

## Chapter PSC 110

### DISTRIBUTION OF WHOLESALE ELECTRIC REFUNDS

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**PSC 110.01 Purpose.** The purpose of this chapter is to set forth regulations for the distribution of wholesale refunds and other monies received from wholesale suppliers by electric utilities which purchase electricity from wholesale suppliers and sell it to retail customers.

**History:** Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.02 Distribution of wholesale refunds.** A retail electric utility which has received a refund from its wholesale supplier as a result of a reduction in rates set by a federal regulatory authority shall distribute the refund to its retail customers, including former customers, if they can be located, in the following manner:

(1) Except as provided in sub. (2), the retail electric utility shall distribute the refund on the basis of actual kilowatt-hours used by each customer during the period for which the refund is made.

(2) If the utility can show that the cost of making the refund on the basis of actual usage will substantially diminish the benefit, it may, after commission authorization, distribute the refund through an adjustment to the power cost adjustment clause. The utility shall be required to keep a file for a minimum of 2 years of sales history for the purpose of making a refund based on actual usage.

**Note:** The 2-year record-keeping requirement of this section does not affect any other record-keeping requirements of the PSC code.

(3) If the utility has the billing capability, it shall show as a separate item on the customer's bill the refund dollar amount or the change in the purchased power adjustment clause level due to the refund. If the utility does not have the billing capability, it shall inform customers of the refund through bill inserts or a newspaper announcement.

(4) If through inaccurate operation or application of the power cost adjustment clause, a utility has not recovered from retail rate-payers the full amount of the increased costs which it had been temporarily charged by the wholesale supplier and which is the subject of a refund under these rules, the utility may, following commission approval, retain a portion or all of the wholesale refund to cover such costs.

**History:** Cr. Register, December, 1983, No. 336, eff. 1-1-84; am. (1) to (3), Register, August, 1991, No. 428, eff. 9-1-91.

**PSC 110.03 Distribution of other monies.** A retail electric utility which has received a patronage dividend or capital credit refund from its wholesale supplier as a result of cooperative

policies shall distribute the refund to its retail customers in the following manner:

(1) The utility, after commission approval, shall distribute the refund through adjustment to the power cost adjustment clause.

(2) If the utility has the billing capability, it shall show as a separate item on the customer's bill the refund dollar amount or the change in the purchased power adjustment clause level due to the refund. If the utility does not have the billing capability, it shall inform customers of the refund through bill inserts or a newspaper announcement.

**History:** Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.04 Notification.** An electric utility shall notify the public service commission within 30 days of receipt of a refund or other monies from its wholesale supplier. The notice shall contain a proposal for distribution of the money and the date by which the distribution is proposed to be made. The money shall be distributed only after commission approval. The utility shall notify the commission as to the date the distribution was made to retail customers, and the total amount distributed.

**History:** Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.05 Interest.** Amounts refunded to customers shall include interest on the total amount received from the wholesale supplier from the date of receipt by the electric utility to the date of distribution to its retail customers. If the amount received by the electric utility was not actually invested, simple interest on the refund shall be calculated at the legal rate. Interest does not apply to patronage dividends and capital credits.

**History:** Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.06 Intervention expenses.** Costs of intervention in federal regulatory proceedings by electric utilities which purchase electricity from a wholesale supplier are normal operating expenses to be considered in a rate case. Intervention expenses shall not be deducted from wholesale refunds which are distributed to retail customers.

**History:** Cr. Register, December, 1983, No. 336, eff. 1-1-84.

**PSC 110.07 Distribution expenses.** Costs of distribution of a refund to retail customers are normal operating expenses to be considered in a rate case. Distribution expenses shall not be deducted from wholesale refunds which are distributed to retail customers.

**History:** Cr. Register, December, 1983, No. 336, eff. 1-1-84.