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1 the notification to the joint committee on finance, ~~if~~ within 14 working days after
 2 notification the committee does not schedule a meeting to review the division's
 3 proposed action. If, within 14 working days after notification to the joint committee
 4 on finance, the committee notifies the division that the committee has scheduled a
 5 meeting to review the division's proposed action, the division may enter into the
 6 proposed new contract or renew or extend the contract as proposed only if the
 7 committee approves that action. ~~Notwithstanding s. 13.10, the division may include~~
 8 ~~in its notification to the joint committee on finance a request for approval of any~~
 9 ~~increase in the amount of money in the appropriation account under s. 20.465 (3) (dd)~~
 10 ~~necessary to provide sufficient money for the proposed new, renewed or extended~~
 11 ~~contracts under sub. (1).~~

12 **SECTION 2303r.** 168.07 of the statutes is amended to read:

13 **168.07 Inspections; requirements.** (1) The inspector shall inspect each
 14 sample of petroleum product and if the inspector finds that it meets the minimum
 15 specifications prescribed by the department, the inspector shall issue an inspection
 16 certificate, except that inspections for particular grade specifications shall be at the
 17 discretion of the department. If an inspector believes that a product has been
 18 misidentified, an inspection shall be performed. If the inspector finds that the
 19 petroleum product does not meet the minimum specifications prescribed by the
 20 department, the inspector shall notify the person for whom the inspection was made.
 21 After such notice, no person may sell or use the product in this state or remove it from
 22 storage as long as it fails to meet the minimum specifications prescribed by the
 23 department or until satisfactory disposition is approved by the inspector. Any
 24 transporter, wholesaler or distributor of petroleum products who delivers or causes
 25 to be delivered a petroleum product that fails to meet the minimum specifications

1 prescribed by the department shall, at the direction of the department, remove the
2 petroleum product and dispose of it in a manner approved by the department. The
3 department may contract for the performance of testing conducted under this
4 subsection.

5 (2) Inspections made by the inspectors under sub. (1) shall be conducted, so far
6 as applicable, in accordance with the methods outlined in the latest revision of the
7 ASTM Book of Standards of the American Society for Testing and Materials.

~~8~~ SECTION 2304c. 180.0103 (6) of the statutes is repealed and recreated to read:

9 180.0103 (6) "Deliver" or "delivery" means any method of delivery used in
10 conventional commercial practice, including delivery by hand, mail, commercial
11 delivery and electronic transmission.

12 SECTION 2304cm. 180.0103 (7m) of the statutes is created to read:

13 180.0103 (7m) "Electronic transmission" or "electronically transmitted"
14 means internet transmission, telephonic transmission, electronic mail
15 transmission, transmission of a telegram, cablegram or datagram or any other form
16 or process of communication that does not directly involve the physical transfer of
17 paper and that is suitable for the retention, retrieval and reproduction of information
18 by the recipient.

19 SECTION 2304dm. 180.0103 (16) of the statutes is amended to read:

20 180.0103 (16) "Signed" or "signature" includes any manual, facsimile,
21 conformed or electronic signature or any symbol executed or adopted by a party with
22 present intention to authenticate a writing or electronic transmission.

23 SECTION 2304ed. 180.0141 (2) (a) of the statutes is amended to read:

24 180.0141 (2) (a) A person shall give notice in writing, except as provided in par.
25 (b). For purposes of this section, notice by electronic transmission is written notice.

1 **SECTION 2304fb.** 180.0141 (3) of the statutes is amended to read:

2 180.0141 (3) Except as provided in s. 180.0721 (4) or unless otherwise provided
3 in the articles of incorporation or bylaws, notice may be communicated in person, ;
4 by ~~telephone, telegraph, teletype, facsimile or other form of wire or wireless~~
5 ~~communication, or by mail or private carrier, and, if mail or other method of delivery;~~
6 by telephone, including voice mail, answering machine or answering service; or by
7 any other electronic means. If these forms of personal notice are impracticable,
8 notice may be communicated by a newspaper of general circulation in the area where
9 published, or by radio, television or other form of public broadcast communication.

10 **SECTION 2304fh.** 180.0141 (5) (b) of the statutes is renumbered 180.0141 (5)
11 (b) (intro.) and amended to read:

12 180.0141 (5) (b) (intro.) Written notice by a domestic corporation or foreign
13 corporation to its shareholder is effective ~~when~~ under any of the following conditions:

14 1. When mailed and may be, but only if mailed postpaid and addressed to the
15 shareholder's address shown in the domestic corporation's or foreign corporation's
16 current record of shareholders.

17 **SECTION 2304gb.** 180.0141 (5) (b) 2. of the statutes is created to read:

18 180.0141 (5) (b) 2. When electronically transmitted to the shareholder in a
19 manner authorized by the shareholder.

20 **SECTION 2304gm.** 180.0722 (2) of the statutes is repealed and recreated to
21 read:

22 180.0722 (2) (a) A shareholder entitled to vote at a meeting of shareholders, or
23 to express consent or dissent in writing to any corporate action without a meeting of
24 shareholders, may authorize another person to act for the shareholder by appointing

1 the person as proxy. An appointment of a proxy may be in durable form as provided
2 in s. 243.07.

3 (b) Without limiting the manner in which a shareholder may appoint a proxy
4 under par. (a), a shareholder or the shareholder's authorized officer, director,
5 employe, agent or attorney-in-fact may use any of the following as a valid means to
6 make such an appointment:

7 1. Appointment of a proxy in writing by signing or causing the shareholder's
8 signature to be affixed to an appointment form by any reasonable means, including,
9 but not limited to, by facsimile signature.

10 2. Appointment of a proxy by transmitting or authorizing the transmission of
11 an electronic transmission of the appointment to the person who will be appointed
12 as proxy or to a proxy solicitation firm, proxy support service organization or like
13 agent authorized to receive the transmission by the person who will be appointed as
14 proxy. Every electronic transmission shall contain, or be accompanied by,
15 information that can be used to reasonably determine that the shareholder
16 transmitted or authorized the transmission of the electronic transmission. Any
17 person charged with determining whether a shareholder transmitted or authorized
18 the transmission of the electronic transmission shall specify the information upon
19 which the determination is made.

20 (c) Any copy, facsimile telecommunication or other reliable reproduction of the
21 information in the appointment form under par. (b) 1. or the electronic transmission
22 under par. (b) 2. may be substituted or used in lieu of the original appointment form
23 or electronic transmission for any purpose for which the original appointment form
24 or electronic transmission could be used, but only if the copy, facsimile

1 telecommunication or other reliable reproduction is a complete reproduction of the
2 information in the original appointment form or electronic transmission.

3 **SECTION 2304gz.** 180.0722 (3) of the statutes is amended to read:

4 180.0722 (3) An appointment of a proxy is effective when a signed appointment
5 form or an electronic transmission of the appointment is received by the ~~secretary~~
6 ~~or other~~ inspector of election or the officer or agent of the corporation authorized to
7 tabulate votes. An appointment is valid for 11 months ~~from the date of its signing~~
8 unless a different period is expressly provided in the appointment ~~form~~.

9 **SECTION 2304hd.** 180.0722 (4) (a) (intro.) of the statutes is amended to read:

10 180.0722 (4) (a) (intro.) An appointment of a proxy is revocable ~~by the~~
11 ~~shareholder~~ unless the appointment form ~~conspicuously~~ or electronic transmission
12 states that it is irrevocable and the appointment is coupled with an interest.
13 Appointments coupled with an interest include, but are not limited to, the
14 appointment of any of the following:

15 **SECTION 2304hL.** 180.0722 (7) of the statutes is amended to read:

16 180.0722 (7) Subject to s. 180.0724 and to any express limitation on the proxy's
17 authority ~~appearing on the face of~~ stated in the appointment form or electronic
18 transmission, a corporation may accept the proxy's vote or other action as that of the
19 shareholder making the appointment.

20 **SECTION 2304ho.** 180.0722 (8) (a) of the statutes is amended to read:

21 180.0722 (8) (a) Notwithstanding sub. (4), may be revoked at any time by
22 openly stating the revocation at a shareholder meeting or appointing a new proxy in
23 writing the manner provided under sub. (2) (b).

24 **SECTION 2304jb.** 180.0724 (4) of the statutes is amended to read:

1 180.0724 (4) The corporation and its officer or agent who accepts or rejects a
2 vote, consent, waiver or proxy appointment in good faith and in accordance with this
3 section or s. 180.0722 (2) are not liable in damages to the shareholder for the
4 consequences of the acceptance or rejection.

5 **SECTION 2304jm.** 180.0724 (5) of the statutes is amended to read:

6 180.0724 (5) Corporate action based on the acceptance or rejection of a vote,
7 consent, waiver or proxy appointment under this section or s. 180.0722 (2) is valid
8 unless a court of competent jurisdiction determines otherwise.

9 **SECTION 2307a.** 177.01 (10) of the statutes is renumbered 177.01 (10) (a).

10 **SECTION 2307d.** 177.01 (10) (b) of the statutes is created to read:

11 177.01 (10) (b) “Intangible property” does not include a credit balance issued
12 to a commercial customer account by a business association in the ordinary course
13 of business, unless the credit balance is property described in s. 177.06 (1) or (2) held
14 by a banking organization or financial organization.

15 **SECTION 2305p.** 170.12 (3m) (a) 1. of the statutes is amended to read:

16 170.12 (3m) (a) 1. If the applicant is an individual and has a social security
17 number, the applicant’s social security number.

18 **SECTION 2305r.** 170.12 (3m) (a) 1m. of the statutes is created to read:

19 170.12 (3m) (a) 1m. If the applicant is an individual and does not have a social
20 security number, a statement made or subscribed under oath or affirmation that the
21 applicant does not have a social security number. The form of the statement shall
22 be prescribed by the department of workforce development. A permit issued in
23 reliance upon a false statement submitted under this subdivision is invalid.

24 **SECTION 2305s.** 170.12 (3m) (b) of the statutes is amended to read:

1 170.12 **(3m)** (b) The board may not disclose any information received under par.
2 (a) 1. or 2. to any person except as follows:

3 1. The board may disclose information under par. (a) 1. or 2. to the department
4 of revenue for the sole purpose of requesting certifications under s. 73.0301.

5 2. The board may disclose information under par. (a) 1. or 2. to the department
6 of workforce development in accordance with a memorandum of understanding
7 under s. 49.857.

8 ~~SECTION 2305m.~~ 180.1901 (1m) (bs) of the statutes is created to read:

9 180.1901 **(1m)** (bs) Athletic trainers affiliated credentialing board under
10 subch. VI of ch. 448.

11 ~~SECTION 2308d.~~ 182.028 of the statutes is amended to read:

12 **182.028 School corporations.** Any corporation formed for the establishment
13 and maintenance of schools, academies, seminaries, colleges or universities or for the
14 cultivation and practice of music shall have power to enact bylaws for the protection
15 of its property, and provide fines as liquidated damages upon its members and
16 patrons for violating the bylaws, and may collect the same in tort actions, and to
17 prescribe and regulate the courses of instruction therein, and to confer such degrees
18 and grant such diplomas as are usually conferred by similar institutions or as shall
19 be appropriate to the courses of instruction prescribed, except that no corporation
20 shall operate or advertise a school that is subject to s. ~~39.51~~ 45.54 (10) without
21 complying with the requirements of s. ~~39.51~~ 45.54. Any stockholder may transfer his
22 or her stock to the corporation for its use; and if the written transfer so provides the
23 stock shall be perpetually held by the board of directors with all the rights of a
24 stockholder, including the right to vote.

25 ~~SECTION 2308dm.~~ 189.02 (7) of the statutes is created to read:

1 189.02 (7) At least 14 days before submitting to the public service commission
2 any personnel or budget request that affects any appropriation to the department of
3 transportation, the office shall notify the secretary of the request.

4 SECTION 2308r. 186.098 (12) of the statutes is amended to read:

5 186.098 (12) LOANS TO MEMBERS. A credit union may make loans to members
6 secured by assignment or transfer of stock certificates or other evidence of the
7 borrower's ownership interest in a corporation formed for the cooperative ownership
8 of real estate. Sections 846.10 and 846.101, as they apply to a foreclosure of a
9 mortgage involving a one-family residence, apply to a proceeding to enforce the
10 lender's rights in security given for a loan under this subsection. The office of credit
11 unions shall promulgate joint rules with the ~~divisions of savings and loan~~ division
12 of savings institutions and the division of banking that establish procedures for
13 enforcing a lender's rights in security given for a loan under this subsection.

14 SECTION 2309m. 196.01 (3n) of the statutes is amended to read:

15 196.01 (3n) "Mobile home" has the meaning given in s. 101.91 (1) (2e).

16 SECTION 2309q. 196.19 (1m) (b) of the statutes is amended to read:

17 196.19 (1m) (b) A telecommunications utility may not offer a new
18 telecommunications service to the public without first filing a tariff for that offering
19 with the commission. A proposed tariff offering a new telecommunications service
20 shall be effective on the date specified in the tariff ~~but not earlier than 10 days after~~
21 ~~the date on which the tariff is filed with the commission~~, unless the commission,
22 either upon complaint or upon its own motion, suspends the operation of the new
23 tariff by serving written notice of the suspension on the telecommunications utility
24 within 10 days after the date of filing. The notice shall include a statement of the
25 reason under par. (c) upon which the commission believes the tariff may be modified.

1 **SECTION 2309r.** 196.19 (1m) (e) of the statutes is repealed.

2 **SECTION 2309q.** 196.04 (4) of the statutes is renumbered 196.04 (4) (b) and
3 amended to read:

4 196.04 (4) (b) If the parties cannot agree and the commission finds that public
5 convenience and necessity or the rendition of reasonably adequate service to the
6 public requires that a public utility, telecommunications provider, sewerage system
7 operator or cable operator, ~~as defined in s. 66.082 (2) (b)~~, be permitted to extend its
8 lines on, over or under the right-of-way of any railroad, or requires that the tracks
9 of any railroad be extended on, over or under the right-of-way of any public utility,
10 telecommunications provider, sewerage system operator or cable operator, the
11 commission may order the extension by the public utility, telecommunications
12 provider, sewerage system operator, cable operator or railroad on, over or under the
13 right-of-way of the other if it will not materially impair the ability of the railroad,
14 telecommunications provider, sewerage system operator, cable operator or public
15 utility, on, over or under whose right-of-way the extension would be made, to serve
16 the public. The commission shall prescribe lawful conditions and compensation
17 which the commission deems equitable and reasonable in light of all the
18 circumstances.

19 **SECTION 2309s.** 196.04 (4) (a) of the statutes is created to read:

20 196.04 (4) (a) In this subsection:

- 21 1. "Cable operator" has the meaning given in s. 66.082 (2) (b).
22 2. "Sewerage system operator" means any of the following:
23 a. A municipality that operates a sewerage system under s. 66.076.
24 b. A town sanitary district commission that operates a sewerage system under
25 60.77 (4).

1 c. A city or village that obtains a sewerage system under s. 60.79.

2 d. A metropolitan sewerage district commission that operates a sewerage
3 system under s. 66.24 (2) or 66.89 (1).

4 e. A public inland lake protection and rehabilitation district that exercises the
5 powers of a town sanitary district under s. 33.22 (3) and that operates a sewerage
6 system under s. 60.77 (4).

7 **SECTION 2313m.** 196.208 (5p) of the statutes is created to read:

8 196.208 (5p) TOLL-FREE CALLS ANSWERED BY PRISONERS. (a) In this subsection:

9 1. "Charitable organization" has the meaning given in s. 440.41 (1).

10 2. "Prisoner" means a prisoner of any correctional or detention facility located
11 in this state.

12 (b) If a prisoner is employed directly or indirectly by a charitable organization
13 or toll-free service vendor to answer calls made to the charitable organization or
14 toll-free service vendor, the prisoner shall do all of the following immediately upon
15 answering a call:

16 1. Identify himself or herself by name.

17 2. State that he or she is a prisoner.

18 3. Inform the calling party of the name of the correctional or detention facility
19 in which he or she is a prisoner and the city in which the facility is located.

20 (c) A charitable organization or toll-free service vendor that directly or
21 indirectly employs a prisoner shall provide reasonable supervision of the prisoner to
22 assure the prisoner's compliance with par. (b).

23 **SECTION 2313u.** 196.208 (11) (d) of the statutes is renumbered 196.208 (11) (d)

24 1. and amended to read:

1 196.208 (11) (d) 1. ~~Any~~ Except as provided in subd. 2., any person who violates
2 subs. (2) to (9) shall be required to forfeit not less than \$25 nor more than \$5,000 for
3 each offense.

4 3. Forfeitures under ~~this paragraph~~ subds. 1. and 2. shall be enforced by action
5 on behalf of the state by the department of justice or, upon informing the department
6 of justice, by the district attorney of the county where the violation occurs.

7 **SECTION 2313y.** 196.208 (11) (d) 2. of the statutes is created to read:

8 196.208 (11) (d) 2. a. A prisoner who violates sub. (5p) (b) may be required to
9 forfeit not more than \$500.

10 b. A person who employs a prisoner to answer calls made to a toll-free
11 telephone number may be required to forfeit not more than \$10,000 if the person
12 violates sub. (5p) (c), aids and abets a prisoner's violation of sub. (5p) (b), is a party
13 to a conspiracy with a prisoner to commit a violation of sub. (5p) (b) or advises, hires
14 ~~or~~ counsels or otherwise procures a prisoner to commit a violation of sub. (5p) (b).

15 **SECTION 2315c.** 196.025 of the statutes is renumbered 196.025 (1).

16 **SECTION 2315g.** 196.025 (2) of the statutes is created to read:

17 196.025 (2) The commission shall promulgate rules establishing requirements
18 and procedures for the commission to carry out the duties under s. 1.11. Rules
19 promulgated under this subsection shall include requirements and procedures for
20 each of the following:

21 (a) Standards for determining the necessity of preparing an environmental
22 impact statement.

23 (b) Adequate opportunities for interested persons to be heard on environmental
24 impact statements, including adequate time for the preparation and submission of
25 comments.

1 (c) Deadlines that allow thorough review of environmental issues without
2 imposing unnecessary delays in addressing the need for additional electric
3 transmission capacity in this state.

4 **SECTION 2315L.** 196.025 (3) of the statutes is created to read:

5 196.025 (3) The commission shall promulgate rules establishing requirements
6 and procedures for electric utilities, as defined under s. 196.491 (1) (d), to file reports
7 with the commission, on a frequency that the commission determines is reasonably
8 necessary, on their current reliability status, including the status of operating and
9 planning reserves, available transmission capacity and outages of major operational
10 units and transmission lines. A report filed under the rules promulgated under this
11 subsection is subject to inspection and copying under s. 19.35 (1), except that the
12 commission may withhold the report from inspection and copying for a period of time
13 that the commission determines is reasonably necessary to prevent an adverse
14 impact on the supply or price of energy in this state.

15 **SECTION 2315p.** 196.025 (4) of the statutes is created to read:

16 196.025 (4) (a) In consultation with the department of administration and the
17 department of revenue, the commission shall study the establishment of a program
18 for providing incentives for the development of high-efficiency, small-scale electric
19 generating facilities in this state that do either of the following:

20 1. Provide benefits in the form of support for electric distribution or
21 transmission systems, power quality or environmental performance.

22 2. Employ technologies such as combined heat and power systems, fuel cells,
23 microturbines or photovoltaic systems that may be situated in, on or next to
24 buildings or other electric load centers.

1 (b) No later than January 1, 2001, the commission shall submit a report of its
2 findings and recommendations under par. (a) to the chief clerk of each house of the
3 legislature for distribution to the appropriate standing committees under s. 13.172
4 (3).

5 **SECTION 2315t.** 196.025 (5) of the statutes is created to read:

6 196.025 (5) (ag) In this subsection, “electric cooperative” means a cooperative
7 association organized under ch. 185 for the purpose of generating, distributing or
8 furnishing electric energy at retail or wholesale to its members only.

9 (ar) The commission shall contract with an expert consultant in economics to
10 conduct a study on the potential for horizontal market power, including the
11 horizontal market power of electric generators, to frustrate the creation of an
12 effectively competitive retail electricity market in this state and to make
13 recommendations on measures to eliminate such market power on a sustainable
14 basis. The study shall include each of the following:

15 1. An assessment of the effect of each recommendation on public utility workers
16 and shareholders and electric cooperative workers and members.

17 1m. An assessment of the effect of each recommendation on rates for each class
18 of public utility customers and electric cooperative members.

19 2. An evaluation of the impact of transmission constraints on the market power
20 of electric generators in local areas.

21 (b) No later than January 1, 2001, the commission shall submit a report of the
22 results of the study under par. (ar) to the chief clerk of each house of the legislature
23 for distribution to the appropriate standing committees under s. 13.172 (3).

24 **SECTION 2315x.** 196.192 of the statutes is created to read:

1 **196.192 Market-based compensation, rates and contracts.** (1) In this
2 section, “electric public utility” means a public utility whose purpose is the
3 generation, distribution and sale of electric energy.

4 (2) No later than March 1, 2000, each investor-owned electric public utility
5 shall do each of the following:

6 (a) File with the commission rates that result in customers receiving
7 market-based compensation for voluntary interruptions of firm load during peak
8 periods of electric use.

9 (b) File with the commission market-based pricing options and options for
10 individual contracts that allow a retail customer, through service from its existing
11 public utility, to receive market benefits and take market risks for the customer’s
12 purchases of capacity or energy.

13 (3) (a) The commission shall approve market-based rates that are consistent
14 with the options specified in sub. (2), except that the commission may not approve
15 a market-based rate unless the commission determines that the rate will not harm
16 shareholders of the investor-owned electric public utility or customers who are not
17 subject to the rate.

18 (b) Nothing in s. 196.20, 196.21, 196.22, 196.37, 196.60 or 196.604 prohibits the
19 commission from approving a filing under sub. (2) or approving market-based rates
20 under par. (a).

21 (4) Subject to any approval of the commission that is necessary, an electric
22 public utility that is not an investor-owned electric public utility may implement
23 market-based rates approved under sub. (3) (a) or implement the options in filings
~~24~~ under sub. (2) that are approved by the commission.

25 **SECTION 2316.** 196.218 (1) (a) and (b) of the statutes are repealed.

1 **SECTION 2317.** 196.218 (3) (a) 3. of the statutes is amended to read:

2 196.218 (3) (a) 3. The commission shall designate the method by which the
3 contributions under this paragraph shall be calculated and collected. The method
4 shall ensure that the contributions are sufficient to generate the amounts
5 appropriated under ss. 20.155 (1) (q), 20.255 (3) (q), 20.275 (1) (s), (t) and (tm) and
6 20.285 (1) (q). Contributions may be based only on the gross operating revenues from
7 the provision of broadcast services identified by the commission under subd. 2. and
8 on intrastate telecommunications services in this state of the telecommunications
9 providers subject to the contribution.

10 **SECTION 2318.** 196.218 (4r) (title) of the statutes is renumbered 44.73 (title).

11 **SECTION 2319.** 196.218 (4r) (a) (intro.) of the statutes is repealed.

12 **SECTION 2320.** 196.218 (4r) (a) 1. of the statutes is renumbered 44.70 (1m).

13 **SECTION 2321.** 196.218 (4r) (a) 2. and 2m. of the statutes are renumbered 44.70
14 (3g) and (3j).

15 **SECTION 2322.** 196.218 (4r) (a) 3. of the statutes is renumbered 44.70 (6).

16 **SECTION 2323.** 196.218 (4r) (b) of the statutes is renumbered 44.73 (1) and
17 amended to read: *plain space*

18 44.73 (1) ~~The commission~~ Except as provided in s. 196.218 (4t), the board, in
19 consultation with the department ~~and the board~~, shall promulgate rules establishing
20 an educational telecommunications access program to provide ~~school districts,~~
21 ~~private schools, cooperative educational service agencies, technical college districts,~~
22 ~~private colleges and public library boards~~ educational agencies with access to data
23 lines and video links.

24 **SECTION 2324.** 196.218 (4r) (c) (intro.), 1., 2., 3. and 4. of the statutes are
25 renumbered 44.73 (2) (intro.), (a), (b), (c) and (d) and amended to read:

1 44.73 (2) (intro.) The rules promulgated under ~~par. (b) sub. (1)~~ shall do all of
2 the following:

3 (a) Allow ~~a school district, private school, cooperative educational service~~
4 ~~agency, technical college district, private college and public library board~~ an
5 educational agency to make a request to the board for access to either one data line
6 or one video link, except that if any educational agency may request access to
7 additional data lines if the agency shows to the satisfaction of the board that the
8 additional data lines are more cost-effective than a single data line and except that
9 a school district that operates more than one high school ~~the rules shall allow the~~
10 ~~school district to~~ may request access to both a data line and a video link and ~~to request~~
11 access to more than one data line or video link. ~~The board shall forward requests~~
12 ~~received under this subdivision to the commission and the department.~~

13 (b) Establish eligibility requirements for ~~a school district, private school,~~
14 ~~cooperative educational service agency, technical college district, private college and~~
15 ~~public library board~~ an educational agency to participate in the program established
16 under ~~par. (b)~~. The requirements shall prohibit a participant in the program from
17 receiving assistance from the universal service fund for the purpose specified in sub.
18 (5) (a) 3. for educational telecommunications access that is substantially similar to
19 the access provided to the participant under the program sub. (1).

20 (c) Establish specifications for a data line or lines and video link that links for
21 which access is provided to a school district, private school, cooperative educational
22 service agency, technical college district, private college and public library board an
23 educational agency under the program established under ~~par. (b) sub. (1)~~.

24 (d) Require ~~a school district, private school, cooperative educational service~~
25 ~~agency, technical college district, private college and public library board~~ an

1 educational agency to pay the department not more than \$250 per month for each
2 data line or video link that is provided to the ~~school district, private school,~~
3 ~~cooperative educational service agency, technical college district, private college and~~
4 ~~public library board~~ educational agency under the program established under ~~par.~~
5 (b) sub. (1), except that the charge may not exceed \$100 per month for each data line
6 or video link that relies on a transport medium that operates at a speed of 1.544
7 megabits per second.

8 **SECTION 2325.** 196.218 (4r) (c) 5. of the statutes is renumbered 44.73 (2) (e).

9 **SECTION 2326.** 196.218 (4r) (d) of the statutes is renumbered 44.73 (3) and
10 amended to read:

11 44.73 (3) The ~~commission board~~ shall submit an annual report to the ~~board~~
12 department on the status of providing data lines and video links that are requested
13 under ~~par. (e) 1.~~ sub. (2) (a) and the impact on the universal service fund of any
14 payment under ~~sub. (5) (a) 5.~~ contracts under s. 16.974 (7).

15 **SECTION 2327.** 196.218 (4r) (e) of the statutes is renumbered 44.73 (4) and
16 amended to read:

17 44.73 (4) If the federal communications commission promulgates or modifies
18 rules that provide rate discounts for telecommunications services to ~~school districts,~~
19 ~~private schools, cooperative educational service agencies, technical college districts,~~
20 ~~private colleges or public library boards~~ educational agencies under 47 USC 254, the
21 governor shall submit a report to the joint committee on finance that includes any
22 recommended changes to statutes or rules with respect to funding the program
23 established under ~~par. (b) sub. (1).~~

24 **SECTION 2328.** 196.218 (4r) (f) of the statutes is renumbered 44.73 (5) and
25 amended to read:

1 44.73 (5) Notwithstanding ~~pars. (b) and (c)~~ subs. (1) and (2), technical college
2 districts are not eligible to participate in the program established under ~~par. (b) sub.~~
3 (1) before April 1, 1998. ~~In consultation with the commission, the~~ The board shall
4 determine by April 1, 1998, whether there are sufficient moneys in the appropriation
5 under s. 20.275 (1) ~~(s)~~ (t) to include technical college districts in the program
6 established under ~~par. (b) sub. (1)~~. If the board determines that there are sufficient
7 moneys, technical college districts are eligible to participate in the program
8 established under ~~par. (b) sub. (1)~~ beginning on April 1, 1998.

9 **SECTION 2329.** 196.218 (4r) (g) of the statutes is renumbered 44.73 (6) and
10 amended to read:

11 44.73 (6) From the appropriation under s. 20.275 (1) (gf), (gh), (s) or (tm), the
12 board may award an annual grant to a school district or private school that had in
13 effect on October 14, 1997, a contract for access to a data line or video link, as
14 documented by the ~~commission~~ board. The board shall determine the amount of the
15 grant, which shall be equal to the cost incurred by the state to provide
16 telecommunications access to a school district or private school under a contract
17 entered into under s. 16.974 (7) (a) or (c) less the amount that the school district or
18 private school would be paying under ~~par. (c) 4.~~ sub. (2) (d) if the school district or
19 private school were participating in the program established under ~~par. (b) sub. (1)~~,
20 except that the amount may not be greater than the cost that a school district or
21 private school incurs under the contract in effect on October 14, 1997. A school
22 district or private school receiving a grant under this ~~paragraph~~ subsection is not
23 eligible to participate in the program under ~~par. (b) sub. (1)~~. No grant may be
24 awarded under this ~~paragraph~~ subsection after June 30, 2002.

25 **SECTION 2329g.** 196.218 (4t) of the statutes is created to read:

1 196.218 (4t) EDUCATIONAL TELECOMMUNICATIONS ACCESS PROGRAM RULES. The
2 commission, in consultation with the department of administration and the
3 technology for educational achievement in Wisconsin board, shall promulgate rules
4 specifying the telecommunications services eligible for funding through the
5 educational telecommunications access program under s. 44.73.

6 **SECTION 2329m.** 196.218 (4u) of the statutes is created to read:

7 196.218 (4u) MEDICAL TELECOMMUNICATIONS EQUIPMENT PROGRAM. From the
8 appropriation under 20.155 (1) (q), the commission may spend up to \$500,000
9 annually for grants to nonprofit medical clinics and public health agencies for the
10 purchase of telecommunications equipment to be used in providing services to their
11 clients. The commission shall promulgate rules establishing requirements and
12 procedures for awarding grants under this subsection.

13 **SECTION 2330.** 196.218 (5) (a) 3. of the statutes is repealed.

14 **SECTION 2331.** 196.218 (5) (a) 5. of the statutes is amended to read:

15 196.218 (5) (a) 5. To pay costs incurred under contracts under s. 16.974 (7) to
16 the extent that these costs are not paid under ~~sub. (4r) (e) 4~~ s. 44.73 (2) (d).

17 **SECTION 2331g.** 196.218 (5) (a) 5m. of the statutes is created to read:

18 196.218 (5) (a) 5m. To provide statewide access, through the Internet, to
19 periodical and reference information data bases.

20 **SECTION 2332.** 196.218 (5) (a) 7. of the statutes is amended to read:

21 196.218 (5) (a) 7. To make grants awarded by the technology for educational
22 achievement in Wisconsin board to school districts and private schools under ~~sub.~~
23 ~~(4r) (g)~~ s. 44.73 (6). This subdivision does not apply after June 30, 2002.

24 **SECTION 2332f.** 196.218 (5) (a) 8. of the statutes is created to read:

1 196.218 (5) (a) 8. To promote access to information and library services to blind
2 and visually handicapped individuals.

3 **SECTION 2332m.** 196.218 (5) (a) 9. of the statutes is created to read:

4 196.218 (5) (a) 9. To make grants under sub. (4u).

~~5~~ **SECTION 2332n.** 196.218 (5) (a) 10. of the statutes is created to read:

6 196.218 (5) (a) 10. To provide administrative services under the rehabilitation

~~7~~ teaching program for blind and visually impaired persons under s. 46.293.

8 **SECTION 2332t.** 196.218 (5) (d) of the statutes is created to read:

9 196.218 (5) (d) 1. In this paragraph, "Wisconsin works agency" has the meaning
10 given in s. 49.001 (9).

11 2. The commission shall annually provide information booklets to all Wisconsin
12 works agencies that describe the current assistance from the universal service fund
13 that is available to low-income individuals who are served by the Wisconsin works
14 agencies, including a description of how such individuals may obtain such
15 assistance. The department of workforce development shall assist the commission
16 in identifying the Wisconsin works agencies to which the commission is required to
17 submit the information required under this subdivision.

18 **SECTION 2333.** 196.218 (5m) of the statutes is amended to read:

19 196.218 (5m) RULE REVIEW. ~~Except for rules promulgated under sub. (4r) (b),~~
20 at At least biennially, the commission shall review and revise as appropriate rules
21 promulgated under this section.

22 **SECTION 2333m.** 196.218 (5u) of the statutes is created to read:

23 196.218 (5u) BIENNIAL BUDGET REQUEST. The commission shall include in its
24 biennial budget request under s. 16.42 a proposed budget for each individual
25 program for which the commission proposes to expend moneys from the universal

1 fund in the forthcoming biennium. A proposed budget under this subsection shall
2 describe each program and identify the proposed expenditure amount for each
3 program for each fiscal year of the biennium.

4 **SECTION 2334.** 196.218 (6) (b) of the statutes is amended to read:

5 196.218 (6) (b) The universal service fund council shall advise the commission
6 concerning the administration of this section and the content of rules promulgated
7 under this section. ~~This paragraph does not apply to the administration of sub. (4r)~~
8 ~~and rules promulgated under sub. (4r) (b).~~

9 **SECTION 2334d.** 196.31 (1) (intro.) of the statutes is amended to read:

10 196.31 (1) (intro.) In any proceeding before the commission, the commission
11 ~~may~~ shall compensate any participant in the proceeding who is not a public utility,
12 for some or all of the reasonable costs of participation in the proceeding if the
13 commission finds that:

14 **SECTION 2334h.** 196.31 (1) (a) of the statutes is amended to read:

15 196.31 (1) (a) The participation is necessary to provide for the record an
16 adequate presentation of a significant position in which the participant has a
17 substantial interest, and that an adequate presentation would not be possible occur
18 without a grant of compensation; or

19 **SECTION 2334p.** 196.374 of the statutes is repealed and recreated to read:

20 **196.374 Low-income assistance, energy efficiency and other**
21 **programs. (1)** In this section:

22 (a) "Department" means the department of administration.

23 (b) "Fund" means the utility public benefits fund.

24 (c) "Utility" means a Class A gas or electric utility, as defined by the
25 commission, but does not include a municipal utility, as defined in s. 16.957 (1) (q),

1 a municipal electric company, as defined in s. 66.073 (3) (d), or a cooperative
2 association organized under ch. 185.

3 (2) The commission shall determine the amount that each utility spent in 1998
4 on programs for each of the following:

5 (a) Low-income assistance, including low-income weatherization and writing
6 off uncollectibles and arrearages.

7 (b) Energy conservation and efficiency.

8 (c) Environmental research and development.

9 (d) Renewable resources.

10 (3) In 2000, 2001 and 2002, the commission shall require each utility to spend
11 a decreasing portion of the amount determined under sub. (2) on programs specified
12 in sub. (2) and contribute the remaining portion of the amount to the commission for
13 deposit in the fund. In each year after 2002, each utility shall contribute the entire
14 amount determined under sub. (2) to the commission for deposit in the fund. The
15 commission shall ensure in rate-making orders that a utility recovers from its
16 ratepayers the amounts spent on programs or contributed to the fund under this
17 subsection. The commission shall allow each utility the option of continuing to use,
18 until January 1, 2002, the moneys that it has recovered under s. 196.374 (3), 1997
19 stats., to administer the programs that it has funded under s. 196.374 (1), 1997 stats.
20 The commission may allow each utility to spend additional moneys on the programs
21 specified in sub. (2) if the utility otherwise complies with the requirements of this
22 section and s. 16.957 (4).

23 (4) If the department notifies the commission under s. 16.957 (2) (b) 2. that the
24 department has reduced funding for energy conservation and efficiency and
25 renewable resource programs by an amount that is greater than the portion of the

1 public benefits fee specified in s. 16.957 (4) (c) 2., the commission shall reduce the
2 amount that utilities are required to spend on programs or contribute to the fund
3 under sub. (3) by the portion of the reduction that exceeds the amount of public
4 benefits fees specified in s. 16.957 (4) (c) 2.

5 **SECTION 2334t.** 196.378 of the statutes is created to read:

6 **196.378 Renewable resources. (1) DEFINITIONS.** In this section:

7 (a) "Biomass" means a resource that derives energy from wood or plant
8 material or residue, biological waste, crops grown for use as a resource or landfill
9 gases. "Biomass" does not include garbage, as defined in s. 289.01 (9), or
10 nonvegetation-based industrial, commercial or household waste, except that
11 "biomass" includes refuse-derived fuel used for a renewable facility that was in
12 service in this state before January 1, 1998.

13 (am) "Biomass cofired facility" means a renewable facility in which biomass
14 and conventional resources are fired together.

15 (b) "Conventional resource" means a resource that derives energy from coal, oil,
16 nuclear power or natural gas, except for natural gas used in a fuel cell.

17 (bm) "Department" means the department of administration.

18 (c) "Electric provider" means an electric utility or retail electric cooperative.

19 (d) "Electric utility" means a public utility that sells electricity at retail. For
20 purposes of this paragraph, a public utility is not considered to sell electricity at
21 retail solely on the basis of its ownership or operation of a retail electric distribution
22 system.

23 (e) "Excludable renewable energy" means the portion of an electric provider's
24 total renewable energy that is supplied from renewable facilities that were placed
25 in service before January 1, 1998, and that, before January 1, 1998, derived

1 electricity from hydroelectric power, even if the output of the renewable facilities is
2 used to satisfy requirements under federal law.

3 (f) “Nonsystem renewable energy” means the amount of electricity that an
4 electric provider sells to its retail customers or members and that is supplied or
5 allocated under executed wholesale purchase contracts from renewable facilities
6 that are not owned or operated by the electric provider. “Nonsystem renewable
7 energy” does not include any electricity that is not used to satisfy the electric
8 provider’s retail load obligations.

9 (g) “Renewable facility” means an installed and operational electric generating
10 facility in which electricity is derived from a renewable resource. “Renewable
11 facility” includes a facility the installation or operation of which is required under
12 federal law, but does not include a facility the installation or operation of which is
13 required under the laws of another state even if the installation or operation of the
14 facility is also required under federal law.

15 (h) “Renewable resource” means any of the following:

16 1. A resource that derives electricity from any of the following:

17 a. A fuel cell that uses, as determined by the commission, a renewable fuel.

18 b. Tidal or wave action.

19 c. Solar thermal electric or photovoltaic energy.

20 d. Wind power.

21 e. Geothermal technology.

22 g. Biomass.

23 1m. A resource with a capacity of less than 60 megawatts that derives
24 electricity from hydroelectric power.

1 2. Any other resource, except a conventional resource, that the commission
2 designates as a renewable resource in rules promulgated under sub. (4).

3 (i) “Renewable resource credit” means a credit calculated in accordance with
4 rules promulgated under sub. (3) (a).

5 (j) “Resource” means a source of energy used to generate electric power.

6 (k) “Retail electric cooperative” means a cooperative association organized
7 under ch. 185 that sells electricity at retail to its members only. For purposes of this
8 paragraph, a cooperative association is not considered to sell electricity at retail
9 solely on the basis of its ownership or operation of a retail electric distribution
10 system.

11 (n) “System renewable energy” means the amount of electricity that an electric
12 provider sells to its retail customers or members and that is supplied by renewable
13 facilities owned or operated by the electric provider.

14 (o) “Total renewable energy” means the sum of an electric provider’s system and
15 nonsystem renewable energy.

16 **(2) RENEWABLE RESOURCE ENERGY.** (a) Each electric provider shall provide to its
17 retail electric customers or members total renewable energy in at least the following
18 percentages of its total retail electric sales, either directly or through renewable
19 resource credits from another electric provider:

- 20 1. By December 31, 2001, 0.5%.
- 21 2. By December 31, 2003, 0.85%.
- 22 3. By December 31, 2005, 1.2%.
- 23 4. By December 31, 2007, 1.55%.
- 24 5. By December 31, 2009, 1.9%.
- 25 6. By December 31, 2011, 2.2%.

1 (b) For purposes of determining compliance with par. (a):

2 1. Total retail electric sales shall be calculated on the basis of an average of an
3 electric provider's retail electric sales in this state during the prior 3 years.

4 2. The amount of electricity supplied by a biomass cofired facility that may be
5 counted toward satisfying the requirements of par. (a) shall be an amount equal to
6 the product of the maximum amount of electricity that the facility is capable of
7 generating and the ratio of the energy content of the biomass fuels to the energy
8 content of both the biomass and conventional resources.

9 3. Any excludable renewable energy that exceeds 0.6% of an electric provider's
10 total retail electric sales shall be excluded from the electric provider's total
11 renewable energy.

12 4. The members of a municipal electric company, as defined in s. 66.073 (3) (d),
13 may aggregate and allocate renewable energy among themselves.

14 (c) No later than April 15 annually, an electric provider shall submit a report
15 to the department that describes the electric provider's compliance with par. (a).
16 Reports under this paragraph may include certifications from wholesale suppliers
17 regarding the sources and amounts of energy supplied to an electric provider. The
18 department may specify the documentation that is required to be included with
19 reports submitted under this paragraph.

20 (d) The commission shall allow an electric utility to recover from ratepayers the
21 cost of providing total renewable energy to its retail customers in amounts that equal
22 or exceed the percentages specified in par. (a). Subject to any approval of the
23 commission that is necessary, an electric utility may recover costs under this
24 paragraph by any of the following methods:

25 1. Allocating the costs equally to all customers on a kilowatt-hour basis.

1 2. Establishing alternative price structures, including price structures under
2 which customers pay a premium for renewable energy.

3 3. Any combination of the methods specified in subds. 1. and 2.

4 (e) 1. This subsection does not apply to any of the following:

5 a. An electric provider that provides more than 10% of its summer peak demand
6 in this state from renewable facilities.

7 b. An electric provider that provides more than 10% of its summer peak demand
8 from renewable resources.

9 2. For purposes of calculating the percentages under subd. 1., an electric
10 provider may include renewable facilities located in this or another state and
11 renewable facilities located on its or another electric provider's system.

12 3. Notwithstanding subd. 1., this subsection applies to an electric provider
13 unless the electric provider provides documentation to the commission that
14 establishes, to the satisfaction of the commission, that the electric provider satisfies
15 the requirements under subd. 1. a. or b.

16 **(3) RENEWABLE RESOURCE CREDITS.** (a) An electric provider that provides total
17 renewable energy to its retail electric customers or members in excess of the
18 percentages specified in sub. (2) (a) 1. to 6. may, in the applicable year, sell to any
19 other electric provider a renewable resource credit or a portion of a renewable
20 resource credit at any negotiated price. Alternatively, an electric provider may use
21 a renewable resource credit or portion of a renewable resource credit in a subsequent
22 year to establish compliance with sub. (2) (a). The commission shall promulgate
23 rules that establish requirements for the use of a renewable resource credit,
24 including calculating the amount of a renewable resource credit.

1 (b) The commission may promulgate rules that establish requirements and
2 procedures for a sale under par. (a).

3 (4) RULES. The commission may promulgate rules that designate a resource,
4 except for a conventional resource, as a renewable resource in addition to the
5 resources specified in sub. (1) (h) 1. and 1m.

6 (5) PENALTY. Any person who violates sub. (2) or any wholesale supplier who
7 provides an electric provider with a false or misleading certification regarding the
8 sources or amounts of energy supplied to the electric provider shall forfeit not less
9 than \$5,000 nor more than \$500,000. Forfeitures under this subsection shall be
10 enforced by action on behalf of the state by the attorney general. A court imposing
11 a forfeiture under this subsection shall consider all of the following in determining
12 the amount of the forfeiture:

13 (a) The appropriateness of the forfeiture to the person's or wholesale supplier's
14 volume of business.

15 (b) The gravity of the violation.

16 (c) Whether a violation of sub. (2) is due to circumstances beyond the violator's
17 control.

18 **SECTION 2335m.** 196.44 (2) (b) of the statutes is amended to read:

19 196.44 (2) (b) The attorney general may, on his or her own initiative, appear
20 before the commission on telecommunications matters relating to consumer
21 protection and antitrust. If acting under the authority granted by this paragraph,
22 the attorney general shall have the rights accorded a party before the commission
23 in its proceedings but may not appeal as a party a decision of the commission to the
24 circuit court. This paragraph does not apply after June 30, ~~1999~~ 2001.

25 **SECTION 2336g.** 196.77 of the statutes is amended to read:

1 **196.77 Promotional rates.** Except as provided in this section, nothing in this
2 chapter prohibits a telecommunications utility from filing a tariff to make a limited
3 offering of promotional rates. A promotional rate under this section shall take effect
4 automatically at the time specified in the tariff ~~but not earlier than 10 days after the~~
5 ~~date the tariff is filed with the commission~~ unless the commission ~~authorizes an~~
6 ~~earlier effective date or~~ suspends the tariff within 10 days after the date on which
7 it is filed. The commission may suspend a tariff if it believes that the tariff violates
8 s. 196.204, 196.209 or 196.219. If the commission suspends a tariff, it shall
9 investigate and resolve the matter within 60 days after the date on which the tariff
10 is suspended or the tariff shall be effective as filed.

11 **SECTION 2335ta.** 196.485 (title) of the statutes is repealed and recreated to
12 read:

13 **196.485 (title) Transmission system requirements.**

14 **SECTION 2335tb.** 196.485 (1) (am) of the statutes is created to read:

15 196.485 (1) (am) “Contribute a transmission facility” means to divest a person’s
16 interest in the transmission facility and to transfer ownership of the transmission
17 facility, and associated deferred tax reserves and deferred investment tax credits to
18 the extent permitted by law, to another person.

19 **SECTION 2335tc.** 196.485 (1) (be) of the statutes is created to read:

20 196.485 (1) (be) “Director” means, with respect to a transmission company
21 organized as a corporation under ch. 180, a member of the board of directors of the
22 transmission company.

23 **SECTION 2335td.** 196.485 (1) (bs) of the statutes is created to read:

24 196.485 (1) (bs) “Electric utility” means any of the following:

1 1. A public utility that is involved in the generation, transmission, distribution
2 or sale of electric energy.

3 2. A retail or wholesale electric cooperative.

4 **SECTION 2335te.** 196.485 (1) (dm) (intro.) of the statutes is amended to read:

5 196.485 (1) (dm) (intro.) “Independent transmission owner” ~~means:~~

6 1m. Means a person that satisfies each of the following:

7 **SECTION 2335tf.** 196.485 (1) (dm) 1. of the statutes is renumbered 196.485 (1)
8 (dm) 1m. a.

9 **SECTION 2335tg.** 196.485 (1) (dm) 2. of the statutes is created to read:

10 196.485 (1) (dm) 2. Does not include the transmission company.

11 **SECTION 2335th.** 196.485 (1) (dm) 3. of the statutes is renumbered 196.485 (1)
12 (dm) 1m. b. and amended to read:

13 196.485 (1) (dm) 1m. b. The person is not an affiliated interest of a person
14 specified in subd. ~~1.~~ 1m. a.

15 **SECTION 2335ti.** 196.485 (1) (do) of the statutes is created to read:

16 196.485 (1) (do) “Land right” means any right in real property, including fee
17 simple ownership or a right-of-way or easement, that has been acquired for a
18 transmission facility that is located or intended to be located on the real property.

19 **SECTION 2335tk.** 196.485 (1) (dq) of the statutes is created to read:

20 196.485 (1) (dq) “Manager” means, with respect to a transmission company
21 organized as a limited liability company under ch. 183, the representatives of the
22 security holders that are elected or appointed under sub. (3m) (c).

23 **SECTION 2335tl.** 196.485 (1) (dr) of the statutes is created to read:

1 196.485 (1) (dr) “Merger enforcement policy” means the enforcement policy of
2 the federal department of justice and the federal trade commission regarding
3 horizontal acquisitions and mergers that are subject to 15 USC 1, 18 or 45.

4 **SECTION 2335tm.** 196.485 (1) (ds) of the statutes is created to read:

5 196.485 (1) (ds) “Midwest independent system operator” means the
6 independent system operator the establishment of which the federal energy
7 regulatory commission has conditionally authorized in an order issued on September
8 16, 1998, or the successor to such independent system operator.

9 **SECTION 2335tn.** 196.485 (1) (dt) of the statutes is created to read:

10 196.485 (1) (dt) “Nontransmission utility security holder” means a security
11 holder that is not a transmission utility security holder.

12 **SECTION 2335to.** 196.485 (1) (dv) of the statutes is created to read:

13 196.485 (1) (dv) “Organizational start-up date” means, with respect to a
14 transmission company that is organized as a limited liability company under ch. 183,
15 the date on which the articles of organization become effective under s. 183.0111 or,
16 with respect to a transmission company that is organized as a corporation under ch.
17 180, the date on which the articles of incorporation become effective under s.
18 180.0123.

19 **SECTION 2335tp.** 196.485 (1) (em) of the statutes is created to read:

20 196.485 (1) (em) “Retail electric cooperative” means a cooperative that provides
21 retail electric service to its members.

22 **SECTION 2335tq.** 196.485 (1) (fe) of the statutes is created to read:

23 196.485 (1) (fe) “Security” means, with respect to a transmission company
24 organized as a corporation under ch. 180, a share, as defined in s. 180.0103 (15), and,

1 with respect to a transmission company organized as a limited liability company
2 under ch. 183, a limited liability company interest, as defined in s. 183.0102 (11).

3 **SECTION 2335tr.** 196.485 (1) (ge) of the statutes is created to read:

4 196.485 (1) (ge) "Transmission company" means a corporation organized under
5 ch. 180 or a limited liability company organized under ch. 183 that has as its sole
6 purpose the planning, constructing, operating, maintaining and expanding of
7 transmission facilities that it owns to provide for an adequate and reliable
8 transmission system that meets the needs of all users that are dependent on the
9 transmission system and that supports effective competition in energy markets
10 without favoring any market participant.

11 **SECTION 2335ts.** 196.485 (1) (gm) of the statutes is created to read:

12 196.485 (1) (gm) "Transmission dependent utility" means an electric utility
13 that is not a transmission utility and that is dependent on the transmission system
14 of another person for delivering electricity to the electric utility's customers.

15 **SECTION 2335tt.** 196.485 (1) (j) of the statutes is created to read:

16 196.485 (1) (j) "Transmission utility security holder" means a person that is a
17 security holder of a transmission company, is an investor-owned transmission utility
18 in the transmission area and has contributed its transmission facilities to the
19 transmission company.

20 **SECTION 2335ttm.** 196.485 (1) (k) of the statutes is created to read:

21 196.485 (1) (k) "Wholesale electric cooperative" means a cooperative that
22 provides wholesale electric service to its members.

23 **SECTION 2335tu.** 196.485 (1m) of the statutes is created to read:

24 196.485 (1m) DUTY TO PROVIDE TRANSMISSION SERVICE. (a) The duty of any
25 electric utility that has contributed its transmission facilities to the transmission

1 company to finance, construct, maintain or operate a transmission facility shall
2 terminate on the date, as determined by the commission under sub. (2) (d), that the
3 transmission company begins operations.

4 (b) After beginning operations, the transmission company shall, except for
5 transmission service provided by an electric utility that has not transferred its
6 transmission facilities to the the transmission company, have the exclusive duty to
7 provide transmission service in those areas in which transmission facilities have
8 been contributed. The duty under this paragraph shall terminate on the date, as
9 determined by the commission under sub. (2) (d), that the Midwest independent
10 system operator begins operations.

11 (c) After beginning operations, the Midwest independent system operator
12 shall, except for transmission service provided by an electric utility that has not
13 transferred control over its transmission facilities to the Midwest independent
14 system operator, have the exclusive duty to provide transmission service in the
15 transmission area and shall ensure that each transmission facility in the
16 transmission area that is under its operational control is planned, constructed,
17 operated, maintained and controlled as part of a single transmission system.

18 **SECTION 2335tv.** 196.485 (2) (a) (intro.) of the statutes is amended to read:

19 196.485 (2) (a) (intro.) By June 30, 2000, if a transmission utility has not
20 transferred control over its transmission facilities to an independent system
21 operator that is approved by the applicable federal agency or divested, with approval
22 of the applicable federal agency and, for a public utility, the commission, its interest
23 in its transmission facilities to an independent transmission owner, the commission
24 shall, subject to ~~par. pars.~~ par. (am) and (ar), order the transmission utility to apply to the
25 applicable federal agency to do one of the following:

1 **SECTION 2335tw.** 196.485 (2) (ar) of the statutes is created to read:

2 196.485 (2) (ar) The commission shall waive the requirement to issue an order
3 against a transmission utility under par. (a) if the transmission utility shows, to the
4 satisfaction of the commission, that a transfer of its transmission facilities to the
5 Midwest independent system operator may have the effect of jeopardizing the
6 tax-exempt status of the transmission utility or its securities under the Internal
7 Revenue Code. A waiver under this paragraph shall be in effect until the commission
8 determines that the proposed transfer does not have the effect described in this
9 paragraph.

10 **SECTION 2335tx.** 196.485 (2) (bx) of the statutes is created to read:

11 196.485 (2) (bx) If the Midwest system operator fails to commence operations
12 or ceases operations, the requirements of this section that apply to the Midwest
13 independent system operator shall apply to any other independent system operator
14 or regional transmission organization that is authorized under federal law to operate
15 in this state. The commission shall require that any transfer of transmission
16 facilities to such independent system operator or regional transmission organization
17 satisfies the requirements of this section.

18 **SECTION 2335ty.** 196.485 (2) (d) of the statutes is created to read:

19 196.485 (2) (d) The commission shall determine each of the following:

- 20 1. The date on which the transmission company begins operations.
21 2. Whether the Midwest independent system operator has begun operations
22 and the date on which such operations have begun.

23 **SECTION 2335tz.** 196.485 (3) (bm) of the statutes is repealed.

24 **SECTION 2335ub.** 196.485 (3m) of the statutes is created to read:

1 196.485 **(3m)** TRANSMISSION COMPANY. (a) *Duties*. 1. The transmission company
2 shall do each of the following:

3 a. Apply for any approval under state or federal law that is necessary for the
4 transmission company to begin operations no later than November 1, 2000.

5 b. Subject to any approval required under state or federal law, contract with
6 each transmission utility that has transferred transmission facilities to the
7 transmission company for the transmission utility to provide reasonable and
8 cost-effective operation and maintenance services to the transmission company
9 during the 3-year period after the transmission company first begins operations.
10 The transmission company and a transmission utility may, subject to any approval
11 required under federal or state law, agree to an extension of such 3-year period.

12 c. Assume the obligations of a transmission utility that has transferred
13 ownership of its transmission facilities to the transmission company under any
14 agreement by the transmission utility to provide transmission service over its
15 transmission facilities or credits for the use of transmission facilities, except that the
16 transmission company may modify such an agreement to the extent allowed under
17 the agreement and to the extent allowed under state or federal law.

18 d. Apply for membership in the Midwest independent system operator as a
19 single zone for pricing purposes that includes the transmission area and, upon a
20 determination by the commission under sub. (2) (d) that the Midwest independent
21 system operator has begun operations, transfer operational control of the
22 transmission company's transmission facilities to the Midwest independent system
23 operator.

24 e. Remain a member of the Midwest independent system operator, or any
25 independent system operator or regional transmission organization that has been

1 approved under federal law to succeed the Midwest independent system operator, for
2 at least the 6-year transition period that is specified in the agreement conditionally
3 approved by the federal energy regulatory commission that establishes the Midwest
4 independent system operator.

5 f. Subject to subd. 4., elect to be included in a single zone for the purpose of any
6 tariff administered by the Midwest independent system operator.

7 2. The transmission company may not do any of the following:

8 a. Sell or transfer its assets to, or merge its assets with, another person, unless
9 the assets are sold, transferred or merged on an integrated basis and in a manner
10 that ensures that the transmission facilities in the transmission area are planned,
11 constructed, operated, maintained and controlled as a single transmission system.

12 b. Bypass the distribution facilities of an electric utility or provide service
13 directly to a retail customer or member.

14 c. Own electric generation facilities or sell, market or broker electric capacity
15 or energy in a relevant wholesale or retail market as determined by the commission,
16 except that, if authorized or required by the federal energy regulatory commission,
17 the transmission company may procure or resell ancillary services obtained from 3rd
18 parties, engage in redispatch activities that are necessary to relieve transmission
19 constraints or operate a control area.

20 3. Notwithstanding subd. 1. a., the transmission company may not begin
21 operations until it provides an opinion to the commission from a nationally
22 recognized investment banking firm that the transmission company is able to
23 finance, at a reasonable cost, its start-up costs, working capital and operating
24 expenses and the cost of any new facilities that are planned.

1 4. If the transmission charges or rates of any transmission utility in the
2 transmission area are 10% or more below the average transmission charges or rates
3 of the transmission utilities in the transmission area on the date, as determined by
4 the commission, that the last public utility affiliate files a commitment with the
5 commission under sub. (5) (a) 2., the transmission company shall, after consulting
6 with each public utility affiliate that has filed a commitment under sub. (5) (a) 2.,
7 prepare a plan for phasing in a combined single zone rate for the purpose of pricing
8 network use by users of the transmission system operated by the Midwest
9 independent system operator and shall seek plan approval by the federal energy
10 regulatory commission and the Midwest independent system operator. A plan under
11 this subdivision shall phase in an average-cost price for the combined single zone in
12 equal increments over a 5-year period, except that, under the plan, transmission
13 service shall be provided to all users of the transmission system on a single-zone
14 basis during the phase-in period.

15 (b) *Powers.* The transmission company may do any of the following:

16 1. Subject to the approval of the commission under s. 196.491 (3), construct and
17 own transmission facilities, including high-voltage transmission lines, as defined in
18 s. 196.491 (1) (f), in the transmission area or in any other area of the state in which
19 transmission facilities that have been contributed to the transmission company are
20 located. This subdivision does not affect the right or duty of an electric utility that
21 is not located in the transmission area or that has not contributed its transmission
22 facilities to the transmission company to construct or own transmission facilities.

23 2. Subject to any approval required under state or federal law, purchase or
24 acquire transmission facilities in addition to the transmission facilities contributed
25 under sub. (5) (b).

1 (c) *Organization.* The operating agreement, as defined in s. 183.0102 (16), of
2 a transmission company that is organized as a limited liability company under ch.
3 183 or the bylaws of a transmission company that is organized as a corporation under
4 ch. 180 shall provide for each of the following:

5 1. That the transmission company has no less than 5 nor more than 14
6 managers or directors, except that the operating agreement or bylaws may allow the
7 requirements of this subdivision to be modified upon a unanimous vote of the
8 managers or directors during the 10-year period after the organizational start-up
9 date or upon a two-thirds vote of the board of directors or managers after such
10 10-year period.

11 2. That at least 4 managers or directors of the transmission company have
12 staggered 4-year terms, are elected by a majority vote of the voting security holders
13 and are not directors, employes or independent contractors of a person engaged in
14 the production, sale, marketing, transmission or distribution of electricity or natural
15 gas or of an affiliate of such a person.

16 3. That, during the 10-year period after the organizational start-up date, each
17 of the following is satisfied, subject to the limitation on the number of managers or
18 directors under subd. 1.:

19 a. Each nontransmission utility security holder that owns 10% or more of the
20 outstanding voting securities of the transmission company may appoint one
21 manager or director of the transmission company for a one-year term, except that
22 the requirements of this subd. 3. a. may be modified upon a unanimous vote of the
23 managers or directors.

24 b. Each group of nontransmission utility security holders that, as a group, owns
25 10% or more of the outstanding voting securities of the transmission company may

1 appoint one manager or director of the transmission company for a one-year term
2 if the group has entered into a written agreement regarding the appointment and the
3 group files the agreement with the transmission company, except that the
4 requirements of this subd. 3. b. may be modified upon a unanimous vote of the
5 managers or directors.

6 bg. Each nontransmission utility security holder that makes an appointment
7 under subd. 3. a. is not allowed to make an appointment under subd. 3. b. as a
8 member of a group of nontransmission utility security holders.

9 br. Each nontransmission utility security holder that makes an appointment
10 as a member of a group under subd. 3. b. is not allowed to make an appointment
11 under subd. 3. a.

12 c. Each person that receives at least 5% of the voting securities of the
13 transmission company under sub. (6)(a) 1. or 3. may appoint one manager or director
14 of the transmission company for a one-year term if the person continues to hold at
15 least a 5% equity interest in the transmission company during the one-year term
16 and if the person does not make an appointment under subd. 3. a., b. or d.

17 d. Each transmission utility security holder may appoint one manager or
18 director of the transmission company for a one-year term.

19 4. That, during the 5-year period after the organizational start-up date, no
20 public utility affiliate that contributes transmission facility assets to the
21 transmission company under sub. (5) (b) and no affiliate of such a public utility
22 affiliate may increase its percentage share of the outstanding securities of the
23 transmission company prior to any initial issuance of securities by the transmission
24 company to any 3rd party other than a 3rd party exercising its right to purchase
25 securities under sub. (6) (a) 3., except that this subdivision does not apply to

1 securities that are issued by the transmission company in exchange for transmission
2 facilities that are contributed in addition to the transmission facilities that are
3 contributed under sub. (5) (b) and except that the requirements of this subdivision
4 may be modified upon a unanimous vote of the managers or directors.

5 5. That, beginning 3 years after the organizational start-up date, any holder
6 of 10% or more of the securities of the transmission company may require the
7 transmission company to comply with any state or federal law that is necessary for
8 the security holder to sell or transfer its shares.

9 (d) *Commission jurisdiction.* The transmission company is subject to the
10 jurisdiction of the commission except to the extent that it is subject to the exclusive
11 jurisdiction of the federal energy regulatory commission.

12 **SECTION 2335ud.** 196.485 (4) (a) (intro.) of the statutes is amended to read:

13 196.485 (4) (a) (intro.) ~~A~~ Except as provided in par. (am), a transmission utility
14 may not transfer control over, or divest its interest in, its transmission facilities to
15 an independent system operator or independent transmission owner unless, to the
16 satisfaction of the commission, each of the following requirements is satisfied:

17 **SECTION 2335uf.** 196.485 (4) (am) of the statutes is created to read:

18 196.485 (4) (am) Each transmission utility in the transmission area that is a
19 public utility shall become a member of the Midwest independent system operator
20 no later than June 30, 2000, and shall transfer operational control over its
21 transmission facilities to the Midwest independent system operator. Each such
22 transmission utility that has not contributed its transmission facilities to the
23 transmission company shall elect to become part of the single zone for pricing
24 purposes within the Midwest independent system operator and any phase-in plan
25 prepared under sub. (3m) (a) 4.

1

2 **SECTION 2335uh.** 196.485 (5) of the statutes is created to read:

3 196.485 (5) PUBLIC UTILITY AFFILIATES. (a) *Asset cap exception.* Section 196.795
4 (6m) (e) does not apply to the eligible assets of a nonutility affiliate in a holding
5 company system unless each public utility affiliate in the holding company system
6 does each of the following:

7 1. Petitions the commission and the federal energy regulatory commission to
8 approve the transfer of operational control of all the public utility affiliate's
9 transmission facilities in this state and in Iowa, Michigan, Minnesota and Illinois to
10 the Midwest independent system operator.

11 2. Files with the commission an unconditional, irrevocable and binding
12 commitment to contribute, no later than September 30, 2000, all of the transmission
13 facilities that the public utility affiliate owns or operates in this state on the effective
14 date of this subdivision [revisor inserts date], and land rights, to the transmission
15 company. A filing under this subdivision shall specify a date no later than September
16 30, 2000, on which the public utility affiliate will complete the contribution of
17 transmission facilities.

18 3. Files with the commission an unconditional, irrevocable and binding
19 commitment to contribute, and to cause each entity into which it merges or
20 consolidates or to which it transfers substantially all of its assets to contribute, any
21 transmission facility in this state the ownership or control of which it acquires after
22 the effective date of this subdivision [revisor inserts date], and land rights, to the
23 transmission company.

24 4. Notifies the commission in writing that the public utility affiliate has become
25 a member of the Midwest independent system operator, has agreed to transfer its

1 transmission facilities to the Midwest independent system operator and has
2 committed not to withdraw its membership prior to the date on which the public
3 utility affiliate contributes transmission facilities to the transmission company
4 under par. (b).

5 5. Petitions the commission and the federal energy regulatory commission to
6 approve the contributions specified in subds. 2. and 3. and agrees in such a petition
7 not to withdraw the petition in the event that the commission or the federal energy
8 regulatory commission conditions its approval on changes that are consistent with
9 state and federal law.

10 (b) *Contribution of transmission facilities.* 1. A public utility affiliate may not
11 contribute a transmission facility to the transmission company until the commission
12 has reviewed the terms and conditions of the transfer to determine whether the
13 transfer satisfies the requirements of this subsection and has issued an order
14 approving the terms and conditions of the transfer. The commission may modify the
15 terms and conditions of the transfer and take any other action necessary to satisfy
16 the requirements of this subsection. An order under this subdivision that approves
17 or modifies the terms and conditions of a transfer may allow a public utility affiliate
18 to recover in retail rates any adverse tax consequences of the transfer as a transition
19 cost.

20 2. The transmission company and a public utility affiliate that files a
21 commitment to contribute transmission facilities under par. (a) 2. shall structure the
22 transfer of the transmission facilities in a manner that satisfies each of the following:

23 a. The structure of the transfer avoids or minimizes material adverse tax
24 consequences to the public utility affiliate from the transfer and avoids or minimizes
25 material adverse consequences on public utility rates that do not arise out of

1 combining the transmission company's facilities into a single zone in the Midwest
2 independent system operator.

3 b. To the extent practicable, the structure of the transfer satisfies the
4 requirements of the Internal Revenue Service for a tax-free transfer.

5 3. The requirements under subd. 2. b. shall, if practicable, be satisfied by the
6 transmission company's issuance of a preferred class of securities that provides the
7 fixed-cost portion of the resulting capital structure of the transmission company.
8 The transmission company shall issue preferred securities under this subdivision on
9 a basis that does not dilute the voting rights of the initial security holders relative
10 to the value of their initial contributions.

11 4. If the transfer of transmission assets under this paragraph results in a
12 capital structure of the transmission company in which the percentage of common
13 equity is materially higher than that of the public utility affiliates who made the
14 transfer, or if the cost of the fixed-cost portion of the capital structure of the
15 transmission company is materially higher than that of the public utility affiliates
16 who made the transfer, the public utility affiliates shall enter into a contract with the
17 transmission company under which the public utility affiliates agree to accept from
18 the transmission company a return on common equity based upon the equity rate of
19 return approved by the federal energy regulatory commission and upon an imputed
20 capital structure that assigns to a portion of the public utility affiliates' common
21 equity holdings an imputed debt return that is consistent with the requirements of
22 this subdivision. A contract under this subdivision shall specify that the public
23 utility affiliates shall be required to accept the return on common equity described
24 in this subdivision only until such time that the federal energy regulatory
25 commission determines that the actual capital structure and capital costs of the

1 transmission company are appropriate and consistent with industry practice for a
2 regulated public utility that provides electric transmission service in interstate
3 commerce.

4 5. If, at the time that a public utility affiliate files a commitment under par. (a)
5 2., the public utility affiliate has applied for or obtained a certificate of public
6 convenience and necessity under s. 196.491 (3) or a certificate under s. 196.49 for the
7 construction of transmission facilities, the public utility affiliate shall do each of the
8 following:

9 a. Proceed with diligence with respect to obtaining the certificate and, except
10 as provided in subd. 6., constructing the transmission facilities.

11 b. If the commission determines that the cost of the transmission facilities is
12 reasonable and prudent, transfer the transmission facilities to the transmission
13 company at net book value when construction is completed in exchange for additional
14 securities of the transmission company on a basis that is consistent with the
15 securities that were initially issued to the public utility affiliate.

16 6. If the construction of a transmission facility specified in subd. 5. a. is not
17 completed within 3 years after a certificate is issued for the transmission facility
18 under s. 196.49 or 196.491 (3), the transmission company may assume responsibility
19 for completing construction of the transmission facility. If the transmission company
20 assumes responsibility for completing construction under this subdivision, the
21 transmission company shall carry out any obligation under any contract entered into
22 by the public utility with respect to the construction until the contract is modified or
23 rescinded by the transmission company to the extent allowed under the contract.

1 7. Any transmission facilities that are contributed to the transmission
2 company shall be valued at net book value determined on the basis of the regulated
3 books of account at the time of the transfer.

4 (bm) *Lease of transmission facilities.* If a public utility affiliate is not able to
5 contribute its transmission facilities to the transmission company as required under
6 par. (b) due to merger-related accounting requirements, the public utility affiliate
7 shall transfer the transmission facilities to the transmission company under a lease
8 for the period of time during which the accounting requirements are in effect and,
9 after such requirements are no longer in effect, contribute the transmission facilities
10 to the transmission company under par. (b). A public utility affiliate that transfers
11 transmission facilities under a lease under this paragraph does not qualify for the
12 asset cap exception under par. (a) unless, during the term of the lease, the public
13 utility affiliate does not receive any voting interest in the transmission company.

14 (c) *Contribution of land rights.* 1. A public utility affiliate that commits to
15 contributing land rights to the transmission company under par. (a) 2. shall do each
16 of the following:

17 a. Except as provided in subd. 2., if the land right is assigned to a transmission
18 account for rate-making purposes and is not jointly used for electric and gas
19 distribution facilities by the public utility affiliate, the public utility affiliate shall
20 convey or assign at book value all of its interest in the land right to the transmission
21 company, except that any conveyance or assignment under this subd. 1. a. shall be
22 subject to the rights of any joint user of the land right and to the right of the public
23 utility affiliate to nondiscriminatory access to the real estate that is subject to the
24 land right.

1 b. If the land right is jointly used, or is intended to be jointly used, for electric
2 and gas distribution facilities by the public utility affiliate, the public utility affiliate
3 shall enter into a contract with the transmission company that grants the
4 transmission company a right to place, maintain, modify or replace the transmission
5 company's transmission facilities on the real property that is subject to the land right
6 during the life of the transmission facilities and the life of any replacements of the
7 transmission facilities. A right granted in a contract under this subd. 1. b. shall be
8 paramount to the right of any other user of the land right, except that a right granted
9 in such a contract shall be on par with the right of the public utility affiliate to use
10 the land right for electric or gas distribution facilities.

11 2. If a public utility affiliate is prohibited from making a conveyance or
12 assignment described in subd. 1. a., the public utility affiliate shall enter into a
13 contract with the transmission company that grants the transmission company
14 substantially the same rights as under such a conveyance or assignment. For
15 purposes of a contract under this subdivision, a land right shall be valued at book
16 value, not at market value.

17 3. The commission shall resolve any dispute over the contribution of a land
18 right under subd. 1. or 2., including a dispute over the valuation of such a land right,
19 unless a federal agency exercises jurisdiction over the dispute. During the pendency
20 of any dispute that is before the commission or a federal agency, the transmission
21 company shall be entitled to use the land right that is the subject to the dispute and
22 shall be required to pay any compensation that is in dispute into an escrow account.

23 (d) *Applicability.* Notwithstanding sub. (1) (h), and subject to any approval
24 required under federal law, for purposes of this subsection, a facility of a public utility
25 affiliate is a transmission facility if any of the following applies:

1 1. The facility is not a radial facility and the facility is designed for operation
2 at a nominal voltage of more than 130 kilovolts.

3 2. The facility is not a radial facility and the facility is designed for operation
4 at a nominal voltage of more than 50 kilovolts but not more than 130 kilovolts, unless
5 a person has demonstrated to the commission that the facility is not a transmission
6 facility on the basis of factors for identifying a transmission facility that are specified
7 in the orders of the federal energy regulatory commission under 16 USC 824d and
8 824e.

9 3. The facility is a radial facility or is designed for operation at a nominal
10 voltage of 50 kilovolts or less, and a person has demonstrated to the commission that
11 the facility is a transmission facility on the basis of factors for identifying a
12 transmission facility that are specified in the orders of the federal energy regulatory
13 commission under 16 USC 824d and 824e.

14 **SECTION 2335uj.** 196.485 (6) of the statutes is created to read:

15 196.485 (6) ELECTRIC UTILITIES, TRANSMISSION DEPENDENT UTILITIES AND RETAIL
16 ELECTRIC COOPERATIVES. (a) No later than the first day of the 12th month beginning
17 after the first public utility affiliate files a commitment under sub. (5) (a) 2.:

18 1. An electric utility, other than a public utility affiliate or an owner or operator
19 of a wholesale merchant plant, as defined in s. 196.491 (1) (w), may transfer all of its
20 transmission facilities that are specified in subd. 2. to the transmission company on
21 the same terms and conditions as a contribution of transmission facilities and land
22 rights by a public utility affiliate under sub. (5) (b) and (c).

23 2. An electric utility may transfer transmission facilities under subd. 1. if the
24 transmission facilities are located in the geographic area that is served by the

1 Mid-America Interconnected Network, Inc., or the Mid-Continent Area Power Pool
2 reliability council of the North American Electric Reliability Council.

3 3. A transmission-dependent utility or retail electric cooperative may
4 purchase equity interests in the transmission company at a price that is equivalent
5 to net book value and on terms and conditions that are comparable to those for public
6 utility affiliates that have contributed transmission facilities to the transmission
7 company. A purchaser under this subdivision may contribute funds to the
8 transmission company that are no more than the value of its prorated shares based
9 on firm electric usage in this state in 1999.

10 (b) Notwithstanding sub. (1) (h), and subject to any approval required under
11 federal law, for purposes of this subsection, a facility of an electric utility is a
12 transmission facility if the criteria specified in sub. (5) (d) 1., 2. or 3. are satisfied.

13 **SECTION 2335uk.** 196.485 (6m) of the statutes is created to read:

14 196.485 (6m) DIVIDENDS, DISTRIBUTIONS, PROFITS AND GAINS. The commission
15 may not treat any dividend or distribution received by a transmission utility from
16 the transmission company or any gain or profit of a transmission utility from the sale
17 or other disposition of securities issued by the transmission company as a credit
18 against the retail revenue requirements of the transmission utility.

19 **SECTION 2335um.** 196.485 (7) of the statutes is created to read:

20 196.485 (7) ENFORCEMENT. A wholesale or retail customer of a public utility
21 affiliate may petition the circuit court for Dane County for specific performance of
22 a commitment filed under sub. (5) (a) 2. or 3.

23 **SECTION 2335uo.** 196.485 (8) of the statutes is created to read:

24 196.485 (8) PENALTIES. A public utility affiliate that fails to complete the
25 contribution of transmission facilities to the transmission company by the

1 completion date specified in the filing under sub. (5) (a) 2. shall forfeit \$25,000 for
2 each day that completion of the contribution is delayed if the transmission company
3 is legally able to accept the contribution.

4 **SECTION 2335uq.** 196.487 of the statutes is created to read:

5 **196.487 Reliability of electric service. (1) DEFINITIONS.** In this section:

6 (a) "Public utility affiliate" has the meaning given in s. 196.795 (1) (L).

7 (b) "Transmission company" has the meaning given in s. 196.485 (1) (ge).

8 **(2) COMMISSION ORDER.** If the commission determines that a public utility
9 affiliate or the transmission company is not making investments in the facilities
10 under its control that are sufficient to ensure reliable electric service, the commission
11 shall order the public utility affiliate or transmission company to make adequate
12 investments in its facilities that are sufficient to ensure reliable electric service. An
13 order under this subsection shall require the public utility affiliate or transmission
14 company to provide security in an amount and form that, to the satisfaction of the
15 commission, is sufficient to ensure that the public utility affiliate or transmission
16 company expeditiously makes any investment that is ordered.

17 **(3) COST RECOVERY.** The commission shall allow a public utility affiliate that is
18 subject to an order under sub. (2) to recover in its retail electric rates the costs that
19 are prudently incurred in complying with the order.

20 **SECTION 2335wb.** 196.491 (3) (d) 3r. of the statutes is created to read:

21 196.491 (3) (d) 3r. For a high-voltage transmission line that is proposed to
22 increase the transmission import capability into this state, existing rights-of-way
23 are used to the extent practicable and the routing and design of the high-voltage
24 transmission line minimizes environmental impacts in a manner that is consistent
25 with achieving reasonable electric rates.

1 **SECTION 2335wd.** 196.491 (3) (d) 3t. of the statutes is created to read:

2 196.491 (3) (d) 3t. For a high-voltage transmission line that is designed for
3 operation at a nominal voltage of 345 kilovolts or more, the high-voltage
4 transmission line provides usage, service or increased regional reliability benefits to
5 the wholesale and retail customers or members in this state and the benefits of the
6 high-voltage transmission line are reasonable in relation to the cost of the
7 high-voltage transmission line.

8 **SECTION 2335wf.** 196.491 (3) (gm) of the statutes is created to read:

9 196.491 (3) (gm) The commission may not approve an application filed after the
10 effective date of this paragraph [revisor inserts date], under this section for a
11 certificate of public convenience and necessity for a high-voltage transmission line
12 that is designed for operation at a nominal voltage of 345 kilovolts or more unless the
13 approval includes the condition that the applicant shall pay the fees specified in sub.
14 (3g) (a). If the commission has approved an application under this section for a
15 certificate of public convenience and necessity for a high-voltage transmission line
16 that is designed for operation at a nominal voltage of 345 kilovolts or more that was
17 filed after April 1, 1999, and before the effective date of this paragraph [revisor
18 inserts date], the commission shall require the applicant to pay the fees specified in
19 sub. (3g) (a). For any application subject to this paragraph, the commission shall
20 determine the cost of the high-voltage transmission line, identify the counties,
21 towns, villages and cities through which the high-voltage transmission line is routed
22 and allocate the amount of investment associated with the high-voltage
23 transmission line to each such county, town, village and city.

24 **SECTION 2335wh.** 196.491 (3g) of the statutes is created to read:

1 196.491 (3g) FEES FOR CERTAIN HIGH-VOLTAGE TRANSMISSION LINES. (a) A person
2 who receives a certificate of public convenience and necessity for a high-voltage
3 transmission line that is designed for operation at a nominal voltage of 345 kilovolts
4 or more under sub. (3) shall pay the department of administration an annual impact
5 fee as specified in the rules promulgated by the department of administration under
6 s. 16.969 (2) (a) and shall pay the department of administration a one-time
7 environmental impact fee as specified in the rules promulgated by the department
8 of administration under s. 16.969 (2) (b).

9 (b) A person that pays a fee under par. (a) may not use the payment to offset
10 any other mitigation measure that is required in an order by the commission under
11 sub. (3) regarding the certificate of public convenience and necessity specified in par.
12 (a).

13 **SECTION 2335wj.** 196.491 (3m) (b) 2. of the statutes is amended to read:

14 196.491 (3m) (b) 2. The analytical process specified in subd. 1. b. shall, to the
15 extent practicable, be consistent with the analytical process described in the merger
16 enforcement policy of the federal department of justice and the federal trade
17 commission regarding horizontal acquisitions and mergers that are subject to 15
18 USC 1, 18 or 45, as defined in s. 196.485 (1) (dr).

19 **SECTION 2335wL.** 196.494 (3) of the statutes is amended to read:

20 196.494 (3) ~~No later than December 31, 2004, the~~ The commission may shall,
21 under this subsection, issue an order requiring the transmission company, as defined
22 in s. 196.485 (1) (ge), or an electric utility to construct or procure, on a competitive
23 basis, the construction of transmission facilities specified by the commission in its
24 order if the commission determines that, based on the results of the study under sub-
25 (2), such construction is necessary to relieve a constraint on a transmission system

1 and the construction will materially benefit the customers of the transmission
2 company or electric utility or other electric utilities or of an independent system
3 operator, as defined in s. 196.485 (1) (d), or independent transmission owner, as
4 defined in s. 196.485 (1) (dm).

5 **SECTION 2335wn.** 196.494 (5) of the statutes is created to read:

6 196.494 (5) The governor may, on behalf of this state, enter into an interstate
7 compact that establishes a joint process for the states in the upper midwest region
8 of the United States to determine the need for and siting of regional electric
9 transmission facilities that may affect electric service in this state. The governor
10 may not enter into a compact under this subsection unless the compact includes
11 requirements and procedures for establishing each of the following:

12 (a) Compliance with each state's environmental and siting standards for
13 transmission facilities.

14 (b) A regional need determination for transmission facilities.

15 (c) A mechanism for resolving conflicts between the states regarding the siting
16 of transmission facilities.

17 **SECTION 2335wp.** 196.52 (3) (a) of the statutes is amended to read:

18 196.52 (3) (a) In this subsection, "contract or arrangement" means a contract
19 or arrangement providing for the furnishing of management, supervisory,
20 construction, engineering, accounting, legal, financial or similar services and any
21 contract or arrangement for the purchase, sale, lease or exchange of any property,
22 right, or thing, or for the furnishing of any service, property, right, or thing, other
23 than management, supervisory, construction, engineering, accounting, legal,
24 financial or similar services, but "contract or arrangement" does not include a
25 contract or arrangement under which a transmission utility, as defined in s. 196.485

1 (1) (i), sells or transfers securities, as defined in s. 196.485 (1) (fe), that have been
2 issued by a transmission company, as defined in s. 196.485 (1) (ge). Except as
3 provided under par. (b), unless and until the commission gives its written approval,
4 any contract or arrangement is not valid or effective if the contract or arrangement
5 is made between a public utility and an affiliated interest after June 7, 1931. Every
6 public utility shall file with the commission a verified copy of any contract or
7 arrangement, a verified summary of any unwritten contract or arrangement, and
8 any contract or arrangement, written or unwritten, which was in effect on June 7,
9 1931. The commission shall approve a contract or arrangement made or entered into
10 after June 7, 1931, only if it shall clearly appear and be established upon
11 investigation that it is reasonable and consistent with the public interest. The
12 commission may not approve any contract or arrangement unless satisfactory proof
13 is submitted to the commission of the cost to the affiliated interest of rendering the
14 services or of furnishing the property or service to each public utility or of the cost
15 to the public utility of rendering the services or of furnishing the property or service
16 to each affiliated interest. No proof is satisfactory under this paragraph unless it
17 includes the original (or verified copies) of the relevant cost records and other
18 relevant accounts of the affiliated interest, or an abstract of the records and accounts
19 or a summary taken from the records and accounts if the commission deems the
20 abstract or summary adequate. The accounts shall be properly identified and duly
21 authenticated. The commission, where reasonable, may approve or disapprove a
22 contract or arrangement without submission of the cost records or accounts.

23 **SECTION 2335ya.** 196.795 (1) (g) 1. of the statutes is amended to read:

1 196.795 (1) (g) 1. As a beneficial owner, to take, hold or acquire 5% or more of
2 the outstanding voting securities of a public utility, other than a transmission
3 company, with the unconditional power to vote those securities.

4 **SECTION 2335yb.** 196.795 (1) (g) 2. of the statutes is amended to read:

5 196.795 (1) (g) 2. To exchange or convert 50% or more of the outstanding voting
6 securities of a public utility, other than a municipality or other political subdivision
7 or a transmission company, for or into the voting securities of a company organized,
8 created, appointed or formed by or at the direction of the public utility or of a
9 subsidiary of such company.

10 **SECTION 2335yc.** 196.795 (1) (h) 3. of the statutes is created to read:

11 196.795 (1) (h) 3. “Holding company” does not include a transmission company.

12 **SECTION 2335yd.** 196.795 (1) (p) of the statutes is created to read:

13 196.795 (1) (p) “Transmission company” has the meaning given in s. 196.485
14 (1) (ge).

15 **SECTION 2335ye.** 196.795 (5) (i) 1. of the statutes is amended to read:

16 196.795 (5) (i) 1. Shall consider the public utility affiliate as a wholly
17 independent corporation and shall impute a capital structure to the public utility
18 affiliate and establish a cost of capital for the public utility affiliate on a stand-alone
19 basis;

20 **SECTION 2335yf.** 196.795 (5) (p) 1., 2., 3. and 4. of the statutes are renumbered

21 196.795 (6m) (b) 1., 2., 3. and 4.

22 **SECTION 2335yg.** 196.795 (5) (pm) 1. (intro.) of the statutes is repealed.

23 **SECTION 2335yh.** 196.795 (5) (pm) 1. a. of the statutes is renumbered 196.795

24 (6m) (a) 3.

1 **SECTION 2335yi.** 196.795 (5) (pm) 1. b. of the statutes is renumbered 196.795
2 (6m) (a) 5.

3 **SECTION 2335yj.** 196.795 (5) (pm) 1. c. of the statutes is renumbered 196.795
4 (6m) (a) 6.

5 **SECTION 2335yk.** 196.795 (5) (pm) 2. of the statutes is renumbered 196.795
6 (6m) (c) and amended to read:

7 196.795 (6m) (c) Wholesale merchant plants. The assets of a wholesale
8 merchant plant shall not be included in the sum of the assets of a public utility
9 affiliate under par. ~~(p)~~ (b) 1. a., b. or c. and shall not be included in a nonutility
10 affiliate's total assets under par. ~~(p)~~ (b) 2. a. if the requirements specified in s. 196.491
11 (3m) (a) 1. and 2. are satisfied or if the wholesale merchant plant qualifies for the
12 exemption under s. 196.491 (3m) (e).

13 **SECTION 2335yL.** 196.795 (5) (pm) 3. of the statutes is renumbered 196.795
14 (6m) (d) and amended to read:

15 196.795 (6m) (d) Foreign affiliates. The assets of a foreign affiliate shall be
16 included in the sum of the assets of a public utility affiliate under par. ~~(p)~~ (b) 1. a.,
17 b. or c. and shall not be included in a nonutility affiliate's total assets under par. ~~(p)~~
18 (b) 2. a.

19 **SECTION 2335ym.** 196.795 (6m) (title) of the statutes is created to read:
20 196.795 (6m) (title) ASSET CAP.

21 **SECTION 2335yn.** 196.795 (6m) (a) (intro.) of the statutes is created to read:
22 196.795 (6m) (a) Definitions. (intro.) In this subsection:

23 **SECTION 2335yo.** 196.795 (6m) (a) 1. of the statutes is created to read:

1 196.795 (6m) (a) 1. “Contributor public utility affiliate” means a public utility
2 affiliate that has contributed its transmission facilities to the transmission company
3 under s. 196.485 (5) (b).

4 **SECTION 2335yp.** 196.795 (6m) (a) 2. of the statutes is created to read:

5 196.795 (6m) (a) 2. “Eligible asset” means an asset of a nonutility affiliate that
6 is used for any of the following:

7 a. Producing, generating, transmitting, delivering, selling or furnishing gas,
8 oil, electricity or steam energy.

9 b. Providing an energy management, conservation or efficiency product or
10 service or a demand-side management product or service.

11 c. Providing an energy customer service, including metering or billing.

12 d. Recovering or producing energy from waste materials.

13 e. Processing waste materials.

14 f. Manufacturing, distributing or selling products for filtration, pumping water
15 or other fluids, processing or heating water, handling fluids or other related
16 activities.

17 g. Providing a telecommunications service, as defined in s. 196.01 (9m).

18 h. Providing an environmental engineering service.

19 **SECTION 2335yq.** 196.795 (6m) (a) 4. of the statutes is created to read:

20 196.795 (6m) (a) 4. “Generation assets” means assets that are classified as
21 electric generation assets on the books of account of a public utility, as determined
22 by the commission.

23 **SECTION 2335yr.** 196.795 (6m) (b) (title) of the statutes is created to read:

24 196.795 (6m) (b) *In general.*

25 **SECTION 2335ys.** 196.795 (6m) (e) of the statutes is created to read:

1 196.795 (6m) (e) *Contributor public utility affiliates*. 1. The eligible assets of
2 a nonutility affiliate in a holding company system that includes each of the
3 contributor public utility affiliates in the holding company system shall not be
4 included in the sum of the assets of the public utility affiliates under par. (b) 1. a.,
5 b. or c. and shall not be included in the nonutility affiliate's total assets under par.
6 (b) 2. a.

7 2. For purposes of subd. 1., all of the assets of a nonutility affiliate shall be
8 considered eligible assets if each of the following is satisfied:

9 a. The bylaws of the nonutility affiliate or a resolution adopted by its board of
10 directors specifies that the business of the nonutility affiliate is limited to activities
11 involving eligible assets.

12 b. Substantially all of the assets of the nonutility affiliate are eligible assets.

13 3. The net book value of transmission facility assets that a contributor public
14 utility affiliate has contributed to a transmission company under s. 196.485 (5) (b)
15 shall be included in the sum of the assets of the public utility affiliate under par. (b)
16 1. a., b. and c. In determining net book value under this subdivision, accumulated
17 depreciation shall be calculated as if the contributor public utility affiliate had not
18 contributed the assets.

19 4. The net book value of generation assets that a contributor public utility
20 affiliate has transferred to a person that is not affiliated with the public utility
21 affiliate pursuant to the order of the commission, a court or a federal regulatory
22 agency shall be included in the sum of the assets of the public utility affiliate under
23 par. (b) 1. a., b. and c. In determining net book value under this subdivision,
24 accumulated depreciation shall be calculated as if the contributor public utility
25 affiliate had not transferred the assets.

1 **SECTION 2335ysm.** 196.795 (7) (a) (intro.) of the statutes is amended to read:

2 196.795 (7) (a) (intro.) No sooner than the first day of the 36th month after the
3 formation of a holding company and at least once every 3 years thereafter, the
4 commission shall investigate the impact of the operation of every holding company
5 system formed on or after November 28, 1985, on every public utility affiliate in the
6 holding company system and shall determine whether each nonutility affiliate,
7 except for the nonutility affiliates of a holding company that were affiliates of a
8 holding company that was formed before November 28, 1985, does, or can reasonably
9 be expected to do, at least one of the following:

10 **SECTION 2335yt.** 196.795 (11) (b) of the statutes is amended to read:

11 196.795 (11) (b) This section shall be deemed to legalize and confirm the
12 formation, prior to November 28, 1985, of any holding company, which is not itself
13 a public utility, and shall be deemed to legalize and confirm the operations and
14 issuances of securities of the holding company, except that nothing in this section
15 shall be deemed to prevent the commission from imposing reasonable terms,
16 limitations or conditions on any holding company which are consistent with the
17 requirements of sub. ~~(5) (pm)~~ (6m) (c) or (d) or which are consistent with and
18 necessary to satisfy the requirements of sub. (5) (b) to (o) and (q) to (s) or which relate
19 to future investments by the holding company unless the holding company owns,
20 operates, manages or controls a telecommunications utility and does not also own,
21 operate, manage or control a public utility which is not a telecommunications utility.

22 **SECTION 2335yu.** 196.795 (11) (c) of the statutes is created to read:

23 196.795 (11) (c) The commission may not impose upon a holding company the
24 formation of which is considered to be legalized and confirmed under par. (b) any
25 term, limitation or condition under par. (b) that establishes the sum of the holding

1 company's nonutility affiliate assets at less than 25% of the sum of the holding
2 company's utility affiliate assets. For purposes of this paragraph, any term,
3 limitation or condition on nonutility affiliate assets shall not apply to the ownership,
4 operation, management or control of any eligible asset, as defined under sub. (6m)
5 (a) 2.

6 **SECTION 2335yum.** 196.796 of the statutes is created to read:

7 **196.796 Real estate activities. (1)** In this section:

8 (a) "Brownfields facility or site" means any abandoned, idle or underused
9 industrial or commercial facility or site, the use, expansion or redevelopment of
10 which is adversely affected by actual environmental contamination.

11 (b) 1. "Commercial construction" means the act of building any structure, or
12 that part of any structure, that is not used as a home, residence or sleeping place by
13 one or more persons maintaining a common household to the exclusion of all others.

14 2. "Commercial construction" does not include any of the following:

15 a. Any repair, maintenance, installation or construction of a structure owned
16 or used by or for a public utility, or for a customer of a public utility, if the repair,
17 maintenance, installation or construction is related to furnishing heat, light, water
18 or power to the customer.

19 b. Any construction related to the evaluation, control or remediation of
20 hazardous substances; solid, liquid or gaseous wastes; soils; air; or water.

21 c. Any construction performed in order to comply with federal, state or local
22 environmental laws, regulations, orders or rules.

23 (c) "Economic development" means development that is designed to promote
24 job growth or retention, expand the property tax base or improve the overall
25 economic vitality of a municipality, as defined in s. 30.01 (4), or region.

1 (d) "Engage" means to actively participate in the daily operations or daily
2 business decisions of an entity. "Engage" does not include taking an action necessary
3 to protect an ownership interest in an entity.

4 (dg) "Entity" has the meaning given in s. 180.0103 (8).

5 (dr) "Financial support" includes investments, loans and grants.

6 (e) "Holding company system" has the meaning given in s. 196.795 (1) (i).

7 (f) "Improvements" means any valuable addition made to land, including
8 excavations, gradings, foundations, structures, buildings, streets, parking lots,
9 sidewalks, sewers, septic systems and drainage facilities. "Improvements" does not
10 include any repair, maintenance, installation or construction of structures or
11 facilities owned or used by or for a public utility, or by or for a customer of a public
12 utility, if the repair, maintenance, installation or construction is related to furnishing
13 heat, light, water or power to the customer.

14 (g) "Nonutility affiliate" means a subsidiary of a public utility or a company in
15 a holding company system that is not a public utility. "Nonutility affiliate" does not
16 include a passively held company.

17 (gm) "Passively held company" means an entity that satisfies each of the
18 following:

19 1. Less than 50% of the ownership interest of the entity is directly or indirectly
20 owned in any chain of successive ownership by a public utility or nonutility affiliate.

21 2. The entity engages in property management for a 3rd party, real estate
22 practice, residential real estate development or residential or commercial
23 construction.

24 (h) "Property management" means any activity associated with the care or
25 maintenance of land or improvements, including business planning and budgeting,

1 accounting, lease administration, tenant relations and retention, security,
2 maintenance of common areas, rent collections, financial reporting, service contract
3 administration and inspections.

4 (hm) “Public utility” means every corporation, company, individual or
5 association and their lessees, trustees or receivers appointed by any court or state
6 or federal agency, that may own, operate, manage or control all or any part of a plant
7 or equipment, within the state, for the production, transmission, delivery or
8 furnishing of electricity directly to or for the public, except that “public utility” does
9 not include any municipal utility or municipal electric company, as defined in s.
10 66.073 (3) (d), or any cooperative association organized under ch. 185 for the purpose
11 of producing or furnishing heat, light, power or water to its members only.

12 (i) “Real estate practice” has the meaning given in s. 452.01 (6).

13 (j) “Residential construction” means the act of building any structure, or that
14 part of any structure that is used as a home, residence or sleeping place by one or
15 more persons maintaining a common household to the exclusion of all others.

16 (k) “Residential real estate development” means the act of dividing or
17 subdividing any parcel of land for residential construction or making improvements
18 to facilitate or allow residential construction.

19 (L) “Third party” means any person other than a public utility or nonutility
20 affiliate.

21 (2) PROHIBITED ACTIVITIES. Except as provided in sub. (4), a public utility or
22 nonutility affiliate may not do any of the following in this state:

23 (a) Engage in real estate practice.

24 (b) Engage in residential real estate development.

25 (c) Engage in property management for a 3rd party.

1 (d) Engage in residential or commercial construction.

2 (3) PERMITTED ACTIVITIES. (a) Subsection (2) does not prohibit a public utility
3 or nonutility affiliate from doing any of the following:

4 1. Repairing, maintaining, installing or constructing a structure that is owned
5 or used by or for a public utility or nonutility affiliate, or for a customer of a public
6 utility if the repair, maintenance, installation or construction is related to furnishing
7 heat, light, water or power to the customer.

8 2. Engaging in construction that is specifically related to the evaluation,
9 control or remediation of hazardous substances; solid, liquid or gaseous wastes; soils;
10 air; or water.

11 3. Engaging in construction that is performed in order to comply with federal,
12 state or local environmental laws, regulations, orders or rules.

13 4. Consulting or making other financial or business arrangements with one or
14 more 3rd parties who will engage in commercial construction.

15 5. Consulting or making other financial or business arrangements with one or
16 more 3rd parties who will engage in residential construction or residential real
17 estate development, except that if a public utility or nonutility affiliate contracts for
18 the development of more than one residential construction project or residential real
19 estate development, the public utility or nonutility affiliate may not enter into an
20 exclusive arrangement with a 3rd party for all such residential construction or
21 residential real estate development.

22 6. Acquiring or disposing of property or interests in property if the acquisition
23 or disposition is related to the operation of a public utility and the acquisition or
24 disposition satisfies one of the following:

1 a. The acquisition or disposition is conducted under a contract with a 3rd party
2 that is engaged in real estate practice.

3 b. The acquisition or disposition is conducted by an individual engaged in real
4 estate practice or employed by a public utility.

5 7. Owning a passively held company.

6 (b) Subsection (2) does not prohibit a public utility that is not subject to the
7 requirements of s. 196.795, or the nonutility subsidiary of such a public utility, from
8 doing any of the following:

9 1. Engaging in commercial or residential real estate development or
10 construction on property owned or acquired by the public utility or nonutility
11 subsidiary for a public utility purpose if the total annual revenues from the
12 development or construction do not exceed 3% of the total operating revenues of the
13 public utility in any year.

14 2. Providing financial support for the purpose of economic development to 3rd
15 parties that are engaged in an activity specified in sub. (2)(a) to (d). The public utility
16 or nonutility subsidiary may profit directly from that activity only through receipt
17 of profits that are incidental to the economic development project or interest earned
18 on a loan.

19 (4) EXCEPTIONS. (a) A nonutility affiliate that has engaged in residential
20 construction prior to, or is engaged in residential construction on, the effective date
21 of this paragraph [revisor inserts date], may directly or indirectly own in any
22 chain of successive ownership 50% or more of the ownership interest of an entity that
23 hires a 3rd party to engage in residential construction or commercial construction
24 that is incidental to residential construction, except that the nonutility affiliate may

1 not actively participate in the daily operations or daily business decisions of the
2 entity.

3 (b) A public utility or nonutility affiliate may engage in residential real estate
4 development at a brownfields facility or site.

5 (5) PRIVATE CAUSE OF ACTION. Any public utility or nonutility affiliate that does,
6 causes or permits to be done any action prohibited under this section or fails to
7 comply with any requirement specified in this section is liable to any person injured
8 thereby in the amount of damages sustained in consequence of the prohibited action
9 or failure to comply.

10 **SECTION 2335z.** 196.807 of the statutes is created to read:

11 **196.807 Energy affiliate and utility employees.** (1) DEFINITIONS. In this
12 section:

13 (a) "Affiliate or utility" means a nonutility affiliate, holding company system,
14 public utility or cooperative association organized under ch. 185.

15 (b) "Energy unit" means a unit in this state that is engaged in activities related
16 to the production, generation, transmission or distribution of electricity, gas or steam
17 or the recovery of energy from waste materials.

18 (c) "Holding company system" has the meaning given in s. 196.795 (1) (i).

19 (d) "Nonutility affiliate" has the meaning given in s. 196.795 (1) (j).

20 (e) "Public utility affiliate" has the meaning given in s. 196.795 (1) (L).

21 (f) "Sell an energy unit" means to sell, offer by lease, or otherwise transfer
22 ownership or control of the energy unit.

23 (fg) "Transmission company" has the meaning given in s. 196.485 (1) (ge).

24 (fr) "Transmission utility" has the meaning given in s. 196.485 (1) (i).

1 (g) "Unit" means a division, department or other operational business unit of
2 an affiliate or utility.

3 (2) OFFER OF EMPLOYMENT. (a) Except as provided in par. (b), a person may not
4 sell an energy unit unless the terms of the transfer require the person to which the
5 energy unit is transferred to offer employment to the nonsupervisory employees who
6 are employed with the energy unit immediately prior to the transfer and who are
7 necessary for the operation and maintenance of the energy unit.

8 (b) 1. A public utility affiliate may not sell an energy unit to a nonutility affiliate
9 in the same holding company system unless the terms of the transfer require the
10 nonutility affiliate to offer employment to all of the nonsupervisory employees who are
11 employed with the energy unit immediately prior to the transfer.

12 2. A transmission company to which an energy unit is sold by a transmission
13 utility shall, beginning on the expiration of the 3-year period specified in s. 196.485
14 (3m) (a) 1. b. or, if applicable, the expiration of any extension of such 3-year period,
15 offer employment to the nonsupervisory employees who are employed with the energy
16 unit immediately prior to the transfer and who are necessary for the operation and
17 maintenance of the energy unit.

18 (3) EMPLOYMENT TERMS AND CONDITIONS. (a) Except as provided in par. (b), the
19 employment that is offered under sub. (2) shall satisfy each of the following during
20 the 30-month period beginning immediately after the transfer:

21 1. Wage rates shall be no less than the wage rates in effect immediately prior
22 to the transfer.

23 2. Fringe benefits shall be substantially equivalent to the fringe benefits in
24 effect immediately prior to the transfer.

1 This company, (insert name and address of savings bank, savings bank
2 holding company or subsidiary), is related to (insert name and address of savings
3 bank, savings bank holding company or subsidiary) of which you are also a customer.
4 You may not be compelled to buy any product or service from either of the above
5 companies or any other related company in order to participate in this transaction.

6 If you feel that you have been compelled to buy any product or service from
7 either of the above companies or any other related company in order to participate
8 in this transaction, you should contact the management of either of the above
9 companies at either of the above addresses or the division of savings ~~and loan~~
10 institutions at (insert address).

11 **SECTION 2339a.** 215.01 (6) of the statutes is amended to read:

12 215.01 (6) "Division" means the division of savings ~~and loan~~ institutions.

13 **SECTION 2340a.** 215.02 (title) of the statutes is amended to read:

14 **215.02 (title) Division of savings and loan institutions.**

15 **SECTION 2341a.** 215.141 of the statutes is amended to read:

16 **215.141 Financially related services tie-ins.** In any transaction conducted
17 by an association, a savings and loan holding company or a subsidiary of either with
18 a customer who is also a customer of any other subsidiary of any of them, the
19 customer shall be given a notice in 12-point boldface type in substantially the
20 following form:

21 **NOTICE OF RELATIONSHIP**

22 This company, (insert name and address of association, savings and loan
23 holding company or subsidiary), is related to (insert name and address of
24 association, savings and loan holding company or subsidiary) of which you are also
25 a customer. You may not be compelled to buy any product or service from either of

1 the above companies or any other related company in order to participate in this
2 transaction.

3 If you feel that you have been compelled to buy any product or service from
4 either of the above companies or any other related company in order to participate
5 in this transaction, you should contact the management of either of the above
6 companies at either of the above addresses or the division of savings and loan
7 institutions at (insert address).

~~8~~ SECTION 2336q. 196.856 of the statutes is created to read:

9 **196.856 Assessment for stray voltage research.** (1) In this section,
10 “electric cooperative” means a cooperative association organized under ch. 185 for
11 the purpose of generating, distributing or furnishing electric energy at retail or
12 wholesale to its members only.

13 (2) The commission shall assess annually 91% of the amount appropriated
14 under s. 20.155 (1) (jm) to public utilities that produce electricity in proportion to
15 their respective electric gross operating revenues during the last calendar year,
16 derived from intrastate operations. The commission shall assess annually 9% of the
17 amount appropriated under s. 20.155 (1) (jm) to electric cooperatives in proportion
18 to their gross operating revenues during the last calendar year, derived from
19 intrastate operations. The amounts received under this section shall be credited to
20 the appropriation account under s. 20.155 (1) (jm). A public utility or electric
21 cooperative shall pay the total amount that it is assessed under this subsection
22 within 30 days after it receives a bill for that amount from the commission. The bill
23 constitutes notice of the assessment and demand of payment.

~~24~~ SECTION 2341b. 217.05 (1m) (a) (intro.) of the statutes is amended to read:

1 217.05 (1m) (a) (intro.) In addition to the information required under sub. (1)
2 and except as provided in par. (c), the application shall contain the following:

3 **SECTION 2341d.** 217.05 (1m) (c) of the statutes is created to read:

4 217.05 (1m) (c) 1. If an applicant who is an individual does not have a social
5 security number, the applicant, as a condition of applying for or applying to renew
6 a license, shall submit a statement made or subscribed under oath or affirmation to
7 the division that the applicant does not have a social security number. The form of
8 the statement shall be prescribed by the department of workforce development.

9 2. Notwithstanding s. 217.09 (7), any license issued or renewed in reliance upon
10 a false statement submitted by an applicant under subd. 1 is invalid.

11 **SECTION 2341f.** 217.06 (4) of the statutes is amended to read:

12 217.06 (4) The applicant has provided ~~the~~ all information required under s.
13 217.05 (1m) (a).

14 **SECTION 2341h.** 218.01 (2) (ie) 1. of the statutes is amended to read:

15 218.01 (2) (ie) 1. In addition to any other information required under this
16 subsection and except as provided in subd. 3., an application by an individual for the
17 issuance or renewal of a license described in par. (d) shall include the individual's
18 social security number and an application by a person who is not an individual for
19 the issuance or renewal of a license described in par. (d) 1., 2., 3. or 5. shall include
20 the person's federal employer identification number. The licensor may not disclose
21 any information received under this subdivision to any person except the
22 department of industry, labor and job development [department of workforce
23 development] for purposes of administering s. 49.22 or the department of revenue for
24 the sole purpose of requesting certifications under s. 73.0301.

25 **SECTION 2341j.** 218.01 (2) (ie) 3. of the statutes is created to read:

1 218.01 (2) (ie) 3. If an applicant for the issuance or renewal of a license
2 described in par. (d) is an individual who does not have a social security number, the
3 applicant, as a condition of applying for or applying to renew the license, shall submit
4 a statement made or subscribed under oath or affirmation to the licenser that the
5 applicant does not have a social security number. The form of the statement shall
6 be prescribed by the department of workforce development. Any license issued or
7 renewed in reliance upon a false statement submitted by an applicant under this
8 subdivision is invalid.

9 **SECTION 2341L.** 218.01 (2) (ig) 1. (intro.) of the statutes is amended to read:

10 218.01 (2) (ig) 1. (intro.) In addition to any other information required under
11 this subsection and except as provided in subd. 3., an application for a license
12 described in par. (dr) shall include the following:

13 **SECTION 2341n.** 218.01 (2) (ig) 3. of the statutes is created to read:

14 218.01 (2) (ig) 3. If an applicant for the issuance or renewal of a license
15 described in par. (dr) is an individual who does not have a social security number, the
16 applicant, as a condition of applying for or applying to renew the license, shall submit
17 a statement made or subscribed under oath or affirmation to the licenser that the
18 applicant does not have a social security number. The form of the statement shall
19 be prescribed by the department of workforce development. Any license issued or
20 renewed in reliance upon a false statement submitted by an applicant under this
21 subdivision is invalid.

22 **SECTION 2341p.** 218.01 (3) (am) 1. a. of the statutes is amended to read:

23 218.01 (3) (am) 1. a. The applicant fails to provide the any information required
24 under sub. (2) (ig) 1.

25 **SECTION 2342b.** 218.02 (2) (a) 1. (intro.) of the statutes is amended to read:

1 218.02 (2) (a) 1. (intro.) Each adjustment service company shall apply to the
2 division for a license to engage in such business. Application for a separate license
3 for each office of a company to be operated under this section shall be made to the
4 division in writing, under oath, in a form to be prescribed by the division. The
5 division may issue more than one license to the same licensee. ~~An~~ Except as provided
6 in subd. 3., an application for a license under this section shall include the following:

7 **SECTION 2342bb.** 218.02 (2) (a) 3. of the statutes is created to read:

8 218.02 (2) (a) 3. If an applicant who is an individual does not have a social
9 security number, the applicant, as a condition of applying for or applying to renew
10 a license under this section, shall submit a statement made or subscribed under oath
11 or affirmation to the division that the applicant does not have a social security
12 number. The form of the statement shall be prescribed by the department of
13 workforce development. Any license issued or renewed in reliance upon a false
14 statement submitted by an applicant under this subdivision is invalid.

15 **SECTION 2342bd.** 218.04 (3) (a) 1. (intro.) of the statutes is amended to read:

16 218.04 (3) (a) 1. (intro.) Application for licenses under the provisions of this
17 section shall be made to the division in writing, under oath, on a form to be prescribed
18 by the division. All licenses shall expire on June 30 next following their date of issue.
19 ~~An~~ Except as provided in subd. 3., an application for a license under this section shall
20 include the following:

21 **SECTION 2342bf.** 218.04 (3) (a) 3. of the statutes is created to read:

22 218.04 (3) (a) 3. If an applicant who is an individual does not have a social
23 security number, the applicant, as a condition of applying for or applying to renew
24 a license under this section, shall submit a statement made or subscribed under oath
25 or affirmation to the division that the applicant does not have a social security

1 number. The form of the statement shall be prescribed by the department of
2 workforce development. Any license issued or renewed in reliance upon a false
3 statement submitted by an applicant under this subdivision is invalid.

4 **SECTION 2342bh.** 218.04 (4) (am) 1. of the statutes is amended to read:

5 218.04 (4) (am) 1. The applicant fails to provide the any information required
6 under sub. (3) (a) 1.

7 **SECTION 2342bj.** 218.05 (3) (am) 1. (intro.) of the statutes is amended to read:

8 218.05 (3) (am) 1. (intro.) In addition to the information required under par.
9 (a) and except as provided in subd. 3., an application for a license under this section
10 shall include the following:

11 **SECTION 2342bL.** 218.05 (3) (am) 3. of the statutes is created to read:

12 218.05 (3) (am) 3. If an applicant who is an individual does not have a social
13 security number, the applicant, as a condition of applying for or applying to renew
14 a license under this section, shall submit a statement made or subscribed under oath
15 or affirmation to the division that the applicant does not have a social security
16 number. The form of the statement shall be prescribed by the department of
17 workforce development. Any license issued or renewed in reliance upon a false
18 statement submitted by an applicant under this subdivision is invalid.

19

20 **SECTION 2342bn.** 218.05 (4) (c) 1. of the statutes is amended to read:

21 218.05 (4) (c) 1. The applicant fails to provide the any information required
22 under sub. (3) (am) 1.

23 **SECTION 2342bp.** 218.05 (11) (a) of the statutes is amended to read:

24 218.05 (11) (a) The renewal applicant fails to provide the any information
25 required under sub. (3) (am) 1.

SECTION 2342bc. 218.01 (2) (L) of the statutes is created to read:

218.01 (2) (L) 1. Words and phrases defined in sub. (2c) (am) have the same meaning in this paragraph.

2. The department may not issue a dealer license under this section, unless the department has determined that no factory will hold an ownership interest in or operate or control the dealership or that one of the exceptions under sub. (2c) (cm) applies.

3. If the applicant asserts that sub. (2c) (cm) 2. applies, the department shall require the applicant to provide a copy of the written agreement described in sub. (2c) (cm) 2. d. for examination by the department to ensure that the agreement meets the requirements of sub. (2c) (cm) 2.

4. If the division of hearings and appeals determines, after a hearing on the matter at the request of the department or any licensee, that a factory holds an ownership interest in a dealership or operates or controls a dealership in violation of sub. (2c), the division shall order the denial or revocation of the dealership's license.

SECTION 2342bf. 218.01 (2c) (intro.) of the statutes is renumbered 218.01 (2c) (bm) and amended to read:

218.01 (2c) (bm) A ~~manufacturer, importer or distributor, or a subsidiary thereof, factory~~ shall not ~~own, directly or indirectly, hold an ownership interest in or~~ operate or control a motor vehicle dealership in this state.

(cm) This subsection does not prohibit any of the following:

SECTION 2342bi. 218.01 (2c) (a) of the statutes is renumbered 218.01 (2c) (cm)

1. and amended to read:

1 218.01 (2c) (cm) 1. ~~The ownership and operation by a manufacturer, importer~~
2 ~~or distributor, or a subsidiary thereof, of~~ A factory from holding an ownership
3 interest in or operating a dealership for a temporary period, not to exceed one year,
4 during the transition from one owner or dealer operator to another.

5 **SECTION 2342bL.** 218.01 (2c) (am) of the statutes is created to read:

6 218.01 (2c) (am) In this subsection:

7 1. “Agent” means a person who is employed by or affiliated with a factory or who
8 directly or through an intermediary is controlled by or under common control of a
9 factory.

10 2. “Control” means the possession, direct or indirect, of the power to direct or
11 cause the direction of the management or policies of a person, whether through the
12 ownership of voting securities, by contract or otherwise. “Control” does not include
13 the relationship between a factory and a dealership under a basic agreement filed
14 under sub. (2) (bd) 1.

15 3. “Dealer operator” means an individual who is vested with the power and
16 authority to operate a dealership.

17 4. “Dealership” means a person licensed or required to be licensed as a motor
18 vehicle dealer under this section.

19 4m. “Department” means the department of transportation.

20 5. “Factory” means a manufacturer, distributor or importer, or an agent of a
21 manufacturer, distributor or importer.

22 6. “Operate” means to directly or indirectly manage a dealership.

23 7. “Ownership interest” means the beneficial ownership of one percent or more
24 of any class of equity interest in a dealership, whether the interest is that of a
25 shareholder, partner, limited liability company member or otherwise. To “hold” an

1 ownership interest means to have possession of, title to or control of the ownership
2 interest, whether directly or indirectly through a fiduciary or an agent.

3 **SECTION 2342bo.** 218.01 (2c) (b) of the statutes is repealed.

4 **SECTION 2342br.** 218.01 (2c) (c) of the statutes is renumbered 218.01 (2c) (cm)

5 3. and amended to read:

6 218.01 (2c) (cm) 3. The ownership, operation or control of a dealership by a
7 ~~manufacturer, importer or distributor, or subsidiary thereof, which factory that~~ does
8 not meet the conditions under ~~par. (a) or (b) subds. 1. or 2.~~, if the division of hearings
9 and appeals determines, after a hearing on the matter at the request of any party,
10 that there is no prospective independent dealer available to own and operate the
11 dealership in a manner consistent with the public interest and that meets the
12 reasonable standard and uniformly applied qualifications of the ~~manufacturer,~~
13 ~~importer or distributor~~ factory.

14 **SECTION 2342bu.** 218.01 (2c) (cm) 2. of the statutes is created to read:

15 218.01 (2c) (cm) 2. A factory from holding an ownership interest in a
16 dealership, if all of the following apply:

17 a. The dealer operator of the dealership is an individual who is not an agent
18 of the factory.

19 b. The dealer operator of the dealership is unable to acquire full ownership of
20 the dealership with his or her own assets or in conjunction with financial
21 investments and loans from investors or lenders other than the factory holding an
22 ownership interest in the dealership.

23 c. The dealer operator of the dealership holds not less than 15 percent of the
24 total ownership interests in the dealership within one year from the date that the
25 factory initially acquires any ownership interest in the dealership.

1 d. There is a bona fide written agreement in effect between the factory and the
2 dealer operator of the dealership under which the dealer operator will acquire all of
3 the ownership interest in the dealership held by the factory on reasonable terms
4 specified in the agreement.

5 f. The written agreement described in subd. 2. d. provides that the dealer
6 operator will make reasonable progress toward acquiring all of the ownership
7 interest in the dealership, and the dealer is making reasonable progress toward
8 acquiring all of the ownership interest in the dealership.

9 g. Not more than eight years have elapsed since the factory initially acquired
10 its ownership interest in the dealership, unless the department, upon petition by the
11 dealer operator, determines that there is good cause to allow the dealer operator a
12 longer period to complete his or her acquisition of all of the ownership interest in the
13 dealership held by the factory and the longer period determined by the department
14 has not yet elapsed.

15 **SECTION 2342bv.** 218.01 (2c) (cm) 4. of the statutes is created to read:

16 218.01 (2c) (cm) 4. The holding or acquisition, solely for investment purposes,
17 of an ownership interest in a publicly traded corporation by an employe benefit plan
18 that is sponsored by a factory.

19 **SECTION 2342bw.** 218.01 (2c) (cm) 5. of the statutes is created to read:

20 218.01 (2c) (cm) 5. A factory from holding an ownership interest in a dealership
21 trading solely in any line make of new motor vehicles weighing less than 8,500
22 pounds gross vehicle weight, if all of the following apply:

23 a. No more than 10 locations for the line make are licensed and in operation
24 in the state on or after January 1, 1999.

1 b. At the time the factory first acquires an ownership interest in the dealership,
2 the distance between the dealership and the nearest nonaffiliated new motor vehicle
3 dealership trading in the same line make of motor vehicles is no less than 35 miles.

4 c. The factory does not own, directly or indirectly, in aggregate, in excess of a
5 45% interest in the dealership.

6 d. The factory provides written assurance to the department that on all matters
7 pertaining to the operation of the dealership, the dealership has the same degree of
8 independence from the factory as have all other dealerships of the same line make,
9 including the right to seek legally enforceable redress against the manufacturer in
10 any dispute arising under the franchise agreement.

11 e. All franchise agreements for the line make of new motor vehicles include
12 provisions for actively sharing responsibility between the factory and
13 representatives of the dealers of the line make for decision-making on matters
14 within the scope of the agreement that significantly affect the retail automotive
15 business including prior approval of any performance standards binding on dealers,
16 prior and ongoing review of the allocation system the factory uses for distributing
17 new motor vehicles covered by the franchise agreement, prior approval of any
18 proposed supplements to the franchise agreement applicable to dealerships in which
19 the factory owns a partial interest and approval of any superseding franchise
20 agreement before the agreement is offered to dealers of the line make.

21 **SECTION 2342bvm.** 218.01 (3x) (c) 1. g. of the statutes is created to read:

22 218.01 (3x) (c) 1. g. Whether the dealer and affected grantor have previously
23 agreed upon a specific action that is inconsistent with the proposed action and, if so,
24 whether there has been a change in circumstances sufficient to justify the proposed
25 action.

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SECTION 2342bw. 218.01 (3x) (d) 1. of the statutes is repealed.

SECTION 2336mt. 196.86 of the statutes is created to read:

196.86 Assessments for air quality improvement program. (1) In this section:

(a) "Department" means the department of natural resources.

(b) "Electric public utility affiliate" means a public utility affiliate, as defined in s. 196.795 (1) (L), that sells electricity in this state.

(c) "Heat throughput ratio" means the result obtained by dividing the total heat throughput of all electric generating facilities that use fossil fuel of an individual electric public utility affiliate by the total heat throughput of all electric generating facilities that use fossil fuel of all electric public utility affiliates.

(d) "Initial compliance date" means the date specified in a notice by the department of natural resources under s. 285.48 (2) by which electric generating facilities in the midcontinent area of this state are required to comply with initial nitrogen oxide emission reduction requirements.

(e) "Midcontinent area" has the meaning given in s. 16.958 (1) (e).

(2) If the department of natural resources makes a notification to the commission under s. 285.48 (2), the commission shall assess against electric public utility affiliates a total of \$2,400,000, or a decreased amount specified in a notice by the department of natural resources under s. 285.48 (3) (d) 3., in each fiscal year of the 10-year period that commences on July 1 of the fiscal year ending before the initial compliance date. An assessment in a fiscal year against an electric public utility affiliate under this subsection shall be in amount that is proportionate to the electric public utility affiliate's heat throughput ratio for the prior fiscal year.

1 (3) An electric public utility affiliate shall pay an assessment required under
2 sub. (2) within 30 days after the commission has mailed a bill for the assessment.
3 The bill constitutes notice of the assessment and demand of payment. Payments
4 shall be deposited in the air quality improvement fund.

5 (4) Section 196.85 (3) to (8), as it applies to assessments under s. 196.85 (1) or
6 (2), applies to assessments under this section.

7 **SECTION 2336u.** 200.01 (2) of the statutes is amended to read:

8 200.01 (2) "Public service corporation" means and embraces every corporation,
9 except municipalities and other political subdivisions, which is a public utility as
10 defined in s. 196.01, and every corporation which is a railroad as defined in s. 195.02,
11 but shall not include a public utility corporation receiving an annual gross revenue
12 of less than \$1,000 for the calendar year next preceding the issuance of any securities
13 by it. "Public service corporation" includes a holding company, as defined under s.
14 196.795 (1) (h), which is a public utility, as defined under s. 196.01 (5). "Public service
15 corporation" does not include a telecommunications utility, as defined in s. 196.01
16 (10). "Public service corporation" does not include any other holding company unless
17 the holding company was formed after November 28, 1985, and unless the
18 commission has determined, under s. 196.795 (7) (a), that each nonutility affiliate,
19 as defined under s. 196.795 (1) (j), does not and cannot reasonably be expected to do
20 at least one of the items specified in s. 196.795 (7) (a). "Public service corporation"
21 does not include a company, as defined in s. 196.795 (1) (f), which owns, operates,
22 manages or controls a telecommunications utility, as defined in s. 196.01 (10), unless
23 such company also owns, operates, manages or controls a public utility which is not
24 a telecommunications utility. "Public service corporation" does not include a
25 transmission company, as defined in s. 196.485 (1) (ge).