

CR 92-22

CERTIFICATE

STATE OF WISCONSIN)	
)	
PUBLIC SERVICE COMMISSION)	File 1-AC-137
OF WISCONSIN)	

TO ALL WHOM THESE PRESENTS SHALL COME GREETINGS:

I, Lynda L. Dorr, Assistant Secretary of the Public Service Commission of Wisconsin, and custodian of the official records of said Commission, do hereby certify that the annexed order adopting rules was duly approved and adopted by this Commission on August 6, 1992.

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 Hill Farms State Transportation Building in the City of Madison, WI August 10, 1992.

Lynda L. Dorr

 Lynda L. Dorr
 Assistant Secretary to the Commission

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BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Revision of Ch. PSC 184:)
Construction by Water Public Utilities) 1-AC-137
and by Municipal Water and Sewer Public)
Utilities Combined Under S. 66.077, Stats.)

ORDER OF THE PUBLIC SERVICE COMMISSION
AMENDING RULES

- To amend s. PSC 184.02
- To repeal ss. PSC 184.05 and PSC 187.06
- To repeal and recreate ss. PSC 184.03 and 184.04
- To renumber s. PSC 184.07 to s. PSC 184.05 and amend
- To renumber s. PSC 184.08 to s. PSC 184.06 and amend

ANALYSIS PREPARED BY THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

The Public Service Commission is in the process of revising its requirements and procedures governing the regulation of water utilities and combined water/sewer utilities in Wisconsin. The revisions are intended to make the regulation more efficient and less costly for both the Commission and regulated utilities which ultimately translates to less costly rates for consumers. The Commission will proceed to change rules and procedures dealing with such areas as reporting requirements, hearing procedures, rate case and construction approvals as well as other aspects of water utility regulation.

As a first step, the Commission proposes to revise the provisions of Ch. PSC 184 concerning water utility construction projects. The rules will be revised in the following specific manners:

- PSC 184.01. General introductory rule -- No change made.
- PSC 184.02. Definitions rules -- only grammatical changes made to conform to rulemaking style, no substantive changes.

PSC 184.03. Rule specifying what projects require PSC approval -- rule has been substantially rewritten to clarify when Commission authorization is required. The rule continues to be phrased in terms of the circumstances or the project for which approval is being sought. Utilities requiring PSC authorization are those which are (1) newly organized; (2) installing facilities outside their service areas in areas which might be served by another utility; (3) acquiring any existing plant or (4) modifying existing plant or constructing new facilities. The minimum cost amounts for projects requiring PSC authorization has been increased from \$25,000 to \$100,000, so that only "substantial" projects require PSC approval.

PSC 184.04. A replacement for the present PSC 184.04 and 184.06 with a more specific list of information which must be supplied by a utility seeking PSC authorization. The more complete list should result in a better understanding by the utility of the information needed, and by the Commission of the proposed project and should help expedite the review process.

PSC 184.05. Slight revision of PSC 184.07. Changes are stylistic rather than substantive.

PSC 184.06. Slight revision of PSC 184.08. Changes are stylistic rather than substantive.

PROPOSED RULES AND STATUTORY AUTHORITY

Pursuant to authority vested in the Public Service Commission by ss. 196.49(2) and 227.11(2), Stats., and interpreting those provisions, the Public Service Commission amends Ch. PSC 184 as follows:

SECTION 1. PSC 184.02 is amended to read:

PSC 184.02 DEFINITIONS. In this chapter (1) ~~The term "acquire" as used herein refers only to~~ "Acquire" means the acquisition of a unit of plant and/or mains in place and ready for operation ~~and~~ but does not include the purchase of materials or equipment for later installation.

~~(2) The term "certificate" as used herein refers to~~ (2) "Certificate" means a specific formal authorization granted by the commission pursuant to s. 196.49, Stats.

(3) "Utility" means a water public utility or a combined water and sewer public utility.

SECTION 2. PSC 184.03 is repealed and recreated to read:

PSC 184.03 ALL WATER AND SEWER PROJECTS REQUIRING SPECIFIC COMMISSION AUTHORIZATION. (1) Every water public utility or combined water and sewer public utility shall submit the information required by s. PSC 184.04, and shall receive commission authorization before constructing, acquiring, or operating any utility plant as:

(a) A new organization intending to operate as a public utility.

(b) A public utility intending to install any facilities outside its service area in an area that could also be served by another public utility.

(c) A public utility acquiring any existing plant.

(2) A public utility constructing any plant identified in (a) through (c) below shall submit the information required by s. PSC 184.04 with respect to plant improvement or other projects at least 60 days before commencement of construction:

(a) All additional wells and other sources of water supply.

(b) Pumping stations, purification or treatment facilities, water storage reservoir facilities, any utility buildings, or additions to or replacement of these facilities in excess of \$100,000 per project or 25% of existing investment shown in the corresponding plant account, whichever is smaller. Information need not be submitted for any project estimated to involve property additions of less than \$25,000.

(c) Sewer utility construction projects, including any additional sewage treatment and disposal plant, any utility buildings, or additions to or replacement of these facilities in excess of \$100,000 per project or 25% of existing investment shown in the corresponding plant account, whichever is smaller.

Information need not be submitted for any project estimated to involve property additions of less than \$25,000.

SECTION 3. PSC 184.04 is repealed and recreated to read:

- PSC 184.04 INFORMATION TO BE SUBMITTED. CONTENTS OF APPLICATION. (1) For projects requiring commission authorization under s. PSC 184.03, the application shall include:
- (a) A description of the project, including a map showing proposed and existing facilities, and the location of floodplain areas.
 - (b) The purpose and necessity of the project, with supporting data.
 - (c) The effect of the project on quality and reliability of service.
 - (d) A brief description and analysis of the alternatives to the project.
 - (e) The cost of the project by major plant accounts.
 - (f) The proposed method of financing the project.
 - (g) The estimated annual operating costs of the project, by major expense accounts.
 - (h) A description of and the original cost of any property being replaced, by major plant accounts.
 - (i) A designation of public utilities and other persons materially affected by the project and a list of those which have been notified.

(2) GROUPING OF PROJECTS -- 12-MONTH PERIOD. Prior to construction, and in lieu of reporting on a separate project basis, a utility may submit on an annual basis a list of projects requiring approval under s. PSC 184.03(2) on which the utility intends to begin construction within one year. The list shall include the information required by sub. (1).

SECTION 4: PSC 184.05 and 184.06 are repealed.

SECTION 5: PSC 184.07 is renumbered 184.05 and amended to read:

PSC 184.05 COMMISSION REVIEW OF INFORMATION SUBMITTED.

(1) Upon receipt of ~~the information called for by the foregoing ss. PSC 184.05 and 184.06,~~ an application for a project identified in s. PSC 184.03(2), the commission may:

(a) Acknowledge receipt and accept the information for filing, in which case the utility may proceed with the construction work, or

(b) ~~Direct that no project or projects shown in the information submitted shall proceed until the commission, pursuant to s. 196.49(4), Stats., has certified the public convenience and necessity require such project or projects.~~ Review the information and determine, pursuant to s. 196.49(3), Stats., whether public convenience and necessity require the project.

(2) If no action is taken by the commission within 60 days after the information required by s. PSC 184.05 184.04 is submitted, the utility may proceed with the construction work. If additional information is requested by the commission, the 60-day waiting period before construction work may commence shall begin from the date the additional information is received by the commission.

SECTION 6: PSC 184.08 is renumbered 184.06 and amended to read:

PSC 184.06 EMERGENCY WORK. ~~Notwithstanding the foregoing requirements set forth in ss. PSC 184.05 and 184.06 the~~ The utility may, in case of emergency, begin urgently necessary work without complying with ss. PSC 184.04, and 184.05, but shall promptly notify the commission and shall, within 30 days from the commencement of such work, furnish the commission with the information ~~called for in~~ required by s. PSC 184.04.

FISCAL ESTIMATE AND INITIAL
REGULATORY FLEXIBILITY ANALYSIS

There will be no adverse fiscal impact of these proposed rules on state or local units of government, or on small business.

Hearing was held on these rules in Madison on April 6, 1992. The rules have been forwarded to the legislature for review pursuant to s. 227.19(2), Stats. They will take effect

1-AC-137

on the first day of the month following publication in the
Wisconsin Administrative Register.

Dated at Madison, Wisconsin

August 6, 1992

By the Commission

Lynda L. Dorr

Lynda L. Dorr
Assistant Secretary to the Commission

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