

CR 84-205

1-AC-100

84-205

CERTIFICATE

STATE OF WISCONSIN)
) ss.
PUBLIC SERVICE COMMISSION)

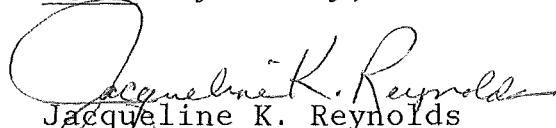
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TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Jacqueline K. Reynolds, Secretary of the Public Service Commission of Wisconsin, and custodian of the official records of said commission, do hereby certify that the annexed order creating Wis. Adm. Code sections PSC 164.03 and 164.04 was duly approved and adopted by this commission on May 2, 1985.

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 6th day of May, 1985.


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

DATE MAILED
MAY 3 1985



COMPARED WITH AND CERTIFIED BY ME
TO BE A FULL, TRUE AND CORRECT COPY
OF THE ORIGINAL ON FILE IN MY OFFICE.
MAY 2 1985
Jacqueline K. Reynolds
Secretary to the Commission
Public Service Commission of Wisconsin

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Rate Increases for)
Small Telephone Companies)

1-AC-100

ORDER OF THE
PUBLIC SERVICE COMMISSION ADOPTING RULES

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To create ss. PSC 164.03 and 164.04, relating to rate
increases for small telephone companies.

ANALYSIS PREPARED BY THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

On November 14, 1984, the Public Service Commission held hearing into rules required by sec. 196.20(5), Stats. The new law sets forth a new procedure for processing rate increase applications for small telephone companies. The procedure includes the filing of information with the public service commission on which a commission decision can be based and notice to telephone customers, who may comment or request a hearing. The commission is directed to adopt a rule specifying the information to be submitted.

The two rules proposed in this docket specify the information to be submitted to the commission by small telephone companies and the notice which is to be sent to customers.

Information submitted with a rate increase request must include: accountant's report, depreciation reserve analysis, analysis of adjustment to the forecasted balance sheet, plant

additions and retirements, balance sheet data, capital structure and rate of return computations, net investment rate base forecast, test year tax savings depreciation, test year revenues and expenses, a summary of significant forecast assumptions, proposed changes to rates and charges and justification for the increases.

The notice to customers informing them of the rate increase request must include: the name and address of the company; the fact that the company is requesting a rate increase; the nature of the requested increase; that a customer may comment or request a hearing on the increase request; the time period within which the comment or a hearing on the increase request must be made.

PROPOSED RULES
AND STATUTORY AUTHORITY

Pursuant to authority vested in the Public Service Commission by ss. 196.20(5), 196.02(3), 196.37(2), and 227.014(2)(a), Stats., the commission proposes to adopt rules interpreting s. 196.20(5) as follows:

SECTION 1: PSC 164.03 and 164.04 are created to read:

PSC 164.03. RATE CHANGES FOR SMALL TELEPHONE COMPANIES.
If a small telephone company proposes an increase in rates, it shall file the following information with the public service commission pursuant to sec. 196.20(5)(b) 1:

- (1) Analysis of depreciation reserve for the test year.
- (2) Analysis of forecasted balance sheet adjustments from the company's most recent annual report submitted to the commission to the beginning of the test year.

(3) Analysis of forecasted balance sheet adjustments for the test year.

(4) Analysis of plant additions and retirements for the test year period.

(5) Balance sheet data representing the most recent annual period reported in the company's annual report to the public service commission and the forecasted balances at the beginning and end of the test year.

(6) Capital structure and rate of return computation.

(7) Computation of average net investment rate base for the test year.

(8) Computation of test year tax savings depreciation.

(9) Income statements for the base year, forecasted test year at present rates, and forecasted test year at proposed rates.

(10) Schedules summarizing the effect of proposed revenue increases for the forecasted test year in the following areas:

(a) Other operating taxes.

(b) Income taxes.

(c) Uncollectible operating revenue.

(11) Schedules summarizing computations for the forecasted test year, including:

(a) Revenues.

1. Local service revenue.
2. Toll service revenue.
3. Miscellaneous operating revenues.
4. Uncollectible operating revenues.

(b) Expenses.

1. Amortization.
2. Commercial.
3. Depreciation.
4. General office salaries and expense.
5. Other operating taxes at present rates.
6. Income taxes at present rates.
7. Interest and fixed charges.
8. Investment tax credit deferred.

9. Investment tax credit restored.
10. Maintenance.
11. Other operating expenses.
12. Traffic.

(c) Access line count.

(12) Summary of significant forecast assumptions.

(13) Proposed changes to rates and charges to derive the additional revenue requirement. This should contain sufficient detail to show the revenue impact of each proposed change.

(14) Cost data or other justification to support changes for items other than local exchange access line rates.

PSC 164.04. NOTICE TO CUSTOMERS. (1) The notice to customers and other persons who have requested notice required by s. 196.20(5)(c), Stats., shall contain:

(a) The name and address of the telephone company.

(b) A statement that the telephone company is requesting an increase in rates.

(c) A general description of the proposed increase, including the percentage increase over present revenues and including proposed increases for business and residential access lines, and for other services affecting significant numbers of customers. If rates vary by exchange, the range of proposed rate changes for each class of service may be given.

(d) The date of mailing of the notice.

(e) Reasons why the increase is being requested and a summary of major issues presented by the request.

(f) A statement that within thirty days from the date of mailing a customer may:

1. Submit written comments to the public service commission concerning the proposed rate increase, or

2. Request a public hearing on the rate increase proposal under s. 227.07 by writing the public service commission.

(2) The notice shall be sent to the public service commission 7 days before being sent to the customers.

The new rules carry out the statute's purpose by expediting the procedure by which small telephone companies may

apply for rate increases. There will be no fiscal impact of the proposed rules on the state or municipalities.

These rules have been forwarded to the legislature for review pursuant to s. 227.018, Stats. They will take effect on the first day of the month following publication in the Wisconsin Administrative Register, as provided in s. 227.026, Stats.

This action is classified as a Type III action according to PSC 2.90(3), Wis. Adm. Code. No unusual circumstances have come to the attention of the commission that would require further environmental review. It consequently requires neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment.

Dated at Madison, Wisconsin,

May 2, 1985

By the Commission.

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





State of Wisconsin \ PUBLIC SERVICE COMMISSION

May 6, 1985

NESS FLORES, CHAIRMAN
BRANKO TERZIC, COMMISSIONER
MARY LOU MUNTS, COMMISSIONER
4802 SHEBOYGAN AVENUE
P.O. BOX 7854
MADISON, WISCONSIN 53707

Mr. Gary Poulson
Assistant Revisor of Statutes
411 West, State Capitol
Madison, Wisconsin 53702

1-AC-100
84-205

RECEIVED

Re: Rate Increases for Small
Telephone Companies

MAY 7 1985

Revisor of Statutes
Bureau

Dear Mr. Poulson:

Enclosed please find two copies (one certified) of an order of the Public Service Commission adopting rules in the above-entitled matter.

The rules have been seen by legislative committees (sent November 20, 1984).

Sincerely,

Steven Levine
Assistant Chief Counsel

SL:se

Enc.