On or before the following April 1 every public

1 utility and every regulated district shall file with the commission the balance sheet
2 together with any other information the commission prescribes, verified by an officer
3 of the public utility or regulated district. The commission, for good cause shown, may
4 extend the time for filing the balance sheet and prescribed information.

5 (2) If a public utility or a regulated district fails to file a report with the
6 commission containing its balance sheet and other information prescribed by the
7 commission by the date the report is due under sub. (1), the commission may prepare
8 the report from the records of the public utility or regulated district. All expenses
9 of the commission in preparing the report, plus a penalty equal to 50% of the amount
10 of the expenses, shall be assessed against and collected from the public utility or
11 regulated district under s. 196.85. The amount of the charge to a public utility or
12 regulated district shall not be limited by s. 196.85 (1) and shall be in addition to any
13 other charges assessable under s. 196.85. The penalty provision of the charge shall
14 be credited to the general fund under s. 20.906.

15 **SECTION 46.** 196.09 (1) of the statutes is amended to read:

16 196.09 (1) In this section, “public utility” does not include a
17 telecommunications cooperative except as provided under s. 196.205. In subs. (2) to
18 (7), “public utility” does not include a telecommunications utility. Subsection (9) only
19 applies to a telecommunications utility. Every public utility and every regulated
20 district shall file with the commission, within such time as may be required by the
21 commission, its estimate of the annual rate of depreciation required for each of its
22 classes of fixed capital used for public utility or regulated district purposes, and of
23 the composite annual rate of depreciation required for such fixed capital as an
24 aggregate, which shall constitute the public utility’s or regulated district’s estimates

1 of the amount which should be returned to it out of its rates for service, to meet the
2 depreciation of its property.

3 **SECTION 47.** 196.09 (2) of the statutes is amended to read:

4 196.09 (2) After the submission of the estimates under sub. (1), the commission
5 shall review the estimates. If the commission determines that the estimates
6 submitted are reasonable and proper, it shall certify its determination to the public
7 utility or regulated district. If the commission determines that the estimates
8 submitted are not reasonable and proper, it shall certify to the public utility or
9 regulated district the percentages which it considers reasonable and proper. If the
10 fixed capital accounts of the public utility or regulated district are not subdivided to
11 permit the rates for the various classes of fixed capital used for public utility or
12 regulated district purposes to be applied, the estimates submitted by the public
13 utility or the regulated district and the percentages determined by the commission
14 may be based upon the aggregate of such fixed capital.

15 **SECTION 48.** 196.09 (3) of the statutes is amended to read:

16 196.09 (3) After the commission certifies to the public utility or regulated
17 district its findings as to the percentages required for depreciation under sub. (2), the
18 public utility or regulated district shall have 30 days within which to make
19 application to the commission for a hearing and order. If the public utility or
20 regulated district does not make application to the commission for a hearing and
21 order within the time set, the commission's certification of findings shall have the
22 effect of an order and the public utility or regulated district shall have the right of
23 appeal from the certification as provided in this chapter.

24 **SECTION 49.** 196.09 (4) of the statutes is amended to read:

1 196.09 (4) The commission may provide, in order to meet changing conditions,
2 that a public utility or regulated district submit from time to time the estimate
3 required under sub. (1). If it requires such resubmission of estimates, the
4 commission shall follow the procedure for certifying its findings under sub. (2). In
5 revising the reasonable and proper percentages of depreciation, the commission
6 shall give consideration to the experience of the public utility or regulated district
7 in accumulating a depreciation reserve under previous rates, any retirements
8 actually made and any other relevant factor.

9 **SECTION 50.** 196.09 (5) of the statutes is amended to read:

10 196.09 (5) If the commission establishes, by certification or order, the
11 reasonable and proper percentages of depreciation, the percentages shall constitute
12 the percentages to be used in any proceeding involving the rates or practices of the
13 public utility or regulated district, except that if at the time of such proceeding the
14 commission finds that the percentages of depreciation previously established are no
15 longer reasonable and proper, the commission shall establish reasonable and proper
16 percentages for the purpose of such proceeding and certify the new percentages
17 under this section.

18 **SECTION 51.** 196.09 (6) (a) of the statutes is amended to read:

19 196.09 (6) (a) If the commission establishes for any public utility or regulated
20 district, by certification or order, the percentages necessary for depreciation on fixed
21 capital used for public utility or regulated district purposes, the public utility or
22 regulated district shall credit to its depreciation reserve in each accounting period
23 the amount required to provide for depreciation at the percentage established. If the
24 public utility is a corporation, the corporation may not pay any dividend out of
25 earnings for any fiscal period subsequent to the commission's certification or order,

1 or carry any portion of its earnings to its surplus account, except out of earnings
2 remaining after crediting its depreciation reserve in accordance with the rates
3 established by the commission, except as provided under par. (b).

4 **SECTION 52.** 196.09 (6) (b) of the statutes is amended to read:

5 196.09 (6) (b) After application and hearing the commission, upon a finding
6 that it is necessary in the public interest, may exempt a public utility or regulated
7 district from the duty of crediting to the depreciation reserve in any accounting
8 period a greater amount than is possible without impairing its ability to pay
9 dividends for the current calendar year. Nothing in this section shall be construed
10 to modify the requirements of ss. 180.0623 and 180.0640.

11 **SECTION 53.** 196.09 (7) (intro.) of the statutes is amended to read:

12 196.09 (7) (intro.) If a public utility or regulated district desires to account for
13 depreciation on a sinking fund basis and the commission determines that such basis
14 of accounting for depreciation reasonably may be employed, the commission shall
15 establish, under sub. (2), the composite rate to be applied to the aggregate fixed
16 capital used for public utility or regulated district purposes to determine the amount
17 which shall be charged to operating expenses, and the interest rate applicable to the
18 reserve balance at which additional credits to the reserve shall be computed. If a
19 public utility or regulated district accounts for depreciation on a sinking fund basis,
20 the public utility or regulated district shall:

21 **SECTION 54.** 196.09 (8) of the statutes is amended to read:

22 196.09 (8) No public utility or regulated district may charge to its depreciation
23 reserve anything except losses on property actually retired from service.

24 **SECTION 55.** 196.10 of the statutes is amended to read:

1 **196.10 Construction; accounting.** The commission shall keep itself
2 informed of all new construction, extensions and additions to the property of public
3 utilities and regulated districts, and shall prescribe the necessary forms, regulations
4 and instructions for the keeping of construction accounts, which shall clearly
5 distinguish all operating expenses from new construction.

6 **SECTION 56.** 196.11 (1) of the statutes is amended to read:

7 **196.11 (1)** A public utility or a regulated district may enter into any reasonable
8 arrangement with its consumers or employes, for the division or distribution of its
9 surplus profits, or providing for a sliding scale of charges, or other financial device
10 if the arrangement is meets all of the following conditions:

11 (a) ~~Practicable~~ The arrangement is practicable and advantageous to the parties
12 interested; ~~and~~.

13 (b) ~~Entered~~ The arrangement is entered into by a public utility other than a
14 telecommunications utility or by a regulated district and the arrangement is found
15 by the commission to be reasonable and just and consistent with the purposes of this
16 chapter.

17 **SECTION 57.** 196.12 (title) of the statutes is amended to read:

18 **196.12 (title) Report by public utilities and regulated districts; items.**

19 **SECTION 58.** 196.12 (1) (intro.) of the statutes is amended to read:

20 **196.12 (1)** (intro.) Each public utility and each regulated district shall furnish
21 to the commission, in the form and at the time the commission requires, accounts,
22 reports or other information which shows in itemized detail:

23 **SECTION 59.** 196.13 of the statutes is amended to read:

24 **196.13 Commission's report. (1)** The commission shall publish biennial
25 reports showing its proceedings together with any financial or other data which

1 concerns and is appropriate for all public utilities or all regulated districts and may
2 publish any other report related to public utilities or regulated districts.

3 (2) The commission shall publish in its reports the value of all the property
4 actually used and useful for the convenience of the public of a regulated district or
5 a public utility, other than a telecommunications utility, if the commission has held
6 a hearing on the regulated district's or public utility's rates, charges, service or
7 regulations or if the commission has otherwise determined the value of the regulated
8 district's or public utility's property.

9 **SECTION 60.** 196.14 of the statutes is amended to read:

10 **196.14 Public record exception.** The commission may withhold from public
11 inspection any information which would aid a competitor of a public utility or a
12 regulated district in competition with the public utility or regulated district.

13 **SECTION 61.** 196.15 of the statutes is amended to read:

14 **196.15 Units of product or service.** The commission shall prescribe for
15 regulated districts and for each kind of public utility, other than a
16 telecommunications utility, suitable and convenient standard commercial units of
17 product or service.

18 **SECTION 62.** 196.16 (1) of the statutes is amended to read:

19 196.16 (1) The commission shall fix adequate and serviceable standards for the
20 measurement of quality, pressure, initial voltage or other condition pertaining to the
21 supply of the product or service rendered by a public utility or regulated district. The
22 commission shall prescribe reasonable regulations for measurement, examination
23 and testing of the product or service.

24 **SECTION 63.** 196.16 (2) of the statutes is amended to read:

1 196.16 (2) The commission shall establish reasonable rules, regulations,
2 specifications and standards to secure the accuracy of all meters and appliances for
3 measurement of public utility or regulated district service.

4 **SECTION 64.** 196.17 (1) of the statutes is amended to read:

5 196.17 (1) The commission shall provide for the examination and testing of
6 every appliance used for measuring any product or service of a public utility or
7 regulated district.

8 **SECTION 65.** 196.171 (1) of the statutes is amended to read:

9 196.171 (1) Any officer or agent of any public utility or regulated district
10 furnishing or transmitting sewerage service, water, gas or electric current to the
11 public or for public purposes may enter, at any reasonable time, any place supplied
12 with the sewerage service, gas, electricity or water by the public utility or regulated
13 district, for the purpose of inspecting, examining, repairing, installing or removing
14 the meters, pipes, fittings, wires and works for supplying or regulating the supply
15 of sewerage service, gas, electricity or water and for the purpose of ascertaining the
16 quantity of sewerage service, gas, electricity or water supplied.

17 **SECTION 66.** 196.171 (2) of the statutes is amended to read:

18 196.171 (2) No officer or agent of a public utility or regulated district may enter
19 any premises under this section unless the officer or agent meets all of the following
20 conditions:

21 (a) ~~Was~~ The officer or agent is duly appointed by the public utility or regulated
22 district for the purpose of acting under this section.

23 (b) ~~Exhibits~~ The officer or agent exhibits written authority signed by the
24 president, by a vice president and secretary, or by a vice president and assistant
25 secretary of the public utility or regulated district. The authority of any officer or

1 agent of a municipally owned public utility or regulated district shall be signed by
2 the commissioner of public works or by any other official in charge of the public utility
3 or regulated district.

4 **SECTION 67.** 196.18 of the statutes is amended to read:

5 **196.18 Entry upon premises.** The commission, its agents, experts or
6 examiners may enter any premises occupied by a public utility or a regulated district
7 to make any examination or test under this chapter and may set up and use on the
8 premises any apparatus or appliance and occupy reasonable space for the
9 examination or test.

10 **SECTION 68.** 196.19 (1) of the statutes is amended to read:

11 196.19 (1) Each public utility and each regulated district shall file with the
12 commission schedules showing all rates, tolls and charges which it has established
13 and which are in force at the time for any service performed by it within the state,
14 or for any service in connection therewith or performed by any public utility or
15 regulated district controlled or operated by it. The rates, tolls and charges shown on
16 such schedules may not be changed except as provided under this chapter.

17 **SECTION 69.** 196.19 (2) of the statutes is amended to read:

18 196.19 (2) Every public utility and every regulated district shall file with and
19 as a part of such schedule all rules and regulations that, in the judgment of the
20 commission, in any manner affect the service or product, or the rates charged or to
21 be charged for any service or product, as well as any contracts, agreements or
22 arrangements relating to the service or product or the rates to be charged for any
23 service or product to which the schedule is applicable as the commission may by
24 general or special order direct.

25 **SECTION 70.** 196.19 (3) of the statutes is amended to read:

1 196.19 (3) A copy of as much of the schedules filed under sub. (1) as the
2 commission determines necessary for the use of the public shall be printed in plain
3 type, and kept on file in every public utility or regulated district station or office
4 where payments are made by consumers in a form and place readily accessible to the
5 public.

6 **SECTION 71.** 196.19 (4) of the statutes is amended to read:

7 196.19 (4) If a schedule of joint rates or charges is in force between public
8 utilities or regulated districts, the schedule shall be printed and filed with the
9 commission under sub. (1). The commission shall determine the portion of the
10 schedule necessary for the use of the public. The public utilities or regulated districts
11 shall file the portion of the schedule under sub. (3).

12 **SECTION 72.** 196.19 (6) of the statutes is amended to read:

13 196.19 (6) The commission may prescribe the form in which any schedule is
14 issued under this section by any public utility or regulated district.

15 **SECTION 73.** 196.20 (1) of the statutes is amended to read:

16 196.20 (1) The rate schedules of any public utility or regulated district shall
17 include all rules applicable to the rendition or discontinuance of the service to which
18 the rates specified in the schedules are applicable. No change may be made by any
19 public utility or regulated district in its schedules except by filing the change as
20 proposed with the commission. Except for a telecommunications utility, no change
21 in any public utility or regulated district rule which purports to curtail the obligation
22 or undertaking of service of the public utility or regulated district shall be effective
23 without the written approval of the commission after hearing, except that the
24 commission, by emergency order, may make the rule, as filed, effective from the date
25 of the order, pending final approval of the rule after hearing.

1 **SECTION 74.** 196.20 (2) (a) 2. of the statutes is amended to read:

2 196.20 **(2)** (a) 2. The commission, upon application of any public utility or
3 regulated district, directs that a proposed reduction in rates be made effective less
4 than 10 days after filing the proposed reduction.

5 **SECTION 75.** 196.20 (2) (b) of the statutes is amended to read:

6 196.20 **(2)** (b) 1. A suspension under par. (a) 1. shall be effective for a period not
7 exceeding 4 months, during which period the commission shall investigate any
8 matter relative to the reasonableness or lawfulness of any change in schedule as
9 filed. After the investigation the commission, by order, shall approve or disapprove
10 the change, except as provided under subd. 2. The commission shall give the public
11 utility or regulated district proposing the change an opportunity for hearing prior to
12 issuing any order disapproving a change. If the commission disapproves the change,
13 the change shall be ineffective.

14 2. If the commission orders a suspension under par. (a) 1., the commission, after
15 notice to the public utility or regulated district of its objections to the change and
16 after giving the public utility or regulated district an opportunity to be heard on the
17 objections, may prescribe a schedule which, revised on the basis of the objections, the
18 commission finds to be lawful and reasonable instead of disapproving the schedule
19 under subd. 1.

20 **SECTION 76.** 196.21 of the statutes is amended to read:

21 **196.21 Publicity of revised schedules.** ~~A~~ Each public utility and each
22 regulated district shall file new schedules under s. 196.19 in every station and office
23 of the public utility or regulated district where consumers make payments. ~~A~~ The
24 public utility or regulated district shall file new schedules under this section at least

1 10 days prior to the time the new schedules take effect unless the commission
2 prescribes a shorter time period.

3 **SECTION 77.** 196.22 of the statutes is amended to read:

4 **196.22 Discrimination forbidden.** No public utility or regulated district
5 may charge, demand, collect or receive more or less compensation for any service
6 performed by it within the state, or for any service in connection therewith, than is
7 specified in the schedules for the service filed under s. 196.19, including schedules
8 of joint rates, as may at the time be in force, or demand, collect or receive any rate,
9 toll or charge not specified in the schedule.

10 **SECTION 78.** 196.24 (1) of the statutes is amended to read:

11 196.24 (1) For the purpose of making any investigation with regard to any
12 public utility or regulated district the commission may appoint, by an order in
13 writing, an agent whose duties shall be prescribed in the order.

14 **SECTION 79.** 196.25 (1) of the statutes is amended to read:

15 196.25 (1) If a public utility or a regulated district receives from the commission
16 any questionnaire, the public utility or regulated district shall respond fully,
17 specifically and correctly to each question. If a public utility or regulated district is
18 unable to answer any question, the public utility or regulated district shall give a
19 good and sufficient reason for its failure. Every answer by a public utility or a
20 regulated district under this section shall be verified under oath by the president,
21 secretary, superintendent or general manager of the public utility, or in the case of
22 a regulated district by the executive director, and returned to the commission at its
23 office within the period fixed by the commission.

24 **SECTION 80.** 196.25 (2) of the statutes is amended to read:

1 196.25 (2) If required by the commission, a public utility or regulated district
2 shall deliver to the commission the original or a copy of any map, profile, contract or
3 engineer's report and any other document, book, account, paper or record with a
4 complete inventory of all its property, in such form as the commission directs.

5 **SECTION 81.** 196.26 (1) of the statutes is amended to read:

6 196.26 (1) COMPLAINT. In this section, "complaint" means a complaint filed with
7 the commission that any rate, toll, charge or schedule, joint rate, regulation,
8 measurement, act or practice relating to the provision of heat, light, water, power,
9 sewerage service or telephone service is unreasonable, inadequate, unjustly
10 discriminatory or cannot be obtained.

11 **SECTION 82.** 196.26 (1m) of the statutes is amended to read:

12 196.26 (1m) COMPLAINT AND INVESTIGATION. If any mercantile, agricultural or
13 manufacturing society, body politic, municipal organization or 25 persons file a
14 complaint against a public utility or a regulated district, the commission, with or
15 without notice, may investigate the complaint as it deems necessary. The
16 commission may not issue an order based on the investigation without a public
17 hearing.

18 **SECTION 83.** 196.26 (2) (a) of the statutes is amended to read:

19 196.26 (2) (a) Prior to a hearing under this section, the commission shall notify
20 the public utility or regulated district complained of that a complaint has been made,
21 and 10 days after the notice has been given the commission may proceed to set a time
22 and place for a hearing and an investigation.

23 **SECTION 84.** 196.26 (2) (b) of the statutes is amended to read:

24 196.26 (2) (b) The commission shall give the public utility or regulated district
25 which is the subject of a complaint filed under sub. (1) and the complainant 10 days'

1 notice of the time and place of the hearing and the matter to be considered and
2 determined at the hearing. The complainant, and the public utility or regulated
3 district, may be heard. The commission may subpoena any witness at the request
4 of the public utility, the regulated district or complainant.

5 **SECTION 85.** 196.28 (1) of the statutes is amended to read:

6 196.28 (1) If the commission believes that any rate or charge is unreasonable
7 or unjustly discriminatory or that any service is inadequate or cannot be obtained
8 or that an investigation of any matter relating to any public utility or regulated
9 district should for any reason be made, the commission on its own motion summarily
10 may investigate with or without notice.

11 **SECTION 86.** 196.28 (3) of the statutes is amended to read:

12 196.28 (3) Notice of the time and place for a hearing under sub. (2) shall be
13 given to the public utility or regulated district, and to such other interested persons
14 as the commission deems necessary. After the notice has been given, proceedings
15 shall be had and conducted in reference to the matter investigated as if a complaint
16 had been filed with the commission under s. 196.26 (1) relative to the matter
17 investigated. The same order or orders may be made in reference to the matter as
18 if the investigation had been made on complaint under s. 196.26.

19 **SECTION 87.** 196.30 of the statutes is amended to read:

20 **196.30 Utilities may complain.** Any public utility or regulated district may
21 file a complaint with the commission on any matter affecting its own product or
22 service.

23 **SECTION 88.** 196.31 (1) (intro.) of the statutes is amended to read:

24 196.31 (1) (intro.) In any proceeding before the commission, the commission
25 may compensate any participant in the proceeding who is not a public utility or

1 regulated district, for some or all of the reasonable costs of participation in the
2 proceeding if the commission finds that:

3 **SECTION 89.** 196.31 (2) of the statutes is amended to read:

4 196.31 (2) Compensation granted under this section shall be paid from the
5 appropriation under s. 20.155 (1) (j) and shall be assessed under s. 196.85 (1), except
6 that, if the commission finds that the participation for which compensation is
7 granted relates more to a general issue of utility regulation rather than to an issue
8 arising from a single proceeding, the cost of the compensation may be assessed under
9 s. 196.85 (2). Any payment by a public utility or regulated district for compensation
10 under this section assessed under s. 196.85 (1) or (2) shall be credited to the
11 appropriation under s. 20.155 (1) (j).

12 **SECTION 90.** 196.37 (3) of the statutes is amended to read:

13 196.37 (3) Any public utility or regulated district to which an order under this
14 section applies shall make such changes in schedules on file under s. 196.19 to make
15 the schedules conform to the order. The public utility or regulated district may not
16 make any subsequent change in rates, tolls or charges without the approval of the
17 commission, except as provided in s. 196.205 or 196.215 (2).

18 **SECTION 91.** 196.39 of the statutes is amended to read:

19 **196.39 Change, amendment and rescission of orders; reopening cases.**

20 The commission at any time, on its own motion or upon motion of an interested party,
21 and upon notice to the public utility or regulated district and after opportunity to be
22 heard, may rescind, alter or amend any order fixing rates, tolls, charges or schedules,
23 or any other order made by the commission, and may reopen any case following the
24 issuance of an order in the case, for any reason. Any order rescinding, altering,
25 amending or reopening a prior order shall have the same effect as an original order.

1 Within 30 days after service of an order, the commission may correct an error or
2 omission in the order related to transcription, typing or calculation without hearing
3 if the correction does not alter the intended effect of the order.

4 **SECTION 92.** 196.44 (1) of the statutes is amended to read:

5 196.44 (1) DUTY OF COMMISSION. The commission shall inquire into the neglect
6 or violation of the laws of this state by public utilities or regulated districts, or by
7 their officers, agents or employes or by persons operating public utilities or regulated
8 districts, and shall enforce all laws relating to public utilities and regulated districts,
9 and report all violations to the attorney general.

10 **SECTION 93.** 196.44 (2) of the statutes is amended to read:

11 196.44 (2) ATTORNEY GENERAL AND DISTRICT ATTORNEY TO PROSECUTE. Upon
12 request of the commission, the attorney general or the district attorney of the proper
13 county shall aid in any investigation, hearing or trial had under this chapter, and
14 shall institute and prosecute all necessary actions or proceedings for the enforcement
15 of all laws relating to public utilities and regulated districts, and for the punishment
16 of all violations.

17 **SECTION 94.** 196.44 (2) of the statutes, as affected by 1993 Wisconsin Act 496
18 and 1995 Wisconsin Act (this act), is repealed and recreated to read:

19 196.44 (2) DUTIES OF ATTORNEY GENERAL AND DISTRICT ATTORNEYS. (a) Upon
20 request of the commission, the attorney general or the district attorney of the proper
21 county shall aid in any investigation, hearing or trial had under this chapter, and
22 shall institute and prosecute all necessary actions or proceedings for the enforcement
23 of all laws relating to public utilities and regulated districts, and for the punishment
24 of all violations.

1 (b) The attorney general may, on his or her own initiative, appear before the
2 commission on telecommunications matters relating to consumer protection and
3 antitrust. If acting under the authority granted by this paragraph, the attorney
4 general shall have the rights accorded a party before the commission in its
5 proceedings but may not appeal as a party a decision of the commission to the circuit
6 court. This paragraph does not apply after June 30, 1999.

7 **SECTION 95.** 196.49 (2) of the statutes is amended to read:

8 196.49 (2) No A public utility or regulated district may not begin the
9 construction, installation or operation of any new plant, equipment, property or
10 facility, nor the construction or installation of any extension, improvement or
11 addition to its existing plant, equipment, property, apparatus or facilities unless the
12 public utility or regulated district has complied with any applicable rule or order of
13 the commission and with s. 144.026, if applicable. If a cooperative association has
14 been incorporated under ch. 185 for the production, transmission, delivery or
15 furnishing of light or power and has filed with the commission a map of the territory
16 to be served by the association and a statement showing that a majority of the
17 prospective consumers in the area are included in the project, no public utility may
18 begin any such construction, installation or operation within the territory until after
19 the expiration of 6 months from the date of filing the map and notice. If the
20 cooperative association has entered into a loan agreement with any federal agency
21 for the financing of its proposed system and has given written notice of the agreement
22 to the commission, no public utility may begin any construction, installation or
23 operation within the territory until 12 months after the date of the loan agreement.

24 **SECTION 96.** 196.49 (3) (a) of the statutes is amended to read:

1 196.49 (3) (a) In this subsection, “project” means construction of any new plant,
2 equipment, property or facility, or extension, improvement or addition to its existing
3 plant, equipment, property, apparatus or facilities. The commission may require by
4 rule or special order that a public utility or a regulated district submit, periodically
5 or at such times as the commission specifies and in such detail as the commission
6 requires, plans, specifications and estimated costs of any proposed project which the
7 commission finds will materially affect the public interest.

8 **SECTION 97.** 196.49 (3) (b) (intro.) of the statutes is amended to read:

9 196.49 (3) (b) (intro.) Except as provided in ~~par.~~ pars. (d) and (e), the
10 commission may require by rule or special order under par. (a) that no project may
11 proceed until the commission has certified that public convenience and necessity
12 require the project. The commission may refuse to certify a project if it appears that
13 the completion of the project will do any of the following:

14 **SECTION 98.** 196.49 (3) (b) 1. of the statutes is amended to read:

15 196.49 (3) (b) 1. Substantially impair the efficiency of the service of the public
16 utility or regulated district.

17 **SECTION 99.** 196.49 (3) (b) 3. of the statutes is amended to read:

18 196.49 (3) (b) 3. When placed in operation, add to the cost of service without
19 proportionately increasing the value or available quantity of service unless the
20 public utility or regulated district waives consideration by the commission, in the
21 fixation of rates, of such consequent increase of cost of service.

22 **SECTION 100.** 196.49 (3) (e) of the statutes is created to read:

23 196.49 (3) (e) Before the first day of the 13th month beginning after the
24 effective date of this paragraph [revisor inserts date], this subsection does not
25 apply to a project with a total cost that is not more than \$1,000,000. Beginning on

1 the first day of the 13th month beginning after the effective date of this paragraph
2 [revisor inserts date], this subsection does not apply to any project of a regulated
3 district that does not exceed a dollar amount established by the commission by rule.

4 **SECTION 101.** 196.49 (6) of the statutes is amended to read:

5 196.49 (6) If the commission finds that any public utility or regulated district
6 has taken or is about to take an action which violates or disregards a rule or special
7 order under this section, the commission, in its own name either before or after
8 investigation or public hearing and either before or after issuing any additional
9 orders or directions it deems proper, may bring an action in the circuit court of Dane
10 county to enjoin the action. If necessary to preserve the existing state of affairs, the
11 court may issue a temporary injunction pending a hearing upon the merits. An
12 appeal from an order or judgment of the circuit court may be taken to the court of
13 appeals.

14 **SECTION 102.** 196.525 (1) (intro.) of the statutes is amended to read:

15 196.525 (1) (intro.) Except under rules prescribed by the commission, a public
16 utility or regulated district may not lend funds or credit to any of its officers or
17 directors by any of the following and a regulated district or a public utility other than
18 a telecommunications utility may not lend funds or credit to any corporation, except
19 a public utility or regulated district subject to the regulatory powers of the
20 commission, if the corporation holds, directly or indirectly through any chain of
21 ownership, 5% or more of the voting stock of the public utility or renders any
22 managerial, supervising, engineering, legal, accounting or financial service to the
23 public utility or regulated district by any of the following:

24 **SECTION 103.** 196.525 (2) of the statutes is amended to read:

1 196.525 (2) Any contract made in violation of this section shall be void and
2 subject to cancellation and recoupment by action at law. If a contract is made
3 contrary to the provisions of this section, the commission, after notice and hearing,
4 may order the public utility or regulated district to take steps within 30 days to
5 recover the funds or assets thus illegally loaned or transferred by action at law or
6 other proceedings which will effectively release the public utility or regulated district
7 from the contract as surety, guarantor or endorser.

8 **SECTION 104.** 196.525 (3) of the statutes is amended to read:

9 196.525 (3) Any director, treasurer or other officer or agent of a public utility
10 who makes or votes to authorize a transaction in violation of this section may be fined
11 not more than \$10,000. Any commissioner, officer or agent of a regulated district who
12 makes or votes to authorize a transaction in violation of this section may be fined not
13 more than \$10,000.

14 **SECTION 105.** 196.58 (1) (a) of the statutes is amended to read:

15 196.58 (1) (a) Determine by contract, ordinance or resolution the quality and
16 character of each kind of product or service to be furnished or rendered by any public
17 utility or regulated district within the municipality and all other terms and
18 conditions, consistent with this chapter and ch. 197, upon which the public utility or
19 regulated district may be permitted to occupy the streets, highways or other public
20 places within the municipality. The contract, ordinance or resolution shall be in force
21 and on its face reasonable.

22 **SECTION 106.** 196.58 (1) (b) of the statutes is amended to read:

23 196.58 (1) (b) Require of any public utility or regulated district any addition
24 or extension to its physical plant within the municipality as shall be reasonable and
25 necessary in the interest of the public, and designate the location and nature of the

1 addition or extension, the time within which it must be completed, and any condition
2 under which it must be constructed, subject to review by the commission under sub.
3 (4).

4 **SECTION 107.** 196.58 (4) of the statutes is amended to read:

5 196.58 (4) Upon complaint made by a public utility, a regulated district or by
6 any qualified complainant under s. 196.26, the commission shall set a hearing and
7 if it finds a contract, ordinance or resolution under sub. (1) to be unreasonable, the
8 contract, ordinance or resolution shall be void.

9 **SECTION 108.** 196.58 (5) of the statutes is amended to read:

10 196.58 (5) The commission shall have original and concurrent jurisdiction with
11 municipalities to require extensions of service and to regulate service of public
12 utilities and regulated districts. Nothing in this section shall limit the power of the
13 commission to act on its own motion to require extensions of service and to regulate
14 the service of public utilities and regulated districts.

15 **SECTION 109.** 196.60 (1) of the statutes is amended to read:

16 196.60 (1) (a) Except as provided under sub. (2), ~~no a public utility, and no~~
17 regulated district, or an agent, as defined in s. 196.66 (3) (a), or officer of a public
18 utility or regulated district, directly or indirectly, may not charge, demand, collect or
19 receive from any person more or less compensation for any service rendered or to be
20 rendered by it in or affecting or relating to the production, transmission, delivery or
21 furnishing of heat, light, water, sewerage service, telecommunications service or
22 power or for any service in connection therewith, than that prescribed in the
23 published schedules or tariffs then in force, or established under this chapter, or than
24 it charges, demands, collects or receives from any other person for a like
25 contemporaneous service.

1 (b) A public utility, regulated district or an agent that violates par. (a) shall be
2 deemed guilty of unjust discrimination and shall forfeit not less than \$100 nor more
3 than \$5,000 for each offense. An officer who violates par. (a) shall be fined not less
4 than \$50 nor more than \$2,500 for each offense.

5 **SECTION 110.** 196.60 (3) of the statutes is amended to read:

6 196.60 (3) If a public utility or regulated district gives an unreasonable
7 preference or advantage to any person or subjects any person to any unreasonable
8 prejudice or disadvantage, the public utility ~~shall be deemed~~ regulated district is
9 guilty of unjust discrimination. A public utility ~~violating~~ or a regulated district that
10 violates this subsection shall forfeit not less than \$50 nor more than \$5,000 for each
11 offense.

12 **SECTION 111.** 196.604 of the statutes is amended to read:

13 **196.604 Rebates, concessions and discriminations unlawful.** No person
14 may knowingly solicit, accept or receive any rebate, concession or discrimination
15 from a public utility or regulated district for any service in or affecting or relating to
16 the production, transmission, delivery or furnishing of heat, light, water, sewerage
17 service or power or the conveying of telephone messages within this state or for any
18 connected service whereby the service is rendered or is to be rendered free or at a rate
19 less than the rate named in the schedules and tariffs in force, or whereby any other
20 service or advantage is received. Any person violating this section shall be fined not
21 less than \$50 nor more than \$5,000 for each offense.

22 **SECTION 112.** 196.61 of the statutes is amended to read:

23 **196.61 Facilities in exchange for compensation prohibited.** A public
24 utility or regulated district may not demand, charge, collect or receive from any
25 person less compensation for any service rendered or to be rendered by the public

1 utility or regulated district in return for the furnishing by that person of any part of
2 the facilities incident to the service. This section may not be construed to prohibit
3 any public utility from renting any facility relating to the production, transmission,
4 delivery or furnishing of heat, light, water, telecommunications service or power and
5 from paying a reasonable rental for the facility. This section may not be construed
6 to require any public utility or regulated district to furnish any part of any appliance
7 which is at the premises of any consumer, except meters and appliances for
8 measurements of any product or service, unless the commission orders otherwise.

9 **SECTION 113.** 196.635 (intro.) of the statutes is amended to read:

10 **196.635 Unbilled utility service.** (intro.) All service supplied by a public
11 utility or regulated district must be billed within 2 years of such service. No customer
12 shall be liable for unbilled service 2 years after the date of the service unless:

13 **SECTION 114.** 196.635 (1) of the statutes is amended to read:

14 196.635 (1) The public utility or regulated district made a reasonable effort to
15 measure the service, but the customer did not allow the public utility or regulated
16 district access to any device, including but not limited to a meter, necessary to
17 measure service.

18 **SECTION 115.** 196.64 (title) of the statutes is amended to read:

19 **196.64 (title) Public utilities and regulated districts, liability for treble**
20 **damages.**

21 **SECTION 116.** 196.64 (1) of the statutes is amended to read:

22 196.64 (1) If a director, officer, employe or agent of a public utility or a
23 commissioner, officer, employe or agent of a regulated district, in the course of the
24 discharge of his or her duties, wilfully, wantonly or recklessly does, causes or permits
25 to be done any matter, act or thing prohibited or declared to be unlawful under this

1 chapter or ch. 197, or wilfully, wantonly or recklessly fails to do any act, matter or
2 thing required to be done under this chapter, the public utility shall be or regulated
3 district is liable to the person injured thereby in treble the amount of damages
4 sustained in consequence of the violation. No A recovery as in under this section
5 provided shall does not affect a recovery by the state of the penalty prescribed for
6 such violation.

7 **SECTION 117.** 196.643 (1) of the statutes is amended to read:

8 196.643 (1) RESPONSIBLE PARTY. When a customer terminates service to the
9 customer's rental dwelling unit, a public utility or regulated district shall make
10 reasonable attempt to identify the party responsible for service to the rental dwelling
11 unit after the customer's termination. If a responsible party cannot be identified, the
12 public utility or regulated district may give the owner written notice by regular or
13 other mail of the public utility's intent to hold the owner responsible for service to the
14 rental dwelling unit. The owner shall not be responsible for service if the public
15 utility does not give the notice under this subsection or if, within 15 days after the
16 date the notice is mailed, the owner notifies the public utility or regulated district
17 of the name of the party responsible for service to the rental dwelling unit or notifies
18 the public utility or regulated district that service to the rental dwelling unit should
19 be terminated and affirms that service termination will not endanger human health
20 or life or cause damage to property.

21 **SECTION 118.** 196.645 (1) (intro.) of the statutes is amended to read:

22 196.645 (1) (intro.) The commission, upon complaint or upon its own motion,
23 may proceed to investigate and determine whether a public utility's or regulated
24 district's rates should be changed by reason of a change in the cost of an energy,

1 commodity or service resulting from a change in charges for the energy, commodity
2 or service if:

3 **SECTION 119.** 196.65 (1) (intro.) of the statutes is amended to read:

4 196.65 (1) (intro.) An officer of a public utility or of a regulated district shall
5 be fined not less than \$100 nor more than \$2,500, or an agent, as defined in s. 196.66
6 (3) (a), shall be fined not less than \$100 nor more than \$5,000 or an employe of a
7 public utility or of a regulated district shall be fined not less than \$100 nor more than
8 \$1,000 for each offense if the officer, agent or employe does any of the following:

9 **SECTION 120.** 196.65 (1) (e) of the statutes is amended to read:

10 196.65 (1) (e) Upon proper demand, fails or refuses to exhibit to the commission
11 or any commissioner or any person authorized to examine it any record of the public
12 utility or regulated district which is in the possession or under the control of the
13 officer, agent or employe.

14 **SECTION 121.** 196.65 (2) of the statutes is amended to read:

15 196.65 (2) A penalty of not less than \$500 nor more than \$5,000 shall be
16 recovered from the public utility or regulated district for each offense under sub. (1)
17 if the officer, agent or employe of the public utility or of the regulated district acted
18 in obedience to the direction, instruction or request of the public utility, the regulated
19 district, or any general officer of the public utility or regulated district.

20 **SECTION 122.** 196.66 (1) of the statutes is amended to read:

21 196.66 (1) GENERAL FORFEITURE; FAILURE TO OBEY. If any public utility or
22 regulated district violates this chapter or ch. 197 or fails or refuses to perform any
23 duty enjoined upon it for which a penalty has not been provided, or fails, neglects or
24 refuses to obey any lawful requirement or order of the commission or the governing
25 body of a municipality or a sanitary commission or any judgment or decree of any

1 court upon its application, for every violation, failure or refusal the public utility or
2 regulated district shall forfeit not less than \$25 nor more than \$5,000.

3 **SECTION 123.** 196.66 (2) of the statutes is amended to read:

4 196.66 (2) EACH DAY SEPARATE OFFENSE. Every day during which any public
5 utility, regulated district or any officer, agent, as defined in sub. (3) (a), or employe
6 of a public utility or regulated district fails to comply with any order or direction of
7 the commission or to perform any duty enjoined by this chapter or ch. 197 shall
8 constitute a separate and distinct violation under sub. (1). If the order is suspended,
9 stayed or enjoined, this penalty shall not accrue.

10 **SECTION 124.** 196.66 (3) (a) of the statutes is amended to read:

11 196.66 (3) (a) In this subsection, "agent" means an authorized person who acts
12 on behalf of or at the direction of a public utility or a regulated district. "Agent" does
13 not include a director, officer or employe of a public utility or a regulated district.

14 **SECTION 125.** 196.66 (3) (b) (intro.) of the statutes is amended to read:

15 196.66 (3) (b) (intro.) A court imposing a forfeiture on a public utility, regulated
16 district or an agent, director, officer or employe of a public utility or an agent,
17 commissioner, officer or employe of a regulated district under this chapter shall
18 consider all of the following in determining the amount of the forfeiture:

19 **SECTION 126.** 196.66 (3) (b) 1. of the statutes is amended to read:

20 196.66 (3) (b) 1. The appropriateness of the forfeiture to the volume of business
21 of the public utility or regulated district.

22 **SECTION 127.** 196.66 (3) (b) 3. of the statutes is amended to read:

23 196.66 (3) (b) 3. Any good faith attempt to achieve compliance after the public
24 utility, regulated district, agent, director, commissioner, officer or employe receives
25 notice of the violation.

1 **SECTION 128.** 196.66 (4) (b) of the statutes is amended to read:

2 196.66 (4) (b) If a public utility or a regulated district fails to comply with any
3 rule, order or direction of the commission after actual receipt by the public utility or
4 regulated district of written notice from the commission specifying the failure, the
5 maximum forfeiture under sub. (1) shall be \$15,000.

6 **SECTION 129.** 196.68 of the statutes is amended to read:

7 **196.68 Municipal officers, malfeasance.** If any officer of a regulated
8 district or of a municipality which owns or operates a public utility does, causes or
9 permits to be done any matter, act or thing prohibited or declared to be unlawful
10 under this chapter or ch. 197 or omits, fails, neglects or refuses to perform any duty
11 which is enjoined upon him or her and which relates directly or indirectly to the
12 enforcement of this chapter and ch. 197, or if the officer omits, fails, neglects or
13 refuses to obey any lawful requirement or order of the commission or any judgment
14 or decree of a court upon its application, for every such violation, failure or refusal
15 the officer shall forfeit not less than \$50 nor more than \$2,500.

16 **SECTION 130.** 196.69 of the statutes is amended to read:

17 **196.69 Interference with commission's equipment.** (1) If any person
18 destroys, injures or interferes with any apparatus or appliance owned, in the charge
19 of or operated by the commission or its agent, the person shall be fined not more than
20 \$5,000 or imprisoned for not more than 30 days or both if the person is a public utility,
21 regulated district or an agent, as defined in s. 196.66 (3) (a), fined not more than
22 \$2,500 or imprisoned for not more than 30 days or both if the person is a director or
23 officer of a public utility or a commissioner or officer of a regulated district, or fined
24 not more than \$1,000 or imprisoned for not more than 30 days or both if the person
25 is an employe of a public utility or a regulated district.

1 (2) Any public utility or regulated district permitting a violation of this section
2 shall forfeit not more than \$5,000 for each offense.

3 **SECTION 131.** 196.70 of the statutes is amended to read:

4 **196.70 Temporary alteration or suspension of rates. (1)** The commission,
5 when it deems necessary to prevent injury to the business or interests of the people
6 or any public utility or regulated district in case of any emergency to be judged of by
7 the commission, may by order temporarily alter, amend, or with the consent of the
8 public utility or regulated district concerned, suspend any existing rates, schedules
9 and order relating to or affecting any public utility, regulated district or part of any
10 public utility or regulated district.

11 (2) The commission may direct an order under sub. (1) to part of a public utility
12 or regulated district or to one or more public utilities or regulated districts and may
13 prescribe when the order takes effect and for how long the order shall be in effect.

14 **SECTION 132.** 196.72 (title) of the statutes is amended to read:

15 **196.72 (title) Accidents; public utility report; investigation.**

16 **SECTION 133.** 196.72 (1) (a) of the statutes is amended to read:

17 196.72 (1) (a) The commission may issue orders or rules, after hearing,
18 requiring public utilities and regulated districts to record or report accidents which
19 occur upon the ~~public utilities'~~ premises of public utilities or regulated districts or
20 which arise directly or indirectly from, or are connected with, the ~~public utilities'~~
21 maintenance or operation of the public utilities or regulated districts.

22 **SECTION 134.** 196.72 (2) of the statutes is amended to read:

23 196.72 (2) The commission shall investigate any accident under sub. (1) if the
24 commission deems that the public interest requires it. The commission shall hold
25 the investigation in the locality of the accident, unless it is more convenient to hold

1 it at some other place. The commission may adjourn the investigation from place to
2 place. The commission shall give the public utility or regulated district reasonable
3 notice of the time and place of the investigation.

4 **SECTION 135.** 196.78 of the statutes is amended to read:

5 **196.78 Voluntary dissolution.** No corporation or limited liability company
6 owning or operating a public utility may be dissolved unless the commission
7 consents. A regulated district may not dissolve unless both the commission and the
8 department of natural resources consent to its dissolution. The commission may
9 consent only after hearing. The commission shall give at least 30 days' notice to each
10 municipality in which the public utility or regulated district is operated and an
11 opportunity to be heard to each municipality and to the stockholders in the
12 corporation or members of a limited liability company.

13 **SECTION 136.** 196.79 (1) of the statutes is amended to read:

14 196.79 (1) Except as provided in sub. (2), the reorganization of any public
15 utility shall be or regulated district is subject to the supervision and control of the
16 commission. No reorganization may take effect without the written approval of the
17 commission. The commission may not approve any plan of reorganization unless the
18 applicant for approval establishes that the plan of reorganization is consistent with
19 the public interest.

20 **SECTION 137.** 196.80 (1s) of the statutes is created to read:

21 196.80 (1s) With the consent and approval of the commission but not otherwise
22 a regulated district may:

23 (b) Acquire the stock of a public utility or any part thereof.

24 (e) Sell, acquire, lease or rent any regulated district plant or property
25 constituting an operating unit or system.

1 **SECTION 138.** 196.80 (3) of the statutes is amended to read:

2 196.80 (3) The interested public utility or regulated district shall make an
3 application for the approval and consent of the commission under this section. The
4 application shall contain a concise statement of the proposed action, the reasons for
5 the action and any other information required by the commission. If an application
6 is filed, the commission shall investigate the application. The investigation may be
7 with or without public hearing. If the commission conducts a public hearing, the
8 hearing shall be upon such notice as the commission may require. If the commission
9 finds that the proposed action is consistent with the public interest, it shall give its
10 consent and approval in writing. In reaching its determination the commission shall
11 take into consideration the reasonable value of the property and assets of the
12 corporation to be acquired or merged.

13 **SECTION 139.** 196.81 (1) of the statutes is amended to read:

14 196.81 (1) No A public utility or regulated district may not abandon or
15 discontinue any line or extension or service thereon without first securing the
16 approval of the commission. In granting its approval, the commission may impose
17 any term, condition or requirement it deems necessary to protect the public interest.
18 If a public utility or regulated district abandons or discontinues a line or extension
19 or service thereon upon receiving commission approval, the public utility ~~shall be~~
20 ~~deemed to have waived~~ or regulated district waives any objection to any term,
21 condition or requirement imposed by the commission in granting the approval.

22 **SECTION 140.** 196.85 (1) of the statutes is amended to read:

23 196.85 (1) If the commission in a proceeding upon its own motion, on complaint,
24 or upon an application to it deems it necessary in order to carry out the duties
25 imposed upon it by law to investigate the books, accounts, practices and activities of,

1 or make appraisals of the property of any public utility, regulated district, power
2 district or sewerage system or to render any engineering or accounting services to
3 any public utility, regulated district, power district or sewerage system, the public
4 utility, regulated district, power district or sewerage system shall pay the expenses
5 attributable to the investigation, including the cost of litigation, appraisal or service.
6 The commission shall mail a bill for the expenses to the public utility, regulated
7 district, power district or sewerage system either at the conclusion of the
8 investigation, appraisal or services, or during its progress. The bill constitutes notice
9 of the assessment and demand of payment. The public utility, regulated district,
10 power district or sewerage system shall, within 30 days after the mailing of the bill
11 pay to the commission the amount of the special expense for which it is billed. Ninety
12 percent of the payment shall be credited to the appropriation account under s. 20.155
13 (1) (g). The total amount in any one calendar year for which any public utility,
14 regulated district, power district or sewerage system is liable, by reason of costs
15 incurred by the commission within the calendar year, including charges under s.
16 184.10 (3), may not exceed four-fifths of one percent of its gross operating revenues
17 derived from intrastate operations in the last preceding calendar year. Nothing in
18 this subsection shall prevent the commission from rendering bills in one calendar
19 year for costs incurred within a previous year. For the purpose of calculating the
20 costs of investigations, appraisals and other services under this subsection, 90% of
21 the costs determined shall be costs of the commission and 10% of the costs
22 determined shall be costs of state government operations.

23 **SECTION 141.** 196.85 (2) of the statutes is amended to read:

24 196.85 (2) The commission shall annually, within 90 days of the
25 commencement of each fiscal year, calculate the total of its expenditures during the

SECTION 141

1 prior fiscal year which are reasonably attributable to the performance of its duties
2 relating to public utilities, regulated districts, sewerage systems and power districts
3 under this chapter and chs. 66, 184 and 198 and expenditures of the state for state
4 government operations to support the performance of such duties. For purposes of
5 such calculation, 90% of the expenditures so determined shall be expenditures of the
6 commission and 10% of the expenditures so determined shall be expenditures for
7 state government operations. The commission shall deduct from this total all
8 amounts chargeable to public utilities, regulated districts, sewerage systems and
9 power districts under sub. (1) and s. 184.10 (3). The commission shall assess a sum
10 equal to the remainder plus 10% of the remainder to the public utilities, regulated
11 districts and power districts in proportion to their respective gross operating
12 revenues during the last calendar year, derived from intrastate operations. If, at the
13 time of payment, the prior year's expenditures made under this section exceeded the
14 payment made under this section in the prior year, the commission shall charge the
15 remainder to the public utilities, regulated districts and power districts in proportion
16 to their gross operating revenues during the last calendar year. If, at the time of
17 payment it is determined that the prior year's expenditures made under this section
18 were less than the payment made under this section in the prior year, the commission
19 shall credit the difference to the current year's payment. The assessment shall be
20 paid within 30 days after the bill has been mailed to the public utilities, regulated
21 districts and power districts. The bill constitutes notice of the assessment and
22 demand of payment. Ninety percent of the payment shall be credited to the
23 appropriation account under s. 20.155 (1) (g).

24 **SECTION 142.** 196.85 (3) of the statutes is amended to read:

1 196.85 (3) If any public utility, regulated district, sewerage system or power
2 district is billed under sub. (1) or (2) and fails to pay the bill within 30 days or fails
3 to file objections to the bill with the commission, as provided in this subsection, the
4 commission shall transmit to the state treasurer a certified copy of the bill, together
5 with notice of failure to pay the bill, and on the same day the commission shall mail
6 by registered mail to the public utility, regulated district, sewerage system or power
7 district a copy of the notice which it has transmitted to the state treasurer. Within
8 10 days after the receipt of notice and certified copy of the bill the state treasurer
9 shall levy the amount stated on the bill to be due, with interest, by distress and sale
10 of any property, including stocks, securities, bank accounts, evidences of debt, and
11 accounts receivable belonging to the delinquent public utility, regulated district,
12 sewerage system or power district. The levy by distress and sale shall be governed
13 by s. 74.10, 1985 stats., except that it shall be made by the state treasurer and that
14 goods and chattels anywhere within the state may be levied upon.

15 **SECTION 143.** 196.85 (4) (a) of the statutes is amended to read:

16 196.85 (4) (a) Within 30 days after the date of the mailing of any bill under subs.
17 (1) and (2) the public utility, regulated district, sewerage system or power district
18 that has been billed may file with the commission objections setting out in detail the
19 grounds upon which the objector regards the bill to be excessive, erroneous, unlawful
20 or invalid. The commission, after notice to the objector, shall hold a hearing upon the
21 objections, from 5 to 10 days after providing the notice. If after the hearing the
22 commission finds any part of the bill to be excessive, erroneous, unlawful or invalid
23 it shall record its findings upon its minutes and transmit to the objector by registered
24 mail an amended bill, in accordance with the findings. The amended bill shall have

1 the same force and effect under this section as an original bill rendered under subs.
2 (1) and (2).

3 **SECTION 144.** 196.85 (5) of the statutes is amended to read:

4 196.85 (5) No suit or proceeding may be maintained in any court to restrain or
5 delay the collection or payment of any bill rendered under subs. (1) and (2). Every
6 public utility, regulated district, sewerage system or power district that is billed shall
7 pay the amount of the bill, and after payment may in the manner provided under this
8 section, at any time within 2 years from the date the payment was made, sue the state
9 to recover the amount paid plus interest from the date of payment, upon the ground
10 that the assessment was excessive, erroneous, unlawful or invalid in whole or in part.
11 If the court finds that any part of the bill for which payment was made was excessive,
12 erroneous, unlawful or invalid, the state treasurer shall make a refund to the
13 claimant as directed by the court. The refund shall be charged to the appropriations
14 to the commission.

15 **SECTION 145. Nonstatutory provisions.**

16 (1) INITIAL FILINGS OF RATES AND SCHEDULES.

17 (a) Notwithstanding section 196.19 of the statutes, as affected by this act, a
18 regulated district, as defined in section 196.01 (6m) of the statutes, as created by this
19 act, is not required to file the schedule of rates, tolls and charges under section 196.19
20 of the statutes, as affected by this act, within the first 90 days after the effective date
21 of this paragraph.

22 (b) No later than 90 days after the effective date of this paragraph, a regulated
23 district, as defined in section 196.01 (6m) of the statutes, as created by this act, shall
24 file its initial schedule of rates, tolls and charges under section 196.19 of the statutes,
25 as affected by this act. The initial filing of the schedule under this paragraph shall

1 be treated as a change constituting an increase in rates under sections 196.20 and
2 196.39 of the statutes, as affected by this act.

3 (c) Notwithstanding section 196.19 of the statutes, as affected by this act, rates
4 of a regulated district that are in effect on the effective date of paragraph may
5 continue in effect until the public service commission completes its review of the
6 initial filing of the schedule under paragraph (b).

7 (d) No later than 18 months after the effective date of this paragraph, the public
8 service commission shall complete its review of the initial filing of the schedule under
9 paragraph (b).

10 (2) RULE MAKING. The public service commission shall submit in proposed
11 form the rules required under section 196.49 (3) (e) of the statutes, as created by this
12 act, to the legislative council staff under section 227.15 (1) of the statutes no later
13 than the first day of the 7th month beginning after the effective date of this
14 subsection.

15 (3) EFFECT ON PENDING COMPLAINTS. This act does not divest the public service
16 commission of jurisdiction over, or change the standards to be applied in, any
17 complaint pending with the public service commission on the effective date of this
18 subsection.

19 (4) PUBLIC SERVICE COMMISSION STUDY. The public service commission shall
20 study the likely effects of any sale or lease of the assets of a metropolitan sewerage
21 district created under section 66.882 of the statutes on the rates charged for
22 sewerage services in the metropolitan sewerage district. No later than June 30,
23 1998, the public service commission shall report the results of its study to the
24 legislature in the manner provided under section 13.172 (2) of the statutes, to the
25 metropolitan sewerage district and to the governor.

