

# REVISED STATEMENT OF SCOPE

## Public Service Commission of Wisconsin (Docket 1-AC-247)

**Rule No.:** Chapters PSC 113, 134, and 185

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Changes to chs. PSC 113, 134 and 185 to Conform with 2013 Wisconsin Act 274 and 2015 Wisconsin Act 176, Regarding Municipal Utility

**Relating to:** Collection Practices

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### 1. Description of the objective of the rule and expected financial impact:

This rulemaking will bring PSC administrative rules into conformance with 2013 Wisconsin Act 274 (Act 274) and 2015 Wisconsin Act 176 (Act 176). A Statement of Scope addressing Act 274 was approved by the governor on June 23, 2014, and published in Wisconsin Administrative Register No. 703 on July 14, 2014. Act 176 was subsequently enacted on February 29, 2016. A Revised Statement of Scope is necessary under Wis. Stat. § 227.135(4) to bring the PSC administrative rules into conformance with both Acts. Any financial impact occurred when the statutes were enacted. The rulemaking only conforms the rules where necessary, thus, it should not have a financial impact.

### 2. Description of existing policies relevant to the rule and new policies proposed to be included in the rule and analysis of policy alternatives; the history, background and justification for the proposed rule:

Currently, when a customer has an arrearage with a municipal utility, the utility has authority to transfer the arrears to the property tax roll for the property where service is provided. This can result in a tenant's arrears becoming the responsibility of the property owner. Wisconsin Stat. § 66.0809, as amended by Act 274, provides a way in which a landlord can ensure that the responsibility for a tenant's arrears remains with the tenant, by creating a lien against the tenant's assets. The statute also:

- Allows a landlord to request that a municipal electric utility disconnect a tenant's electric service if past-due charges remain unpaid.
- Requires a municipal utility to, upon request, disclose to a rental unit owner whether a new or prospective tenant has arrears with that utility at a different address.
- Provides that municipal utilities are not required to offer a tenant a deferred payment agreement.
- Allows a municipal utility to adopt application, deposit, disconnection or collection rules that distinguish between customers who own or who rent property.

Currently, disconnection, deposit, deferred payment agreement and collection rules generally apply the same to all customers, regardless of whether a customer rents or owns a residential dwelling.

Act 176 makes further changes to s. 66.0809(9), Stat., as created by Act 274, to provide that notwithstanding Wis. Stat. §§ 196.03, 196.19, 196.20, 196.22, 196.37, and 196.60, a determination by a municipal utility to offer or not offer a deferred payment agreement does not require approval, and is not subject to disapproval, by the public service commission.

**3. Statutory authority for the rule (including the statutory citation and language):**

This rule is authorized under §§ 196.02(1) and (3), and 227.11, Stat.

Section 227.11 authorizes agencies to promulgate administrative rules. Section 196.02(1) authorizes the commission to do all things necessary and convenient to its jurisdiction. Section 196.02(3) grants the commission specific authority to promulgate rules.

**4. Estimate of the amount of time that state employees will spend to develop the rule and of other resources necessary to develop the rule:**

The Commission estimates that less than 150 hours will be spent developing this rule. No other resources should be necessary.

**5. Description of all entities that may be impacted by the rule:**

Municipal gas, electric and water utilities, tenants and landlords.

**6. Summary and preliminary comparison of any existing or proposed federal regulation that is intended to address the activities to be regulated by the rule:**

None.

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