



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
John H. Farrow, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

May 1, 2001

The Honorable Judy Robson
Joint Committee for Review of
Administrative Rules
The State Senate
State Capitol, Room 15 South
Madison, WI 53702

The Honorable Glenn Grothman
Joint Committee for Review of
Administrative Rules
The State Assembly
State Capitol, Room 15 North
Madison, WI 53702

Re: Chapter PSC 116 – Cost of fuel

Dear Senator Robson and Representative Grothman:

This letter responds to questions raised by committee members in conjunction with the testimony of the Public Service Commission at the committee's hearing of April 24.

1. What steps are Wisconsin utilities taking to manage the risk associated with volatility in the cost of fuel?

Wisconsin utilities employ a variety of strategies to minimize the risks of fuel price volatility. These strategies include the following:

- **Fuel diversity:** Wisconsin's major utilities employ a mix of nuclear, coal, and gas-fired generation to avoid an over-reliance on one or two fuel types. Renewable energy sources also play a proportionately smaller, but still important, role in managing risk.
- **Diversity in contract lengths:** Wisconsin utilities employ a mix of both long-term and short-term contracts for coal itself, rail transport of coal, and purchased power. Longer term contracts provide price stability, while short-term contracts allow utilities to take advantage of current market conditions.
- **Striking a balance between buying and building capacity:** Wisconsin utilities traditionally have purchased capacity to meet summer peak demands because it was cheaper than building new generating plants. Recently the cost of purchased capacity has increased relative to the costs of building new generation. Wisconsin utilities take a long-term view as they balance the economics of buying and building capacity.

2. When a utility is granted a rate increase under a ch PSC 116 cost of fuel filing, how are interim and final rate impacts shown, if at all, on customers' bills?

Fuel cases are processed in two phases: interim and final. At the conclusion of each phase of review, if the outcome results in an increase related to fuel costs, the increase appears as a

Senator Robson
Representative Grothman
Page 2

separate line item on residential customers' bills. The item is worded to identify its relationship to an increase in fuel costs.

3. Describe the ch PSC 116 mechanism for rate reductions when fuel costs fall below expected ranges.

Sec. PSC 116.07 relates to decreases in fuel costs. This section provides that, if a utility's monthly fuel costs fall below the monthly ranges set in its rate proceeding, any interested person may seek a rate decrease in a proceeding limited in scope to the question of the decrease in fuel costs. A rate decrease based upon a decrease in an electric utility's monthly cost of fuel is only granted if the Commission finds that the fuel cost decrease will affect the utility's average yearly fuel costs so as to fall outside the established annual range. Commission staff reviews monthly fuel cost reports filed by the utilities, and as a practical matter, staff works in conjunction with utilities to initiate a rate decrease proceeding, if such a proceeding is warranted under the rules.

Finally, I feel it necessary to respond to comments made in the testimony of the witness for the Wisconsin Industrial Energy Group. I am concerned that Mr. Olson's testimony may have created the impression that the Commission failed to provide timely notice of its intention to consider an order adopting emergency rules.

The Commission's proposed emergency revision of Chapter PSC 116 was included as Item 20 on the Commission's agenda for Thursday, December 21. I have enclosed a copy of this agenda for your information. This agenda was publicly posted within the time limits required for providing notice of public meetings. The Commission complied with all applicable requirements for providing timely notice for an action of this type.

I hope this information has been responsive to the questions raised during the committee's April 24 hearing. If you, committee members or staff have further questions please contact me at 266-1383, or by e-mail at nelsop@psc.state.wi.us.

Sincerely,



Paul M. Nelson
Legislative Liaison

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Enclosure

cc: Members, JCRAR
Ron Sklansky

Public Service Commission of Wisconsin

Public Service Commission of Wisconsin Building*

Flambeau River Conference Room, 3rd Floor

610 North Whitney Way

Madison, Wisconsin

*This building is accessible to people using wheelchairs.

Open Meeting Agenda for Thursday, December 21, 2000 at 1:30 p.m.

1. 05-EI-120 – Market Power Study for Retail Competition (suggested minute) (RN/RP memorandum of 12/13/00)

2. 137-NC-100 - In the Matter of the Organization of American Transmission Company, LLC (LAYOVER from 12/14/00) (draft certificate of authority and final decision)

3. 05-AE-102 - Application for Approval of Operation and Maintenance Agreements Between American Transmission Company LLC and Madison Gas and Electric Company, Wisconsin Electric Power Company, Wisconsin Power and Light Company, Wisconsin Public Service Corporation, and Edison Sault Electric Company (LAYOVER from 12/14/00) (draft order)

4. 05-AE-103 - Application for Approval of Transitional Services Agreements Between American Transmission Company LLC and Madison Gas and Electric Company, Wisconsin Electric Power Company, Wisconsin Power and Light Company, Wisconsin Public Service Corporation, Wisconsin Public Power, Inc., and Edison Sault Electric Company (LAYOVER from 12/14/00) (draft order)

5. 05-AE-104 - Application for Approval of the Forming-Party Agreement Regarding System Operating Procedures Between American Transmission Company LLC and Madison Gas and Electric Company, Wisconsin Electric Power Company, Wisconsin Power and Light Company, Wisconsin Public Service Corporation, and Wisconsin Public Power, Inc. (LAYOVER from 12/14/00) (draft order)

6. 05-AE-105 - Application for Approval of Affiliated-Interest Agreements Subject to Federal Energy Regulatory Commission Jurisdiction Between American Transmission Company LLC and Madison Gas and Electric Company, Wisconsin Electric Power Company, Wisconsin Power and Light Company, Wisconsin Public Service Corporation, Wisconsin Public Power, Inc., South Beloit Water, Gas, and Electric Company, and Edison Sault Electric Company (LAYOVER from 12/14/00) (draft order)

7. 05-AE-107 - Application for Approval of a Pole Attachment Agreement Between American Transmission Company LLC and Madison Gas and Electric Company, Wisconsin Electric Power Company, Wisconsin Power and Light Company, Wisconsin Public Service Corporation, South Beloit Water, Gas, and Electric Company, and Edison Sault Electric Company (LAYOVER from 12/14/00) (draft order)

8. 137-AE-100 - Application for Approval of an Affiliated Interest Agreement Between American Transmission Company LLC and South Beloit Gas, Water, and Electric Company (LAYOVER from 12/14/00) (draft order)

9. 137-AE-101 - Application for Approval of Affiliated Interest Agreements Between American Transmission Company LLC and Alliant Energy Corporation (LAYOVER from 12/14/00) (draft order)

10. 137-AE-102 - Application for Approval of an Affiliated Interest Agreement Between American Transmission Company LLC and Edison Sault Electric Company (LAYOVER from 12/14/00) (draft order)

11. 137-AE-103 - Application for Approval of Affiliated Interest Agreements Between American Transmission Company LLC and Alliant Energy Corporate Services, Inc. (LAYOVER from 12/14/00) (draft order)

12. 05-EI-124 – Applications of Wisconsin Electric Power Company, Wisconsin Power and Light Company, and Wisconsin Public Service Corporation for Accounting Deferral of American Transmission Company Related Operation Costs (suggested minute) (RN/CS memorandum of 12/6/00)

13. 6680-CE-161 - Application of Wisconsin Power and Light Company for Authority to Construct and Place in Service a New 138 kV Transmission Line Between Its Existing McCue and Sunrise Substations and to Construct a New Substation, Known as the Wilcox Substation, All Located in Janesville Rock County (proposed notice of proceeding, investigation, assessment of costs and hearing)

14. 6630-SB-118 - Application of Wisconsin Electric Power Company for Authority to Issue and Have Outstanding at any one Time Short-Term Notes and Commercial Paper in Amounts not to Exceed \$400,000,000 Aggregate Principal Amount (draft certificate of authority and order)
15. 6690-UR-112 – Application of Wisconsin Public Service Corporation for Approval to Increase Electric Rates and Natural Gas Rates (draft order)
16. 6630-EI-111 – Request by Wisconsin Electric Power Company for Extension of December 31, 2000, Date for Construction of New Renewable Capacity Pursuant to Wis. Stat. § 196.377(2)(d). (suggested minute) (RDN/JDL/PCH memorandum of 12/14/00)
17. 3270-UR-110 - Application of Madison Gas and Electric Company for Authority to Change Electric and Natural Gas Rates (draft order)
18. 1505-WR-101 – Application of the Village of Curtiss, Clark County, as a Water Public Utility, for Authority to Increase Water Rates (proposed notice of proceeding, investigation, assessment of costs, and telephonic hearing)
19. 2740-WR-103 – Application of the City of Janesville, Rock County, as a Water Public Utility, for Authority to Increase Water Rates (proposed notice of proceeding, investigation, assessment of costs, and telephonic hearing)
20. 1-AC-202 – In the Matter of Proposed Emergency Revision of Chapter PSC 116, Wis. Admin. Code-Cost of Fuel (notice of rulemaking hearing and order adopting emergency rules)
21. 6630-UR-111 – Application of Wisconsin Electric Power Company for Approval of Plan to Improve Reliability Through Infrastructure and Incentives and Request for Rate Increase for Test Year 2000 (order to reopen and notice of hearing)

22. 6680-UR-110 – Application of the Wisconsin Power and Light Company, as an Electric, Water and Natural Gas Public Utility, to Change Electric, Water and Natural Gas Rates (order to reopen and notice of hearing)
23. CC Docket No. 00-199 – In the Matter of the 2000 Biennial Regulatory Review— Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3 (discussion of comments)
24. 6630-GR-101 – Application for Proposed Modifications to Wisconsin Electric Power Company’s Gas Cost Recovery Mechanism to a Gas Cost Incentive Mechanism and Establishment of a Single Effective Gas Cost for Customers Served by Wisconsin Electric Power Company and Wisconsin Gas Company
- 6650-GR-116 - Application for Proposed Modifications to Wisconsin Gas Company’s Existing Gas Cost Recovery Mechanism and Establishment of a Single Effective Gas Cost for Customers Serviced by Wisconsin Gas Company and Wisconsin Electric Power Company (LAYOVER from 12/12/00)
25. 6650-CG-194 - Application of Wisconsin Gas Company, as a Gas Public Utility, for Authority to Construct a Natural Gas Pipeline in Jefferson, Waukesha and Washington Counties, from Ixonia to Wisconsin Gas Company’s Gate Stations in Brookfield and Germantown (LAYOVER from 10/19/00)
26. 9500-SS-100 – Investigation of Complaint Filed by Plainwell Tissue Corporation Concerning the Storm Water Service Charges and Practices of the City of Eau Claire (LAYOVER from 11/21/00)
27. Miscellaneous Business - Such Other Matters As Authorized By Law

CLOSED SESSION - The Commission may recess the open meeting, go into closed session under Wis. Stat. § 19.85(1)(e), (f), and (g), and reconvene the open meeting pursuant to Wis. Stat. § 19.85(2).

* * *

The next open meeting is scheduled for Thursday, January 4, 2001 at 1:30 p.m.



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
John H. Farrow, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

April 9, 2001

The Honorable Judy Robson
Joint Committee for Review of
Administrative Rules
The State Senate
State Capitol, Room 15 South
Madison, WI 53702

The Honorable Glenn Grothman
Joint Committee for Review of
Administrative Rules
The State Assembly
State Capitol, Room 15 North
Madison, WI 53702

Re: Emergency Rule ch. PSC 116

Dear Senator Robson and Representative Grothman:

Pursuant to s. 227.24(2), Stats., the Commission requests a 60-day extension of its emergency rules regarding procedures related to cost of fuel rate increase proceedings. These rules were promulgated as emergency rules in response to the unprecedented rise in natural gas prices. Prices for natural gas continue to be highly volatile. Natural gas is used more heavily to generate electricity during warmer months when demand for electricity is at its peak. For this reason the necessity for the emergency rule is greater now than when the rule first took effect. The rule took effect on December 28, 2000, and will expire on May 27, 2001, if an extension is not granted.

The Commission is promulgating the emergency rule into a permanent rule in conjunction with a general revision of ch. PSC 116, Wis. Adm. Code. The Commission has solicited and received written comments and has held separate hearings on both the emergency and proposed permanent rules. The proposed permanent rule has also received the Clearinghouse Report as Clearinghouse Rule 00-180. However, the Commission has not yet adopted a final version of the proposed permanent rule and the rule has not been forwarded to the legislature for standing committee review. Consequently, the permanent rule cannot be in effect before the date the emergency rules expire.

If you have any questions regarding this request, please contact Attorney Michael Newmark at (608) 261-8523, or by e-mail at newmam@psc.state.wi.us.

Thank you for consideration of this request.

Sincerely,

Ave M. Bie
Chairperson

AMB:pmn:sp:L:\letters\JCRAR 3-28-01

Enclosures

cc: The Honorable Fred Risser
The Honorable Scott Jensen
Ron Sklansky

Date Mailed
December 22, 2000

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Proposed Emergency Revision of Chapter PSC 116,
Wis. Admin. Code – Cost of Fuel

1-AC-202

**ORDER OF THE PUBLIC SERVICE COMMISSION
ADOPTING EMERGENCY RULES**

The Commission adopts an emergency rule to amend Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2), relating to the triggering mechanism and the period of time in which fuel costs are estimated for purposes of seeking an emergency or extraordinary rate increase under Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2).

Analysis by the Public Service Commission of Wisconsin

Statutory authority: §§ 196.02(1) and (3), 227.11 and 227.24, Stat.

Statutes interpreted: §§ 196.20(4) and 196.192(2)(a), Stat.

Wis. Admin. Code ch. PSC 116, the fuel rules, was written at a time when the large investor-owned electric utilities had annual rate cases. There was no need to consider a future year's fuel costs since fuel costs would be addressed annually in the rate cases. Now, the Commission conducts general rate cases for most investor-owned electric utilities on a biennial basis. Some utilities have been authorized by the Commission to file for rate cases three or more years apart.

Natural gas prices have recently increased to unprecedented levels. This increase has had a significant impact on the fuel costs incurred by electric utilities that rely on gas-fired

Docket 1-AC-202

generation or purchased power. As a result, many Wisconsin utilities anticipate sharply higher fuel costs in 2001 than they experienced in 2000.

Under the application of the present rules, fuel cost estimates, for purposes of determining a rate change, were made for the same year as the year in which the utility exceeded its fuel cost range forecasted by the Commission. It has been unclear as to the extent to which fuel cost changes occurring in the subsequent year could be considered.

Under the proposed emergency rule, once a utility exceeded its range for fuel costs, it would be allowed to seek a rate increase based on fuel cost projections for the year in which it is reasonably anticipated that the rate increase would go into effect, provided those estimated fuel costs would exceed the utility's annual range. This would allow a better matching of rates to fuel costs and reduce the regulatory lag inherent in the current fuel rules during a time of volatile fuel costs.

Fiscal Estimate

A fiscal estimate is attached to this order.

State of Emergency

In order to preserve the health, safety, and welfare of Wisconsin residential, commercial and industrial ratepayers it is necessary to amend Wis. Admin. Code Chapter PSC 116. Amending Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2), would allow the Commission to grant a rate increase to an applicable Class A electric public utility based on estimated fuel cost for the year in which it is reasonably anticipated that the rate increase would go into effect. In granting the rate change the Commission must find, after a hearing confined solely to fuel costs, that the utility is eligible to seek an emergency or extraordinary rate increase under the current

Docket 1-AC-202

rule, an emergency or extraordinary increase in the cost of fuel exists, and the fuel cost increase will affect the utility's average yearly fuel costs for the year in which it is reasonably anticipated that the rate increase would go into effect so as to fall outside the established annual range for that year. This change would assist in implementing the rule at a time of volatile fuel costs.

Order of Adoption

Pursuant to Wis. Stat. §§ 196.02(1) and (3), 227.11 and 227.24, the Commission amends Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2),. The attached emergency rule takes affect upon publication.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

LLD:jkr;jlt:G:\orders\pending\1-AC-202 order

EMERGENCY RULES

SECTION 1. PSC 116.06(1) is amended to read:

If a utility's monthly fuel costs will exceed the ranges set in its rate proceeding, ~~or~~ and the annual fuel costs will be affected so as to exceed the annual range, the utility may seek an emergency or extraordinary rate increase in a proceeding limited in scope to the question of the increase in fuel costs.

SECTION 1. PSC 116.06(2) is amended to read:

After a hearing confined solely to fuel costs, an emergency or extraordinary rate increase based on an increase in an electric utility's monthly costs of fuel may be granted only if the commission finds that the fuel cost increase will affect the utility's average yearly fuel costs in the year it is reasonably anticipated the rate increase would go into effect so as to fall outside the established annual range.

SECTION 3. EFFECTIVE DATE. As provided in § 227.24(1)(c), Stats., the rules contained in this emergency order take effect upon publication in the official state newspaper.

(End)

MAR 10 2001



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
Robert M. Garvin, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

May 8, 2001

The Honorable Judy Robson
Joint Committee for Review of
Administrative Rules
The State Senate
State Capitol, Room 15 South
Madison, WI 53702

The Honorable Glenn Grothman
Joint Committee for Review of
Administrative Rules
The State Assembly
State Capitol, Room 15 North
Madison, WI 53702

Re: In the Matter of Proposed Revision of Chapter PSC 116 Wis.
Admin. Code-Cost of Fuel

1-AC-202

Dear Senator Robson and Representative Grothman:

In a letter dated April 9, 2001, I requested, on behalf of the Commission, that the Joint Committee for Review of Administrative Rules grant a 60-day extension of Commission's emergency rules related to cost of fuel rate increase proceedings under s PSC 116.06.

On April 24 the committee held a hearing on this extension request. A motion to extend the effective period was made. However, this motion was not brought to a vote because no member offered a second. The effective period of this emergency rule will now expire on May 27.

By this letter I am respectfully requesting that the committee consider and approve the Commission's request for a 60-day extension of the effective period of these rule provisions. Commission staff is working cooperatively with utilities and customer groups to attempt to reach consensus on a final draft rule. These negotiations, while productive, are proceeding deliberately. The Commission remains concerned that an expiration of the emergency rule provisions in s. PSC 116.06 prior to the time a permanent rule can be in place could put utilities at risk during the summer months in the event of sudden, unexpected, or other significant fuel cost increases.

For these reasons the Commission requests that the Joint Committee for Review of Administrative Rules consider again the Commission's original request for an extension.

Sincerely,

Ave M. Bie
Chairperson

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Enclosure

Date Mailed
December 22, 2000

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Proposed Emergency Revision of Chapter PSC 116,
Wis. Admin. Code – Cost of Fuel

1-AC-202

**ORDER OF THE PUBLIC SERVICE COMMISSION
ADOPTING EMERGENCY RULES**

The Commission adopts an emergency rule to amend Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2), relating to the triggering mechanism and the period of time in which fuel costs are estimated for purposes of seeking an emergency or extraordinary rate increase under Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2).

Analysis by the Public Service Commission of Wisconsin

Statutory authority: §§ 196.02(1) and (3), 227.11 and 227.24, Stat.

Statutes interpreted: §§ 196.20(4) and 196.192(2)(a), Stat.

Wis. Admin. Code ch. PSC 116, the fuel rules, was written at a time when the large investor-owned electric utilities had annual rate cases. There was no need to consider a future year's fuel costs since fuel costs would be addressed annually in the rate cases. Now, the Commission conducts general rate cases for most investor-owned electric utilities on a biennial basis. Some utilities have been authorized by the Commission to file for rate cases three or more years apart.

Natural gas prices have recently increased to unprecedented levels. This increase has had a significant impact on the fuel costs incurred by electric utilities that rely on gas-fired

Docket 1-AC-202

generation or purchased power. As a result, many Wisconsin utilities anticipate sharply higher fuel costs in 2001 than they experienced in 2000.

Under the application of the present rules, fuel cost estimates, for purposes of determining a rate change, were made for the same year as the year in which the utility exceeded its fuel cost range forecasted by the Commission. It has been unclear as to the extent to which fuel cost changes occurring in the subsequent year could be considered.

Under the proposed emergency rule, once a utility exceeded its range for fuel costs, it would be allowed to seek a rate increase based on fuel cost projections for the year in which it is reasonably anticipated that the rate increase would go into effect, provided those estimated fuel costs would exceed the utility's annual range. This would allow a better matching of rates to fuel costs and reduce the regulatory lag inherent in the current fuel rules during a time of volatile fuel costs.

Fiscal Estimate

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State of Emergency

In order to preserve the health, safety, and welfare of Wisconsin residential, commercial and industrial ratepayers it is necessary to amend Wis. Admin. Code Chapter PSC 116. Amending Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2), would allow the Commission to grant a rate increase to an applicable Class A electric public utility based on estimated fuel cost for the year in which it is reasonably anticipated that the rate increase would go into effect. In granting the rate change the Commission must find, after a hearing confined solely to fuel costs, that the utility is eligible to seek an emergency or extraordinary rate increase under the current

Docket 1-AC-202

rule, an emergency or extraordinary increase in the cost of fuel exists, and the fuel cost increase will affect the utility's average yearly fuel costs for the year in which it is reasonably anticipated that the rate increase would go into effect so as to fall outside the established annual range for that year. This change would assist in implementing the rule at a time of volatile fuel costs.

Order of Adoption

Pursuant to Wis. Stat. §§ 196.02(1) and (3), 227.11 and 227.24, the Commission amends Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2). The attached emergency rule takes effect upon publication.

Dated at Madison, Wisconsin, December 21, 2000

By the Commission:

/s/ Lynda L. Dorr
Lynda L. Dorr
Secretary to the Commission

LLD:jkr:jlt:G:\orders\pending\1-AC-202 order

EMERGENCY RULES

SECTION 1. PSC 116.06(1) is amended to read:

If a utility's monthly fuel costs will exceed the ranges set in its rate proceeding, ~~or and~~ the annual fuel costs will be affected so as to exceed the annual range, the utility may seek an emergency or extraordinary rate increase in a proceeding limited in scope to the question of the increase in fuel costs.

SECTION 1. PSC 116.06(2) is amended to read:

After a hearing confined solely to fuel costs, an emergency or extraordinary rate increase based on an increase in an electric utility's monthly costs of fuel may be granted only if the commission finds that the fuel cost increase will affect the utility's average yearly fuel costs in the year it is reasonably anticipated the rate increase would go into effect so as to fall outside the established annual range.

SECTION 3. EFFECTIVE DATE. As provided in § 227.24(1)(c), Stats., the rules contained in this emergency order take effect upon publication in the official state newspaper.

(End)



WILLIAM R. SKEWES
Executive Director

To: JCRAR
From: Bill Skewes, Wisconsin Utilities Association
Re: 60-day extension of Emergency PSC 116
Date: May 9, 2001

On April 24, 2001, JCRAR did not grant a PSC request for a 60-day extension of Emergency PSC 116 which allows for the possibility of surcharges to recover extraordinary fuel costs based on a utility showing of **projected** cost increases rather than having to prove extraordinary fuel costs **after** they have been incurred. The reason for this change is to allow utilities to recover those costs rather than forcing shareholders to absorb them during the regulatory lag between when the costs are incurred and when PSC grants relief through the surcharge mechanism. Recovering those costs after PSC grants surcharge relief or "retroactive ratemaking" is prohibited.

Currently, investor-owned utilities and consumer groups such as CUB and the Wisconsin Industrial Energy Group are in the process of negotiating changes to Permanent PSC 116, which are expected to include this important provision. These negotiations have been productive but require more time to be completed. And, while the Committee did not grant the extension, it did not deny the request for the extension. In other words, the extension request remains a matter pending before the Committee. However, the emergency rule will expire on May 27th and the Committee will not meet again until May 30th, unless a hearing is held before then.

Cost recovery is a fundamental element of the regulatory compact between utilities and the State of Wisconsin. By agreeing to provide reasonably priced, reliable energy and to be regulated by the state, utilities are guaranteed cost recovery and a reasonable rate of return on their investments.

Therefore, the Wisconsin Utilities Association respectfully requests that emergency PSC 116 be granted a 60-day extension to allow time for the completion of negotiations between utilities and consumer groups on permanent rule changes. The PSC has also requested this extension. This could be accomplished by holding a hearing prior to the May 27th expiration of the rule.

I hope you will give favorable consideration to this request. Please contact me if you have questions or if I can be of assistance to you on this issue.



Emergency Rule PSC 116.06

Emergency Rule PSC 116.06 relates to when electric utilities can seek a rate increase due to increased fuel costs. The PSC estimates a range of monthly and annual fuel costs for each utility. Prior to promulgation of the emergency rule, a utility could apply for a rate increased because of high fuel costs only if the utility's costs will exceed both the monthly range of costs and the annual range.

Under the emergency rule, a utility may apply for a rate increase if fuel costs exceed either the monthly range of costs or the yearly range.

The effect of the emergency rule is to make it easier for a utility to seek a rate increase.

The proposed permanent rule that deals with these sections is broader in scope than the emergency rule. Strangely, the permanent rule takes yet a different approach to this issue. Under the proposed permanent rule, a utility can seek a rate increase if fuel costs exceed either the monthly range or the cumulative range as well as the yearly range.

The utility industry wants JCRAR to reconvene and extend the emergency rule.

Questions:

- The purpose of looking at both the monthly and annual ranges is that costs will fluctuate over the course of the year and therefore the yearly cost range provides the best view of costs, as opposed to monthly costs, which may spike but then go down later on. So why permit a rate increase if only the monthly fuel cost range is exceeded?
- Why does the text of the proposed permanent rule differ from the text of the emergency rule?
- The emergency rule is based on extraordinarily high costs for natural gas. If rate increases are predicated on these increased costs and those costs later go down, do rates then decrease as well? Do rates ever go down?

3. Any good faith attempt to comply with the agreement after the party receives notice of a failure to comply

4. Any other factor that the court determines is relevant.

(c) In an action to recover a forfeiture under par. (a), a finding by the commission in a proceeding under this subsection that a party to an interconnection agreement has failed to comply with the agreement shall be, subject to review under s. 227.52, conclusive proof that the party failed to comply with the agreement.

History: 1997 a. 218.

196.20 Rules on service; changes in rates. (1) The rate schedules of any public utility shall include all rules applicable to the rendition or discontinuance of the service to which the rates specified in the schedules are applicable. No change may be made by any public utility in its schedules except by filing the change as proposed with the commission. Except for a telecommunications utility, no change in any public utility rule which purports to curtail the obligation or undertaking of service of the public utility shall be effective without the written approval of the commission after hearing, except that the commission, by emergency order, may make the rule, as filed, effective from the date of the order, pending final approval of the rule after hearing.

(1m) (a) A telecommunications utility may discontinue a service to an exchange if the service is optional and not essential to the provision of basic local exchange service, business access line and usage service within a local calling area or access services, or if one or more other telecommunications providers, whether or not the telecommunications providers are telecommunications utilities or otherwise subject to this chapter, are furnishing substantially the same telecommunications service to customers in the exchange, or if reasonable alternative services are available from the utility or other telecommunications providers.

(b) A telecommunications utility proposing to discontinue a service to an exchange shall file a notice of discontinuance of service with the commission, publish the notice in a newspaper of general circulation within the exchange, and provide other notice as reasonably required by the commission. Written notice of the discontinuance of a service under this subsection shall be given to affected customers.

(c) Within 30 days after the date of publication of the notice, the commission, on its own motion or on the application of a person or other telecommunications utility, may initiate an investigation to determine if the discontinuance of service is authorized under this subsection. Following an opportunity for hearing, the commission may order the continued provision of any service not authorized to be discontinued.

(d) The commission shall determine when and under what conditions a telecommunications utility may discontinue basic local exchange service, basic message telecommunications service or any element of universal service to an exchange or part of an exchange.

(2) (a) Except for a telecommunications utility, a proposed change which constitutes a decrease in rates shall be effective at the time specified in the change as filed but not earlier than 10 days after the date of filing the change with the commission, unless any of the following occurs:

1. During the 10-day period the commission, either upon complaint or upon its own motion, by order, suspends the operation of the proposed change.

2. The commission, upon application of any public utility, directs that a proposed reduction in rates be made effective less than 10 days after filing the proposed reduction.

(am) For telecommunications utilities, a proposed change which constitutes a decrease in rates shall be effective at the time specified in the tariff as filed unless the commission, either upon complaint or upon its own motion, finds after investigation and hearing that the rate reduction violates s. 196.204 or 196.219.

Upon such a finding, the commission may order changes in the rates, terms and conditions.

(b) 1. A suspension under par. (a) 1. shall be effective for a period not exceeding 4 months, during which period the commission shall investigate any matter relative to the reasonableness or lawfulness of any change in schedule as filed. After the investigation the commission, by order, shall approve or disapprove the change, except as provided under subd. 2. The commission shall give the public utility proposing the change an opportunity for hearing prior to issuing any order disapproving a change. If the commission disapproves the change, the change shall be ineffective.

2. If the commission orders a suspension under par. (a) 1., the commission, after notice to the public utility of its objections to the change and after giving the public utility an opportunity to be heard on the objections, may prescribe a schedule which, revised on the basis of the objections, the commission finds to be lawful and reasonable instead of disapproving the schedule under subd. 1.

(2m) Except as provided under sub. (5) and ss. 196.193, 196.195 (12) and 196.196, no change in schedules which constitutes an increase in rates to consumers may be made except by order of the commission, after an investigation and opportunity for hearing. The commission may waive a hearing under this subsection for a proposed change in a telecommunications utility schedule. By rule or order, the commission shall specify the notice and procedural requirements applicable to a telecommunications utility proposal for which a hearing is waived.

(2r) In setting the rates charged for basic residential local exchange telecommunications service under this section in local exchange areas served by the same telecommunications utility, the commission may investigate those areas where changes in these rates may be warranted because of the number of access lines accessible from the local exchange area.

(3) Except as provided in subs. (1m) and (5) (a), this section does not apply to telecommunications cooperatives or small telecommunications utilities unless made subject to this section under s. 196.205 or 196.215 (2).

(4) (a) In this subsection:

1. "Automatic adjustment clause" means a provision included in the rate schedule of an electric public utility after investigation, notice and hearing which permits the electric public utility to recover in rates, without prior hearing and order of the commission, an increase in costs incurred by the electric public utility.

2. "Electric public utility" means a public utility whose purpose is the generation, transmission, delivery or furnishing of electric power but does not include a public utility owned and operated wholly by a municipality or cooperative and does not include any public utility which purchases, under federal or state approved wholesale rates, more than 50% of its electric power requirements from other than an affiliated interest as defined under s. 196.52. "Electric public utility" does not include any Class A utility, as defined under s. 199.03 (4), whose electric generation equipment has a total capacity of less than 30 megawatts.

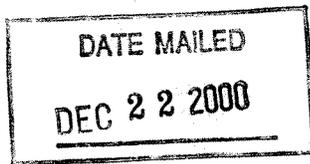
(b) An electric public utility may not recover in rates any increase in cost, including fuel, by means of the operation of an automatic adjustment clause.

(c) If an increase in fuel costs is of an extraordinary or emergency nature, the commission, after a hearing limited in scope to the question of the increase in fuel costs, may grant a rate increase to an electric public utility.

(d) The commission shall promulgate a rule.

(5) (a) This subsection applies to any of the following:

1. A small telecommunications utility subject to this section under s. 196.215 (2) that files with the commission a proposed



BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

In the Matter of Proposed Emergency Revision of Chapter PSC 116,
Wis. Admin. Code – Cost of Fuel

1-AC-202

**ORDER OF THE PUBLIC SERVICE COMMISSION
ADOPTING EMERGENCY RULES**

The Commission adopts an emergency rule to amend Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2), relating to the triggering mechanism and the period of time in which fuel costs are estimated for purposes of seeking an emergency or extraordinary rate increase under Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2).

Analysis by the Public Service Commission of Wisconsin

Statutory authority: §§ 196.02(1) and (3), 227.11 and 227.24, Stat.

Statutes interpreted: §§ 196.20(4) and 196.192(2)(a), Stat.

Wis. Admin. Code ch. PSC 116, the fuel rules, was written at a time when the large investor-owned electric utilities had annual rate cases. There was no need to consider a future year's fuel costs since fuel costs would be addressed annually in the rate cases. Now, the Commission conducts general rate cases for most investor-owned electric utilities on a biennial basis. Some utilities have been authorized by the Commission to file for rate cases three or more years apart.

Natural gas prices have recently increased to unprecedented levels. This increase has had a significant impact on the fuel costs incurred by electric utilities that rely on gas-fired

Docket 1-AC-202

generation or purchased power. As a result, many Wisconsin utilities anticipate sharply higher fuel costs in 2001 than they experienced in 2000.

Under the application of the present rules, fuel cost estimates, for purposes of determining a rate change, were made for the same year as the year in which the utility exceeded its fuel cost range forecasted by the Commission. It has been unclear as to the extent to which fuel cost changes occurring in the subsequent year could be considered.

Under the proposed emergency rule, once a utility exceeded its range for fuel costs, it would be allowed to seek a rate increase based on fuel cost projections for the year in which it is reasonably anticipated that the rate increase would go into effect, provided those estimated fuel costs would exceed the utility's annual range. This would allow a better matching of rates to fuel costs and reduce the regulatory lag inherent in the current fuel rules during a time of volatile fuel costs.

Fiscal Estimate

A fiscal estimate is attached to this order.

State of Emergency

In order to preserve the health, safety, and welfare of Wisconsin residential, commercial and industrial ratepayers it is necessary to amend Wis. Admin. Code Chapter PSC 116. Amending Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2), would allow the Commission to grant a rate increase to an applicable Class A electric public utility based on estimated fuel cost for the year in which it is reasonably anticipated that the rate increase would go into effect. In granting the rate change the Commission must find, after a hearing confined solely to fuel costs, that the utility is eligible to seek an emergency or extraordinary rate increase under the current

Docket 1-AC-202

rule, an emergency or extraordinary increase in the cost of fuel exists, and the fuel cost increase will affect the utility's average yearly fuel costs for the year in which it is reasonably anticipated that the rate increase would go into effect so as to fall outside the established annual range for that year. This change would assist in implementing the rule at a time of volatile fuel costs.

Order of Adoption

Pursuant to Wis. Stat. §§ 196.02(1) and (3), 227.11 and 227.24, the Commission amends Wis. Admin. Code §§ PSC 116.06(1) and 116.06(2),. The attached emergency rule takes affect upon publication.

Dated at Madison, Wisconsin, December 21, 2000

By the Commission:

Lynda L. Dorr
Lynda L. Dorr
Secretary to the Commission

LLD:jkr;jlt:K:\sp\orders\1-AC-202 order

EMERGENCY RULES

SECTION 1. PSC 116.06(1) is amended to read:

If a utility's monthly fuel costs will exceed the ranges set in its rate proceeding, ~~or and~~ the annual fuel costs will be affected so as to exceed the annual range, the utility may seek an emergency or extraordinary rate increase in a proceeding limited in scope to the question of the increase in fuel costs.

SECTION 1. PSC 116.06(2) is amended to read:

After a hearing confined solely to fuel costs, an emergency or extraordinary rate increase based on an increase in an electric utility's monthly costs of fuel may be granted only if the commission finds that the fuel cost increase will affect the utility's average yearly fuel costs in the year it is reasonably anticipated the rate increase would go into effect so as to fall outside the established annual range.

SECTION 3. EFFECTIVE DATE. As provided in § 227.24(1)(c), Stats., the rules contained in this emergency order take effect upon publication in the official state newspaper.

(End)

FISCAL ESTIMATE

DOA-2048 N(R10/96)

ORIGINAL

UPDATED

CORRECTED

SUPPLEMENTAL

Subject

Amend rules relating to emergency or extraordinary rate increases.

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

Increase Existing Appropriation

Increase Existing Revenues

Decrease Existing Appropriation

Decrease Existing Revenues

Decrease Costs

Create New Appropriation

Local: No local government costs

1. Increase Costs

Permissive Mandatory

3. Increase Revenues

Permissive Mandatory

5. Types of Local Governmental Units Affected:

Towns Villages Cities

2. Decrease Costs

Permissive Mandatory

4. Decrease Revenues

Permissive Mandatory

Counties Others _____

School Districts WTCS Districts

Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations

20.155(l)(g)

Assumptions Used in Arriving at Fiscal Estimate

No additional staff or equipment is required. Reporting requirements would be minimal.

Long-Range Fiscal Implications

None

Agency/Prepared by: (Name & Phone No.)

PSC/ (608) -

Authorized Signature/Telephone No.

(608) -

Date

/ /2000

May 7, 2001

Sen. Judy Robson
15 S. – State Capitol
Madison, WI 53702

Dear Sen. Robson:

When I read that you are authoring legislation to prohibit hospitals from forcing nurses to work overtime, I wanted to stand up and cheer. My wife has been on the front lines of the health care industry for the past 14 years as a registered nurse at a major Wisconsin hospital. She got into the profession because her mother had been a nurse and she enjoys patient care. Unfortunately, the working conditions in her profession have become so difficult that I would not be surprised if she quit nursing because she is becoming burned-out by the system.

Forced overtime is just one example of how these highly-trained and motivated professionals are abused by our health care system in the name of "holding down health care costs". After receiving a B.S.N. in 1987 and after serving in this physically and mentally demanding, high-stress job for 14 years, she makes \$21 per hour. She has life and death responsibility over her patients. She can be sued for malpractice, "mandated" to work a double shift because the hospital did not hire enough staff, even though we have two young children at home who depend on seeing their mother at the end of the day.

She has been physically and verbally abused by patients who treat her like a waitress and she is frequently exposed to infectious diseases, such as AIDS and TB. She is increasingly bogged down in administrative duties such as discharge planning, care planning, admissions workups, etc., all of which take her away from her primary duties in the area of patient care which is why she became a nurse in the first place. She pays about \$400 a year just to park a half-mile away from her place of employment and those costs increase 5% annually, while her pay increases by about a buck an hour each year. She comes home from work physically exhausted and frustrated by a system that treats her like a serf, extracting more and more work and responsibility for diminishing rewards. All for \$21 an hour after 14 years of service.

At the same time, we have legislative staffers with far less experience on the job, being paid nearly twice this much - and without any life and death consequences for their actions in the workplace. This is not to diminish the job staffers do - I've been one myself. It is to demonstrate that nurses should be paid at least on an equal level, if not more.

I am certainly no expert on the health care system in this country. I know that costs continue to rise and I couldn't tell you if it is the insurance companies, the drug companies, the lawyers, the hospitals or the HMO's who are getting rich. But I am damned sure it isn't the nurses who are the cornerstone of this industry. If hospitals want to attract more nurses to the profession and retain the ones they have there is a really simple answer: Pay them and don't burn them out! Until they figure that one out, this problem will grow exponentially.

So, on behalf of my wife, of who I am extremely proud, thank you for authoring this legislation. It may not solve all of the problems I wrote to you about, but it will certainly help prevent things from getting worse.

Sincerely,

A handwritten signature in cursive script that reads "Bill".

Bill Skewes
Madison, WI

SENATOR JUDITH B. ROBSON
CO-CHAIR
P.O. BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
P.O. BOX 8952
MADISON, WI 53708-8952
(608) 264-6486

JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

April 26, 2001

Senator Fred Risser
Senate President
Room 220 South

Representative Scott Jensen
Speaker of the Assembly
Room 211 West

Re: Emergency Rule PSC 2.06
 Emergency Rule PSC 116.06
 Emergency Rule HFS 163

Dear Senator Risser and Representative Jensen:

We are writing pursuant to § 227.24(2)(c), *Stats.*, to inform you that the Joint Committee for the Review of Administrative Rules (JCRAR) held a public hearing and executive session on April 24, 2001. At that meeting, the JCRAR received public testimony regarding the following emergency rules:

- Emergency Rule PSC 2.06, relating to procedures for the confidential treatment of documents;
- Emergency Rule PSC 116.06, relating to the triggering mechanism and the period of time in which fuel costs are estimated for purposes of seeking an emergency or extraordinary rate increase under s. PSC 116.06; and
- Emergency Rule HFS 163, relating to certification for the identification, removal and reduction of lead-based paint hazards.

Based on the public testimony at the hearing, the committee adopted a motion extending Emergency Rule PSC 2.06 for 60 days. The committee approved the motion on a 10 to 0 vote.

Based on the public testimony at the hearing, the committee adopted a motion extending Emergency Rule HFS 163 for 60 days. The committee approved the motion on a 9 to 1 vote.

The committee did not extend the effective period of emergency rule PSC 116.06.

We are giving you this notice of the committee's action pursuant to § 227.24(2)(c), *Stats.*, and we ask that you notify the appropriate standing committees of each house of the legislature of the JCRAR's actions.

Sincerely,


Senator Judith B. Robson
15th Senate District


Representative Glenn Grothman
59th Assembly District

JBR:GG:da

SENATOR JUDITH B. ROBSON
CO-CHAIR
PO BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
PO BOX 8952
MADISON, WI 53708-8952
(608) 264-8486

**JOINT COMMITTEE FOR
REVIEW OF ADMINISTRATIVE RULES**

Attendance Form

Last Modified: January 2001

Date: 4/24/01 Accounting for: Public Hearing Executive Session

Location: 300 Southwest

COMMITTEE MEMBER	PRESENT	ABSENT	EXCUSED
1. Senator ROBSON	✓		
2. Senator GROBSCHMIDT	✓		
3. Senator HANSEN	✓		
4. Senator SCHULTZ	✓		
5. Senator COWLES	✓		
6. Representative GROTHMAN	✓		
7. Representative SERATTI	✓		
8. Representative GUNDERSON	✓		
9. Representative KREUSER	✓		
10. Representative TURNER	✓		
Totals	10		

David A. Austin
Committee Clerk

SENATOR JUDITH B. ROBSON
CO-CHAIR
PO BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
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JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

Attendance Form

Last Modified: January 2001

Date: 4/24/01 Accounting for: Public Hearing Executive Session

Location: 300 Southwest

COMMITTEE MEMBER	PRESENT	ABSENT	EXCUSED
1. Senator ROBSON	✓		
2. Senator GROBSCHMIDT	✓		
3. Senator HANSEN	✓		
4. Senator SCHULTZ	✓		
5. Senator COWLES	✓		
6. Representative GROTHMAN	✓		
7. Representative SERATTI	✓		
8. Representative GUNDERSON	✓		
9. Representative KREUSER	✓		
10. Representative TURNER	✓		
Totals			

David A. Austin
Committee Clerk

Vote Record

Senate - Joint committee for review of Administrative Rules

Date: 4/24/01

Bill Number: SB 116

Moved by: Grobschmidt

Seconded by: Schultz

Motion: _____

recommend adoption

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Sen. Judith Robson, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Richard Grobschmidt	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. David Hansen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Dale Schultz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sen. Robert Cowles	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Glenn Grothman, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Lorraine Seratti	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Scott Gunderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. James Kreuser	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Robert Turner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>10</u>	_____	_____	_____

Motion Carried

Motion Failed

SENATOR JUDITH B. ROBSON
CO-CHAIR
PO BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
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**JOINT COMMITTEE FOR
REVIEW OF ADMINISTRATIVE RULES**

Emergency Rule Extension Motion Form

Last Modified January 2001

Date 4/24/01 Location 300 Southwest
Moved by Grothman, Seconded by Robson

THAT, pursuant to § 227.24(2)(a), *Wisconsin State Statutes*, the Joint Committee for the Review of Administrative Rules extend the effective period of Emergency Rule PSC 2.06 by 60 days, at the request of the Public Service Commission.

COMMITTEE MEMBER	Aye	No	Absent
1. Senator ROBSON	✓		
2. Senator GROBSCHMIDT	✓		
3. Senator HANSEN	✓		
4. Senator SCHULTZ	✓		
5. Senator COWLES	✓		
6. Representative GROTHMAN	✓		
7. Representative SERATTI	✓		
8. Representative GUNDERSON	✓		
9. Representative KREUSER	✓		
10. Representative TURNER	✓		
Totals	10		

Motion Carried

Motion Failed

SENATOR JUDITH B. ROBSON
CO-CHAIR
PO BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
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(608) 264-8486

**JOINT COMMITTEE FOR
REVIEW OF ADMINISTRATIVE RULES**

Emergency Rule Extension Motion Form

Last Modified January 2001

Date 4/24/01 Location 300 Southurst
Moved by Grothman, Seconded by _____

NO
SECOND

THAT, pursuant to § 227.24(2)(a), *Wisconsin State Statutes*, the Joint Committee for the Review of Administrative Rules extend the effective period of Emergency Rule PSC 116.06 by ~~60~~ days, at the request of the Public Service Commission. 30

COMMITTEE MEMBER	Aye	No	Absent
1. Senator ROBSON			
2. Senator GROBSCHMIDT			
3. Senator HANSEN			
4. Senator SCHULTZ			
5. Senator COWLES			
6. Representative GROTHMAN			
7. Representative SERATTI			
8. Representative GUNDERSON			
9. Representative KREUSER			
10. Representative TURNER			
Totals			

Motion Carried

Motion Failed

SENATOR JUDITH B. ROBSON
CO-CHAIR
PO BOX 7882
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(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
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**JOINT COMMITTEE FOR
REVIEW OF ADMINISTRATIVE RULES**

Emergency Rule Extension Motion Form

Last Modified January 2001

Date 4/24/01 Location 300 Southwest
Moved by Robson, Seconded by Cowles

THAT, pursuant to § 227.24(2)(a), *Wisconsin State Statutes*, the Joint Committee for the Review of Administrative Rules extend the effective period of Emergency Rule HFS 163 by 60 days, at the request of the Department of Health and Family Services.

COMMITTEE MEMBER	Aye	No	Absent
1. Senator ROBSON	✓		
2. Senator GROBSCHMIDT	✓		
3. Senator HANSEN	✓		
4. Senator SCHULTZ	✓		
5. Senator COWLES	✓		
6. Representative GROTHMAN		✓	
7. Representative SERATTI	✓		
8. Representative GUNDERSON	✓		
9. Representative KREUSER	✓		
10. Representative TURNER	✓		
Totals	9	1	

Motion Carried

Motion Failed

SENATOR JUDITH B. ROBSON
CO-CHAIR
P.O. BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
P.O. BOX 8952
MADISON, WI 53708-8952
(608) 264-6486

JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

April 26, 2001

BY INTER-D

Ave Bie
Chair, Public Service Commission
610 North Whitney Way
Madison, WI

Re: Emergency Rule PSC 2.06 and Emergency Rule PSC 116

Dear Chairperson Bie:

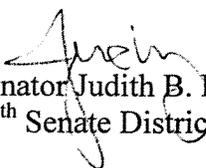
We are writing to inform you that the Joint Committee for the Review of Administrative Rules (JCRAR) held a public hearing and executive session on April 24, 2001. At that meeting, the JCRAR received public testimony regarding two emergency rules promulgated by the Public Service Commission. Those rules were Emergency Rule PSC 2.06, relating to procedures for the confidential treatment of documents, and Emergency Rule PSC 116, relating to the triggering mechanism and the period of time in which fuel costs are estimated for purposes of seeking an emergency or extraordinary rate increase under s. PSC 116.06.

Based on the testimony given to the committee, JCRAR adopted a motion extending the effective period of Emergency Rule PSC 2.06 for 60 days. The committee approved the motion on a 10 to 0 vote.

A motion to extend the effective period of Emergency Rule PSC 116.06 was made. However, this motion was not brought to a vote because no member of the committee would second the motion. Therefore, the effective period of Emergency Rule PSC 116.06 was not extended.

Pursuant to § 227.24(2)(c), *Stats.*, we are notifying the Secretary of State and the Revisor of Statutes of the Committee's action through copies of this letter.

Sincerely,


Senator Judith B. Robson
15th Senate District


Representative Glenn Grothman
59th Assembly District