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CR 87-94

CERTIFICATE

STATE OF WISCONSIN)
)
PUBLIC SERVICE COMMISSION)
OF WISCONSIN)

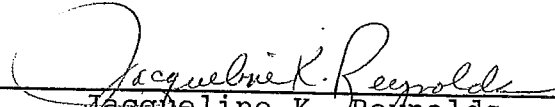
File 1-AC-114

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

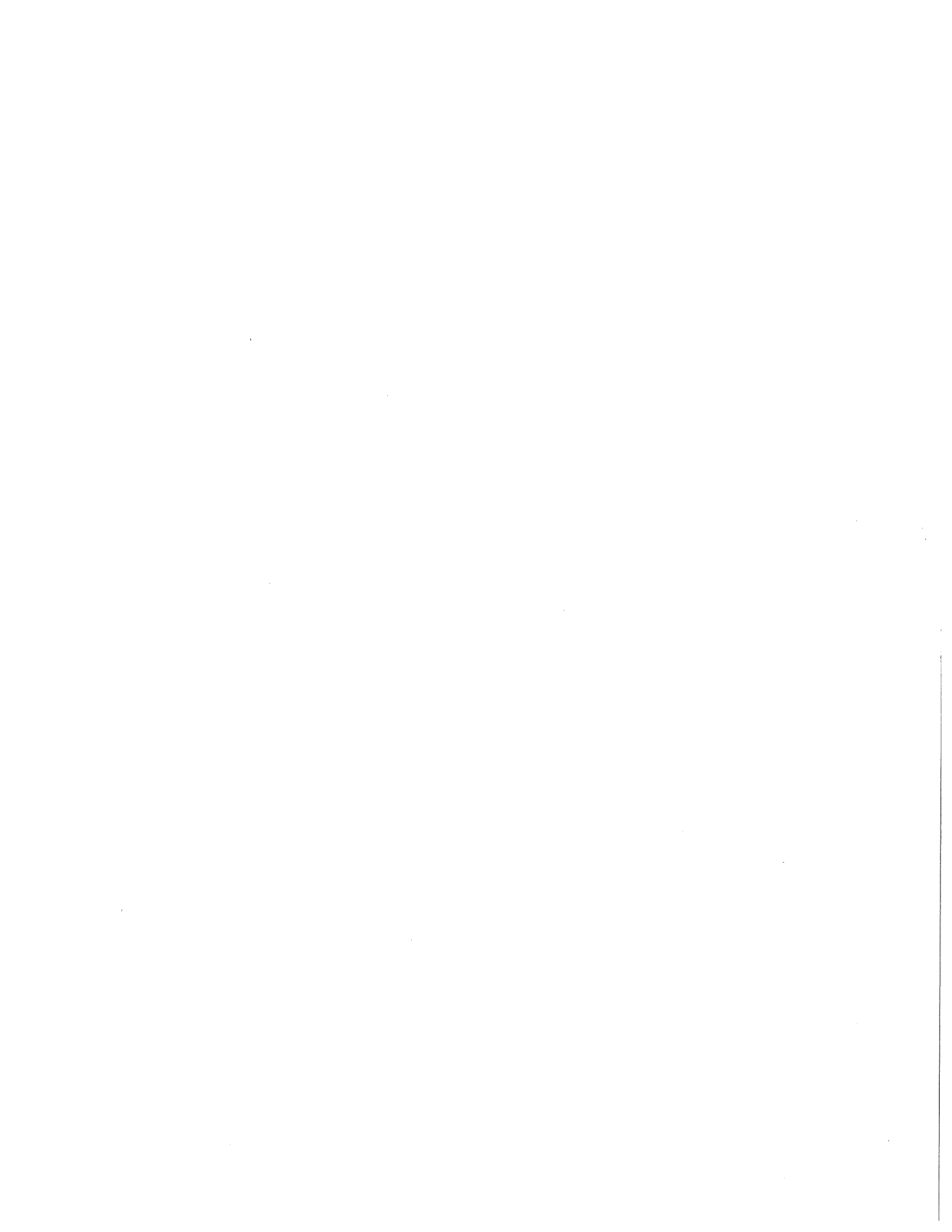
I, Jacqueline K. Reynolds, Secretary of the Public Service Commission of Wisconsin, and custodian of the official records of said commission, do hereby certify that the annexed order adopting emergency rules was duly approved and adopted by this commission on February 11, 1988.

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 and and affixed the official seal of the commission at Hill Farms State Office Building in the City of Madison, WI February 23, 1988.



Jacqueline K. Reynolds
Secretary to the Commission
PUBLIC SERVICE COMMISSION OF
WISCONSIN



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

FEB 11 1988

Jezebel K. Reynolds
Secretary to the Commission
Public Service Commission of Wisconsin

DATE MAILED
FEB 12 1988

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Utility Advertising Practices)

Docket 1-AC-117

ORDER OF THE
PUBLIC SERVICE COMMISSION ADOPTING RULES

To create Chapter PSC 12, Wis. Adm. Code relating to
utility advertising practices.

ANALYSIS PREPARED BY THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Sec. 196.595, Stats., prohibits a utility from charging ratepayers for advertising unless the advertising produces "a direct and substantial benefit for ratepayers." The Public Service Commission is directed to "make rules to carry out the purposes of and enforce this section."

The following rules define particularly the meaning of the term "direct and substantial benefit," and indicate how a utility may demonstrate that benefit to the commission. Under the rules, advertising which both provides a benefit for ratepayers and serves a goodwill purpose for the utility "in more than a minor or incidental manner" may not be charged to ratepayers. Advertising of a parent or affiliated interest of a utility also may not be charged to ratepayers. Finally, the rules

provide that a utility may submit advertisements to the commission for determination of their benefit to ratepayers before the advertising is presented to the public.

Pursuant to authority vested in the Public Service Commission by sec. 196.595, Stats., and interpreting that provision, the commission proposes to adopt the following rules:

SECTION 1: Chapter PSC 12 is created to read:

CHAPTER PSC 12
UTILITY ADVERTISING PRACTICES

12.01. PURPOSE.

The purpose of this chapter is to implement sec. 196.595, Stats.

12.02. DEFINITIONS.

In this chapter:

(1) "Advertising" has the meaning set forth in 196.595(1)(a), Stats.

(2) "Direct and substantial benefit" means a benefit that is produced by advertising which:

- (a) Demonstrates or provides information about available energy conservation methods or programs;
- (b) Conveys safety information related to the provision of utility service;
- (c) Is required by law;
- (d) Provides customer information on how to save money on utility services;

- (e) Is likely to produce the effect of holding down prices for basic utility services, and is not in conflict with public service commission policy; or
- (f) Provides information related to the provision of utility service which is otherwise of significant value to the consumer.

(3) In this chapter "public utility" has the meaning set forth in sec. 196.595(1)(c), Stats. "Public utility" does not include a sewer or water service ^{or} of a cooperative association organized under ch. 185, Stats.

*for
Steve Leuma
2/29/88*

(4) In this chapter "mixed advertisement" means an advertisement which produces a direct and substantial benefit to customers, but which also serves goodwill, institutional or other purposes unrelated to sub. (2) in more than a minor or incidental manner.

12.03. PRIOR APPROVAL.

A public utility may submit an advertisement to the public service commission prior to public presentation for a determination as to whether the advertisement produces a demonstrated, direct and substantial benefit to the consumer. The commission shall make the determination within 30 days of submission.

12.04. DEMONSTRATION OF BENEFIT.

(1) A utility may demonstrate that its advertisements produce a direct and substantial benefit by showing the commission that the advertisements:

- (a) Promote conservation or safety, or are required by law;
- (b) Are likely to produce the effect of lowering the price of providing basic utility service to the consumer;
- (c) Provide consumers with information which will enable them to save money on utility services; or
- (d) Provide information related to the provision of utility service which is otherwise of significant value to the consumer.

(2) An analysis of a utility's advertising expenses which is performed by commission staff for the utility's rate case shall be provided to the parties to the case, if requested.

(3) Mixed advertisements may not be charged to ratepayers.

12.05. PARTICIPATION IN ADVERTISING OF OTHERS.

No advertising sponsored by a utility's parent company or affiliated interest, as defined in sec. 196.52(1), Stats., or by any other national or regional organizations, may be charged to utility consumers unless it complies with sec. 196.595, Stats., and this chapter.

FISCAL ESTIMATE AND INITIAL
REGULATORY FLEXIBILITY ANALYSIS

There will be no impact of the proposed rules on state or local units of government, including municipally owned utilities. The proposed rules will have no financial effect on small businesses.

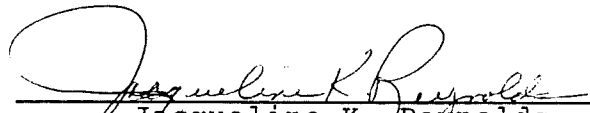
This is a Type 3 WEPA action pursuant to PSC 2.90(3), Wis. Adm. Code. In addition, no unusual circumstances have come to the attention of the commission which would warrant further environmental review. It consequently requires neither an environmental impact statement under s.1.11, Wis. Stats., nor an environmental assessment.

EFFECTIVE DATE

These rules have been revised by the legislature pursuant to sec. 227.19, Stats. They will take effect on the first day of the month after publication in the Wisconsin Administrative Register, as provided in sec. 227.22(2), Stats.

Dated at Madison, Wisconsin, February 11, 1988

By the Commission.



Jacqueline K. Reynolds
Secretary to the Commission