

WISCONSIN LEGISLATIVE COUNCIL STAFF

**RULES CLEARINGHOUSE**

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CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 00-138

AN ORDER to renumber and amend PSC 167.08 (1) (a); to amend PSC 167.08 (2); and to create PSC 167.08 (1) (b) and (c) and (1m) (a) and (b), relating to extended area telephone service.

Submitted by **PUBLIC SERVICE COMMISSION**

09-18-00 RECEIVED BY LEGISLATIVE COUNCIL.

10-06-00 REPORT SENT TO AGENCY.

RNS:REL:jal;tlu

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

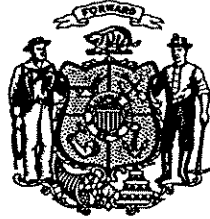
Comment Attached YES NO

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CLEARINGHOUSE RULE 00-138

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

- a. The introductory clause does not contain the correct sections treated by the proposed order and the nature of the treatment. The phrase "to amend ch. PSC 167" should be replaced by the phrase "to renumber and amend PSC 167.08 (1) (a); to amend PSC 167.08 (2); and to create PSC 167.08 (1) (b) and (c) and (1m) (a) and (b)." [See s. 1.02 (1), Manual.]
- b. In s. PSC 167.08 (1) (b), "For purposes of" should be replaced by the word "In." [See s. 1.01 (7) (a), Manual.]
- c. In the treatment clauses for SECTIONS 1 and 4, "is" should replace "shall be." For SECTIONS 2 and 3, "are" should replace "shall be."
- d. In each SECTION, the full citation for the rule should appear at the beginning of the text. For example, in SECTION 1, "PSC 167.08" should precede "(1) (a)."
- e. An effective date provision should be inserted at the end of the rule-making order. [See s. 1.02 (4), Manual.]

Response to report from Legislative Council

2. Form, Style and Placement in Administrative Code

- a. Agree. Suggested change done.
- b. Agree. Suggested change done.
- c. Agree. Suggested changes done.
- d. Agree. Suggested changes done.
- e. Agree. Suggested change done.

2000 SessionLRB or Bill No./Adm. Rule No.
1-AC-200

Amendment No. if Applicable

FISCAL ESTIMATE

DOA-2048 N(R10/96)

 ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL
Subject

Amend rules for extended area telephone service related to the balloting of customers.

Fiscal Effect**State:** No State Fiscal EffectCheck columns below only if bill makes a direct appropriation
or affects a sum sufficient appropriation.
 Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

 Increase Costs - May be possible to Absorb
 Within Agency's Budget Yes No
 Decrease Costs**Local:** No local government costs
 1. Increase Costs
 Permissive Mandatory
 2. Decrease Costs
 Permissive Mandatory

 3. Increase Revenues
 Permissive Mandatory
 4. Decrease Revenues
 Permissive Mandatory

 5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts
Fund Sources Affected
 GPR FED PRO PRS SEG SEG-S
Affected Ch. 20 Appropriations

20.155 (1)(g)

Assumptions Used in Arriving at Fiscal Estimate

These rules will have no fiscal impact on the agency or on any other state or local governments.

Long-Range Fiscal Implications

Agency/Prepared by: (Name & Phone No.)

Gordon Grant 267-9086

Authorized Signature/Telephone No.

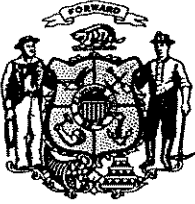


Date

1/23/2001

Clearinghouse Rule 00-138

Relating to extended area telephone service



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
John H. Farrow, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

Mr. Gary Poulson, Deputy Revisor
Revisor of Statutes Bureau
131 West Wilson Street, Suite 800
Madison, WI 53703-3233

Re: Modification of Rules on Extended Area Telephone Service

I-AC-200

Clearinghouse No. 00-138

Dear Mr. Poulson:

Enclosed is a Proposed Order Adopting Rules in the above-entitled matter. The Proposed Order, which includes the Report to the Legislature and the Legislative Council's report regarding the rule, is being sent to the presiding officers in both houses of the Legislature at the same time these materials are being sent to you.

The Commission requests that a notice be placed in the Wisconsin administrative register stating that a proposed rule has been submitted to the presiding officer of each house of the Legislature.

If you have any questions or concerns, please feel free to contact Tom Gross, Principal Rate Analyst in the Telecommunications Division, at (608) 267-2337, or Gary Evenson, Assistant Administrator of the Telecommunications Division, at (608) 266-6744.

Dated at Madison, Wisconsin, February 6, 2001

By the Commission.

Lynda L. Dorr
Secretary to the Commission

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Enclosure



Public Service Commission of Wisconsin

Ave M. Bie, Chairperson
Joseph P. Mettner, Commissioner
John H. Farrow, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

The Honorable Fred Risser
C/O Donna Doyle
State Senate Journal and Records
119 Martin Luther King Jr. Blvd., Suite 501
Madison, WI 53703

The Honorable Scott R. Jensen
C/O Ken Stigler
State Assembly Records
1 East Main Street, Suite 402
Madison, WI 53703

Re: Modification of Rules on Extended Area Telephone Service

1-AC-200

Clearinghouse No. 00-138

Dear Senator Risser and Representative Jensen:

Pursuant to Wis. Stat. § 227.19(2), the Commission hereby submits a proposed rule in final draft form in the above-referenced matter. The Commission proposes making certain changes to Wis. Admin. Code § PSC 167.08. These changes involve customer surveys about extended area telephone service arrangements.

At its open meeting today, the Commission approved delivering this final draft to you for review by the Legislature's standing committees. Enclosed are the Rule Jackets and triplicate copies of the Commission's Proposed Order, which includes the Report to the Legislature, in the form required under Wis. Stat. § 227.19(3).

If you have any questions or concerns, please feel free to contact Tom Gross, Principal Rate Analyst in the Telecommunications Division, at (608) 267-2337, or Gary Evenson, Assistant Administrator of the Telecommunications Division, at (608) 266-6744.

Dated at Madison, Wisconsin, February 6, 2001

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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Enclosures

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Modification of Rules on Extended Area Telephone Service

1-AC-200

Clearinghouse No. 00-138

PROPOSED ORDER ADOPTING RULES

The Public Service Commission of Wisconsin (Commission) proposes an order to renumber and amend PSC 167.08(1); and to create PSC 167.02(1m), 167.08(1), (2)(b) and (3)(a) and (b); relating to extended area telephone service.

REPORT TO THE LEGISLATURE

Set forth herein as Attachment A.

FISCAL ESTIMATE

This rule change has no fiscal impact. A completed Fiscal Estimate form is included as Attachment B.

EFFECTIVE DATE

These rules shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

CONTACT PERSON

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912. Other questions regarding this matter should be directed to Gary Evenson, Assistant Administrator, Telecommunications Division at (608) 266-6744. Hearing or speech-impaired individuals may also use the Commission's TTY number, (608) 267-1479.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs to get this

Docket 1-AC-200

document in a different format should contact Gary Evenson, as indicated in the previous paragraph, as soon as possible.

Dated at Madison, Wisconsin, February 6, 2001

By the Commission:


Lynda L. Dorr
Secretary to the Commission

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Attachments

REPORT TO THE LEGISLATURE

A. NEED FOR THE RULE

Wis. Admin. Code ch. PSC 167 contains the process for consideration of petitions seeking the establishment of extended area telephone service arrangements. Extended area telephone service is a telephone service that allows customers in one exchange to call customers in other exchanges that are outside the customers' usual local calling area without incurring toll charges. On June 21, 2000, the Joint Committee for Review of Administrative Rules (JCRAR) held a hearing to discuss concerns relative to customer balloting in extended area service proceedings. JCRAR requested that the Commission begin the rule promulgation process to codify current Commission procedures relative to this balloting process.

B. PLAIN LANGUAGE ANALYSIS

Extended area telephone service is a telephone service that allows customers in one exchange to call customers in other exchanges without incurring charges based on the duration of the call. Chapter PSC 167 contains the process for consideration of petitions seeking the establishment of extended area service (EAS) arrangements. One step in the process is to conduct a survey of customer willingness to pay the rate increase that would result if an EAS petition were granted.

The modification of these rules is intended to make the balloting process more clearly defined. The balloting process changes concern:

- Who will be surveyed.
- What information must be included in the ballot mailing.
- How to determine whether ballots have been timely submitted.
- How to ballot a customer with several telephone lines.
- When ballots will be counted.
- How unmarked ballots will be handled.

C. TEXT OF FINAL RULE

SECTION 1. PSC 167.02(1m) is created to read:

PSC 167.02(1m) "Customer" means a person billed for a class of telephone service. Each billed account within either the business or residential classification, regardless of the number of lines included, shall be considered one customer. A billed account that includes

1 both residential and business services, regardless of the number of lines included, shall be
2 considered 2 customers.

3 SECTION 2. PSC 167.08(1) is renumbered 167.08(2)(a) and amended to read:

4
5 PSC 167.08(2)(a) Subsequent to the determination of the rate increments necessary to
6 provide the requested extended area service, or a reasonable variations variation of the
7 requested service, the commission shall direct the utilities to conduct a survey of customer
8 willingness to pay the necessary rate increments. ~~The survey shall be approved by the~~
9 ~~commission and distributed to all customers who would experience a rate increase if the~~
10 ~~petition for extended area telephone service is granted.~~

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12
13 SECTION 3. PSC 167.08(1) is created to read:

14
15 PSC 167.08(1) In this section, "customer" does not include any person who is provided with
16 free local telephone service, or who for any reason would be exempt from a rate increase if
17 extended area telephone service is approved.

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20 SECTION 4. PSC 167.08(2)(b) is created to read:

1
22 PSC 167.08(2)(b) The survey ballot and accompanying information shall be
23 approved by the commission. Ballots shall be mailed separately from the telephone
24 bill and the words "Ballot Enclosed" shall appear on the front of the mailing.
25 Ballots shall be addressed for return to the commission with no additional postage
26 required. Ballots shall have space for the customer signature, printed name and
27 telephone number. The information accompanying the ballot shall indicate:

- 28 1. The number of customers served by the balloted exchange at the time of
- 29 balloting.
- 30 2. The number of "Yes" votes required to move the matter to hearing.
- 31 3. The date determined by the commission by which ballots must be
- 32 postmarked or filed with the commission in order to be considered valid.

33
34
35 SECTION 5. PSC 167.08(3)(a) and (b) are created to read:

36
37 PSC 167.08(3)(a) Ballots shall be distributed to all customers who may experience a rate
38 increase if the petition for extended area telephone service is granted.

39 (b) Ballots shall be counted by the commission no earlier than one week after the deadline
40 for the postmark or filing of ballots in sub. (2)(b)3. Only official ballots shall be accepted.
41 If a ballot is returned unmarked or incomplete, or if, in the commission's judgment, the
42 intent of the customer is not discernable from a ballot, the ballot shall not be counted as a
43 "Yes" vote. Voting results, including preliminary totals, shall not be released prior to the
44 official counting.

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This rule shall take effect on the first day of the month following publication in the Wisconsin administrative register as provided in s. 227.22(2)(intro.), Stats.

D. PUBLIC HEARING ATTENDEES

The names of those who attended the public hearings or who submitted written comments concerning the proposed rule are listed in the attached "Comments and Responses" summary. The summary is included with this Report as Attachment A1.

E. RESPONSE TO LEGISLATIVE COUNCIL REPORT

A copy of the Legislative Council's report, and responses to it, are included with this Report as Attachment A2.

F. FINAL REGULATORY FLEXIBILITY ANALYSIS

The proposed rules would apply to the entities defined in ch.196, Stats. This includes small telecommunications utilities, which are small businesses under s. 196.216, Stats., for the purposes of s. 227.114, Stats. (There are 76 small telecommunications utilities in Wisconsin.) However, these rules only come into effect if a petition for EAS is filed and certain threshold requirements on calling volumes are met. The agency has considered the methods in s. 227.114(2), Stats., for reducing the impact of the rules on small businesses. However, this rule does not impose any new compliance requirements or any new reporting, bookkeeping, or other procedural compliance requirements other than requiring that customer ballots not be included with bills. This rule basically codifies current practice. Therefore, the impact reduction methods are not really applicable.

Comments and Responses

Representative Lorraine Seratti

Comment:

There appears to be a conflict between two proposed rule changes: that only official ballots will be counted and that unmarked ballots will be counted as “no” votes. I believe that it is the position of the Joint Committee for Review of Administrative Rules that counting unmarked ballots as “no” votes is not appropriate. The counting of unreturned ballots as “no” votes is also unacceptable. Only ballots returned to the Commission and marked either “yes” or “no” should be counted.

Response:

Change not made.

Current language in s. PSC 167.08(2) is: “Unless at least 50% of the customers of one of the surveyed exchanges respond favorably to the requested service, or to a variation of the requested service, the petition shall be denied,” This has the effect of counting as “no” votes all ballots that are not returned or that are returned but not marked.

Under the existing rule, at least half of the customers who will potentially see an increase in their rates due to EAS must vote in favor of it before the matter is moved to hearing. Reducing this threshold could result in a minority of the customers moving forward a rate increase that will affect all customers. Given the intent to have a majority of customers move EAS forward, it is appropriate that ballots not clearly marked as “Yes” not be counted.

Comment:

Ballots should be uniform and include the phone number, address, individual serial number and instructions where the ballots need to be returned.

Response:

Placement of a serial number would be an unnecessary complication of the EAS process. It would certainly be an added expense for the utility that is preparing the ballots. Telephone numbers have been the standard method of establishing validity. Customer signature, printed name and telephone number are required on ballots and should be adequate for ascertaining the validity of ballots.

Comment:

Ballots should be mailed to customers separate from the telephone bill and the words “Ballot Enclosed” should be used to alert customers.

Response:

Change made. Although a separate mailing represents an added cost, the EAS issue should reasonably be treated as a separate and important issue.

Comment:

Clarification is needed regarding the definition of "customer."

Response:

Change made. The term "customer" has been defined to equate with a bill. A person billed for service is a customer regardless of the number of lines charged on that bill, as long as they are in the same service classification. A person billed for both residential and business service is considered two customers, even if the charges for both services are on one bill. Persons billed separately for service, even if the service address is the same, are considered separate customers.

Sydney Peterson (Niagara Telephone Company)

Comment:

Clarification is needed regarding the definition of "customer." It is much easier to count access lines than customers, and to provide a ballot for each line. If people are aware that they can receive additional ballots by having bills sent to different people, they will do that. Balloting by access line is fair since the proposed rate increase will apply to each access line.

Response:

A definition of "customer" has been added. While there is a small potential problem from people "gaming" the system to increase their votes, use of access lines has problems too. Large businesses, school districts or government offices would have a large number of votes and could have a significant impact on the outcome, possibly outweighing the votes of individuals in the exchange. A balloting method based on one line = one vote would be tantamount to weighting votes on bonding referenda on the basis of the relative value of property owned by each citizen or corporation.

Comment:

It is unfair to count unmarked or unreturned ballots as "no" votes.

Response:

Change not made. See response to first comment by Rep. Seratti (page 1 of "Comments and Responses".)

Wisconsin State Telecommunications Association**Comment:**

Customer should be defined as the billed party and the rules should substitute that term for "customer."

Response:

It would appear to be sufficient to retain the word "customer" where it appears in the rules and to deal with this issue by providing a definition of that word for the purpose of the rules. This has been done.

Comment:

A change is proposed that would imply that ballots are to be mailed with the telephone bills and that postage is prepaid only on returned ballots. The purpose of these changes is to reduce telephone company expenses.

Response:

This change has not been made. A fear that customers ignore materials inserted with bills has been expressed. Inserting ballots with bills may also lead to some customers returning the ballot to the utility. Giving due consideration to all comments, and to avoid potential problems or the perception of a problem, a change has been made to require that ballots be mailed separately from bills and that the words "Ballot Enclosed" be added on the front of the mailing to alert customers. Further, current rule language would permit the use of postage paid return envelopes.

Comment:

Insert the word "probably" before "experience a rate increase" in s. PSC 167.08(1)(a) to indicate that a rate increase is not taken for granted.

Response:

The purpose of the balloting is to ascertain customer willingness to pay higher rates in order to receive the proposed service. Experience with the balloting process has revealed cases in which there was a question about whether a particular customer would see a higher bill as a result of the approval of the proposed service. For example, when

there is a usage component in the rate structure, the determination of an increase would depend on the usage by the individual customer. In such cases, all customers should have a voice if there is the potential for an increase in their bill. The addition of the word "may" instead of "probably" is deemed the best way to accomplish this.

Comment:

The requirement that at least 50% of customers in an exchange respond favorably before the Commission holds a hearing to further consider the question of the proposed EAS should be retained. Otherwise a minority of those who will experience rate increases could force the rate increases on the majority.

Response:

This requirement has been retained.

Verizon

Finds no objections to the proposed rules.

Comment:

Providing a ballot to each billing address is not a problem. It would be economically and technically burdensome to reconcile access line counts and individual customers. Though there may be cases in which an individual customer receives more than one ballot, this is not a significant problem.

Response:

The rules will continue to require the balloting of each customer and a definition of that term has been added.

Ameritech

Generally supportive of the rule draft.

Comment:

The term "access line" should be inserted before the words "rate increase" in s. PSC 167.08(1)(b) and in s. PSC 167.08(1m)(a) in order to avoid a possible reading that would deny a vote to customers who do not make calls between the exchanges.

Response:

The proposed change would have the undesirable effect of denying a vote in cases where customers would not see an increase in their access line rate but would pay more in usage charges. Current language provides flexibility to accommodate the variety of rate structures for local service.

Comment:

The word "billed" should be inserted before the word "customer" in s. PSC 167.08(1m)(a) in order to foreclose voting by plural members of a household or business.

Response:

This matter is addressed in the definition of "customer" that is now included in the proposed rules.

Comment:

The rules should continue to require a majority of the customers of an exchange to respond favorably in order to advance consideration of the proposed EAS.

Response:

This requirement has been retained.

SENATOR JUDITH B. ROBSON
CO-CHAIR
P.O. BOX 7882
MADISON, WI 53707-7882
(608) 266-2253



REPRESENTATIVE GLENN GROTHMAN
CO-CHAIR
P.O. BOX 8952
MADISON, WI 53708-8952
(608) 264-6486

JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

June 26, 2001

BY INTER-D

Ave Bie, Chair
Public Service Commission
610 North Whitney Way
Madison WI

Re: Clearinghouse Rule 00-138, relating to extended area service

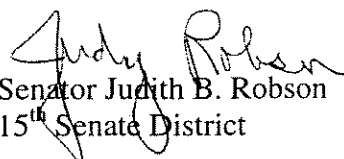
Dear Ms. Bie:


We are writing to inform you that the Joint Committee for the Review of Administrative Rules (JCRAR) held a public hearing and executive session on June 26, 2001. At that meeting, the JCRAR received public testimony regarding Clearinghouse Rule 00-138, relating to extended area service.

Based on that testimony, the committee adopted a motion to nonconcur in the objection to the rule raised by the Assembly Committee on Small Business and Consumer Affairs. The committee approved the motion on a 10 to 0 vote. The Commission is now free to promulgate Clearinghouse Rule 00-138.

Members of the committee have indicated interest in suspending that portion of the PSC code that requires 50% of customers vote in favor of an extended area service petition before the Commission holds a hearing on the petition. This item will be taken up at the next meeting of the committee.

Sincerely,

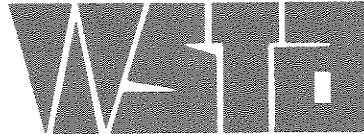

Senator Judith B. Robson
15th Senate District


Representative Glenn Grothman
59th Assembly District

JBR:GG:da

Wisconsin State Telecommunications Association, Inc.

MICHAEL D. JENSEN, President
THOMAS R. SQUIRES, Vice President
RAY J. RIORDAN, J.D. CAE
Executive Vice President and General Counsel



6602 NORMANDY LANE
MADISON, WISCONSIN 53719
PHONE: (608) 833-8866
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E-mail: wsta@tds.net
Website: <http://www.wsta-net.org>

June 26, 2001

The Honorable Glenn Grothman
State Representative
Room 15 North/State Capitol
P.O. Box 8952
Madison, WI 53708-8952

GLENN
Dear Rep. ~~Grothman~~:

On behalf of WSTA and all of its members, I write to you today to again personally thank you for your assistance in including Motion #152 (Universal Service Fund Surcharge) in the Assembly version of the 2001-2003 biennial state budget.

I truly believe your personal involvement and efforts made the difference. We very much appreciated your willingness to work with us and your advice was helpful as we negotiated the difficult and complicated process. In addition, your staff was very professional, accommodating and a pleasure to work with.

Your comments and suggestions were valuable and will continue to be helpful as WSTA addresses other important issues to the telecommunications industry during the remainder of the 2001 legislative session. WSTA has appreciated your support in the past and looks forward to working with you in the future.

Sincerely,

Christopher LaRowe
Christopher LaRowe
Manager of Legislative Affairs

Thanks!

DIRECTORS:
DAVE CARTER, Cable
GEORGE FRIOU, Madison
ROGER L. HERMSEN, Abrams
MICHAEL D. JENSEN, Amery

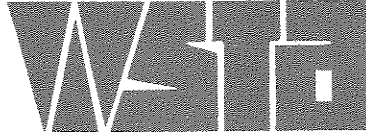
RHONDA J. JOHNSON, Milwaukee
DIANA LaPOINTE, Oxford
DAVID J. LULL, Blue River
AL MAHNKE, Wittenberg
DANIEL W. MATSON, Sun Prairie

MICHAEL A. PANDOW, Madison
DUANE W. RING, JR., La Crosse
PATRICK D. RIORDAN, Pulaski
MARK SCHROEDER, Independence
BOB SCHULZE, Little Chute

SID SHERSTAD, Siren
THOMAS R. SQUIRES, Manawa
DOUGLAS J. WENZLAFF, Wisconsin Rapids
FRED WEIER, Strum
WILLIAM C. WISWELL, Elkhorn

Wisconsin State Telecommunications Association, Inc.

MICHAEL D. JENSEN, President
THOMAS R. SQUIRES, Vice President
RAY J. RIORDAN, J.D. CAE
Executive Vice President and General Counsel



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June 26, 2001

The Honorable Glenn Grothman, Co-Chairperson
Joint Committee for Review of Administrative Rules
Room 15 North/State Capitol
P.O. Box 8952
Madison, WI 53708-8952

The Honorable Judy Robson, Co-Chairperson
Joint Committee for Review of Administrative Rules
Room 15 South/State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Dear Rep. Grothman and Sen. Robson:

I write to you today regarding the Public Service Commission of Wisconsin (Commission) Docket 1-AC-200, relating to Modification of Rules on Extended Area Telephone Service.

WSTA supports the proposed rule as presented by the Commission for your committee's review today. To help meet pressing demands on scarce resources, the telecommunications customer has choices to call the communities in which they are likely to have the greatest interest in calling. Accordingly, the customer can choose from the Commission's approved calling plans or competing telecommunications providers or emerging telecommunications markets.

Nevertheless, the Commission recognized that its adopted calling plans and other choices would not satisfy all customers. As a result, the customer has still another choice, it can petition the Commission for changes such as to EAS. If a petition is granted, all the customers receive new EAS and consequently, at the same time all customers must also bear the cost of the service.

In conclusion, based on WSTA's review of the Commission's proposed Modification of Rules on Extended Area Telephone service, we believe customer community of interest calling choice along with the Commission's proposed Rules individually and collectively have the capability to materially impact customer calling scope demands.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ray J. Riordan', is written over a white background.

Ray J. Riordan
Executive Vice President

cc: Rep.'s Seratti, Gunderson, Turner & Hebl and Sen.'s Grobschmidt, Hansen, Schultz & Cowles

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JOINT COMMITTEE FOR REVIEW OF ADMINISTRATIVE RULES

July 20, 2001

The Honorable Fred Risser
Senate President
State Capitol Building, Room 220 South
Madison, WI 53702

The Honorable Scott Jensen
Assembly Speaker
State Capitol Building, Room 211 West
Madison, WI 53702

Dear President Risser and Speaker Jensen:

The Joint Committee for the Review of Administrative Rules met in Executive Session on July 18, 2001 and adopted the following motions:

PSC 167

Relating to extended-service area.

Moved by Representative Grothman, seconded by Representative Seratti that, pursuant to s. 227.19(4)(d) 6 and 227.26 (2) (d), Stats., the Joint Committee for Review of Administrative Rules suspends s. PSC 167.08 (2) and that portion of s. PSC 167.09 (1) beginning with the word "If" and ending with the word "increment,".

Ayes: (10) Representatives Grothman, Seratti,
Gunderson, Turner, and Hebl; Senators Robson, Grobschmidt,
Hansen, Schultz and Cowles.*

Noes: (0)

Absent: (1) Senator Cowles*

Motion Carried

10 Ayes, 0 Noes, 1 Absent.
*voted by polling

WLC 0180

Moved by Representative Grothman, seconded by Representative Gunderson that, pursuant to s. 227.26 (2) (f), stats., introduces WLC 0180.

Ayes: (10) Representatives Grothman, Seratti,
Gunderson, Turner, and Hebl; Senators Robson, Grobschmidt,
Hansen, Schultz and Cowles.*

Noes: (0)

Absent: (1) Senator Cowles*

Motion Carried

10 Ayes, 0 Noes, 1 Absent.
*voted by polling

Clearinghouse Rule 00-091

Relating to licensing of emergency medical technicians-paramedic and approval of emergency medical technician-paramedic operational plans. Submitted by the Department of Health and Family Services. Objected to in part and referred by the Senate Committee on Health, Utilities, Veterans and Military Affairs.

Moved by Representative Grothman, seconded by Representative Turner that, pursuant to s. 227.19 (5) (b) 2., Stats., requests that the Department of Health and Family Services modify Clearinghouse Rule 00-91 and submit a modification to the Committee no later than August 17, 2001.

Ayes: (10) Representatives Grothman, Seratti,
Gunderson, Turner, and Hebl; Senators Robson, Grobschmidt,
Hansen, Schultz and Cowles.*

Noes: (0)

Absent: (1) Senator Cowles*

Motion Carried 10 Ayes, 0 Noes, 1 Absent.*voted by polling

DOC 309

Relating to resources for inmates.

Moved by Representative Grothman, seconded by Representative Turner that, pursuant to s. 227.24(2)(a), Stats., the Joint Committee for Review of Administrative Rules extends DOC 309 at the request of Department of Corrections by 60 days.

Ayes: (10) Representatives Grothman, Seratti,
Gunderson, Turner, and Hebl; Senators Robson, Grobschmidt,
Hansen, Schultz and Cowles.*


Noes: (0)

Absent: (1) Senator Cowles*

Motion Carried 10 Ayes, 0 Noes, 1 Absent.*voted by polling

Pursuant to s. 227.24(2)(c), Stats., as treated by 1997 Wisconsin Act 185, please forward a copy of this notice to the chairperson of the standing committee in your respective house most likely to have jurisdiction over the Clearinghouse Rule corresponding to this emergency rule.

Sincerely,


Senator Judith B. Robson
Senate Co-Chair



Representative Glenn Grothman
Assembly Co-Chair

JBR:GSG:mjg

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Chapter PSC 167

EXTENDED AREA TELEPHONE SERVICE

PSC 167.01	Purpose.
PSC 167.02	Definitions.
PSC 167.03	Petition; contents.
PSC 167.04	Petition; procedural provisions; challenge.
PSC 167.05	Petition; criteria for consideration.

PSC 167.06	Traffic study.
PSC 167.07	Economic study.
PSC 167.08	Customer survey.
PSC 167.09	Hearing.
PSC 167.10	Metroplan.

PSC 167.01 Purpose. The purpose of this chapter is to set forth requirements for consideration of petitions requesting extended area telephone service and to require customers receiving new extended area service to bear the costs of such service.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.02 Definitions. (1) "Community of interest" means that customers of one exchange have substantial telecommunication requirements with respect to another exchange, as determined by the measurable use of communications services between the exchanges and by such factors as the location of schools, medical services, shopping and civic, cultural and social agencies and organizations and the like.

(2) "Extended area telephone service" means telephone service in which customers in one exchange may call customers in another exchange or combination of exchanges without incurring toll charges.

(3) "Metroplan" means the contiguous exchanges in and around Milwaukee currently served by either metroplan or metrozone service as provided by the Wisconsin telephone company tariff, and any future additions thereto.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.03 Petition; contents. (1) A petition for extended area telephone service shall be filed with the commission and shall contain:

(a) The name of the telephone utility serving the petitioners' exchange;

(b) The name of the telephone utility serving the exchange or exchanges with which extended area service is desired;

(c) The name, address and telephone number of a representative selected by the petitioners to whom notices, orders, and other correspondence may be sent;

(d) The name, address, telephone number and signature of each petitioner. There shall be no more than one petitioner per billing number. If the petitioner is a business customer, the signature shall be that of an authorized agent or representative;

(e) A statement that the petitioners desire extended area service for the named exchange or exchanges.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.04 Petition; procedural provisions; challenge. (1) The representative designated in the petition shall certify that the signatures on the petition are valid.

(2) Petitioners shall serve a copy of the petition on the telephone utility serving their exchange and on the telephone utility serving the exchange or exchanges with which extended area telephone service is requested.

(3) Copies of the petition for extended area telephone service shall be kept on file for inspection during the pendency of the request at the commission and at the telephone utilities.

(4) Any person wishing to challenge the validity of a petition for extended area telephone service may do so by filing a written

protest with the commission identifying the grounds for the challenge within 30 days of the filing of the petition.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.05 Petition; criteria for consideration. (1) The commission shall consider a petition meeting the requirements of s. PSC 167.03 only if the petition is signed by at least 10% of the customers in the exchange from which extended area telephone service is requested.

(2) The commission shall also consider a request for extended area telephone service if submitted by a telephone utility providing service in an exchange for which extended area telephone service is requested. Such a request shall be treated as a petition for purposes of ss. PSC 167.06 to 167.10.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.06 Traffic study. (1) If a petition meets the requirements of s. PSC 167.05, the commission shall direct the utilities involved to undertake a study of representative traffic between the exchanges for which extended area service is requested. To warrant further examination of extended area service, the traffic study must indicate that:

(a) The customers in at least one of the exchanges place an average of not fewer than 5 messages per month, per customer, to the exchange with which extended area service is requested; and

(b) 50% of the customers in at least one of the exchanges place not fewer than 3 messages per month to the exchange with which extended area service is requested.

(2) If the criteria of sub. (1) (a) and (b) are not met, the commission shall deny the petition for extended area service. The commission need not consider a petition for extended area service between the same exchanges for 2 years from the date of denial.

(3) The commission may waive or vary the provisions of this section of the rules in special or unusual situations involving requests for extended area service where none of the involved exchanges serves more than 10,000 access lines.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.07 Economic study. (1) If the criteria of s. PSC 167.06 (1) (a) and (b) are satisfied, the commission shall direct the telephone utilities to conduct and submit to the commission an economic study of the requested extended area service. The study shall contain information from which the commission can determine the additional revenue requirement for each exchange necessary to provide the requested service and the rate increments for each class of customer necessary to meet the additional revenue requirement.

(2) Revenue requirements shall be allocated among exchanges in recognition of the ratio or the calling volume data (on a per customer basis) obtained from the traffic studies. In cases where the ratio is greater than 10:1, all revenue requirement shall generally be allocated to the exchange from which the larger calling volume originates. In cases where one-way service is being

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considered all revenue requirement shall generally be allocated to the exchange that would be provided with the service.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.08 Customer survey. (1) Subsequent to the determination of rate increments necessary to provide the requested extended area service, or reasonable variations of the requested service, the commission shall direct the utilities to conduct a survey of customer willingness to pay the necessary rate increments. The survey shall be approved by the commission and distributed to all customers who would experience a rate increase if the petition for extended area telephone service is granted.

(2) Unless at least 50% of the customers in one of the surveyed exchanges respond favorably to the requested service, or to a variation of the requested service, the petition shall be denied, and the commission need not consider any petition for extended area telephone service between those exchanges for 2 years.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.09 Hearing. (1) If at least 50% of the customers in one of the exchanges surveyed in accordance with s. PSC 167.08 respond favorably to the requested extended area service at the proposed rate increment, the commission shall hold a public hearing to consider whether the petition should be granted.

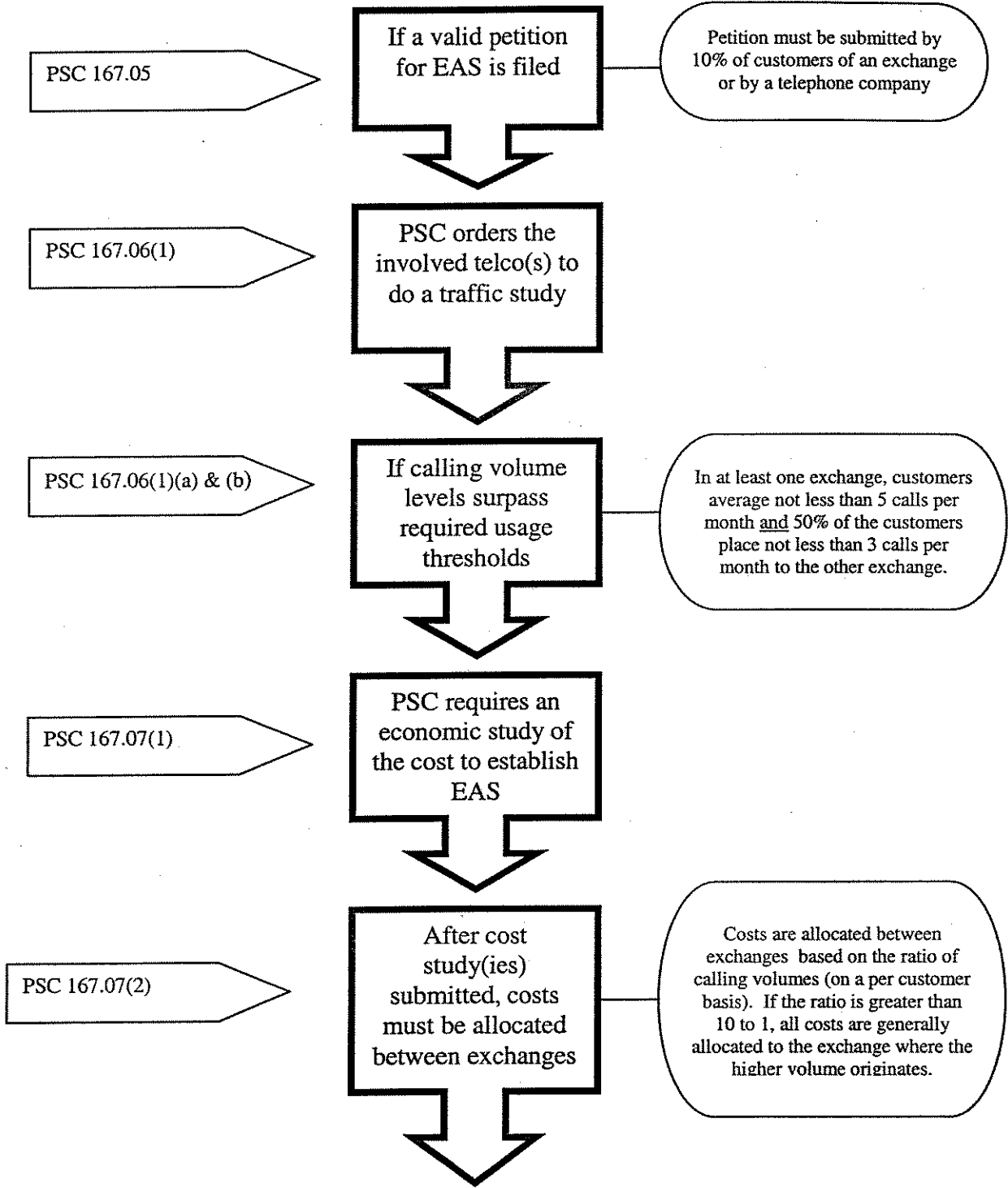
(2) In determining whether to grant or deny the petition for extended area telephone service, the commission shall consider such factors as adequacy of existing telephone service between the exchanges, costs and benefits of the proposed service and community of interest between the exchanges.

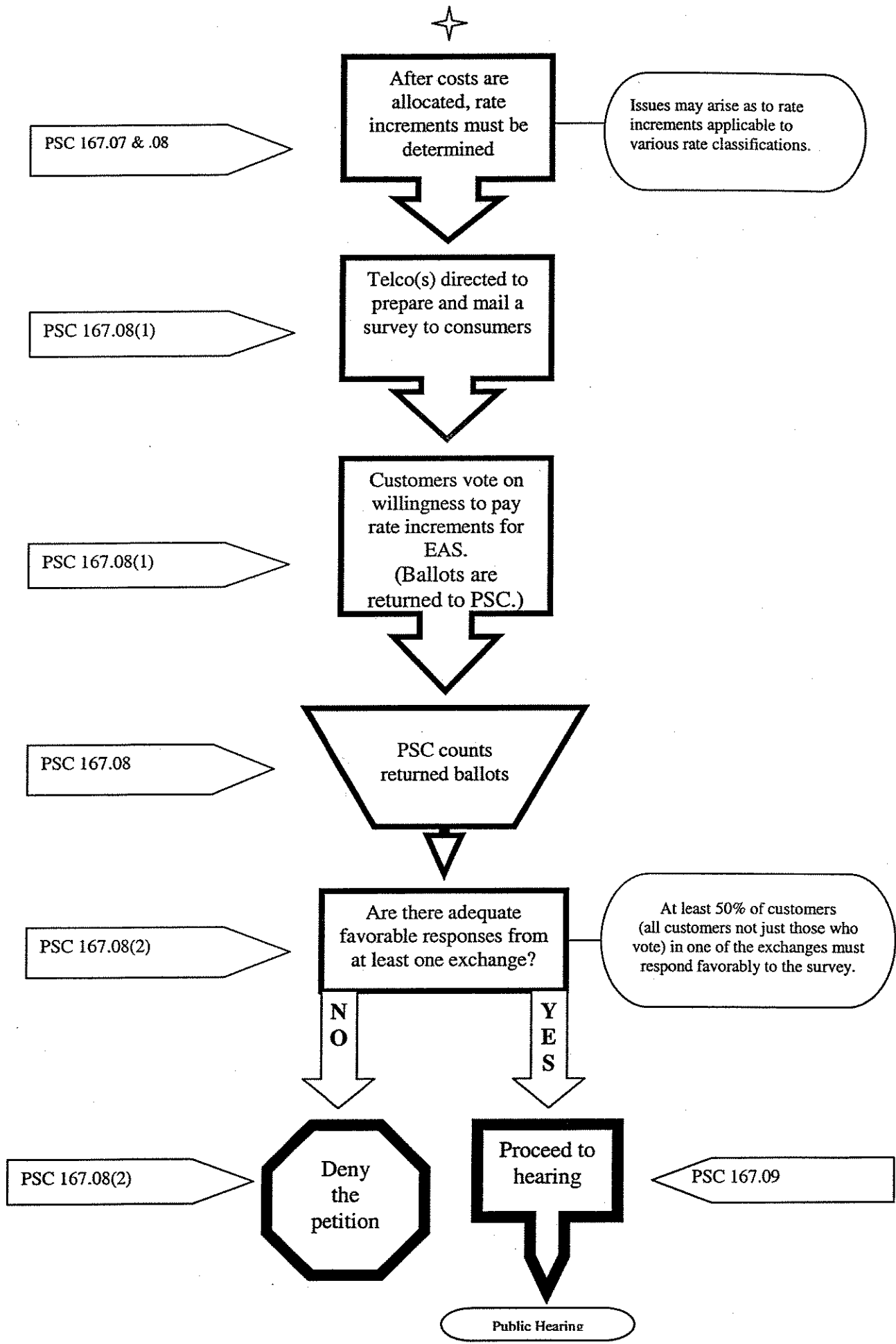
History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

PSC 167.10 Metroplan. If the petition requests Milwaukee metroplan telephone service, the commission may consider the entire metroplan area to which extended area service is requested, or a variation thereof, as one exchange.

History: Cr. Register, July, 1983, No. 331, eff. 8-1-83.

Wis. Admin. Code Chapter PSC 167 - EAS Petition Consideration Process





Examples of potential EAS rate impacts

Exchanges & EAS Route	Monthly Residence Rate before EAS	Monthly Residence Rate after EAS @
Niagara to Iron Mountain - old	\$ 8.20	\$ 14.35 #
Florence to Iron Mountain	\$ 8.20	\$ 12.24 #
Niagara to Iron Mountain * - new	\$ 8.20	\$ 11.78 &
Junction City to Stevens Point	\$ 18.77	\$ 23.54
Bangor to La Crosse *	\$ 16.93 =	\$ 31.89 =
Bangor to West Salem *	\$ 16.93 =	\$ 20.28 =

- # Customers would also pay \$.12 for each EAS call
- & Customers would also pay \$.15 for each EAS call
- = Rate for unlimited local calling service
- * Pending proceeding

@ If these EAS routes were ultimately ordered, all the customers of the indicated exchanges would pay the higher rates. For some customers this would be a savings. For others, it would mean a higher monthly bill - every month - for a calling expansion they do not want or use.