

PUBLIC SERVICE COMMISSION OF WISCONSIN

Applications for Service and the Fair and Accurate Credit
Transactions Act

1-AC-229

NOTICE OF HEARING

Hearing Date:	Monday July 29, 2013 10:00 a.m.
Hearing Location:	Public Service Commission, 610 North Whitney Way, Madison, WI

Comments Due: Monday, August 12, 2013 – Noon	Address Comments To: Sandra J. Paske, Secretary to the Commission Public Service Commission P.O. Box 7854 Madison, WI 53707-7854 FAX (608) 266-3957
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The Public Service Commission of Wisconsin proposes an order to repeal PSC 113.0301 (1m) (j) and (3), 113.0406 (7), 134.062 (2), 134.063 (1) (L), 134.13 (7), 185.33 (18) and 185.37 (2) (L); to amend PSC 113.0301 (1m) (i), 134.062 (1) (k) and 185.37 (2) (k); and to create PSC 113.0408, 113.0409, 134.051, 134.053, 185.30 and 185.305, relating to applications for service and the Fair and Accurate Credit Transactions Act.

**ANALYSIS PREPARED BY THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

The analysis is set forth as Attachment A.

TEXT OF PROPOSED RULE

The text of the proposed rule is set forth as Attachment B.

INITIAL REGULATORY FLEXIBILITY ANALYSIS

This rulemaking will not have an effect on small business.

FISCAL ESTIMATE

A completed Economic Impact Analysis is included as Attachment C.

NOTICE OF HEARING

NOTICE IS GIVEN that pursuant to s. 227.16(2)(b), Stats., the commission will hold a public hearing on these proposed rule changes in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, on Monday, July 29, 2013, at 10:00 a.m. This building is accessible to people in wheelchairs through the Whitney Way (lobby) entrance. Handicapped parking is available on the south side of the building.

WRITTEN COMMENTS

Any person may submit written comments on these proposed rules. The hearing record will be open for written comments from the public, effective immediately, and until Monday, August 12, 2013 at noon. All written comments must include a reference on the filing to docket 1-AC-229. File by one mode only.

Industry: File comments using the Electronic Regulatory Filing system. This may be accessed from the commission's web site (psc.wi.gov).

Members of the Public:

Please submit your comments in one of the following ways:

- **Electronic Comment.** Go to the commission's web site at <http://psc.wi.gov>, and click on the "ERF - Electronic Regulatory Filing" graphic on the side menu bar. On the next page, click on "Need Help?" in the side menu bar for instructions on how to upload a document.
- **Web Comment.** Go to the commission's web site at <http://psc.wi.gov>, click on the "Public Comments" button on the side menu bar. On the next page select the "File a comment" link that appears for docket number 1-AC-229.
- **Mail Comment.** All comments submitted by U.S. Mail must include the phrase "Docket 1-AC-229 Comments" in the heading, and shall be addressed to:

Sandra J. Paske, Secretary to the Commission
Public Service Commission
P.O. Box 7854
Madison, WI 53707-7854

The commission does not accept comments submitted via e-mail or facsimile (fax). Any material submitted to the commission is a public record and may appear on the commission's

web site. Only one comment may be submitted per person during a comment period. The commission may reject a comment that does not comply with the requirements described in this notice.

CONTACT PERSON

Questions regarding this matter should be directed to Justin Chasco at (608) 266-3708 or justin.chasco@wisconsin.gov. Small business questions may be directed to Anne Vandervort, Gas and Energy Division, at (608) 266-5814, or anne.vandervort@wisconsin.gov; Gary Evenson, Telecommunications Division, at (608) 266-6744, or gary.evenson@wisconsin.gov; or Denise Schmidt, Water Division, at (608) 266-1282 or denise.schmidt@wisconsin.gov. Media questions should be directed to Nathan Conrad, Communications Director, at (608) 266-9600. Hearing- or speech-impaired individuals may also use the commission's TTY number: If calling from Wisconsin, (800) 251-8345; if calling from outside Wisconsin, (608) 267-1479.

The commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to get this document in a different format should contact Justin Chasco, as indicated in the previous paragraph, as soon as possible.

Dated at Madison, Wisconsin, this 24th day of June, 2013

By the Commission,

/s/ Cynthia E. Smith for

Sandra J. Paske
Secretary to the Commission

SJP:JWC:hms:DL: 00712930

155 – PSC 118 – Notice of Hearing

**ANALYSIS PREPARED BY THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

A. Statutory Authority and Explanation of Authority

This rule is authorized under ss. 196.02 (1) and (3), 196.745 (1) (a), and 227.11, Stats.

Section 227.11 authorizes agencies to promulgate administrative rules. Section 196.02 (1) authorizes the commission to do all things necessary and convenient to its jurisdiction. Section 196.02 (3) grants the commission specific authority to promulgate rules. Section 196.745 (1) (a) grants the commission specific authority to adopt rules requiring that the construction and operation of gas facilities be done in a reasonably adequate and safe manner.

B. Statutes Interpreted

Section 196.02 (1), Stats., authorizes the commission to do all things necessary and convenient to its jurisdiction. Section 196.03 (1) Stats., requires public utilities to furnish adequate service. Section 196.37 (2), Stats., requires utility practices and services to be reasonable.

C. Related Statutes or Rules

Chapters PSC 113, 134, and 185, which contain the commission's rules for the provision of service by electric utilities, standards for gas service and standards for water public utility service.

D. Brief Summary of Rule

This rule is intended to harmonize the requirements of the Fair Credit Reporting Act with the commission's administrative rules on the provision of service by utilities. Specifically, the rule requires public utilities in Wisconsin to take steps to identify and mitigate identity theft risks by verifying the identity of applicants for service as required by the FACT rules. Many Wisconsin utilities already use procedures consistent with the requirements of this rule. This rule permits utilities to require an applicant for service to provide initial identifying information. If an applicant for service refuses to provide identifying information or provides inadequate identifying information, the rule permits utilities to require additional identifying information as a pre-condition for establishing service. If an applicant for service fails to provide identifying information, the utility may refuse to provide service to the applicant.

E. Comparison with Existing or Proposed Federal Regulations

The Fair and Accurate Credit Transactions Act¹ (FACT) included a number of changes to the Fair Credit Reporting Act.² Many of these changes addressed identity theft risks and plans that companies must develop to ensure the identity of those who already have accounts, or who open new accounts, with the company. This rule is intended to harmonize the requirements of the federal government and the commission with regard to identity theft risks.

F. Comparison with Similar Rules in Adjacent States

Michigan permits utilities to request customer identification similar to this rule (MI Admin. Rule 460.106). Illinois (see, e.g., 83 Ill. Adm. Code 280.70), Minnesota, and Iowa (see Iowa Admin. Code r. 199-19.4(16)) do not have administrative rules either allowing or prohibiting a utility to require identification as a pre-condition for service, but each state requires utilities to comply with company-specific tariffs when they review applications for service. Many of those tariffs allow utilities to require supporting documentation, including identification.

G. Effect on Small Business

This rule has no effect on small businesses since these utilities, as monopolies and unlike small businesses, are all dominant in their field. Further, these rules primarily harmonize the commission's rules on the provision of utility service with federal regulations.

H. Comments

Comments on this rule may be submitted as outlined in the Notice of Hearing.

I. Accommodation

The commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to receive this document in a different format should contact the Docket Coordinator, as indicated in the following paragraph, as soon as possible.

J. Agency Contacts

Questions regarding this matter should be directed to Docket Coordinator Justin Chasco at (608) 266-3708, or justin.chasco@wisconsin.gov. Small business questions may be directed to Anne Vandervort, Gas and Energy Division, at (608) 266-5814, or anne.vandervort@wisconsin.gov; Gary Evenson, Telecommunications Division, at (608) 266-6744, or gary.evanson@wisconsin.gov; or Denise Schmidt, Water Division, at (608) 266-1282, or denise.schmidt@wisconsin.gov. Media questions should be directed to Nathan

¹ Pub. L. No. 108-159, 117 Stat. 1952.

² 15 U.S.C. 1681.

Conrad, Communications Director, at (608) 266-9600. Hearing- or speech-impaired individuals may also use the commission's TTY number. If calling from Wisconsin, use (800) 251-8345; if calling from outside Wisconsin, use (608) 267-1479.

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TEXT OF THE RULES

SECTION 1. PSC 113.0301 (1m) (i) is amended to read:

PSC 113.0301 (1m) (i) Failure of an applicant for utility service to provide adequate verification of identity and residency, as provided in sub.(3) to provide information or documentation required by s. PSC 113.0306.

SECTION 2. PSC 113.0301 (1m) (j) and (3) are repealed.

SECTION 3. PSC 113.0406 (7) is repealed.

SECTION 4. PSC 113.0408 and 113.0409 are created to read:

PSC 113.0408 Application for residential service.

(1) For purposes of this section, “written” or “in writing” means legibly printed on paper or, with the intended recipient’s permission, legibly printed in an electronic form that the recipient can electronically store and retrieve for future reference.

(2) (a) A residential user of electric service shall apply for service.

(b) A utility may require a verbal or written application for residential service. The utility shall establish a written policy for when a written application is required. A utility may accept an application for service from a person other than the user or potential user of service.

(c) 1. Except as provided in par. (d), a utility may only require that an applicant provide the following information in an application:

- 1 a. Legal name and birthdate of the user of service and the person responsible for bill
- 2 payment, if different than the user.
- 3 b. If the user of service and person responsible for bill payment have telephone service, the
- 4 telephone number of the user of service and the person responsible for bill payment, if
- 5 different than the user. Lack of telephone service is not grounds for service refusal.
- 6 c. Address where service is to be provided.
- 7 d. Mailing address if different from service address.
- 8 e. Date requested for service to begin.
- 9 f. The most recent previous address of the person responsible for bill payment.
- 10 g. Initial identification data under subd. 2.
- 11 2. A utility shall accept any of the following items as adequate initial identification data:
- 12 a. Driver's license number.
- 13 b. State identification card number.
- 14 c. Passport number.
- 15 d. Social security number.
- 16 3. If a utility requests the initial identification data under subd. 2., it shall inform the
- 17 applicant of all acceptable forms of initial identification data and allow the applicant to
- 18 choose which the applicant wishes to provide.
- 19 (d) If a utility determines that an applicant's response under par. (c) 1.a. to f. indicates that
- 20 additional information is necessary to further evaluate the applicant's credit history or
- 21 identity, the utility may require the applicant's addresses for the past 6 years as part of its

1 application for service. Each utility shall establish a written policy for requesting the
2 application information under this paragraph.

3 (e) A utility may request information other than that listed in pars. (c) and (d), but before
4 requesting it the utility shall inform the applicant that providing that information is optional.

5 (f) A utility may refuse service for failure to provide any information specified in
6 par. (c) 1.a., c., e. to h., or par. (d).

7 **Note:** See sub. (3) (a) about what can be required if an applicant refuses to provide the initial
8 identification data under s. 113.0408(2)(c)1.g.

9 (3) IDENTITY AND RESIDENCY VERIFICATION. (a) A utility may require verification of the
10 initial identification data or the residency, or both, of the person responsible for bill payment
11 under any of the following circumstances:

12 1. The application is for service at a premises where a bill remains unpaid for service
13 provided within the previous 24 months.

14 2. The person responsible for bill payment has an outstanding bill with the utility but claims
15 that the bill was accrued in the person's name as a result of identity theft.

16 3. The applicant fails to provide the initial identification data under sub. (2) (c) 1. g. or the
17 utility finds, with reasonable certainty, that the initial identification information is inaccurate.

18 (b) A utility shall establish a written policy for when it will require verification of identity or
19 residency under par. (a).

20 (c) A utility shall accept any of the following items as adequate verification of identity:

21 1. Any one of the following items:

- 1 a. Valid driver's license or other photo identification issued by a state, U.S., or tribal
- 2 governmental entity.
- 3 b. Valid U.S. military or military dependent identification card.
- 4 c. Valid passport.
- 5 2. Any two of the following items:
- 6 a. Social security card.
- 7 b. Certified copy of a marriage certificate.
- 8 c. Certified copy of a judgment of divorce or legal separation.
- 9 d. Military discharge papers, including federal form DD-214.
- 10 e. Valid student identification card with the applicant's photo.
- 11 f. Current employee photo identification card that includes information, such as the
- 12 employer's telephone number or address, which can be used for verification purposes.
- 13 g. Letter of identification from a social service agency or employer that includes information,
- 14 such as the agency or employer's telephone number or address, which can be used for
- 15 verification purposes.
- 16 (d) 1. A utility shall accept any one of the following items as adequate verification of an
- 17 applicant's residency:
- 18 a. Current utility bill.
- 19 b. Current financial institution statement.
- 20 c. Rental agreement.
- 21 d. Documents indicating home purchase.

1 e. Current paycheck or pay stub showing the applicant's name and address, and the
2 employer's name.

3 f. Verification of address provided by a social service or government agency.

4 2. A utility may require an applicant to provide information that may be used for verification
5 purposes, such as a telephone number or address, if the applicant submits one of the items in
6 subd. 1. b., c., e., or f. to the utility.

7 (e) If a request for verification of identity or residency is based on par. (a) 2., the utility may
8 require that the applicant provide the information in s. 196.23 (1), Stats.

9 (f) If a utility requests information under this subsection, it shall inform the applicant of all
10 items that are acceptable for verification of identity or residency, and allow the applicant to
11 choose which items the applicant wishes to provide.

12 (g) If an applicant refuses to provide the information under sub. (3)(c) or (d) or a utility finds,
13 with reasonable certainty, that the verification is inadequate or falsified, the utility may
14 request an additional item, refuse service or disconnect service.

15 (4) PROCESSING APPLICATIONS AND PROVIDING NOTICE. (a) A utility shall approve or deny an
16 application for service no later than 5 days after receipt of the information required under this
17 section.

18 (b) A utility shall notify the applicant in writing within 5 days of its denial. A utility may
19 notify an applicant verbally before written notification is sent. An application shall be
20 considered denied when a service refusal has been finalized and no immediate conditions that
21 could change that refusal remain. The notification shall include all of the following:

22 1. An explanation of why service is being refused.

1 2. The applicant’s right to ask commission staff to review the refusal.

2 3. The commission’s address, telephone number and web site.

3 **Note:** For example, if a utility has told a customer that it would supply service if the customer makes a
4 payment, enters a deferred payment agreement or provides additional identity or residency information under
5 sub. (3), the refusal is still conditional and has not been finalized.

6 (c) If a third party applies for service, a utility shall send written notification of the
7 application to the most recent previous address of the person responsible for payment and the
8 address for which service has been requested.

9 (d) If an applicant indicates that a third party is responsible for payment, a utility shall send
10 written notification of the approval or denial of an application to both the third party and the
11 applicant within 5 days of the application’s approval or denial, although a utility may notify
12 the third party and applicant before written confirmation is sent. If service is refused, the
13 written notification shall include the information in par. (b) 1. to 3.

14 **PSC 113.0409 Application for commercial and farm service.**

15 (1) For purposes of this section, “written” or “in writing” means legibly printed on paper or,
16 with the intended recipient’s permission, legibly printed in an electronic form that the
17 recipient can electronically store and retrieve for future reference.

18 (2)(a) A user of electric service shall apply for service in a form specified by the utility.

19 (b) A utility may require a verbal or written application for commercial or farm service. The
20 utility shall establish a written policy for when a written application is required. A utility may
21 accept an application for service from a person other than the user or potential user of service

22 (c) The utility may only require that an applicant provide the following information in an
23 application:

- 1 1. Legal name of the user of service and the person responsible for bill payment, if different
- 2 than the user.
- 3 2. Telephone number of the user of service and the person responsible for bill payment, if
- 4 different than the user.
- 5 3. Address where service is to be provided.
- 6 4. Mailing address if different from service address.
- 7 5. Date requested for service to begin.
- 8 6. The most recent previous address of the person responsible for bill payment.
- 9 7. Credit information under par. (e).
- 10 8. Initial identification data under par. (f).
- 11 (d) A utility may request information other than that listed in par. (c), but before requesting it
- 12 the utility shall inform the applicant that providing that information is optional.
- 13 (e) A utility may request reasonable credit information from a commercial or farm applicant
- 14 as part of its application for service. A utility shall establish a written policy about when it
- 15 will request credit information and what credit information it will request.
- 16 (f) A utility shall accept any of the following items as adequate initial identification data:
- 17 1. Federal employer identification number or proof that it has been applied for but not yet
- 18 granted.
- 19 2. Wisconsin department of financial institutions identification number.
- 20 3. Wisconsin seller's permit identification number.
- 21 (g) A utility may refuse service for failure to provide any information specified in pars. (c) 1.
- 22 to 7., or (f).

1 **Note:** See sub. (3) (a) about what can be required if an applicant refuses to provide the initial
2 identification data under par. (b) 8.

3 (3) IDENTITY VERIFICATION. (a) A utility may require verification of the initial identification
4 data of an applicant for commercial or farm service under any of the following
5 circumstances:

- 6 1. An applicant refuses to provide the information under sub. (2) (c), (e) or (f).
- 7 2. The utility finds, with reasonable certainty, that the information provided under sub. (2)
- 8 (c), (e) or (f) is inadequate or falsified.

9 (b) A utility shall establish a written policy for when it will require verification of identity
10 under this subsection.

11 (c) A utility shall accept any of the following items as adequate verification of identity:

- 12 1. State or federal income tax returns.
- 13 2. Internal Revenue Service letter assigning federal employer identification number.
- 14 3. Wisconsin seller's permit or department of revenue letter assigning a Wisconsin seller's
- 15 permit identification number.
- 16 4. Business articles of incorporation, partnership agreement, limited liability company
- 17 articles of organization, or similar organizational documents.

18 (d) A utility may refuse or disconnect service if it does not obtain adequate verification of
19 identity.

20 (4) PROCESSING APPLICATIONS AND PROVIDING NOTICE. (a) A utility shall approve or deny an
21 application for service no later than 5 days after receipt of the information required under this
22 section.

1 (b) A utility shall notify the applicant in writing within 5 days of the denial of application. A
2 utility may notify an applicant verbally before written notification is sent. An application
3 shall be considered denied when a service refusal has been finalized and no immediate
4 conditions that could change that refusal remain. The notification shall include all of the
5 following:

- 6 1. An explanation of why service is being refused.
- 7 2. The applicant's right to ask commission staff to review the refusal.
- 8 3. The commission's address, telephone number and web site.

9 **Note:** For example, if a utility has told a customer that it would supply service if the customer makes a
10 payment, enters a deferred payment agreement or provides additional identity information under sub. (3), the
11 refusal is still conditional and has not been finalized.

12 (c) If a third party applies for service, a utility shall send written notification of the
13 application to the potential user's mailing address and the address for which service has been
14 requested.

15 (d) If an applicant indicates that a third party is responsible for payment, a utility shall send
16 written notification of the approval or denial of an application to both the third party and the
17 applicant within 5 days of the application's approval or denial, although a utility may notify
18 the third party and applicant before written confirmation is sent. If service is refused, the
19 written notification shall include the information in par. (b) 1. to 3.

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1 **SECTION 5.** PSC 134.051 and 134.053 are created to read:

2 **PSC 134.051 Application for residential service.**

3 (1) For purposes of this section, “written” or “in writing” means legibly printed on paper or,
4 with the intended recipient’s permission, legibly printed in an electronic form that the
5 recipient can electronically store and retrieve for future reference.

6 (2) (a) A residential user of gas service shall apply for service.

7 (b) A utility may require a verbal or written application for residential service. The utility
8 shall establish a written policy for when a written application is required. A utility may
9 accept an application for service from a person other than the user or potential user of
10 service.

11 (c)1. Except as provided in par. (d), a utility may only require that an applicant provide the
12 following information in an application:

13 a. Legal name and birthdate of the user of service and the person responsible for bill
14 payment, if different than the user.

15 b. If the user of service and person responsible for bill payment have telephone service, the
16 telephone number of the user of service and the person responsible for bill payment, if
17 different than the user. Lack of telephone service is not grounds for service refusal.

18 c. Address where service is to be provided.

19 d. Mailing address if different from service address.

20 e. Date requested for service to begin.

21 f. The most recent previous address of the person responsible for bill payment.

22 g. Initial identification data under subd. 2.

1 2. A utility shall accept any of the following items as adequate initial identification data:

2 a. Driver's license number.

3 b. State identification card number.

4 c. Passport number.

5 d. Social security number.

6 3. If a utility requests the initial identification data under subd. 2., it shall inform the
7 applicant of all acceptable forms of initial identification data and allow the applicant to
8 choose which the applicant wishes to provide.

9 (d) If a utility determines that an applicant's response under par. (c) 1.a. to f. indicates that
10 additional information is necessary to further evaluate the applicant's credit history or
11 identity, the utility may require the applicant's addresses for the past 6 years as part of its
12 application for service. Each utility shall establish a written policy for requesting the
13 application information under this paragraph.

14 **Note:** Also see s. PSC 134.061, which allows a request for a deposit if an applicant has an outstanding
15 account balance that accrued within the last 6 years.

16 (e) A utility may request information other than that listed in pars. (c) and (d), but before
17 requesting it the utility shall inform the applicant that providing that information is optional.

18 (f) A utility may refuse service for failure to provide any information specified in par. (c)

19 1.a., c., e. to h. or par. (d).

20 **Note:** See sub. (3) (a) about what can be required if an applicant refuses to provide the initial
21 identification data under s. PSC 134.051 (1) (c) 1. g.

1 (3) IDENTITY AND RESIDENCY VERIFICATION. (a) A utility may require verification of the
2 initial identification data or the residency, or both, of the person responsible for bill payment
3 under any of the following circumstances:

4 1. The application is for service at a premises where a bill remains unpaid for service
5 provided within the previous 24 months.

6 2. The person responsible for bill payment has an outstanding bill with the utility but claims
7 that the bill was accrued in the person's name as a result of identity theft.

8 3. The applicant fails to provide the initial identification data under sub. (2)(c) 1. g. or the
9 utility finds, with reasonable certainty, that the initial identification information is inaccurate.

10 (b) A utility shall establish a written policy for when it will require verification of identity or
11 residency under par. (a).

12 (c) A utility shall accept any of the following items as adequate verification of identity:

13 1. Any one of the following items:

14 a. Valid driver's license or other photo identification issued by a state, U.S., or tribal
15 governmental entity.

16 b. Valid U.S. military or military dependent identification card.

17 c. Valid passport.

18 2. Any two of the following items:

19 a. Social security card.

20 b. Certified copy of a marriage certificate.

21 c. Certified copy of a judgment of divorce or legal separation.

22 d. Military discharge papers, including federal form DD-214.

- 1 e. Valid student identification card with the applicant's photo.
- 2 f. Current employee photo identification card that includes information, such as the
- 3 employer's telephone number or address, which can be used for verification purposes.
- 4 g. Letter of identification from a social service agency or employer that includes information,
- 5 such as the agency or employer's telephone number or address, which can be used for
- 6 verification purposes.
- 7 (d) 1. A utility shall accept any one of the following items as adequate verification of an
- 8 applicant's residency:
 - 9 a. Current utility bill.
 - 10 b. Current financial institution statement.
 - 11 c. Rental agreement.
 - 12 d. Documents indicating home purchase.
 - 13 e. Current paycheck or pay stub showing the applicant's name and address, and the
 - 14 employer's name.
 - 15 f. Verification of address provided by a social service or government agency.
- 16 2. A utility may require an applicant to provide information that may be used for verification
- 17 purposes, such as a telephone number or address, if the applicant submits one of the items in
- 18 subd. 1. b., c., e., or f. to the utility.
- 19 (e) If a request for verification of identity or residency is based on par. (a) 2., the utility may
- 20 require that the applicant provide the information in s. 196.23 (1), Stats.

1 (f) If a utility requests information under this subsection, it shall inform the applicant of all
2 items that are acceptable for verification of identity or residency, and allow the applicant to
3 choose which items the applicant wishes to provide.

4 (g) If an applicant refuses to provide the information under pars. (c) or (d) or a utility finds,
5 with reasonable certainty, that the verification is inadequate or falsified, the utility may
6 request an additional item, refuse service or disconnect service.

7 (4) PROCESSING APPLICATIONS AND PROVIDING NOTICE. (a) A utility shall approve or deny an
8 application for service no later than 5 days after receipt of the information required under this
9 section.

10 (b) A utility shall notify the applicant in writing within 5 days of its denial. A utility may
11 notify an applicant verbally before written notification is sent. An application shall be
12 considered denied when a service refusal has been finalized and no immediate conditions that
13 could change that refusal remain. The notification shall include all of the following:

- 14 1. An explanation of why service is being refused.
- 15 2. The applicant's right to ask commission staff to review the refusal.
- 16 3. The commission's address, telephone number and web site.

17 **Note:** For example, if a utility has told a customer that it would supply service if the customer makes a
18 payment, enters a deferred payment agreement or provides additional identity or residency information under
19 sub. (3), the refusal is still conditional and has not been finalized.

20 (c) If a third party applies for service, a utility shall send written notification of the
21 application to the most recent previous address of the person responsible for payment and the
22 address for which service has been requested.

1 (d) If an applicant indicates that a third party is responsible for payment, a utility shall send
2 written notification of the approval or denial of an application to both the third party and the
3 applicant within 5 days of the application's approval or denial, although a utility may notify
4 the third party and applicant before written confirmation is sent. If service is refused, the
5 written notification shall include the information in par. (b) 1. to 3.

6 **PSC 134.053 Application for commercial and farm service.**

7 (1) For purposes of this section, "written" or "in writing" means legibly printed on paper or,
8 with the intended recipient's permission, legibly printed in an electronic form that the
9 recipient can electronically store and retrieve for future reference.

10 (2)(a) A user of gas service shall apply for service in a form specified by the utility.

11 (b) A utility may require a verbal or written application for commercial or farm service. The
12 utility shall establish a written policy for when a written application is required. A utility may
13 accept an application for service from a person other than the user or potential user of service

14 (c) The utility may only require that an applicant provide the following information in an
15 application:

16 1. Legal name of the user of service and the person responsible for bill payment, if different
17 than the user.

18 2. Telephone number of the user of service and the person responsible for bill payment, if
19 different than the user.

20 3. Address where service is to be provided.

21 4. Mailing address if different from service address.

22 5. Date requested for service to begin.

1 6. The most recent previous address of the person responsible for bill payment.

2 7. Credit information under par. (e).

3 8. Initial identification data under par. (f).

4 (d) A utility may request information other than that listed in par. (c), but before requesting it
5 the utility shall inform the applicant that providing that information is optional.

6 (e) A utility may request reasonable credit information from a commercial or farm applicant
7 as part of its application for service. A utility shall establish a written policy about when it
8 will request credit information and what credit information it will request.

9 (f) A utility shall accept any of the following items as adequate initial identification data:

10 1. Federal employer identification number or proof that it has been applied for but not yet
11 granted.

12 2. Wisconsin department of financial institutions identification number.

13 3. Wisconsin seller's permit identification number.

14 (g) A utility may refuse service for failure to provide any information specified in
15 pars. (c) 1. to 7., or (f).

16 **Note:** See sub. (3) (a) about what can be required if an applicant refuses to provide the initial
17 identification data under par. (b) 8.

18 (3) IDENTITY VERIFICATION. (a) A utility may require verification of the initial identification
19 data of an applicant for commercial or farm service under any of the following
20 circumstances:

21 1. An applicant refuses to provide the information under sub. (2) (c), (e) or (f).

1 2. The utility finds, with reasonable certainty, that the information provided under sub. (2)
2 (c), (e) or (f) is inadequate or falsified.

3 (b) A utility shall establish a written policy for when it will require verification of identity
4 under this subsection.

5 (c) A utility shall accept any of the following items as adequate verification of identity:

6 1. State or federal income tax returns.

7 2. Internal Revenue Service letter assigning federal employer identification number.

8 3. Wisconsin seller's permit or department of revenue letter assigning a Wisconsin seller's
9 permit identification number.

10 4. Business articles of incorporation, partnership agreement, limited liability company
11 articles of organization, or similar organizational documents.

12 (d) A utility may refuse or disconnect service if it does not obtain adequate verification of
13 identity.

14 (4) PROCESSING APPLICATIONS AND PROVIDING NOTICE. (a) A utility shall approve or deny an
15 application for service no later than 5 days after receipt of the information required under this
16 section.

17 (b) A utility shall notify the applicant in writing within 5 days of the denial of application. A
18 utility may notify an applicant verbally before written notification is sent. An application
19 shall be considered denied when a service refusal has been finalized and no immediate
20 conditions that could change that refusal remain. The notification shall include all of the
21 following:

22 1. An explanation of why service is being refused.

1 2. The applicant’s right to ask commission staff to review the refusal.

2 3. The commission’s address, telephone number and web site.

3 **Note:** For example, if a utility has told a customer that it would supply service if the customer makes a
4 payment, enters a deferred payment agreement or provides additional identity information under sub. (3), the
5 refusal is still conditional and has not been finalized.

6 (c) If a third party applies for service, a utility shall send written notification of the
7 application to the potential user’s mailing address and the address for which service has been
8 requested.

9 (d) If an applicant indicates that a third party is responsible for payment, a utility shall send
10 written notification of the approval or denial of an application to both the third party and the
11 applicant within 5 days of the application’s approval or denial, although a utility may notify
12 the third party and applicant before written confirmation is sent. If service is refused, the
13 written notification shall include the information in par. (b) 1. to 3.

14

15 **SECTION 6.** PSC 134.062(1)(k) is amended to read:

16 PSC 134.062 (1) (k) Failure of an applicant for utility service to provide ~~adequate~~
17 ~~verification of identity and residency, as provided in sub. (2)~~ information or documentation
18 required by s. PSC 134.051.

19

20 **SECTION 7.** PSC 134.062 (2), 134.063 (1) (L) and 134.13 (7) are repealed.

21

22

23

1 **SECTION 8.** PSC 185.30 and 185.305 are created to read:

2 **PSC 185.30 Application for residential and multifamily service.** (1) For purposes of this
3 section, “written” or “in writing” means legibly printed on paper or, with the intended
4 recipient’s permission, legibly printed in an electronic form that the recipient can
5 electronically store and retrieve for future reference.

6 (2) (a) A residential or multifamily user of water service shall apply for service.

7 (b) A utility may require a verbal or written application for residential service. The utility
8 shall establish a written policy for when a written application is required. A utility may
9 accept an application for service from a person other than the user or potential user of
10 service.

11 (c) 1. Except as provided in par. (d), a utility may only require that an applicant provide the
12 following information in an application:

13 a. Legal name and birthdate of the user of service and the person responsible for bill
14 payment, if different than the user.

15 b. If the user of service and person responsible for bill payment have telephone service, the
16 telephone number of the user of service and the person responsible for bill payment, if
17 different than the user. Lack of telephone service is not grounds for service refusal.

18 c. Address where service is to be provided.

19 d. Mailing address if different from service address.

20 e. Date requested for service to begin.

21 f. The most recent previous address of the person responsible for bill payment.

22 g. Initial identification data under subd. 2.

1 2. A utility shall accept any of the following items as adequate initial identification data:

2 a. Driver's license number.

3 b. State identification card number.

4 c. Passport number.

5 d. Social security number.

6 3. If a utility requests the initial identification data under subd. 2., it shall inform the
7 applicant of all acceptable forms of initial identification data and allow the applicant to
8 choose which the applicant wishes to provide.

9 (d) If a utility determines that an applicant's response under par. (c) 1.a. to f. indicates that
10 additional information is necessary to further evaluate the applicant's credit history or
11 identity, the utility may require the applicant's addresses for the past 6 years as part of its
12 application for service. Each utility shall establish a written policy for requesting the
13 application information under this paragraph.

14 **Note:** Also see s. PSC 185.36, which allows a request for a deposit if an applicant has an outstanding
15 account balance that accrued within the last 6 years.

16 (e) A utility may request information other than that listed in pars. (c) and (d), but before
17 requesting it the utility shall inform the applicant that providing that information is optional.

18 (f) A utility may refuse service for failure to provide any information specified in par. (c)

19 1.a., c., e. and f. or par. (d).

20 **Note:** See sub. (3) (a) about what can be required if an applicant refuses to provide the initial
21 identification data under s. PSC 185.30 (1) (c) 1. g.

1 (3) IDENTITY AND RESIDENCY VERIFICATION. (a) A utility may require verification of the
2 initial identification data or the residency, or both, of the person responsible for bill payment
3 under any of the following circumstances:

4 1. The application is for service at a premises where a bill remains unpaid for service
5 provided within the previous 24 months.

6 2. The person responsible for bill payment has an outstanding bill with the utility but claims
7 that the bill was accrued in the person's name as a result of identity theft.

8 3. The applicant fails to provide the initial identification data under sub. (2) (c) 1. g. or the
9 utility finds, with reasonable certainty, that the initial identification information is inaccurate.

10 (b) A utility shall establish a written policy for when it will require verification of identity or
11 residency under par. (a).

12 (c) A utility shall accept any of the following items as adequate verification of identity:

13 1. Any one of the following items:

14 a. Valid driver's license or other photo identification issued by a state, U.S., or tribal
15 governmental entity.

16 b. Valid U.S. military or military dependent identification card.

17 c. Valid passport.

18 2. Any two of the following items:

19 a. Social security card.

20 b. Certified copy of a marriage certificate.

21 c. Certified copy of a judgment of divorce or legal separation.

22 d. Military discharge papers, including federal form DD-214.

- 1 e. Valid student identification card with the applicant's photo.
- 2 f. Current employee photo identification card that includes information, such as the
- 3 employer's telephone number or address, which can be used for verification purposes.
- 4 g. Letter of identification from a social service agency or employer that includes information,
- 5 such as the agency or employer's telephone number or address, which can be used for
- 6 verification purposes.
- 7 (d) 1. A utility shall accept any one of the following items as adequate verification of an
- 8 applicant's residency:
 - 9 a. Current utility bill.
 - 10 b. Current financial institution statement.
 - 11 c. Rental agreement.
 - 12 d. Documents indicating home purchase.
 - 13 e. Current paycheck or pay stub showing the applicant's name and address, and the
 - 14 employer's name.
 - 15 f. Verification of address provided by a social service or government agency.
- 16 2. A utility may require an applicant to provide information that may be used for verification
- 17 purposes, such as a telephone number or address, if the applicant submits one of the items in
- 18 subd. 1. b., c., e., or f. to the utility.
- 19 (e) If a request for verification of identity or residency is based on par. (a) 2., the utility may
- 20 require that the applicant provide the information in s. 196.23 (1), Stats.

1 (f) If a utility requests information under this subsection, it shall inform the applicant of all
2 items that are acceptable for verification of identity or residency, and allow the applicant to
3 choose which items the applicant wishes to provide.

4 (g) If an applicant refuses to provide the information under pars. (c) or (d) or a utility finds,
5 with reasonable certainty, that the verification is inadequate or falsified, the utility may
6 request an additional item, refuse service or disconnect service.

7 (4) PROCESSING APPLICATIONS AND PROVIDING NOTICE. (a) A utility shall approve or deny an
8 application for service no later than 5 days after receipt of the information required under this
9 section.

10 (b) A utility shall notify the applicant in writing within 5 days of its denial. A utility may
11 notify an applicant verbally before written notification is sent. An application shall be
12 considered denied when a service refusal has been finalized and no immediate conditions that
13 could change that refusal remain. The notification shall include all of the following:

- 14 1. An explanation of why service is being refused.
- 15 2. The applicant's right to ask commission staff to review the refusal.
- 16 3. The commission's address, telephone number and web site.

17 **Note:** For example, if a utility has told a customer that it would supply service if the customer makes a
18 payment, enters a deferred payment agreement or provides additional identity or residency information under
19 sub. (3), the refusal is still conditional and has not been finalized.

20 (c) If a third party applies for service, a utility shall send written notification of the
21 application to the most recent previous address of the person responsible for payment and the
22 address for which service has been requested.

1 (d) If an applicant indicates that a third party is responsible for payment, a utility shall send
2 written notification of the approval or denial of an application to both the third party and the
3 applicant within 5 days of the application's approval or denial, although a utility may notify
4 the third party and applicant before written confirmation is sent. If service is refused, the
5 written notification shall include the information in par. (b) 1. to 3.

6 **PSC 185.305 Application for nonresidential service.** (1) For purposes of this section,
7 "written" or "in writing" means legibly printed on paper or, with the intended recipient's
8 permission, legibly printed in an electronic form that the recipient can electronically store
9 and retrieve for future reference.

10 (2)(a) A user of water service shall apply for service in a form specified by the utility.

11 (b) A utility may require a verbal or written application for nonresidential service. The
12 utility shall establish a written policy for when a written application is required. A utility may
13 accept an application for service from a person other than the user or potential user of service

14 (c) The utility may only require that an applicant provide the following information in an
15 application:

16 1. Legal name of the user of service and the person responsible for bill payment, if different
17 than the user.

18 2. Telephone number of the user of service and the person responsible for bill payment, if
19 different than the user.

20 3. Address where service is to be provided.

21 4. Mailing address if different from service address.

22 5. Date requested for service to begin.

1 6. The most recent previous address of the person responsible for bill payment.

2 7. Credit information under par. (e).

3 8. Initial identification data under par. (f).

4 (d) A utility may request information other than that listed in par. (c), but before requesting it
5 the utility shall inform the applicant that providing that information is optional.

6 (e) A utility may request reasonable credit information from a nonresidential applicant as part
7 of its application for service. A utility shall establish a written policy about when it will
8 request credit information and what credit information it will request.

9 (f) A utility shall accept any of the following items as adequate initial identification data:

10 1. Federal employer identification number or proof that it has been applied for but not yet
11 granted.

12 2. Wisconsin department of financial institutions identification number.

13 3. Wisconsin seller's permit identification number.

14 (g) A utility may refuse service for failure to provide any information specified in pars. (c) 1.
15 to 7., or (f).

16 **Note:** See sub. (3) (a) about what can be required if an applicant refuses to provide the initial
17 identification data under par. (b) 8.

18 (3) IDENTITY VERIFICATION. (a) A utility may require verification of the initial identification
19 data of an applicant for nonresidential service under any of the following circumstances:

20 1. An applicant refuses to provide the information under sub. (2) (c), (e) or (f).

21 2. The utility finds, with reasonable certainty, that the information provided under sub. (2)

22 (c), (e) or (f) is inadequate or falsified.

1 (b) A utility shall establish a written policy for when it will require verification of identity
2 under this subsection.

3 (c) A utility shall accept any of the following items as adequate verification of identity:

4 1. State or federal income tax returns.

5 2. Internal Revenue Service letter assigning federal employer identification number.

6 3. Wisconsin seller's permit or department of revenue letter assigning a Wisconsin seller's
7 permit identification number.

8 4. Business articles of incorporation, partnership agreement, limited liability company
9 articles of organization, or similar organizational documents.

10 (d) A utility may refuse or disconnect service if it does not obtain adequate verification of
11 identity.

12 (4) PROCESSING APPLICATIONS AND PROVIDING NOTICE. (a) A utility shall approve or deny an
13 application for service no later than 5 days after receipt of the information required under this
14 section.

15 (b) A utility shall notify the applicant in writing within 5 days of the denial of application. A
16 utility may notify an applicant verbally before written notification is sent. An application
17 shall be considered denied when a service refusal has been finalized and no immediate
18 conditions that could change that refusal remain. The notification shall include all of the
19 following:

20 1. An explanation of why service is being refused.

21 2. The applicant's right to ask commission staff to review the refusal.

22 3. The commission's address, telephone number and web site.

1 **Note:** For example, if a utility has told a customer that it would supply service if the customer makes a
2 payment, enters a deferred payment agreement or provides additional identity information under sub. (3), the
3 refusal is still conditional and has not been finalized.

4 (c) If a third party applies for service, a utility shall send written notification of the
5 application to the potential user's mailing address and the address for which service has been
6 requested.

7 (d) If an applicant indicates that a third party is responsible for payment, a utility shall send
8 written notification of the approval or denial of an application to both the third party and the
9 applicant within 5 days of the application's approval or denial, although a utility may notify
10 the third party and applicant before written confirmation is sent. If service is refused, the
11 written notification shall include the information in par. (b) 1. to 3.

12

13 **SECTION 9.** PSC 185.33(18) and 185.37(2)(L) are repealed.

14

15 **SECTION 10.** PSC 185.37(2)(k) is amended to read:

16 PSC 185.37 (2) (k) Failure of an applicant for utility service to provide ~~adequate verification~~

17 ~~of identity and residency, as provided in sub.~~

18 ~~(5)(a);~~ the information or documentation required by ss. PSC 185.30 or 185.305.

19

20 **SECTION 11.** This rule shall take effect on the first day of the month following publication in
21 the Wisconsin administrative register as provided in s. 227.22(2) (intro.), Stats.

22

STATE OF WISCONSIN DEPARTMENT OF ADMINISTRATION DOA 2049 (R 07/2011)		
ADMINISTRATIVE RULES FISCAL ESTIMATE AND ECONOMIC IMPACT ANALYSIS		
Type of Estimate and Analysis		
<input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected		
Administrative Rule Chapter, Title and Number		
PSC Ch. 113, 134 and 185		
Subject		
Applications for Utility Service, Fair and Accurate Credit Transactions Act of 2003 (FACT)		
Fund Sources Affected	Chapter 20 , Stats. Appropriations Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG SEG-S		
Fiscal Effect of Implementing the Rule		
<input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs <input type="checkbox"/> Could Absorb Within Agency's Budget <input type="checkbox"/> Decrease Costs
The Rule Will Impact the Following (Check All That Apply)		
<input type="checkbox"/> State's Economy <input type="checkbox"/> Local Government Units	<input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Public Utility Rate Payers	
Would Implementation and Compliance Costs Be Greater Than \$20 million?		
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Policy Problem Addressed by the Rule		
This rulemaking is intended to harmonize PSC regulations and federal law that requires utilities to take steps to prevent identity theft.		
Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)		
Chapters PSC 113, 134, and 185 contain service rules for the electric, gas and water industries. Changes are being proposed to ensure that these rules do not interfere with a utility's ability to comply with FACT. The changes will allow a utility to refuse service if an applicant fails to provide adequate identity documentation, something that is not allowed under existing rules. Public utilities may incur some compliance costs updating their customer service policies. Comments from the water industry on the draft Economic Impact Analysis noted that requiring municipal water utilities to take applications for service from every new user of service would impose an economic hardship on those utilities that otherwise only require an application the first time service is established at a property. No dollar amounts were included and the impacts appear to be utility specific rather than on a specific sector or the economy as a whole. Utility specific impacts will be considered as part of the hearing process.		

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule
<p>Implementing the new rule will allow public utilities to comply with their obligations under various provisions of FACT, the Fair Credit Reporting Act, 31 CFR 103.121, 16 CFR 614 and 681, and 31 CFR 103.121, which address identity theft risk identification and prevention. An alternative to the proposed rule would be to retain the current rules for applications for utility service. Current Commission rules, however, do not allow public utilities to request sufficient supporting documentation for new applicants under current federal law.</p>
Long Range Implications of Implementing the Rule
None.
Compare With Approaches Being Used by Federal Government
<p>This rule making is intended to harmonize PSC regulations and federal law that requires utilities to take steps to prevent identity theft.</p>
Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)
<p>Michigan allows utilities to request customer identification similar to the proposed rule (MI Admin. Rule 460.106). Illinois (see e.g. 83 Ill. Adm. Code 280.70), Minnesota and Iowa (see Iowa Admin. Code r. 199-19.4(16)) do not have administrative rules either allowing or prohibiting a utility to require an i.d. as a precondition for service, but each state requires utilities to comply with company specific tariffs when they review applications for service. Many of those tariffs allow utilities to require supporting documentation, including i.d.</p>
Name and Phone Number of Contact Person
Lisa Farrell 608-267-9086