

2001 DRAFTING REQUEST

Bill

Received: 07/23/2001

Received By: kunkemd

Wanted: As time permits

Identical to LRB:

For: Glenn Grothman (608) 264-8486

By/Representing: Ron Sklansky

This file may be shown to any legislator: NO

Drafter: kunkemd

May Contact:

Addl. Drafters:

Subject: Public Util. - telco

Extra Copies:

Submit via email: NO

Pre Topic:

No specific pre topic given

Topic:

Extended area telephone 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> |
|--------------|-----------------------|--------------------|------------------------|----------------|----------------------------|----------------------------|-----------------|
| /1 | kunkemd 07/24/2001 | jdye 07/25/2001 | jfrantze 07/25/2001 | _____ | lrb_docadmin 07/25/2001 | lrb_docadmin 08/09/2001 | |

FE Sent For:

<END>

At intro

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Assm

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|--------------|----------------|-----------------|--------------|----------------|------------------|-----------------|-----------------|
| /? | kunkemd | 1 7/25 jld | 8/1/25 | Self 7/25 | | | |

FE Sent For:

<END>

Kunkel, Mark

From: Sklansky, Ron
Sent: Friday, July 20, 2001 10:45 AM
To: Kunkel, Mark
Subject: bill draft for JCRAR rule suspension

July 20, 2001

Mark:

Here are the two items I discussed with you this morning. The first is the bill draft to support the JCRAR's suspension of a portion of ch. PSC 167 and the second is the motion by which JCRAR took its action. Again, the committee met on July 18 and is required to introduce companion bills in both houses no later than August 17.

If you need a name on the bill draft request, you should use Rep. Grothman and Sen. Robson.

Thanks for your help. Let me know if you have any questions.

Ron



0180/2



extended area
motion.doc

1 **AN ACT** *to create* 196.197 of the statutes; **relating to:** extended area telephone
2 service.

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

3 **SECTION 1.** 196.197 of the statutes is created to read:

4 **196.197 Extended area telephone service. (1) DEFINITION.** In this section, "extended
5 area telephone service" means telephone service in which customers in one exchange may call
6 customers in another exchange or combination of exchanges without incurring toll charges.

7 **(2) PROCEDURE. (a)** The commission may grant a petition for the provision of extended
8 area service. In determining whether a petition will be granted, the commission shall require
9 the affected telecommunications utilities to conduct a survey of customer willingness to pay
10 any rate increments made necessary by the provision of the extended area telephone service.
11 The survey shall be approved by the commission and distributed to all customers who would
12 experience a rate increase if the petition were granted.

13 **(b)** The commission shall hold a public hearing to consider whether the petition for
14 extended area telephone service will be granted if all of the following occur:

15 1. At least 50% of the customers in one of the exchanges surveyed under par. (a) respond
16 to the survey.

17 2. A majority of the customers responding to the survey conducted under par. (a) are
18 in favor of the petitioned extended area telephone service.

Motion

The Joint Committee for Review of Administrative Rules, pursuant to ss. 227.19 (4) (d) 6. and 227.26 (2) (d), Stats., suspends 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,".

Unofficial Text (See Printed Volume). Current through date and Register shown on Title Page.

Chapter PSC 167

EXTENDED AREA TELEPHONE SERVICE

| | |
|------------|---|
| PSC 167.01 | Purpose. |
| PSC 167.02 | Definitions. |
| PSC 167.03 | Petition; contents. |
| PSC 167.04 | Petition; procedural provisions; challenge. |
| PSC 167.05 | Petition; criteria for consideration. |

| | |
|------------|------------------|
| PSC 167.06 | Traffic study. |
| PSC 167.07 | Economic study. |
| PSC 167.08 | Customer survey. |
| PSC 167.09 | Hearing. |
| PSC 167.10 | Metroplan. |

PSC 167.01 Purpose. The purpose of this chapter is to set forth requirements for consideration of petitions requesting extended area telephone service and to require customers receiving new extended area service to bear the costs of such service.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.02 Definitions. (1) "Community of interest" means that customers of one exchange have substantial telecommunication requirements with respect to another exchange, as determined by the measurable use of communications services between the exchanges and by such factors as the location of schools, medical services, shopping and civic, cultural and social agencies and organizations and the like.

(2) "Extended area telephone service" means telephone service in which customers in one exchange may call customers in another exchange or combination of exchanges without incurring toll charges.

(3) "Metroplan" means the contiguous exchanges in and around Milwaukee currently served by either metroplan or metrozone service as provided by the Wisconsin telephone company tariff, and any future additions thereto.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.03 Petition; contents. (1) A petition for extended area telephone service shall be filed with the commission and shall contain:

(a) The name of the telephone utility serving the petitioners' exchange;

(b) The name of the telephone utility serving the exchange or exchanges with which extended area service is desired;

(c) The name, address and telephone number of a representative selected by the petitioners to whom notices, orders, and other correspondence may be sent;

(d) The name, address, telephone number and signature of each petitioner. There shall be no more than one petitioner per billing number. If the petitioner is a business customer, the signature shall be that of an authorized agent or representative;

(e) A statement that the petitioners desire extended area service for the named exchange or exchanges.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.04 Petition; procedural provisions; challenge. (1) The representative designated in the petition shall certify that the signatures on the petition are valid.

(2) Petitioners shall serve a copy of the petition on the telephone utility serving their exchange and on the telephone utility serving the exchange or exchanges with which extended area telephone service is requested.

(3) Copies of the petition for extended area telephone service shall be kept on file for inspection during the pendency of the request at the commission and at the telephone utilities.

(4) Any person wishing to challenge the validity of a petition for extended area telephone service may do so by filing a written

protest with the commission identifying the grounds for the challenge within 30 days of the filing of the petition.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.05 Petition; criteria for consideration.

(1) The commission shall consider a petition meeting the requirements of s. PSC 167.03 only if the petition is signed by at least 10% of the customers in the exchange from which extended area telephone service is requested.

(2) The commission shall also consider a request for extended area telephone service if submitted by a telephone utility providing service in an exchange for which extended area telephone service is requested. Such a request shall be treated as a petition for purposes of ss. PSC 167.06 to 167.10.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.06 Traffic study. (1) If a petition meets the requirements of s. PSC 167.05, the commission shall direct the utilities involved to undertake a study of representative traffic between the exchanges for which extended area service is requested. To warrant further examination of extended area service, the traffic study must indicate that:

(a) The customers in at least one of the exchanges place an average of not fewer than 5 messages per month, per customer, to the exchange with which extended area service is requested; and

(b) 50% of the customers in at least one of the exchanges place not fewer than 3 messages per month to the exchange with which extended area service is requested.

(2) If the criteria of sub. (1) (a) and (b) are not met, the commission shall deny the petition for extended area service. The commission need not consider a petition for extended area service between the same exchanges for 2 years from the date of denial.

(3) The commission may waive or vary the provisions of this section of the rules in special or unusual situations involving requests for extended area service where none of the involved exchanges serves more than 10,000 access lines.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.07 Economic study. (1) If the criteria of s. PSC 167.06 (1) (a) and (b) are satisfied, the commission shall direct the telephone utilities to conduct and submit to the commission an economic study of the requested extended area service. The study shall contain information from which the commission can determine the additional revenue requirement for each exchange necessary to provide the requested service and the rate increments for each class of customer necessary to meet the additional revenue requirement.

(2) Revenue requirements shall be allocated among exchanges in recognition of the ratio or the calling volume data (on a per customer basis) obtained from the traffic studies. In cases where the ratio is greater than 10:1, all revenue requirement shall generally be allocated to the exchange from which the larger calling volume originates. In cases where one-way service is being

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considered all revenue requirement shall generally be allocated to the exchange that would be provided with the service.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.08 Customer survey. (1) Subsequent to the determination of rate increments necessary to provide the requested extended area service, or reasonable variations of the requested service, the commission shall direct the utilities to conduct a survey of customer willingness to pay the necessary rate increments. The survey shall be approved by the commission and distributed to all customers who would experience a rate increase if the petition for extended area telephone service is granted.

(2) Unless at least 50% of the customers in one of the surveyed exchanges respond favorably to the requested service, or to a variation of the requested service, the petition shall be denied, and the commission need not consider any petition for extended area telephone service between those exchanges for 2 years.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.09 Hearing. (1) If at least 50% of the customers in one of the exchanges surveyed in accordance with s. PSC 167.08 respond favorably to the requested extended area service at the proposed rate increment, the commission shall hold a public hearing to consider whether the petition should be granted.

(2) In determining whether to grant or deny the petition for extended area telephone service, the commission shall consider such factors as adequacy of existing telephone service between the exchanges, costs and benefits of the proposed service and community of interest between the exchanges.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.10 Metroplan. If the petition requests Milwaukee metroplan telephone service, the commission may consider the entire metroplan area to which extended area service is requested, or a variation thereof, as one exchange.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.



State of Wisconsin
2001 - 2002 LEGISLATURE

LRB-3532/1

MDK:~jf

D-NOTE

By Fri AM
7/27

2001 BILL

JLD

1

AN ACT ...; relating to: extended area telephone service

Gen

and granting rule-making authority

Analysis by the Legislative Reference Bureau

Under current law, the public service commission (PSC) is authorized to regulate the provision of local telephone service. The PSC has promulgated rules that allow customers to petition the PSC for "extended area telephone service" which is defined as telephone service in which customers in one exchange may call customers in other exchanges without incurring toll charges. Under the rules, the telecommunications utilities serving the affected exchanges must survey customers about their willingness to pay the rate increases required for the service. Also under the rules, unless at least 50% of the customers in one of the affected exchanges respond favorably to the survey, the PSC must deny the petition and is allowed not to consider another petition regarding the exchanges for 2 years. Otherwise, the PSC must hold a hearing on the petition.

Under this bill, the PSC must hold a hearing on a petition if each of the following applies: 1) at least 50% of the customers in one of the affected exchanges respond to the survey; and 2) a majority of the customers who respond to the survey are in favor of the requested service. In addition, the bill requires the PSC to promulgate rules regarding the process for making a petition and the conditions under which the PSC may grant a petition.

This bill is introduced as required by s. 227.26 (2) (f), stats., in support of the action of the joint committee for review of administrative rules on July 18, 2001, in suspending section PSC 167.08 (2), Wis. Adm. Code, and a portion of section PSC 167.09 (1), Wis. Adm. Code, which are rules of the PSC. The suspended rules require the PSC to deny a petition, and allow the PSC not to consider a petition, under the circumstances described above.

BILL

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

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

1 **SECTION 1.** 196.197^X of the statutes is created to read:

2 **196.197 Extended area telephone service.** (1) **DEFINITION.**[✓] In this section,
3 “extended area telephone service” means telephone service in which customers in
4 one exchange may call customers in another exchange or combination of exchanges
5 without incurring toll charges.

6 (2) **PROCEDURE.**[✓] (a) The commission[✓] may grant a petition for the provision of
7 extended area service. In determining whether a petition will be granted, the
8 commission shall require the affected telecommunications utilities to conduct a
9 survey of customer willingness to pay any rate increments made necessary by the
10 provision of the extended area telephone service.[✓] The survey shall be approved by
11 the commission and distributed to all customers who would experience a rate
12 increase if the petition were granted.

13 (b) The commission shall hold a public hearing to consider whether the petition
14 for extended area telephone service will be granted if all of the following occur:[✓]

15 1. At least 50% of the customers in one of the exchanges surveyed under par.
16 (a)[✓] respond to the survey.

17 2. A majority of the customers responding to the survey conducted under par.
18 (a) are in favor of the petitioned extended area telephone service.[✓]

BILL

1 (3) RULES. Except as provided in sub. (2), the commission shall promulgate
2 rules regarding the process by which a petition for extended area telephone service
3 may be made and the conditions under which the petition may be granted.

4 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3532/1dn

MDK: :jf

Jld

Representative Grothman and Senator Robson:

Please review this bill to make sure that it achieves your intent. In particular, note that the bill requires the PSC to hold a hearing on a petition if specified conditions are satisfied. What if the conditions aren't satisfied? Should the PSC have the discretion to hold a hearing anyway? If not, the bill should be revised to clarify this point.

Mark D. Kunkel
Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3532/1dn
MDK:jld:jf

July 25, 2001

Representative Grothman and Senator Robson:

Please review this bill to make sure that it achieves your intent. In particular, note that the bill requires the PSC to hold a hearing on a petition if specified conditions are satisfied. What if the conditions aren't satisfied? Should the PSC have the discretion to hold a hearing anyway? If not, the bill should be revised to clarify this point.

Mark D. Kunkel
Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

(15) Bills to Support Suspension or Prevent Promulgation of Rules. If you draft a bill to support a rule suspension under s. 227.26 (2) (f), stats., or to prevent a promulgation under s. 227.19 (5) (e), stats., notify the LRB program assistants when you turn in the draft to the legislative editors. The program assistants will arrange to obtain and print the reports required as an appendix to the bill under ss. 227.19 (6) (a) and 227.26 (2) (g), stats. See sec. 4.036 (3), Drafting Manual, for an example of the last paragraph of the analysis to a bill to support suspension or prevent promulgation of a rule.

Mitre:

I turned
LRB - 3532/1
into editing Tuesday.
The above blurb from the
drafting manual says that
the PAs need to arrange to
obtain a report on the draft.

Mark

Barman, Mike

From: Barman, Mike
Sent: Wednesday, July 25, 2001 12:50 PM
To: Sklansky, Ron; Rep.Grothman
Cc: Kunkel, Mark
Subject: LRB-3532/1 (attached) (JCRAR Report needed before "Jacketing.")

Barman, Mike

From: Delaporte, Maggie

Sent: Thursday, August 09, 2001 10:31 AM

To: Barman, Mike

Subject: RE: LRB-3532/1 (attached) (JCRAR Report needed before "Jacketing.")

JCRAR report attached. Please jacket for the Senate and Assembly. Thanks much.

-----Original Message-----

From: Delaporte, Maggie

Sent: Wednesday, July 25, 2001 01:57 PM

To: Delaporte, Maggie

Subject: FW: LRB-3532/1 (attached) (JCRAR Report needed before "Jacketing.")

-----Original Message-----

From: Barman, Mike

Sent: Wednesday, July 25, 2001 12:50 PM

To: Sklansky, Ron; Rep.Grothman

Cc: Kunkel, Mark

Subject: LRB-3532/1 (attached) (JCRAR Report needed before "Jacketing.")