

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4030/2dn
MDK:wlj:pg

January 30, 2004

Rep. Jensen:

This version is identical to the previous version, except for the following:

1. This version refers to “energy utilities” throughout the bill, rather than to “public utilities.” See the definition of “energy utility” at proposed s. 196.027 (1) (c). Also, the reference to “electricity consumption” in proposed s. 196.027 (5) (a) 1. is changed to “energy consumption.”
2. The definition of “environmental control cost” is revised to refer to costs incurred by affiliated interests under leased generation contracts. See proposed s. 196.027 (1) (f).
3. The definition of “environmental control property” is revised to refer to revenues and proceeds. See proposed s. 196.027 (1) (h) 2.
4. Proposed s. 196.027 (1) (j) 4. (regarding taxes) is added to the definition of “financing costs.”
5. The exemption from the definition of “public utility” for an assignee is eliminated.
6. Proposed s. 196.027 (2) (b) 2. b. refers to customers residing in the service territory of an energy utility.
7. Proposed s. 196.027 (2) (b) 2. c. is revised to refer to a formula for making adjustments.
8. Proposed s. 196.027 (2) (b) 4. is revised slightly.
9. Proposed s. 196.027 (3) is revised to refer specifically to rate making and to prohibit the PSC from determining that an action of an energy utility that is consistent with a financing order is unjust or unreasonable.
10. Proposed s. 196.027 (5) (a) 1. is revised by the addition of the last sentence.
11. Proposed s. 196.027 (5) (a) 4. is revised to refer to defaults on payments. (This provision was included in proposed s. 196.027 (5) (a) 3. in the previous version.)
12. Proposed s. 196.027 (9) (regarding conflicts) is added. The language is based on s. 59.22 (4).

13. The proposed creation of s. 73.13 is added.

Note also that the following issues remain to be resolved:

1. Does proposed s. 196.027 (2) (b) 3. accomplish the intent that the decision to finance with debt is entirely within the discretion of a utility?
2. Regarding judicial review of a financing order, I understand that language may be suggested requiring a court or the PSC to protect the interests of bond holders in the event that a financing order is overturned by a court.
3. I understand that the definition of "environmental control equipment" is being reviewed and may be revised.
4. I understand that there may be further revisions to proposed s. 196.027 (5) (b) and (c) (security interests and sales).

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