

1987-89 Biennial Report



Public Service Commission of Wisconsin

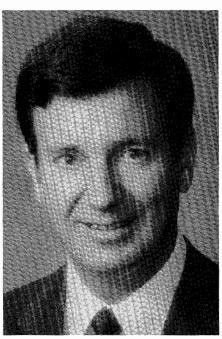
COMMISSIONERS



Chairman Charles H. Thompson 1987-1993



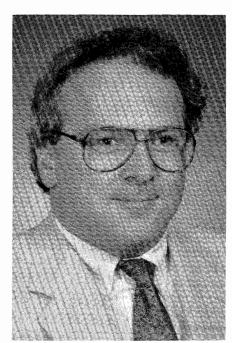
Commissioner Mary Lou Munts 1985-1991



Commissioner John T. Coughlin 1989-1995



Commissioner Cheryl Pofahl February 1989 - June 1989



Commissioner George Edgar 1986-1989

CHARLES H. THOMPSON, CHAIRMAN MARY LOU MUNTS, COMMISSIONER JOHN T. COUGHLIN, COMMISSIONER 4802 Sheboygan Avenue P. O. Box 7854 Madison, Wisconsin 53707

To: The Honorable Tommy G. Thompson, Governor

The Members of the Legislature, and

The People of Wisconsin

I am pleased to present the Public Service Commission's report for the 1987-1989 biennium. This past biennium has been marked by dramatic change within the utility industry, and also in the manner in which regulators have traditionally regulated the industry.

We take pride in the fact that the Wisconsin Commission enjoys a national reputation for its innovative and forward looking approach to the field of utility regulation. We are perceived as being tough but fair. I am pleased to be a member of the Wisconsin Commission during this very exciting period, a period when the industry, the university, citizen groups and the regulators are working together to develop new methods to better serve our ratepayers and ensure that Wisconsin remains competitive into the next century.

The Advance Plan process which enables us to anticipate Wisconsin's electric generation and transmission needs well into the next century is a product of this cooperative effort. We are also committed to the serious investigation of alternative forms of regulation which may prove to serve ratepayers better. The Wisconsin Bell flexible rate of return experiment that we are currently evaluating is a sign of this commitment.

Competition and rapid growth in technology continue to be driving forces in the utility industry. These present challenges for regulators. As the utility industry changes, regulation will also need to change. Flexibility will be a key ingredient to successful utility regulation in the future. The Wisconsin Commission is ready to meet these challenges and we will continue to ensure that all customers will receive safe and reliable utility service at a reasonable price.

This report briefly describes some of the important decisions we made over the last two years and provides background information on some of the more complex issues facing the Commission.

Some highlights of the biennium include:

- * Electric, gas, telephone and water rates were reduced by \$41,158,276, between June of 1987 and June of 1989, affecting 9,604,767 customers.
- Wisconsin Electric Power Company achieved 125 megawatts (MW) of conservation savings through the utility's Smart Money Program mandated by the Commission.
- * Principles were adopted for the fair use and cost sharing of Wisconsin's transmission network.
- Wisconsin Bell, Inc., participated in a flexible rate of return experiment intended to provide an incentive for increased operating efficiency.
- The first major revision of the electric and gas consumer services rules since 1974 was completed.
- Wisconsin's fifth Advance Plan process, which utilized an integrated least cost plan approach for meeting customer energy needs and called for the development of joint transmission plans for the state as a whole, was completed.
- A Quality Improvement Program was initiated as a guide for improving the ability of the Commission to anticipate, meet and even exceed the expectations and needs of the citizens of Wisconsin.

Should you have any questions concerning our programs and services, please do not hesitate to contact us for further information.

Sincerely,

Charles H. Thompson

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Chairman

CONTENTS UTILITY REGULATION **ELECTRIC** Electric Rates Reduced 2 FERC Proposed Rulemakings 2 Electric Rate Cases 4 **GAS** GAS AND ELECTRIC Transmission Planning in Advance Plan 5 9 Non-Combustion Credit 9 **TELECOMMUNICATIONS** Wisconsin Bell Moratorium/Refunds/Rate Case......11

CONTENTS Continued

WATER AND SEWER	
Water and Sewer Rate Cases	13
Low-Income Energy Conferences	
Water Rate Cases	
vvaler rate cases	14
ACCOUNTING AND ECONOMIC INITIATIVES	
Energy Utilities Capital Structure Policies Studied	15
PSC Reviews Electric and Telephone Utility Shareholder Returns	15
The Commission Adopts the FERC System of Accounts	
Discounted Cash Flow Model Evaluated	15
Full Tax Normalization	
PSC Completes Study on the Effect of Incentives on Utility Regulations	
Small Business Protection	
COMMISSION ORGANIZATION	
Organizational Changes	
The Office of Economics and Finance Reorganized	17
Energy Planning and Programs Division Created	17
Intervenor Compensation	
Intervenor Compensation Encourages Participation	17
Intervenor Financing	
Budget	
Automation	
PSC Continues Automation Process	
Personnel	
Affirmative Action	
Alternative Employee Work Patterns	
Engineering Occupational Survey	
Quality Improvement Program Initiated	
PSC Principles of Quality Leadership	
Commitment	
Method	
Leadership	
Flexibility	
Training	
Working Atmosphere	
Commission	
Division Descriptions	
Office of Chief Counsel	
Office of Economics and Finance	
Accounts and Finance Division	
Utility Rates Division	
Engineering Division	
Examining Division	
Energy Planning and Programs Division	
Administrative Services Division	
Rate Actions	24

UTILITY REGULATION

PSC Sets Utility Rates, Services

The Public Service Commission (PSC) is an independent regulatory agency that receives its authority and responsibilities from the State Legislature. The Commission is responsible for the regulation of 885 public utilities as defined in s. 196.01, Wis. Stats., including those that are municipally-owned.

The Commission's purpose is to ensure that, in the absence of competition, adequate and reasonably priced service is provided to utility customers. The PSC sets utility rates and determines levels for adequate and safe service. Other major responsibilities include the approval, rejection, or modification of the utilities' major construction plans (such as power plants, natural gas pipelines, and water towers and pumps), and the approval of utility stock issuances and bond sales.

The staff, under the direction of the Commissioners, also conduct special programs such as research on the cost of providing various utility services or the conservation of natural gas or electricity. The Commission's staff include auditors, accountants, engineers, rate analysts, attorneys, planners, research analysts, economists, consumer specialists, court reporters and paraprofessional and clerical support.

Typical types of utilities regulated include electric, natural gas, telephone, water and combined water and sewer. In Wisconsin, most activities of the 28 electric cooperatives are not under the jurisdiction of the PSC. Furthermore, fuel oil, propane, coal and gasoline are energy sources not under the Commission's jurisdiction.

PSC Regulates 885 Utilities

As of June 30, 1989, the PSC's regulatory powers and duties included the rates and services of:

- 94 electric utilities (82 are municipal)
- 15 gas distribution utilities (1 is municipal)
- 2 heating utilities
- 86 sewer utilities (combined with water utilities except for 1 private)
- 99 telephone utilities
- 552 water utilities (540 are municipal or sanitary districts)
- 37 alternative telecommunications utilities (ATU's)
- 885 utilities

ELECTRIC

Electric Rates Reduced

During the past biennium, the PSC was able to reduce rates for some electric utilities. Wisconsin Electric Power Company, Wisconsin Public Service Corporation, and Superior Water, Light and Power Company had overall rate decreases. Wisconsin Power and Light Company and Northern States Power Company had rate increases of slightly over 1 percent in the 2-year period. The exception to the reduced or stabilized rates was Madison Gas and Electric Company (MG&E). MG&E had rate increases totaling approximately 7 percent.

Due to the Commission's emphasis on conservation, as well as a slowdown in the historic rate of growth in demand for electricity, construction of conventional power plants has been delayed. Also, Wisconsin utilities did not over-extend themselves in building nuclear plants as have so many other states. Previous Commission actions required utilities to withdraw from two proposed nuclear plant projects. As a result, Wisconsin has avoided the high construction costs and problems of rapidly increasing rates that other states' utilities now face.

In 1978, the PSC placed a moratorium on the planning or application for new nuclear plants until reasonable progress was made in resolving waste disposal, fuel supply and decommissioning issues. In 1984, the legislature reinforced the PSC's policy by making the moratorium law.

FERC Proposed Rulemakings

The Federal Energy Regulatory Commission (FERC) has regulatory jurisdiction over wholesale electric rates granted under the terms of the Federal Power Act. The FERC was also granted authority by the Public Utility Regulatory Policy Act of 1978 (PURPA) to set the terms and conditions under which utilities must purchase power and energy from customer-owned electric generating facilities.

In March, 1988, the FERC issued three proposed rulemakings relating to its direct regulatory authority over the electric power industry and over the state utility regulatory commissions.

The first of these proposals, "Regulations Governing Independent Power Producers" was an attempt by the FERC to create a new category of Independent Power Producers which would be eligible for reduced regulation by the FERC under the Federal Power Act. The rules envisioned a class of nonutility, stand-alone generating facilities which would only sell electricity at wholesale to other utilities.

The other two rules were related to the FERC's authority to implement the terms of PURPA, which requires that customers be paid a utility's "avoided cost" for electricity the customer generates and sells to the utility. The second

proposal, "Administrative Determination of Full Avoided Costs, Sales of Power to Qualifying Facilities, and Interconnection Facilities" was designed to provide explicit guidelines for the state commissions to use when making administrative determinations of utilities' avoided costs. The third proposal, "Regulations Governing Bidding Programs" was an attempt to create guidelines for the state commissions to use in establishing competitive bidding systems as an alternative to administratively determined avoided costs. Avoided costs are used as the basis for the rates to be paid for customer generated electricity.

These proposals generated considerable controversy in the electric utility industry and many of the proposed rule provisions were strongly opposed by the various state regulatory commissions. The Public Service Commission filed a set of extensive comments on each of the proposed rules with the FERC. The Commission also intervened in a related proceeding in which the FERC overturned a New York state law which set avoided cost payments at a minimum level. As of the Fall of 1989, the FERC had not taken final action on any of the proposed rules.

Interruptible Electric Programs Reviewed, Refined

In the summer of 1988, the Commission held proceedings for the purpose of providing a framework for the establishment, review and development of interruptible electric service programs by Wisconsin's electric utilities. Interruptible electric service, as it implies, is provided to customers at a reduced rate in exchange for the right of the serving utility to interrupt that service at times of peak electric consumption. The Commission wanted to ensure that its decisions relating to this type of program were consistent and part of a broad overall policy.

Interruptible rate programs recognize that not all customers require the high level of reliability for which electric utility systems are planned. There is little question that properly designed and administered interruptible programs provide benefits to the utility, program participants and firm electric customers. Firm customers receive enhanced reliability from the existence of interruptible loads on the system.

Utilities benefit from interruptible rate programs in a variety of ways. Such programs allow utilities to avoid problems associated with the siting, construction and operation of peaking facilities. They also allow a utility to make sales to customers with an elastic demand for electricity which increases revenues with little or no increase in fixed operating costs, thus reducing rates for other utility customers.

Electro-Magnetic Fields (EMF)

A review of the state-of-knowledge regarding potential power line health effects was part of the Advance Plan hearings. The possibility of health effects from magnetic fields has emerged as a significant research and policy question. Expert witnesses, familiar with the recent research, were invited to participate in the hearings. They described the work completed, its significance, and what direction future research should take. The Commission, considering the information presented, found that while a continued concern is justified, the research has not yet established that there is a health risk from magnetic fields. They also found that even if there is a problem, the current level of knowledge does not allow for intelligent decisions on appropriate changes in electric facility design and construction practices. The Commission in a cooperative effort with the National Association of Regulatory Utility Commissioners (NARUC) continues to encourage greater federal funding for research of this very important issue. The Commission also has joined forces with NARUC to encourage the Electric Power Research Institute (EPRI) to continue to expand its research effort in this area. The Wisconsin PSC has asked NARUC to act as a national clearinghouse regarding EMF.

Stray Voltage

Alternating current (AC - 60 Hertz) stray voltage is presently able to be lowered to levels below that which

affect cattle and other animals by on- or off-farm electrical corrections and/or mitigation devices. Utilities and the agriculture industry are following guidelines and procedures established by the Public Service Commission in its stray voltage order in docket 05-El-106 which was issued on January 20, 1989. The Stray Voltage Analysis Team (SVAT) was organized by the Public Service Commission and the Department of Agriculture, Trade, and Consumer Protection. SVAT has, on request, been effectively analyzing individual dairy farms for stray voltage, symptomatic stray voltage problems, and farm management techniques and equipment since February, 1989.

In the initial six months of the complete SVAT's program, the team members have been involved with purchasing equipment; reviewing and responding to utility replies to the stray voltage order in docket 05-El-106; improving methods of testing; and interfacing with the agricultural community, utilities, individuals, and the media in their prescribed duties. Approximately 42 applications for program investigation have been received as of the end of August 1989. Seven of the applications for investigations were received in the month of August alone.

The summary of the team's accomplishments for February through August, 1989, follows:

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	On-farm	visits			(A) (B)	30
	Training	sessions	given/	received	600 H	17
	Meeting					31
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ELECTRICITY Continued

Of the 17 farms receiving complete investigations, six were found to have stray voltage. At several other farms, nonelectrical problems with symptoms similar to stray voltage were found. For example, problems were found with milking machines and with improperly sloped milk lines. Corrective action was taken or recommendations made to eliminate or mitigate problems found and to avoid or prevent potential future problems. Training includes conducting stray voltage educational programs for farmers, utilities, and electricians.

There is still a need to reach farmers to acquaint them with the program and the services offered by SVAT. Not only does the team address both on farm/off farm electrical

concerns, but SVAT affords the individual farmer the opportunity to have his or her feed and feeding equipment professionally evaluated.

Other objectives of the Stray Voltage Program are to continue to seek responses to unanswered questions regarding magnetic fields, electrical fields, and ground currents. Commission staff continues to search for state of the art equipment which will aid in the mitigation of stray voltage associated problems. SVAT members review research projects and published articles in their ongoing effort to remain current in the matters of stray voltage and its effects on the agriculture industry.

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Docket	<u>Utility</u>	<u>Requested</u>	<u>Granted</u>	Final <u>Order</u>	% Increase (Decrease)
3270-UR-102	Madison Gas & Electric Co.	\$ 5,930,000	\$ 1,152,000	06/14/88	0.93
3270-UR-103	Madison Gas & Electric Co.	7,478,000	7,319,000	06/08/89	5.69
4220-UR-101	Northern States Power Co. (Wis.)	10,745,610	2,607,000	12/22/87	1.26
4220-UR-102	Northern States Power Co. (Wis.)	433,000	433,000	12/22/88	0.00
5820-UR-102	Superior Water Light & Power Co.	0	-251,082	12/17/87	-1.01
5820-ER-100	Superior Water Light & Power Co.	-2,669,491	-2,669,491	07/07/88	-11.40
6630-UR-101	Wisconsin Electric Power Co.	0.00	8,744,000	12/22/87	0.86
6630-UR-102	Wisconsin Electric Power Co.	24,429,000	-28,791,000	12/28/88	-2.73
6680-UR-103	Wisconsin Power & Light Co.	12,032,000	4,083,000	10/13/88	1.10
6690-UR-101	Wisconsin Public Service Corp.	9,897,000	-1,293,000	07/09/87	-0.37
6690-UR-102	Wisconsin Public Service Corp.	1,120,000	-13,920,000	01/26/88	-3.83
6690-UR-103	Wisconsin Public Service Corp.	17,920,000	26,990,000	01/26/89	0.73

GAS

Natural Gas Planning

Deregulation of gas production, combined with open access to gas transmission, has shifted part of the burden of gas supply and capacity from pipelines to local gas distribution utilities. These changes have greatly increased the complexity and risk of utility decision making (both in terms of dollar costs and potential for supply problems). The Commission has found that it is important for the utilities to better formalize and document the approach each takes to the problem. The Commission will review these resource acquisition plans in regular rate cases.

Natural Gas Industry Restructuring

The Federal Energy Regulatory Commission (FERC) has continued to aggressively pursue its initiatives to restructure the natural gas industry. While the FERC has been hindered by a myriad of court cases, which have created a bewildering legal background, the transition from merchant pipeline to primarily transporting pipelines is well advanced.

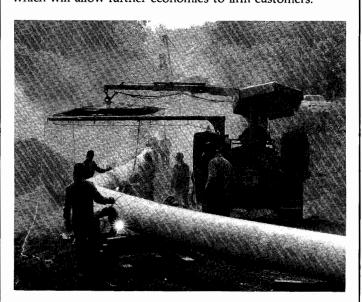
Wisconsin utilities have had the opportunity to diversify their purchases away from their traditional pipeline suppliers throughout the biennial period. Wisconsin utilities in the eastern portion of the state served by ANR Pipeline, purchased only 50 percent of their needs from their traditional pipeline supplier. Utilities in western Wisconsin served by Northern Natural Pipeline, have diversified their supply very little because of the progress that Northern Natural has made in renegotiating its supply contracts. ANR has had much less success in getting its supply contracts market responsive. These contract problems, now generally known as take-or-pay problems, have been FERC's chief stumbling block. The intractability of the take-or-pay problem continues to the present.

FERC Order 500 Promulgated

In 1987, the D.C. Circuit Court struck down FERC's landmark Order 436 decision. Within weeks, FERC promulgated Order No. 500, which was an interim rule that re-adopted the regulations promulgated in Order 436 with four modifications. First, a pipeline may refuse to transport producer-owned gas unless the producer offered a credit against the pipeline's take-or-pay liability. Second, Order 500 set up a new policy on acceptable mechanisms for pipeline recovery of take-or-pay charges. Third, the order adopted a new rate principle called the gas inventory charge (GIC) which is designed to eliminate the take-orpay problem in the future. Fourth, the order eliminated the ability of local distribution companies (LDC) to unilaterally reduce their contract demand. While Order 500 is under attack in a variety of judicial venues, the rule has to be complied with during the interim.

Wisconsin Gas Connects With Northern Natural

Since the last biennium, the Wisconsin Gas Company has pursued an additional connection to Northern Natural Pipeline Company. This will allow Northern Natural to directly serve the Milwaukee area. All gas companies in south-eastern Wisconsin are expected to connect to Northern Natural. The critical long-term benefit of this proposed pipeline project is that it will give many Wisconsin rate-payers, through the purchasing of their gas utilities, the freedom to choose among suppliers and transporters of natural gas. This freedom of choice will produce lower costs through competition. In addition, all large Wisconsin utilities are pursuing the opportunities in storage gas which will allow further economies to firm customers.



Purchased Gas Adjustment Clause Restructured

The PSC continued its generic docket 05-GI-102 to specifically restructure the purchased gas adjustment clause. The increasing number of suppliers and the frequency with which these suppliers change their prices made it necessary to streamline the purchased gas adjustment clause procedure. Additional hearings were held in this same docket to address the problem of the FERC imposed take-or-pay charges. These charges, amounting to hundreds of millions of dollars for Wisconsin, are being collected by a surcharge mechanism while the legal skirmishing continues. For instance, ANR Pipeline attempted to include noncash outlays in its take-or-pay charges. The Wisconsin Commission aggressively pursued this matter before the FERC where ANR's practice was struck down.

Further hearings were also held in docket 05-GI-102 regarding the subject of gas purchase planning. Procedures were put in place to integrate purchased gas adjustment

GAS Continued

clause filings with new annual purchasing plans and to incorporate them into the rate case process.

It is ironic, that in a period which is widely perceived to be an era of gas deregulation, the FERC continues to be the paramount force in the industry. The FERC continues to draft further initiatives. The latest, and potentially one of the most far reaching, is FERC's guidelines on rate design. In Wisconsin, tariff changes have largely been accomplished on a case-by-case basis. Virtually all large Wis-

consin gas utilities have had rate cases and all their tariffs have been adjusted and unbundled. One of the most divisive issues has been that of agency service. This raises the question of how aggressively the local distribution company should facilitate sales of gas. The Commission has advocated another program called the shared spot pool which allows for indirect participation by small customers in the economic benefits of the new transportation policies.

				Final	% Increase
<u>Docket</u> 3270-UR-102	<u>Utility</u> Madison Gas &	<u>Requested</u> 2,354,000	Granted \$ 915,000	<u>Order</u> 06/14/88	(Decrease
52/U-UA-10Z	Electric Co.	2,334,000	3 913,000	00/14/00	0.90
3270-UR-103	Madison Gas & Electric Co.	2,094,000	1,430,000	06/08/89	1.53
1220-UR-101	Northern States Power Company (Wis)	369,973	275,000	12/22/87	0.64
5820-UR-102	Superior Water, Light & Power Co.	0	-4,367	12/17/87	-0.05
640-GR-101	Wisconsin Fuel & Light Co.	924,600	350,689	09/17/87	0.72
640-GR-102	Wisconsin Fuel & Light Co.	331,500	104,388	12/08/88	0.22
6650-GR-105	Wisconsin Gas Co.	0	-3,124,000	01/27/89	-0.65
6670-GR-102	Wisconsin Natural Gas Co.	4,229,000	-699,000	09/25/87	-0.27
670-GR-103	Wisconsin Natural Gas Co.	4,981,000	-2,305,000	09/27/88	-0.83
6680-UR-103	Wisconsin Power & Light Co.	2,541,000	1,586,000	10/13/88	1.43
690-UR-101	Wisconsin Public Service Corp.	4,140,000	1,530,000	07/09/87	0.86
690-UR-102	Wisconsin Public Service Corp.	3,416,000	989,000	01/26/88	0.56
690-UR-103	Wisconsin Public Service Corp.	-1,696,000	-1,137,000	01/26/89	-0.68
5710-GR-102	Wisconsin Southern Gas Co., Inc.	0	-399,014	10/08/87	0.95
6710-GR-103	Wisconsin Southern Gas	872,351	-267,888	12/22/88	-0.71

GAS AND ELECTRIC

Gas and Electric Consumer Service Rules Revised

In July 1987, the Public Service Commission appointed a 10-member advisory committee to help review and revise the gas and electric consumer services rules of the Wisconsin Administrative Code. It had been nearly 14 years since the last comprehensive review of these rules. The Commission felt that there had been substantial changes both within the industry and society that the rules should reflect. The Advisory Committee meetings were chaired by Commissioner Mary Lou Munts and were open to the public.

The Commission adopted changes to the rules governing deposits, disconnections, deferred payment agreements, and the dispute procedures. The rules on the fall restoration of service and the cold weather disconnections were also strengthened. Disconnected customers faced with a medical emergency may now have service restored. Additionally, utilities were given additional leverage in dealing with rental accounts. The utility may now transfer an unpaid utility bill at a rental property to the residential or commercial account of the property owner or manager if the bill was in the landlord's name in the first place. Disconnection could take place should the bill remain unpaid. The same procedure may also be followed for the failure of the property owner to meet conservation requirements for a rental property.

The new rules give greater protection for low-income households while providing tough measures for financially-able families who fail to pay their utility bills. For example, while the new rules insure that low-income households will not be disconnected in the winter or have to pay deposits, the rules also allow utilities to take 4-month deposits from financially able households that abuse the protections.

The rules were adopted and referred to the legislature for review in January 1989. The rules were received back from the legislature and formally adopted by the Commission on August 8, 1989.

Least-Cost Planning

The PSC attempted to refine the process of the development of least-cost plans by the utilities in order to provide utilities with appropriate direction and to aid those interested in reviewing the filed plans. The PSC will require each utility to file at least one plan using the consistent guidelines established by the PSC. The focus of the next Advance Plan will be on results of the planning process, rather than the process itself.

Electric Revenue Adjustment Mechanism (ERAM) Investigation

The PSC determined that utilities are facing disincentives from the traditional ratemaking process to carrying

out least-cost plans. The commission determined to begin a rulemaking investigation during the next biennium to determine the extent of such disincentives and to consider alternative mechanisms which will reduce any disincentive which is found to be a major deterrent to the utilities adopting a least-cost implementation strategy.

WEPCO Achieves 125 Megawatts (MW) of Conservation Savings

At the beginning of the biennium, Wisconsin Electric Power Company, at the direction of the PSC, began implementing the Smart Money Program, the largest energy conservation effort per capita of its kind in the nation. As an incentive to achieve substantial savings, the PSC provided that WEPCO could earn an additional 1 percent return on its conservation investment for each 125 MW of savings it could achieve. Near the end of the biennium, WEPCO provided the PSC with documentation which indicated that it had achieved the first 125 MW milestone and the PSC authorized the utility to begin receiving its performance incentive contingent on a more detailed audit.

MG&E Competition Pilot

The PSC's most innovative mechanism for promoting achievement of significant conservation goals was developed during this biennium and implemented for Madison Gas and Electric Company (MG&E).

Essentially, the Competition Pilot enabled the utility and outside vendors of energy efficiency services to compete for conservation savings. After selection of competitors through a bid process, both the utility and the competitors were given equal funding to achieve conservation savings. A performance score formula was developed which assessed both the quantity of savings and the cost-effectiveness of the measures implemented by customers. The winner of the competition in each sector will receive a monetary bonus which is proportional to the winner's achievements compared to the loser's. As the biennium ended, the competition in two sectors was nearing completion and the third sector's competition will end in February 1990. An evaluation of this new regulatory mechanism is slated for completion by mid-1990.

PSC Sets Its Sights on Goals for Energy Savings by Utilities

During the biennium, in addition to the incentives discussed for WEPCO and MG&E, the PSC began looking at appropriate goals for other utilities as well. Other performance incentives were tried for Wisconsin Power and Light Company (WP&L) and Wisconsin Public Service Corporation (WPS) with less success. In addition, near the end of the biennium, the PSC began to set demand and energy savings goals for each major gas and electric utility.

GAS AND ELECTRIC Continued

In order to meet the goals which were being established by the Commission, conservation and load management budgets of energy utilities expanded tremendously during the biennium. Total annual expenditures by utilities increased from \$35 million in 1986, to \$55 million in 1987, to \$100 million in 1988, and to \$130 million in 1989. During the same time period total revenues for all utilities actually declined by 6.3 percent and rates remained stable or declined slightly.

Commercial Energy Efficiency Plan Developed and Adopted

A plan for promoting energy efficiency for small commercial customers known as the Commercial Energy Efficiency Program (CEEP) was developed and adopted by the PSC during this biennium. The plan, which replaces the federally-mandated Commercial and Apartment Conservation Service (CACS) program, was developed through a cooperative effort between the major gas and electric utilities and the PSC staff. This effort will substantially expand the energy efficiency service available to commercial customers. Implementation of the program was scheduled to begin in the fall of 1989.

PSC Takes Leading Role in Development of Energy Rating Systems

During the biennium, the PSC, its staff and the major energy utilities took two major steps towards establishing Wisconsin as a leader in the area of energy rating systems. An energy rating system is designed to provide customers with information about the relative efficiency of a home or apartment compared to all other homes and apartments. This information will enable each customer to compare the expected energy bills of one residence to another when making his or her decision to buy or rent.

The first action taken by the PSC and utilities was the development of the Wisconsin Heating Energy Efficiency Label (WHEEL) for apartment buildings. This rating system was the first of its kind in the nation to address the needs of owners and tenants of rental property. The label for each property is similar in appearance to the energy guide labels on appliances and gives the owner and renter information about the average consumption and energy costs for each building. This information can then be compared to other rental properties that have been rated by the utility.

In the second part of the biennium, work had begun on a second, more comprehensive rating system which would be available to all home owners who were customers of a major energy utility. The work was being done by a committee of PSC and utility staff and would provide consistent energy rating information across the state regarding a home's use of energy for space heating, space cooling and water heating. Work is still continuing on this project and expectations are that it will be completed and implementation will begin by mid-1990.

PSC Increases Efforts to Promote Energy Efficiency for Rental Property

During the biennium, the PSC staff completed two major projects designed to further efforts to achieve conservation in the difficult area of rental property. Efforts at encouraging energy efficiency in this sector have historically been hampered by the diversity of ownership, occupancy, building stock, technology, metering and tenant lifestyles which are involved. Typically, tenants have the responsibility for paying utility bills, but owners are responsible if any energy efficiency improvements are to be made to the property. Conversely, if owners are responsible for paying the bills, tenants have little incentive to adopt energy efficient operating methods to keep bills down.

The first project developed by Commission staff was a national conference designed to discuss the complex issues involved with improving the energy efficiency of rental property. The 3-day session entitled "Profit Potential in Multifamily Housing Through Energy Management" was held in March of 1988, in Milwaukee, in conjunction with the 1988 Apartment Owner's and Manager's Trade Show. In addition to the trade show and exhibit area, the conference included two full days of workshops and tours of successful energy efficiency improvement projects in Milwaukee. Subject areas included technical applications, financing and marketing. In addition, Governor Thompson proclaimed the period "RENTAL HOUSING AWARENESS WEEK" in the state.

The second major project completed by PSC staff was the production of a booklet entitled "The Rental Housing Sector: A Compendium of Utility Efforts and Public/Private Initiatives in Wisconsin." The booklet was designed to provide utility ratepayers and other interested citizens information about the multitude of energy efficiency programs available in the rental sector. The booklet provides a link between program providers and consumers, ensuring better program participation. The programs in the booklet attempt to overcome many of the institutional, technical, financial and political barriers which hamper implementation of energy efficiency measures. Most programs in the booklet are free of charge and all are tailored to meet a variety of building, owner and occupant characteristics.

Nitrogen Oxide (NO_x) Study

Commission staff contributed to the ongoing Wisconsin Nitrogen Oxide Emission Reduction Cost Study. Wisconsin Act 296, passed in 1985, is one of the toughest state

acid rain laws in the nation. A portion of this act directs the Department of Natural Resources to examine costs of reducing NO_{X} emissions from industrial, mobile, and utility sources. The Commission staff has developed information regarding utility NO_{X} emission. The final report of this study is expected in early 1990.

Transmission Planning in Advance Plan 5

The Commission staff and utilities built on their efforts in Advance Plan 4 (where plans were developed for the western part of Wisconsin) to develop joint transmission plans for the State of Wisconsin as a whole. These plans are essentially complete for the entire state except for the interface between eastern and western Wisconsin. Work on this area is ongoing and will be completed in the next year.

Transmission Use and Cost Sharing Agreements

The transmission system in Wisconsin is planned, built, and operates as a joint, electrically unified system. Further, it is built for the benefit of the people of Wisconsin using the state's condemnation authority. Therefore, it is necessary for the costs and uses of that system to be shared equitably among the people of Wisconsin. In recognition of this fact, the Commission adopted a set of principles for fair use and cost sharing, and ordered the utilities to put these principles into practice.

Non-Combustion Credit

Burning fuel to produce power imposes environmental and health costs on society and may be altering the global climate. Some of these costs are internalized by air emission regulations, but some of them are not so readily quantified. In order to address those costs which are not readily quantifiable in dollar terms, the Commission adopted a noncombustion credit for power planning purposes. Resource options (both supply and demand related) which do not involve combustion will be evaluated in the planning process as though they cost 15 percent less than their actual cost. This 15 percent represents the Commission's initial rough estimate of the additional benefit which non-combustion resource options provide to society and serves as a means of incorporating these costs into the decision making process. Wisconsin is drawing national attention for its pioneering efforts in this area.

Bidding for Power

Utility bidding programs used as a means of bringing more or less free market conditions to the process of obtaining new resources (both supply and demand) are presently very popular around the country. Many states have recently adopted such an approach or are planning to adopt it. The Commission is interested in the concept and has ordered the utilities to investigate bidding as an option for Wisconsin. There appear to be potential disadvantages as well as benefits for such an approach, and the Commission is cautious about adopting it too rapidly.

Forecast Changes - Increasing Peaks and Energy Growth

In the last few years electric utility loads (both energy and peak) have grown significantly faster than projections would indicate. While much of this unexpected growth appears to be related to the unusual weather we have had, not all of the growth can be so explained. Staff and utilities are analyzing the situation to determine the causes and best response, but in the meantime the utilities have asked to advance the expected in-service dates of their next proposed generating capacity (gas fired peaking plants).

TELECOMMUNICATIONS

Alternative Telecommunications Utilities

The 1985 Wisconsin Act 297, which became effective May 5, 1986, required the Commission to implement a number of new policies and procedures in response to the increased regulatory flexibility granted by the Act. The Act created a new utility classification, Alternative Telecommunications Utility (ATU) which includes those entities which provide cable TV telecommunications service, cellular mobile communications, resale of long distance services, paging and other mobile service (radio common carriers), and private payphone service.

The Act required that the Commission determine the appropriate level of regulation for each of the five types of ATU. Rulemaking proceedings were initiated and rules promulgated for each ATU type. These rules comprise Chapters 168-172, Wis. Adm. Code, and generally provide a minimum level of regulation, including certification requirements to protect the public interest.

Regulation of InterLATA Carriers (Docket No. 05-TI-104)

The 1985 Wisconsin Act 297 directs the Commission to rely on competition rather than regulation to protect the public interest wherever possible. Section 196.195, Wis. Stats., created by that Act, sets forth a means by which the Commission may modify regulation when competition exists. Under this provision, the Commission initiated an investigation of competition in the interLATA toll market to determine the extent of competition and the appropriate level of regulation for each of the utilities serving that market. The Commission's order in docket 05-TI-104 was effective August 1, 1988, and its provisions will expire July 31, 1990, unless modified by further order.

The 05-TI-104 order specified regulation for four utilities. AT&T Communications of Wisconsin was permitted to file flexible rates for most of its services, regular toll service excluded, with a simplified process for effecting increases or decreases in rates. AT&T rates for regular long distance were capped at current levels. MCI Telecommunications and US Sprint were accorded a moderate level of regulation consistent with their respective shares of the market. These carriers may change rates without PSC approval on 14 days notice. Regulatory requirements imposed on Western Union were minimal given its limited presence in Wisconsin.

Western Union has since applied for permission to abandon service in Wisconsin.

IntraLATA Competition

AT&T Communications of Wisconsin (ATTCOM) offers various services on an interstate basis that if offered on an intrastate basis can not be restricted to interLATA-only calling. AT&T applied to the Commission for authority to offer such services on both an inter-and intraLATA basis and the Commission, after investigation in docket 05-NC-100, granted such authority. At that time similar limited authority was extended to MCI and US Sprint. In response to this action, Wisconsin Bell, which had had sole authority in the intraLATA toll market, submitted tariffs for a number of its services now subject to competition. The proposals included new offerings, reduced rates, and pricing flexibility within a range of rates. Those tariffs were placed on file.

Prior to this activity, the Commission had undertaken an examination of the possibility of establishing intraLATA access charges to replace the settlements process for compensating local exchange telephone companies (LECs) for their role in completing intraLATA toll calls. An interim order in this proceeding was issued in September 1987 in docket 05-TR-102. It directed the LECs to develop tariffs for intraLATA access. A second interim order in February 1989 changed the method of determining both intra and interLATA access rates. The order mandated a uniform system of access charges for intra and interLATA service and directed access rates be filed based on Wisconsin costs. The Commission also authorized GTE North, Inc., to be a toll carrier within a specified territory. Although the Commission did not open the door to full intraLATA competition at that time, it denied a request to impose a ban on intraLATA competition for one year. A proceeding on intraLATA competition (05-TI-119) has been opened. The access tariffs required by the Commission are under review.

9-1-1 Emergency Number Service

The 1987 Wisconsin Act 27 established a procedure under which counties that establish county-wide 9-1-1 systems may recover a portion of the cost of this service by means of a surcharge on telephone bills. Utilities were required to submit county 9-1-1 contracts to the Commission before implementing such billing. The Commission may disapprove the charges to customers if the contracts are found not to comply with statutory requirements. On its own initiative, the Commission promulgated rules to govern this process in Chapter 173, Wis. Adm. Code. Brown, Dane, Door and Milwaukee counties have had 9-1-1 contracts in effect since September, 1989.

Wisconsin Bell Marketing Practices

The Commission investigated the marketing of optional services by Wisconsin Bell in response to a complaint from the Citizens' Utility Board. The Commission referred the matter to the Office of the Attorney General for enforcement.

The Attorney General found some customers were sold services they (a) did not want, (b) did not need, and/or (c) were not aware they were paying for. A settlement was reached between the Attorney General and Wisconsin Bell which included a fine and customer refunds. The Commission has opened a rule making docket (1-AC-127) to examine marketing and billing practices of all telephone utilities.

Wisconsin Bell Moratorium/Refunds/ Rate Case

Wisconsin Bell has operated with a flexible rate of return and rate moratorium since August 1, 1987, in docket 6720-TI-102. The flexible rate of return was intended to provide an incentive for increased operating efficiency. Some earnings above the target rate of return on equity are maintained by Wisconsin Bell; higher earnings would be shared with and returned to customers. A formula allocated the earnings in excess of a specified level between the utility and its customers. Under the plan, no detailed review of Wisconsin Bell's revenue requirement would be undertaken during the moratorium period. The moratorium period is now over. Review of the results of the moratorium plan on the flexible rate of return is underway.

Another rate proceeding is also in progress for Wisconsin Bell, Inc., (6720-TR-103/6720-TR-104). An order in 6720-TR-103 was issued in July, 1989, to implement a rate credit. This case will include review of an alternate regulation proposal by Wisconsin Bell that provides for more flexibility.

Alternative Operator Service

A new type of communications provider emerged during the biennium; Alternative Operator Service (AOS) providers. AOSs contract with hotels/motels and private payphone services to handle credit card and certain other operator handled calls placed by transient users. Higher

than traditional commissions are paid to the hotel/motel or private payphone owners by the AOS providers, with such commissions made possible by higher charges to the transient end users of the service. Many complaints reached the Commission. Customers (end users) were generally unaware of the fact that an AOS was handling a particular call and that unexpectedly high rates would be charged.

The Commission found that AOS providers are alternative telecommunications utilities and required them to apply for authority to operate in Wisconsin if they provide intrastate service. Seven AOS providers have been granted interim authority to operate on an intrastate basis, subject to several conditions including rate ceilings. The Commission has also initiated an investigation into AOS (05-TI-116) for the purpose of establishing an appropriate regulatory mechanism.

Single Party Revertive Calling (SPRC)

Older telephone switching technology allowed customers to "call themselves" by dialing their own number (or a specific code) and hanging up and then answering the ring at two telephones. This revertive calling capability provided an effective intercom service which was especially useful for calling between a farmhouse and an extension telephone in a barn. Newer central office switches frequently prohibited such calling because the call would be terminated when the first telephone was hung up. Following complaint and Commission investigation, all local telephone utilities were ordered to implement Single Party Revertive Calling (SPRC) immediately where technically feasible, or to phase it in over time as changes are made to existing switch technology. The Commission initiated a rules proceeding to place the SPRC requirements in the Wisconsin Administrative Code. (See Docket 1-AC-125).

Interest On Deposits

In docket 1-AC-112, the Commission promulgated rules for telephone utilities (and water utilities) to allow the Commission to determine annually the appropriate rate of interest that these utilities should pay on customer deposits. Effective August 1, 1989, the interest rate was set at 8.8 percent.

TELECOMMUNICATIONS Continued

Telephone I	Rate Actions				
<u>Docket</u>	Utility	<u>Requested</u>	<u>Granted</u>	Final Order	% Increase (Decrease)
0265-TR-103	AT&T Communications of Wisconsin	\$ -15,468,000	\$-18,192,000	12/22/87	-10.10
0300-TR-101 0540-TI-100	Badger Telecom, Inc. Black Earth Telephone Co.	118,600 0	29,731 -30,955	05/05/88 03/07/89(1)	2.01
1630-TI-100	Dickeyville Telephone Corp.	0	-27,716	10/27/88(1)	
1640-TR-101	Dodge County Telephone Co.	63,300	37,280	08/23/88	10.38
1910-TR-100	Fairwater-Brandon Alto Telephone Co.	69,051	-21,216	10/15/87	-3.49
1960-TI-100 2050-TI-100	Farmers Telephone Co. Forestville Telephone Co.	0	-52,357 -184,890	03/22/88(1) 03/22/88(1)	
2180-TR-100	GTE North Incorporated - Wisconsin Oper.	23,030,000	3,316,000	12/03/87	2.12
2180-TR-101	GTE North Incorporated - Wisconsin Oper.	12,315,000	-100,000	12/13/88	-0.06
3070-TR-100	Larsen-Readfield Telephone Co.	87,000	63,367	09/20/88	11.25
3810-TR-101	Monroe County Telephone Co.	254,000	211,976	02/07/89	8.64
3940-TI-100	Mt. Horeb Telephone Co.	0	-43,738	02/18/88(1)	
4580-TR-100	Peoples Telephone Co. (Mt. Hope)	119,100	-53,769	02/21/89	-6.62
5140-TR-102	Rock River Telephone Co.	95,300	33,190	09/08/88	6.11
6050-TR-100	Urban Telephone Corporation	1,100,000	488,387	07/28/87	8.37
6070-TR-101 6250-TI-100	Valders Telephone Co. Waunakee Telephone Company, Inc.	79,500 0	44,600 -287,008	12/08/88 03/07/89(1)	5,22
6720-TI-102	Wisconsin Bell, Inc.	0	-31,968,000	07/28/87	-4.48

⁽¹⁾ Commission investigation; order did not indicate operating revenue and so no percent change was calculated.

WATER AND SEWER

Water and Sewer Rate Cases

The Commission issued 160 formal water and sewer rate orders during the biennium. One hundred and twelve (112) applications for new water and sewer construction projects were also received and approved. There are 556 water and 82 sewer utilities under PSC regulation.

PSC Investigates Direct Charging Public Fire Protection (PFP) to General Service Customers

This investigation resulted from legislation passed in the 1988-89 Annual Budget Bill (Assembly Bill 850, Wis. Act 399). This legislation mandated that the utility PFP charge be included in the water utility bill of each customer unless the municipality resolved to continue to pay the PFP charge.

Previously, the PSC recognized the municipality in its governmental capacity as the customer of the water utility's public fire-protection service. The utility billed the municipality which then typically placed these charges on the tax roll.

Responding to the newly legislated alternative to charge PFP costs directly to general service customers, the PSC studied direct charge methods and filing procedures that would accommodate this option. The Commission concluded its investigation in docket 05-WI-100 by issuing an order identifying ten direct charge methods and two filing procedures which could be employed by municipalities electing to direct charge public fire protection.

PSC Mediates Consumer Problems with Utilities

The PSC's Consumer Services Bureau (CSB) employs four consumer specialists to aid consumers in dealing with their utilities. During the biennium, the bureau handled almost 6,400 complaints.

The CSB can mediate most problems a customer may be having with a utility, if the utility and the customer have

not been able to correct the situation on their own. The PSC has the responsibility to see that electric, natural gas, telephone and water utilities work with customers in accordance with prescribed rules.

Consumer Complaints	100
Telephone	2,344
Electric	2,115
Gas	1,249
Combined Gas/Electric	240
Water	274
Miscellaneous	<u>153</u>
Total	6,375
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Low-Income Energy Conferences

The PSC has begun co-sponsoring statewide conferences on low-income energy programs and potential solutions for energy hardships. Each February, during the biennium, the PSC joins with the Department of Health and Social Services (H&SS) to call together more than 450 people from the PSC, H&SS, utilities, private social service agencies, community action agencies, weatherization programs, senior citizen groups, legislative offices, consumer advocates, and the Governor's Office. There they learn of the latest budget, rules and program changes, and also propose and debate possible improvements in low-income energy policies and procedures. Many important improvements stem from these discussions. The conference became a national model that has been followed by the National Low Income Energy Consortium (NLIEC) (the Wisconsin PSC is a founding member and has a representative on the NLIEC Board of Directors). The NLIEC held its national conference in Milwaukee in June 1987 because of the many progressive developments in low-income energy policy in Wisconsin.

WATER AND SEWER Continued

Water Rate Cases (Class A and B utilities)

				Final	% Increase
<u>Docket</u>	<u>Utility</u>	Requested	Granted	Order	(Decrease)
0190-WR-102	Appleton Municipal Water Utility	0	\$ 273,259	10/15/87	6.93
0250-WR-100	Ashland Municipal Water Utility	0	230,518	03/23/89	39.84
1610-WR-100 1740-WR-101	De Pere Municipal Water Utility Eau Claire Municipal Water Utility	0	216,362 421,434	01/20/89 06/22/89	28.24 11.78
2260-WR-100	Glendale Municipal Water Utility	The o	251,578	07/14/88	24.38
2360-UR-100	Greendale Water & Sewer Utility	o	177,076	06/23/88	24.77
2740-WR-100	Janesville Municipal Water Utility	0	613,542	04/06/89	31.96
2800-WR-100	Kaukauna Mun. Water & Electric Utility	0	318,827	10/13/88(1)	47.12
2800-WR-100	Kaukauna Mun. Water & Electric Utility	0	66,816	10/13/88(2)	6.71
3280-WR-101	Madison Water Department	0	1,821,721	03/07/89	22.61
3420-WR-100	Marshfield Water and Electric Department	Ó	159,284	03/08/88	21.46
3720-WR-100	Milwaukee Water Works	0	4,359,083	06/14/88	10.75
4090-WR-100	New Berlin Municipal Water Utility	0	298,647	10/23/87	16.48
4130-WR-101	New London Municipal Water & Electric Dept.	O	134,412	09/02/87	35.29
4700-UR-100	Platteville Municipal Water & Sewer Commission	0	216,648	10/27/88	39.75
4780-WR-101	Port Washington Mun. Water Utility		70,930	03/29/88	5.89
5050-WR-101	Rice Lake Mun. Water & Electric Utility	0	93,131	05/17/88	18.75
5110-WR-100	River Falls Municipal Utilities	0	154,394	08/18/88	49.88
5380-WR-100	Sheboygan Falls Mun. Water & Electric	0	73,752	04/05/88	11.12
5440-WR-100	Shorewood Municipal Water Utility	0	52,740	10/04/88	10.13
5690-WR-100	Stevens Point Mun. Water Utility	0	199,792	09/02/87	25.05
5780-WR-100	Sturgeon Bay Utilities	0	255,210	05/25/89	26.95
5810-WR-100	Sun Prairie Water & Electric Utility	0	163,202	01/31/89 12/17/87	28.80 26.77
5820-UR-102	Superior Water Light and Power Co.		807,300	12/1//0/	20.7/
6320-WR-101	Wauwatosa Municipal Water Utility	0	728,243	01/13/89	23,24
6360-WR-100	West Allis Municipal Water Utility	0	416,339	01/07/88	13.52
6680-UR-103	Wisconsin Power and Light Company	107,000	-182,000	10/13/88	4.73
6700-WR-100	Wisconsin Rapids Waterworks & Light	0	351,913	10/16/88(1)	24.16
6700-WR-100	Wisconsin Rapids Waterworks & Light	0	211,462	10/16/88(2)	11.69
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ACCOUNTING AND ECONOMIC INITIATIVES

Energy Utilities Capital Structure Policies Studied

The report, "Analysis of the Public Service Commission's Energy Utilities Capital Structure Policies," February, 1988 (48 pages), was prepared at the request of the Legislative Audit Bureau (LAB). The LAB and some utilities were concerned that the PSCW appeared to change its capital structure policy to arbitrarily prevent the removal of utility funds for diversification purposes. The study disclosed that the PSC's capital structure policy had, in fact, evolved over time in response to the increased risk of the utility industry. Further, the analysis demonstrated that maintenance of a strong capital structure was likely to benefit the ratepayer in the long run. A strong capital structure gives the utility and the Commission more flexibility to finance the most cost-effective investment, even if it requires a relatively large capital outlay. A utility with a weaker capital structure may be forced to select a less capital intensive, but more expensive to operate, plan to serve its customers' needs.

PSC Reviews Electric and Telephone Utility Shareholder Returns

The Commission, at the request of the Citizens' Utility Board, directed the Office of Economics & Finance in docket 6630-UR-102 to review the NARUC report entitled "Electric and Telephone Utility Shareholder Returns; 1972-1987." This resulted in a study entitled, "A Critical Review of the NARUC Report Entitled 'Electric and Telephone Utility Shareholder Returns; 1972-1987'." The NARUC study claimed that utility stocks outperformed industry stocks, despite the fact that utility stocks are less risky than industrial stocks. On the basis of that study, NARUC suggested that Commissions consider lowering utility returns. While the PSC study concurred that utility stocks outperformed industrials during the 1972-87 period, it found that the performance was not due to Commissions setting returns too high. Rather, the strong performance of utility stocks was due to external factors including lower interest rates and inflation. The PSC study concluded that it is unclear whether utility stocks are actually less risky than industrials and that adjusting utilities' returns on the basis of NARUC's findings would be inappropriate.

The Commission Adopts the FERC System of Accounts

Wisconsin's privately owned gas and electric utilities currently follow the National Association of Regulatory Utility Commissions (NARUC) Uniform System of Accounts. At its June 29, 1989 open meeting, the Commission determined that effective January 1, 1990, these utilities will begin to follow the Federal Energy Regulatory Commission's (FERC) System of Accounts with the exception of gains and losses on the disposition of property. These items will continue to be recognized below-the-line. In addition, the Commission is currently in the midst of investigating policy differences for contributions in aid of construction, tax normalization, pre-certification expenses, allowance for funds used during construction and current return on construction work in progress, and certain reporting requirements.

The NARUC System of Accounts has not been updated for many years and in some respects is no longer meeting the needs of utilities or PSC staff. It is anticipated that adopting the FERC System of Accounts will accommodate many of these needs including minimizing reporting differences for utilities under both state and federal jurisdictions. This is a significant reason why many Wisconsin utilities have enthusiastically supported the change in accounting systems.

Discounted Cash Flow Model Evaluated

During the biennium, the Commission evaluated the various forms of the standard Discounted Cash Flow (DCF) Model currently in use by staff. As a result of the analysis, the Commission decided to use a standard DCF model as a guide, rather than mechanistically, in setting the return on equity for utilities. This decision allows the Commission to use both the DCF results and data and information not included in the DCF model to reach its return on equity decisions. This report was disseminated nationally.

Full Tax Normalization

Timing differences exist between when an item is deductible for tax purposes and when it is deductible for book purposes. The most frequently encountered example of a timing difference is accelerated depreciation expenses. Accelerated depreciation for tax purposes allows greater depreciation in earlier years and less in later years when compared to book depreciation. The flow through method of accounting flows through the associated reduced tax expense in the earlier years and collects greater tax expense in the later years based on how the tax return is expected to be filed. The full normalization method computes income taxes based on book deductions. For accelerated depreciation purposes full normalization creates, in the early years, a liability for the taxes to be paid which will reverse in future years. This matches the tax benefit with the book deduction, and therefore rate recovery.

Starting in 1956 and continuing until 1984, the PSC generally normalized federal and state depreciation rate differences and flowed through all other tax timing differences. The PSC started flowing through state depreciation

ACCOUNTING AND ECONOMIC INITIATIVES Continued

differences in most cases after 1984. The determination was made that federal requirements for normalization, if accelerated depreciation is to be used for income tax purposes, did not disallow the flow through of state accelerated depreciation.

Under Generally Accepted Accounting Principles (GAAP) and the System of Accounts prescribed by the Federal Energy Regulatory Commission (FERC), full normalization is used. Under GAAP as set forth in the Accounting Principles Board (APB) opinion number 11, regulated entities were not required to comply. The APB was replaced by the Financial Accounting Standards Board (FASB). FASB recently issued the Statement of Financial Accounting Standard (SFAS) 96, related to accounting for income taxes. SFAS 96 broadened the requirements for interperiod tax allocation as well as required regulated entities to comply for financial reporting purposes. Under SFAS 96, to the extent the method of computing income taxes differs for ratemaking, utilities will record associated regulatory assets or liabilities, indicating future rate recovery or refunds.

The Commission directed staff to continue to investigate policy differences in the area of accumulated deferred income taxes. In this regard, staff issued a position paper soliciting comments from utilities and other interested parties related to the FERC's full normalization method of accounting. It is the Commission's intent to make a final decision regarding full normalization in time to allow for implementation, if necessary, by January 1, 1990.

Regardless of acceptance or rejection of full normalization, utilities are required to implement SFAS 96 as required by the FASB. The implementation date has been postponed twice in order to give companies enough time to properly implement SFAS 96 and to allow the FASB time to reconsider certain provisions of this statement. The current implementation date for SFAS 96 is September 1, 1990, with the effective date set at January 1, 1990.

PSC Completes Study on the Effect of Incentives on Utility Regulation

The Commission reviewed the general use of incentive mechanisms for utilities and issued a report on its findings.

The report entitled, "Using Incentives in Utility Regulation: Programs and Problems," was issued in April, 1989. It examines the consequences of a number of approaches to introducing incentive structures into the regulation of utilities. This report will serve as a basis for evaluating specific company proposals for incentive regulation.

Small Business Protection

Section 196.795(10m), Wis. Stats., states that, "The commission shall provide assistance, monitoring and advocacy in protecting small business interests under s. 196.795 in any action or proceedings before the commission." To facilitate the Commission's small business advocacy responsibilities, a small business liaison was named. In addition, meetings were held with the National Federation of Independent Business to discuss the participation of this small business association in the Commission's role of small business advocate.

Separate audits of energy holding companies are currently performed on an annual basis. The overall purpose of these audits is to review the operations of energy holding companies and affiliated transactions for compliance with s. 196.795, Wis. Stats. Included in the Commission's review related to s. 196.795, Wis. Stats., is the review of those provisions of the law related to small business and competition. During 1989, audits of WPL Holdings, Inc., Wisconsin Energy Corporation, and WICOR have been completed or are in the process of being completed.

In addition to these annual audits, the Commission has investigated various small business complaints related to energy holding companies. Such complaints have dealt with utility cross-subsidies, unfair price discrimination, violations of state anti-trust laws, and unfair business practices which lessen competition, tend to create a monopoly or restrain trade.

The Commission also takes up small business issues in cases that involve utilities who are not in energy holding company systems. This has occurred in those instances where a small business problem arises such as the "Buy Wisconsin" issue which has been brought up in many recent rate case hearings.

COMMISSION ORGANIZATION

Organizational Changes

The Office of Economics and Finance Reorganized

The Office of Economics and Finance (E&F) conducts economic and financial policy analysis and research related to electric, gas, telephone and water utilities.

In late 1987, the Accounts and Finance Division financial analysts were moved to the reorganized and renamed Office of Economics and Finance (formerly the Office of Chief Economist). The new office develops and presents expert testimony at rate and rulemaking proceedings, conducts special research projects and provides consultation to the Commission and staff on economic and financial issues and activities associated with public utility regulation. Examples of matters handled by E&F include: issuance of stocks and bonds, determination of rate of return, determination of capital structure, evaluation of alternatives to rate-base rate-of-return regulation, evaluation of incentive regulation mechanisms, economic and financial analysis of electric least-cost planning issues, and preparation of economic cost and demand studies and intervention in federal policy initiatives.

Energy Planning and Programs Division Created

In July of 1988, the Office of Conservation and Energy Efficiency and the Division of Systems Planning, Environmental Review and Consumer Analysis were merged to create the new Division of Energy Planning and Programs (EPP). The new division consists of three bureaus: Energy Management, Systems Analysis and Environmental Analysis. The 24 member staff is comprised of energy planners and engineers and office management staff. With the merging of the two units, supply-side and demand-side planning and integration of those aspects are now housed in one division. Staff dealing with demand-side programs and staff dealing with certain aspects of supply-side construction applications are also a part of the Energy Planning and Programs Division. The combination of staff having direct regulatory responsibility for certain aspects of programs and projects, and staff responsible for planning, has resulted in a multi-faceted, well balanced regulatory approach to many energy issues. These issues include least-cost planning, energy bidding programs and utility incentives.

The Energy Planning and Programs Division's primary responsibilities are to:

- 1. Provide the environmental analysis for major Commission actions.
- Review, develop and monitor implementation of long-range plans for electric and gas supplies and for utility demand-side programs.
- 3. Review, develop and monitor utility energy efficiency programs.
- 4. Review, evaluate and monitor utility transmission and generation system operations.

EPP staff get involved in major construction cases, energy rate cases and energy generic dockets. EPP is also the lead division for the Advance Plan process that is the forum for developing least-cost planning concepts and methods in Wisconsin. While much staff involvement centers around preparing testimony and briefs in formal cases, a great deal of effort is also focused on working with utilities and monitoring their activities outside of the formal docketed cases. Staff develop and present recommendations to the Commission on various energy planning and program issues, often including broader state and federal energy policies that can affect Wisconsin utilities and their customers.

Intervenor Compensation

Intervenor Compensation Encourages Participation

The public continues to be active in Commission hearings. Participation was furthered in 1986-87 when the Commission received an annual appropriation of \$200,000 for intervenor compensation. The available funding assures that individuals or groups who have a substantive contribution to the issues will be able to do so, regardless of their financial resources. Intervenor financing was granted as follows:

Intervenor Financing Granted by PSC 1987-89

	Granted by PSC 1987-89	
Intervenor	<u>Issue</u>	Amount <u>Granted</u>
Wisconsin's Environ- mental Decade	Decade hired an attorney and witness for the Advance Plan case to address various conservation issues.	\$15,570
Citizens' Utility Board	CUB hired an expert for the WP&L rate case to study utility insurance practices.	18,014
Citizens' Utility Board	CUB hired an expert and attorney for gas transportation issues in the Wisconsin Gas utility rate case.	21,012
Citizens' Utility Board	CUB hired an attorney to help develop proposed rules on merchandising and billing of optional telemarketing services.	15,220
Citizens' Utility Board	CUB hired an attorney to represent CUB's point of view on MG&E procurement practices.	7,110
Citizens' Utility Board	CUB hired an attorney to present issues related to disconnection of local and toll services for nonpayment.	25,900
Citizens' Utility Board	CUB hired an attorney and expert witness to present risk management issues in the Wisconsin Electric Power Company's rate case.	13,050
Citizens' Utility Board	CUB hired an expert witness to testify on Wisconsin Gas Company's Early Identification Program.	9,340
Citizens' Utility Board	CUB hired an attorney and expert witness to review the shared earnings/range of rate of return experiment in the Wisconsin Bell case.	48,150
Citizens' Utility Board	CUB hired an expert witness and attorney	39,150
Citizens' Utility Board	CUB hired an expert to review materials pertinent to Wisconsin Power and Light's Western Energy Coal Contract.	2,000
Citizens' Utility Board	CUB was provided additional funding to continue an attorney and expert witness in the Wisconsin Bell Centrex IV case.	16,296
	Total Approved 1987-89	\$230,812

BUDGET				
PSC Budget Report				
Source of Funds	1987-88 <u>Budget</u>	Authorized <u>Positions</u>	1988-89 <u>Budget</u>	Authorized Positions
Program Revenue (PRO)				
Utility Regulation:	\$7,613,500	171.00	\$8,017,300	171.00
- Intervenor Financing	200,000		200,000	
- Federal Intervention	225,000		225,000	
- Stray Voltage Program			164,600	1.50
Holding Company Regulation:	324,200	8.00	324,200	8.00
Federal Funds (PR-F):				
- Pipeline Safety	89,300	1.00	99,200	1.00
- Demand-Side Research	11,900	1.00	15,500	-
Star Grant	900		÷	-
TOTAL	\$8,464,800	181.00	\$9,045,800	181.50

Automation

PSC Continues Automation Process

Automation is viewed as a key to helping to continue Wisconsin's fine regulatory tradition into the 1990's. Investment of \$325,000 in microcomputers has enabled the Commission to more than double its capacity during the biennium.

Every division and office in the PSC now has microcomputers, and several are very close to having a microcomputer for every staff person. The micro-computers have proved to be highly productive tools for spreadsheet applications, word processing, database management, and graphics. Specialized applications such as modeling electrical generation and transmission systems, modeling utility capital requirements for strategic planning, cost of service studies, depreciation studies and transcript automation have enhanced staff analysis and efficiency.

Personnel

Affirmative Action

The PSC has an Affirmative Action Advisory Council. The Council's membership represents all divisions in the agency. The Affirmative Action Officer is also a member of the Council. The Council's responsibilities are to assist in the identification of affirmative action program areas, to audit hiring and promotional activities, and to inform new employees of the affirmative action laws and complaint procedures.

The Commission's Affirmative Action Plan for the biennium identified three initiatives in support of affirmative action and equal opportunity: (1) Recruitment efforts to attract racial/ethnic minorities, females and persons with disabilities were increased. (2) Affirmative action status was used as a positive factor in considering applicants for all permanent, project and limited term positions in which the presence of women and minorities is currently underrepresented. (3) Opportunities for upward mobility were enhanced by development of a formalized on-the-job training program through temporary job reassignment. The purpose is to train staff in various job duties for job related, personal and career advancement.

The Commission's affirmative action efforts have brought the following results:

No. Employees* % Female % Minority % Handicapped

7/88	174	47.71	5.75	5.75
//00	1/4	4/./1	3.73	3.73
7/89	172	45.93	5.81	11.05

^{*} Number of filled classified positions

Alternative Employee Work Patterns

Flexible scheduling is another aspect of the Commission's Affirmative Action Program. The parameters of Alternate Work Patterns (AWP) for PSC employees were modified and expanded in 1986.

Approximately 55 percent of the PSC's 183 employees regularly or intermittently exercise one or more of the AWP options. Twenty-seven employees work compressed work schedules which include weekly schedules of four ten-hour days and bi-weekly schedules resulting in 44 hours worked one week and 36 hours worked the next. Fifteen work less than full time, including six in job-sharing situations. Sixty-six employees work staggered or flexible work hours which provide for amended starting and ending times in a work day.

Both clerical and professional staff members participate in the Commission's AWP program, and the agency's experience continues to be positive in its use of alternative scheduling.

Engineering Occupational Survey

Commission staff have dedicated substantial time and effort to the statewide engineering occupational survey this biennium. The survey addresses compensation levels for all state agency engineers. Current levels were widely recognized as being inadequate. In the Commission, the survey affects 30 positions, or 17 percent of total agency positions. Personnel Services staff coordinated the agency's survey activities with the Department of Employment Relations. Once implemented, the results of the survey are expected to enhance the recruitment and retention of experienced engineers so essential to the effective functioning of the Commission. Implementation is expected to occur early in the 1989-1991 biennium.

Quality Improvement Program Initiated

The State of Wisconsin has embarked on an effort to adopt the philosophy of Quality Improvement as the guide for improving the ability of the state government to anticipate, meet and even exceed the expectations and needs of its customers, the citizens of Wisconsin. The Public Service Commission has joined in these efforts. The Commission has re-written principles first developed by Dr. W. Edwards Deming to reflect the mission and goals of the Public Service Commission. The agency is working hard to incorporate these goals in the day-to-day workings of the agency and to use them as a guide, not only for working with our public, but with each other.

PSC Principles of Quality Leadership

Commitment

Be committed to the *Public Service* in Public Service Commission. Create a constancy of purpose toward improving our public service. Recognize that we serve many "publics" (consumers, complainants, utilities, utility security holders, consultants, other agencies, legislators, media and our own staff) and recognize that our "service" and obligation covers a broad spectrum including but not limited to:

Protecting the public interest

Protecting the interest of utility consumers

Providing a regulatory climate which balances the interests of rate payers, utilities and their investors

Setting reasonable rates and rules

Assuring adequate utility service

Serving as a resource for the public

Handling complaints, inquiries and utility applications in a professional, timely and fair manner

Working together with respect and trust to achieve outstanding regulatory performance.

Method

Build quality into the work product through communication, planning and teamwork. Believe in, foster and sup-

port teamwork. Use teamwork to develop goals and a plan to achieve those goals. Break down barriers between divisions, within divisions and among all people working at the PSC.

Leadership

Follow the principles of quality leadership. Provide guidance, remove barriers and help people do their job better.

Flexibility

Strive for quality through innovation, creativity and flexibility. Recognize that regulators and utilities operate in a changing environment, and respond by taking a leadership role based on foresight, flexibility and openness to change. Adopt flexible rules and work standards that reflect the complexity of our work.

Training

Support training and education to enable all employees to do their job better, to enhance personal growth and to increase the advancement potential of employees.

Working Atmosphere

Foster an open atmosphere that eliminates fear and fault finding and encourages a long-term working relationship based on mutual respect and trust. Enhance pride in people's work, follow through on suggestions, commend achievements and promote quality.

COMMISSIONERS

Charles H. Thompson, Chairman Mary Lou Munts, Commissioner John T. Coughlin, Commissioner

COMMISSION OFFICE

Cheryl L. Pofahl, Executive Assistant, 267-7897 Jacqueline K. Reynolds, Secretary to the Commission, 266-8097 Jeff Butson, Public Information Officer, 266-9600

Office of Chief Counsel

Steven Schur, Chief Counsel, 266-1264

Examining Division

Ann Pfeifer, Administrator, 266-5473

Office of Economics and Finance

Susan Stratton Gilmore, Director and Chief Economist, 266-0699

Administrative Services Division

Joyce Narveson, Administrator, 266-3587 Gordon Grant, Fiscal Services, 267-9086 Barbara Bartz, Information Systems, 266-3843 Lynn Murawski, Personnel Services, 266-9315

Energy Planning and Programs

Anita Sprenger, Administrator, 267-3590 David Schoengold, Systems Analysis, 267-3589 Michael John Jaeger, Environmental Analysis, 267-2546 Paul Newman, Energy Management, 267-5112

Utility Rates Division

Victor Mayer, Administrator, 266-3182 Gary Mathis, Electric, 266-2307 David Sheard, Water & Sewer, 266-1422 Gary Evenson, Communications, 266-6744

Accounts and Finance Division

Conrad Oleson, Administrator, 267-7829 Norman Young, Accounts, 267-7866 Donna Holznecht, Audits, 267-7972 Frederick Halverson, Reports, 267-9099

Engineering Division

Scot Cullen, Administrator, 266-1567 Robert Kelly, Communications, 266-8006 Lanny Smith, Electric & Water, 266-3165 David O'Connell, Construction Review & Field Surveillance, 266-9640 Harold Meyer, Gas, 266-8128

Division Descriptions

Office of Chief Counsel

The Office of Chief Counsel represents and defends the actions of the Commission in state and federal courts. The office also provides legal advice to Commissioners and staff and provides legal counsel for staff at Commission hearings. In addition, it intervenes to represent the Commission in cases of regulatory interest at the federal level. Finally, the Office of Chief Counsel coordinates referrals from the Commission to the Attorney General.

Office of Economics and Finance

The Office of Economics and Finance (E&F) conducts economic and financial policy analysis and research related to electric, gas, telephone and water utilities. The office develops and presents expert testimony at rate and rule-making proceedings, conducts special research projects and provides consultation to the Commission and staff on economic and financial issues and activities associated with public utility regulation. Examples of matters handled by E&F include: issuance of stocks and bonds, determination of rate of return, determination of capital structure, evaluation of alternatives to rate-base rate-of-return regulation, evaluation of incentive regulation mechanisms, economic and financial analysis of electric least-cost planning issues, and preparation of economic cost and demand studies and intervention in federal policy initiatives.

Accounts and Finance Division

The Accounts and Finance Division is responsible for auditing the accounting practices and financial records of public utilities in conjunction with rate cases, depreciation certification, fuel forecasting, holding company formation, affiliated interest agreements, and general compliance with PSC rules and regulations. The division testifies to its findings at formal hearings before the Commission. The division compiles and publishes statistical studies of financial and operating data concerning public utilities.

Utility Rates Division

The Utility Rates Division develops, analyzes and monitors utility rates and regulations, maintains utility tariffs and mediates consumer disputes with utilities. The division participates in formal case proceedings on rate issues, service regulations, certificates of public convenience and necessity, service withdrawals, service area disputes and rulemaking. Utility Rates staff conduct independent investigations and data collection, analyses of proposals, and analyses of alternative cost studies and rate designs. The

division enforces utility compliance in filing rates, charges, rules and regulations with the Commission and ensures that tariff language is clear and unambiguous. The division's Consumer Services Bureau (CSB) interprets tariffs, rules, regulations and Commission policies to respond to inquiries and to mediate and resolve consumer complaints. CSB employs four consumer specialists who can mediate most problems customers have with a utility, if the utility and the customer have not been able to correct the situation on their own. The Utility Rates Division also participates in agency-wide teams to review and develop regulatory policy approaches for electric, telecommunications, gas, water and sewer utilities.

Engineering Division

The Engineering Division reviews and analyzes proposed utility construction projects from the standpoint of need, possible alternative actions and economics. It also works closely with the Energy Planning and Programs Division on the review and analysis of long-range electric system plans. The division promulgates and enforces service and safety standards, monitors conditions and activities potentially affecting service adequacy, monitors construction costs of major projects and plant accounting, and otherwise keeps the Commission informed of utility operations. It is also involved with the Department of Agriculture Trade and Consumer Protection in managing the state's new stray voltage program. The Engineering Division is also responsible for the rate functions for gas public utilities. Other direct rate case involvement by the division includes the evaluation and monitoring of electric generation fuel costs and also of the performance of major energy utilities through the Performance Indicator Project.

Examining Division

The Examining Division schedules and conducts public hearings, records verbatim testimony, prepares transcripts and may issue proposed decisions. The testimony presented and recorded before the hearing examiners contains all of the evidentiary information allowed to be used by the Commission in making a decision in a contested proceeding.

Energy Planning and Programs Division

The Energy Planning and Programs Division (EPP) consists of three bureaus: Energy Management, Systems Analysis and Environmental Analysis. The division's staff is comprised of energy planners and engineers and office management staff.

The Energy Planning and Programs Division is responsible for the environmental analysis of major Commission actions. The division also reviews, develops and monitors,

utility demand-side programs, utility energy efficiency programs, utility transmission and generation system operations and the implementation of long-range plans for electric and gas supplies.

EPP staff get involved in major construction cases, energy rate cases and energy generic dockets. EPP is also the lead division for the Advance Plan process that is the forum for developing least-cost planning concepts and methods in Wisconsin. While much staff involvement centers around preparing testimony and briefs in formal cases, a great deal of effort is also focused on working with utilities and monitoring their activities outside of the formal docketed cases. Staff develop and present recommendations to the Commission on various energy planning and program issues, often including broader state and federal energy policies that can affect Wisconsin utilities and their customers. Supply-side and demand-side planning are housed within this division.

Administrative Services Division

The Administrative Services Division provides the Commission's personnel, business management, and information systems services, including budget development and control, revenue collection, intervenor financing coordination, procurement, employee training and development, recruitment, compensation and benefit programs, and the coordination of the Commission's affirmative action/

equal employment opportunity and employee assistance programs. This division also maintains a central records management system and provides word processing, library, printing, mail, and facilities services.

Rate Actions

During the past biennium, the PSC issued 246 rate orders for electric, natural gas, telephone, water and combined water and sewer utilities. The following pages indicate the outcome of each proceeding.

In reading this appendix, it may be helpful to understand the following key terms:

Key

ID utility's code number, used by the PSC in

record keeping.

Name The name of the utility.

Type Water, sewer, electric, telephone, gas utility. **Docket** The letter and number code used by the PSC

to refer to a particular case.

Granted The annual revenue increase, in dollars, granted

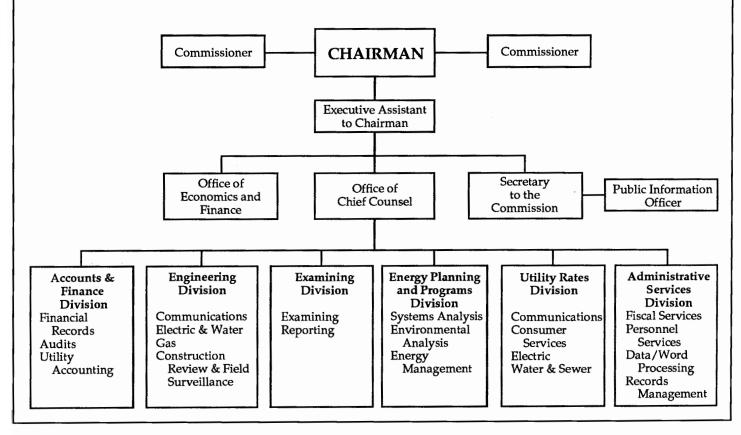
the utility by the PSC.

Request The annual revenue increase, in dollars, re-

quested by the utility.

Percent The percent increase or decrease in the utility's

annual revenue as a result of the rate case.



FORMAL RATE ACTIONS FOR THE PERIOD 7/1/87 THROUGH 6/30/89

-		Type	Docket	Amount Granted	Amount Requested	Operating Revenue	Percent Change
1		٠! -		100 60013	100.0	151164.00	33.80
0010	_	3 (S	0010WR101	00.380.00	00.0		5.36
0020	Algoma Municipal Water and Electric		0050EK100	00.5000	00 0	92586.00	53.14
0900	Allenton Sanitary District No 1		000000000	273250 00	00 0	3940956.00	6.93
0190	_	<u> </u>	0190WR102	66.25.50	00.0	7515.00	86.85
0200	_		0200%K100	12368 001	00.0	17182.00	72.56
0240	_	3 (0240%K100	230518 00	00.00	578665.00	39.84
0250	_	<u>, ~</u>	0013000000	-18192000	-15468000,00	180163000.00	-10.10
0265	_	11	02651K103	20731 00	118600.00	1475580.00	2.01
0300	Badger Telecom, Inc.		030018101	34803 001	00.0	16023.00	217.21
0310	Bagley Municipal Water Utility	<u>o</u> :	0310WK101	27003.001	00.0	146575.00	19.10
0320	Baldwin Municipal Water Utility		0320%R100	68829 001	00.0	1559394.00	4.41
0320	Bangor Municipal Utility		1350ER101	47939 00	00.0	228446.00	20.98
0380	Barron Light and Water Department	<u> </u>	0380%K101	53518 00	0.00	684574.00	7.82
0480	Berlin Mun Water and Sewer Utility		048000101	37200 001	00.00	247164.00	15.05
0480	Berlin Mun Water and Sewer Utility		04800K101	13748.00	00.00	17200.00	79.93
0200	Birnamwood Municipal Water Utility		0011100000	15511.00	00.0	31769.00	48.82
0520	Black Creek Mun Water Utility		00220#0220	-30955.001	0.00	0.00	0.00
0240	Black Earth Telephone Company		00111040	8064.00	00.0	44043	18.31
0610	Bloomington Municipal Water Utility		0010WR100	21522 001	0,00	14667	146.74
0620	Blue River Mun Water and Sewer Util		0020WR100	20828 00	00.0	53047.00	39.26
0630	Bonduel Municipal Water Utility		0530WK100	61543 001	0000	223261.00	27.57
0650	Boscobel Municipal Utilities		0013140600	30166 00	00 0	29359.00	102.75
0690	Boyd Mun Water and Sewer Utility		0690WK100	25106.00	00.0	0.00	00.0
0705	Bridgeport, Tn of, Sanitary Dist #1		070588100	61036.00	00.0	235442.00	25.92
0710	Brillion Municipal Water Utility	o :	0710WR101	218454 00	000	991724.00	22.03
0760	Brookfield Municipal Water Utility		0760WK100	00,15,112	00 0	52731.00	49.00
0810	Bruce Mun Water & Sewer Utility	_		100.55521	00.0	39955.00	44.28
0810	Bruce Mun Water & Sewer Utility		081001100	20408 000	00 0	515017.00	13.67
0840	Burlington Municipal Water Utility		0840WK100	168991	00.0	518067.00	32.62
0840	Burlington Municipal Water Utility		0840%100	7308 00	00 0	4444	16.65
1010	Cedar Grove Muncicipal Water Utility		1010000100	100 759701	00 0	e.	34.02
1100	Chilton Municipal Water Utility		1100WR101	49652 001	00 0	8886	50.21
1190	Clinton Municipal Water Utility		1190%1101	00 60001	00.00	20696.00	48.36
11210	Clyman Municipal Water Utility		121001100	22411 00	00.0	41857.00	53.54
11210	Clyman Municipal Water Utility		121008100	00 21200	00 0	29748.00	69.64
11220	Cobb Municipal Water Utility		1220WK100	00:11102		30258609,00	11.52
1330	Consolidated Water Power Company	_`	1330ER100	160672720			53.14
1360	Coon Valley Municipal Water Utility	× .	1360WR100	19052.001			20.34
1435	Crivitz Municipal Water Utility	3	1435%K100	32203 001	00.0	117292.00	27.46
1470	Cuba City Water and Electric Utility	×:	14 /0WR100	18417 00	00.0		63,85
1540	Dane Municipal Water & Sever Utility	≥ :	1540WK100	00 29696	00.0	_	15.85
1580	_	×:	1580%K101	20201	00.0	766125.00	28.24
1610	_		1610%K100	14215 00	00.0	34108.00	41.68
1620	_	× .	1020%R100	-27716 00	00.0	0.00	00.0
1630	_	<u>-</u>	163011100	100101117		_	

FORMAL RATE ACTIONS FOR THE PERIOD 7/1/87 THROUGH 6/30/89

nge	10.38	26.30	•	11.78	22.35	19.22	00.00	13.14	0.00	40.72	00	5.54	8.86	104.36	32.52	0.00	38.43	00.25	46.86	24.00	2.12	-0.06	38.02	24.38	3.59	-7.22	14.77	21.56	30.74	8.13	14.18	6.51	100.20	24.28	6.66	44.81	45.00	123.98	44.43
Percent Change																																							
Operating Revenue	359105.00	13784.00	286256.00	3578748.00	162309.00	128303.00	700246 001	0104600	607416 001	28446 001	00 0	1135910.00	441569.00	28901.00	148822.00	00.0	536466.00	95468.00	443173.00	50047 00	156530000.00	167939000,000	433241.00	1031750.00	834325.00	726950.00	519411 00	21687.00	23311,00	3559075.00	647394.00	522271.00	35848,00	462334.00	824322.00	98429.00	60195.00	25826,00	109964.00
Amount Requested	63300.00	0.00	0.00	0.00	0.00	93065	33003.00	00.0	0.00	00.16080		00:00	0.00	00.0	0.00	0.00	0.00	0.00	00.0		100.00000000	12315000.00	00.00	00.0	00.00	0.00	90.0	00:00	00.0	00.0	0.00	00.0	00.00	000	00.0	00.0	0.00	0.00	00.00
Amount Granted	37280.00	3625.00	18451.00	421434.00	36271.00	24664.00	-41263.00	92038.00	106928.00	-21216.00	14144.00	00.76236	39107,00	30160.00	48395.00	-184890.00	206162.00	63244.00	115806.00	14278 001	3316000 001	-100000	164702.00	251578.00	29966.00	-52458.00	1770/6.00	4676.00	7166.00	289435.00	91811.00	33988.00	38092.00	112252 00	54900.00	44104.00	27086.00	32020.00	48852.00
l Do	11640TR101	1720WR100	1730WR101	1740WR101	1820UR100	1820UR100	1840GK100	1850ER100	11880ER101	191078100	1920%K100	1080FR100	2000ER100	2000WR100	2020WR100	2050TI100	2060WR100	2080WR101	2090WR100	2110WR100	12140WK101		2210WR101	2260WR100	2310WR100	2360UR100	12360UR100	24 101R 100	12460WR100	2470ER101	2470WR100	2480WR101	2530WR100	2620WR100	2650ER100	2650SR101	2660WR100	2700WR100	12720WR100
Type	<u> </u>	: 3	<u>></u>	>	sa :	<u>≥</u> 9	_	_		- 3	<u> </u>	- [+	<u> </u>	>	<u>≥</u>	<u></u>	≥.	≥.	≥3	≥3				3	>	S			: >	<u>ы</u>	<u>></u>	3			<u> 11</u>	_	_	≥ :	>
Name	Dodge County Telephone Company	Eastman Municipal Water Utility	East Troy Mun Water Uty	Eau Claire Municipal Water Dept	Ellsworth Mun Water and Sewer Util	Ellsworth Mun Water and Sewer Util	Elroy das incorporated	Elroy Mun Water and Electric Utility	Evansville Mun Water & Electric Util	Fairwater Brandon Alto Telephone Co	Fail Creek Municipal Water Utility	Fernance Water and Light Plant	Florence Water and Light Commission	Florence Water and Light Commission	Fontana Municipal Water Utility	Forestville Telephone Company, Inc.	Fort Atkinson Mun Water Utility	Fox Lake Municipal Water Utility	Fox Point Municipal Water Utility	Frequence Water Commission	Friendship Municipal Water Utility	CTE North Inc - Wiscousin Operations	Germantown Water Utility	Glendale Municipal Water Utility	Grand Chute Sanitary District 1	Greendale Water and Sewer Utility	Greendale Water and Sewer Utility	Gresham Municipal Water and Sewer	Harmony Grove Sanitary District	_		Hartland Municipal Water Utility		Howard Municipal Water and Sewer Dep	Hustisford Municipal Utilities	Hustisford Municipal Utilities	Independence Municipal Water Utility	Iron River Sanitary District No 1	Jackson Municipal Water Utility
Q.	1640	1720	1730	1740	1820	820	840	1850	1880	1910	0761	1000	2000	2000	2020	2050	2060	2080	2090	0117	2140	2180	2210	2260	2310	2360	2360	2400	2460	2470	2470	2480	2530	2620	2650	2650	2660	2700	2720

FORMAL RATE ACTIONS FOR THE PERIOD 7/1/87 THROUGH 6/30/89

IID	Name T	Type Docket	Amount Granted	Amount Requested	Operating Revenue	Percent Change
0 9 1		10100000	1 4848 001	100'0	5819038.00	0.08
2750		2/50ER101	789743.00	0.00	16563826.00	4.77
2800	Nun Water & Electric Util	2800ER100	1129990 00	0.00	16113094.00	7.01
2800	Mun Water & Electric oull	128001100	318827.00	00.0	676602.00	47.12
2800		128001/18100	385643.00	00.0	676602.00	57.00
7800	Naukauna Mun Water & Electifo Otti W	12830WR101	80784.00	00.0	102370.00	78.91
2880		2880UR100	9994.00	0.00	11551.00	80.52
2880		12880UR100	14492.00	0.00	11388.00	127.721
2040	1150	2940WR100	17227.00	00.0	274681.00	0.27
2040	1 + 1	2960WR100	13034.00	0.00	51020.00	75.55
2000		2985WR101	19400.00	00.0	158657.00	12.23
3070	vagan	3070TR100	63367.00	87000.00	563400.00	11.25
3150		3150WR100	10028.00	0.00	15536.00	04.99
9190	_	3160WR100	75922.00	0.00	120228.00	03,13
0700		3240WR100	27615.00	00.0	42090.00	05.01
2240	Madeson Cas and Plantate Company of	3270IIR102	1152000.00	5930000 00	124054000.00	0.93
2270	_	3270IIB103	7319000.00	7478000.00	128721000.00	9.09
3270	Company	19270110102	915000.00	2354000.00	95722000.00	0.96
32/0	Company	32700K102	100 0000000	2094000.00	93302000.00	1.53
3270	Company	32/00R103	1821721 00	00.0	8058800.00	22.61
3280		13280WR101	5670 00	00.00	82909.00	6.84
3340		3340WK100	73635 00	00.00	78502.00	108.86
3410	2	3410WK101	00.000.000	00.0	742375.00	21.46
3420		34 20WR 100	198284	00.0	63063.00	18.47
3480	_	34800K100	00.05011	00.0	63937.00	38.11
3480	wer Utility	3480UK100	•	00.00	3369535.00	4.29
3510	_	3510ER101	00.120.41	00.0	7067877.00	1.93
13560		3560EK101	119504 00	00.0	686733.00	17.40
3280	 	3590WK100		00.00	34800.00	18.68
3680	cer Utility	3680WK100	4359083.00	0.00	40552833.00	10.75
37.20		07 20 M 100	50517.00	00.0	129956.00	38.87
9780	Mondovi Mun Water and Sewer Utility to	3780IR100	35883.00	00.0	157627.00	22.76
0000		3800WR101	145735.00	0.00	444986.00	32.75
28.0	>	3810TR101	211976.00	254000.00	2454579.00	8.04
3830	>	3830WR101	6904.00	0.00	123191.00	9.60
3870	No 1	3870WR100	2477.00	0.00	8146.00	30.41
3940		3940TI100	-43738.00	0.00	00.0	
3990		3990GR100	89142.00	102240.00	00.85/96/	61.11
4005	11ty	4005WR100	237966.00	0.00	100.0	31 40
4040	Utility	4040WR100	82633.00	00.0	1811657 00	16.48
4090	_	4090WR100	298647.00	00.0	72767	17 86
4100	Glarus Mun Water & Electric Util		13083.00	200.0	206,1926	4.45
4110	Holstein Public Utilities	4110ER103	131/15.00		652138 00	1.60
4120	Lisbon Mun Water & Electric		10450.00		380825.00	35.29
14130	New London Mun Water & Electric Dept W	4130WK101	100.21442			•

FORMAL RATE ACTIONS FOR THE PERIOD 7/1/87 THROUGH 6/30/89

QI.	Иате	Type Docket	Amount Granted	Amount Requested	Operating Revenue	Percent Change
4139	New Richmond Municipal Electric UtillE	IE 4139ER100	1 6067.00	00.0	2039427.00	0.30
4140	New Richmond Municipal Water & Sewer		108672.00	00.0	180048.00	60,36
4170	Michols Municipal Water Utility	_	10574.00	0.00	25292.00	41.81
4190	North Central Power Company Inc	419	99627.00	00.0	1376335.00	7.24
4220	_	E 4220UR101	2607000.00	10745610.00	207095000.00	1.26
4220	Northern States Power Company (W18)	422	433000.00	433000.00	00.0	00.0
4220	Northern States Power Company (W18)	_	275000.00	369973.00	42873000.00	0.64
4230	North Fond Du Lac Mun Water Utility		15384.00	00.0	205636.00	7.48
4330	Oakfield Municipal Water Utility	_	27582.00	0.00	45700.00	60.35
4350	Oconto Utility Commission	_	00.86966	00.0	317760.00	31.38
4350	Oconto Utility Commission	_	195442.00	0.00	303043.00	64.49
4390	Oliver Municipal Water Plant	_	3195.00	00.00	6135.00	52.08
4460	Osceola Municipal Water Utility	_	52698.00	0.00	80690.00	65.31
4520	Palmyra Municipal Water Utility	<u> </u>	9487.00	0.00	179841.00	5.28
4540	Pardeeville Mun Water & Sewer Utilit	W 4540	22130.00	00.00	82888.00	25.77
4580	Peoples Telephone Co (Mount Hope)	_	-53769.00	119100.00	812500,00	-6.62
4625	Pewaukee, Town of - Santtary Dist #3		52440.00	00.0	197066.00	26.61
4640	Phillips Mun Water and Sewer Utility		39168.00	00.00	97956.00	106.08
4640	Phillips Mun Water and Sewer Utility	W 4640UR100	24770.00	00.00	158178.00	15.66
4700	Platteville Mun Water & Sewer Comm		213865.00	00.0	830600,00	25,75
4700	Platteville Mun Water & Sewer Comm		216648.00	0.00	545070.00	39.75
4780	Port Washington Min Water Hillity	_	100.0607	0.00	1204800.00	5.89
4810	Povnette Minicipal Water Httlity		114441.00	00.0	50375.00	227 18
4830	Prairie Du Sac Min Water & Flectric		73058.00	0.00	1375149.00	• ``
4840	Drantice Water and Sever Hitlatic		16648.00	00.0	59340.00	28 06
4840		_	25450.00	0.00	33860,00	75.161
4950	Readstown Municipal Water Httlity	_	13526.00	0.00	19738.00	68 53
4970	Reedsburg 1111111 Commission		123180.00	0.00	349183.00	
000	Posseville Minician Water Halata		0027	00	32628 00	•
0000	Down Winternal Water Health	_	13415 00	00.0	16886 001	10.02
2010	Rhinelander Municipal Water Hillity		82584 .00	00.00	524199.00	15 75
2020			186945.00	0.00	4869797	788
5050	Rice Lake Min Water & Flectric Httl	_	93131.00	0.00	496678.00	
5070	Richland Center Flectric Utility	_	-167387.00	0.00	3403219,00	
5100	Rio Municipal Mater Utility	_	15893.00	0.00	27218.00	
5110	River Falls Municipal Utilities	_	127038.00	0.00	4065852,00	3.12
5110	River Falls Municipal Utilities	_	154394.00	00.0	309528.00	49.88
5140	Rock River Telephone Company	_	33190.00	95300.00	543195.00	6.11
5260	Sauk City Mun Water & Electric Util	_	98667.00	00.00	162282.00	36.15
5270	Saukville Mun Water & Sewer Utility	<u> </u>	47719.00	00.0	297413.00	16.04
5350	Shawano Mun Water & Electric Utility		225366.00	00.0	7080499.00	3.18
5350	Shawano Mun Water & Electric Utility	ls 5350	-20719.00	0.00	725550.00	-2.86
5380	Sheboygan Falls Mun Water & Electric	_	73752.00	0.00	663477.00	11.12
5430	Shiocton Municipal Water Utility	W 5430WR100	14655.00	0.00	34312.00	42.71
2440	Shorewood Municipal Water Utility	W 5440WR100	52740.00	00.00	20019	10.13

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5	_	Type Docket	Amount Granted	Amount Requested	Operating Revenue	Percent Change
ar		-		100 0	100 PC3C9	22.74
5450	Shorewood Hills Mun Water Utility W	5450WR100	14219.001	900	90553.00	19,35
5470			100.816.1		870521.00	15.47
5510			134630.00		81676.00	71.78
5550	_		12036		9921.00	372.70
2600	South Wayne Municipal Water Utility W	5600WR100	39068 001	00.00	316808.00	12.33
5610	111ty		32467.00	00.0	127890.00	25.39
2630	Municipal Utility	5030WK100	136835.00	00.0	71432.00	191.56
12670		0,000	199792	0.00	797466.00	25.05
2690	t111ty -	0606	10772.00	00.00	87377.00	12.33
5770			17184.00	00.0	57025.00	30.13
2770	168		255210.00	00.0	947141.00	26.95
12780		200	163202.00	00.0	566602.00	78.80
5810	15		-2669491.00	-2669491.00	23406337.00	-11.40
5820	Power Co		-251082.00	00.0	24809415.00	10.11
5820	3 8		-4367.00	00.0	8042828.00	0.01
5820		_	807300.00	00.0	3015264.00	77.07
5820			69944.00	00.0	64533.00	108.38
2870	Theresa Mun Water and bewer outliny is	_	23008.00	00.0	23270.00	18.81
5870			157077.00	00.0	109900.00	142.93
2880			23855.00	00.0	136286.00	00.71
5880			128350.00	00.0	24725.00	519.11
2010	C Sewer Ot.	_	30312.00	00.0	29390.00	103.14
5910	Tigerton Municipal Water & Sewer of In		28675.00	0.00	56430.00	128.00
5940		_	1 488387.00	1100000.00	5834827,00	10.0
0020			44600.00	79500.00	854800.001	22.7
000	tv Inc	_	2797.00	00.00	100.0956	63.54
6185		_	00.0266	00.0	100.06961	64.89
6210	wer Comm.	_	90654.00	00.0	00.40/651	00.00
6250		_	-287008.00		47311 00	45.58
6270	er Two	_	21566.00		00 0880020	5.61
0009		_	156982.00		3134225 001	23.24
6320	er Utility		7.28.243.00		8159.00	287.67
6330		_	71,6330		3078325.00	13.52
6360	ty		410339.00		0.00	0.00
6385		_	57831 001		84067	6.88
6400	1ty		00:100/6	00 0		39.66
6420		642		000		52.10
6475				00.0		00.09
0059		05000WR100		00.00	18214.00	32.25
6510	and Sewer Util	_	874	0.00	1017977000.00	0.86
6630	Electric Power Company		2	24429000.00	1053225000.00	-2.73
6630	Electric Power Company			00.0		2.37
6630	Power Company		-713000.00	406000.00	13536000.000	-5.27
10030	Wisconsin Electric Fower Company in		-			

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61	N 2.00 e	Type	Docket	Amount Granted	Amount Requested	Operating Revenue	Percent Change
		191	6640CB101	350689.00	924600.00	48911854.00	0.72
6640	Wisconsin Fuel and Light Company	2	6640GB102	104388.00	331500.00	47764729.00	0.22
6640	Wisconsin Fuel and Light Company	5 0	6650CB105	-3124000.001	0.00	481959000.00	-0.65
6650	Wisconsin Gas Company	2	670GB103	00.00069-	4229000.00	257842000.00	-0.27
0299	Wisconsin Natural Gas Company	5	6670CB102	-2305000.00	4981000.00	276125000.00	-0.83
0299	Wisconsin Natural Gas Company	200	6680110103	4083000.001	12032000.00	370867000.00	1.10
6680	Wisconsin Power and Light Company	10	66800R103	1586000.001	2541000.00	110879000.00	1.43
6680	Wisconsin Power and Light Company	2 3	5000K103	-182000.00	107000.00	3849000.00	-4.73
6680	Wisconsin Power and Light Company	= [660000103	-1293000.00	9897000.00	353131000.00	-0.37
0699	Wisconsin Public Service Corporation		66001B101	-13920000.00	1120000.00	363842000.00	-3.83
0699	Wisconsin Public Service Corporation		66900R102	00.000696	17920000.00	368104000.00	0.73
0699	Wisconsin Public Service Corporation	4 0	0900K103	1530000	4140000.00	177360000.00	0.86
0699			00900R101	00 000686	3416000.00	175694000.00	0.56
0699	Wisconsin Public Service Corporation		6690UR102	-1137000 00	-1696000,000	168159000.00	-0.68
0699	Wisconsin Public Service Corporation G		6200UK103	211462 001	00.0	1808274.00	11.69
6700	Wisconsin Rapids Waterworks & Light	* :	6700WR100	351913.00	00.00	1456361.00	24.16
6700	Wisconsin Rapids Waterworks & Light	3 (0010WU0010	-309014 00	00.00	41999374.00	-0.95
6710	Wisconsin Southern Gas Company, inc.		6710GR102	-267888 00	872351.00	37551502.00	-0.71
6710	Wisconsin Southern Gas Company, Inc.	_	67104R103	-31968000.00	0.00	714361000.00	-4.48
67.20	Wisconsin Bell, inc.		2011102	52336 00	00.00	27085.00	193.23
6760	Wonewoc Mun Water & Electric Utility W Wrightstown Water Utility W		6800WR100	28351.00	00.0	54313.00	52.20
(246)				1			-