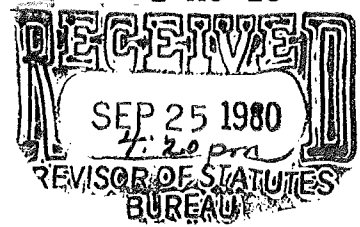


PSC 113.16, 134.13

1-AC-13



CERTIFICATE

STATE OF WISCONSIN)
PUBLIC SERVICE COMMISSION) ss.

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Jacqueline K. Reynolds, Assistant Secretary to the Public Service Commission of Wisconsin, and custodian of the official records of said Commission, do hereby certify that the annexed order creating rules concerning budget billing plans was duly approved and adopted by this Commission on September 23, 1980

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 23rd day of September 1980.

Jacqueline K. Reynolds

Jacqueline K. Reynolds
Assistant Secretary
PUBLIC SERVICE COMMISSION OF WISCONSIN

sent. eff. date 12-1-80

DATE MAILED
SEP 24 1980

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

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

SEP 23 1980

Jacqueline K. Reynolds
Asst. Secretary to the Commission
Public Service Commission of Wisconsin

Petition of Joanne Robertson, et al.,)
for an Order Amending Rules With Respect)
to Deferred Payment Plans and Dispute)
Procedures of Gas and Electric Utility)
Services)

1-AC-13

ORDER OF THE PUBLIC
SERVICE COMMISSION ADOPTING RULES



Analysis Prepared by Public Service Commission

On November 21, 1978, the Public Service Commission adopted rules concerning deferred payment agreements, billing, information available to customers, and complaints. These rules, which apply to natural gas and electric public utilities, became effective on an emergency basis on December 5, 1978, and became permanent on April 1, 1979.

The rule amendments approved on November 21, 1978, included ss. PSC 113.16(5) and 134.13(6), Wis. Adm. Code, requiring utilities to provide budget billing plans for all residential customers and for commercial customers whose primary purpose is to provide residential living. Utilities which did not offer budget billing plans at that time were exempted from ss. PSC 113.16(5) and 134.13(6) while the rules were effective on an emergency basis, but were not exempted from the rules thereafter.

The rule amendments also included changes in subsections PSC 113.16(2) and PSC 134.13(2), which pertain to meter-reading procedures. The rules approved on November 21, 1978 require the utility's meter-reader to leave a meter-reading form at the premises whenever the meter cannot be read. Those utilities who read meters on an other-than-monthly basis were also required to supply their customers with meter-reading forms for the months when the meters are not scheduled to be read.

Budget Payment Plans

On March 6, 1979, the commission received a petition from Wisconsin Natural Gas Company which requested: 1) that amendments to the Wisconsin Administrative Code be adopted to empower the commission to waive compliance by individual gas utilities from sections of Chapter PSC 134, Wis. Adm. Code, in exceptional or unusual circumstances as is provided for electric, telephone, and water and sewer utilities; and 2) that docket 1-AC-13 be reopened for the purpose of considering amendments to the budget payment plan rules in s. PSC 134.13(6), Wis. Adm. Code.

On March 20, 1979, the commission issued an Emergency Order and Notice of Hearing in docket 1-AC-13. The purpose of the hearing was to consider possible amendments to the rules regarding budget billing of electric and gas utilities and to

consider the permanent adoption of s. 134.01(3), Wis. Adm. Code, created in the Emergency Order. This section read as follows:

Nothing in this chapter of the Wisconsin Administrative Code shall preclude giving special and individual consideration to exceptional or unusual situations, or upon investigation of the facts and circumstances involved, adopting requirements as to individual utilities or services which may be lesser, greater, other or different from those provided in these rules.

Hearings were held in Madison on May 24, 1979 and June 12, 1979. The statements which were presented at the hearings and in written comments submitted to the examiner centered on three issues:

- 1) Those utilities which had budget plans in existence before the rules became effective enumerated the financial and administrative problems they have encountered in attempting to change their operating budget plans to conform with the specific requirements of the rules. Their concern was primarily with the specificity of the rules, and they questioned whether the imposition of a uniform budget payment plan on all electric and gas utilities in Wisconsin was either necessary or beneficial to the customers, who were satisfied with the existing plans and who would bear the cost of the change.

2) The small utilities unanimously expressed their difficulties in implementing any form of budget billing with their limited personnel and billing facilities. These utilities believed that they were much more capable of handling their customers' budgeting problems on an individual basis.

3) The commission staff supported the budget billing concept but stated that the specificity of the rules had produced a large number of waiver requests, which was becoming a burden on both commission and staff time. Staff recommended that the Utility Billing Committee draft a set of proposed rules which would be consistent with the commission's intent in docket 1-AC-13 but which would address some of the problems outlined at the hearing and in the written comments.

One month after the hearing, a committee composed of commission staff and representatives from five of the major utilities submitted a proposed set of rules which, in addition to the budget plan specified in the existing rules, would permit such procedures as a fixed budget year for all customers, an 11-month plan using the twelfth month as an adjustment month, budget review more frequently than at 6-month intervals, and resubscription to the budget plan at any time. The proposal also eliminated late payment charges for budget

plans and required only Class A utilities to file budget plans. Under the proposal, smaller utilities would be required to make individual arrangements upon request.

Need for Proposed Rules

The commission, while finding merit in some of the above suggestions, disagrees with the proposed movement toward less specific rules. On the contrary, the commission sees a need to promote uniformity in the rights of utility customers across the state. The specificity of the existing rules is necessary to ensure that each customer in Wisconsin has available to him or her a reasonable mechanism for budgeting the annual cost of utility service in uniform payments throughout the year. As bills for utility service, particularly heating, continue to take an increasing portion of consumer incomes, the need for such an option becomes more acute. For these reasons, the Commission does not agree with the proposal to limit budget plans to Class A utilities. While it is recognized that the implementation of the budget plan outlined in the existing rules may add to the cost of utility service and may require considerable commission staff time, the commission believes that in this case, the benefits to the consumers outweigh the costs.

The commission also does not agree with the proposal to eliminate late payment charges for budget plans. Such elimination would be unfair to those customers who do not elect to use the budget plan or find the budget billing plan unnecessary because of use characteristics.

The commission finds merit in the fixed budget year, in which all budget plans within a utility begin and end at the same time. Such a plan can reduce administrative costs without diminishing the effectiveness of budget billing. The commission also agrees that customers should be permitted to resubscribe to the budget plan within 6 months of leaving the plan. The amended rules authorized in this order reflect these changes. The revised rules also incorporate editorial changes made to clarify the intent of the existing rules. The budget billing rules will continue to apply to all gas and electric utilities.

Regarding the adoption of s. PSC 134.01(3), the commission agrees that a declaration of the commission's right to give special consideration to exceptional or unusual circumstances in the application of rules to gas utilities is proper and is in conformity with the existing rules for electric, telephone and water and sewer service. This order authorizes the permanent adoption of subsection PSC 134.01(3) within the Wisconsin Administrative Code.

No fiscal impact will result from amendment of the rules as proposed herein.

Pursuant to authority vested in the Public Service Commission by ss. 196.02, 196.37, and 227.014, Wis. Stats., the Public Service Commission proposes to amend and adopt rules interpreting ss. 196.02 and 196.37, Wis. Stats., as follows:

Section PSC 134.01(3) of the Wisconsin Administrative Code is adopted to read:

PSC 134.01(3) Nothing in this chapter of the Wisconsin Administrative Code shall preclude the commission's giving special and individual consideration to exceptional or unusual situations or, upon investigation of the facts and circumstances involved, adopting requirements as to individual utilities or services which may be lesser, greater, other than or different from those provided in these rules.

Sections PSC 134.01(3), (4), (5), and (6) are renumbered respectively 134.01(4), (5), (6), and (7).

Sections PSC 134.13(6), PSC 113.16(5) are amended to read:

PSC 134.13(6) Each utility shall offer a budget payment plan to all prospective and existing residential customers and to all commercial accounts for which the primary purpose of the service is to provide for residential living, subject to the following minimum requirements.

(a) A budget payment plan tariff shall be on file with the Public Service Commission, applicable only to charges for utility services under PSC jurisdiction.

(b) A budget payment plan may be established at any time of the year. Budget payments The budget amount shall be calculated on the basis of the estimated consumption and estimated applicable rates ~~for the 12 months subsequent to establishing the plan through the end of the budget year.~~ If the budget year is a fixed year, then prospective and existing customers requesting a budget payment plan after the start of the fixed year will have their initial monthly budget amount determined on the basis of the number of months remaining in the current budget year.

(c) ~~A prospective budget plan customer~~ An applicant for a budget plan shall be informed at the time of application and an existing budget plan customer at each renewal on at least a quarterly basis, that budget payments are subject to change at 6-month intervals amounts shall be reviewed and changed

every six months if necessary, in order to reflect current circumstances. Adjustments to the budget amount shall be made with the objective that the customer's underbilled or overbilled balance at the end of the budget year shall be less than one month's budget amount.

(d) Customers on the budget payment plan shall be notified of adjustments by means of a bill insert, a message printed on the bill itself, or both. When an adjustment is made to a budget payment amount, the customer shall be adequately informed of the adjustment at the same time the bill containing the adjustment is rendered.

(de) Customers who have arrearages shall be allowed to establish a budget payment plan by signing a deferred payment agreement for the arrears, according to the provisions of s. PSC 134.063.

~~(e) Each budget plan account shall be monitored at 6-month intervals and the budget payment amount shall be appropriately adjusted if the total underbilled or overbilled balance in the account exceeds the equivalent of one budget payment amount over the full 12-month budget plan period.
When an adjustment is made to a budget payment amount, the customer shall be adequately informed of the adjustment at the same time the bill containing the adjustment is rendered.~~

(Note - Provisions of PSC 134.13(6)(e) have been incorporated into PSC 134.13(6)(c) and (d).)

(f) Budget payment plans shall be subject to the late payment charge provisions of s. PSC 134.13(1)(b). In addition, if a budget payment is not paid the customer shall be appropriately notified with the next billing. If proper payment is not received subsequent to this notification, the next regular billing may effectuate the removal of the customer from the budget payment plan and reflect the appropriate amount due.

~~(g) A customer removed from the budget payment plan either at the customer's request or by the utility for nonpayment may not resubscribe to the budget plan for a period of 6 months.~~

~~(hg) At the end of a customer's full 12-month budget plan period budget year, if an underbilled or overbilled balance exists in the account, the account adjustments shall be as follows at the customer's option balance shall be handled as follows:~~

~~1. An underbilled balance may be charged to the account, subject to a deferred payment agreement, or carried over to the next budget plan period.~~

~~2. An overbilled balance may be applied to the account, refunded, or carried over to the next budget plan period.~~

1. A customer's debit balance will be paid in full or, at the customer's option, on a deferred basis.

2. A customer's credit balance will be applied against the customer's account or, at the customer's option, a refund shall be made.

PSC 113.16(5) Each utility shall offer a budget payment plan to all prospective and existing residential customers and to all commercial accounts for which the primary purpose of the service is to provide for residential living, subject to the following minimum requirements.

(a) A budget payment plan tariff shall be on file with the Public Service Commission, applicable only to charges for utility services under PSC jurisdiction.

(b) A budget payment plan may be established at any time of the year. Budget payments The budget amount shall be calculated on the basis of the estimated consumption and estimated applicable rates for the 12 months subsequent to establishing the plan through the end of the budget year. If the budget year is a fixed year, then prospective and existing customers requesting a budget payment plan after the start of the fixed year will have their initial monthly budget amount determined on the basis of the number of months remaining in the current budget year.

(c) A prospective budget plan customer An applicant for a budget plan shall be informed at the time of application and an existing budget plan customer at each renewal on at least a quarterly basis, that budget payments are subject to change at 6-month intervals amounts shall be reviewed and changed every 6 months if necessary, in order to reflect current circumstances. Adjustments to the budget amount shall be made with the objective that the customer's underbilled or overbilled balance at the end of the budget year shall be less than one month's budget amount.

(d) Customers on the budget payment plan shall be notified of adjustments by means of a bill insert, a message printed on the bill itself, or both. When an adjustment is made to a budget payment amount, the customer shall be adequately informed of the adjustment at the same time the bill containing the adjustment is rendered.

(de) Customers who have arrearages shall be allowed to establish a budget payment plan by signing a deferred payment agreement for the arrears, according to the provisions of s. PSC 113.133.

(e) Each budget plan account shall be monitored at 6-month intervals and the budget payment amount shall be appropriately adjusted if the total underbilled or overbilled balance in the account exceeds the equivalent of one budget payment amount over the full 12-month budget plan period. When an adjustment is made to a budget payment amount, the customer shall be adequately informed of the adjustment at the same the bill containing the adjustment is rendered.

(Note - Provisions of PSC 113.16(5)(e) have been incorporated into PSC 113.16(5)(c) and (d).)

(f) Budget payment plans shall be subject to the late payment charge provisions of s. PSC 113.16(1)(b). In addition, if a budget payment is not paid the customer shall be appropriately notified with the next billing. If proper payment is not received subsequent to this notification, the next regular billing may effectuate the removal of the customer from the budget plan and reflect the appropriate amount due.

~~(g) -- A customer removed from the budget payment plan either at the customer's request or by the utility for nonpayment may not resubscribe to the budget plan for a period of 6 months.~~

(hg) At the end of a customer's full 12-month budget plan period budget year, if an underbilled or overbilled balance exists in the account, the account adjustments shall be as follows at the customer's option balance shall be handled as follows:

~~1. -- An underbilled balance may be charged to the account, subject to a deferred payment agreement, or carried over to the next budget plan period.~~

~~2. -- An overbilled balance may be applied to the account, refunded, or carried over to the next budget plan period.~~

1. A customer's debit balance will be paid in full or, at the customer's option, on a deferred basis.

2. A customer's credit balance will be applied against the customer's account or, at the customer's option, a refund shall be made.

The rules and amendments contained in this order shall take effect on the first day of the month following their publication in the Wisconsin Administrative Register as provided in s. 227.026(1), Wis. Stats.

Dated at Madison, Wisconsin, September 23, 1980

By the Commission.

Jacqueline K. Reynolds
Jacqueline K. Reynolds
Assistant Secretary to
the Commission