

1999 DRAFTING REQUEST

Bill

Received: **01/25/99**

Received By: **kunkemd**

Wanted: **As time permits**

Identical to LRB:

For: **Administration-Budget 6-8593**

By/Representing: **Holden**

This file may be shown to any legislator: **NO**

Drafter: **kunkemd**

May Contact:

Alt. Drafters:

Subject: **Public Util. - electric**

Extra Copies:

Topic:

DOA:.....Holden - Resale of firm" electrical service

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	kunkemd 01/25/99	chanaman 01/25/99		_____			
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FE Sent For:

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1/?	kunkemd	cmh 1 1/25 T Yes jlg	1-25 LP	1-25 LP JP			

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STATE OF WISCONSIN
DEPARTMENT OF ADMINISTRATION
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON
GOVERNOR
MARK D. BUGHER
SECRETARY

Mailing Address:
Post Office Box 7864
Madison, WI 53707-7864



Date: January 22, 1999

To: Steve Miller
Legislative Reference Bureau

From: Kerry Holden, SBO, 6-8593 *KH*

Subject: Draft for Governor's 1999-2001 Budget Bill - Resale of Firm Electrical Service

Please draft the attached for inclusion in the Governor's 1999-2001 budget bill. This new statutory language will allow industrial or commercial customers receiving "firm service" from a public utility to resell its own unused firm service to another industrial or commercial customer involved in the same type of relationship with a public utility.

Please call me with any questions. Thank you.

-1976

196.194 (3) of the statutes is created to read:

196.194 (3) FIRM INCREMENT CONTRACTS. (a) In this subsection:

1. "Control area" means an electric power system or combination of electric power systems that, as determined by the commission, are subject to a common automatic control scheme.

2. "Firm customer" means an industrial or commercial customer of a public utility that is provided firm service by the public utility.

3. "Firm increment" means the amount by which the estimated electric usage of a firm customer for a 12-month period that is determined at the beginning of the period exceeds the actual electric usage of the firm customer during the period.

4. "Firm service" means retail electric service that a public utility may not interrupt on the basis of anticipated or actual shortages of electric capacity within a control area.

5. "Interruptible customer" means an industrial or commercial customer of a public utility that is provided interruptible service by the public utility.

6. "Interruptible service" means retail electric service that a public utility may interrupt on the basis of anticipated or actual shortages of electric capacity within a control area.

(b) Notwithstanding ss. 196.03, 196.19, 196.20, 196.21, 196.22, 196.37, 196.60 and 196.604, the commission may approve the filing of a tariff that allows a firm customer to enter into contracts to sell a firm increment to an interruptible customer in the same control area if the commission determines that such sales by a firm customer

will contribute to energy conservation and load management that is designed to reduce the energy needs of firm customers.

(c) If the commission approves the filing of a tariff specified in par. (b) and a firm customer provides written notice to the public utility that filed the tariff that the firm customer has entered into a contract specified in par. (b) with an interruptible customer, the public utility shall, for each unit of firm increment that the firm customer sells to the interruptible customer under the contract, do each of the following for the duration of the contract period:

1. Reduce the amount of firm service that it provides to the firm customer by the amount of each unit and provide interruptible services to the firm customer in the amount of each unit.

2. Provide firm service to the interruptible customer in amount equal to 80% of each unit.

(d) A notice under par. (c) shall describe the terms of a contract specified in par. (b), including the duration of the contract period.

(e) The commission shall promulgate rules establishing requirements and procedures for sales of firm increment under a tariff approved under par. (b), including requirements for determining an amount of firm increment.

The language provides that, when a public utility provides "firm service" to an industrial or commercial customer, or retail electric service that may not be interrupted by the public utility on the basis of anticipated or actual shortages of electric capacity within a specified electric power control area, the firm customer may sell its unused firm service to another industrial or commercial customer that is provided interruptible electric service by a public utility if the public service commission determines that the sale will contribute to energy conservation and load management that is designed to reduce the energy needs of firm customers. If a firm customer contracts with an interruptible customer for such a sale, the public utility must replace the excess amount of firm service provided to the firm customer with interruptible service, and provide 80% of the amount of that firm service to the interruptible customer.



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1976?

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DOA:.....Holden - Resale of "firm" electrical service

FOR 1999-01 BUDGET - NOT READY FOR INTRODUCTION

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1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

OTHER STATE GOVERNMENT

This bill allows the public service commission (PSC) to approve a tariff filed by an electric public utility that allows a firm customer of the utility to sell unused firm service to an interruptible customer of the utility. The bill defines a "firm customer" as an industrial or commercial customer that receives "firm service", which is defined as retail electric service that is provided on a noninterruptible basis. An "interruptible customer" is defined as an industrial or commercial customer that receives retail electric service on an interruptible basis. The PSC may approve such a tariff if it determines that such sales contribute to energy conservation and load management that is designed to reduce the energy needs of firm customers. If a firm customer contracts with an interruptible customer for such a sale under a tariff approved under the bill, the public utility must replace the firm service that is sold by the firm customer with interruptible service, and provide firm service to the interruptible customer in amount that is equal to 80% of the amount of firm service that is sold.

are

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

**INSERT to
LRB-1976/7**
**SENATE AMENDMENT,
TO 1997 ASSEMBLY BILL 940**

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 16: after "planning" insert ", the provision of firm and
3 interruptible electric service to public utility customers that enter into certain
4 contracts".

5 **2.** Page 12, line 20: after that line insert:

6 ~~SECTION 201.~~ **196.194** (3) of the statutes is created to read:

7 **196.194 (3) FIRM INCREMENT CONTRACTS.** (a) In this subsection:

8 1. "Control area" means an electric power system or combination of electric
9 power systems that, as determined by the commission, ^{is} are subject to a common
10 automatic control scheme.

11 2. "Firm customer" means an industrial or commercial customer of a public
12 utility that is provided firm service by the public utility.

1 3. “Firm increment” means the amount by which the estimated electric usage
2 of a firm customer for a 12-month period that is determined at the beginning of the
3 period exceeds the actual electric usage of the firm customer during the period.

4 4. “Firm service” means retail electric service that a public utility may not
5 interrupt on the basis of anticipated or actual shortages of electric capacity within
6 a control area.

7 5. “Interruptible customer” means an industrial or commercial customer of a
8 public utility that is provided interruptible service by the public utility.

9 6. “Interruptible service” means retail electric service that a public utility may
10 interrupt on the basis of anticipated or actual shortages of electric capacity within
11 a control area.

12 (b) Notwithstanding ss. 196.03, 196.19, 196.20, 196.21, 196.22, 196.37, 196.60
13 and 196.604, the commission may approve the filing of a tariff that allows a firm
14 customer to enter into contracts to sell a firm increment to an interruptible customer
15 in the same control area if the commission determines that such sales by a firm
16 customer will contribute to energy conservation and load management that
17 designed to reduce the energy needs of firm customers.

18 (c) If the commission approves the filing of a tariff specified in par. (b) and a firm
19 customer provides written notice to the public utility that filed the tariff that the firm
20 customer has entered into a contract specified in par. (b) with an interruptible
21 customer, the public utility shall, for each unit of firm increment that the firm
22 customer sells to the interruptible customer under the contract, do each of the
23 following for the duration of the contract period:

1 1. Reduce the amount of firm service that it provides to the firm customer by
2 the amount of each unit and provide interruptible service to the firm customer in the
3 amount of each unit.

4 2. Provide firm service to the interruptible customer in amount equal to 80%
5 of each unit.

6 (d) A notice under par. (c) shall describe the terms of a contract specified in par.
7 (b), including the duration of the contract period.

8 (e) The commission shall promulgate rules establishing requirements and
9 procedures for sales of firm increment under a tariff approved under par. (b),
10 including requirements for determining an amount of firm increment.

11 ~~3. Page 44, line 20: after that line insert:~~

12 ~~“(cm) The public service commission shall submit in proposed form the rules
13 required under section 196.194 (3) (e) of the statutes, as created by this act, to the
14 legislative council staff under section 227.15 (1) of the statutes no later than the first
15 day of the 3rd month beginning after the effective date of this paragraph.”.~~

16 END

END of INSERT



State of Wisconsin
1999 - 2000 LEGISLATURE

LRB-1976/1
MDK:cmh&jlg:lp

DOA:.....Holden - Resale of "firm" electrical service

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

1 AN ACT ...; relating to: the budget.

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

1 **SECTION 1.** 196.194 (3) of the statutes is created to read:

2 196.194 (3) FIRM INCREMENT CONTRACTS. (a) In this subsection:

3 1. “Control area” means an electric power system or combination of electric
4 power systems that, as determined by the commission, is subject to a common
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18 a control area.

19 (b) Notwithstanding ss. 196.03, 196.19, 196.20, 196.21, 196.22, 196.37, 196.60
20 and 196.604, the commission may approve the filing of a tariff that allows a firm
21 customer to enter into contracts to sell a firm increment to an interruptible customer
22 in the same control area if the commission determines that such sales by a firm
23 customer will contribute to energy conservation and load management that are
24 designed to reduce the energy needs of firm customers.

