

2001 SENATE BILL 234

August 16, 2001 – Introduced by JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES. Referred to Committee on Health, Utilities, Veterans and Military Affairs.

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

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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.

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 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.

