

PSC 165

Filed October 17, 1975
3:45 p.m. O. L. Folbr

CERTIFICATE

STATE OF WISCONSIN)
) ss.
PUBLIC SERVICE COMMISSION)

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Francesca A. di Lorenzo, Acting Secretary of the Public Service Commission of Wisconsin, and custodian of the official records of said commission, do hereby certify that the annexed rules and regulations and amendments to rules and regulations relating to deposit, guarantee and disconnection procedures for telephone utility service were duly approved and adopted by this commission on August 28, 1975.

I further certify that said copy has been compared by me with the original on file in this commission and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the commission at the Hill Farms State Office Building in the city of Madison, this 16th day of October A.D. 1975.

Francesca A. di Lorenzo
Acting Secretary

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BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

COMPARED WITH AND CERTIFIED BY ME
TO BE A FULL, TRUE, AND CORRECT
COPY OF THE ORIGINAL ON FILE IN MY
OFFICE.

DATED AUG 28 1975

Katherine A. J. J. J.
ACTING SECRETARY
PUBLIC SERVICE COMMISSION OF WISCONSIN

Investigation on Motion of the Commission)
Relative to Whether the Present Deposit,)
Guarantee and Disconnect Rules are Approp-)
riate and Reasonable and as to Whether)
a Rule Should be Promulgated Respecting)
Net and Gross Billing Practices of Public)
Utilities)

2-U-7720



ORDER OF THE
PUBLIC SERVICE COMMISSION OF WISCONSIN
ADOPTING, AMENDING AND REPEALING RULES
RESPECTING TELEPHONE PUBLIC UTILITIES

Pursuant to due notice, hearings in this proceeding were held July 3, 1973, and February 11, 1974, respecting rules for electric, water, gas and telephone service. On August 5, 1974, the Wisconsin State Telephone Association filed a motion for postponement of hearings respecting telephone service rules. The Commission granted such motion August 16, 1974, and telephone service rules were thereafter considered separately from rules for electric, gas and water service.

Pursuant to due notice, public hearings on rules for gas, electric and water service were held August 26, 27 and 29, 1974. On October 24 and 25, 1974, public hearings were held on telephone rules. Appendix A attached hereto contains the appearances.

Orders concerning rules for electric, gas and water service were issued on November 13, 1974, and January 15, 1975. Public hearing respecting net and gross billing practices of public utilities was held on May 5, 1975, and such practices will be considered by order at a later date.

Discussion

During the course of this proceeding, several parties of interest, including the Commission staff, have presented viewpoints on the general principles governing deposit, guarantee and disconnection rules for public utilities. Different parties have presented testimony relative to revisions to specific sections of the

Wisconsin Administrative Code respecting telephone service. Proposals as presented in this proceeding, cover the spectrum of interest from those highly biased for the consumer to those highly biased for the utility. Parties have also attempted to rebut the proposals made by other parties.

The Commission finds that the present deposit, guarantee and disconnection rules governing telephone service, and as set forth in certain sections of Chapter PSC 165, Wis. Adm. Code, are no longer reasonable or in the best interest of the public.

As the Commission noted in its Order dated November 13, 1974, in this proceeding, there are certain objectives which must underlie the promulgation of any new rules which would be authorized. The objectives to be met are as follows:

1. Ease of administration and understandable.
2. Prevention of undue discrimination between customers.
3. Reasonable protection to the customer for dealing with the utility.
4. Avoidance of unreasonable cost burden through implementation of the rules.

The Commission staff presented testimony in this proceeding, proposing modification of existing telephone rules. These proposals were further modified and discussed in a staff brief dated February 5, 1975. Specific proposals were also discussed in testimony and by briefs of Wisconsin Telephone Company and the Wisconsin State Telephone Association.

With certain modifications, the proposed rules contained in the Commission staff's brief of February 5, 1975, appear to offer the best replacement for existing rules. The staff's proposal does address itself to the objectives previously stated and adequately balances the interests of consumer and utility.

The Commission has made limited changes to promote clarity of the rules and to modify the staff's proposal in meeting the aforementioned objectives. Among the changes made are:

1. The requirement that a copy of the actual disconnection notice used by the utility be filed in the tariff has been eliminated to facilitate ease of administration by both the Commission and the utility. Notices must conform to other requirements of the Wis. Adm. Code.
2. The requirement that a specific telephone number be included on the disconnection notice has been eliminated. Many telephone utilities serve in more than one exchange and there is not a single number which would be applicable for all customers. However, the number for contacting the utility is always available in the directory provided to all customers. In order to promote potential cost savings by use of a standard notice, the Commission finds that a specific telephone number on the notice is not required.
3. In certain situations the Commission can foresee problems with the existing rule requiring that customers post a 50% bond in order to have a dispute brought to formal proceeding before the Commission. To avoid situations where such requirement could prevent legitimate, sincere disputes from being heard, a provision has been added to the rules permitting the Commission to waive such bond requirement for good cause.
4. In order to protect the utility from certain losses which ultimately become a burden on the general rate payer, the Commission has expanded the staff's deposit rule to permit a deposit request in certain limited cases other than when the customer has an outstanding unpaid bill. Additionally, the dispute procedure provisions have been modified to include deposit issues.

In addition to these above changes and other revisions, the Commission considered modifications proposed by other parties.

1. It has been suggested that the following rule be added to the list of reasons as a basis for refusal of service:
"Failure to make full payment or enter into a deferred payment agreement for delinquent accounts not in dispute for previous service accrued within 6 years of the application for new service."

There appears no compelling need to include the above proposal in the Code. The staff proposal permits refusal of service for failure to pay a delinquent account. A revision of the proposal has been made, and accordingly, unless the utility has taken no collection action in six months, service could be refused and the proposed additional rule would merely be repetitious.

2. The staff's proposed rules contain a provision requiring notification of Health and Social Services 5 calendar days prior to disconnection, if the customer has requested such notice. This requirement conforms to the rules established for electric, gas and water service, and the Commission finds inclusion in the telephone rules reasonable and necessary. The telephone industry has expressed concern about the requirement that customers be notified upon application for service of the right to have Health and Social Services receive a copy of any disconnection notice. The Commission and the staff have considered a variety of alternatives to such notification, including to: 1) eliminate it, 2) set forth this option in the telephone directory, 3) provide the information in the first billing the customer receives, or 4) indicate this option on the disconnect notice.

The telephone industry has expressed concern about the potential adverse public reaction that such notice may generate. The Commission is confident that the industry has sufficient public relations acumen to prevent this problem and to preclude the need for written service applications. The Commission finds that the rule as pro-

posed by the staff is reasonable. A provision that notice of this rule be provided to customers in the telephone directory has also been added.

The staff, in its brief of February 5, 1975, discussed the use of a toll-restricted service as a means of reducing uncollectibles. This type of service would prohibit toll messages originating from a customer's telephone. The Commission concurs in the staff's designation of the root problem of bad debt losses as unlimited toll access, and recognizes the value of a restricted service. The availability of such service would offer the opportunity for a customer to receive service with little or no deposit. The industry has cited many reasons why it opposes toll restriction. Among these are cost, discrimination, jurisdictional problems, administrative difficulties, inability to stop collect or third-numbered billed call, and the unavailability of the operator for emergency purposes with toll restriction.

The points raised by the industry are of importance to the consideration of toll restrictive service. They have not, however, been proven to be of such significance as to obviate further study of this option. At this time toll restriction is not technically feasible for reducing uncollectibles, but the Commission strongly urges the state telephone industry to closely review this matter.

The fact that toll restriction prohibits the dialing of "0" to reach the operator for emergency purposes makes the need for acceleration of "911" emergency service more apparent. The Commission has been informed that any telephone utility within the state holds itself out to provide "911" emergency service by making certain modifications and installing the required centralized answering and dispatch terminals at tariff rates. There is, however, nothing in the record to show this or the fact that the onus for ordering of the installation of "911" emergency service rests with the police, fire, ambulance, and other emergency services of political subdivisions. Here also, the Commission strongly urges

the industry to take the initiative to inform the emergency agencies and/or political subdivisions of the availability of this service.

The rules as set forth in the Appendix require interest on deposits of at least the legal rate. The Commission requests that the utilities file rates which are reflective of current economic conditions.

The Commission requests voluntary compliance with the provisions of this Order prior to the effective date in view of the time consuming statutory requirements which must be met to fully implement the Order as part of the Wis. Adm. Code.

The deposit, guarantee and disconnection rules governing telephone utility service, as set forth in Appendix B hereto, are reasonable and just, and it is the best interest of the public that these rules be promulgated.

Conclusion of Law

THE COMMISSION CONCLUDES:

That it has authority pursuant to provisions of Chapters 196 and 227, Wis. Stats., to adopt the rules set forth in Appendix B.

Order

THE COMMISSION THEREFORE ORDERS:

1. That pursuant to authority vested in the Public Service Commission by Chapter 196, and according to the procedures set forth in Chapter 227, Wis. Stats., the Public Service Commission hereby revises Chapter PSC 165, Wis. Adm. Code, by repealing section PSC 165.05(2), by renumbering subsection (3) of said section to be subsection (2), by repealing sections PSC 165.051 and PSC 165.052 and recreating said sections as sections PSC 165.051 and PSC 165.052, and creating sections PSC 165.043, PSC 165.0525, and PSC 165.0535 to read as provided in the attached Appendix B.
2. That a certified copy of this Order be filed with the Secretary of State and Revisor of Statutes as required by section 227.023, Wis. Stats.

3. That the adopted rules herein become effective on the first day of the month following their publication in the Wisconsin Administrative Code Register as provided by section 227.026(1), Wis. Stats.

Dated at Madison, Wisconsin, AUG 28 1975

By the Commission.

Thomas R. Dilworth
Acting Secretary

APPENDIX A

Appearances:

Of the Commission Staff:

William E. Torkelson, Chief Counsel
Steven M. Schur, Chief Counsel Designate

James Tanner, Administrator
V. W. Mayer, Assistant Administrator
Thor R. Soderholm
Gary A. Evenson
Scott Minter
Utility Rates Division

Joseph R. Brady
Accounts and Finance Division

Harold Meyer
Dan Gallistel
William Green
Engineering Division

In Support:

Milwaukee Central City Consumer Council
American Federation of Concerned Consumers
by
Cecil Brown, Coordinator-President
Milwaukee

Joanna Lupinek
Madison

The Eastside Community Health Organization
by
Abbey Dodge
Irene Zvaigznitis
Milwaukee

Eastside Housing Action Committee
by
William R. Coats, Rep.
Milwaukee

16th Street Community Health Center
by
Sister Phyllis Franzen
Milwaukee

As Interest May Appear:

General Telephone Company of Wisconsin
by
Spencer Herzberger, Vice President
Madison

Footville Telephone Company
by
Mrs. Pauline Kratz, President
Footville

AS Interest May Appear: cont.

Wisconsin Gas Company
by
Nicholas J. Lesselyoung, Attorney
Allen W. Williams, Jr., Attorney
Robert E. Johnson, Vice President-Controller
Robert A. Nuernberg, Assistant Secretary
Milwaukee

Wisconsin State Telephone Association
by
Ray J. Riordan, Executive Vice President
Madison

Municipal Electric Utilities of Wisconsin
by
Arthur J. Jark, Manager, Water & Electric Department
Jefferson

Wisconsin Public Service Corporation
by
Steven E. Keane, Attorney
Milwaukee
Daniel A. Bollom, Treasurer
Green Bay

Department of Justice
by
Stephen J. Nicks, Asst. Atty. General
James D. Jeffries, Asst. Atty. General
Madison

Department of Justice's Milwaukee Office of Consumer
Protection
by
Steven M. Epstein, Asst. Atty. General
Milwaukee

Wisconsin Power and Light Company
by
Eugene O. Gehl, Attorney
Gerald Hinrichs, Rate Research Engineer
Madison

City of Hartford Utility
by
Robert J. Russell, Attorney
Hartford

Wisconsin Electric Power Company
Wisconsin Michigan Power Company
Wisconsin Natural Gas Company
all by
Robert H. Gorski, General Counsel
Larry J. Martin, Attorney
Milwaukee

Madison Gas and Electric Company
by
Ralph Bushnell, Attorney
Roger D. Erickson, Superintendent-Customer Services
Dale W. St. John, Treasurer & Asst. Secretary
Madison

As Interest May Appear: cont.

Northern States Power Company
by
Daniel P. Jolstad, General Auditor
Eau Claire

Central State Telephone Company
by
M. E. Putnam, President
Madison

Marshfield Electric & Water Department
by
Norman E. Dietrich, Utility Manager
Marshfield

Badger Power Cooperative
Vernon Electric Cooperative
Oakdale Electric Cooperative
all by
Floyd E. Wheeler, Attorney
Madison

Lake Superior District Power Company
Wisconsin Southern Gas Company
Wisconsin Fuel and Light Company
Superior Water, Light & Power Company
City Gas Company of Antigo
North-West Telephone Company
United Telephone Company, Monroe
all by
Hugh H. Bell, Attorney
Madison

Representative Harout O. Sanasarian
Madison

Milwaukee County Welfare Rights Organization
Dane County Welfare Rights Organization
Milwaukee Tenants Union
Concerned Consumers League
all by
Mark E. Wilson, Attorney
Milwaukee

American Federation of Concerned Consumers
(also appeared In Support)
Milwaukee Chapter and Consumer Protection
Advisory Council of Milwaukee
by
Cecil Brown, Jr. President
Milwaukee

Milwaukee Central City Consumers Council, Inc.
by
Fred A. Hardy, President
Milwaukee

Cora Grafton
Milwaukee Tenants Union
Milwaukee County Welfare Rights Organization
Concerned Consumers League
all by
David R. Taxin, Attorney
Milwaukee

As Interest May Appear: cont.

Karl Idsvoog, Reporter
Channel 15 News
Madison

Dane County Welfare Rights Alliance
by
Kathleen Novinska
Madison

Muscoda Light & Water Commission
(also appeared In Opposition)
by
Joseph H. Drone, Superintendent
Muscoda

Sturgeon Bay Utilities
by
Raymond R. Maples, Office Manager
William Baudhuin, Superintendent
Sturgeon Bay

Wisconsin Electric Coop. Association
by
Larry M. Tobin, Director Member Services
Walter Seaborg, Management Asst.
Madison

John Weigel
Kenosha

Michael Fellner
Madison

Karl A. Mohr, Director of Public Health
Madison

Central Wisconsin Electric Coop.
by
John Groenier, General Manager
Iola

Wisconsin Department of Justice,
Office of Constumer Protection
by
David J. Gilles, Asst. Attorney General
Madison

Wisconsin Department of Justice,
Consumer Protection Unit
by
Stephen M. Schur, Asst. Attorney General
Madison

Kathy Lefco-Katz, Project Assistant
University of Wisconsin Extension Center for
Consumer Affairs
Milwaukee

Milwaukee County Department of Public Welfare
by
Patrick Foster, Asst. Corp. Counsel
Milwaukee

As Interest May Appear: cont.

Welfare Advocacy Center
by
Sue Andersen
Milwaukee

South Side Welfare Rights
by
Paul Reinelt
Milwaukee

Helen E. Nelson, Director
(also appeared In Opposition)
Center for Consumer Affairs
University of Wisconsin Extension
Milwaukee

Kaukauna Electric & Water Department
by
Ernest J. Mullen, General Manager
Kaukauna

Waukesha Water Utility
by
Joseph H. Kuranz, General Manager
Waukesha

Municipal Electric Utilities of Wisconsin
by
Robert F. Dickinson, General Manager
Wisconsin Rapids Water Works & Lighting Commission
Wisconsin Rapids

Oscar Fabian
by
Pat Holland
Milwaukee

Milwaukee Tenants Union
by
Pat Kinney (Assisting Mrs. Sorano)
Milwaukee
and by
Marcia Satter
Milwaukee

City of Milwaukee Water Works
James B. Brennan, City Attorney
by
Harry G. Slater, Special Asst. City Attorney
Milwaukee

Wisconsin's Environmental Decade, Inc.
by
John C. Neess, Director
Rio
and by
Peter Anderson, Public Affairs, Officer
Madison

As Interest May Appear: cont.

Center for Public Representation, Inc.
Wisconsin Consumer League
Mrs. Janice Redford
all by
Tom Grant
Madison

Fennimore Municipal Utilities
by
Ralph M. Moen, City Clerk
Charles J. Leuck, Director of Public Works
Fennimore

Power For The People
by
Deborah Lee Austin
Madison

Wisconsin Power & Light Company
by
Griffin G. Dorschel, Attorney
Madison

In Opposition:

Pat Raymond
Madison

Senior Power
by
Ruth Paynter, Senior Power of Dane County
Madison

Elkhorn Light and Water Commission
Municipal Electric Utilities of Wisconsin
by
Anthony F. Biba, Superintendent, Light & Water Utilities
Elkhorn

Kenneth Mattison, Coroner of Marinette County
Amberg

Wisconsin Section - American Water Works Assn.
Jefferson Water and Electric Department
by
Arthur J. Jark, Manager - Engineering
(also appeared As Interest May Appear)
Jefferson

City of Cuba City Utilities
by
John Sauer, Director of Utilities
Cuba City

Municipal Light and Water
by
Carl H. Thorsen, Superintendent
Cashton

Manitowoc Public Utilities
by
Edmund J. Garber, General Manager
Manitowoc

In Opposition: cont.

Municipal Electric Utilities of Wisconsin
by
Donald L. Smith, Executive Director
Columbus

Waupun Public Utilities
by
Albert Leu, Manager
Waupun

Two Rivers Water & Light Department
by
William C. T. Pappathopoulos, Director of Utilities
Two Rivers

Municipal Electric Utilities of Wisconsin
Municipal Wholesale Power Group
by
Paul A. Hahn, Counsel
Madison

Wisconsin State Telephone Association
by
Hugh H. Bell, Attorney
(changed from As Interest May Appear)
Madison

CENCOM, INC.
by
Michael T. Hart, Attorney
(changed from As Interest May Appear)
Milwaukee

Niagara Telephone Company
by
Sydney Peterson, President
Niagara

Wisconsin Telephone Company
(changed from As Interest May Appear)
by
Phillip L. Wettengel, General Attorney
John Clarke, Attorney
Kenneth Millard, Attorney

Robert L. Banner
Wauwatosa

Concerned Consumers League
by
Ivan Kutuchief
Agatha Kutuchief
Milwaukee

Milwaukee Legal Services, Inc.
by
James L. Brown, Attorney
Milwaukee

I.C.D.P. Puerto Rican Center
by
Carol Witon
Milwaukee

In Opposition: cont.

New Holstein Public Utilities

by

Ernest Dyer, Superintendent-Electric Department
H. E. Bruns, Chairman-Commission
Leland J. Tikalsky, Office Manager
New Holstein

Rapit Research & Development, Inc.

by

Robert A. Pickart, President
Wauwatosa

Women's International League for Peace & Freedom

by

Joanne Henderson, President
Madison

Welfare Rights

by

Sherri Martin, Vista
Racine

Wisconsin Rapids Water Works & Lighting Commission

by

Robert F. Dickinson, General Manager
Robert O. Stuhlmacher, Office Manager
Wisconsin Rapids

Milwaukee Tenants Union

by

Anthony C. Jaszewski
Patricia Holland
Dan Kaemmerer, Director & Chief Advisor
Milwaukee

Welfare Advocacy Center, Inc.

by

Sharon J. Kusmirek
L. Susan Anderson, Director
Milwaukee

Anna Doherty

Milwaukee

Tri-County Telephone Coop.

by

Marcel I. Lyga, Member
Alan Hanson, Member
Independence

APPENDIX B

PSC 165.043 INFORMATION AVAILABLE TO CUSTOMERS. (1) There shall be kept on file in every business office of the utility where customer payments are received copies of the rate schedules applicable in such locality. Copies of these rules and such rules of the utility as are applicable shall be kept on file in every general and local office of the utility. Reasonable notice shall be given customers as to where the foregoing information is available to them.

(2) Each telephone utility, for every exchange in which it serves, shall provide in the respective telephone directories a telephone listing for Repair Service by which the utility can be notified at no charge during a 24-hour day of any utility service deficiency or emergency which may exist.

(3) Where a second language is common in a particular area served by the utility and so identified by the Commission, all rules pertaining to billing and credit shall be available upon customer request, for distribution in English and that second language in every business office of the utility in that area accessible to the public and where customer payments are received.

PSC 165.051 DEPOSITS. (1) NEW RESIDENTIAL SERVICE. A utility shall not require a cash deposit or other guarantee as a condition of new service unless a customer: (a) Has an outstanding account balance with any Wisconsin telephone utility which accrued within the last 6 years, and at the time of the request for service remains outstanding and not in dispute, or

(b) Is attempting to receive service with intent not to pay for the same. Such intent may be inferred from all the circumstances surrounding the application, or

(c) Will clearly be unable to pay for service rendered at the time such payment is due.

(2) EXISTING RESIDENTIAL SERVICE. A utility shall not require a cash deposit or other guarantee as a condition of continued service unless either or both of the following circumstances apply.

(a) The service of the customer has been disconnected by the utility once within the last 12-month period for nonpayment of a delinquent service account not currently in dispute.

(b) Subsequent credit information indicates that the initial application for service was falsified or incomplete to the extent that a deposit would be required under this section of the code.

(3) BUSINESS SERVICE. (a) If the credit of an applicant for service has not been established satisfactorily to the utility, he may be required to provide a deposit or guarantee.

(b) The deposit shall be refunded after 24 consecutive months if the customer's credit standing is satisfactory to the utility.

(4) CONDITIONS OF DEPOSIT. The maximum deposit for a new account shall not exceed the bill for one month's exchange service plus estimated toll charges for 2 months. Deposits for existing accounts shall not exceed the bill for one month's exchange service plus the highest actual toll charges for 2 consecutive months within the preceding 12-month review period.

(5) Deposits shall bear simple interest of at least the legal rate, payable from the date of deposit to the date of refund or application to a final account, whichever is earlier.

(6) The utility shall review the payment record of each residential utility customer with a deposit on file at 12-month intervals. The utility shall not require or continue to require a cash deposit unless a deposit is required under the provisions of section PSC 165.051(2).

(7) Any deposit or portion thereof refunded to a customer shall be refunded by check unless both the customer and the utility agree to a credit on the regular billing, or unless subsection (8) applies.

(8) Upon termination of service, the deposit, with accrued interest shall be credited to the final bill and the balance shall be returned promptly to the customer.

(9) Service may be refused or disconnected for failure to pay a deposit request subject to the rules pertaining to disconnection and refusal of service.

(10) GUARANTEE TERMS AND CONDITIONS. (a) The utility may accept, in lieu of a cash deposit, a contract signed by a guarantor satisfactory to the utility whereby payment of a specified sum not exceeding the cash deposit requirement is guaranteed. The term of such contract shall be for no longer than 2 years, but shall automatically terminate after the customer has closed his account with the utility, or at the guarantor's request upon 30 days' written notice to the utility.

(b) Upon termination of a guarantee contract or whenever the utility deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required upon reasonable written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon 5 days' written notice.

(c) The guarantor shall receive copies of all disconnect notices sent to the customer whose account he has guaranteed if the guarantor requests such notice. The notice option shall be a part of the guarantee contract.

(11) In lieu of cash deposit or guarantee, an applicant for new service who has an outstanding account accrued within the last 6 years with the same utility shall have the right to receive service from that utility under a deferred payment agreement as defined in section PSC 165.0525 for the outstanding account.

(12) A utility shall not require any customer to pay a deposit or guarantee in lieu of deposit without explaining, in writing if requested, why that deposit is required.

PSC 165.052 DISCONNECTION AND REFUSAL OF SERVICE. (1) DELINQUENT ACCOUNT. (a) A telephone utility service bill for purposes of these rules concerning disconnection and refusal of service is considered a delinquent account one day after issuance.

(b) At least 5 calendar days prior to any disconnection, the utility shall give written notice upon an approved form which conforms to the requirements of section PSC 165.052(6) unless excepted elsewhere.

(c) When a customer, either directly or through the Public Service Commission, disputes a disconnection notice, the utility shall investigate any disputed issue and shall attempt to resolve that issue by negotiation. During this investigation and negotiation, utility service shall not be disconnected over this matter.

(d) If a disputed issue cannot be resolved pursuant to section PSC 165.0525(1), the utility shall inform the customer of the right to contact the Public Service Commission.

(2) Utility service may be disconnected or refused for any of the following reasons:

(a) Failure to comply with the terms of a deferred payment agreement or failure to pay a delinquent account, provided the total amount owed for service used exceeds one month's local service charges.

(b) Violation of the utility's rules pertaining to the use of service in a manner which interferes with the service of others or to the operation of non-standard equipment, if the customer has first been notified and provided with reasonable opportunity to remedy the situation.

(c) Failure to comply with deposit or guarantee arrangements as specified in section PSC 165.051.

(d) Where subsequent credit information indicates that the initial application for service was falsified to the extent that a deposit or guarantee would be required or service refused under the applicable sections of these rules.

(3) A public utility may disconnect utility service without notice where a dangerous or emergency condition exists for as long as the condition exists.

4) Utility service may not be disconnected or refused for any of the following reasons:

(a) Nonpayment of a delinquent account over 6 months old where collection efforts have not been made within that period of time unless the passage of additional time results from other provisions herein or from good faith negotiations or arrangements made with the customer.

(b) Delinquency in payment for service by a previous occupant of the premises to be served other than a member of the same household residing at the same premises.

(c) Failure to pay for directory advertising or charges for non-utility service billed by the utility.

(d) Failure to pay for a different type or class of utility service.

(e) Failure to pay the account of another customer as guarantor thereof.

(f) Failure to pay charges arising from any underbilling occurring more than one year prior to the current billing and due to any misapplication of rates.

(g) Failure to pay charges arising from any underbilling occurring more than one year prior to the current billing and due to inaccurate metering.

(5) A utility shall not disconnect any residential service without notifying the county department of Health and Social Services at least 5 calendar days prior to the scheduled disconnection if the customer or responsible person has made a written request for this procedure to the utility. The customer shall be informed of this right upon application for service. The utility shall provide its customers with notice of this right in all telephone directories.

(6) NOTICE OF DISCONNECTION OF SERVICE. (a) A utility shall not disconnect service unless written notice by first class mail is sent to the customer or personally served at least 5 calendar days prior to the proposed disconnection. Service must be disconnected within 15 days of the date of the notice is mailed unless the customer and the utility agree to extend this time period. If the 15-day period lapses due to the customer's pursuance of the dispute procedures herein described, the utility shall provide further 5-day written notice prior to disconnection.

(b) The utility shall make a reasonable effort to have a personal or telephone contact with the customer prior to disconnection.

(c) Notice of disconnection for non-payment shall be given upon a form approved by the Commission, and shall contain the following information:

1. The name and billing address of the customer.
2. A statement of the reason(s) for the proposed disconnection of service and that disconnection will occur if the account is not paid, or if arrangement is not made to pay the account under deferred agreement, or if other suitable arrangements are not made.
3. A statement that the customer should communicate immediately upon receipt of the notice with the utility's designated office if he disputes the notice of delinquent account, if he wishes to negotiate reasonable payment arrangements or a deferred payment agreement as an alternative to disconnection, if any resident is seriously ill or if there are other extenuating circumstances.
4. A statement that the customer may appeal to the Public Service Commission staff in the event that the grounds for the proposed disconnection remains in dispute after the customer has pursued the remedies available with the utility.
5. If disconnection of service is to be made for default on a deferred payment agreement, the notice shall include an explanation of the acts of the customer which are considered to constitute default.

(7) DISCONNECTION PROCEDURES. (a) Service shall not be disconnected on a day, or on a day immediately preceding a day, when the business offices of the utility are not available to the public for the purpose of transacting all business matters unless the utility provides personnel which are readily available to the customer 24 hours per day to evaluate, negotiate or otherwise consider the customer's objection to the disconnection as provided under section PSC 165.0525, and proper service personnel are readily available to restore service 24 hours per day.

PSC 165.0525 DEFERRED PAYMENT AGREEMENT. The utility is required to offer deferred payment agreements only to residential accounts.

(1) Every deferred payment agreement entered into due to the customer's inability to pay the outstanding bill in full shall provide that service will not be discontinued if the customer pays a reasonable amount of the outstanding bill and agrees to pay a reasonable portion of the remaining outstanding balance in installments until the bill is paid.

(2) For purposes of determining reasonableness under these rules the parties shall consider the:

- (a) Size of the delinquent account.
- (b) Customer's ability to pay.
- (c) Customer's payment history.
- (d) Time that the debt has been outstanding.
- (e) Reasons why debt has been outstanding.

(f) Any other relevant factors concerning the circumstances of the customer.

(3) A deferred payment agreement offered by a utility shall state immediately preceding the space provided for the customer's signature and in bold face print at least 2 sizes larger than any other uses thereon, that "IF YOU ARE NOT SATISFIED WITH THIS AGREEMENT, DO NOT SIGN. IF YOU DO SIGN THIS AGREEMENT YOU GIVE UP YOUR RIGHT TO DISPUTE THE AMOUNT DUE UNDER THE AGREEMENT EXCEPT FOR THE UTILITY'S FAILURE OR REFUSAL TO FOLLOW THE TERMS OF THIS AGREEMENT."

(4) A deferred payment agreement shall not include a finance charge.

(5) If an applicant for utility service has not fulfilled terms of a deferred payment agreement, the utility shall have the right to disconnect pursuant to disconnection of service rules (Wis. Adm. Code section PSC 165.052) and under such circumstances, it shall not be required to offer subsequent negotiation of a deferred payment agreement prior to disconnection.

(6) Any payment made by a customer in compliance with a deferred payment agreement or otherwise shall first be considered made in payment of the previous account balance with any remainder credited to the current bill.

PSC 165.0535 DISPUTE PROCEDURES. (1) Whenever the customer disputes the utility's request for a deposit or other guarantee, or advises the utility's designated office prior to the disconnection of service that all or any part of any billing as rendered is in dispute, or that any matter related to the disconnection or refusal of service is in dispute, the utility shall:

- (a) Investigate the dispute promptly and completely.
- (b) Advise the customer of the results of the investigation.
- (c) Attempt to resolve the dispute.
- (d) Provide the opportunity for the customer to make reasonable payment arrangements or enter into a deferred payment agreement when applicable in order to settle the dispute.

(2) After the customer has pursued the remedies available with the utility, he may request that the Public Service Commission staff informally review the disputed issue and recommend terms of settlement.

(a) A request for informal review may be made in any reasonable manner such as by written notice or telephoned request directed to the Public Service Commission.

(b) The Commission staff shall promptly notify the utility of customer requests for informal reviews.

(c) There must be at least 5 days between the date the Commission staff after informal review, mails written notice of recommended terms of settlement to all parties; and any disconnection.

(3) Any party to the dispute after informal review may make a written request for a formal review by the Commission. Such request must be made within 5 days of the date the Commission staff mails written notice of recommended terms of settlement after informal review.

(a) Within 10 days from the time such a request is made, the Commission shall decide on the basis of the information it has received from the staff whether to hold hearing on the matter and shall inform both parties of its decision.

(b) If the Commission decides to conduct formal hearing on the dispute, the customer shall be required to pay 50% of the bill or deposit in dispute to the utility or post bond for that amount on or before date of hearing. Such payment or bond may be waived by the Commission for good cause shown. Failure to pay the specified amount before hearing will constitute waiver by the customer.

(c) Such a hearing shall conform to the procedures described in sections 196.26 to 196.34, Wis. Stats.

(d) Any such hearing shall be held not less than 10 days following a notice and a decision thereon shall be rendered following the conclusion of the hearing.

(4) In disputes involving complaints or facts which are essentially the same as or similar to those involved in previous disputes handled through these procedures, the utility may require the customer to post a 100% surety bond or to deposit the total disputed amount.

(5) Utility service shall not be disconnected or refused because of any disputed matter while the disputed matter is being pursued in accordance with the provisions of this section. In no way does this relieve the customer from obligation of paying charges which are not disputed.