



1997 SENATE BILL 111

March 11, 1997 - Introduced by Senators COWLES, DARLING, RUDE, SCHULTZ and FARROW, cosponsored by Representatives JENSEN, DUFF, GRONEMUS, AINSWORTH, URBAN, GOETSCH, MUSSER, NASS, F. LASEE, KELSO, LADWIG and SERATTI. Referred to Committee on Utility Regulation.

1 **AN ACT to renumber and amend** 196.595 (2) (b) 1. to 5.; **to consolidate,**
2 **renumber and amend** 196.595 (2) (intro.) and (b) (intro.); **to amend** 196.595
3 (1) (a) 1., 196.595 (1) (a) 1m., 196.595 (1) (a) 2., 196.595 (1) (a) 4., 196.595 (1) (b)
4 and 196.595 (1) (c); and **to create** 196.595 (1) (d) of the statutes; **relating to:**
5 advertising practices of public utilities and sewerage service providers.

Analysis by the Legislative Reference Bureau

Under current law, a public utility engaged in the transmission, delivery or furnishing of natural gas by means of pipes or mains, heat, light or power cannot charge its ratepayers for advertising expenditures, unless the advertising produces a demonstrated, direct and substantial benefit for ratepayers. Current law defines advertising broadly to include all printed and published material and descriptive literature of a public utility used in newspapers, magazines, radio and TV scripts, billboards and similar displays; information favorable to a public utility on any issue about which the utility is attempting to influence legislative or administrative action by direct oral or written communication; descriptive literature and sales aids of all kinds issued by a utility for presentation to utility consumers and other members of the public; prepared sales talks to the public; and public informational facilities. Current law restricts not only direct advertising expenditures, but also costs of advertising incurred by making contributions to parent or affiliated companies or to trade associations.

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This bill expands these restrictions on advertising to cover all water utilities and sewerage service providers, including lake districts, sanitary districts, sewerage districts and municipal sewerage systems.

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

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

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

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

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

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

12 **SECTION 3.** 196.595 (1) (a) 2. of the statutes is amended to read:

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

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

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1 196.595 (1) (a) 4. Other materials and procedures enumerated by rule of the
2 commission which promote or provide information to the public about a public utility
3 or a sewerage service provider.

4 **SECTION 5.** 196.595 (1) (b) of the statutes is amended to read:

5 196.595 (1) (b) “Expenditure” means any cost of advertising directly incurred
6 by a public utility or a sewerage service provider, and any cost of advertising incurred
7 by contribution to parent or affiliated companies or to trade associations.

8 **SECTION 6.** 196.595 (1) (c) of the statutes is amended to read:

9 196.595 (1) (c) “Public utility” in this section means any public utility, as
10 defined in s. 196.01, ~~engaged in the transmission, delivery or furnishing of natural~~
11 ~~gas by means of pipes or mains, heat, light or power.~~ “Public utility” does not include
12 ~~any cooperative association organized under ch. 185 (5), other than a~~
13 telecommunications utility.

14 **SECTION 7.** 196.595 (1) (d) of the statutes is created to read:

15 196.595 (1) (d) “Sewerage service provider” means a public inland lake
16 protection and rehabilitation district under subch. IV of ch. 33, a town sanitary
17 district under subch. IX of ch. 60, a municipal sewerage system under s. 66.076 or
18 a metropolitan sewerage district created under s. 66.22 or 66.882.

19 **SECTION 8.** 196.595 (2) (intro.) and (b) (intro.) of the statutes are consolidated,
20 renumbered 196.595 (2) (intro.) and amended to read:

21 196.595 (2) (intro.) A public utility or a sewerage service provider may not
22 charge its ratepayers for any expenditure for advertising unless the advertising:

23 ~~(b) Produces~~ produces a demonstrated, direct and substantial benefit for
24 ratepayers. ~~Advertising which produces a direct and substantial benefit for~~
25 ~~ratepayers is limited to advertising which~~ by doing at least one of the following:

