

Joint Committee for Review of Administrative Rules

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- **PSC 167**

Report to the Legislature Administrative Rule PSC 167 The Joint Committee for Review of Administrative Rules

Produced pursuant to s. 227.26(2)(g)

Chapter PSC 167, promulgated by the Public Service Commission, (PSC) created rules that establish procedures for the PSC to consider and act upon requests by customers to establish extended area telephone service.

Description of the Problem

At the request of Representative Lorraine Seratti, the Joint Committee for Review of Administrative Rules has looked at the balloting procedure included in ch. PSC 167. Currently the rules require at least 50% of the customers in a local calling area to vote in favor of the extended area telephone service before the Public Service Commission would be required to hold a public hearing regarding a possible change. As a result, at least 50% of the customers would have to return their ballots stating that they were in favor of the extended area telephone service for the process to proceed.

Arguments in Favor of Suspension

- *Requiring at least 50% of the customers in a service area to respond favorably is too high a threshold. According to the testimony from the PSC, no group has ever met this requirement.*

- *The individuals who do not return their ballots to the PSC are automatically counted as “no” votes. This is not representative of a democratic process.*
- *The net effect of reaching the required number of affirmative ballots is that the PSC is required to hold a public hearing on the possibility of extended area telephone service. Since the PSC ultimately has the ability to determine whether to grant the extended area telephone service request, there is no harm in lowering the barrier to a PSC holding on this subject.*

Arguments Against Suspension

- *To the extent that more petitions for extended area telephone service are granted, rates will go up for all customers in a service area in order to accommodate the increased telephone usage and increased infrastructure and maintenance that will result. Customers who make less use of the service also will be subsidizing those who use the service more frequently.*
- *If the balloting threshold is lowered, the PSC will have to hold more public hearings.*

Action by Joint Committee for Review of Administrative Rules

On July 18, 2001 the Joint Committee for Review of Administrative Rules held a public hearing and an executive session on ch. PSC 167. The committee unanimously passed a motion, pursuant to s. 227.26(2)(d), Stats., and for the reasons set forth in s. 227.19(4) (d) 6, Stats., to suspend s. PSC 167.08 (2) and that portion of s. PSC 167.09 (1) beginning with the word “If” and ending with the word “increment.” This action

suspends the customer survey requirements PSC established before it is required to hold a public hearing on the question of extended area telephone service.

On July 18, 2001, JCRAR voted unanimously to introduce LRB 3532, which would change the amount of returned ballots required before the PSC must hold a public hearing. LRB 3532 provides that a majority of telephone customers must return their ballot and of those who return their ballots, a majority must be in favor of the extended area telephone service. If these conditions are met, the PSC will be required to hold a public hearing.