



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2015 Assembly Bill 804

Assembly Amendments 2 and 5

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2015 ASSEMBLY BILL 804

2015 Assembly Bill 804 (the bill) generally makes changes to current law requirements regarding: (1) Department of Natural Resources (DNR) permits related to certain utility facilities; (2) enforcement of digger's hotline requirements; (3) sulfur dioxide compliance plans; (4) Public Service Commission (PSC) authority to assess its regulatory expenses against certain persons; (5) Focus on Energy funding; (6) PSC review of affiliated interest contracts; (7) local access and transport areas for telephone service; and (8) railroad telecommunications service.

On February 10, 2016, the Legislative Fiscal Bureau provided the Joint Committee on Finance with a memorandum that discusses each section of the bill, that is available here: http://docs.legis.wisconsin.gov/misc/lfb/bill_summaries/2015_17/0804_ab_804_changes_to_programs_affecting_the_public_service_commission_and_the_department_of_natural_resources_2_10_16.pdf.

Assembly Amendment 2 changes current law provisions related to PSC approval of construction projects involving certain electric transmission lines and associated facilities.

Assembly Amendment 5 removes the provisions of the bill related to enforcement of digger's hotline requirements.

PSC APPROVAL OF CONSTRUCTION PROJECTS INVOLVING CERTAIN ELECTRIC TRANSMISSION LINES AND ASSOCIATED FACILITIES

Under current law, a public utility is generally prohibited from commencing a construction project unless it first obtains approval from PSC. For the largest projects, a public utility must obtain a Certificate of Public Convenience and Necessity (CPCN) from PSC. For

relatively smaller projects, a public utility must obtain a Certificate of Authority (CA), which involves less extensive review by PSC.

PSC may refuse to issue a CA for a proposed project if it finds that completion of the project would: (1) substantially impair the efficiency of the service of the public utility; (2) provide facilities unreasonably in excess of probable future requirements; or (3) add to the cost of service without proportionately increasing the value or quantity of service.

Under current law, a CPCN is generally required for construction of an electric transmission line exceeding one mile in length that is designed for operation at a nominal voltage of 100 kilovolts or more. However, current law provides an exemption from the CPCN requirement for construction of an electric transmission line that is designed for operation at a nominal voltage of less than 345 kilovolts, if the centerline of the new transmission line is located within 60 feet on either side of the centerline of an existing transmission line operating at a nominal voltage of 69 kilovolts or more and the applicant demonstrates that: (1) the project will not have undue adverse environmental impacts; and (2) the new transmission line requires the acquisition in total of one-half mile or less of rights-of-way from landowners from which rights-of-way were not required for the existing transmission line.

A construction project that is exempt from the requirement to obtain a CPCN based on the criteria listed above is instead generally required to obtain a CA. However, current law provides an exemption from the CA requirement for a construction project with an estimated cost that is less than a specified threshold that increases in relation to the operating revenue of the public utility. Specifically, a project is exempt from the CA requirement if the project cost is no more than: (1) \$250,000, for a public utility with prior year electric operating revenue of less than \$5 million; (2) 4% of the electric operating revenue of the utility, for a public utility with a prior year electric operating revenue of between \$5 million and \$250 million; and (3) \$10 million, for a public utility with a prior year electric operating revenue of \$250 million or more.

Assembly Amendment 2 creates an additional exemption from the requirement to obtain a CA for a project that involves replacing all or a part of an existing electric transmission line and associated facilities in order to increase the line's capacity to carry current at the same voltage. To qualify for the exemption, the following conditions must apply:

- The existing electric transmission line and associated facilities are designed for operation at a nominal voltage of less than 345 kilovolts.
- The centerline of the rebuilt electric transmission line is located within 60 feet on either side of the centerline of an existing electric transmission line operated at a nominal voltage of 69 kilovolts or more.
- The project requires the acquisition in total of one-half mile or less of rights-of-way from landowners from which rights-of-way were not required to be acquired for the existing electric transmission line.
- The project will not have undue environmental impacts on any new rights-of-way required for the project.

BILL HISTORY

Representative Kuglitsch offered Assembly Amendment 2 and Assembly Amendment 3 on February 9, 2016. On February 10, 2016, the Joint Committee on Finance recommended adoption of Assembly Amendment 2 and Assembly Amendment 3, and passage of the bill, as amended, on votes of Ayes, 12; Noes 3.

On February 16, 2016, Representative Kuglitsch offered Assembly Amendment 5. On February 18, 2016, the Assembly adopted Assembly Amendments 2 and 5, on voice votes. On the same day, the Assembly passed Assembly Bill 804, as amended, on a vote of Ayes, 61; Noes, 33; Paired, 2.

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