Public Service Commission of Wisconsin Overview Presentation

Pipeline Safety Seminar
February 9, 2022

Kate Christensen
Director of Natural Gas Analysis and Safety
Public Service Commission of Wisconsin
Some Basics

Authority and Jurisdiction
Who is the Commission
What the Commission does
Who the Commission regulates
Relationship to Federal Agencies
Organizational Structure
Overview of Divisions
Commission Authority

• Administrative Agencies only have those powers which the Legislature grants or which can be implied by the statutes (enabling statutes) under which it operates

• Commission authority found in chapter 196 of the Wisconsin Statutes

• State law grants the Commission broad authority to regulate public utilities:
  
  "The Commission has jurisdiction to supervise and regulate every public utility in this state and to do all things necessary and convenient to its jurisdiction."
What the Commission Does

• Regulate retail rates, construction, stock and bond issuance, accounting practices, mergers and acquisitions, and holding companies, conduct investigations and inspections

• Address consumer complaints, regulate quality of service, and educate consumers

• Administer state and federal grant and other programs
Commissioners serve staggered, six-year terms

Mission: Ensure safe, reliable, affordable and environmentally responsible utility services and equitable access to telecommunications and broadband services.

Chairperson
Rebecca Cameron Valcq

Commissioner
Tyler Huebner

Commissioner
Ellen Nowak
Organizational Structure

Commissioners Office

1. Chairperson Valcq and Chief of Staff Carrie Templeton
2. Commissioner Nowak and Executive Assistant Bob Seitz
3. Commissioner Huebner and Executive Assistant Mark Bender

- Chief Legal Counsel
- Secretary to the Commission
- Administrative Law Judge
- Legislative Director
- Communications Director
The PSC regulates:

• Investor Owned Electric and Natural Gas Utilities (IOUs)
• Municipal Electric and Natural Gas Utilities
• Water Utilities and Consolidated Water and Sewer facilities
• American Transmission Company (ATC) (for construction but not rates)
• Limited Telecommunications
• Limited Natural Gas Operators
The PSC does not generally regulate:

• Electric cooperatives*
• Independent Power Producers*
• Municipal wastewater, storm water utilities, and sewerage districts**
• Cable TV
• Interstate gas pipelines

* Except when those entities wish to construct large energy infrastructure such as a power plant or a high voltage transmission line.
** Except when there is a complaint brought pursuant to Wis. Stat. § 66.0821(5).
Bringing an Action to the Commission

Actions are initiated by:
  • Application
  • Complaint
  • Petition
  • On the Commission’s Own Motion
How Does the Commission Actually Work

• Ranges from informal staff investigations all the way to contested case proceedings

• Procedure tailored to the case, usually culminating in an open meeting deliberation of the three Commissioners
• Within FERC’s sphere of legal authority, the Commission is generally prohibited from regulating in a way that conflicts with FERC policy or federal law.

• Commission takes a proactive role in those processes available to it when policy decisions are made at the federal level that may impact Wisconsin.
• The PSC participates in the Midcontinent Independent Transmission System Operator Inc. (MISO)

• The MISO is a regional transmission organization and oversees the bulk transmission system to ensure reliability and open access

• Monitor interstate pipeline rate cases
1. Division of Business Operations and Office Management
2. Division of Digital Access, Consumer and Environmental Affairs
3. Division of Water Utility Regulation and Analysis
4. Division of Energy Regulation and Analysis
5. Office of General Counsel
Finding Information About a Case

• The PSC has an Electronic Records Filing System (ERF) which allows easy access to information about dockets

• Go to psc.wi.gov and click on the E-Services portal on the top of the homepage
Financial Services Bureau and the Office of Business and IT Services

Handle the day-to-day business operations:

• Human Resources and personnel management
• Budget and financial management
• Staff development
• Space acquisition and facilities management
• Information technology
• Records management
Tracking Cases

XXXX-XX-XXX

• Utility Identification number, assigned alphabetically to each utility. (E.g. Non-utility (9300), NSPW (4220), more than one Utility (5)

• Docket type, a 2 letter designation to identify the type of docket

• Third number is a sequential designation, by utility and docket type that starts at 100
• Bureau of Broadband, Digital, and Telecommunications Access
  • Wisconsin Broadband Office
  • Universal Service and Digital Equity Office

• Bureau of Consumer Affairs

• Office of Environmental Analysis

• Office of Energy Innovation
  • State Energy Office
  • Focus on Energy Program
Wisconsin Broadband Office
• Broadband Expansion Grant Program
• Mapping WI broadband
• Governor’s Task Force on Broadband Access

Universal Service and Digital Equity Office
• Digital Equity
• Universal Service Fund
  • Lifeline Program
    • Lifeline Outreach Grants
  • Nonprofit Access Grants
  • Telemedicine Grants
  • Telecommunications Equipment Purchase Program (TEPP)
• Telecommunications Relay Service
Consumer and Utility Contact Center
• Handle inquiries and complaints
• Analyze consumer issues and impacts

Office of Environmental Affairs
• Analyze and reports possible impact of utility or developer projects
• Coordinate independent environmental monitors
• Research a variety of environmental topics
• Establish water rates and service standards
• Review water construction projects
• Review utility organizational and financial transactions
• Investigate water and sewer complaints
• Promote utility effectiveness and viability
• Manage databases, information and records
• **575** drinking water and wastewater utilities in Wisconsin.

• In 2020, Wisconsin water utilities pumped, treated, and distributed **178 billion** gallons of water.

• Removal of over **26,000** lead service laterals.

• Minimize the presence of Per- and Polyfluoroalkyl Substances (PFAS) in drinking water.
Division of Energy Regulation and Analysis

- Bureau of Rates and Finance
- Bureau of Audit and Accounting
- Bureau of Electric Analysis and Engineering
- Bureau of Natural Gas Analysis and Safety
Mission

The Division of Energy Regulation and Analysis (DERA) is responsible for supporting the mission of the Commission to assure safe, reliable and fair provision of electricity and natural gas for the customers of the utilities it regulates and ensures Wisconsin’s involvement in regional energy issues.
• Conduct financial, economic, statistical and engineering analyses
• Audit and investigate electric and natural gas utilities and utility holding companies
• Review and design electric and natural gas rates
• Review applications for construction of transmission, electric, and natural gas infrastructure
• Work directly with Mid-Continent Independent System Operator (MISO)
• Oversee natural gas pipeline safety
• Review gas supply plans
• Review Purchased Gas Adjustments (PGA)
• Review natural gas construction projects and territorial agreements
• Investigate Diggers Hotline complaints
• Administer the Wisconsin Pipeline Safety Program
Gas Supply Plan Guiding Principals

Process established in docket 5-GI-106

*Reasonable means for assessing a utility’s entire portfolio and ensuring that utilities have sufficient supply and capacity.*

1. **Reliability:** Plan will provide for a reasonably adequate supply of gas to meet the needs of the public during the planning period.

2. **Cost/Benefit:** Plan achieves the lowest reasonable cost of gas without jeopardizing reliability when taking into account other considerations such as engineering, economic, health, safety, efficiency, and environmental factors, and alternate methods of sources of supply.

3. **Coordination:** Plan is reasonably coordinated with the long range plans and policies of the Commission and other agencies.
Gas Supply Plan Basic Components

1. Annual sales forecast, detail of sales by customer rate class and category on a monthly and seasonal basis
2. Annual capacity forecast, to cover peak-day, annual demand, reserve margin and storage
3. Annual commodity forecast, how the utility will meet the commodity requirements of its sales forecast
4. Expected capacity releases
• Cost threshold of $5 million or 4% of revenues, whichever is less

• Natural gas terrestrial agreements

• Plant installed for use as intrastate pipeline facilities to deliver gas to another gas public utility, an interstate or intrastate gas pipeline company, or a cooperative association

• A new or altered existing plant for the purpose of bringing in a new type of gas or to supply a different type of gas to the public
Certificate of Authority (CA) under Wis. Stat. §196.49 must prepare an application for Commission review.

Wis. Adm. Code PSC §133.04, lists the information needed for all CA applications.
Project Requirements

1. Substantially impair the efficiency of the service of the public utility

2. Provide facilities unreasonably in excess of the probable future requirements.

3. When placed in operation, add to the cost of service without proportionately increasing the value or available quantity of service unless the public utility waives consideration by the commission, in the fixation of rates, of such consequent increase of cost of service.
• **Wisconsin Statute 182.0175** requires notifying Diggers Hotline before excavation

• 2018 law change

• Complaints are only accepted for incidents involving natural gas or other hazardous materials
Enforcement Panel

Panel Duties
• Notify respondent
• Vote on complaints
• Refer for education

Panel Members
• Transmission facility owners (2)
• Excavators (2)
• Employee of Diggers Hotline (1)
• Member of a Political Subdivision (1)
• Underground Locator (1)
Who Can File a Complaint

• The one-call system

• The department of transportation or a political subdivision, if property under the jurisdiction of the department or political subdivision is affected by an alleged violation of this section.

• A transmission facility owner, excavator, or underground line locator whose property or activities are affected by an alleged violation of this section.
Commission Duties

• Investigate complaint

• Make a determination if cause exists to warrant a hearing on the complaint

• Enter into a consent agreement respondent to dismiss the complaint – goal to change behavior

• Require educational course

• Issue fines: No more than $25,000 for each violation. Each day of continued violation constitutes a separate violation. Not to exceed $500,000
Common Complaints

• Failure to provide advance notice of not less than 3 working days to Diggers Hotline. Wis. Stat. 182.0175(2)(am)(1)

• Failure to immediately notify the owner of a transmission facility if an inspection reveals that the facility has been or may have been struck, damaged, dislocated, or disrupted and, if flammable, toxic, or corrosive gas or liquid has escaped...promptly make a report to the 911 emergency telephone number Wis. Stat. 182.0175(2)(am)(7)

• Failure to maintain an minimum clearance of 18 inches between a marking for an unexposed underground transmission facility and the cutting edge or point of any power excavating or earthmoving equipment... Wis. Stat. 182.0175(2)(as)(1)
### Summary

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- Those resolved by consent agreement have all been paid
- Collected: $33,000
- Outstanding: $225,600
Questions