

BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

---

Application to Open a Docket to Consider Pre-approval of Criteria Related to the Implementation of Wis. Stat. § 66.0809(9) )  
Docket No. \_\_\_\_\_ )  
)  
)  
)

---

**APPLICATION OF MEUW  
TO OPEN A DOCKET**

---

Pursuant to Wis. Admin. Code § PSC 2.07(2), the Municipal Electric Utilities of Wisconsin (“MEUW”) requests that the Public Service Commission of Wisconsin (“PSCW” or the “Commission”) open a docket to consider pre-approval of certain proposed criteria relating to the exercise of a municipal utility’s authority under Wis. Stat. § 66.0809(9)<sup>1</sup> not to offer a deferred payment agreement to a residential customer who is a tenant. In the event the Commission approves the proposed criteria, MEUW also requests that the Commission delegate to its staff the authority to approve an application by a municipal utility to amend its rate file to include one or more of the pre-approved criteria.

MEUW is a trade association representing Wisconsin’s eighty-two (82) municipally owned electric utilities, each of which is a public utility under Wis. Stat. § 196.01(5).

**BACKGROUND**

Pursuant to Wis. Stat. § 66.0809, municipal utilities have the legal authority to collect unpaid bills for utility service as a lien on the property served. Such unpaid bills are collected as property taxes. Where the property served is owned by a landlord, the landlord can become responsible for the residential tenant’s unpaid utility bills as they may become a lien on the

---

<sup>1</sup> Subsection (9) was created by 2013 Wis. Act 274 (“Act 274”) and provides that a “municipal utility is not required to offer a customer who is a tenant at a rental dwelling unit a deferred payment agreement.”

landlord's property. To help landlords manage the unpaid utility bill issue, § 66.0809 establishes certain conditions that must be met before a tenant's delinquent utility bills can become a lien on the landlord's property.

Act 274 amended § 66.0809 to give both landlords and municipal utilities additional tools to help mitigate the delinquent utility bill issue. Among other things, Act 274 gives a municipal utility greater flexibility in setting its service rules with respect to customers who are residential tenants, with an eye toward reducing the amount of unpaid utility bills that are placed on the tax rolls. One of the affected service rules, and the subject of this pleading, pertains to the use of deferred payment agreements.

Prior to Act 274, a municipal utility was required to offer a residential customer a deferred payment agreement upon request (without regard to whether the customer was a tenant or property owner), provided that the customer could agree to terms that were acceptable to the utility. *See* Wis. Admin. Code § PSC 113.0404. Act 274, however, provides that a municipal utility need not offer a deferred payment agreement to a residential tenant. *See* Wis. Stat. § 66.0809(9). While the new law allows municipal utilities to differentiate between residential customers who are tenants and those who are not, whatever criteria a municipality uses to determine whether or not to offer a deferred payment agreement to a tenant must be applied uniformly to all residential tenants. Accordingly, before a municipal utility can exercise its new authority under § 66.0809(9), it must modify its rate file to reflect this change in the law and to establish the criteria the utility will use to determine whether to offer a deferred payment agreement to a residential tenant.

## **REQUEST TO OPEN DOCKET**

Toward that end, MEUW, on behalf of its members, requests that the Commission open a docket to consider pre-approving MEUW's proposed criteria to be used by a municipal utility in determining whether to offer a deferred payment agreement to a residential tenant. The purpose of requesting the opening of a docket is to help streamline the approval process. Every municipal utility that wishes to exercise its authority under Act 247 will need to apply to the Commission for approval to amend its rate file to establish whatever criteria the utility seeks to apply. Without such a generic docket in which the Commission pre-approves the criteria, the Commission would need to consider separately, perhaps after a public hearing and consideration by the full Commission, each request by a municipal utility to amend its rate file to establish its own criteria with respect to deferred payment agreements for residential tenants. If the Commission pre-approves the proposed criteria, the individual approval process can be delegated to Commission staff, who will then be able to issue an order approving the rate file changes in short order. Thus, for the sake of administrative economy, the Commission should open a docket.

Another benefit of this pre-approval process is that it will likely result in uniform service rules with respect to deferred payment agreements across municipal utilities. MEUW anticipates that if the Commission pre-approves its proposed criteria, then its members who wish to exercise their authority under Wis. Stat. § 66.0809(9) will seek to adopt one or more of the pre-approved criteria, rather than establish their own, different criteria and face a lengthier and more costly approval process. In this way, the pre-approval process will help to promote uniformity across municipal utilities.

## PROPOSED CRITERIA

MEUW seeks pre-approval of the following four criteria for inclusion in a municipal utility's rate file. Under MEUW's proposal, the municipal utility shall decline to offer a deferred payment agreement to a residential tenant, if any one of the following criteria applies:

1. The residential tenant has greater than \$100 of account arrearages that are more than 90 days past due.
2. The residential tenant has defaulted on a deferred payment agreement in the past 12 months.
3. The residential tenant is responsible for account arrearages that were placed on any property owner's tax bill in the utility's service territory in the past 24 months.
4. The residential tenant has a balance that accrued during the winter moratorium that is more than 80 days past due.

MEUW developed these criteria in consultation with its members. The members drew on their experience generally with deferred payment agreements. The four criteria reflect the members' judgment regarding the circumstances under which a deferred payment agreement may result in additional arrearages due to the customer ultimately defaulting on the agreement. For example, a residential customer who has not paid his/her utility bills throughout the entire winter moratorium will sometimes use a deferred payment agreement to delay full payment of the arrearages for as long as possible and may ultimately fail to meet the payment terms of the agreement. The end result is that the deferred payment agreement has served to increase the amount of the customer's arrearages.

In sum, MEUW believes it has met its goal of developing criteria to implement Wis. Stat. 66.0809(9) that are narrowly tailored to reflect its members' experience with deferred payment agreements and that are, therefore, just and reasonable.

## CONCLUSION

For the reasons stated above, MEUW requests that the Commission open a docket to: (1) consider pre-approval of MEUW's proposed criteria relating to the exercise of a municipal utility's authority to decline to offer a residential tenant a deferred payment agreement and (2) delegate to Commission staff the authority to approve an application by a municipal utility to amend its rate file to include one or more of the pre-approved criteria.

Dated this 16<sup>th</sup> day of June, 2014.

BOARDMAN & CLARK LLP

By

*/s/ Anita T. Gallucci*

---

Anita T. Gallucci, State Bar No. 1006728  
Attorneys for Municipal Electric Utilities of  
Wisconsin

Boardman & Clark LLP  
1 South Pinckney Street, 4th Floor  
P.O. Box 927  
Madison, WI 53701-0927  
Telephone: (608) 257-9521  
Facsimile: (608) 283-1709

F:\DOCS\WD\20229\6\A1919924.DOCX