



2009 ASSEMBLY BILL 600

November 24, 2009 - Introduced by Representatives SOLETSKI, MONTGOMERY, ZEPNICK, BENEDICT, BIES, COLON, DANOU, DAVIS, DEXTER, FIELDS, FRISKE, GARTHWAITE, GUNDERSON, HINTZ, HONADEL, HUEBSCH, MASON, MURSAU, A. OTT, PETERSEN, RHOADES, SHILLING, SINICKI, SMITH, STASKUNAS, STEINBRINK, SUDER, TOWNSEND, VAN ROY, VOS, VRUWINK and ZIGMUNT, cosponsored by Senators PLALE, KREITLOW, SULLIVAN, ERPENBACH, TAYLOR, SCHULTZ, OLSEN, HARSDDORF and DARLING. Referred to Committee on Energy and Utilities.

1 **AN ACT** *to amend* 196.20 (4) (d); and *to repeal and recreate* 196.20 (4) (c) of
2 the statutes; **relating to:** authority of the Public Service Commission
3 regarding fuel costs of certain electric public utilities and granting
4 rule-making authority.

Analysis by the Legislative Reference Bureau

Current law allows the Public Service Commission (PSC) to grant a rate increase to an electric public utility for increases in fuel costs that are of an extraordinary or emergency nature. The PSC may grant the increase after a hearing limited in scope to the question of the increase in fuel costs. For purposes of the foregoing, current law excludes the following from the definition of "electric public utility": 1) a public utility wholly owned and operated by a municipality or cooperative association; 2) a public utility that purchases, under federal or state approved wholesale rates, more than 50 percent of its electric power requirements from entities that are not affiliated interests of the public utility; and 3) a public utility with annual total gross operating revenues of \$2.5 million or more whose electric generation equipment has a total capacity of less than 30 megawatts.

This bill eliminates the PSC's authority described above and allows the PSC, after a hearing, to approve a fuel cost plan for an electric public utility, or, if an electric public utility's actual fuel costs are outside of the utility's fuel cost annual tolerance, as established by the PSC, to commence a proceeding to adjust rates that is outside of a general rate case proceeding for the electric public utility. "Electric utility" is defined to have the same exclusions as under current law. Also, if the PSC approves

