



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-0162/P1
KP:kjf

DOA:.....Sherwin, BB0002 - Intervenor compensation

FOR 2021-2023 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT *to amend* 196.31 (1) (intro.); *to repeal and recreate* 196.31 (2m); and *to create* 196.31 (2r) and 196.315 of the statutes; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

PUBLIC UTILITY REGULATION

Compensation for participants in PSC proceedings

This bill requires the PSC to require investor-owned electric and natural gas public utilities to provide funding to a “consumer advocate,” which is defined as the Citizens Utility Board. All actions by the consumer advocate that are funded under the bill must be directed toward a duty to represent and protect the interests of residential, small commercial, and small industrial energy customers of the state. The bill requires the consumer advocate to annually file with the PSC a budget, which the PSC must approve if it is consistent with the foregoing duty and covers reasonable annual costs. The bill allows the PSC to approve the budget with conditions and modifications that the PSC determines are necessary.

The bill limits the total annual funding for the consumer advocate to a maximum of \$900,000. Each energy utility’s share of that total is based on an individual energy utility’s proportionate share of residential, small commercial, and small industrial customer meters in the state. The bill requires the PSC to ensure in rate-making orders that energy utilities recover the funding from their

customers. The bill also limits the amount that the PSC may compensate the consumer for participating in PSC proceedings to \$100,000 annually. Under current law, if certain requirements are satisfied, the PSC is allowed to compensate participants in proceedings who are not public utilities.

The bill also requires the PSC to reserve \$50,000 annually to compensate equity-focused participants who review economic and environmental issues impacting low-income populations.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 196.31 (1) (intro.) of the statutes is amended to read:

196.31 (1) (intro.) ~~In~~ Except as provided in sub. (2m), in any proceeding before the commission, the commission shall compensate any participant in the proceeding who is not a public utility, for some or all of the reasonable costs of participation in the proceeding if the commission finds that:

SECTION 2. 196.31 (2m) of the statutes is repealed and recreated to read:

196.31 (2m) The commission may grant no more than \$100,000 annually in compensation under this section to the consumer advocate, as defined in s. 196.315 (2) (a).

SECTION 3. 196.31 (2r) of the statutes is created to read:

196.31 (2r) From the appropriation under s. 20.155 (1) (j), the commission shall reserve \$50,000 annually to compensate equity-focused participants who review economic and environmental issues impacting low-income populations.

SECTION 4. 196.315 of the statutes is created to read:

196.315 Consumer advocate funding. (1) LEGISLATIVE STATEMENT OF INTENT AND PURPOSE. It is in the public interest that there be an independent, nonpartisan consumer advocate for residential, small commercial, and small industrial energy

utility consumers of this state and that the advocate be sufficiently funded by those customers to allow for the representation and protection of their interests before the commission and other venues. All actions by the advocate funded under this section shall be directed toward such duty.

(2) DEFINITIONS. In this section:

(a) “Consumer advocate” means the body created under s. 199.04 (1), dissolved under s. 199.17, and reorganized as a nonstock, nonprofit corporation under ch. 181.

(b) “Energy utility” means an investor-owned electric or natural gas public utility.

(c) “Municipal utility” has the meaning given in s. 196.377 (2) (a) 3.

(3) FUNDING. (a) Annually, within 60 days after a budget under sub. (5) is approved, each energy utility shall pay to the consumer advocate the amount specified under sub. (5) (e). In any year, the total of all amounts required to be paid by energy utilities to the consumer advocate under this subsection may not exceed \$900,000.

(b) The funds provided under par. (a) may not be used for any of the following:

1. Lobbying, as defined in s. 13.62 (10).
2. Defraying the cost of participating in proceedings involving rates or practices of municipal utilities and no other public utilities.

(c) The consumer advocate shall retain all relevant records supporting its expenditure of funds provided under par. (a) for 3 years after receipt of the funds and shall grant the commission access to the records upon request.

(4) COST RECOVERY. (a) *Rate-making orders.* The commission shall ensure in rate-making orders that an energy utility recovers from its residential, small

commercial, and small industrial customers the amounts the energy utility pays under sub. (3) (a).

(b) *Accounting*. The commission shall apply escrow accounting treatment to expenditures required under this section.

(5) BUDGET REVIEW; APPROVAL. (a) The commission shall review the budgeting and expenditure of funds provided to the consumer advocate under sub. (3) (a).

(b) Annually, by a date specified by the commission, the consumer advocate shall file for the commission's approval an annual budget as approved by the consumer advocate's board of directors. The commission may request additional information from the consumer advocate related to the budget, and may consider any relevant factors, including existing operating reserves and actual costs in prior years compared to the budgets approved by the commission.

(c) The commission shall approve a budget filed under this subsection if the commission determines it is consistent with sub. (1) and covers the reasonable annual costs of the consumer advocate, including salaries, benefits, overhead expenses, the maintenance of an operating reserve, and any other cost directly or indirectly related to representing and protecting the interests of residential, small commercial, and small industrial energy utility customers. The commission may approve the budget with such conditions and modifications as the commission determines are necessary.

(d) If the commission fails to take final action under par. (c) within 60 days after a budget is filed with the commission, the commission is considered to have approved the budget that was submitted by the consumer advocate.

(e) Subject to sub. (3) (a), the total amount of the approved budget shall be paid to the consumer advocate by the energy utilities. Each energy utility's share of the

total amount shall be based on the energy utility's proportionate share of the total number of residential, small commercial, and small industrial customer meters reported by energy utilities under s. 196.07 (1).

(END)