

Tips to make being regulated a little easier



By Richard Heinemann
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MEUW members can often become frustrated by the constraints of being regulated by the Public Service Commission (PSC) of Wisconsin. Lengthy proceedings, costly staff inquiries, the ongoing need to educate the Commission about how municipal utilities differ from IOUs — it makes many members envy our unregulated neighbors in other states (Wisconsin is one of only five states in which municipal electric utilities are fully regulated).

The regulatory framework in Wisconsin dates to 1907 when the legislature transferred municipal utility franchise authority to the state due to concerns over inefficient competition and inadequate local oversight. Under this regulatory compact, a state commission was authorized to set rates, establish service standards, permit infrastructure investment and oversee financial practices (including payments in lieu of taxes) in exchange for service territory protection under an indeterminate permit.

It may not always seem that way, but in fact the PSC does a

reasonably good job of carrying out its mandate of ensuring that utility services are adequate, reliable, and reasonably priced in ways that benefit municipal utilities, as well as their ratepayers. In recent years, MEUW members have obtained timely construction approvals for utility service buildings and substations; much-needed rate increases, and authorization to implement special tariffs for community solar, renewable riders, new load market-based rates and “Bring Your Own Device” demand response services.

Adhering to a few basic principles can help achieve these results:

Know the regulatory rules (and follow them)

Municipal utilities must obtain a Certificate of Authority (CA) for many types of construction projects. Costs incurred prior to obtaining the certificate are unrecoverable and utilities that incur such costs are liable to sanction. The PSC provides and periodically updates guidance about how to prepare construction applications [here](#).

Be responsive, timely and comprehensive when preparing rate applications

Utilities submitting applications for rate increases must provide detailed information. It is critical to make sure that this information is comprehensive and responsive to foresee-

able staff concerns. Otherwise, there can be substantial delays in obtaining completeness determinations.

Involve staff early (and often) prior to (and during) the application process

That’s especially true in special tariff proceedings, where meetings with the Executive Assistant to one or more of the Commissioners, for example, can help flag issues and frame a municipal perspective.

Never hesitate about consulting with staff

PSC staff can also help outside formal proceedings. In one recent instance, a detailed staff response enabled one MEUW member to effectively navigate a complicated customer issue by explaining why the single meter rules applied to an Airbnb paired with a non-transient commercial space. PSC staff have even been known to refund assessments for staff charges when warranted (after persistent, but respectful inquiry).

Being regulated will always present challenges. But following the rules, providing timely info, and involving staff proactively can make it easier. ●



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