



**SENATE SUBSTITUTE AMENDMENT 1,  
TO 1995 SENATE BILL 614**

March 26, 1996 - Offered by JOINT COMMITTEE ON FINANCE.

1     **AN ACT to repeal** 66.898 (4) (c), 66.899 and 66.912 (5); **to renumber** 196.025; **to**  
2     **amend** 20.155 (1) (title), 20.155 (1) (g), 66.076 (1m), 66.076 (7), 66.076 (8),  
3     66.886 (2) (a) 1., 66.888 (2) (b), 66.892 (2) (a), 66.892 (2) (d), 66.894 (1) (intro.),  
4     66.898 (3), 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     144.241 (8) (g), 144.2415 (3) (e), 184.01 (2), 196.02 (1), 196.02 (2), 196.02 (4) (a),  
8     196.02 (4) (c), 196.02 (5), 196.02 (6), 196.03 (1), 196.05, 196.06, 196.07, 196.09  
9     (1), 196.09 (2), 196.09 (3), 196.09 (4), 196.09 (5), 196.09 (6) (a), 196.09 (6) (b),  
10    196.09 (7) (intro.), 196.09 (7) (b), 196.09 (8), 196.10, 196.11 (1), 196.12 (title),  
11    196.12 (1) (intro.), 196.13, 196.14, 196.15, 196.16 (1), 196.16 (2), 196.17 (1),  
12    196.171 (1), 196.171 (2), 196.18, 196.19 (1), 196.19 (2), 196.19 (3), 196.19 (4),  
13    196.19 (6), 196.20 (1), 196.20 (2) (a) 2., 196.20 (2) (b), 196.21, 196.22, 196.24 (1),  
14    196.25 (1), 196.25 (2), 196.26 (1), 196.26 (1m), 196.26 (2) (a), 196.26 (2) (b),  
15    196.28 (1), 196.28 (3), 196.30, 196.31 (1) (intro.), 196.31 (2), 196.37 (3), 196.39,  
16    196.44 (1), 196.44 (2), 196.49 (2), 196.49 (3) (a), 196.49 (3) (b) (intro.), 196.49 (3)

1 (b) 1., 196.49 (3) (b) 3., 196.49 (6), 196.525 (1) (intro.), 196.525 (2), 196.525 (3),  
2 196.58 (1) (a), 196.58 (1) (b), 196.58 (4), 196.58 (5), 196.595 (title), 196.595 (1)  
3 (a) 1., 196.595 (1) (a) 1m., 196.595 (1) (a) 2., 196.595 (1) (a) 4., 196.595 (1) (b),  
4 196.595 (2) (intro.), 196.60 (1), 196.60 (3), 196.604, 196.61, 196.635 (intro.),  
5 196.635 (1), 196.64 (title), 196.64 (1), 196.643 (1), 196.65 (1) (intro.), 196.65 (1)  
6 (e), 196.65 (2), 196.66 (1), 196.66 (2), 196.66 (3) (a), 196.66 (3) (b) (intro.), 196.66  
7 (3) (b) 1., 196.66 (3) (b) 3., 196.66 (4) (b), 196.68, 196.69, 196.70, 196.72 (title),  
8 196.72 (1) (a), 196.72 (2), 196.78, 196.79 (1), 196.80 (3), 196.81 (1), 196.85 (1),  
9 196.85 (2), 196.85 (3), 196.85 (4) (a) and 196.85 (5); **to repeal and recreate**  
10 66.898 (4) (a), 66.898 (4) (b) and 196.44 (2); and **to create** 20.320 (1) (h), 66.89  
11 (3), 66.891, 144.241 (6) (b) 9., 144.241 (13h), 184.03 (1m), 196.01 (6m), 196.02  
12 (13), 196.025 (2), 196.49 (3) (e) and 196.80 (1s) of the statutes; **relating to:**  
13 regulation and supervision by the public service commission of a metropolitan  
14 sewerage district established by a 1st class city, the sale or lease of metropolitan  
15 sewerage district assets under certain circumstances, authorizing the  
16 dissolution of a metropolitan sewerage district, distribution of excess reserves  
17 of a district, clean water fund program grants for certain municipalities,  
18 granting rule-making authority, making an appropriation and providing  
19 penalties.

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

20 **SECTION 1.** 20.155 (1) (title) of the statutes is amended to read:  
21 20.155 (1) (title) REGULATION OF PUBLIC UTILITIES AND REGULATED DISTRICTS.  
22 **SECTION 2.** 20.155 (1) (g) of the statutes is amended to read:

1           20.155 (1) (g) (title) ~~Utility regulation~~ Regulation of utilities and regulated  
2 districts. The amounts in the schedule for the regulation of utilities and regulated  
3 districts. Ninety percent of all moneys received by the commission under s. 184.10  
4 (3), 196.85 or 196.855 shall be credited to this appropriation. Ninety percent of all  
5 receipts from the sale of miscellaneous printed reports and other copied material, the  
6 cost of which was originally paid under this paragraph, shall be credited to this  
7 appropriation.

8           **SECTION 3.** 20.320 (1) (h) of the statutes is created to read:

9           20.320 (1) (h) *Clean water fund special grants*. All moneys received from  
10 transfers to the state treasury under ss. 66.89 (3) and 66.891 (3) for grants under s.  
11 144.241 (13h).

12           **SECTION 4.** 66.076 (1m) of the statutes is amended to read:

13           66.076 (1m) In this section, “municipality” means any town, village, city or  
14 metropolitan sewerage district created under ss. 66.20 to 66.26 ~~or under ss. 66.88 to~~  
15 ~~66.918~~.

16           **SECTION 5.** 66.076 (7) of the statutes is amended to read:

17           66.076 (7) Sewerage service charges shall be collected and taxed and shall be  
18 a lien upon the property served in the same manner as water rates are taxed and  
19 collected under s. 66.069 (1) or 66.071 (1) (e), so far as applicable, ~~except that charges~~  
20 ~~of a metropolitan sewerage district created under ss. 66.88 to 66.918 shall be~~  
21 ~~assessed and collected as provided in s. 66.91 (5).~~

22           **SECTION 6.** 66.076 (8) of the statutes is amended to read:

23           66.076 (8) The governing body of any municipality, and the officials in charge  
24 of the management of the sewerage system as well as other officers of the  
25 municipality, shall be governed in the discharge of their powers and duties under this

1 section by s. 66.069 or 66.071 (1) (e), which are hereby made a part of this section so  
2 far as applicable and not inconsistent herewith ~~or, in the case of a metropolitan~~  
3 ~~sewerage district created under ss. 66.88 to 66.918, by ss. 66.91 and 66.912.~~

4 **SECTION 7.** 66.886 (2) (a) 1. of the statutes is amended to read:

5 66.886 (2) (a) 1. No resolution adopted by the commission under s. 66.91 (1),  
6 (3) (c) or (6), 67.05 (1) or 67.12 (12), no proposed schedule of charges under s. ~~66.076,~~  
7 ~~66.898 (4), 66.899~~ or 66.91 (5) (b) 3., no decision to borrow against taxes under s.  
8 67.12 (1) and no decision to borrow under s. 24.61 (3) (a) 7. is valid unless adopted  
9 by an affirmative vote of at least a two-thirds majority of all commissioners.

10 **SECTION 8.** 66.888 (2) (b) of the statutes is amended to read:

11 66.888 (2) (b) The name of a district created under s. 66.882 (1) (b) is the  
12 Milwaukee metropolitan sewerage district Metropolitan Sewerage District.

13 **SECTION 9.** 66.89 (3) of the statutes is created to read:

14 66.89 (3) EXCESS RESERVES REFUND. (a) Develop and, upon approval by the  
15 public service commission, implement a plan to make a refund to customers of the  
16 district who are residents of municipalities that have been paying service charges,  
17 based on the equalized value of the property in the municipality, for capital costs  
18 associated with the district's water pollution abatement program, since the inception  
19 of the service charges. The refund shall consist of that portion of current reserves  
20 that are being held by the district and that are in excess of prudent reserve  
21 requirements, as determined by the public service commission, less the amount  
22 transferred under par. (b).

23 (b) Ensure that the plan developed by the Milwaukee Metropolitan Sewerage  
24 District commission and approved by the public service commission under par. (a)  
25 shall provide that the first \$30,000,000 of the excess reserves under par. (a) or all of

1 the excess reserves under par. (a), whichever is less, shall be transferred by the  
2 district, upon the approval of the plan by the public service commission, to the state  
3 treasury to be credited to the appropriation account under s. 20.320 (1) (h).

4 **SECTION 10.** 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. In considering whether a lease or sale will  
10 be in the best interests of the district's ratepayers, the public service commission  
11 shall consider whether the lease or sale meets all of the following conditions:

12 1. The lease or sale will provide for a reasonably adequate supply of sewerage  
13 services to meet the needs of the public.

14 2. The lease or sale is in the public interest when considering engineering,  
15 economic, health, safety, reliability, efficiency and environmental factors and  
16 alternate methods of providing sewerage services.

17 3. The lease or sale reasonably coordinated with long-range plans and policies  
18 of other agencies or that a reasonable effort has been made to coordinate with such  
19 plans and policies.

20 4. The lease or sale will abate combined sewer overflows to the extent necessary  
21 to comply with federal or state law.

22 (b) The public service commission determines that, under the terms of any  
23 lease or sale agreement, the employees of the district who cease to be employees of the  
24 district on the effective date of the lease or sale and who are performing functions in  
25 relation to the assets or facilities that are leased or sold and who are covered by a

1 collective bargaining agreement under subch. IV of ch. 111, which is in effect on the  
2 day before the effective date of the lease or sale, shall continue to perform the  
3 functions that they perform on the day before the effective date of the lease or sale,  
4 after the lease or sale until the expiration date of the collective bargaining agreement  
5 that applies to such employees or for 2 years following the effective date of this  
6 paragraph .... [revisor inserts date], whichever is sooner.

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

11 **(3) APPLICATION OF PROCEEDS.** The proceeds of any sale or lease under sub. (1)  
12 to an entity other than the state shall be distributed, in a manner approved by the  
13 public service commission, to the state and municipalities in proportion to the  
14 amounts paid by the state and municipalities for capital costs since the district was  
15 reorganized under s. 66.882 (1) (b). Thirty percent of the proceeds distributed to the  
16 state under this subsection that are not obligated under s. 144.241 or 144.2415 shall  
17 be credited to the appropriation account under s. 20.320 (1) (h).

18 **SECTION 11.** 66.892 (2) (a) of the statutes is amended to read:

19 66.892 (2) (a) Except as provided in pars. (b) to (d) and subject to ~~s. ss.~~ 144.04  
20 and 196.49, no commission may separate combined storm and sanitary sewers.

21 **SECTION 12.** 66.892 (2) (d) of the statutes is amended to read:

22 66.892 (2) (d) Any person aggrieved by the decision of the commission to  
23 separate a combined storm and sanitary sewer may file a petition for judicial review  
24 in the circuit court for the county in which the district is located. Nothing in this  
25 paragraph affects any review under s. 144.04 or 196.49.

1           **SECTION 13.** 66.894 (1) (intro.) of the statutes is amended to read:

2           66.894 (1) GENERAL POWERS OF THE COMMISSION. (intro.) To the extent necessary  
3 to carry out its duties under s. 66.89 and subject to any approval required under s.  
4 196.49, the commission may project, plan, design, adopt, construct, operate and  
5 maintain:

6           **SECTION 14.** 66.898 (3) of the statutes is amended to read:

7           66.898 (3) SERVICE CHARGES FOR OPERATION AND MAINTENANCE. As part of any  
8 contract executed under this section, the commission may assess reasonable and just  
9 sewerage service charges against the contracting party with respect to operating and  
10 maintenance costs. These charges shall be ~~established~~ proposed by the commission  
11 in accordance with s. 66.912 and ~~are subject to review under s. 66.912.~~ The schedule  
12 of service charges may, but need not, be uniform with any other schedule of charges  
13 shall be established by the public service commission.

14           **SECTION 15.** 66.898 (4) (a) of the statutes is repealed and recreated to read:

15           66.898 (4) (a) As part of any contract executed under this section, the  
16 commission may assess reasonable and just sewerage service charges against the  
17 contracting party with respect to capital costs. The schedule of sewerage service  
18 charges with respect to capital costs used in contracts executed under this section  
19 shall be uniform with the system used to recover capital costs within the district.

20           **SECTION 16.** 66.898 (4) (b) of the statutes is repealed and recreated to read:

21           66.898 (4) (b) The charges assessed under this subsection shall be proposed by  
22 the commission in accordance with s. 66.91 (5) and shall be established by the public  
23 service commission. In computing the schedule of charges under this subsection, the  
24 public service commission may consider the factors specified in s. 66.91 (5). In  
25 computing the schedule of charges under this subsection, the public service

1 commission may also consider the fact that sewerage service may not be available  
2 to or may be available to but not utilized by a part of the property located within the  
3 territorial limits of a contracting party at the time of computing the schedule.

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

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

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

7 66.90 (1) GENERAL POWER OF THE COMMISSION. The Subject to any approvals by  
8 the public service commission required under s. 196.49, the commission may acquire  
9 by gift, purchase, lease or other methods of acquisition or by condemnation, any real  
10 property situated in the state and all tenements, hereditaments and appurtenances  
11 belonging or in any way appertaining to, or in any interest, franchise, easement,  
12 right or privilege therein, that may be needed for the purpose of projecting, planning,  
13 constructing and maintaining the sewerage system, that may be needed for the  
14 collection, transmission or disposal of all sewage or drainage of the district or that  
15 may be needed for improving any river or stream within the district under s. 66.894  
16 (8) (a) or (b).

17 **SECTION 20.** 66.904 (1) of the statutes is amended to read:

18 66.904 (1) GENERAL POWERS OF THE COMMISSION. The Subject to any approvals  
19 by the public service commission under ch. 196, the commission may enter into  
20 contracts, agreements or stipulations necessary to perform its duties and exercise its  
21 powers under ss. 66.88 to 66.918, including contracts to purchase, lease or otherwise  
22 obtain the use of all necessary equipment, supplies and labor.

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

24 **66.91 Financing.** (intro.) The Subject to chs. 184 and 196, the district may  
25 borrow money and issue and execute bonds, notes and other forms of indebtedness

1 and may enter into agreements to secure its indebtedness in the manner specified  
2 in subs. (1) to (7):

3 **SECTION 22.** 66.91 (1) (g) of the statutes is amended to read:

4 66.91 (1) (g) User Revenue requirements used to calculate user charges and  
5 service charges established proposed by the commission under sub. (5) ~~or s. 66.076~~  
6 to comply with any covenant concerning the sufficiency of the charges contained in  
7 a resolution or ordinance providing for the issuance of revenue bonds or notes under  
8 s. 66.066 shall be presumed reasonable ~~in any review of the charges~~ by the public  
9 service commission ~~under s. 66.912 (5).~~

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

11 66.91 (5) (a) ~~For service provided to any user, the~~ The commission may  
12 ~~establish, propose to assess and collect service charges under s. 66.076 or for any~~  
13 ~~person provided service. In proposing user and service charges under this~~  
14 ~~subsection, the commission shall first determine the revenue required by the district~~  
15 ~~and shall propose user and service charges expected to generate that amount of~~  
16 ~~revenue. These service charges shall be established by the public service commission~~  
17 ~~and then assessed and collected~~ under this subsection. ~~For service to any user~~  
18 ~~outside the district and not located in a municipality which has contracted with the~~  
19 ~~district under s. 66.898, the commission may establish, assess and collect service~~  
20 ~~charges under s. 66.899. Except as provided under s. 66.899 (2), any charge made~~  
21 ~~by the district under this subsection is reviewable under s. 66.912 (5). The sewerage~~  
22 ~~service charges established under s. 66.076 or under this subsection with respect to~~  
23 ~~capital costs for service to any user shall be uniform.~~

24 **SECTION 24.** 66.91 (5) (b) 1. of the statutes is amended to read:

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

5           **SECTION 25.** 66.91 (5) (b) 3. a. of the statutes is amended to read:

6           66.91 (5) (b) 3. a. ~~Adopt~~ Propose a schedule of charges computed under this  
7 paragraph. ~~The commission may modify the schedule as it deems necessary.~~

8           **SECTION 26.** 66.91 (5) (b) 3. b. of the statutes is amended to read:

9           66.91 (5) (b) 3. b. Submit the proposed schedule of charges it ~~adopts~~ and each  
10 modification of the schedule to ~~each municipality subject to the charges~~ the public  
11 service commission for review under ch. 196.

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

13           66.91 (5) (c) 1. Charges for sewerage service shall, to the extent practicable,  
14 be proportionate to the costs of the sewerage system that the district may reasonably  
15 attribute to the user person provided service.

16           **SECTION 28.** 66.91 (5) (c) 2. of the statutes is amended to read:

17           66.91 (5) (c) 2. The commission may propose to classify users on the basis of  
18 uses and may ~~establish~~ propose separate charges for separate classes. In computing  
19 proposed charges, the commission may consider any reasonable factor, including  
20 wastewater flow or drainage, delivery flow characteristics, water consumption, type  
21 and number of sewerage connections or plumbing fixtures, population served, lot  
22 size, portion of lot improved and assessed value of property served. The commission  
23 may also compute its proposed fee schedules as needed to meet the requirements of  
24 ~~s. 66.076 or of title II of the water pollution control act, 33 USC 1251 et seq.~~ All  
25 charges, rates and fees shall be established under ss. 196.03, 196.20 and 196.37.

1           **SECTION 29.** 66.91 (5) (d) 1. of the statutes is amended to read:

2           66.91 (5) (d) 1. Each sanitary district organized under subch. IX of ch. 60 and  
3 each metropolitan sewerage district organized under ss. 66.20 to 66.26 that is billed  
4 by the commission under par. (b) shall, within 5 days of receipt of a bill from the  
5 commission, in turn bill each city, town or village served by the sanitary district or  
6 metropolitan sewerage district organized under ss. 66.20 to 66.26. Each city, town  
7 or village located within the district and billed under this paragraph or billed by the  
8 commission under par. (b) ~~or under s. 66.076~~ shall, within 45 days of receiving the  
9 bill, pay the full amount billed to the district. Each municipality may levy a  
10 reasonable penalty for late payment by the user to the municipality. Each  
11 municipality may provide for the payment of charges to it by any means specified in  
12 s. 66.898 (5).

13           **SECTION 30.** 66.91 (5) (e) of the statutes is amended to read:

14           66.91 (5) (e) The commission may separately compute, on any reasonable basis,  
15 both capital and operating costs of providing sewerage service to any federal, state,  
16 county or municipal facility and may, upon approval by the public service  
17 commission, directly bill the federal government, the state, the county or the  
18 municipality.

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

20           66.912 (2) (a) Compute a proposed uniform schedule of charges based on  
21 operating expenses to be recovered from users under this subsection.

22           **SECTION 32.** 66.912 (2) (b) of the statutes is amended to read:

23           66.912 (2) (b) ~~Adopt~~ Propose the uniform schedule of charges computed under  
24 par. (a). ~~The commission may modify the schedule periodically.~~

25           **SECTION 33.** 66.912 (2) (c) of the statutes is amended to read:

1           66.912 (2) (c) Submit the proposed schedule adopted under par. (b) and every  
2 modification to every municipality within the sewerage service area as early in every  
3 calendar year as practicable the public service commission for approval under ch.  
4 196.

5           **SECTION 34.** 66.912 (3) of the statutes is amended to read:

6           66.912 (3) FACTORS IN CHARGE SCHEDULES. In computing a proposed charge  
7 schedule under sub. (2) (a), the sewerage commission shall require each user to pay  
8 the proportion of total operating cost of the system incurred by the transmission and  
9 treatment of the user's wastewater. In determining such proportional costs, the  
10 sewerage commission shall consider such factors, without limitation because of  
11 enumeration, as strength, volume and delivery flow rate characteristics of each  
12 user's sewage.

13           **SECTION 35.** 66.912 (5) of the statutes is repealed.

14           **SECTION 36.** 144.241 (6) (b) 9. of the statutes is created to read:

15           144.241 (6) (b) 9. Making special grants under sub. (13h) from the  
16 appropriation under s. 20.320 (1) (h).

17           **SECTION 37.** 144.241 (8) (g) of the statutes is amended to read:

18           144.241 (8) (g) The Except as provided in sub. (13h) (b) 2., the sum of all of the  
19 financial assistance to a municipality approved under this section and s. 144.2415  
20 for a project may not result in the municipality paying less than 30% of the cost of  
21 the project.

22           **SECTION 38.** 144.241 (13h) of the statutes is created to read:

23           144.241 (13h) SPECIAL GRANTS. (a) Subject to par. (b), the department shall  
24 provide a grant under this subsection to a municipality if all of the following  
25 conditions are met:

1           1. The municipality qualifies for financial assistance under this section and s.  
2           144.2415.

3           2. The median household income in the municipality is 80% or less of the  
4           median household income in this state.

5           3. One of the following applies:

6           a. The estimated total annual charges per residential user in the municipality  
7           that relate to wastewater treatment would exceed 2% of the median household  
8           income in the municipality if the municipality receives the maximum amount of  
9           assistance under this section, excluding a grant under this subsection.

10          b. The estimated total annual charges per residential user in the municipality  
11          that relate to wastewater treatment would exceed 2% of the median household  
12          income in the municipality without assistance under sub. (13) but the municipality  
13          is not able to receive assistance under sub. (13) because insufficient financial  
14          hardship assistance funding is available.

15          (b) The department may not award a grant under par. (a) that does any of the  
16          following:

17           1. Results in the estimated total annual charges per residential user in the  
18           municipality that relate to wastewater treatment being less than 2% of the median  
19           household income in the municipality.

20           2. Exceeds 90% of the cost of the project, for a municipality to which par. (a) 3.  
21           a. applies, or 70% of the cost of the project for any other municipality.

22          (c) The department shall establish a special grant funding list for each fiscal  
23          year that ranks, in the same order that they appear on the priority list under sub.  
24          (8e), projects of municipalities that are eligible under par. (a), and that submit

1 complete financial assistance applications under sub. (9) (a) no later than June 30  
2 of the preceding fiscal year.

3 (d) The department shall promulgate a rule under which a municipality  
4 seeking financial assistance under this subsection may request, and have conducted,  
5 a survey to determine the median household income in the municipality.

6 **SECTION 39.** 144.2415 (3) (e) of the statutes, as affected by 1995 Wisconsin Act  
7 27, is amended to read:

8 144.2415 (3) (e) The department may expend, for financial assistance in a  
9 biennium other than financial hardship assistance under s. 144.241 (13) (e) and  
10 special grants under s. 144.241 (13h), an amount up to 85% of the amount approved  
11 by the legislature under par. (d). The department may expend such amount only  
12 from the percentage of the amount approved under par. (d) that is not available under  
13 par. (f) for financial hardship assistance.

14 **SECTION 40.** 184.01 (2) of the statutes is amended to read:

15 184.01 (2) "Public service corporation" means and embraces every corporation,  
16 except municipalities and other political subdivisions that are not regulated districts  
17 under s. 196.01 (6m), which is a public utility or regulated district as defined in s.  
18 196.01, and every corporation which is a railroad as defined in s. 195.02, but shall  
19 not include a public utility corporation receiving an annual gross revenue of less than  
20 \$1,000 for the calendar year next preceding the issuance of any securities by it.  
21 "Public service corporation" includes a holding company, as defined under s. 196.795  
22 (1) (h), which is a public utility, as defined under s. 196.01 (5). "Public service  
23 corporation" does not include a telecommunications utility, as defined in s. 196.01  
24 (10). "Public service corporation" does not include any other holding company unless  
25 the holding company was formed after November 28, 1985, and unless the

1 commission has determined, under s. 196.795 (7) (a), that each nonutility affiliate,  
2 as defined under s. 196.795 (1) (j), does not and cannot reasonably be expected to do  
3 at least one of the items specified in s. 196.795 (7) (a). “Public service corporation”  
4 does not include a company, as defined in s. 196.795 (1) (f), which owns, operates,  
5 manages or controls a telecommunications utility, as defined in s. 196.01 (10), unless  
6 such company also owns, operates, manages or controls a public utility which is not  
7 a telecommunications utility.

8 **SECTION 41.** 184.03 (1m) of the statutes is created to read:

9 184.03 **(1m)** A public service corporation that is a regulated district under s.  
10 196.01 (6m) may not issue any security that confers any ownership interest in the  
11 public service corporation.

12 **SECTION 42.** 196.01 (6m) of the statutes is created to read:

13 196.01 **(6m)** “Regulated district” means a metropolitan sewerage district  
14 created under s. 66.882.

15 **SECTION 43.** 196.02 (1) of the statutes is amended to read:

16 196.02 **(1)** JURISDICTION. The commission has jurisdiction to supervise and  
17 regulate every public utility and regulated district in this state and to do all things  
18 necessary and convenient to its jurisdiction.

19 **SECTION 44.** 196.02 (2) of the statutes is amended to read:

20 196.02 **(2)** DEFINITION; CLASSIFICATION. In this subsection, “public utility” does  
21 not include a telecommunications cooperative or a small telecommunications utility  
22 except as provided under s. 196.205 or 196.215 (2) and does not include an alternative  
23 telecommunications utility. The commission shall provide for a comprehensive  
24 classification of service for each public utility and each regulated district. The  
25 classification may take into account the quantity used, the time when used, the

1 purpose for which used, and any other reasonable consideration. Each public utility  
2 and regulated district shall conform its schedules of rates, tolls and charges to such  
3 classification.

4 **SECTION 45.** 196.02 (4) (a) of the statutes is amended to read:

5 196.02 (4) (a) The commission may inquire into the management of the  
6 business of all public utilities and all regulated districts. The commission shall keep  
7 itself informed as to the manner and method in which the same is conducted. The  
8 commission may obtain from any public utility or any regulated district any  
9 information necessary to enable the commission to perform its duties.

10 **SECTION 46.** 196.02 (4) (c) of the statutes is amended to read:

11 196.02 (4) (c) If any public utility or regulated district fails to furnish the  
12 commission with information required of it by the commission, the commission may  
13 issue an order directing the delinquent public utility or regulated district to furnish  
14 the information immediately or to show good cause why the information cannot be  
15 obtained. Failure of any public utility or regulated district to comply with the order  
16 of the commission is a violation of this chapter within the meaning of s. 196.66.

17 **SECTION 47.** 196.02 (5) of the statutes is amended to read:

18 196.02 (5) INSPECT BOOKS. The commission or any commissioner or any person  
19 employed by the commission for that purpose may, upon demand, inspect the books,  
20 accounts, papers, records and memoranda of any public utility or regulated district,  
21 and examine under oath any officer, agent or employe of the public utility or  
22 regulated district in relation to its business and affairs. Any person, other than one  
23 of the commissioners, who makes a demand shall produce his or her authority to  
24 make the inspection.

25 **SECTION 48.** 196.02 (6) of the statutes is amended to read:

1           196.02 (6) PRODUCTION OF RECORDS. The commission may require, by order or  
2 subpoena served on any public utility or regulated district as a summons is served  
3 in circuit court, the production within this state at the time and place the commission  
4 designates of any books, accounts, papers or records kept by the public utility or  
5 regulated district outside the state, or verified copies in lieu thereof, if the  
6 commission orders. If a public utility or regulated district fails or refuses to comply  
7 with the order or subpoena, for each day of the failure or refusal the public utility or  
8 regulated district shall forfeit not less than \$50 nor more than \$500.

9           **SECTION 49.** 196.02 (13) of the statutes is created to read:

10           196.02 (13) SALE OR LEASE OF REGULATED DISTRICT ASSETS. The public service  
11 commission may, upon demand, inspect the books, accounts, papers, records and  
12 memoranda of a regulated district and examine under oath any commissioner of a  
13 regulated district, agent or employe of the regulated district in order to obtain  
14 information bearing upon the determinations to be made by the public service  
15 commission under s. 66.891 (1) (a) and (b). If the public service commission makes  
16 the determinations under s. 66.891 (1) (a) and (b) and if the public service commission  
17 believes that the commission of the regulated district has not acted in the best  
18 interests of the regulated district's ratepayers in selling or leasing the district's  
19 assets and facilities, the public service commission may appoint an individual to  
20 negotiate and enter into agreements for the sale or lease of any or all of the district's  
21 assets and facilities. This individual may exercise, on behalf of the regulated district,  
22 the powers given the commission of the regulated district under ss. 66.90 (1) and  
23 66.904 (1). The district shall pay all costs incurred by the individual in the  
24 performance of his or her duties under this subsection.

25           **SECTION 50.** 196.025 of the statutes is renumbered 196.025 (1).

1           **SECTION 51.** 196.025 (2) of the statutes is created to read:

2           196.025 (2) No later than the first day of the 10th month beginning after the  
3 effective date of this subsection ... [revisor inserts date], the commission and the  
4 department of natural resources shall enter into a memorandum of understanding  
5 specifying the manner in which the commission and the department of natural  
6 resources will coordinate their activities relative to the regulation of regulated  
7 districts in situations in which provisions in chs. 30, 66, 144, 147 and 196 assign  
8 overlapping duties, powers or jurisdiction to the commission and the department of  
9 natural resources. Under the memorandum of understanding, the commission may  
10 authorize the department of natural resources to act as its agent to enforce or  
11 administer a provision in one of those chapters as it relates to a regulated district.  
12 Under the memorandum of understanding, the department of natural resources may  
13 authorize the commission to act as its agent to enforce or administer a provision in  
14 one of those chapters as it relates to a regulated district.

15           **SECTION 52.** 196.03 (1) of the statutes is amended to read:

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

23           **SECTION 53.** 196.05 of the statutes is amended to read:

24           **196.05** (title) **Public utility and regulated district property; valuation;**  
25 **revaluation.** If the commission deems it proper or necessary for effective

1 regulation, the commission shall value or revalue all the property of every public  
2 utility and every regulated district actually used and useful for the convenience of  
3 the public.

4 **SECTION 54.** 196.06 of the statutes is amended to read:

5 **196.06 Uniform accounting; forms; books; office.** (1) Every public utility  
6 and every regulated district shall keep and render to the commission in the manner  
7 and form prescribed by the commission uniform accounts of all business transacted.

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

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

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

1           **SECTION 55.** 196.07 of the statutes is amended to read:

2           **196.07 Balance sheet filed annually.** (1) Each public utility and each  
3 regulated district shall close its accounts annually on December 31 and promptly  
4 prepare a balance sheet of that date. On or before the following April 1 every public  
5 utility and every regulated district shall file with the commission the balance sheet  
6 together with any other information the commission prescribes, verified by an officer  
7 of the public utility or regulated district. The commission, for good cause shown, may  
8 extend the time for filing the balance sheet and prescribed information.

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

19           **SECTION 56.** 196.09 (1) of the statutes is amended to read:

20           196.09 (1) In this section, “public utility” does not include a  
21 telecommunications cooperative except as provided under s. 196.205. In subs. (2) to  
22 (7), “public utility” does not include a telecommunications utility. Subsection (9) only  
23 applies to a telecommunications utility. Every public utility and every regulated  
24 district shall file with the commission, within such time as may be required by the  
25 commission, its estimate of the annual rate of depreciation required for each of its

1 classes of fixed capital used for public utility or regulated district purposes, and of  
2 the composite annual rate of depreciation required for such fixed capital as an  
3 aggregate, which shall constitute the public utility's or regulated district's estimates  
4 of the amount which should be returned to it out of its rates for service, to meet the  
5 depreciation of its property.

6 **SECTION 57.** 196.09 (2) of the statutes is amended to read:

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

18 **SECTION 58.** 196.09 (3) of the statutes is amended to read:

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

1 effect of an order and the public utility or regulated district shall have the right of  
2 appeal from the certification as provided in this chapter.

3 **SECTION 59.** 196.09 (4) of the statutes is amended to read:

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

12 **SECTION 60.** 196.09 (5) of the statutes is amended to read:

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

21 **SECTION 61.** 196.09 (6) (a) of the statutes is amended to read:

22 196.09 (6) (a) If the commission establishes for any public utility or regulated  
23 district, by certification or order, the percentages necessary for depreciation on fixed  
24 capital used for public utility or regulated district purposes, the public utility or  
25 regulated district shall credit to its depreciation reserve in each accounting period

1 the amount required to provide for depreciation at the percentage established. If the  
2 public utility is a corporation, the corporation may not pay any dividend out of  
3 earnings for any fiscal period subsequent to the commission's certification or order,  
4 or carry any portion of its earnings to its surplus account, except out of earnings  
5 remaining after crediting its depreciation reserve in accordance with the rates  
6 established by the commission, except as provided under par. (b).

7 **SECTION 62.** 196.09 (6) (b) of the statutes is amended to read:

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

14 **SECTION 63.** 196.09 (7) (intro.) of the statutes is amended to read:

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

24 **SECTION 64.** 196.09 (7) (b) of the statutes is amended to read:

1           196.09 (7) (b) Be subject to the same restrictions and regulations in its  
2 accounting for the entire amount to be credited to the depreciation reserve as are  
3 applicable to ~~other~~ public utilities which account for depreciation by other methods  
4 under this section.

5           **SECTION 65.** 196.09 (8) of the statutes is amended to read:

6           196.09 (8) No public utility or regulated district may charge to its depreciation  
7 reserve anything except losses on property actually retired from service.

8           **SECTION 66.** 196.10 of the statutes is amended to read:

9           **196.10 Construction; accounting.** The commission shall keep itself  
10 informed of all new construction, extensions and additions to the property of public  
11 utilities and regulated districts, and shall prescribe the necessary forms, regulations  
12 and instructions for the keeping of construction accounts, which shall clearly  
13 distinguish all operating expenses from new construction.

14           **SECTION 67.** 196.11 (1) of the statutes is amended to read:

15           196.11 (1) A public utility or a regulated district may enter into any reasonable  
16 arrangement with its consumers or employees, for the division or distribution of its  
17 surplus profits, or providing for a sliding scale of charges, or other financial device  
18 if the arrangement is meets all of the following conditions:

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

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

25           **SECTION 68.** 196.12 (title) of the statutes is amended to read:

1           **196.12** (title) **Report by public utilities and regulated districts; items.**

2           **SECTION 69.** 196.12 (1) (intro.) of the statutes is amended to read:

3           196.12 (1) (intro.) Each public utility and each regulated district shall furnish  
4 to the commission, in the form and at the time the commission requires, accounts,  
5 reports or other information which shows in itemized detail:

6           **SECTION 70.** 196.13 of the statutes is amended to read:

7           **196.13 Commission's report.** (1) The commission shall publish biennial  
8 reports showing its proceedings together with any financial or other data which  
9 concerns and is appropriate for all public utilities or all regulated districts and may  
10 publish any other report related to public utilities or regulated districts.

11           (2) The commission shall publish in its reports the value of all the property  
12 actually used and useful for the convenience of the public of a regulated district or  
13 a public utility, other than a telecommunications utility, if the commission has held  
14 a hearing on the regulated district's or public utility's rates, charges, service or  
15 regulations or if the commission has otherwise determined the value of the regulated  
16 district's or public utility's property.

17           **SECTION 71.** 196.14 of the statutes is amended to read:

18           **196.14 Public record exception.** The commission may withhold from public  
19 inspection any information which would aid a competitor of a public utility or a  
20 regulated district in competition with the public utility or regulated district.

21           **SECTION 72.** 196.15 of the statutes is amended to read:

22           **196.15 Units of product or service.** The commission shall prescribe for  
23 regulated districts and for each kind of public utility, other than a  
24 telecommunications utility, suitable and convenient standard commercial units of  
25 product or service.

1           **SECTION 73.** 196.16 (1) of the statutes is amended to read:

2           196.16 (1) The commission shall fix adequate and serviceable standards for the  
3 measurement of quality, pressure, initial voltage or other condition pertaining to the  
4 supply of the product or service rendered by a public utility or regulated district. The  
5 commission shall prescribe reasonable regulations for measurement, examination  
6 and testing of the product or service.

7           **SECTION 74.** 196.16 (2) of the statutes is amended to read:

8           196.16 (2) The commission shall establish reasonable rules, regulations,  
9 specifications and standards to secure the accuracy of all meters and appliances for  
10 measurement of public utility or regulated district service.

11          **SECTION 75.** 196.17 (1) of the statutes is amended to read:

12          196.17 (1) The commission shall provide for the examination and testing of  
13 every appliance used for measuring any product or service of a public utility or  
14 regulated district.

15          **SECTION 76.** 196.171 (1) of the statutes is amended to read:

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

24          **SECTION 77.** 196.171 (2) of the statutes is amended to read:

1           196.171 (2) No officer or agent of a public utility or regulated district may enter  
2 any premises under this section unless the officer or agent meets all of the following  
3 conditions:

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

6           (b) ~~Exhibits~~ The officer or agent exhibits written authority signed by the  
7 president, by a vice president and secretary, or by a vice president and assistant  
8 secretary of the public utility or regulated district. The authority of any officer or  
9 agent of a municipally owned public utility or regulated district shall be signed by  
10 the commissioner of public works or by any other official in charge of the public utility  
11 or regulated district.

12           **SECTION 78.** 196.18 of the statutes is amended to read:

13           **196.18 Entry upon premises.** The commission, its agents, experts or  
14 examiners may enter any premises occupied by a public utility or a regulated district  
15 to make any examination or test under this chapter and may set up and use on the  
16 premises any apparatus or appliance and occupy reasonable space for the  
17 examination or test.

18           **SECTION 79.** 196.19 (1) of the statutes is amended to read:

19           196.19 (1) Each public utility and each regulated district shall file with the  
20 commission schedules showing all rates, tolls and charges which it has established  
21 and which are in force at the time for any service performed by it within the state,  
22 or for any service in connection therewith or performed by any public utility or  
23 regulated district controlled or operated by it. The rates, tolls and charges shown on  
24 such schedules may not be changed except as provided under this chapter.

25           **SECTION 80.** 196.19 (2) of the statutes is amended to read:

1           196.19 (2) Every public utility and every regulated district shall file with and  
2 as a part of such schedule all rules and regulations that, in the judgment of the  
3 commission, in any manner affect the service or product, or the rates charged or to  
4 be charged for any service or product, as well as any contracts, agreements or  
5 arrangements relating to the service or product or the rates to be charged for any  
6 service or product to which the schedule is applicable as the commission may by  
7 general or special order direct.

8           **SECTION 81.** 196.19 (3) of the statutes is amended to read:

9           196.19 (3) A copy of as much of the schedules filed under sub. (1) as the  
10 commission determines necessary for the use of the public shall be printed in plain  
11 type, and kept on file in every public utility or regulated district station or office  
12 where payments are made by consumers in a form and place readily accessible to the  
13 public.

14           **SECTION 82.** 196.19 (4) of the statutes is amended to read:

15           196.19 (4) If a schedule of joint rates or charges is in force between public  
16 utilities or regulated districts, the schedule shall be printed and filed with the  
17 commission under sub. (1). The commission shall determine the portion of the  
18 schedule necessary for the use of the public. The public utilities or regulated districts  
19 shall file the portion of the schedule under sub. (3).

20           **SECTION 83.** 196.19 (6) of the statutes is amended to read:

21           196.19 (6) The commission may prescribe the form in which any schedule is  
22 issued under this section by any public utility or regulated district.

23           **SECTION 84.** 196.20 (1) of the statutes is amended to read:

24           196.20 (1) The rate schedules of any public utility or regulated district shall  
25 include all rules applicable to the rendition or discontinuance of the service to which

1 the rates specified in the schedules are applicable. No change may be made by any  
2 public utility or regulated district in its schedules except by filing the change as  
3 proposed with the commission. Except for a telecommunications utility, no change  
4 in any public utility or regulated district rule which purports to curtail the obligation  
5 or undertaking of service of the public utility or regulated district shall be effective  
6 without the written approval of the commission after hearing, except that the  
7 commission, by emergency order, may make the rule, as filed, effective from the date  
8 of the order, pending final approval of the rule after hearing.

9 **SECTION 85.** 196.20 (2) (a) 2. of the statutes is amended to read:

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

13 **SECTION 86.** 196.20 (2) (b) of the statutes is amended to read:

14 196.20 (2) (b) 1. A suspension under par. (a) 1. shall be effective for a period not  
15 exceeding 4 months, during which period the commission shall investigate any  
16 matter relative to the reasonableness or lawfulness of any change in schedule as  
17 filed. After the investigation the commission, by order, shall approve or disapprove  
18 the change, except as provided under subd. 2. The commission shall give the public  
19 utility or regulated district proposing the change an opportunity for hearing prior to  
20 issuing any order disapproving a change. If the commission disapproves the change,  
21 the change shall be ineffective.

22 2. If the commission orders a suspension under par. (a) 1., the commission, after  
23 notice to the public utility or regulated district of its objections to the change and  
24 after giving the public utility or regulated district an opportunity to be heard on the  
25 objections, may prescribe a schedule which, revised on the basis of the objections, the

1 commission finds to be lawful and reasonable instead of disapproving the schedule  
2 under subd. 1.

3 **SECTION 87.** 196.21 of the statutes is amended to read:

4 **196.21 Publicity of revised schedules.** ~~A~~ Each public utility and each  
5 regulated district shall file new schedules under s. 196.19 in every station and office  
6 of the public utility or regulated district where consumers make payments. ~~A~~ The  
7 public utility or regulated district shall file new schedules under this section at least  
8 10 days prior to the time the new schedules take effect unless the commission  
9 prescribes a shorter time period.

10 **SECTION 88.** 196.22 of the statutes is amended to read:

11 **196.22 Discrimination forbidden.** No public utility or regulated district  
12 may charge, demand, collect or receive more or less compensation for any service  
13 performed by it within the state, or for any service in connection therewith, than is  
14 specified in the schedules for the service filed under s. 196.19, including schedules  
15 of joint rates, as may at the time be in force, or demand, collect or receive any rate,  
16 toll or charge not specified in the schedule.

17 **SECTION 89.** 196.24 (1) of the statutes is amended to read:

18 196.24 (1) For the purpose of making any investigation with regard to any  
19 public utility or regulated district the commission may appoint, by an order in  
20 writing, an agent whose duties shall be prescribed in the order.

21 **SECTION 90.** 196.25 (1) of the statutes is amended to read:

22 196.25 (1) If a public utility or a regulated district receives from the commission  
23 any questionnaire, the public utility or regulated district shall respond fully,  
24 specifically and correctly to each question. If a public utility or regulated district is  
25 unable to answer any question, the public utility or regulated district shall give a

1 good and sufficient reason for its failure. Every answer by a public utility or a  
2 regulated district under this section shall be verified under oath by the president,  
3 secretary, superintendent or general manager of the public utility, or in the case of  
4 a regulated district by the executive director, and returned to the commission at its  
5 office within the period fixed by the commission.

6 **SECTION 91.** 196.25 (2) of the statutes is amended to read:

7 196.25 (2) If required by the commission, a public utility or regulated district  
8 shall deliver to the commission the original or a copy of any map, profile, contract or  
9 engineer's report and any other document, book, account, paper or record with a  
10 complete inventory of all its property, in such form as the commission directs.

11 **SECTION 92.** 196.26 (1) of the statutes is amended to read:

12 196.26 (1) COMPLAINT. In this section, "complaint" means a complaint filed with  
13 the commission that any rate, toll, charge or schedule, joint rate, regulation,  
14 measurement, act or practice relating to the provision of heat, light, water, power,  
15 sewerage service or telephone service is unreasonable, inadequate, unjustly  
16 discriminatory or cannot be obtained.

17 **SECTION 93.** 196.26 (1m) of the statutes is amended to read:

18 196.26 (1m) COMPLAINT AND INVESTIGATION. If any mercantile, agricultural or  
19 manufacturing society, body politic, municipal organization or 25 persons file a  
20 complaint against a public utility or a regulated district, the commission, with or  
21 without notice, may investigate the complaint as it deems necessary. The  
22 commission may not issue an order based on the investigation without a public  
23 hearing.

24 **SECTION 94.** 196.26 (2) (a) of the statutes is amended to read:

1           196.26 (2) (a) Prior to a hearing under this section, the commission shall notify  
2 the public utility or regulated district complained of that a complaint has been made,  
3 and 10 days after the notice has been given the commission may proceed to set a time  
4 and place for a hearing and an investigation.

5           **SECTION 95.** 196.26 (2) (b) of the statutes is amended to read:

6           196.26 (2) (b) The commission shall give the public utility or regulated district  
7 which is the subject of a complaint filed under sub. (1) and the complainant 10 days'  
8 notice of the time and place of the hearing and the matter to be considered and  
9 determined at the hearing. The complainant, and the public utility or regulated  
10 district, may be heard. The commission may subpoena any witness at the request  
11 of the public utility, the regulated district or complainant.

12           **SECTION 96.** 196.28 (1) of the statutes is amended to read:

13           196.28 (1) If the commission believes that any rate or charge is unreasonable  
14 or unjustly discriminatory or that any service is inadequate or cannot be obtained  
15 or that an investigation of any matter relating to any public utility or regulated  
16 district should for any reason be made, the commission on its own motion summarily  
17 may investigate with or without notice.

18           **SECTION 97.** 196.28 (3) of the statutes is amended to read:

19           196.28 (3) Notice of the time and place for a hearing under sub. (2) shall be  
20 given to the public utility or regulated district, and to such other interested persons  
21 as the commission deems necessary. After the notice has been given, proceedings  
22 shall be had and conducted in reference to the matter investigated as if a complaint  
23 had been filed with the commission under s. 196.26 (1) relative to the matter  
24 investigated. The same order or orders may be made in reference to the matter as  
25 if the investigation had been made on complaint under s. 196.26.

1           **SECTION 98.** 196.30 of the statutes is amended to read:

2           **196.30 Utilities may complain.** Any public utility or regulated district may  
3 file a complaint with the commission on any matter affecting its own product or  
4 service.

5           **SECTION 99.** 196.31 (1) (intro.) of the statutes is amended to read:

6           196.31 (1) (intro.) In any proceeding before the commission, the commission  
7 may compensate any participant in the proceeding who is not a public utility or  
8 regulated district, for some or all of the reasonable costs of participation in the  
9 proceeding if the commission finds that:

10          **SECTION 100.** 196.31 (2) of the statutes is amended to read:

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

19          **SECTION 101.** 196.37 (3) of the statutes is amended to read:

20          196.37 (3) Any public utility or regulated district to which an order under this  
21 section applies shall make such changes in schedules on file under s. 196.19 to make  
22 the schedules conform to the order. The public utility or regulated district may not  
23 make any subsequent change in rates, tolls or charges without the approval of the  
24 commission, except as provided in s. 196.205 or 196.215 (2).

25          **SECTION 102.** 196.39 of the statutes is amended to read:

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

The commission at any time, on its own motion or upon motion of an interested party, and upon notice to the public utility or regulated district and after opportunity to be heard, may rescind, alter or amend any order fixing rates, tolls, charges or schedules, or any other order made by the commission, and may reopen any case following the issuance of an order in the case, for any reason. Any order rescinding, altering, amending or reopening a prior order shall have the same effect as an original order. Within 30 days after service of an order, the commission may correct an error or omission in the order related to transcription, typing or calculation without hearing if the correction does not alter the intended effect of the order.

**SECTION 103.** 196.44 (1) of the statutes is amended to read:

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

**SECTION 104.** 196.44 (2) of the statutes is amended to read:

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

**SECTION 105.** 196.44 (2) of the statutes, as affected by 1993 Wisconsin Act 496 and 1995 Wisconsin Act .... (this act), is repealed and recreated to read:

1           196.44 (2) DUTIES OF ATTORNEY GENERAL AND DISTRICT ATTORNEYS. (a) Upon  
2 request of the commission, the attorney general or the district attorney of the proper  
3 county shall aid in any investigation, hearing or trial had under this chapter, and  
4 shall institute and prosecute all necessary actions or proceedings for the enforcement  
5 of all laws relating to public utilities and regulated districts, and for the punishment  
6 of all violations.

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

13           **SECTION 106.** 196.49 (2) of the statutes is amended to read:

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

1 cooperative association has entered into a loan agreement with any federal agency  
2 for the financing of its proposed system and has given written notice of the agreement  
3 to the commission, no public utility may begin any construction, installation or  
4 operation within the territory until 12 months after the date of the loan agreement.

5 **SECTION 107.** 196.49 (3) (a) of the statutes is amended to read:

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

13 **SECTION 108.** 196.49 (3) (b) (intro.) of the statutes is amended to read:

14 196.49 (3) (b) (intro.) Except as provided in ~~par.~~ pars. (d) and (e), the  
15 commission may require by rule or special order under par. (a) that no project may  
16 proceed until the commission has certified that public convenience and necessity  
17 require the project. The commission may refuse to certify a project if it appears that  
18 the completion of the project will do any of the following:

19 **SECTION 109.** 196.49 (3) (b) 1. of the statutes is amended to read:

20 196.49 (3) (b) 1. Substantially impair the efficiency of the service of the public  
21 utility or regulated district.

22 **SECTION 110.** 196.49 (3) (b) 3. of the statutes is amended to read:

23 196.49 (3) (b) 3. When placed in operation, add to the cost of service without  
24 proportionately increasing the value or available quantity of service unless the

1 public utility or regulated district waives consideration by the commission, in the  
2 fixation of rates, of such consequent increase of cost of service.

3 **SECTION 111.** 196.49 (3) (e) of the statutes is created to read:

4 196.49 (3) (e) Before the first day of the 13th month beginning after the  
5 effective date of this paragraph .... [revisor inserts date], this subsection does not  
6 apply to a project with a total cost that is not more than \$1,000,000. Beginning on  
7 the first day of the 13th month beginning after the effective date of this paragraph  
8 .... [revisor inserts date], this subsection does not apply to any project of a regulated  
9 district that does not exceed a dollar amount established by the commission by rule.

10 **SECTION 112.** 196.49 (6) of the statutes is amended to read:

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

20 **SECTION 113.** 196.525 (1) (intro.) of the statutes is amended to read:

21 196.525 (1) (intro.) Except under rules prescribed by the commission, a public  
22 utility or regulated district may not lend funds or credit to any of its officers or  
23 directors by any of the following and a regulated district or a public utility other than  
24 a telecommunications utility may not lend funds or credit to any corporation, except  
25 a public utility or regulated district subject to the regulatory powers of the

1 commission, if the corporation holds, directly or indirectly through any chain of  
2 ownership, 5% or more of the voting stock of the public utility or renders any  
3 managerial, supervising, engineering, legal, accounting or financial service to the  
4 public utility or regulated district by any of the following:

5 **SECTION 114.** 196.525 (2) of the statutes is amended to read:

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

13 **SECTION 115.** 196.525 (3) of the statutes is amended to read:

14 196.525 (3) Any director, treasurer or other officer or agent of a public utility  
15 who makes or votes to authorize a transaction in violation of this section may be fined  
16 not more than \$10,000. Any commissioner, officer or agent of a regulated district who  
17 makes or votes to authorize a transaction in violation of this section may be fined not  
18 more than \$10,000.

19 **SECTION 116.** 196.58 (1) (a) of the statutes is amended to read:

20 196.58 (1) (a) Determine by contract, ordinance or resolution the quality and  
21 character of each kind of product or service to be furnished or rendered by any public  
22 utility or regulated district within the municipality and all other terms and  
23 conditions, consistent with this chapter and ch. 197, upon which the public utility or  
24 regulated district may be permitted to occupy the streets, highways or other public

1 places within the municipality. The contract, ordinance or resolution shall be in force  
2 and on its face reasonable.

3 **SECTION 117.** 196.58 (1) (b) of the statutes is amended to read:

4 196.58 (1) (b) Require of any public utility or regulated district any addition  
5 or extension to its physical plant within the municipality as shall be reasonable and  
6 necessary in the interest of the public, and designate the location and nature of the  
7 addition or extension, the time within which it must be completed, and any condition  
8 under which it must be constructed, subject to review by the commission under sub.  
9 (4).

10 **SECTION 118.** 196.58 (4) of the statutes is amended to read:

11 196.58 (4) Upon complaint made by a public utility, a regulated district or by  
12 any qualified complainant under s. 196.26, the commission shall set a hearing and  
13 if it finds a contract, ordinance or resolution under sub. (1) to be unreasonable, the  
14 contract, ordinance or resolution shall be void.

15 **SECTION 119.** 196.58 (5) of the statutes is amended to read:

16 196.58 (5) The commission shall have original and concurrent jurisdiction with  
17 municipalities to require extensions of service and to regulate service of public  
18 utilities and regulated districts. Nothing in this section shall limit the power of the  
19 commission to act on its own motion to require extensions of service and to regulate  
20 the service of public utilities and regulated districts.

21 **SECTION 120.** 196.595 (title) of the statutes is amended to read:

22 **196.595** (title) ~~Utility advertising~~ **Advertising practices**.

23 **SECTION 121.** 196.595 (1) (a) 1. of the statutes is amended to read:

1           196.595 (1) (a) 1. Printed and published material and descriptive literature of  
2 a public utility or a regulated district used in newspapers, magazines, radio and TV  
3 scripts, billboards and similar displays.

4           **SECTION 122.** 196.595 (1) (a) 1m. of the statutes is amended to read:

5           196.595 (1) (a) 1m. Any material which provides information favorable to a  
6 public utility or a regulated district on any issue about which the utility or district  
7 is attempting to influence legislative or administrative action by direct oral or  
8 written communication with any elective state official, agency official or legislative  
9 employe if the practice is regulated under subch. III of ch. 13.

10          **SECTION 123.** 196.595 (1) (a) 2. of the statutes is amended to read:

11          196.595 (1) (a) 2. Descriptive literature and sales aids of all kinds issued by a  
12 public utility or a regulated district for presentation to utility or district consumers  
13 and other members of the public, including but not limited to any material enclosed  
14 with or added to a utility billing statement, circulars, leaflets, booklets, depictions,  
15 illustrations and form letters.

16          **SECTION 124.** 196.595 (1) (a) 4. of the statutes is amended to read:

17          196.595 (1) (a) 4. Other materials and procedures enumerated by rule of the  
18 commission which promote or provide information to the public about a public utility  
19 or a regulated district.

20          **SECTION 125.** 196.595 (1) (b) of the statutes is amended to read:

21          196.595 (1) (b) “Expenditure” means any cost of advertising directly incurred  
22 by a public utility or a regulated district and any cost of advertising incurred by  
23 contribution to parent or affiliated companies or to trade associations.

24          **SECTION 126.** 196.595 (2) (intro.) of the statutes is amended to read:

1           196.595 (2) (intro.) A public utility and a regulated district may not charge its  
2 ratepayers for any expenditure for advertising unless the advertising:

3           **SECTION 127.** 196.60 (1) of the statutes is amended to read:

4           196.60 (1) (a) Except as provided under sub. (2), ~~no a public utility, and no~~  
5 regulated district, or an agent, as defined in s. 196.66 (3) (a), or officer of a public  
6 utility or regulated district, directly or indirectly, may not charge, demand, collect or  
7 receive from any person more or less compensation for any service rendered or to be  
8 rendered by it in or affecting or relating to the production, transmission, delivery or  
9 furnishing of heat, light, water, sewerage service, telecommunications service or  
10 power or for any service in connection therewith, than that prescribed in the  
11 published schedules or tariffs then in force, or established under this chapter, or than  
12 it charges, demands, collects or receives from any other person for a like  
13 contemporaneous service.

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

18           **SECTION 128.** 196.60 (3) of the statutes is amended to read:

19           196.60 (3) If a public utility or regulated district gives an unreasonable  
20 preference or advantage to any person or subjects any person to any unreasonable  
21 prejudice or disadvantage, the public utility ~~shall be deemed~~ or regulated district is  
22 guilty of unjust discrimination. A public utility ~~violating~~ or a regulated district that  
23 violates this subsection shall forfeit not less than \$50 nor more than \$5,000 for each  
24 offense.

25           **SECTION 129.** 196.604 of the statutes is amended to read:

1           **196.604 Rebates, concessions and discriminations unlawful.** No person  
2 may knowingly solicit, accept or receive any rebate, concession or discrimination  
3 from a public utility or regulated district for any service in or affecting or relating to  
4 the production, transmission, delivery or furnishing of heat, light, water, sewerage  
5 service or power or the conveying of telephone messages within this state or for any  
6 connected service whereby the service is rendered or is to be rendered free or at a rate  
7 less than the rate named in the schedules and tariffs in force, or whereby any other  
8 service or advantage is received. Any person violating this section shall be fined not  
9 less than \$50 nor more than \$5,000 for each offense.

10           **SECTION 130.** 196.61 of the statutes is amended to read:

11           **196.61 Facilities in exchange for compensation prohibited.** A public  
12 utility or regulated district may not demand, charge, collect or receive from any  
13 person less compensation for any service rendered or to be rendered by the public  
14 utility or regulated district in return for the furnishing by that person of any part of  
15 the facilities incident to the service. This section may not be construed to prohibit  
16 any public utility from renting any facility relating to the production, transmission,  
17 delivery or furnishing of heat, light, water, telecommunications service or power and  
18 from paying a reasonable rental for the facility. This section may not be construed  
19 to require any public utility or regulated district to furnish any part of any appliance  
20 which is at the premises of any consumer, except meters and appliances for  
21 measurements of any product or service, unless the commission orders otherwise.

22           **SECTION 131.** 196.635 (intro.) of the statutes is amended to read:

23           **196.635 Unbilled utility service.** (intro.) All service supplied by a public  
24 utility or regulated district must be billed within 2 years of such service. No customer  
25 shall be liable for unbilled service 2 years after the date of the service unless:

1           **SECTION 132.** 196.635 (1) of the statutes is amended to read:

2           196.635 (1) The public utility or regulated district made a reasonable effort to  
3 measure the service, but the customer did not allow the public utility or regulated  
4 district access to any device, including but not limited to a meter, necessary to  
5 measure service.

6           **SECTION 133.** 196.64 (title) of the statutes is amended to read:

7           **196.64 (title) Public utilities and regulated districts, liability for treble**  
8 **damages.**

9           **SECTION 134.** 196.64 (1) of the statutes is amended to read:

10          196.64 (1) If a director, officer, employe or agent of a public utility or a  
11 commissioner, officer, employe or agent of a regulated district, in the course of the  
12 discharge of his or her duties, wilfully, wantonly or recklessly does, causes or permits  
13 to be done any matter, act or thing prohibited or declared to be unlawful under this  
14 chapter or ch. 197, or wilfully, wantonly or recklessly fails to do any act, matter or  
15 thing required to be done under this chapter, the public utility ~~shall be~~ or regulated  
16 district is liable to the person injured thereby in treble the amount of damages  
17 sustained in consequence of the violation. ~~No A recovery as in~~ under this section  
18 ~~provided shall~~ does not affect a recovery by the state of the penalty prescribed for  
19 such violation.

20          **SECTION 135.** 196.643 (1) of the statutes is amended to read:

21          196.643 (1) RESPONSIBLE PARTY. When a customer terminates service to the  
22 customer's rental dwelling unit, a public utility or regulated district shall make  
23 reasonable attempt to identify the party responsible for service to the rental dwelling  
24 unit after the customer's termination. If a responsible party cannot be identified, the  
25 public utility or regulated district may give the owner written notice by regular or

1 other mail of the public utility's intent to hold the owner responsible for service to the  
2 rental dwelling unit. The owner shall not be responsible for service if the public  
3 utility does not give the notice under this subsection or if, within 15 days after the  
4 date the notice is mailed, the owner notifies the public utility or regulated district  
5 of the name of the party responsible for service to the rental dwelling unit or notifies  
6 the public utility or regulated district that service to the rental dwelling unit should  
7 be terminated and affirms that service termination will not endanger human health  
8 or life or cause damage to property.

9 **SECTION 136.** 196.65 (1) (intro.) of the statutes is amended to read:

10 196.65 (1) (intro.) An officer of a public utility or of a regulated district shall  
11 be fined not less than \$100 nor more than \$2,500, or an agent, as defined in s. 196.66  
12 (3) (a), shall be fined not less than \$100 nor more than \$5,000 or an employe of a  
13 public utility or of a regulated district shall be fined not less than \$100 nor more than  
14 \$1,000 for each offense if the officer, agent or employe does any of the following:

15 **SECTION 137.** 196.65 (1) (e) of the statutes is amended to read:

16 196.65 (1) (e) Upon proper demand, fails or refuses to exhibit to the commission  
17 or any commissioner or any person authorized to examine it any record of the public  
18 utility or regulated district which is in the possession or under the control of the  
19 officer, agent or employe.

20 **SECTION 138.** 196.65 (2) of the statutes is amended to read:

21 196.65 (2) A penalty of not less than \$500 nor more than \$5,000 shall be  
22 recovered from the public utility or regulated district for each offense under sub. (1)  
23 if the officer, agent or employe of the public utility or of the regulated district acted  
24 in obedience to the direction, instruction or request of the public utility, the regulated  
25 district, or any general officer of the public utility or regulated district.

1           **SECTION 139.** 196.66 (1) of the statutes is amended to read:

2           196.66 (1) GENERAL FORFEITURE; FAILURE TO OBEY. If any public utility or  
3 regulated district violates this chapter or ch. 197 or fails or refuses to perform any  
4 duty enjoined upon it for which a penalty has not been provided, or fails, neglects or  
5 refuses to obey any lawful requirement or order of the commission or the governing  
6 body of a municipality or a sanitary commission or any judgment or decree of any  
7 court upon its application, for every violation, failure or refusal the public utility or  
8 regulated district shall forfeit not less than \$25 nor more than \$5,000.

9           **SECTION 140.** 196.66 (2) of the statutes is amended to read:

10           196.66 (2) EACH DAY SEPARATE OFFENSE. Every day during which any public  
11 utility, regulated district or any officer, agent, as defined in sub. (3) (a), or employe  
12 of a public utility or regulated district fails to comply with any order or direction of  
13 the commission or to perform any duty enjoined by this chapter or ch. 197 shall  
14 constitute a separate and distinct violation under sub. (1). If the order is suspended,  
15 stayed or enjoined, this penalty shall not accrue.

16           **SECTION 141.** 196.66 (3) (a) of the statutes is amended to read:

17           196.66 (3) (a) In this subsection, “agent” means an authorized person who acts  
18 on behalf of or at the direction of a public utility or a regulated district. “Agent” does  
19 not include a director, officer or employe of a public utility or a regulated district.

20           **SECTION 142.** 196.66 (3) (b) (intro.) of the statutes is amended to read:

21           196.66 (3) (b) (intro.) A court imposing a forfeiture on a public utility, regulated  
22 district or an agent, director, officer or employe of a public utility or an agent,  
23 commissioner, officer or employe of a regulated district under this chapter shall  
24 consider all of the following in determining the amount of the forfeiture:

25           **SECTION 143.** 196.66 (3) (b) 1. of the statutes is amended to read:

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

3           **SECTION 144.** 196.66 (3) (b) 3. of the statutes is amended to read:

4           196.66 (3) (b) 3. Any good faith attempt to achieve compliance after the public  
5 utility, regulated district, agent, director, commissioner, officer or employe receives  
6 notice of the violation.

7           **SECTION 145.** 196.66 (4) (b) of the statutes is amended to read:

8           196.66 (4) (b) If a public utility or a regulated district fails to comply with any  
9 rule, order or direction of the commission after actual receipt by the public utility or  
10 regulated district of written notice from the commission specifying the failure, the  
11 maximum forfeiture under sub. (1) shall be \$15,000.

12           **SECTION 146.** 196.68 of the statutes is amended to read:

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

22           **SECTION 147.** 196.69 of the statutes is amended to read:

23           **196.69 Interference with commission's equipment.** (1) If any person  
24 destroys, injures or interferes with any apparatus or appliance owned, in the charge  
25 of or operated by the commission or its agent, the person shall be fined not more than

1 \$5,000 or imprisoned for not more than 30 days or both if the person is a public utility,  
2 regulated district or an agent, as defined in s. 196.66 (3) (a), fined not more than  
3 \$2,500 or imprisoned for not more than 30 days or both if the person is a director or  
4 officer of a public utility or a commissioner or officer of a regulated district, or fined  
5 not more than \$1,000 or imprisoned for not more than 30 days or both if the person  
6 is an employe of a public utility or a regulated district.

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

9 **SECTION 148.** 196.70 of the statutes is amended to read:

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

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

20 **SECTION 149.** 196.72 (title) of the statutes is amended to read:

21 **196.72 (title) Accidents; ~~public utility report; investigation.~~**

22 **SECTION 150.** 196.72 (1) (a) of the statutes is amended to read:

23 196.72 (1) (a) The commission may issue orders or rules, after hearing,  
24 requiring public utilities and regulated districts to record or report accidents which  
25 occur upon the ~~public utilities'~~ premises of public utilities or regulated districts or

1 which arise directly or indirectly from, or are connected with, the ~~public utilities'~~  
2 maintenance or operation of the public utilities or regulated districts.

3 **SECTION 151.** 196.72 (2) of the statutes is amended to read:

4 196.72 (2) The commission shall investigate any accident under sub. (1) if the  
5 commission deems that the public interest requires it. The commission shall hold  
6 the investigation in the locality of the accident, unless it is more convenient to hold  
7 it at some other place. The commission may adjourn the investigation from place to  
8 place. The commission shall give the public utility or regulated district reasonable  
9 notice of the time and place of the investigation.

10 **SECTION 152.** 196.78 of the statutes is amended to read:

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

19 **SECTION 153.** 196.79 (1) of the statutes is amended to read:

20 196.79 (1) Except as provided in sub. (2), the reorganization of any public  
21 utility ~~shall be~~ or regulated district is subject to the supervision and control of the  
22 commission. No reorganization may take effect without the written approval of the  
23 commission. The commission may not approve any plan of reorganization unless the  
24 applicant for approval establishes that the plan of reorganization is consistent with  
25 the public interest.

1           **SECTION 154.** 196.80 (1s) of the statutes is created to read:

2           196.80 (1s) With the consent and approval of the commission but not otherwise  
3 a regulated district may:

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

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

7           **SECTION 155.** 196.80 (3) of the statutes is amended to read:

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

19           **SECTION 156.** 196.81 (1) of the statutes is amended to read:

20           196.81 (1) No A public utility or regulated district may not abandon or  
21 discontinue any line or extension or service thereon without first securing the  
22 approval of the commission. In granting its approval, the commission may impose  
23 any term, condition or requirement it deems necessary to protect the public interest.  
24 If a public utility or regulated district abandons or discontinues a line or extension  
25 or service thereon upon receiving commission approval, the public utility ~~shall be~~

1 ~~deemed to have waived~~ or regulated district waives any objection to any term,  
2 condition or requirement imposed by the commission in granting the approval.

3 **SECTION 157.** 196.85 (1) of the statutes is amended to read:

4 196.85 (1) If the commission in a proceeding upon its own motion, on complaint,  
5 or upon an application to it deems it necessary in order to carry out the duties  
6 imposed upon it by law to investigate the books, accounts, practices and activities of,  
7 or make appraisals of the property of any public utility, regulated district, power  
8 district or sewerage system or to render any engineering or accounting services to  
9 any public utility, regulated district, power district or sewerage system, the public  
10 utility, regulated district, power district or sewerage system shall pay the expenses  
11 attributable to the investigation, including the cost of litigation, appraisal or service.  
12 The commission shall mail a bill for the expenses to the public utility, regulated  
13 district, power district or sewerage system either at the conclusion of the  
14 investigation, appraisal or services, or during its progress. The bill constitutes notice  
15 of the assessment and demand of payment. The public utility, regulated district,  
16 power district or sewerage system shall, within 30 days after the mailing of the bill  
17 pay to the commission the amount of the special expense for which it is billed. Ninety  
18 percent of the payment shall be credited to the appropriation account under s. 20.155  
19 (1) (g). The total amount in any one calendar year for which any public utility,  
20 regulated district, power district or sewerage system is liable, by reason of costs  
21 incurred by the commission within the calendar year, including charges under s.  
22 184.10 (3), may not exceed four-fifths of one percent of its gross operating revenues  
23 derived from intrastate operations in the last preceding calendar year. Nothing in  
24 this subsection shall prevent the commission from rendering bills in one calendar  
25 year for costs incurred within a previous year. For the purpose of calculating the

1 costs of investigations, appraisals and other services under this subsection, 90% of  
2 the costs determined shall be costs of the commission and 10% of the costs  
3 determined shall be costs of state government operations.

4 **SECTION 158.** 196.85 (2) of the statutes is amended to read:

5 196.85 (2) The commission shall annually, within 90 days of the  
6 commencement of each fiscal year, calculate the total of its expenditures during the  
7 prior fiscal year which are reasonably attributable to the performance of its duties  
8 relating to public utilities, regulated districts, sewerage systems and power districts  
9 under this chapter and chs. 66, 184 and 198 and expenditures of the state for state  
10 government operations to support the performance of such duties. For purposes of  
11 such calculation, 90% of the expenditures so determined shall be expenditures of the  
12 commission and 10% of the expenditures so determined shall be expenditures for  
13 state government operations. The commission shall deduct from this total all  
14 amounts chargeable to public utilities, regulated districts, sewerage systems and  
15 power districts under sub. (1) and s. 184.10 (3). The commission shall assess a sum  
16 equal to the remainder plus 10% of the remainder to the public utilities, regulated  
17 districts and power districts in proportion to their respective gross operating  
18 revenues during the last calendar year, derived from intrastate operations. If, at the  
19 time of payment, the prior year's expenditures made under this section exceeded the  
20 payment made under this section in the prior year, the commission shall charge the  
21 remainder to the public utilities, regulated districts and power districts in proportion  
22 to their gross operating revenues during the last calendar year. If, at the time of  
23 payment it is determined that the prior year's expenditures made under this section  
24 were less than the payment made under this section in the prior year, the commission  
25 shall credit the difference to the current year's payment. The assessment shall be

1 paid within 30 days after the bill has been mailed to the public utilities, regulated  
2 districts and power districts. The bill constitutes notice of the assessment and  
3 demand of payment. Ninety percent of the payment shall be credited to the  
4 appropriation account under s. 20.155 (1) (g).

5 **SECTION 159.** 196.85 (3) of the statutes is amended to read:

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

20 **SECTION 160.** 196.85 (4) (a) of the statutes is amended to read:

21 196.85 (4) (a) Within 30 days after the date of the mailing of any bill under subs.  
22 (1) and (2) the public utility, regulated district, sewerage system or power district  
23 that has been billed may file with the commission objections setting out in detail the  
24 grounds upon which the objector regards the bill to be excessive, erroneous, unlawful  
25 or invalid. The commission, after notice to the objector, shall hold a hearing upon the

1 objections, from 5 to 10 days after providing the notice. If after the hearing the  
2 commission finds any part of the bill to be excessive, erroneous, unlawful or invalid  
3 it shall record its findings upon its minutes and transmit to the objector by registered  
4 mail an amended bill, in accordance with the findings. The amended bill shall have  
5 the same force and effect under this section as an original bill rendered under subs.  
6 (1) and (2).

7 **SECTION 161.** 196.85 (5) of the statutes is amended to read:

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

19 **SECTION 162. Nonstatutory provisions; natural resources.**

20 (1) RULE MAKING. The department of natural resources shall submit in  
21 proposed form any rules necessary to implement the memorandum of understanding  
22 under section 196.025 (2) of the statutes, as created by this act, to the legislative  
23 council staff under section 227.15 (1) of the statutes no later than the first day of the  
24 19th month beginning after the effective date of this subsection.

25 **SECTION 163. Nonstatutory provisions; public service commission.**

1 (1) INITIAL FILINGS OF RATES AND SCHEDULES.

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

7 (b) No later than 90 days after the effective date of this paragraph, a regulated  
8 district, as defined in section 196.01 (6m) of the statutes, as created by this act, shall  
9 file its initial schedule of rates, tolls and charges under section 196.19 of the statutes,  
10 as affected by this act. The initial filing of the schedule under this paragraph shall  
11 be treated as a change constituting an increase in rates under sections 196.03, 196.20  
12 and 196.37 of the statutes, as affected by this act.

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

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

20 (2) RULE MAKING.

21 (a) The public service commission shall submit in proposed form the rules  
22 required under section 196.49 (3) (e) of the statutes, as created by this act, to the  
23 legislative council staff under section 227.15 (1) of the statutes no later than the first  
24 day of the 7th month beginning after the effective date of this paragraph.

1 (b) The public service commission shall submit in proposed form any rules  
2 necessary to implement the memorandum of understanding under section 196.025  
3 (2) of the statutes, as created by this act, to the legislative council staff under section  
4 227.15 (1) of the statutes no later than the first day of the 19th month beginning after  
5 the effective date of this paragraph.

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

10 (4) PUBLIC SERVICE COMMISSION STUDY. The public service commission shall  
11 study the likely effects of any sale or lease of the assets of a metropolitan sewerage  
12 district created under section 66.882 of the statutes on the rates charged for  
13 sewerage services in the metropolitan sewerage district. No later than 6 months  
14 after the public service commission completes its review of the initial filing of the  
15 schedule under subsection (1) (b), the public service commission shall report the  
16 results of its study to the legislature in the manner provided under section 13.172  
17 (2) of the statutes, to the metropolitan sewerage district and to the governor.

18 (5) PROJECT POSITION AUTHORIZATION. The authorized FTE positions for the  
19 public service commission are increased by 1.0 PR project position to support the  
20 public service commission's regulatory responsibilities associated with regulated  
21 districts, as defined under section 196.01 (6m) of the statutes, as created by this act,  
22 for the period beginning on July 1, 1996, and ending on June 30, 1998, to be funded  
23 from the appropriation under section 20.155 (1) (g) of the statutes.

24 **SECTION 164. Appropriation changes.**

1           (1) PERMANENT POSITION AUTHORIZATIONS AND FUNDING. In the schedule under  
2 section 20.005 (3) of the statutes for the appropriation to the public service  
3 commission under section 20.155 (1) (g) of the statutes, as affected by the acts of 1995,  
4 the dollar amount is increased by \$230,100 for fiscal year 1996–97 to increase the  
5 authorized FTE positions for the public service commission by 5.0 PR positions to  
6 support the public service commission’s regulatory responsibilities associated with  
7 regulated districts, as defined under section 196.01 (6m) of the statutes, as created  
8 by this act.

9           (2) PROJECT POSITION FUNDING. In the schedule under section 20.005 (3) of the  
10 statutes for the appropriation to the public service commission under section 20.155  
11 (1) (g) of the statutes, as affected by the acts of 1995, the dollar amount is increased  
12 by \$43,400 for fiscal year 1996–97 to fund 1.0 PR project position authorized under  
13 SECTION 163 (5) of this act.

14           (3) REGULATION OF REGULATED DISTRICTS. In the schedule under section 20.005  
15 (3) of the statutes for the appropriation to the public service commission under  
16 section 20.155 (1) (g) of the statutes, as affected by the acts of 1995, the dollar amount  
17 is increased by \$164,800 for fiscal year 1996–97 for the purpose of performing the  
18 public service commission’s regulatory responsibilities associated with regulated  
19 districts, as defined under section 196.01 (6m) of the statutes, as created by this act.

20           (4) INTERVENOR FINANCING. In the schedule under section 20.005 (3) of the  
21 statutes for the appropriation to the public service commission under section 20.155  
22 (1) (j) of the statutes, as affected by the acts of 1995, the dollar amount is increased  
23 by \$50,000 for fiscal year 1996–97 to provide intervenor financing for proceedings  
24 relating to regulated districts, as defined under section 196.01 (6m) of the statutes,  
25 as created by this act.

