

Chapter PSC 5

ASSESSMENT OF COSTS

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PSC 5.01 Applicable statute. By section 196.85, Wis. Stats., the public service commission is empowered to charge against the public utilities, power districts, and railroads of the state, the expenses reasonably attributable to the performance of certain of the commission's public duties.

PSC 5.02 Expenses of regulation. The expenses of regulation by the commission which are to be assessed are divided into two classes:

(1) **DIRECT ASSESSMENTS.** Those expenses which are incurred during the course of a specific investigation, appraisal, or the rendering of requested services are assessed directly against the public utility, power district, or railroad involved.

(2) **REMAINDER ASSESSMENTS.** (a) *Utilities.* The remainder of the commission's expenses attributable to the performance of its duties relating to utilities under chapters 184, 196, and 198, Wis. Stats., are assessed after the end of the fiscal year against all utilities upon a gross-earnings basis.

(b) *Railroads.* The remainder of the commission's expenses attributable to the performance of its duties relating to railroads, as defined in section 195.02, Wis. Stats., under chapters 184, 190, 191, 192, 193, 195, and 196, are assessed at the end of the fiscal year against all railroads upon a gross-earnings basis. [See also section PSC 5.15.]

PSC 5.03 Occasion for direct assessment of expenses. (1) Occasion for assessing costs of regulation directly arises under two separate sets of conditions:

(a) An investigation instituted by the commission in the course of performance of its duties in a proceeding:

1. Upon its own motion.
2. On complaint, as provided by chapters 195, 196, Wis. Stats., and other sections of the statutes.
3. Upon an application made to it.

(b) Rendering of any engineering or accounting services upon request of any public utility, power district, or railroad.

(2) Whenever, therefore, the commission "shall deem it necessary in order to carry out the duties imposed upon it by law to investigate the books, accounts, practices and activities of, or make

appraisals," the public utility, power district, or railroad so investigated or appraised "shall pay the expenses reasonably attributable" to such investigation or appraisal. This is likewise applicable when engineering or accounting services are rendered upon request.

PSC 5.04 Companies affected. Section 196.85, Wis. Stats., is applicable to all public utilities, power districts, and railroads. The terms have the meaning given them by the statutes. Hence, "public utility" includes persons, municipalities, and corporations furnishing light, water, power, heat, telephone, or toll bridge services. "Power districts" are defined in section 198.01, Wis. Stats. "Railroad" includes steam, street, and interurban railways, and express and telegraph companies, and common carriers of property by water.

PSC 5.05 Applicable statutes. (1) By section 196.855, Wis. Stats., the commission is empowered to charge the expenses incurred in making any appraisal or investigation of utility property under the provisions of chapter 197, Wis. Stats., against a municipality making application for such an appraisal or investigation.

(2) Section 184.10(2), Wis. Stats., provides that upon the commission's finding of necessity for an investigation of the books, accounts, and practices or an appraisal of the property of any public service corporation which has filed an application for authority to issue any securities to which the provisions of chapter 184, Wis. Stats., are applicable, the expenses which are reasonably attributable to such an investigation or appraisal are to be assessed against the public service corporation.

PSC 5.06 Direct charges, when not made. No direct charges are made for expenses attributable to the performance of the commission's regulatory duties other than for salary and travel, and then only those expenses directly and strictly attributable to the investigations known as cost cases are charged. Overhead expenses, whether or not specifically identifiable with an investigation, are not directly charged, but are considered in the remainder assessment.

PSC 5.07 Direct charges; salaries. (1) **STANDARD FOR MAXIMUM DAILY CHARGE.** The maximum daily charge against any one investigation is 8 hours per day except that overtime worked in excess of the standard day at the request of the department head, and with his approval for later use as credit for compensatory time off, be included in direct charges to utilities and railroads.

(2) **BASIS OF CHARGES.** Charges are made on an hourly basis, computed to the nearest half-hour. The hourly rate for each employee is obtained by dividing the individual's annual salary rate by the appropriate number of standard working hours for the year.

(3) **CHARGEABLE TIME.** (a) The time of all persons engaged directly on an investigation, whether in the offices or on the property of the public utility, power district, or railroad, in the offices of the com-

mission, or elsewhere, including traveling time, will be charged. There will be included, in addition to time spent on the investigation or in rendering the service, the time devoted to preparing summaries and exhibits and writing and typing reports; also, the time spent in testifying and in required attendance at hearings in other than the capacity of actual examiner.

(b) If it is necessary to visit the offices of another state government department, any other government department or organization, state or federal, or any private organization to obtain information for the investigation, the time thus spent will be charged against the public utility, power district, or railroad being investigated. If an examination is made of affiliated interests, this likewise will be charged against the operating public utility or railroad, the investigation of which necessitates the examination of the affiliate.

(c) Time of department heads is charged only when engaged directly on an investigation, and not when spent in a supervisory capacity.

(4) **NONCHARGEABLE TIME.** No direct charges are made for the time of:

(a) Commissioners.

(b) Department heads unless engaged directly on an investigation in other than a supervisory capacity.

(c) Examiners, neither in preparation for nor in conducting a hearing, nor in preparation of the order.

(d) Reporters, stenographers, and clerks in preparation of transcripts, docketing, or filing.

(5) **CHARGE FOR TRAVELING TIME.** If on a trip actual time reported on cases equals or exceeds the standard 8 hours per day and traveling time is likewise reported for that day, such traveling time is disregarded in making charges. However, should actual time reported on cases be less than the standard per day and traveling time also be reported, the difference between the time on cases and the standard is regarded as traveling time against those cases, provided that such difference does not exceed the hours of travel reported. The total of traveling time computed by such method for an entire trip is then prorated over those cases or job numbers reported on that trip on the basis of the aggregate actual time reported for each and limited for each investigation by the standard day, except where overtime hours as provided above have been included in the chargeable time.

(6) **CONSULTANTS AND SPECIAL EMPLOYEES.** When the commission finds it necessary to engage the services of experts, not as members of its regular staff, but for consulting advice or for particular projects arising out of investigations, the cost to the commission of such special services shall be chargeable to the public utility, power district, or railroad under investigation.

History: 1-2-56; am. (2), Register, December, 1958, No. 36, eff. 1-1-59.

PSC 5.08 Direct charges; traveling expense. (1) **CHARGEABLE TRAVELING EXPENSE.** All traveling expenses incurred in an investigation or in rendering services will be charged subject to the following regulations.

(2) **TRAVELING EXPENSES FOR REQUIRED PRESENCE IN MADISON WHEN HEADQUARTERS HAVE BEEN ESTABLISHED ELSEWHERE.** (a) If a member

of the commission's staff has headquarters established in a city other than Madison, and his presence is required in Madison on an investigation, the expenses for such trip will be charged against the company the investigation of which necessitates this time in Madison.

(b) Headquarters other than Madison are established with a view of reducing the costs of an investigation of long duration, or headquarters may be established in a centralized locality which is in closer proximity to a number of investigations than Madison, likewise with the view of reducing costs.

(3) **PRORATION OF TRAVELING EXPENSES.** Traveling expenses for an entire trip are prorated among the cases, and job numbers reported on that trip on the basis of the aggregate actual hours (without the proration of traveling time) reported for each, and limited for each investigation by the standard day except where overtime hours as provided above [section PSC 5.07(5)] have been included in the chargeable time. The underlying principle is that the expenses follow time spent.

(4) **NONCHARGEABLE TRAVELING EXPENSES.** No direct charges are made for the traveling expenses of:

- (a) Commissioners.
- (b) Department heads when their time is nonchargeable.
- (c) Examiners.
- (d) Reporters.